

## **CHAPTER 4**

# **ECONOMIC DEVELOPMENT**

### **Introduction**

Economic growth in the Town of Barnes can determine land use and future development patterns. The economies of neighboring communities and counties influence commuting patterns, job opportunities, and personal incomes of Town residents. Business and industry help diversify the Town'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.

### **Local Economic Base**

The economic base in the Town of Barnes reflects the large seasonal population that returns to the area every summer. In 2000, the Town of Barnes had a permanent population of 610. At the same time, the Town had 1,160 seasonal housing units. Area lakes and forests draw people who enjoy the outdoors and recreational opportunities the Town has to offer and have influenced the types of businesses in the Town.

Area businesses are typically resorts and service based. The Town of Barnes has a number of resorts, inns, campgrounds, restaurants, and bars. Employment opportunities in these businesses increase during the summer months. The Town also has several contractors, a bank, realty office, greenhouse/nursery, gas stations, convenience stores, beauty shop, and some smaller home based businesses.

### **Analysis of Local Workforce**

Analyzing the local workforce in the Town of Barnes is useful in identifying available and future job opportunities to residents and helpful in determining if any job growth can be expected in the Town of Barnes.

Table 4-1 shows occupations of working Town residents. It does not indicate where these jobs are held. Not surprisingly, service occupations have the most workers followed closely by management/professional/related, and then sales/office occupations.

Table 4-1 Occupations of Town Residents

Occupation	2000	% of Total
Employed Civilian Population 16 Years and Over	215	100.0%
Management, Professional, and Related	53	24.7%
Service Occupations	59	27.4%
Sales and Office Occupations	42	19.5%
Farming, Fishing, and Forestry	2	0.9%
Construction, Extraction, and Maintenance	29	13.5%
Production, Transportation, and Material Moving	30	14.0%

Source: 1990 and 2000 US Census

Table 4-2 indicates over 95 percent of workers living in the Town of Barnes are employed in Wisconsin, but only 55.9% work in Bayfield County. This may be due to the close proximity to Hayward, Ashland, Minong, and Superior where more employment opportunities are found.

Table 4-2 Place of Work 16 Years and Over - State and County Level

	Number	Percent
Total	195	100.0%
Worked in state of residence:	186	95.4%
Worked in county of residence	109	55.9%
Worked outside county of residence	77	39.5%
Worked outside state of residence	9	4.6%

Source: 2000 U.S. Census

Like most rural communities, a majority of Town workers travel to their jobs by car, truck, or van. Over 10% stated they walk to work (see *Table 4-3*).

Table 4-3 Commuting to Work 16 Years and Older

	Number	Percent
Total	195	100.0%
Car, truck, or van	170	87.2%
Walked	20	10.3%
Worked at home	5	3.5%

Source: 2000 U.S. Census

Table 4-4 indicates that over 50% of workers travel less than 30 minutes to work. A large percentage of workers travel over one hour to their jobs.

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

Travel Time	Number	Percent
	190	100.0%
Less than 10 minutes	47	24.7%
10 to 19 minutes	40	21.1%
20 to 29 minutes	15	7.9%
30 to 44 minutes	46	24.2%
45 to 59 minutes	13	6.8%
60 minutes or more	29	15.3%

### **Age of Local Workforce**

The typical labor force age group is between ages 18 to 65, assuming that 18 year olds represent high school graduation and 65 year olds represent the average retirement age. According to the Wisconsin Department of Workforce Development (November 2004), it is estimated that for Bayfield County by 2010, the age group of 65 year olds will exceed the age group of 18 year olds. With the older population outnumbering the younger population, the labor force will likely decline. An older population affects the economy because they require different needs and services.

Labor force participation statistics are also a factor in studying the economy. The labor force represents the percentage of population that is 16 year olds and older that is either employed or unemployed but seeking employment. In Wisconsin and Bayfield County, the participation rates are 72.9% and 63.3% respectively. In the Town of Barnes, the rate is only 47%. As the population ages and the number of retirees increase, the participation rate will decline, again, indicating a possible labor shortage.

Because of the large influx of people during the summer months, businesses may have to look outside the Town of Barnes for workers.

### **Barnes Industrial Park**

The Industrial Park is located on a 30 acre parcel south of CTH N and was created to encourage economic growth. The Industrial Park has been cleared of trees and is ready for development. There has been some interest in the Industrial Park but financing, the existing transportation system, and lack of desirable businesses has slowed the development of the Industrial Park. The Barnes Area Development Corporation has been working with the Bayfield

County Economic Development Corporation to attract businesses to the Industrial Park.

## **Assessment of Strengths and Weaknesses**

Tourism, resort lodging and recreation play a key role in the local economy. The Eau Claire Lakes Business Association is comprised of businesses in both the Town of Barnes and Gordon. In this area, there are approximately 16 resorts and lodges along with 8 restaurants that cater to the needs of the seasonal population. The Town of Barnes is located along State Trunk Highway 27 and is approximately 30 miles north of Hayward, WI and 40 miles southeast of the Duluth/Superior metropolitan area.

The downside of a strong tourism based economy is the inflow and outflow of a seasonal population and workforce. The Town of Barnes in general has a small population to support employment needs throughout the year. The Town does not have a strong commercial or industrial tax base. Its Industrial Park is located on a 30 acre parcel south of CTH N. The park is currently vacant. As mentioned earlier, the Barnes Area Development Corporation has been working with the Bayfield County Economic Development Corporation to attract businesses to the Industrial Park.

Listed below is a summarization of strengths and weaknesses for attracting business to the Town of Barnes:

### **Strengths**

1. Large seasonal population.
2. Existing Industrial Park.
3. Natural resources which draws people to the Town.
4. Small town atmosphere.
5. Retired residents who are educated and have expertise in a variety of areas.

### **Weaknesses**

1. Large seasonal population.
2. Small, permanent population.
3. Lack of existing commercial and industrial businesses.
4. Reasonable proximity to other employment opportunities.
5. Small available workforce.
6. No low cost housing for seasonal workforce.
7. Transportation/two-lane highway.
8. Lack of awareness of the Industrial Park.

## **Survey Results**

In the 2004 Town of Barnes Community Survey, property owners were asked several questions pertaining to economic issues. When asked how they felt about the following types of businesses, respondents felt there was a need for more business that were service based, commercial/retail and specialty shops. The percentages of people who responded “*We need more*” or “*We have enough*” were almost identical.

When asked what they felt they needed less of, the top response was light industrial (16.3%). However, they would be in favor of design standards for any new commercial or industrial development.

	<b>We need more</b>	<b>We have enough</b>	<b>We need to see less of</b>	<b>Not sure</b>
1. Specialty shops	<b>36.8%</b>	<b>30.4%</b>	<b>5.8%</b>	<b>19.2%</b>
2. Service based	<b>46.5%</b>	<b>28.9%</b>	<b>3.1%</b>	<b>14.5%</b>
3. Recreational based	<b>34.5%</b>	<b>37.8%</b>	<b>4.8%</b>	<b>15.2%</b>
4. Commercial/Retail	<b>38.6%</b>	<b>31.7%</b>	<b>7.1%</b>	<b>14.8%</b>
5. Light Industrial	<b>30.4%</b>	<b>25.6%</b>	<b>16.3%</b>	<b>19.9%</b>
6. Home based	<b>26.1%</b>	<b>29.4%</b>	<b>5.8%</b>	<b>30.1%</b>
7. (Other: Please specify)	<b>5.8%</b>	<b>3.6%</b>	<b>1.5%</b>	<b>11.4%</b>

The Town of Barnes should develop design recommendations for commercial and light industrial developments.

- |                         |              |
|-------------------------|--------------|
| 1. I strongly agree.    | <b>21.2%</b> |
| 2. I agree.             | <b>36.4%</b> |
| 3. I disagree.          | <b>14.2%</b> |
| 4. I strongly disagree. | <b>9.0%</b>  |
| 5. Not sure.            | <b>13.1%</b> |

Over 45% of survey respondents indicated the Town should actively pursue new retail and commercial businesses, while 36% disagreed with that statement.

The Town of Barnes should actively pursue new retail and commercial businesses.

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|-------------------------|--------------|
| 1. I strongly agree.    | <b>13.3%</b> |
| 2. I agree.             | <b>32.2%</b> |
| 3. I disagree.          | <b>24.8%</b> |
| 4. I strongly disagree. | <b>11.2%</b> |
| 5. Not sure.            | <b>13.9%</b> |

Residents were overwhelmingly not in favor of offering free land or financial assistance to attract new commercial or light industry to the Town of Barnes.

The Town of Barnes should consider free land or financial assistance for new commercial businesses.

- |                         |              |
|-------------------------|--------------|
| 1. I strongly agree.    | <b>5.9%</b>  |
| 2. I agree.             | <b>16.4%</b> |
| 3. I disagree.          | <b>34.0%</b> |
| 4. I strongly disagree. | <b>27.3%</b> |
| 5. Not sure.            | <b>12.9%</b> |

The Town of Barnes should consider free land or financial assistance for new light industry.

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|-------------------------|--------------|
| 1. I strongly agree.    | <b>6.3%</b>  |
| 2. I agree.             | <b>20.2%</b> |
| 3. I disagree.          | <b>29.8%</b> |
| 4. I strongly disagree. | <b>27.3%</b> |
| 5. Not sure.            | <b>12.6%</b> |

When asked if the Town of Barnes should develop a “downtown” area, 51.5% agreed while 28.5% disagreed.

Along with Town of Barnes Community Survey, a Citizen’s Advisory Board meeting was held in February 2004 bringing together over 35 local residents to discuss the future of the Town of Barnes. A strong theme that kept coming up was the desire to maintain a small town atmosphere and to create a centralized “Main Street” business district. Currently, most commercial properties are scattered throughout the Town. On CTH N, there is the start of a commercial district near the Town Hall. It is the vision of the Town to further promote and develop this area into a “downtown”. Map 5-6 in Chapter 5, shows the preferred location for the future “downtown” area. The preferred area is identified by the eastern commercial cluster along County Highway N shown on the map.

## **Eco-Tourism**

Eco-tourism can attract visitors to the Town of Barnes and create job opportunities for residents. The development of biking, hiking, horse riding, and other trail systems can make the Town a destination. Many of these trails can have multiple uses. A hiking or biking trail can be used as a cross county skiing or snowshoeing trail in the winter. Popular trails can be used to host competitive events that would draw more people to the area.

Trail development should look at existing area trails to explore the possibility of connecting to them and creating a larger network.

## **Telecommuting**

Telecommuting allows people to live and work in the Town of Barnes while being connected to an office in another city, county, or state. To do this, the Town needs to have access to reliable cellular phone service, cable, and high speed internet. Currently, there are no cellular phone towers in Barnes. Recently, cable and DSL internet service has been installed in some areas of the Town. As this infrastructure continues to improve, the ability of people to live and work in the Town of Barnes will grow.

## **Redevelopment Sites**

The identification of existing contaminated or perceived contaminated sites (brownfields) for the purposes of redevelopment is very important in the growth and rebuilding of a community. Being able to redevelop those existing sites discourages rural sprawl and often eliminates blight. In the Town of Barnes, due to a lack of industrial business, there are no major brownfield sites to consider for redevelopment.

## **Economic Development Programs**

It is the mission of the Northwest Regional Planning Commission (NWRPC) to work cooperatively with counties, towns and other regional organizations comprising the Northwest Regional Planning District and assist in improving and enhancing the economic conditions in the area to provide a positive economic impact and improve the region's economic prosperity. The NWRPC, along with the Bayfield County Economic Development Corporation, are the two major players in providing consultation and expertise in the economic development in the Town of Barnes. The NWRPC is partnered with:

- ✓ Northwest Wisconsin Business Development Corporation-revolving loan funds
- ✓ Wisconsin Business Innovation Corporation-business technical assistance
- ✓ Wisconsin Rural Enterprise Funds, LLC-venture capital

Bayfield County is a member of the Superior Life Technology Zone which makes tax credits available for businesses that use technology to promote job creation. Early Planning Grants are available to assist small businesses prepare detailed plan documents.

Federal and State programs through the Department of Commerce and Department of Transportation are also available to the Town for economic development and public facility construction.

## **Tourism, Agriculture, and Forestry Districts**

Recently, towns have been given the opportunity to create districts that allow for incentives to be used for economic development and growth. These districts are called Tourism, Agriculture, and Forestry Districts (TAF). The formation of a TAF district allows the Town to allocate money to be used as incentive for economic development. The money is returned to the Town in the form of increased tax revenue. When the increased tax revenue pays off the original incentive, the tax money goes to regular taxing entities.

## **Economic Development Goals, Objectives, and Policies, Programs, and Actions**

**Goal 1:** Support economic growth in the Town of Barnes that blends in with the natural environment and meets the environmental goals of the Town.

### **Objectives**

1. Maintain existing business and support new businesses that meet the needs of area residents and visitors.
2. Expand the tax base in the Town of Barnes in ways that acknowledge “sustainability”.
3. Expand work and job opportunities.
4. Encourage environmentally sustainable economic development.

### **Programs, Policies, and Actions**

1. Encourage and support associations such as the Eau Claire Lakes Business Association, Barnes Area Development Corporation, Northwest Regional Planning Commission and the Bayfield County Economic Development Corporation to help economic growth.
2. Develop design recommendations for commercial and light industrial developments.
3. Support new businesses that provide year round employment.
4. Designate and encourage a “downtown” area in the Town of Barnes.
5. Create a “Main Street” Committee to promote the designated area and create development concepts.
6. Encourage new businesses to leave the natural surroundings as undisturbed as possible and enhance whenever possible with plantings and keeping vegetative buffers.
7. Encourage the reduction of impervious surfaces for parking near riverfronts and lakefronts.
8. Work with businesses to maintain and protect the natural environment and northwoods character.
9. Support home-based businesses that will have insignificant impacts on surrounding properties.
10. Support Eco-tourism that promotes the enjoyment of our natural resources in ways that do not degrade them.



11. Support the development and promotion of the Town's historical and cultural heritage and the creation of a museum.
12. Explore the Eco-municipality efforts in the area that are being pursued in Ashland and Washburn.
13. Create an Economic Development Committee (beyond but including the Barnes Area Development Committee and the Business Man's Association) to explore ideas for economic opportunities that are in line with the environmental goals of the Town and create a plan for responsible economic growth.