

6. ECONOMIC DEVELOPMENT

ECONOMIC DEVELOPMENT VISION

By 2035, St. Croix County has innovative, productive, well-paying jobs in our municipalities and rural areas. St. Croix County has worked with cities, villages, and towns to guide commercial uses to areas where services are available. This discussion has happened with municipal cooperation. The St. Croix Economic Development Corporation and local communities have developed strong ties and an understanding of the costs and benefits of economic development. That county-wide effort has resulted in identification of core businesses, key new food production and emerging industry clusters. The county has achieved high-end, value-added product processing that includes production, processing, packing, transportation and distribution and supports our strong agricultural sector. Local businesses and our education facilities have worked together to supply knowledge workers to meet local skill demands. These activities have created a strong local economy.

INTRODUCTION

Economic development as part of comprehensive planning is the process by which the St. Croix County community initiates and generates solutions to address local economic challenges. The primary purpose of economic development initiatives is to promote the stabilization, retention, or expansion of the economic base and to provide quality employment opportunities in the region. This includes assisting existing businesses, encouraging business expansion, and recruiting new businesses. Economic development can also include building a culture of trust and entrepreneurship, and strategically planning important capital improvements and related infrastructure expenditures. Such endeavors should be guided by the vision and goals in county plans to encourage efficiency and ensure a positive impact on the community.

These efforts collectively build long-term local economic capacity to be more self-sufficient and to become a resilient economy. Successful economic development strengthens and diversifies local economies. In addition, local businesses may locate in close proximity to the primary industry that they support. These secondary or support businesses take advantage of economic spillovers of the primary industry. A local example of this is the close relationship between the existing agriculture and food processing industries.

This information should also be considered in the context of the economic development programs, plans, and tools at work in St. Croix County and its communities which are identified in the *Addendum: Inventory of Programs, Plans, and Land Use Policies in West Central Wisconsin* compiled by WCWRPC as part of the regional plan.

Additional Data

This section relies heavily on data provided in the issues and opportunities, transportation, agriculture, and natural resource sections.

The State Comprehensive Planning Law requires that the issues and opportunities element include a variety of economic background information, including employment forecasts, educational levels, income levels, and employment characteristics.

As appropriate, this section refers back to the data tables in other sections instead of repeating them here.

Local Economic Development Organizations

There are multiple economic development organizations that provide a variety of economic development information and services to municipalities, the county, and across county lines. They are identified below:

St. Croix Economic Development Corporation serves the whole county from its office in Hudson. It is aligned with the Wisconsin Economic Development Corporation (WEDC, formerly the Wisconsin Department of Commerce) to monitor activities of benefit to St. Croix County residents and businesses. St. Croix County (and neighboring Pierce) are included in a regional economic development organization call Greater MSP. The service territory of Greater MSP matches the federal definition of the 13-county metro area. Momentum West is a regional economic development marketing organization that serves the 10-county region of west central and northwest Wisconsin, including St. Croix.

Local economic development organizations include the St. Croix Business Park Corporation (Hudson), River Falls Economic Development Corporation (River Falls), New Richmond Area Economic Development Corporation (New Richmond), Baldwin Improvement Agency (Baldwin), and Woodville Economic Development Corporation (Woodville). The Greater St. Croix Valley Partnership has also emerged as an informal organization between St. Croix, Polk, Pierce, and Dunn County EDCs.

THE WISCONSIN ECONOMY

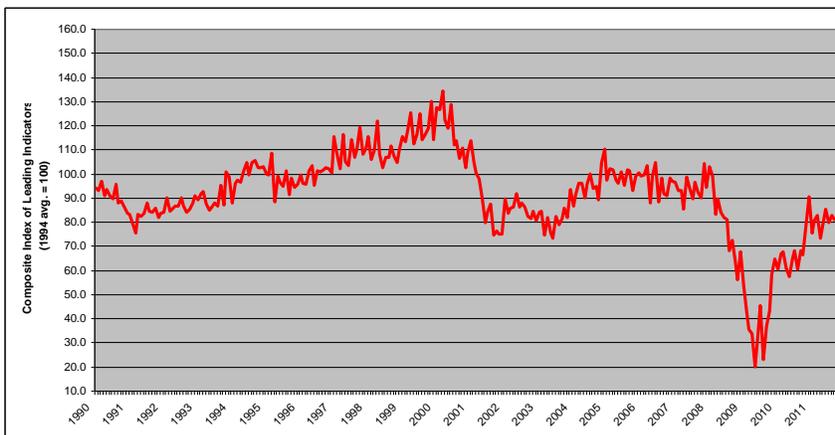
Recent Economic Trends

The economy is always in flux, often occurring in cycles or periods of growth, prosperity, and expansion followed by periods of decline, contraction, or recession. There is no reliable methodology to predicting such cycles, and some economists argue that these fluctuations are the result of “shocks” to the economy in terms of productivity or demand changes, and the use of the term “cycle” is a misnomer.

Leading economic indicators are based on certain economic activities which foreshadow a forthcoming economic change. Figure 6.1 charts the composite index of leading indicators between 1990 and September 2011 for Wisconsin. The composite indicators include average work week, overtime, job openings, new business starts, and unemployment compensation claims. Gross domestic product is often used to measure economic cycles, and Wisconsin’s

annual average GDP has been growing quite steadily over the last decade.

Figure 6.1 – Composite Index of Leading Indicators for Wisconsin (1990-September 2011)



source: Wisconsin Office of Economic Advisors

The Wisconsin economy grew rapidly in the mid-to-late 1990s, as an exuberant market and venture capitalists speculated on the stocks of dot-com companies during a period of low interest. But in March 2000, the bubble began to burst and by October 2002, \$5 trillion in market value of technology companies had been lost. This sudden economic decline is very apparent in Figure 6.1. Also

about this time, Wisconsin and much of the world entered a period of manufacturing recession.

Wisconsin’s Economic Outlook

Forecasting the economy is difficult at best and such projections are based on historical economic fluctuations, current trends, and a variety of economic indicators. The *Wisconsin Economic Outlook* report issued by the Wisconsin Department of Revenue-Division of Research and Policy in Fall 2011 states that while the economy continues to grow, the national economy has weakened since spring and Wisconsin’s economic outlook has weakened as a result. Most of the Wisconsin jobs lost in the recent recession came from two of the state’s largest sectors: manufacturing (84,700) and trade, transportation, and utilities (42,000). Manufacturing is also the sector that has added the most jobs (26,800) in the recovery.

ST. CROIX COUNTY ECONOMIC PROFILE

Economic Data

St. Croix County is included in the Minneapolis-St. Paul-Bloomington, MN-WI Metropolitan Statistical Area and the region. Some select data comparisons are included for the metro area as a whole. For ease of reference, the metro area is simply referred to as the Twin Cities MSA in the remainder of this section.

Given the wealth of economic data available at the state, regional, county, and local levels, the plethora of specialized business studies, and the wide variety of economic models, no compilation can truly be comprehensive in scope. However, for a wide range of current economic data, refer to the St. Croix Valley Economic Dashboard released jointly by the Center for Economic Research at UW-River Falls and the St. Croix Economic Development Corporation. It provides a monthly snapshot of the labor, consumer, and housing markets in Polk, St. Croix, and Pierce counties, and it can be found at www.uwrf.edu/CenterForEconomicResearch.

Metropolitan Statistical Area
 St. Croix County is one of 13 counties that make up the U.S Census Division named Minneapolis – St. Paul – Bloomington, MN/WI Metropolitan Statistical Area.
 St. Croix County is not part of the Metropolitan Council (Met Council), a regional planning agency that serves a seven-county area in the Twin Cities.

Certain types of economic data and forecasts are only available at a county or regional level. However, earlier in the issues and opportunities section of this report, a variety of demographic, education, and labor force data tables were provided for St. Croix County and its municipalities. This section does not restate the data tables and maps provided earlier, but instead build upon this data to provide an economic “snapshot” of St. Croix County.

Demographic Overview

Current demographic trends, including population changes and educational attainment, are important foundational factors in many economic development initiatives. The population profile describes the existing and potential labor force that may fill the jobs located in the region. Educational attainment statistics are a proxy for the general skill level of the population. And household income allows inferences to be made about discretionary spending in St. Croix County as a whole.

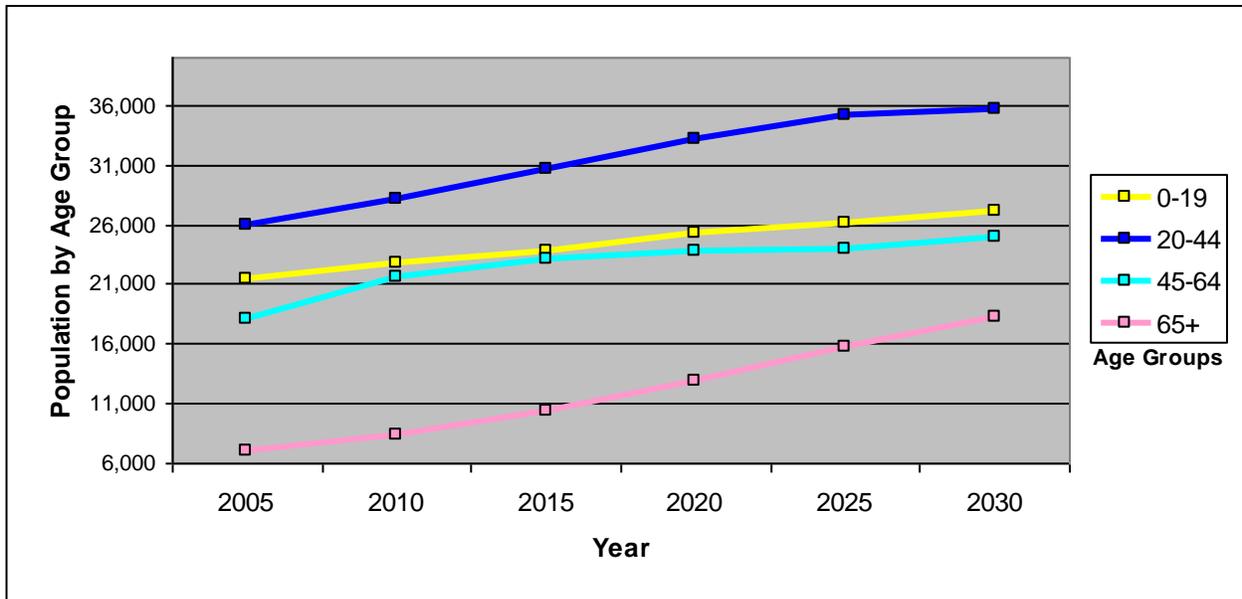
Population & Labor Force

As of October 2011, St. Croix County had an estimated population of 84,503. This was an increase of 158 persons since the 2010 Census. Between 2000 and 2010, the County had the highest growth rate in the State of Wisconsin. As shown previously in the Issues and Opportunities Section Figures 2.5 and 2.6, the western half of the County has seen the highest

rates of growth, with in most cases, incorporated communities growing faster than unincorporated towns.

The County's percent population change between 2000 and 2010 was 33.6 percent (21,190). Of that increase, 9.8 percent was due to natural increase (births minus deaths) and 23.8 percent was a result of net migration (in-migration minus out-migration). Between 2000 and 2030, the Wisconsin Department of Administration has projected that St. Croix County's population will increase by 74,205 residents (or 117.5 percent). For additional population statistics by municipality please see Figures 2.12 to 2.14 in the **Issues and Opportunities Section**.

Figure 6.2 – St. Croix County Age/Labor Force Projection (2005-2030)



source: Wisconsin Department of Administration

Between 1990 and 2000, the County's median age increased from 31.6 years to 35.0 years, though it was still the 6th youngest county in the State in 2000. The aging population of the region and County is a significant concern for the future and will place a greater emphasis on job training in the region.¹ Figure 6.2 provides a visual representation of St. Croix County's labor force using Wisconsin Department of Administration population projections.

Currently, most of the St. Croix County labor force is between the ages of 20 and 44. Unlike many counties of the region, the total number of County residents under the age of 45 is expected to continue to increase over the next 30 years, though the growth rate of these age groups is expected to slow. Meanwhile, as Figure 6.2 shows, the number of residents over the age of 65 almost triples.

In short, while the County's overall population is expected to increase over 50 percent from 2010 to 2030, the size of the primary workforce (ages 20-64) to support the local economy will only increase by 38 percent. Meanwhile, the number of seniors age 65 and over increases dramatically.

For additional insight into the St. Croix County labor force, the Office of Economic Advisors' *County Workforce Profiles* are an excellent source and are updated annually.

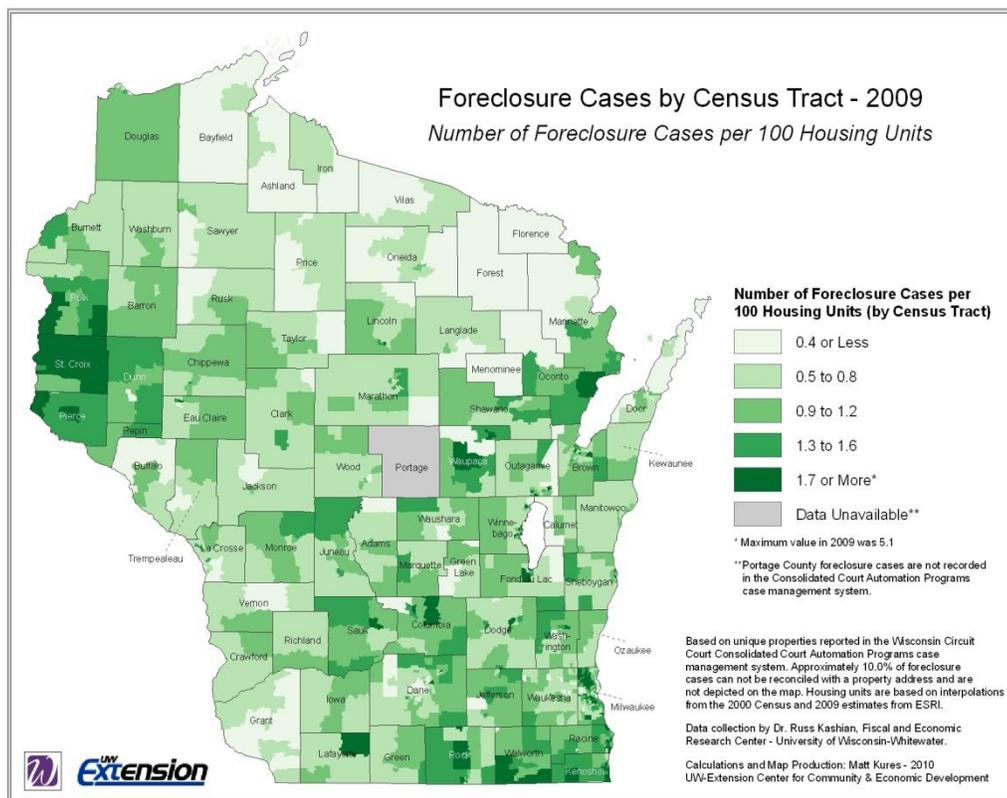
¹ Dane, Andrew and Gary Paul Green. Labor Market Conditions in Barron County. University of Wisconsin-Extension. January 12, 2005.

Housing Market

According to data provided by the US Bureau of the Census, the estimated number of single-family residential building permits issued in 1998 was 575 compared to 338 in 2007, a 40.1 percent decrease. Permits for all units decreased even more substantially (-63.9 percent) from 1,022 units in 1998 to 369 units in 2007. The County has not experienced a change in this trend, as there are still significantly fewer building permits than in the late 1990s and early 2000s. Building permits numbers reflect larger economic trends and can vary significantly from year to year. For instance, the highest number of units issued permits during the past decade occurred in 2003 when 1,525 total units valued at \$216.8 million were permitted. This was over \$147.9 million more in construction value compared to 2007.

The foreclosure crisis starting in 2006 impacted western Wisconsin. Statewide, no area felt this more than St. Croix County. Between 2006 and 2010, the foreclosure rate in western Wisconsin fluctuated between 0.6 and 1 or more per 100 housing units. Figure 6.3 shows many census tracts in St. Croix County experienced a rate of 1.7 foreclosures or more.

Figure 6.3 Wisconsin Foreclosure Cases by Census Tract—2009



source: UW-Extension Center for Community & Economic Development

Education

As shown in Figure 6.4, of the 2000 St. Croix County population that is 25 years and over, 91.6 percent had a high school education or higher, and 26.3 percent had a bachelor's degree or higher. In 2010, these numbers increased to 96 percent and 31.8 percent. These averages are above the State averages, but slightly below the averages for the Twin Cities. Compared to a decade earlier, more County residents are undertaking some type of post-secondary education.

FIGURE 6.4 – ST. CROIX COUNTY EDUCATIONAL ATTAINMENT (1990 & 2000)

EDUCATIONAL ATTAINMENT (RESIDENTS 25 YEARS OR OLDER)	ST. CROIX COUNTY			TWIN CITIES MSA 2000 %	WISCONSIN 2000 %
	1990 %	2000 %	'90 to '00 % Change		
Less than high school diploma	15.6	8.4	-46.2	9.4	15.0
High school graduate	38.6	33.3	-13.7	9.1	34.6
Some college, no degree	17.2	23.1	34.3	24.2	20.6
Associate degree	8.3	8.9	7.2	7.7	7.5
Bachelor's degree or higher	20.3	26.3	29.6	33.3	22.5
High school graduate or higher	84.4	91.6	8.5	90.6	85.1

source: U.S. Census Bureau, 1990 & 2000

The demand for labor in the region is shifting toward more skilled work, although not as quickly as some other regions in the State. This trend increases the need for worker training opportunities. A strong, traditional secondary educational system and a variety of worker training programs are important factors in economic development.

There are six K-12 public school districts in St. Croix County. Wisconsin Indianhead Technical College has a regional campus in New Richmond, and nearby in Pierce County is UW-River Falls and a Chippewa Valley Technical College campus. These institutions meet many of the training needs for many St. Croix County businesses, though select industries may require additional educational support.

For more detailed data on educational attainment by municipality in St. Croix County, please see Figure 2.17 in the Issues & Opportunities section.

Income and Wages

Summarizing income statistics yields insight on purchasing power. The 2005 median household income for St. Croix County was \$65,684, which was 3rd in the State of Wisconsin and 139.3 percent of the State average. This was also slightly above the median household income for the Twin Cities of \$62,223. Figure 6.6 compares St. Croix County's per capita personal income² to State averages. Unlike the other counties in west central Wisconsin, income levels in St. Croix County exceeds State averages, but has increasing at a slower rate over the past five years. As of 2010, the median household income was \$62,386, which is a decrease compared to the middle of last decade.

The 2009 poverty rate for St. Croix County is one of the lowest in the State (Figure 6.7). This is to be expected due to the high percentage of residents that commute to the Twin Cities. St. Croix County, even with its older rural communities, has become an exurban area of the Twin Cities, a place where people move to live, but continue to work in the larger metropolitan area. About 4.7 percent of individuals in the County were below the poverty level in 2005, up from 3.9 percent in 2000. In 2010, this number has increased to 7.9 percent. For household income data by municipality, please see Figure 2.26 in the Issues and Opportunities section. Overall, average annual wages for St. Croix County increased by 9.5 percent in the six years from 2001 to 2006 as shown in Figure 6.5.

² Personal income is the income received by persons from all sources.

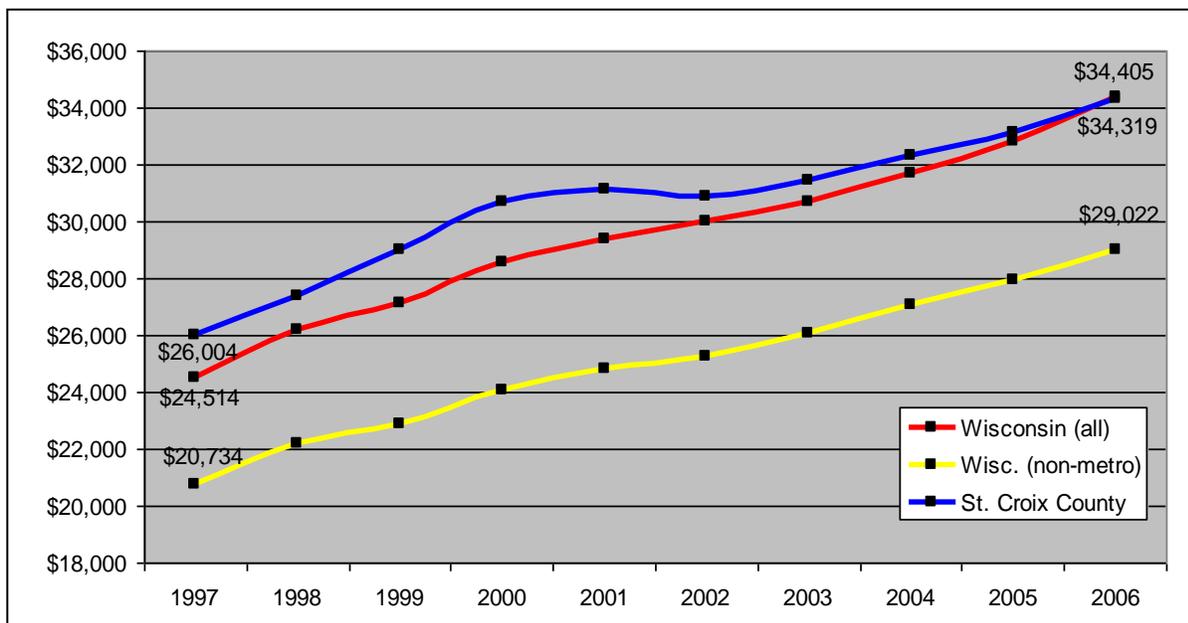
FIGURE 6.5 – ST. CROIX COUNTY AVERAGE ANNUAL WAGES BY INDUSTRY (2001-- 2006)

INDUSTRY	2001	2002	2003	2004	2005	2006	% CHANGE '01 - '06
Public Administration	22,716	23,547	28,578	30,338	31,153	32,323	42.3
Financial Activities	28,176	29,801	32,992	33,899	34,680	36,067	28.0
Professional & Business Services	31,771	35,934	38,049	40,249	39,335	40,309	26.9
Natural Resources	20,047	21,201	22,841	23,628	24,542	24,712	23.3
Information	23,520	24,809	24,457	25,896	27,413	27,727	17.9
Manufacturing	34,354	35,540	37,012	38,559	39,115	40,223	17.1
Education & Health	27,755	29,533	30,081	31,389	31,863	32,441	16.9
Construction	37,072	38,176	39,558	41,157	41,569	42,061	13.5
Leisure & Hospitality	9,854	10,281	10,585	10,824	11,157	11,140	13.1
Trade, Transportation, Utilities	24,715	25,357	26,243	26,492	27,121	27,679	12.0
Other Services	16,353	15,525	17,210	17,539	19,338	19,035	16.4
All Industries	26,763	27,941	29,149	30,206	30,576	31,184	16.5

source: Wisconsin Department of Workforce Development, Office of Economic Advisors -This data is compiled from employers required to submit data for unemployment insurance purposes. Thus, some industries (e.g. self-employed, agricultural) are not reported or are underreported.

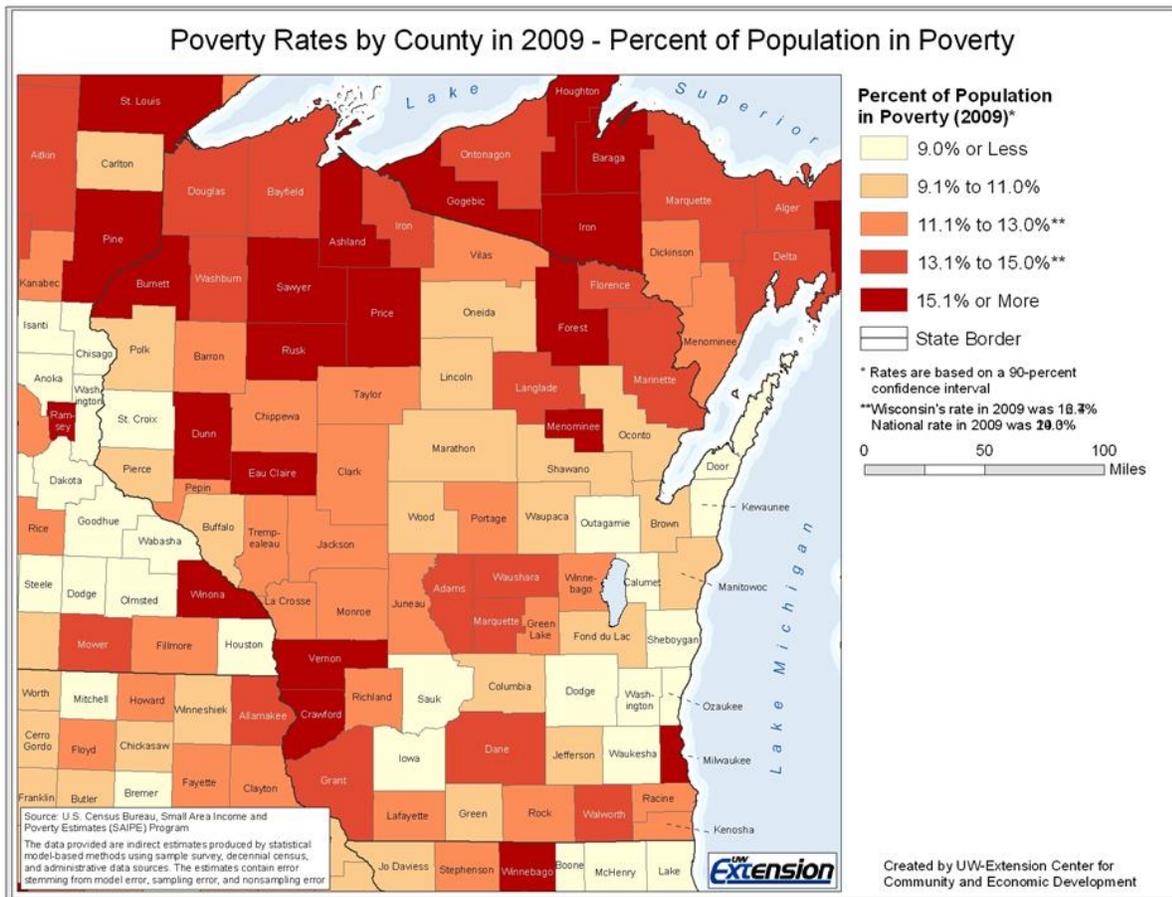
The biggest percentage increase was in the financial activities industry, while professional and business services wages decreased. While the County's household income was above State average, the 2006 average wage in St. Croix County was \$31,184 or about 85 percent of the average Wisconsin wage.

Figure 6.6 – St. Croix County vs. State Per Capita Personal Income (1997-2006)



source: U.S. Department of Commerce – Bureau of Economic Analysis

Figure 6.7 – Wisconsin Poverty Rates by County 2009



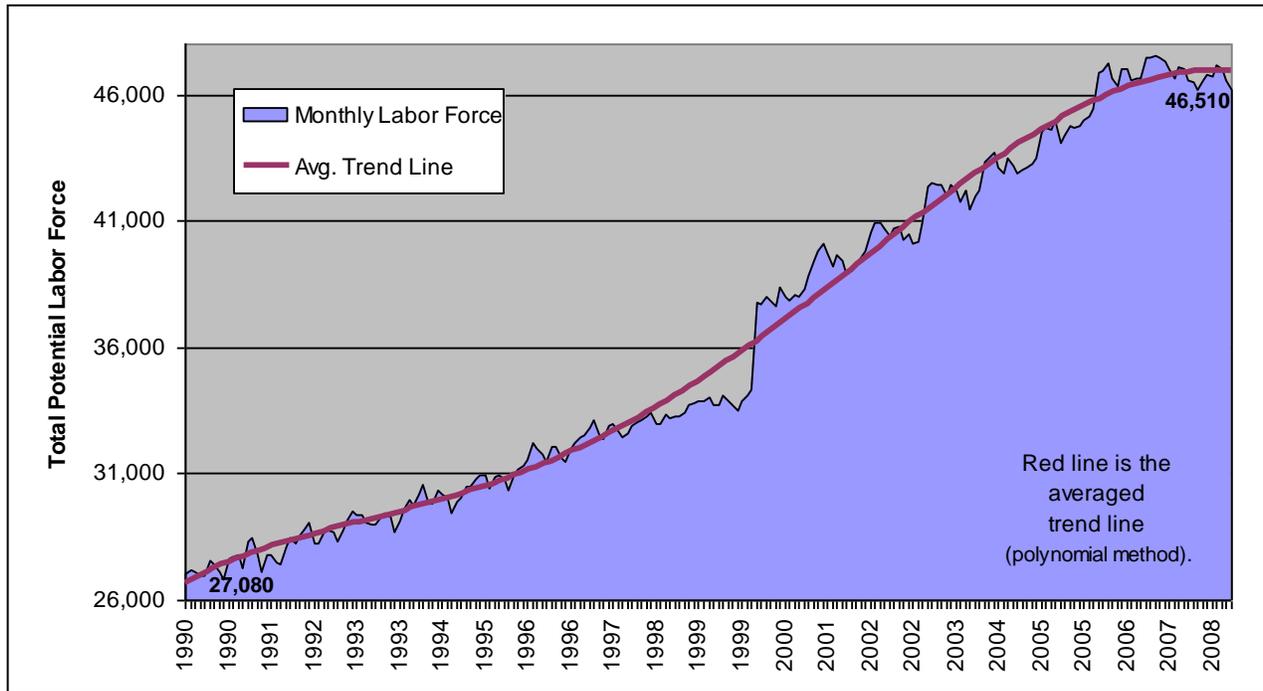
source: UW-Extension Center for Community and Economic Development

Employment Trends

Of St. Croix County residents 16 years of age and over, 74.6 percent were in the labor force as of 2006. This is above the State average. St. Croix County experiences a significantly higher amount of employment seasonally compared to State averages, with increased unemployment during the winter months. For example, in February 2008, the St. Croix County unemployment rate was 5.8 percent, but this dropped to 4.0 percent by May 2008.

Historically since 1990, unemployment in St. Croix County has been below the State average, dropping to a remarkable low of 1.5 percent in November 1999 during this timeframe. However, unemployment in the County has been about 1 percent higher than the annual average unemployment rate for the Twin Cities MSA since 2002. But the County's unemployment rate increased significantly from the 1999 annual average rate of 2.3 percent, reaching an annual average of 5.9 percent in 2003. Since 2003, the County's annual average unemployment rate has hovered between 4.7 to 4.9 percent.

Figure 6.8 – St. Croix Co. Monthly Total Potential Labor Force (1990-June 2008)
not seasonally adjusted



source: Wisconsin Department of Workforce Development, Office of Economic Advisors

Unemployment is not only a reflection of job availability, but total available labor force. Figure 6.8 shows that the St. Croix County labor force grew by over 19,605 persons or 71.8 percent from 1990 to 2007. According to the UW-Extension 2005 labor market conditions report, the region’s labor market remains tight, with most employers having a difficult time attracting and retaining qualified workers.³ Table 1.14 in Section 1 provides unemployment statistics for the 1990 and 2000 labor force by municipality. In 2010, the active labor force was approximately 48,700.

Commuting Patterns

Residents of St. Croix County are employed in a wide array of locations, within their own community, elsewhere in the County, and in other Wisconsin and Minnesota. See Figures 4.18 and 4.19 of the Transportation section. Of the 34,428 employed residents reported, 18.7 percent work in the city, village, or town in which they reside. This would include those that work at home, and most of those working family farms. Just less than 30 percent of workers reported that they work in a St. Croix County community other than the one in which they reside. Those working in other Wisconsin counties include 7.6 percent of employed St. Croix County residents, with Eau Claire employing the highest percent, at 3.7 percent and 0.9 percent of employed residents commuting to Dunn County. The most significant statistic is that 43.5 percent of working St. Croix County residents commute to a job in Minnesota. Most of those are employed in Washington and Ramsey counties, 15.2 and 15.0 percent, respectively. Figure 6.9 shows how census tracts in St. Croix

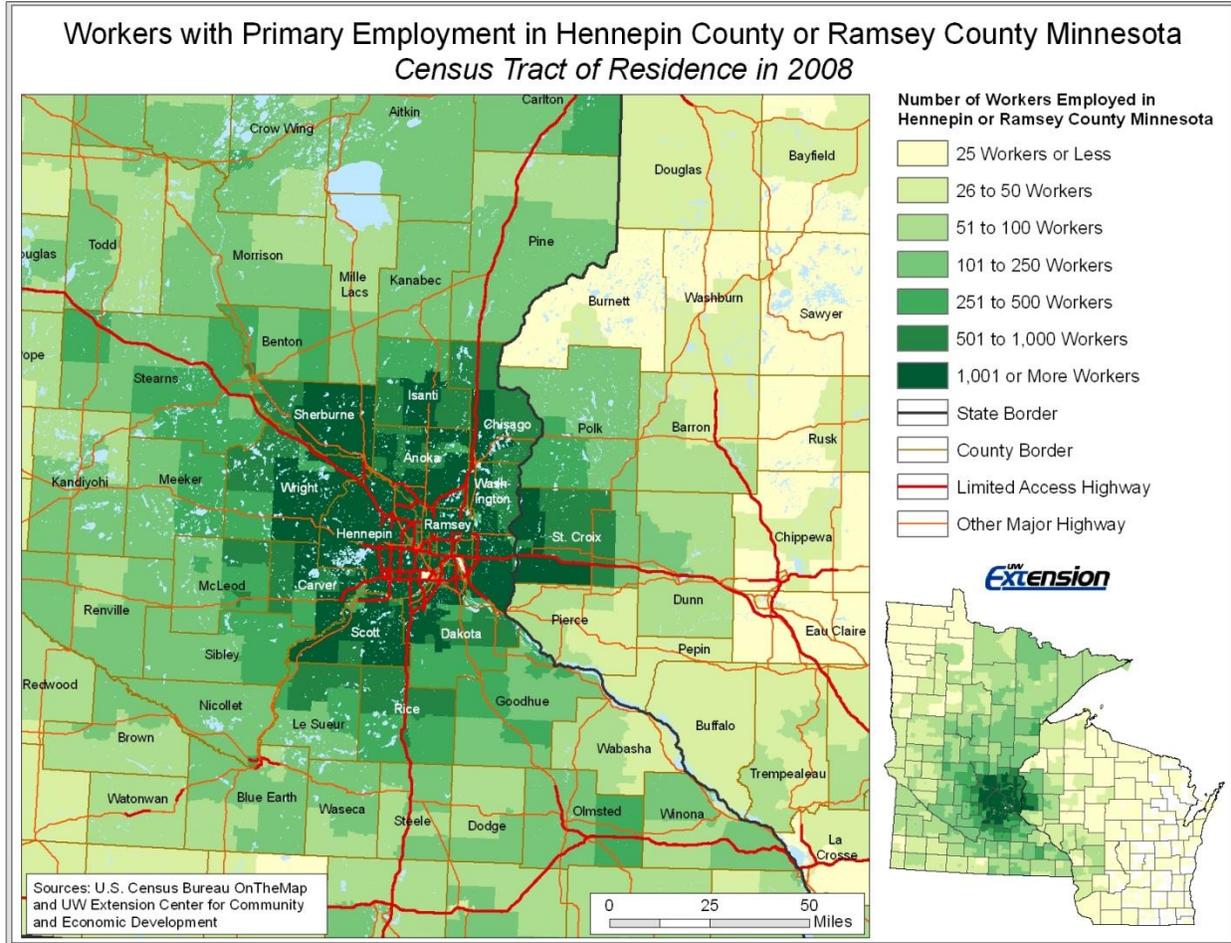
Commuting Patterns

For additional information regarding commuting patterns, please go to the Commuting Patterns section of the Transportation Element.

³ Dane, Andrew and Gary Paul Green. Labor Market Conditions in Barron County. University of Wisconsin-Extension. January 12, 2005.

County and specifically along Interstate Highway 94 and in the western half of the county have high rates of commuters to Hennepin and Ramsey counties. The St. Croix River Crossing project is likely to expand this pattern along the STH 64 corridor communities. Conversely, of the 25,999 jobs located in St. Croix County, 36.2 percent (9,420) of the workers commuted from outside of the County. In addition, over the past 20 years, commute times increased as well. Figures 2.22 and 2.23 provide statistics on travel time to work and place of work for the County and by municipality.

Figure 6.9 Workers Employed in Hennepin or Ramsey County, MN



source: UW Extension Center for Community and Economic Development

ECONOMIC BASE

The previous section provided an economic overview of St. Croix County, the following information focuses on the industry sectors and occupations which constitute the County's economic base.

Industry Composition

According to the 2000 U.S. Census Bureau, about 81 percent of the employed workforce in St. Croix County was private-sector wage and salary workers; about 11.6 percent was government workers and 6.9 percent was self-employed not in an incorporated business. Figure 6.10, shows the construction industry had the largest number of establishments, reflecting the County's high growth rate.

FIGURE 6.10 – ST. CROIX COUNTY NUMBER OF ESTABLISHMENTS BY INDUSTRY (1998-2006)

INDUSTRY CODE	1998	1999	2000	2001	2002	2003	2004	2005	2006	% CHANGE '98 - '06
Forestry, fishing, hunting, and agri. support	4	3	6	6	9	9	7	8	7	75.0
Mining	3	3	2	3	3	3	4	3	3	0.0
Utilities	6	4	5	5	5	6	5	4	4	-33.3
Construction	210	223	229	240	280	312	327	345	344	63.8
Manufacturing	159	155	145	147	151	151	162	160	164	3.1
Wholesale trade	75	85	87	82	107	93	93	93	97	29.3
Retail trade	226	226	221	226	238	238	237	245	246	8.8
Transportation & warehousing	54	61	69	70	72	72	71	71	73	35.2
Information	27	24	26	27	28	28	30	33	32	18.5
Finance & insurance	74	81	85	75	96	98	103	108	122	64.9
Real estate & rental & leasing	53	57	57	62	73	81	99	105	103	94.3
Professional, scientific & technical services	149	159	175	183	185	193	186	193	206	38.3
Management of companies & enterprises	5	6	6	7	6	7	6	7	6	20.0
Admin, support, waste mgt., remediation	85	91	90	98	96	110	111	116	109	28.2
Educational services	7	10	10	11	14	13	13	18	22	214.3
Health care and social assistance	105	101	108	113	130	132	136	140	148	41.0
Arts, entertainment & recreation	32	32	33	37	40	42	44	49	45	40.6
Accommodation & food services	134	139	141	149	167	171	173	183	180	34.3
Other services (except public administration)	156	159	168	166	187	184	195	199	197	26.3
Unclassified/Auxiliary establishments	15	16	20	16	8	6	7	3	3	-80.0
Total	1,579	1,635	1,683	1,723	1,895	1,949	2,009	2,083	2,111	33.7

source: U.S. Census Bureau County Business Patterns

Employment by Industry

As shown in Figure 6.11 below, employment in the services sectors (e.g., financial, education and health) has been growing at a faster rate than the goods-producing sectors in St. Croix County. In fact, manufacturing employment decreased by 7.2 percent from 2001 to 2006. In 2008, manufacturing and construction employment were 6,375 and 1,379.

These trends are consistent with the historical employment data provided previously for St. Croix County and its municipalities in Figures 2.20 and 2.21. However, while the historical data is arranged by Standard Industrial Classification (SIC) code, most industry data available today is organized by the North American Industry Classification System (NAICS), often making comparisons between newer and older industry data challenging.

Though manufacturing employment decreased from 2001 to 2006 overall, the industry has gained jobs steadily since 2003. Manufacturing remains the largest industry by employment as represented in Figure 6.12. If trends continue as expected, the second largest employment sector—trade, transportation, and utilities—may have already become the top employment industry in the County. In 2008, trade, transportation, and utilities had 6,072. Retail trade employment constitutes the largest component of the trade, transportation, and utilities industry. Figure 6.13 shows the changes in manufacturing employment and wages from 2008 to 2010.

FIGURE 6.11 – ST. CROIX COUNTY EMPLOYMENT BY INDUSTRY (2001-2006)

INDUSTRY	2001	2002	2003	2004	2005	2006	% CHANGE '01 - '06
Natural Resources	288	290	271	289	297	301	4.5
Construction	1,477	1,586	1,640	1,771	1,791	1,631	10.4
Manufacturing	6,640	6,040	5,400	5,653	5,723	6,159	-7.2
Trade, Transportation, Utilities	5,211	5,291	5,426	5,644	5,766	6,058	16.3
Financial Activities	914	964	1,045	1,166	1,185	1,178	28.9
Education & Health	4,105	4,280	4,415	4,481	4,716	4,948	20.5
Information	299	285	272	279	279	290	-3.0
Leisure & Hospitality	3,148	3,151	3,196	3,251	3,425	3,572	13.5
Professional & Business Services	1,883	2,052	2,283	2,064	1,960	2,093	11.2
Other Services	797	744	765	789	734	840	5.4
Public Administration	1,312	1,305	1,228	1,248	1,261	1,296	-1.2
All Industries	26,074	25,988	25,941	26,635	27,137	28,366	8.8

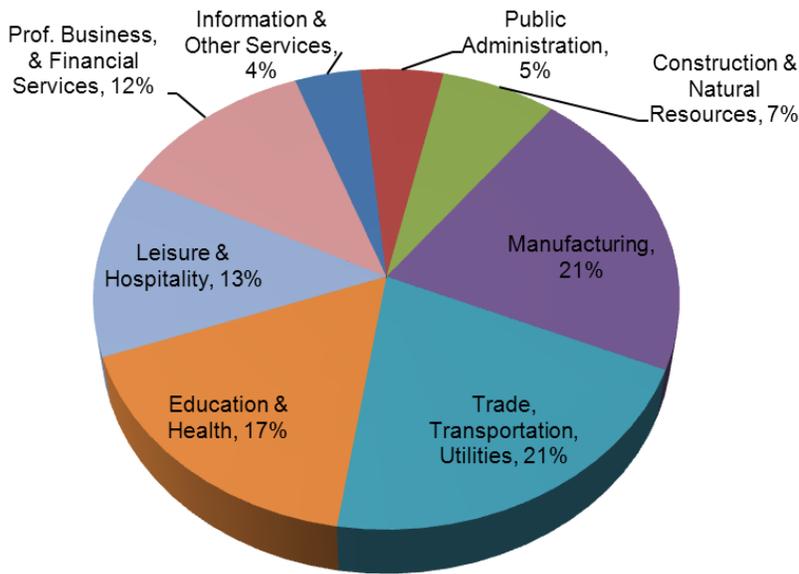
source: Wisconsin Department of Workforce Development-Office of Economic Advisors - This data is compiled from employers required to submit data for unemployment insurance purposes. Thus, some industries (e.g. self-employed, agricultural) are not reported or are underreported.

In 2007, nine of St. Croix County’s top-25 employers are manufacturing companies, consisting of companies which produce plastics, refrigeration products, electric motors, fabricated metals and machining, windows and doors, and packaging materials. The second-largest share of jobs was in retail and wholesale trade which continues to grow. Some of the jobs with retail trade employers are seasonal and part time, and contribute to the reason for the low annual average wage for the industry. Wal-Mart is the third largest employer in St. Croix County and Econo Foods is the 20th largest.

The third-largest share of jobs was with education and health entities. This sector has been growing strongly. Four school districts, four hospitals, an ambulance service, and a physicians’ office are all ranked within the County’s top 25 employers. The School District of Hudson is the largest employer in the County. The YMCA, which is the sixth largest employer, may also be

included in the education and health industry sector. It should be noted that the information provided in Figure 6.11 and Figure 6.12 is compiled from employers required to submit data for unemployment insurance purposes. Thus, some industries (e.g. self-employed, agricultural) are not reported or are underreported.

Figure 6.12 – St. Croix County Employment by Industry (2006)



source: Wisconsin Department of Workforce Development-Office of Economic Advisors - This data is compiled from employers required to submit data for unemployment insurance purposes. Thus, some industries (e.g. self-employed, agricultural) are not reported or are underreported.

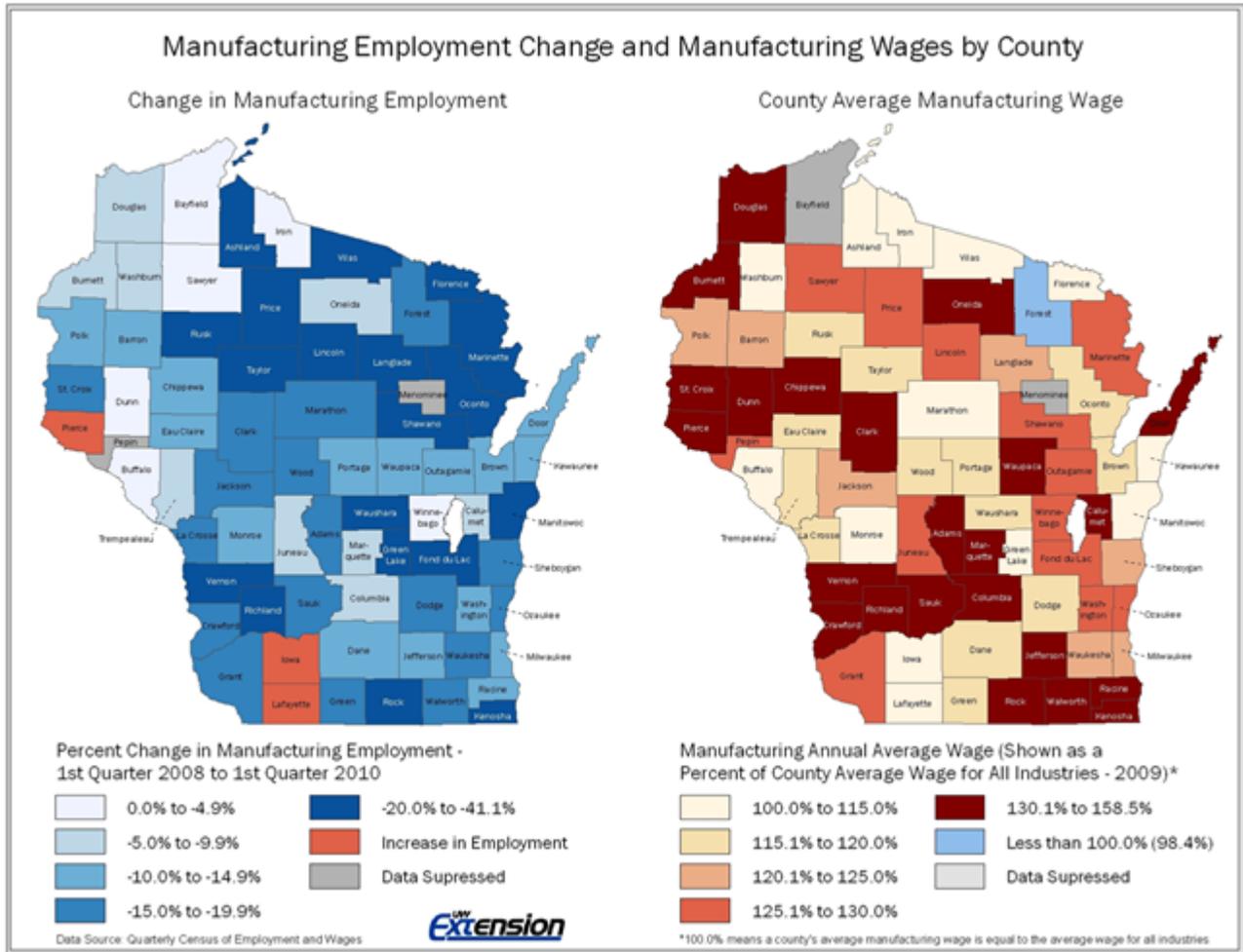
The large number of St. Croix County health services (e.g. St Croix County Health Center, St. Croix County Mental Health Outpatient Department), contributes to making the County government the second largest employer in the County. As of 2007, public administration jobs constituted about 5 percent of the County’s employment and decreased between 2001 and 2006.

Given that so many residents commute to Minnesota for work, it is valuable to compare the St. Croix County employment by industry to that of the top employers in the larger Twin Cities MSA. In 2006, the top

six industries by employment were:

- Education and health services 20.6 percent
- Manufacturing 14.5 percent
- Professional, Scientific, Waste Mgmt. 11.6 percent
- Retail trade 10.9 percent
- Finance, insurance, and real estate 11.6 percent
- Arts, entertainment, & hospitality 7.9 percent

Figure 6.13 Manufacturing Employment Change and Manufacturing Wages by County, 2008 to 2010



source: UW-Extension

Agriculture

Agriculture is an important portion of the County's economy. Agriculture provides 3,600 jobs and accounts for \$532 million in business sales. Also, agriculture contributes \$158 million to county income. Every dollar of agricultural income generates an additional \$0.85 of county income. Economic activity associated with St. Croix County farms and agriculture-related businesses generates \$15.4 million in local and state taxes.

In 2007, St. Croix County ranked 31st among the State's 72 counties in the total value of agricultural products sold. As noted in the U.S. Department of Agriculture Censuses, the acreage of farmland and average farm size had decreased dramatically. Even with these changes in agriculture, St. Croix County farmers sold \$142.5 million worth of agricultural products in 2007, which has a significant economic impact.

Seventy-seven percent of this value was in livestock, poultry, and related products, rather than

Economic Impact of Agriculture

For additional information regarding agriculture's impact on the County economy, please go to the Agricultural Conditions and Trends section of the Agriculture and Farmland Preservation Chapter.

crop and nursery products. St. Croix County ranked sixth in the State in turkey livestock given its proximity to the large turkey processing plants in Barron County; sixth in the State in horses and donkeys; and 12th in the State in broilers and other meat-type chickens. The County also ranked tenth in the State in oat production in 2007. New data related to the agricultural economy will be gathered for the 2012 calendar year. In addition, St. Croix County has seen an increase in interest and value sold of direct market farm products. With proximity to the Twin Cities, this market will increase.

Employment by Occupation

Like employment by industry, employment by occupation is also difficult to compare across years due to changing definitions and data-gathering approaches. Employment by occupation for 1990 and 2000 for each St. Croix County municipality is included in Figure 2.21 in the Issues and Opportunities section. According to the 2000 U.S. Census, of the St. Croix County employed civilian population 16 years of age and over (34,905):

- 33.6 percent were employed in management, professional, and related occupations
- 24.4 percent were in sales and office occupations
- 18.4 percent were in production, transportation, and material moving occupations

Together, these three general occupation categories constitute 76.4 percent of the County's workforce.

Employment Projections

In November 2003, the Wisconsin Department of Workforce Development (WDWD) released a publication entitled *Wisconsin Projections, 2000-2010*. This publication makes economic projections for the State regarding the labor force, industries, and occupations. This information was further supplemented by ten-year projections (2004-2014) by regional workforce development area (WDA). This sub-section relies, in large part, on these WDWD documents.

Municipal units within St. Croix County have employment patterns that are similar to the State. It is anticipated that for the near future, Wisconsin's total population will grow more slowly while average age will increase more rapidly than the nation as a whole, leading to lower participation rates in the workforce. Wisconsin is also having difficulty attracting international immigrants and domestic migrants, and at the same time retaining its own citizens. Due to these trends, Wisconsin will continue to face the challenge of filling certain job openings.

The region's WDA industries that are projected to add the most jobs from 2004-2014 are education and health services. Ambulatory health care services jobs alone will grow 36.6 percent, reflecting, in part, our region's aging demographic. The number of total jobs in the manufacturing industry is estimated to remain fairly unchanged during this timeframe. These projections account for anticipated changes in Wisconsin's economy within the timeframe, though unanticipated events may impact accuracy.

The "Fastest Growth" occupations are often referred to as "hot jobs," with more training requirements and better wages. There are often fewer openings in these jobs since the list is based on the greatest percent change in employment; for example, an occupation that increases from 5 to 10 jobs increased 100 percent whereas an occupation that increases from 2,000 to 2,200 jobs increased only 10 percent. A 2005 UW-Extension study states that the largest demand in the region continues to be for assemblers, processors, and laborers.⁴

⁴ Ibid.

TAXATION

One way to evaluate the economic base in St. Croix County is to look at property taxation and the equalized values of land and improvements in the real estate categories of agriculture, agriculture forest, forest, commercial and manufacturing. According to the Wisconsin Department of Revenue, the Equalized Value is the estimated value of all taxable real and personal property in each taxation district, by class of property. General property is divided into real property and personal property. Real property in Wisconsin must, by law, be divided into the following eight classes, according to use:

1. Residential
2. Commercial
3. Manufacturing
4. Agricultural
5. Undeveloped Land
- 5m. Agricultural Forest
6. Productive Forest Land
7. Other (farm sites and farm buildings)

The Equalized Value is an estimate of the market value of all residential, commercial, manufacturing, productive forest, other (farm sites and farm buildings), and personal property. The Equalized Value also estimates the use-value of agricultural land; 50% of the market value of undeveloped land; and 50% of the market value of agricultural forest land. It is computed independently from the estimate of the local assessor. While both the local assessor and DOR make estimates, the local assessor estimates the value of **each parcel**; DOR estimates the value of the **entire** town, village, or city.

Figure 6.14 shows the County’s total equalized values of commercial, manufacturing, agricultural, ag forest, and forest.

FIGURE 6.14 – EQUALIZED VALUES (IN \$1,000S) OF COMMERCIAL, MANUFACTURING & WORKING LANDS -- ST. CROIX COUNTY

	2003		2008		2010		PERCENT CHANGE '03 TO '11	
	Land	Impr.	Land	Impr.	Land	Impr.	Land	Impr.
Commercial	161,656	439,958	297,767	711,542	307,595	736,852	90.3	67.5
Manufacturing	15,525	104,101	23,123	132,126	26,697	146,903	72.0	41.1
Agricultural	32,710	0	40,750	0	43,069	0	31.7	0
Ag Forest	0	0	49,625	0	56,515	0	--	0
Forest	94,104	0	79,601	0	81,681	0	-13.2	0

source: Department of Revenue

TOURISM

St. Croix County offers a wide variety of natural, historical, and entertainment amenities and attractions. Tourism and outdoor recreation in the County often revolve around the St. Croix River and the County’s many water features.

The County has over 7,600 acres of fishing lakes and nearly 81 miles of trout streams. Lake St. Croix is large enough to accommodate sailing, while the St. Croix River, a National Scenic and Wild River, is very popular for canoeing, fishing, and picnicking. And at least four different companies or campgrounds offer tubing on the Apple River which has become a well known destination in the region, with large concerts held each summer at the Somerset Amphitheatre in Float-Rite Park. Cedar Lake Speedway, an outdoor, dirt racing track offers seasonal racing and the Sandbox Arena is the largest indoor motor-cross facility in the Midwest.

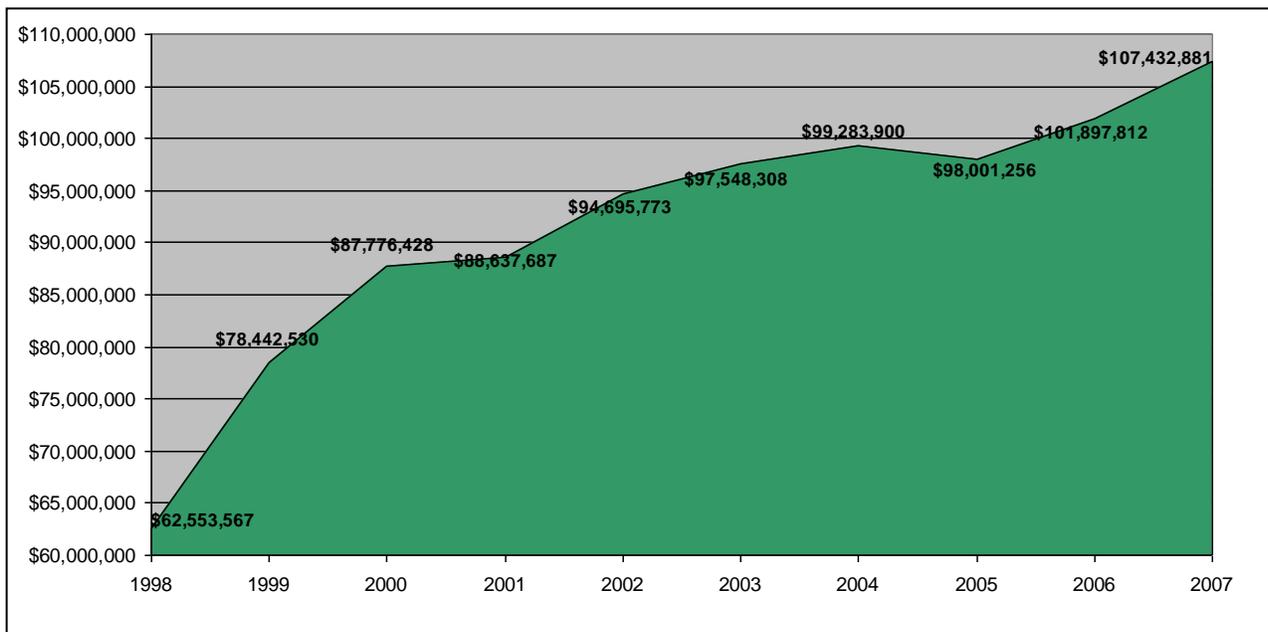
Numerous federal, state, county and municipal parks, trail systems, wildlife areas, campgrounds/resorts, and public hunting grounds offer a variety of places to play, picnic, hike, lodge, and enjoy the outdoors. There are over 13 golf courses within 25 miles of the center of the county, including the award-winning Troy Burne Golf Club and over 200 miles of snowmobile trails and cross-country ski trails. Many of these outdoor recreational assets are inventoried in the community facilities and natural resources sections of this report.

These natural resources and open spaces attract both visitors and new residents. But given the County's close proximity to the Twin Cities, the County has a relatively low number of seasonal and recreational housing units. Only 1.2 percent of the County's total housing supply are seasonal or recreational units (61st in the State). Almost all owners choose to occupy their homes year-round and commute to work. In short, St. Croix County does not have the seasonal resort destinations of many counties in the region.

Travelers also can experience the area's history through museums and historical sites, such as the Octagon House in Hudson or the New Richmond Heritage Center. Visitors explore the County's many antique stores and specialty shops, or attend a performance at the Phipps Center for the Arts. Residents and visitors alike can also enjoy local, fresh foods at a variety of different orchards, vegetable growers, and numerous specialty farms and outlets, such as the Silver Bison Ranch near Baldwin.

The *Economic Impact of Expenditures by Travelers on Wisconsin 2007*, compiled by Davidson-Peterson & Associates, provides insight into the positive economic impacts of tourism on the St. Croix County economy. As shown in Figure 6.15, traveler expenditures in St. Croix County increased by 71.7 percent in the ten years between 1998 and 2007, with large increases between 1998 to 2000.

Figure 6.15 Traveler Expenditures in St. Croix County (1998 to 2007)

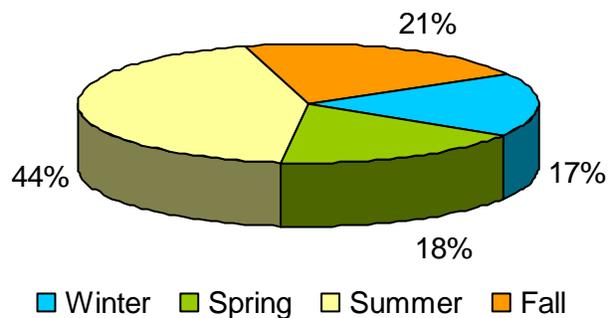


source: Davidson-Peterson & Associates. *Economic Impact of Expenditures by Travelers on Wisconsin 2007*.

In 2007, travelers spent an estimated \$107.4 million in St. Croix County, ranking the County 34th in the State for traveler spending. This was a \$44.8-million increase from the amount spent ten years earlier. The study goes on to estimate that employees in St. Croix County earned \$29.5 million in wages generated from traveler spending, supporting an estimated 1,339 full-time equivalent jobs. This is significant since the wages earned per full time equivalent job is higher than State and most other County averages. Additionally, an estimated \$1.9 million in local revenues (e.g., sales taxes, property taxes) were collected in 2007 as a result of travelers in St. Croix County.

As Figure 6.16 shows, travelers are an important year-round contributor to the St. Croix County economy with 17 percent of traveler expenditures made during the winter, 18 percent during the spring, 44 percent during the summer, and 21 percent in the fall in 2007. However, given that St. Croix County is located on one of the busiest Interstate highways; we cannot necessarily equate traveler expenditures with tourism expenditures. For many of these travelers, St. Croix County may not have been a final destination.

Figure 6.16 Seasonality of Traveler Expenditures In St. Croix County (2007)



source: Davidson-Peterson & Associates. *Economic Impact of Expenditures by Travelers on Wisconsin 2007.*

In summary, tourism and travelers are a significant part of the St. Croix County economy. While the County is not as popular of a resort destination like many other counties in the region, it does have many assets which are attractive to visitors and residents alike. Currently, St. Croix County does not have a county-wide tourism council or bureau. Tourism in St. Croix County is largely promoted by individual community chambers, such as the Hudson Area Chamber of Commerce & Tourism Bureau, and the State of Wisconsin Department of Tourism.

ENVIRONMENTALLY CONTAMINATED SITES

The State Comprehensive Planning Law (§66.1001) states that the economic development element “shall also evaluate and promote the use of environmentally contaminated sites for commercial or industrial uses.”

St. Croix County has four properties actively receiving long-term remedial action financed under the federal Superfund program:

- Rose Metal, Inc. (Baldwin)
- Junkers Landfill (Hudson)
- Seversen Salvage (T. of Cady)
- New Richmond Landfill (New Richmond/T. of Star Prairie)

In addition, there are eleven archived Superfund sites in the County for which no further Federal assessment or activities are planned. Not all of these active or archived sites are available for commercial or industrial use.

Groundwater Contamination

For additional information regarding groundwater contamination from nitrates, pesticides, and other toxic substances, refer to the Groundwater section of the Natural Resources Element.

However, numerous smaller leaking underground storage tank, environmental repair, and spill sites are located throughout the County. The Wisconsin Bureau for Remediation and Redevelopment Tracking System (BRRTS) provides an inventory of the contaminated

properties and other activities related to the investigation and cleanup of contaminated soil or groundwater in Wisconsin. The BRRTS inventory can be found at: www.dnr.wi.gov/botw

Communities will need to consider the appropriateness and land use compatibility of the redevelopment of such sites for commercial or industrial use. For a current list, go to the Wisconsin Department of Natural Resources BRRTS database.

Redevelopment opportunities are not limited to contaminated sites, however. Local comprehensive planning efforts may need to identify those deteriorating structures and under-utilized properties within their communities which have potential for re-use.

SUMMARY

Some of the highlights of the economic development section include:

- St. Croix County has strong economic ties to the Twin Cities metropolitan area with an estimated 44 percent of the County's 2000 resident labor force working in Minnesota.
- There is increasing demand for skilled workers in the region. Post-secondary educational attainment of County residents is significantly above the State average but lower than Twin Cities MSA levels, with 91.6 percent of residents completing high school or having some type of post-secondary education.
- St. Croix County's unemployment has most often been below the State average during the past twenty years, with more seasonal fluctuations, but has been about 1 percent higher than unemployment rates in the Twin Cities MSA over the past decade.
- Only 18.7 percent of the County's resident labor force works within the community in which they live and average travel times to work are increasing.
- In 2006, 21 percent of employment in the County was in the manufacturing industry, followed closely by trade, transportation, and utilities also with 21 percent (of which retail trade constitutes the largest portion). In the larger Twin Cities MSA, the education and health industry employed the most workers (20.6 percent), while manufacturing only constituted 14.5 percent of the MSA's total employment.
- Agriculture provides 3,600 jobs and accounts for \$532 million in business sales. Also, agriculture contributes \$158 million to county income. As noted in the U.S. Department of Agriculture Censuses, the acreage of farmland and average farm size had decreased dramatically. Even with these changes in agriculture, St. Croix County farmers sold \$142.5 million worth of agricultural products in 2007. The education and health services industry is expected to have the largest increase in jobs (+22 percent) from 2004 to 2014 in our region.
- Tourism in St. Croix County is strongly connected to its many natural resources, proximity to the Twin Cities, and Interstate 94, ranking 34th in the State for traveler spending.
- The State BRRTS database includes over 200 sites in St. Croix County which have had significant contamination, though many of these sites have been remediated and are now closed. Environmentally contaminated sites are sometimes left vacant and deteriorating following remediation and offer opportunities for redevelopment. Communities may identify other redevelopment opportunities at locations which are not contaminated, but may be vacant or deteriorating.

In response to economic conditions and goals, there are a variety of economic development tools that are available, including tax incentives, creative financing and loan guarantees, and business incubator industrial parks. As shown in *Addendum: Inventory of Programs, Plans, and Land Use Policies in West Central Wisconsin*, communities and economic development agencies have been very active in utilizing many of these tools and programs. This list is not all-inclusive.

In numerous cases, these programs will prove more accessible as municipalities' band together with other organizations and jurisdictions to collaborate and mutually pursue economic development efforts. Such collaboration will maximize ability to catalyze additional investment and meet shared economic development goals for incorporated and unincorporated areas.