

CHAPTER 5

Economic Development

Introduction

This element examines demographic data, existing business and industry, and the tools and programs the City has at its disposal to encourage economic development. Economic growth in the City of Cornell can determine land use and future development patterns. The economies of neighboring communities and counties influence commuting patterns, job opportunities, and personal incomes of City residents. Business and industry help diversify the City's 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:

The City should provide limited term parking downtown.		
	Count	Percent
I strongly agree	9	6.3%
I agree	21	14.8%
Not sure	39	27.5%
I disagree	44	31.0%
I strongly disagree	29	20.4%
Total	142	100.0%

The majority of the responses (79%) were not in favor of limited term parking for the downtown.

There is a need to improve the _____ in Cornell's downtown.	
	Count
Streets	60
Store fronts	55
Sidewalks	46
Lighting	15
Seating (benches)	52
Bicycle Racks	19
Signage	28
Nothing	5
Other: (list and tally)	6

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When asked what needs to be improved in Cornell’s downtown, the top three responses were Streets, Storefronts, and Seating. Lighting and bicycle racks had the fewest number of responses.

How important is it to you to see more work opportunities provided in the Cornell area?		
	Count	Percent
Very important	110	80.3%
Somewhat important	16	11.7%
Not important	6	4.4%
No opinion	5	3.6%
Not sure	0	0.0%
Total	137	100.0%

Overall, more work opportunities are very important (80%) to the residents of Cornell.

Do you think there is a need for more industry in the City of Cornell?		
	Count	Percent
Yes	121	90.3%
No	4	3.0%
Maybe	8	6.0%
Not sure	1	0.7%
Total	134	100.0%

According to the survey responses, the City needs more industry (90%).

Economic activity in the City of Cornell is influenced by many factors. Two significant factors are the City’s distance and access to State Highway 29, a four-lane freeway with limited access, and the communities desire to attract viable new industries to the area. The Economic Development element will evaluate labor and economic characteristics and explore the current and future opportunities for economic growth.

Business Survey Results

In 2007, the Industrial Committee went to all the businesses with a 25 question business survey asking them questions related to the following categories:

- Business Profile
- Employees
- External Factors
- International Trade
- Local Environment
- Business Plans and Decisions
- You & Business Support Services
- Comments

They separated the results based on whether or not the business was located on Main Street. The information below provides some of the highlights of some of the responses.

Main Street Businesses

Products and services provided by Main Street Businesses include:

- Insurance
- Taverns
- Ice Cream
- Legal and Financial Services
- Newspaper
- Dental
- Bowling
- Car/Tire Repair
- Country Coop
- Screen Printing/Embroidery
- Antiques
- Beautician
- Floral and Gifts
- Hardware Store
- Drug Store/Pharmacy
- Theater
- Teen Activity Center

The overall responses from the businesses are positive and many have experienced growth. Some of have remained stable and others commented that the City needs to grow for their business to grow. Currently, Main Street businesses employ approximately 100 people. Two years ago there were approximately 85 employees, and two years from now, businesses project to have 110 employees. An increase in Main Street employees is a good sign for the community. Most of the products are sold locally.

The primary external factors listed by the businesses that are likely to impact their business in the next two years are: population changes, local competition, and energy costs. Some of the government policies listed as having a potential impact to Main Street businesses are: smoking ban, drinking/driving enforcement, universal health care, purchase of new technology, new housing, and funding.

Two of the primary needs listed on the survey were an improvement of telecommunications services and a sign on State Highway 64 and 27 directing people to Main Street.

Non-Main Street Businesses

Products and services provided by Non Main Street Businesses include:

- Insurance
- Restaurants
- Auto Dealers/Repair
- Grocery Store
- Truss Manufacturing
- Funeral Home
- Chiropractor
- Furniture Store
- Satellite TV
- Custom Machine Work

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- Custom Cabinets
- Custom Performance Parts
- Roofing
- Auto Parts Store
- Gas Station
- Nursing
- Dollar Store

The overall responses from the businesses are positive and some businesses have experienced growth. One of the major concerns that may have an impact on local businesses is rising fuel costs. Currently, Non Main Street businesses employ approximately 325 people. Two years ago there were approximately 346 employees, and two years from now, businesses project to have 280 employees. The trend for employment opportunities away from Main Street seems to be decreasing. The City is looking to address ways of attracting more jobs throughout the City.

The primary external factors listed by the businesses that are likely to impact their business in the next two years are: new products, economic climate, and transportation/energy costs.

The primary need listed on the survey is a need for local competition of telecommunications services.

Both groups surveyed (Main Street and Non Main Street) were also asked how they rank Cornell as a place to live and own a business. Some of the factors that were given a low ranking were: Cultural Facilities, Other Education and Training Providers, and Housing. Factors that were considered overall good or excellent include: Schools, Freedom from Crime, Drugs, Etc, and Sporting and Recreational Facilities.

All businesses were also asked to list ideas to help make the local economy stronger and create more jobs. Below are some of the highlights from the surveys:

- Promote Tourism and Recreation
- Fast Food Restaurants
- Actively Recruit new Industry
- Provide Incentives for Starting or Expanding Businesses in Cornell
- Encourage Technology Based Businesses by Improving Existing Infrastructure
- Consolidate Schools
- Relocate City Shop
- Develop Waterfront
- Farmers Market

Inventory of Local Businesses and Employers

There are over eighty City of Cornell businesses listed on the City's website, though other businesses also exist in the City. Many of these businesses are typically smaller in size and meet the basic needs of City residents. The larger, manufacturing businesses employ a significant number of area residents and provide products and services to locations all over the Country. Many of the types of businesses and services are listed above.

Larger businesses, such as retail chain stores and hotels are found in nearby Cities of Chippewa Falls and Eau Claire.

Local Labor Characteristics

An analysis of the labor characteristics of the City of Cornell 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 City.

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
- Nearly 36% of the population 25 and older has completed Some College, Associate, Bachelor's, Graduate, or Professional Degree
- The median household income for City residents was \$30,690 in 1999. This was a 50% increase over the 1989 figure
- Approximately 25% of the population 25 and older is employed in Production, Transportation, and Material Moving occupations
- Approximately 22% of the population 25 and older is employed in Management, Professional, and Related occupations
- Approximately 22% of the population 25 and older is employed in the Sales and Office Related occupations
- Unemployment rates in Chippewa County 2000 was 4.2%; Chippewa County 2007 unemployment was 5.4%; Cornell's 2000 unemployment rate in 2000 was 2.2%

Place of Employment Characteristics

The labor characteristics above does not indicate where the jobs are, just that residents work in those occupations. Table 5-1 and 5-2 shows the general location of where local residents work. Table 5-1 shows that 77% of the working residents, 16 years of age and older, work in Chippewa County.

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

Place	1990	Percent	2000	Percent	Num. Change	% Change
Worked in state of residence:	585	99.0%	636	99.8%	51	8.7%
Worked in county of residence	501	84.8%	488	76.6%	-13	-2.6%
Worked outside county of residence	84	14.2%	148	23.2%	64	76.2%
Worked outside state of residence	6	1.0%	1	0.2%	-5	-83.3%

Source: 2000 U.S. Census

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

Place	1990	Percent	2000	Percent	Num. Change	% Change
Total	591	100.0%	637	100.0%	46	7.8%
Living in Place	591	100.0%	637	100.0%	46	7.8%
Worked in Place of Residence	340	57.5%	301	47.3%	-39	-11.5%
Worked Outside Place of Residence	251	42.5%	336	52.7%	85	33.9%

Source: 1990, 2000 U.S. Census

Table 5-2 shows over 42% of the workforce in Cornell works outside the City.

Commuter Characteristics

In 2000, nearly 86% of workers, 16 years of age and older, in the City of Cornell commute to work by car, truck or van (*see Table 5-3*). Of those workers, over 75% drove alone while 10% carpooled. Approximately 14% of residents walked to work or worked at home, down from 20% in 1980. These percentages are likely to change as more people are able to connect to their workplace from home through the internet (telecommute) and gas prices continue to climb.

Table 5-3 - Commuting to Work 16 Years and Older

Mode of Transportation	1990	Percent	2000	Percent	Num. Change	% Change
Total	591	100.0%	637	100.0%	46	7.8%
Car, truck, or van - drove alone	400	67.7%	481	75.5%	81	20.3%
Car, truck, or van - carpooled	70	11.8%	65	10.2%	-5	-7.1%
Walked/Worked at Home/Other Means	117	19.8%	88	13.8%	-29	-24.8%
Public Transportation	4	0.7%	3	0.5%	-1	-25.0%

Source: 2000 U.S. Census

Travel time to work can indicate how far away from the City employment opportunities are. Table 5-4 reveals that 52% of workers, 16 years of age and older, commute less than ten minutes. Nearly 39% of all commuters traveled more than 30 minutes. These commuters are likely working in the Chippewa Falls/Eau Claire Area. Commuting time does not indicate how much of that time was spent in traffic delays.

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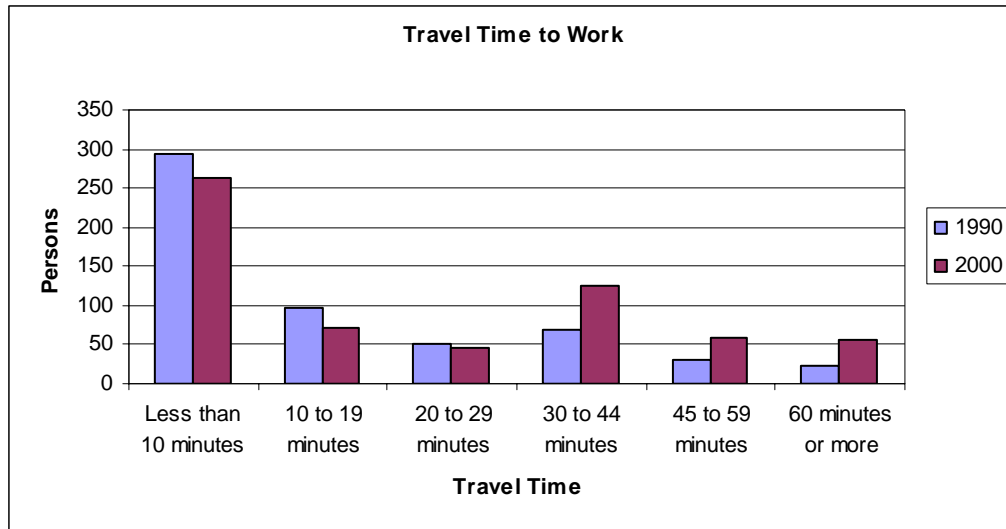
Table 5-4 - Travel Time to Work Workers Who did not Work at Home

Travel Time	1990	Percent	2000	Percent	Num. Change	% Change
Total	564	100.0%	619	100.0%	55	9.8%
Less than 10 minutes	293	52.0%	263	42.5%	-30	-10.2%
10 to 19 minutes	98	17.4%	72	11.6%	-26	-26.5%
20 to 29 minutes	52	9.2%	46	7.4%	-6	-11.5%
30 to 44 minutes	68	12.1%	125	20.2%	57	83.8%
45 to 59 minutes	31	5.5%	58	9.4%	27	87.1%
60 minutes or more	22	3.9%	55	8.9%	33	150.0%

Source: 2000 U.S. Census

Commuting time has seen an increase from 1990 to 2000 likely due to more high paying jobs in that area.

Figure 5-1 – Travel Time to Work



Possible Business Growth Scenarios

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

1. The City will not actively promote commercial and economic growth. Residents will continue to shop and work outside the City.
2. The City will encourage more commercial/industrial development along State Highway 64. This development would continue eastward if annexation would occur towards the airport.
3. The City 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.

Strengths and Weaknesses for the Retention and Attraction of Businesses

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

Strengths

- Strong community
- Beautiful location
- Educated workforce
- Community loyalty
- Available undeveloped land within the City Limits
- A proud heritage
- Parks system
- Recreational opportunities – Brunet Island, Old Abe Trail, and Ice Age Trail
- Available land within the City
- Recent improvements to Main Street
- Lowest utility rates in the area
- Available significant capacity of well, water supply, and wastewater treatment facility

Weaknesses

- Distance from State Highway 29
- Lack of available space in the industrial park
- Vacant downtown storefronts
- Declining population
- Lack of rail infrastructure

Opportunities

- Motels/condos on the riverfront
- New industries
- Future low cost utilities
- Available space for industry
- Available space for downtown businesses
- ATV routes
- Old Abe Trail/Ice Age Trail
- Tours at the mill – Paper (Cornell), Cheese (Jim Falls), and Beer (Chippewa Falls) Coop Tours
- Arts/theater community
- Paper museum
- Further development of airport industrial park
- Chippewa County loan programs for businesses

- Tax Incremental Finance Districts

Threats

- Fuel costs
- Natural disasters
- Loss of funding for grant and loan programs
- Interest rate increases – addition bank failures
- Apathy

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 City is some distance from the State Highway 29, it is only 15 miles away and State Highway 27 provides a direct route to it. State Highway 64 provides an opportunity for commercial/industrial growth considering the volume of traffic and that it is a primary east-west corridor for North Central Wisconsin.

Desired Businesses

The results from the community wide survey indicated that some types of businesses would be desired including fast food and family restaurants, hotels and tourism shops, and big box stores. Most residents feel the City needs more industry.

Tourism and Recreational Opportunities

The City of Cornell has ample tourism and recreational opportunities (Map 5-1). The City is fortunate to be located on an amenity such as the Chippewa River and have the Old Abe Trail and Brunet Island State Park right in the immediate vicinity of the City.

The Chippewa River provides a number of recreational opportunities such as swimming, boating, and fishing. Much of the land on both sides of the River is government owned and allows this pristine area to remain undeveloped. There is a public boat ramp and beach just east of downtown.

The Old Abe State Trail is a paved 19.5 mile trail that connects Lake Wissota State Park in Chippewa Falls and Brunet Island State Park in Cornell. The trail uses an abandoned railroad that has been developed into a trail for bicyclists, snowmobiles, hikers, horse back riders and in-line skaters. In addition the trail meets all accessibility standards.

The Ice Age National Scenic Trail is a thousand-mile footpath throughout Wisconsin that celebrates the legacy of the Ice Age and goes through the western part of the City of Cornell. Currently, 600 miles have been completed.

Wisconsin's Department of Tourism has recognized the Ice Age Trail as Wisconsin's number one outdoor recreational resource

Brunet Island State Park contains more than 1,200 acres of scenic beauty, wildlife, and recreational opportunities. Each summer, thousands of visitors come to camp, fish, boat, canoe, hike, swim, and picnic. The park is near the confluence of the Fisher & Chippewa Rivers. Almost 70 campsites are available to campers.

Some of the other recreational opportunities include the City parks. Mill Yard Park, located on the Chippewa River, is the site of the Visitor's Center, Native American Museum, and the only remaining pulpwood stacker; a 175 foot monument of the area's logging history. The Visitor's Center provides information, pictures, and pieces of interest that are on display for tourists and locals that are interested in the history of Cornell. There is also a City park kitty-corner from the elementary school and athletic fields across the street from the high school.

Along the banks of the Chippewa River are 1,000s of acres of forested County land that provide a picturesque setting preserving the natural state of the River. These lands provide recreational opportunities for hunters, birdwatchers, and hikers.

The City also provides marked routes for snowmobilers and trails for cross-country skiers coming from the surrounding area to go through the City. This allows residents easy access to rural trails for these popular winter activities. The City is also currently working on identifying ATV routes through the City so ATV riders from surrounding Towns can ride through the City and patronize local businesses. A major goal of designating such a route is to reach as many businesses as possible.

The City of Cornell is within a 30 minute drive of dozens of area lakes. The City's location provides residents a quick access to other lake related recreational opportunities.

Community Events

The City of Cornell has community wide events throughout the year. These area events attract people from throughout the region and provide an economic boost to area businesses. The City has a full list of events on their website.

Redevelopment Opportunities

There are opportunities for redevelopment within the City. One of the primary redevelopment possibilities include the three parcels located directly on the Chippewa River (25 acres). Presently, the City Shop and Electric Utility is located on one of the parcels, a boat landing on the second, and the City's main

park on the third. In 2008, the City put together a grant requesting funds to complete a revitalization plan for this site. The proposed plan would identify funding, potential developers, community needs, highest and best use of parcels, land use, and redevelopment needs.

The other areas in need of redevelopment include the industrial park to the north of the City and the airport industrial park to the east. Both areas could provide a setting for future businesses and desired industries.

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.

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.

The Technology Enterprise Fund (TEF)

Companies locating, or agreeing to locate, their primary operation to Barron, Chippewa, Clark, Dunn, Eau Claire, Polk, or St. Croix County, may be eligible for TEF Funds - a revolving loan fund that provides creative financing to new and emerging technology companies. The goal of the program is to leverage private investment dollars and enhance sustainable economic development opportunities within the region.

Chippewa Valley Economic Development Loan Fund

Chippewa County Economic Development Loan Fund (CCEDLF) is a flexible source of loan funds for economic development projects. The purpose is to encourage the creation of quality jobs and to increase the tax base. The County prefers participation loans with private lenders to

qualified borrowers. Direct loans may be allowed under certain circumstances.

Enterprise Development Zone Program

The Enterprise Development Zone Program provides tax incentives to new or expanding businesses whose projects will affect distressed areas. Businesses earn credits only by creating new full time jobs or by conducting environmental remediation on a "Brownfield" site.

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.

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.

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)

Chippewa 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 City'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.

There are also a number of regional groups that assist with the above programs and are resources for additional information about economic development. Below is a list of some of those available resources:

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.

Chippewa Valley Economic Development Corporation

Chippewa County offers a competitive package and a series of opportunities if you are considering relocating or moving into the area. We have a series of financing tools that can provide low-interest options and various other creative means to help ease the burden of relocating. www.chippewa-wi.com/

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. 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. www.wwrpc.org

Wisconsin Small Business Centers

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

Forward Wisconsin

The State of Wisconsin offers a wide array of financial resources available to businesses. 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.

www.dwd.state.wi.us

Wisconsin Department of Commerce

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

www.commerce.state.wi.us/BD/

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.

www.dot.wisconsin.gov/business/engrserv/dbe-main.htm

Goals, Objectives, and Policies

Goal 1: Support and guide future economic growth in the City of Cornell.

Objectives

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

Policies

1. Support 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.
4. Continue to support the local visitor center.
5. Continue to support the Industrial Committee and work with them to attract new businesses.
6. Work with the Chippewa County Tourism on promotion of the recreational opportunities in the City.
7. Maintain covenants for the industrial park.
8. Consider requiring design standards for downtown businesses.
9. Consider developing recommendations/guidelines for landscaping, parking, and architecture that would apply to the industrial park.
10. Investigate the opportunities and incentives that creating Tax Incremental Districts could provide for attracting new, expanding existing, or revitalizing blighted areas.
11. Ask a committee to put together an economic development package for new and existing businesses that provide information and resources for available assistance programs.

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

Objectives

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

Policies

1. Look into recommendations/guidelines for landscaping, parking, and architecture that would apply to downtown of the City.
2. Work on developing a “Memorial Bench Program” for residents to donate benches to the City as a memorial or benefit to the community.