

ELEMENT 6: ECONOMIC DEVELOPMENT

6.1 INTRODUCTION

The Town of Mercer, the second largest community in Iron County, has a long association with logging and tourism as does the county and surrounding area. The area’s forestlands sustain manufacturing. This natural environment, coupled with the many lakes and heavy annual snowfall, support tourism. Roughly half of the town’s workers are employed by businesses in these industries.



Several characteristics of the population, labor force, and the economic base of the town play major roles in its economic development and will be discussed in this element. In addition, the strengths and weaknesses of the town, with respect to attracting and retaining businesses, will be explored along with an inventory of the existing businesses. Finally, this narrative will identify state, federal, county, and regional economic development programs and organizations that the Town of Mercer could utilize.

6.2 LABOR FORCE

The labor force is defined as those members of the population 16 years or older who are employed, or if unemployed, are looking for jobs. Table 6.1 gives an overview of some of the characteristics of the population and labor force in the Town of Mercer, Iron County, and Wisconsin.

Table 6.1: General Characteristics of the Population, Year 2000			
Characteristics	Town of Mercer	Iron County	Wisconsin
Civilian Labor Force	829	3,150	2,869,236
Unemployment Rate	10.0%	8.9%	4.7%
Labor Participation Rate	53.3%	55.0%	69.1%
Education Beyond High School (25 and over)	49.1%	45.5%	50.6%
Bachelor's Degree or Higher (25 and over)	14.2%	13.2%	22.4%
Per Capita Income	\$19,087	\$17,371	\$21,271
Median Household Income	\$31,413	\$29,580	\$43,791
Poverty Rate	13.5%	11.1%	8.7%
Median Age	49.6	45.0	36.0

Source: U.S Census Bureau, Census 2000, SF 1 & SF 3

Mercer contains a larger population of residents over 60 years old than is found in Iron County or the nation. This is reflected in the town's median age (49.6), which is substantially higher than the state (36.0) or the county (45.0) median age. Iron County has the second highest median age in the state.

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

Like Iron County, employment has remained relatively stable in the Town of Mercer; however, the unemployment rate in the town 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.

Although in 2000-2001 Wisconsin had a higher majority (69%) of high school students who pursued some form of post secondary education after graduation compared to a national estimate (60%)¹, the state lags behind the nation in its ability to retain those students following completion of their degree programs. The national average state retention of degreed students is 71.3 percent compared to the Wisconsin average of 61.6 percent.² The Town of Mercer, like the county and the state, suffers from this college out-migration. Additionally, Mercer and Iron County have a lower number of students seeking post secondary education than the state; however, it should be noted that **Census** 2000 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 was 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 are not considered post-secondary attainment by the Census, it is believed that some individuals who hold certificates from these programs may have self-reported this enrollment 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 the lower percentage of Town of Mercer citizens possessing higher degrees.

The prevalence of low wages in Mercer significantly account for the town's overall low income level as well as for the high percentage of residents living below the poverty level. The per capita income of the town's citizens is only 87 percent of the county's per capita income and 65 percent of the state's per capita income. There are several reasons for the low wages that are endemic in the county: A large percentage of employment in the county is in the arts,

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

entertainment, recreation, accommodation and food service industry and the construction industry. Employment in these industries consists of many seasonal and part-time jobs; therefore, the employees in these positions do not work the standard number of hours per year, which accounts for their low average annual wages. Furthermore, because of the seasonality of many jobs, the turnover rate is high for these positions since usually when someone begins working in a new job, he generally starts at the lowest wage.

6.3 ECONOMIC BASE

The Town of Mercer, in southern Iron County, is located in the “lake region” of Wisconsin’s Northwoods. In 2000, the town’s population was 1,732; it contained more than 62 lakes over 10-acres in size, and over 63,000 acres of county and state forestland. Located on U.S. Highway 51, it is easily accessible from southern Wisconsin and northern Illinois. Protecting the town’s natural resources and yet providing for economic development is a delicate balance for citizens of the area.

Employment by Industry

Table 6.2 lists the number and percent of employed residents in the town by industry sector from Census 2000 data plus the 2003 annual average pay for each industry sector for Iron County. Wage data for 2000 is not available at the community level. Furthermore, 2000 county level wage data is not available using the new North American Industry Classification System (NAICS) because of the changeover from the Standard Industrial Classification (SIC) codes to the NAICS during this time period; therefore, the 2003 average annual pay is used in the table.

Table 6.2: Town of Mercer Residents Employment by Industry using NAICS			
Industry	Census 2000 Number	Percent	2003 Annual Avg Pay for Iron County
All Industries	746	100.0%	\$22,428
Agriculture, forestry, fishing and hunting, and mining	15	2.0%	\$31,096
Construction	121	16.2%	\$33,312
Manufacturing	136	18.2%	\$24,442
Wholesale trade	18	2.4%	\$32,721
Retail trade	63	8.4%	\$15,921
Transportation and warehousing, and utilities	24	3.2%	\$23,789
Information	11	1.5%	ND
Finance, insurance, real estate, and rental and leasing	49	6.6%	\$24,287
Professional, scientific, mgmt., administrative, and waste mgmt.	30	4.0%	\$19,801
Educational, health and social services	102	13.7%	\$26,398
Arts, entertainment, recreation, accommodation and food serv.	125	16.8%	\$8,724
Other services (except public administration)	31	4.2%	\$19,419
Public administration	21	2.8%	\$28,975

Source: U.S. Census Bureau, Census 2000, SF 3; U.S. Bureau of Labor Statistics
 ND: Non Disclosable--data do not meet BLS or State agency disclosure standards

The Manufacturing sector has the largest number of employees that are residents of Mercer, basically because two of the top ten manufacturers in Iron County are located in Mercer. Both are in the lumber and wood products industry.

Iron County is one of the few counties in the state where so many of the large employers are tourism-related businesses. In fact, employment of Mercer residents by arts, entertainment, recreation, accommodation, and food service employers is nearly as high as in the manufacturing sector.

Mercer Businesses

Table 6.3 lists the top 21 employers in the Town of Mercer as of March 2003. Within the employment size ranges, however, the companies are not necessarily in rank order.

Table 6.3: Top 21 Employers in Mercer in Order of Number of Employees		
Employer Name	Product or Service	Employment Size Range
Action Floor Systems Llc	Wood Product Manufacturing	100-249
Midwest Forest Products Co	Logging	20-49
School District Of Mercer	Elementary and Secondary Schools	20-49
Great Northern Motel Inc	Hotels & Motels	20-49
Mercer Area Ambulance & Rescue Inc	Ambulance Service	10-19
Tom's Country Cafe	Eating and Drinking Place	10-19
Diamond Of Mercer Inc	Grocery Store	10-19
Wi Dept. Of Natural Resources	Administration of Conservation Programs	10-19
Town of Mercer	Town Employees	10-19
Marshfield Clinic-Mercer	Medical Services	10-19
H & M Construction & Insulating Inc	Residential Building Construction	5-9
Associated Bank Na	National Commercial Bank	5-9
Roscos Llp	Eating and Drinking Place	5-9
Quik Food Mart	Gasoline Station with Convenience Store	5-9
Mercer Amoco	Gasoline Station with Convenience Store	5-9
Mercer Lumber Co Inc	Home Center	5-9
R & L Garbe Enterprises Inc	General Merchandise Store	5-9
Wolf's Den Bar & Grill	Eating and Drinking Place	5-9
Ullman's Ding-A-Ling Inc	Eating and Drinking Place	5-9
Klopatek Plumbing Inc	Specialty Trade Contractor	5-9
Dr Jeffrey Nehring Ltd	Dentist Office	5-9
Amerigas Propane Inc	Fuel Dealer	5-9
Grand View Clinic-Mercer	Medical Services	5-9

Source: WI Department of Workforce Development, March 2003 and Town of Mercer

Worker Commuter Patterns

Table 6.4 indicates the number of people who lived or worked in the Town of Mercer and who commuted to work. It includes the locations of their places of employment and the locations of their residences. Of the 731 residents in the Town of Mercer that commuted to work, over 52

percent worked in the town. Over 22 percent of Mercer residents worked in neighboring Vilas County, and nearly 5 percent worked out-of-state, in either Michigan or Illinois. Of the 608 people who were employed in the Town of Mercer, over 63 percent were residents of the town and over 13 percent commuted from Gogebic County in Michigan.

Table 6.4: Town of Mercer Commuting Patterns, 2000

Live In:	Work In	Count	Travel To:	From:	Count
Town of Mercer	Town of Mercer, Iron Co. WI	382	Town of Mercer	Town of Mercer, Iron Co. WI	382
	Vilas County, WI	164		Gogebic County, MI	81
	Oneida County, WI	53		Vilas County, WI	34
	City of Hurley, Iron Co. WI	33		City of Hurley, Iron Co. WI	21
	Gogebic County, MI	26		Town of Oma, Iron Co. WI	12
	Price County, WI	16		City of Montreal, Iron Co. WI	10
	State of Illinois	9		Brown County, WI	10
	Dane County, WI	9		Kenosha County, WI	9
	Ashland County, WI	6		Oneida County, WI	9
	Town of Oma, Iron Co. WI	6		Price County, WI	8
	Lincoln County, WI	5		Town of Carey, Iron Co, WI	6
	Portage County, WI	4		Winona County, MN	6
	Washington County, WI	3		Town of Knight, Iron Co. WI	5
	Waukesha County, WI	3		Menominee County, WI	4
	Clark County, WI	2		Crystal Falls Twp, Iron Co. MI	3
	Town of Pence, Iron Co. WI	2		Ashland County, WI	3
	Marathon County, WI	2		Town of Sherman, Iron Co. WI	2
	Marinette County, WI	2		Town of Anderson, Iron Co. WI	2
	Milwaukee County, WI	2		Town of Saxon, Iron Co. WI	1
	Outagamie County, WI	2			
Totals		731	Totals		608

Source: Census 2000, MCD/County to MCD/County Worker Flow files

6.4 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 response to the Town of Mercer’s Comprehensive Plan Survey, nearly 73 percent of resident and non-resident respondents think there are not enough job opportunities that pay a sufficient wage to make a decent living in Iron County. In addition, an overwhelming majority of residents and non-residents would support Iron County’s efforts to create new jobs in the county.

According to the Town of Mercer’s Comprehensive Plan Survey replies, town respondents indicated that the most important types of industries to attract into Iron County are tourism

businesses, light industry/manufacturing, service businesses, timber resource industries, and retail development (Table 6.5). Significantly more non-residents than residents of Mercer believe tourism and service businesses are the most important to attract to Iron County.

Table 6.5: Types of Industries Believed to be Most Important for Iron County to Attract

Industry	Resident	Non-Resident	Town Totals	
	% Of Total	% Of Total	Number	% Of Total Responses
Tourism Businesses	36.7%	63.3%	555	69.5%
Light Industry/Manufacturing	46.5%	53.5%	495	62.0%
Service Businesses	40.0%	60.0%	358	44.9%
Timber Resource Industries	42.4%	57.6%	329	41.2%
Retail Development	47.3%	52.7%	322	40.4%
High Tech Industries	34.6%	47.8%	276	34.6%
Agriculture (dairy, tree, and cranberry farms)	29.9%	70.1%	237	29.7%
Heavy Industry/Manufacturing	56.1%	43.9%	114	14.3%
Public Sector, Governmental	39.0%	61.0%	101	12.7%

Source: Town of Mercer Comprehensive Plan Survey Results (Total Town Responses = 798)

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. The Town of Mercer and 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 to the Town of Mercer and 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. Eligible businesses will be certified by the Department of Commerce for tax credits based on their ability not only to create high-wage jobs and investment, but also to 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 Mercer, Saxon, Kimball, Carey, Oma, Gurney, Anderson, Knight, Pence, and Sherman. 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, the program offers a non-refundable environment 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.

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.

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, which is within an easy commute. 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 neighboring Ashland County in the City of Ashland is Northland College. It is a four-year baccalaureate degree college that is internationally known for its outstanding environmental degree programs.

The University of Wisconsin-Extension 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-Extension 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 the Town of Mercer seeking technical assistance. One is the Wisconsin Business Innovation Corporation (WBIC), a partner organization formed by the Northwest Regional Planning Commission (NWRPC). Although its office is located in Washburn County, its service area is the entire ten-county region. 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 Business and Manufacturing unit focuses on technical, managerial and general business education and support to Wisconsin businesses. Through the statewide Small Business Development Center (SBDC) network, Wisconsin entrepreneurs learn to start new businesses, expand their operations, and use technology to access learning, improve profits and create new jobs. 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

Small businesses create the lion's share of new jobs, but are the least able to obtain reasonable financing for job-creating expansions and start-ups. Because of the shortage of long-term financing, small businesses are frequently unable to match the term of financing with the life of the asset.

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. 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. The Iron County RLF was established in 1991 from Economic Development Grant funds awarded by the Wisconsin Department of Commerce to assist local entrepreneurs with their business ventures. Also awarded by the Wisconsin Department of Commerce, the Town of Mercer RLF was established in 1988 to augment private sector investment in plant and equipment to expand productivity.

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.

6.5 TECHNICAL AND PHYSICAL INFRASTRUCTURE

The Town of Mercer and Iron County have superior transportation facilities to serve existing and future businesses. An excellent roadway system is available in the county providing easy truck freight access to local businesses. 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 and the Rhinelander/Oneida County Airport. The Rhinelander airport is the largest airport serving Oneida and the surrounding counties.

Other physical infrastructures, like sewer, water, natural gas, electrical services, and telecommunications are plentiful and readily available to businesses. Rural areas in Wisconsin, such as the Town of Mercer and Iron County, are further ahead than many urban areas in the

availability of high speed Internet access. Technology infrastructure in Mercer and Iron County is widespread and includes T1, T2, T3 lines, DSL, cable, dial up, and fiber optic.

6.6 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. The Town of Mercer has a premium quality of personal life, with a beautiful physical environment, excellent quality and quantity of water, a good public education system, good public services, and a labor force with a good work ethic. Natural, recreational, and lifestyle amenities abound throughout the county, and tranquility and the solitude of the great outdoors is plentiful.

The lack of traffic jams and low crime rates 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 for the residents of the Town of Mercer.

6.7 STRENGTHS AND WEAKNESSES

Strengths

- Financial institutions ready and willing to extend help
- Formal/organized chamber of commerce
- Clean area
- Helpful real estate firms
- “Reception committees”
- Available contact people

Weaknesses

- Dirty main street
- Old, unimproved, poorly maintained central/main area
- Unfriendly environment
- Hard-to-reach contact people
- Cheap looking business fronts
- Opposite of the above
- Unprofessional businesses (i.e. not on time, no return calls, etc.)

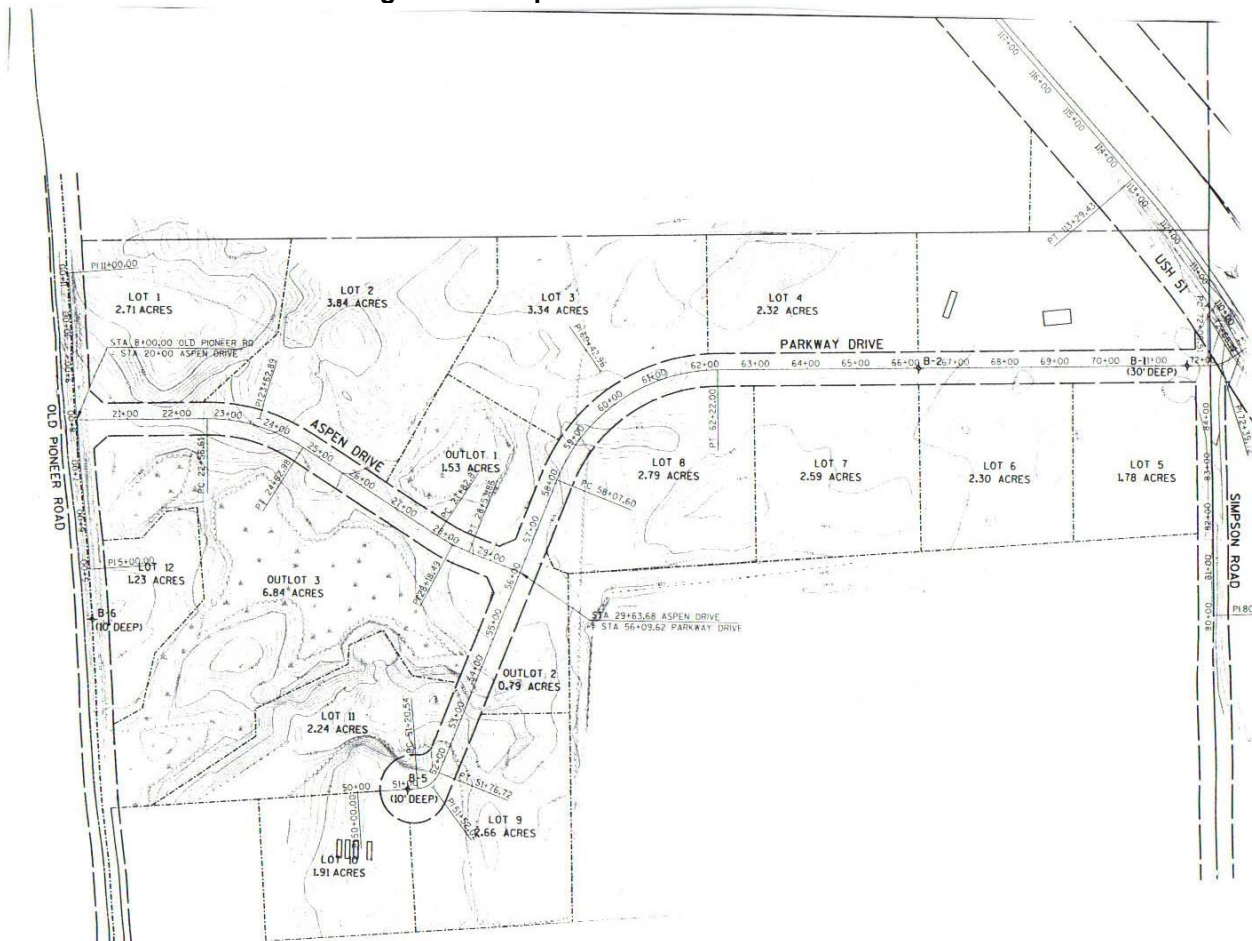
6.8 BUSINESS AND INDUSTRY SITES

The Town of Mercer currently has one privately developed industrial park and another one is currently being developed. The existing industrial park in Mercer has 40 acres out of a total of 105 acres available for development. All public facilities, including roads, water, sewer, electricity, and gas, are available in the park.

Mercer Industrial Park

Beginning in the mid 1990s, the town board and members of the public sought to develop an industrial park that would allow for the continued development and expansion of local jobs. As a result of that effort, in 2004, the U.S. Department of Commerce, Economic Development Administration, provided to the town over \$1 million in funding assistance to develop a 30 acre industrial park located directly off STH 51 just south of Mercer’s downtown area. The industrial park began land and public infrastructure development in the spring of 2005. As planned, the industrial park will be made up of approximately 12 lots ranging in size from one to four acres (see Figure 6.1). Water, sewer, and three-phase power will be available throughout the development. A natural gas main runs along STH 51 and may be extended to the industrial park based on cost and potential industrial use.

Figure 6.1 Proposed Mercer Industrial Park



Source: Town of Mercer

6.9 TOURISM IMPACT TO THE LOCAL ECONOMY

Information on tourism is not available at the town level; therefore, Iron County data must be used for the Town of Mercer. The following information was acquired from the Wisconsin Department of Tourism.

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 Town of Mercer seasonal homes significantly impacts the economy. According to Census 2000, nearly 53 percent of total housing units in the town are for seasonal, recreational, or occasional use. Seasonal homes bring nonresidents to the Town of Mercer on a regular basis. Sales of food, gas, etc. in the area are greatly increased during those times, bringing revenue to local merchants. This is in addition to the local and state taxes collected through these expenditures.

6.10 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.

⁴ Wisconsin Department of Tourism, May/June 2003

Under the Environmental Repair Program (ERP), three locations are identified for clean up within the town (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 addresses sites where above ground petroleum storage tanks have resulted in contamination.

Table 6.6: Mercer Open ERP Sites

Activity Name	Location	Jurisdiction	Risk
Mercer LF #3030	Mercer	WDNR	Unknown
Mercer San. District	Mercer	WDNR	Unknown
Midland Services Bulk Plt.	Mercer	Commerce	Medium

Source: WDNR, BRRTS data

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 aboveground petroleum storage tank systems, administered by the Department of Commerce.

The Department of Natural Resources has jurisdiction over six LUST sites in the town, while the Department of Commerce has jurisdiction over two 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.

Table 6.7: Mercer Open LUST Sites

Activity Name	Location	Jurisdiction	Risk
Fort Flambeau Resort	Mercer	WDNR	High
Mercer School	Mercer	WDNR	High
Deer Lodge	Mercer	WDNR	Unknown
Draeger Amoco/Mercer 76	Mercer	WDNR	Unknown
Lucky Pierres North Resort	Mercer	WDNR	Unknown

Mercer ICO	Mercer	WDNR	Unknown
Cal Electronics	Mercer	Commerce	Medium
Pine Trees Hiway	Mercer	Commerce	Low

Source: WDNR, BRRTS data

6.11 ECONOMIC DEVELOPMENT PROGRAMS AND ORGANIZATIONS

There are many programs at the federal, state, county, and regional level that can help the Town of Mercer 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 town 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 the Town of Mercer. 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 fewer, 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 regional tribal nations of Bad River, Lac Courte Oreilles, Red Cliff, St. Croix, and Lac du Flambeau. The purpose of NWRPC is to assist its member communities 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 and the Town of Mercer. 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 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 Iron County Board members.

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.

Mercer Revolving Loan Fund

The Town of Mercer was awarded an Economic Development Grant from the Wisconsin Development fund in 1988. This grant award to the town was then lent to a local business and the proceeds from this loan have been used to establish a revolving loan fund. Eligible businesses within the town can seek loan funding from the fund for plant and equipment expansions.

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.

6.12 ECONOMIC DEVELOPMENT GOALS, OBJECTIVES, AND ACTIONS

A set of recommended goals, objectives, and actions have been developed to assist the Town of Mercer in its overall effort to support, retain, and attract economic development activity.

GOAL: Promote a healthy and diversified local economy based upon Mercer’s strengths, and with an understanding of the area’s weaknesses.

Objective 1: Develop guidelines for minimum building and site development standards for industrial development.

Action 1: Support state and local development guidelines.

Objective 2: Attract and retain small businesses and light, environmentally safe industries.

Action 1: Continue to develop the Mercer Business Park.

Action 2: Support the work of the Mercer Chamber of Commerce & Downtown Development Group.

Action 3: Research available local, state, federal, and private funding sources, including grants and loans, to help fund local economic and community development activities.

Action 4: Encourage development of home-based businesses.

Objective 3: Ensure future commercial and industrial developments are compatible with Mercer’s northwoods character.

Action 1: Enforce current applicable town & county ordinances.

Objective 5: Promote the development of the local labor force to meet current and future skill-level needs.

Action 1: Work with local businesses, Iron County UW-Extension, and area community colleges to establish appropriate programs.

Action 2: Encourage current and future Mercer area businesses to offer favorable wages and fringe benefits to attract and retain a strong, skilled work force.

Objective 6: Work with the Iron County development Zone Council to promote Mercer’s Business Park and Downtown Mercer.

Action 1: Provide town board liaisons to each entity.

- Objective 7: Encourage enhanced tourism activities.
Action 1: Support and expand tourism-related infrastructure events, marketing, and coordination.
- Objective 8: Promote Mercer and Iron County's revolving loan funds, as well as other regional and state funding and incentive programs to prospective businesses.
Action 1: Incorporate the WBIC's (Wisconsin Business Innovation Corporation) and Superior Life's (a state-sanctioned 6-county development zone) capabilities and linkages into its marketing strategy for the Mercer Business Park.
Action 2: Focus on the sectors designated by the Superior Life Technology Zone as development efforts. These include medical services and equipment, subassemblies and components, forestry, and high-tech manufacturing.
- Objective 9: Continue the development of the business park.
Action 1: Develop & implement a marketing strategy to plan for the park.