

Jefferson County Economic Development Consortium

Annual Report for 2007

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Department Staff

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

JEFFERSON COUNTY DEMOGRAPHICS AND

WORKFORCE PROFILE SUMMARY**

On January 1, 2007 the Wisconsin Department of Administration forecasted the population of Jefferson County at 80,411. Of this population it is estimated, by the State of Wisconsin Department of Workforce Development, that the 2007 annual workforce participation was 43,783* persons. This means on average, assuming an annual 2007 unemployment rate of 4.7%, 41,717 people were working while 2066 individuals on average were unemployed during the same period. The 2007 average unemployment rate showed about a one-tenth of one percent higher rate than that of 2006. Reports on commuting patterns, remaining mostly unchanged for the past several years, show that 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. With the dramatic rise in transportation fuel cost commuting patterns may change in 2008.

Almost 3000 business organizations and business establishments operate in Jefferson County. 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. In addition, there are, according to the United States Department of Agriculture, National Agricultural Statistics Service 2002 report, 2181 farm operators in Jefferson County with 1421 farms, which reported hiring a total of 1738 farm laborers.

USDA statistics service staff relayed last year that even though we have seen a trend of farms going out of business at a rate of about 1% annually, the loss trend appears to have slowed some, and in certain areas in Wisconsin actually may have seen a slight reversal. Currently staff's position is that their prior assessment of a slowing of farm losses was probably correct and that they will be publishing the census in February 2009. They are now analyzing data as it is coming in and trying to make some broad predictions of the industry.

Jefferson County Top Ten Employers

Fourth Quarter 2007

Chart A

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

**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 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.

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. Participating member's dues provided \$127,852 as revenue for its 2007 budget.

In our early planning process JCEDC 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. Although these five major areas have been used for direction our long term strategic planning, currently underway, will help refine our focus.

The initial five major areas of focus, with detailed descriptions, are 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

DEPARTMENT COMMUNICATION ACTIVITIES

In 2007 the department was immersed in its comprehensive planning process. The efforts will provide the Consortium with a comprehensive guide for its future and Jefferson County with its decennial update to its “Smart Growth” comprehensive plan. In fact the communities of Aztalan, Johnson Creek, Lake Mills, Jefferson, Fort Atkinson, and Waterloo are in various stages of their own comprehensive planning efforts. This is fortunate as we are utilizing their planning results to inform our comprehensive plan. A work group, representing these communities, was created which provided updates about the progress being made in the respective communities and then the information is used to inform our planning efforts. In addition, a Core Team was assembled which meets regularly with the consulting firm, Vandewalle and Associates. The Core Team’s role is to act as a representative for the Consortium and to assist as staff for the planning efforts. Further planning efforts for 2008 will include meetings with all the major communities in the county. These meeting will provide the plan with substantial information from the community level to help shape the vision for the overall plan. As stated in my report last year, “...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 what is now well underway and the progress being made is already proving very informative and valuable for our current economic development activities.

An important communication activity includes our active participation with regional economic development professionals. This group is comprised of the nine counties of Sauk, Columbia, Dane, Rock, Dodge, Jefferson, Lafayette, Green and Iowa which worked closely with the regional efforts of the Collaboration Council. 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 continue these communication efforts in an effort to strengthen our economic base and improve our quality of life.

II. MARKETING JEFFERSON COUNTY

DEPARTMENT MARKETING ACTIVITIES

Business Sites

We routinely updated our electronic community data information such as community profiles, key businesses, business sites, industrial parks, and buildings available. Site information and site selection questions are regularly fielded and referrals are made to various communities for more detailed information. 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.

JCEDC continues to provide information to the Location One Information System. 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 into Jefferson County.

Assisting in Promotion of Jefferson County Tourism

Our department is involved in marketing activities such as assisting with the development and distribution of the 2007-2008 Jefferson County Official Guide. 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 also was a speaker at the 2007 Tourism Summit in which he did a power point presentation on the role of tourism in economic development.

The JCEDC represents Jefferson communities at events to promote the benefits of our area. An example included attending and helping to man a booth at **Canoe-A-Copia**. We provide information about Jefferson destination for water sports and a variety of tourism activities. 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.

MARKETING THE BENEFITS AND ADVANTAGES OF JEFFERSON COUNTY

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 activates 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.

III. WORKFORCE DEVELOPMENT, TRAINING AND EDUCATION DEPARTMENT WORKFORCE, TRAINING AND RELATED ACTIVITIES:

Promoting a Quality and Stable Workforce

JCEDC continues to work closely with agencies and organizations to insure that Jefferson County employers have access to a quality and stable workforce. We are an active member of the Workforce Development Center Steering Committee/OSO. As a member, we participate 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 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 2007 the BST sponsored the 2007 Economic Summit focusing on education and the role that primary education plays in preparing the workforce. Dennis did a presentation on the local economy.

JCEDC has developed 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.

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 continued our partnership with MATC for the BASIC education program. This program is designed for the participant to obtain their GED or workplace skills development requirement. In addition RoxAnne became certified to act as proctor to administer testing for the Manufacturing Skills Standard Certification.

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. Home ownership is a proven strategy toward a long term 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. 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 2007 we assisted six families with a total of \$81,326.00 for home rehabilitation. Since the program beginning, late 2004, JCEDC has disbursed \$ 132,904.00 for home repairs to 11 separate families in Jefferson County. In addition we continue our partnership with hbc Services, Inc. to provide homebuyer down-payment assistance. This assistance helped 29 families during the calendar year of 2007. 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. All of this activity contributes to workforce stabilization and enhances the tax base of the improved property.

IV. SUPPORT A POSITIVE BUSINESS CLIMATE DEPARTMENT SUPPORTING POSITIVE BUSINESS CLIMATE ACTIVITIES:

Business Community

In 2007 we reviewed and/or assisted in seven projects utilizing Department of Commerce Programs. This includes Department of Commerce tax credit projects and Community Development Block Grant programs.

JCEDC represents Jefferson County on the Capital Ideas Zone- Wisconsin Technology Zone Tax Credit Program. 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 \$5 million in 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, 2007, more than 4 million dollars in Technology Zone Tax Credits. This leveraged over 146 million dollars in business investment. The program has assisted 19 different businesses which resulted in almost 700 jobs created and almost 2100 jobs retained. During 2007 we worked on four separate business projects which qualified for tax credits.

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

- 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 has assisted over 250 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.
- The Entrepreneur’s & Inventor’s Connection (E&IC) generally meets monthly. The focus of the organization 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.
- 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.
- In 2007 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.

Promote Agribusiness of Jefferson County

We are the administrator of several Community Development Block Grants which has a revolving loan fund. This fund is available to lend to businesses in Jefferson County. The revolving loan fund balance as of December 31, 2007 was approximately \$62,000.00.

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

DEPARTMENT FACILITATION AND COORDINATION ACTIVITIES:

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 2007, was designated by Jefferson County to sit on separate Joint Review Boards and assisted in creating Tax Incremental Districts in the Cities of Lake Mills., Jefferson, Whitewater, and Waterloo.

CONCLUDING REMARKS:

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 10th day of June, 2008.

Dennis L. Heling

Dennis L. Heling
Executive Director
Jefferson County Economic Development Consortium