Economic Development Strategy
Vernon County, Wisconsin
Introduction ............................................................................................................................................................... 1
The Strategy ........................................................................................................................................................... 1
Document Organization ......................................................................................................................................... 2
Background Analysis .................................................................................................................................................. 3
Geography .............................................................................................................................................................. 3
Demographic Conditions........................................................................................................................................ 3
Workforce .............................................................................................................................................................. 4
Industry Trends ...................................................................................................................................................... 4
Primary Industries .................................................................................................................................................. 5
Retail and Dining .................................................................................................................................................... 6
Infrastructure, Buildings, and Sites ........................................................................................................................ 6
Organization for Economic Development ............................................................................................................... 7
Community Perceptions ........................................................................................................................................ 7
Strategic Plan ............................................................................................................................................................. 8
Organizational Structure ........................................................................................................................................ 8
Vernon Economic Development Association ....................................................................................................... 10
Implement a Business Outreach Program ........................................................................................................... 13
Encourage local business district vitality ........................................................................................................... 19
make land and buildings available for economic development ............................................................................. 21
Prepare a regional tourism plan that enhances visitation and spending ............................................................ 23
Conduct a marketing and public relations campaign .......................................................................................... 25
conduct business attraction activities .................................................................................................................. 27
courage and support startup businesses ............................................................................................................. 29
Address housing needs that have an impact on the workforce .......................................................................... 32
Address needs related to child care ..................................................................................................................... 35
Establish a County economic development position .......................................................................................... 13
Develop targeted industry clusters ...................................................................................................................... 37
Develop an agricultural innovation and education center .................................................................................. 39
Appendix A - Industry Analysis .......................................................................................................................... 42
Appendix B - Retail Analysis ................................................................................................................................ 62
INTRODUCTION

Vernon County is a place of opportunity. Rural counties across the United States are more commonly plagued by low wage jobs, closing businesses, depressed main streets, and an outflow of population. Vernon County bucks these trends, instead growing its population and creating a diverse economy centered on agriculture, tourism, and small manufacturing. The county deserves national recognition for its role in organic and natural agricultural production, and is home to Organic Valley, along with a growing number of small food manufacturers.

While these accomplishments came without the benefit of a formal economic development strategy, there is widespread recognition that more could be achieved, just as there are threats that could easily erase past successes. As examples, the county’s small businesses are not growing at the pace seen in surrounding counties, retail sales lost to neighboring areas are costing several hundred thousand dollars in unrealized sales tax revenue, and other regions are competing to capture the market for organic products and food manufacturing. This plan is intended to guide the County’s effort – through its own actions and through collaboration with partners – to ensure a vibrant and sustainable local economy.

THE STRATEGY

This plan was created with technical assistance from the team of Place Dynamics LLC and Short, Elliott, and Hendrickson, Inc. (SEH), under the guidance of the County’s Tourism Promotion and Economic Development Committee. The process began with an exhaustive analysis of existing conditions, assets and resources, the industry base, demographics, workforce, retail markets, and other factors influencing economic development potential in the county. Numerous interviews were conducted with business leaders, local officials, and regional economic development partners. Additionally, a survey was conducted to broadly assess conditions, perceptions, and priorities related to economic development. This analysis led to the selection of twelve strategies considered to have the greatest impact:

1. Obtain professional assistance to execute the economic development strategy
2. Implement a business outreach program
3. Encourage local business district vitality
4. Make land and buildings available for economic development
5. Prepare a regional tourism plan that enhances visitation and spending
6. Conduct a marketing and public relations campaign
7. Conduct business attraction activities
8. Encourage and support startup businesses
9. Address housing needs that have an impact on the workforce
10. Address needs related to child care
11. Develop three targeted industry clusters
12. Develop an agricultural innovation and education center

Vernon County does not have the resources needed to carry out these activities independently, and attempting to do so would often be inefficient. As well as fail to capitalize on resources already in the region, the County will be best served by designating a point person who will be responsible for organizing direct efforts and coordinating with partners charged with specific tasks.
Implementation will also take some time. The strategy attempts to address demands on funds, staffing, and other resources by adopting a phased approach, which may include interim actions building toward a more complete program, which can be justified through a record of success.

**DOCUMENT ORGANIZATION**

This document is divided into four main parts. The first section presents a summary of the analysis. It draws out the significant findings, rather than present an exhaustive reporting of all of the data and observations reviewed by the project team. The strategy is presented in the second section of the report. Each strategy is described in detail, to include the reasons it was proposed, what may be accomplished, and how it should be executed. The next section addresses implementation. This is a blueprint for how the County can prioritize initiatives and leverage budgets and staff to accomplish its goals. A final section contains appendices of detailed data and notes related to the analysis.
BACKGROUND ANALYSIS

The *Economic Development Plan* is based on a careful examination of existing conditions, local and regional industry trends, community assets, and input from a cross-section of private sector, public, and non-profit stakeholders. In addition, an electronic survey was distributed throughout the county. The following is a summary of significant findings from the research conducted for the county’s economic development plan. A more complete examination of the data can be found in the appendices at the end of the document.

In most cases, the analysis looked at Vernon County and a broader area (region) consisting of the neighboring counties (La Crosse, Monroe, Juneau, Sauk, Richland, and Crawford), but leaving out the more urban cities of La Crosse and Onalaska.

GEOGRAPHY

Vernon County is located in southwestern Wisconsin, not far from the City of La Crosse. It is bordered on the west by the Mississippi River and is part of the Driftless Area, a picturesque corner of the state that was not covered by glaciers in the last Ice Age. As a result, it has a very hilly topography with wooded hillsides and stream-cut valleys. This geography helps to shape the area’s economy. It results in smaller fields that are better suited to pasture or specialty crops, it draws visitors for its scenery, and it creates problems with flooding in the low areas of several communities.

From a transportation perspective, the terrain results in many narrow, winding roads that slow traffic and add time to reach destinations. Aside from a stretch of US Highway 14 between Westby and Viroqua, all of the county’s roads are two lanes. A BNSF mainline runs along the east shore of the Mississippi River, and there are limited docking facilities at Genoa Station, below Lock and Dam No. 8.

Viroqua is the county seat and the largest city in Vernon County. Its other cities are Hillsboro and Westby, along with nine villages: Chaseburg, Coon Valley, De Soto, Genoa, La Farge, Ontario, Readstown, Stoddard, and Viola. The remainder of the county is organized into 18 towns.

DEMOGRAPHIC CONDITIONS

Vernon County defies the typical picture of a rural county. While it lost population from the 1920’s through the 1970’s, since that time it has been steadily growing, with a 2016 population estimate of 30,814. The county is attracting residents from elsewhere, in addition to growing from within. Older and younger population cohorts are anticipated to grow in coming years.

The area’s Amish population plays a role in its demographics and its economic development. The presence of this population results in larger family sizes. Economically, it has helped to bolster organic and niche agriculture, and led to the development of many small cottage industries in sectors like woodworking or baked goods. Because most modern goods are eschewed by the culture, it also depresses demand for many categories of retail goods and services.
income appears to be lower than in other parts of the state. This, again, is a reflection of the Amish culture, where paid work is less common.

WORKFORCE

Vernon County draws its workforce from neighboring counties and even beyond. Over time, the percentage of workers both living and working in the county has decreased. Currently, the number of people commuting out of the county is similar to the number commuting in. Employers have reported that the lack of housing (both owned and rented) is partially to blame for these numbers. Based simply on a projection using current rates of growth, Vernon County can absorb 526 new single family homes and 224 apartments over the next five years (2018 to 2022). Over the three years from 2014 to 2016, the county averaged just 91 new units per year, and only one new apartment building (with 46 units) was approved. This is far below the annual pace of 105 single family homes and 45 apartments that is needed just to sustain current levels of growth, without accounting for those who might live in the county, but have chosen elsewhere because they can’t find suitable housing.

Compared to a decade earlier, a larger percentage of the workforce is in high-paying jobs. Over the same time, the percentage of workers over 55 has also grown. Though not out of line with national trends, an aging workforce is of concern if the area is not able to supply younger workers with necessary skills, in order to replace those who retire. Employers already report that it can be difficult to hire workers for skilled positions. Many of these potential employees gravitate to the larger metropolitan areas where there are a greater number of jobs. Meanwhile, residents feel that there are limited career opportunities available to them in the county, creating pressure to look for work elsewhere.

Employers generally feel that the people they hire have a good work ethic. Aside from housing, the issue most often raised related to the workforce is the need for good, affordable child care. The market for child care is now predominantly served by unlicensed providers in private homes. Second and third shift services are especially difficult to find.

INDUSTRY TRENDS

Vernon County displays some unusual industry characteristics. Overall, the local economy is healthy, with some very distinct areas of specialization and opportunities for growth. It is becoming more diverse and less dependent on a small number of large employers, while fostering a good deal of startup activity.

Most business investment in both the county and the region (measured as the headquarters location of the establishment, and weighted by employment) originates within the region. Outside investment is dominated
by a few firms such as Walmart, Cabela’s, Aramark, Ocean Spray, and the federal government. These tend to be among the area’s larger employers. The number of establishments with more than 80 employees has grown, with a greater percentage of them now owned in Wisconsin, and a greater percentage being stand-alone businesses (as opposed to branch facilities of a larger company).

Startups have consistently been the leading source for growth in the number of establishments in both Vernon County and the region, but the pace of new business starts has slowed in recent years. This mirrors national trends, but is of concern when the local economy is so dependent on this source of growth. A lack of resources and know-how are the challenges faced by startups.

![Changes in Employment Due to Business Activity](image)

Businesses started in Vernon County are more likely to survive. Nationally, about half of all new businesses survive their first five years. About 60 to 80 percent of Vernon County’s new businesses last that long, and about half of them make it to ten years. While the county’s businesses survive, they also tend not to grow. This issue is unique to Vernon County, as businesses in neighboring counties are expanding.

The number of businesses closing, and the number laying off employees, has been roughly equal for most of the past two decades. In the past few years, the number of businesses closing has been sharply higher. Businesses that close are the chief source of job losses in the region, where the pace of closures has accelerated since 2011. Businesses that reduce employment have been the dominant source of job losses in Vernon County.

**PRIMARY INDUSTRIES**

Vernon County and the surrounding area have concentrations of businesses in three industry groupings that should be targeted for expansion. These groupings are referred to as industry clusters; a set of activities related by factors such as raw materials, the products produced, production techniques, worker knowledge and skills, and shared markets.

The agricultural value chain encompasses production, aggregation and distribution, and processing of farm products. While Vernon County was originally known for dairy production, its agricultural sector has become
more diverse and has helped to lead a national trend. Organic, natural, and specialty/artisanal products are an important subset of this target industry cluster.

The wood products value chain includes forestry, lumber, and wood products. The area is dominated by hardwoods and craft/custom products. Many of these are small milling operations and specialty cabinet or furniture businesses started by Amish families. Although these businesses are likely to remain small, they have tapped a high-value niche market that is not vulnerable to low wage foreign competition.

There is a strong tourism industry in the Driftless Area. Although now mostly focused on outdoor activities and the scenic qualities of the area, there is a great deal of potential to expand it to other activities and to reach a larger market. This sector holds promise to bring new revenue to the county’s retail and dining establishments, helping to revitalize business districts and increase sales tax collections. Many local residents feel there is strong potential to expand tourism within the area.

RETAIL AND DINING

There are 211 retail businesses in Vernon County, with total sales estimated at $200 million per year. At the same time, residents, workers, and visitors are thought to generate $316 million in demand, across 58 different kinds of retail stores. Many of business types are not represented in the county. The sales lost to businesses outside of Vernon County also represent a loss of $580,000 in potential sales tax revenue. While not all of this leakage can be captured, improved business practices and a greater variety of businesses would help to close the gap. A ten percent increase in retail sales would result in an additional $100,000 in sales tax revenue for the County.

There is a similar loss of sales potential among restaurants. Residents, workers coming into the county, and visitors are estimated to spend $35 million on eating out each year. Vernon County’s 55 restaurants, dining places, and snack and beverage shops are estimated to capture $17.5 million in annual sales, or just half of the market potential. Again, business practices factor significantly into the low percentage of sales that are realized locally.

INFRASTRUCTURE, BUILDINGS, AND SITES

Telecommunications services are generally good. Cell phone service can be problematic in some rural locations. Local telecommunications services have done well in providing broadband, even to rural sites, but there are gaps in coverage. Overall, though, the availability of broadband is a unique and highly desirable asset that can figure prominently in marketing the county to prospective new residents and businesses.

The public services provided by local municipalities are generally considered to be good. Reliance on propane in some areas (instead of natural gas) is an economic development challenge.

There is a lack of land and buildings to attract larger businesses. The Viroqua Industrial Park is an asset, but was described as needing a renaissance. There are few industrial buildings in any of the county’s municipalities, and few places where one could be built. Commercial buildings are often limited to older
buildings in the downtown districts, and many need significant investment. At the same time, space can be leased very inexpensively.

**ORGANIZATION FOR ECONOMIC DEVELOPMENT**

There is a widely-perceived lack of support for economic development from the County Board. Many business owners would like to see the County take on a more active role in promoting economic development and tourism. The County does have a revolving loan fund, however, only ten percent of businesses that said they sought funding in the past few years indicated that they had difficulty obtaining it. Businesses typically need working capital, rather than buildings, machinery, and equipment that are funded through economic development loan programs such as the one maintained by the County.

Several interview participants recognized that while different organizations may play unique roles within an overall strategy, there is a need for a single lead person to coordinate their activities. Vernon County does not have an economic development staff position within its administration. Vernon Economic Development Association (VEDA) is seen by some as one-dimensional, and not adequately addressing needs within local communities. A great deal of the effort made by VEDA is in leasing and operating its Food Enterprise Center, which provides space to growing food processing businesses and links them to technical or other resources that will help them to grow. This has been very successful, and VEDA has acquired expertise in small business development that can be leveraged in a comprehensive approach to economic development.

There is a desire for collaboration on economic development and tourism, both within the region (neighboring counties) and within Vernon County (county and local governments, organizations, businesses). Vernon County is a member of the regional 7-Rivers Alliance, but has not been active within the organization. There are also regional tourism organizations in which the county could play a more significant role.

Several stakeholders mentioned the need for a shared vision for economic development. It is a recurring theme that Vernon County is the center of organic agriculture in the Midwest. One of the thoughts shared by several interview participants was that the County should consider developing what could be characterized as an agricultural innovation and education center – a place for research, education, business development related to organic, natural, artisanal, and other niche products derived from agriculture.

Vernon County is not well known in Wisconsin (or beyond). The county has a great story to tell, and recognition would help to attract new residents, businesses, and other investment.

**COMMUNITY PERCEPTIONS**

Vernon County received average marks as a place to do business (5 on a scale from 1 to 10) in a survey conducted as a part of the research process. Business leaders feel that their concerns were not always heard by elected officials at the county level, and that the County needs to initiate a business retention and expansion program.

Priorities for economic development, in ranked order from the survey, are:

1. Support for existing businesses
2. Entrepreneurship
3. Tourism
4. Business district vitality
5. Business attraction
6. Agricultural development
STRATEGIC PLAN

The strategy for Vernon County contains eleven recommended actions divided among short, medium, and long term priorities. This approach recognizes that the County has limited resources with which to initiate an economic development program. Professional expertise is still required for the strategy to be effective. The recommended approach is to contract with an individual, firm, or organization to provide the required technical expertise and coordination necessary for implementation. Over time, as these initiatives produce results and additional resources are available, the County can expand its efforts by adding professional staff and undertaking projects that require more time and expertise.

Early actions in the plan include some activities that are already in motion along with others that can be implemented, at least to a limited degree, in a way that will not create a substantial need for resources but will produce significant returns on those investments. These actions should help to strengthen connections between elected officials and the business community, and result in increased business vitality that translates into additional sales and property tax revenue for the County and local governments.

ORGANIZATIONAL STRUCTURE

The organizational structure for Vernon County’s economic development program is comprised of three parts: 1) oversight; 2) partnerships; and 3) staff support. The first two are anticipated to remain constant, while later phases of the strategy recommend the addition of a full-time economic development professional to execute more time-consuming and technical elements of the strategy.

Oversight

The County Board is the ultimate authority in matters related to economic development, determining policy as well as providing the budget for annual activities. The authority to execute economic development initiatives is delegated to the Tourism Promotion and Economic Development Committee. The volunteers on this committee will be directly involved in implementing strategies during the short term, and will provide direction to County staff and contractors supporting its initiatives.

Partnerships

Vernon County will coordinate to varying degrees with other government and nonprofit organizations in carrying out tasks in the economic development strategy. Many of these partners are in a better position to

---

**Short-term Priorities**

1. Acquire the services of an economic development contractor
2. Implement a business outreach program
3. Encourage local business district vitality
5. Prepare a regional tourism plan that enhances visitation and spending.
6. Conduct a marketing and public relations campaign.

**Medium-Term Priorities**

7. Conduct business attraction activities.
8. Encourage and support startup businesses.
9. Address housing needs that have an impact on the workforce.
10. Address needs related to child care.

**Long-Term Priorities**

11. Develop three targeted industry clusters – the agricultural value chain, the wood products value chain, and tourism – with an emphasis on programming to help existing businesses grow.
12. Develop an agricultural innovation and education center.
address the issues of concern to stakeholders. The County will provide coordination and varying levels of technical or other support to help its partners execute plans responding to these concerns.

**Staff Support**

Initially, the County will contract with an individual, organization, or company to provide the technical knowledge and coordination for actions recommended in the plan. This recognizes that there are limited resources available, and the County is not in a position to be able to hire professional economic development
staff. Over time, as strategies in the plan bear fruit and the County recognizes greater revenue through expanded business activity and new housing, it will be in a position to commit more resources and hire the staff needed to launch more aggressive and impactful strategies.

VERNON ECONOMIC DEVELOPMENT ASSOCIATION

The Vernon Economic Development Association (VEDA) is making significant contributions to business vitality within the county. This is not limited to its focus on the Food Enterprise Center, although that facility does account for a significant part of the organization’s effort. Without additional staffing, VEDA can take on few of the tasks recommended in this plan. It is partially for this reason that VEDA is recommended to contribute to only a few of the strategies, while others will be taken on by the Tourism Promotion and Economic Development Committee, supported by a contracted coordinator and County staff.

There are benefits to having both an economic development function within the county government and as a separate, nonprofit entity. This is primarily related to the types of grant funding and economic development tools available to each respective organization. There are also advantages in having VEDA specialize in business development through the Food Enterprise Center and other initiatives, such as those related to startups, where it can develop a higher level of expertise than if it were tasked with all of the diverse economic development responsibilities.

This plan does recommend developing a stronger relationship between the county and VEDA. This should be formalized through a contract that will spell out the activities in which Vernon County is seeking support from VEDA, and should provide funds from the county to aid in the execution of those activities.
### IMPLEMENTATION TIMELINE AND RESOURCE REQUIREMENTS

<table>
<thead>
<tr>
<th>STRATEGY / INITIATIVE</th>
<th>PARTNERS</th>
<th>SHORT-TERM 2018 - 2019</th>
<th>MEDIUM-TERM 2020-2021</th>
<th>LONG-TERM 2022 and Beyond</th>
<th>EXPECTED OUTCOME / GOAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Obtain professional assistance to execute the economic development strategy</td>
<td>VEDA, UW-Extension</td>
<td>Contract with an economic development contractor to provide technical expertise and assistance in carrying out economic development strategies. $18,000 annually for contractor</td>
<td>Contract with an economic development professional to provide technical expertise and assistance in carrying out economic development strategies. $20,000 annually for contractor</td>
<td>Hire a county economic development coordinator to carry out and sustain existing economic development activities. $80,000 annually for salary, benefits, and overhead costs</td>
<td>Effective implementation from having an economic development professional in place of volunteers; increased efficiency from one individual coordinating the actions of many organizations</td>
</tr>
<tr>
<td>Implement a business outreach program</td>
<td>Local governments, VEDA, UW-Extension, Connect Communities</td>
<td>Economic development contractor to coordinate a business outreach program; schedule business visits attended by Committee and County Board members; conduct business surveys. $500 annually for incidental costs</td>
<td>Economic development contractor to coordinate a business outreach program; schedule business visits attended by Committee and County Board members; conduct business surveys. $500 annually for incidental costs</td>
<td>Expanded business outreach program under direction of the economic development coordinator; schedule business visits attended by Committee and County Board members; conduct business surveys. Improved communication between elected officials and the business community; better awareness of general business needs and specific business opportunities or threats</td>
<td></td>
</tr>
<tr>
<td>Encourage local business district vitality</td>
<td>Local governments, Viroqua Main Street, Connect Communities, UW-Extension</td>
<td>Economic development contractor to solicit matching funds from local sources; develop work plan and coordinate technical assistance for Main Street businesses. $20,000 annually – ½ from County</td>
<td>Economic development contractor to solicit matching funds from local sources; develop work plan and coordinate technical assistance for Main Street businesses. $20,000 annually – ½ from County</td>
<td>Economic development contractor to coordinate a business outreach program; schedule business visits attended by Committee and County Board members; conduct business surveys.</td>
<td>More vibrant local business districts; stronger local businesses; improved access to goods and services for residents and visitors; increased sales and sales tax revenue</td>
</tr>
<tr>
<td>Make land and buildings available for economic development</td>
<td>Local governments, VEDA, 7-Rivers Alliance</td>
<td>Economic development contractor to inventory buildings and development sites; ensure listing at relevant sites; support local initiatives to provide sites and buildings. Commitment of time only, no additional funds</td>
<td>Economic development contractor to inventory buildings and development sites; ensure listing at relevant sites; support local initiatives to provide sites and buildings. Commitment of time only, no additional funds</td>
<td>Economic development contractor to assist in executing the regional tourism plan as it relates to the county.</td>
<td>Enhanced ability for Vernon County to compete for business investment; meet the land and building needs of local businesses and startups</td>
</tr>
<tr>
<td>Prepare a regional tourism plan that enhances visitation and spending</td>
<td>Local governments, 7-Rivers Alliance, Neighboring counties, Colfax and Clearwater, Hidden Valleys WI Dept. of Tourism</td>
<td>Economic development contractor to work with regional partners to gain support for tourism planning; prepare a regional tourism development and marketing plan. $10,000 from county for regional tourism plan (total cost $50,000, mostly from other sources)</td>
<td>Economic development contractor to assist in executing the regional tourism plan as it relates to the county.</td>
<td>Economic development contractor to assist in executing the regional tourism plan as it relates to the county.</td>
<td>Significant increases in visitor traffic leading to additional sales and sales tax revenue; enhanced visitor experiences leading to more favorable reviews of Vernon County as a visitor destination</td>
</tr>
<tr>
<td>Conduct a marketing and public relations campaign</td>
<td>UW-Extension, WI Econ. Dev. Corp, WI Dept. of Tourism</td>
<td>Economic development contractor to oversee a marketing and public relations campaign (separate from tourism) to build awareness of Vernon County. $5,000 annually for advertising and professional services</td>
<td>Economic development contractor to coordinate a marketing and public relations campaign (separate from tourism) to build awareness of Vernon County. $5,000 annually for advertising and professional services</td>
<td>Economic development contractor to coordinate a marketing and public relations campaign (separate from tourism) to build awareness of Vernon County. $5,000 annually for advertising and professional services</td>
<td>Increased awareness and favorable impressions of Vernon County; improved ability to recruit new businesses, investment, and new residents</td>
</tr>
<tr>
<td>Conduct business attraction activities</td>
<td>Local governments, VEDA, 7-Rivers Alliance, Neighboring counties, WI Econ. Dev. Corp.</td>
<td>Economic development contractor to provide information to partners, track inquiries; create economic development website; coordinate prospect activities. $1,500 annually for web site and other costs</td>
<td>Economic development contractor to provide information to partners, track inquiries; create economic development website; coordinate prospect activities. $1,500 annually for web site and other costs</td>
<td>Economic development contractor to significantly expand business attraction through additional research, outreach, and event participation; maintain website; coordinate prospect activities.</td>
<td>Increased flow of business development prospects; opportunities to bring new businesses to Vernon County</td>
</tr>
<tr>
<td>Encourage and support startup businesses</td>
<td>Local governments, VEDA</td>
<td>VEDA to develop specialization in startup/expansion; prepare inventory of available programs; provide assistance and referrals to businesses. $5,000 annually paid to VEDA</td>
<td>VEDA to expand role in startup/expansion; provide assistance and referrals to businesses; develop business center and other resources. $10,000 annually paid to VEDA</td>
<td>VEDA to expand role in startup/expansion; provide assistance and referrals to businesses; develop business center and other resources.</td>
<td>Additional resources to help start and grow new businesses; higher pace of startup activity; greater number of small businesses able to grow</td>
</tr>
</tbody>
</table>
### IMPLEMENTATION TIMELINE AND RESOURCE REQUIREMENTS (continued)

<table>
<thead>
<tr>
<th>Address housing needs that have an impact on the workforce</th>
<th>Local governments</th>
<th>WI Div. of Housing</th>
<th>Economic development contractor to educate local communities; compile information on potential development sites; approach developers</th>
<th>Economic development contractor to educate local communities; compile information on potential development sites; approach developers</th>
<th>Economic development coordinator to educate local communities; compile information on potential development sites and market demand; conduct expanded campaign to recruit developers and new residents</th>
<th>Faster pace of single- and multifamily development; increased property tax revenues; ability to retain and attract new residents and workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address needs related to child care</td>
<td>Community orgs.</td>
<td>Local governments</td>
<td>Economic development contractor to educate local communities; compile information on potential development sites; approach developers</td>
<td>Economic development contractor to educate local communities; compile information on potential development sites; approach developers</td>
<td>Economic development coordinator to educate local communities; compile information on potential development sites and market demand; conduct expanded campaign to recruit developers and new residents</td>
<td>Workers have access to good quality affordable child care, reducing strains on businesses</td>
</tr>
<tr>
<td>Develop three targeted industry clusters</td>
<td>Local governments</td>
<td>VEDA, 7-Rivers Alliance, Community Orgs., Neighboring counties, UW-Extension, WI Econ. Dev. Corp.</td>
<td>No actions during this period</td>
<td>No actions during this period</td>
<td>Economic development coordinator to conduct research, convene industry representatives, and develop strategies to develop the agriculture and wood products value chains</td>
<td>Vernon County will develop specialized resources for these industry clusters, leading to new investment, business attraction and expansion, startups, and job creation</td>
</tr>
<tr>
<td>Develop an agricultural innovation and education center</td>
<td>VEDA, 7-Rivers Alliance, Community Orgs., UW-Extension, WI Econ. Dev. Corp.</td>
<td>No actions during this period</td>
<td>No actions during this period</td>
<td>Economic development coordinator to convene stakeholders to assess needs and opportunities; conduct feasibility studies and planning</td>
<td>Funding to be determined. Grand funds may be sought</td>
<td>Vernon County will be nationally recognized as a leading center for agricultural innovation, attracting new businesses and investment</td>
</tr>
</tbody>
</table>

### FUNDING REQUIRED

<table>
<thead>
<tr>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>County funding required</td>
<td>$40,000</td>
<td>$50,000</td>
<td>$57,000</td>
<td>$57,000</td>
<td>$127,000</td>
</tr>
<tr>
<td>Additional funding required</td>
<td>$10,000</td>
<td>$10,000</td>
<td>$10,000</td>
<td>$10,000</td>
<td>$10,000</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$50,000</td>
<td>$100,000</td>
<td>$67,000</td>
<td>$67,000</td>
<td>$137,000</td>
</tr>
</tbody>
</table>

### ALLOCATION OF FUNDS

<table>
<thead>
<tr>
<th>County</th>
<th>VEDA</th>
<th>Tourism consultant</th>
</tr>
</thead>
<tbody>
<tr>
<td>$45,000</td>
<td>$5,000</td>
<td></td>
</tr>
<tr>
<td>$45,000</td>
<td>$5,000</td>
<td></td>
</tr>
<tr>
<td>$57,000</td>
<td>$10,000</td>
<td></td>
</tr>
<tr>
<td>$57,000</td>
<td>$10,000</td>
<td></td>
</tr>
<tr>
<td>$127,000</td>
<td>$10,000</td>
<td></td>
</tr>
<tr>
<td>$127,000</td>
<td>$10,000</td>
<td></td>
</tr>
</tbody>
</table>
ESTABLISH A COUNTY ECONOMIC DEVELOPMENT POSITION

It is the County’s goal to justify creating a position for a full-time economic development coordinator. This cannot happen immediately, but the County still needs the assistance of an individual who has the allotted time and can be responsible for carrying out required actions, and who also has the technical capabilities not available to an all-volunteer effort.

Responsibility for executing the economic development strategy will initially be contracted out to an individual, firm, or organization with the necessary expertise. As the strategy is implemented and begins to produce results, Vernon County will establish a full-time position for professional economic development staff within the County administration. Once this position is created, the activities initially performed by the coordinator will become the responsibility of the person hired.

What will the economic development specialist do?

The County’s economic development contractor (later its coordinator) will assume responsibility for implementing the strategy, and directly executing all tasks except those related to business startups. Startups will still be supported by the position, but continue to be the responsibility of the Vernon Economic Development Association. The intent of this is to enable Vernon Economic Development Association to develop specialized expertise and capabilities that complement its Food Enterprise Center, while the County position will have a more general economic development role.

Why does the county need economic development staff?

Effectively implementing the economic development plan will require a great deal of time, which would need to be committed from existing staff and volunteers in addition to their current commitments. It will increasingly demand specialized knowledge that existing staff and volunteers do not have. In the short term, Vernon County can meet its needs by utilizing the services of a qualified contractor. While the plan can is designed to be started with a minimal commitment of resources, as it develops it will become more complex and require a greater time commitment. Creating an economic development position within the county administration will ensure that the time and technical abilities necessary to accomplish the plan’s goals are available. Creating this position will place Vernon County on par with many other similar counties that have had full-time economic development staff for many years.

What are the goals of creating this position?

The intent of creating this position is to make critical resources (time and talent) available at a stage in the plan where they will be necessary to expand on early efforts and introduce new, complex initiatives.

How will the County work toward creating this position?

The economic development plan is designed to unfold in three stages. Initially, the plan calls for the services of a contractor and leveraging strategic partnerships to begin pursuing some of the more easily achieved goals. Accomplishments during this first two-phase will demonstrate progress toward the plan’s goals and will begin to develop new resources such as increased sales and property tax revenue. This will enable the County to make funds available to create the economic development position.

What resources are needed to hire an economic development specialist?

Initially, a minimum of $18,000 should be made available to contract with a qualified economic development individual, company, or organization to provide technical expertise and coordination for the County’s economic development strategy. A total budget of $90,000 is recommended to establish the economic development staff position in the fifth year of the strategy. This is broken out into $80,000 to fund a salary
and benefits, and an additional $10,000 for expenses related to the position (computer and software, phone, supplies, etc.).

How will the effectiveness of the position be measured?

The economic development contractor (later coordinator) will report to the Tourism Promotion and Economic Development Committee through the resources and community development director. The Committee will establish annual goals for the position and conduct an annual progress review.
IMPLEMENT A BUSINESS OUTREACH PROGRAM

Vernon County will engage with its business community to ensure that community leaders are aware of economic conditions, prospects, and challenges to growth. Open, two-way dialogue will ensure that the needs of local businesses are considered in public decision-making, and that businesses are equally aware of resources or partnership opportunities available to them. Vernon County will be recognized as a place where local government is supportive of its businesses and entrepreneurs.

Existing businesses are critical to the economic health of a community. Their success creates good employment opportunities for residents and brings new resources into the region. Local governments and business support organizations can play a vital role in sustaining the vitality and growth of their business community through a well-designed program of business outreach, with a focus on active response to critical business needs.

What is a business outreach program?

Business outreach programs gather information to help local governments support business retention and expansion, job retention and creation, and increased investment. Information is gathered for individual businesses as well as the business community at large, and is used to proactively identify and resolve issues of concern, or to seize opportunities for increased employment and investment through business expansion. An effective program will lead to a collaborative and mutually supportive relationship between businesses, support organizations, and the local government.

Why is a business outreach program needed?

Several related issues emerged during the research phase of the Economic Development Plan, which suggest the need for better engagement with the business community. These include:

- Through interviews and the survey, it was very apparent that business operators did not feel that elected officials were aware of, or had an appropriate concern for their needs. This is true even though an overwhelming number of the county’s businesses are locally owned.
- Vernon County businesses are not growing. Expanding businesses roughly equal startups in all of the surrounding counties, but play a much more limited role in Vernon County’s growth.
- There has been a recent sharp increase in the number of businesses closing, both in Vernon County and in the region. Businesses that reduce employment, while remaining in operation, have been the leading cause of job losses in Vernon County.
- Vernon County receives average marks as a place to do business, scoring five on a scale from one to ten.

What are the goals of the business outreach program?

A good business outreach effort opens communication channels that allow information to flow both ways. While it is a learning tool for Vernon County officials, it is also a means through which they can reach out to the business community to let stakeholders know of resources, opportunities, initiatives, and other information that will be of interest to them. The outreach program will:

- Improve the way Vernon County is perceived by its business community.
- Demonstrate support for the local business community.
- Educate elected officials about the business community, what it needs for sustained growth, and what actions can be considered to transform the local economy.
- Identify the causes of the concerns revealed in the data, and determine what actions may be taken to address them.
- Help to resolve the immediate concerns of individual businesses, and identify warning signs that a business may relocate, close, or shed employees.
- Communicate more effectively with stakeholders in the business community.

Who will carry out business outreach program activities?

The business outreach program will evolve over time as the County is able to commit more resources to economic development. It will start as a volunteer-driven effort coordinated by the economic development contractor, and active participation from elected and appointed officials in local communities. Once the County has retained an economic development coordinator, that person will take over and expand the program.

Ideally, each member of the County Board, along with officials in town, village, and city governments, will participate in some number of meetings with business owners, management, or other stakeholders. The coordinator will also be responsible for implementing other aspects of the business outreach program and reporting results to local and county officials.

How will the business outreach program be implemented?

The following actions are required to implement the business outreach program.

1. The economic development contractor will establish a program framework. These are the logistical steps necessary to establish the program. Critical actions include:
   a. Create an advisory team to provide guidance and make decisions concerning implementation of the program.
   b. Prepare a database of the businesses in Vernon County, with contacts and other descriptive information. This database will be continuously maintained, and will be an essential tool used in executing the program.
   c. Identify business organization and networking groups already serving Vernon County. These can include formal organizations such as Viroqua Main Street, or informal groups such as those formed through Meetup or other platforms. This inventory will be maintained continuously.
   d. Assemble a resource packet of relevant business information, which will be available to hand out to businesses, such as during site visits.
   e. Develop a website (related content on a larger county economic development website) and social media to support the program.
   f. Contact local media to announce and develop publicity for the program as it is launched.

2. Schedule visits to businesses in the county. These should include a cross-section of businesses in different industries and in different communities. Each business visit should be conducted by one or two other individuals, including members Tourism Promotion and Economic Development Committee and members of the County Board or officials in local communities. The primary intent of these meetings is to develop an understanding of the business, its needs, its growth prospects, and concerns that may threaten it. Additionally, information should be provided about the kinds of assistance that may be provided through Vernon County or its partners.
The economic development contractor should not be expected to attend every meeting, but to assist in coordinating visits, instructing members of the Committee on how to conduct the interviews, and providing questions and templates for recording notes.

3. Assemble action teams to tackle more complex issues. Some issues discovered through business visits, whether affecting an individual business or a larger group of businesses, will be significant enough for the advisory team to assemble a task force of persons with authority or expertise related to the issue. These action teams will be charged with recommending and overseeing implementation of solutions. The program coordinator will facilitate their work.

4. Conduct a biennial survey of businesses in Vernon County. The intent of the survey is to assess conditions and track changing responses over time. The program coordinator will develop the survey, disseminate it to the business community, and report responses. While an electronic survey platform can be used. Provisions should be made for a paper survey to reach the Amish community. Concerns arising from the survey may be referred to action teams.

5. Track data that describes composition and change in the local economy. The program coordinator will gather and analyze publicly-available data that describes current conditions and trends in the local economy. All printed and web-based materials should be updated not less than annually to reflect the new data.

6. Communicate with the business community. Communicating with the business community is getting far easier and cheaper with new technology. It is very easy to send out information concerning government actions, available resources, events, or business activities using social media. Sites like Meetup have organized groups that can be attended by economic development representatives or elected officials, opening new networking channels. These can supplement more traditional approaches like print and radio, to reach out to the business community and reinforce the message that their needs are being heard and considered.

What resources are needed to conduct the Business outreach program?

Staffing will be the primary need for this program. In the first phase, this will be provided through a combination of the economic development contractor’s time and time from members of the Tourism Promotion and Economic Development Committee. Later, the economic development coordinator will take on the role, including conducting visits. An additional $500 is recommended to cover incidental costs related to the program.

How will the effectiveness of the Business outreach program be measured?

Evaluate the business outreach program. Progress and quality will be measured in two ways. Each program participant will be invited to participate in a short customer experience survey. The survey will ask them to rate their overall experience (did not meet expectations/met expectations/exceeded expectations) and three to four other questions designed to assess whether their needs were adequately met. This data will be compiled on an annual basis and reported to the County. The program coordinator will also prepare a monthly summary of scheduled interviews and other actions, follow-up actions taken, and emerging issues. At the conclusion of the year, the coordinator will provide an annual report documenting the activities conducted, issues identified, progress achieved, and client feedback concerning the Business outreach program.

Evaluation will be based on:

- Meeting target goals for activities conducted through the business outreach program.
This will include reaching targets such as the total number of businesses visited through the program, identification of issues impacting the business climate, successful implementation of a website and utilization of social media, networking events attended, etc.

- Impact of the business outreach program on businesses and local economic conditions.
  This item will include referrals and follow-up to the needs of specific businesses, actions toward addressing issues identified through the program, business retention and expansion projects, etc.

- Feedback from the business community.
  This will consist of responses to the customer experience survey and other feedback provided by the business community.
ENCOURAGE LOCAL BUSINESS DISTRICT VITALITY

Vernon County will partner with local communities to provide the resources needed to stabilize and grow local business districts. Business districts play multiple important roles, some of which are often overlooked. They are firstly the place where the businesses serving the local population locate. Many of these businesses often can serve visitors along with residents. As existing businesses leave, the space that opens creates the opportunity for new businesses to move in.

Downtowns, in particular, are important in shaping perceptions of a community. An attractive and vibrant district will often cause people to have a favorable image of the community overall, while one that is run down and has many vacant storefronts will leave people with the impression of a dying community. This influences the potential for new investment and businesses not only in the district, but in other places in the community as well. Lastly, these district serve as civic and social centers for the community.

Wisconsin has two programs that promote downtown business districts. The Main Street Program, of which Viroqua is a member, is a more fully-developed program of technical assistance to local communities. The Connect Communities program offers limited assistance, mostly through occasional training. Hillsboro, La Farge, and Cashton are Connect Community members.

What can be done to promote local business district vitality?

Practices related to business district vitality have evolved over the years to become more sophisticated. Early on, communities tended to focus on infrastructure as a solution to property and business development. But while some strategic investments can have an impact, expensive streetscapes did not address fundamental problems that caused businesses to under-perform, so that they cannot afford the rents that would justify real estate investments. Current practice emphasizes supporting businesses through technical expertise that helps them to better understand their market, address deficiencies that cause them to lose potential sales, and more effectively build awareness and reputation. While business assistance is at the forefront, it continues to be supported by strategic investments in infrastructure (ex., parking and traffic improvements), marketing and promotion (ex., events, wayfinding, tourism development), and organizational capacity.

Viroqua’s Main Street program provides an excellent example of programs that have an impact, such as its popup business initiative, which has proven to be very popular and is being replicated elsewhere.

Why do local business districts need support?

County residents identified business district vitality as one of their top priorities for economic development. These districts are where residents turn for shopping and services, and in many cases, their needs are not being met. These districts also have the potential to be a draw for tourists, leading to increased spending by them as well as residents. By capturing more of the available local or visitor market, Vernon County will see an increase in its sales tax revenue.

Vernon County’s communities are small, and would find it very difficult to independently support an effective downtown revitalization program. Through collaboration, assisted by the County, they can leverage their limited resources to more effectively assist local businesses and improve the health of their business districts.

What are the goals for business district vitality?

At its heart, this strategy has the intent of strengthening the competitiveness of retail, dining, service, and other businesses that populate the business districts of its various communities. This will lead to increased sales and profitability, resulting in secondary impacts such as:

- Increases in sales tax revenue collected by Vernon County.
- Investment in building rehabilitation and new construction, leading to increased property tax revenue for both the County and its local municipalities.
- Improved profitability among local businesses, raising incomes and having the potential to create new jobs.
- Enhanced availability of retail goods, dining, and services within Vernon County.
- Additional visitors and associated spending.

Who will carry out business district activities?

The most efficient way for Vernon County to carry out these activities, which primarily require the services of technical experts, will be to fund services organized by the economic development contractor or coordinator.

How will local business district initiatives be implemented?

The primary focus of this program should be to increase the effectiveness of the County’s small retail, dining, and service businesses by providing information, training, and technical assistance. This will be accomplished by providing funding (along with additional funds from local governments) to a coordinator who will be responsible for arranging services available to the targeted businesses.

Each year, the economic development contractor will develop and execute a work plan. This task should be completed in cooperation with the Tourism Promotion and Economic Development Committee. The initial work plan should lay out a two-year list of activities to be accomplished, within the available budget. Priorities to consider include assembling and disseminating market insight (e.g., market surveys, zip code tabulations, web search terms, etc.), providing training and direct technical assistance to businesses, and coordinating free or low cost business district activities, such as seeking the assistance of the American Planning Association (Wisconsin Chapter) or Wisconsin Downtown Action Council, in providing professional panels to evaluate and recommend actions for the county’s business districts.

What resources are needed to support local business district vitality?

Ideally, a total of at least $20,000 will be made available on an annual basis to conduct this program. Vernon County can make the offer to provide $10,000 and seek additional funding from its various communities, whose businesses would participate in the programs. These funds would support a coordinator and compensate technical experts brought in to work with the businesses.

How will the effectiveness of the County’s business district efforts be measured?

Directly, the program’s effectiveness can be measured by the number of businesses taking advantage of programs that are provided. Additionally, participants can be given a form to provide feedback on the quality and relevance of the services they receive.

Indirectly, the program’s effectiveness can be assessed through measures such as increases in sales (sales tax revenue), real estate investment (property valuation), and business longevity and success.
MAKE LAND AND BUILDINGS AVAILABLE FOR ECONOMIC DEVELOPMENT

Vernon County will support the efforts of its local communities to ensure an adequate supply of available land and buildings to meet the needs of new or existing businesses, whether seeking commercial or industrial sites. The business location decision often comes down to having turn-key opportunities meeting the short schedules of the business. Although the County has few options to directly provide buildings and sites, it can be a partner to help local communities address the need.

What are the potential roles for Vernon County in providing sites and buildings?

Government agencies can plan an almost unlimited role in ensuring that there is an adequate inventory of developable sites and existing buildings to meet the needs of its businesses. The most traditional role is in land use planning to assess future needs and designate areas suitable for business development, and in creating a regulatory and review environment that enables appropriate development. Additionally, local governments are largely responsible for constructing the roads and infrastructure needed by these businesses.

More aggressive examples of government involvement include land acquisition, development of business parks or commercial sites, and even speculative building construction. There are numerous examples of Wisconsin county and local governments taking these steps.

The initial role for the County will be to take actions that encourage local communities to address this issue. Over time, the role can be reconsidered to assess whether the County would benefit from actively developing sites and/or buildings.

Why are sites and buildings needed?

Business site selection decisions are made on a compressed time frame. The decision of where to locate is usually quickly narrowed to those locations that have turn-key development sites (with good access and all utilities existing) or buildings that can be ready for occupancy in a very short time. Vernon County has few sites or buildings that could meet the needs of businesses considering a location or expansion project. This is equally true of most neighboring counties. As a result, projects may not occur or may be forced to locate elsewhere, rather than in the county.

What are the goals of the county’s efforts related to sites and buildings?

The County should have initially modest goals related to sites and buildings, leaving open the potential to revisit the need over time, and consider a more active role. Initial goals will include:

- Vernon County will have a current inventory of available commercial and industrial sites and buildings.
- Future needs for commercial and industrial land, and related transportation and infrastructure needs will be met.
- Future flooding or other adverse events will have a minimal impact on the business community.
- Local communities will play a lead role in ensuring that site and building needs are being met.

Who will carry out site and building activities?

County staff and the economic development contractor/coordinator will be responsible for conducting activities related to this strategy. This will primarily consist of providing information and assisting actions taken by local communities.
How will initiatives to develop sites and buildings be implemented?

County staff and the economic development contractor/coordinator will generally need to act as an information source, and as a liaison between local governments and other entities such as state or regional economic development agencies, and businesses. Some actions that should be taken include:

- Prepare and maintain an inventory of available commercial and industrial sites and buildings within Vernon County, to support business expansion and attraction.
- Ensure that future needs for commercial and industrial land, evolving business needs, the condition and suitability of existing buildings, and related transportation and infrastructure needs are adequately met through comprehensive planning.
- Address current or potential concerns of flooding or other adverse impacts on commercial and industrial areas.
- Encourage local communities to more actively address the need for sites and buildings. This can be accomplished by providing information about business inquiries and potential demand, and by supporting local initiatives to address the issue, such as through tax incremental financing.

What resources are needed to support local communities in providing sites and buildings?

Good information and planning is at the heart of this issue. Comprehensive planning should be based on projections of the need for various types of commercial and industrial land and buildings, the infrastructure required for the kinds of businesses that will locate in the area, and an assessment of current strengths and deficiencies. Over time, the County should also be compiling information concerning inquiries it received from prospective businesses, comments and concerns related to land and buildings (from it business retention visits), and other data concerning the overall need or more specific issues. County staff time will be required to gather and assess information, and distribute it to local communities. Staff will also need to be proactive in reaching out to local communities to discuss what they may do to respond to land and building needs.

How will the effectiveness of the County’s sites and buildings initiatives be measured?

Simple measures will include the maintenance of a current and complete available land and building inventory, and County and local plans that document commercial and industrial land and building needs. A second tier of measures will include County or local initiatives to address site, building, and related infrastructure or regulatory concerns.
PREPARE A REGIONAL TOURISM PLAN THAT ENHANCES VISITATION AND SPENDING

Tourism is one of the three primary industry clusters found within Vernon County and the region. Vernon County will advocate for expanded and improved regional efforts to understand the market potential and development needs that will result in an increase in visitors, longer stays, and increased spending.

Many of the attractions drawing people to Vernon County are regional, spanning adjacent counties. Rivers and bicycle trails are physical examples of this, but it is also true of attractions like farm stands, bed and breakfast inns, or state and local parks that offer the recreational pursuits that visitors want. By partnering with others, Vernon County stretches its limited resources while marketing a richer set of attractions than it could offer alone. Existing regional tourism initiatives offer experience and market awareness to add further value.

What should be included in a tourism plan?

Tourism plans need to address both asset development and marketing. The two are interrelated. The entire process should begin by preparing an inventory of tourism assets (attractions) and evaluating them to assess their potential and their need for enhancement. A separate assessment should be made of supportive infrastructure, such as visitor centers, hotels, campgrounds, and other businesses serving tourists. The marketing plan should define where visitors are coming from, other areas from which they can be drawn, and strategies to reach them with a compelling offering.

Why is a tourism plan needed?

While Vernon County and the region have several significant attractions, improving them, creating linkages between them, and increasing visitor counts can have significant payoffs in terms of spending, business success, and tax revenue. In their present state, the county and its businesses are losing out on a great deal of the potential synergy that could be realized by a better-integrated tourism development and marketing effort.

What are the goals of the tourism plan?

The tourism plan should result in increased traffic, with a related increase in spending. As a result, businesses will realize greater profits and Vernon County will collect additional sales tax revenue. The tourism plan will:

- Produce a detailed picture of who is visiting the study area, the purpose of their visit, and the activities in which they engage while in the area.
- Conduct an inventory and assessment of the study area’s attractions, evaluating their ability to draw visitors, their current state of development, and enhancements that can improve the visitor experience or increase visits.
- Identify themes or itineraries that tie together different assets and visitors, making more compelling argument to visit the area, extending the length of visitor stays, and promoting cross traffic between attractions and businesses.
- Identify the most important markets in which to advertise, and the methods and messaging best suited to reach targeted audiences.
- Estimate the economic impact of tourism on the area, and the additional value that will be gained by an incremental increase in visitors.
- Provide a work plan to implement priorities of the development and marketing plans.
Who will carry out tourism planning and subsequent activities?

The Tourism Promotion and Economic Development Committee should take the lead in approaching neighboring counties to solicit their involvement in a regional tourism plan, supported by the economic development contractor. The actual planning should be conducted by a consultant with the relevant experience. The plan should identify future actions and responsible parties.

How will the tourism planning be implemented?

The steps in launching the tourism planning process are to: 1) solicit commitments from neighboring counties to participate in the plan; 2) identify a consultant to prepare the plan; and 3) implement the recommendations of the plan.

What resources are needed to prepare a tourism plan?

Aside from the effort to solicit participation and to oversee the plan’s development, the primary resource needed will be funds to hire a consultant. Given the scope and the level of detail to be provided, this will likely total between $50,000 and $75,000. The final budget will vary depending on the number of counties involved. Grant funds may be available from the Wisconsin Economic Development Corporation to share in the cost of a plan. As a target, Vernon County may plan to contribute $10,000 to the effort. An identical sum can be made available in subsequent years to implement recommendations in the plan.

How will the effectiveness of the planning effort be measured?

A first set of measures will include the number of neighboring counties agreeing to participate in the planning effort, and commissioning of the plan. That plan should include a work plan identifying further outcomes. Success of the effort can be measured in increasing visitor counts, a higher volume of traffic at businesses serving visitors, and increased sales tax revenue.

Lodging Tax

Vernon County’s local communities have the ability to impose a tax on transient lodging (hotels, motels, bed and breakfast inns, rental cabins, etc.). This tax, paid by the overnight guests, can produce a continuing revenue stream earmarked for activities that promote visitation. In addition to tourism planning and execution of that plan, it can fund marketing and public relations, business district vitality, and other economic development initiatives.

Vernon County should encourage its communities to impose a lodging tax consistent with that of neighboring areas, dedicating the funds to help implement this economic development plan.
CONDUCT A MARKETING AND PUBLIC RELATIONS CAMPAIGN

The Tourism Promotion and Economic Development Committee is already conducting a marketing campaign with a primary focus on tourism. Vernon County will undertake a broader marketing and public relations campaign to enhance its recognition and reputation as a dynamic and innovative rural community. Raising its profile, statewide and regionally, will help to attract visitors, new residents, and investment. Although the County should stand out as a dynamic rural area, with several outstanding examples of public and private success, these stories are not well known outside of the immediate area.

What are the elements of the marketing and public relations campaign?

A marketing and public relations campaign is sometimes thought of as similar to branding; a term now often used in economic development. A brand is how a place is known (or perceived) both internally and externally. Most economic development branding initiatives focus on developing a logo, tag line, and other collateral material that tries to shape how the place is seen. As envisioned here, a marketing and public relations campaign instead seeks to more generally disseminate positive messaging to targeted markets. In effect, this approach argues that placing a dozen stories in statewide media about how Vernon County is a great place to visit, to live, and for small business is more effective than an investment in artwork and slogans.

Why is a marketing and public relations campaign needed?

A marketing and public relations campaign is a more subtle way of attracting investment, in comparison with traditional economic development advertising. The campaign will create widespread recognition of Vernon County as a progressive community, attracting dynamic people, and where small businesses find what they need to survive. The County will be perceived as a viable location for new residents who may seek jobs or bring their small businesses with them. It will be seen as a good place to do business, particularly within targeted sectors, and will attract outside investment.

What are the goals of the marketing and public relations campaign?

The end goals of the campaign are to increase awareness of Vernon County and to create a favorable perception of the county. As quantifiable goals, the County can:

- Set a target of eight stories placed in statewide or major metropolitan area media (ex., Madison, Milwaukee, Chicago, Minneapolis).
- Develop tourism and economic development collateral materials that reinforce Vernon County’s positive attributes for potential new residents and businesses.
- Build a database of media contacts that can be used to promote the County.

Who will carry out the marketing and public relations campaign?

Responsibility for overseeing the campaign will fall to the economic development contractor/coordinator under the direction of the Tourism Promotion and Economic Development Committee.

How will the marketing and public relations campaign be implemented?

The marketing and public relations campaign should operate on an annual cycle through which it identifies the stories that it want to pitch and material that needs to be developed. Specific steps in the process are:

1. The economic development contractor/coordinator and the Tourism Promotion and Economic Development Committee will prepare an annual work plan identifying potential stories to pitch to
media (allowing substitutions for “breaking news” or based on media interest), and objectives related to collateral materials uses for tourism or economic development marketing.

2. The economic development contractor/coordinator will perform the work, including writing stories and pitching them to targeted media (statewide or major metropolitan areas), and preparing the content and design of collateral materials. Additionally, the contractor/coordinator should develop and maintain an expanding list of media contacts to which the County can forward news and stories.

3. The Tourism Promotion and Economic Development Committee will meet monthly with the contractor/coordinator to review progress and provide direction, either in-person or by teleconference.

What resources are needed to conduct the marketing and public relations campaign?

A $5,000 budget would be adequate to fund costs related to this program. This is in addition to funds that the County may commit to tourism advertising.

How will the effectiveness of the marketing and public relations campaign be measured?

Discrete measures of success include the number of stories placed and the collateral materials that are created. It is much harder to measure the degree to which awareness of the county is increased, or whether the county is viewed more favorably. While an increase in new residents, an increase in business activity (relocations, branch facilities, or even inquiries), and increased tourism would be expected, it is not possible to establish a direct connection between these measures and the campaign, without investing in extensive survey or focus group research.
CONDUCT BUSINESS ATTRACTION ACTIVITIES

Vernon County will actively engage with the 7-Rivers Alliance and the Wisconsin Economic Development Corporation to promote the county as a location for outside investment. These alliances leverage the resources of larger regions and their ability to more effectively reach target audiences. Both of the proposed partner organizations are well established and are existing portals used by businesses to explore development opportunities within the area.

What is a business attraction program?

Business attraction activities have the objective of courting new investment from businesses outside of the area. This is usually in the form of branch facilities that are set up locally, although it can also include outright relocations, or expansion of existing facilities owned by companies that are headquartered elsewhere. Programs usually engage in a range of passive (like having a website or placing signage in the area) to active methods (such as attending trade shows or making call trips to targeted businesses). Additionally, businesses may contact the partner organizations to issue a request for proposals in response to their prospective projects.

Business attraction programs are expensive, and must be sustained over a period of many years to become truly successful. Alone, Vernon County would not be able to sustain its own program. The County is a member of the 7-Rivers Alliance, which has filled the role of a regional investment attraction organization. Vernon County has not taken full advantage of this partnership. As the marketing arm for Wisconsin, the Wisconsin Economic Development Corporation is the primary generator of leads on businesses that might consider a Vernon County location.

Why is a business attraction program needed?

The industry analysis demonstrated that Vernon County and the broader region are attracting the majority of business investment, and its resulting job creation, from within the area. While local ownership has a stabilizing influence on the economy, it is also true that other places have far greater resources and have the potential for investments that can dwarf most locally-sourced startup or expansion projects. Local branch establishments of businesses headquartered elsewhere tend to be among the area’s most important sources of employment. These businesses are also among the first to introduce new technologies adopted elsewhere, that may eventually work their way into local businesses. Expanding on efforts to attract new business investment from outside of the economy will result in a more balanced industry base.

What are the goals of the business attraction program?

Business attraction has easily defined goals of attracting new businesses, encouraging expansion of the local facilities headquartered elsewhere, and creating new jobs at these businesses.

Who will carry out business attraction program activities?

The economic development contractor will act as the point of contact between the 7-Rivers Alliance or the Wisconsin Economic Development Council, and local government staff. Local government involvement is required to provide information to these partners and to coordinate on business attraction projects. The contractor can act as a liaison and ensure that there is adequate follow-through on requests.

At the point that Vernon County establishes a full-time economic development coordinator, that position can take on responsibility for responding to solicitations and expanding the County’s business attraction activities.

How will the business attraction program be implemented?

Attraction activities will be executed through more effective collaborations with regional entities:
The 7-Rivers Alliance markets through its website, along with occasional outreach activities like a site selector tour. The website has a page dedicated to each county, and the material for Vernon County should be updated as well as expanded. The site also contains an inventory of available sites and buildings that needs to be maintained.

The Wisconsin Economic Development Corporation conducts state marketing and outreach activities to targeted markets. It is also the main recipient of requests for proposals from companies conducting a site search. These are distributed to regional economic development organizations like Seven Rivers Alliance and also directly to local economic development organizations. Vernon County should be receiving these and should respond independently or through Seven Rivers Alliance, as appropriate for each request.

County staff will have the initial responsibility for organizing business attraction activities. This task would be more effectively passed on to a professional economic developer once such a position is created. During the interim, County staff will:

- Ensure that updated information is provided to Seven Rivers Alliance at regular intervals.
- Coordinate responses to requests for proposals, which will involve gathering information from local communities to respond to the specific data requested.
- Tracking requests and follow-up, to develop a better understanding of the common questions and needs of businesses looking at the area, along with a typical project profile (headquarters location, industry, acreage and size of building needed, proposed employment, etc.).
- The County will need a good economic development web site. It is recommended that this be separate from the County’s website, however, they should link to each other, and the economic development website link should be prominently features on other websites, such as the Chamber of Commerce, tourism sites, and local government websites. The website should be designed to allow easy updating of data, sites, and current news.

If business attraction activities can be conducted by a professional economic developer in the county, the actions to contemplate can be greatly expanded. Vernon County is likely to be able to benefit from participation in industry events, in partnership with local companies and state or regional organizations. An example would be to conduct outreach to targeted businesses at the Organic Products Expo or Food Marketing Institute.

**What resources are needed to conduct the business attraction program?**

During the interim period, this strategy will primarily require a commitment of time from the economic development contractor, to receive and disseminate information about potential business prospects to local communities. A budget of $1,500 will be required to conduct targeted outreach activities.

**How will the effectiveness of the business attraction program be measured?**

It may often take years for a business attraction program to begin to show results, in coordination with other economic development strategies. The best business attraction programs seek to develop relationships with targeted businesses, so that when that business is ready to initiate a project, the County will be considered. By responding to requests there is the chance of being selected, but the information gathered over time is used to tweak the County’s offerings so that it is more competitive for future prospects.

The final measure of success is the trend, over time, in investment drawn from outside of the area, in new businesses, real estate value, and employment.
ENCOURAGE AND SUPPORT STARTUP BUSINESSES.

Vernon County will take proactive steps to foster entrepreneurship across all sectors of the economy. New businesses are overwhelmingly the source for job growth in the county; much more so than in surrounding counties or the state.

The typical challenges faced by startups are centered on technical issues, financing, and marketing. Technical issues are related to knowledge of how businesses are managed. They may include things like understanding the unique regulatory environment applying to that type of business, compliance with hiring and workforce practices, or simply understanding business management functions like bookkeeping, inventory management, or scheduling.

While most economic development loan programs target capital purchases, this is a need for only a fraction of startups. These businesses rarely have need for building and equipment purchases. Instead, they need working capital, often to cover their own expenses as well as fund soft costs for the business. The nature of these expenses often makes them difficult to fund. Though some businesses may qualify for a line of credit, a majority of startups draw on the owner’s savings, wages from another job, or other earnings until they become established.

Marketing – customer acquisition – is a challenge for a great many businesses. This holds true in all sectors, though the approaches used may differ among retail stores, manufacturers, technical services, or other business types. Most businesses fail by not meeting revenue goals, which is tied back to ineffective lead generation and sales execution.

What can be done to promote business startups?

The last decade has seen a growing interest among economic developers in strategies to promote entrepreneurship. A great many of these are targeted to specific industries. This recognizes that the contributions of some businesses (like manufacturing, professional and technical services, and others) are more significant to the overall economy.

General entrepreneurial development programs often emphasize training and some one-on-one counseling, usually delivered through national networks such as Small Business Development Centers (SBDCs) and the Service Corps of Retired Executives (SCORE). The may also provide loans (or grants less frequently) to assist with some startup costs. This approach is easy to implement since it refers clients to low-cost vendors, rather than developing internal capacity. Participants often rate the quality of services and value of the approach as poor, however, raising questions about its value.

Business incubators are another common form of assistance to startup companies. Originally, they were developed as physical spaces where the company would reside as it received subsidized rent and a package of services intended to help it grow. Over the past couple decades it has been more common to see virtual incubators, which provide all of the services of a traditional incubator, but do not have physical space. To be successful, an incubator must be able to deliver high-quality services to its clients. These come at a substantial cost in addition to the very high capital costs associated with developing an incubator. Additionally, only about 20 percent of incubators are self-supporting, and require a continuing operational subsidy.

Innovation-centered approaches provide technical support to help bring new products or services to market. They are typically geared toward manufactured goods, but may also be applied to software, scientific processes, or other types of intellectual property. Market research, legal services, design and engineering, prototyping, and similar needs are usually met through this approach.

Shared economy approaches are a more recent trend in entrepreneurial development. In this approach, the goal is to lower the costs of starting and operating a business by meeting some of its needs collectively, thereby externalizing the cost. The idea is not new. In concept, it is no different that when the Chamber of
Commerce purchases a bulk mailing permit that can be used by its members, or when a group of artists form a coop to share gallery space and the responsibility for staffing it. Techniques often used in economic development include lending libraries, business support centers, coworking spaces, and makerspaces. Shared-use commercial kitchens and copacking facilities also fit in this category.

- Lending libraries do not necessarily lend books. Instead, they lend resources that the business needs. Usually these are items that they need infrequently, so that the purchase price is spread among few uses. Tools and simple manufacturing machinery are examples.

- Business support centers are places where local businesses can have access to free or low-cost equipment to help them in the administration of the business. Resources often provided would include computers, software packages, printers (which may include duplexing or oversized formats), binding and laminating equipment, photocopiers, and other office machinery that would not necessarily be found in the office of a solo worker or small business.

- Coworking spaces take the concept of a business support center to a higher level by providing a space where people can work. Spaces may be set up with several different membership types, from drop-in desks to reserved desks and even small offices. Conference rooms, telecommunications technology, and other assets are shared. Most coworking spaces are self-supporting.

- Makerspaces are the production version of coworking. They provide access to advanced tools and machinery for both casual tinkerers and small businesses. Depending on the focus of the space and the market needs, makerspaces may have video and audio production booths, book printers, 3D printers, laser-cutters, CNC machines, tools for woodworking or metalworking, welding tools, spray booths, industrial sewing machines, etc. Computers with design software are also provided. Access is usually by membership, though it is a growing trend for libraries to equip rooms with some of these resources.

- Commercial kitchens and copacking facilities. The comparison is similar to a makerspace, but for food processing. The facilities provide temporary access to full commercial kitchens and specialized equipment, such as for canning, bottling, or packaging food products. Some also provide regular or cold storage, and distribution functions.

Why should the county encourage and support startups?

Startups are the most important source of new businesses and job growth in Vernon County. Businesses that are started locally tend to remain in the community as they grow, creating demand for services that can be met by other local businesses. By assisting these new businesses, Vernon County can help to ensure their success. More importantly, the assistance that is provided can be pivotal in helping the businesses to grow beyond simple cottage industries. Small business growth is one of the greatest challenges for Vernon County.

What are the goals of a program supporting startups?

Supporting startup businesses will achieve a number of goals for Vernon County.

- It will encourage more people to start businesses by making available technical assistance and physical resources.
- It will reduce the costs that startup businesses need to bear.
- It will lead to a higher rate of business success and business expansion.
- It will enhance Vernon County’s profile as a place for entrepreneurs and small businesses.
Who will carry out startup support activities?

The Vernon Economic Development Association is best equipped to coordinate startup assistance to businesses in the county. Actual services will be provided by several different partners, including the Vernon Economic Development Association, the Small Business Development Center, the Service Corps of Retired Executives, the University of Wisconsin – Extension, and others.

How will startup support activities be implemented?

The first step, and a continuing practice for this strategy, will be to utilize the business outreach program to explore the needs of small businesses and entrepreneurs for technical assistance and access to machinery, equipment, and space. Doing so will ensure that the County is providing relevant services, and that it identifies needs as they appear. At its start, the program can accomplish three tasks to provide a baseline of assistance:

- Compile an inventory of the organizations providing free or fee-based startup and small business growth assistance, organized by topic. This inventory will serve as a base for referrals to subject experts that can help Vernon County’s businesses. During the initial three years of plan implementation, Vernon Economic Development Association will provide referrals to these organizations along with direct assistance.

- In the second phase of implementation, Vernon Economic Development Association will create a business center within the Food Enterprise Center or alternate locations. The business center will give business owners access to resources that they may not be able to efficiently provide themselves.

- Vernon Economic Development Association will publicize the availability of these entrepreneurial support resources, utilizing conventional methods and online tools.

Utilization of these resources and insight gathered from the business outreach program should be used to enhance these first two initiatives and to consider expansion into other areas, like a tool or equipment lending library, innovation support programs, and coworking or makerspaces.

What resources are needed to support startups?

Vernon Economic Development Association will need to make staff time available to organize and manage them. A total of $5,000 can be provided in each of the three first years. Funding will be needed to purchase equipment for the business center beginning in the fourth year. This can be done incrementally, adding new resources and replacing others as technology evolves. A total budget of $10,000 annually would be adequate, split equally between staffing and capital outlays. As these programs evolve and may be expanded, the staff and budget requirements will need to be reevaluated.

How will the effectiveness of the startup support activities be measured?

The most direct measure of program impact will be their utilization, quantified as the number of referrals to entrepreneurial support organizations, and use of business center resources. It is also possible to solicit feedback from users through surveys.

Vernon County already has very high rates of business survival, so that while this is normally a good measure, it should not be expected to change much here. Instead, the County should watch other indicators of small business growth, such as sales volume and employment.
ADDRESS HOUSING NEEDS THAT HAVE AN IMPACT ON THE WORKFORCE

Vernon County will work with local communities, property owners, and builders to encourage new housing development that offers modern units that workers in the county want, whether for sale or rent.

The county’s housing stock tends to be older and smaller than buyers would prefer, often lacking some modern amenities. Older homes make up many of the county’s rental units as well, and the remainder tend to be in small apartment buildings that are often decades-old and lack amenities that renters prefer. A majority of buyers today want a home that is all on one level, that is in move-in condition, that has modern systems, and has amenities like a first-floor laundry, two or three car garage, and smart technology. Renters are also looking for a modern unit with central air conditioning, a dishwasher, and in-unit laundry. Many also prefer to have a garage and amenities such as a fireplace and higher-quality finishes in the unit, and community rooms, exercise rooms, and other shared features.

What are the housing needs that are not being met in the county?

The number of workers commuting into Vernon County has grown over the last decade. Through interviews with stakeholders, it was discerned that the availability of suitable housing is a significant deterrent for some people to live in the county. Among hourly workers and some workers recruited from outside of the region, the primary need is for quality rentals. Technical and senior level workers more typically are having difficulty finding homes to purchase, which meet their expectations.

Employees living outside of the county are a lost opportunity for the county to benefit from their presence, and the support that they give to the community along with local businesses. Employers face other challenges when their employees live a greater distance from their workplace. These include tardiness or missed days to weather or other factors, the need to pay higher wages to make up for commuting costs, the threat of losing employees who may search for jobs closer to their home, and difficulties in recruiting either locally or from outside of the region.

Why does the County need to promote housing?

Housing conditions in the county are creating challenges for businesses that need to recruit a skilled workforce. The root of the problem is that the private sector is not building significant new housing, whether single family homes, condominiums, or apartments. Over the three years from 2014 to 2016, Vernon County averaged 91 new units per year. Only 46 multifamily units (apartments) were added, and these were in a single building in Viroqua. Several causes are leading to these conditions.

- Builders located in Vernon County are mostly small operations without the capacity to undertake a residential subdivision. Similarly, most rental property owners are small and would not be in a position to build a new, large apartment complex with the amenities the market desires.
- Vernon County is a small market that is not attracting interest from larger builders in the region, who find more buyers in the La Crosse area.
- Local communities do not have experience in promoting housing development, and may lack the resources to incentivize development through infrastructure placement, land acquisition, and other common techniques.

Without any change to current population trends, it is estimated that Vernon County can absorb 526 new single family homes and 224 apartments over the next five years (2018 to 2022). These trends reflect a large number of potential residents not choosing to live in the county, to a significant degree due to the lack of suitable housing. Were they to be available, it is highly likely that even larger numbers of homes and apartments could be filled, as more buyers and renters would elect to live in the county.
Vernon County is in a position to collaborate with local communities to encourage new housing development, and foster cooperation among them toward this end. Additionally, there is a greater efficiency in the County applying for grant funds that would be available in all of its local municipalities, rather than each city, village, or town attempting to apply, and administering its own program.

What are the goals of the housing program?
Vernon County needs to improve the quality and variety of housing available to meet the needs of its existing residents and workforce. This is especially true for potential new residents that have the option of buying or renting in Vernon County or a neighboring area. Goals for a housing strategy will be to:

- Increase the pace of new single family housing construction, including speculative housing construction. Increasing the current average by 20, to 110 units per year, would meet the projected minimum demand.
- Increase the number of new apartments units with the amenities desired by middle to upper market renters. An average of 40 to 45 units per year will need to be reached in order to meet projected market demand.
- Encourage the renovation and upgrading of existing owner occupied and rental property in the county.

Who will carry out housing activities?
The County has limited ability to directly impact housing. Town, village, and city governments control infrastructure and the regulatory environment, and therefore have greater power to affect development. A shared responsibility is appropriate, in which the County will pursue grants for housing programs that can be available in any municipality, work with municipalities to create a better supply of buildable lots, and with local communities to recruit housing developers.

How will housing initiatives be implemented?
Vernon County staff will take the lead role in initiating the following tasks with assistance from the economic development contractor. The task force will take over the lead responsibility with continuing support from staff.

1. Form a task force including local government officials, realtors, builders, and others. This task force will lead efforts to research housing issues and propose solutions to the County Board.
2. Seek local government cooperation to document potential building sites where new single family and multifamily homes can be constructed. Assess their suitability, the availability of infrastructure, and the practical number of units that can be added.
3. Prioritize housing sites based on their attractiveness for development. Gather background information concerning the sites, their capacity, cost, and infrastructure needs. Reach out beyond Vernon County to recruit interested developers.
4. Investigate and prioritize needs for existing housing rehabilitation, including both owner occupied and rental units. Submit an application to the State of Wisconsin for a housing grant to establish a revolving loan fund for which all qualifying households in the county will be eligible, regardless of the municipality in which they reside.
What resources are needed to execute the housing program?

A commitment of County staff time will be required. The strategy is anticipated to require approximately 90 hours of time in each of the first two years. A larger commitment may be required as the strategy develops.

How will the effectiveness of the housing program be measured?

Discrete measures include assembling a task force, compiling an inventory, conducting outreach to developers, and submitting a housing grant (along with receiving an award). Results can be measured in an increase in the number of homes and apartments constructed in the county, the percentage of the workforce living in the county, and the number of people utilizing programs offered through the loan fund.
Two different groups are meeting and discussing options and solutions to address the lack of child care in our area.

The Wisconsin Early Childhood Association (WECA) is working with a group of community members from the area and have developed a Shared Services Network model. The Shared Services Network model works with the existing child care providers throughout the greater Vernon County area and provides resources to providers so that they can become licensed providers, which allows them to increase the number of children they can serve. In addition, the network would also assist providers with such things as marketing, payroll and human resource administration. WECA is assisting with identifying grants that can support the startup of the network as well as future sustainability.

A second local group, in Viroqua, is meeting to identify opportunities to start a child care facility in the City of Viroqua. Many of the county’s largest employers are in Viroqua and this group is looking for solutions to provide child care to these employers. This group has been in conversations with the YMCA in Onalaska and is looking at opportunities to model a similar child care facility within Viroqua. Grant opportunities are being explored to assist with the construction of the facility.

What child care issues need to be addressed?

A group of collaborative stakeholders has been meeting for three years, and has identified lack of child care as a concern among area business owners and managers. The discussion was further informed by current regulated and unregulated child care providers and parents who shared the barriers they perceived for child care in Vernon County. Initial ideas to address these concerns included building or renovating an existing structure into a centralized child care center, however this solution had some significant concerns attached:

- A prohibitively high financial breakeven point of 100 enrolled children birth to 4 for new centers
- Hiring staffing, as current child care centers have room for additional students but have not been able to hire qualified staff
- A geographically centralized child care center (presumed location Viroqua) would not meet the needs of many rural locations such as Genoa, Coon Valley, Hillsboro or Viola as parents voiced that they wanted child care near their student’s schools and homes and driving a minimum of 76 miles a day to access the child care center was prohibitive
- Unregulated childcare providers who stated they were not interested in becoming regulated as the paperwork and requirements were prohibitive

The problem is complex and will require multiple solutions to adequately solve the lack of regulated child care in Vernon County.

Why should the County be addressing child care issues?

Child care is cited as one of two challenges that are making it difficult for companies to hire workers, or force those companies to cope with missed work when employees have no other means of caring for their children.
Vernon County is not expected to take a lead role in solving business’s needs for child care. Rather, it can assist the effort by helping to convene stakeholders and seek support for their initiatives.

What are the goals of improving access to child care?
By improving access to affordable child care services, the County will make it easier for businesses to meet their workforce needs.

Who will carry out child care-related activities?
Two stakeholder groups, already formed, are taking the lead on child care issues county-wide and within the City of Viroqua. These groups will continue to spearhead their initiatives. The Tourism Promotion and Economic Development Committee and County staff will serve as a resource to help them implement projects.

How will initiatives related to child care be implemented?
Initiatives will be driven by the stakeholder groups. The County’s role will be to maintain communication with each group and consider ways in which it can support their goals. The County is not expected to have a financial role. Instead, it may advise these groups, provide introductions to strategic partners, and support grant applications to public and private programs, among other actions.

What resources are needed to address child care issues?
Financial support is not being contemplated. Instead, the County will examine other actions it can take to help advance the initiatives of stakeholder groups addressing the child care challenges in Vernon County.

How will the effectiveness of the child care initiatives be measured?
Impact will be measured through the development of programs related to child care, the ability of parents to locate suitable childcare, and improving business sentiment concerning the degree to which child care is an impediment to hiring and retaining a qualified workforce.
DEVELOP TARGETED INDUSTRY CLUSTERS

The agricultural value chain, the wood products value chain, and tourism are the three industry clusters best suited to Vernon County and the region. In the case of the first two, the term “value chain” refers to the interrelated industries supporting agriculture and forestry, manufacturing using raw materials from these industries, and variety of support activities (storage, machinery manufacturing, maintenance, shipping, and technical or support services) serving the industries. This strategy primarily refers to agriculture and wood products, as tourism is treated separately in another strategy.

What is an industry cluster strategy?

In economic development, a “cluster strategy” seeks to leverage existing industry concentrations to grow related businesses. In places where industries are concentrated, there is often a great deal of competitive advantage found in exiting business networks, specialized resources, industry knowledge, skilled workforce, potential for innovation, sophisticated markets, and other characteristics that can be leveraged by existing or new businesses.

One of the characteristics of successful industry cluster strategies is that its initiatives are determined, and to a great extent, driven by the industry itself. The role of the economic development organization is to facilitate networking and to provide technical, financial, and organizational support for the industry to achieve the goals it identifies.

Why are industry cluster strategies needed?

Those industries for which the County is best suited are going to be the most likely sources of growth overall, along with break-out companies that can be significant sources of employment and investment. A cluster strategy will enhance the qualities of Vernon County that make it a desirable place for the targeted industries. With active participation from businesses in the cluster, the County can make strategic and impactful decisions that reduce barriers and strengthen the assets or qualities of the area that make it attractive to the cluster.

What are the goals of the industry cluster strategies?

Nearly all successful cluster initiatives are driven by the industry itself, rather than by an economic development entity. The role of the County should be to convene people in the industry and seek their input into what changes would make the area more competitive. The County should not enter into the initiative with preset goals such as job creation, but rather, be willing to let the industry define its needs, from which the County should determine its goals.

With this in mind, the goals of the cluster strategies should be to:

1. Convene representatives of each industry cluster, to meet and to help the County understand its strengths and weaknesses to the industry, for a cross section of businesses (startups, small businesses, large businesses) and specific industries in the cluster.
2. Work with each industry cluster to define its own agenda of issues, and priorities that it would like to see addressed to help grow the cluster within Vernon County.
3. Prepare an implementation strategy to execute priorities of each of the clusters.

Who will carry out industry cluster activities?

This task will be initiated with the hiring of an economic development coordinator, who will be responsible for its execution. Outside expertise may be required. Options may include the University of Wisconsin – Extension, the Seven Rivers Alliance, or other consultant services. Organizations such as these bring professional knowledge as well as a neutral perspective to the process.
How will the industry cluster strategy be implemented?

The initial actions required to implement this strategy focus on convening each industry cluster and working with it to identify the issues and opportunities that can be the focus of future actions. The steps in accomplishing this are:

1. Identify a neutral partner who will be responsible for facilitating discussion with industry representatives.

2. Invite individuals from these industry sectors to meet and discuss what may be needed to help grow the cluster. (An initial list of businesses in Vernon County, organized by industry class, has been provided to help facilitate this task.)

3. The facilitator will be responsible for gathering insight, leading the group in establishing priorities, and developing a work plan for the cluster initiative.

What resources are needed to conduct the industry cluster strategies?

Depending on who may be selected to facilitate the process, the County may need to provide some funding to conduct the meetings and prepare the work plan. This should amount to no more than $5,000 for each of two initiatives; the agricultural value chain and the wood products value chain, bringing the total to $10,000.

How will the effectiveness of the industry cluster strategies be measured?

The success of this strategy will initially be measured by the development of actionable work plans to enhance each of the industry clusters, and commitment from members of the industry to serve as champions for the work plan.
DEVELOP AN AGRICULTURAL INNOVATION AND EDUCATION CENTER

The region’s concentration of organic farms and its growing number of organic, natural, and artisanal food companies, centered on Vernon County, are assets upon which to build. Where similar industry concentrations exist, economic developers have sought to leverage them by establishing supportive facilities and organizations dedicated to advancing research, promoting the industry, and providing resources for innovation and entrepreneurship. A similar approach is recommended here, acknowledging that it is a long-term strategy due to its complexity and likely cost. Still, an agricultural innovation and education center is seen as a catalytic project that can help to transform the entire region, beginning with Vernon County.

What might an agricultural innovation and education center look like?

The agricultural innovation and education center is envisioned as both a physical asset and a set of related programs tied to many aspects of the organic and natural products market. It would be a place where businesses and individuals would come to learn about organic and natural farming and processing. It would explore new products and techniques to promote farming, gardening, and production. Advancing the County’s economic development agenda, it would partner with existing or emerging businesses to explore new products, methods, and markets for high-value agriculture. It will also help to secure Vernon County’s title as the center of organic and natural agriculture in the Midwest.

Why is an agricultural innovation and education center needed?

Many regions are competing to be known as the center of organic and natural agriculture and production. These competitors include the Hudson River Valley and Finger Lakes regions in New York, Michigan’s fruit belt, central Washington, Oregon’s Hood River Valley, central California, and others. The communities are pouring resources into a variety of branding, incubation, innovation, and other efforts. So far, Vernon County (and southwestern Wisconsin) have earned their reputation largely through the efforts of individual growers, though some regional efforts are beginning to spring up. An agricultural innovation and education center would expand on these initiatives, accelerate growth across all segments of the industry, and answer the challenges presented by competing regions.

What are the goals of the agricultural innovation and education center?

The agricultural innovation and education center will accomplish several goals related both to Vernon County’s agricultural value chain industry cluster, and to its tourism sector. Based on need and feasibility, these can include:

- Providing research, product development, and commercialization or product introduction assistance to new and existing companies bringing new products to the market.
- Providing a shared-use commercial kitchen and co-packing facility for use by small food processing businesses.
- Acting as a food hub to aggregate and distribute organic and natural food products originating in southwestern Wisconsin.
- Training growers, entrepreneurs, and workers on topics related to agricultural production, food processing, and marketing.
- Offering classes to individuals seeking to learn about organic or natural agriculture and food preparation techniques.
- Enhancing the recognition of Vernon County and southwestern Wisconsin as the premier center of organic growing and processing in the Midwest.
Who will carry out agricultural innovation and education center activities?

Activities related to this strategy will be carried out by the County’s economic development coordinator. The task force will report to the Tourism Promotion and Economic Development Committee. The task force will oversee feasibility and planning activities, transitioning responsibility to a professional economic development staff as the project moves into the implementation stage.

How will the agricultural innovation and education center be implemented?

This is considered to be a long-term project due to its complexity and cost. There will also be delays as the project seeks funding from donors and through grant programs. As a result, key activities are presented without a specific timeline associated with them.

1. Enroll a project task force and seek commitments from organizations to participate. The first step toward getting an agricultural innovation and education center will be to find supporters. The initial task force can be made up of a small group of committed champions, leaving room to add other supporters. The first job of the task force will be to approach other organizations in the region (local and county governments, universities and technical colleges, nonprofit organizations, private businesses and individuals, etc.) for commitments of support. Key partners should be invited to sit on the task force.

2. Commission a market and financial feasibility analysis. Success depends on examining market conditions to determine the right mix of activities that can be carried out at the center, understand facility and staffing needs, and evaluate the financial viability of the project. This should include estimates of the development cost and ongoing operational revenue and expense projections. Funding to cover a substantial part of the study may be available through grant programs at the Wisconsin Economic Development Corporation or through the US Economic Development Administration.

3. Develop a business plan. Once the task force has examined the project’s market and financial feasibility, it will be necessary to prepare a business plan. The business plan will also play an important role in helping to secure funding for an eventual project, so it must be thorough and compelling. Elements of the plan should include:
   a. A detailed description of the proposed project, its goals, expected outcomes, facilities, and programming.
   b. Organizational structure describing staffing, management, oversight, and ultimate authority under which the center will operate.
   c. Operational plans related to the facility, equipment, and programming, maintenance, and other functions of the center.
   d. A marketing plan describing how the center will recruit businesses, training providers, and program participants.
   e. Detailed financial projections addressing costs, revenues, and cash flow covering a startup phase and the first five years after stabilization.

The business plan can be completed as phase two of a single contract with the feasibility study, to simplify the process of applying for grants and seeking matching funds.

4. Raise the funds necessary to launch the project. Both the Wisconsin Economic Development Corporation and the US Economic Development Administration have grant programs that may help to fund projects of this type. Even if the County is successful in securing this assistance, additional
funding will be needed. The task force will need to conduct a funding campaign to raise support from local governments, corporations, and other donors committed to the project.

What resources are needed to plan and develop an agricultural innovation and education center?

Funds will be necessary to complete the feasibility study and business plan. A total budget of $50,000 should be sought, split between the two tasks. The State of Wisconsin offers a Capacity Building Grant for which Vernon County may apply to defray the costs of this project. Grant programs are also available from the US Economic Development Administration.

Additional funding and expertise will be required to develop and operate the center. These costs should be estimated in the feasibility study and business plan, which should also address potential sources.

How will the effectiveness of the agricultural innovation and education center be measured?

The initial measure of success is whether Vernon County can organize support, raise funds, and contract the feasibility study and business plan. Long term measures of success should be addressed in the business plan.
Establishments by Industry Sector

These charts depict the distribution of establishments and employment in Vernon County in each of three years – 1994, 2004 and 2014 – demonstrating change over time.

Nearly every industry sector, except agriculture, has seen an increase in the number of establishments over the two decades up to 2014. The trend in agriculture is well-documented at the national level, as the number of farms decreases but the average size increases.

The greatest increases in the number of establishments is found in administrative and support and waste management and remediation services. This is partly attributed to error, as many businesses get incorrectly listed in the “other business services” industry group, which is part of this sector.

Along with construction and personal services, there is a growing trend for businesses in these sectors to incorporate, whereas in the past, they may have simply operated as individuals.
Changes in Employment by Sector

Most industry sectors in Vernon County have seen an increase in employment between 1994 and 2014. The largest gains have been in agriculture, health care, administrative and support and waste management and remediation services, and education, although education also shed a large number of employees in the most current decade.
Goods-Producing Industry Subsector Establishments

Further breaking down the distribution of establishments to the subsector, the majority of goods-producing businesses are found in crop or animal production, specialty trades, and building construction. A handful of manufacturing subsectors are in the mix, with some growth in food manufacturing, machinery manufacturing, and miscellaneous manufacturing.

![Change in Establishments in Goods-Producing Industry Subsectors](chart.png)
Employment in Goods-Producing Industry Subsectors

Within goods-producing subsector employment, the largest gains have been seen in animal production and transportation equipment manufacturing. Smaller gains were seen in building construction, specialty trades contractors, heavy and civil engineering contractors, food manufacturing, and machinery manufacturing. Printing, chemical manufacturing and leather and allied product manufacturing all experienced declining employment.
Service-Producing Subsector Establishments

In the service subsectors, notable gains were seen in administrative and support services, professional, scientific, and technical services, ambulatory health care, real estate, and miscellaneous retail stores. Only a few declines were seen in furniture and home furnishings stores, gas stations, publishing, and data processing.
Employment in Service-Producing Industry Subsectors

At the subsector level, service employment expanded among wholesalers of nondurable goods, professional, scientific, and technical services, administrative and support services, ambulatory health care, nursing and health care, social assistance, and food services. Small declines were seen among utilities, furniture and home furnishings stores, gas stations, sporting goods stores, and publishing.
Origins of Business Investment in Vernon County

This map depicts the location of where establishments in Vernon County are headquartered. It is weighted by employment at the establishment. A majority of establishments are owned locally, accounting for the largest share of employment. Other Wisconsin cities from which investment is drawn include Madison, Eau Claire, Milwaukee, Racine, and Green Bay. Outliers include Bentonville, Arkansas (Walmart) and Washington, DC (federal government). Lesser out-of-state ties include the metropolitan areas of Philadelphia, New York, Chicago, Nashville, Wichita, Nashville, Columbus, Richmond, Pittsburgh, Minneapolis, and Davenport-Moline.
Traded Industries

Traded industries are those that produce a product or service sold outside of the region. In doing so, they import new wealth into the local economy. It is possible to get a rough measurement of the degree to which an industry is traded at the national level. Agriculture and government are not included in this ranking.

Most of the establishments and employment in Vernon County are among industries that tend to trade locally. Notable exceptions (in terms of employment) include: other transportation equipment manufacturing; dairy product manufacturing; boiler, tank, and shipping container manufacturing; agriculture, construction, and mining machinery manufacturing; motor vehicle parts manufacturing; farm product raw material merchant wholesalers; and support activities for animal production.
Largest Employers in the Region – Establishments with 300 or More Employees

Branch establishments make up fewer of Vernon County’s largest employers than in the past, but represent a growing share of total employment. A growing share of these businesses are headquartered in Wisconsin.
Components of Change

The following chart breaks out the components of employment change by the type of business action: businesses attracted to the area through relocation or opening a new branch establishment; new businesses started; existing businesses that expand and add employees; existing businesses that reduce employment; and existing businesses that close. Startups have typically been more important than attraction or expansion in adding jobs. Businesses that close are most often responsible for the majority of lost jobs.
New Business Starts

Vernon County is unusual in that there are a large number of new businesses being formed in agriculture, and to a lesser extent, in forestry. These sectors provide the raw materials for businesses in the County’s large food processing and wood products industry groupings.

The average startup in the county has 2.14 employees, including its owners. Over time there has been a slight decrease in the number of employees per business. This is consistent with national trends.
Startup Survival Rates

Vernon County has seen an average of 141 new businesses started in each year since 1994. The trend toward a greater number of startups is consistent with national trends, although a greater number of Vernon County’s businesses survive to five years. Nationally, the average is closer to 50 percent of businesses surviving.

INITIAL NUMBER OF STARTUPS AND NUMBER SURVIVING TO FOLLOWING YEARS

67.2% SURVIVE FIVE YEARS
47.4% SURVIVE TEN YEARS
Startup Employee Retention

Largely because of higher survival rates, Vernon County startups retain a large share of the jobs created when they started. It is normal to experience job losses among each annual group of businesses as some close, and those that remain do not add enough new workers to make up for the losses.

INITIAL STARTUP EMPLOYMENT AND EMPLOYMENT IN FOLLOWING YEARS

73.3% RETAINED FIVE YEARS
55.3% RETAINED TEN YEARS
Frequency of Business Startups – Top Industry Groups

Other Support Services - 801
Cattle Ranching and Farming - 140
Other Crop Farming - 119
Residential Building Construction - 98
Other Professional, Scientific, and Technical Services - 66
Building Finishing Contractors - 63
General Freight Trucking - 53
Automotive Repair and Maintenance - 49
Services to Buildings and Dwellings - 46
Building Equipment Contractors - 45
Oilseed and Grain Farming - 44
Other Specialty Trade Contractors - 44
Restaurants and Other Eating Places - 42
Management, Scientific, and Technical Consulting Services - 41
Offices of Real Estate Agents and Brokers - 39
Drinking Places (Alcoholic Beverages) - 38
Traveler Accommodation - 37
Personal Care Services - 37
Agencies, Brokerages, and Other Insurance Related Activities - 33
Offices of Other Health Practitioners – 33

Startup Job Creation – Top Industry Groups

Other Support Services – 1,057
Restaurants and Other Eating Places - 370
Cattle Ranching and Farming - 314
Individual and Family Services - 190
Residential Building Construction - 181
Other Crop Farming - 178
Grocery Stores - 172
Management, Scientific, and Technical Consulting Services - 134
Drinking Places (Alcoholic Beverages) - 134
Other Specialty Trade Contractors - 125
Building Equipment Contractors - 109
Other Professional, Scientific, and Technical Services - 109
General Freight Trucking - 106
Building Finishing Contractors - 105
Offices of Real Estate Agents and Brokers - 105
Grocery and Related Product Merchant Wholesalers - 97
Other Wood Product Manufacturing - 95
Automotive Repair and Maintenance - 95
Traveler Accommodation - 92
Services to Buildings and Dwellings - 90
Offices of Other Health Practitioners - 90
Legal Services - 84
Agencies, Brokerages, and Other Insurance Related Activities - 80
Overall, Vernon County tends to see the most startups in agriculture, construction, and service industries. A somewhat similar pattern is seen in employment within startups. Tourism is a contributing factor in some of these service industries.

The growth in health care services, and professional, scientific, and technical services, is notable both for the tendency to pay higher wages, and to create jobs for college-educated workers. Many of the other growing industry groups require some technical education.

**Startup Frequency – Other Manufacturing**

- Other Textile Product Mills - 7
- Sawmills and Wood Preservation - 2
- Other Wood Product Manufacturing - 14
- Printing and Related Support Activities - 9
- Pharmaceutical and Medicine Manufacturing - 2
- Cutlery and Hand Tool Manufacturing - 2
- Architectural and Structural Metals Manufacturing - 2
- Machine Shops; Turned Product; and Screw, Nut, and Bolt Manufacturing - 2
- Other Fabricated Metal Product Manufacturing - 2
- Agriculture, Construction, and Mining Machinery Manufacturing - 2
- Other General Purpose Machinery Manufacturing - 4
- Navigational, Measuring, Electromedical, and Control Instruments Mfg. - 2
- Other Transportation Equipment Manufacturing - 3
- Household and Institutional Furniture and Kitchen Cabinet Manufacturing - 2
- Other Miscellaneous Manufacturing – 16

**Startup Frequency – Food Processing**

- Animal Food Manufacturing - 1
- Dairy Product Manufacturing - 1
- Animal Slaughtering and Processing - 2
- Bakeries and Tortilla Manufacturing - 9
- Other Food Manufacturing - 2
- Beverage Manufacturing – 1
Branch Establishments Attracted to Vernon County

The sort of “business attraction” often emphasized in economic development has not brought many new businesses to the community. Most of the branch establishments opening in the county have been in locally-traded industries like retail, banking, health care, and other services. Business attraction should still not be dismissed, however, as branch operations have also included a handful of manufacturing businesses and higher-wage services.
### Industry Groups From Which Branch Establishments Have Been Attracted

- **Credit Intermediation and Related Activities** - 10
- **Food and Beverage Stores** - 6
- **Professional, Scientific, and Technical Services** - 6
- **Religious, Grant-making, Civic, Professional, and Similar Organizations** - 6
- **Merchant Wholesalers, Nondurable Goods** - 5
- **Real Estate** - 5
- **Ambulatory Health Care Services** - 5
- **Administration of Environmental Quality Programs** - 5
- **Miscellaneous Store Retailers** - 4
- **Food Services and Drinking Places** - 4
- **Fabricated Metal Product Manufacturing** - 3
- **Machinery Manufacturing** - 3
- **General Merchandise Stores** - 3
- ** Securities, Commodity Contracts, Financial Investments, Related Activities** - 3
- **Educational Services** - 3
- **Personal and Laundry Services** - 3
- **Administration of Economic Programs** - 3
- **Support Activities for Agriculture and Forestry** - 2
- **Heavy and Civil Engineering Construction** - 2
- **Specialty Trade Contractors** - 2
- **Nonmetallic Mineral Product Manufacturing** – 2
- **Motor Vehicle and Parts Dealers** – 2
- **Building Material and Garden Equipment and Supplies Dealers** - 2
- **Telecommunications** - 2
- **Insurance Carriers and Related Activities** - 2
- **Administrative and Support Services** - 2
- **Animal Production and Aquaculture** - 1
- **Food Manufacturing** - 1
- **Printing and Related Support Activities** - 1
- **Chemical Manufacturing** - 1
- **Transportation Equipment Manufacturing** - 1
- **Miscellaneous Manufacturing** - 1
- **Electronics and Appliance Stores** - 1
- **Health and Personal Care Stores** - 1
- **Non-store Retailers** - 1
- **Publishing Industries (except Internet)** - 1
- **Broadcasting (except Internet)** - 1
- **Data Processing, Hosting, and Related Services** - 1
- **Nursing and Residential Care Facilities** - 1
- **Social Assistance** - 1
- **Performing Arts, Spectator Sports, and Related Industries** - 1
- **Amusement, Gambling, and Recreation Industries** - 1
- **Accommodation** - 1
- **Repair and Maintenance** - 1
Business Closures

Closures have accelerated in recent years, both through the prosperous early years of the 2000’s, and in the recent economic recovery. A possible explanation is that improving conditions are enabling people to find wage or salaried jobs that may have been unavailable before. During the recession, at the national level, there was an increase in business starts during the recession, as people had few options to find paid work. Vernon County did not see that spike, however.
<table>
<thead>
<tr>
<th>Industry Sectors</th>
<th>Closures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative and Support Services</td>
<td>519</td>
</tr>
<tr>
<td>Animal Production and Aquaculture</td>
<td>194</td>
</tr>
<tr>
<td>Crop Production</td>
<td>163</td>
</tr>
<tr>
<td>Specialty Trade Contractors</td>
<td>151</td>
</tr>
<tr>
<td>Professional, Scientific, and Technical Services</td>
<td>137</td>
</tr>
<tr>
<td>Real Estate</td>
<td>95</td>
</tr>
<tr>
<td>Repair and Maintenance</td>
<td>89</td>
</tr>
<tr>
<td>Religious, Grant-making, Civic, Professional, and Similar Organizations</td>
<td>87</td>
</tr>
<tr>
<td>Construction of Buildings</td>
<td>80</td>
</tr>
<tr>
<td>Food Services and Drinking Places</td>
<td>72</td>
</tr>
<tr>
<td>Miscellaneous Store Retailers</td>
<td>66</td>
</tr>
<tr>
<td>Personal and Laundry Services</td>
<td>62</td>
</tr>
<tr>
<td>Truck Transportation</td>
<td>48</td>
</tr>
<tr>
<td>Insurance Carriers and Related Activities</td>
<td>47</td>
</tr>
<tr>
<td>Merchant Wholesalers, Durable Goods</td>
<td>44</td>
</tr>
<tr>
<td>Merchant Wholesalers, Nondurable Goods</td>
<td>43</td>
</tr>
<tr>
<td>Social Assistance</td>
<td>43</td>
</tr>
<tr>
<td>Food and Beverage Stores</td>
<td>41</td>
</tr>
<tr>
<td>Building Material and Garden Equipment and Supplies Dealers</td>
<td>34</td>
</tr>
<tr>
<td>Ambulatory Health Care Services</td>
<td>34</td>
</tr>
<tr>
<td>Performing Arts, Spectator Sports, and Related Industries</td>
<td>29</td>
</tr>
<tr>
<td>Sporting Goods, Hobby, Musical Instrument, and Book Stores</td>
<td>27</td>
</tr>
<tr>
<td>Motor Vehicle and Parts Dealers</td>
<td>26</td>
</tr>
<tr>
<td>Accommodation</td>
<td>26</td>
</tr>
<tr>
<td>Educational Services</td>
<td>22</td>
</tr>
<tr>
<td>Furniture and Home Furnishings Stores</td>
<td>18</td>
</tr>
<tr>
<td>Support Activities for Transportation</td>
<td>18</td>
</tr>
<tr>
<td>Wood Product Manufacturing</td>
<td>16</td>
</tr>
<tr>
<td>Amusement, Gambling, and Recreation Industries</td>
<td>16</td>
</tr>
<tr>
<td>Non-store Retailers</td>
<td>15</td>
</tr>
<tr>
<td>Credit Intermediation and Related Activities</td>
<td>15</td>
</tr>
<tr>
<td>Securities, Commodity Contracts, Financial Investments, and Related</td>
<td>15</td>
</tr>
<tr>
<td>Electronics and Appliance Stores</td>
<td>14</td>
</tr>
<tr>
<td>Food Manufacturing</td>
<td>13</td>
</tr>
<tr>
<td>Health and Personal Care Stores</td>
<td>13</td>
</tr>
<tr>
<td>General Merchandise Stores</td>
<td>13</td>
</tr>
<tr>
<td>Forestry and Logging</td>
<td>11</td>
</tr>
<tr>
<td>Support Activities for Agriculture and Forestry</td>
<td>11</td>
</tr>
<tr>
<td>Fabricated Metal Product Manufacturing</td>
<td>10</td>
</tr>
<tr>
<td>Rental and Leasing Services</td>
<td>10</td>
</tr>
</tbody>
</table>