

ECONOMIC DEVELOPMENT

6.1 INTRODUCTION

Iron County, like much of the surrounding area, has a long association with logging and tourism. The county's woodlands and heavy annual snowfall sustain manufacturing and tourism. Over half the manufacturing jobs in the county are related to wood products production.

Several factors or characteristics of the labor force and the economic base of the county play a major role in its economic development and is discussed in this element. In addition, the strengths and weaknesses of the county with respect to attracting and retaining businesses is explored, along with an inventory of the top 20 existing businesses. Finally, state, federal, regional, and county economic development programs and organizations will be identified that apply to Iron County.

6.2 REQUIREMENTS

This element shall assess categories or particular types of new businesses and industries desired by the county and assess strengths and weaknesses with respect to attracting and retaining businesses and industries. Objectives, policies, goals, maps, and programs to promote the stabilization, retention, or expansion of the economic base will be compiled. Regional, state, and federal economic development programs that apply to the county will be identified.

6.3 LABOR FORCE

The labor force is that portion of the population 16 years or older that is employed or unemployed but actively looking for a job. Table 6.1 gives an overview of some of the characteristics of the population and labor force in Iron County and Wisconsin.

Table 6.1: General Characteristics of the Population		
Characteristics	Iron County	Wisconsin
Labor Force, 2002	3,342	3,027,589
Unemployment Rate, 2002	8.5%	5.5%
Labor Participation Rate, 2002	59.0%	73.0%
Education Beyond High School (25 and over), 2000	45.5%	50.6%
Bachelor's Degree or Higher (25 and over), 2000	13.2%	22.4%
Per Capita Personal Income, 2001	\$21,936	\$29,196
Median Household Income, 1999	\$29,580	\$43,791
Average Annual Wage, 2002	\$21,084	\$32,422
Poverty Rate, 1999	11.1%	8.7%
Median Age, 2000	45.0	36.0

Sources: 2000 Census, SF 1 & SF 3, WI Department of Workforce Development, U.S. Bureau of Economic Analysis

Iron County's population over the age of 60 is a much larger share of the total than the state or the nation. This is reflected in the county's median age of 45.0 years, which is substantially higher than the state (36.0 years) or the national (35.3 years) median age and is the second highest in the State of Wisconsin.

The labor force participation rate is the number of residents who are either working or looking for work divided by the total non-institutional population over 16 years of age. One of the primary reasons for the low labor force participation rate in the county is the large share of population over age 65. An increasingly aging labor force, a low birth rate, and the loss of younger workforce members will have dire consequences on the future labor supply of Iron County and, therefore, will have an effect on the county's economy.

Despite some job reductions from manufacturing and service employers, employment has remained relatively stable in Iron County; however, the unemployment rate in the county has always been much higher than the rate of either the state or the nation. Large fluctuations in seasonal jobs in construction and tourism cause the unemployment rate to elevate during some months of the year, thus contributing to a higher annual average rate. In 2002, a high unemployment rate of 13.0 percent occurred in April and a low rate of 5.6 percent occurred in September.

Although Wisconsin had a higher majority (69%) in 2000-2001 of high school students that pursued some form of post secondary education after graduation compared to a national estimate (60%)¹, it lags behind the nation in its ability to retain those students following completion of their degree program. The national average is 71.3 percent compared to Wisconsin at 61.6 percent.² Iron County, like the state, suffers from this college out-migration commonly referred to as "Brain Drain." Additionally, Iron County has a lower number of students seeking post secondary education than the state; however, it should be noted that Census post secondary education data does not include those who have participated in vocational or technical training/certificate programs unless the minimum of an associate degree is or will be awarded. Given the large manufacturing presence in the state, vocational/technical programs have high participation rates in these areas. Though enrollment in technical/vocational programs in university and technical college systems is not considered post-secondary attainment by the Census, it is believed that some who hold certificates from these programs may have self-reported this as some level of college education on census questionnaires, but just how many is unknown.³ It is most likely that the composition of the industry base and the lack of professional jobs in the county contribute to this lower number.

Low wages are prevalent in Iron County and are a significant factor causing lower incomes and a high poverty rate. The average annual wage in the county is only 67 percent of the state average. There are several reasons for the low wages that are endemic in the county. A large percentage of employment in the county is in retail trade and leisure and hospitality industries, which are

¹ Wisconsin Department of Public Instruction

² Indiana's Human Capital Retention Project. Graduate Migration from Indiana's Postsecondary Institutions. Bloomington, IN. Indiana Fiscal Policy Institute. March 1999

³ Wisconsin Department of Workforce Development. Mortarboards, Paychecks, and Crystal Balls: The Link Between Education and Wisconsin's Labor Force. October 2002

low paying service industries. Jobs in these industries are often seasonal and part-time; therefore, the people in these jobs do not work the standard number of hours in a year, which reduces the average annual wage.

6.4 ECONOMIC BASE

Iron County is a rural county with a total area of 919 square miles and a 2000 population of 6,861. Of the total land area (757 sq. miles) in the county, woodlands make up 91 percent. Water area in the county encompasses 162 square miles or 17.6 percent of the total area.

Employment by Industry

In 2003, Iron County was home to an average of 261 businesses. Table 6.2 lists the county's businesses by industry sector using the new North American Industry Classification System (NAICS). Jobs that are exempt or otherwise not covered by unemployment insurance are not included in the CEW tabulations.

Industry Sector	Average # of Businesses	Average Employment	Avg. Annual Wage	% Of Total Businesses	% Of Total Employment
All Industries	261	2,154	\$22,428	100.0%	100.0%
Goods Producing	61	617	\$28,408	23.4%	28.6%
Construction	41	234	\$33,312	15.7%	10.9%
Manufacturing	12	329	\$24,442	4.6%	15.3%
Natural Resources & Mining	9	54	\$31,096	3.4%	2.5%
Agri., Forestry, Fishing & Hunting	ND	ND	ND	NA	NA
Mining	ND	ND	ND	NA	NA
Service Producing	200	1,538	\$20,047	76.6%	71.4%
Education & Health Services	15	402	\$26,398	5.7%	18.7%
Educational Services	ND	ND	ND	NA	NA
Health Care, Social Assistance	13	232	\$25,192	5.0%	10.8%
Financial Activities	19	67	\$24,287	7.3%	3.1%
Finance and Insurance	8	40	\$33,348	3.1%	1.9%
Real Estate, Rental, Leasing	11	28	\$10,868	4.2%	1.3%
Information	ND	ND	ND	NA	NA
Leisure & Hospitality	57	354	\$8,724	21.8%	16.4%
Arts, Entertainment, Recreation	3	20	\$15,922	1.1%	0.9%
Accommodation and Food Services	54	335	\$8,289	20.7%	15.6%
Other Services	14	35	\$19,419	5.4%	1.6%
Professional & Business Services	15	41	\$19,801	5.7%	1.9%
Professional, Technical Services	8	23	\$19,947	3.1%	1.1%
Mgmt. of Companies, Enterprises	ND	ND	ND	NA	NA
Administrative, Waste Services	ND	ND	ND	NA	NA
Public Administration	21	190	\$28,975	8.0%	8.8%
Trade, Transportation, Utilities	59	446	\$18,833	22.6%	20.7%
Wholesale Trade	5	50	\$32,721	1.9%	2.3%
Retail Trade	38	334	\$15,921	14.6%	15.5%
Transportation, Warehousing	16	62	\$23,789	6.1%	2.9%
Utilities	0	0	0	0	0

Sources: U.S. Dept. of Labor, Bureau of Labor Statistics, WI Department of Workforce Development
 ND = Non Disclosable--data do not meet BLS or State agency disclosure standards.

Nonemployers are businesses with no paid employees but are subject to federal income tax. These nonemployers are typically self-employed individuals or partnerships that they have chosen not to incorporate. In 2000, there were 452 nonemployer establishments in Iron County. Per Census 2000, the share of self-employed and unpaid family members is twice as great in Iron County (12.6%) than in the state (6.4%).

Under the new classification system, NAICS, school districts are included in the Education and Health sector, not with government jobs as they were under the old system. As shown in Table 6.2, the second largest number of jobs in Iron County is in the Education and Health industry sector. This is due to the first and third largest employers in the county being the Hurley School District and the Villa Maria Healthcare Center.

Although the Manufacturing sector has only 12 businesses, it has a large number of employees. The main reason is that two of the top four largest employers in the county are manufacturers

The largest number of businesses is in the Leisure and Hospitality and Trade, Transportation, & Utilities industry sectors. Tourism-related establishments in the county, including everything from food and clothing stores to motels and restaurants, account for this number.

Iron County Businesses

Table 6.3 lists the top 23 employers in Iron County as of June 2003. More than ¾ of these companies are located in the City of Hurley and the rest are located in the Town of Mercer.

Employer Name	Industry Product or Service	Employment Size Range
Hurley School District	Elementary and Secondary Schools	100-249
Action Floor Systems, LLC	Other Millwork (including Flooring)	100-249
Villa Marie Healthcare Center	Nursing Care Facilities	100-249
Art Unlimited Sportswear, LLC	Men's and Boy's' Cut and Sew Other Outerwear Mfg.	50-99
County of Iron	Executive & Legislative Offices	50-99
Wayne Nasi Construction, Inc.	Commercial & Institutional Bldg. Construction	50-99
Copps Food Center	Supermarkets & Other Grocery Stores	50-99
Giovanoni True Value Hardware, Inc.	Hardware Stores	50-99
Liberty Bell Chalet, Inc.	Limited-Service Restaurants	50-99
Snow Country Hardwoods, Inc.	Other Millwork (including Flooring)	20-49
School District of Mercer	Elementary and Secondary Schools	20-49
Snowbelt Hardwoods, Inc.	All Other Miscellaneous Wood Product Mfg.	20-49
Angelo Luppino, Inc.	All Other Specialty Trade Contractors	20-49
Highline Corporation	Vocational Rehabilitation Service	20-49
Days Inn	Hotels and Motels	20-49
North Star Beverage Co., Inc.	Other Grocery & Related Products Merch. Wholesalers	20-49
Ero L. Nasi Construction Co. Inc.	Commercial & Institutional Bldg. Construction	20-49
Eagle Bluff County Club, Inc	Golf Courses and Country Clubs	20-49
Hurley Dairy Queen	Snack and Non-alcoholic Beverage Bars	20-49
Sky View Nursing Center, LLC	Nursing Care Facilities	20-49
Associated Bank, NA	Commercial Banking	20-49
A Constantini Inc.	Beer, Wine, & Liquor Stores	20-49
Pine Lake Lodge Inc.	Full-Service Restaurants	20-49

Source: WI Department of Workforce Development, June 2003

Iron County Timber Resource

In 2003, Iron County Forest sold 17 timber sales in open bidding. The two advertisements placed 1,544 acres under contract with 25 local and regional loggers. Sales sold in 2003 averaged 7.5 cords per acre (11,655 cords total), 0.428 thousand board feet (Mbf) per acre (661Mbf total) and were worth \$340 per acre (\$525,456 total). In 2003 Iron County Forest closed out 38 timber sales totaling 2,693 acres. There were 26,583 cords and 995Mbf scaled. A total of \$659,978 was paid.

An acre of ICF land, under contract, produced 9.87 cords and 0.369Mbf: approximately \$245 per acre. Iron County Forest produced approximately \$3.99/acre, total forest acreage.

Using NWRP multipliers, the wood produced on ICF in 2003, provided 1250 potential jobs, 57 direct jobs and 150 indirect jobs.

County Commuter Patterns

As indicated by Table 6.4, Iron County had a large share of workers employed outside of the county. More than 45 percent of the commuting workforce who lived in the county traveled to another area to work. Of the 1,278 workers who traveled outside of the county, roughly 53 percent traveled to jobs in Gogebic County. Nearly 68 percent (455) of them headed to jobs just over the state line in the City of Ironwood, Michigan.

Live In:	Work In	Count	Travel To:	From:	Count
Iron Co. WI	Iron Co. WI	1,528	Iron Co. WI	Iron Co. WI	1,528
	Gogebic Co. MI	671		Gogebic Co. MI	709
	Vilas Co. WI	224		Vilas Co. WI	50
	Ashland Co. WI	146		Kenosha Co. WI	44
	Oneida Co. WI	62		Ashland Co. WI	20
	Price Co. WI	47		Price Co. WI	11
	Lincoln Co. WI	12		Brown Co. WI	10
	Bayfield Co. WI	11		Ontonagon Co. MI	10
	Dane Co. WI	11		Oneida Co. WI	10
	Elsewhere	94		Elsewhere	39
	<i>MI Subtotal</i>	<i>678</i>		<i>MI Subtotal</i>	<i>730</i>
Totals		2,806	Totals		2,431

Source: Census 2000, County to County Worker Flow Files, WI Dept. of Workforce Development

Most of the workers traveling into the county came from Gogebic County. The City of Hurley attracted the most commuters.

6.5 ATTRACTING AND RETAINING BUSINESS AND INDUSTRY

Historically, business attraction has centered on manufacturing and will likely continue to do so; but increasingly, attracting retail, tourism, technology, and service-oriented businesses has become important in order to diversify and expand business clusters in the area. To be successful, an attractive and competitive environment must be provided. Entrepreneurship and small business development is necessary to create new jobs and provide stability to the local economic base.

In August 1999, in response to the closure of the Fort James Mill in the City of Ashland, in neighboring Ashland County, and the loss of many high paying, high skilled jobs in the area, a three-county economic development strategy was devised for Ashland, Bayfield, and Iron Counties. Part of that strategy included the Iron County Economic Development Diversification Plan, which was written to address long-term economic development issues and in an attempt to prevent economic distress at that level in the future. The project involved developing economic development diversification strategies for each county and strategies that could be pursued by all three counties together.

According to the Iron County Comprehensive Plan Survey results to Question 41, “What types of industries do you believe are the most important for Iron County to attract,” respondents indicated that the most important types of industries to attract to Iron County are light industry/manufacturing, tourism businesses, timber resource industries, and high-tech industries. Table 6.5 shows all the responses to the question. An item of note is that more non-residents than residents believe tourism and service businesses are more important to attract to Iron County.

Table 6.5: Types of Industries Believed to be Most Important for Iron County to Attract				
Industry	Resident % Of Total	Non-Resident % Of Total	County Totals	
			Number	% Of Total Responses
Light Industry/Manufacturing	57.2%	42.8%	1,559	68.4%
Tourism Businesses	44.8%	55.2%	1,454	63.8%
Timber Resource Industries	54.1%	45.9%	1,081	47.5%
High Tech Industries	59.3%	40.7%	951	41.7%
Service Businesses	47.7%	52.3%	910	39.9%
Retail Development	56.7%	43.3%	878	38.5%
Agriculture (dairy, tree, and cranberry farms)	44.7%	55.3%	726	31.9%
Heavy Industry/Manufacturing	68.6%	31.4%	546	24.0%
Public Sector, Governmental	51.8%	48.2%	330	14.5%

Source: Iron County Comprehensive Plan Survey Results (Total County Responses = 2,278)

Because of structural changes in the economy and the transition from a primarily physical-labor industrial age economy to an intellectual-labor, information age or knowledge-based economy, the development of technology-based businesses has become even more important to attract high-skilled, high-paying jobs. Iron County, as indicated in the following sections, has the necessary amenities, such as high-speed Internet access, adequate power sources, and access to financing to attract knowledge-based businesses.

It is estimated that 85 percent of the employment in an area is generated by the existing businesses; therefore, retaining these companies is a high priority for local officials and economic development organizations. To accomplish this, the obstacles that restrict the growth of existing businesses must be removed and assistance must be given to them to help them remain competitive in a global economy. This section provides information on existing

programs, initiatives, infrastructure, and organizations available to attract/retain businesses and industries in Iron County.

SuperiorLife Technology Zone Program

In June 2002, Iron County was one of six counties in Northwest Wisconsin designated as a Technology Zone (called SuperiorLife) by the Wisconsin Department of Commerce. Developed out of the Build Wisconsin Initiative, the Technology Zone program brings \$5 million in income tax incentives for high-tech development in the area. The Technology Zone program will help the county generate high-wage jobs through the startup and expansion of technology-based businesses. The Department of Commerce will certify eligible businesses for tax credits based on their ability to create high-wage jobs and investment and support the development of high-tech industries in the region.

Iron County Development Zone Program

Iron County was designated as a Wisconsin Development Zone and includes the Cities of Hurley and Montreal and the Towns of Saxon, Kimball, Carey, Oma, Gurney, Anderson, Knight, Pence, Sherman, and Mercer. As a Development Zone, special state incentives are available to qualifying businesses that locate or expand within the zone.

The Community Development Zone program is a tax benefit initiative designed to encourage private investment and to improve both the quality and quantity of employment opportunities. It offers non-refundable tax credits for new, full-time jobs created by a business. Furthermore, it offers a non-refundable environmental remediation credit for all eligible environmental remediation costs.

Workforce Development

WoodLINKS-USA is a program designed to respond to the serious lack of skilled workers in the wood industry. It is an industry education partnership designed to enhance the wood product industry competitiveness and economic development through significant improvement of entry-level work force skills through high school curriculum. The program combines traditional classroom training with experienced based learning both in schools and in cooperating industry partners. The program is being proposed to all high schools in the area, including those in Iron County.

Gogebic Community College, in neighboring Ironwood, Michigan, offers two-year associate degrees in pre-professional transfer programs as well as technical career programs. The college offers one of only two Ski Area Management programs in the nation and has a full-service ski hill right on campus.

Wisconsin Indianhead Technical College (WITC) is an accredited postsecondary educational institution serving northwestern Wisconsin. Although neither a campus nor a branch is located in Iron County, there is a campus in neighboring Ashland County. WITC offers customized training and technical assistance to business and industry to help them become more competitive, increase productivity, and to retain workers. This customized training is available at the business site or in a campus classroom setting.

Another technical college located nearby is Northcentral Technical College (NTC), which has a regional campus in Phillips, Price County. NTC offers credit courses in several associate degree and diploma programs through self-paced "Flex Labs," interactive television, and conventional classroom settings. All campuses offer counseling and career development services, as well as a wide variety of continuing education and vocational classes.

Also located in nearby Ashland is Northland College. It is a four-year baccalaureate degree college that is internationally known for its outstanding environmental degree programs. In addition, Northland's Management & Leadership program, evening classes, and graduate classes make possible a wide range of learning experiences for non-traditional students.

Nicolet Technical College is a public community college serving Northern Wisconsin from its campus on Lake Julia south of Rhinelander in Oneida County. The College offers one- and two-year career diplomas and degrees, liberal arts university transfer studies, and a comprehensive continuing education program. Nicolet currently serves over 1,500 students each semester with offerings in vocational-technical and liberal arts and approximately 10,000 in continuing education, trade extension, and apprenticeship programs.

The University of Wisconsin-Extension (UW-Ext.) acts as a doorway to the public university for residents throughout the state. Through its partnerships with 26 UW campuses, Wisconsin counties, tribal governments and other organizations, UW-Ext. provides a variety of valuable lifelong learning opportunities for Wisconsin citizens. Its Outreach and E-learning division offers continuing education opportunities for the professions, business and industry, workers and the general public. The division supports a variety of distance education programs, including online undergraduate and graduate degree programs.

The Northwest Wisconsin Concentrated Employment Program, Inc. (NWCEP) is a non-profit corporation whose mission is to strengthen the economy by providing effective and efficient workforce development services to businesses and workers. In existence since 1968, it administers programs to help local youth and adults gain marketable skills and find better jobs. In addition, NWCEP provides a variety of services, including workshops, conferences, and newsletters for businesses and business development. NWCEP has its main office in neighboring Ashland County. In addition, there is a satellite office located in Park Falls in neighboring Price County.

Business Development Assistance

There are several options available for small businesses in Iron County seeking technical assistance. One is the Wisconsin Business Innovation Corporation (WBIC), a partner organization formed by the Northwest Regional Planning Commission (NWRPC). Since its beginning in 1996, WBIC has developed a unique array of technical, financial, and business support services for start up and expanding businesses. This work involves analyzing a firm's financial needs including preparation or review of financial projections, analyzing requirements and procedures of the various financing programs, identifying the appropriate funding sources, structuring sources and uses of funds, and the preparation of forms and documents needed in applications.

The University of Wisconsin Extension provides business development resources to Iron County communities through business development and financing workshops and seminars, business counseling, business publications and resources, business and market feasibility analysis, and demographic information services.

Another source for technical assistance is the University of Wisconsin-Superior Small Business Development Center (SBDC). It assists entrepreneurs, small business owners, and managers who are in the pre-venture, start-up, or existing business stage. SBDC offers confidential, one-to-one counseling on business management topics through personal visits, email, and telephone. The center maintains a business-to-business network so a new business can ask for business expertise from a pertinent resource.

Technical assistance for small businesses is also available through the SCORE Association (Service Corps of Retired Executives), which is a resource partner with the U.S. Small Business Administration. There is a chapter in Douglas County that offers help with any business questions, strategy, and concerns. Small business counseling is available via telephone, email, workshops, and activities.

Access to Financing and Venture Capital

Because small businesses create the lion's share of new jobs, they are the most in need of reasonable financing for job-creating expansions and start-ups. Here are some programs that businesses in Iron County can take advantage of.

The Northwest Wisconsin Business Development Corporation (NWBDC) is a non-profit corporation formed by NWRPC to address the critical need for business financing in northwest Wisconsin. Although its office is located in Washburn County, its service area is the entire ten-county region. It is targeted at the best economic development opportunities of the area: the timber and wood products industry, tourism, and other manufacturing and service industries.

NWBDC manages three revolving loan funds (RLFs) and a technology seed fund. The overall goal of the RLFs is to stimulate private sector investment in long-term business assets and to create new jobs. The funds partially fill the gap in private capital markets for long-term fixed rate financing. The technology seed fund can be used to complete research and development activities and validate the technology, develop prototypes, and file patents and copyrights.

In addition to the NWBDC loan funds, Iron County and the Town of Mercer have local revolving loan funds available to small businesses for start up and expansion purposes. The funds were originally established by economic development grants from the Wisconsin Department of Commerce to assist local entrepreneurs with their business ventures.

In late 2000, a community-based venture capital (equity) fund called the Wisconsin Rural Enterprise Fund, LLC (WREF) was established by the Wisconsin Business Innovation Corporation. It was formed to create a capital fund that would provide self-sustaining, moderate growth through financial investments made in rural businesses that meet the WREF criteria. Technology intensive businesses, which have the potential to create high-skilled, high-wage jobs in rural areas, are the targeted businesses. Currently, it is the only Northwest Wisconsin

community-based venture capital fund; and its members include, besides WBIC, rural electric cooperatives, and local community development organizations.

6.6 TECHNICAL AND PHYSICAL INFRASTRUCTURE

Iron County has superior transportation facilities to serve existing and future businesses. An excellent roadway system is available in Iron County providing easy truck freight access to businesses in the county. General cargo service is available at Duluth/Superior. Nearby Ashland and Ontonagon, MI, are the nearest deep-water ports. Airport service is located at the Gogebic/Iron County Airport.

Other physical infrastructures, like sewer, water, natural gas, electrical services, and telecommunications are readily available to businesses in key areas of the county. Rural areas in Wisconsin, such as Iron County, are further ahead than many urban areas in the availability of high speed Internet access. Technology infrastructure in Iron County is widespread and includes T1, T2, T3 lines, DSL, cable, dial up, and fiber optic.

6.7 QUALITY OF LIFE

A good quality of life is becoming increasingly important to employers and employees alike, not only in Wisconsin, but around the country. Iron County has a premium quality of personal life, with a beautiful physical environment, excellent quality and quantity of water, a good public education system, excellent public services, and an above average labor force with a good work ethic.

Besides good schools, modern health care facilities and medical professionals are readily available to Iron County residents. Furthermore, the greater Iron County area boasts the greatest concentration of fine arts and cultural events of any northern Wisconsin community.

Natural, recreational, and lifestyle amenities abound throughout the county and tranquility and solitude of the great outdoors is plentiful. Iron County is far enough north to escape the crowds, yet has exceptional four-season recreational opportunities. The lack of traffic jams, low crime rates, and low costs enhance the quality living environment. Clean, unpolluted air, as well as lots of open space for recreation and expansion, adds to the general overall quality of life to residents of Iron County.

6.8 STRENGTHS AND WEAKNESSES

Based on input from representatives from economic development organizations, the county board, local businesses, and local units of government from Iron County, the following were identified as strengths and weaknesses of the county with respect to attracting and retaining businesses and industries.

Strengths

- Excellent highway system
- Strong work ethic
- Local revolving loan funds
- Industrial park development
- Many inland lakes and rivers
- Abundant clean water supply
- Great school system
- Abundance of year-round recreation
- Active chambers, civic groups, and development groups sponsoring events
- Nearby airport
- County agencies work well together
- Much county owned hardwood forest land
- Available retail space
- Safe place to live, work, and play
- Availability of natural gas

Weaknesses

- Regional high taxes
- Lack of new/youthful leadership in the business community
- Business sector lacks diversity
- Diminished rail service
- Challenging location for business attraction
- Somewhat shabby appearance
- Low wage scale
- Lack of shopping opportunities
- Lack of meeting facilities
- Short supply of housing
- Inadequate recreational parking
- Highly seasonal tourism
- Lack of peak time traveler lodging

6.9 BUSINESS AND INDUSTRY SITES

Throughout Iron County, local units of government have land or, sometimes, buildings available and suitable for business and industrial development. Following is a listing of industrial park space available throughout the county.

- City of Hurley – The industrial park in Hurley has 264 out of a total of 310 acres available for development. All public facilities including roads, water, sewer, electricity, and gas are available in the park.
- Town of Kimball – The industrial park in Kimball has 18 acres with 10 acres already developed. All public facilities, including roads, water, sewer, electricity, and gas are available in the park.
- Town of Mercer – The industrial park in Mercer has 40 acres out of a total of 105 acres available for development. All public facilities are available in the park. A new 30-acre industrial park is currently being developed. Water, sewer, and three-phase power will be available throughout the park.

- City of Montreal – Available and ready for industrial development in Montreal are 200 acres of land. Public facilities available include water, sewer, electricity and gas; but roads have not been created in the park.

6.10 TOURISM IMPACT TO THE LOCAL ECONOMY

Iron County is a vacationland for local and distance travelers and ranks 47th in the state for traveler spending⁴. Local events and natural resources significantly contribute to the number of visitors to Iron County. Businesses that cater to tourism, such as motels, resorts, campgrounds, B&Bs, and retail stores complement the hundreds of miles of snowmobiling and biking trails as well as the many parks, golf courses, historic sites, waterfalls, ski hills, cross-country ski trails, Lake Superior, and area attractions.

According to the Wisconsin Department of Tourism, traveler spending statewide has continued to increase reaching an estimated \$11.7 billion in 2003 (December 2002-November 2003). Visitors to Iron County in 2003 spent an estimated \$57 million. Summer is the biggest season and generated traveler expenditures of \$22 million. Winter/spring travelers spent \$21 million and fall visitors spent \$14 million.

Tourism is an extremely vital part of Iron County's economy. Since 1993, travel expenditures in Iron County increased over 64 percent, from \$34 million to \$57 million. Jobs in the county created as a direct result of tourists equaled 1,051. That number jumps to 1,513 full-time equivalent jobs when counting all people employed both directly and indirectly as a result of traveler spending in Iron County. Translated to total county workforce, it means that nearly half of all people employed in Iron County are in jobs created by tourism. Employees in the county earned an estimated \$35 million in wages generated from tourist spending.

The total impact of tourism extends far into the county, making a contribution to schools and local governments. Local revenues (property tax, sales taxes, lodging taxes, etc.) collected as a result of tourist spending in 2003 amounted to an estimated \$2 million and state revenues (lodging, sales, and meal taxes) amounted to \$7 million.

The number of seasonal homes in Iron County is significant. According to Census 2000, nearly 38 percent of total housing units in the county are for seasonal, recreational, or occasional use.

⁴ Wisconsin Department of Tourism, May/June 2003

6.11 REDEVELOPMENT AND CONTAMINATED SITES

Redevelopment of contaminated or blighted locations can be of significant benefit to local units of government. Benefits range from removing potentially environmentally hazardous materials to adding tax base and jobs to the area. Too often, these sites are overlooked due to the perceived costs associated with redevelopment. Programs at the state and federal level can contribute to the cleanup of contaminated or blighted sites. The Petroleum Environmental Cleanup Fund Act and the creation of Tax Increment Districts can be used to redevelop and clean up contaminated and blighted sites.

Under the Environmental Repair Program (ERP), five locations are identified within the county (Table 6.6). ERP sites include industrial spills or dumping sites that need long-term investigation, buried containers of hazardous materials, and closed landfills that have caused contamination. The program also contains sites where above ground petroleum storage tanks have resulted in contamination.

Activity Name	Location	Jurisdiction	Risk
Midland Services Bulk Plt.	Hurley	WDNR	High
Sinclair Bulk Facility (Former)	Hurley	WDNR	High
Mercer LF #3030	Mercer	WDNR	Unknown
Mercer San. District	Mercer	WDNR	Unknown
Midland Services Bulk Plt.	Mercer	Commerce	Medium

Source: WDNR, BRRTS data (December 2003)

Leaking underground storage tanks (LUST's) are often a source of localized contamination problems and may pose threats to health and safety. These threats may include: contamination of soil and groundwater; contamination of drinking water; or contamination of lakes, rivers, and streams. Underground storage tanks are regulated in Wisconsin under:

- **Comm 10** Wisconsin Department of Commerce's rule governing installation, registration, maintenance, and abandonment of petroleum storage tanks
- **NR 746** - Applies specifically to sites where petroleum products have discharged from storage tanks
- **Comm 47** Department of Commerce rule that governs reimbursement from Petroleum Environmental Cleanup Fund Act (PECFA)
- **PECFA** Wisconsin's reimbursement program for eligible costs of cleaning up contamination from leaking underground and above ground petroleum storage tank systems, administered by the Department of Commerce.

Table 6.7: Iron County Open LUST Sites

Activity Name	Location	Jurisdiction	Risk
Citgo Food Mart	Hurley	WDNR	High
Fort Flambeau Resort	Mercer	WDNR	High
Hurley City Shop	Hurley	WDNR	High
Mercer School	Mercer	WDNR	High
Mikes Appearance Plus	Hurley	WDNR	High
North American, Inc.	Hurley	WDNR	High
Saari Union 76	Hurley	WDNR	High
Star Enterprises	Hurley	WDNR	High
Copps #117	Hurley	WDNR	Unknown
Deer Lodge	Mercer	WDNR	Unknown
Draeger Amoco/Mercer 76	Mercer	WDNR	Unknown
Iron County Sheriffs Dept.	Hurley	WDNR	Unknown
Island Lake Resort	Carey	WDNR	Unknown
Lucky Pierres North Resort	Mercer	WDNR	Unknown
Mercer ICO	Mercer	WDNR	Unknown
Yukon Inn	Oma	WDNR	Unknown
Cal Electronics	Mercer	Commerce	Medium
Iron County Hwy. Dept. Garage	Hurley	Commerce	Medium
Jerry's Amoco	Hurley	Commerce	Medium
Midland Services Inc.	Hurley	Commerce	Medium
Ray's Quick Mart, Inc. dba Ray's Mobil	Hurley	Commerce	Medium
Camperland & Marice Co., Inc.	Hurley	Commerce	Low
Frontier Inn	Sherman	Commerce	Low
Guenther Site	Hurley	Commerce	Low
Pine Trees Hideway	Mercer	Commerce	Low
Springstead Trading Post	Springstead	Commerce	Low
Thomas Service Station (Former)	Montreal	Commerce	Low

Source: WDNR, BRRTS data (December 2003)

The Department of Natural Resources has jurisdiction over 16 LUST sites in the county, while the Department of Commerce has jurisdiction over 11 sites (Table 6.7). Land uses should consider the potential negative impact of LUST sites and other pollution hazards. Wisconsin's corrective action rules (NR 140 & NR 700 series) define the process for management of environmental discharges from the time of discovery until site closure. Soil and groundwater cleanup standards under these rules are 'risk-based', with consideration of individual site conditions.

Redevelopment of contaminated sites for commercial or industrial uses is recommended, where applicable. Most often commercial and industrial uses will be more compatible with the past land uses than residential or park/recreation related land uses.

6.12 ECONOMIC DEVELOPMENT PROGRAMS AND ORGANIZATIONS

There are many programs at the federal, state, county, and regional level that can help Iron County in the support and development of economic development efforts. In addition, there are programs available for individual businesses to assist in start-up and expansion. This section contains a list of the major agencies and programs that are most likely to be used by the county in its economic development efforts. In addition to programs, there are economic development organizations throughout the county that provide assistance to local units of government and businesses. These are also listed in this section.

FEDERAL

Economic Development Administration

The U.S. Department of Commerce Economic Development Administration offers two programs for assistance with economic development that apply to Iron County. One is the Public Works and Economic Development Facilities Assistance Program, which supports the construction or rehabilitation of essential public infrastructure and development facilities necessary to generate private sector jobs and investment, including investments that support technology-led development, redevelopment of brownfield sites, and eco-industrial development. Secondly, the Economic Adjustment Assistance Program is available to: (1) address the immediate needs of businesses and communities presently undergoing transition due to a sudden and severe job loss; and (2) demonstrate new and proactive approaches for economic competitiveness and innovative capacity for threatened regions and communities.

USDA Wisconsin Rural Development

Several loan and grant programs of benefit to the county and local business development are available from the USDA Rural Development. One of those programs is the Community Facility Guaranteed Loans Program, which provides funding to local units of government to construct, enlarge, extend, or otherwise improve community facilities providing essential services in rural areas and towns.

The Rural Economic Development Loans and Grants Program helps develop projects that will result in a sustainable increase in economic productivity, job creation, and incomes in rural areas. Projects may include business start-ups and expansion, community development, incubator projects, medical and training projects, and feasibility studies.

The purpose of the Business and Industry Direct Loan Program is to improve, develop, or finance business, industry, and employment and improve the economic and environmental climate in rural communities. Loan purposes include purchase and expansion of land, equipment, buildings, and working capital. Loans to public bodies can be used to finance community facilities and construct and equip industrial plants for lease to private businesses.

The Community Facilities Direct Loans and Grants Program provides funding for essential community facilities (CF) such as municipal buildings, day care centers, and health and safety facilities. Examples include fire halls, fire trucks, clinics, nursing homes, and hospitals. CF

loans and grants may also be used for such things as activity centers for the handicapped, schools, libraries, and other community buildings.

STATE

Wisconsin Department of Commerce

At least three programs are available to local units of government through the Wisconsin Department of Commerce. The first program is the Community Development Block Grant for Economic Development (CDBG-ED). Its purpose is to provide resources to local governments that will enable them to assist economic development projects in their community. The local unit of government is the applicant and recipient of the funds. A specific business, which must be located in a municipality of 50,000 or less, is loaned the funds for eligible business development uses. When the funds are repaid to the local government, they may stay in the community to be used as a revolving loan fund to assist other businesses in the community.

The second program is the Community Development Block Grant Public Facilities for Economic Development (CDBG-PFED). Its purpose is to provide grant funds to local governments that will enable them to provide needed public facilities (i.e., streets, sewer mains, water mains, etc.) to private business enterprises that are going to create full-time jobs by starting or expanding their businesses because of the availability of the funded public facilities.

The third program available from the Wisconsin Department of Commerce is the Community-Based Economic Development Program (CBED). Its purpose is to provide financing assistance to local governments and community-based organizations that undertake planning or development projects or that provide technical assistance in support of business (including technology-based businesses) and community development.

Wisconsin Departments of Tourism and Commerce

The Tourism Development Initiative is a multi-faceted program designed to assist tourism businesses that have been severely affected by consecutive winters with minimal snowfall. The program offers planning and training grants that focus on tourism development and diversification at the business and municipal levels. A Snow Emergency Loan is available to qualifying small businesses that can document significant revenue loss caused by the lack of snow.

Wisconsin Department of Transportation

Available from the Wisconsin Department of Transportation is a program called the Transportation Facilities Economic Assistance and Development Program (TEA). The intent of the TEA program is to help support new business development in Wisconsin by funding transportation improvements that are needed to secure jobs in the state. A governing body, a business, a consortium group, or any combination thereof can apply for TEA program funding.

REGIONAL

Northwest Regional Planning Commission

The Northwest Regional Planning Commission is a cooperative venture of the local units of governments in the ten counties of Ashland, Bayfield, Burnett, Douglas, Iron, Price, Rusk, Sawyer, Taylor, and Washburn and the five tribal nations of Bad River, Lac Courte Oreilles, Red Cliff, St. Croix, and Lac du Flambeau in the region. The purpose of NWRPC is to assist the communities of the membership to promote sustainable economic development, develop public facilities, provide planning and technical services, efficiently manage and conserve natural resources, and protect the environment. Every five years, NWRPC, with the cooperation of the local units of government in its region, prepares a Comprehensive Economic Development Strategy for the entire Northwest Region.

In an effort to build a focused development strategy for the Northwest Region, NWRPC developed three non-profit development corporations, each focusing on a specific area need and opportunity including financing for business start up and expansions (Northwest Wisconsin Business Development Corporation), technology-based business development (Wisconsin Business Innovation Corporation), and affordable housing (Northwest Affordable Housing, Inc.).

Northwest Wisconsin Business Development Corporation

A strategic partner of the Northwest Regional Planning Commission, the Northwest Wisconsin Business Development Corporation, has available revolving loan funds to address a gap in private capital markets for long-term, fixed rate, low down-payment, and low interest financing to assist businesses in job creation/retention and growth.

SuperiorLife Technology Zone Program

The Technology Zone program was developed out of the Build Wisconsin initiative, which is firmly based in the concepts of promoting regional cooperation and developing a technology base. Iron County is part of the SuperiorLife Technology Zone and won designation as such by the Wisconsin Department of Commerce (WDOC) in 2002. Each designated zone will get \$5 million in income tax incentives for high-tech development. The (WDOC) will certify eligible businesses for tax credits based on their ability to create high-wage jobs and investment and support the development of high-tech industries in the region. The SuperiorLife Technology Zone offers the potential for growth in the computer software, medical, and forestry clusters, among others.

LOCAL

Economic Development Organizations

Several economic development organizations dedicated to community and business development exist in Iron County. Following is a list of these organizations that promote economic development or provide assistance to local units of government and businesses and industries within the county.

Iron County Development Zone Council

The Iron County Development Zone Council (ICDZC) is a public/private non-profit organization that promotes economic and community development in Iron County. Formed in 1989, it has

three objectives: 1) to coordinate economic development efforts within Iron County; 2) to provide answers to requests and inquiries by businesses interested in investing and creating jobs in the county; and 3) to facilitate the application process for the state's tax credits. The ICDZC also administers the County's Revolving Loan Fund, which is available to new and expanding businesses. Additionally, the ICDZC has been a very strong partner for tourism development in the county.

According to the UW Extension, Community for Economic Development, a total of over one million dollars in tax credits have been made available to businesses locating or expanding in Iron County. These tax credits have assisted in the creation of 300 new jobs and \$13 million in new private investment in the county since the Iron County Development Zone Council was created.

Funding for the ICDZC comes from contributions from local units of government and private industry. In addition, it has been the recipient of grant money for planning projects.

Iron County Resource Development Association, Inc.

The Iron County Resource Development Association, Inc. (ICRDA) is a private not for profit corporation that promotes development in Iron County, mainly in the Hurley Industrial Park. Formed in 1963, the ICRDA acquired the Hurley Industrial Park and made an investment for the expansion of the park to accommodate industries. The ICRDA has worked with the City of Hurley in obtaining grants for infrastructure improvements in the industrial park.

ICRDA owns land in and around the industrial park and has helped several new businesses start up in the park. It also owns a spec building, which it leases, and another building in the Hurley Industrial Park, which it also leases.

ICRDA has provided "seed money" for five community development projects in Iron County. Loans or loan guarantees have been made to nine businesses in three communities for start-up or expansion since 1990.

Iron County Economic Development Committee

The Iron County Economic Development Committee's main focus is to develop an industrial base in Iron County, which will bring higher wage jobs to the area. At the same time, the committee tries to expand the growing tourism industry in Iron County. It is composed of four Iron County Board members and one appointed member.

Hurley Downtown Development Authority

The Hurley Downtown Development Authority was formed about 15 years ago to help revitalize the downtown area of Hurley. Grant money was used to hire an architect to design a scheme for improving the appearance of the downtown businesses. Although it is still an entity, it has not been active since the completion of the project. In recent meetings of the ICRDA, there have been discussions of re-activating the Hurley Downtown Development Authority in an effort to brighten up the downtown area once again.

Mercer Downtown Development Committee

The Mercer Downtown Development Committee serves several purposes. In addition to trying to attract new businesses to the downtown, the committee works for improvements to the downtown area, such as a downtown park area and a bicycle and walking path. Another area of improvement the committee works toward is the appearance of the buildings in the downtown area.

Other Programs

There are many more federal, state, and local programs offering assistance to businesses. They are listed in the Economic Development Manual prepared by the Wisconsin Bankers Association and the Wisconsin Financing Alternatives booklet prepared by the Wisconsin Department of Commerce.

6.13 ECONOMIC DEVELOPMENT GOALS, OBJECTIVES, AND ACTIONS

An arrangement of recommended goals, objectives, and action steps have been developed to assist in the overall economic development effort of Iron County.

Goal: Promote a progressive pro-business climate to attract, retain and develop sound industries for the purpose of creating high skilled jobs that provide a living wage and that builds on current economic strengths.

Objective 1: Balance economic development needs with the desire for an enhanced quality of life that works to preserve the rural character of the County for existing and future residents.

Action: *Provide incentives for industrial and commercial developments that help preserve open space and natural areas.*

Action: *Provide guidance in directing new commercial and industrial development to locate in appropriate areas.*

Objective 2: Encourage development of a diverse economic base including light industrial, high tech manufacturing, tourism related activities and forest product industries.

Action: *Encourage development of high-tech jobs throughout the county by encouraging tax credits through the Superior Life Technology Zone.*

Action: *Provide economic development and business development education and training to prepare local workers for current and future job opportunities through the Iron County UW-Extension office and the UW-Superior Small Business.*

Action: *Expand existing and develop new revolving loan funds to assist in local economic development efforts.*

Action: *Support and work with local school officials on expanding the school-to-work program.*

Action: *Support and encourage the formation of a local business association to promote the area.*

Objective 3: Guide new industrial development to areas with existing infrastructure and services and encourage efforts to improve and expand on fully served industrial parks within the County.

Action: *Designate sites for industrial and commercial use that will be accessible from roadways of arterial class or higher, potentially served by utilities, and free of major environmental constraints.*

Objective 4: Encourage the expansion of tourism related industries throughout the county by supporting, enhancing and expanding on county tourism infrastructure, events, marketing and coordination.

Action: *Support the coordination of countywide economic development efforts through the Iron County Development Zone Council.*

Action: *Use county facilities and utilities where possible to promote businesses.*

Objective 5: Encourage home-based business development.

Action: *Work with utility companies to improve telecommunications throughout Iron County to accommodate home-based businesses.*