

Jefferson County Economic Development Consortium

Annual Report for 2008

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Department Staff

Dennis Heling.....	Executive Director
RoxAnne Witte.....	Administrative Assistant

JEFFERSON COUNTY DEMOGRAPHICS

AND

*WORKFORCE PROFILE SUMMARY***

Annually, on the first day of January, the Wisconsin Department of Administration predicts Wisconsin's population in its various political subdivisions. On January 1, 2008 the Wisconsin Department of Administration forecasted the population of Jefferson County at 80,792. Of this population it is estimated, by the State of Wisconsin Department of Workforce Development, that the 2008 annual workforce participation was 43,783* persons. This means on average, assuming an annual 2008 unemployment rate of 6.2%, 41,068 people were working while 2715 individuals on average were unemployed during the same period. The 2008 average unemployment rate showed about a one and one-half percent higher rate than that of 2007.

In 2008 the price per gallon for gasoline hit all time highs, although commuting to and from work remained relatively unchanged. The patterns still show about 15,500 Jefferson County residents work outside of Jefferson County while some 11,300 workers commute into Jefferson County. It is estimated that approximately 1/3 of those who commute out of Jefferson County travel to work in Waukesha County. Additionally, it is estimated that almost 1/4 of those who commute out travel to Dane County. Over 1/3 of all employees that commute into Jefferson County originate from Dodge County.

The U.S. Census Bureau reported in its recent release of household information that there are over 33,000 housing units in Jefferson County with an average household size of 2.55. It further found that the household median income is \$54,727.00.

Jefferson County has over 2015 non-farm business establishments operating in its borders. Well over one half of these businesses reported employing 19 or fewer employees. The top ten employers in Jefferson County are listed in chart A below with Fort Healthcare Inc. ranked as the largest employer in Jefferson County. The top ten employers account for about 20 percent of the jobs within Jefferson County.

The United States Department of Agriculture (USDA), National Agricultural Statistics Service 2007 report, identified a total of 1434 farms in Jefferson County at an average size of 170 acres with well over 244 thousand acres in the farms of Jefferson County. In addition crop sales exceeded 86 million dollars with livestock sales at almost 123 million dollars.

Jefferson County Top Ten Employers
Fourth Quarter 2008
Chart A

Rank	Employer
1	Fort Healthcare Inc.
2	Trek Bicycle
3	County of Jefferson
4	Wal-Mart
5	Generac Power Systems Inc.
6	Watertown Unified School District
7	Bethesda Lutheran Home & Services
8	Nasco Division
9	Terra Staffing Services Inc.
10	Spacesaver

**This number doesn't include those who reside in Jefferson County, but are in the military, institutionalized or not working and not currently looking for employment.*

*** Source: Unless otherwise noted the data source is the State of Wisconsin Department of Workforce Development*

MISSION, GOALS AND STRUCTURE OF THIS REPORT

The JCEDC formed in June 2003 and was the combined effort of Jefferson County, the Cities of Fort Atkinson, Jefferson, Lake Mills, Watertown and Whitewater and the Village of Johnson Creek. The City of Waterloo joined the JCEDC as a full voting member effective January 2005. The Board of Directors is comprised of 1 voting member, representing each participating city or village, and three County Board Supervisors representing Jefferson County. Dennis Heling is the department's Executive Director and RoxAnne Witte is the department's part-time Administrative Assistant.

The Jefferson County Economic Development Consortium's (JCEDC) mission is to foster and encourage responsible economic development activities that result in job creation, retention,

increased tax base and an improved quality of life for the citizens of Jefferson County. This mission is to be achieved through goals adopted by the Board of Directors, as amended from time to time.

In prior annual reports I reported that in JCEDC's initial planning process we developed five major areas of focus utilizing various developmental steps for activities which would assist JCEDC in achieving its goals and give short term organizational direction. Our economic visioning is currently well underway and will refine our focus and incorporate countywide input for the future economic development activities in Jefferson County. The initial five major areas of focus, with detailed descriptions, will once again be used to provide a context to the department's activities and to show the relation between and among the activities and accomplishments gained while working toward achieving the goals and overall mission of the department. The activities cited are not intended to reflect all activities of the department, but are identified to give a sample of the activities of the department. The five major areas of focus include:

1. ***Communication*** - The JCEDC must continue its efforts to inform the public and private sectors on its role and function. This includes clarifying perceptions and communicating information on issues, regulations, policies and other issues that impact the business community in Jefferson County. The JCEDC wants to be recognized as a problem and information clearinghouse on economic development issues. The JCEDC will assist in maintaining and promoting open and free lines of communication between local government officials, area businesses, and local and state agencies.
2. ***Marketing of Jefferson County*** - The JCEDC must develop and promote the County and its communities. Promotion includes working with existing business, networking with regional and state representatives, recruiting new business, and marketing Jefferson County and supporting a high quality environment.
3. ***Workforce Development, Training and Education*** - JCEDC will promote workforce development through education, training, and strategies which will foster a quality labor pool. Education and training will focus on basic skills including English as a Second Language (ESL), leadership training, problem solving, and skills upgrades.
4. ***Supporting a Positive Business Climate*** - JCEDC will promote modernization of business (agricultural, commercial, industrial, and tourism) and attract supporting businesses to Jefferson County. Promote positive government and business environment and maintain high quality public infrastructures. Explore strategies and partnerships to bring more financial resources for business expansions and start-ups.
5. ***Facilitation and Coordination*** - JCEDC will act as the voice for Jefferson County both at the regional and state level. In its role as facilitator and coordinator, JCEDC will provide assistance with financial, startup, and regulation information.

I. COMMUNICATION

In 2008 the department was well into its economic vision and positioning framework initiative. This initiative required a substantial investment of staff time during this reporting period. This action-oriented initiative will lead to the follow outcomes:

- The identification and awareness of Jefferson County’s key economic assets and emerging economic opportunities,
- Economic vision development, consensus, and awareness,
- Identification of catalytic strategies to generate momentum for emerging economic opportunities, and will,
- Provide the framework for development of the Jefferson County Comprehensive Economic Development Element.

One of the responsibilities identified in the creation of the JCEDC was that the JCEDC would ensure that the economic element requirement for Jefferson County’s Comprehensive Plan complies with Federal, State and regional regulations. The above describe initiative does exactly that in that the initiative assists Jefferson County with its Wisconsin mandated decennial update to its existing “Smart Growth” compliant comprehensive land use plan.

The communities of Aztalan, Johnson Creek, Lake Mills, Jefferson, Fort Atkinson, and Waterloo have substantially completed their own comprehensive planning efforts. The completion of their respective planning efforts is very timely as we are utilizing their planning results to inform our economic visioning initiative. A work group, representing these communities, which met approximately monthly provided updates about the progress being made in these communities and then the information obtained was used to inform our planning efforts. In addition, a Core Team, composed of primarily JCEDC board members and staff was assembled which met regularly with the consulting firm, Vandewalle and Associates. The Core Team’s role was to act as a representative for the Consortium and to assist as staff for the planning efforts. Further planning efforts for 2009 will include the roll out of our Economic Initiative Storybook to the public. The roll out will be open to the public and directed at all communities and will invite the general public, business and civic leaders and Jefferson County Board members. This event, as well as other informational events, will provide the participants an opportunity to hear about the planning and see the vision that has been developed countywide. As stated in prior reports, “...we recognized that a “generic” economic development planning approach is not needed in Jefferson County. Instead, a customized approach of research, community education and communication, visioning and key strategy development is needed at this time for the Jefferson County Economic Development Plan.” This is exciting as this is what is now well underway and the progress being made is already proving very informative and valuable in guiding our current economic development activities.

Our active participation with regional economic development professionals such as the Thrive/Collaboration Council is another example of our activities which communicate our efforts. This group is comprised of the eight counties of Columbia, Dane, Dodge, Rock, Sauk, Jefferson, Green and Iowa. We support the success of our region by collaborating on economic development solutions. We realize and support the need to work together to promote our region and its assets through economic development. We exchange information to the participating members and work on initiatives to improve our regional growth. The information and initiatives focus on our infrastructures, assets, community contacts and specifically includes detailed information about the composition of the county and our municipalities with such data as our transportation structure, business/industries parks, hospitals and school districts/ higher education and the natural resources.

We continued our work with the Thrive/Collaboration Council on regional communication efforts to strengthen our economic base and improve our quality of life. In 2008 we refined and participated in the signing of the Regional Principles of Collaboration with over 80 signatures which included organizations, such as economic development, community, educational, and business. This collaborative effort went into practice when, Action Lift Chair (ALC) one of the business JCEDC assisted released the following information; “ALC is an innovator, and one must have full involvement to innovate successfully,” states Dan Smeltzer ALC’s owner and Chief Executive. That means a broad labor shed a range of educational and cultural opportunities for management and staff around the region, solid regional infrastructure and importantly, a regional commitment to collaboration. For example, Jefferson County Economic Development Consortium worked regionally to connect us with specialists in wood design and structural engineering out of the university. That kind of resource and connection is invaluable in launching our business,” noted Smeltzer.

II. MARKETING JEFFERSON COUNTY

JCEDC strives to keep community data/information such as community profiles, key businesses, business sites, industrial parks, and buildings available current and updated with the most recently released information. Business site information and site selection questions are regularly fielded and when appropriate referrals are made to various communities for more detailed information and follow up. As more site location firms begin to use the internet we are incorporating more internet and electronic information into our department and are linking to more regional organizations and their sites. In 2008 we worked with Thrive, our regional collaboration partner, to provide additional links and web based resources. This included providing Thrive with detail Jefferson County demographics for their web site.

JCEDC continues to provide information to the Location One Information System (LOIS). This resource provides over 100 potential buildings and land sites for business prospects to review. Further this internet accessed marketing tool is intended to put Wisconsin-and participating communities-on a level playing field with the most sophisticated economic development organizations in the United States. This partnership consists of Forward Wisconsin, the Department of Commerce, the state's electric utilities, WEDA and county economic development organizations such as the JCEDC. It provides community data as well as a listing of available

sites for business which may be looking to locate or expand their business in Jefferson County. As a result of site selectors utilizing LOIS we regularly field requests from prospective businesses which have either located a potential site or are searching for follow up materials. These requests include additional local, county and regional information such as demographics, workforce data and contact information.

Our department is involved in marketing activities such as assisting with the development and distribution of the 2008-2009 Jefferson County Official Guide. This guide featured an insert which provided detailed information about Jefferson County's economic development initiatives as well as in depth materials about the parks, cultural heritage and the glacial heritage area. In addition, we respond to requests for tourism information and also may then have to refer to various other organizations for further assistance, such as local municipalities, chambers of commerce, county parks and recreation departments. Dennis sits as an ex-officio member on the Jefferson County Tourism Council whose goal is to promote tourism in Jefferson County. We also provided information to Wisconsin Department of Tourism for distribution at the State Fair as well as having our own information table at the Jefferson County Fair.

The JCEDC continues its effort to market the many benefits and advantages of Jefferson County to businesses interested in expanding, to entrepreneurs anticipating a startup of a new business, and to those companies considering whether to locate, expand or relocate to Jefferson County. Our philosophy includes utilizing our website to help "make connections and give direction" for those seeking information. We will continue to upgrade the website which is www.jcedc.net.

JCEDC produces flyers and handouts which provides information regarding the advantages and benefits and quality of life within Jefferson County. The flyers and handouts also include various economic development activities and programs within Jefferson County. These are distributed in many communities and at other events throughout the year.

We routinely provide press information for the local news media. This has included information on programs as well as various workshops and activities that we have hosted, participated in and/or sponsored. Additionally, we utilize the print media in advertising such activities as our Home Consortium rehabilitation program and our Entrepreneur and Inventors Connection Organization.

III. WORKFORCE DEVELOPMENT, TRAINING AND EDUCATION

JCEDC continues to work closely with businesses, agencies and organizations to insure that Jefferson County employers have access to a quality and stable workforce. During a portion of 2008 we continued to be active in the Workforce Development Center's One Stop Operations (OSO) team. This team has now changed to accommodate changes made in the Workforce Development Region. As a member, we participated in the planning process focusing on the issues which impact economic development and workforce development. We act as a conduit for information from the business community regarding workforce development and economic

development topics. Further we continue to act as an advisor to the Business Service Team (BST) for the Workforce Development Center of Jefferson and Dodge Counties. The broad areas that the BST is charged with is to focus on expansion, relocation and reorganization efforts for businesses and their workforce development activities. In 2008 the BST sponsored the 2008 Economic Summit focusing on education and the role that primary education plays in preparing the workforce. The Business Services Team meets monthly and plans to expand its interactions with the business community with several new initiatives slated for 2009. These initiatives will include providing additional access for employees to workforce development services.

JCEDC has a strong working relationship with the Workforce Development Board of South Central Wisconsin (WDBSCW). WDBSCW has given JCEDC access to and dissemination authority for the Strategic Advantage software economic profiling. The economic profiling and modeling software allows us to compile very specific modeling and profiling information for Jefferson County and the region. We frequently utilize this resource for research, site review and potential projects. This software allows us to do modeling on job creation activities for the various businesses that we are assisting in their retention and expansion activities. JCEDC's use of this software helps us provide an economic impact model designed to provide a quantifiable and economically sound method for determining relative impacts of proposed or impending changes to our regional economy. As such, the software is not only an essential tool for guiding economic development, but is also invaluable in justifying the decisions made in respect to a specific project and thereby assisting JCEDC in meeting our goal of workforce stabilization through effective actions. Request from various county departments for economic modeling information are handled. This could include such diverse information requests as: residential trends, economic value of parks to the community and the economic impact of emergency management in the region.

One component to having a qualified workforce is that of education. Our department partners with the University of Wisconsin-Extension, University of Wisconsin Whitewater and Madison Area Technical College in an effort to bring information and programs to residents and the workforce of Jefferson County. We inform business on various programs which they can utilize to enhance the skill sets of their workforce. Furthermore, we receive request from businesses about training and options available to assist them in job retention. In addition RoxAnne is certified to act as proctor to administer testing for the Manufacturing Skills Standard Certification which may act as a skills enhancement program for workforce retention.

Home ownership is another proven strategy toward a stable workforce. As a participating member of the Home Consortium we look to programs which help achieve the goals of workforce stability and quality of life. The JCEDC utilizes the Home Consortium's resources to enhance the stability of the workforce as well as improving the quality of life for the citizens of Jefferson County. Through partnering with and utilization of various sub-programs discussed below we are able to assist more citizens of Jefferson County. The sub-programs and activities include the following:

- As the Administrator of the Jefferson County Home Rehabilitation we provided assistance to households with homes that are in need of rehabilitation. In the fiscal year 2008 we assisted 6 families with a total of \$92,528 for home rehabilitation. Since the

program beginning, late 2004, JCEDC has disbursed \$ 225,432 for home repairs to 18 separate families in Jefferson County.

- In addition, we continue our partnership with HBC Services, Inc. to provide homebuyer down-payment assistance. This assistance helped 25 families during the calendar year of 2008. This partnership, allowed us to sponsor the Homebuyer Counseling course in an effort to educate families about homeownership and help qualify them to purchase homes in Jefferson County.
- Through the Down Payment Assistance Program offered by the HOME Consortium five families were able to receive funding to help them purchase their first home and another twelve families were able to receive Down Payment Assistance/Purchase Rehab funds to help them purchase their first home.

All of these activities contribute to workforce stabilization and enhances the property tax base due to property improvements.

IV. SUPPORT A POSITIVE BUSINESS CLIMATE

In 2008 we spend a large portion of our staff time working with the business community because of the 2008 flooding event. This included workforce related issues as well as working with business on business continuation issues. This translated into dozens of meetings and documenting over 4.7 million dollars of economic injury as a result of the flooding. As part of our efforts we created and completed a survey which resulted in our publishing the 2008 Flood Business Assessment. The report which is on our website documented and then reported to various state and federal agencies the losses sustained in Jefferson County. I was able to have the Department of Workforce Development fully fund an intern position that assisted in our flood recovery survey and reporting efforts.

We reviewed and/or assisted in six projects utilizing or attempting to utilize Wisconsin Department of Commerce Programs. This includes Department of Commerce tax credit projects and Community Development Block Grant programs. An example of one of these projects included obtaining \$35,000 as a specialized workforce training grant for Nestle Purina PetCare of Jefferson.

For the better part of 2008 the JCEDC represented Jefferson County on the Capital Ideas Zone-Wisconsin Technology Zone Tax Credit Program. The Capital Ideas Zone was merged into the states overall tax credit program to streamline the program and help us reduce the cost of administration. This tax credit program, created by the State of Wisconsin, designated the counties of Jefferson, Dane, and Rock, and the City of Whitewater as the Capital Ideas Technology Zone. Under this designation, the Zone was allocated tax credits to be used for new and expanding high technology businesses in the region. The credit is taken against the businesses' Wisconsin income tax liability. Technology related businesses are defined as those companies "primarily engaged in the activities of research, development or manufacture of advanced products or materials used in factory automation, biotechnology, chemicals, computer

hardware/software, defense, energy, environmental, manufacturing equipment, medical, pharmaceuticals, photonics, subassemblies and components, test/measurement, telecommunications and transportation;” or “... a knowledge-based business that utilizes advanced technology production processes, systems, or equipment”. The Wisconsin Department of Commerce will certify businesses for tax credits based on a company’s ability to create jobs, investment, and attract related businesses.

Criteria include:

- The business must be a new or expanding high-technology firm.
- The technology zone must recommend certification to the Department of Commerce.
- The certification is for three years, with an option to extend for two additional years.

In our region the Capital Ideas Tech Zone has certified, from its inception through December 31, 2008, more than 4.25 million dollars in Technology Zone Tax Credits. This leveraged over 147 million dollars in business investment. The program has assisted 22 different businesses which resulted in over 700 jobs created. During 2008 JCEDC worked on three separate business projects which qualified for just over 527,000 in tax credits with business investment exceeding 7.5 million dollars with almost 50 jobs created.

One of the major goals of the JCEDC is to support the business community and maintain a positive business climate. This includes developing and continuing programs which promote the “entrepreneurial spirit”.

- JCEDC acts as an information clearinghouse for economic development concerns and provides information to the business community. On a routine basis we respond to inquires, which includes telephone, faxes, e-mail and in person exchanges, related to a variety of issues, such as; permits, local government issues, financing, educational programs, census and demographic information, and training assistance. The fourth quarter of 2008 saw a sharp increase in information request from the business community on such topics as refinancing, employment related information requests and economic trends.

- JCEDC brought the Small Business Development Center’s First Step business program to Jefferson County in 2004. The First Step program, utilizing University of Wisconsin Whitewater staff, counsels participants in the fundamentals of business as their “first step” toward starting their own business. The program, starting in 2004, now called “Opportunity to Profit”, has assisted over 270 people with information and counseling about business and business startups. The program assists participant with business plan fundamentals and other technical business product development. We routinely work with Whitewater staff to provide direction and resource for both product development and for business planning efforts. This includes working with the Innovation Center at University of Whitewater to assist business obtain market research and guidance for product development.

- In 2005 the JCEDC launched the Entrepreneur’s & Inventor’s Connection (E&IC) which focus is to provide an opportunity for participants to network, learn from experienced entrepreneurs/inventors and develop creative ideas and support for new endeavors. Whether

starting a new business, improving an existing business, or developing and commercializing an invention, the resources shared at these meetings benefit a wide variety of innovators and entrepreneurs. If an individual has an idea, whether it is a product or a service and would like to turn it into a business opportunity, they benefit from attending. Participants have access to resources, networking, and most important moral support. The meeting is free and open to anyone interested in fostering their potential in creating economic opportunities for themselves and their communities through entrepreneurship or inventions. We have provided guest speakers which included such experts as legal, marketing, internet, business finance experts, and government contracting specialists. In addition, we have done tours of local businesses for networking and product development. In 2008 we organized business tours to Kendall Packaging in Jefferson and also to Idle Free Systems of Watertown. At these events community leaders, including governmental officials, had the opportunity to discuss issues impacting these businesses as well as get a first hand opportunity to view the businesses operations.

- In 2008 we continued our efforts to promote expansion of business in Jefferson County through government contracting. We provided contact information and assistance to businesses on how to register and educate businesses about the opportunities in government contracting.

One of the activities that the JCEDC continues is to assist in distribution of the Farm Fresh Atlas of Southeast Wisconsin. Not only does this activity support and promote Jefferson County farming community, but also fosters the entrepreneurial spirit and sustainable practices as promoted by Jefferson County. The atlas identifies Jefferson County Farmers' Markets and provides information about times, dates and location of the various market activities.

V. FACILITATION AND COORDINATION

JCEDC works with various communities in Jefferson County on Tax Incremental Financing. Briefly, Tax Incremental Finance (TIF) is a financing tool available to encourage economic development that would not occur without some public assistance. A municipality may form a tax incremental financing district, subject to statutory limits and requirements, if the proposed district meets certain requirements. Some of the requirements include a determination whether the area is suitable for industrial or mixed-use development, needs conservation, rehabilitation, or possible environmental remediation and/or whether the area is blighted. A joint review board made up of representatives from the overlying taxing jurisdictions, along with a public member, must meet and then approve the creation of the TIF district and its project plan. When a TIF district is created, the current value in the district is set as the base tax value. As improvements and development occur after the district's creation the increases in the district's value over the base tax value becomes known as the "increment value". The property taxes levied by all taxing authorities, such as the municipality, county, school district, and technical college on the increment value are then used to pay for the project costs associated with the development. In structuring financing of the costs in this manner spreads the cost of creating the district among all taxing jurisdictions which eventually benefit from the increased value of the district. During the life of the tax incremental district the tax on the base tax value continues to be paid to the taxing

jurisdictions that levy the tax. After a tax incremental district terminates, the taxes paid by property owners increased value from the improvements are then shared by all taxing jurisdictions. JCEDC's role, along with all other Joint Review Board members, includes, but is not limited to, determining: 1) Whether the expected TIF development would occur without the use of TIF; 2) Whether the economic benefits of the TIF in terms of increased employment, Business and personal income and property value justify the TIF public costs; and 3) Whether the benefits of the proposal outweigh the anticipated tax increments. JCEDC, during calendar year 2008, was designated by Jefferson County to sit on two separate Joint Review Boards and assisted in creating or amending Tax Incremental Districts in the Cities of Lake Mills and Jefferson.

We are the administrator of several Community Development Block Grants. This has authorized us to create a revolving loan fund. This fund is available to lend to businesses in Jefferson County. The revolving loan fund balance as of December 31, 2008 was approximately \$87,000.00. We worked with two businesses which anticipate utilizing our RLF program in conjunction with their base financing in 2009. This program requires use to report frequently to the State of Wisconsin Department of Commerce on our revolving loan program. It allows us an opportunity to interact with the state on local financing needs and to relay our needs for areas such as infrastructure and future planning for projects.

CONCLUDING REMARKS:

As stated in previous annual reports the intent behind this annual report is to present examples of the department's activities/projects and outline the role of JCEDC in Jefferson County's economic development community. My goal is to give a cross section of a variety of activities. All of which are important components to Jefferson County's economic development.

In our role as Jefferson County's lead agency for economic development the JCEDC welcomes your participation and values your input. We strive to grow Jefferson County's economy and improve the quality of life for the citizens of Jefferson County. Don't hesitate to contact us.

Respectfully submitted this 9th day of June, 2009.

Dennis L. Heling

Dennis L. Heling
Executive Director
Jefferson County Economic Development Consortium