

Regional Economic Growth Initiative

COMPETITIVE ASSET ASSESSMENT

Report of Findings

June 2015



Diane Lupke & Associates, Inc.
Consultants in Economic Development
& Emerging Markets

With **Szatan Associates**

Sponsored by the Wisconsin Economic Development Corporation
WEDC Community Capacity Building Grant Program



EXECUTIVE SUMMARY

The lingering impact of massive job loss, industry restructuring, and community reordering can be long and traumatic. Unless addressed, it becomes a persistent narrative. Despite such losses, some communities do come back. What is it that allows one community to turn adversity to its advantage while another allows it to define them? Those communities that are successful in rebuilding their economies have reconciled the prosperity they once found from rigid adherence to one set of practices with the need to open their minds to the fluid and dynamic markets of today. They find a way to craft a new narrative that respects the past but defines the future in a new and modern way.

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Diane Lupke & Associates, Inc., working in partnership with Szatan Associates, was engaged to complete a Competitive Asset Assessment for southern Wood and northern Adams counties by the Regional Economic Growth Initiative. The Regional Economic Growth Initiative is a nonprofit 501 (c) 3 economic development organization of public, private, and nonprofit investors from Wood and northern Adams counties. The public sector investors include: Wood County, City of Wisconsin Rapids, Town of Grand Rapids, Village of Port Edwards, City of Pittsville, Village of Vesper, Town of Rome, Village of Rudolph, City of Nekoosa, and Village of Biron. The purpose of the engagement was to review the assets in the two counties and assess their capacity to support and sustain economic growth and recovery. The effort was funded by the Wisconsin Economic Development Corporation with matching funds supplied by the Regional Economic Growth Initiative and its supporting partners.

Through a five part process: Interviews, Economic Position Assessment, Asset Inventory, Benchmark Comparison, and SWOT; it has become clear that southern Wood and northern Adams counties have many important assets, critical strengths, and potential opportunities. To gain the most benefit from such attributes it will be necessary to see beyond the easy answer to a more complex yet also more sustainable future. It will be necessary to collaborate among multiple partners, layer multiple funding sources, make hard choices, and engage everyone's talents in projects with identified potential for success. To do less will mean reinforcing the status quo and potentially enabling further decline.

The process steps followed by key findings are summarized below.

Economic Position Assessment

The assessment reviewed 15 data points at the federal, state, and local levels from standard data sources, such as, the Bureau of Labor Statistics, and the Wisconsin Department of Revenue. In addition, it calculated the concentration of employment in various industry sectors using the Location Quotient. Finally, it used a proprietary calculator: the Innovation Index, which combines multiple data sources to measure the capacity of the area to support innovation.



Key Findings:

- Population is stagnant and aging.
- Unemployment is above the national average but, not excessively, labor availability is good.
- Wages are flat but comparable across industry sectors.
- Spending is conservative and well below the national average.
- The high school graduation rate is very high from high quality schools; this is an advantage; however, the college graduation rate is significantly below the national average and will negatively impact the location decision of headquarters locations.
- The area has extremely high concentrations of employment and intellectual capital in three key areas: paper / cellulosic technologies; agriculture, specifically cranberries and potatoes; and healthcare. The economic capacity of these three industries is sufficient to support innovation, growth, and employment in the region.

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Asset Inventory

An Asset Inventory is an inventory of the assets available within a given area to support economic development. The consulting team reviewed individual assets in an effort to provide guidance to each political jurisdiction¹ while also considering assets from the perspective of an incoming business or site selection consultant.

Key Findings:

- Adequate space exists for many potential businesses in existing industrial / business parks.
- None of the industrial / business parks is served by an interstate highway; this is a negative that will eliminate the area from some site selection competitions, but 4-lane highway access is generally good and adequate for most businesses.
- Most site selection begins with a search for existing buildings, few vacant buildings exist, and none meet standard search criteria.
- Water is abundant, water treatment capacity is adequate for existing businesses, but may be inadequate to support growth in all locations.
- Telecommunications infrastructure is outstanding; it is a competitive advantage.
- Energy costs are high, but competitive, and an advantage in comparison to some areas.
- Quality of life is very high, superior assets, in particular recreational assets, exist throughout the area.
- The central place of the region, though possessed of many fine assets, in particular the river, is marred by disinvestment.

¹ Wood and northern Adams counties, City of Wisconsin Rapids, Town of Grand Rapids, City of Nekoosa, Village of Port Edwards, Village of Biron, City of Pittsville, Village of Vesper, Village of Rudolph, Town of Rome, Town of Saratoga, Town of Seneca, Town of Dexter, Town of Cranmoor, and Town of Sigel.



Benchmark Comparison

The consulting team compared the assets of southern Wood and northern Adams counties with the assets supporting development in four benchmark communities: Stevens Point, Appleton, Eau Claire, Wisconsin, and Kalamazoo, Michigan. The purpose of benchmarking is to provide a frame of reference to like and aspirational communities. This comparison enables policy makers to better evaluate ones' assets within a marketplace for businesses, labor, and visitors.

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Key Findings:

- Every benchmark community presented one or more industrial sites on or adjacent to an interstate highway.
- The definition of REGI's region as a subset of two counties undervalues its economic power in comparison to the benchmark communities and limits its ability to compete effectively.
- Wages, though considered high locally, are competitive.
- Wisconsin's overall business tax climate is a disadvantage within four of the five surrounding states. The Tax Foundation ranked Wisconsin #43. In the surrounding states, Michigan is ranked #13; Minnesota is ranked #47; Indiana # 8; Illinois #31; and Iowa #41.
- With the exception of interstate access, the REGI area industrial and business parks are largely comparable to others in Wisconsin. Eau Claire has a technical college located at one park. Kalamazoo has generous incentives available at each park and a university presence at one park.
- Southern Wood and northern Adams counties do not have access to an incubation center; all benchmark communities have incubation centers.
- Southern Wood and northern Adams counties meet or exceed the benchmark communities on Quality of Life; number of physicians per capita is far greater, promising access to health care superior to the benchmark communities.

SWOT Assessment

An important tool for decision makers is an assessment of internal strengths and weakness and an identification of external opportunities and threats. The SWOT informs decision making by allowing a community to maximize its use of their assets toward selected opportunities with strengths and minimize the impact of their weaknesses.

Key Findings:

- Strengths
 - Core capacity in paper / cellulosic technologies, agriculture, and healthcare
 - Kindergarden-12th Grade, Mid-State Technical College, and University of Wisconsin at Stevens Point educational institutions
 - Multiple private and community foundations, their assets, engagement, and vision
- Weaknesses
 - Limited economic development capacity
 - Central place not a draw



- Infrastructure issues
- Limited entrepreneurial support
- Opportunities
 - DMI Reuse
 - Potential philanthropic investments from multiple local foundations
 - Tribune Building
 - Tourism
- Threats
 - Economic anchors at risk
 - Shrinking and aging workforce, loss of youth
 - Inability to work as a region

Recommendations

As a result of the Competitive Asset Assessment, the consulting team has identified five related and interdependent issues for attention.

- ✚ Economic Development Capacity
- ✚ Reinforcing Economic Drivers
- ✚ Working Together as a Region
- ✚ Creating a Central Place
- ✚ Infrastructure

In response to those issues, the consultants have developed a series of recommendations that build upon the region's assets, mitigate those limitations that undermine growth, and take advantage of opportunities on the horizon. Accompanying the recommendation narrative is a Recommended Work Program with short, medium, and long-term initiatives. Some of the recommendations fall into one or more categories, that is appropriate and underscores the importance of the recommendation to support wise use of resources and overall well-being.

Issue #1: Economic Development Capacity

Wisconsin as a whole has struggled to build its capacity in economic development. Only recently has the State developed training for professional economic developers and elected officials. Many counties lack the support of trained staff in economic development. Reportedly, Wood County is the only county without a countywide economic development entity. Centergy, though effective with its limited resources, is significantly understaffed. Southern Wood and northern Adams counties do not have sufficient economic development capacity to meet their needs. At the time of this analysis, REGI lacks trained and experienced professional staff. Moreover, the area's long time dependence on a single industry has meant little experience within the business community's leadership in working in collaboration with the public and nonprofit sectors to build the economy. Throughout the area, including Centergy, REGI, area Chambers, County, and City economic development capacities must be increased to fully meet the challenges of restructuring the economy.



1 - The consultants recommend the development of a full-service economic development organization to lead efforts in business attraction, business retention and expansion, and entrepreneurship programming in collaboration with regional entities.

Issue #2: Reinforce Economic Drivers

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Paper, Agriculture, and Healthcare are the drivers of the regional economy. However, each is at risk. The paper industry continues to shrink. It is likely that more jobs may be lost. Each consolidation, buy-out, and bankruptcy, tarnishes the picture of the industry in the world causing the intellectual assets it holds to lose value. More importantly, that same restructuring causes the local community to discount those assets as well, missing the opportunity that they still hold.

Agriculture is very strong in the region with major concentrations in potatoes and cranberries. Water disagreements and the regulated capacity of land limit the productivity of agriculture. Though regulations are intended to protect land values and the sustainability of agriculture they also limit the productivity of any single land unit. Concerns about ground water quality are limiting the size of dairy farms over and above regulatory limits. Cranberries are a nutrient powerhouse. Underfunded research into cranberry pests, alternative products, and new markets has slowed growth and endangered revenues. Current health focus on added sugars in fruit products threatens their super-food status.

Healthcare is a major driver of employment and growth in the larger region. Wisconsin's Department of Workforce Development identifies "16 of the top 25 fastest growing jobs are healthcare related." It will be an important anchor in the economy in contrast to the more volatile start-up ventures proposed in paper/new cellulosic product development and agriculture. However, due to its center of influence in Marshfield, and the current level of change in the supra-local marketplace now served by REGI, healthcare is not getting the attention it deserves. The healthcare sector is critical and potential is great due to the presence of a fully integrated sector inclusive of research and development, innovation, equipment manufacturing, and services. Its market is multi-state but not fully developed.

Despite the tragic loss of jobs, economic power, and leadership the restructuring of the paper industry has brought about, the remaining concentration of talent and expertise is a key strength. This is a capacity on a global scale. Moreover, this capacity is joined by similar, though not wholly unique, capacities in agriculture, and healthcare. There is sufficient capacity in these three industries to drive the economy.

2 - The consultants recommend reinforcing economic drivers through the development of comprehensive economic development programming in business attraction, business retention and expansion, and entrepreneurship and new business creation. This is the foundation for long-term and sustainable economic growth.



Issue #3: Redefining and Working Together as a Region

The desire to separate one's self from rivals is common. Historical disagreements, cultural differences, and competition for resources and opportunities can drive a wedge between those who should be partners, collaborators, and friends. But often, economics intervenes. The willingness of commuters to travel to jobs outside of their own communities defines an employment marketplace. Workers in Wisconsin Rapids are traveling to Marshfield, Plover, and Stevens Point. Alternatively residents of those communities are finding jobs in Wisconsin Rapids, Biron, and Nekoosa. The employment marketplace has defined itself. Measuring by employment, it is your region.

3 – The consultants recommend maintaining current boundaries for local investments but redefining the region as the larger employment marketplace inclusive of Marshfield, Stevens Point and Plover. Create strategic alliances with Marshfield, Plover, and Stevens Point for marketing, employment training, business networking, and major initiatives, such as, the DMI site redevelopment.

Issue #4: Developing a Distinctive Central Place

What is it about a community that causes visitors to want to return again and again, or potential residents to choose to live there? Is it a concrete differential, such as, a lower tax rate, or higher graduation rates? Perhaps it is the presence of a special restaurant or an entertainment venue? Or, is it something less tangible, an energy, vitality, or buzz? Whatever the difference, it is clear that some communities have it and others do not.

In the mid-1990's, a number of research institutions explored the role that a central place has in supporting or depressing the health of a region. Richard Voith wrote in The Federal Reserve Bank of Philadelphia Business Review "city decline adversely affects the overall economic health of a metropolitan area". Likewise, a strong and vital core supports the fortunes of the region. In conclusion, Mr. Voith stated, "both city and suburban residents alike have a stake in the economy of the city".

Though many things have changed in how people use their downtown centers in the twenty years since those words were written, their conclusion is even more valid today. Whether one follows the philosophies of Smart Growth, Town Centers, or the Creative Class, an active and distinctive central place is at their core. Activity is concentrated and diverse; living spaces, work spaces, and entertainment spaces are interspersed in walkable nodes; and attractive community gathering places, formal and informal, large and small are throughout.

4 - The consultants recommend supporting the development of a strong and attractive central core as a means to attract new businesses, residents, and visitors, retain young professionals, and establish its place in the larger region.



Issue #5: Infrastructure and Related Issues

Southern Wood and northern Adams counties sit atop the largest fresh water aquifer in Wisconsin. Clean, fresh water is abundant. Yet, multiple jurisdictions and a lack of agreement on shared investments in water and water treatment systems threaten individual businesses and the finances of individual communities.

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The consultants are sympathetic to the desire of many Americans to maintain local control and decision-making. Such local governance does not preclude strategic alliances and intergovernmental agreements that further the aims of each governmental unit. In fact, an emergency water agreement already exists between Port Edwards and Wisconsin Rapids. Others are necessary.

5 – The consultants recommend exploring inter-governmental agreements to fairly and quickly resolve issues related to water and waste-water treatment throughout the area.

Every community must take the steps to secure its own future. Every resident, every business, and every institution has a part to play in furthering their community's prosperity. The choices we all make on a daily basis determine whether we will be successful as a community or become side-tracked in self-interest, acrimony, and defeat.

The process of economic development is ongoing. Coming together as a region to make decisions about your collective future is difficult. Finding the mix of policies, practices, and programs that makes best use of your community's attributes and spurs economic growth is complex. Yet each of these things is critical.

REGI has taken the steps necessary to lay a substantial foundation under its work. Now is the time to set aside jurisdictional differences, come together as a region, make decisions, and take action to secure your future.



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- Preparing to Work with Prospective Businesses



ACKNOWLEDGEMENTS

Many people shared of their time by telephone, in interviews, and meetings to support this research. We would like to thank them for their commitment to the economic health and vitality of southern Wood and northern Adams counties.

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Incourage, University of Wisconsin Center on Wisconsin Strategy, Wood County, and the various communities and organizations within the region have completed significant prior research. In an effort to most effectively use the limited resources available, wherever possible, the consultants included existing sources, in whole or in part, updated as necessary with more recent data, to provide a more complete economic picture of southern Wood and northern Adams counties. We gratefully acknowledge their work and generosity in sharing those resources with us for the benefit of this report.



INTRODUCTION

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CHAPTER 1: INTRODUCTION

Diane Lupke & Associates, Inc., working in partnership with Szatan Associates, was engaged to complete a Competitive Asset Assessment for southern Wood and northern Adams counties by the Regional Economic Growth Initiative. The Regional Economic Growth Initiative is a nonprofit 501 (c) 3 economic development organization of public, private, and nonprofit investors from Wood and northern Adams counties. The public sector investors include: Wood County, City of Wisconsin Rapids, Town of Grand Rapids, Village of Port Edwards, City of Pittsville, Village of Vesper, Town of Rome, Village of Rudolph, City of Nekoosa, and Village of Biron. In addition, REGI anticipates collaboratives with adjacent communities. The purpose of the engagement was to review the assets in the two counties and assess their capacity to support and sustain economic growth and recovery. The effort was funded by the Wisconsin Economic Development Corporation with matching funds supplied by the Regional Economic Growth Initiative and its supporting partners.

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Through a five part process: Interviews, Economic Position Assessment, Asset Inventory, Benchmark Comparison, and SWOT; it has become clear that southern Wood and northern Adams counties have many important assets, critical strengths and potential opportunities. To gain the most benefit from such attributes it will be necessary to see beyond the easy answer to a more complex yet also more sustainable future. It will be necessary to collaborate among multiple partners, layer multiple funding sources, make hard choices, and engage everyone's talents in projects with identified potential for success. To do less will mean reinforcing the status quo and potentially enabling further decline. The process steps are summarized below.

Economic Position Assessment

The assessment reviewed 15 data points at the federal, state, and local levels from standard data sources, such as, the Bureau of Labor Statistics, and the Wisconsin Department of Revenue. In addition, it calculated the concentration of employment in various industry sectors using the Location Quotient. Finally, it used a proprietary calculator: the Innovation Index; that combines multiple data sources to measure the capacity of southern Wood and northern Adams counties to support innovation.

Asset Inventory

An Asset Inventory, for the purposes of this study, is an inventory of the assets available within a given area to support economic development. The consulting team interviewed businesses, community leaders, and elected officials. The team examined assets by visual scan, in written materials, and by comments of interviewees. The team reviewed individual assets in an effort to provide guidance to each political jurisdiction² while also considering assets from the perspective of an incoming business or site selection consultant.

² Wood and northern Adams counties, City of Wisconsin Rapids, Town of Grand Rapids, City of Nekoosa, Village of Port Edwards, Village of Biron, City of Pittsville, Village of Vesper, Village of



Benchmark Comparison

The consulting team compared the assets of southern Wood and northern Adams counties with the assets for economic development in four benchmark communities: Stevens Point, Appleton, Eau Claire, and Kalamazoo. The purpose of benchmarking is to provide a frame of reference to like and aspirational communities. The analysis was conducted as an incoming business or site selection consultant would conduct a first level analysis. This comparison enables policy makers to better evaluate one's assets within a marketplace for businesses, labor, and visitors.

SWOT Assessment

An important tool for decision makers is an assessment of internal strengths and weakness and an identification of external opportunities and threats. Not just an element of assessment, the SWOT enables research-based choices among competing strategies; and allocation of scarce resources among selected strategies. SWOT informs decision making by allowing a community to maximize its use of assets toward selected opportunities with strengths and minimize the impact of its weaknesses.

Recommendations

As a result of the Competitive Asset Assessment, the consulting team developed a series of recommendations that build upon the region's assets, mitigate those limitations that undermine growth, and take advantage of opportunities on the horizon. Accompanying the recommendation narrative is a **Work Program Recommendation** with short, medium, and long-term initiatives.

Appendices

Numerous documents are included for future reference in the Appendices. The documents are listed in the Table of Contents. They include both summary documents, such as, the "Competitive Asset Assessment Summary for Southern Wood and Northern Adams Counties"; and items for more in-depth reading, such as, "Preparing to Work with Prospective Businesses".



ECONOMIC POSITION ASSESSMENT

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- ❖ Unemployment Rate
- ❖ Labor Force Participation Rate
 - ❖ Job Growth
- ❖ Personal Income Growth
 - ❖ Wage Growth
 - ❖ Productivity
- ❖ Business Starts and Survival Rates
 - ❖ Population and Population Growth
 - ❖ Consumer Spending
 - ❖ Educational Attainment
 - ❖ Household Income
- ❖ County Business Patterns
- ❖ Employment by Industry and Occupation
 - ❖ Location Quotient
 - ❖ Innovation Index



CHAPTER 2: ECONOMIC POSITION ASSESSMENT

Economic analysis tracks how money moves into, within, and out of a community. Such movement determines whether it grows richer and more vibrant or poorer and declining. Identifying and tracking this activity is the purpose of an economic position assessment. The analysis measures the economic power of a community and identifies particular strengths in the marketplace, unique features, market voids in economic activity, and potential opportunities.

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The consultants reviewed fifteen different areas of data / analysis:

- Unemployment Rate
- Labor Force Participation Rate
- Job Growth
- Personal Income Growth
- Wage Growth
- Productivity
- Business Starts and Survival Rates
- Population and Population Growth
- Consumer Spending
- Educational Attainment
- Household Income
- County Business Patterns
- Employment by Industry and Occupation
- Location Quotient
- Innovation Index

Economic Context

It is helpful to understand the context of the economy at the time of the analysis or the most recent data supporting such analysis. In addition to the data contained within this report, significant analysis has been conducted by or supported by In courage Community Foundation. In particular, the Vital Signs reports provide periodic updates to the area economy and for the local work force. Therefore, the consulting team has been selective rather than exhaustive in providing data to support its work and recommendations. In addition, there are several data points that may help REGI to position its work to the growth and opportunity that exist within the State and region.

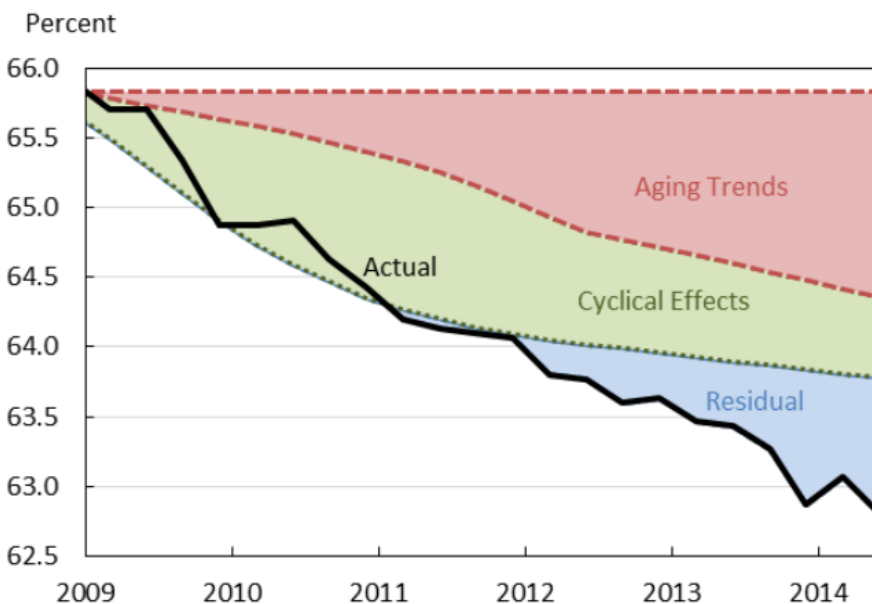
Several statistics are common indicators of economic health. The first of these most available and commonly reported statistics is the **Unemployment Rate**. According to the US Bureau of Labor Statistics, as of March 2015, the US unemployment rate is steady at 5.5 %. This rate is the lowest in nearly 7 years. The number of long-term unemployed (those jobless for 27 weeks or more) was little changed at 2.6 million in March. These individuals accounted for 29.8 percent of the unemployed. Over the past 12 months, the number of long-term unemployed has declined by 1.1 million.



An important companion to the unemployment rate is the **Labor Force Participation Rate**. The civilian labor force participation rate was little changed at 62.7 percent in March. Since April 2014, the participation rate has remained within a narrow range of 62.7 percent to 62.9 percent. That rate represents a sharp drop after a high of 67% in 2002. It's now at the lowest rate since 1978. The Labor Force Participation rate is closely linked to future growth and prosperity. More people participating in economic activity create the potential for higher, more broadly based, growth which then may lead to community prosperity.

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Figure 13: Labor Force Participation Decomposition



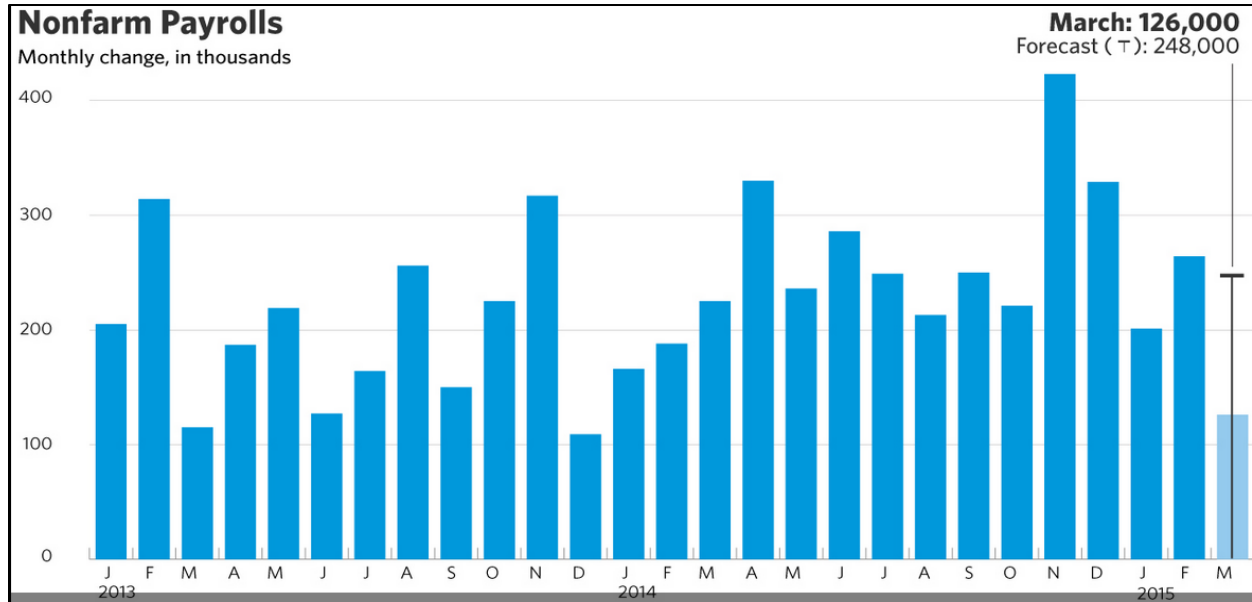
As illustrated in the chart to the left, America is aging, and the baby boomers are beginning to retire. That leads to a natural demographic decline in the participation rate. In addition, the US is coming out of the worst recession it has faced in decades, and the participation rate has dropped much more sharply since 2008. The cyclical effects from the recession may also be a factor in

the declining participation rate.

A third economic indicator is Job Growth. According to Marquette University economist Professor Abdur Chowdury, after 12 consecutive months of more than 200,000 new jobs per month, forecasters expected job creation of about 255,000 in March 2015. Instead, the report showed an increase of just 126,000 jobs. This was the smallest gain in almost two years. Dr. Chowdury indicates “these declines are largely the result of the surging US dollar.” In general, a strong economy is reflected in a strong currency. But, quick changes in the marketplace may create distortions that slow growth.

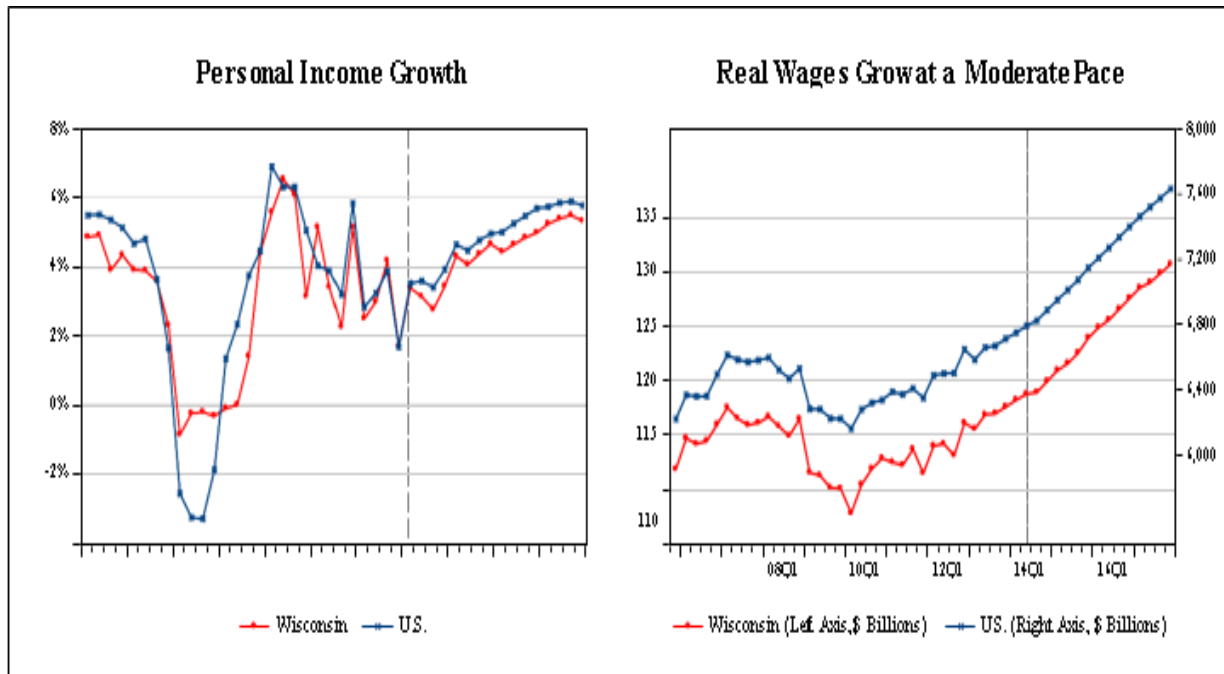
Payrolls are illustrated in the chart below. Dr. Chowdury explains the dollar’s strength by stating “after the sharpest ascent in 40 years, our currency is trading at a 12-year high...one reason for this move is the relative attractiveness of US interest rates. ...Foreign investors are selling their currencies and purchasing US dollars so they may purchase US government securities.”





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According the Wisconsin Department of Revenue, the US and Wisconsin are seeing **Personal Income Growth** and **Wage Growth**.

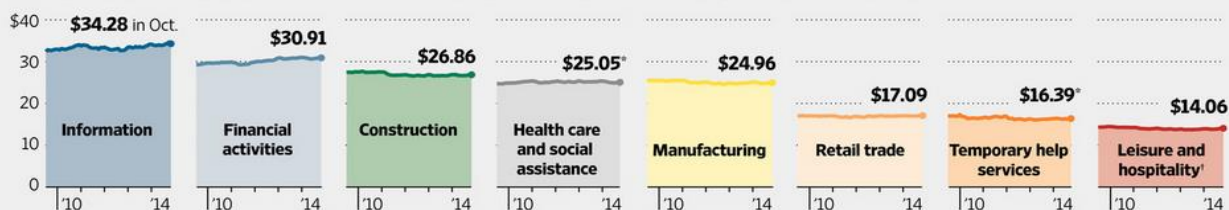


Although Wisconsin is seeing personal income growth and wage growth, when wages are deconstructed by sector, wage growth has been confined to lower paid service occupations with little potential to support more substantial growth in the economy. Two charts from the Wall Street Journal illustrate this point.

Flat Wages, Uneven Recovery

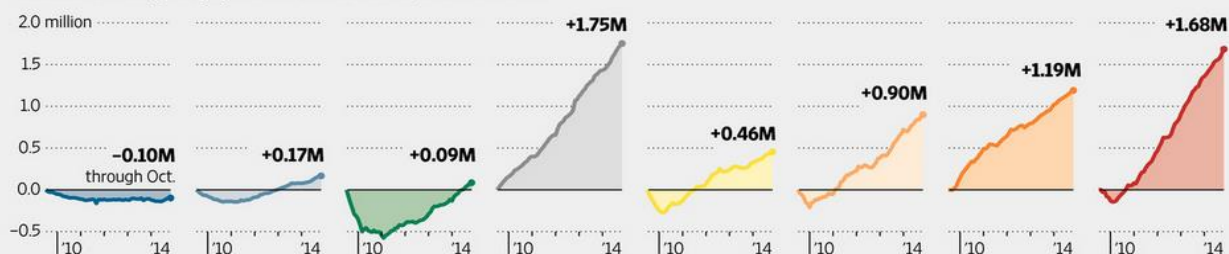
After accounting for inflation, few sectors have seen appreciable wage growth since the recovery began...

Average hourly earnings for select sectors, sorted from highest-paying to lowest-paying and adjusted for inflation



...and the gains in jobs over that time have tended to come in lower-paying sectors.

Cumulative change in payrolls for select sectors, since June 2009



*As of September; all others through October. ¹Includes accommodation, food services, arts, entertainment and recreation

Note: All figures seasonally adjusted; wages adjusted for inflation using September's consumer-price index—the most recent available.

Source: Labor Department

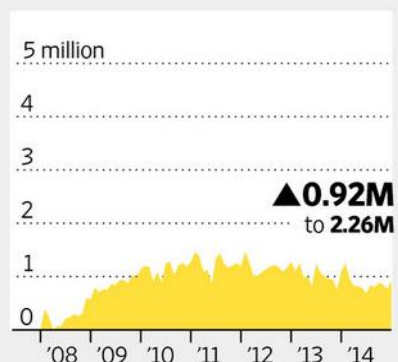
Eric Morath and Andrew Van Dam/The Wall Street Journal

Underused

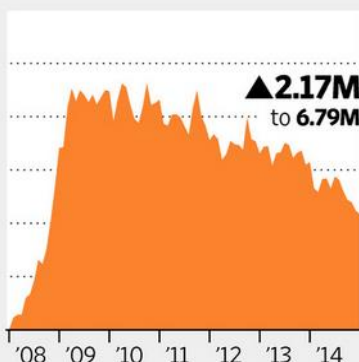
Wage growth remains sluggish as the underemployed and the long-term unemployed remain significant factors, even as the overall unemployment rate has fallen.

Change since the start of the recession

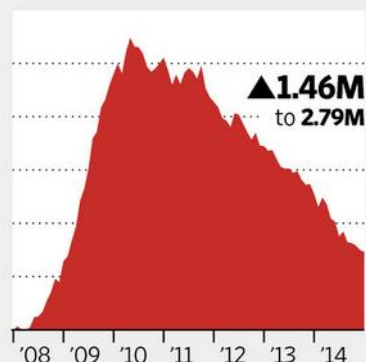
Marginally attached: those who want to work but haven't looked for a job in the prior four weeks



Involuntarily working part time: they couldn't find full-time work or their hours were cut back



Long-term unemployed: those who have been looking for work for 27 weeks or more



Note: All figures, except for marginally attached, are seasonally adjusted

Source: Labor Department

The Wall Street Journal

According to the latest report from the US Bureau of Labor Statistics, in March, 2.1 million persons were marginally attached to the labor force, little changed from a year earlier. Among the marginally attached, there were 738,000 discouraged workers in March, little different from a year earlier. Discouraged workers are persons not currently looking for work because they



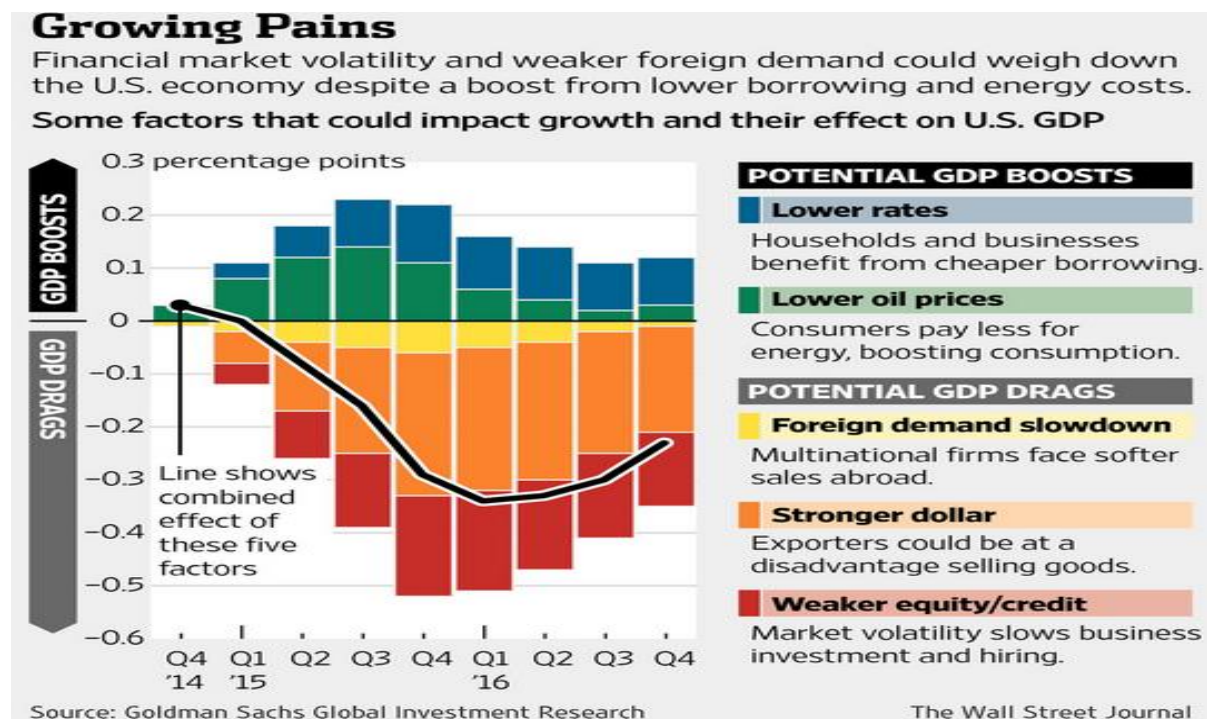
Prepared by Diane Lupke & Associates, Inc. with Szatan Associates
for the Regional Economic Growth Initiative | Confidential

believe no jobs are available for them. The remaining 1.3 million persons marginally attached to the labor force in March had not searched for work for reasons such as school attendance or family responsibilities.

Productivity is a key factor in economic health. According to Sara J. Walker, Senior Vice President & Investment Officer, Associated Bank, levels of orders for core capital goods may serve as a proxy for business investment. It dropped by 1.4% in February for the sixth-consecutive month of decline. At the same time, according to economist James Paulsen, public sector investment spending as a percent of US Gross Domestic Product (GDP) dropped to a 65 year low.

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The post-war average growth in productivity has been 2.4 % per year. In the last five years, productivity growth has averaged 0.8%. According to Ms. Walker, “when productivity increases, both wages and profits are able to rise simultaneously. The opportunity costs of not investing in capital expenditures are rising quickly. The available pool of labor is declining, which requires businesses to invest in order to enable employees to work efficiently.” Currently, the recovery from the recession is felt most directly in growth in assets. Increased wages will allow the recovery to feel more meaningful to smaller businesses and wage earners.



Goldman Sachs Global Investment Research created an interesting summary chart of the many factors affecting the current economy.

Wisconsin Economy Summary

Similar economic indicators were reviewed for the Wisconsin economy as were considered for the US economy.

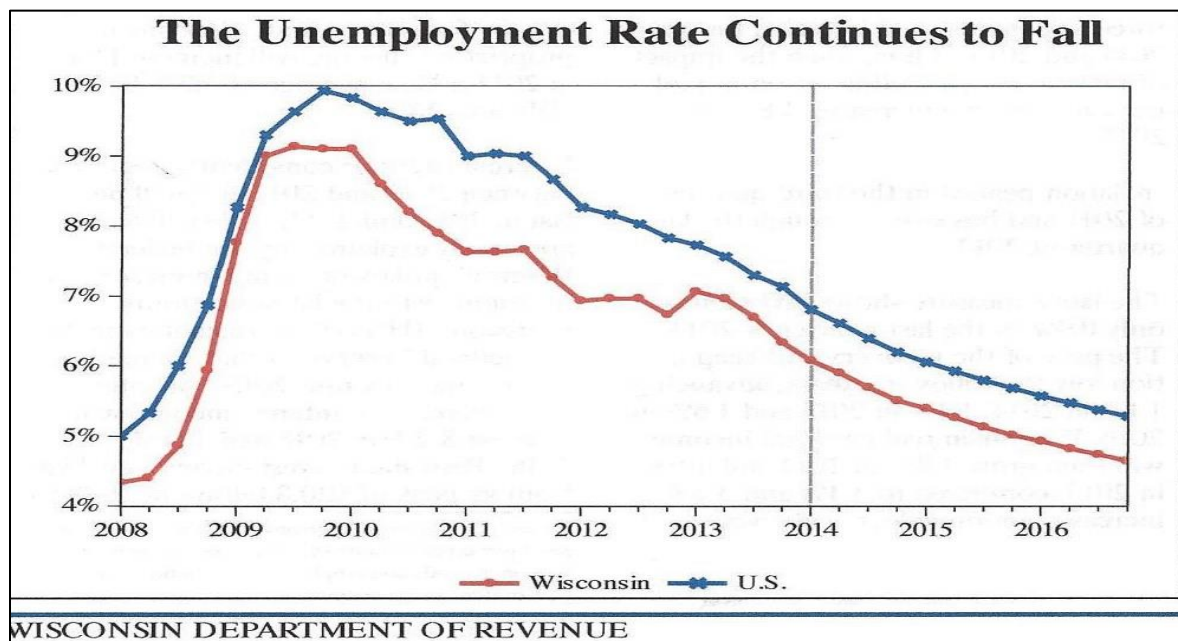
Key Data Points from the Wisconsin Economy

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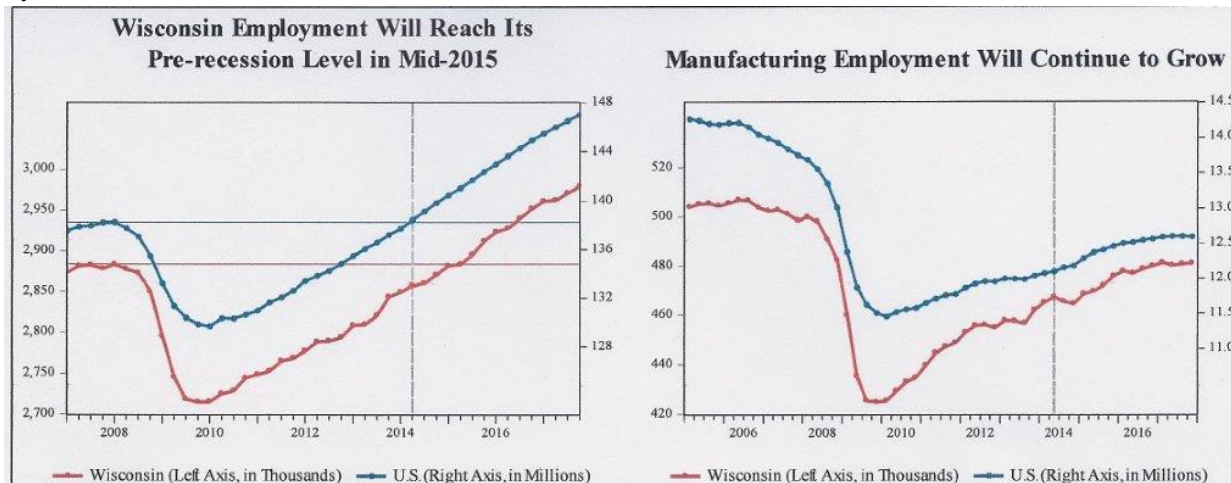
- In Wisconsin, as of March 2015 the unemployment rate was 4.6%.
 - Unemployment rates in surrounding states are: Illinois – 6.0%, Michigan – 5.6 %, Minnesota – 3.7%.
- The Labor Force Participation rate is 68.4%. Wisconsin consistently tracks ahead of the US in participation. The current rate is significantly below the highest rate of participation 74.3% in 1997 and above the lowest rate of participation 65% calculated in 1978.
- Employment is increasing at a moderate pace of 1.5% and forecasted to grow at 1.7 % in 2015 and 2016.
- Approximately 30,000 jobs were added in each year during 2012 - 2014. Forecasts call for 40,000 jobs to be added in 2015.
- 60% of the jobs lost during the recession have been recovered.
- Employment will return to pre-2008 levels by mid-2015.

Source – Wisconsin Department of Revenue

Figures released by the Wisconsin Department of Workforce Development in March 2015 show Wisconsin had a seasonally-adjusted jobless rate for March of 4.6 percent – down from 4.8 percent the month before. Once again, it's the lowest rate for the state since the recession started in mid-2008 and remains well below the national rate of 5.5 percent.

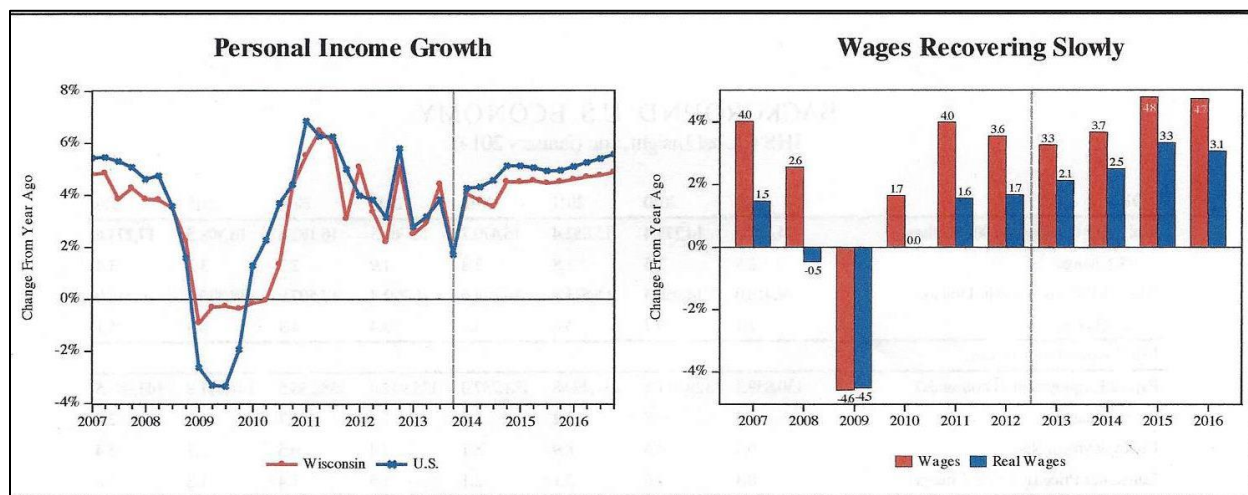


Wisconsin's Department of Revenue estimates that employment will reach pre-recession levels by mid-2015.



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Individual income growth is tracking growth nationally but wages are recovering more slowly.



Wisconsin Employment Sectors

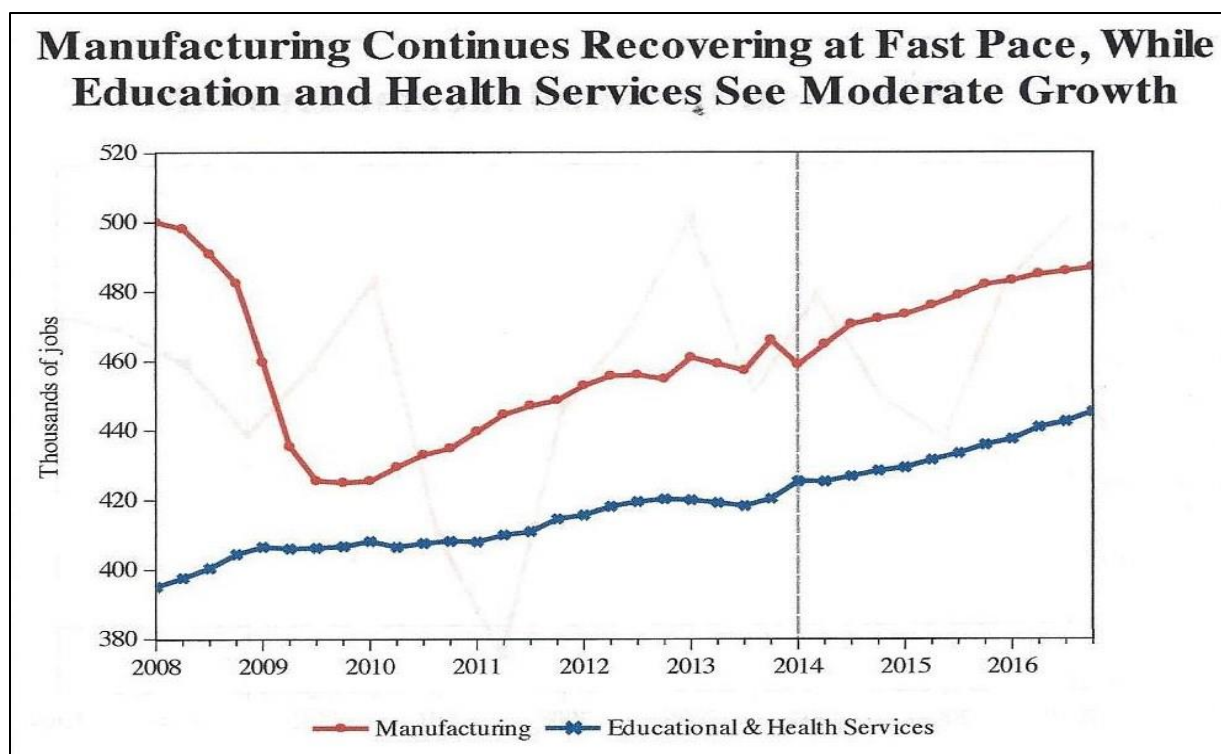
- Trade, Transportation, and Utilities (largest employment sector): The recovery has lagged behind the US. Just half of jobs lost during the recession will be recovered by 2016. The US will recover peak jobs by this year.
- Manufacturing (second largest employment sector): Manufacturing has shown strong recovery with 50% of jobs lost during the recession returned. Manufacturing grew 1.3% in 2014 and is projected to grow 1.7% in 2015. Recovery exceeds the US as a whole.
- Education and Health – only private sector not to fall during recession. Growth is modest at .3% in 2013 and 1.7 in 2014-2017.

- Professional and Business Services: All the jobs lost in this sector during the recession were recovered by 2011. Growth forecast 4.8% 2015 and 3.6% 2016.
- Leisure and Hospitality: Sector lost 12,500 jobs during the recession but recovered all jobs by year end 2012. Steady growth of 1.1% for 2015-2016.
- Financial Activities: Sector declined 0.3% in 2013. Employment flat 2014 – 2016.
- Construction: Sector peaked in 2006 and declined until late 2011. Forecast growth at 6.4% in 2015.
- Information: Sector shows slow growth of .5% in 2014, forecast .4% growth in 2015.
- Natural Resources and Mining: Sector is only .1% of total employment in Wisconsin. Sector grew 14.7% in 2012 and .7% in 2013, forecast continued slow growth thru 2016.

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Source Wisconsin Department of Revenue

Manufacturing has recovered fifty percent of jobs lost during the recession.



The most recent information from the Small Business Administration on **Business Starts and Survival Rates**, put Wisconsin at the bottom of the fifty states in business starts. It is interesting to note that Wisconsin's business support network assists in putting Wisconsin in the top ten states for 10-year survival. Businesses survive at a rate of 40.9%, putting it number six on the list. Top ranked North Dakota has a survival rate of 45.1%.

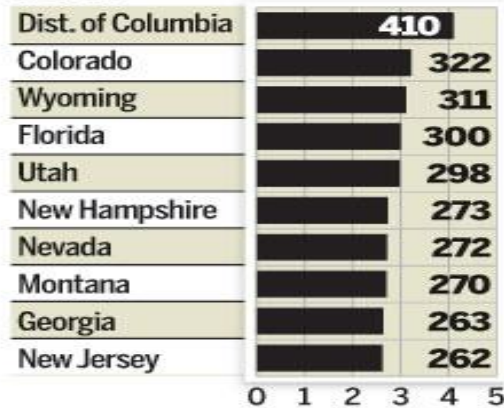


Fewer start-ups; better survival rate

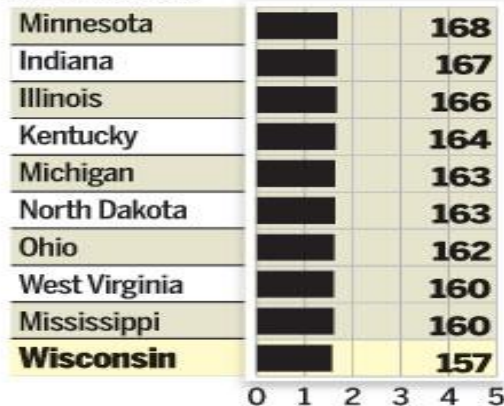
Wisconsin's rate of new-business openings is very low, but establishments tend to be harder than those in other states. While the graphic focuses on businesses opened in 2002 and their 10-year survival rate, Wisconsin's relative position on both measures is almost identical for 2007 and 2010.

Business establishments opened in 2002 (per 100,000 pop.)

TOP 10

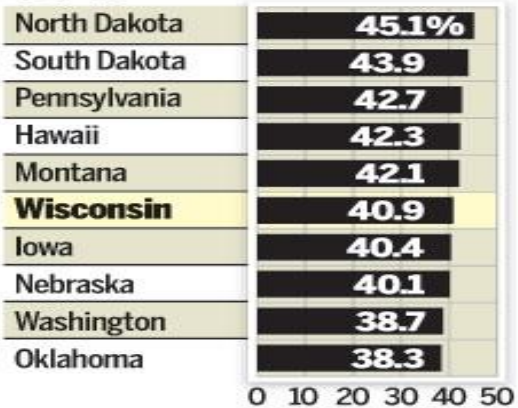


BOTTOM 10

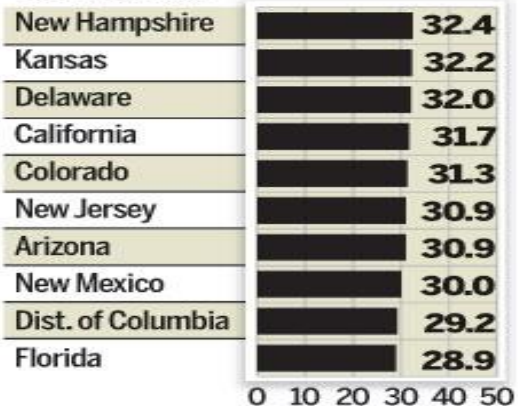


Percentage of businesses surviving from 2002-'12

TOP 10



BOTTOM 10



Source: U.S. Small Business Administration, Journal Sentinel analysis

Journal Sentinel

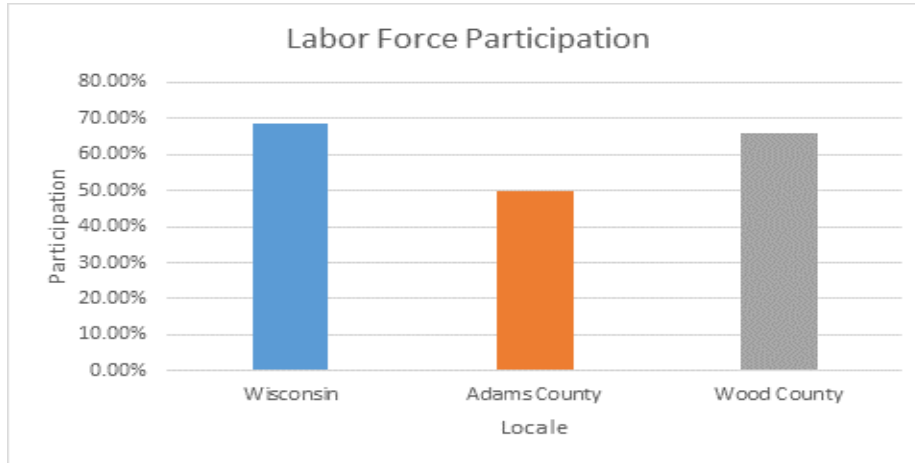
REGI Region Economic Summary

The consultants took a broader and more in-depth look at economic indicators in the area represented by REGI. Comparing the same indicators from above but adding elements of population, consumer spending, employment concentration, and innovation.



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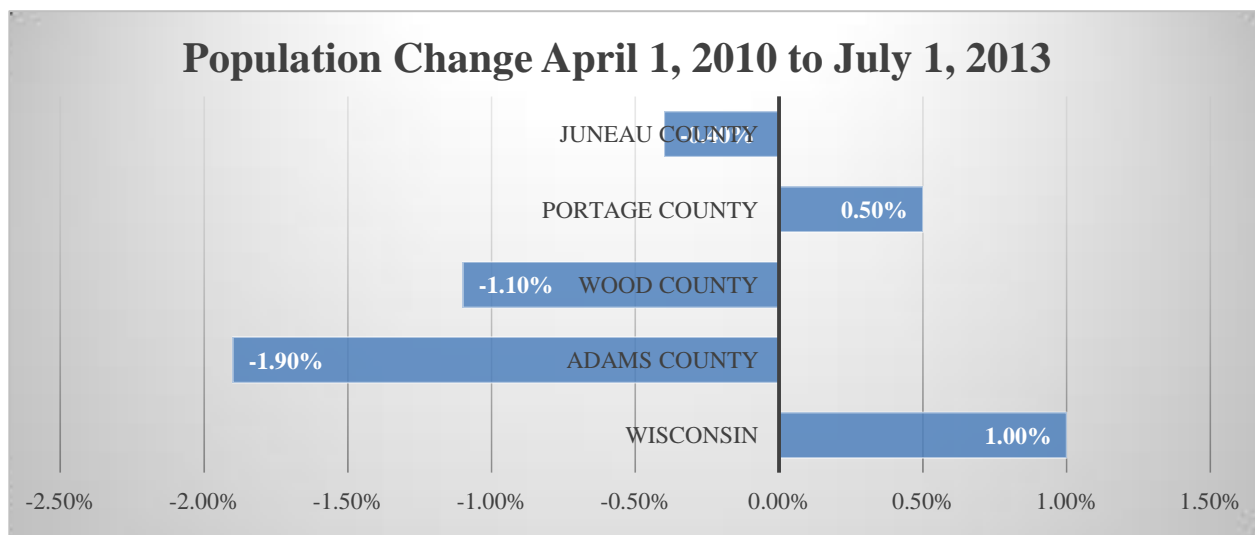
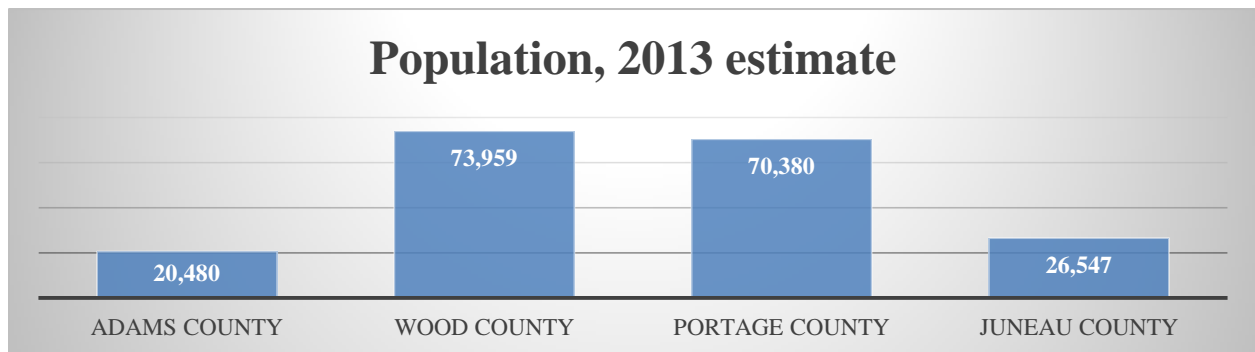
The **Unemployment Rate** in Wood County is above the US and Wisconsin rates at 6.9%. Adams County is substantially above those rates at 9.8%. Adams rate is the seventh highest



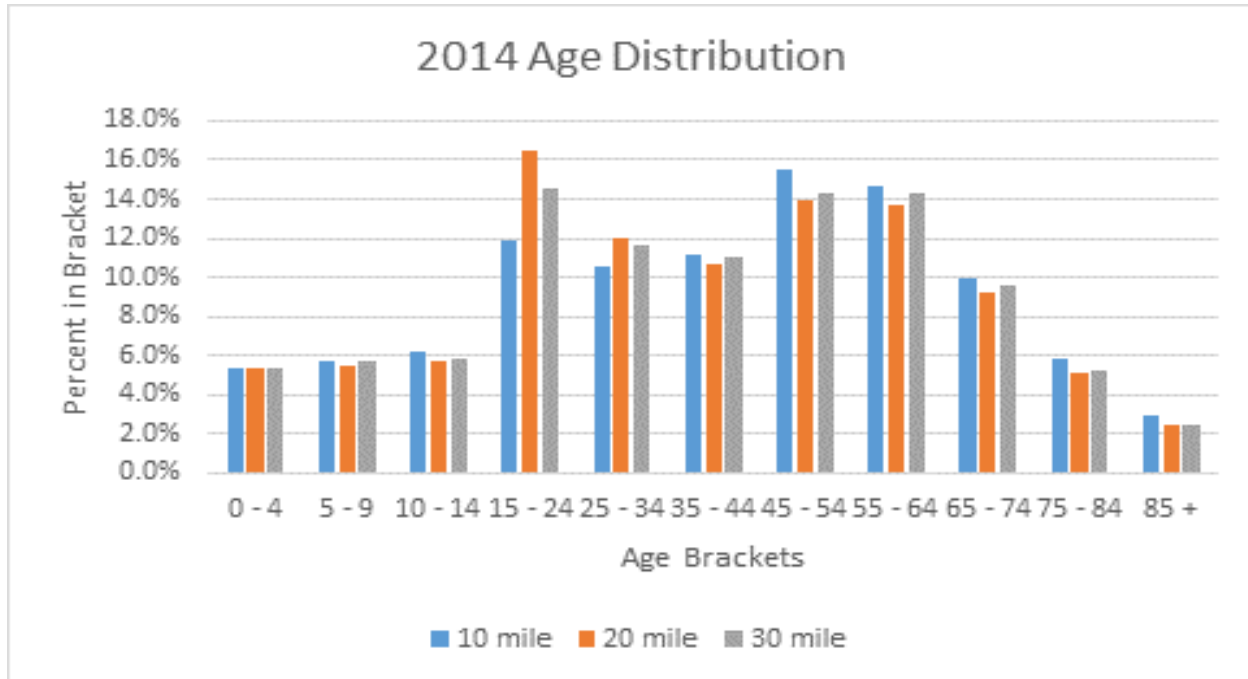
among Wisconsin counties. In terms of **Labor Force Participation**, Wood County is below the Wisconsin rate but still above the US rate. Adams County is substantially below the US and Wisconsin rates at just 50% of the labor force participating.

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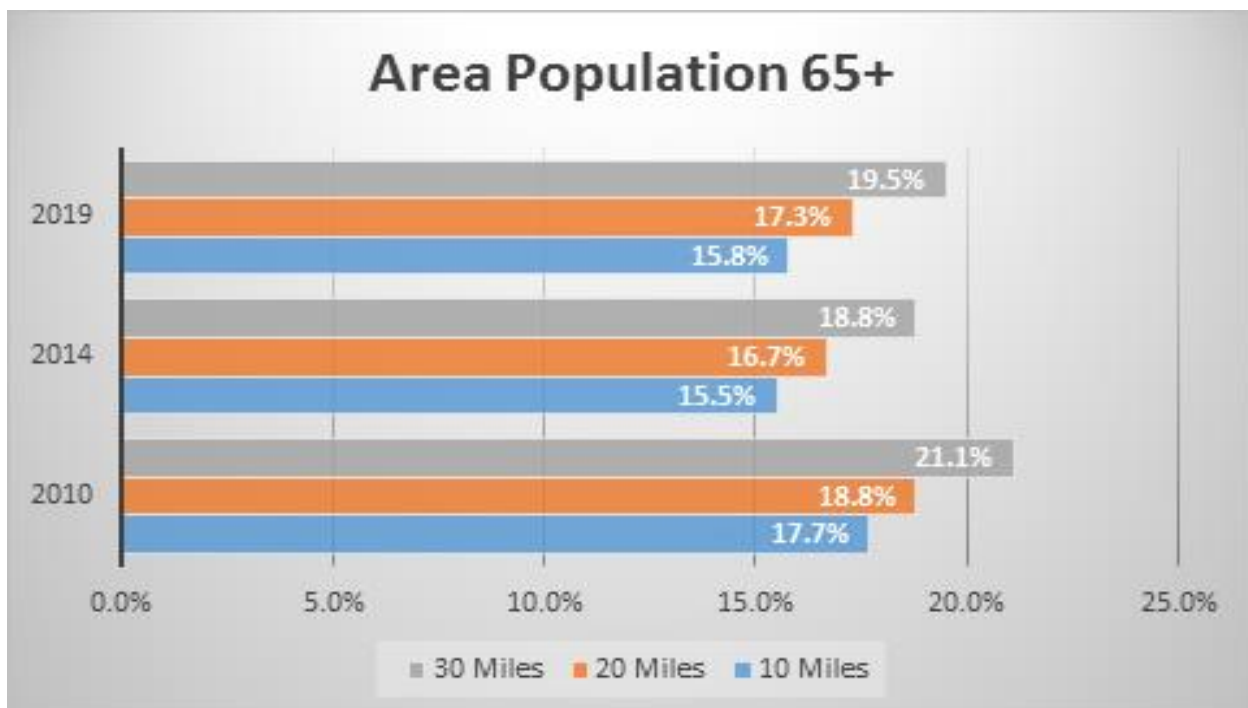
Population Growth is an indicator of future entrepreneurs and workforce. Population is in decline in both Wood and Adams counties. Only Portage County has modest growth in the area. Wood County remains the largest of the four counties.



Considering population from a market perspective, the larger age cohorts are 15-24, 45-54, and 55-64. Seniors are the single largest population group and growing.

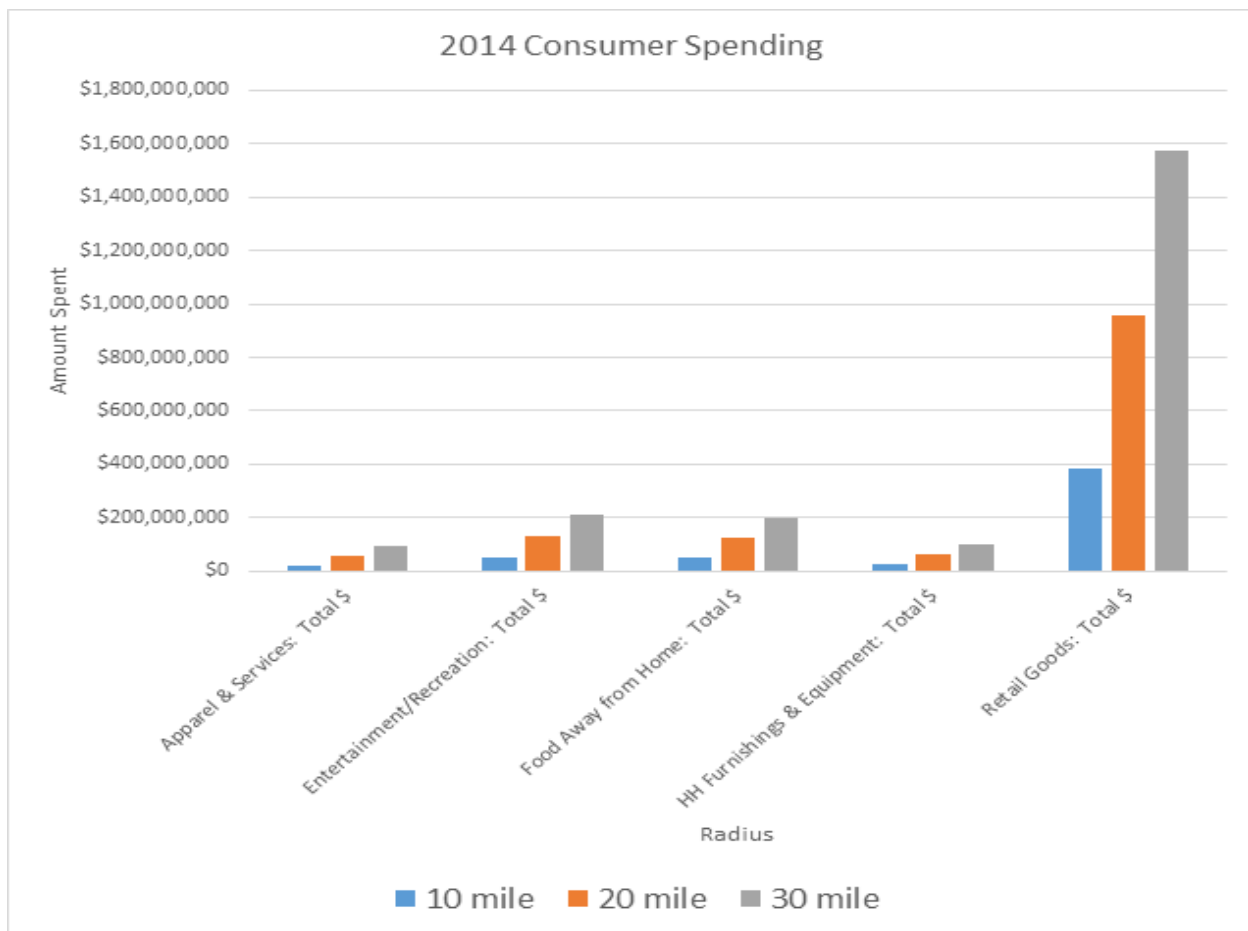


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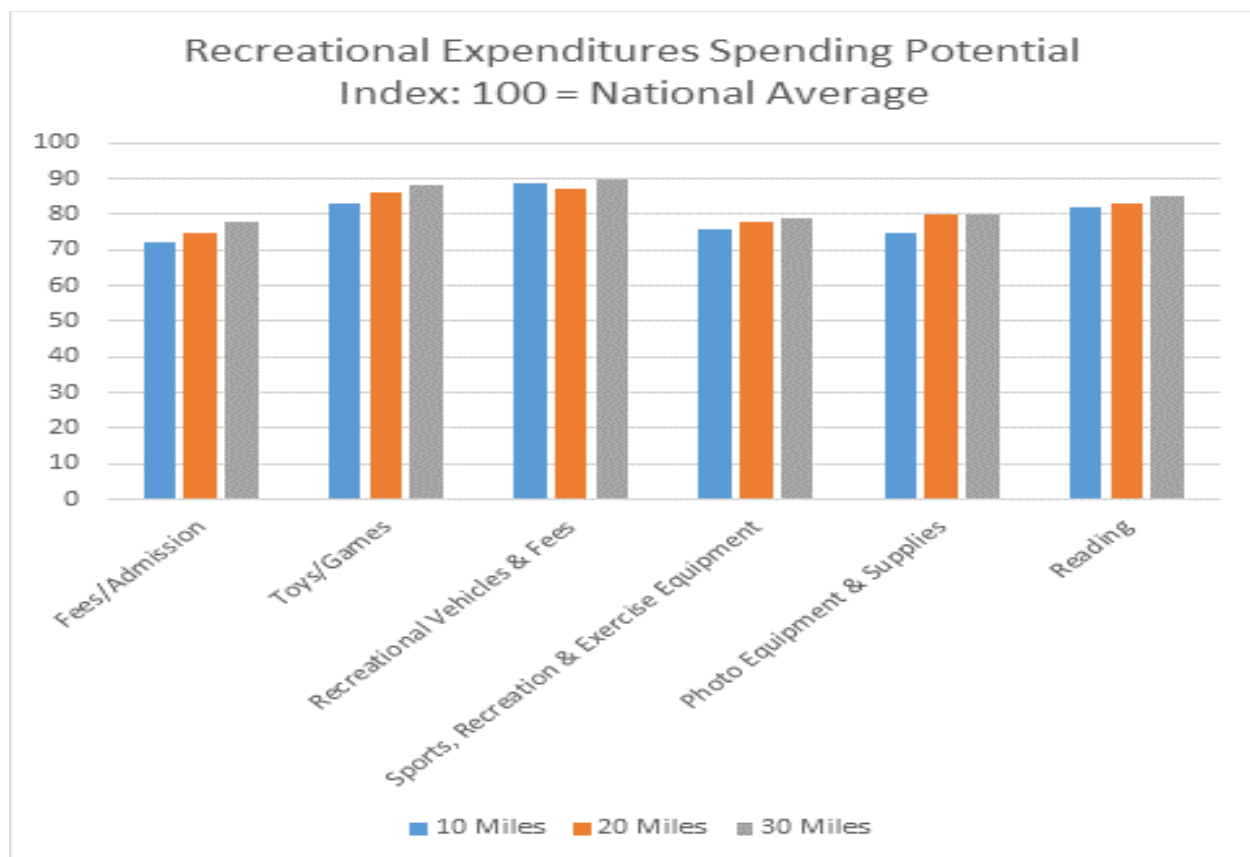
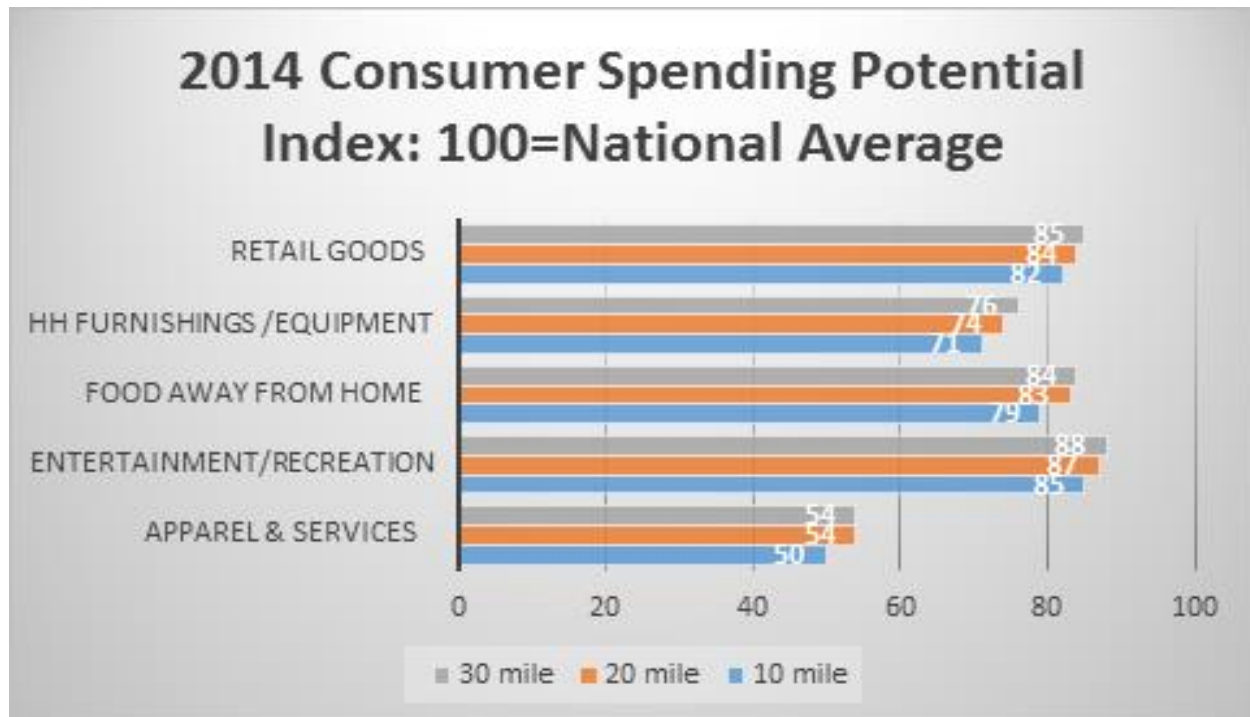


Consumer Spending

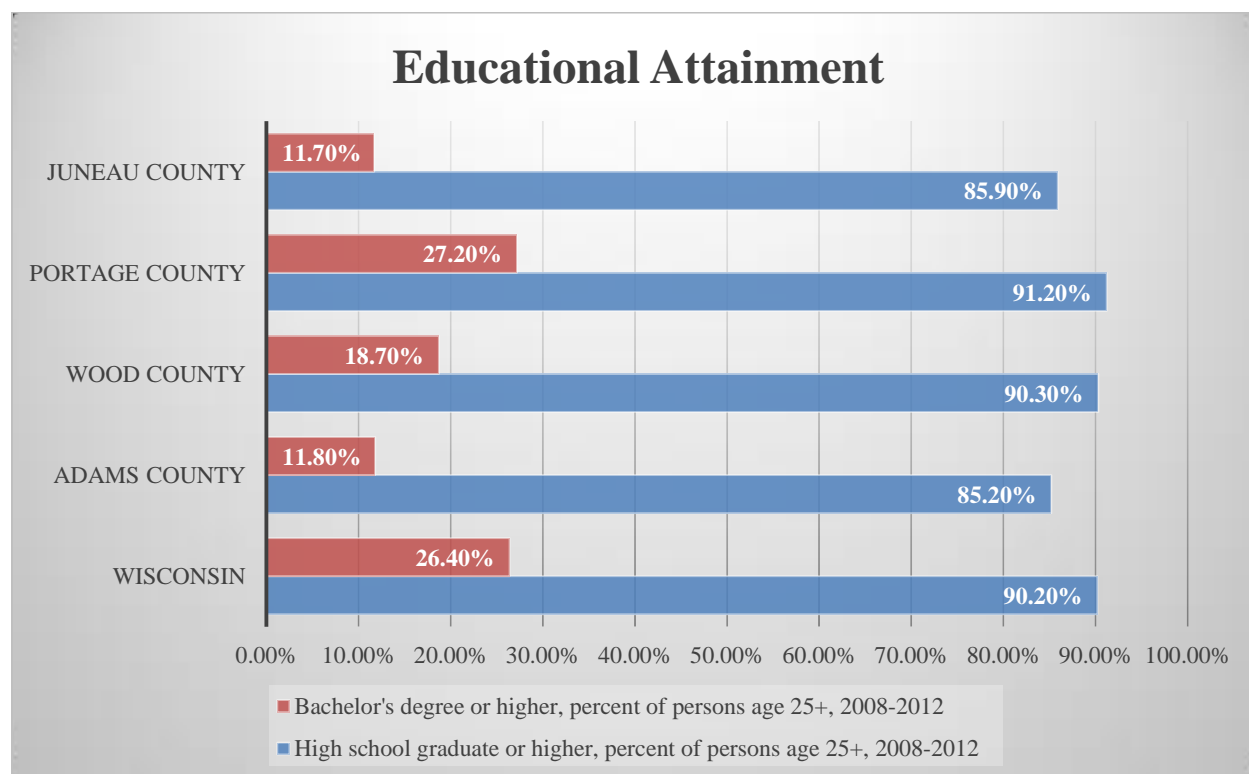
The consultants reviewed just three indicators of market opportunity: consumer spending in dollars spent, consumer spending potential as it relates to the national average, and recreation spending. The highest level of spending is on retail goods. Retail spending at 10 miles is \$400 million. Retail spending at 20 miles is \$900 million. At a 30 mile radius, retail spending is \$1.6 billion. This is a substantial number able to support a significant number of establishments. The radius was measured from a point in downtown Wisconsin Rapids.



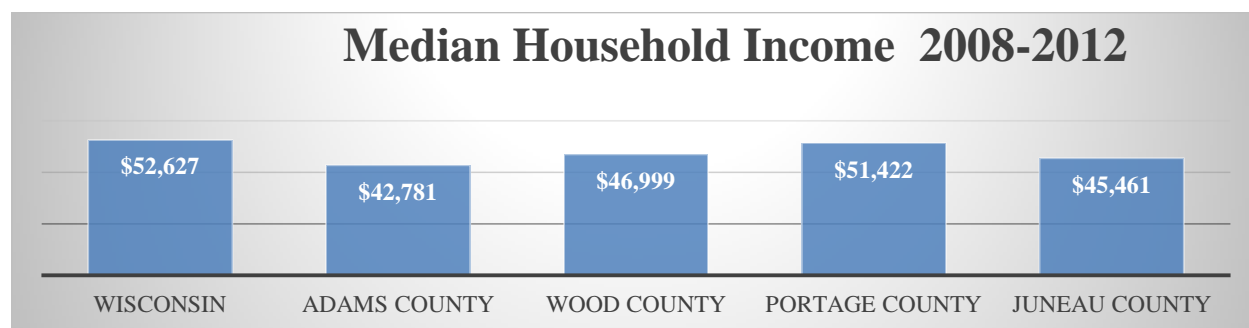
Spending potential at the 10, 20, and 30 mile radius is well below average. These numbers reflect actual amounts spent on goods categories by residents. Noting the charts above and below, it is interesting to note that despite the significant increase in spending at the 30 mile radius, the spending potential is similarly below average and on par with the 10 and 20 mile radius levels. Spending is important because it is one driver of the economy; in fact consumer spending, rather than business investment, is fueling the stock market and driving US growth overall. Spending also supports businesses and employment at multiple levels. Strong local spending can help to even out an economy with a large segment of more seasonal tourist oriented spending, such as Rome and Adams County.



Educational Attainment is among the more important factors of economic growth and a predictor of future prosperity. The region's strong educational institutions are an advantage. Individual institutions reported a near 100 percent graduation rate. The high level of high school graduation indicates a strong basic work force. Unfortunately, the area is hampered by its low level of college attendance and graduation.



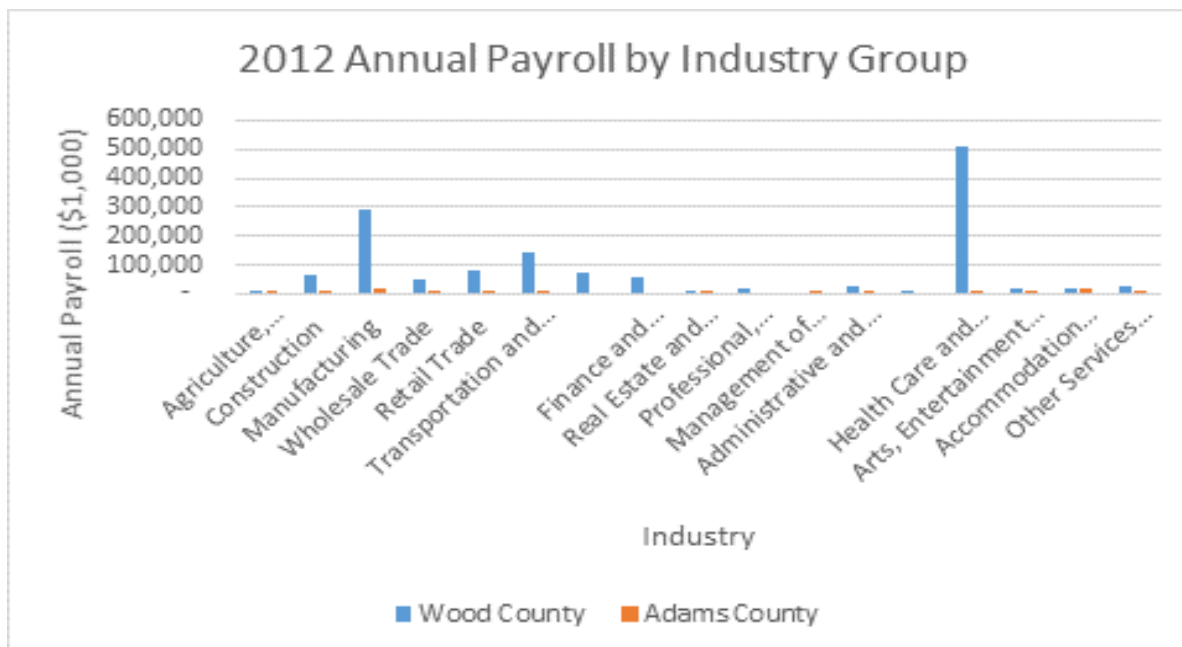
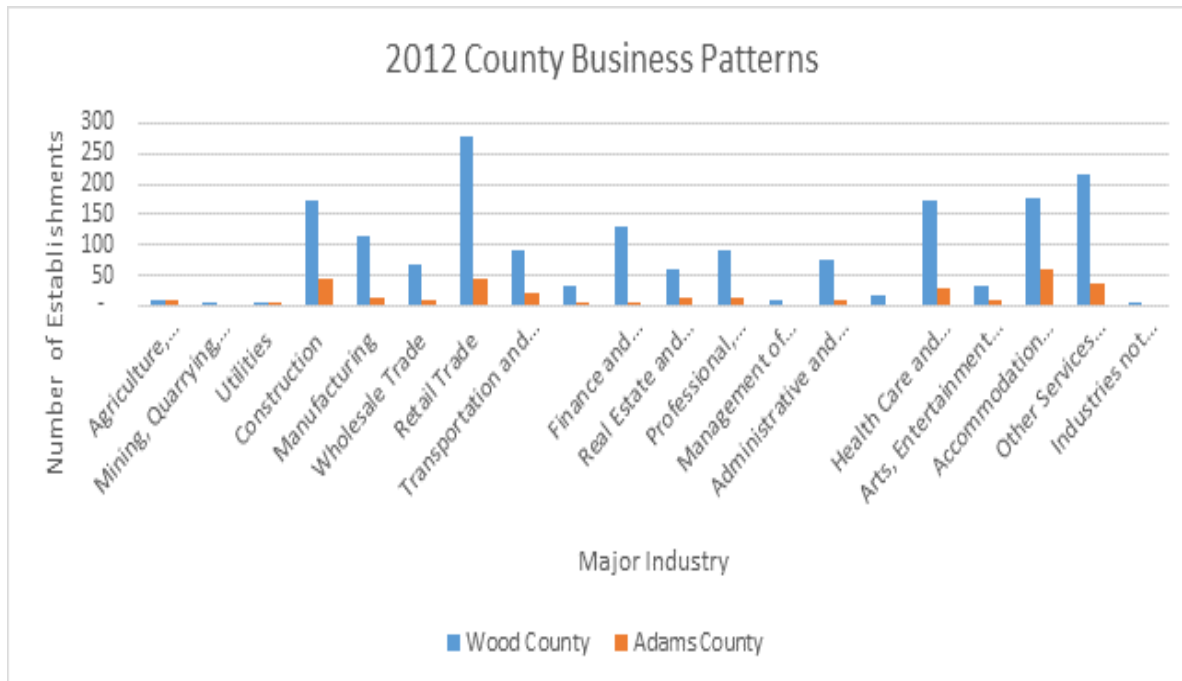
The consultants reviewed **Household Income** for Wood and Adams Counties. Income is one measure of the relative buying power of a region. Income is the largest determinant of the ability to attract and maintain support for various businesses and institutions.

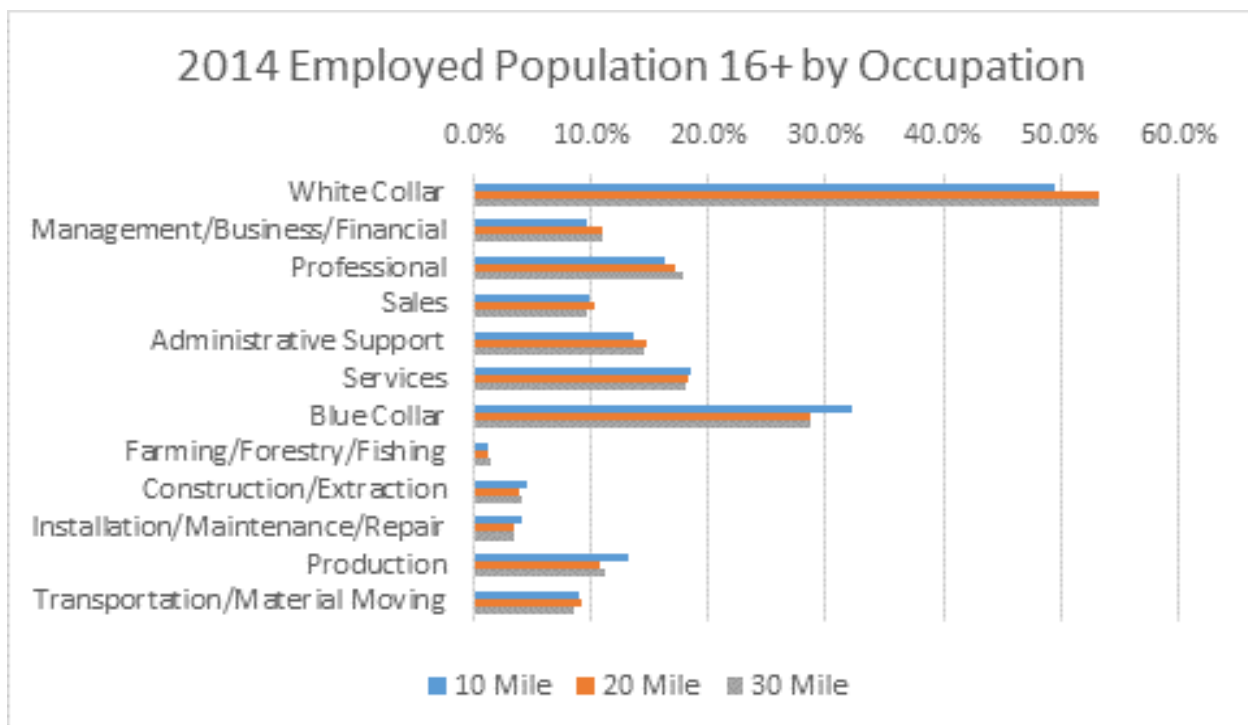
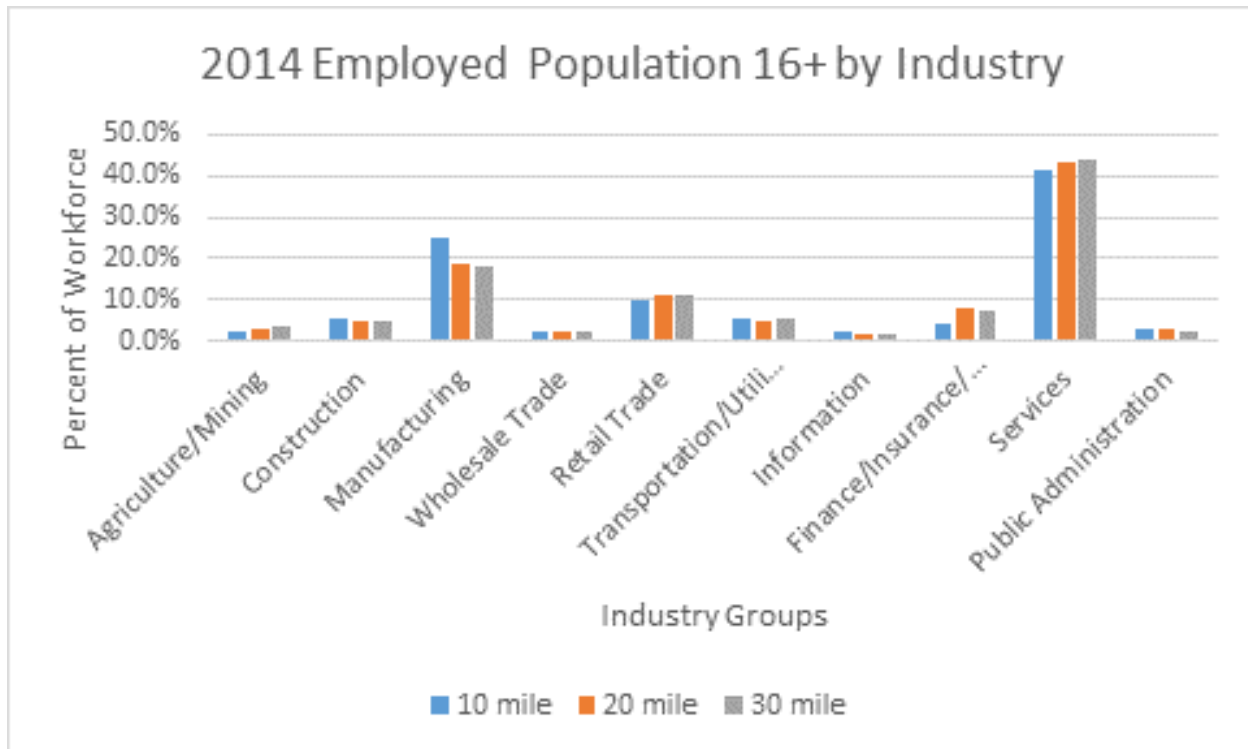


Industry Concentration

The largest concentrations of businesses are in retail trade, services, health care, and construction. The highest payroll is in health care followed by manufacturing.

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Industry Comparisons and Potential for Growth

Location Quotient

Location Quotients (LQs) are ratios that allow an area's distribution of employment by industry to be compared to a reference or base area's distribution. The reference area is usually the United States, but it can also be a state or a metropolitan area. If an LQ is equal to 1, then the industry has the same share of its area employment as the United States. An LQ greater than 1 indicates an industry with a greater share of the local area employment than is the case in the United States. For example, Las Vegas will have an LQ greater than 1 in the Leisure and Hospitality industry because this industry makes up a larger share of the Las Vegas employment total than it does for the country as a whole. Likewise, it could be assumed that Wisconsin would have a higher LQ in manufacturing than most other states and potentially than the nation as a whole. Using existing employment as a proxy for skill level, the LQ then also provides an indication of concentration of specific and specialized skills.

In the tables at the right, the top table reflects the LQ for all categories. The second table reflects the LQ for Agriculture Crop Products, Cattle, Forestry, and Logging. Only those categories with LQ levels above 1.25 were included. Notice that certain categories have a lower overall concentration and only

indicate an above average concentration after drilling down into more precise, finer data

NAICS	Wisconsin	Wood LQ 2013	Adams LQ 2013
Natural Resources /Mining	.66	.78	8.58
Construction	.81	.69	.69
Manufacturing	1.83	1.41	.89
Trade, Trans, Util	.97	1.06	.83
Information	.84	1.25	ND
Financial	.94	.45	ND
Profession, Business	.78	.30	.26
Education, Health	.96	1.98	.69
Leisure, Hospitality	.88	.52	2.38

NAICS	Wisconsin	Wood LQ 2013	Adams LQ 2013
NAICS 11 Ag, For, Fish, Hunt	.98	ND	14.35
NAICS 111 Crop Prod	.60	1.88	25.77
NAICS 1112 Veg /Melon Farming	.98	ND	120.75
NAICS 111211 Potato Farm	3.59	ND	420.10
NAICS 111219 Other Veg Mel	.46	NC	61.31
NAICS 1113 Fruit Tree Nut	.33	4.85	4.20
NAICS 11133 Non citrus Fruit Tree Nut Farm	.35	5.14	4.45
NAICS 111334 Berry, except straw	2.16	44.73	38.68
NAICS 112 Animal Prod/ Acquaculture	2.88	1.73	ND
NAICS 1121 Cattle	4.33	2.88	ND
NAICS 113 Forestry Logging	.59	ND	3.61
NAICS 1133 Logging	.65	ND	4.05



categories. Note Adams County's potato farming concentration at 420 times the national average.

Manufacturing

NAICS 31-33 is manufacturing. As expected, the LQ for manufacturing has a concentration in employment above 1.25. Paper and wood products are quite high but also above average concentrations in food, furniture, and machinery manufacturing. In this category, Adams County has employment concentrations either too low "NC" not calculable or concentrated in a single or few companies "ND" not discloseable due to confidentiality.

NAICS	Wisconsin	Wood LQ 2013	Adams LQ 2013
NAICS 31-33 Manufacturing	1.83	1.41	.89
NAICS 311 Manf. Food	2.05	1.30	ND
NAICS 321 Manf. Wood Products	2.24	5.82	ND
NAICS 322 Manf. Paper	3.93	17.94	ND
NAICS 333 Manf. Machinery	2.93	1.45	NC
NAICS 337 Manf. Furniture Related	2.00	1.38	NC

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Trade, Transportation, and Utilities

NAICS 44-48 contain some confusing elements. Adams County has an unusual concentration in gasoline stations – nearly five times the national average. That likely reflects a higher level of tourism in Adams County. Transportation / Warehousing and Truck Transport are high in Wood County reflecting the concentration of cold storage and other warehouses and the area's central location on rail lines.

NAICS	Wisconsin	Wood LQ 2013	Adams LQ 2013
NAICS 447 Gasoline Stations	1.30	1.26	4.73
NAICS 454 Nonstore Retailers	2.02	3.20	ND
NAICS 48-49 Transport Ware	.98	2.59	ND
NAICS 484 Truck Transport	1.49	7.08	.79
NAICS 485 Transit Ground Passenger	1.52	2.05	NC
NAICS 51 Information	.84	1.25	ND



Healthcare

Not surprisingly, the area has a higher than average concentration in healthcare. The area's higher and growing population of elderly residents and regional hospitals and medical research institutions has led to a concentration in ambulatory, nursing, and assisted living establishment far greater than the average.

NAICS	Wisconsin	Wood LQ 2013	Adams LQ 2013
NAICS 62 Health Social Asst	1.01	2.27	.80
NAICS 621 Health Ambulatory Service	.87	3.98	ND
NAICS 623 Health Nursing Facilities	1.18	1.28	1.48
NAICS 6233 Continuing Care Assisted Living	1.62	2.89	ND

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Tourism

Adams County has invested in its tourism and recreational assets attracting tourists year-round. This has fueled a concentration in employment in recreation, food, and accommodations. However, the number is significantly higher than can be justified in northern Adams County. The very high number for accommodations---more than 11 times the national average---suggests the far reaching impact of Wisconsin Dells on the County.

NAICS	Wisconsin	Wood LQ 2013	Adams LQ 2013
NAICS 71 Arts, Enter, Recreation	.85	.28	2.02
NAICS 713 Amusements, Gaming, Rec	.86	ND	2.81
NAICS 72 Food Accommodations	.89	.56	2.44
NAICS 721 Accommodations	.79	.41	11.27

Innovation

Over the past decade, the Indiana Business Research Center and the Purdue Center for Regional Development in collaboration with the Rural Policy Research Institute have worked on a series of tools to more accurately portray rural attributes and potential. The tool is the Innovation Index. The index is calculated from a number of traditional and proprietary sources in four specific categories: human capital, economic dynamics, productivity and employment, and economic well-being. Each category is made up of a series of data points that taken together provide a picture of a geographic area's current economic condition and potential.



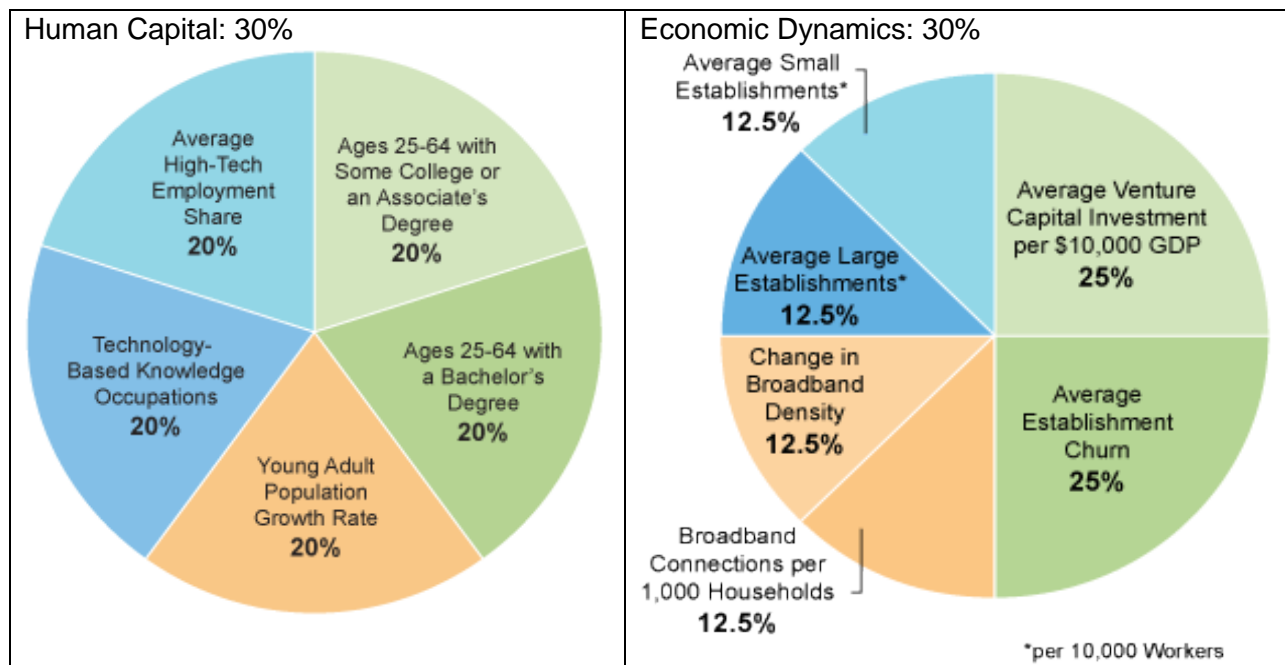
The Innovation Index compares regional performance to the United States and is calculated from four component indexes. It takes a broad look at indicators related to innovation from both the input and output perspectives. Based on statistical analysis, several factors appear to be especially important for increasing economic growth: educational attainment; young-adult population growth; high-tech employment growth; and the number of small establishments. Economies do not recognize political boundaries used in governing, such as counties and states. Each region will have a different mix of qualities that can boost its overall innovation score, and no two regions will be exactly alike.

Where Do the Data Come From?

Variables in the Innovation Index are derived from both official government statistical agencies and several private, proprietary sources, including Moody's economy.com, Decision Data Resources, Economic Modeling specialists, Inc. and Venture Deal. These proprietary data were used in specific index calculations. The public sources include: the Federal Communications Commission, National Science Foundation, US Bureau of Economic Analysis, US bureau of Labor Statistics, and the US Census Bureau.

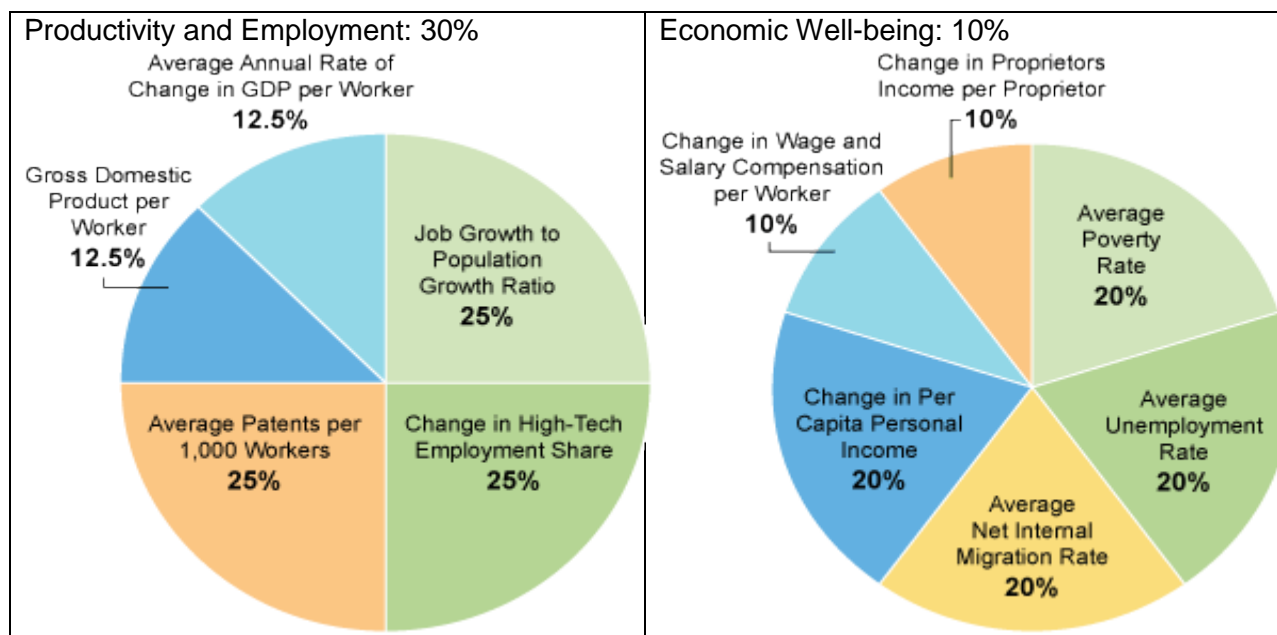
The index incorporates a mix of input measures that characterize the place and its people, such as, educational attainment, youth population, and high tech jobs. These account for 60% of the overall index score. The index also characterizes output measures, such as, business starts and venture capital that characterize its economic success (40% of the overall score).

The weight for each variable is listed below.



Inputs and capacity refer to the ability of the population and labor force to innovate. It is captured in two component indexes that include inputs into local economies: **Human Capital and Economic Dynamics**.

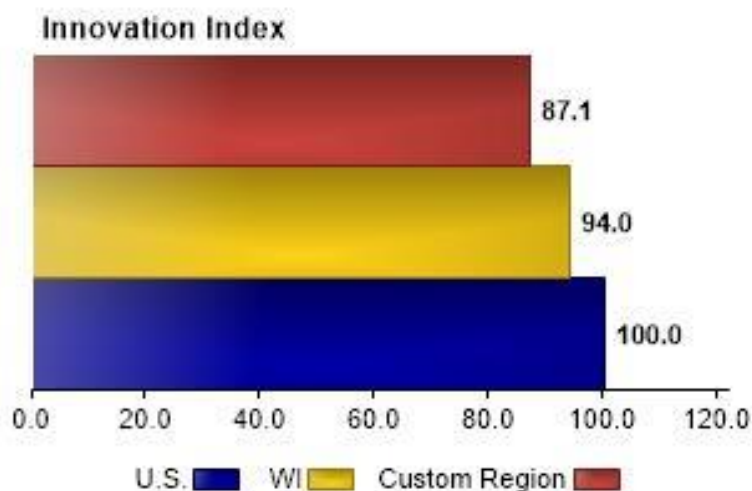
Outputs refer to direct outcomes and economic improvements as a result of innovative activities. It is captured in two component indexes that include: **Productivity and Employment, and Economic Well-being**.



Innovation Index

The summary Innovation Index displays the United States in blue, Wisconsin in yellow, and Wood and Adams counties together in red (referenced as the “custom region”). It combines all variables, including both inputs, and outputs, into a single index of current condition and potential.

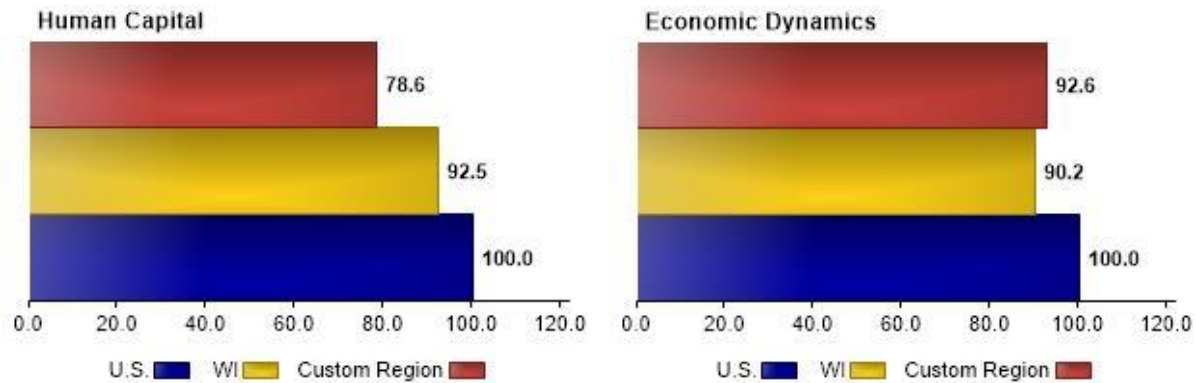
According to this summary index, both Wisconsin and Wood and Adams counties are below the national average for innovation and potential. Digging into the individual elements of the index will demonstrate those factors that are contributing to the region’s growth and innovation and which elements are limiting the region’s potential.



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Human Capital and Economic Dynamics

Considering just the inputs, human capital and economic dynamics, it is evident that an element of human capital is pulling the overall index score down. Economic dynamics though still slightly below the national average, is above the Wisconsin average.

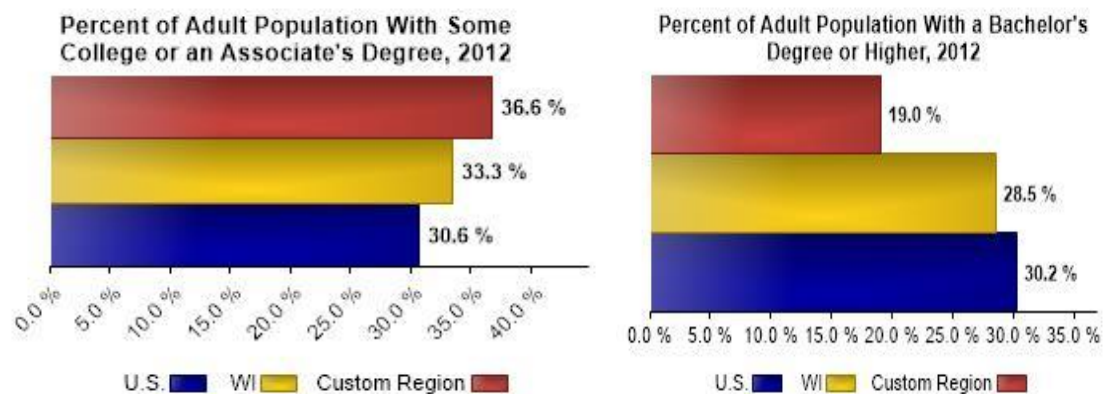


Human Capital

Human capital inputs are those characteristics that describe the ability of the population and labor force to innovate. The inputs include: educational attainment, population growth rates, high-tech employment share, and technology-based knowledge occupations.

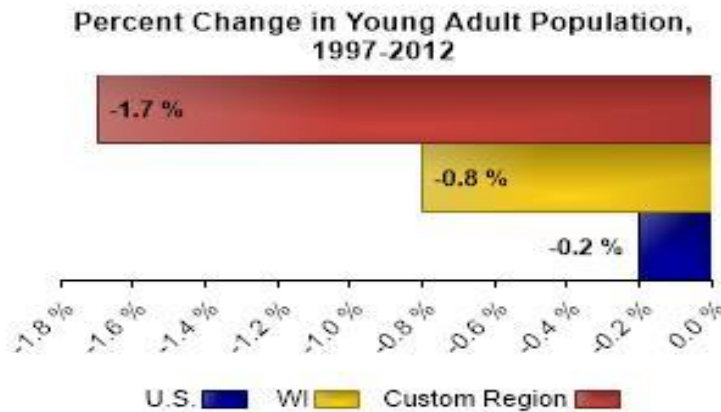
Educational Attainment

Educational attainment is a measure of the population's capacity to contribute to innovation with necessary skills and knowledge. Two component indicators are presented for education to measure not only highly educated residents (ages 25-64) with a bachelor's degree or higher, but also residents with some college. Research shows that the some college / associate's degree indicator has a significant effect on GDP per worker growth. (See also detail in Benchmarking)



Percent Change in Young Adult Population

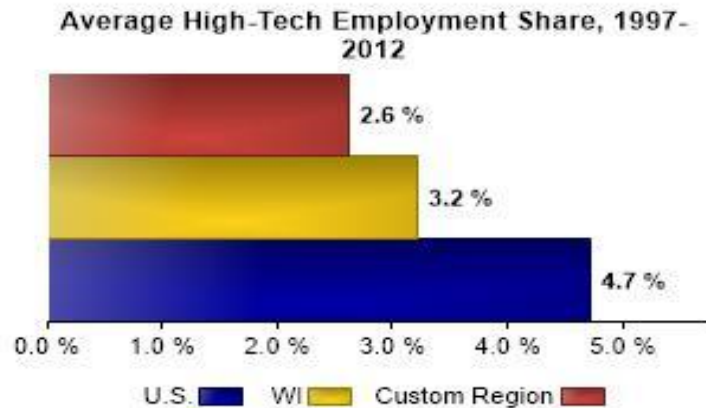
High population growth rates for younger working age persons (ages 25 to 44) suggest new residents are attracted to an area, growing the workforce, adding to the innovative base and launching new businesses. Research shows this indicator has a significant effect on GDP per worker growth.



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High Tech Employment Share

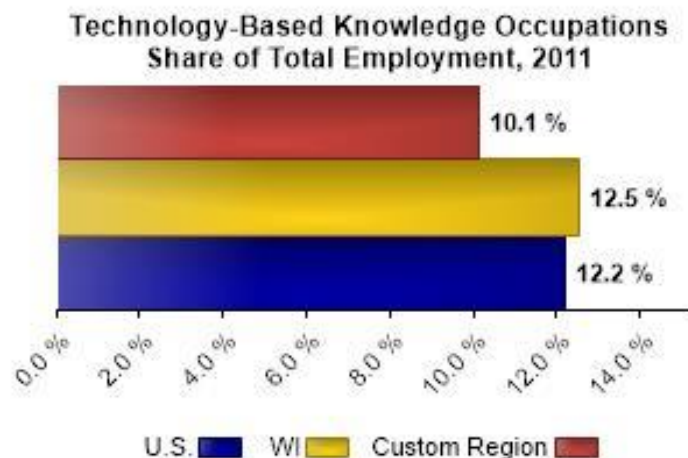
Firms requiring a highly skilled and specialized workforce contribute to innovation in a region by providing a resource for workers, other firms and other industries. (This metric measures the point in time innovative capacity of the region as opposed to the growth of innovative capacity in the productivity and employment index.)



Technology-Based Knowledge

Occupations

These 6 occupation clusters are often thought to be closely associated with the production of innovations. They include information technology; engineering; health care and medical science practitioners and scientists; mathematics, statistics, data and accounting; natural science and environmental management; and postsecondary education and knowledge creation.

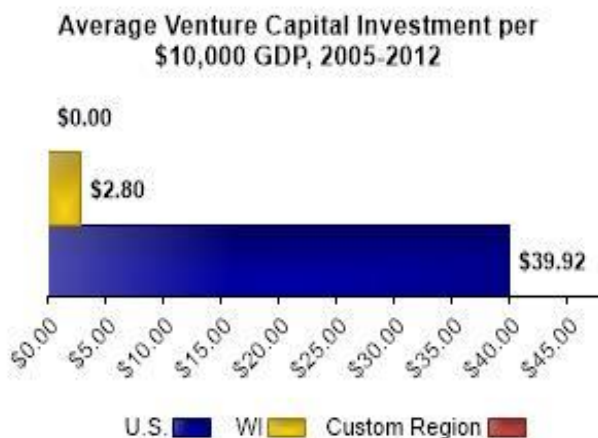


Economic Dynamics

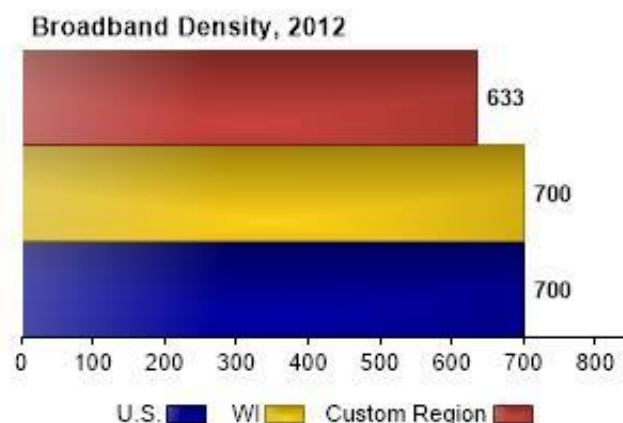
Economic dynamics inputs are those characteristics that describe *local* resources available to regional entrepreneurs and businesses that encourage innovation close to home. These inputs include the venture capital available to fuel start-ups and business growth, broadband density and penetration necessary to connect individuals and companies to the world at large (meaning, in part, the potential to locate in a geographically isolated rural area rather than a densely populated urban community), and how quickly innovation forces companies to reinvest and retool, as new companies enter the market.

Venture Capital

Average venture capital provides a source of funds to launch new ideas or expand innovative companies.

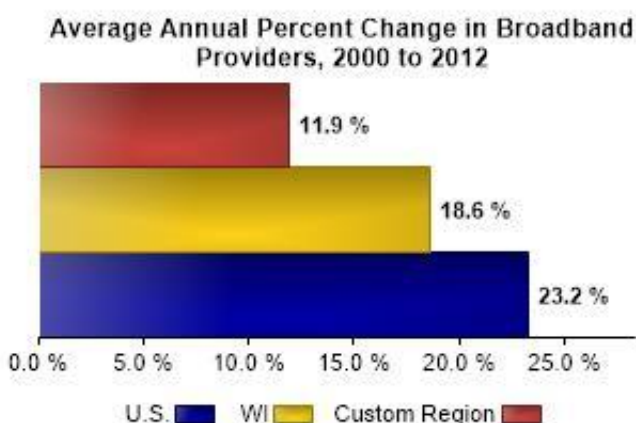


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Broadband

Innovation and knowledge are linked to widespread Internet usage for individuals and businesses. There are two measures, both from the Federal Communication Commission (FCC), to gauge Internet usage. One measure is the level of Internet penetration, or broadband density. This measure is residential broadband fixed connections per 1,000 households in 2009, a new data series the FCC first released in early 2010. The FCC reports these data in ranges, not as a specific number of connections per 1000 households in a particular county. The midpoint in the range is graphically presented here. For a custom

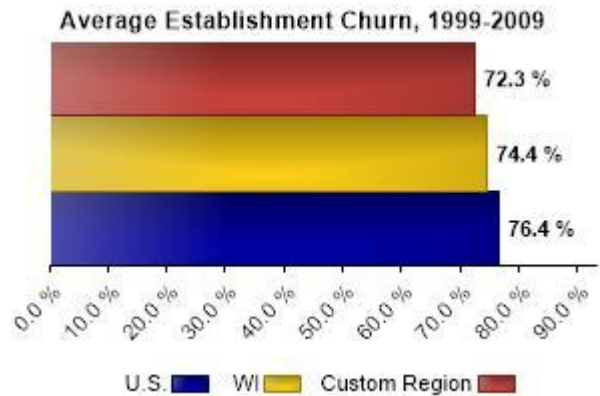


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region—an aggregation of two or more counties—the midpoint for the region is calculated as the weighted average of the midpoints of all the counties in the region. The second measure is a proxy for the rate of Internet adoption. This indicator is defined as the change in the number of broadband providers available to residents in a given county from 2000 to 2009. (The FCC did not collect data on broadband connections before 2009. The change in broadband connections would have been the preferred measure for the rate of internet adoption.)

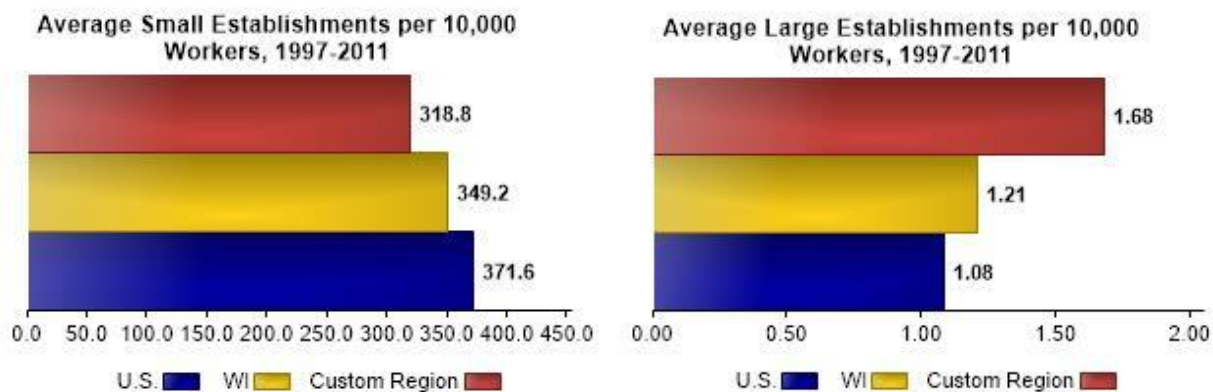
Establishment Churn

Innovative and efficient companies replace outdated establishments, or those firms unable to modernize techniques and processes. Average churn is a measure of total establishment births and deaths, and expansions and contractions, relative to the total number of firms in a region for all years available.



Establishment Sizes

The sizes of establishments provide an indication of a regional economy's structural composition. Small establishments with fewer than 20 employees are flexible and not overburdened by a bureaucratic organizational structure enabling rapid changes to implement new ideas and evolve with technology. On the other end of the spectrum, large establishments with more than 500 employees have both the capital and labor resources to fund research and other innovative activities. Research shows that the average share of small establishments has a significant effect on GDP per worker growth.

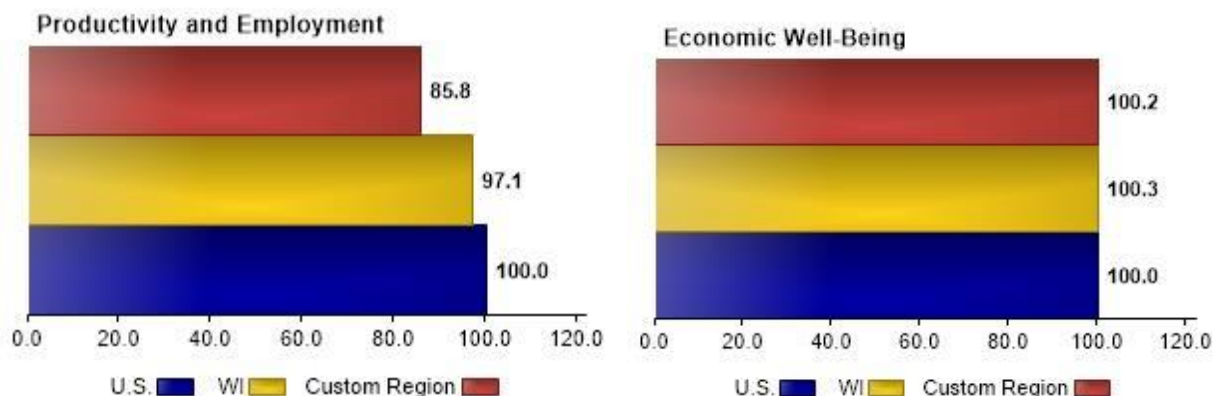


Outputs

Direct outputs and economic improvements are illustrated in the output indexes.

Considering just the outputs, it is evident that an element of productivity and employment is below average. Economic well-being in Wisconsin and Wood and Adams counties is above the national average.

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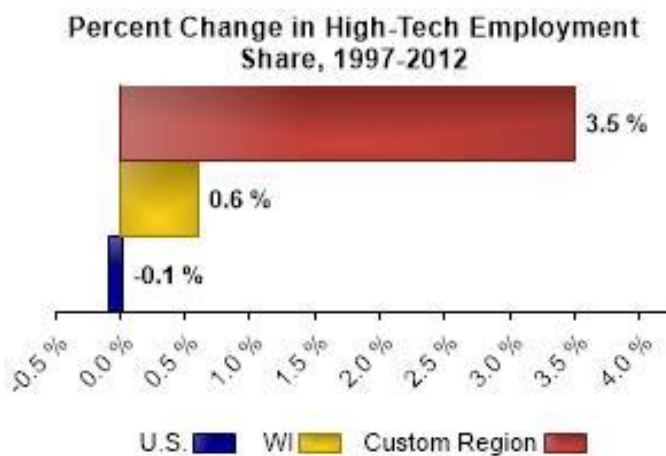


Productivity and Employment

Productivity and employment measures economic improvement, regional desirability, and the direct outcomes of innovation. It includes data that measures changes in high tech employment, job growth, gross domestic product per worker, and average patents per worker.

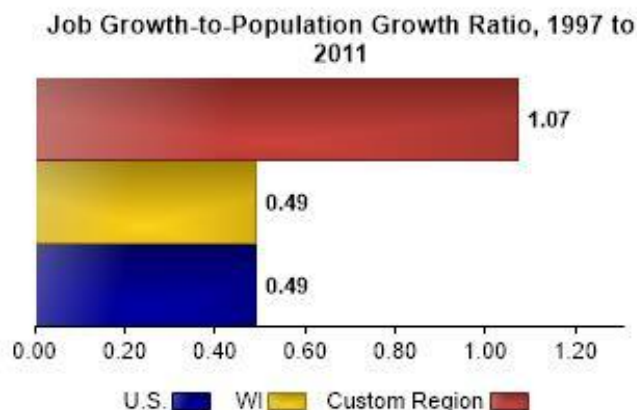
Change in High-Tech Employment

Firms requiring a highly skilled and specialized workforce are drawn to innovative areas. Growth in this sector suggests the increasing presence of innovation. High-tech employment, derived from a NAICS-based definition by Moody's Analytics, measures an aggregation of employment in key sectors (e.g., telecommunications, Internet providers, scientific laboratories) as an average annual rate of change in the share of high-tech employment. Research shows this indicator has a significant effect on GDP per worker growth.



Job Growth

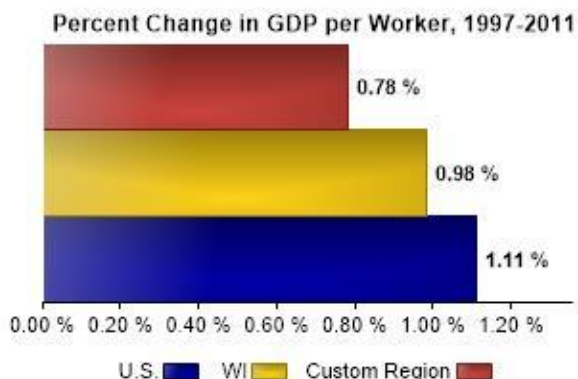
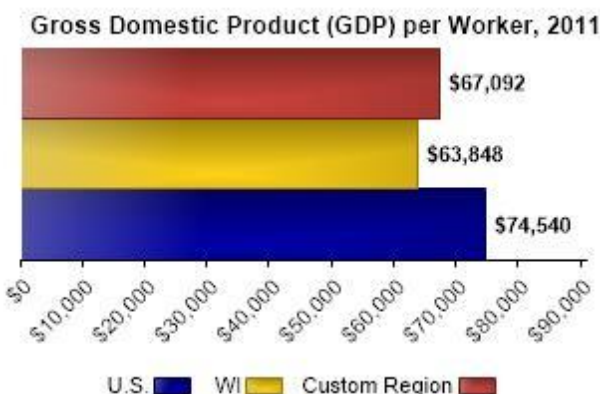
High employment growth relative to population growth suggests jobs are being created faster than people are moving to a region. A high ratio between these 2 variables is an indication of strong economic growth.



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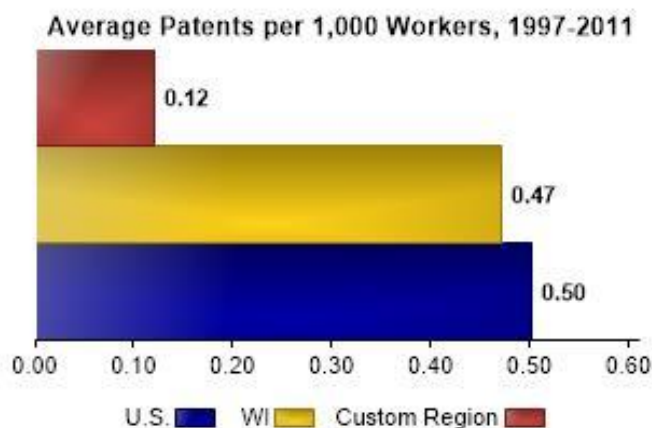
Gross Domestic Product per Worker

GDP serves as a measure of county-level economic output, while increases in GDP per worker measures increases in worker productivity.



Average Patents per 1,000 Workers

New patented technologies provide an indicator of individuals' and firms' abilities to develop new technologies and remain competitive in the economy. Patents are presented as total number per 1,000 workers.



Economic Well-being

Innovative economies improve economic well-being for residents because they earn more and have an increasing standard of living. The index includes individual measures that have been discussed separately earlier in this section, such as, unemployment, growth, and compensation, and adds poverty and migration as factors.

Average Poverty Rate

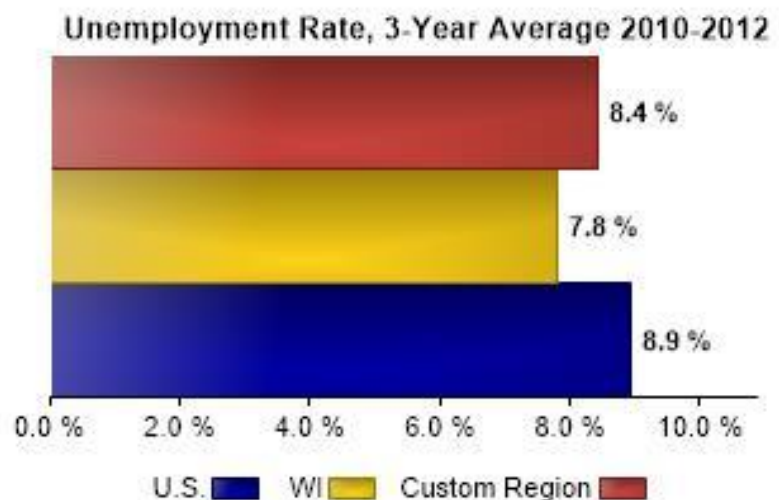
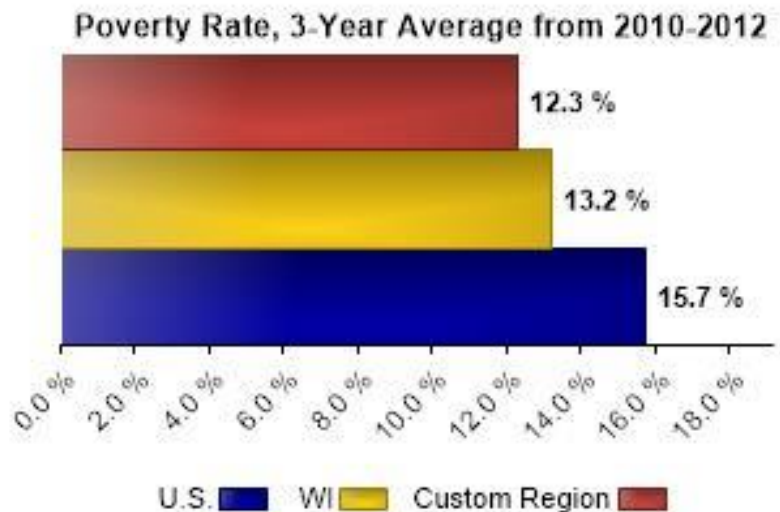
Poverty is a complex measure.

Innovative economies are thought to leave fewer of its residents in poverty. Elevated employment opportunities and a more highly educated workforce with diverse skills open the doors to an increased number of employers. Poverty has an inverse relationship to innovation. Growth that is linked solely to ROI capital rather than

ROI labor may be associated with higher levels of poverty. This suggests a lack of participation or inclusion in the labor force. As poverty rates decrease, presumably innovation has increased, and more opportunities for participation in the labor force. It may also indicate recognition on the part of employers that diversity (inclusion) drives innovation.

Average Unemployment Rates

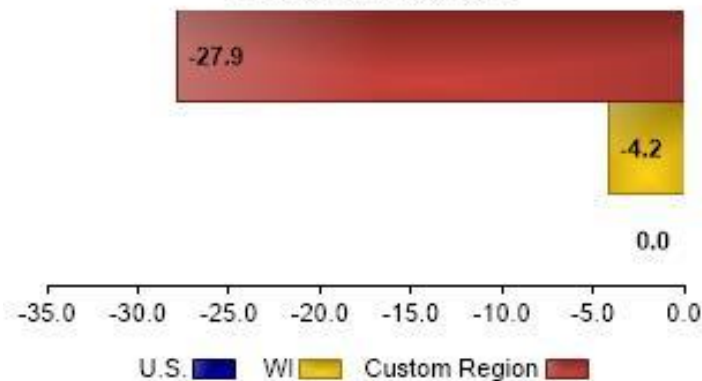
Innovative economies are thought to have greater employment opportunities and lower unemployment rates. Note that the index includes a 3-year average rate, not the most current rate used previously in this chapter.



Average Net Migration

Total migration of all persons into a region serves as an indicator of whether a region is attractive to job seekers and families

Average Net Internal Migration Rate per 10,000 Residents, 2000-2012

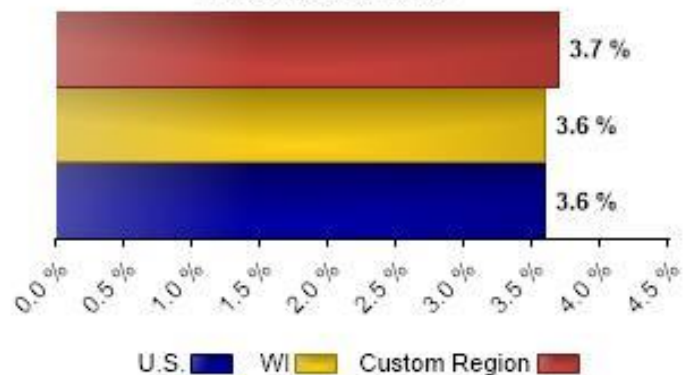


Average Growth in Per Capita Personal Income

Personal Income is the broadest measure of a person's income

because it includes rental income, dividends and interest payments, in addition to salary, wages and benefits. As a result, it is probably the best measure of well-being in today's economy (in which growth is largely driven by ROI on capital)

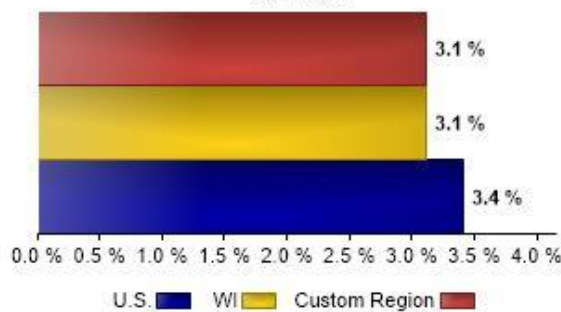
Percent Change in Per Capita Personal Income, 1997-2012



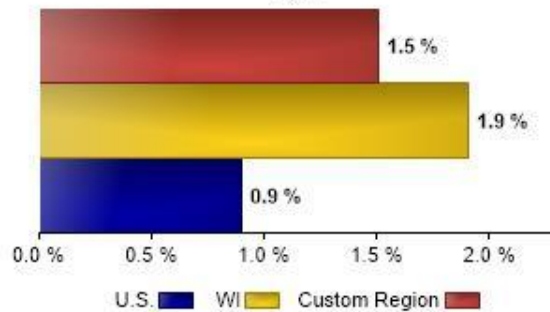
Compensation

Improvements in earnings per worker, or compensation, signify a positive trend in economic growth being passed on to workers. Two specific categories of workers are considered: wage and salaried employees, and nonfarm proprietors.

Change in Average Wage and Salary Earnings, 1997-2011



Change in Average Proprietors Income, 1997-2011



ASSET INVENTORY

- ❖ Industrial and Business Parks
- ❖ Redevelopment – Industrial and Business Parks
 - ❖ Downtown Redevelopment
 - ❖ Transportation
- ❖ Electric, Natural Gas, Water, Wastewater Treatment
- ❖ Telecommunications
- ❖ Educational Institutions
- ❖ Quality of Life
- ❖ Economic Development and Business Serving Organizations

3



CHAPTER 3: ASSET INVENTORY


Nearly twenty-five years ago, Northwestern University professors John Kretzmann and John McKnight pioneered an approach that turned community building on its head. Since the anti-poverty programs of the 1960's, the standard methodology for economic development programming has focused research on the economic deficits and social ills facing a community. Since such emphasis was placed on this data by the federal government and nonprofit funders, communities defined themselves by this information. Those communities that reveled in the superlatives of this descriptive language gained more and better funding. The natural consequence of identifying the partial truth about a community was that it became the whole truth. It became impossible to see beyond the needy, the problematic, and the deficient.

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A focus on the spectacularly problematic gains attention and is rewarded with grant funding, and perhaps a mini-series, but generally not the economic turnaround desired. Kretzmann and McKnight argued significantly, that the corresponding response to a deficits analysis is overly, but necessarily, focused toward solutions to those problems. The result is a fragmentation of efforts aimed at correcting deficits rather than on scaling new heights from a position of strength. Even when successful, the community has returned to average. There is no competitive advantage to average.

Rather than viewing a community as the sum of its nearly endless problems and needs, Kretzmann and McKnight suggested a focus on capacities, skills, and assets. They argued in their pioneering work "Building Communities From the Inside Out" "historic evidence indicates that significant community development takes place only when local community people are committed to investing themselves and their resources in the effort. ...Communities are never built from the top down or from the outside in." An alternative approach leads to the development of policies and activities based upon the capacities, skills, and assets unique to every community.

The focus on assets over deficits in policy development for community building tracks the evolution in industrial development practice from industrial recruitment, through cost as a basis for differentiation, to the current focus on regional competitiveness. As stated in a joint economic development project by the research centers of Indiana and Purdue Universities "Crossing the Next Regional Frontier: Information and Analytics Linking Regional Competitiveness to Investment in a Knowledge Based Economy" we can see three distinct but overlapping eras in the past half century.

 *The Era of Industrial Recruiting* has its roots in the recruitment strategies that Mississippi adopted during the Great Depression and accelerated after World War II. During this period, economic development strategies emphasized financial incentives to attract factories, and focused on investments in physical infrastructure to move inputs to factories and finished goods to markets.



- ✚ *The Era of Cost Competition*, which began in the early 1980's emphasized industry consolidation and achieving economies of scale. During this period, multinational companies began globalizing their production operations. To compete, U.S. based economic development organizations focused on providing more aggressive, deeper incentives. The focus in this era was more diffuse and relied on creating a business and regulatory climate that encouraged private investment by reducing costs.
- ✚ *Our current Era of Regional Competitiveness*, which began in the late 1990's emphasized identifying each region's competitive advantages and then prioritizing public and private investments necessary to exploit those advantages. This period is seeing the blurring of lines between economic and workforce development, as innovation emerges as a key element around which economic development strategies are organizing.

The alignment of best practice in community building and industrial development has been met with a similar transformation in workforce development. Workforce training, long identified with social service and mired in a focus on the least advantaged of our population enforced by its primary funders, has rejoined the continuum of education and life-long learning. The professionals, engineers, farmers, sales force, and laborers of today are the workforce---we are the workforce. Incentive's Workforce Central and its sector approach are on the leading edge of workforce policy and practice.

Individuals, businesses, and the institutions that support them, often feel compelled to come together, even across jurisdictions, around adversity. They also can be persuaded to consider shared interests when a grant is at stake. Yet, the long term view of one's shared interests rarely captivates. Nearly always, individual interests trump the collective. Finding the balance of the individual benefit and the collective value is one important outcome of Asset Mapping or an Asset Inventory.

A 3-D printer is an asset. So is a machine from the turn of the 20th century that bends metal, a database of potential clients, or a patent for a new product. What these very different items have in common is that they are used to some value by the companies that possess them. Those assets are not always physical; a company may count its intellectual property and its software systems as assets while a community may count leadership, stewardship, and services as assets.

When creating an asset inventory, the key point is not the creation of an exhaustive list, rather it is the identification of assets that will form the foundation and nurture the development of an economic ecosystem. The value of the information is in how dynamic it is (meaning change in quantity or condition, as in the level or cleanliness of water), and how will it be used in the future. The ultimate value of an asset depends on its intended use. For example, wood "waste", by definition is something considered of no value, such that it is thrown away, may become an asset if it is put to profitable use. An additional issue is the cost of using the asset, holding the asset for future use, or loss of potential value of the asset in the future.



Listing the assets is an important first step in developing a strategy but valuable strategic insights emerge when the participants begin to see and explore linkages among the assets---when the benefit to the individual and the collective begins to converge. The value in the asset inventory is not so much in the identification of deficits and superior aspects as in the potential that is released through the process of seeing assets through diverse eyes of opportunity.

The consultants reviewed assets as identified by each of the communities within the study area, including: Wood County, City of Wisconsin Rapids, Village of Port Edwards, Village of Biron, Town of Grand Rapids, City of Nekoosa, Town of Rome, Village of Vesper, City of Pittsville, Village of Rudolf, Town of Cranmoor, Town of Dexter, Town of Saratoga, Town of Seneca, and Town of Sigel. Assets were viewed through an economic development lens, meaning, seeing assets in how they support existing businesses, nurture entrepreneurs, and enable economic development.

The asset inventory is divided into nine categories of analysis:

- ✓ Industrial and Business Parks
- ✓ Redevelopment Industrial and Business Parks
- ✓ Downtown Redevelopment
- ✓ Transportation
- ✓ Electric, Natural Gas, Water, Waste-water Treatment
- ✓ Telecommunications
- ✓ Educational Institutions
- ✓ Quality of Life
- ✓ Economic Development and Business Serving Organizations

As previously noted, wherever possible, existing sources were used and updated through websites, the interview process, and in person and telephone follow-up.

Industrial and Business Parks

Much of industrial activity takes place within business parks. After a vacant building, a business park is the more likely site for incoming business investment. A fully serviced and well located business park is a significant asset. Parks that have ready access to major highways; provide ample space and separation for trucks, employees, and visitors; incorporate redundant supplies of water, water treatment, power, and telecommunications; and present a prosperous and attractive face are valuable assets to communities and the businesses that choose to locate there. As always, southern Wood and northern Adams counties will benefit from businesses that are already interested in locating in the area, whether new to the community or an existing company expanding.



Greenfield Industrial and Business Parks

Park	Acres	Availability	Sample Tenants	Notes
Woodlands	147	28 improved, 17 unimproved acres available	Renaissance Learning, Marshfield Clinic	WI Rapids, 32 nd St and Hwy 54. Fiber telecom
West Side	537	Fully improved, 43 acres available	Ocean Spray, SKS, Tweet Garot	WI Rapids, Rail, Fiber telecom
Rapids East	230	50 acres WI Certified Site, 50 improved, 100 acres available in 2-100 acre sites	Warehouse, Distribution Manufacturing	WI Rapids, Certified Site, Rail, Fiber telecom, TIF
Biron	230	Fully improved, 100 acres available, 2-100 acre sites, outlot	Industrial, commercial, warehouse	Biron, Hwy 54, TIF, Fiber telecom
Nekoosa	58	Fully improved, 12 sites available, 1.4-8.6 acre sites	Warehouse, distribution, commercial	Fewer, larger sites would better fit warehouse/distribution
Alpine (Rome)	240	23 sites available in various configurations, no/ sewer	Lt industrial commercial alt energy	Rome Wants "green" industries/businesses
Central WI	190	Fully improved, vacant buildings, sites 5-50 acres	Comm / industrial, laboratory, warehouse	Port Edwards, TIF, Rail, Fiber telecom

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The southern Wood county area has a number of business/industrial parks with fully improved lots, three with rail service and three within Tax Increment Financing districts. Lots sizes run from 1.5 acres to 100 acres.

Wisconsin Rapids has three business/industrial parks: Woodland Business Center to the east of downtown and two Industrial Parks; Rapids East Commerce Center and the West Side Industrial Park.

Woodlands Business Center

Woodland Business Center, just off Highway 54 coming into the city from the east, houses 11 companies, including Renaissance Learning and the Marshfield Clinic. Another 13 sites on 28 improved acres remain as well as 12 expansion sites - not yet supplied with water, sewer and other services. All sites have access to high speed Solarus fiber telecom. Preferred uses are commercial, office, and institutional.





MARTIN RD

BONOW AVE

ROSECRANS ST

CONSIDERED

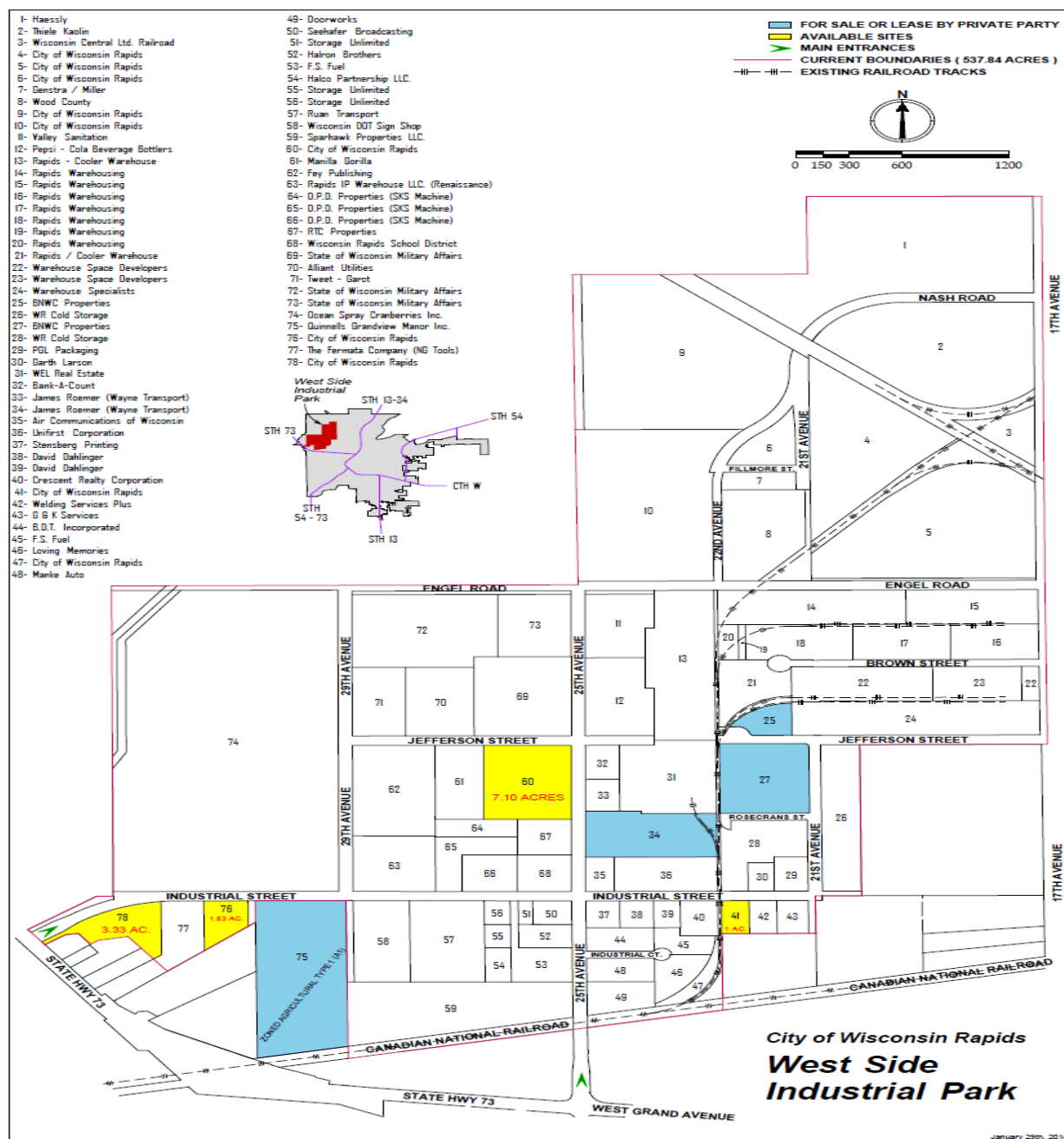
HIGHWAY 101

1 inch = 1,082 feet

GROW RAPIDS

San Francisco, CA

The Wisconsin Rapids West Side Industrial Park on State Highway 73 and 17th Avenue is an older park of 537 acres with 78 tenants. Some 43 acres remain for development. The Park is fully serviced with water, sewer and power and is served by rail.

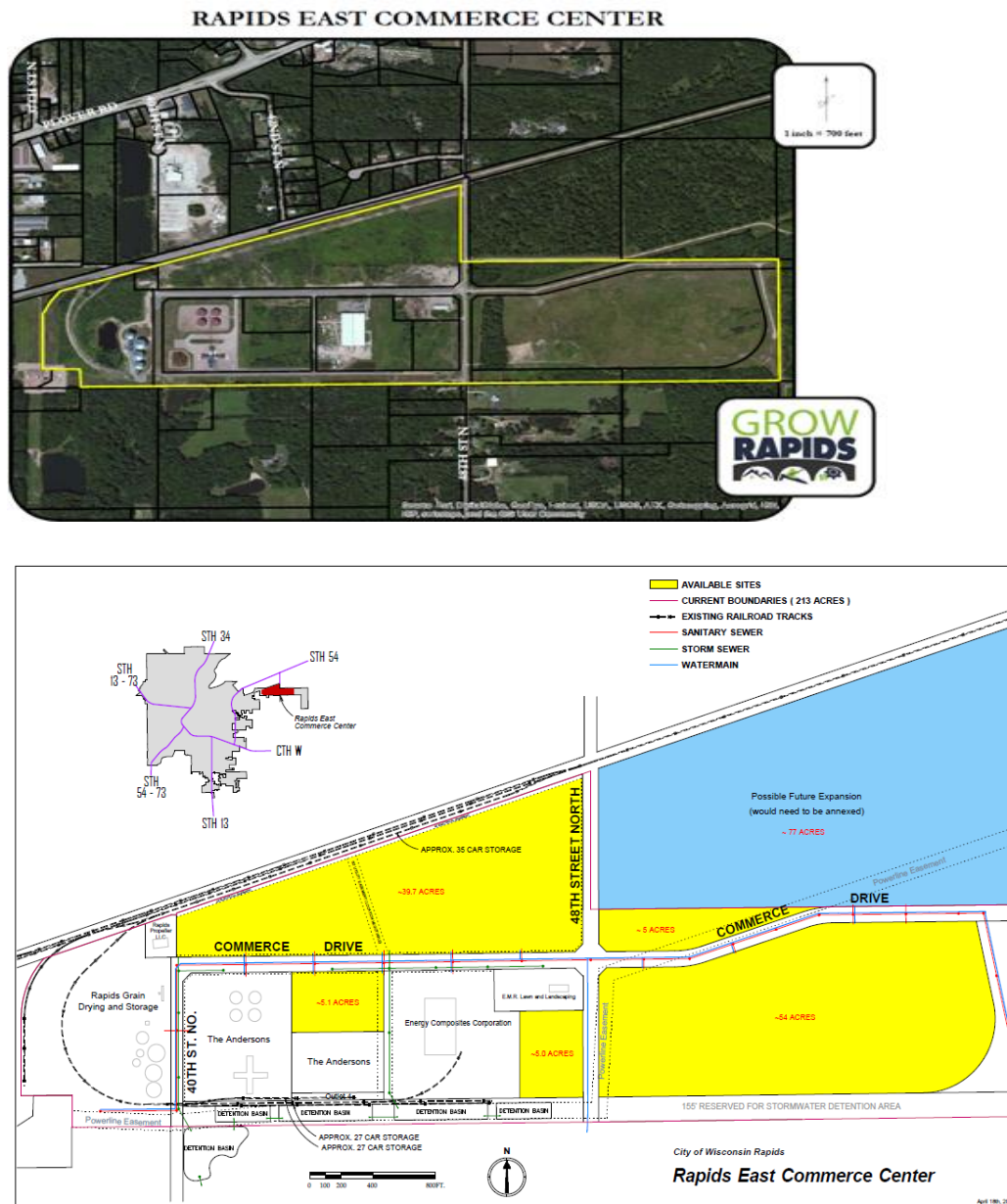


Wisconsin Rapids East Commerce Center

Wisconsin Rapids East Commerce Center is located at 48th St. North and Commerce Drive with 230 acres of land; two 50 acre sites are fully served with water, sewer, power, gas, telecom, with access to rail. Preferred uses are manufacturing, warehousing, and distribution. The Center is fully located within a Tax Increment Financing District.

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Note: This 50 acre site has been certified by the State of Wisconsin. "A Certified Site in Wisconsin has the key reviews, documentations and assessments most commonly required for industrial uses. Certification criteria have been developed based on representative needs of advanced manufacturing projects".



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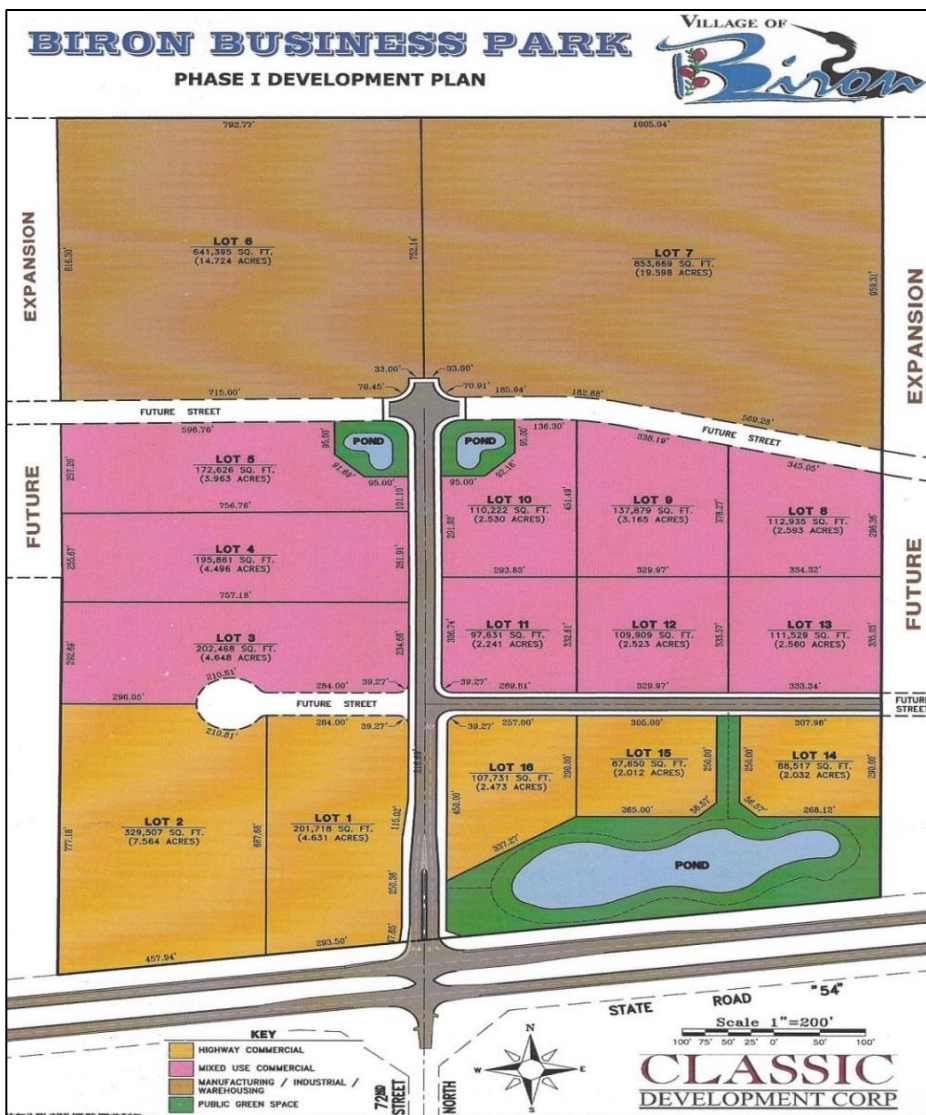
Biron Business Park



Biron Business Park is located on Highway 54, just northeast of the city limits of Wisconsin Rapids. It is a 230 acre, fully improved Park with sites from 2 to 100 acres and high speed fiber telecom. It is being marketed for industrial, commercial, warehousing and retail development on out lots along 54. It is also in a Village of Biron Tax Increment Finance District (TIF). The community advertises that it has the lowest taxes in the area.

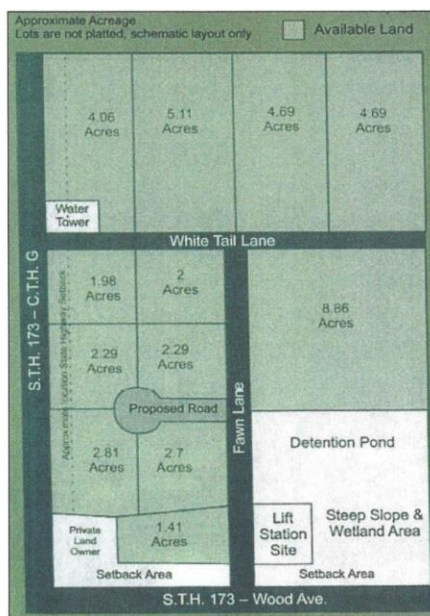
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The park currently houses a specialty cranberry research and development company. The park has excellent access and visibility.



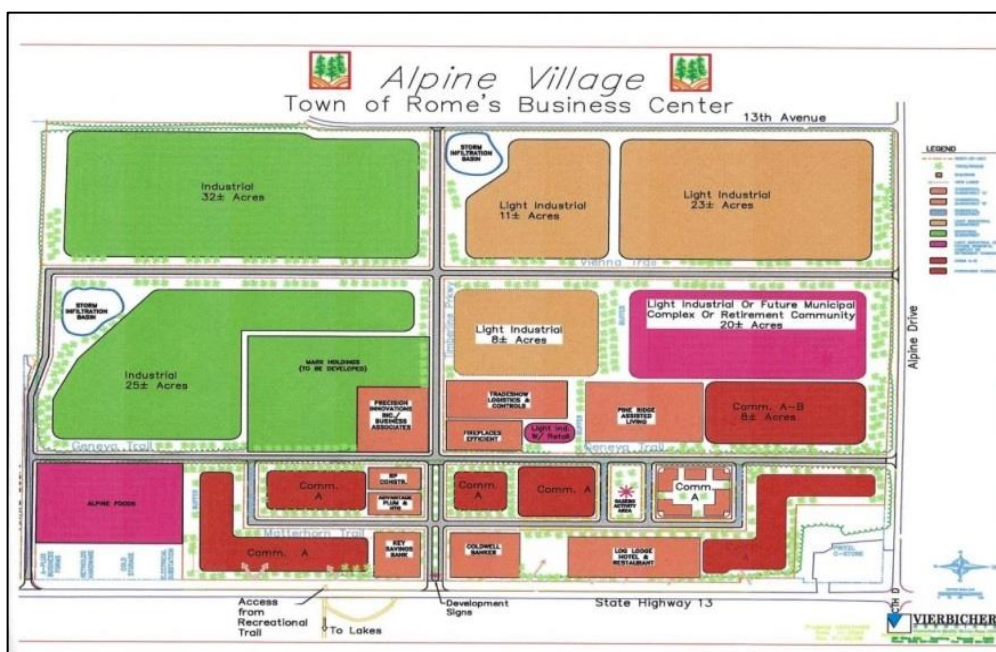
Nekoosa Business Park

Nekoosa Business Park is located just south of Nekoosa on the western side of the Wisconsin River at the intersection of Highway 173 and County Trunk G. It has 58 acres of fully improved land broken out into 12 sites from 1.4 to 8.6 acres. It has fiber telecom. Uses preferred are commercial, industrial, laboratory, and warehousing. All sites remain open for development. Redrawing the park with fewer, larger sites might attract more interest.



Alpine Village

Alpine Business Park is an attractive park located on State Highway 13 in the Town of Rome, south of Wisconsin Rapids in Adams County. It is a 240 acre site and seeks light industrial and commercial uses.



At present the site has some development, but it is not serviced by sewer or wastewater treatment. The park is part of the larger town center development with the potential for light industrial, commercial, retail, open space, and residential development within walking distance. It may appeal to a lifestyle oriented business investor.

Pittsville

On the western edge of southern Wood County, Pittsville has a population of some 875 people. It has a small industrial park that supports two large cold storage warehouses on Highway 73. The warehouse owners, Gardners Cold Storage, want to expand but report they are not able to find enough qualified workers. There is a five acre site that is for sale but no other available land. At last visit, a piece of land just north and west of the two warehouses on highway 13 was being graded for additional uses.

Vesper

Vesper has one commercial building, a cheese company with expansion potential available. No improved vacant land.

Currently, the remaining communities within the region do not have enough improved land to create a park, or are not interested in manufacturing or major commercial tenants, e.g. Grand Rapids which prefers its residential character.

Sources: Interviews w/Wisconsin Rapids City Engineer/Director Public Works/City Planner/Economic Development; Grand Rapids Town Chairman; Port Edwards, Nekoosa, Rome Public Works, Pittsville Mayor, Public Works Vesper, Town Board Vesper

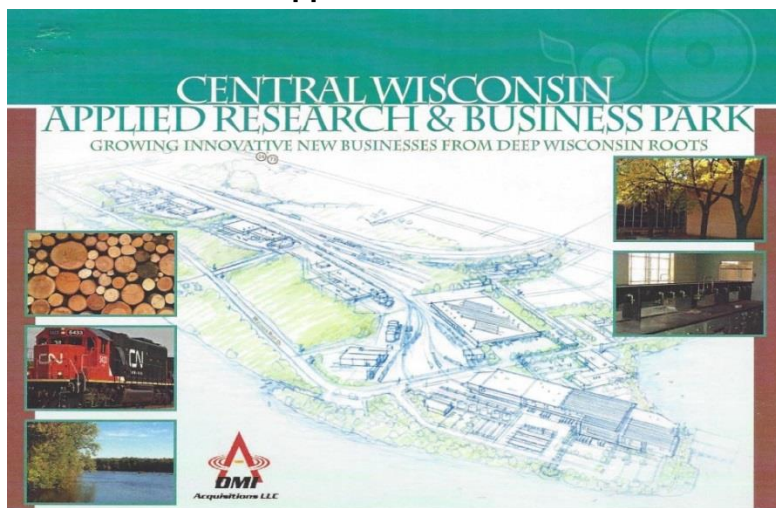
Redevelopment - Industrial and Business Parks

Redevelopment is any new construction or reuse of a site that was previously occupied and had pre-existing uses. In many States, redevelopment has a statutory purpose and accompanying structures and funding mechanism. Redevelopment has earned some negative connotations through its association with a legal but controversial form of government land acquisition (eminent domain). In this document, redevelopment refers only to the purposeful reuse of existing land and structures.

Renovation, redevelopment, and reuse are a continuous process of renewal vital to maintaining a sense of positive momentum within a community. Growth on vacant land and beyond ones' existing borders is important, but no more so than reinvesting in core existing structures. Redevelopment is less impactful environmentally, less expensive, may be quicker and preserves a community's unique cultural heritage. It also makes use of existing public infrastructure such as water, sewer and electrical services already expensed and in place.



Central Wisconsin Applied Research and Business Park



The Central Wisconsin Applied Research & Business Park in Port Edwards is south and west of Wisconsin Rapids, across the Wisconsin River. It is the former location of a Domtar paper mill and is being redeveloped by a private developer for industrial and commercial re-use. It has 190 improved acres with a 290,000 sf warehouse and other reusable buildings including a computer data center, a research laboratory, and office space. It is served by

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rail and is in a Tax Increment Finance District. Warehousing, distribution, food processing, natural resources, and research and development are some of the uses being planned for the site. The site has river frontage. It will provide tenants with:

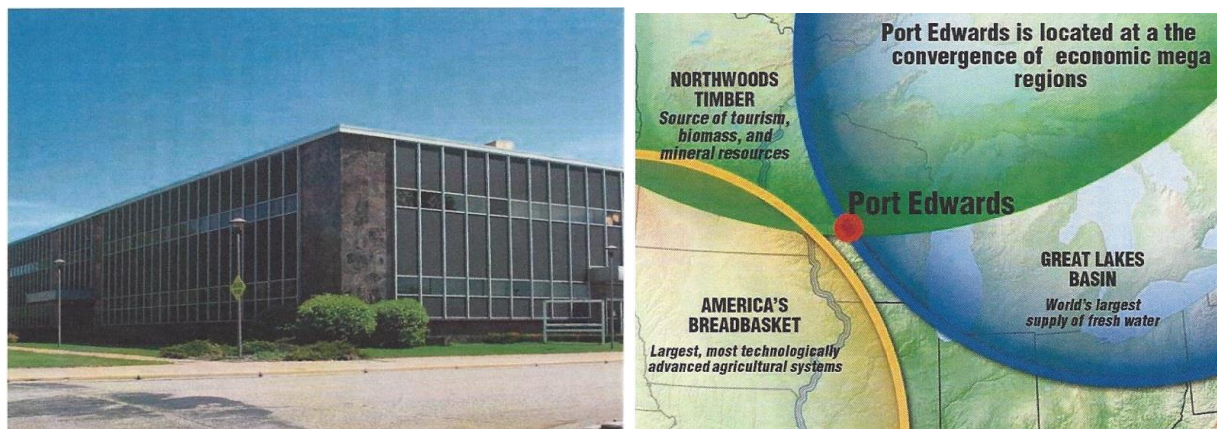
- Direct assistance to existing pulp, paper, feed, and food processing industries
- New bio-based technologies and products
- Regulatory compliance
- Greater efficiencies and profitability
- Connecting industry R&D with University research
- Biomass processing training and education



Wisconsin Institute for Sustainable Cellulosic Operations Research and Commercialization Center (WISCORC).

WISCORC will serve as an anchor to the new Central Wisconsin Applied Research and Business Park. The Center will be located in a former R&D and administrative building overlooking the Wisconsin River. It will provide office, lab and flex space available to tenants at the Center as well as to the other businesses located in the Park. The Wisconsin Economic Development Corporation has provided seed funding of \$100,000 to formalize the operating partnerships and prepare a business plan. Phase one is projected to open in 2016.

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RCH Enterprises



RCH Enterprises is a stand-alone 12 acre property located near the river on the north side of Wisconsin Rapids. It has approximately 440,000 SF of warehouse, storage, and office space in a collection of various buildings filling most of the site. The owner is involved in a number of businesses, including farming, lumber and real estate management. He currently provides space to some 20 small companies on flexible leases, providing mentoring to these companies on an informal basis. The owner says he has 20,000 SF of office space still available.



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The facility has a 25 ton overhead crane along with two six ton cranes. The building once contained a State funded incubator in the early 1990's. The main structure was originally a manufacturing plant that made fireplaces and kitchen stoves and employed 1200 people.

One of the RCH former tenants, SKS Machining, started in the complex and is now a successful company manufacturing precision parts servicing, but not limited to, the medical, aerospace, and paper industries. It is located on Industrial Street in the West Side Industrial Park.

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Source: Interview w/Ralph Hamel, Owner of RCH

➤ **Summary Observations**

- There is plenty of acceptable space available for new development
- Most investors are attracted, at least initially, to vacant buildings; most of which are in the Central Wisconsin Applied Research and Business Park in Port Edwards; otherwise the area has few vacant industrial structures
- Parks are acceptable, if fully serviced, and within easy access to a highway
- Access to most parks is good, Wisconsin Rapids East and Biron have the best access in the region, Plover may still be considered to have better access for many users due to its connection to US 10 and I-39
- Woodlands and Biron appear most aesthetically appealing to investors needing to attract outside employees and visitors
- Alpine Village's town center may appeal to investors interested in a lifestyle park with light industrial, commercial, retail, open space, and residential within walking distance
- Many potential users can be accommodated in one or more parks within the region
- Rail is a significant asset
- Lane closures and weight limits are significant deterrents to investment
- The most interested investors will be already connected to existing users

Downtown Redevelopment

A recent blog post by the University of Wisconsin Extension wrote "Downtowns have been forever changed over the last five decades. Warehouse shopping, strip malls, shopper mobility, and the internet have all contributed to downtown's decline as a traditional retail center. ... Still, citizens long for a vibrant downtown and a lively community featuring social activities and a sense of place."

In his research and writings on the "rise of the creative class," Richard Florida posits that tomorrow's business, industry, and community leaders want to live and work in "cool" places. Today's young people and tomorrow's business workers and leaders demand quality of life factors that are provided by both the public and private sectors and are often available in downtowns that have reinvented themselves. Combine this demand with the existing or pending



labor shortages due to lack of skilled workers and overall demographic shifts, and it becomes clear that downtowns play a role in workforce development, especially in rural communities.

A healthy and vibrant downtown is essential to maintaining a sense of place. For good or ill they are the face of your community. Today both potential residents and businesses choose a place before they choose a job or a business site. Everyone has a stake in maintaining the beating heart of a community --- its downtown. Local industries, including manufacturing, have a stake in maintaining a healthy community so that they can attract and retain a high quality workforce. Some companies have taken a special interest in downtown revitalization because it presents an image of prosperity for the entire community that extends to their business. Innovative downtown investments by local industries have occurred ranging from the construction of corporate office space, the creation of a corporate visitors center, to the opening of a factory outlet store. The Manitowoc Company opened a store featuring its logo clothing and crane models in Manitowoc's downtown.



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Development and redevelopment of real estate in southern Wood County is difficult to find because risk capital is more likely resting inside the stock market than in real estate. However, inside Wisconsin Rapids there are two real estate developments being pursued: one by a non-profit, and the second by local government. Each opens the door to important investment in the downtown. First, is the Incourage Community Foundation's purchase and planned reuse of the Tribune Building, an historic structure in downtown on the west side of the river. The other is the City's interest in acquiring properties across from the Courthouse for future private sector development, most likely mixed use, business and residential.



The Tribune Building was purchased in 2012 by the Incourage Community Foundation. This historic structure had been the home of the Gannett Company, an international media company that owns a number of newspapers throughout the world, including the Wisconsin Rapids Daily Tribune.

This past year Incourage initiated an intense effort to generate participation from the southern Wood and northern Adams counties communities to determine how the building could best be used for the benefit of the entire area. As a result of this planning process, the building has been designed to host a brewery, a restaurant / brew pub that includes outdoor seating, a culinary kitchen / incubator, a recreational rental shop, a creative workshop / makerspace, and other public spaces for community use. Incourage describes its plans for the building as serving as a hub for community innovation, creating an important connection point among local food



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entrepreneurs, and using the space to provide training and community engagement whenever possible.

The Tribune Building acquisition opens a new door for Incourage, one in the arena of strategic acquisition and direct investment in physical properties and entrepreneurs. Over the past fifteen years, the Foundation has played a strong role in seeking to mitigate the economic difficulties in southern Wood County caused by the paper mill shutdowns. The Foundation is shaping the

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culture of the community through the purchase and repurposing of the Tribune Building into uses that will help the community heal and grow both economically and

physically. This initiative can only be seen as a most needed break in the pall that still hangs over the community from the loss of its mills and then the Recession and beyond. Both the process and the project itself bring together diverse segments of the community in creative thinking, planning, and decision making. It will be the cornerstone of new vitality in the downtown, entrepreneurship, and innovation. Reconstruction of the Tribune building should begin in 2015.

The second redevelopment initiative in the downtown area is the City of Wisconsin Rapids' effort to target one of the most visible corners of the downtown and invest funds to acquire the properties and turn them into prepared sites for private investment. This is another welcome break in the current attitude reflected in comments that "nothing can be done to revitalize downtown". Both of these investments in Wisconsin Rapids future are needed and hopefully they signal a rebirth of the Wisconsin Rapids downtown and all of southern Wood County.

The Wisconsin Rapids master plan calls for more urban infill development and re-development in the immediate downtown and adjacent neighborhoods. Existing historic buildings in the downtown should be preserved because they contribute to the overall theme and visual distinctiveness of the downtown area. High quality residential re-development in the areas adjacent to the riverfront should be considered as the area is underutilized for residential uses. There are many opportunities for infill development and re-development on both sides of the river. Hotel, grocery, residential, commercial / retail, and additional government uses are proposed in the City's Downtown Plan. The SW corner of Hale and 7th Avenue was proposed as a potential site for a prominent downtown grocery retailer. The site now acts as a buffer between the Rapids Mall area and proposed downtown residential development. Residential development is proposed to increase options for higher density living in the downtown. It was suggested in the Plan that the area should strive for traditional design characteristics with



‘green’ solutions. A multi-use path borders the development’s northern edge which also contains storm water infiltration capabilities.

➤ **Summary Observations**

- ✓ Attention to the central business district or downtown of each of the REGI investor communities is important to maintain local character and vitality. However, Wisconsin Rapids is the practical downtown and “face” for southern Wood and northern Adams counties. It bears the primary burden of driving traffic to the region.
- ✓ Reinvestment is critical in maintaining key downtown historic assets, existing retail, the Mead Hotel, and various stand-alone sites.
- ✓ The downtown mall is blighted and unsightly, existing anchors are nearly invisible.
- ✓ The River is a major asset for recreation, community gathering, and development. It is currently under-utilized.
- ✓ The downtown neighborhood needs to test the market for new, modern, attractive housing options for young professionals, empty nesters, and seniors.

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Transportation

According to SelectUSA, an agency of the US Department of Commerce, the logistics and transportation industry in the United States is highly competitive. By investing in this sector, multinational firms position themselves to better facilitate the flow of goods throughout the world’s largest consumer market. International and domestic companies in this industry benefit from a highly skilled workforce and relatively low costs and regulatory burdens.

Spending in the U.S. logistics and transportation industry totaled \$1.33 trillion in 2012, and represented 8.5 percent of annual gross domestic product (GDP). Analysts expect industry investment to correlate with growth in the U.S. economy.

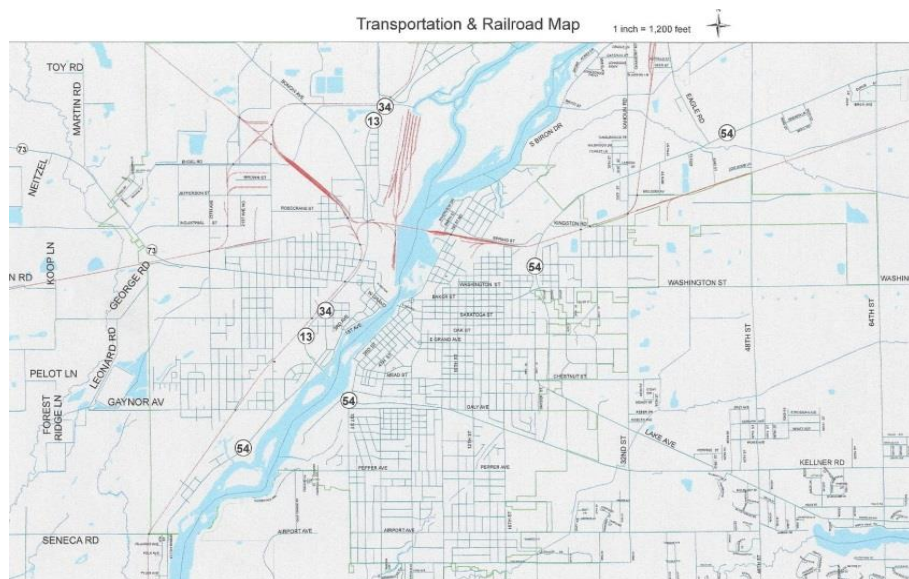
A highly integrated supply chain network in the United States links producers and consumers through multiple transportation modes, including air and express delivery services, freight rail, maritime transport, and truck transport. To serve customers efficiently, multinational and domestic firms provide tailored logistics and transportation solutions that ensure coordinated goods movement from origin to end user through each supply chain network segment.

Industry Subsectors

Logistics services: This subsector includes inbound and outbound transportation management, fleet management, warehousing, materials handling, order fulfillment, logistics network design, inventory management, supply and demand planning, third-party logistics management, and other support services. Logistics services are involved at all levels in the planning and execution of the movement of goods.



Air and Express Delivery Services: Firms offer expedited, time-sensitive, and end-to-end services for documents, small parcels, and high-value items. EDS firms also provide the export infrastructure for many exporters, particularly small and medium-sized businesses that cannot afford to operate their own supply chain.



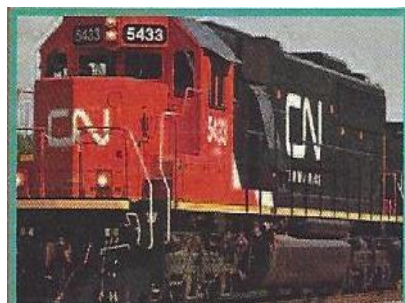
Freight Rail: High volumes of heavy cargo and products are transported long distances via the U.S. rail tracking network. Freight rail moves more than 70 percent of the nation's coal, 58 percent of its raw metal ores, and more than 30 percent of its grain. This subsector accounted for approximately one third

of all U.S. exports.

Maritime: This subsector includes carriers, seaports, terminals, and labor involved in the movement of cargo and passengers by water. Water transportation carries about 78 percent of U.S. exports by tonnage, via both foreign-flag and U.S.-flag carriers.

Trucking: Over-the-road transportation of cargo is provided by motor vehicles over short and medium distances. The American Trucking Associations reports that in 2012, trucks moved 9.4 billion tons of freight, or about 68.5 percent of all freight tonnage transported domestically. Motor carriers collected \$642 billion in revenues, or about 81 percent of total revenue earned by all domestic transport modes. There are eight motor freight carriers in the Wisconsin Rapids area.

Rail Service



Rail Service: Canadian National Railway mainline runs through Wisconsin Rapids East and West Side Business Parks, the Verso paper mill, the Port Edwards Domtar (DMI) redevelopment site, and the ERCO Worldwide specialty chemical company site. It also provides daily service of an Intermodal Drive-On Ramp available at Stevens Point. Rail service from the Wisconsin Rapids sites, as well as the DMI site, are three switches away from a mainline connection.



Canadian National recently invested \$33M upgrading its main line to carry heavier cargo at increased speeds from Wisconsin Rapids to Blair, WI some 74 rail miles away in southwest Wisconsin. The investment was made because of the increase in sand cargo from Wisconsin pits to support oil fracking in North Dakota but will benefit many businesses.

Southern Wood and northern Adams counties are fortunate to have mainline rail service available to serve their businesses. Many miles of tracks have been abandoned by the railroads throughout Northern Wisconsin and in the Upper Peninsula. The cost of maintaining tracks and rail beds in areas of shrinking economic activity has taken its toll. The region needs to be prepared to work hard to keep this important transportation link in place. For some industries, it is essential.

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Air Service



Central Wisconsin Airport - Mosinee

Central Wisconsin Airport is located in the City of Mosinee, south of Wausau and north of Stevens Point, adjacent to the junction of US Highway 39 and state Highway 153. It is one of eight commercial service airports in Wisconsin and it moves about 123,000 passengers per year. It is serviced by United, Delta and American with 22 daily flights to Detroit, Minneapolis and Chicago. From there, one can go almost anywhere in the world. The airport has corporate hangers, a passenger terminal, air cargo facilities, two instrument landing systems, and services and support facilities, such as, meeting space, a restaurant, and car rental agencies. It also has a fixed base operator that can provide aircraft rental, flight instructors, maintenance, and charter service. The Central Wisconsin Airport is approximately 36 miles or 41 minutes by car away from Wisconsin Rapids.

Alexander Field – Wisconsin Rapids

Wisconsin Rapids has its own local airfield. Alexander Field South Wood County Airport is a municipally owned airport that has been in operation since 1927. It is located at 3625 1st Street South, just south of downtown Wisconsin Rapids.



The airport is owned jointly by the Town of Grand Rapids, Village of Port Edwards, City of Nekoosa, and City of Wisconsin Rapids. It is governed by the South Wood County Airport Commission which is composed of representatives from each owner community. This airport does not provide any commercial flights.

It has two runways of 5500 foot and 3600 feet long that are able to handle most airplanes. Fuel and car rentals are available through the Fixed Base Operator. Alexander Field is open 24/7 for incoming or outgoing flights of private aircraft. Normal hours of operation for the airport are: Summer 7:30 a.m. - 6:30 p.m., Winter 7:30 a.m. - 4:30 p.m., but services are available 24 hours a day.

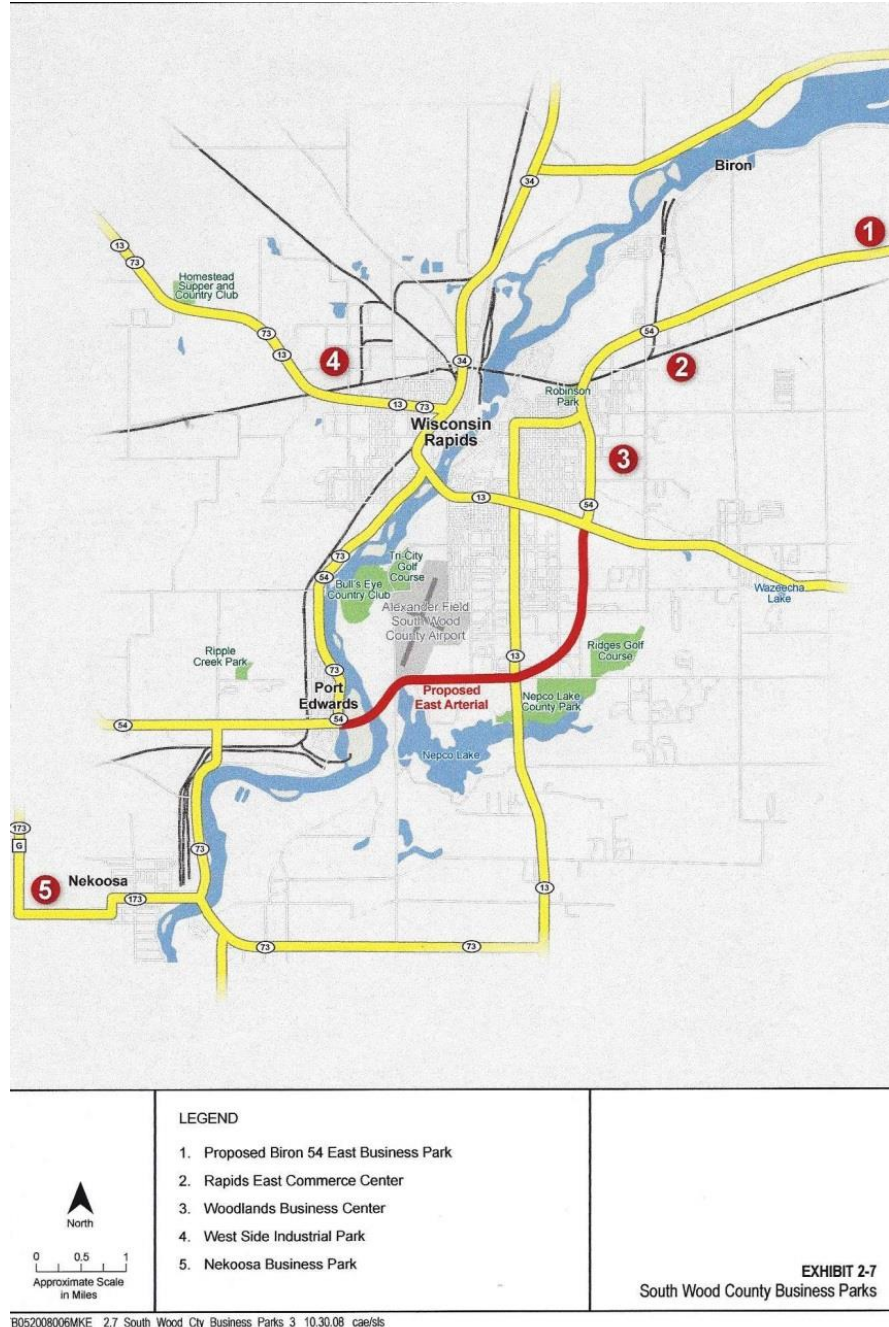
Cranmoor Airfield

The Town of Cranmoor owns a turf airfield with two runways for small aircraft.

Roads and Highways

The Wisconsin Rapids area is served by State Highways 13, 34, 54 and 73. Distance to the nearest Interstate Highway is 20 miles to Interstate Highway 39 and 60 miles to Interstate Highways 90/94.

As stated in a recent transportation study, the proximity of the industrial parks to the state trunk highway system is consistent with the findings of an article by Glen Weisbrod "Industries on the Interstates—What Is the Best Location?" The article reported that data collected on new



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manufacturing plant locations in Wisconsin showed that industrial plants were built primarily along interstate highways, 4-lane highways with access control features similar to those on

**Wood County Highway Department
Seasonal Weight Limits Guideline**

Note: The following weights mean GVW during Spring thaw weight restrictions. They include the weight of the empty truck. Semis can have various axle configurations. Not all are shown.

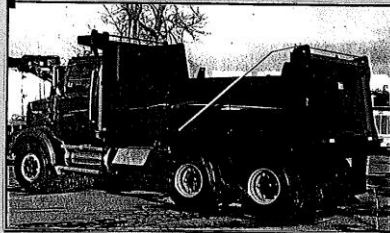
Single Axle Truck
12 tons (24,000 pounds) Total

O ----- O
O ----- O



Tandem Truck
6 tons for Front Axle
10 Tons for Rear (Tandem) Axles
16 tons (32,000 pounds) Total

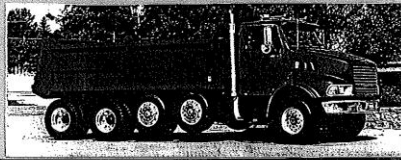
O ----- O	6 Tons
(O ---- O)	} 10 Tons
(O ---- O)	



Tri-Axle Truck

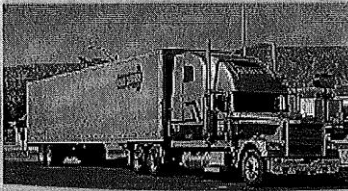
Quad-Axle Truck
6 tons for Front Axle
6 tons for each separate single air axle (2)
10 Tons for Rear (Tandem) Axles
NOT TO EXCEED 24 tons (48,000 pounds) Total

O ----- O	6 Tons
O ----- O	} 10 Tons
O ----- O	
(O ---- O)	} 10 Tons
(O ---- O)	



Semi-Truck (Cab with Tandem Axle pulling trailer with one set of Tandem Axles)
6 tons for Front Axle
10 Tons for each set of Rear (Tandem) Axles
NOT TO EXCEED 24 tons (48,000 pounds) Total

O ----- O	6 Tons
(O ---- O)	} 10 Tons
(O ---- O)	
(O ---- O)	} 10 Tons
(O ---- O)	



interstate highways, and rural 2-lane highways with easy access to an interstate highway interchange. Of the five larger industrial parks mentioned in the plan, Woodlands Business Center, Rapids East Commerce Center, and the Biron 54 East Business Park have direct or easy access to WI 54, a 4-lane limited access highway that provides a direct connection to I-39, 15 to 20 minutes away.

Note: During the last two weeks of March and most of April Wood County posts roads to the west of the river, requiring heavy trucks to stay off most county trunk roads and some state highway routes to reduce damage to the road surfaces caused by Spring thaws and low lying ground. Only two State highways are posted, Highway 54 going west and Highway 73 going west and south from the river. Though these restrictions impact short portions of the roadways, they could concern a possible prospect if heavy truck movements were its main requirements. However, four paper making plants and two major food processors have managed to solve

this issue in the past, keeping their trucks going west for many years. Posting begin March 24 and continue through May 12 for 2015.

Additional note: There is a proposal to build a Highway 54 bypass around downtown Wisconsin Rapids beginning at the eastern edge of Wisconsin Rapids south to Griffith Avenue and then west across a new bridge to be constructed across the Wisconsin River. This new route would provide quick access and egress for truck and auto travel around downtown and remove the need for traffic to wind its way through Wisconsin Rapids in order to continue west. It would



especially help the former Domtar site redevelopment in Port Edwards, if the developers of the Central Wisconsin Park were looking to market sites to warehouse or distribution uses.

However, the highway bypass cannot be considered an asset until it happens. Most of the right of way has been purchased and much of the engineering and environmental analysis is complete. Unfortunately, the proposed cost of \$16M for the bypass construction and the \$30M for the new bridge has kept the route from being constructed as of this writing. Federal and State financing is still being sought by area officials.

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Sources: Wood County Department of Highways; Wood County Department of Planning and Zoning

Electric Power/Natural Gas/Water/Waste-Water Treatment

It has been said that “water is the new oil” referencing the high value that this natural resource now carries as well as the changing political and social landscape surrounding its provision and distribution. The availability of fresh, clean, and affordable water is essential to all life forms and critical to many business processes. Indeed the location of the paper plants upon which the area was founded located there because of the prime timber resources and powerful rivers. Wisconsin’s location between two great lakes and blessed with multiple rivers, lakes, streams and underground aquifers make it an ideal location for tourism and industry.

According to the international Organisation for Economic Cooperation and Development (OECD), Americans are the highest intensity users of water in the world. The United States and Canada use many times the amount of water of any other developed nation. The intensity of our usage is directly related to the vast resources of fresh, potable water available to our two countries, and the quality of our infrastructure devoted to processing it efficiently and at low cost. Although our personal use of water is the highest in the world, industry use of water is also broad-based and intensive. With the inclusion of agriculture, navigation, and electricity generation, an “industry use” category represents most of the water use in the US.

Historically, the appeal of the Great Lake’s region for industry location has been attributed in part to the availability of ample and reliable supplies of water for manufacturing and other activities. Wisconsin has distinguished itself among other high water States by maintaining a high quality and modest cost municipal water source and treatment facilities through conservative budgeting and progressive regulation.

According to the Great Lakes Commission, in the development of the Great Lakes region, water was not just important: “it was the most important factor guiding settlement and creating an agricultural and industrial base”. Water-intensive industrial operations were a natural result of water availability. The settlement of the Great Lakes region coincided with the rapid development of industrial technologies and processes related to water. The increasing importance of water in industrial manufacturing has been demonstrated by the increasing



concern regarding the sufficiency of both quantity and quality of water available for use in industrial applications, especially in the western US where water supplies have shrunk.

Six manufacturing industries stand out in terms of intensity of water usage: forest products, steel, petroleum, textiles, chemicals, and food processing. Three of these categories have a major presence in the Wisconsin Rapids region. In addition to quantity, many industrial processes require a high level of water quality in the production of their products. Water use in categories such as food processing, electronics and high technology, optical equipment, new materials manufacturing, medicines / pharmaceuticals, and biotechnology are examples. Such industrial processes use water for washing, cleaning, cooling, dilution, product movement, and incorporation into products.

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Water, Natural Gas and Power: Wisconsin Rapids



Water and electrical power is supplied by the City of Wisconsin Rapids Water Works and Lighting Commission, a non-profit public utility owned by the City of Wisconsin Rapids. It gets its water from five wells located within the city and has three water towers. The wells draw from an aquifer beneath the city, the largest aquifer within the State of Wisconsin. It currently serves some 19,000 customers. The Commission only provides water to users within the legal boundaries of the City of Wisconsin Rapids.

The Water Works and Lighting Commission also is responsible for providing power to some 45,000 people living within the City of Wisconsin Rapids as well as those living west of the city out to County Highway HH and east of the city, almost to Plover in Portage County (130th Street). Its service area extends to the north just inside County Highway P and south to Griffith Avenue. Power is purchased through a group of ten municipal power utilities within Wisconsin known as The Great Lakes Power Utility Coalition. Because of the joint buying capacity of the Coalition and its members' ability to tap into each other's grids, its customer power rates are 20% lower than its competitors.

The Commission provides power to both of Wisconsin Rapids' industrial parks (East and West), as well as the Woodland Business Park, and the Biron Industrial Park. Sixty MegaWatts of power are currently supplied through two major substations, one east of the river, the other west. Each substation can – if necessary - provide all the power to support residential, commercial and industrial clients throughout the Commission's service area. The Commission buys power from others in the Coalition since it has no power plant of its own. The Verso Mill produces its own power and supplies power to other mills in the area through the Consolidated Water & Power Company. The Wisconsin Rapids Water Works and Lighting Commission



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recently pursued a purchase of the Consolidated Water & Power Company and its five hydro-electric dams in the Wisconsin River. However, the complexities of the bankruptcy of New Page brought that effort to a halt. The Water Works and Lighting Commission has invested almost \$20M in water and power improvements over the past six years.

Other power providers in the area include Alliant Energies and Wisconsin Public Service Corporation. Natural gas service is provided by We Energies.

Wisconsin River Basin Hydroplant Summary						
PLANT	OWNER	RESERVOIR AREA (Acres)	HEIGHT OF DAM (Feet)	GENERATION CAPACITY (kW)	ANNUAL GENERATION (mwh)	PEOPLE SERVED (1)
Otter Rapids	Wisconsin Public Service	3,916	12.5	700	2,432	811
Rhineland	Expera Specialty Solutions, LLC	3,576	31.8	2,120	10,728	3,576
Hat Rapids	Wisconsin Public Service	650	20.0	1,950	6,985	2,238
Kings Dam	Tomahawk Power & Pulp	1,420	23.4	2,582	10,433	3,478
Jersey	Wisconsin Public Service	709	14.5	512	3,011	1,004
Tomahawk	Wisconsin Public Service	2,733	16.0	2,600	12,206	4,069
Grandmother	Packaging Corporation of America	758	18.6	3,000	17,909	5,970
Grandfather	Wisconsin Public Service	200	92.0	17,240	101,691	33,897
Alexander	Wisconsin Public Service	803	23.0	4,200	24,103	8,034
Merrill	Wisconsin Public Service	373	14.0	2,340	6,108	2,036
Wausau	Wisconsin Public Service	284	27.5	5,400	32,375	10,792
Rothschild	DOMTAR Inc.	1,604	20.5	3,640	22,736	7,579
Mosinee	Expera Specialty Solutions, LLC	1,380	21.7	3,050	23,865	7,955
Dubay	Consolidated Water Power	7,800	25.3	7,200	43,278	14,426
Stevens Point	Consolidated Water Power	3,915	16.6	3,840	28,184	9,935
Whiting	Consolidated Water Power	240	22.0	6,340	40,343	13,448
Biron	Consolidated Water Power	2,078	23.6	6,600	39,467	13,156
Wis. Rapids	Consolidated Water Power	455	30.2	10,050	54,493	18,164
Centralia	Domtar Inc.	250	15.0	3,500	23,492	7,831
Port Edwards	Domtar Inc.	150	16.5	2,400	17,863	5,954
Nekoosa	Domtar Inc.	400	21.4	3,800	26,450	8,817
Petenwell	Wisconsin River Power Co.	25,180	41.5	20,000	101,540	33,847
Castle Rock	Wisconsin River Power Co.	14,900	34.0	15,000	93,216	31,072
Wisconsin Dells	Alliant Energy	2,150	26.6	9,600	58,454	19,485
Prairie Du Sac	Alliant Energy	9,500	38.0	29,500	135,012	45,004
Total		85,424	646.2	167,164	936,376	312,125

(1) Based on average annual residential electrical use of 3 mwh per person.

Waste Water Treatment

The Wisconsin Rapids Waste Water Treatment Facility is located just west of the local airport along the river. It provides waste-water treatment for all residents in Wisconsin Rapids, Rudolph, and Biron, as well as for most businesses in the Wisconsin Rapids area. These businesses include major commercial and industrial water users, such as Ocean Spray Cranberries and Mariani Packing Company, both large food processors. The waste-water treatment plant's current capacity is 5.6M gallons per day. In 2010, a \$25M expansion was completed that quadrupled treatment capacity.

The Federal Clean Water Act provides important protections to the clean water supplies of the nation. However, the burden of enforcement falls heavily on individual high water users and smaller communities. Large food processors and other larger users of waste-water treatment



facilities throughout the region are increasingly being pressured to pre-treat their waste water to reduce various BOD and COD oxygen consuming substances.

Smaller communities within the region are also very concerned about the new wastewater restrictions on phosphorus reductions and the major expenses they may have to incur to continue providing wastewater treatment to their residents and businesses. The Village of Vesper, for example, estimates improvement of its wastewater treatment facility would cause an increase in the levy on its only large manufacturing business, Kerrygold Cheese and Butter, an amount four times over what the plant is now paying, resulting in a \$250,000 yearly expenditure for the company. Community officials fear that such a large, one-time increase might send this company to another state or country, taking its jobs and needed property taxes with it. Such costs can be far more easily absorbed in larger communities with multiple users. In smaller communities the costs fall to the user and the community. Neither of which is likely able to easily absorb costs. Such costs reduce the ability of the business to compete within its market and the community to compete for new businesses.

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Sources: Wisconsin Rapids web site; interview w/Wisconsin Rapids City Engineer, Public Works, Planning & Economic Development; Interview w/Vesper Public Works; interview w/Rome Public Works

Water, Natural Gas, Power & Waste-Water Treatment: Port Edwards, Nekoosa, Grand Rapids, Rome, and Pittsville

Port Edwards has its own water utility with three city wells. At present it has a fourth well under consideration if new development requires it on the Domtar site. Electrical power is provided by Alliant and natural gas by We Energies. The geology of the Port Edwards area is extremely rocky, making well-digging an expensive process. Nekoosa also has its own waterworks. It depends upon wells for its water source. Its main power source is Alliant. Both Port Edwards and Nekoosa have wastewater treatment facilities operated through their public works departments. Both systems have excess capacity at this time. See images from Port Edward's modern facilities below.



The Township of Grand Rapids is primarily a residential community. It provides no public water or waste-water treatment to its citizens. Only solid waste removal and recycling are provided. It has no open industrial sites. Power is provided by the Wisconsin Rapids Water Works and Lighting Commission. Natural gas is provided by We Energies.

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The Town of Rome/Rome Township has no waste-water treatment facilities, a major detriment to the development of its Business Park. The Michael Keiser golf course developer plans to build a hotel, rental housing, and single family housing within the development. Its proposed development calls for a Water Treatment Center. It may be possible for Rome to piggyback onto that development to provide sewer and water service to its business park. Energy is provided by Alliant and natural gas by We Energies. Water is provided by Rome Utility.

The City of Pittsville has three wells operating at 50% of capacity. It is exploring expanding the capacity of its waste-water treatment plant to accommodate pre-treatment of effluent from the Badger State Fruit (Craisin) plant. Pittsville has its own water utility as well as city waste-water treatment. Natural gas is provided by We Energies.

As noted above, the Federal Clean Water Act is an important protection to long term water quality. Unfortunately, for some smaller communities with limited resources, the burden of compliance will be heavy. Expensive new facilities may be required that cannot be supported with the current demand. Regional solutions should be explored to meet the law's increased levels of treated waste-water quality. Other units of government not previously discussed having water and waste-water treatment facilities within the southern Wood and northern Adams county area include Vesper, Rudolph (provided by Rapids), and Biron (provided by Rapids).

The following area communities without municipal water or waste-water treatment are Cranmoor, Saratoga, Seneca, and Sigel.

Sources: Interview w/Port Edwards Public Works; Nekoosa Public Works; Rome Public Works; Vesper Public Works; Grand Rapids Town Chairman; Wisconsin Rapids Public Works, City Engineer, Director of Planning & Economic Development



Alliant Energy provides power to the north and south of Wisconsin Rapids through its subsidiaries, Wisconsin Power and Light and Interstate Power and Light. For over 100 years, its subsidiaries have worked in partnership with the paper companies, buying power generated by five hydroelectric dams and 20-25 turbines, and selling power back to the mills. Alliant maintains a 15 percent margin in excess reserves. During peak summer demand, Alliant has assisted Nekoosa and Port Edwards with additional power. Alliant serves several large companies in the region.

Sources: Wisconsin Rapids Waterworks and Lighting Commission web site; Alliant Energy, and interviews with management



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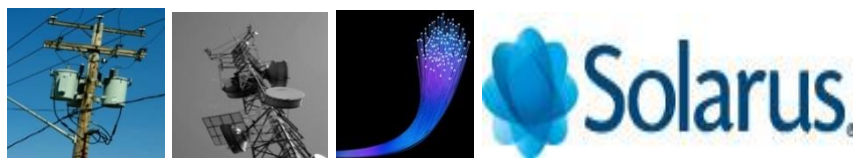
Power Company	Ownership	Jan 1 – 31, 2015 Avg Expense
Madison Gas & Electric	Municipal	\$97.04
Wisconsin Power & Light	Alliant	\$76.16
Sturgeon Bay	Municipal	\$76.66
Rapids Water & Lighting Com.	Municipal	\$59.44

Source: Wisconsin Public Service Commission

Summary Observations

- Abundant clean, fresh water is an asset.
- In general, power costs are less in southern Wood and northern Adams counties than elsewhere in the State.
- Multiple jurisdictions lead to inefficiencies and uneven cost structures for water and water treatment.
- Expanded capacity of Wisconsin Rapids water treatment is important to region.
- Port Edwards is near capacity for water; a new well would require 3-6 months lead time.
- Lack of water and water treatment capacity inhibits industrial growth and limits the potential to capture tourism spending, particularly in Rome.
- Though necessary, enforcement of the Clean Water Act is increasing water / sewer fees to unsustainable levels in some communities and for some individual firms.
- For individual communities, the investment necessary to meet needed capacity and compliance may be beyond reasonable investment recapture, particularly if undertaken unilaterally.
- Long term inaction and failure to collaborate on natural resources has hurt the potential for growth.

Telecom



Wisconsin Rapids is fortunate that one of its oldest businesses (1896), the local phone company, was also responsible for one of the newest infrastructure requirements of business – a super-fast, fiber connected telecom network stretching throughout the city and as far east as Portage County, north to Marshfield and west almost to Pittsville.

Solarus is a stock mutual company with customers sharing ownership with investors. Since the mid 1990's, Solarus has been burying fiber instead of copper as they built out and modernized their network. They began offering connectivity to the Internet in 1995, beginning with dial-up. In 1997 they moved to DSL and video cable TV.



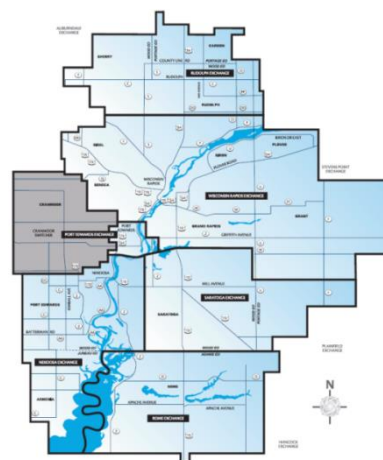
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At present, Solarus has direct fiber connections to 65% of its residential customers. It expects to have all fiber connections within a couple of years. The firm offers 5 megabytes to one gigabyte Internet service connections for its residential customers and up to 10 gigabytes for its business customers, though it can offer up to 100 gigabyte service to a business if it is willing to pay for it. Almost all business connections run on fiber from in-building hook-up to Solarus' office in downtown Wisconsin Rapids. This is a significant asset, especially for a rural area. The Wisconsin Independent Network estimates that most communities will have access to 1 Gig of service within 12 months. Rural service will continue to lag behind.

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Solarus trains its technical employees at Mid-State Technical College. It provides a two year certificate program of computer sciences and telecommunications installation. Over the years, Solarus has invested over \$34M in telecom infrastructure. It employs 127 people with 26 of those jobs in management.

Solarus has fiber connectivity to the three Wisconsin Rapids' industrial parks as well as the newly developed Biron park and the Central Wisconsin Applied Research and Business Park in Port Edwards. It includes a television package through the National Cable TV Consortium.



Note: The Service Franchise Area for Wood County Telephone Company consists of 355 square miles and includes the blue shaded surrounding area shown, with the exception of the Clearbrook Switcher Area. The switching functions for that area are performed by Wood County Telephone Company even though the area belongs to Central State Telephone Company. The subscriber rates, with the exception of the Clearbrook Switcher area, are consistent throughout our service area.



There is a small area in Port Edwards serviced by Central State Telephone Co. (TDS).



Charter Cable offers cable video and Internet connectivity, but at lower speeds than Solarus (60 megabytes) primarily within Wisconsin Rapids.



There is a broadband Internet provider at the western edge of Solarus' territory, Packerland Broadband. Packerland does not serve any southern Wood County customers except Pittsville. Most of its service is in northern Wisconsin and some parts of the UP. It provides up to 100 megabytes of Internet connectivity, phone services, and cable TV.



Direct TV and Dish service the rural areas within the region. They offer regular phone service, but only through VoIP. The two satellite providers service a primarily residential market. Direct TV says it provides broadband to the Internet. Direct TV partners with AT+T to provide Internet access and telephone service. It is working with Verizon to offer a similar package. These services are primarily aimed at entertainment rather than business users. Citizens of Rome Township can get DSL services through Solarus as well as the Marquette-Adams Telephone Cooperative.

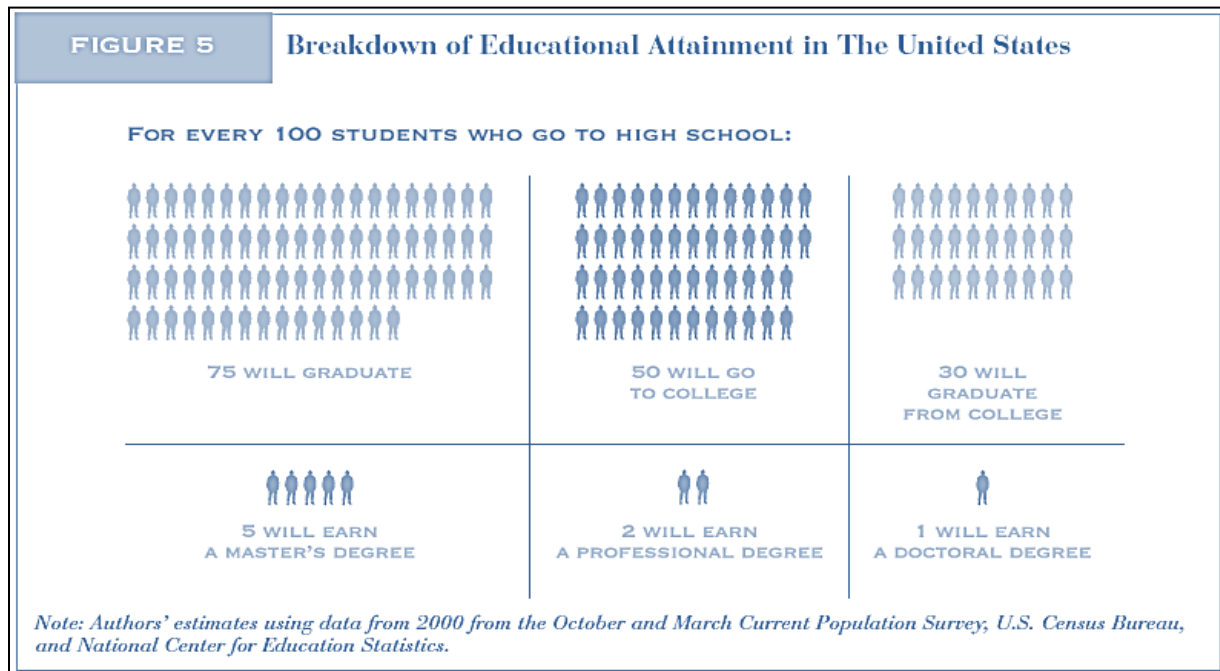


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Education and Workforce

According to the Bill and Melinda Gates Foundation, after years of decline, generational poverty is at its highest level in decades. Education is the biggest disruptor---yet the US has dropped from #1 in educational attainment to #10. By 2018 the economy will require 22 million workers; we will fall 3 million short. The Foundation often refers to something they call the “talent divide”. They estimate that the percentage of college graduates in an area’s population explains 60% of a city’s economic success. Over a lifetime, the average individual with a 4-year college degree will earn \$1.6 million more than a high school graduate. An Associates’ degree nets \$500,000 more. An educated and skilled workforce draws wealth to your community through income, ownership, and enlightened stewardship.

The Ewing Marion Kauffman Foundation is a strong proponent of youth entrepreneurship, not just as a pathway to ownership, but more so to build a better workforce. Their research indicates that youth who take advantage of entrepreneurship programming are better, more aware, and adjusted employees. People who have run businesses, even simulated businesses, make better employees overall they conclude. Entrepreneurship opens doors to prosperity and sustaining employment that many are unaware even exist. In the future, for many communities it will be necessary to grow its own workforce in a very intentional way. That process begins with a community’s approach to K-12 education.



In 2008 the place-based Incourage Community Foundation, concerned with the overall economic and employment issues facing southern Wood and northern Adams counties, brought together the business community, government, philanthropy, and educational and service



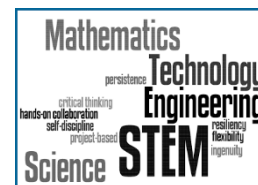
providers to join Incourage to find better ways to build a workforce training system that would make training both easier and more effective. The result was the creation of Workforce Central and a national partnership with philanthropy through the National Fund for Workforce Solutions nfwsolutions.org.



K – 12 Education

Some 7,365 children in the south Wood County area use one of the three K-12 public school systems in Wisconsin Rapids, Nekoosa and Port Edwards, and a Catholic K-12 system and Lutheran K-8 school that serve the region. All schools rank above state average standardized test scores and some 75% of graduates expect to go on to college. All systems reported graduation rates to be above 95%. Additional STEM curriculum is in the planning stages in all of the school systems. The Wisconsin Rapids Public Schools has implemented a Project Lead the Way (PLTW) “Gateway to Technology” curriculum which is nine weeks of STEM instruction for all students in the middle school.

The three public school systems work together to share specialty curriculums to meet the needs of bright pupils and those with special needs. This cooperation allows a child to move outside its school system to another in order to study a subject or language not offered in his or her own school. The area also has a Charter Central Cities Health Institute High School that serves 43 students in grades 11-12. Nekoosa houses two charter schools, one supported by the Ho-Chunk Nation for 12 students in an alternative project learning environment - Niikuusra, and another STEM charter school with 62 students in grades 4-8 in the Central Wisconsin STEM Academy. There are also dual learning programs for grades 11-12 in partnership with Mid State Technical College for students to gain advanced credit.



Like most school systems within the State, school officials want more funding to meet the needs of a changing, more diverse, and some say more difficult, population, as well as increasing local business concerns for growing a future workforce. But such funds are difficult to come by within a struggling regional economy and with the slow attrition of school-age children out of the area.

Working in partnership with Workforce Central, all three systems have put in place youth apprenticeships for high school students in grades 11 and 12. Workforce Central Business/Education Partnerships bring together teachers and school officials to discuss with area businesses how the schools can help support a skilled workforce into the future. This entity meets every six weeks. Students are also taken on tours to various area manufacturers through the Manufacturing Partnerships program so they can see how things are made and to open



students' eyes to the potential of a manufacturing career. Among other projects were three Heart of Wisconsin Chamber "Heavy Metal Bus Tours", bringing over 100 regional eighth graders and high school sophomores into local manufacturing plants to learn about career opportunities and needed skills. In addition to the STEM curriculum, there are summer programs that have been developed by the partnership: ie. VEX Robotics Camp, STEM Race Car Engineering Camp, and SparkFun National Bus Tour Workshop.

Sources: Meetings with all three public K-12 systems plus the Catholic system; web pages for school systems; comments during interview sessions with business, civic and non-profit organizations, Workforce Central.



The Mid State Technical College in Wisconsin Rapids (MSTC) is the primary post-high school educator in the area with enrollment of over 8,000 students on its three campuses (Wisconsin Rapids, Stevens Point and Marshfield). The College graduates approximately 1,000 students a year into the workforce. The College is used by numerous southern Wood County businesses to train students for a number of career choices through its various degree, diploma, certificate, and custom programs. There is a learning center in Adams County as well. The College has 3 – 5 year Apprenticeship Training programs in Heavy Equipment Operations, Ironworker, Maintenance Mechanic / Millwright, Plumber, Steamfitter, Steamfitter–Service, Electric Metering Technician, and Electrician.

MSTC has a number of business career Certificate Programs including Advanced Business Management through Entrepreneurship, Marketing, Network Software Support, Small Business Accounting, and Web-based Marketing. MSTC also has two dozen other programs for those students seeking a variety of business skills. It offers two Healthcare Service programs. Students can also learn basic operation of manufacturing machinery, including computer numeric control equipment, and Stainless Steel Welding Basics.

Plumbing and electrical contractor unions, in collaboration with area manufacturing and maintenance companies, recruit students and help pay their tuition to become Apprentices by working for a company while taking classes at MSTC. The College is currently working on a new program for operating, maintenance, and craft jobs.

Incentive's Workforce Central spearheaded and staffed a collaborative including its Manufacturing CEO Peer Council, North Central Wisconsin Workforce Development Board, and MSTC to develop a one-year accelerated Food Manufacturing Science program aimed at training long term unemployed. The course provides the skills for self-sufficiency and productive employees. It requires a minimum of 20 credit hours of class work. Primary funding came from the Workforce Development Board. MSTC also developed a specialty Fire Training program for



area firefighters and first responders. This highly regarded program trains firefighters throughout the region and from other areas of the state.

More than half of MSTC trainees go on to work in Plover and Stevens Point. MSTC has a wide array of programs and curriculums, but not as many in manufacturing, pre-engineering, and heavy equipment training. There are also not enough manufacturing support services in present curriculums such as IT, Management, and Supervision. Faculty express concern that “We are not growing the people we need in manufacturing engineering. We train workers to run machines, not to be versatile in manufacturing disciplines.”

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An additional concern is the lack of direct business support MSTC provides to area companies. Fox Valley Technical College has major training systems that generate between \$15-20 million a year in contract revenue. “Even when we train their workers, some employers do not value our education. Companies start or maintain workers at the same wages as those prior to training or at wages similar to untrained new workers”.

Other concerns of businesses and MSTC staff were the lack of value some parents place in a technical education. Some parents dissuade their high school graduates from attending MSTC as a first choice. They push them to go to a 4-year college. It is their belief that MSTC gives their students few options. This view is most common among parents who worked in the mills and lost their jobs.

MSTC has worked closely with Workforce Central and its Manufacturing Partnership CEO Peer Council to create excellent leadership training for first line supervisors allowing their personal growth and corporate performance improvement.

Sources: MSTC web site, interviews with plumbing/electrical maintenance companies; interview with Al Javoroski, Dean, Technical, Industrial, MSTC, and interviews with assorted business service companies



The mission of the North Central Wisconsin Workforce Development Board (NCWWDB) is to cultivate a skilled and competitive workforce which meets the demands of employers in the region.

Created by the Federal Workforce Investment Act, (WIA) workforce development boards oversee the design and delivery of locally customized job training programs and workforce development initiatives. NCWWDB is one of eleven Boards in Wisconsin. A majority of Board members, as well as the Board Chairman, are representatives from the private sector. Other Board members represent education, labor, and community-based organizations. NCWWDB



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serves nine counties: Adams, Forest, Langlade, Lincoln, Oneida, Marathon, Portage, Vilas, and Wood.

NCWWDB is uniquely structured to guide workforce development in the region by:

- Engaging and connecting local employers, educators, and community organizations to more effectively align workforce resources;
- Identifying, obtaining, and directing resources toward skilling, re-skilling, and building a future pipeline of workers to meet regional demands;
- Identifying and disseminating regional labor market data and trends which impact short-term and long-term development of a skilled labor pool;
- Overseeing publicly-funded WIA programs and the One-Stop Job Centers in the region.

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Workforce Central

Workforce Central was one result of Incourage's large scale investment in adaptive leadership skills, shifting attitudes, and engaging leaders to work together. Through Workforce Central, Incourage spearheaded the creation of and staffed a Manufacturing Partnership - CEO Peer Council. Although primarily focused on workforce challenges, the Manufacturing Partnership - CEO Peer Council strategized with philanthropy about all issues that impacted their growth and ability to hire. This early work quickly led to a broader recognition that south Wood and northern Adams counties lacked a cohesive economic development structure. A study was conducted in 2010 that resulted in the formation of REGI.

The Manufacturing Partnership workforce efforts targeted manufacturing incumbent workers with baseline skills but needing skill upgrades for future employability on a career pathway and a new food science curriculum. The workforce programs were successful because they focused on both the trainee and the companies needing the trained worker at the same time. This dual approach is a key asset of the National Fund for Workforce Solutions strategy. Workforce Central is one of 35 rural and urban sites across the country.

The Manufacturing Partnership – CEO Peer Council developed a program in collaboration with MSTC, aimed at strengthening the first line of manufacturing management – the foreman on the floor – including training in leadership, conflict resolution and engagement. The program also helped front-line supervisors to generate career ladders within their companies, opening up leadership positions for those in the program and opening up job slots for new employees.

Workforce Central seeded work in IT with MSTC acting as the lead convener of employers with high concentrations of IT workers. UWSP, NCWWDB, and Centergy are now jointly leading this effort.

According to the COWS Workforce Central Evaluation, January 2012, the skills gap between the workforce and available jobs contributed, in part, to an incremental demand for social services and support with claims for food assistance surging by 99%. Medical assistance claims increased by 42% during the past 10 years.



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The Workforce Central collaborative put in place a number of enabling programs for both employers and unemployed workers to help every person who wanted training to get it. A Service Provider Network was developed to include such needs as child care, family counseling, literacy classes, senior citizen employment and training and a host of other supportive programs. A long list of businesses and institutions, including the Manufacturing Partnership, contributed to fund the effort. More than \$4 million in overall funding was put in place through Workforce Central.

Incourage has led the way in business and education partnerships supporting an evolution in curriculum leading to the STEM Academy, the inclusion of Engineering is Elementary, in the local school curriculum, and continuing education opportunities for local educators to learn about local business. These and other outcomes are critical to a STEM capable pipeline of talent for the future.

Incourage spurred collaboration among area social service providers and MSTC to create Pathways. Pathways provides the critical element to bring those left behind into a process that allows growth and development. Many employees and countless formerly unemployed individuals will benefit. This partnership has proven successful. Never before were social agencies in the community collaborating as they are today to change persons from dependency to opportunity.

Incourage has provided leadership in creating partnerships in areas of company commitment, employee awareness, frontline leadership, and innovative thinking. The program won a number of national awards and became a model for the National Fund for Workforce Solutions.

Source: Return on Investment Tools, Incourage; Incourage Workforce Central web site; Meetings with Incourage staff; COWS Workforce Central Evaluation 2012



UW Stevens Point (UWSP) is a four year institution within the University of Wisconsin System. It has over 8,750 full time students along with another 550 part time and 350 graduate students and provides 120 undergraduate programs in 48 majors and 78 minors.

UW-Stevens Point's majors and minors are housed within four colleges:

- College of Fine Arts and Communication, which includes opportunities in the visual and performing arts;
- College of Letters and Science, which includes disciplines in the natural and social sciences, mathematics, computing and humanities;



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- College of Natural Resources, with disciplines such as forestry and wildlife ecology;
- College of Professional Studies, featuring business and economics, health-related fields and the School of Education.

It also has a four year IT curriculum and degree program. As one of 12 four-year University of Wisconsin System centers of higher learning, UWSP generates four year degreed students into the job market. However, demographics suggest that many UWSP students leave the State after graduation.

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Wisconsin Institute for Sustainable Technology
University of Wisconsin-Stevens Point

Of particular interest to southern Wood and northern Adams counties is the University of Wisconsin Stevens Point Institute for Sustainable Technology, or WIST. This new institute was created to connect the University of Wisconsin – Stevens Point to business and industry, and provide research, laboratory services, and education. This is an entrepreneurial entity currently looking at how to convert some of the waste stream of the paper-making process, or other forms of bio-mass, so it can be used to create biofuels, renewably sourced chemicals from biomass, and value-added uses of agricultural and forestry residuals as a result of processing.

Current research is now underway in the Cellulose Pilot and Processing Lab headed up by Drs. Eric Singaas and Paul Fowler to accelerate the development and conversion of renewable materials from the paper making process, such as cellulose, hemicelulose and lignin. The University and its private sector partner, American Science and Technology (AST), are building a large-scale bioreactor capable of processing up to two tons of trees or other biomass per day. American Science and Technology is a research and engineering company specializing in renewable energy. The processes developed by Drs. Singaas and Fowler have been patented and licensed to AST by the WISys Technology Foundation, Inc., the manager of patents for 11 of the Wisconsin System's four-year colleges. The construction of the larger bioreactor facility is being funded by an Economic Development Incentive Grant from the University of Wisconsin System. The AST bioreactor is located in Wausau.

Other innovative companies are looking into new sources of cellulose and new ways to process cellulose and lignin into chemicals, textiles, packaging, and fuels. In many cases these materials can displace materials currently derived from petroleum. This process has the potential of developing new industries that help create a more sustainable economy. Of specific interest to mass consumers is the potential to create biodegradable packaging materials to replace current plastics and other difficult to re-use packaging materials, e.g., Styrofoam "peanuts" and many types of tape. As part of its mission, the Institute will make research and piloting facilities available to manufacturers, small startups, biotechnology entrepreneurs, and academics that have an idea how to convert the cellulosic hydrocarbons, the most abundant natural material on Earth, into the sustainable and renewable products of the future.



There is potential here for a double win: first, a process to convert some wastes from the mill stream could take a waste liability and turn it into usable products, and possibly help the remaining paper mills to become more financially successful. The second opportunity is the impact on the marketplace from new uses of processed cellulose, including uses in less costly biofuels. Placing bioreactors alongside active and closed paper mills makes sense because mills have wood yards, wood chippers, rail lines, and boilers to generate power. There is also the opportunity to develop new businesses using these technologies and create badly needed employment for workers in the southern Wood County area.

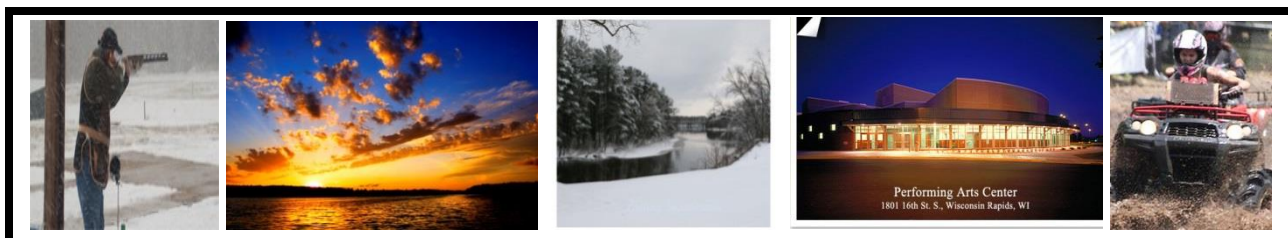
Other research objectives of the Institute currently center on development of specialty papers for sustainable packaging, such as products that incorporate bioplastics or polymers as coatings or additives. The University of Wisconsin – Stevens Point campus is located in Stevens Point, approximately 35 minutes from downtown Wisconsin Rapids.

Note: Drs Evin Singass and Paul Fowler are both listed as “project partners” of the newly created Wisconsin Institute for Sustainable Cellulosic Operations Research and Commercialization Center (WISCORC), at the DMI site in Port Edwards.

Sources: University of Wisconsin-Stevens Point web site; Wisconsin Institute for Sustainable Technology Annual Report, October 2014; Wisconsin Institute for Sustainable Technology web site; Milwaukee Journal Sentinel story, March 1, 2014; recent interview with Dr. Paul Fowler

Summary Observations

- ✓ K-12 education is of high quality and has above average attainment and graduation rates.
- ✓ STEM education is being introduced but still lags behind what is needed for a highly technical science and engineering workforce.
- ✓ Despite significant effort in workforce and education collaboratives, career pathways still seem unclear to many students and incumbent workers.
- ✓ MSTC provides vital training to workers in the region, but is not meeting its potential, in particular, in manufacturing support.
- ✓ UWSP, and its research and business partnership activity, is an important asset. It has great potential for the future of industry throughout the larger region.
- ✓ The region lacks youth entrepreneurship programming. MSTC offers very limited programming in this area.



Quality of Life

A pervasive theme underscoring every interview, regardless of business, organization, or government official, was that those who live here choose to do so. Southern Wood and northern Adams counties are “home” and they wouldn’t want to live anywhere else. That is the best definition of quality of life there is. In 2010, Forbes rated Wisconsin Rapids as number five on a list of the top small cities to raise a family. To pinpoint the best small places to raise a family, Forbes looked at quality-of-life measures that make living easier for families, such as, commute times, educational attainment, median household income, the rate of home ownership, and the cost of living.

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Location

Southern Wood and northern Adams counties are located approximately dead center in the state. Being central can be an advantage if you have your employees, customers, clients, and family, within easy distance. Although it is common for people to see themselves at the center, businesses in particular referred to the location as an advantage. From Wisconsin Rapids, you can reach a lot of places within reasonable driving times. Green Bay is only 100 miles away, about a two hour drive; Madison is 108 miles, not much longer. Milwaukee is 158 miles, less than three hours. Minneapolis is 200 miles away, less than four hours. There are four state highways coming through Wood County, highways 13, 34, 54 and 73. These highways connect with US 10 and interstates 90, 94 and 39.

History and Culture

Wood County is known for its cranberries and its paper mills. The areas unique topography and geologic make-up have shaped its history in lumber, paper, potatoes, and cranberries. There is a Paper Museum as well as a Historical Museum. Take a ride on “Cranberry Highway” and enjoy the bogs after bogs of cranberries on land early surveyors termed “worthless”. There are many cultural and agricultural festivals throughout the year. Small towns dot the area and each one is different.



Throughout the southern Wood and northern Adams counties area, there are trails for walking, biking, ATV, or snowmobiling. There is the Wisconsin River, the longest river in the state, a somewhat shallow, free-flowing river with plenty of access, and room for canoes, kayaks, and fishing boats. Restaurants, shopping, churches, parks, and playgrounds are abundant in the landscape in every town, village, and city.



Natural Resources

If you draw a line from East to West, right through Wisconsin Rapids it would roughly separate the loamy soils of the north from the sandy soils of the south. Early farmers found the sandy soils of the south unfit for farming and most of them moved northward into the top end of Wood County. The potato farmers found the tuberous vegetable felt quite at home in southern Wood and northern Adams counties. Today almost 10% of all potatoes grown in the USA for Frito Lay come from Wood County. Adams County has a concentration of employment in potato farming that is more than 400 times that of the nation as a whole.

Southern Wood and northern Adams counties have a goodly amount of woodlands with aspen, oak, white birch, and conifers being the dominant species. Loggers have harvested many millions of board feet of lumber from the area over time, the major reason – along with the Wisconsin River - why the area has so many paper mills. As two of only 29 counties in Wisconsin with county forestland, those forests generate great recreational activities including hunting, fishing, hiking, biking, camping, canoeing, kayaking, ATVs, snowmobiles, boating, cross-country skiing, bird watching, and sight-seeing. All are important elements of Wood and Adams Counties' culture and economy.

The Wood County Wildlife Area is a 21,000 acre property some 18 miles west of Wisconsin Rapids. It lies between the Meadow Valley Wildlife Area on the south and the Sand Hill Wildlife Area on the north. Collectively these three areas are the largest block of state managed wildlife lands in Wisconsin. Nearly 150 square miles of public lands are found there. The wildlife area lies within the bed of old Glacial Lake Wisconsin, an area characterized by large expanses of wetlands interspersed with forested uplands and islands. Today this natural habitat contains white-tailed deer, ruffed grouse, woodcock, squirrels, rabbits, snowshoe hares, ducks, and geese. Muskrat, beaver, mink, otter, and coyotes are the primary furbearers. Numerous other protected species attracted to the area included sand hill cranes, great blue herons, eagles, hawks, owls, shorebirds, and songbirds.

The Wisconsin River runs through downtown Wisconsin Rapids. It is a wonderful natural resource and habitat for herons, seagulls, ducks, and cranes. But, it also provides a community focal point and outdoor venue for activities of all kinds. A recent downtown forum produced ideas for the river including a band shell and concert venue, outdoor dining, and housing. In addition to the river, the counties have access to the largest aquifer in Wisconsin for their drinking water. With careful stewardship, these water resource assets will serve the area well over many decades.

The river drives five hydrogenerators located at five dams up the river. Those hydrogenerators have been generating power for the paper mills up and down the river for many years. Currently those five generators, powered by 20-25 turbines, produce enough power to run a city of 75,000 households if that power were to be redirected.



Agriculture is an important economic force in Wood and Adams counties. More than providing a rural lifestyle to family-owned farms, their related businesses and industries fuel the economy. Farmers provide equipment, services, and other products to process, market, and deliver food and fiber to consumers. The production, sales, and processing of Wood and Adams counties farm products generate badly needed employment, economic activity, income, and tax revenue.

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Wood and Adams counties' agriculture is a vital mix of several sectors important to the state's economy. Wood County leads Wisconsin in cranberry production and contributes to the state's number one ranking in the country for the tart red berry. Dairy is predominant in northern Wood County and provides the largest source of agricultural income. Adams County is highest in potato production. First in Wisconsin for the value of its fruit production, Wood County boasts significant agricultural processing infrastructure. Five cheese production plants, three cheese processors, three cranberry receiving stations and several cranberry processors add to the value of agriculture.

According to the University of Wisconsin Extension, agriculture provides jobs for 3,761 Wood County residents and \$537.8 million in economic activity. Agriculture contributes \$114.9 million to the county's total income. Agriculture pays \$9.9 million in taxes. More cranberries are grown in Wood County than in any other county in Wisconsin. More than 60% of all cranberries grown in the country are grown in Wisconsin.

Healthcare

Southern Wood County is fortunate to have a fully staffed hospital (Riverview Hospital) with 99 rooms, a University of Wisconsin Cancer Center, Riverview Hospital Urgent Care Clinic, Marshfield Clinic, Wisconsin Rapids Orthopedic Center, Aspirus Doctors Clinic, Urology Specialists of Wisconsin, Riverview Family Clinic and Wisconsin River Orthopedics inside the city of Wisconsin Rapids. There are also Riverview Family Clinics in Nekoosa and Rome. In October 2014, Aspirus, Inc. - owners of the Aspirus Wausau Hospital - announced that it had signed an affiliation agreement with Riverview Hospital Association that would allow Aspirus to acquire the Hospital.



The November 2014 issue of the Incourage magazine, Vital Signs, reported that as tracked by the Robert Wood Johnson Foundation, Wood County residents experience better health behaviors and outcomes than their peers in the rest of the State. The County has nine acres of beaches, 8 recreational fields, 940 acres of lakes, and 170 miles of trails. Wood County has a good supply of doctors, about twice as many per capita than the state average. Average waiting time at Riverview Hospital Emergency Care is about 18 minutes, well below the national average of 26 minutes.





According to Vital Signs, local food sources and food entrepreneurs have been growing as people become more aware of the benefits of fresh fruits and vegetables. There are nine farms in the county, six community-supported Agriculture Farms; four roadside stands, three you-pick Farms and two Farmers Markets.

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Fire and Police

The Wood County Dispatch Center is the 911 call center for the county. It is the clearing house for any incident requiring fire, police, or ambulance response within the County. The County also houses the Wood County Sheriff's department. Nekoosa, Pittsville, Port Edwards, Grand Rapids, and Wisconsin Rapids have police departments. Crime rates are low, less than half the national average of crime risk and many reported that they need not lock their doors. Law enforcement across the County meets quarterly to collaborate in providing an aggressive response to crime of any kind.

The Town of Grand Rapids Police Department has five full-time employees consisting of the Chief, Sargent, three officers, and seven part-time officers. Nekoosa Police Department has a professional department of 6 full-time and 7 part-time officers. Nekoosa officers responded to nearly 3,000 calls for assistance resulting 215 arrests in 2014. The Village of Port Edwards has a full time police department, including a Chief, two full-time officers, and several part time officers. Pittsville has a police department and EMS Advanced Life Support, and fire protection. The area is served by Air ambulance-Spirit of Marshfield. Wisconsin Rapids has a professional police force of a Chief, 4 lieutenants, 4 sergeants, and 20 officers, along with a special response team, K9, and bicycle patrol. The entire area is served by police and fire personnel 24/7.

The Wisconsin Rapids Fire Department has paramedic and emergency ambulance service. It responds to approximately 3,000 calls per year. It also protects the Village of Biron. The smaller, surrounding communities all have volunteer fire fighters though they often receive the same training as professionals in the area. All are well trained and well equipped. EMS, First Responders, and HAZMAT teams are available and back each other up in emergencies in any part of southern Wood and northern Adams counties.



Tourism and Recreation

Recreation is a significant asset and has high potential to attract residents, visitors, and new businesses. Sales of land with water access for residential development have been climbing in price and interest by those who understand its growing scarcity. And numerous communities located on lakes and rivers have been successfully using a waterfront strategy to expand their tax base and generate new jobs, such as Sheboygan and Kewaunee located on Lake Michigan, and Boscobel



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and Prairie Du Chien on the Wisconsin River. Southern Wood and northern Adams counties are already a destination due to their hiking and bike trails, picnic areas, recreational ball fields, dozens of youth and adult programs, and many high quality sporting venues. Though the Wisconsin Dells vacation center is partially located within far southern Adams County, it does not have motocross, motorcycle, and ATV races; nor trapshooting, nor the many lakes within the area that offer some of the finest fishing in the state. Importantly, the cities of Marshfield, Stevens Point, and Wisconsin Rapids, and Wood County have joined together to market the region at the State Fair. They are the only region to do so.

Southern Wood and northern Adams counties feature numerous festivals throughout the year for families and children, many of them celebrate local harvests such as cranberries and pumpkins. Marshfield, Stevens Point/Plover, and Wisconsin Rapids have a joint website listing the many events going on in these communities all year long. Other websites labeled Recreational Facilities – Wisconsin Rapids; Biking & Hiking – Wisconsin Rapids; Wisconsin Rapids Outdoor Recreational Plan all list many events, activities, and venues.

Tourism can be a strong part of a local economy if it is well planned and marketed. A missing piece seems to be the Wisconsin River. Though it bisects the Wisconsin Rapids downtown, there are few recreation enthusiasts in evidence. The River is a major asset but barely appears on the tourism website. There may be good reasons for this – shallow depth, restricted boat traffic near dams/hydro power plants, or something else - but the river remains an important asset that is underutilized.

Rome has substantial recreational venues covering hundreds of acres. There are two golf courses near Lake Arrowhead and five more courses planned or under development. Rome and Nekoosa have a trap shooting range suitable for statewide competition. Officials in Rome report that up to 30,000 people will come there on a weekend to hike, camp, race ATV's and motorcycles, or just enjoy the area in general during the summer. The Town of Rome is making visible progress toward its vision to leverage their natural resources through the development of a multi-course golf haven and resort, town center, and Business Park in what was once mostly sand and scrub red pine.



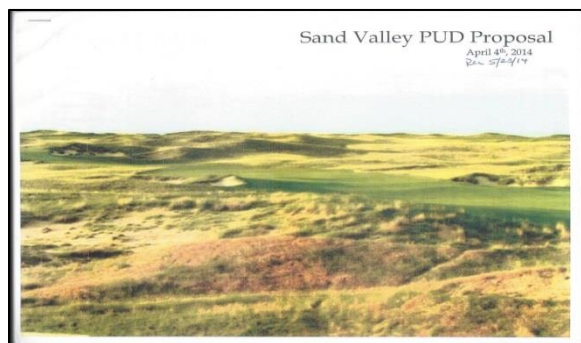
The Rome golf development is unusual in that it is being primarily privately financed. The developer, Mike Keiser, plans to spend millions of dollars on his Sand Valley development, returning some 1500 acres of pine into its original native Sand Barren. On this site he will build a massive golf resort just a few miles down Highway 13 from Wisconsin Rapids. The economics make it plain that the resort will be marketed primarily to wealthy golfers, and their families, if high-end retail, resort spas, and family amenities are made part of the plan. Mike Keiser has completed similar developments before in Bandon Dunes in Oregon, Cabot Links in Inverness, Nova Scotia, as well as Barnbougle Dunes in Bridport, Tasmania. The two developments in Oregon and Nova Scotia resemble the sandy dunes and escarpments of the Rome site. The Kaiser development estimates at completion over 300 rounds of golf per day.

This can be an important investment for Rome and the region, but currently much tourist spending potential is going elsewhere. The necessary infrastructure to keep tourists and visitors in the area, such as, hotels, rental properties, and restaurants is limited. In addition, there is very little retail existent in that area other than the gas station/grocery store/restaurant at the main intersection at Highway 13 and Alpine Road. There are four providers of shelter within the current planned development area: a real estate company that leases out homes not being used by their owners, 26 at last count; a condo development at Arrowhead Lake with condo sales and rental management; a motel that offers short term stays, along with three eating places, and two bars and grills; and an RV park managed by the Wisconsin Trapshooting Association.

This major development could be an opportunity for the entire southern Wood and northern Adams counties area. The area may want to consider a collaborative strategy to participate in this major influx of visitors with substantial disposable income. Rome is currently working with a consultant to evaluate ways in which it can become more “business friendly” and thus take advantage of visitors that may wish to move their companies closer to this landmark venue.

Housing

Southern Wood and northern Adams counties have largely well maintained and affordable housing in attractive neighborhoods. However much of the product is older and studies have noted a lack of diversity in housing age and styles; in particular there is a void in housing aimed at young professionals, empty nesters, and seniors. In May of this year, First Weber Realtors reported that the median sales price for homes was \$82,000. They reported 318 homes for sale. Though the number of houses for sale rose over the past year, the number of houses sold



decreased by almost 17% in 2014. Average days on the market, however, dropped 26% in 2014 as houses were absorbed and the supply decreased. In the higher end markets around Rome and Lake NEPCO individual homes have been built at a slow but steady pace. Grand Rapids reports a building level of 10-12 new homes per year.

Three housing developments are planned or underway.

The NEPCO Lake development includes: Point Cove, Clearwater Bay, South Shore, North Beach, and East Shore on a tree lined 500 acre lake. Early investors have owned their properties for many years and properties rarely change hands. Since acquired by developers Brad and Pat Pavloski, the property now includes a variety of housing options with large individual lots for higher end homes, condominium style developments with shared ownership of common space, and higher density areas and attractive price points. Lots at East Shore are currently being advertised and sold at a mid-level price point. The new development is expected to have an \$80 million economic impact over the next ten years.

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Wood County, the City of Marshfield, Marshfield Utility, Marshfield Wastewater Utility, and Marshfield Economic Development Board have come together to develop a 25 home sub-division in Marshfield. This development is an example of a creative development finance solution to a problem existing in the marketplace. A recent housing market study identified a need for “desirable single-family homes between \$125,000 - 200,000”. Despite the recognized need, no private developer was interested. All investors expect to be fully reimbursed within seven years of their initial investment through the sale of land and annual tax payments.

The Keiser Sand Valley Proposal also includes housing. The proposal includes: 60 “overnight” housing units for those who want to stay for a few days; a hotel with rates beginning at \$200+ per night; and once the golf courses are completed, the sale of five-acre lots for single family residences, for a total of nearly 300 homes.

Keiser proposes to build more hotel and residential condominiums as the golf traffic increases. Whether this will be enough housing to handle the numbers he expects, and current demand from existing venues in the area, remains to be seen. Each of these developments will have a significant impact on the diversity of housing options available and the potential for new full and part-time residents of the area.

Wood County Parks

Wood County offers visitors a variety of activities at any of 7 recreational parks, 3 rivers, many lakes, 38,000 acres of county forestland, and 18,500 acres of Wood County State Wildlife Area.

South Wood County Park has 324 acres and surrounds Lake Wazeecha. Wood County Rifle Range is north of Port Edwards; Wood County ATV area is just west of Port Edwards; and the NEPCO Lake County Park is south of Wisconsin Rapids. Powers Bluff Park is 70 acres of self-guided nature trails with Indian Dance Rings and burial grounds preserved in the park.

Powers Bluff is an 80 acre State Historic Site the 13th highest point of elevation in the State of Wisconsin at 1,472 feet. Winter sports include downhill skiing, snowboarding, cross country skiing, and tubing. Dexter Park is located on 1,235 acres around Lake Dexter. The lake is 298 acres. Dexter Park has over 1,000 acres of wild or undeveloped land with abundant wildlife and game fish.

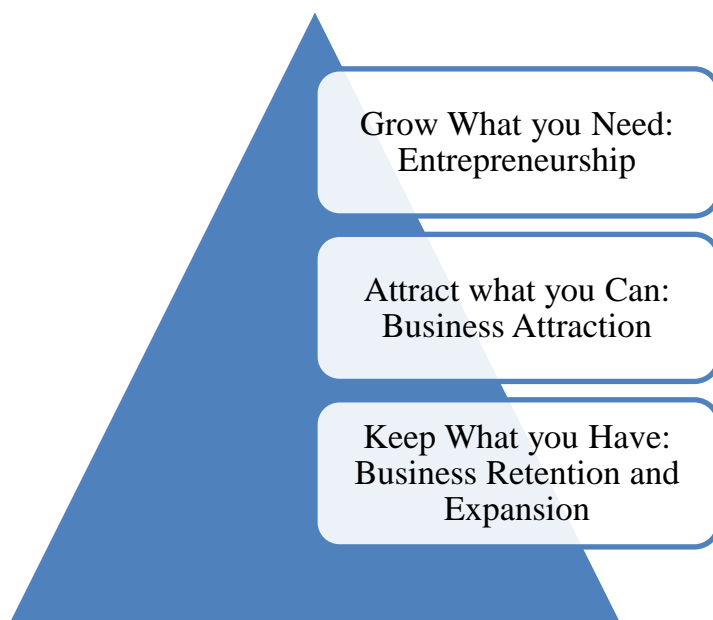


Summary Observations

- Safety and security is a given, there is a high level of training and professionalism throughout the area police forces
- Fire, EMS, and First Responders are well trained and well equipped
- Arts and culture is valued but not strongly evidenced
- Investments in area downtowns is limited and undervalued---this is a significant deterrent to long term growth
- The River is valued but underutilized, it has tremendous potential to be a focal point for Wisconsin Rapids downtown, for recreation, and for housing development
- Readily accessible healthcare, competitively priced
- Recreational assets are substantial and growing
- None of the communities are well positioned currently to capture the potential tourist and visitor traffic for the benefit of their businesses
- Complicated culture of philanthropy, high levels of engagement and giving from a few may dampen overall giving, but this may be changing as civic engagement overall seems to be increasing through the many processes sponsored by Incourage

Economic Development Organizations and Business Serving Organizations

Economic development is the process of building and sustaining wealth within a community for the benefit of all its residents, businesses, and institutions. It is a complex process with roles and activities in which everyone must participate to be successful. Although government, business, nonprofits, and citizenry may each engage in economic development, the activities of one do not eliminate the need for the activities of the others.



In support of the three primary tasks of economic development: Business Retention and Expansion; Business Attraction; and Entrepreneurship are many other activities specific to individual communities and individual organizations, such as, workforce, finance, economic gardening, and real estate. Although there are standards and best practices common to all economic development organizations, the vision and aspirations of an individual community largely must determine the shape, staffing, funding and course of action for their economic development organizations.

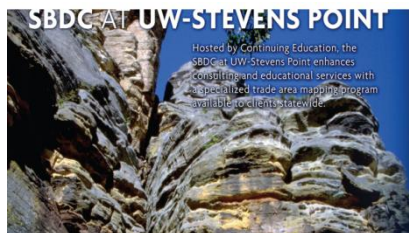
Heart of Wisconsin Chamber of Commerce

The **Heart of Wisconsin Chamber** is almost 400 strong and represents the businesses within the southern Wood County area. Among its many services, the Chamber says its mission is to power, network, and promote area businesses, people, and resources. It provides a listing for all members by category as well as networking opportunities through working lunches, special speakers, and other events throughout the year. It also sponsors seminars dealing with business issues such as bookkeeping, insurance, and training.

Of specific interest is the Chamber's involvement in direct economic development activity through business retention and expansion visits, and by providing business loans to small companies. The Chamber provides both equity and debt financing through two revolving loan funds. One fund is focused on gap financing and usually requires regular bank underwriting and collateralization. The other fund is more flexible and can make loans up to \$25,000 in businesses with little or no collateral. It can function almost as a seed fund. The Chamber also houses a local SCORE chapter that provides mentors to new businesses at no cost. Other support for new businesses includes: access to venture capitalists, the Small Business Development Center in Stevens Point, and the Wisconsin Economic Development Corporation programs. The Chamber provides a business "BootCamp" for entrepreneurs in how to start a business and write a business plan. The Chamber's Executive Director is Melissa Reichert. The Chamber's offices are located in Wisconsin Rapids.

Small Business Development Center, Stevens Point

The SBDC is the main technical assistance delivery system for the federal Small Business Administration. Historically its purpose has been to help small businesses to grow. It provides technical assistance and subsidized loans in partnership with local bankers. The SBDC in Stevens Point has the added expertise in working with new businesses in formation, including new technology based businesses. The SBDC at Stevens Point is one of 12 such Centers in the state.



The SBDC offers no cost, confidential advising, and resources; fee based workshops and conferences; and trade area mapping, to both startup and existing businesses throughout nine counties - Adams, Langlade, Lincoln, Marathon, Oneida, Portage, Vilas, Waupaca and Wood. They offer a ten week Entrepreneurial Training Course for those who want a more intensive and in-depth program. The course includes information on market analysis, market positioning, and other topics. That course is offered for a discounted \$250.

The SBDC has access to experts in various areas of business formation, development, and growth that they can bring to a problem. The SBDC can also help a small business obtain financing for an expansion, piece of equipment, or working capital. Banks that specialize in this type of financing look to an SBDC or Chamber to help borrowers prepare their loan package.

The Heart of Wisconsin Chamber works in partnership with the SBDC to provide more in-depth assistance to businesses than the Chamber can provide. Likewise the Chamber's loan funds add value to what the SBDC can provide through local banks. There were more than 600 business clients of the SBDC in 2013 including 36 business start-ups. With the help of the SBDC, these businesses accessed \$2.95M to improve their current operations or launch their businesses.

North Central Community Action Program (CAP)

The North Central Community Action Program provides loans and mentoring to low income unemployed or underemployed entrepreneurs who want to start a business. This organization is headquartered in Wisconsin Rapids but also provides these services to would-be business owners in Marathon and Lincoln Counties. A similar agency, a CAP service Community Development Financial Institution (CDFI) certified by the Department of Treasury makes small loans and grants to low-income entrepreneurs, and has financed two retail businesses in the Wisconsin Rapids area. In addition, CAP Services, LLC. administers the Central Wisconsin Economic Development Fund, Inc. a \$14 million fund to fill gaps in business lending provided by banks. The CAP is located in Stevens Point. (see also Continuum of Capital)

Sources: Heart of Wisconsin Chamber of Commerce; Ralph Hamel interview; CAP Services interview, Stevens Point; SCORE web pages, telecom with North Central Community Action Program, meeting with Cap Services Community Development Financial Institution, Stevens Point, WEDC rep for Technology Commercialization

Wisconsin Economic Development Corporation



Wisconsin Economic Development Corporation (WEDC) is the State of Wisconsin's economic development organization headquartered in Madison. It is a public/private corporation created by the Wisconsin Legislature in January of 2011, replacing the Wisconsin Department of Commerce. The change was set in motion in January 2011 as the result of a bipartisan study that indicated Wisconsin needed to take a bolder approach to attracting, growing and retaining businesses within the state. This legislation, known as Wisconsin Act 7, authorized that change to take



effect beginning in July of 2011. The bill removed non-business Commerce responsibilities from WEDC and eliminated program mandates in favor of a larger, more flexible economic development fund.

Organizational Mission

To elevate the Wisconsin economy to be the best in the world by providing a positive business climate, world-class support services, and economic development tools to accelerate business start-up, attraction, and growth.

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WEDC has four major divisions:

- Entrepreneurship and Innovation – With a mission to increase startups in Wisconsin
- International Business Development – With a mission to double exports by 2015
- Business and Industry – With a mission to advance high impact economic development projects that produce a competitive advantage for Wisconsin
- Economic and Community Development – With a mission to increase and deploy capital to drive business expansion and relocation

The WEDC programs are roughly divided into three areas: business retention, business recruitment, and business formation. WEDC programs include: those focused on retaining and growing existing businesses through incentives, such as financing and tax credits; those that support the community to invest in real estate and infrastructure in support of business investment; and yet others related to workforce, technology, and exporting.

Economic Development Tax Credits: Non-refundable or transferable income tax credits earned by job creation, capital investment, training, and location or retention of corporate headquarters.

Enterprise Zone Tax Credits: The Enterprise Zone program incents projects involving major expansion of existing Wisconsin businesses or relocation of major business operations from other states to Wisconsin. Refundable tax credits are earned through job creation, job retention, capital investment, employee training, and /or supply chain purchases from Wisconsin vendors.

Development Opportunity Tax Credits: Incent new and expanding businesses in the Cities of Beloit, Janesville and Kenosha by providing non-refundable tax credits to assist with the creation and retention of new, full-time jobs, environmental remediation, and capital investment. (It is not known if this designation is available to southern Wood and northern Adams counties).

Other programs supporting outside business recruitment include: Historic Preservation Tax Credits, Main Street, and public infrastructure investment for downtowns. WEDC will also fund brand development and marketing materials for communities looking to entice out of state businesses to locate in their county or community.

Jobs Tax Credits: The Jobs Tax Credit program incents projects involving major expansion of existing Wisconsin businesses or relocation of major business operations from other states to Wisconsin. Refundable tax credits can be earned through job creation and employee training.



Most major business expansions or relocations from other states have Job Tax Credits as part of their economic incentive packages.

The Community Development Investment Grant Program (CDI): The CDI will support urban, small city and rural community redevelopment efforts by providing financial incentives for shovel-ready projects with emphasis on, but not limited to, downtown community driven efforts. Funded activities should lead to measurable benefits in job opportunities, property values and/or leveraged investment by local and private partners. This grant opportunity is available through two different competitions: high impact projects, and planning or marketing development.

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Programs for existing companies also include promoting programs encouraging international exports. The Global Trade Ventures Program's (GBDP) intent is to accelerate the growth of Wisconsin exports and the number of Wisconsin companies exporting by providing direct access to key international buyers and assisting in the development of market entry and an expansion strategy plan.

ExporTech: Another program to help business increase their overseas market is ExporTech. In order to support the export capabilities of Wisconsin companies, WEDC partners with Wisconsin Manufacturing Extension Partnership (WMEP), and with UW-Stout Manufacturing Outreach Center (MOC) as a subcontractor to WMEP, to offer financial and technical assistance through the ExporTech™ program. The program has three financial components – WEDC funding for ExporTech™ delivery, WEDC assistance with the program cost for eligible participating companies, and funding for a market assessment following ExporTech™ completion.

A third export program is the Global Business Development Program (GBDP). It consists of the International Market Access Grant (IMAG) and the Collaborative Market Access Grant (CMAG). The IMAG provides funding to support a company's specific export development and deployment strategy with WEDC's international staff providing technical assistance. The CMAG aids these efforts through an industry focused intermediary.

Minority Business Revolving Loan Fund: MBRLF supports minority business development through business creation, business expansion, and minority community business attraction. This is accomplished through direct grant assistance to qualifying minority business associations in Wisconsin for Revolving Loan Funds and administrative assistance.

Business Opportunity Loan Fund: WEDC may provide financing options through loans or loan guarantees to businesses that are investing funds to expand or relocate to Wisconsin. Business Opportunity Loan Fund (BOLF) loans are based on need, the quality and quantity of jobs, capital investment, and other program, statutory, and policy requirements. Loans generally cannot exceed \$2 million, except for projects that are deemed to have a high impact to a region. Businesses that qualify may also be eligible for loan guarantees in lieu of loan financing.



Special Project Loan Fund: Special Project loans are not intended to replace traditional financing, but rather are to be used for projects that are not able to be fully-funded through traditional private or public sector resources, and will enhance or maintain a company's operations in Wisconsin. Public participation will not exceed 50% of the total project and never exceed the private contribution. Loan Guarantees will require a 20% match by the recipient.

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The Wisconsin Certified Sites Program seeks to create consistent standards for industrial site certification in Wisconsin. Through evaluation against the developed criterion, the program will identify premium, ready for development sites throughout Wisconsin that will improve the state's ability to compete for large impact industrial development and expansion projects. Wisconsin Rapids has one 50 acre Certified Site in its Rapids East Industrial Park.

Idle Industrial Sites Program: This program is intended to stimulate investment and job creation in idle, abandoned, and underutilized manufacturing sites which due to scale and complexity cannot be redeveloped solely by the private sector. WEDC's financial participation will make underutilized sites more attractive to developers, site selectors, and end users so that the distressed property can be reused to boost community investment and property values, and generates jobs. Port Edwards was awarded an Idle Sites grant of \$1 million in December 2013. The grant is being used to replace infrastructure on Edwards Avenue; re-energize the Domtar site with Alliant power; and undertake the feasibility study for a research lab and business Accelerator on the site.

Brownfield Redevelopment Financial Assistance: The Wisconsin Economic Development Corporation (WEDC) will grant funds to local governments, businesses, non-profits and individuals for redeveloping commercial and industrial sites that have been adversely impacted by environmental contamination documented in Phase I and II Environmental Reports.

Clean Energy Manufacturing Revolving Loan Fund: Will launch in FY15 and target low-interest loans of up to \$1,000,000 to private sector businesses for projects that promote:

- Energy efficiency measures through a reduction in use of fossil fuels
- Elimination or reduction of a waste product by use in energy production
- Biogas production projects
- Other cost-effective energy reduction or clean energy projects

Targeted Industry Projects: Such projects support industry development through research, data analysis, consortia development, and or strategic planning. Focus is placed on advancing industry-led consortia, industry/university alliances, and special opportunities that have significant potential to create jobs and increase the competitiveness of industry sectors in Wisconsin, and which fundamentally improve the overall economic performance of the state.

Industrial Revenue Bonding: The IRB Program allows Wisconsin municipalities to support industrial development through the sale of tax-exempt bonds. The bonds are issued by municipalities, community development authorities or redevelopment authorities. The bond



proceeds are then loaned to businesses to finance capital investment projects at, primarily, manufacturing facilities. Unlike most conventional loans, IRBs can offer businesses a convenient, long-term, and, often, a fixed-rate financing package. The State plays no direct financial role in the bond issue. The bonds do not have the credit of the State behind them in case of default. The interest earned on IRBs is exempt from federal income taxes.

Main Street and Connect Communities: Recognizing that healthy downtowns and urban commercial districts are important to local economies and quality of life for residents, WEDC participates in the National Trust for Historic Preservation's Main Street Program which advocates restoration of the historic character of downtowns while pursuing traditional strategies such as marketing, business recruitment and retention, real estate development, market analysis, and public improvements. Other programs are focused on new business recruitment, such as WEDC funding brand development and local marketing materials to communities looking to entice out of state businesses to locate in their county or community.

Site Assessment Grants: The Site Assessment Grant (SAG) Program is detailed under § 238.133, Wis Stats. The initiative provides grant funds to approved projects to assist local governments with conducting initial environmental assessment and demolition activities on an eligible abandoned, idle, or underutilized industrial or commercial site. The purpose of identifying and quantifying brownfield contamination is to help enable a community to attract investment to underutilized sites, and make a property more amenable to development.

Workforce Training Grants: Grants support businesses making a firm commitment to locate a new facility in Wisconsin, or expand an existing facility within the State which is developing a product, process, or service that requires training in new technology and industrial skills.

There are certain WEDC programs that are targeted to new technology start-ups:

Capital Catalyst: The Capital Catalyst program provides matching grants to seed funds managed by local communities and other eligible entities to provide capital to high-growth startups and emerging growth companies. Applicants for Capital Catalyst funds must demonstrate organizational capability, the availability of entrepreneurial support to achieve the goals of their program, and experience.

The SBIR/STTR Matching Grant program supports and attracts technology-based small businesses in developing innovative technologies and advancing toward commercialization. Funding from the SBIR/SSTR matching grants provides capital to small businesses whose innovations have been validated through an award from a highly competitive federal grant program. The WEDC-funded match allows these companies to continue to advance toward commercialization, and fill critical gaps in funding for activities such as market research and patent development that are restricted under the federal award.



Entrepreneurial Micro-grants: WEDC's Entrepreneurship and Innovation (E&I) Division provides funding to statewide entities to deliver micro-grants to clients for specific services including assistance in applying for federal Small Business Innovation Research/Small Business Technology Transfer (SBIR/STTR) grants, development of commercialization plans, and business planning education. These micro-grants are administered exclusively by the Center for Technology Commercialization (CTC). Commercialization Planning Assistance and SBIR/STTR Assistance are provided by CTC, while the Entrepreneurial Training Program is provided by the Small Business Development Centers (SBDC).

Qualified New Business Venture Certification: WEDC's Early Stage Business Investment Program, also known as the Qualified New Business Venture (QNBV) program, provides tax credits to eligible Angel and Venture Fund investors who make cash equity investments in qualified early-stage businesses. If all eligibility requirements are met, investors receive a Wisconsin income tax credit equal to 25 percent of the value of the investment made in the certified company. The investments incented by this program provide the capital necessary for emerging growth companies to develop new products and technologies, move products to market, and provide high quality jobs in Wisconsin.

Seed Accelerators: The seed accelerator model for entrepreneurial development is designed to increase the outcomes for sustainability and growth of startup companies, typically in technology-based industries. In a seed accelerator, classes of entrepreneurial teams enroll in a defined program over a certain period of time (typically 3-6 months). Participants are provided with small amounts of financing, experienced hands-on mentorship, educational programming, visibility to investors and other resources, along with processes for market and customer validation, and assistance for developing and testing the commercial viability of an idea.

The Seed Accelerator program provides an entity operating a local not-for-profit seed accelerator with grant funding used to support the participating companies. Operating expenses of the accelerator may also be eligible for grant funding.

Technology Development Loans: The Technology Development Loans (TDL) program provides direct financial assistance to startup and emerging growth companies in Wisconsin that are at a critical stage of development in commercializing innovative products and services. The TDL program is intended to provide capital to those companies that have the potential to add to Wisconsin's economic base over the long-term by attracting and training a high-wage, high-skill workforce, and establishing a unique competitive advantage.

The funds can be used as working capital, but require outside funding for the business development project, or funding round under consideration. Funding levels are dependent on the stage of growth, capital need, financial leverage, economic potential, risk evaluation, and any other factors deemed by WEDC to impact the funding request under consideration.

Sources: WEDC web pages; WEDC staff



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Centergy

Centergy is a non-profit regional economic development coalition of five counties in central Wisconsin. It acts as an information center for government officials, local economic development organizations, and Chambers of Commerce within the five county area. Centergy helps coordinate collaborative economic development programs and projects throughout the region including assistance in grant writing. It acts as both a portal and an advocate for local projects being recommended to the Wisconsin Economic Development Corporation.

The five counties that comprise Centergy are Adams, Lincoln, Marathon, Portage, and Wood. Within these borders are a balanced mix of population centers (Marshfield, Merrill, Stevens Point, Wausau, Wisconsin Rapids), mid-size communities (Amherst, Marathon City, Mosinee, Plover, Rothschild, Schofield, Weston), and numerous smaller towns including Rome, Nekoosa, Port Edwards, Vesper, Pittsville, Grand Rapids, Biron, and Rudolph.

Funding for Centergy comes from public and private contributors and foundations. The Centergy region is economically diverse, including advanced manufacturing, emerging sustainable and bio-based technologies, produce farming (cranberries, potatoes), and health care. Its website says it is a central resource and a unified voice to encourage business cluster development, support local businesses, attract new businesses, support growth of higher education facilities, and improve life in general for all central Wisconsin residents. Centergy is currently working with a diverse group of advisors to locate new research and business accelerator activities at DMI in Port Edwards. Its current Executive Director is Peggy Sullivan. Centergy has offices in Wausau.

Sources: Interview/w Ms. Peggy Sullivan, Centergy Executive Director; Centergy web site

One of the three pillars of economic development is the building of new companies by creating an innovative environment that provides space (incubators, accelerators) technical assistance (SCORE, SBDC, mentoring) and resources (seed capital, innovation grants, access to angel investors).

There are some signs of this environment being nurtured in southern Wood County. The RCH building north of downtown on the Wisconsin River has about 20 small companies located in office or manufacturing space with flexible, low cost leases. The building is owned by an entrepreneur who runs a number of his own businesses out of his 420,000 SF of space. He provides mentoring to these companies on request. The building was at one time a State-funded incubator. The facility currently has about 20,000 SF of office space available for lease.

Source: Interview with Ralph Hamel, owner of RCH Enterprises

Wisconsin Technology Council (WTC)

The **Wisconsin Technology Council** is the science and technology advisor to the Governor and the Legislature. Launched in 2001, the Tech Council was created by a bipartisan act of the governor and the Legislature. It is an independent, non-profit and non-partisan board with



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members from tech companies, venture capital firms, education, research institutions, government and law.

The Technology Council has three main functions:

It provides policy guidance to lawmakers, the governor, state agencies and other institutions in Wisconsin. It has most notably done so through "Vision 2020: A Model Wisconsin Economy" and white papers that have served as background for policymakers.

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It serves an important in-state networking role through Wisconsin Innovation Network (WIN), a community-based organization dedicated to fostering innovation and entrepreneurship. It also works with other statewide and local affiliates. And it provides out-of-state networking through its "I-Q Corridor" activities and other events.

It serves as an economic catalyst through programs such as:

Wisconsin Innovation Network (WIN) A community-based organization dedicated to fostering innovation and entrepreneurial activity in Wisconsin across all segments of our economy.

Wisconsin Early Stage Symposium Open to technology companies seeking all capital.

Monthly WIN Events Brings together entrepreneurs, business owners and related high tech professionals in a collaboration-rich environment.

Governor's Business Plan Contest (BPC) An opportunity to compete for cash and in-kind prizes; get constructive feedback on your business plan; and to help move it from "virtual business" to reality.

Wisconsin Angel Network WAN's mission is to build angel network capital capacity throughout Wisconsin in order to increase the number and amount of seed-stage equity investments in Wisconsin companies, creating jobs and improving our economy.

Wisconsin Security Research Consortium This consortium of research institutions in Wisconsin is dedicated to delivering world-class science and technology solutions in response to our nation's homeland security requirements.

The WTC operates and manages the Wisconsin Angel Network



The mission of the Wisconsin Angel Network (WAN) is to build early-stage capital capacity throughout Wisconsin, increasing the number and amount of equity investments in Wisconsin's entrepreneurs.

The Wisconsin Angel Network (WAN) is part of the Wisconsin Technology Council's overall economic development and job creation efforts. As a strategic partner, WAN receives partial funding from the Wisconsin Economic Development Corporation (WEDC). WAN fuels the growth of capital in Wisconsin by operating as an umbrella organization providing services and resources to the early stage investing and entrepreneurial communities.



WAN is a public-private initiative rooted in the Legislature's Act 255 initiative; it is operated by the Wisconsin Technology Council. WAN is comprised of a full-time director and many volunteers who help develop and launch its initiatives. **Dan Blake is its director.**



WiSys Technology Foundation works hand in hand with the University of Wisconsin System to support research and technology development, link campus innovators with industry leaders, and speed technology transfer through patent and licensing activities.

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To achieve its objectives, WiSys manages research and development grants for UW System; sponsors a variety of public events; and provides technology assessment, patent and licensing services at no cost to campus inventors. Through these efforts, WiSys has established a strong portfolio of patented technologies in fields ranging from agriculture to medical devices. These technologies are available for commercial licensing at competitive rates designed to spur entrepreneurial activity and product development.

By connecting innovators from 11 UW System campuses with industry leaders, WiSys works to advance the state's knowledge economy and accelerate business activity in the region. With a focus on the future, WiSys seeks to increase Wisconsin's competitiveness, enrich educational and career opportunities in its communities and energize partnerships that span state government, the university, and the private sector.

An example of how this particular piece of the University of Wisconsin System can be a great asset to the southern Wood County region is the activity now going on at the Central Wisconsin Applied Research & Business Park in Port Edwards. This large site, once used by Domtar to run its now closed paper mill, is being repurposed by a consortium of interests that believes the Park offers an unusual opportunity to bring applied research technologies now being worked on at the Institute of Sustainable Technology at the University of Wisconsin, Stevens Point, to the Research Park for commercialization into new products and new businesses.

A new research commercialization center has been established at the site, the Wisconsin Institute for Sustainable Cellulosic Operations, Research and Commercialization Center (WISCORC) This local southern Wood County organization hopes to gain federal funding to convert space in a 12,000 square foot office and laboratory into a wet lab/dry lab environment where WISCORC will support industries in developing and adapting new bio-based technologies and products; accelerate the development of new, renewably-sourced product, and provide much needed open and secure experimental and research spaces for existing businesses. Businesses in harvesting and transportation; processing and pulping; producing paper, wood products, feed and food; packaging and distribution and related industries can utilize WISCORC services and resources.



A \$100,000 grant has been received from WEDC to develop a business plan and an operations structure for the new institute, with Phase 1 projected to open in 2016. WISCORC will occupy space in the R&D and administrative building left behind by Domtar. So far three tenants have expressed an interest in moving into the building.

WISCORC has recently requested a \$500,000 grant from the Economic Development Administration, a part of the US Department of Commerce. If the grant is obtained it would be used for the following:

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- Development of an operational plan for the renovation of the CW-ARB science & research park and advancing the bio-refining cluster through the development of WISCORC as an anchor
- Prepare a business plan for WISCORC
- Establish WISCORC as a non – profit including governing board and 501 (c)3 designation
- Identify potential tenants for WISCORC and the CW-ARB and enter into letters of intent with potential tenants
- Market opportunities for R&D at WISCORC and market opportunities for bio-refining and related tenants to locate on-site
- Conduct building systems analysis for reuse of buildings intended for future home of WISCORC
- Define pathways to bring R&D to production on-site, including an engineering and architectural assessment of existing buildings
- Set-up infrastructure for protection for IP developed on-site and capacity to review underutilized IP related to bio-refining and ag feedstocks for advancement
- Procure capital funds for renovations to the facility
- Coordinate with regional partners pursuing an i6 grant from WIST and a cellulosic and natural products research center, both affiliated with UW Stevens Point
- Define opportunities to collaborate between related science and research parks globally and nationally and the CW-ARB

Summary Observations

- Wisconsin has lagged behind the Great Lakes region in economic development expertise for many years. More recently, WEDC and WEDA have been actively investing in talent and training and changing the landscape dramatically throughout the State, i.e. increase in Certified Economic Development Professionals (CEcD) in WEDC and in individual communities. WEDC has introduced important new programming focused on research and technology commercialization and entrepreneurship.
- Madison's strong focus on development of new technologies and commercialization is expanding and being supported in other parts of the state. Southern Wood and northern Adams counties high concentration in paper, cellulosic technologies, and agriculture creates potentials for joint ventures in research, development, and commercialization with UWSP.



- Previously undervalued talent in advanced manufacturing is being recognized and supported through Workforce Central's Manufacturing Partnership, CEO Peer Council, and Pathways investments.
- Aging SBDCs throughout the state are ramping up and providing stronger and higher quality entrepreneurial support.
- There is very limited focus on second stage companies; such companies have the greatest potential for intervention and job growth for the area.
- Centergy has been actively engaged in individual projects in the region, but lacks sufficient capacity to support regional economic development organizations and initiatives more broadly.
- There are long-term funding gaps in equity, organized angel investing, seed, and venture capital throughout the state, but there is evidence that individual investing has increased.
- The State and region attract substantial research and development funding but both are slow to commercialize discoveries.
- The new economic development staff at UWSP is very valuable to support collaboration among businesses and organizations throughout the region.
- Wood County is the only county in Wisconsin without an economic development organization or office. The County has supported individual economic development projects with funding and to a limited extent covers economic development functions with its planning staff.



BENCHMARK COMPARISON

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- ❖ Stevens Point
 - ❖ Appleton
 - ❖ Eau Claire
 - ❖ Kalamazoo

4



CHAPTER 4: BENCHMARK COMPARISON

As in all things, there is often something to be learned by getting outside of the familiar confines of one's own head (or community) and exploring the many diverse paths to prosperity. Many times what one finds is diversity with merit but not relevance. For example, study trips to successful small communities, such as Chattanooga, Paducah, and Holland elicit reactions similar to, "if only we were on the lakeshore", "if only we had mountains", or "if only we were home to a world class university"---in sum, not really helpful.

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The Benchmark Analysis takes the findings from the data analysis, interviews, asset inventory and assessment and expands that information by putting it into the context of a competitive marketplace. Using the sometimes brutal, but definitive, lens of the site selector, southern Wood and northern Adams counties were compared to selected competitive peers and similar but aspirational communities.

The purpose of a benchmark exercise is to compare your community to that of your peers or to a community to which you aspire. However, it is important to understand that favorable or unfavorable comparisons do not necessarily translate to deficits. An unfavorable comparison is only relevant within the context of a particular inward investment or to your own aspirations. If you cannot reach your goals with your current infrastructure, for example, then a deficit exists and must be part of a strategy to shore up the deficit toward the achievement of a goal.

A site selector looks at specific attributes of your community in a tiered process. Tier One may include reviews of 100 or more sites or communities. It is a review of key data points, often primarily or only statistical, pertinent to the specific project, such as: population, educational attainment, labor market statistics, or bilingual labor force. Manufacturing projects often require a specific piece of infrastructure and begin with screening communities for factors such as: Interstate highway proximity, rail served sites, water capacity, a water port, an international airport with customs capacity, or other factors specific to a particular project.

Tier Two may include approximately fifteen sites or communities and focuses on more detailed and qualitative data about the community from local sources. Such information includes: local labor availability, wage and commuting studies; major employers; and recent economic news. Site selectors typically will review a Community web site at this stage and contact local economic development groups to discuss the project and the community's assets.

Tier Three entails review of three to five remaining communities and includes a site visit and interviews with local employers, utility providers, public officials, and others to discuss their firsthand experience operating in the community. At this level, many factors may derail or support a project. Quality of Life is important at this level, incentives, political factors, and the unique preferences of an individual company.



Rural areas face particular scrutiny, especially by companies coming from urban or suburban environments, on their capacity to provide enough of the factors the proposed facility/operation will need to succeed. The most significant concern is typically labor: will there be enough labor available to meet staffing needs; will there be sufficient skills; can we recruit management and professional talent; what about a “trailing” spouse who will want professional employment opportunities? The site selection process and the challenges faced by smaller cities and rural areas are further discussed in the article: “Preparing to Work with Prospective Business”. (See in Appendices)

The benchmark analysis covers seven subject areas which are grouped into economic data, infrastructure, and innovation - three important areas for inward investment and overall economic growth. Just like the Asset Inventory, a comprehensive listing is neither feasible nor necessary. Only typical key data points of interest to a site selector or inward investor, particularly at the statistically focused initial stages of a site search, are included. Many more detailed statistics might be reviewed to address the requirements of a specific project.

- Comparative Economic Data: Population, Education, Labor Force and Unemployment , Wages, and Quality of Life
- Comparative Infrastructure: industrial and business parks
- Innovation Comparison

The benchmark communities were identified based upon their potential as competitors for an inward investment. The communities overall makeup, industry mix, location within the upper Midwest / Great Lakes region, and interest to the REGI area, led to their selection. The Benchmark Communities are: Stevens Point (Portage County), Appleton (Calumet and Outagamie Counties), and Eau Claire (Eau Claire and Chippewa Counties) in Wisconsin; and Kalamazoo (Kalamazoo and Van Buren Counties) in Michigan.

Population

Population size, growth and characteristics are important because they suggest a continuing supply of workers either generated from within or from robust in-migration. Population statistics in the table below raise several red flags for prospective employers. Population is growing in every community with the exception of Wood County. Indeed Wood County is declining in population. Adams County, though projected to grow, is growing slowly and is much smaller than Wood County. Flat growth typically is a particular concern to businesses with higher employment, or rapid recruiting, needs and high turnover. It will be viewed as a negative for the region. Flat growth may result in being eliminated from further consideration.

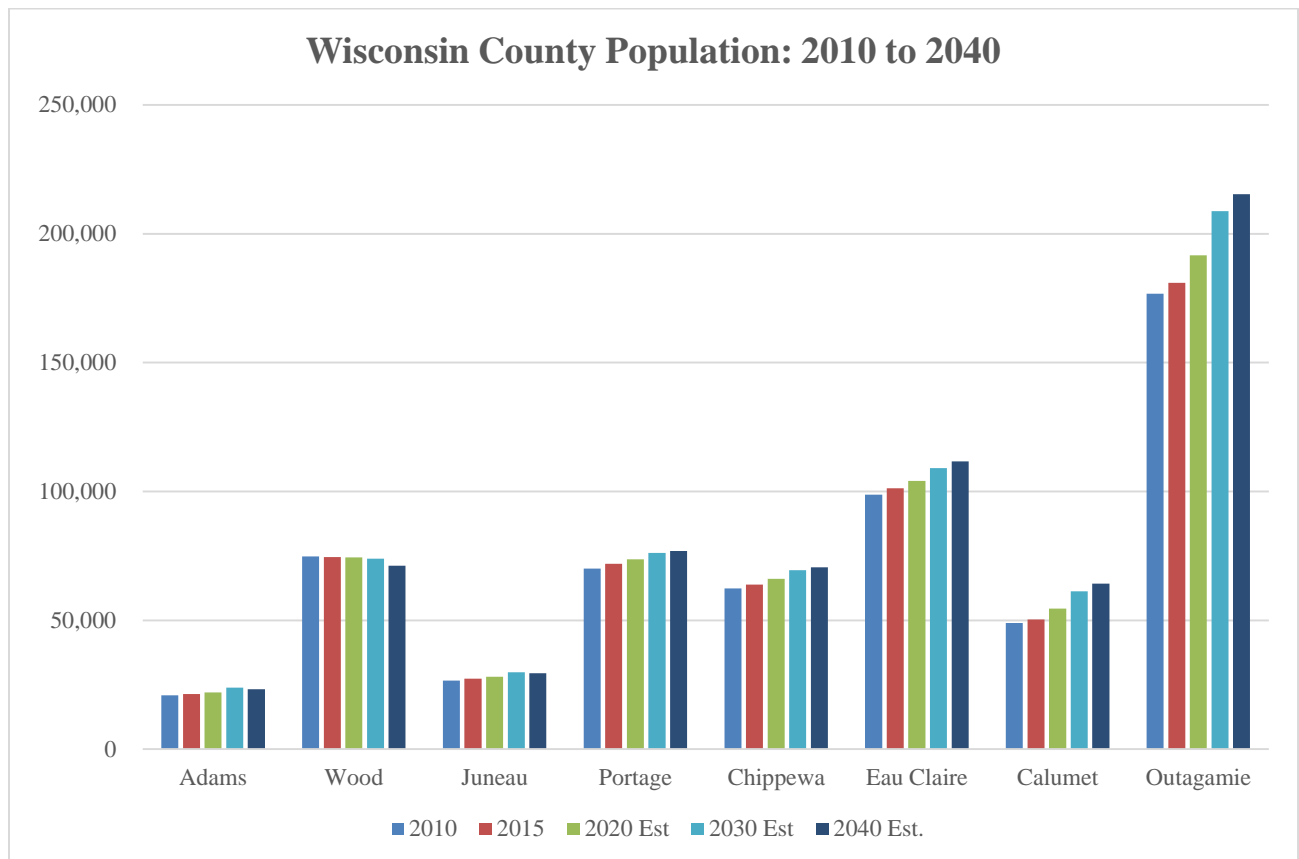
Wood and Adams Counties also have older populations. The percentage of the population in the traditional working age group of 18-65 is below that of the benchmark Wisconsin Counties, a second negative for many employers. The Appleton and Eau Claire areas which are larger, growing, and younger, would be more attractive to employers on these factors.



All these counties are predominantly white. This might be a drawback for employers planning to transfer in or recruit significant numbers of staff. Typically, headquarters or R&D operations may seek a more diverse demographic environment that is perceived as more attractive for a racially and culturally diverse workforce.

It should be noted that the southern Wood and northern Adams counties area has an even smaller population than Wood County; increasing the concern about labor availability. One implication is that the area should present statistics for the larger surrounding area from which employers would likely draw workers; at least Wood and Adams Counties. Interviews clearly identified commuting patterns inclusive of Wisconsin Rapids, Marshfield, and Stevens Point.

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County Name	2000 Census	2010 Census	Final 1/1/2014 Estimate	2020	2025	Change 2000-10	Change 2010-14	Change 2010-25	% 18-65 2013
Wood	75,555	74,749	74,954	74,435	74,370	-1.1%	0.3%	-0.5%	60%
Adams	19,920	20,875	20,844	22,035	23,120	4.6%	-0.1%	10.8%	60%
Juneau	24,316	26,664	26,934	26,664	27,305	8.8%	1.0%	2.4%	61%
Portage	67,182	70,019	70,882	73,680	75,130	4.1%	1.2%	7.3%	66%
Outagamie	161,091	176,695	180,022	191,635	200,630	8.8%	1.9%	13.5%	63%
Calumet	40,631	48,971	49,715	54,555	58,010	17.0%	1.5%	18.5%	62%
Eau Claire	93,142	98,736	100,477	104,095	106,750	5.7%	1.8%	8.1%	66%
Chippewa	55,195	62,415	63,038	66,155	67,975	11.6%	1.0%	8.9%	62%

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Labor Force

The labor force includes those individuals working and those individuals that are unemployed but actively looking for work. As with population, companies evaluating new communities typically prefer an area with a growing labor force. For the purposes of site selection, a somewhat higher unemployment rate is a positive. It suggests more availability of workers and possibly more mobility among companies. However, a very high unemployment rate also could indicate some deficit in the labor force in skill currency, attitude, stability or other mismatch with available jobs.

In the table on the next page, green areas indicate places that are superior to Wood and Adams Counties; yellow areas are inferior from this perspective.

Labor force statistics show a similar profile to population (they often are closely related).

➤ Labor Force

- Portage County has a similar size labor force to Wood County. While statistics specific to southern Wood and northern Adams counties are not available, it's safe to say it would be smaller. Again it would be to REGI's advantage to present a two or three county region; defining the area as southern Wood and northern Adams is limiting.



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Labor Market: Labor Force and Unemployment							
County	Labor Force 2004	Labor force 2013	Labor force 2014 (P)	Change 2004-2014	2012	2013	2014 (pre-lim)
Wisconsin	3,020,402	3,074,588	3,090,563	2.3%	6.9	6.7	5.6
Wood	40,113	40,721	40,135	0.1%	7.1	7.0	6.1
Adams	9,438	9,678	9,425	-0.1%	9.9	9.9	8.5
Portage	40,342	41,301	41,602	3.1%	6.7	6.5	5.4
Juneau	13,089	13,018	12,914	-1.3%	8.7	8.7	7.4
Eau Claire	85,633	91,450	91,913	7.3%	6.1	6.1	5.1
Eau Claire	53,656	57,364	57,705	7.5%	5.9	5.7	4.8
Chippewa	31,976	34,086	34,207	7.0%	6.5	6.7	5.6
Appleton	119,711	124,048	124,554	4.0%	6.3	6.1	5.0
Outagamie	94,678	96,713	97,113	2.6%	6.5	6.4	5.0
Calumet	25,033	27,334	27,441	9.6%	5.4	5.3	4.2
Michigan	5,042,604	4,707,124	4,734,455	-6.1%	9.1	8.8	7.2
Kalamazoo	170,860	159,782	162,518	-4.9%	7.7	7.6	6.0
Kalamazoo	130,708	124,848	127,093	-2.8%	7.1	7.1	5.6
							7.4
Van Buren	40,153	34,934	35,424	-11.8%	9.8	9.2	

➤ Growth

- Both Wood and Adams Counties labor force is stagnant over the last decade. Wisconsin has grown; Portage has grown more than Wisconsin, and more than Wood-Adams. Eau Claire and Appleton have even stronger growth.
- Michigan and the Kalamazoo area labor forces have declined severely but more recently somewhat rebounded.
- Labor force peaked in most communities 2007-2009, with the exception of Eau Claire; Appleton is only slightly below peak.
- Nationally, labor force declined during the recession and after; some current gains.

➤ Unemployment

- Generally lower unemployment rates and tighter labor markets in Eau Claire and Appleton; higher unemployment in Kalamazoo.

Overall the Wisconsin benchmark communities offer more attractive labor availability; unemployment rates are somewhat lower, but are still moderate; and the growth of their labor forces is a plus for availability.



Education

Education is important in site selection as an indicator of general workforce skill levels and as a quality of life factor for the children of workers. Educational attainment levels are often used as a key initial measure of workforce skill level. Some companies will seek areas with a high percentage of workers with high school diplomas; others seeking to hire more professional or management skills will seek areas with high percentages of college graduates. Increasingly, manufacturers are seeking a more skilled workforce able to operate complex machinery, often with some computer skills, and will seek a workforce with some college or associates degrees.

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When considering education as a quality of life issue, a diversity of educational options, breadth of course offerings, STEM, foreign languages, International Baccalaureate, advanced placement, extra-curricular, and other specialty programming is important.

Wood and Adams counties have good basic education and show a good profile for blue-collar industrial operations. This is to be expected given the area's long manufacturing history, and perhaps the more recent decline in professional and management occupations as HQ functions are lost due to mergers and acquisitions.

- Good basic education; high school degree completion rates greater or equal to most benchmark areas
- Rates of associate degrees or some college are competitive with benchmark areas



However, the percentage of adults with college degrees in Wood and Adams counties is well below benchmark areas. This will be a drawback to attracting employers with professional jobs. Again, REGI legitimately could present statistics for a region including Portage County with its higher percentage of college graduates and the UWSP.



	Wood County, Wisconsin	Adams County, Wisconsin	Juneau County, Wisconsin	Portage County, Wisconsin	Eau Claire County, Wisconsin	Outagamie County, Wisconsin	Chippewa County, Wisconsin	Calumet County, Wisconsin	Kalamazoo County, Michigan	Van Buren County, Michigan	Wisconsin Total	Michigan Total
	Total Estimate	Total Estimate	Total Estimate	Total Estimate	Total Estimate	Total Estimate	Total Estimate	Total Estimate	Total Estimate	Total Estimate	Total Estimate	Total Estimate
Educational Attainment: Population 25+												
Population 25 years and over	52,352	16,233	19,052	44,131	61,419	118,277	43,402	32,784	156,259	50,897	3,827,815	6,594,586
Less than high school graduate	11.8%	17.6%	20.9%	3.6%	7.0%	12.2%	16.3%	16.8%	7.3%	26.0%	12.7%	14.6%
High school graduate (includes equivalency)	41.3%	43.6%	40.8%	23.9%	25.4%	36.1%	35.5%	36.6%	19.0%	34.5%	31.3%	27.9%
Some college or associate's degree	37.6%	32.9%	35.0%	64.4%	60.7%	43.1%	42.4%	37.6%	62.7%	34.0%	46.7%	49.1%
Bachelor's degree or higher	9.3%	5.9%	3.3%	8.0%	6.9%	8.6%	5.8%	9.0%	11.1%	5.4%	9.3%	8.5%
Less than 9th grade	3.0%	3.7%	4.3%	3.1%	3.5%	2.5%	3.2%	3.1%	2.1%	5.9%	3.3%	3.4%
9th to 12th grade, no diploma	6.1%	11.0%	10.6%	4.8%	3.3%	4.4%	6.1%	4.7%	5.3%	8.8%	6.2%	7.7%
High school graduate (includes equivalency)	39.5%	42.2%	41.6%	35.0%	28.2%	34.8%	39.5%	36.4%	24.8%	34.8%	32.8%	30.4%
Some college, no degree	21.0%	22.9%	21.8%	20.4%	21.9%	20.3%	20.4%	17.3%	24.7%	24.6%	21.2%	24.0%
Associate's degree	11.5%	8.2%	9.3%	9.1%	12.1%	11.5%	12.3%	10.8%	9.1%	8.0%	9.6%	8.6%
Bachelor's degree	12.1%	8.1%	8.9%	19.1%	20.3%	18.8%	13.7%	19.6%	20.8%	11.1%	17.7%	15.9%
Graduate or professional degree	6.7%	4.0%	3.5%	8.5%	10.7%	7.7%	5.0%	7.9%	13.3%	6.8%	9.1%	10.0%
Percent high school graduate or higher	90.8%	85.3%	85.0%	92.1%	93.2%	93.1%	90.8%	92.1%	92.6%	85.3%	90.4%	88.9%
Percent bachelor's degree or higher	18.8%	12.1%	12.4%	27.5%	31.0%	26.4%	18.6%	27.6%	34.0%	17.9%	26.8%	25.9%
Population 25 to 34 years	8,436	2,088	2,936	8,376	13,361	23,875	7,973	5,731	33,003	8,432	724,823	1,171,599
High school graduate or higher	93.70%	87.90%	89.90%	94.60%	95.10%	94.30%	91.70%	94.30%	94.20%	83.10%	91.70%	90.00%
Bachelor's degree or higher	19.10%	7.60%	12.10%	32.50%	32.90%	29.20%	22.10%	33.20%	34.90%	18.40%	31.20%	29.20%
Population 35 to 44 years	8,537	2,307	3,220	7,727	10,848	23,639	8,005	7,099	29,461	9,193	713,866	1,249,627
High school graduate or higher	96.20%	88.70%	88.40%	96.60%	93.60%	95.70%	95.10%	94.60%	93.80%	88.30%	92.10%	91.50%
Bachelor's degree or higher	24.40%	9.20%	14.30%	35.70%	36.30%	32.60%	21.80%	35.00%	39.30%	19.40%	31.70%	30.60%
Population 45 to 64 years	22,437	6,705	8,079	18,722	24,379	49,212	18,124	14,097	62,044	22,352	1,586,873	2,768,127
High school graduate or higher	94.00%	88.80%	87.40%	94.30%	94.60%	95.30%	93.40%	94.80%	93.90%	88.10%	92.80%	91.30%
Bachelor's degree or higher	20.30%	14.70%	13.00%	26.50%	32.20%	26.20%	18.00%	25.90%	34.10%	18.40%	26.50%	25.80%
Population 65 years and over	12,942	5,133	4,817	9,306	12,831	21,551	9,300	5,857	31,751	10,920	802,253	1,405,233
High school graduate or higher	79.80%	78.30%	76.00%	81.70%	88.30%	83.80%	81.20%	80.60%	87.10%	78.80%	83.00%	81.00%
Bachelor's degree or higher	12.50%	11.80%	10.40%	18.40%	22.20%	17.10%	14.20%	17.00%	28.20%	15.30%	19.20%	19.40%

Wages for Selected Occupations

Given the area's manufacturing history and paper mills, it is likely that some potential employers would expect that it would be a relatively higher paying area; perhaps causing some to not even consider the area. BLS data for selected manufacturing and white collar occupations show the area to be competitive with Wisconsin overall and with the benchmark communities in both Wisconsin and Michigan. Interviews about wages with new employers to the area are consistent with this data.



In interviews, the consultants were told that the mills, as other traditional industries, have moved to two-tiered wage structures to increase competitiveness. (Note that BLS considers Wood and Adams Counties too small for individual reporting. BLS, groups Wood along with Portage County with others as part of the West Central Wisconsin nonmetropolitan area. Adams County is part of the South Central Wisconsin nonmetropolitan area).

Wages, Selected Occupations. Period: May 2013	Industrial Production Managers (SOC code 113051)		Computer Programmers (SOC code 151131)		Registered Nurses (SOC code 291141)		Customer Service Representatives (SOC code 434051)	
Area name	Hourly 10th percentile wage	Hourly median wage	Hourly 10th percentile wage	Hourly median wage	Hourly 10th percentile wage	Hourly median wage	Hourly 10th percentile wage	Hourly median wage
West Central Wisconsin nonmetropolitan area	24.68	40.06	18.4	34.33	23.95	30.51	8.61	14.21
South Central Wisconsin nonmetropolitan area	22.79	39.33	17.64	31.07	22.83	29.57	9.69	15.72
Appleton WI	25.28	45.95	21.05	33.14	24.13	29.81	9.7	13.82
Eau Claire WI	31.41	44.86	16.21	33.06	25.02	32.93	9.65	13.98
Wisconsin	26.06	42.93	20.07	34.76	23.75	30.41	9.89	15.59
Kalamazoo-Portage, MI	31.31	44.57	17.86	32.41	23.97	30.72	9.2	13.66
Michigan	30.89	47.14	19.91	32.62	23.78	31.27	9.18	14.59
Wood and Portage Counties are in West Central. Adams and Juneau are in South Central								

Wood and Portage Counties are in West Central. Adams and Juneau are in South Central

Wages, Selected Occupations. Period: May 2013	Laborers and Freight, Stock, and Material Movers, Hand (SOC code 537062)			Packers and Packagers, Hand (SOC code 537064)	
Area name	Hourly 10th percentile wage	Hourly median wage		Hourly 10th percentile wage	Hourly median wage
West Central Wisconsin nonmetropolitan area	8.83	13.35		7.81	10.18
South Central Wisconsin nonmetropolitan area	7.98	10.47		7.93	10.24
Appleton WI	9.04	15.29		7.96	11.35
Eau Claire WI	8.05	10.95		9.52	10.65
Wisconsin	8.22	12.16		8.02	10.91
Kalamazoo-Portage, MI	8.51	12.75		8.11	10.91
Michigan	8.5	12.38		7.94	9.65
Wood and Portage Counties are in West Central. Adams and Juneau are in South Central					

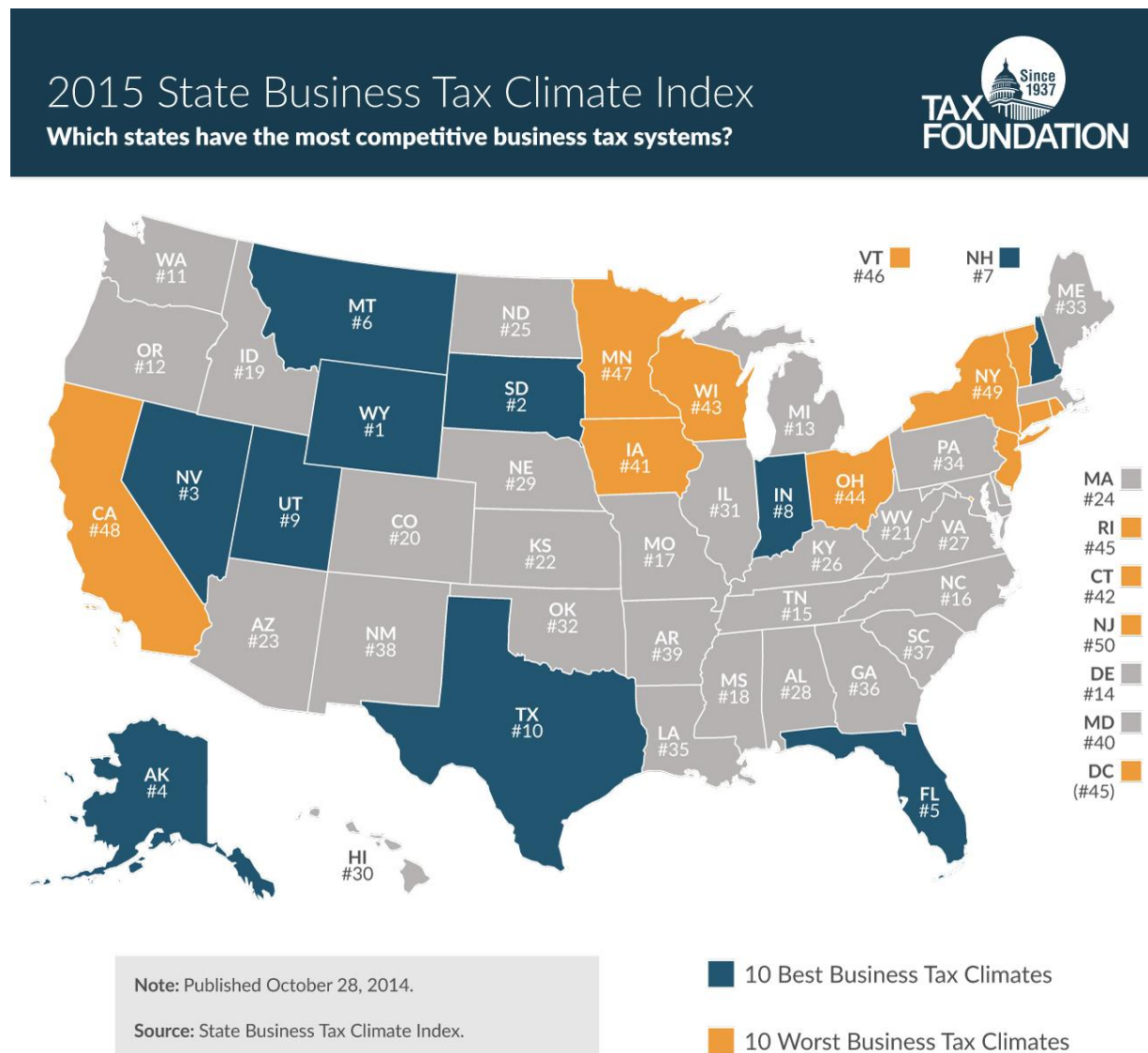
Wood and Portage Counties are in West Central. Adams and Juneau are in South Central



State Tax Climate

State to state business tax comparisons are beyond the scope of this study, but one widely used statistic should be noted. The Tax Foundation places Wisconsin at #43, in the bottom ten of overall tax climate; while Michigan is #14. This ranking, like all rankings, makes assumptions about what is important (and the Foundation calculates several rankings with different assumptions) and should be used with caution. Yet some will look at the number and downgrade their opinion of investing in Wisconsin.

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taxfoundation.org/maps

@TaxFoundation

Infrastructure

Infrastructure for the purposes of a benchmark is focused on the business sites specifically rather than the community at large. Industrial and business parks were identified and examined for each of the benchmark communities as a site selector would see them first - online. While some parks may be more attractive in one way or another, the critical requirement for the region is that there are options to accommodate different types of users from basic industrial operations to those requiring a more upscale environment to those who may require a specific infrastructure asset, such as rail served sites. An available site (or building) rarely wins the project for a community, but it is necessary to be considered further in a site search.

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Each of the benchmark communities appears well served by industrial and business sites in a park setting. All parks are fully served by utilities, including broadband. Parks in both Eau Claire and Kalamazoo are within a mile of an interstate. Kalamazoo's business Technology and Research Park is particularly attractive with Western Michigan University within the Park and generous SmartZone and Renaissance Zone incentives available to all companies.

Representative parks are reviewed below to provide perspective on how the benchmark communities present them and their competitive assets.

Business and Industrial Parks Summary

Business / Industrial Park	Interstate Access	Competitive Advantages
Eau Claire	Approximate Distance to Interstate	
Gateway	Less than a mile	Chippewa Valley Tech College – Manufacturing Tech Center; Fully serviced
Gateway West	Less than a mile	Fully serviced
Chippewa Valley Industrial Park	9 Miles	Fully serviced
Sky Park	Less than a mile	Fully serviced
Appleton Industrial Parks	Approximate Distance to Interstate.	
Southpoint Commercial Park	36 Miles.	On 4-lane Highway; Fully serviced
Northeast Business Park	53 Miles	On 4-lane Highway; Fully serviced
Southwest Industrial Park	47 Miles	On 4-lane Highway; Fully Serviced



Kalamazoo Industrial Parks	Approximate Distance to Interstate.	
Western Michigan University Business & Technology Park	1 Mile	University presence; innovation emphasis; Attractive park like setting; SmartZone incentives; Fully Served
Midlink Industrial Park	Less than a mile	Major industrial repurpose; retail / commercial / office / heavy industry / warehouse; Renaissance Zone and FTZ; Dual rail service; Fully Served

Kalamazoo

Western Michigan University Business and Technology Park (WMUBTP)

The WMU Park is located on WMU's 265-acre Parkview Campus, which also is the home of WMU's highly regarded College of Engineering and Applied Sciences. The Parkview Campus sits along U.S.131 just north of the I-94 interchange. It is located about 3.5 miles from WMU's main campus and approximately five miles from downtown Kalamazoo.



The focus of the WMUBTR Park is on the development of mutually beneficial relationships that involve resident businesses, the University and the Kalamazoo community. The private-sector firms that locate at the park are recruited from three key business sectors—life sciences, advanced engineering, and information technology. The proximity to the college allows businesses to interact and partner with the faculty and students of one of the nation's larger research universities. The collaborations that result can range from initiatives in manufacturing engineering to the development of new products in the pharmaceutical arena. In just over ten years, more than 50 private-sector businesses have been attracted to the BTR Park. Over 1400 direct and indirect jobs have been retained and or created. Of these businesses, eight have constructed their own facilities.



The BTR Park is also home to two important resources:



1. Fluid Process Equipment
2. Intech Bldg.
 - EPS Security
 - Fishbeck, Thompson, Carr & Huber
 - Level Data, Inc.
 - Jones & Henry Engineers, Ltd.
 - Starting Gate
 - StructureTec Corp.
3. Mophie*
4. Southwest Michigan Innovation Center
 - Anisyn, Inc.
 - Arcadia Supplements
 - Bioscience Research and Commercialization Ctr. (BRCC)

- CeeTox, Inc.
- Emiliem
- Genemarkers, LLC
- Launch Mill Lab
- Metabolic Solutions Development Co.
- Micromyx, LLC
- MLC
- NanoVir, Inc.
- ProNAI Therapeutics, Inc.
- Proteos, Inc.
- PSB ADIME Assoc.
- RealBio Technology, Inc.
- Single Source Procurement, LLC
- Stat Lab

- Sunaptem Therapeutics
 - Tetra Discovery Partners
 - Ultramikro, LLC
 - Vestaron
 - West Labs
5. Energy Resource Ctr.
 6. Paper Pilot Plant
 - Micro-LAM Technologies, LLC
 7. WMU College of Engineering and Applied Sciences
 8. ThermoFisher Scientific
 9. Kalexsyn, Inc.
 10. Nowell Rubbermaid*
 11. Weidenhammer Bldg.
 - CFR, Inc.

- PolyVista
- Weidenhammer
- Asea
- 12. Soil and Materials Engineers, Inc.
- 13. TEKNA
- 14. Fleis & VandenBrink Tech Ctr.
 - Fleis & VandenBrink Engineering
 - Lynx Network Group

*Coming soon

Published: September 2013

- **Southwest Michigan Innovation Center (SMIC)**, a state-of-the-art high-tech/wet lab business incubator, which was launched by the regional economic development agency Southwest Michigan First. The SMIC focuses on Life Science start-up companies.

- **Biosciences Research and Commercialization Center** at WMU, which provides commercialization expertise, research support, and funding to emerging life sciences ventures.

As a **SmartZone**, a portion of the tax revenues generated by resident companies is returned to the project for infrastructure upgrades.



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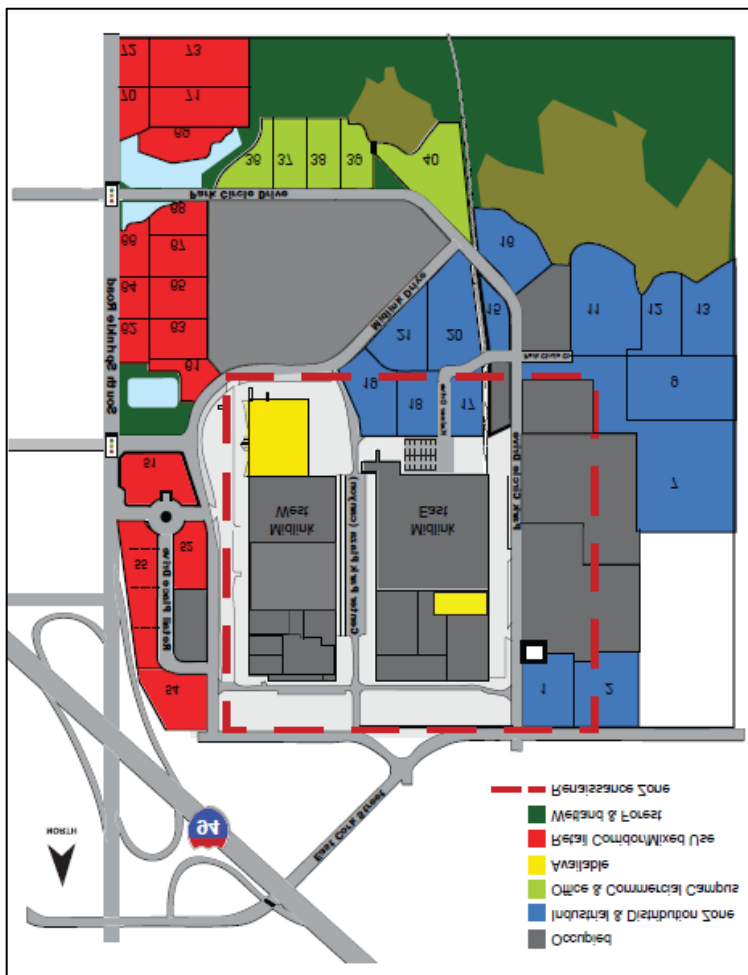


Located at I-94 & Sprinkle Road - Kalamazoo, Michigan

Midlink Industrial Park is a 340 acre complex of industrial, commercial, and retail property. The prime industrial properties are Midlink East (95% occupied) and Midlink West (73% occupied). The complex houses over 50 companies in a variety of fields. The complex is located just off I-94. It is served by Class A,

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all-weather roads, and rail served by Canadian National and Norfolk Southern. Railroad has onsite and indoor access, lead track, and is adjacent to right of way. The Kalamazoo International (AZO) airport is within three miles. Significant incentives are available through the Michigan Renaissance Zone and Foreign Trade Zone. The complex is 27% developed.



According to the Hackman Capital website, Midlink was a 2.2 million sf General Motors Stamping Plant. In 1999, Hackman Capital purchased the property, building and equipment for approximately \$29 million. Hackman sold and removed 35 years' worth of capital assets, scrubbed, renovated and repurposed the facility, and with the support of state and community stakeholders, completely transformed an undesirable, functionally obsolete property into a thriving, mixed-use development, known today as Midlink Business Park.

Midlink West has state-of-the-art space with flexibility for advanced manufacturing, warehousing and distribution—plus Renaissance and Foreign Trade Zone benefits. Their advertised rates for prime, move-in ready space start at \$3.25 / sf.



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Midlink East has high-capacity infrastructure, clear heights up to 42' and dual rail service located in the park's Renaissance Zone, suited for high-bay warehousing and heavy manufacturing. Space is advertised available up to 46,400 SF.

Midlink also includes a retail corridor, commercial, office, and individual industrial sites. Forty-one acres of prime retail land and a 16-acre Retail Center are situated on the park's north side, providing highway exposure and significant traffic counts for retail and food service businesses. Commercial lots range from one to 38 acres and are designated for build-to-suit, single and multi-tenant office and R&D facilities. Parcels are for sale or lease. Industrial sites range from one to 60 acres with a total of 88 acres available. Parcels are for sale, lease, or build to suit.

Appleton

Appleton offers a variety of business and industrial park environments at three sites: Northeast Business Park; Southpoint Commerce Park; and Southwest Industrial Park.

The City of Appleton has turned over its site inventory to LOIS the Location One Information Service. They maintain no detail on the available sites other than the location and the maps. No information is available on acreage, services, or access. No accessible information was available on LOIS on any of the parks.



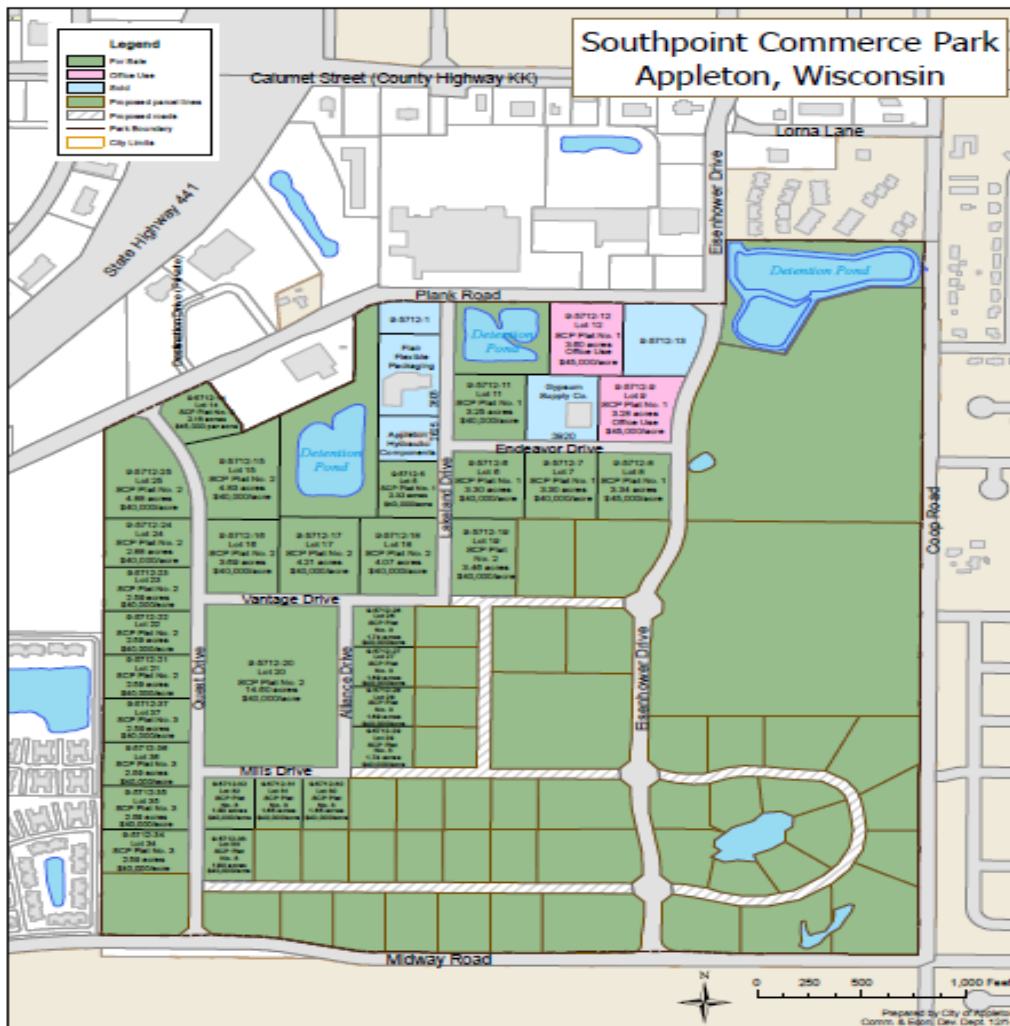
The City of Appleton provides no direct financing but provides access to Industrial Revenue Bonds and the Technology Zone Tax Credit.

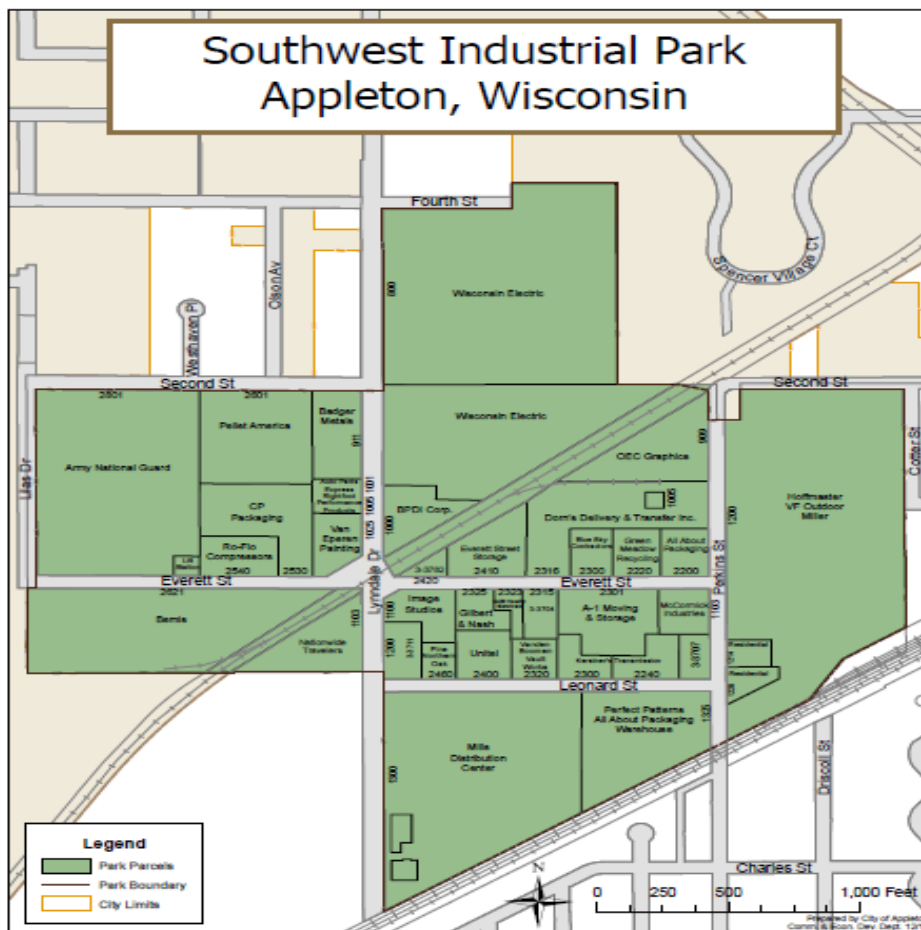
Northeast Business Park

A highly visible and easily accessible community of premier neighbors awaits new businesses in the Northeast Business Park. The Park's location on US Highway 41 and State Highway 441 provides the exposure and access needed for business success. Page | 115

Southpoint Commerce Park

The Southpoint Commerce Park offers fully improved sites to meet every business need. The easily accessible park location from State Highway 441 and Calumet Street/County Highway KK makes this a superior business location. As one of the fastest growing areas in the Fox Cities, a Southpoint Commerce Park location also offers immediate access to other services, including restaurants, shopping, banking and residential developments.





Southwest Industrial Park
The Southwest Industrial Park is a well-established area generally located south of College Avenue in the vicinity of Lynndale Drive.

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Eau Claire

Eau Claire offers several parks in its area.

(http://www.eauclairedevelopment.com/doing_business/industrialparks.html)

Gateway Business Park

The Gateway Business Park is Eau Claire's youngest park. Adjacent to Gateway West, it encompasses 530 acres serviced by utilities with a portion of acreage set aside for hi-tech companies. This park is home to the Chippewa Valley Technical College – Manufacturing Technology Center, an excellent resource for area manufacturers. The Park is strategically located adjacent to highways 12 and 312, five miles from the Chippewa Valley Regional Airport. The Park is zoned for light manufacturing, industrial sales and services, warehouse and distribution.



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The Park is served by Charter Communications and SBC with fiber optics, ISDN, DSL, and video conferencing. Xcel Energy provides electricity and natural gas. Municipal water, sanitary, and storm sewer is available. The website advertises prices at \$35,000 per acre.



Gateway West Industrial Park

The Gateway West Business Park is a 200-acre park serviced by utilities and located on Eau Claire's northwest side. Only a few commercial and industrial sites are still available in this well-established park. The Park is strategically located adjacent to highways 12 and 312, five miles from the Chippewa Valley Regional Airport. The Park is zoned for light manufacturing, industrial sales and services, warehouse and distribution.

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The Park is served by Charter Communications and SBC with fiber optics, ISDN, DSL, and video conferencing. Xcel Energy provides electricity and natural gas. Municipal water, sanitary, and storm sewer is available. The website advertises prices at \$35,000 per acre.



Sky Park Industrial Center

Located on Eau Claire's south side, Sky Park Industrial Center is a 120-acre high-amenity park especially suited for light manufacturing.

Protective covenants ensure the park maintains its high level of amenities. The Park is zoned for light manufacturing, research and development, warehouse and distribution.

The Park is served by Charter Communications and SBC with fiber optics, ISDN, and DSL. Electricity and natural gas are provided by Xcel

Energy. Municipal water, sanitary and storm sewer are available. The Park is strategically located adjacent to highway 37 and less than one mile from an I-94 interchange. The website advertises prices of \$22,500 per acre.

Chippewa Valley Industrial Park

The Chippewa Valley Industrial Park is a 425-acre park. It is fully serviced by utilities and located on Eau Claire's northeast side. It is the most established park in Eau Claire and boasts easy access to its neighbor, the Chippewa Valley Regional Airport.

Only a few available sites remain. The Park is zoned for a combination of light and heavy industry. According to the website, prices are negotiable.

Current technology available at the park is fiber optics, ISDN, and DSL provided by SBC. A secondary hub is available at the intersection of Hogarth and Robin.

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Industrial and Business Park Comparison

The benchmark communities offer a variety of business park and industrial park settings and present those assets in different ways. The REGI area is well positioned with site options offering competitive settings for a variety of operations from basic manufacturing and industrial users in several parks to Woodlands Business Park for more upscale facilities. The area also offers rail served sites, a critical factor for the minority of users that require rail. The Wisconsin certified site in the Rapids East park is a plus.

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One drawback of the region's sites is distance to the Interstate; a key factor for many companies. Many companies use distance, even adjacency, to the Interstate as a search criterion. REGI should emphasize that U.S. 54 is four-lane, divided and a short drive-time and distance to I-39 providing good access for most.

Kalamazoo offers an opportunity for R&D and innovative activities tied to Western Michigan University. REGI does not have a similar environment, but the DMI development at the former Domtar site, if carried out, promises to create such an asset.

Incubation Centers

Incubation Centers are generally located in flexible multi-purpose buildings with onsite services and technical support. Although every center is different, studies conducted by the SBA have shown consistently that incubation centers inclusive of services and technical support have dramatically improved a start-up business' potential for success. One study indicated that 75% of start-up businesses fail within five years. When such businesses are located within an incubation center with technical support services, that statistic is reversed with nearly 75% of businesses surviving to their fifth anniversary.



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Incubation Centers are located in each of the benchmark cities. The REGI area is not served by an incubation center.



Quality of Life

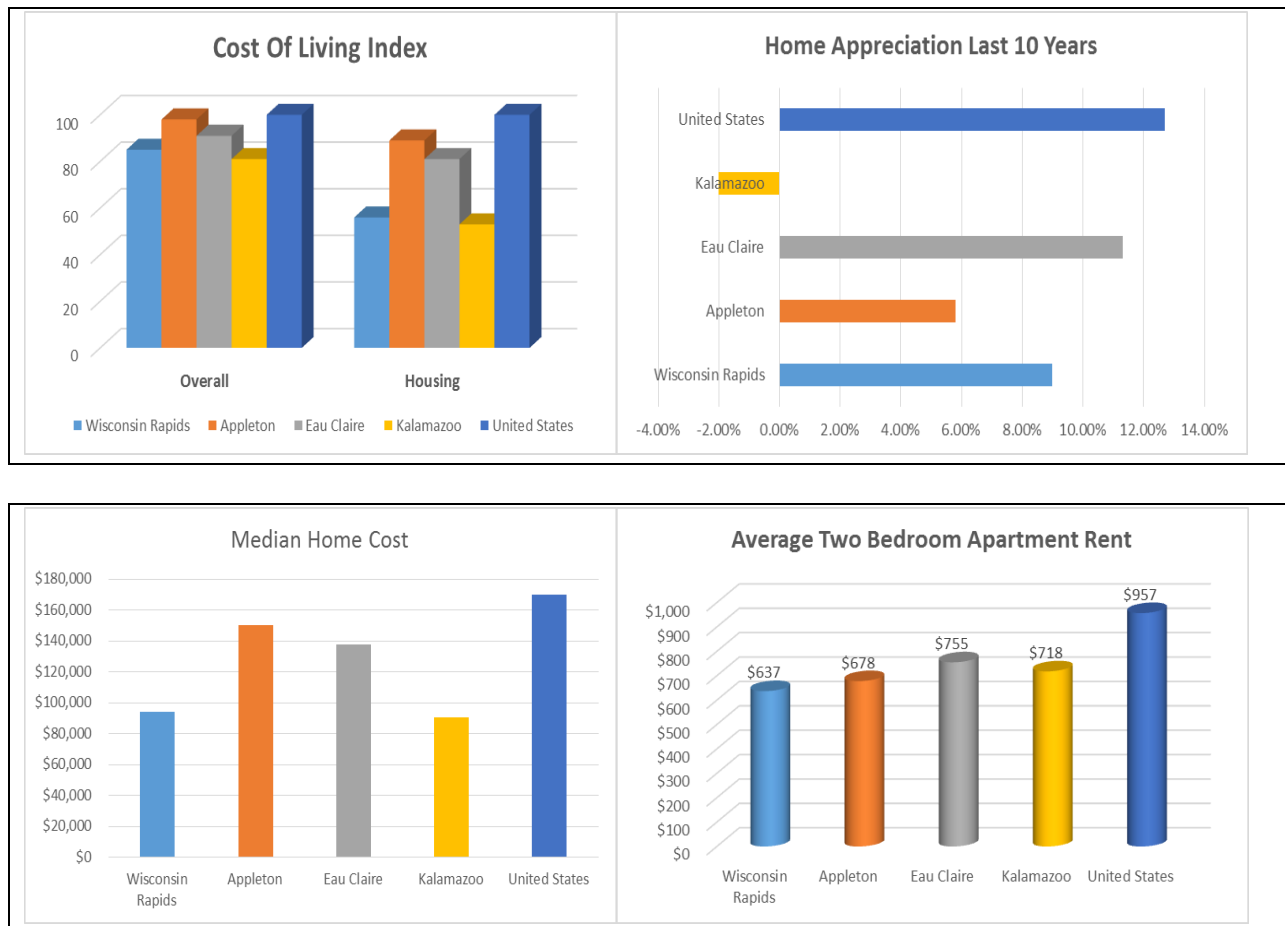
A number of versions of the Quality of Life Index have been developed including various factors that attempt to measure and compare the subjective perceptions of individuals. As such, no index is absolute. Any index can only be a guide based upon the factors of a given index. Quality of Life indices may be found as developed by numerous organizations, such as, the Paris based Organisation for Economic Cooperation and Development, The Economist Intelligence Unit, University of Illinois at Chicago and many others.

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For benchmarking purposes, the consultants reviewed selected factors contained in many indices: cost of living, housing, taxes, education, healthcare, and crime.

Housing

Housing is a significant portion of cost of living. It is broken out separately. Housing is a particular value in Wisconsin Rapids. Housing costs are consistently low, but still appreciating in value. Both home ownership and rental living are an advantage in Wisconsin Rapids.

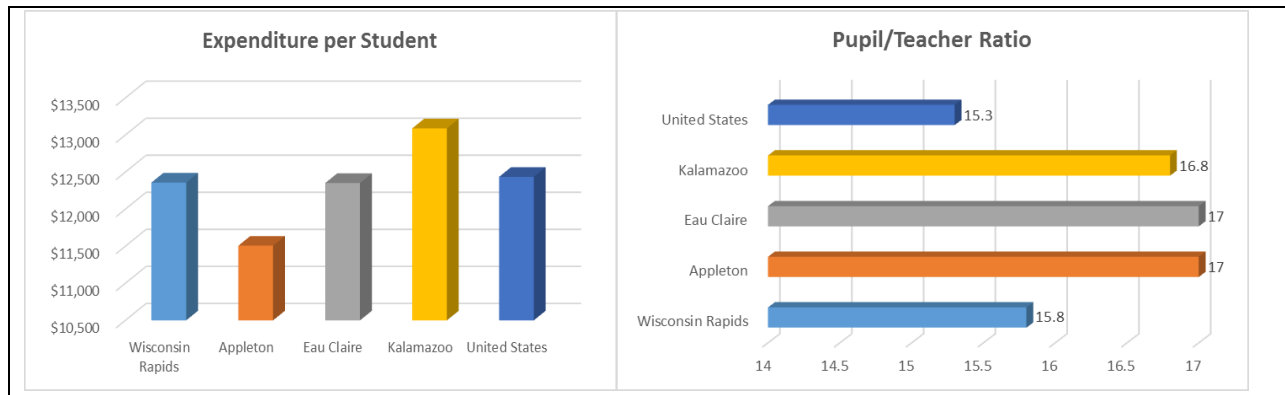


Education

The quality of education often drives business and homeownership decisions. Businesses are concerned about a pipeline of creative and adaptable workers and homeowners know a quality education is critical for their child's future. Moreover, quality public schools support housing values. A family with children may save \$20,000 or more per pupil per year in private education costs when they locate in an area with high quality public schools.

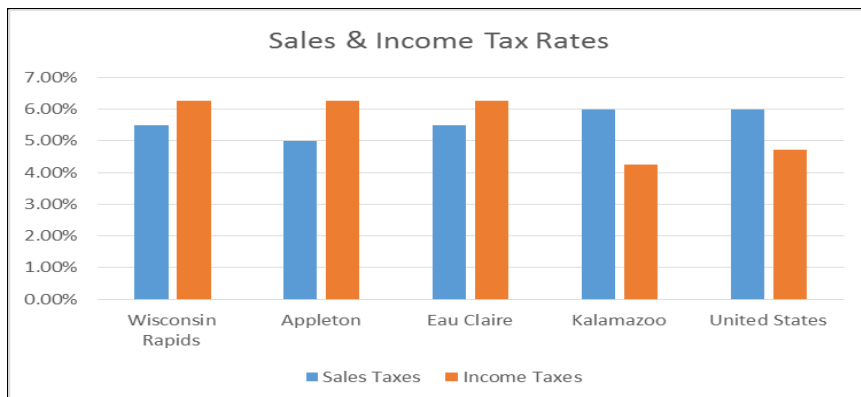
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Two measures of school quality are the expenditure per pupil and the pupil / teacher ratio. All three Wisconsin cities spend less per child than Kalamazoo but Wisconsin Rapids has the lowest pupil / teacher ratio of the benchmark communities. It is slightly above the US average.



Sales and Income Taxes

Taxes are often a particular concern because they are a continuing expense and, unlike other costs, tend to rise in both good and bad economies. In choosing a business or retirement location, it is possible to significantly reduce overall cost by choosing one State over another or one community over another.

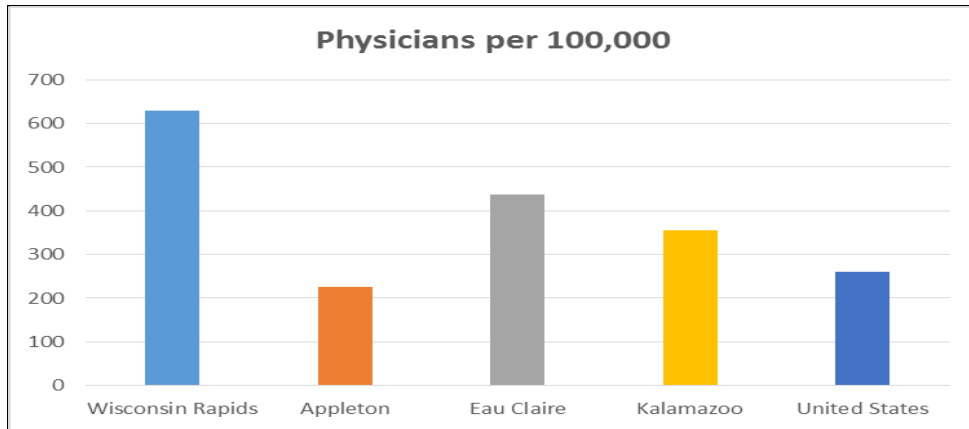


Healthcare

The Affordable Care Act has improved access to healthcare dramatically for many. However, there are still many differences in cost and quality throughout the United States. One measure of quality of care is the number of physicians in an area.

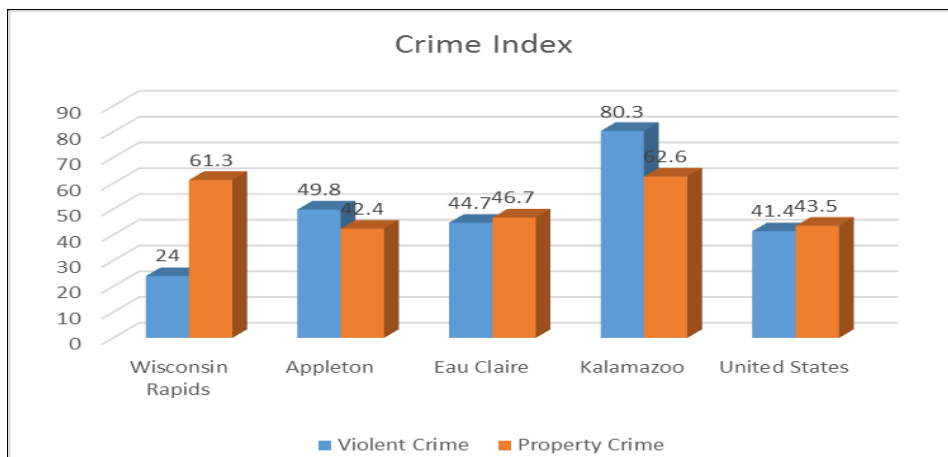
Wisconsin Rapids residents have excellent access to health care measured by the number of physicians per 100,000 of population; more than twice the U.S. average and higher than any of the benchmark communities.

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Crime

Crime is another important index of quality of life. Feeling safe in one's home and while engaging in day to day activities for most is a given. Although some communities tend to gain a grudging tolerance for crime, weighing crime against personal freedoms, other communities are hyper vigilant. Wisconsin cities have an average level of crime. Kalamazoo is well above average. Interestingly, Wisconsin Rapids is well below average and the lowest in violent crime but above average and nearly equal to Kalamazoo in property crime.

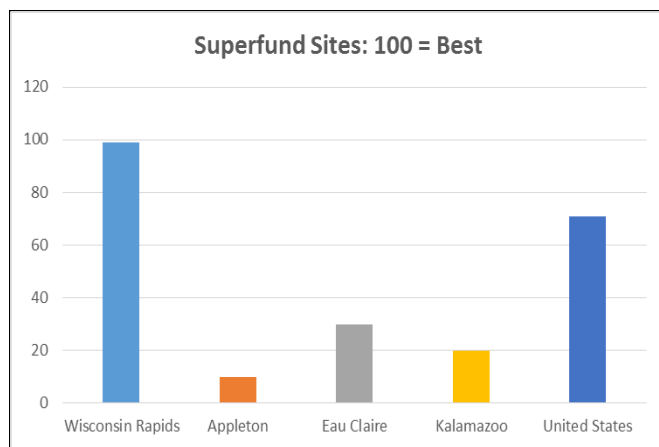
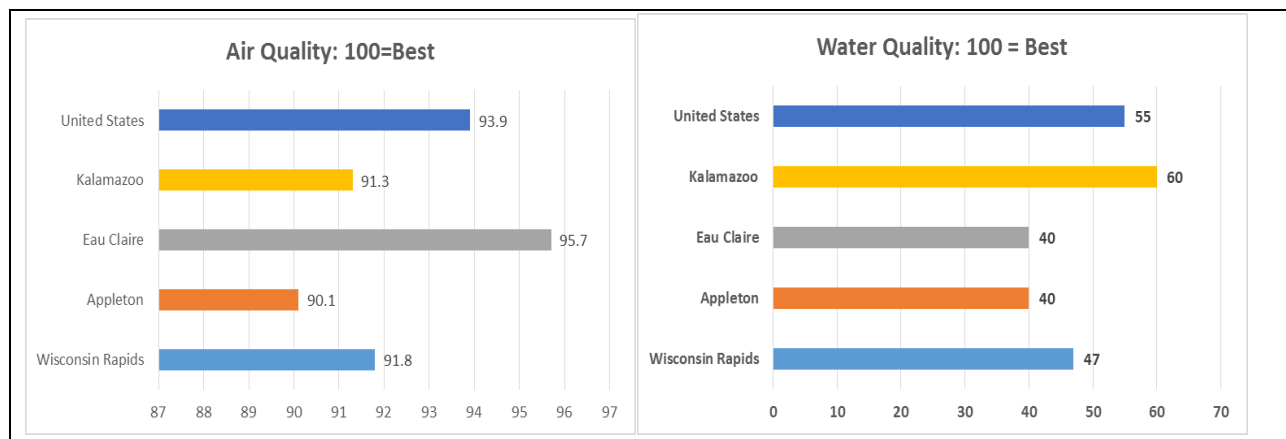


Environmental Quality

Environmental quality is becoming an important factor of quality of life. The contribution of poor air and water quality to disease and the damaging effects of exposure to long term health are now well known. Moreover, statistics on particulate matter, algae, E.coli, and other hazardous substances are easily available to the public at large.

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Although air and water quality are competitive with the benchmark cities, it is worth noting that air and water quality is slightly below the national average. Wisconsin is perceived as an area of fresh air and abundant clean water. Companies with high water usage needs will look to the Great Lakes states for potential sites. It makes sense to be aware and vigilant of maintaining and improving air and water quality.



Quality of Life Summary

Quality of life, as noted above, is subjective and its definition will vary among individuals, but Wood and Adams Counties score highly on many quality of life factors that are widely shared; consistent with the perceptions residents expressed in interviews.

- There are many more physicians per capita in Wood County than the U.S. average and in the benchmark communities promising above average access to health care services.
- Air and water quality are competitive relative to the U.S. and benchmark areas, though slightly below the U.S. Average. The area also has far fewer, perhaps no, Superfund Sites compared to benchmark communities; a surprising development in an historically heavy industry area.
- Wood and Adams Counties are safer, violent crime rates are well below U.S. and the benchmark areas averages, though property crime rates are high.
- Wood and Adams Counties have high high-school graduation rates. Pupils to teacher ratios are below the U.S. average and lead the benchmark communities. The communities' financial commitments to students are competitive.
- Average commutes are short.

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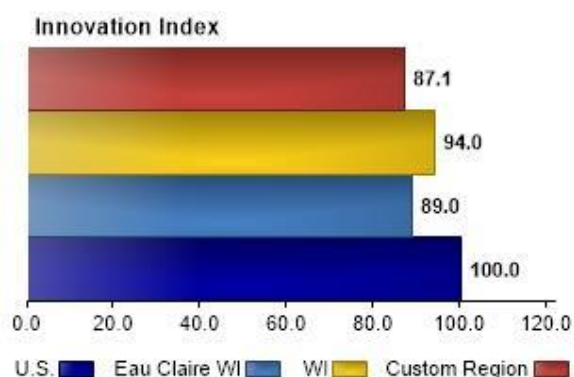
Benchmarking Innovation

As noted previously in Chapter 2 Economic Position Assessment, the Innovation Index compares regional performance to the United States and is calculated from four component indexes: Human Capital, Economic Dynamics, Productivity and Employment, and Economic Well-being. The index takes a broad look at indicators related to innovation from both the input and output perspectives. Based on statistical analysis, several factors appear to be especially important for increasing economic growth: educational attainment; young-adult population growth; high-tech employment growth; and the number of small establishments. Economies do not recognize political boundaries used in governing, such as counties and states. Each region will have a different mix of qualities that can boost its overall innovation score, and no two regions will be exactly alike.

Innovation Index

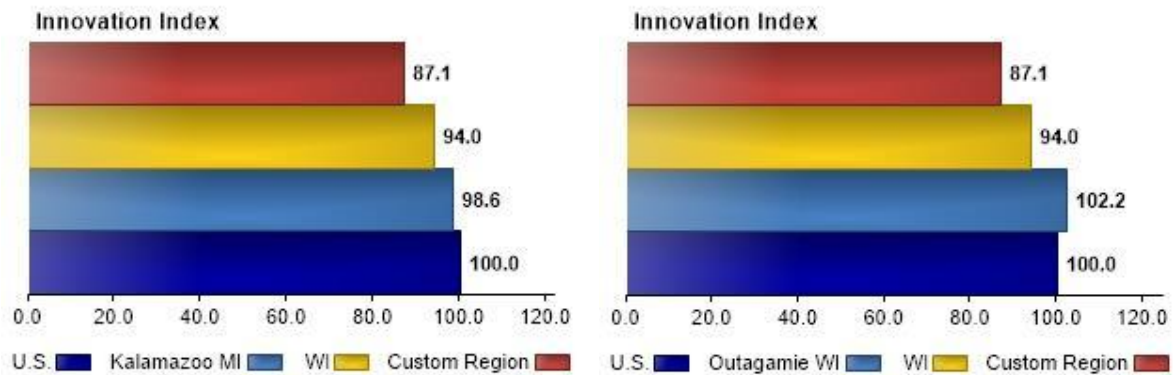
The summary Innovation Index displays the United States in blue, the benchmark county in light blue, Wisconsin in yellow, and Wood and Adams counties in red (referenced as the “custom region”). It combines all variables, including both inputs, and outputs, into a single index of current condition and potential.

According to this summary index, Wisconsin, Eau Claire, Wood and Adams counties are below the national average for innovation and potential.



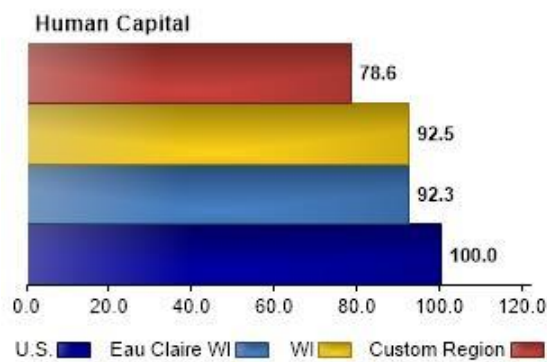
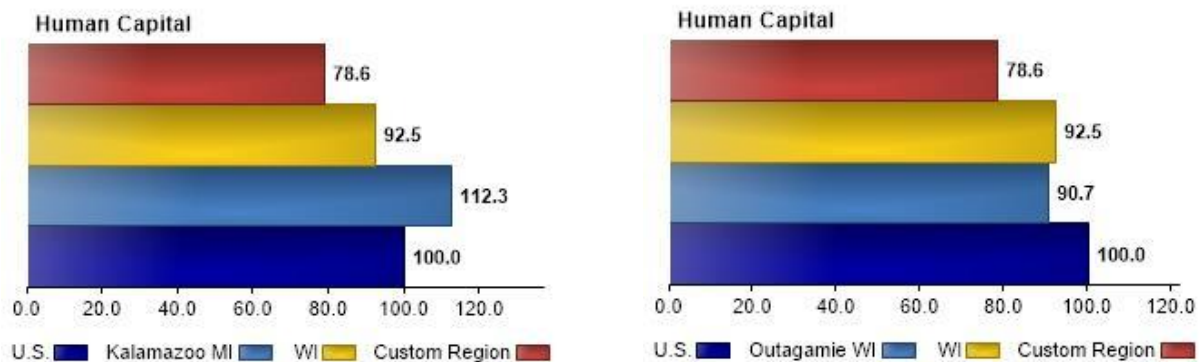
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Outagamie County is above the national average. Digging into the individual elements of the index will demonstrate those factors that are contributing to the region's growth and innovation and which elements are limiting the region's potential.



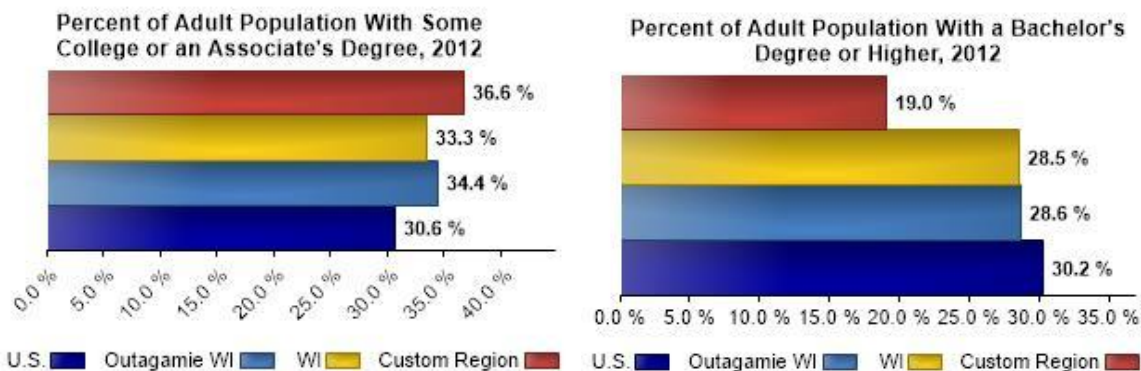
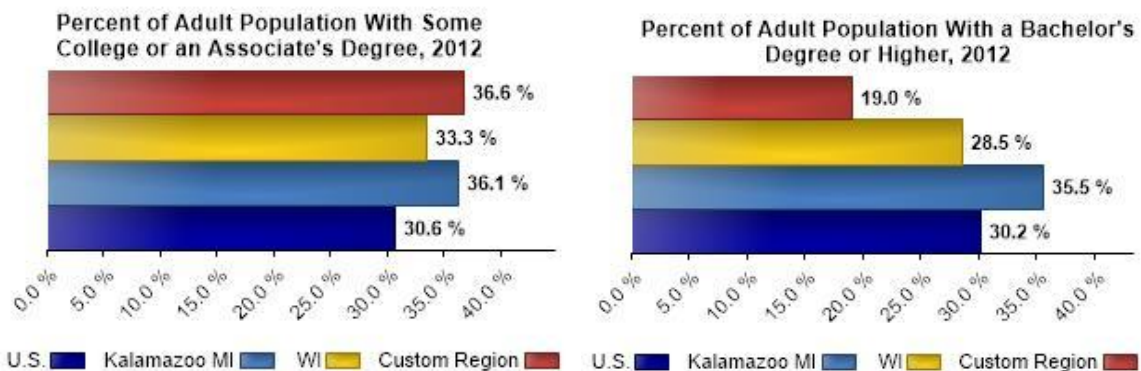
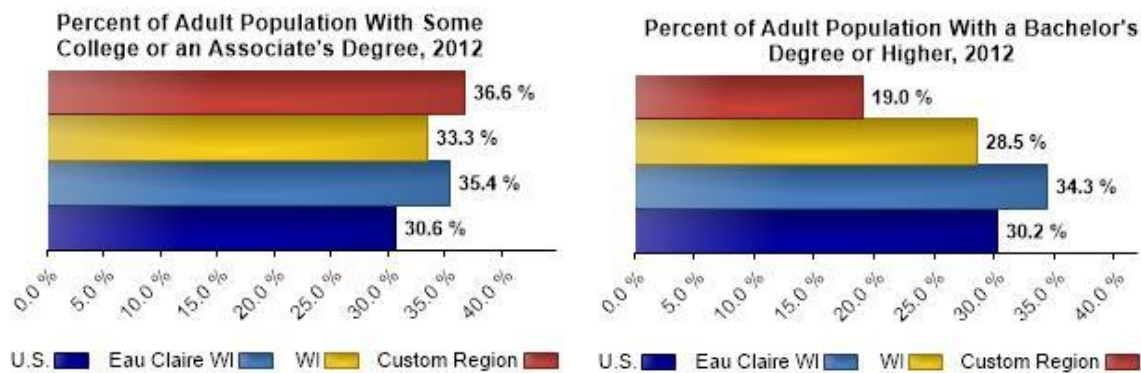
Human Capital

Human capital inputs are those characteristics that describe the ability of the population and labor force to innovate. The inputs include: educational attainment, population growth rates, high-tech employment share, and technology-based knowledge occupations.



Educational Attainment

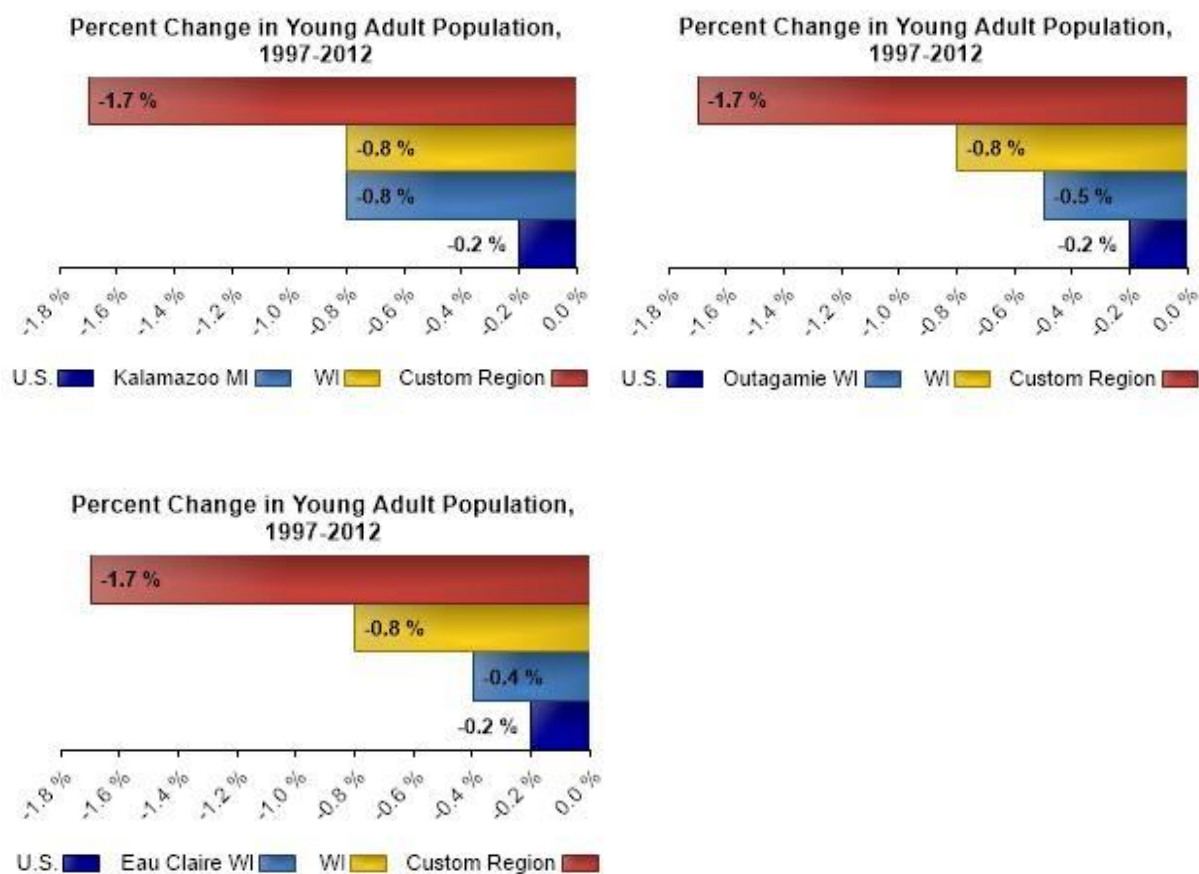
Educational attainment is a measure of the population's capacity to contribute to innovation with necessary skills and knowledge. Two component indicators are presented for education to measure not only highly educated residents (ages 25-64) with a bachelor's degree or higher, but also residents with some college. Research shows that the some college / associate's degree indicator has a significant effect on GDP per worker growth. Wood and Adams Counties lead every benchmark community and the US in "Some College" but lag significantly behind in "Bachelor's Degree or Higher". This suggests a strong than average basic work force but more limited opportunities to attract headquarters or research institutions.



Youth Population Growth Rates

High population growth rates for younger working age persons (ages 25 to 44) suggest new residents are attracted to an area, growing the workforce, adding to the innovative base and launching new businesses. Research shows this indicator has a significant effect on GDP per worker growth. Wood and Adams Counties are losing youth at levels two to four times higher than the benchmark communities.

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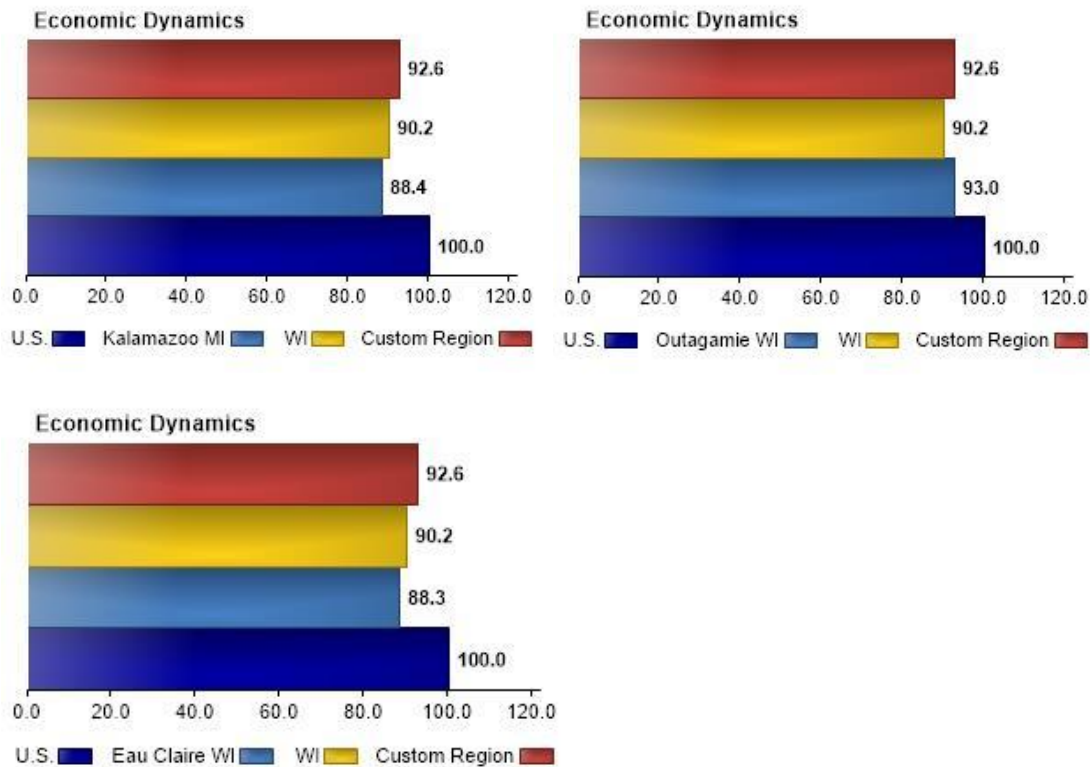


Economic Dynamics

Economic dynamics inputs are those characteristics that describe *local* resources available to regional entrepreneurs and businesses that encourage innovation close to home. These inputs include the venture capital available to fuel start-ups and business growth, broadband density and penetration necessary to connect individuals and companies to the world at large (meaning, in part, the potential to locate in a geographically isolated rural area rather than an densely populated urban community), and how quickly innovation forces companies to reinvest, reinvigorate, and retool, as new companies enter the market.

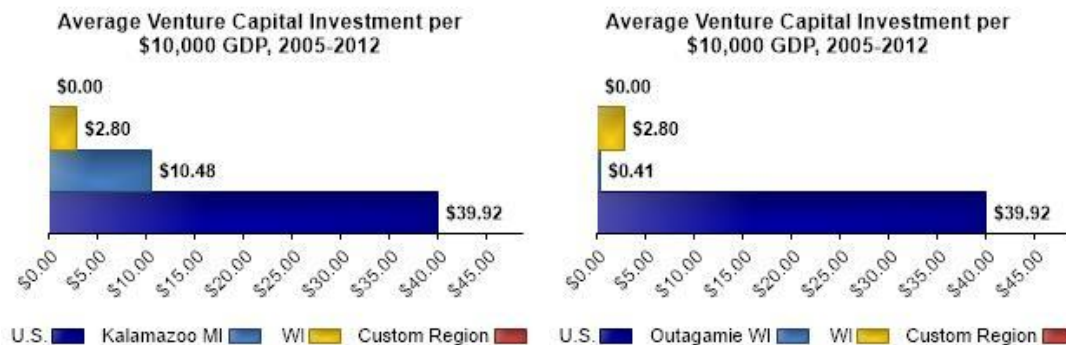


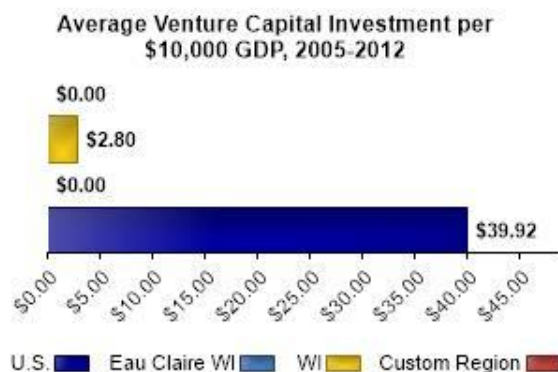
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Venture Capital

Venture capital provides a source of funds to launch new ideas or expand innovative companies. Kalamazoo and Outagamie Counties register some venture capital during this time period. Wood and Adams Counties had an angel investment group operating during this time period but overall investment was limited.



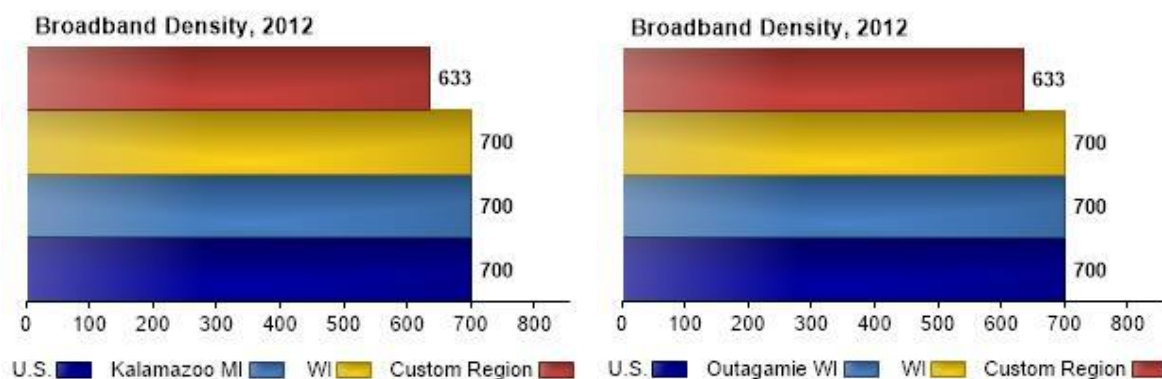


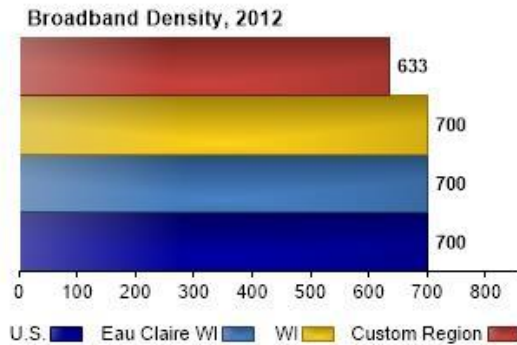
Only Kalamazoo of the benchmark communities evidences enough venture capital to be counted in the average.

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Broadband

Innovation and knowledge are linked to widespread Internet usage for individuals and businesses. There are two measures, both from the Federal Communication Commission (FCC), to gauge Internet usage. One measure is the level of Internet penetration, or broadband density. This measure is residential broadband fixed connections per 1,000 households in 2009, a new data series the FCC first released in early 2010. The FCC reports these data in ranges, not as a specific number of connections per 1000 households in a particular county. The midpoint in the range is graphically presented here. For a custom region—an aggregation of two or more counties—the midpoint for the region is calculated as the weighted average of the midpoints of all the counties in the region.



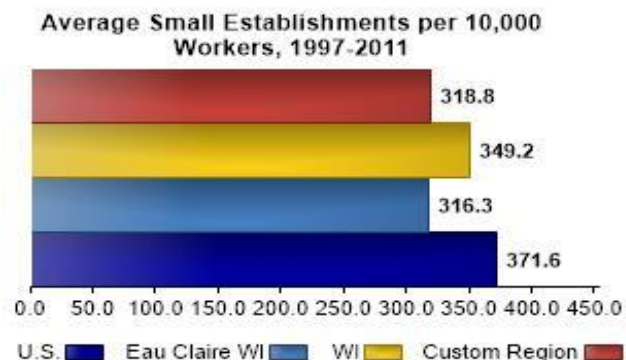
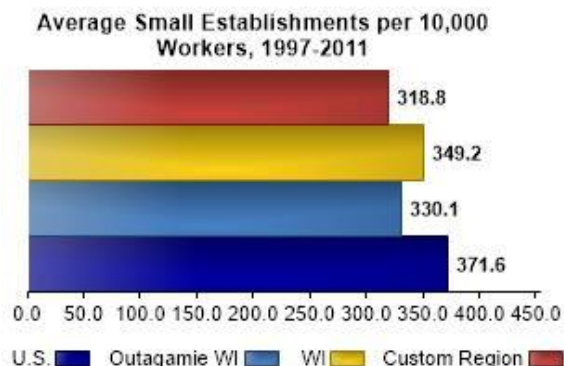
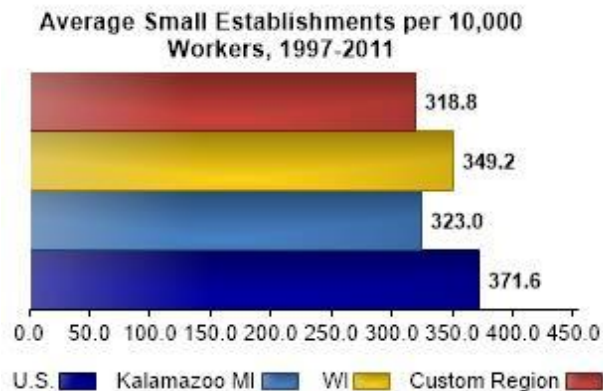


Wood and Adams Counties are somewhat behind the benchmark communities and the US average, but availability and usage are still quite high.

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Establishment Sizes

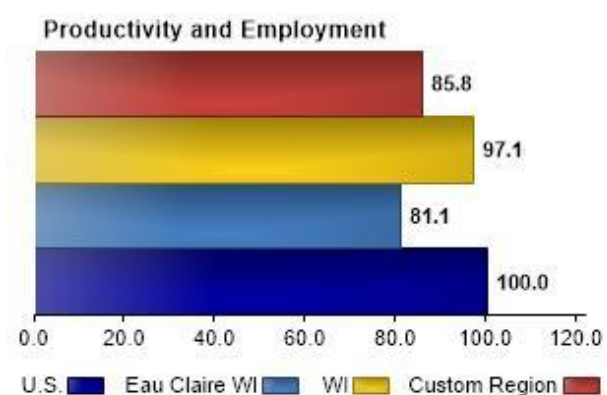
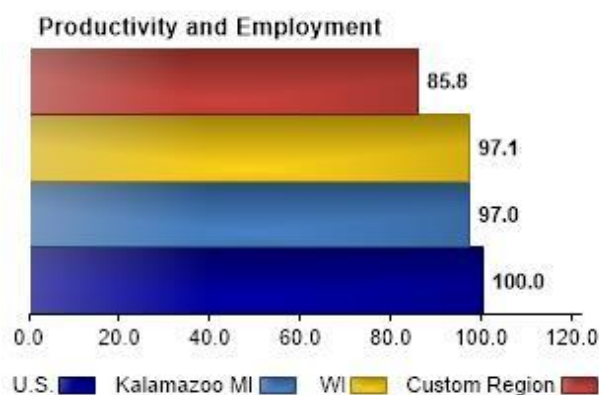
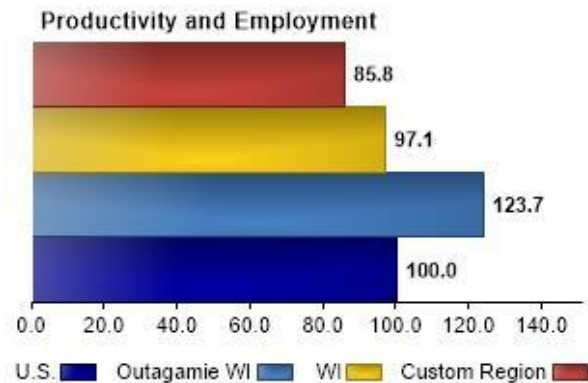
The sizes of establishments provide an indication of a regional economy's structural composition. Small establishments with fewer than 20 employees are flexible and not overburdened by a bureaucratic organizational structure enabling rapid changes to implement new ideas and evolve with technology. On the other end of the spectrum, large establishments with more than 500 employees have both the capital and labor resources to fund research and other innovative activities. Research shows that the average share of small establishments has a significant effect on GDP per worker growth.



Wood and Adams Counties are similar to the benchmark communities. All three have fewer small firms than the US average and fewer firms than Wisconsin as a whole.

Productivity and Employment

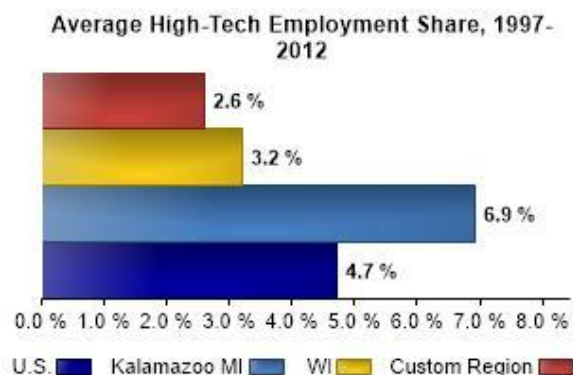
Productivity and employment measures economic improvement, regional desirability, and the direct outcomes of innovation on the economy. It includes data that measures changes in employment in high technology sectors, job growth overall, gross domestic product per worker, and average patents per worker.



Wood and Adams Counties lag, Kalamazoo, Outagamie, Wisconsin, and the US. Outagamie outpaces all the benchmark communities and Wisconsin and the United States in Productivity and Employment. Drilling into the data shows it is patents per worker that push it forward in the productivity index. Kalamazoo leads in high tech employment. All are below average in GDP per worker.

High-Tech Employment

Firms requiring a highly skilled and specialized workforce are drawn to innovative areas. Growth in this sector suggests the increasing presence of innovation. High-tech employment, derived from a NAICS-based definition by Moody's Analytics, measures an aggregation of employment in key sectors.

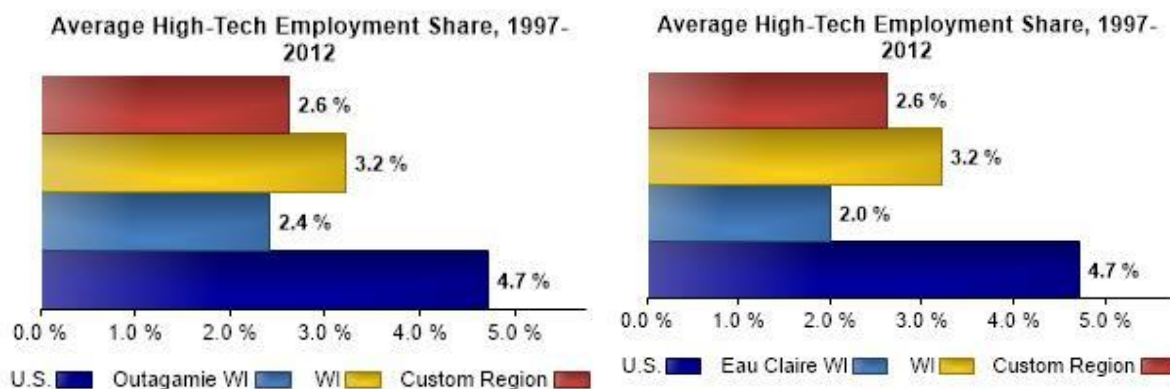


The average annual rate of change in the share of high-tech employment is the primary measurement. Research shows this indicator has a significant effect on GDP per worker growth.

Firms requiring a highly skilled and specialized workforce contribute to innovation in a region by providing a resource for workers, other firms and other industries. (This metric measures the point in time innovative capacity of the region as opposed to the growth of innovative capacity in the productivity and employment index.)

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Six occupation clusters are often thought to be closely associated with the production of innovations. They include information technology; engineering; health care and medical science practitioners and scientists; mathematics, statistics, data and accounting; natural science and environmental management; and postsecondary education and knowledge creation.



Gross Domestic Product per Worker

Gross Domestic Product (GDP) serves as a measure of county-level economic output, while increases in GDP per worker measures increases in worker productivity. The gross domestic product (GDP) is one of the primary indicators used to gauge the health of a country's economy. It represents the total dollar value of all goods and services produced over a specific time period. Usually, GDP is expressed as a comparison to the previous quarter or year.

For example, if the year-to-year GDP is up 3%, this is thought to mean that the economy has grown by 3% over the last year.

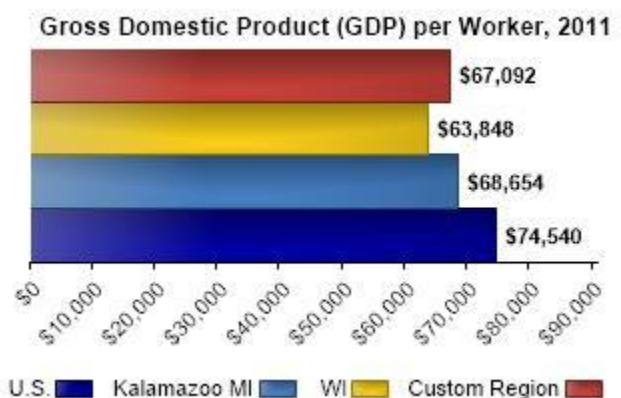
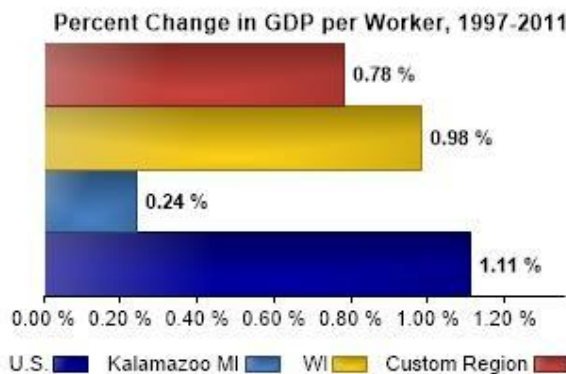
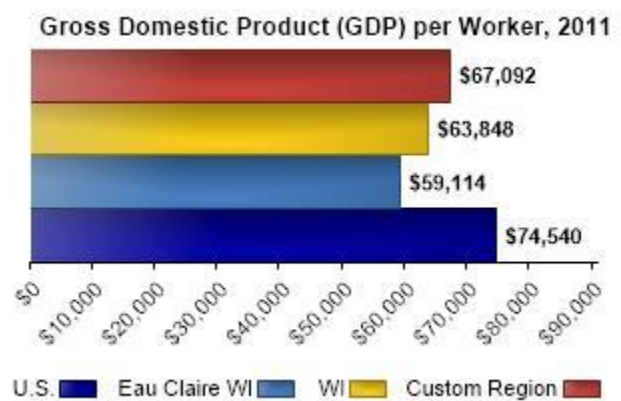
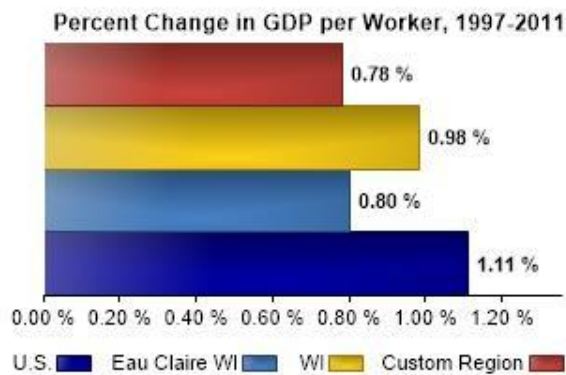


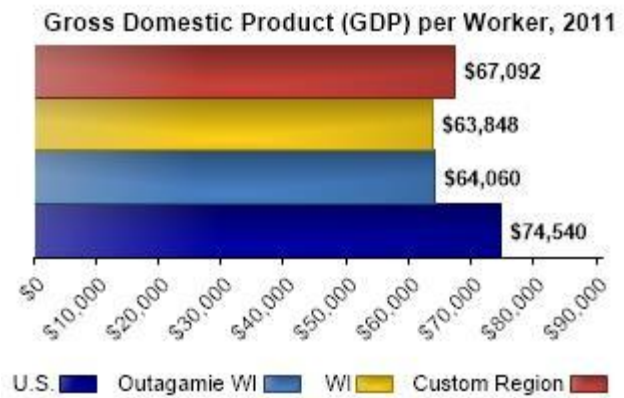
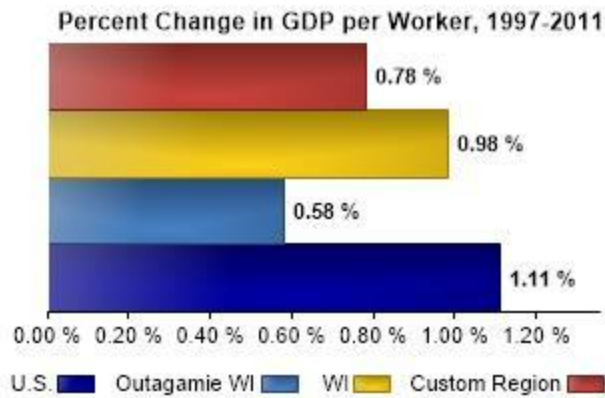
Measuring GDP can be done in one of two ways: either by adding up what everyone earned in a year (income approach), or by adding up what everyone spent (expenditure method). Logically, both measures should arrive at roughly the same total.

The income approach is calculated by adding up total compensation to employees, gross profits for incorporated and non-incorporated firms, and taxes less any subsidies. The expenditure method is the more common approach and is calculated by adding total consumption, investment, government spending and net exports.

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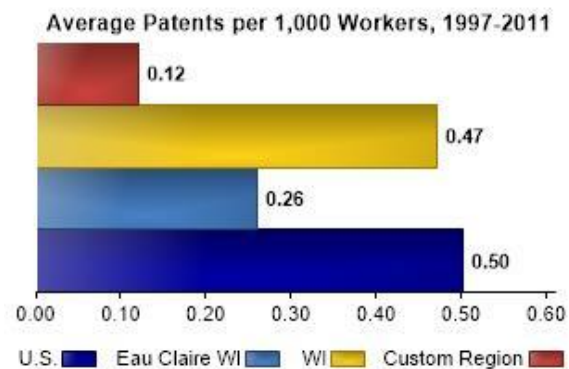
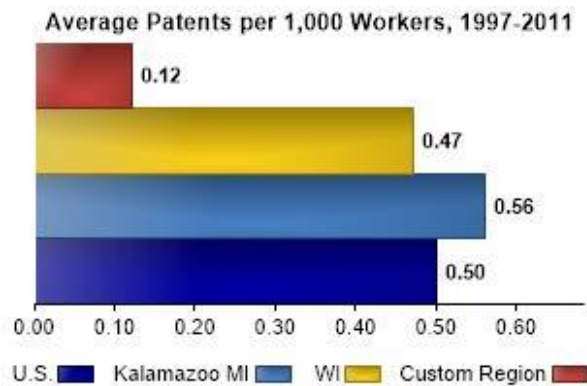
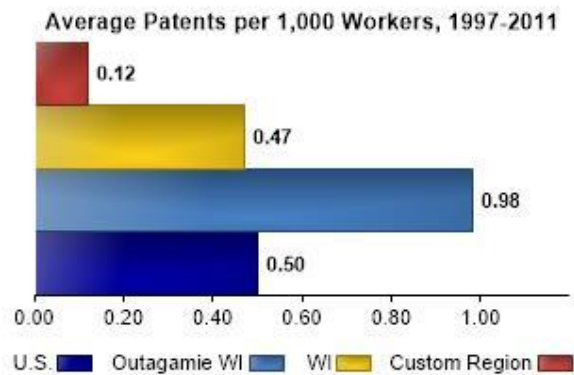
Dividing the GDP by the total labor force provides a measure of average productivity per worker. Wood and Adams Counties, all the benchmark communities, and Wisconsin trail the US in productivity per worker and in advancements in productivity. Kalamazoo has the highest productivity per worker among the benchmark communities. Eau Claire has made the highest gains in productivity among the benchmark communities.





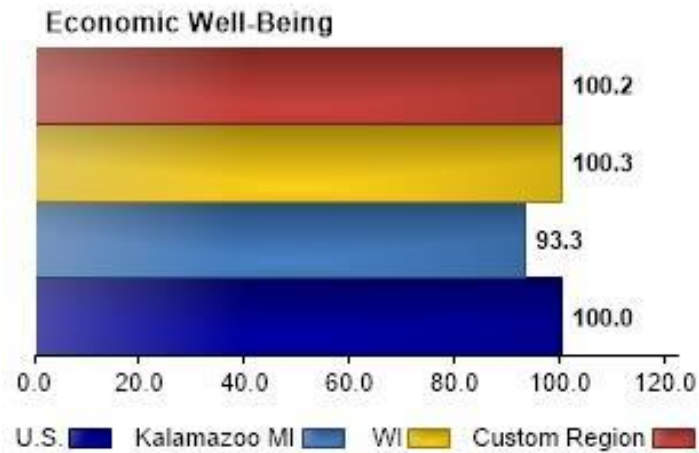
Average Patents per 1,000 Workers

New patented technologies provide an indicator of individuals' and firms' abilities to develop new technologies and remain competitive in the economy. Patents are presented as total number per 1,000 workers. Outagamie has the most patents at nearly twice the US average. Adams and Wood Counties have less than one-quarter of the US average patents per 1,000 workers. Wisconsin is consistently among the top five states in attracting research dollars yet is still below average in patents. The ability to move research to product to commercialization in Wisconsin has been greatly undervalued. This factor alone will keep the state behind its peers.

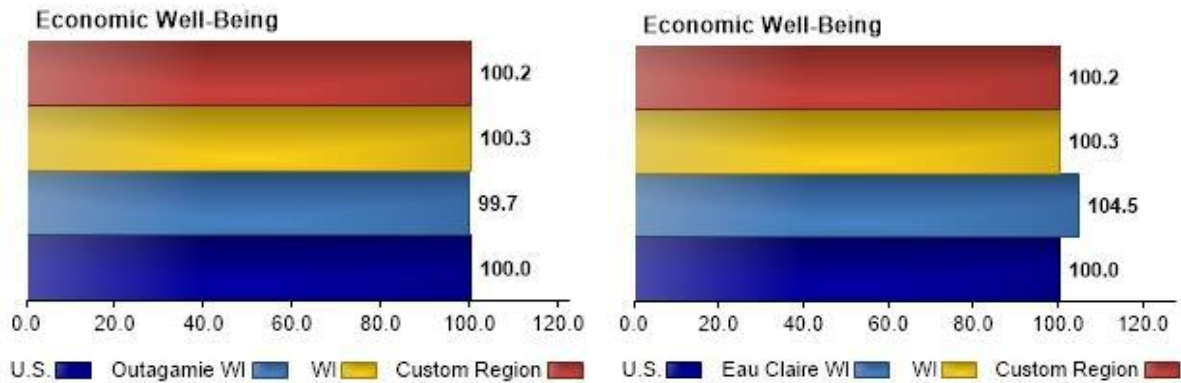


Economic Well-being

Innovative economies improve economic well-being for residents because they earn more and have in increasing standard of living. The index includes individual measures that have been discussed separately earlier in this section, such as, unemployment, growth, and compensation, and adds poverty and migration as factors.



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Innovative economies are thought to have greater employment opportunities and lower unemployment rates and levels of poverty. The index includes a 3-year average rate, not the most current rate used previously in Chapter 2. Total migration of all persons into a region serves as an indicator of whether a region is attractive to job seekers and families. Personal Income is the broadest measure of a person's income because it includes rental income, dividends and interest payments, in addition to salary, wages and benefits. Improvements in earnings per worker, or compensation, signify a positive trend in economic growth being passed on to workers. Kalamazoo is slightly below average and Eau Claire is slightly above average in both cases it is likely the unemployment and poverty levels that determine their position.

STRENGTHS

WEAKNESSES

OPPORTUNITIES

THREATS

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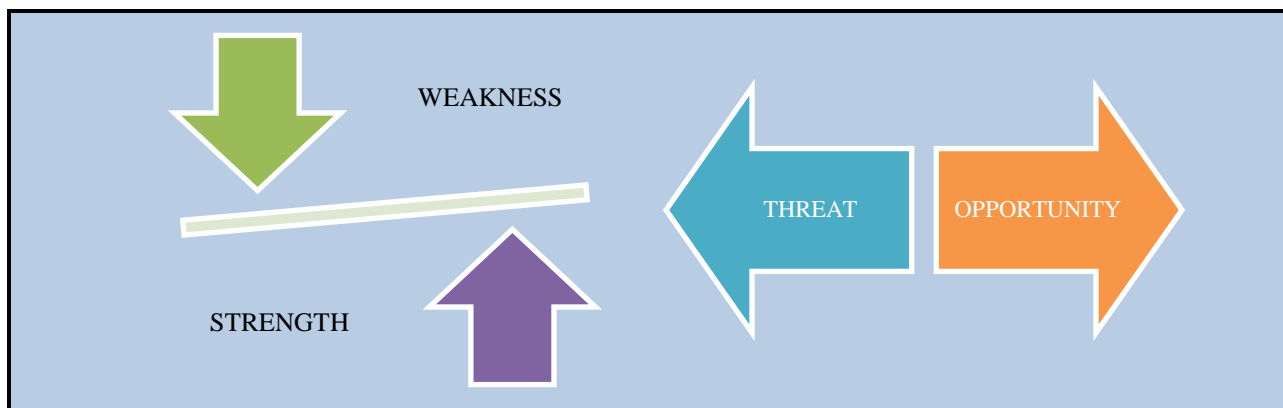
CHAPTER 5: STRENGTHS WEAKNESSES OPPORTUNITIES AND THREATS

Identifying the strengths and weaknesses of your community helps to assess current conditions, understand assets, and be prepared to shore up limitations. Considering those opportunities and threats identified means looking externally into the future for things that could change conditions either positively if acted upon or negatively if no action is taken.

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A critical element of successful planning is understanding how to separate the good ideas from the merely interesting or trendy. The SWOT analysis is a critical component in making those decisions. Often, the SWOT is considered just one component of the asset inventory. That use of a SWOT analysis simply does not go far enough and undervalues its potential as a decision making tool. It is not enough to know your strengths and weaknesses. You must know how you can make the most of your strengths and mitigate the internal weaknesses. Employing the SWOT at the decision stage helps you to choose the pathway to success.

How do successful communities get that way and stay that way? What can we learn from them?



A SWOT analysis is an instrumental framework in value-based management and strategy formation. Strengths and weaknesses are internal value-creating or value-destroying factors such as assets, skills, or resources a community has in relation to its competition. They can be measured with internal assessments or external benchmarking.

Opportunities and threats are external value-creating or value-destroying factors a community cannot control but emerge from either the competitive dynamic among communities, their unique mix of companies and institutions (such as a research university), or other forces including demographic, economic, geographic, political, technological, social, legal, or other factors.

Every community must try to fit within its external environment. The SWOT diagram is very good at analyzing the internal strengths and weaknesses and external opportunities and threats. The



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challenge is finding that fit, actually creating alignment among factors sometimes seemingly diametrically opposed either in value or aspiration.

Following are the strengths, weaknesses, opportunities, and threats as reported to us. The consultants have given you the benefit of the entire list as well as a Power Matrix of factors that in our judgment will be the determinants of your future advancement or limit your progress. This matrix allows you to approach development from a more holistic viewpoint; manage from the outside by using strategies driven by the marketplace; and, manage from the inside by best using local resources to drive strategies.

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Power Matrix

Examining historical factors and current conditions and applying those to the reported strengths, weaknesses, opportunities, and threats results in the Power Matrix. The following factors have been historic drivers or limitations of the regional economy and will play a significant role in building future prosperity.

Strengths

Core capacity in Paper / Ag / Health
K-12, MSTC, UW-SP
Area Foundations Assets , Engagement,
and Vision

Weaknesses

Economic Development Capacity
Central Place not a Draw
Infrastructure Limitations
Entrepreneurial Support

Power Matrix

Opportunities

DMI Reuse
Area Foundations Investments
Tribune Building
Tourism

Threats

Economic Anchors at Risk
Shrinking /Aging Workforce / Loss of
Youth
Unwillingness to Work as a Region



Power Strengths

1. Core Capacity in Paper / Agriculture / Healthcare: Despite the tragic loss of jobs, economic power, and leadership the restructuring of the paper industry has wrought, the concentration of talent and expertise remains a key strength. This is a capacity on a global scale. Moreover, this capacity is joined by similar, though not unique, capacities in agriculture, and healthcare. There is sufficient capacity in these three industries to drive the economy.
2. K-12, MSTC, UW-SP: Wisconsin is known for its strong educational system. The REGI area has a K-12 system of public and private schools with remarkable graduation rates, willingness to collaborate, and engagement in the community. This sets it apart. MSTC serves many businesses well. Though it lags behind the best of its peers in business and K-12 partnerships, it plays an important role in preparing students for successful employment. UW-SP is a standout in the UW system. Its contribution to original research makes it a regional asset that is critical to future success. Pairing the talent and expertise in paper / cellulosic technologies and agriculture with the original research generated through UW-SP will be the substance of future success.
3. Foundation Resources: Few places in the United States have the benefit of a private or community foundation to support community prosperity. Southern Wood and northern Adams counties have several: In courage Community Foundation, Mead Witter Foundation, the Legacy Foundation of Central Wisconsin, and other smaller individual funds. More importantly, the investment of these substantial resources is guided by individuals with vision and commitment to furthering community goals. In courage, in particular, has taken upon itself to lead the community by its approach to transparency and collaboration, investments, and willingness to take risk in advance of the market.

Power Weaknesses

1. Limited Economic Development Capacity: Wisconsin as a whole has struggled to build its capacity in economic development. Only recently has the State developed training for professional economic developers and elected officials. Many counties lack the support of trained staff in economic development. Reportedly, Wood County is the only county without a county-wide economic development entity. Centergy, though effective with its limited resources, is significantly understaffed. Southern Wood and northern Adams counties do not have sufficient economic development capacity to meet area needs.

Both Wisconsin Rapids and Wood County have highly competent and experienced planning staffs. The County, at the elected official level, has a Conservation, Education, and Economic Development Committee. The Committee, with the support of staff, performs many economic development functions. Though it is important that elected officials are taking the lead, this cannot substitute for a dedicated economic development office staffed by professionals in economic development. Moreover, the area's long time

dependence on a single industry has meant little experience within the business community leadership of working in collaboration with the public and nonprofit sectors to build the economy. Though the initiation of REGI is a step in the right direction on many levels, it will take time to shore up this weakness.

2. Central Place Not a Draw: Wisconsin Rapids Downtown is the downtown for the region. It has a beautiful setting along the river and many historic assets. Yet, lack of investment and changing market patterns have allowed it to lose its relevance. Mobility is a given. People choose where they want to live. A central place without attractive housing, unique restaurants and shops, and cultural amenities will not be chosen. An attractive and vital urban core is critical to the economic success of the region.
3. Infrastructure Limitations: The southern Wood and northern Adams counties area sits atop the largest fresh water aquifer in Wisconsin. Clean, fresh water is abundant. Yet, multiple jurisdictions and a lack of agreement on shared investments in water and water treatment systems threaten individual businesses and the finances of individual communities. It should be noted that the Village of Port Edwards has an emergency water use agreement in place with Wisconsin Rapids, however, no infrastructure is in place to facilitate this.
4. Entrepreneurial Support: Southern Wood and northern Adams counties lack significant and sustainable entrepreneurial support systems and seed capital. Home grown inventions, ideas and opportunities need nurturing, yet the lack of significant incubators, accelerators, seed capital sources, and angel funds limit the prospects for these ventures. Additionally, creation of an entrepreneurial environment, in part, can attract and retain younger persons. Development of the Tribune Building and DMI will both aid in sparking an entrepreneurial eco-system.

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Power Opportunities

1. DMI Site Reuse: The purchase, redevelopment, and planned reuse of the DMI site have great potential to bring together scattered resources and target investment in areas with potential for long term growth and sustainability. It has already attracted significant interest and resources and has potential, as initial projects get underway, to provide a physical focal point for entrepreneurial activity and selected business attraction.
2. Foundation Investments: Very substantial foundation resources exist. These dollars present a significant opportunity for public, private, and nonprofit entities to come together around multifaceted and holistic projects that have the power to galvanize community interest and attract outside investment. The Tribune Building, DMI Site Reuse, and a recommended healthcare career ladder (similar to the existing manufacturing career ladder) are examples of projects that bring many entities together and also draw funding on many levels.



3. The Tribune Building: The purchase, participatory decision making process, and development of the Tribune Building is an example of a multi-level opportunity. Multiple objectives are met within a single project: the purchase and reuse of a downtown building; transparent, participatory decision making; new restaurants micro-brewery/brew pub; an incubator / makerspace; and a central gathering place.
4. Tourism: Southern Wood and northern Adams counties have significant tourism assets and year-round visitors in golf courses, bike tracks, shooting ranges, and trails. Investments have been made to ensure that these assets have regional, and some cases, national draw. However, without companion investments in infrastructure, including water / water treatment, hotels, and other amenities the value of these assets will be missed. Tourism is a significant opportunity to capture dollars already being spent in the area, increase spending, attract new retail / restaurant, and potentially attract CEOs and lifestyle businesses attracted to the environment. Clarifying and measuring the opportunities with a market study will guide solid investments.

Power Threats

1. Economic Anchors at Risk: Paper, Agriculture, and Healthcare are the drivers of the regional economy. However, each is at risk. The paper industry continues to shrink. It is likely that more jobs may be lost. Each consolidation, buy-out, and bankruptcy, tarnishes the picture of the industry in the world causing the intellectual assets it holds to lose value. More importantly, that same restructuring causes the local community to discount those assets as well, missing the opportunity that they still hold. Agriculture is very strong in the region with major concentrations in potatoes and cranberries. Water disagreements and the regulated capacity of land limit the productivity of agriculture. Though regulations are intended to protect land values and the sustainability of agriculture they also limit the productivity of any single land unit. Concerns about ground water quality are limiting the size of dairy farms over and above regulatory limits. Cranberries are a nutrient powerhouse. Underfunded research into cranberry pests, alternative products, and new markets has slowed growth and endangered revenues. Current health focus on added sugars threatens their super-food status.
2. Shrinking and Aging Workforce / Loss of Youth: Wisconsin as a whole is aging and losing population. The universality of that fact does not lessen its importance in the southern Wood and northern Adams counties. Nor is it an inevitable loss. However, developing strategies to keep and attract youth and young families will be important to the long term economic health of the area.
3. Unwillingness to Work as a Region: Southern Wood County has multiple jurisdictions. Political boundaries, though important legally, and perhaps socially, have little to do with economic regions. The distance that people will, on a routine basis, commute for work, services, and entertainment constitutes the practical economic region. The geographic



areas in which businesses interact and collaborate also constitute an economic region. A limited definition of an economic region would likely include portions of Wood, Adams, Juneau, and Portage Counties.

Discussions of problems with multiple jurisdictions often center on the potential for mergers. Such discussions may target cost savings as the preferred outcome and uncover little motivation to merge and much opposition to loss of perceived liberty. Those discussions are important but distract from potential intergovernmental agreements that could provide real and immediate benefit. There may be few opportunities to be gained from small legal jurisdictional mergers. However, there is great threat if such jurisdictions are unwilling to make the decisions and agreements necessary to take advantage of economic opportunities and forestall economic loss.

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A number of communities have come together to form REGI. This is an important step. Yet, as uncovered in this research, defining the region REGI represents as its investor communities alone, limits its ability to compete.

SWOT

Following are combined and edited listings of comments made to the consultants in response to inquiries about the strengths, weaknesses, opportunities, and threats in the region. These comments were generated in meetings, taken from previous documents, and elicited in response to interview questions.

Strengths

- Industrial and Agricultural Assets (concentration, intellectual capital, engagement)
- Manufacturing culture and familiarity
- Workforce Central Manufacturing Partnership CEO Peer Council and investments such as the MSTC Wood County Pathways program
- Business support services to industrial and agriculture anchors (agile, entrepreneurial)
- Collaboration of multiple cities, towns, and villages in REGI
- Strong healthcare sector
- Reliable and productive labor force
- High concentration of talent in paper / cellulosic industries
- Manufacturing wages competitive with state and benchmark areas
- Mid-State Technical College
- UW Stevens Point and UWSP Research Institute
- K-12 Education / STEM curriculum / manufacturing and engineering exposure programs ie Chamber Heavy Metal Bus Tour / graduation rate
- Plentiful industrial sites, including a certified site, rail-served sites
- Encourage leadership: collaborative programming, transparency in decision making, proving or advancing the market in investments
- TIF, loan funds, active banking community



- Prudent fiscal management / High Bond Rating
- Cost of Living (power / housing / telecom)
- Recreational Assets (river/lake/facilities/courses/trails)
- Low Crime, Safety, Trained Fire / Police Personnel
- Abundant fresh water (largest underground aquifer in Wisconsin)
- High access and adoption of high speed internet
- High levels of tourist traffic in the region
- Residents want to stay (or return)
- Multiple Foundations: Incentive Community Foundation, Mead Witter Foundation, Legacy Foundation of Central Wisconsin
- Local food system inclusive of small farmers and food related businesses

Weaknesses

- Lack of industrial diversity, concentration in a few industries (REGI area)
- Stagnant population, aging workforce, loss of young workers, few college educated workers, segment of the workforce difficult to employ
- Lack of jobs for trailing spouses, alternate professional opportunities
- MSTC focus on short-term, one-machine, one-job oriented training over career oriented training; limited manufacturing training
- Lack of entrepreneurship programming for all ages in K-12 institutions
- Limited willingness to work as a region (including Marshfield / Stevens Point / Plover), defensive incorporation has resulted in too many jurisdictions
- Lack of economic development capacity in the region; limited history of community leadership in economic development; failure to implement a full economic development strategy; limited/inconsistent marketing of area
- Lack of access: not located on an interstate, limited flight connections, seasonal road weight limits and lane closures
- Few available industrial buildings
- Some sites lack provided water, water treatment, or high quality water
- Lack of entrepreneurial experience, infrastructure (incubator, accelerator, technical assistance, capital)
- Conservative investment climate, limited seed and venture capital, no formal angel network, risk averse
- Downtown needs significant public and private investment, lacks central focal point, no apparent organizing principle or vision
- Few attractive retail and entertainment venues, limited restaurant and retail options
- Infrastructure (water, sewer, recreational facility capacity/features) limits capture of tourism spending

Opportunities

- DMI Site Reuse / UW-Stevens Point Collaboration; regional collaboration
- Tribune project in downtown Wisconsin Rapids (incubator / innovation center, sustainability focus, brewery, makers space, collaborative work space)



- Multiple area foundations to support hard to fund projects with high potential for economic impact
- Research, product development, commercialization of cranberry, dairy, vegetable, cellulosic research / acquisition of related patents
- Marshfield Clinic \$20 million in medical research
- Active venture / seed investors existing in area
- 1G / 10G internet access still a competitive advantage
- Tourism (maximization of assets, capturing spending)
- Rome golf courses, hotel, housing developments; regional investments in golf (Kohler, Washington County)
- Potential construction of 54 bypass
- Planned downtown investments (government center, condos, hotel, restaurants)
- Saratoga Wysocki Dairy proposal coupled with existing Wisconsin dairy infrastructure has potential for strong economic multipliers

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Threats

- Further decline of paper and other traditional economic anchors (multiple businesses at risk in region)
- Silver tsunami
- Anti-manufacturing bias among retired manufacturing worker parents of potential future workers
- Clean Water Act enforcement impacts on small rural communities especially costly (in comparison to urban areas)
- Cranberry industry threatened by proposed regulations on sugar labeling and restrictions; wastewater treatment capacity and cost of pre-treatment
- 1G / 10G advantage window closing
- Perceived lack of transparency in downtown development
- Perception that REGI is an interloper in multi-county region
- Inability to collaborate may result in overspending on infrastructure (beyond potential to recapture)
- Loss of local schools threatens rural public corporation identity and additional loss of assets
- Threatened local communities are hesitant to collaborate for fear of additional loss of autonomy



RECOMMENDATIONS

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CHAPTER 6: RECOMMENDATIONS

The lingering impact of massive job loss, industry restructuring, and community reordering can be long and traumatic. Unless addressed, it becomes a persistent narrative. Despite such losses, some communities do come back. What is it that allows one community to turn adversity to its advantage while another allows it to define them? Those communities that are successful in rebuilding their economies have reconciled the prosperity they once found from rigid adherence to one set of practices with the need to open their minds to the fluid and dynamic markets of today. They find a way to craft a new narrative that respects the past but defines the future in a new and modern way.

Through the Interviews, Economic Position Assessment, Asset Inventory, Benchmarking, and SWOT it has become clear that southern Wood and northern Adams counties have many important assets, critical strengths and potential opportunities. To gain the most benefit from such attributes one must be able to see beyond the easy answer to a more complex yet also more sustainable future. It will be necessary to collaborate among multiple partners, layer multiple funding sources, make hard choices, and engage everyone's talents in projects with identified potential for success. To do less will mean reinforcing the status quo and potentially enabling further decline.

In sum, the consultants recommend the development of a full-service economic development organization working in strategic alliance with regional entities. The focus of its work would be in rebuilding the economy through innovation and advancement in its key existing industries: paper / cellulosic technologies; agriculture, primarily cranberries and potatoes; and healthcare. Taking greater advantage of opportunities in tourism and central place development would support that work. The structure of the work would follow a traditional “tried and true” pattern of work with innovation as the primary theme: business retention and expansion; business attraction; and entrepreneurship.

The consultants have identified five related and interdependent issues for attention.

- ✚ Economic Development Capacity
- ✚ Reinforcing Economic Drivers
- ✚ Working Together as a Region
- ✚ Creating a Central Place
- ✚ Infrastructure



In response to those issues, the consultants have developed a series of recommendations that build upon the region's assets, mitigate those limitations that undermine growth, and take advantage of opportunities on the horizon. Accompanying the recommendation narrative is a Recommended Work Program with short, medium, and long-term initiatives. Some of the recommendations fall into one or more categories, that is appropriate and underscores the importance of the recommendation to support wise use of resources and overall well-being. When a conflict emerged in likely available resources and more innovative programming, the default position was conservative. However, such conflicts are noted. As REGI and others develop future work plans, it would be prudent to give serious consideration to those actions that, though costly, would accelerate the pace of positive economic change with a more aggressive time horizon.

Issue #1: Economic Development Capacity

Wisconsin as a whole has struggled to build its capacity in economic development. Only recently has the State developed training for professional economic developers and elected officials. Many counties lack the support of trained staff in economic development. Reportedly, Wood County is the only county without a county-wide economic development entity. Centergy, though effective with its limited resources, is significantly understaffed. Southern Wood and northern Adams counties do not have sufficient economic development capacity to meet their needs. At the time of this assessment, REGI lacks trained and experienced professional staff. Moreover, the area's long time dependence on a single industry has meant little experience within the business community leadership in working in collaboration with the public and nonprofit sectors to build the economy.

It is important to note that both Wisconsin Rapids and Wood County have highly competent and professional planning offices performing some economic development functions. In addition, there is an active Chamber of Commerce, the Heart of Wisconsin Chamber that performs some economic development functions. At the elected official level, there is a Wood County Conservation, Education, and Economic Development Committee. Though all of this is valuable, neither capacity in planning at the staff level, nor capacity in economic development at the elected official level substitutes for a dedicated economic development organization or office staffed by trained professionals in economic development.

Throughout the three county region (Adams, Wood, and Portage), Centergy, REGI, area Chambers, County, and City economic development capacities must be increased to fully meet the challenges of restructuring the economy.

1 - The consultants recommend the development of a full-service economic development organization to lead efforts in business attraction, business retention and expansion, and entrepreneurship programming in collaboration with regional entities.



Organizational Structure

The foundation of a region's economic development work is the structure and capacity of its organizations. The lead organization is the coordinating entity of everything dealing with economic development that takes place within the region. Not all work is best completed or directed by a single regional entity, but the greatest impact of that work is gained through coordination, cooperation, and collaboration.

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All organizations are unique to their geographic attributes and business make-up but they generally fall into three categories: public sector led, private sector led, and community led organizations. A publicly led organization is driven by and funded by the public sector. It has both the limitations of a political institution and the advantage of public funding. Although public boards may include business advisors or directors, there is no question that a publicly funded organization is controlled by its political leadership. Such organizations often follow the model of a redevelopment commission that is given certain flexibility and confidentiality within clear guidelines, but with a budget controlled by city or county boards or councils. Within their public sphere, these organizations can be quite effective. The primary mission of public sector organizations is often the preparation of infrastructure and real estate for new business development and existing business expansion.

A privately led organization is funded exclusively or nearly exclusively by business investors. Its board is made up of individual business leader - investors. Its advantages are speed of decision making, confidentiality, flexibility, and the active participation of the business community. Business peer to peer activity is strong and the organization generally presents a professional and confident face to prospects. Funding is generated by annual investor dues and multiyear funding campaigns within the private sector. The primary mission of private sector organizations is often marketing and business attraction. They also may be engaged in existing business expansions, and private sector led workforce development and training programming.

The organizations that have the greatest potential for success but also more challenges in operations are hybrid community led organizations. Such organizations have a majority of private sector directors and funding but also incorporate public sector and institutional sector directors. Funding is primarily private sector but generally balanced and from multiple sources. The organization is not dependent on any one single source of funding. This structure has the benefit of a 501 c(3) either as its overall legal operating structure or as a subsidiary educational foundation. It has the most funding flexibility and the greatest access to a continuum of business and economic development funding and finance available to public, private, and charitable entities. It is best positioned to lead larger collaborative work in economic development. As in many things, form follows function; the more complex the role the more complex the structure needed to support it. The consultants are in favor of a community led organization for REGI with strong business involvement and institutional participation.

It is not easy to build an effective organization from the ground up. REGI has been thoughtful and careful in its design and formation. Whether the field is crowded or marred by voids in



service it is difficult to move into a mature market place. Even when intentions are to fill gaps in service over duplicating offerings, it is best when boundaries are porous not rigid. Existing entities are naturally concerned about competition for scarce resources. It is easy to envision dividing the pie into slices containing less influence and fewer resources. The consultants feel no hesitation in stating there is sufficient need for professional economic programming and sufficient potential resources within the region for an additional economic development organization. Moreover, the best organizations grow the pie, not steal hard won slices from others. The organization and its mission will grow and develop over time as its capacity and influence grows and its vision becomes more sophisticated.

The capacity of the economic development organization may be divided into four critical areas:

- The capacity of the board of directors to raise and employ resources responsibly, plan and make decisions of strategy, hire and oversee an Executive Director, and provide for the future of the organization;
- The capacity of key personnel to develop and execute business plans, manage the operations of the organization, and conduct the day to day business tasks of economic development;
- The capacity of strategic alliances within the region to bring forth public, private, institutional, and community resources toward comprehensive economic development; and
- The capacity of combined financial resources aimed at maintaining, growing, and developing the economy of the region.

1.1 – Board of Directors: In the short term, to build the capacity of the board of directors, the consultants recommend developing a profile of their ideal board of directors, identifying skill and diversity gaps in the current board, and putting in place a process for strengthening the board over time; developing a strategic plan of action for the next three-five years with annual performance benchmarks, and a monthly progress dashboard; providing training for individual directors in board responsibilities, fund development, and ethics.

1.2 – Staffing: In the short term, to build the capacity of personnel, the consultants recommend hiring an economic development professional as Executive Director and President; hiring administrative support to manage the operations of the organization; and hiring a Business Development Account Manager to work directly with individual businesses; provide for professional development of staff, including paying for and providing compensated time off for professional certifications; and professional networking opportunities related to his or her position.

1.3 – Strategic Alliances: In the short term, to build alliances, the consultants recommend building relationships with area businesses, specifically the Workforce Central Manufacturing Partnership Peer Council; building relationships with area educational institutions, specifically K-12 schools, MSTC, and UWSP; building relationships with funders, specifically area banks and public fund managers; building relationships with local economic development entities,



specifically regional chambers of commerce, and public sector economic development personnel; build relationships with regional and national economic development organizations, specifically Centergy, Wisconsin Economic Development Association, Mid-America Economic Development Council, and the International Economic Development Council.

Finance and Funding

Economic development funding covers the breadth of internal administrative funding of an economic development organization, funding of economic projects and programs, and direct business financing.

Wisconsin is conservative in its finance and funding practices. Southern Wood and northern Adams counties are no exception. Businesses are not over leveraged and generally choose not to make investments if they are not comfortable. This has led to a lack of visible vitality. When it appears no one is investing, that appearance reinforces the belief that the economy will not support the investment. In addition to lack of visible reinvestment, businesses appear to be missing out on the resources available to them to support more advantageous cash flow and profitability. Limited business and project demand has meant knowledge of tax preferences, non-traditional funding sources and tools is limited.

1.4 – Continuum of Capital: The consultants recommend an integrated continuum of capital with local control to fuel innovation and growth. Such funding has not been largely employed within the area. Getting more money on the street at all levels will be important to drive growth and confidence. The primary gaps in the continuum are early stage financing, seed stage investments, inter-generational business transfer financing, and economic development project funding.

Bank Financing

It is common for banks to report abundant funding available and businesses to report access to capital is constrained. Often both assessments are indeed true. Abundant funding exists for a wide band of traditional deals, but as more and more projects reflect a changing market place, the less traditional deal becomes the norm and lack of funding persists for those borrowers. In southern Wood and northern Adams counties, the consultants found access to traditional capital to be good. There are willing lenders who are active in the community and have the flexibility to respond to local needs. Only a couple of the banks voiced concerns based upon standards outside of their control. Most businesses with existing banking relationships reported ready access to working capital, fixed asset, and growth financing. There were few reports of loss of lines of credit post-recession to existing customers, something common in many markets.

Local Community Development Financial Institutions (CDFI) supported the need voiced by certain businesses for more, and more flexible, start-up funding. Borrowers lacking sufficient credit or collateral for traditional bank financing but with fundable business plans largely obtain



financing through CDFIs. However, lack of funding has limited the number and size of loans they can do. Another area of funding that is critical and limited in Wisconsin overall is funding for intergenerational transfer of ownership in agriculture and family businesses. Wisconsin has a much higher level of Small-Medium Enterprise businesses in private hands than the nation as a whole. Keeping ownership within the region will be very important for long-term economic health.

1.4a – Wisconsin Economic Development Corporation, Small Business Administration, Community Development Financial Institution: In the short term, the consultants recommend becoming fully conversant with WEDC grants, loans, and tax credits for project funding and business financing; and local bank, SBA, CDFI business lending.

1.4b – Multi-bank Pooled Risk Loan Fund: In the short term, the consultants recommend the development of a loan fund for businesses lacking sufficient credit or collateral for traditional bank financing but with fundable business plans; early stage business finance, and financing for mature business inter-generational transfer funded by pooling loan funds from multiple banks and lending institutions.

Public Sector Investment

Bank funding alone is not sufficient in any economy to drive major economic change. Southern Wood and northern Adams counties are suffering from a chronic lack of investment. Lack of resources, conservative budgeting practices, and a “wait and see what everyone else does” approach has resulted in chronic underfunding.

The City of Wisconsin Rapids and Wood County should be commended for their fine credit and bond ratings. It is vitally important to maintain fiscal health. Wood County and Wisconsin Rapids have maintained their fiscal health through conservative budgets and prudent investments. But cracks are appearing, particularly in education and infrastructure. Holding on to resources too tightly can be just as damaging as spending frivolously. What was once considered proper budgetary restraint needs review. Now is the time to release the reins a bit and allow monies to flow into basic infrastructure, visible maintenance, and strategic project investments. To maintain long-term fiscal health, investments must be made in historic resources, upgraded tourism venues, and attractive amenities. Such investments perhaps seemed frivolous in the past, but now are essential. Choosing to hold back resources at this juncture will cause them to erode and lose value. Thoughtful but substantial investment is critical at this time by all parties: public, private, and nonprofit.

1.4c – Diverse Funding Sources and Tools: To support public investment, in the short term, the consultants recommend more liberal use of government backed financing, complex layering of financing sources, and funding tools, such as tax credits. Though such tools may seem unnecessary, there are important benefits to use of diverse funding mechanisms. Diverse funding allows more effective use of bank monies, more strategic investment of public dollars,



and engages more organizations and individuals in funding development; meaning more money overall is being invested in the community.

Foundation Resources

Few places in the United States have the benefit of a private or community foundation to support community health and wellbeing and special projects. Southern Wood and northern Adams counties have several: Incourage Community Foundation, Mead Witter Foundation, the Legacy Foundation of Central Wisconsin, and other smaller individual funds. More importantly, the investment of these substantial resources is guided by individuals with vision and commitment to furthering community goals. Incourage, in particular, has taken upon itself to lead the community by its approach to transparency and collaboration, investments, and willingness to take risk in advance of the market.

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After the substantial losses sustained by southern Wood and northern Adams counties, it is natural to be reluctant to reinvest. But transforming an economy requires investment at many levels. Individuals, government, businesses, institutions, and nonprofits must all share in the risk of funding experimental ventures, untried ideas, redesigned programs, and innovative practices. The area foundations are already active investors. Though it is likely that any of the thoughtful investments in which the foundations currently engage will add value, there are certain areas that are particularly difficult to fund yet would have outsized impact.

Wisconsin Rapids downtown is the region's downtown. It is the face of the region. Lack of visible investment undermines business attraction, makes existing business investment more risky, and reinforces the view that the area has few prospects. Broad-based investment in downtown structures is necessary to support values and change minds, but capital is limited. When property values are low, few funds are available to support capital investment in the appearance of individual buildings. Although Historic Tax Credits and New Markets Tax Credits will be available to some larger investments, smaller clean-up, fix-up, spruce-up funding is not eligible. Façade Improvement Programs have been widely utilized across the nation. Concentrated funding in selected blocks or groups of blocks has proven to raise property values and spur new business investments. Foundation funding of a well-targeted Façade Improvement Program including small matching grants and architectural assistance would improve community appearance, raise property values, and spur more broad-based investment.

The region's best long-term potential is in the industries in which it already has concentrated employment and expertise: paper / cellulosic technologies; agriculture (potatoes and cranberries); and healthcare. Yet of the three, only healthcare is growing. The highest concentration of jobs is in the paper and agriculture industries. In these industries, job and business growth must come from innovation; consolidation and productivity advancements; and development and commercialization of research into commercially viable products. Until a product becomes commercially viable, funding is difficult to obtain. If research and development projects do find funding outside the region, the intellectual capital, potential business, and job growth are lost from the area. Foundation funding of UWSP Chairs in Research and



Development of Cellulosic Technologies and Cranberry products would enable long-term funding of such research and root it firmly in the region, increasing the potential for new businesses and jobs.

One of the down sides of dependence on a single prosperous industry supporting generations is the security it provides. Innovation and entrepreneurship thrive on disruption, disorganization, and distress. Individuals faced with few job options create their own. Communities that have benefitted from the security of a single or small group of prosperous employers over many decades experience little personal risk and lose the models of personal reinvention and business creation and collapse it fuels.

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Creating a culture of entrepreneurship where little existed will take time. Fortunately, the Ewing Marion Kauffman Foundation has found that the tools of entrepreneurship can be taught and youth make the best students. Their research indicates a remarkable number of youthful entrepreneurs go on to start their own businesses, but even those who do not start businesses make better, more productive, and more valuable employees. Nationally, youth entrepreneurship programming is dependent on foundation funding. Southern Wood and northern Adams counties K-12 institutions are experiencing budget pressures and have limited existing programming in entrepreneurship. Foundation funding of an entrepreneurship curriculum for all ages, exposing students to entrepreneurs and new ventures, providing experience in developing and managing new ventures, and developing expertise through pitching and starting their own businesses would have long term benefits in developing the work force and the potential for new business creation.

1.4d – Align Philanthropic Resources with Economic Development Goals. The consultants recommend that the combined foundations consider aligning a portion of their resources with regional economic development initiatives for greatest impact in three key areas: university-based targeted sector research, development, and commercialization; downtown façade improvements; and youth entrepreneurship.

Issue #2: Reinforce Economic Drivers

Paper, Agriculture, and Healthcare are the drivers of the regional economy. However, each is at risk. The paper industry continues to shrink. It is likely that more jobs may be lost. Each consolidation, buy-out, and bankruptcy, tarnishes the picture of the industry in the world causing the intellectual assets it holds to lose value. More importantly, that same restructuring causes the local community to discount those assets as well, missing the opportunity that they still hold. Agriculture is very strong in the region with major concentrations in potatoes and cranberries. Water disagreements and the regulated capacity of land limit the productivity of agriculture. Though regulations are intended to protect land values and the sustainability of agriculture they also limit the productivity of any single land unit. Concerns about ground water quality are limiting the size of dairy farms over and above regulatory limits. Cranberries are a nutrient



powerhouse. Underfunded research into cranberry pests, alternative products, and new markets has slowed growth and endangered revenues. Current health focus on added sugars in fruit products threatens their super-food status.

Despite the tragic loss of jobs, economic power, and leadership the restructuring of the paper industry has brought about, the remaining concentration of talent and expertise is a key strength. This is a capacity on a global scale. Moreover, this capacity is joined by similar, though not unique, capacities in agriculture, and healthcare. There is sufficient capacity in these three industries to drive the economy.

2 - The consultants recommend reinforcing economic drivers through the development of comprehensive economic development programming in business attraction, business retention and expansion, and entrepreneurship and new business creation. This is the foundation for long-term and sustainable economic growth.

Business Attraction: Attract What You Can

The consultants recommend business attraction as a focused and highly targeted activity. Business attraction is not an advertisement in the Wall Street Journal, nor is it a booth at the machine tool show, or similar type of activity with hope as the primary ingredient. Successful business attraction is about advanced research not creative marketing. Successful business attraction identifies both the industry and company based upon their existing connection to the area and their potential for heightened success if located in the area. Based upon the initial analysis of the Competitive Asset Assessment the consultants believe that paper and related cellulosic industries, healthcare, and agriculture, specifically cranberries and potatoes, have potential for the area.

To provide context for business attraction, we want to briefly review a few aspects of the site selection process. The site search process was discussed at presentations on March 3rd and March 28th and is further summarized in the article “Preparing to Work with Prospective Businesses” attached in the Appendices.

The process often takes place in several stages, though the search can start at any stage, and the stage shapes the community’s opportunity to present its assets and tell its story as a potential location for the new facility:

- Statistical review: A site search involving a large number of communities, perhaps hundreds, may start entirely with a statistical review, using both public and private third party data, offering a community little opportunity to affect the analysis. The data are the data and a community typically does not know it is under consideration at this stage. It may be eliminated solely because other communities are more attractive based on the relevant statistics.
- Web review and phone contact: Often this is done for a smaller, semi-finalist list of candidates; the candidates may be the survivors of a statistical review, or the initial search list. At this stage, the community has an opportunity to make its case; either



through its existing web site presentation, and/or through an interview. The economic development organization (EDO) needs to know its assets and third party data, and should concentrate here on effective web site development and responsiveness.

- Responding to an RFI: This step also allows a community to present its case, though it will be limited by the RFI's specific questions and industry focus. Again the EDO needs to know its assets and be able to quickly call upon third parties with specific, in-depth knowledge; e.g., utility providers who can answer questions about capacity. The length and level of detail requested in RFIs varies; some may be very broad and 30 pages in length; while others may be 1-2 pages and highly project specific.
- In-person community visits: Visits are typically done for only a few finalists who have passed statistical and follow up review - stages and include interviews with employers, public officials and others. The EDO's ability to identify and marshal relevant employers, technical experts, and community representatives is critical here.

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Two further critical points about the site selection process are that it is a process of elimination and a timely response is critical. Responses that miss deadlines may lead to a community being eliminated. The EDO must have done its homework in understanding assets, perhaps in developing them and in knowing whom to contact for more detailed information. Trying to develop data and contacts from scratch in response to an inquiry from a site selector or company probably will be too late.

2.1 – Prepare for Site Selection Process: In the short term, the consultants recommend preparing for the site selection process by reviewing and collecting data based upon the "IEDC Data Standards" (provided) but selected customized to community goals; by collecting commitments for quick access response to requests for information from real estate agents, utility providers, and transportation engineers; and identify employer peers that may share investment, employment, and community experiences with potential investors.

Most recent site searches in our experience begin with a search for available buildings, and this becomes an asset to qualifying for further consideration in the site search. Though an available building will not alone win a project, it will keep you from being eliminated. (If a search cannot find appropriate buildings, then it turns to sites.) We recognize this takes funds and entails risk. There are potential steps short of actually constructing a spec building, such as a virtual building, entailing design, renderings, pre-permitting, and other steps that would shorten development and construction time. The ability to enter into an inter-local government agreement under Wisconsin law, if that is the choice, should be investigated.

2.2 – Speculative Building: In the short term, consider a multi-jurisdictional co-operative effort to construct a speculative building. If chosen as a strategy, it will be necessary to explore the legal authority and required structure of such an agreement within Wisconsin law.

2.3 – Highway Accessibility: In developing the information for a formal response, clearly emphasize highway accessibility. Wood County is not on an interstate, which will be a negative,



perhaps eliminating it from consideration in some searches, especially those led by companies rather than professional site selectors. Yet, US 54 is 4-lane, divided, and 15 minutes from I-39 to the eastern parts of the County and Rapids East Industrial Park. This needs to be made clear in all marketing materials and in responses to prospective companies.

Note: Please see Quality of Life for discussion of approaches to business attraction related to tourism.

Business Retention and Expansion (BRE): *Keep What You Have*

The primary activity of BRE is getting to know your businesses. A community's primary business asset is the businesses themselves. Thus understanding who they are, what they do, and how they operate is part of a more complete understanding of economic assets and how they fit and interact within the region. Periodic contact with individual businesses is essential to maintaining open lines of communication, understanding business challenges and concerns, identifying local issues the public sector or community can address, making businesses aware of state and federal tax preferences that improve cash flow and profitability, and explaining opportunities for funding. An important benefit of open lines of communication potentially (local management sometimes does not know) is early knowledge of a business's expansion plans and warning of impending job loss or relocation. Once a business decides to reduce employment or relocate it is unlikely that you will be able to change that decision. Without open communication, it is impossible to prevent or lessen the impact of job or business losses.

The primary vehicle for getting to know your businesses is a business visit. The Heart of Wisconsin Chamber of Commerce already has an active business visitation program. The visit often includes a facility or plant tour, and an interview. The interview is guided by a series of standard short answer questions for data purposes, followed by open ended questions regarding any problems the business is experiencing, or help that they need. Information about tax preferences, grants, and funding sources may be provided at this visit or in the future. Business visits are best conducted by the Executive Director, President, or CEO. If that is not possible, visits may be conducted by under-staff or a peer volunteer. In addition to periodic "well business" visits, it is beneficial to find opportunities for more informal conversations to reinforce open conversation and build relationship among business owners and managers.

2.3 – Business Visits: In the short term, work with the Chamber to plan, prepare for, and conduct business visits, and to compile interview results to identify actionable issues.

Business Networks and Partnerships

Developing networks and peer-to-peer relationships among businesses is an important component of reinforcing the region as integral to the success of their businesses. In the short term, businesses may relate experiences, explore solutions to common problems, and find opportunities to share costs for common expenses. In the longer term such networks may result in customer – supplier networks, shared equipment and / or employees, joint ventures, and new



enterprise creation. The Manufacturing Partnership CEO Peer Council is an excellent example of leaders identifying common challenges and seeking solutions.

2.4 – Business Networks: In the short term, continue to support the Workforce Central Manufacturing Partnership CEO Peer Council as a vehicle for business retention and expansion, cost sharing, and collaborative responses to problems and opportunities. Continue to explore networks in other sectors, particularly healthcare, as interest indicates.

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Workforce

Incourage's Workforce Central has already exceeded the work conducted by many EDOs in workforce development. The consultants were impressed with the quality of the work, its research basis, and close monitoring of results. Interviewed employers generally were satisfied with labor availability and quality though there were occasional employers who were less satisfied, and some occupations, such as skilled machinists, are in short supply in most places nationally. Still there are concerns such as the "silver tsunami" of retiring baby boomers and ongoing technological advances requiring retraining. The employer community, through its Workforce Central Manufacturing Partnership CEO Peer Council, provides a model for identifying skill needs and working with MSTC to develop programs. MSTC is a major regional asset but it is not as proactive as its peer institutions in developing training to meet the specific needs of individual businesses. This is a gap in service that businesses have come to expect nationally and is an important potential asset. Monitoring employer workforce concerns and potentially developing programs as needed should be an ongoing activity. REGI should cite past efforts in Workforce Central and the Manufacturing Partnership Peer Council cooperation in its promotional materials.

2.5 – Workforce Central and Manufacturing Partnership CEO Peer Council: In the short term, continue to support Workforce Central and the Manufacturing Partnership CEO Peer Council in their efforts to promote quality employer driven training that secures the pipeline of available, trained workers in the region.

2.6 – MSTC Customized Training: The consultants recommend, in the short and medium term, for MSTC to develop a more proactive approach to providing customized, on-demand, training for businesses.

Healthcare is a major driver of employment and growth in the larger region. Wisconsin's Department of Workforce Development identifies "16 of the top 25 fastest growing jobs are healthcare related." It will be an important anchor in the economy in contrast to the more volatile start-up ventures proposed in paper/new cellulosic product development and agriculture. However, due to its center of influence in Marshfield, and the current level of change in healthcare in the southern Wood and northern Adams counties marketplace now served by REGI, healthcare is not getting the attention it deserves. The healthcare sector is critical and potential is great due to the presence of a fully integrated sector inclusive of research and



development, innovation, equipment manufacturing, and services. Its market is Multi-state and not fully developed.

One area where southern Wood and northern Adams counties have already made in-roads is in healthcare workforce training. Aligning education and training resources with the future needs of industry is fundamental to a secure workforce pipeline. Wisconsin Rapids K-12 school system operates a health care curriculum for High School Juniors and Seniors. This academic program, entitled Central Cities Health Institute, enrolls 24 High School Juniors each year. Through its two-year program students gain first aid, CPR, AED and nursing assistance certification. Students get hands-on work-based education. The purpose of the curriculum is to assist the healthcare industry in recruitment and retention of committed, mission-oriented, healthcare employees. Students receive both High School and three Mid-State Technical College Credits. Such dual school – training initiatives elsewhere in the country, have proven to secure jobs and attract new employers to the region. Another good example is the Pathways program – a partnership between Wood County Health and Human Services and MSTC, primarily training FoodShare recipients with a specialized Gerontology CNA certification. The collaboration of educator and service provider was brought together by Workforce Central.

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Healthcare is a complex field. It includes jobs in nearly every category from research, to patient care, and device manufacturing. It is also a field with constant movement. Job tenancy in healthcare is often short and movement among jobs frequent. Alignment of education and training with job needs is a first step in securing a pipeline of properly educated and trained workers. A more advanced effort moves from securing jobs to establishing careers. Collaborations of employers and education and training providers in communities across the country have found success making career paths more transparent. Certifications transfer to multiple jobs and stack for advancement. Clearly articulating how investments in education and certifications relate to job opportunities and advancement improves satisfaction and helps to maintain job tenancy.

2.7 – Healthcare Career Ladder: In the medium and longer term, or as early as possible, convene healthcare employers and education and training providers to clarify the education, training, and certifications leading to specific jobs or job categories. Identify skills and sets of skills gained that transfer to different jobs and job categories. Make pathways into, across, and advancing through multiple jobs transparent and more obviously attainable; thus, making careers in healthcare more attractive.

Building the Entrepreneurial Community: *Grow What you Need*

Enterprise development is growing in popularity as an approach to long-term sustainable economic development. It recognizes and builds most directly on the skills and intellectual property inherent in a community with concentrations of employers and talent in a particular sector or industry. Panned by many as a life-style strategy for self-employment or an investment strategy for short-term high growth, it is now gaining traction as a sustainable practice rooted in a community's most valuable and often wasted asset – its larger labor force.



Wisconsin's labor force is shrinking. Aging demographics, smaller families, and lifestyle preferences have decreased Wisconsin's available labor force. Few states have as much motivation to engage its retired, redundant, unemployed, and under-employed workers. In central Wisconsin, behind a façade of age and redundancy lurks generations of exposure to a single industry. Nothing that can be gained in a 12-week course or four-year degree is as valuable as that innate understanding of an industry. There lies one root of entrepreneurship.

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Southern Wood and northern Adams counties lack significant and sustainable entrepreneurial support systems and venture capital. Home grown inventions, ideas and opportunities need nurturing, yet the lack of significant incubators, accelerators, venture capital sources and angel funds hinders the prospects for these ventures. Additionally, creation of an entrepreneurial environment can attract and retain younger persons. How do you leverage innate talent? How can ideas be transformed into viable products and companies? What can REGI and its partners do to accelerate this process?

Wisconsin is known for its strong educational system. The REGI area has a K-12 system of public and private schools with remarkable graduation rates, willingness to collaborate, and engagement in the community. This sets it apart. MSTC serves many businesses well. Though it lags behind the best of its peers in business and K-12 partnerships, it plays an important role in preparing students for successful employment. UW-SP is a standout in the UW system. Its contribution to original research makes it a regional asset that is critical to future success. Pairing the talent and expertise in paper / cellulosic technologies, for example, with the original research generated through UW-SP will be the substance of future success.

The development of incubators, accelerators, and other trappings of the new economy, though necessary, does not necessarily mean that the REGI region would be successful in its effort to become part of the innovation ecosystem. These are but the physical manifestations of an entrepreneurial nurturing environment. In order for that environment to grow in the region, it needs to become a state of mind, and be part of the way people think about economic development. That way of thinking should be in the curriculums of every school in the region.

If creativity is not encouraged and rewarded early-on, young people can become frustrated and lose interest in school, and their communities, and ultimately move on. To keep young people interested in staying in Central Wisconsin, they must be able to see their own ideas and dreams take root while still in school. Those first steps toward an entrepreneurial economy must take place at an early age, and ideally in school. College may not be for everyone in Wood and Adams counties, but a climate of discovery and innovation supports any career.

Before an idea is ready for an incubator or an accelerator, it needs a place to be explored, nurtured, combined, divided, re-imagined, and "made". Identifying a place where entrepreneurs and would be entrepreneurs, young and old, may come together to share ideas and explore their development is an exciting trend. A "Makers Space" is a place outfitted with a workbench and tools of the dominant trade---such as, computers for hackers, a 3-D printer for



manufacturers, and a lathe for carpenters. The space is open and available for creative people of all types to make the things of their imagination with the help of interested metal workers, carpenters, and business folks who wish to participate. The spaces are designed to suit the interests and needs of the participants. The Tribune Building or an environment like it may provide the space and the creativity to move dreams to reality.

2.8 – Incorporate Youth Entrepreneurship Programming in K-12 Curriculum: The consultants recommend, in the short-term, incorporating entrepreneurship programming at every grade level inclusive of exposure, experience, and development of expertise in turning an idea into a business.

2.9 – Makers Space: The consultants recommend, in the medium term, incorporating a makers space into a local school, library, or the Tribune building where students, retired engineers, carpenters, and others may collaborate, help, and encourage each other to “make” things.

2.9 - Align K-12, MSTC, and UWSP Curricula with Industry Concentrations: In the longer term, clearly and transparently align education and training curricula with industry.

2.10 – Support Research, Development and Commercialization of Paper / Cellulosic Technologies, Agriculture, in particular cranberries and potatoes: In the short term, support continued research, industry-university partnerships, and development in targeted industries. (see Continuum of Capital / Foundations for recommendation supporting research)

2.11 - Support DMI’s redevelopment of Nekoosa Mill, the Wisconsin Applied Research & Business Park and WISCORC: In the short term, support DMI’s redevelopment. This promises an opportunity for redefining the area by developing new opportunities for the region’s lumber and natural resources; building partnerships with UW-SP and other EDOs, potential to stand out as a destination for related industry users, and opportunities for joint marketing with DMI. The project also promises to add available building space to the area including potential data center space. Utility availability and infrastructure issues are current challenges that should be addressed.

Issue #3: Redefining and Working Together as a Region

The desire to separate one’s self from rivals is common. Historical disagreements, cultural differences, and competition for resources and opportunities can drive a wedge between those who should be partners, collaborators, and friends. Sixteen communities have agreed to come together within REGI to identify assets, assess resources, lessen challenges, and collaborate to re-build the economy. It is critical that this partnership is reinforced in cooperative work and collaborative decision making across many subjects. But defining your region as just these sixteen political jurisdictions will not be enough to compete in today’s marketplace.



An easy way to look beyond traditional boundaries is to let the economy decide. The willingness of commuters to travel to jobs outside of their own communities defines an employment marketplace. Workers in Wisconsin Rapids are traveling to Marshfield, Plover, and Stevens Point. Alternatively residents of those communities are finding jobs in Wisconsin Rapids, Biron, and Nekoosa. Defining your region as inclusive of Marshfield, Plover, and Stevens Point is not wishful thinking on your part. The employment marketplace has defined itself. Measuring by employment, Marshfield, Stevens Point and Plover are already within your region.

3 – The consultants recommend maintaining current boundaries for local investments but redefining the region as the larger employment marketplace inclusive of Marshfield, Stevens Point and Plover. Create strategic alliances with Marshfield, Plover, and Stevens Point for marketing, employment training, business networking, and major initiatives, such as, the DMI site redevelopment.

As noted in Chapter 2: Economic Position Assessment, understanding your local economy also means knowing how your community fits into the broader region. Although increased competition for jobs, tax base and private investment can put political pressure on elected officials to go toe-to-toe with neighboring jurisdictions, the reality is that local economic success depends on regional economic success.

Incoming firms rely on a breadth of resources available in a region, including workers, transportation, housing, and amenities. In nearly all cases, one community does not have full capacity needed to support these activities. Cities that focus on competition within the region, instead of collaborating for economic development, are placing their economic future at risk.

With a firmer grasp of REGI's place in the region, southern Wood and northern Adams counties are better prepared to work together and with other jurisdictions to share responsibility for promoting regional economic success. Cities in some areas of the country work together in regional marketing efforts to draw businesses and other economic activity to the region while agreeing not to compete or offer incentives to existing firms to re-locate in their specific communities. Since the employment region is larger than any individual community, such collaborative efforts attract firms, investment, and employment that benefit the entire region.

Finally, and importantly, site selectors take a regional approach. REGI is focused on southern Wood and northern Adams counties, but site selectors typically will look at the surrounding region for labor force and other assets if it fits the company's needs. The recommendation of a site selector for a region, for example, is not based on review of the pros and cons of each business park individually; rather the recommendation is based on whether a particular site, such as, a rail-served or certified site is available somewhere in the region. If it is, that would



meet the potential criteria needed for the region to remain in contention in a site search, and it would be considered a regional strength.

Rural areas and small cities face particular challenges in the minds of corporate site seekers. Site selectors frequently have concerns about local capacity of one kind or another: is there enough labor; are there multiple buildings; is there convenient access; or are there opportunities for a trailing spouse? At the same time rural areas also offer advantages, such as, lower costs, recreational opportunities, and direct access to elected officials and other decision makers. Yet, it remains one of the toughest economic development challenges to attract investment in a rural area not based on proximity to natural resources. It will be especially challenging to attract a business to a rural area not on the Interstate, without a dominant or obvious asset, or containing an image defining institution.

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The consultants identified a number of weaknesses that are based on looking only at the REGI identified region, or more typically, on looking only at Wood and Adams Counties. The population and potential workforce is small, especially if considering only southern Wood and northern Adams counties, stagnant and older. While basic high school graduation rates are good, the percentage of the population with college degrees is below state and benchmark communities. This will be a concern to many employers who are concerned about labor availability, plan to hire many staff, need to hire quickly, or who have seasonal spikes. REGI can't prevent someone from looking at Wood County statistics alone. However when REGI presents data about the labor force, it can and should consider a larger area. Portage County for example is roughly the same size as Wood and is younger with a greater share of college grads. And it is likely that employers in northern Wood and nearby areas will draw labor from Portage and other counties. Moreover, these neighbors offer assets that many potential employers will find attractive such as the University of Wisconsin at Stevens Point, entertainment options, the intermodal center in Stevens Point, and more, which are close enough to the REGI area to be considered regional assets.

Strong regional alliances are best engaged in by equals. When individual partners are perceived to be weak or adding little value, resentments result. One partner will feel disrespected and another will feel put upon. The consultants believe the potential partners to be more equal than they appear. Job losses have sapped emotional strength and meant true hardship for many families but much economic power remains. The University is in Stevens Point, but in paper and cellulosic technologies, for example, the industries that make that intellectual capital valuable are in Wisconsin Rapids and its surroundings. Only together may their potential be realized.

The proposed redevelopment of the DMI site into the Central Wisconsin Applied Research and Business Park, anchored by a new Institute for Sustainable Cellulosic Research and Commercialization, is the kind of project that can create attention far beyond the borders of Port Edwards and add value to the region in many ways. It is a daring plan to establish a research center focused on reusing paper mill, agricultural, and other biomass waste and converting it into saleable products such as fuel, biodegradable packaging and bioplastics on the very site of



an abandoned paper mill. It stands out because it is a collaboration of a number of organizations and institutions that span Port Edwards, UWSP and Madison.

The initial business plan of the coalition is to convert a building that once was the Nekoosa Mill administrative and data center into a research and development center, including labs, office and training space, and proto-typing, focused on working with industry and agriculture to develop new products from existing biomass waste.

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The group of sponsors for this project include the developer of the overall mill site, the Alexander Family Foundation, a bio-refining entrepreneur who is currently research director of the Wisconsin Institute for Sustainable Technology, Centergy, the State's regional economic development organization covering 7 counties, the Heart of Wisconsin Chamber of Commerce, the In courage Community Foundation, founders of the Wisconsin Angel Network, University of Wisconsin Stevens Point head of the economic development office, Port Edwards School District, Wisconsin Stevens Point biomass researcher and Executive Director for the Wisconsin Institute for Sustainable Technology, Wisconsin Paper Council and the Wisconsin Economic Development Corporation. This is the kind of regional collaboration that makes the most of a region's assets and creates the environment for real innovation to occur.

3.1 – Website and Marketing Materials: The consultants recommend, in the short term, to present REGI in marketing materials in the following ways:

- At a minimum, present Wood and Adams Counties total population and labor market data when developing web-site and marketing materials.
- Develop local demographic and labor market data based on commuting drive times for 30-45-60 minutes, based on employer feedback.
- Emphasize the proximity to regional assets, such as, the Marshfield Clinic, University of Wisconsin at Stevens Point educational and research facilities, the Stevens Point intermodal center, retail, and entertainment options.

3.2 – Distinguishing Intra Regional Assets: The consultants recommend, in the short term, that the REGI communities define and distinguish themselves within the region with potentially competitive assets, easy access, and customer service.

- Maintain reasonable and advantageous local costs and services such as property taxes, utility costs and reliability
- Offer speedier development approvals, one-stop permits, and access to a single point of contact
- Emphasize specialized land/site availability, such as rail served or certified sites
- Develop DMI, WISCRC such that it becomes a regional asset of benefit to the other communities

3.3 – Collaborative Approach for Marketing: The consultants recommend, in the short term, to build upon the existing collaboration among REGI investors and partners to explore leveraging resources for regional marketing in the larger region. Reach out to northern Wood County,



Stevens Point and perhaps others. A regional approach could allow all as a group to market in a way that no one organization could do alone. The goal would be to interest potential investors in the region first.

Note: Please see Infrastructure for discussion of regional approaches to water and waste-water treatment.

Issue #4: Developing a Distinctive Central Place

What is it about a community that causes visitors to want to return again and again, or potential residents to choose to live there? Is it a concrete differential, such as, a lower tax rate, or higher graduation rates? Perhaps it is the presence of a special restaurant or an entertainment venue? Or, is it something less tangible, an energy, vitality, or buzz? Whatever the difference, it is clear that some communities have it and others do not.

4 - The consultants recommend supporting the development of a strong and attractive central core as a means to attract new businesses, residents, and visitors, retain young professionals, and establish its place in the larger region.

In interview after interview, the desire for new restaurants, better shopping, and more investment downtown was mentioned as important to making southern Wood and northern Adams counties better. To be sure, these things will make a difference. Yet, we have all been to communities with restaurant and retail environments that were bright, crowded and bustling during the day but shortly after 5:00 pm became dark, vacant, and scary. From these examples, we know that convenience, traffic, and concentrated employment play a part in creating vitality but are not the essential element of a central place. What is missing in these communities that allows the energy to drain away and one's desire to be there arrested?

In the United States, development follows a pattern of overlapping hubs and spokes linking businesses to other businesses and people to concentrations of employment and services. In the mid-1990's, a number of research institutions explored the role that a central place has in supporting or depressing the health of a region. Richard Voith wrote in The Federal Reserve Bank of Philadelphia Business Review "city decline adversely affects the overall economic health of a metropolitan area". Likewise, a strong and vital core supports the fortunes of the region. In conclusion, Mr. Voith stated "both city and suburban residents alike have a stake in the economy of the city".

Though many things have changed in how people use their downtown centers in the twenty years since those words were written, their conclusion is even more valid today. Whether one follows the philosophies of Smart Growth, Town Centers, or the Creative Class, an active and distinctive central place is at their core. Activity is concentrated and diverse; living spaces, work spaces, and entertainment spaces are interspersed in walkable nodes; and attractive



community gathering places, formal and informal, large and small are throughout. These are the attributes of good design and can be easily replicated, albeit with some significant investment.

What can't be easily replicated is the feeling of a place where one wants to be. This is the unique mix of people and place, history and culture, the heart of one's home, and the spirit everyone brings to it. It is our sense that some of this has been lost. When jobs are lost, families uprooted, hopes dashed, and the promise of the future seems in question, that intangible sense of community once so present dims. Loss of economic confidence shakes the foundations of community.

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In discussion after discussion throughout this process, it was obvious that people want to be here. Residents want to stay and those who took jobs elsewhere wish to return. Nearly everyone mentioned quality of life as the main reason they lived in southern Wood and northern Adams counties. These sentiments are the source of resiliency. Loss of economic confidence need not be permanent. But, it does need investment to restore. We believe economic confidence and the sense of community that many still feel can be reinforced with better design choices, investments in basic infrastructure, a community "face-lift", and clear evidence that a plan is in place and underway to restore essential jobs and tax base.

The following five recommendations will help to support the restoration of Wisconsin Rapids downtown as the distinctive central place it once was with the economic power to drive investments to the region as a whole.

4.1 – Regional Retail and Restaurants Market Analysis: To identify retail and restaurant opportunities, in the short term the consultants recommend a detailed retail and restaurant markets analysis inclusive of both resident and visitor expenditures, customer intercept survey, community survey, and preferences analysis. The purpose of the study is to measure current voids in the marketplace to assist entrepreneurs and investors in identifying business opportunities.

4.2 – Façade Improvement Program: The consultants recommend development of a façade improvement program to spur investment in the appearance of downtown buildings. To support good design choices, the consultants recommend that free and low cost architectural services be made available through the program. The consultants suggest a façade grant for exterior improvements to downtown buildings with a required match.

4.3 – Downtown Living: The consultants recommend encouraging the development of downtown and waterfront housing as a means to support a diverse work force, attraction and retention of young professionals, and retirees.

4.4 – Tribune Building: The consultants recommend supporting the development of the Tribune Building as a unique space of creativity, entrepreneurship, and community interaction. This



investment embraces and realizes, in part, the recommendation for a “Market Square” in the most recent Downtown Plan.

4.5 – Downtown Plan: The consultants recommend moving forward to implement the downtown design plan completed earlier this year, such as, the development of the Tribune Building as noted above.

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Issue #5: Infrastructure and Related Issues

Southern Wood and northern Adams counties sit atop the largest fresh water aquifer in Wisconsin. Clean, fresh water is abundant. Yet, multiple jurisdictions and an inability to reach agreement on shared investments in water and water treatment systems threaten individual businesses and the finances of individual communities.

There are many places in the United States today where the lack of water is an inherent weakness. In the southern Wood and northern Adams counties area limited water and water treatment capacities are a threat because unnecessary spats over water undermine the fact of the abundance of clean fresh water in Wisconsin.

The consultants are sympathetic to the desire of many Americans to maintain local control and decision making. Such local governance does not preclude strategic alliances and intergovernmental agreements that further the aims of each governmental unit. The sixteen communities now represented by REGI, when working together, can accomplish much more than they realize. With proactive intergovernmental agreements, determining how to share resources and calculate fair returns on investment need not delay the rapid decision making required in economic development projects.

5 – The consultants recommend exploring inter-governmental agreements to fairly and quickly resolve issues related to water, waste-water treatment, and other development challenges.

In evaluating the infrastructure assets of southern Wood and northern Adams counties, the consultants found issues of water and waste-water treatment mentioned more than any other problem. Several were discussed in the Asset Inventory.

- In Vesper, enforcement of the Clean Water Act would cripple the community as it attempts to meet discharge requirements that are outside of any budget they could create. In the process, it threatens the continued operation of the Kerry Gold Cheese factory, their only employer of size.
- In a number of meetings, the issues of pre-treatment requirements on cranberry processing led to discussions of whether Mariani was going to expand or relocate. Similar issues seemed to be on the table for Ocean Spray and the cheese factory in Nekoosa.



- Rome has no waste-water treatment capacity at the present time. This is a major disadvantage for its business park.
- Biron and Rudolph have contracted with Wisconsin Rapids to process their waste-water. Nekoosa and Port Edwards both have treatment plants, though new development on the DMI site might test Port Edwards capacity.

In short, if the region is going to grow, such as, through the location of additional food processing plants, that growth may cause ripple effects for communities throughout the region.

The regional waste-water situation needs to be fixed, preferably on a regional basis. Many areas throughout the country have entered into inter-governmental cooperative agreements with larger existing waste-treatment facilities to treat their effluent. Larger water treatment plants can operate more efficiently per person than small ones. They pay less for chemicals and supplies and are more productive because of their use of technology.

There are many such agreements around the country, some simple, some very complex. But this is probably one of the easier areas of cooperative arrangements to implement. The consultants strongly recommend that an evaluation be made within the current REGI investor communities as to how much it would cost to connect every town and village into larger facilities, such as those operating in Wisconsin Rapids. We would recommend that this effort begin with Vesper as an initial trial. Examples of various types and styles of agreement have been provided separately.

5.1 – Inter-governmental Agreements for Water and Waste-Water Treatment: The consultants recommend, in the short-term, exploring an inter-governmental agreement to provide Vesper with waste-water treatment to meet Clean Water Act requirements and service Kerrygold Cheese at a cost affordable to the community and the company. Additional agreements should also be pursued in the short-term as needed to address the issues of individual companies.

Related Issues

Speculative Industrial Building

The consultants identified a lack of available industrial buildings as a weakness. In their recommendations regarding targeted business attraction, the consultants suggested a multi-government effort be made to build a “spec” building of some size so that the region would not be passed by in any site selection situation because it did not have a building “ready to go.” Developers of industrial parks in many areas put up such a building – one that could work for manufacturing, office or even warehousing if needed. Such a building would require a significant investment, but a shared investment may be more manageable. As a result, a building that could be put into service quickly, would give the region something solid to sell.



Nekoosa Business Park

The consultants noted that the Nekoosa Business Park has remained empty since its creation. This fully serviced park has three issues that it should address:

- The 38 acre park is shown looking for warehousing or manufacturing companies to locate on 12 separate parcels between 1 – 4 acres. One site is 8 acres. The Park is unlikely to attract either use on such small parcels. Re-plat into perhaps two or three lots at most.
- The Park sits on a corner on the far west side of Nekoosa. It is hard to find and would benefit from more attractive signage and limited landscaping.
- The Park has not been marketed for some time. It needs a marketing program targeted to a small group of selected potential users.

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Broadband

Solarus provides homeowners and businesses with among the best broadband access to the Internet in the State of Wisconsin. Homeowners may purchase 1 Gigabit Internet service for a very reasonable price. Businesses may purchase 10 Gigabit service – or up to 100 Gigabits if needed. Four of Madison's suburbs have just announced the availability of 1 Gigabit service. The Solarus market advantage will not last much longer, as other providers establish fiber networks. But, at present, it remains a market advantage in the region.

54 Bypass and New Bridge

The plan to re-route ST Hwy 54 around Wisconsin Rapids by an alternate route south to Griffith and then west across the river on a new bridge has been in the planning for some time. However, its costs go up every day and are now about \$45M, including \$35M for the bridge. No doubt the bypass would speed up traffic both ways for trucks moving through the area, but funding is unlikely to move forward in the short-term. However, the consultants support what traffic planners are trying to do and encourage its continued pursuit.

Infrastructure to Support Tourism in Rome

The plans for a major world class grouping of golf courses by the famed golf course developer, Mike Keiser has rightly created a great deal of excitement in Rome. At present, thousands of trail walkers, ATV and moto-cross racers, hikers, campers, trap shooters and other lovers of nature and the outdoors flock to Rome throughout the year. The Keiser development will only increase the traffic flow. Rome has no waste-water treatment facility. This fact is limiting the development of individual venues, and in consequence, limiting the capture of tourism spending throughout the region. The Business Park remains under-developed and plans for hotels are greatly disadvantaged by that lack. The Keiser development plan includes residences, retail, restaurants, and hotel facilities. A waste-water treatment facility is on his development map. Rome and the surrounding area would greatly benefit from an agreement with the developer for a larger waste-water facility that would serve the resort and other facilities.



5.2 – Tourism Market Study: The consultants recommend a detailed tourism market study identifying visitor demographics, activities, expenditures, and likely spending potential by individual and venue. The purpose of the study would be to measure the current tourism market, market potential, and specific market opportunities. Such a study would raise awareness of the current and potential impact of tourism on the regional economy, and by doing so; support the development of a waste-water treatment facility.

