

## **CHAPTER 4 - ECONOMIC DEVELOPMENT**

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### **INTRODUCTION**

Comprehensive planning recognizes the connection between economic development and quality of life. New growth and redevelopment can improve a community. The reason is quite simple: economic development helps pay the bills. Economic development is about working together to maintain a strong economy by creating and retaining desirable jobs, which provide a good standard of living for individuals. Increased personal income and wealth increases the tax base, so a community, county, or state can provide the level of services residents expect. Even though the private sector is the primary source of economic activity, the public sector plays an important and, ideally, complementary role. Economic development expenditures are an investment in the community.

Influencing and investing in the process of economic development allows a community to determine its future direction and guide appropriate types of development according to its own values. Economic development planning is the process by which a community organizes, analyzes, plans, and then applies its energies to the tasks of improving the economic well-being and quality of life for those in the community.

Even though the Town of Mitchell is a small, rural community with limited businesses and industries, it is still important for local officials to review the economic factors listed in this chapter to understand the community's strengths and weaknesses (in economic terms) so that the Town can work towards promoting its identified goals.

#### 66.1001(2)(b)

*Economic development element.* A compilation of objectives, policies, goals, maps and programs to promote the stabilization, retention or expansion, of the economic base and quality employment opportunities in the local governmental unit, including an analysis of the labor force and economic base of the local governmental unit. The element shall assess categories or particular types of new businesses and industries that are desired by the local governmental unit. The element shall assess the local governmental unit's strengths and weaknesses with respect to attracting and retaining businesses and industries, and shall designate an adequate number of sites for such businesses and industries. The element shall also evaluate and promote the use of environmentally contaminated sites for commercial or industrial uses. The element shall also identify county, regional and state economic development programs that apply to the local governmental unit.

### **SUMMARY AND IMPLICATIONS OF INVENTORY AND RECOMMENDATIONS**

The economic development inventory conducted for the Town of Mitchell has established that more residents than ever before work outside the Town and in many cases outside Sheboygan County. The unemployment rate has been relatively low, with about 43% of workers being employed in manufacturing related jobs. Manufacturing has continued to remain fairly strong despite competition from overseas – much of its continued success is attributable to niche

products and high tech processes requiring advanced skill sets from workers. In fact, manufacturing is the primary sector exporting goods/services out of the County and thereby bringing wealth and investment into the area. Agriculture also plays a significant role in the County and Town economy.

With access to State Highways 28 and 67, the Town of Mitchell has about ten strengths from an economic development perspective and perhaps a half-dozen weaknesses. The Town has a lower proportion of residential and a higher proportion of agricultural property value than most towns in the state. It has no debt or debt service. The Town of Mitchell's tax base has grown steadily in the recent past, at about the same pace as most other towns on average.

The Town would like to continue to foster a strong agricultural base. Small-scale and home-based development that is sensitive to the environment and the Town's rural atmosphere is preferred. There are a variety of County, regional, state, and federal programs that might suit the Town of Mitchell as the right opportunities arise.

### **LABOR FORCE CHARACTERISTICS**

The labor force is comprised of employed persons and those seeking employment, and excludes persons in the armed forces or under age 16. Variations in the number of persons in the labor force are the result of many factors, such as shifts in the age and gender characteristics of the population, changes in the number of residents aged 16 and over, the proportion of this group (16 and over) working or seeking employment, and seasonal factors. An understanding of the characteristics of the local and regional labor force is an important consideration when planning an economic development strategy, since businesses and industries require an adequate supply of qualified workers.

#### **Place of Work**

Due to the rural nature of towns, it is not surprising that only 10% of workers living in the Town of Mitchell worked within the Town, and that 68% of workers living in the Town of Mitchell worked somewhere in Sheboygan County. (see Figure 4.1).

While the low percentage of Town of Mitchell residents remaining near their homes to work is mirrored in other nearby towns and is therefore not a trend unique to Mitchell, local officials should keep in mind that an increasingly higher percentage of residents commuting to work outside the town and even outside the county often means they are also probably doing their shopping at stores near where they work and will not be as likely to need/support local stores. Long commutes also leave less time for family, community, and entrepreneurial activities.



Town	Place of Work	1990	2000	Percentage Decrease
Mitchell residents	Within the Town	-	10.4%	-
	Within Sheboygan County	77.0%	68.1%	8.9%
Greenbush residents	Within the Town	-	12.7%	-
	Within Sheboygan County	87.5%	81.3%	6.2%
Lyndon residents	Within the Town	-	10.0%	-
	Within Sheboygan County	85.3%	77.9%	7.4%
Scott residents	Within the Town	-	13.8%	-
	Within Sheboygan County	44.2%	40.1%	4.1%

Source: U.S. Census Bureau sampling data

### **Occupation**

As shown in Figure 4.2, the majority of employed persons in the Town of Mitchell in 2000 were either in “Production, transportation, and material moving occupations” (28%) or “Management, professional, and related occupations” (26%). There were, however, significant numbers in three other categories, indicating a fairly diverse employment base.

Occupation	Mitchell	Greenbush	Lyndon	Scott
Management, professional, and related occupations	25.6% (164)	31.4% (293)	31.1% (260)	25.0% (260)
Service occupations	12.8% (82)	11.5% (107)	8.4% (70)	10.4% (108)
Sales and office jobs	17.5% (112)	17.6% (164)	20.1% (168)	17.8% (185)
Farming, fishing, and forestry occupations	3.1% (20)	3.3% (31)	1.7% (14)	4.1% (43)
Construction, extraction, and maintenance jobs	12.8% (82)	10.7% (100)	12.3% (103)	14.2% (147)
Production, transportation, and material moving jobs	28.2% (181)	25.5% (238)	26.3% (220)	28.4% (295)

Source: U.S. Census Bureau sampling data

### **Industry**

Figure 4.3 groups Town residents by the industry category in which they worked. Agriculture and retail slipped significantly during the decade, while construction, fueled by the housing boom, grew. The health industry also increased and is expected to continue to do so considering the aging population.

Although there has been concern recently about the future of manufacturing as an industry, the data shows it has been holding its own. An October 2005 report by the Manufacturing Performance Institute said Wisconsin could become one of the nation’s top manufacturing states

in the 21st century if companies take the necessary steps to compete globally. Even though the sector has been battered by foreign competition and has lost 90,000 jobs statewide since 2001, manufacturing and the industries it supports still comprise almost half of Wisconsin's economy, led by paper, machinery, fabricated metals, electrical equipment or appliances, and wood products. According to the report, Wisconsin is well positioned to become a manufacturing leader, but companies will have to decide if they want to produce a lot of the same product at a low cost or fewer, more customized items with higher profit margins. A key to success will be incorporating technology into the manufacturing process, meaning workers will need to continue upgrading their knowledge and skills as necessary. On the other hand, manufacturers producing products that are very labor-intensive and easily shipped around the world will probably have a difficult time competing.

**Figure 4.3 – Employed Persons by Industry Group, 1990 & 2000  
Town of Mitchell and Nearby Towns**

Industry	Mitchell		Greenbush		Lyndon		Scott	
	1990	2000	1990	2000	1990	2000	1990	2000
Agriculture, Forestry, Fisheries, Mining	16.8%	5.8%	13.8%	9.3%	11.2%	7.2%	16.8%	8.7%
Construction	7.1%	7.5%	4.8%	6.9%	6.0%	9.1%	4.7%	9.9%
Manufacturing	39.4%	42.6%	37.5%	34.3%	40.0%	36.3%	35.9%	32.6%
Transportation, Warehousing, Utilities	2.7%	4.8%	5.1%	4.3%	2.7%	4.8%	3.1%	3.4%
Information	-	1.1%	-	1.2%	-	3.4%	-	1.2%
Wholesale Trade	1.4%	1.9%	1.2%	2.4%	2.5%	2.2%	4.5%	3.8%
Retail Trade	8.3%	4.7%	11.6%	6.8%	11.5%	10.2%	10.6%	9.4%
Finance, Insurance, Real Estate	1.5%	3.4%	2.2%	5.4%	3.4%	1.2%	3.7%	4.4%
Professional, Management, Administrative	-	6.1%	-	4.3%	-	3.8%	-	4.5%
Business & Repair Services	3.1%	-	3.0%	-	2.9%	-	2.4%	-
Personal Services	1.0%	-	1.4%	-	1.9%	-	1.0%	-
Arts, Entertainment, Recreational Services	0.0%	4.5%	0.7%	5.6%	0.3%	4.7%	0.1%	3.6%
Educational, Health, Social Services	10.8%	13.4%	11.8%	15.6%	9.9%	11.9%	12.3%	14.6%
Other Services	2.1%	3.3%	2.2%	1.5%	2.9%	4.9%	3.6%	1.7%
Public Administration	3.5%	0.9%	2.7%	2.6%	0.6%	0.5%	1.4%	2.2%

Source: U.S. Census Bureau sampling data. Note: Blank cell indicates category not included in census that year.

### **Class of Worker**

Figure 4.4 on the following page classifies workers living in the Town of Mitchell by the type of company or organization they work for. One trend of recent note seems to be growth in for-profit employment to take up the slack of decreasing self-employment and government staff shrinkage through budget cuts and attrition.

**Figure 4.4 – Class of Worker, 1990 & 2000, Town of Mitchell and Nearby Towns**

Class of Worker	Mitchell		Greenbush		Lyndon		Scott	
	1990	2000	1990	2000	1990	2000	1990	2000
Private For-Profit Company	72.0%	79.9%	75.4%	75.8%	72.5%	78.2%	70.4%	77.0%
Private Not-for-Profit Organization, Entity, etc.	2.7%	5.5%	4.0%	3.9%	5.7%	5.0%	3.4%	4.7%
Local Government	4.2%	3.7%	3.3%	5.4%	6.2%	4.3%	7.3%	5.0%
State Government	3.9%	2.3%	3.6%	2.4%	0.3%	1.4%	0.3%	2.1%
Federal Government	1.4%	0.8%	0.9%	0.5%	0.6%	0.6%	0.5%	1.4%
Self-Employed	12.9%	7.2%	12.5%	10.7%	12.9%	9.7%	16.5%	8.8%
Unpaid Family	2.9%	0.6%	0.3%	1.4%	1.8%	0.7%	1.7%	1.0%

Source: U.S. Census Bureau sampling data

### **Unemployment Rate**

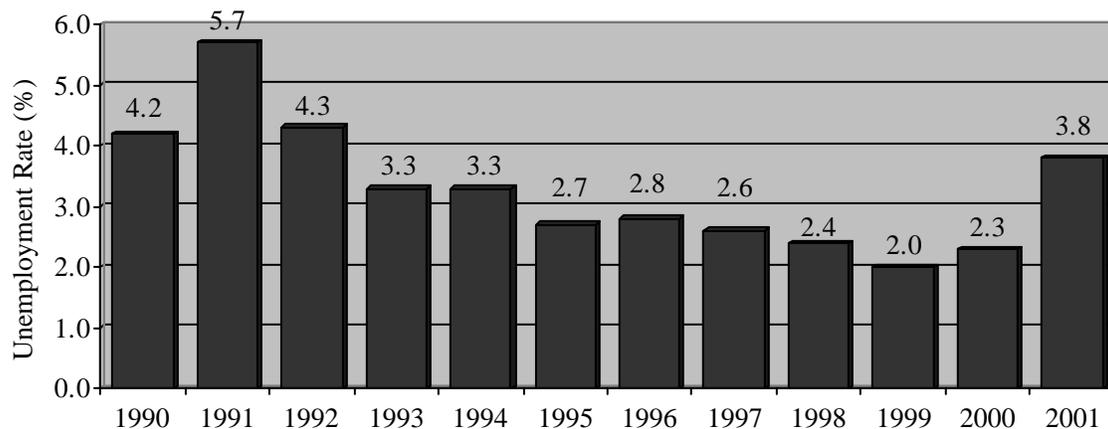
The civilian labor force for Sheboygan County has experienced both slight increases and decreases since 1990 (see Figure 4.5). The unemployment rate reached its lowest point in 1999 with 2% of the civilian labor force (see Figure 4.6). For the period 1990 to 1999, the civilian labor force in the County increased 12% (compared to 14% for Wisconsin as a whole). Generally speaking, the County has had a lower unemployment rate than the rest of the state.

**Figure 4.5 – Average Unemployment Rates, 1990-2004, Sheboygan County and Wisconsin**

Year	Sheboygan County Civilian Labor Force	Sheboygan County Unemployed	Sheboygan Co. Unemployment Rate	Wisconsin Unemployment Rate
1990	55,935	2,298	4.1%	4.3%
1991	56,026	3,099	5.5%	5.3%
1992	56,487	2,441	4.3%	5.2%
1993	57,713	1,829	3.2%	4.5%
1994	60,252	1,815	3.0%	4.3%
1995	61,666	1,688	2.7%	3.7%
1996	61,388	1,785	2.9%	3.6%
1997	60,985	1,511	2.5%	3.5%
1998	61,781	1,425	2.3%	3.3%
1999	62,528	1,255	2.0%	3.1%
2000*	64,523	1,592	2.5%	3.4%
2001*	64,818	2,449	3.8%	4.4%
2002*	64,555	3,090	4.8%	5.3%
2003*	64,798	3,278	5.1%	5.6%
2004*	64,664	2,864	4.4%	4.9%

Source: Wisconsin Department of Workforce Development, Civilian Labor Force Estimates, for years cited.

\*Not seasonally adjusted.

**Figure 4.6 – Unemployment Rate, 1990-2001, Sheboygan County**

Source: Wisconsin Department of Workforce Development, Civilian Labor Force Estimates, 1990-200; and Bay-Lake Regional Planning Commission, 2002.

### **Employment Forecast**

The Wisconsin Department of Workforce Development created the *Wisconsin Detailed Industry Employment Projections, 2000-2010*, a projection for industries, occupations, and the labor force. These projections are for all of Wisconsin. According to the Department of Workforce Development, in 2010, the services industry is projected to continue to be the industry with the largest share of employment followed by wholesale and retail trade, and manufacturing. The service jobs along with wholesale and retail trade will continue to increase, whereas the manufacturing employment is projected to decrease by 2010. Occupations in manufacturing are expected to move away from general labor positions to more semi-skilled and skilled operator and technician jobs. This is due primarily to production processes that are more efficient and new available technology.

Service industry employers are projected to increase the number of jobs to the state's labor market by 19% by 2010. The largest divisions within this industry group are project to be business services, educational services and health services. With the aging of the population, the demand for such services will continue to increase. The wholesale and retail trade industry is projected to increase the number of jobs by 10 percent. The manufacturing industry is projected to lose approximately two percent of its jobs by 2010.

### **Local Employment Forecast**

From 1990 to 2000, the manufacturing industry continued to be the industry with the largest share of employment in Sheboygan County. The services industry and retail trade industry are the county's second and third highest employers respectively. This trend is expected to continue, however increases in manufacturing are expected to be at a lower rate than those of the service industry. This is due to advancing technologies in manufacturing and an aging population that may require additional services.

In 1990, employment data was available for each business within the Town of Mitchell and the number of employees each employer had. This data is now suppressed to ensure confidentiality of individual employers. Referring back to Table 4.1: Place of Work, 10% of workers living in

the Town of Mitchell worked within the Town and 68% of workers living in the Town of Mitchell worked somewhere within Sheboygan County. Since the Town of Mitchell is a rural community and intends to remain that way, this commuting trend will likely continue throughout the Town's 20-year planning period.

### **Median Household Income**

In 1989, the median household income in the Town of Mitchell was \$36,500 (Figure 4.7). This was in the upper half of the towns compared. By 1999, the median household income for the town had increased by \$20,375 to \$56,875, still in the upper half of the area towns compared.

<b>Figure 4.7 – Median Household Income, 1989 &amp; 1999 Town of Mitchell and Nearby Towns</b>			
<b>Town</b>	<b>1989</b>	<b>1999</b>	<b>Percentage Increase</b>
Mitchell	\$36,500	\$56,875	55.8%
Greenbush	\$38,523	\$54,118	40.5%
Lyndon	\$36,250	\$56,121	54.8%
Scott	\$33,300	\$51,771	55.5%

*Source: U.S. Census Bureau sampling data*

### **Personal Income**

The per return income for residents in the Town of Mitchell increased 8.5% for the period 2001 to 2004 (Figure 4.8). The 2004 personal income of \$46,280 for Town of Mitchell residents was third among the four surrounding towns compared. Per return income is based on income tax returns filed in the year cited to the Wisconsin Department of Revenue.

<b>Figure 4.8 – Municipal per Return Income, 2001-2004, Town of Mitchell &amp; Selected Areas</b>					
<b>Area</b>	<b>Dollars</b>				<b>% Change</b>
	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2001-2004</b>
Town of Mitchell	\$42,637	\$43,052	\$45,017	\$46,280	8.5%
Town of Lyndon	\$40,389	\$40,008	\$41,749	\$46,353	14.8%
Town of Greenbush	\$43,241	\$48,075	\$48,071	\$49,096	13.5%
Town of Scott	\$39,777	\$38,356	\$39,309	\$42,736	7.4%
Sheboygan County	\$40,188	\$40,109	\$41,786	\$42,972	6.9%
Bay-Lake Region	\$35,785	\$35,652	\$36,904	\$38,272	6.9%

*Source: Wisconsin Municipal Per Return Income Report, for years cited.*

## **ECONOMIC BASE ANALYSIS**

### **Economic Sectors**

To understand the future employment trend in the Town of Mitchell, an understanding of the local and county economy is required as detailed in the following *Location Quotient Analysis and Threshold Analysis* findings. The Economic Base Analysis technique divides the economy into basic and non-basic sectors. The basic sector is made up of local businesses that are

dependent on external factors. Manufacturing and local resources-oriented firms (like logging or mining) are usually considered to be basic sector firms because their fortunes depend largely upon non-local factors, and they usually export their goods. The non-basic sector, in contrast, is composed of those firms that depend largely upon local business conditions. Economic Base Theory asserts that the means of strengthening and growing the local economy is to develop and enhance the basic sector, because it brings in wealth from outside the community.

There are nine basic economic divisions that are used for Economic Base Analysis. There are four goods-producing sectors: (1) agriculture, forestry and fishing; (2) mining; (3) construction; and (4) manufacturing. There are five services-producing sectors: (1) transportation and public utilities; (2) wholesale trade; (3) retail trade; (4) finance, insurance and real estate; (5) services.

### **Location Quotient Analysis**

The Location Quotient Analysis technique compares the local economy, Sheboygan County, to the United States. This allows for identifying specializations in the Sheboygan County economy (Figure 4.9). If the Location Quotient (LQ) is less than 1.0, all employment is considered non-basic and that industry is not meeting local demand for a given good or service. An LQ equal to 1.0 suggests that the local employment is exactly sufficient to meet the local demand for a given good or service; employment is still considered non-basic. An LQ greater than 1.0 suggests that local employment produces more goods and services than the local economy can use, therefore, these goods and services are exported to non-local areas, which makes them basic sector employment.

Item	Sheboygan County		United States		Percent Change 1990-2000		Sheb. Co. Location Quotient	
	1990	2000	1990	2000	Sheb	U.S.	1990	2000
Total full-time and part-time employment	62,505	76,317	139,426,900	167,465,300	22.1	20.1		
Farm employment	1,849	1,574	3,153,000	3,103,000	-14.9	-1.6	1.31	1.11
Nonfarm employment	60,656	74,743	136,273,900	164,362,300	23.2	20.6	0.99	1.00
Private employment	54,850	68,247	115,077,900	141,621,300	24.4	23.1	1.06	1.06
Ag. Services, forestry, fishing and other	436	762	1,453,000	2,166,800	74.8	49.1	0.67	0.77
Mining	38	49	1,044,100	795,400	28.9	-23.8	0.08	0.14
Construction	2,483	3,707	7,260,800	9,604,300	49.3	32.3	0.76	0.85
Manufacturing	22,224	27,394	19,697,200	19,106,900	23.3	-3.0	2.52	3.15
Transportation & public utilities	1,974	2,310	6,568,600	8,247,100	17.0	25.6	0.67	0.61
Wholesale trade	1,846	2,255	6,711,500	7,584,900	22.2	13.0	0.61	0.65
Retail trade	9,843	10,896	22,920,500	27,344,100	10.7	19.3	0.96	0.87
Finance, insurance, and real estate	3,382	4,288	10,712,600	13,495,100	26.8	26.0	0.70	0.70
Services	12,624	16,586	38,709,600	53,276,700	31.4	37.6	0.73	0.68

(D) Not shown to avoid disclosure of confidential information, but the estimates for this item are included in the totals.

Source: U.S. Dept of Commerce, Bureau of Economic Analysis, REIS 1969-00 and Bay-Lake Regional Plan Commission, 2002.

## **Threshold Analysis**

### **Export Base (Basic Employment)**

There are two areas within the 2000 Sheboygan County economy that can be considered basic employment areas: farm employment and manufacturing (Figure 4.9). These two areas produce more goods and services than the local economy can use. When Location Quotients increase over time, this suggests that the economy is getting closer to reaching and exceeding the local demand. Having basic employment also suggests that if a downturn in the local economy occurs, these sectors will not be strongly affected because they are more dependent on non-local economies. Having strong basic sector employment and industry will strengthen the local economy.

### **Non-Basic Employment Industry**

Under private employment, there are eight areas that can be considered non-basic: agriculture services, forestry, fishing and other; mining; construction; transportation and public utilities; wholesale trade; retail trade; finance, insurance, and real estate; and services. These industries are not meeting local demand for a given good or service. For example, the transportation and public utilities industry, retail trade industry and the services industry's LQ actually decreased since 1990. However, it is reasonable to believe that the Sheboygan County economy could support more of these industry types.

### **Top Ten Employers within Sheboygan County**

The ten largest employers in Sheboygan County (Figure 4.10) had at least 500 or more workers. With a high percentage of employment in the manufacturing and services sector, it is not surprising that the majority of the ten largest employers in the County are in the manufacturing sector.

<b>Figure 4.10 – Top Ten Employers, 2003, Sheboygan County</b>		
<b>Company</b>	<b>Product or Service</b>	<b>Size</b>
Kohler Company	Plumbing Products Manufacturing	1000+
Sheboygan Public Schools	Public Education	1000+
Bemis Manufacturing Company	Plastics Manufacturing	1000+
County of Sheboygan	Government Services	1000+
Aurora Health Care Central Inc.	Health Care Services	1000+
J L French Corporation	Die Casting	1000+
Aurora Medical Group Inc.	Health Care Services	500-999
Fresh Brands Distributing Inc.	Management Grocery Stores	500-999
Sargento Foods Inc.	Food Processing	500-999
Acuity Insurance Company	Direct Property and Casualty Insurers	500-999

*Source: Wisconsin Department of Workforce Development, Workforce Profile, December 2003*

### **Top Five Employers within Town of Mitchell**

There are no very large employers within the Town of Mitchell, as shown in Figure 4.11.

<b>Figure 4.11 – Top Five Employers, Town of Mitchell, 2005</b>		
<b>Company</b>	<b>Product or Service</b>	<b>Size</b>
Wisconsin Department of Corrections	Correctional Facility	100-200
Hickory Lawn Farm	Dairy Farm	25-50
United Feeds, Inc.	Agricultural Feeds	10-15
Knoelke Farm	Dairy Farm	10-15
Luedtke Pallet	Pallets	10-15

*Source: Town of Mitchell*

### **Agricultural Economy**

Sheboygan County agriculture is a large contributor to the local economy. Agriculture accounts for \$1.67 billion in economic activity, almost 20% of the County's total economic activity. The agricultural portion of Sheboygan County's economy contributes \$478.2 million in take-home income annually, 12.2% of the total income for Sheboygan County. There are almost 9,179 jobs tied to agriculture, nearly 12% of the total County workforce. Although specific numbers are not readily available for the Town of Mitchell, the high percentage of land use in the Town dedicated to farming indicates agriculture is a major component of the Town's economy.

### **STRENGTHS AND WEAKNESSES ANALYSIS**

Certain factors about a community, some of which are beyond its control, may greatly influence the future economic climate over the next two decades and thus are important for the community to identify as part of this plan. This will allow the residents to understand their community's continued economic viability and future drawing power for new businesses. This portion of the chapter gives a perspective from a business owner's point of view. It reflects concerns, issues, and questions that current and future business owners might ask about a community when formulating a plan or expanding their business.

#### **Strengths**

While this is not an exhaustive list, it contains the major strengths of the Town of Mitchell from an economic development perspective.

- Presence of the Kettle Moraine State Forest as a recreational resource.
- State Highway 28 crosses the Town's south eastern side and State Highway 67 passes through the Town's northwest corner.
- Proximity to several different growing market/population centers.
- Presence of farming community and ag-related businesses in surrounding communities gives the Town a strong agricultural infrastructure.
- Town has abundant non-metallic mining resources.

- Sheboygan County Highway Department satellite office located nearby in Cascade.
- Stable and fiscally healthy local government.
- Town residents comprise a relatively skilled and educated workforce.
- Low crime rate.
- Proximity to several technical colleges and universities.

### **Weaknesses**

While this is not an exhaustive list, it contains the major weaknesses of the Town of Mitchell from an economic development perspective.

- No public sewer or water provided by the Town.
- Occasional heavy truck and tractor traffic, dust, and occasional odors.
- Must drive elsewhere for major retail/grocery/services/healthcare.
- No economic development organization or business association.
- Sheboygan County is a non-attainment area from an air quality standpoint.
- Special lines (fiber optics, ISON, etc.) for internet access are not provided in the Town.

## **SITES FOR BUSINESS AND INDUSTRIAL DEVELOPMENT**

### **Existing Site Inventory and Analysis**

The Town of Mitchell has little developed commercial lands. Future commercial sites would most likely be along State Highways 28 and 67 and within the unincorporated community of Parnell. These sites would likely capitalize on locations affording high visibility and good access to a concentrated customer base.

Although the exact number is uncertain, there are about 50 to 75 home-based businesses scattered throughout the Town on parcels predominately residential or agricultural. Future locations of home-based businesses could be almost anywhere.

The major economic related use in the Town is agriculture, which is found throughout the Town, especially on well-drained soils and moderate or low sloping lands. While individual ag producers will likely expand, the overall use is not expected to increase.

There are also two active non-metallic mining sites in the Town producing sand and/or gravel for construction uses. The active sites are located in Section 13. Future locations will depend on the availability of resources.

### **Evaluation of Environmentally Contaminated Sites**

Recently, WDNR and the EPA have been urging the clean up of contaminated commercial or industrial sites so they can be used more productively. According to the 2005 WDNR list of Leaking Underground Storage Tanks (LUST) sites, the Town of Mitchell has no LUST sites.

The Town has no “Open” sites, as of 2005, that are designated as part of the WDNR Environmental Repair Program (ERP). These ERP sites are areas other than LUST sites that have had contaminated soil and/or groundwater.

### **Designation of Business and Industrial Development**

#### **Commercial Uses**

The Town of Mitchell will seek to steer most commercial activities toward State Highways 28 and 67 and to a lesser degree, Parnell. Businesses will be encouraged to have safe access and may require buffering and landscaping to help preserve the Town’s rural character. The Town will continue to allow home-based businesses.

#### **Industrial Uses**

Due to a lack of municipal utilities and services, the Town does not see itself as attracting industrial uses, since such uses would be better located in communities where the infrastructure is more supportive. Possible exceptions might include non-metallic mining and agricultural related industries.

### **Acreage Projections**

The Town does not plan to designate lands for industrial development during the 20-year planning period; however, under appropriate conditions lands might be rezoned for expansions or specialized uses such as non-metallic mining and agricultural related industries. The Town also does not plan to allocate large tracts of land for commercial development during the planning period. In keeping with the Town’s rural atmosphere, a limited number of rezonings to commercial may be allowed.

## **COMMUNITY FINANCES**

A community must be concerned about its ability to generate sufficient public revenues to provide the types and levels of services expected by its citizens. Figure 4.12 provides a history of the taxes levied in the Town of Mitchell as officially reported to the Wisconsin Department of Revenue. Overall, the Town’s tax base has continued to grow.

<b>Figure 4.12 – Recent History of Property Taxes Levied, Town of Mitchell</b>			
<b>Year Levied</b>	<b>Total Property Tax</b>	<b>Town Share of Property Tax</b>	<b>State Tax Credit</b>
2005	\$1,586,176	\$121,102	\$87,323
2004	\$1,546,467	\$118,727	\$86,744
2003	\$1,480,753	\$122,024	\$83,171
2002	\$1,388,546	\$122,400	\$82,606
2001	\$1,329,194	\$118,249	\$78,789
2000	\$1,190,168	\$114,564	\$78,603

*Source: Wisconsin Department of Revenue, Town, Village, and City Taxes, for years cited*

Figure 4.13 breaks down the total property value in the Town into proportions of residential, commercial, industrial, agricultural, and forest. This is important because many studies have shown industrial, commercial, and agricultural properties usually generate more in tax revenues than they require back in public expenditures, while residential properties are just the opposite. Therefore, a community that experiences an increase in residential value as a proportion of its full property value may actually be seeing a decline in its revenues-to-expenditures ratio, which is the opposite of what a community desires. The Town of Mitchell has seen a slight increase in the proportion of property values that were residential, but not as much, on average, as towns statewide. The emphasis in the Town of Mitchell is agriculture. Changes in valuation are sometimes the result of state assessment practices or policies rather than land use and development, which explains the decrease from 2002 to 2006 in agriculture/other. Generally speaking, the Town should try to maintain (or perhaps increase) its non-residential proportion, unless proposed residential development is high end or specialized in some way.

<b>Figure 4.13 – Partial Breakdown of Full Value, 2002 &amp; 2006 Town of Mitchell and State Mean Averages for all Towns</b>				
	<b>Town of Mitchell</b>		<b>State Mean for all Towns</b>	
	<b>2002</b>	<b>2006</b>	<b>2002</b>	<b>2006</b>
Percentage of Property Values that were Residential	83.6%	84.6%	76.4%	79.6%
Percentage of Property Values that were Commercial	0.6%	1.2%	6.1%	5.6%
Percentage of Property Values that were Industrial*	0.3%	0.2%	1.1%	0.8%
Percentage of Property Values that were Agricultural or Other	9.4%	8.5%	8.5%	7.1%
Percentage of Property Values that were Forest	4.2%	3.5%	6.8%	6.0%

*Source: Wisconsin Department of Revenue, Town, Village, and City Taxes, Statement of Equalized Values, and Statistical Report of Property Values. Note: Table does not include all possible property assessment classifications.*

*\* Classified as "Manufacturing" by WisDOR*

As shown in Figure 4.14, the full equalized value of property within the Town increased 37% for the period 2000 to 2005, from \$68,773,200 to \$94,056,800 (about 7.25% per year). For comparison's sake, the average increase over this same period for all towns in Wisconsin was 26%, and the average increase over the period for all towns in Sheboygan County was 30%. In general, property values increased about as fast in the Town of Mitchell as they did in other towns.

<b>Figure 4.14 – Recent History of Full Value and Public Indebtedness Town of Mitchell</b>				
<b>Year</b>	<b>Full Value</b>	<b>Debt Limit</b>	<b>Existing Debt</b>	<b>Debt Margin</b>
2005	\$94,056,800	\$4,702,840	\$0	\$4,702,840
2004	\$90,755,700	\$4,537,785	\$0	\$4,537,785
2003	\$85,170,300	\$4,258,515	\$0	\$4,258,515
2002	\$78,684,700	\$3,934,235	\$0	\$3,934,235
2001	\$76,014,700	\$3,800,735	\$0	\$3,800,735
2000	\$68,773,200	\$3,438,660	\$0	\$3,438,660

Source: Wisconsin Department of Revenue, Town, Village, and City Taxes and County and Municipal Revenues and Expenditures, for years cited.

The ability to finance community projects is measured in general obligation debt capacity. According to the Wisconsin Constitution, there are limits on how much a municipality may borrow. Municipalities are limited to an amount equal to 5% of the equalized value, or full value, of the unit of government. As indicated by Figure 4.14, the Town of Mitchell's total general obligation debt as of December 31, 2005 was \$0. Since WisDOR statistics for 2005 show that on average towns in the state borrow only about 2% of their legally authorized maximum, the Town of Mitchell has been equally conservative in its borrowing, which is a sound and legitimate financial strategy. However, it could also be said that the Town has the capacity to more assertively invest in itself by taking advantage of its substantial debt margin to upgrade local infrastructure, provide additional services, or create improvement programs.

The Town of Mitchell had no debt service in 2005.

### **ECONOMIC DEVELOPMENT PROGRAMS**

This section contains a brief explanation of the agencies that could potentially help the Town's businesses with loans and grants.

#### **Local**

The Town of Mitchell does not currently have any local economic development programs, however, the Town can assist local businesses by officially supporting the business within the Bay-Lake Regional Planning Commission's *Overall Economic Development Strategy* document, published annually and reported to the Department of Commerce, thus making the business eligible for state grant consideration.

#### **County**

Sheboygan County, through its participation in the Wisconsin Community Development Grant Program, has retained funds for the establishment of a Business Revolving Loan Fund (RLF). This fund is designed to create employment opportunities, encourage private investment, and provide a financing alternative for small start-up or expanding businesses in the County. The RLF program includes interest rates and loan maturities that are designed to encourage business development, while providing for the recapitalization and growth of the RLF. Eligible activities include 1) acquisition of land, buildings, equipment, and fixed assets, 2) construction or reconstruction of buildings, 3) installation of fixed equipment, 4) working capital, and 5) buy-

outs by purchase of assets. Eligible projects must also leverage private dollars, create jobs, provide collateral. Loans are generally for amounts greater than \$25,000.

In addition, Sheboygan County is assisted by the Sheboygan County Chamber of Commerce and UW-Extension on economic development. Assistance from UW-Extension's Small Business Development Center is also available. The County has also been designated a Technology Zone by the Department of Commerce. This program is further described in the Regional portion below.

### **Regional**

Sheboygan County is part of the Northeast Wisconsin Regional Economic Partnership (NEWREP) *Technology Zone* program. The program provides income tax incentives for high-tech development in the region. The zone is designed to enhance the region's attractiveness to high-tech businesses and workers, build on the success of the biotechnology and manufacturing companies in the region, attract auxiliary companies and help existing companies increase productivity. Eligible businesses will be certified for tax credits based on their ability to create high-wage jobs (any jobs created must pay a minimum of \$10.30 per hour), and investment and support the development of high-tech industries in the region. Contact the Department of Commerce for more information on the Technology Zone program.

The Bay-Lake Regional Planning Commission annually creates a Comprehensive Economic Development Strategy (CEDS) report that evaluates local and regional population and economic activity. Economic development trends, opportunities and needs are identified in the report. All communities that are served by the Commissions, including the Town of Mitchell, are invited to identify future projects for economic development the community would like to undertake. Those projects are included within the CEDS and may become eligible for federal funding through the Economic Development Administration (EDA) Public Works grant program.

Lakeshore Technical College in Cleveland formed the LTC Center for Entrepreneurship in 2005. The center helps prospective business owners launch new businesses, sustains existing companies, and collaborates with local agencies and governmental bodies to make sure business owners are provided with up-to-date information and resources. The Center's advisory committee is made up of area bankers, attorneys, accountants, businesspeople, and other officials from throughout Sheboygan and Manitowoc Counties. The advice offered is free of charge.

### **State**

The Wisconsin Department of Commerce has several grant programs that would be available to the Town of Mitchell. The federally funded Community Development Block Grant (CDBG) program can be used for housing, economic development and public facility improvements. The program is designed to assist economically distressed smaller communities with improvements to such things as utilities and streets, fire stations, community centers, and housing rehabilitation, as well as many other improvements needed by a community. Specifically, the CDBG-Public Facilities for Economic Development (PFED) program is designed to assist communities with expanding or upgrading their infrastructure to accommodate businesses that have made a firm commitment to create jobs and invest in the community.

Tax incremental financing (TIF) is an economic development tool available to cities and villages (and to a much lesser extent towns) in Wisconsin. TIF provides the means for a developer to work together with a community to finance the clean up of a blighted area or to spur job-creating industrial and/or commercial development. For a time period up to 27 years, tax revenues generated by the new development can be allocated to pay for up-front infrastructure and related costs. This subsidy makes it easier for developers to take on large or expensive projects that would otherwise not have been attempted. Wisconsin Act 231 provides towns limited authority to create tax incremental financing (TIF) districts. The Act authorizes a town to use the TIF law for projects related to agriculture, forestry, manufacturing, or tourism. The Act defines the limited types of activities related to agriculture, forestry, manufacturing, or tourism that are eligible for town TIF projects. The Act authorizes a town to use the TIF law for limited residential development, as defined in the Act, but only to the extent that the development has a necessary and incidental relationship to an agriculture, forestry, manufacturing, or tourism project. The Act further authorizes towns to use the TIF law for retail development that is limited to the retail sale of products produced due to an agriculture, forestry, or manufacturing project. Regardless of what type of project is done, at least 75% of the proposed TIF's area must be intended for agriculture, forestry, manufacturing, or tourism activities, as defined in the Act.

### **Federal**

Some examples of federal programs that could assist the Town of Mitchell in economic development include:

#### **USDA Wisconsin Rural Development Programs**

- *Rural Business Opportunity Grants Program*  
Zero interest loans may be made to any Rural Utilities Service (RUS) to promote economic development and/or job creation projects including, but not limited to, project feasibility studies, start-up costs, incubator projects, and other reasonable expenses. Grants can be provided to rural communities through RUS borrowers to be used for revolving loan funds for community facilities and infrastructure and for assistance in conjunction with rural economic development loans.
- *Rural Business Enterprise Grants Program (RBEG)*  
The Rural Business-Cooperative Service makes grants available under the RBEG Program to public bodies, private nonprofit corporations, and federally-recognized Native American Tribal groups to finance and facilitate development of small and emerging private business enterprises located in areas outside the boundary of a city or unincorporated areas of 50,000 people or more and its immediately adjacent urbanized or urbanizing area. The small or emerging business to be assisted must have less than 50 new employees, less than \$1 million in gross annual revenues, have or will utilize technological innovations and commercialization of new products and/or processes to be eligible for assistance. Funds can be used for a variety of things including, but not limited to: construction of buildings and plants, equipment, access streets and roads, parking areas, utility and service extensions, and a variety of other costs.

## **US Department of Commerce, Economic Development Administration Programs**

- *Public Works and Economic Development Program*  
The Public Works Program empowers distressed communities in economic decline to revitalize expand, and upgrade their physical infrastructure to attract new industry, encourage business expansion, diversify local economies, and generate or retain long-term, private sector jobs and investment.

## **ECONOMIC DEVELOPMENT STRATEGY AND RECOMMENDATIONS**

The Town of Mitchell will seek direction for this element from the vision and goals identified through the public participation process:

### Vision

“The Town of Mitchell will continue a slow, planned development as a mixed residential/farm community with limited commercial and industrial development. Growth of residential development is expected to be on larger lots, lots not served by municipal sewer or water, and to result in the loss of some farmland. Agricultural uses are expected to move away from the traditional dairy farming towards niche/specialty farming or hobby farms. Commercial development in the Town is expected to be primarily from home based businesses that while generally unobtrusive can come into conflict with their neighbors. The Town of Mitchell is desirous of establishing the minimum amount of regulations that would balance private property rights with the overall community’s health and welfare including a farmer’s right to farm.”

### Strategy

The town intends to maintain its attractive landscape with its rolling hills, forests, and farm fields. These various natural elements play an important role in the town’s overall development. The town is approximately 40 percent owned by State and Federal agencies dedicated to the preservation of the environmental assets that has attracted and retained residents. The town focus will be to retain and enhance these natural features. The residents of the town of Mitchell have shown (in a recent survey) only minor interest in commercial development and virtually no interest in industrial development. However, within this comprehensive plan the town of Mitchell will direct development in the future to several areas of designated commercial areas for well planned and defined minor commercial developments in order to steer incompatible uses away from the town’s defined residential and agricultural areas. This will help to enhance other land uses by minimizing and controlling likely nuisances.

### Recommendations

- Encourage continuation of the family farm and maintain agricultural land use as an important part of the Town’s rural and open space character.
- Develop and implement farm preservation legislation providing farmers with a “right to do business.”
- Allow small scale economic development through home-based businesses.
- Develop and implement a home-based business ordinance.

## **Goals, Objectives, Policies, Programs**

### **Goal 1) Encourage continuation of the family farm and maintain agricultural land use as an important part of the town's rural and open space character.**

- a) *Objective:* Protection of farmlands for future agricultural operations.
- b) *Objective:* Utilize least productive farmlands for more appropriate uses.
- c) *Objective:* Work with farmers to offer viable alternatives to selling their lands for non agricultural purposes, utilizing state and federal programs to offer consulting.
- d) *Objective:* Protection of open space and scenic vistas.
- a) *Policy:* Work with government agencies to identify and clearly designate the town's most productive farmland for preservation.
- b) *Policy:* Encourage future development to occur away from productive or potentially productive farmland. Consider the many values of the agricultural lands and the rural and scenic nature of the town before changing the regulations to non-agricultural uses. Publicize current land use regulations in an effort to encourage compliance.
- c) *Policy:* Identify those areas not in farmland and environmental corridors.
- d) *Policy:* Consider development techniques (e.g. Conservation Subdivisions) that preserve the agricultural lands and open spaces in the town.
- e) *Policy:* New developments should consider buffers to limit negative views, noises, and smells from an agricultural operation.
- f) *Policy:* Encourage individuals to work with private, county, state, and federal partners to generate options and resources for farmers facing retirement and/or looking to transition into other business activities.
- g) *Policy:* Consider the development of a town ordinance to regulate large scale animal operations known as "factory farms".
- a) *Program:* Work with the county and state in identifying the possible use of PDR (Purchase of Development Rights) and Transfer of Development Rights (TDR) within the county, to assist farmers and to help preserve farming within the town.
- b) *Program:* The Town Plan Commission will be the primary entity responsible to coordinate with county, state, and federal agencies in exploring innovative ways to preserve farming in the town.

- c) *Program:* Continually review and update the town's Regulations, specifically as it relates to agricultural practices. Regulatory language should assure a strong future for agriculture in the town but should not cause a hardship on neighboring uses, the environment or the general public. The farmers 'Right to do Business' is best protected by regulations. The State of Wisconsin through the Agricultural Protection Act (WI Stat. 823.08) recommend properly asserted zoning power, as the best means for preserving a towns agricultural base while avoiding conflicting uses.

**Goal 2) The Town of Mitchell supports small-scale economic development that does not negatively impact the Town's rural atmosphere or natural resources.**

While some economic development is beneficial, residents prefer a mostly agricultural and open space landscape with a small amount of managed residential growth. According to the 2003 Citizen Input Survey, 99% of respondents favored this sort of rural atmosphere.

*Policy/program:* The Town will strongly consider steering large commercial and industrial development to nearby communities better suited to such development.

*Policy/program:* New businesses or expansions should not adversely threaten critical natural or historic resources.

*Policy/program:* The Town will continue to work with future developers to approve established compatible hours of operation, signage, lighting, parking, and landscaping requirements to meet the Town's desire for well planned growth and rural character preservation.

**Goal 3) Allow small scale economic development through home-based businesses Develop regulations that ensure that the businesses would be non-intrusive, would facilitate the enhancement of the rural character, provide needed services, and protect environmental quality.**

Definition of home-based business:

A business, other than farming, that is carried out on a residential or farm property that is clearly incidental to the residential or farm use and has little or no adverse affects on neighboring property.

A business that meets the following criteria is generally a home based business that is an accessory (secondary) use to the primary residence: it is established after the primary residence is on the property, is located within the primary residence, occupies less than 25% of the floor area of the residence, employs only household members, uses no specialized equipment that is noisy or polluting, has no or only occasional visits by customers, only ships or receives material for the business by mail or occasional UPS/FedEx type delivery, and requires no special utilities beyond what is used by a residence

- a) *Objective:* Develop criteria for the development of home-based businesses that will balance the need for economic development while protecting the quiet, rural character of the town of Mitchell.

- a) *Policy:* Control the potential conflict of business activity in residential areas by clearly defining and implementing a home-based business regulation.
- b) *Policy:* Inform potential business of land use regulations and restrictions.
- c) *Policy:* Strongly steer commercial and industrial development to the plan's specified areas in the town or to nearby communities better served by existing infrastructure.
- d) *Policy:* Allow home-based businesses to locate within the town until such a time as a regulatory change is needed to require them to locate within an area predominantly composed of business uses.
- e) *Policy:* Control the amount of signage, lighting, landscaping, buffering, and access of business sites throughout the town especially along major corridors and areas of scenic importance.
- a) *Program:* Work with the county and public services to monitor closely the capacity of existing infrastructure, roads, electricity, public safety services, etc, to accommodate any new economic development and weigh the costs to potential benefits before permitting them.
- b) *Program:* Monitor any commercial or industrial developments that occur adjacent to the town to ensure that the growth is compatible with the town's rural nature and in order to lessen potential conflicts.
- c) *Program:* Continue to work with future developers and local residents to approve established compatible hours of operation, signage, lighting, parking, and landscaping requirements to meet the town's desire for well planned growth and rural character preservation.

**Goal 4) The Town of Mitchell should monitor the expansion of home-based businesses.**

While most home-based businesses make little, if any, impact on the surrounding area, some businesses outgrow their original homesite and begin to generate noise, traffic, clutter, odor, etc. that can become detrimental to the welfare of neighbors and their property values.

*Policy/program:* The Town will strongly consider requiring conditional use permits for home-based businesses that exceed certain impact thresholds (e.g., traffic, noise, odors, hours of operation, number of employees, etc.) identified by the Town.

*Policy/program:* The Town will encourage home-based businesses undergoing substantial expansion to relocate to a more suitable location such as Cascade or Waldo.