

Chapter 5

Planning for a Diversified Economy

Introduction

The Planning for a Diversified Economy chapter will identify existing job opportunities in Prescott, strengths for: attracting or retaining businesses that can be built upon; identifying and recruiting targeted businesses and industry; and internal and external factors that affect job growth in the community.

Economic development is important to any community because businesses generate tax dollars, provide job opportunities for residents, and turn can provide a good standard of living for individuals.

Increased personal income and wealth increases the City's tax base, in turn, Prescott can provide a range of quality services to residents. A balanced, healthy economy is essential for community well-being.

The economic activity in and around the City of Prescott has a direct impact on the growth and land uses in the area. As Prescott plans for the future, development and expansion of recreation opportunities, commercial businesses, rehabilitation of the Central Business District (CBD), and an expansion of the industrial park will be examined.

Local Economic Base

The City of Prescott has a growing economic base. The marinas, boat launch, and dock along the St. Croix and Mississippi Rivers draw people into Prescott during the summer months. The Great River Road attracts tourists out on a leisurely drive or motorcycle ride. The Great River Road Learning Center-Freedom Park also draws a significant number of visitors to Prescott every year who enjoy the opportunity to learn about the areas environment and history. In the immediate area, golfing, hiking, hunting, and camping also provide recreational opportunities.

There are two distinct commercial areas in Prescott. Broad Street (the original downtown area) is located near the confluence of the St. Croix River and Mississippi Rivers. This area serves Prescott residents and tourist traffic generated by the rivers, Great River Road, and Freedom Park. Many of the businesses here are independently owned and provide food, drink, offices and retail shops. Businesses along USH 10 make up the second and more recent commercial area. Here you will find larger retail spaces, banks, and small industries.

Prescott has three Industrial Parks. The Eagle Ridge Business Park is City owned and is near capacity. It is located on land between STH 29 and USH 10 on the north side of

Prescott. A new grocery store and large food distribution center will be completed here in 2015. Currently there are approximately 20 acres remaining for development. North Acres is a privately held industrial park also on the north side of Prescott that has limited land available for development as well. Prescott’s third Industrial Park, where the City Hall is located, and lands to the east, are fully developed.

Prescott is surrounded by large amounts of agricultural land. Although most of the current crops are grown for national or international markets, the potential for small local market type farms is rising. One small market farm business is currently operating in the City.

The Twin Cities Metropolitan Area also offers residents access to job diversity and higher wages and has resulted in many Prescott residents commuting to jobs across the border.

Labor Force and Occupations

The local labor force and occupations were discussed in more detail in Chapter 1, but an overview is important for this chapter.

Table 5-1 shows that, in 2012, 99% of residents 25 and older have attained a high school education or higher. Twenty-two percent have attained a bachelor’s degree or higher. These percentages show that Prescott has an educated workforce.

Table 5-1 Percentage High School Graduate or Higher Attainment (25 and older): City of Prescott

Year	2012
High School Graduate or Higher	99.0%
Bachelor’s Degree or Higher	22.0%

Source: American Community Survey 2012

Many residents commute to jobs in the Twin Cities Metropolitan Area where they can find higher wages and job diversity. In 2012, 66% of workers were commuting across state lines to their jobs (*see Table 5-2*). Although many residents commute to jobs elsewhere, it indicated that there is an educated workforce in the City that could meet the workforce needs of new businesses.

Table 5-2 Place of Work: City of Prescott

Place of Work	2012	% Total
Worked in State of Residence	830	34%
Worked in County of Residence	611	25%
Worked outside County of Residence	220	9%
Worked outside State of Residence	1,612	66%

Source: American Community Survey 2012

Table 5-3 shows that almost a third of civilians, 16 years and over, are working in management, professional, and related work. Twenty-six percent are working in production, transportation, and material moving related work. Twenty-three percent are working in sales and office occupations. Many of these occupations are located outside of Prescott.

Industry refers to the type of business where the occupations are located. Table 5-4 shows that the top two industries where residents work are manufacturing (23% of residents) and educational services, health care, and social assistance (17% of residents). Similar to occupations, many of these industries are located outside of Prescott.

Table 5-3 Occupations - Employed Civilian Population 16 Years and Over: City of Prescott

Subject	2012	% Work Force
Employed Civilian Population 16 Years and Over	2,524	100%
Management, Professional, and Related	725	29%
Production, Transportation & Material Moving	653	26%
Sales and Office Occupations	571	23%
Service Occupations	396	16%
Natural Resources, Construction, and Maintenance Occupations	179	7%

Source: U.S. Census Bureau, 2012 American Community Survey

Table 5-4 Industry - Employed Civilian Population 16 Years and Over: City of Prescott

Subject	2012	% Work Force
Employed Civilian Population 16 Years and Over	2,524	100%
Manufacturing	580	23%
Educational Services, Health Care and Social Assistance	431	17%
Retail Trade	287	11%
Professional, Scientific, Management, Administrative, Waste Management	251	10%
Arts, Entertainment, Recreation, Accommodations, Food Services	250	10%
Finance, Insurance, Real Estate, Rental, and Leasing	241	10%
Construction	131	5%
Public Administration	103	4%
Transportation and Warehousing and Utilities	91	4%
Other Services except Public Administration	65	3%
Agriculture, Forestry, Fishing, Hunting, and Mining	43	2%
Wholesale Trade	42	2%
Information	9	0%

Source: U.S. Census Bureau, 2012 American Community Survey

New Businesses and Industries Desired

There are several factors to consider when deciding what types of businesses and industries the City would like to attract. These include the wages and salaries being paid, impact on water and wastewater treatment facilities, noise associated with a business or industry, types of existing businesses and the amount of traffic they generate. Companies that help achieve self-reliance in the region would be welcomed.

It is generally thought that the downtown area will evolve into specialty shops and restaurants catering to residents, boaters, and tourists. Building owners have expressed an interest in redeveloping the downtown area with a historic or river theme. A conceptual plan for a river walk type redevelopment of land along the St. Croix River and Mississippi River was created in 2014. The proposed redevelopment of this area would incorporate cultural and natural themes, provide for fishing, birding, and other family recreation opportunities, create a destination and presence as a River Town, and connects users to downtown businesses.

The promotion of cultural and natural themes can be the focus of the development of ecotourism in and around Prescott. Ecotourism is regarded as passive, environmentally responsible travel to natural areas to enjoy and appreciate nature and cultural features that promote conservation and have a low visitor impact. Examples of ecotourism include self-guided nature or cultural walks, kayaking, and bird watching.

The importance of maintaining the downtown is essential to the future of Prescott. People traveling through the area get their first impression of the City as they enter the downtown. This impression will influence whether they stop and visit restaurants and shops, or continue to the next town.

The Wisconsin Historical Society offers numerous consulting services that would greatly benefit the redevelopment of downtown. Consulting services pertaining to maintaining museum collections, building restoration and rehabilitation, techniques for applying for tax credits for rehabilitation of historic homes, and fundraising are all available.

Agriculture plays an important part in the area economy. Trends toward the re-localization of businesses such as market farms, community supported agriculture ,and eco/agri-tourism would blend well with the existing agriculture economy.

The City of Prescott would like to attract clean industries that have a minimal impact on the environment and utilities. Also, businesses that are interconnected with existing businesses forming industry clusters would help economic growth. To accommodate future industrial growth, the City needs to explore opportunities to expand the current industrial park.

Telecommuting

Telecommuting allows people to live and work at home while staying connected to an office in another city, county, or state. It also allows residents to open their own business at home. To do this, Prescott residents need access to reliable cellular phone service, cable, and fiber optics. The City should coordinate with telecommunications providers to expand this infrastructure to its highest potential and cost effectively provide service to the entire community.

Strengths and Weaknesses in Attracting New Businesses

The economic base of Prescott includes seasonal work to industrial and professional jobs. It is important to keep in mind the needs of not only the community, but also the county, state, region, and country when looking for new business opportunities to relocate or start up locally. The City of Prescott has several strengths and weaknesses with respect to attracting and retaining businesses and industries.

Strengths

1. Strong workforce demographic
2. Educated Workforce
3. Natural setting, open space, scenic beauty
4. Location of the Twin Cities
5. Adjacent agricultural land
6. Growing and advancing school district
7. Family oriented community
8. Proximity of several universities and technical colleges
9. Continued use of TIF Districts
10. Highway system that can accommodate most businesses
11. Public services and infrastructure

Weaknesses

1. Draw on workforce by higher wages and more work options in the Twin Cities
2. Limited space in the Industrial Park
3. Lack of downtown parking
4. Need for more diversified shopping and retail experiences
5. Highways/Traffic/Pedestrian Crossings

The City can explore ways to expand upon the strengths of the area while trying to improve upon the weaknesses.

Brownfields

Brownfields are areas with known contamination or that are perceived as being contaminated. The WDNR offers grants to help mitigate these areas so that they can be redeveloped. The City of Prescott does not have any known contaminated areas that could be redeveloped for industrial or commercial use.

Economic Development Agencies and Programs

Economic development often occurs with the collaboration of multiple agencies and financial tools. Listed below is a list of the main agencies and programs that can help promote and develop business and industry in the City, County, and State.

Prescott Area Chamber of Commerce

The Prescott Area Chamber of Commerce promotes the entire Prescott community whether it is economic, industrial, professional, cultural, educational, or civic in nature. The Chamber has averaged over 100 businesses, individuals, and organizations as members in the last few years.

Prescott Industrial Economic Committee (PIE)

The Prescott Industrial Economic Committee (PIE) is committed to promoting economic development in the City of Prescott. PIE's first project was the promotion, advertisement and development of a 19-acre site north of downtown Prescott. Currently PIE is working on promoting the Eagle Ridge Business Center.

Pierce County Economic Development Corporation (PCEDC)

The Pierce County Economic Development Corporation is a business information and financing resource. The PCEDC helps to improve the environment for business and job growth, which will sustain and improve the quality of life in Pierce County. Services include financing, planning, logistics, support services, and staffing.

Wisconsin Economic Development Corporation (WEDC)

The WEDC acts as Wisconsin's lead economic development agency that has more than 600 regional and local partners. The WEDC Corporation fosters the cooperation necessary to support job creation and aligns resources, partners and industries to accelerate long-term, sustainable growth.

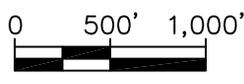
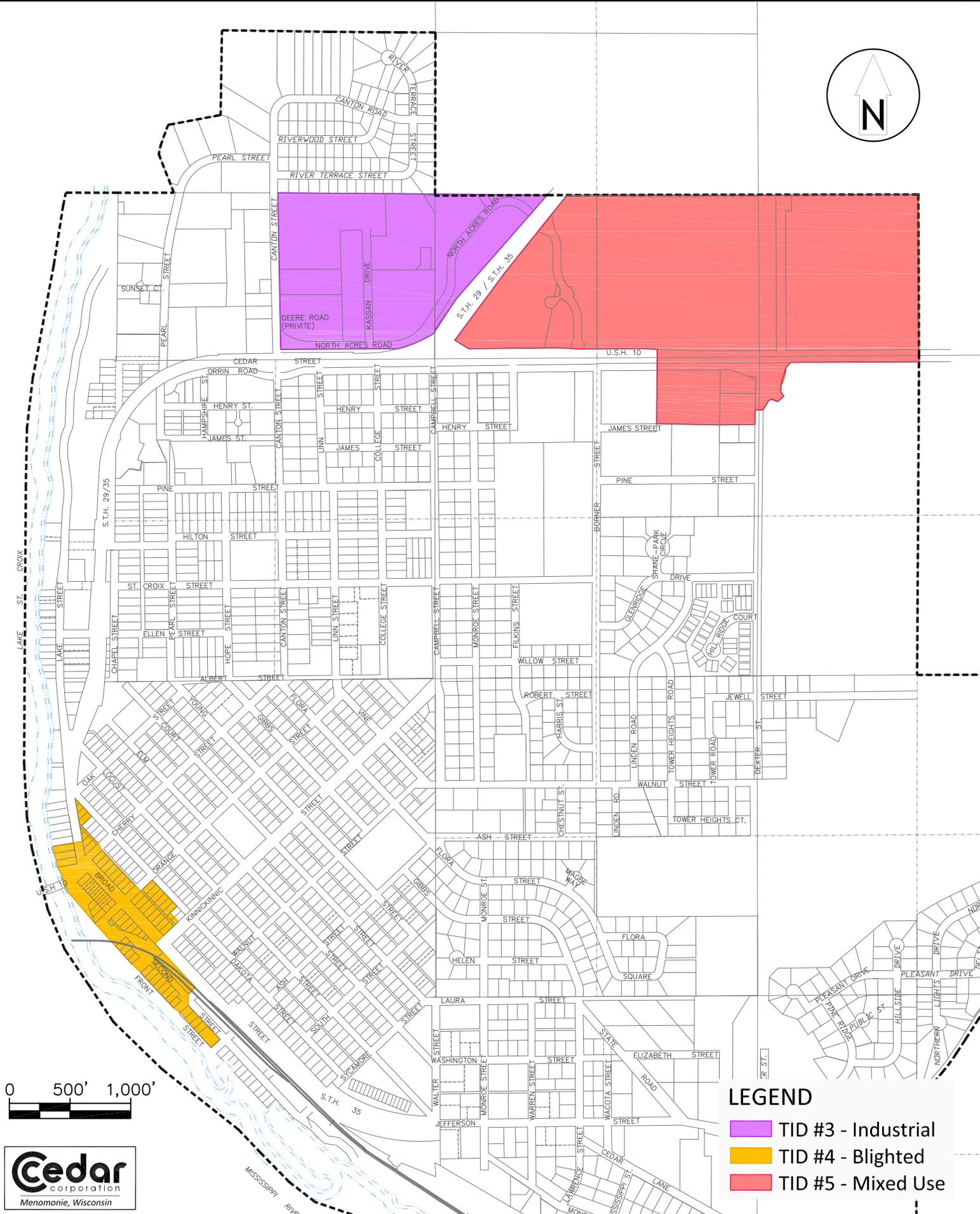
Tax Incremental Financing

Tax Incremental Financing (TIF) Districts can help municipalities undertake a public project to stimulate beneficial development or redevelopment that would not otherwise occur. It is a mechanism for financing local economic development projects in underdeveloped and blighted areas. Taxes generated by the increased property values pay for land acquisitions or needed public works. The City of Prescott has three open TIF Districts that provide incentives for downtown rehabilitation, mixed use development, and industrial development (*see Map 5-1*).

Wisconsin Department of Transportation-Transportation Economic Assistance

The Transportation Economic Assistance (TEA) program provides 50% state grants to governing bodies, private businesses, and consortiums for road, rail, harbor and airport projects that help attract employers to Wisconsin, or encourage business and industry to remain and expand in the state.

Map 5-1: Existing Tax Incremental Financing Districts



- LEGEND**
- TID #3 - Industrial
 - TID #4 - Blighted
 - TID #5 - Mixed Use

The goal of the TEA program is to attract and retain business firms in Wisconsin and thus create or retain jobs. The businesses cannot be speculative and local communities must assure that the number of jobs anticipated from the proposed project will materialize within three years from the date of the project agreement and remain after another four years.



Wisconsin Department of Administration-CDBG-PF

The Community Development Block Grant-Public Facilities and Economic Development funds are awarded to local governments for public infrastructure projects that support business expansion or retention. Examples of eligible applications include new or improved water and sewer service and streets that result in business expansion and job opportunities for low- and moderate-income individuals.

Regional Business Fund, Inc.

The Regional Business Fund, Inc., (RBF, Inc.) is a non-profit economic development corporation whose purpose is to promote business and economic development in west central Wisconsin. The RBF, Inc. offers low-interest loan funds to businesses that expand within the region, diversify the economy, add new technology, revitalize buildings in the region's downtowns, and create quality jobs and capital investment in the region. This fund is managed by the West Central Wisconsin Regional Planning Commission.

Revolving Loan Fund (RLF)

The Revolving Loan Fund (RLF) is a flexible source of loan funds for commercial and industrial projects. The purpose of the RLF is to promote economic growth in west central Wisconsin through recruitment, expansion, and retention of business and industry. The RLF is not meant to be the primary source of financing for projects and will work in partnership with other lending institutions. The minimum loan amount is \$25,000 and the rate is fixed at 4%.

Eligible activities include acquisition of equipment, machinery, furniture and fixtures; new working capital; site improvements; leasehold improvements; natural disaster recovery; land and building acquisition; new building construction or building renovation. This fund is managed by the West Central Wisconsin Regional Planning Commission.

Micro Loan Fund Program

The Micro Loan Fund Program provides small loans to start-up, newly established, or growing small businesses. The key objective is to assist business owners, who have traditionally had difficulty accessing debt financing, by affording them another alternative to obtain credit. The rate is fixed at 4% and the loan amount can be between \$5,000 and \$25,000.

Eligible activities include new working capital; inventory purchases and supplies; acquisition of equipment, machinery, furniture and fixtures; leasehold improvements; building renovation and rehabilitation; real estate acquisition; natural disaster recovery. This fund is managed by the West Central Wisconsin Regional Planning Commission.

Downtown Façade Loan Program

The Downtown Façade Loan Program provides financial assistance to encourage property and business owners in core downtowns to revitalize downtown commercial buildings within the towns, villages, and cities of West Central Wisconsin. Loan amounts can range between \$5,000 and \$30,000 and the rate is fixed at 0%.

Eligible activities include façade renovation; exterior lighting, doors, and graphics; signage, windows, and awnings; other façade or landscape improvements.

Applicants must provide acceptable façade design plans that comply with approved general design guidelines adopted by local governments. This fund is managed by the West Central Wisconsin Regional Planning Commission.

Technology Enterprise Fund (TEF)

The Technology Enterprise Fund (TEF) is a “quasi-equity”, revolving loan fund that provides creative financing to new and emerging technology companies.

Eligible activities include working capital used in the research and development, testing, and/or commercialization of a product, process, or service; equipment and other fixed asset purchases that are essential in the research and development of an innovative technology. This fund is managed by the West Central Wisconsin Regional Planning Commission.

UW-River Falls-Small Business Development Center

The Small Business Development Center at UW-River Falls can provide information, advising and training to Wisconsin entrepreneurs and small business owners and managers located in Pierce, Polk, and St. Croix Counties.

Wisconsin Scenic Byways Program

In 1999, state law directed the Wisconsin Department of Transportation (WisDOT) to develop and administer a state Scenic Byways program. The Great River Road, between Prescott and Kieler, is one of four state designated scenic byways. Through the program, funds are available for projects that encourage tourism and support economic development.

Board of Commissioners of Public Lands Loan Program

The Wisconsin Board of Commissioners of Public Lands Loan Program provides low interest loans to municipalities and school districts for public purpose projects including economic development, local infrastructure, capital equipment and vehicles, building

repairs and improvements, and refinancing existing liabilities to reduce future borrowing costs.

Local Utility Company Programs

Xcel Energy

Xcel Energy serves Prescott, Ellsworth, Spring Valley, Elmwood, and Hager City. Businesses served by Excel Energy may be eligible for low-interest subordinated loans. Funds can be used for land, buildings, equipment and working capital.

Pierce-Pepin Electric Cooperative

Businesses served by Pierce-Pepin Electric Cooperative may be eligible for the Cooperative's low interest rate loan programs.

St. Croix Valley Natural Gas

St. Croix Valley Natural Gas provides natural gas to homes and businesses in Hammond, Prescott, River Falls and the Towns of Hammond, Troy, Kinnickinnic, Clifton and River Falls in western Wisconsin.

Goals, Objectives, and Recommendations

Goal 1: The City of Prescott has a self-directed and diversified economy where businesses value sustainable business practices, provide a wide range of job opportunities for area residents, and help expand the local entrepreneurial economy.

Objectives:

1. Increase tourist based businesses
2. Increase light manufacturing industries
3. Grow downtown businesses and redevelopment
4. Identify potential economic clusters that can be developed
5. Provide information to new and existing businesses to learn about economic development resources available in Prescott
6. Increase parking in the downtown area

Recommendations:

1. Finalize the River walk concept and develop strategies to implement the plan.
2. Organize economic development seminars or a Business After Hours group for existing or potential businesses so that they can learn about programs available to them to help meet their goals.
3. Coordinate with other agencies to construct a business incubator building in the industrial park.
4. Coordinate with other agencies to develop a downtown business incubator for retail businesses.

5. Work with the Chamber of Commerce to produce tourism based brochures promoting the City's history, natural environment, Freedom Park and other attractions.
6. Work with the School District and adjacent Towns to identify areas of prime farmland that could be preserved for local food production and economy.
7. Establish metrics to benchmark and track the economic impact of tourists on the City's economy.
8. Establish metrics to benchmark and track the impact new industry has on local unemployment and wages.
9. Purchase land to expand the Industrial Park.
10. Review ordinances and programs for commercial businesses and industries to identify ways to include incentives for energy efficiency, local food production, zero waste, and reduced water use.
11. Encourage businesses to apply for the Travel Green Wisconsin certification, which recognizes efforts to protect the environment and buy local.
12. Develop downtown building design guidelines so businesses can utilize the Downtown Façade Loan Program.
13. Assist downtown businesses in creating a Business Improvement District that allows business properties downtown to contribute to programs aimed at promotion, management, maintenance and development of that district.
14. Identify areas in the downtown for addition vehicle and motorcycle parking.
15. Identify and promote a location in the City for a Farmers Market.
16. Work with municipalities, organizations, and government agencies to protect the quality, integrity and intent of the Great River Road.
17. Develop a 'Prescott Youth Entrepreneurial Fund' to encourage and support Prescott students to start and build businesses in their home community upon graduation.