

7.0 Economic Development

7.1 Chetek's Strength and Weaknesses

Typical site selection criteria are based on several factors. These include:

- Where is the business located now
- Where are the businesses' customers
- Where do the new materials come from
- Cost of doing business (labor, taxes)
- Available transportation facilities (rail, interstate)
- Available infrastructure
- Quality of employees
- Quality of life
- Financial incentives

These common standards have several impacts on what businesses see as the good and bad parts of locating in the City of Chetek. The below chart discusses these issues:

Issues	Positives	Negatives
Where is the business located now?	Chetek is within the borders of the Twin Cities metro area, as well as near by the Chippewa Valley. Many Wisconsin start-ups are either plant expansions or spin offs from Twin Cities businesses.	Chetek is on the fringe of the metro area.
Where are the customers?	As above, the Twin Cities is a large market to serve.	The Twin Cities is close; most all other major markets are far away. Local customer base is of moderate size.
Where do the raw materials come from?	Chetek is close to agricultural and forests, both of which are high growth areas.	Agriculture and Forest products yes, but not close for other materials.
Cost of doing business	Many positives. Low wage scale, low unemployment compensation rates, low land costs, property taxes for businesses lower.	Very few, if any.
Available transportation facilities	US Highway 53 is an excellent connector.	Limited rail service, access to the Cities major industrial areas is constricted by requirement that truck traffic be routed through the downtown
Available infrastructure	Generally Good	Low water pressure in the area north of the existing industrial park.
Quality of employees	Strong work ethic. Good access to training.	Tight labor market
Financial incentives	Chetek government very willing to work with business.	Limited scope of incentives especially compared to some Midwestern states.

Chetek has, and with continues to coordinate with regional, state and national actions. Barron County, in conjunction with the West Central Wisconsin Regional Plan Commission which have full time staff to assist local communities.

7.2 Education

Excellence in Education is a significant factor in rural economic development. In a recent report by the Economic Research Service (ERS), United States Department of Agriculture, the ERS made several key findings, including:

- Rural counties with high education levels saw more rapid earnings and income growth over the past two decades than counties with lower educational levels.
- There is a positive connection between better schools and positive outcomes in terms of earnings and income growth for rural workers and rural communities.
- Minimizing outmigration is a key to impacting the benefit of high education levels.
- A well educated workforce facilitates the adaption of new ways of providing goods or providing services.
- Prospective employers may view a well-educated work force as an asset when choosing among alternate locations for new establishments.
- The higher the level of educational attainment, the faster the growth rates on both per capita income and employment.

7.3 Labor Force and Labor Market

The majority of this data is on a county or regional wide basis. Information for communities the size of Chetek is gathered, but it is only released when aggregated on a larger level. According to the University of Wisconsin Extension Office, the Barron County labor market remains tight, with most employers having a difficult time attracting and retaining qualified workers. Most of the people participating in the labor force are between the ages of 25 and 54. About 15.4% of the population is 65 and older. Combining this population with those that are 24 years of age or younger, approximately one fifth of the population is likely not very interested in participating in the labor force.

Table 7-1
Labor Force - 1990 and 2000 - Barron County Municipal Units

City of Chetek	1990	2000
Persons 16 Years and Over	1,565	1,745
• In labor force	792	1,003
• Percent in labor force	50.6	57.5
• Employed	726	932
• Unemployed	66	68
• Percent unemployed	8.3	3.9
Barron County	1990	2000
Persons 16 Years and Over	30,598	35,130
• In labor force	19,772	23,720
• Percent in labor force	64.6	67.5
• Employed	18,462	22,583
• Unemployed	1,292	1,126
• Percent unemployed	6.5	3.2
Source: U.S. Census		

Roughly 31% of the wage and salary employment in the County in 2000 was in manufacturing, and nearly one-third of that was with production companies included among the 10 largest employers in the County. The manufacturing sector employment is followed by 18.0% in Educational, health and social services, 12.3% in retail trade, 8.4% in arts, entertainment, recreation, accommodation and food services, 7.5% in agriculture, forestry, fishing and hunting and mining, and 6.3% in construction.

**Table 7-2
Employment by Industry - 1990 and 2000 - City of Chetek**

	1990		2000	
	Number	Percent	Number	Percent
Agriculture, forestry, fishing, hunting & mining	24	3.3	15	1.6
Construction	41	5.7	52	5.6
Manufacturing	134	18.5	235	25.2
Wholesale trade	18	2.5	24	2.6
Retail trade	168	23.1	102	10.9
Transportation, warehousing and utilities	46	6.3	47	5.0
Information	0	0.0	23	2.5
Finance, insurance, real estate, rental & leasing	30	4.1	37	4.0
Professional, scientific, management, administrative and waste management services	60	8.3	26	2.8
Educational, health and social services	128	17.6	193	20.7
Arts, entertainment, recreation, accommodation and food services	56	7.7	115	12.3
Other services, except public administration			47	5.0
Public administration	21	2.9	16	1.7
Total Employment (16 years and over)	726	100.0	932	100.0

The largest manufacturing employers in Barron County include the Turkey Store (previously Jerome Foods), which has been the County 's largest employer since 1976, and McCain Foods USA. Turkey production alone employs approximately 1,900 people earning a combined \$56.5 million in wages and salaries, with 23,000 turkeys processed daily.

The second largest share of jobs was with government agencies, including the St. Croix Tribal enterprises. Just over 20% of the wage and salary jobs in the County in 2000 were institutions classified by government ownership. Government jobs increased from 2,610 in 1990 to 4,350 in 2000 according to the State Department of Workforce Development.

The third largest share of jobs was in retail trade. Slightly less than 20 percent of the jobs in the County were with retail trade employers who sell groceries, gas, furniture, cars, hardware, general merchandise, and food and drinks in restaurants and bars. Retail trade employment increased from 3,065 jobs in 1990 to 4,270 jobs in 2000. Wal-Mart Stores is among the ten largest employers in the County. Many of the jobs with retail trade employers are seasonal and part time and contribute to the reason for the low annual average wage of \$12,615 for the industry.

Services such as health care, lodging, business and professional services, day care and family services account for the fourth largest share of jobs in Barron County. The number of jobs with service industry employers increased from 2,510 in 1990 to 3,830 in 2000. Lakeview Medical Center is the County's largest service employer, and one of the ten largest employers in the County.

Although not as dominant as an industry as some surrounding counties, agriculture is an important element of the economic profile of Barron County, which ranks fifth among the State's 72 counties in annual cash receipts to agriculture. In 1997, there were 494 fewer farms in Barron County than in 1978 (see Figure 7-3). This is a 26.3% decrease. Conversely, the average farm size has increased by 27 acres, or 11.5%. Even with these changes in agriculture, the State's Barron County Agriculture Agent indicated that in 2000, Barron County farmers sold more than \$200 million worth of agricultural products, which has a significant economic impact. The State's Agriculture Agent has indicated that the \$1 billion economic impact of the food processing industry in Barron County is significantly due to local agricultural activity.

**Table 7-3
Employment by Occupation - 1990 and 2000 - Barron County Municipal Units**

	1990		2000	
	Number	Percent	Number	Percent
City of Chetek				
Executive, administrative and managerial	65	9.0		
Professional	78	10.8	185	19.8
Technician	14	1.9		
Sales	57	7.9	215	23.1
Administrative support, including clerical	78	10.7		
Service	181	24.9	189	20.3
Farming, forestry, fishing	22	3.0	16	1.7
Construction, extraction and maintenance	--	--	91	9.8
Precision production, craft and repair	92	12.7		
Machine operators, assemblers and inspectors	61	8.4	236	25.3
Transportation and material moving	46	6.3		
Handlers, equipment cleaners, helpers & laborers	32	4.4		
Total Employment (16 years and over)	726	100.0	932	100.0
Source: U.S. Census				

Industries do not exist in isolation, they interact with one another in various ways such including local businesses in their supply chains. The Barron County manufacturing industry generates \$738 million impact, followed by the \$275 million impact generated by wholesale and retail trade business, the \$213 million impact generated by the construction industry, \$182 million impact of finance, \$137 million impact of government, \$49 million impact of the services, transportation and utilities industry

Employment Projections

In November 2003, the Wisconsin Department of Workforce Development (WDWD) released a publication entitled *Wisconsin Projections, 2000-2010*. This publication makes economic projections for the state regarding the labor force, industries and occupations.

In the West Central Wisconsin Region, the greatest demand for workers is in occupations considered as first-time, or temporary, jobs that workers often leave as other opportunities open up. Turnover is high and wages are low. There are a few exceptions on the list: registered nurses and truck drivers. Both require a greater degree of education or training and the wage scales also reflect this. The "Fastest Growth" occupations are often referred to as hot jobs, with more training requirements and better wages. There are often fewer openings in these jobs since the list is based on the greatest percent change in employment; for example, an occupation that increases from 5 to 10 jobs increased 100 percent whereas an occupation that increases from 2,000 to 2,200 jobs increased only 10 percent.

7.4 Summary and Conclusion

The population of Barron County is stable, and some areas are experiencing noteworthy growth. Even with the current economic slow-down, the labor market remains tight with stable demand for skilled workers. Compared to Barron County's peers, wages are slightly low, with more opportunity for entry-level jobs than skilled or professional jobs. As employers consider expanding their workforce, they are anticipated to invest in technology to enhance efficiency. The primary industries of manufacturing, agriculture and food production continue to generate significant economic impacts, providing opportunities for further economic clustering. The job sectors with the fastest growth and highest demand are in the service and health care sectors. Several of the types of jobs that are in high demand require intermediate or advanced familiarity with various technologies.

There are a variety of economic development tools that are available to municipalities including tax incentives, creative financing and loan guarantees, and business incubator industrial parks. These programs will prove more accessible as municipalities' band together with other organizations and jurisdictions to collaborate and mutually pursue economic development efforts. This collaboration will maximize the municipality's ability to catalyze additional investment.

The use of these tools should focus on existing and potential opportunities to encourage economic growth and diversification. For example, communities typically create economic opportunities by investing in various types of infrastructure to encourage business investment. The Highway 8 corridor is in the process of receiving significant enhancements, improving the vital link that Highway 8 provides between Barron County communities and activity centers throughout the region. The current Highway 8 transportation planning and engineering efforts provide an opportunity to strengthen the infrastructure that serves businesses that are located along this highway. This highway project likely provides significant opportunities for other infrastructure investments, such as water, sewer and communications enhancements. Public and private improvements along the Highway 8

corridor should be encouraged in order to generate investments in adjacent properties and communities because of the links between the businesses directly affected by Highway 8 improvements and the other Barron County establishments that they do business with.

7.5 Assessment of Future Needs

The City of Chetek is in a relatively strong position for economic development, compared to most rural communities in the State. Several key needs include:

- Better access to industrial areas in the City. Two options include construction of an interchange at USH 53 and CTH D, or a bypass for truck traffic.
- Water tower construction near the intersection of CTH D and USH 53 to eliminate an area of low pressure.
- Maintaining rail service to the City.
- Identification of appropriate sites for industrial purposes with rail access.
- Maintaining and increasing higher educational opportunities for area residents.
- Maintaining the strong efforts of regional economic development initiatives including Barron County EDC.

7.6 Goals, Objectives and Policies

A. Goal Increase Potential for Industrial Development

1. Objective New Rail Service needed.

Policy Work with rail companies and businesses to maintain and increase rail usage.

2. Objective Increase amount of industrial land.

Policy Annex land.

Policy Develop new Industrial Park.

Policy Develop new interchange.

3. Objective Develop necessary public infrastructure to support industrial development.

Policy Need to begin process of evaluating new WWTP – both/either for expansion or new.

Policy Evaluate need for new tower or pressure zone in north section of the City.

Policy Evaluate locations for new land served by rail.

4. Objective Increase Skills of Labor Force.

Policy Identify means High School/Tech School tie in.

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- 5. Objective** Increase coordination with other Economic Development Agencies.
- Policy** Work with Barron County EDC.
- Policy** Identify funding incentives – be willing to use TIF creatively.
- Policy** Participate in County and regional marketing efforts.
- Policy** Participate with Forward Wisconsin in marketing trips to the Twin City businesses that fall with Chetek’s target clusters.
- Policy** Work with other Barron Communities to foster economic development. Meet with these communities on at least an annual basis.
- Policy** Target prospective companies in the three clusters discussed earlier (manufacturing, agriculture and food production).