

CHAPTER 5
Economic Development

Introduction

This element examines demographic data, existing business and industry, and the tools and programs the Village has at its disposal to encourage economic development. Economic growth in the Village of Clear Lake can determine land use and future development patterns. The economies of neighboring communities and counties influence commuting patterns, job opportunities, and personal incomes of Village residents. Business and industry help diversify the Village of Clear Lake tax base and allows the tax burden to be spread more evenly among property owners. A strong local economic base provides an opportunity for residents to work and live in their community.

Survey Results

Below are the results from the Community Survey:

Are the following shopping facilities adequate?			
		Count	Percent
<u>Food/Groceries</u>	Yes	95	81.9%
	No	21	18.1%
<u>Medicine</u>	Yes	15	13.2%
	No	99	86.8%
<u>Banks</u>	Yes	87	74.4%
	No	30	25.6%
<u>Auto Service/Dealer</u>	Yes	83	79.0%
	No	22	21.0%
<u>Clothing</u>	Yes	8	6.9%
	No	108	93.1%
<u>Restaurants</u>	Yes	72	62.6%
	No	43	37.4%
<u>Medical Facilities</u>	Yes	87	75.0%
	No	29	25.0%
<u>Pharmacies</u>	Yes	5	4.3%
	No	110	95.7%
<u>Hardware Store</u>	Yes	109	94.8%
	No	6	5.2%
<u>Downtown Shops</u>	Yes	30	26.8%
	No	82	73.2%

The majority of the respondents feel the following shopping facilities are adequate:

- Food/Groceries
- Banks
- Auto Service/Dealers
- Restaurants
- Medical Facilities
- Hardware Stores

DRAFT

The following shopping facilities were felt inadequate by the majority of respondents:

- Medicine
- Clothing
- Pharmacies
- Downtown Shops

Is there adequate parking downtown?		
	Count	Percent
I strongly agree	7	6.1%
I agree	77	67.5%
Not sure	11	9.6%
I disagree	18	15.8%
I strongly disagree	1	0.9%
	114	100.0%

Most of the respondents (74%) felt that parking is not a concern downtown.

Is there a need to improve downtown?		
	Count	Percent
Streets	17	14.3%
Store fronts	27	22.7%
Sidewalks	30	25.2%
Lighting	9	7.6%
Benches	31	26.1%
Other (NARRATIVE)	5	4.2%
	119	100.0%

There does not seem to be a consensus of what should be improved in the downtown, but the highest response was benches, closely followed by sidewalks.

What is the importance of more work opportunities?		
	Count	Percent
Very important	72	62.1%
Somewhat important	35	30.2%
Not important	6	5.2%
No opinion	3	2.6%
	116	100.0%

Over 90% of the responses indicated work opportunities are important in the Village.

Does the Village need more industry?		
	Count	Percent
Yes	81	69.8%
No	3	2.6%
Maybe	32	27.6%
	116	100.0%

Nearly 70% of the people responding to the survey feel the Village needs more industry.

DRAFT

Economic activity in the Village of Clear Lake is influenced by many factors. Two significant factors are the Village's proximity and road access to the Twin Cities Metropolitan Area and the ability to attract viable industries to the Village. The Economic Development element will evaluate labor and economic characteristics and determine what opportunities for economic growth exist.

Local Labor Characteristics

An analysis of the labor characteristics of the Village of Clear Lake workforce can help illustrate the relationship between education, income, population, and employment opportunities. The labor characteristics can be used to help assess and plan future economic activities within the Village.

A number of labor characteristics were addressed in Issues and Opportunities Chapter. A summary of the 1990 and 2000 Census findings is listed below:

- Educational attainment of residents 25 and older has risen
- Over 35% of the population 25 and older has completed Some College, Associate, Bachelor's, Graduate, or Professional Degree
- The median household income for Village residents was \$32,269 in 1999. This was a 40.8% increase over the 1989 figure
- Approximately 38% of the population 25 and older is employed in Production, Transportation, and Material Moving occupations
- Approximately 19% of the population 25 and older is employed in sales and office related occupations
- Approximately 18% of the population 25 and older is employed in the Management, Professional, and Related occupations
- Unemployment rates in 2000 was 3.9%; Polk County 2007 unemployment was 5.9%

Place of Employment Characteristics

There are a number of employment opportunities in the Village of Clear Lake. This is due to some of the larger industries in the Village. Employers in Clear Lake are some of the largest employers in Polk County. Table 5-1 shows 2/3 of the workers in the Village live outside the Village.

Table 5-1 - Place of Work 16 Years and Over - State and County Level

	2000	Percent
Living in a place:	458	100.0%
Worked in place of residence	152	33.2%
Worked outside place of residence	306	66.8%

Source: 2000 U.S. Census

DRAFT

Table 5-2 shows 76% of working residents, 16 years of age and older, work in Polk County.

Table 5-2 - Place of Work 16 Years and Over - State and County Level

	2000	Percent
Worked in state of residence:	404	100.0%
Worked in county of residence	306	75.7%
Worked outside county of residence	98	24.3%
Worked outside state of residence	54	13.4%

Source: 2000 U.S. Census

Commuter Characteristics

Over 89% of workers, 16 years of age and older, in the Village of Clear Lake commute to work by car, truck or van (*see Table 5-3*). Of those workers, 80% drove alone while 10% carpooled. Approximately 10% of residents walked to work or worked at home.

These percentages are likely to change as more people are able to connect to their workplace from home through the internet (telecommute), gas prices continue to climb, and a new commuter bus service, based out of River Falls, gets established. The Wisconsin Department of Transportation is in the early planning stages of assessing the possibility of passenger rail service to the Twin Cities. This could provide area residents with the ability to partially commute to Minneapolis and St. Paul by rail in the future.

Table 5-3 - Commuting to Work 16 Years and Older		
	2000	Percent
Total	458	100.0%
Car, truck, or van - drove alone	364	79.5%
Car, truck, or van - carpooled	45	9.8%
Walked	30	6.6%
Public Transportation	3	0.7%
Worked at home	16	3.5%

Source: 2000 U.S. Census

Travel time to work can indicate how far away from the Village employment opportunities are. Table 5-4 reveals more than 30% of workers, 16 years of age and older, commuted less than ten minutes. Over 63% of all commuters traveled less than 30 minutes. More than 36% of workers commuted over 30 minutes while over 10% traveled an hour or more. Commuting time does not indicate how much of that time was spent in traffic delays.

DRAFT

Travel Time	2000	Percent
Total	442	100.0%
Less than 10 minutes	134	30.3%
10 to 19 minutes	112	25.3%
20 to 29 minutes	36	8.1%
30 to 44 minutes	70	15.8%
45 to 59 minutes	45	10.2%
60 minutes or more	45	10.2%

Source: 2000 U.S. Census

Inventory of Local Businesses and Employers

There are over sixty Village of Clear Lake businesses listed on the Village's website, though other businesses also exist in the Village. Many of these businesses are typically smaller in size and meet the basic needs of Village residents. The larger, manufacturing businesses employ a significant number of area residents and provide products and services to countries all over the world. Some of the businesses include:

- Bars and eating establishments
- Convenience store
- Auto repair services
- Construction
- Pet hospital
- Grocery Store
- Accounting
- Bank
- Museum

Larger businesses, such as retail chain stores and hotels are found in the City of Amery, New Richmond, or the Twin Cities Metropolitan area.

Possible Business Growth Scenarios

Before we can create a vision for economic growth, the Village of Clear Lake must determine if growth is desirable. Below are three scenarios to consider:

1. The Village will not actively promote commercial and economic growth. Residents will continue to shop outside the Village.
2. The Village will encourage more commercial development along U.S. Highway 63. This development would continue southward if annexation would occur and the highway becomes four lanes.
3. The Village will identify and protect areas for possible commercial or industrial growth. These areas could include any identified contaminated or remediated lands, or look to expand the existing industrial park.

DRAFT

Strengths and Weaknesses for the Retention and Attraction of Businesses

To determine, to what extent, the Village of Clear Lake might grow economically, its strengths and weaknesses for retaining and attracting businesses must be evaluated.

Strengths

- Excellent area schools
- Strong community
- Educated workforce
- Community loyalty
- Future transportation upgrades such as the Stillwater Bridge and the expansion of U.S. Highway 63
- Full downtown shops
- Available undeveloped land within the Village Limits
- A proud heritage
- Parks system
- Recreational opportunities – ATV and snowmobile trails

Weaknesses

- Distance from Interstate 94
- Lack of available space in the industrial park
- Lack of space for more downtown shops
- Southern expansion of industrial park would require lift station and possibly greater well capacity

Location is a major factor when businesses consider where to become established. Locations near major transportation infrastructure are more attractive to businesses because of the proximity to high traffic areas. Although the Village is some distance from the Interstate, U.S. 63 and State Highway 64 is a pretty direct route to the Twin Cities area that expands to four lanes as it gets closer to the Wisconsin/Minnesota border.

Desired Businesses

The results from the community wide survey indicated that some types of businesses would be desired including pharmacies, clothing stores, and fast food restaurants. While other residents feel the Village needs more industry.

DRAFT

Tourism and Recreational Opportunities

The Village of Clear Lake has ample tourism and recreational opportunities. The Village is fortunate to have a local museum and plenty of park space.

The "Clear Lake Area Historical Museum" is hailed as one of the finest in Wisconsin. It features priceless memorabilia from the careers of its two favorite sons: Former U.S. Senator - and Founder of "Earth Day" - Gaylord Nelson and Burleigh Grimes - member of the Baseball Hall of Fame.

Clear Lake can provide numerous recreational opportunities. The centerpiece of these opportunities is the 260 acre Village Park. The park includes two small lakes with an abundant supply of small pan fish and larger big game fish. The larger lake also has a boat launch. Park amenities include picnicking, camping, hiking and a swimming beach. Other amenities include three shelters for large gatherings, archery course, horseshoe course, playground and a lighted softball field. Clear Lake is also home to a challenging nine-hole golf course with dining facilities.

Clear Lake is the trail head for a multi-use trail for ATV/snowmobile riders. This trail can also be used by mountain bikes and motorcycles.

Redevelopment Opportunities

There are opportunities for redevelopment within the Village. The two locations identified by the Plan Commission are U.S. Highway 63 and C.T.H. JJ (Circle C gas station) and the old track and football field on the northwest side of Grimes Road. The Circle C site may have some contamination concerns. The old track and football field site could be an ideal site for a equipment shed for the Village and/or a new fire hall.

Village Tax Incremental Finance Districts

The Village has two active Tax Incremental Finance Districts (TID), TID #2 and #3. TID #2 is an industrial District on the west side of the Village that was created in 1999 and has a 23 year life so it can exist until 2022. The primary purpose of this District was to improve Deposition Drive and extend water and sewer making it available to existing future businesses in the industrial park and along U.S. Highway 63. So far the major improvement that has taken place in the TID is the convenience store.

TID #3 is a blighted District that covers most of the downtown and along 5th Street. This district was created in 2003 and has a 27 year life, so it can be active until 2030. The primary purpose of this TID was to provide façade improvements to downtown businesses. The District was amended in 2004 to include parcels adjacent to the old track along 5th Street. This amendment

DRAFT

allowed the Village to extend water and sewer utilities as well as provide assistance for site improvements. This area has since been developed as housing that provided an increment to the Village's TID.

The Village is allowed to put up to 12% of the Village's equalized value in the creation of new TIDs plus the increment of all their active TIDs. As of 2007, the Village has 6.38% of their equalized value in their active TIDs. Therefore, the Village would have room to create more Districts if they needed without dissolving any of the existing TIDs.

Economic Development Programs

Business owners and prospective business owners have a wealth of programs and assistance available to them to help develop their ideas and visions. Below is a comprehensive list of local, county, state, and federal agencies and incentives for economic development.

Industrial Revenue Bond

All Wisconsin municipalities—cities, villages, and towns—are authorized to issue Industrial Revenue Bonds (IRBs). IRBs are municipal bonds whose proceeds are loaned to private persons or to businesses to finance capital investment projects. The Industrial Revenue Bonds are exempt from federal tax and therefore, are at a low interest rate. The entire project including land, buildings and equipment can all be paid for via IRBs. Communities that issue these bonds, either to retain businesses or to encourage the expansion of new businesses, generally do so to build their economic base and add jobs.

Regional Loan Fund Programs

A seven county region (Barron, Chippewa, Clark, Dunn, Eau Claire, Polk, and St. Croix) have a number of loan programs available to local businesses. Many of the loans are low or no interest. Below is a brief description of those programs:

- Downtown Façade Loan Program – provides financial assistance to encourage property and business owners in core downtowns to revitalize downtown commercial buildings.
- MicroLoan Fund Program – provides small loans to start-up, newly established, or growing small businesses. The key objective is to assist business owners, who have traditionally had difficulty accessing debt financing, by affording them another alternative for obtaining credit.
- Revolving Loan Fund – is a flexible source of loan funds for commercial and industrial projects that create quality jobs and increase tax base.

DRAFT

Community Development Block Grant-for Economic Development (CDBG-ED) – Department of Commerce

Any city, village or town with a population of less than 50,000 and is located outside Milwaukee or Waukesha Counties, is eligible for this program. These grants are to be used to assist businesses that will invest private funds and create jobs as they expand or relocate into the state.

Revolving Loan Fund (RLF)

Polk County has a revolving loan fund where monies are obtained by a CDBG program and borrowed by local businesses at a low interest rate. As the loan is being paid back, the fund is built up again and other new or expanding businesses will be able to borrow from the fund.

Tax Incremental Financing (TIF)

Tax Increment Financing (TIF) districts are established to improve and revitalize blighted areas or extend new development for industrial purposes. Taxes on the improved value of the land because of redevelopment pay for the extension of the infrastructure and raise the Village's tax base on an area that would otherwise stay undeveloped.

Business Improvement District (BID)

A Business Improvement District (BID) allows business owners to create a BID, develop an operating plan, and assess fees to businesses within the district to implement this plan. At least 61% of the assessed businesses within the district must agree to be part of the BID. Operating plans can be the creation of promotional materials or making aesthetic improvements. The fees that are collected to implement the operating plan can be assessed per business or as a percentage of assessed value.

Economic Development Group

An Economic Development Group (EDG) assists new and existing businesses. It can be comprised of local business owners, bankers, and citizens that have expertise in an area valuable to the economic development of the community. An EDG is often the first point of contact within a community for a prospective business.

UW-Extension Office

UW-Extension Offices provide educational tools in land use and economic matters for residents and businesses. They custom fit their knowledge and provide research to communities with whom they are assisting.

<http://www.uwex.edu/ces/cty/stcroix/>

West Central Wisconsin Regional Planning Commission

The Planning Commission is responsible for planning for the physical, social, and economic development of the region.

<http://www.wwrpc.org>

DRAFT

Wisconsin Small Business Centers

An organization dedicated to assisting businesses in education, training and other initiatives. <http://www.uwex.edu/sbdc>

Forward Wisconsin

The State of Wisconsin offers a wide array of financial resources available to businesses. <http://www.forwardwi.com/assist/>

Department of Workforce Development

The Wisconsin Department of Workforce Development (DWD) is the state agency responsible for building and strengthening Wisconsin's workforce. <http://www.dwd.state.wi.us>

Wisconsin Department of Commerce

A number of grants and assistance are available through this state agency. <http://www.commerce.state.wi.us/MT/MT-COM-2000.html>

Wisconsin Department of Transportation

The Disadvantaged Business Enterprise (DBE) Program's goal is to increase participation of firms owned by disadvantaged individuals in all federal aid and state transportation facility contracts. <http://www.dot.wisconsin.gov/business/engrserv/dbe-main.htm>

Interstate 94 Corridor Technology Zone Program

The State of Wisconsin has designated a tax credit zone along Interstate 94. The counties included in this zone are: Chippewa, Dunn, Eau Claire, Pierce, Polk, and St. Croix. Eligible businesses within the zone must have the ability to create new jobs and be a new or expanding technology firm. The State has allowed \$5 million in tax cuts for these businesses.

Economic Development Goals, Objectives, and Policies

Goal 1: Support and guide future economic growth in the Village of Clear Lake.

Objectives

1. Ensure economic growth and development is compatible with the Village's desire to retain its small town atmosphere.
2. Increase the Village's tax base.

Policies

1. Support small, locally owned businesses.
2. Encourage potential business owners to research available resources for financial and professional advice for creating new businesses.
3. Require new commercial and retail construction to fit into neighboring residential areas.

DRAFT

4. Continue to support the local history museum.
5. Establish a committee to investigate the need to expand the industrial park for future development.
6. Work with the Polk County Information Center on promotion of the recreational opportunities in the Village.
7. Encourage covenants for the industrial park.
8. Require design standards for downtown businesses.
9. Create recommendations/guidelines for landscaping, parking, and architecture that would apply to the industrial park.
10. Establish an historic district in the Village.
11. Create a committee to review Downtown Façade Loan Program, MicroLoan Fund Program, and Regional Loan Fund requests.

Goal 2: Develop aesthetic guidelines for new commercial/retail development that support the small town feel of the Village.

Objectives

1. Create and maintain a unique identity for the Village of Clear Lake.
2. Preserve the aesthetic qualities of the Village and ensure they are applied to new development in the community.

Policies

1. Create recommendations/guidelines for landscaping, parking, and architecture that would apply to downtown of the Village.