



*City of New Richmond
Comprehensive Planning
Program
Economic Development*

Contents



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s. 66.1001(2)(f) Wis. Stats

s. 66.1001(2)(f) Wis. Stats.:

The *Economic Development Element* is defined as a compilation of objectives, policies, goals, maps and programs to promote the stabilization, retention or expansion, of the economic base and quality employment opportunities in the local governmental unit, including an analysis of the labor force and economic base of the local governmental unit. The element shall assess categories or particular types of new businesses and industries that are desired by the local governmental unit.

The element shall assess the local governmental unit's strengths and weaknesses with respect to attracting and retaining businesses and industries, and shall designate an adequate number of sites for such businesses and industries. The element shall also evaluate and promote the use of environmentally contaminated sites for commercial or industrial uses. The element shall also identify county, regional and state economic development programs that apply to the local governmental

Introduction

By including economic development within the framework of the comprehensive plan, the city will have a long-term plan to attract economic growth and remain competitive in the marketplace over the next 20 years. This plan will also assist the city to plan for other community functions including elements such as housing needed to accommodate growth and transportation facilities and infrastructure to enable orderly growth. Establishing goals, objectives and provisions for economic vitality and quality of life will help the city ensure the availability of jobs and the retention and expansion of business and industry. Effective planning sets the stage for sustainable economic growth to support New Richmond in the years ahead. As the city prepares to manage growth, it must also maintain and grow its economy so that the desired quality of life is realized and people and businesses continue to invest in the community.

This element of the comprehensive plan summarizes existing economic activity and conditions in New Richmond and considers the city's economic tie to the Twin Cities Metropolitan Area. An historical perspective is provided along with the number and type of jobs and the mix of existing industries and retail uses in the community. Also highlighted are the industries and occupations employing residents and workforce migration patterns. The availability of sites for redevelopment and new commercial and industrial development and expansion are also reviewed together with ongoing local economic development efforts.



Background

The increased utilization of the auto facilitated by the development of the interstate highway system in the 1950's correlates with a growth spurt in the City of New Richmond and an increase in the number of people commuting to the Twin Cities Metro Area. The primary jobs originally supporting the commute to the Twin Cities were in manufacturing at companies such as Anderson Windows. This has changed over the years with a growing number of commuters working in technical and professional positions in the Twin Cities. The City of New Richmond relies on the Twin Cities as a major source of base employment. Proximity to the Twin Cities has been and will continue to be important to the New Richmond economy. According to 2000 Census data, nearly half of New Richmond residents commute to work both in and beyond St. Croix County.

City support of economic development is multi-faceted. The City Council has established an Economic Development Commission (EDC) to coordinate and pursue development opportunities. The city also has an established Community Development Authority (CDA) and Housing Authority. In recent years, the CDA brought financing to the expansion of the Holy Family Hospital, which highlighted a campus development of senior housing, a clinic, and hospital renovation and expansion. The project was completed in 2002. The New Richmond Housing Authority manages 40 housing units and oversees a housing voucher program for income-qualified households.

The city's economic development program includes a staff person experienced in and knowledgeable about economic development and marketing. The position is also responsible for community planning. In addition, the City of New Richmond financially supports the New Richmond Chamber of Commerce & Visitors Bureau and the St. Croix County Economic Development Corporation. While the city's commitment to economic development has been high over the years, interest lies in expanding the city's role in economic development. New Richmond is working to understand its ability to create and maintain a self-contained marketplace within a regional context. Efforts are underway and described further later in this document. Continuing to leverage and apply private and public sector resources wisely is important to the city's long-term economic health.

Historically, New Richmond's employment base centered on the lumber and milling industries along with agriculture. Rail arrived in 1872 and by 1885 passenger trains ran daily to and from St. Paul, MN. Long-standing and major employers/businesses that remain in the community today include Domain Inc., New Richmond News, Blue Ribbon Feed Company, BOSH and Lakeside Foods, among others. More recent additions include Isometric Tool and Design Inc., Wisconsin Wire Cloth, and several

“Historically, New Richmond's employment base centered on the lumber and milling industries along with agriculture.”

Background

others. A complete listing of businesses and industries in New Richmond is provided later in this Plan Element.

Economic Base



Economic Base

Employment and Income Profile

The construction of housing units and other types of space generates employment and income, contributing to not only the city's prosperity but also regional prosperity. New and redeveloped properties added to the tax base increases the city's ability to raise funds through property taxes, and thereby support public services. Assuming consumer spending is occurring, the addition of people to the total population generates more sales taxes, thereby taking advantage of this mechanism to increase the city's ability to pay for public services.

Income

The median income in New Richmond is \$43,475. This compares to \$52,723 in the Minneapolis-St. Paul MN-WI MSA and \$54,930 in St. Croix County. New Richmond income figures are broken down as follows:

City of New Richmond - Income		
Income	Number	Percent
Less than \$10,000	195	7.7%
\$10,000 to \$14,999	123	4.9%
\$15,000 to \$24,999	316	12.5%
\$25,000 to \$34,999	286	11.3%
\$35,000 to \$49,999	621	24.5%
\$50,000 to \$74,999	546	21.5%
\$100,000 to \$149,999	276	10.9%
\$150,000 to \$199,999	151	6.0%
\$200,000 or more	8	0.3%
TOTAL HOUSEHOLDS	2,522	100%

Source: U.S. Census. Table DP-3. Profile of Selected Economic Characteristics: 2000

Poverty Status Locale	# Households below poverty level	Percent below poverty level
New Richmond	64	4.2%
St. Croix County	407	2.4%
Minneapolis-St. Paul MSA (WI Part)	687	2.6%

Source: U.S. Census Bureau. Table DP-3. Profile of Selected Economic Characteristics

Economic Base

New Richmond Area Business and Industry Composition – Employment

Industries located in or near the City of New Richmond include the following:

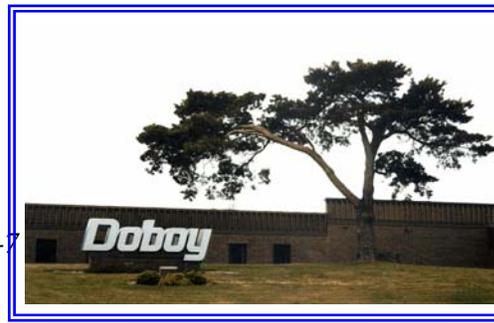
City of New Richmond Area – Business & Industry Base			
Company Name	Number of Employees	Annual Sales	Product Type
Advanced Wire EDM, LLC	5	\$500,000 to 1 million	Molds, tools, and dies
Balsam Millwork & Cabinets	20	Over \$1 million	Moulding & Commercial Cabinets
BOSCH	325	Not available	Packaging Machinery & Equipment
Blue Ribbon Feed Co.	5	\$1 to 4.9 million	Animal & Pet Feeds Mixing & Blending
Cemstone Ready-Mix Inc.	20	Under \$500,000	Ready Mixed Concrete
Countryside Plumbing & Heating	55	\$5 to 9.9 million	Plumbing & Heating, Air Conditioning & Duct Work Services
Domain Inc.	50	\$25 to 100 million	Animal formula feed, crop preservatives & milk replacers
Eagle Engineering	6	Under \$500,000	Electrical Panels & Machine Systems
Federal Foam Technologies, Inc.	200	\$10 to 25 million	Urethane Foam Fabricators
Flex-O-Sweep Co.	3	Under \$500,000	Tube bending, dock ladders, & metal fabrication
Fusion Metal Products, Inc.	5	\$500,000 to 1 million	Sheet metal fabrication
Isometric Tool & Design, Inc.	27	Over \$500,000	Designs & Builds Plastic Injection Molds
Lakeside Foods	57	\$10 to 24.9 million	Canned Vegetables
Mid-State Development	1	Under \$500,000	Prototypes; Machine Shop
Moore Imprints	2	Under \$500,000	Textile Screen Printing
New Richmond Industries, Inc.	100	\$5 to 10 million	Wire Harnesses; Electro-Mechanical Assembly; & Packaging
New Richmond News	20	\$500,000 to 1 million	Commercial Printing
Phillips Plastics Corp.	100	\$10 to 24.9 million	Plastic Injection

Economic Base

City of New Richmond Area – Business & Industry Base			
Company Name	Number of Employees	Annual Sales	Product Type
			Molding Products for Medical Industry; Engineering Services

City of New Richmond Area – Business & Industry Base			
Company Name	Number of Employees	Annual Sales	Product Type
Parkwood Composition Service	32	\$1.5 million	Commercial typesetting
Printing Plus	4	Under \$500,000	Commercial Offset Printing
Proto Type Machine	4	Under \$500,000	General Machining Job Shop
S & S Coatings, Inc.	25	\$1.5 to 5 million	Epoxy Coated Metal Parts, Parts Finishing & Assembly, Liquid Paints, Printer & Copier Roll Coatings & Roll Parts
S & S Service Parts, Inc.	5	\$500,000 to 1 million	Packaging equipment
SMC Corporation	4	\$500,000 to 1 million	Animal Feed
St. Croix Coatings, Inc.	10	1 to 4.9 million	Coating Service
St. Croix Press, Inc.	155	\$10 to 25 million	Catalogue, magazine & commercial printing
St. Croix Valley Foundry	1	Under \$500,000	Brass & Aluminum Castings
Wisconsin Wire Cloth	20	\$2 million	Aggregate & Mining Screens
Zimmerman Welding	2	Under \$500,000	Farm Equipment; Welding

Source: 2004 Wisconsin Manufacturers Directory



Economic Base

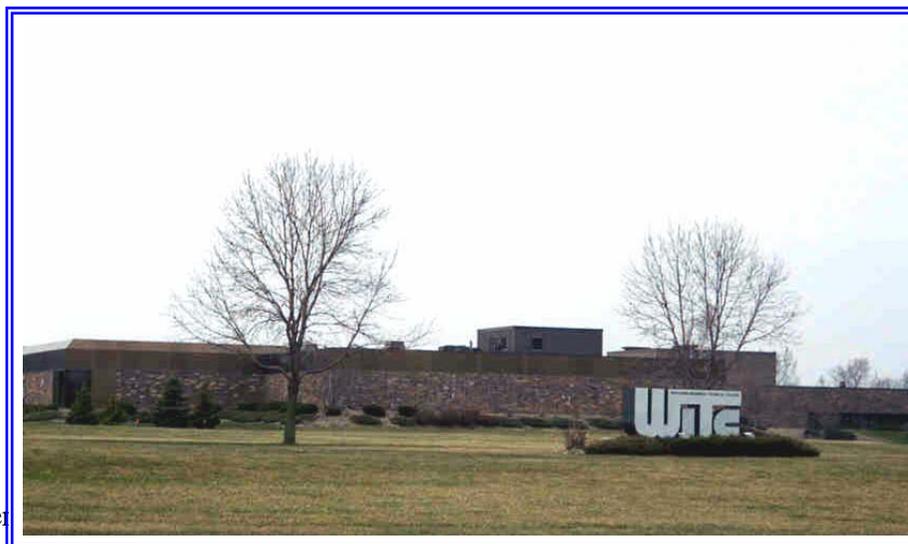
Business services located in or near New Richmond include the following:

City of New Richmond – Business & Industry Base			
Company Name	Number of Employees	Annual Sales	Business Type
Automotive Parts Sales, Inc.	70	25 to 49.9 million	Distributor of New Automotive Parts
Bakke, Norman, SC	22	1 to 4.9 million	Legal Services
Bernard's Northtown, Inc.	65	25 to 49.9 million	New & Used Car & Light Duty Truck Sales; Rental & Leasing Dealership
Cox Motor Sales	50	25 to 49.9 million	New & Used Car Dealership
The Deerfield	20	\$500,000 - \$999,000	Assisted & Independent Living Facility with Personal Nursing Care
Doar, Drill & Skow	25	1 to 4.9 million	Law Firm
Doyles Farm & Home, LLP	55	5 to 9.9 million	Hardware Store
First National Bank	65	10 to 24.9 million	Commercial & Consumer Lending
YMCA	50	1 to 4.9 million	Recreation Center
Frontier Communications	23	5 to 9.9 million	Telephone Installation Services; Telecommunication Services
Health & Human Services	350	10 to 24.9 million	Skilled Nursing Facility
Holy Family Hospital	150	10 to 24.9 million	General Acute Care Hospital
Johnson Motor Sales, Inc.	50	25 to 49.9 million	New & Used Car & Truck Dealership; Sell, Lease, Body Shop, Service & Parts
Signet Rehabilitation Center	55	1 to 4.9 million	Long Term Personal Care Facility
Nature's Pantry Food Co-op	9	\$500,000 - \$999,000	Health Food Store
New Richmond Area Chamber of Commerce	2	Not applicable	Chamber of Commerce

Economic Base

City of New Richmond – Business & Industry Base			
Company Name	Number of Employees	Annual Sales	Business Type
New Richmond Clinic	60	5 to 9.9 million	Clinic of Medical Doctors
County Market	35	5 to 9.9 million	Grocery Store
Pamida	40	5 to 9.9 million	Department Store
Peterson Construction	30	1 to 4.9 million	Siding & Gutter Contractors
Polfus Implement, Inc.	55	5 to 9.9 million	Retails Farm & Garden Equipment
S & C Bank	31	5 to 9.9 million	Full Service Bank
Simon Electric Construction	50	5 to 9.9 million	Electrical Contractors
Skoglund Oil Co., Inc.	80	100 to 499.9 million	Petroleum Distributor
St. Croix Harley Davidson	34	5 to 9.9 million	Retails & Services Motorcycles; Retails Clothes & Accessories
City of New Richmond including New Richmond Utilities	62	Not applicable	Local Government
New Richmond Public Schools	261	Not applicable	Educational Services
Wisconsin Indianhead Technical College	250	Not applicable	Educational Services

Source: 2002 Wisconsin Business Service Directory



Economic Base

Figures from the 1997 Census of Retail Trade indicate that there are 48 retail trade establishments in the City of New Richmond. The majority of retail/commercial establishments are concentrated along the WIS 65/Knowles Avenue corridor, which includes the city's Historic Main Street District. Interest lies in expanding the city's business base.

Retail Trade Establishments – City of New Richmond	
Type	Number
Motor vehicle & parts dealers	6
Furniture & home furnishings stores	3
Electronics & appliance stores	1
Building material & garden equipment & supplies dealers	7
Food & beverage stores	6
Health & personal care stores	2
Gas stations	8
Clothing and clothing accessories stores	5
Sporting goods, hobby, book & music stores	2
General merchandise stores	2
Miscellaneous store retailers	1
Nonstore retailers	5
TOTAL	48

Summary Statistics for Places: 1997 Census of Retail Trade



Population and Labor Force

The *Economic Census* is the major source of facts about the structure and functioning of the U.S. economy. The United States Code directs the Census Bureau to take the economic census every 5 years, covering years ending in 2 and 7. State and local governments use the data to assess business activities and tax bases within their jurisdictions and to develop programs to attract business. Individual businesses use the data to locate potential markets and to analyze their own production and sales performance relative to industry or area averages. 2002 Economic Census forms will be sent to 5 million businesses in **December 2002**, asking for information about business activity during calendar 2002. Results will be published during 2004 and 2005.

Population and Labor Force

The relationship between population and labor supply is an important one. The number of people in the city and their socio-economic characteristics (age, household composition, income, education level, etc.) affect employment characteristics and population affects the demand for workers. The tastes and preferences of residents are major determinants of the kinds of products demanded from business and government. While manufacturing is the predominant industry in Wisconsin and the St. Croix region, service industries are growing in importance.

The total population in New Richmond grew 23.5% from 1990 (5,106) to 2000 (6,310), much greater than state expansion at 9.6% but comparable to St. Croix County at 25.6%. In comparison, the City of Hudson, closer to the Twin Cities than New Richmond, grew by 38% between 1990 and 2000. St. Croix County is the third fastest growing county in the state. The City of Hudson is the largest municipality in St. Croix County followed by New Richmond.

Population increase is the result of a combination of people moving into and out of the county and natural causes - births and deaths. Migration from the Twin Cities metro area has spurred much of the growth occurring in the New Richmond area. Immigration from abroad is a more recent factor that is contributing to population growth at the national level and to some degree in the Minneapolis-St. Paul region.

Population and Labor Force

The median age in New Richmond is 34.5, which mirrors St. Croix County and Minneapolis-St. Paul MSA (WI Part) figures. In terms of labor force age population distribution.

An industry is a distinct group of businesses. Businesses are classified according to the primary type of good or service produced. Industries are typically organized by Standard Industrial Classification (SIC) codes. Industry employment is generally influenced by the following factors though the overall effect by industry on employment varies to some degree.

- Domestic and global demand
- Cost and availability of labor
- Cost and ease of substituting capital for labor
- Technological change
- Other factors such as government subsidies, regulations, public acceptance and taxes.

New Richmond is part of the Minneapolis-St. Paul Metropolitan Statistical Area (MSA), Following is a table showing the industries employing those in the Minneapolis-St. Paul, MN—WI MSA (Wisconsin part) as compared to New Richmond. Manufacturing employs a quarter of the population followed by education, health and social services. Note that the list below shows industries of employed persons residing in each area not industries located in the area.

City of New Richmond – Minneapolis-St. Paul MN-WI WI MSA				
Industry	New Richmond	Percent Total	MN-St. Paul MSA (WI Part)	Percent Total
Agriculture, forestry, mining, fishing & hunting	42	1.3%	2,143	3.8%
Construction	252	7.9%	4,001	7.1%
Manufacturing	798	25%	12,396	22.1
Wholesale Trade	87	2.7%	1,274	2.3%
Retail Trade	385	12.1%	6,228	11.1%
Transportation & warehousing, and utilities	170	5.3%	3,181	5.7%
Information	42	1.3%	1,000	1.8%
Finance, insurance, real estate and rental and leasing	218	6.8%	3,465	6.2%
Professional, scientific, management, administrative,	166	5.4%	3,546	6.3%

Population and Labor Force

and waste management services				
Educational, health and social services	649	19.1%	10,693	19.1%

City of New Richmond – Minneapolis-St. Paul MN-WI WI MSA				
Industry	New Richmond	Percent Total	MN-St. Paul MSA (WI Part)	Percent Total
Arts, entertainment, recreation, accommodation and food service	172	7.3%	4,112	7.3%
Public administration	89	3.2%	1,801	3.2%
Other Services	117	3.9%	2,160	3.9%
TOTAL	3,187	100%	56,000	100%

Source: U.S. Census Bureau, Table DP-3. Profile of Selected Economic Development Characteristics: 2000.

People 16 and over are generally considered of working age. The breakdown of persons by occupation in the City of New Richmond is as follows.

Occupation	Number of Persons	Percent of Total
Management/Professional	779	24.4%
Service occupations	463	14.5%
Sales & office occupations	832	26.1%
Farming, fishing, and forestry	20	0.6%
Construction, extraction, and maintenance	364	11.4%
Production, transportation, and material moving	729	22.9
TOTAL	3,187	100%

Source: U.S. Census Bureau, Table DP-3. Profile of Selected Economic Development Characteristics: 2000.

Commuting Patterns



Commuting Patterns

Census 2000 data indicates that nearly 50% of New Richmond residents of working age commute to work. This compares to approximately 57% of residents commuting to work within the Minneapolis St.-Paul MSA (WI part).

Commuting to Work – City of New Richmond	
Car, truck, van – alone	2,514
Carpool	386
Public transportation (including taxi)	0
Walking	103
Other means	6
Working at home	155
TOTAL COMMUTING	3,164
Total commuting less working at home	3,009
Net % Commuting	48%
New Richmond Population	6,310

Source: U.S. Census Bureau, Table DP-3. Profile of Selected Economic Characteristics: 2000.
Please Note: Current population as of 2004 is 7,244 based on Department of Administration.

The October 2001 St. Croix County Workforce Profile published by the Wisconsin Department of Workforce Development indicates that 11,718 St. Croix County residents are commuting to adjacent Wisconsin counties and 9,786 or 84% are commuting to Minnesota. Assuming that New Richmond is a microcosm of St. Croix County, people are commuting to jobs in the Twin Cities Metro Area. At the same time, improvements to the transportation system and a favorable business climate in Wisconsin have brought companies and people to New Richmond. As companies look outward from the Twin Cities, they seek competitive advantages and offerings in third ring suburbs such as New Richmond. In addition, professionals working for industry and commuting to the Twin Cities who may be seeking lifestyle changes are candidates for new business launches including home-based businesses. Some 30 businesses have spun-off of Medtronics, a Minneapolis-based medical technology company with facilities worldwide, based on this scenario. With the recent designation of the I-94 corridor Technology Zone by the state of Wisconsin and the abundance of medical and technology companies based in the Twin



Commuting Patterns

Cities area, the creation of satellite facilities is a growing possibility.

Commercial Development

Commercial Development

The WIS 35/64-corridor project between New Richmond and the St. Croix River also brings opportunities for development/redevelopment. The St. Croix County Farm property and a former industrial area lie within the corridor. Significant discussion has occurred around the idea of redeveloping this new bypass corridor into a commercial gateway to the city's east-side.

A bypass route map is included in the Transportation Element.

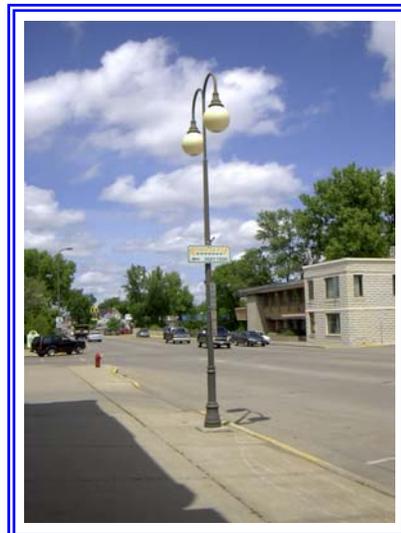
Concern that traditional strip commercial development is eroding the community's sense of place and unique character has led to three areas of the city having been identified as potentially appropriate for "big box" retail. Acting as commercial nodes or centers for the city, these locations include WIS 65 as it rolls in from the south near the Business & Technical Park. The second area is in the northeast section of the city along WIS 65. The third location is along WIS 64 as it enters the city from the western Towns of Richmond and Star Prairie in the vicinity of a gateway intersection to the city's west side. Key will be the design of these areas. As important doors into and out of the city, these areas should be attractive from a design perspective. The image and character of these areas will leave lasting impressions on those who pass by or frequent the businesses within the development.

The addition of a retail center has the potential to contribute significantly to New Richmond's economy in that fewer residents will find it necessary to travel to the City of Hudson, the Twin Cities area and other places for goods and services, which can slow down retail leakage. It is likely that residents will continue to travel to the Twin Cities Metro Area for some event and experience-related purchases.

"New Richmond is featured in The Minneapolis Metropolitan Council's (Met Council) St. Croix Valley Development Design Study that was prepared by Calthorpe Associates in 2000."

Also in 2002, the City of New Richmond launched a Façade Renovation Program to create and enhance a Unified Historic Image and encourage investment by downtown property and business owners. Specifically, the project area includes properties between East First and East Sixth Street along Knowles Avenue.

New Richmond is featured in The Minneapolis Metropolitan Council's (Met Council) St. Croix Valley Development Design Study that was prepared by Calthorpe Associates in 2000. As one of the "opportunity sites" for downtown revitalization and streetscape enhancement, the Plan states that the



Commercial Development

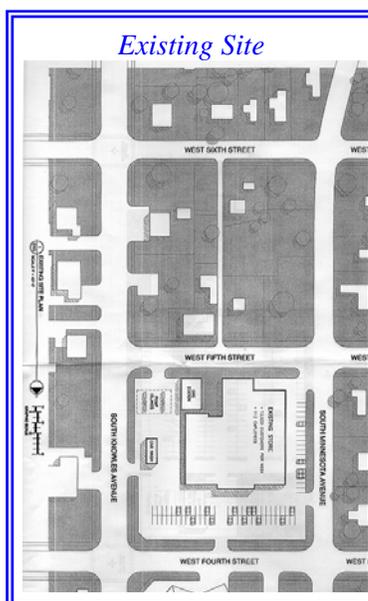
intersection of West 4th Street and Knowles Avenue is an important gateway into Downtown New Richmond.

The vacant and underutilized lots provide an important opportunity to activate this gateway with pedestrian oriented uses. The plan also suggests that a consistent tree and street light pattern along Knowles Avenue can help to aesthetically unify the downtown and increase pedestrian traffic along Knowles Avenue and surrounding streets. Together with other activities and promotions, these types of programs and improvements can enhance community character, spur private investment and generally enhance the downtown business climate.

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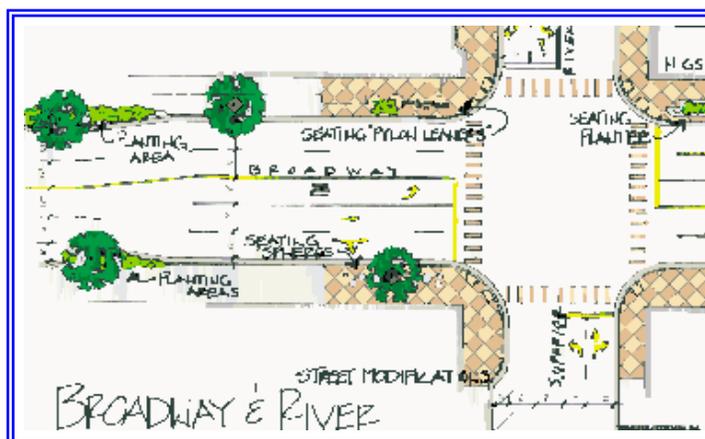
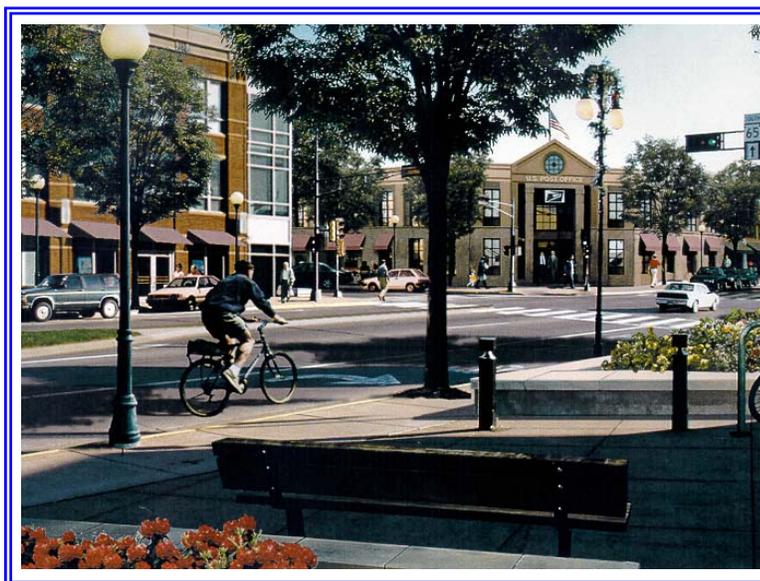
Currently, a retail anchor to New Richmond’s Historic Main Street District is considering a major renovation and expansion project. Many questions remain as to whether or not the expansion should move forward and the appropriate location. Some of the questions include:

- Does a retail grocer fit within the context of a Historic Main Street District?
- What is the true impact of secondary shopping activity?
- Is the proposed expansion compatible with adjacent land uses?
- Should a land use transition buffer need to be considered?
- Are the design and aesthetic characteristics of the expansion negotiable?



Commercial Development

The City's Plan Commission is considering these questions and several others. Also, in an effort to better understand the New Richmond trade area and market opportunities, the New Richmond Area Chamber of Commerce & Visitors Bureau and the city are working in cooperation with University of Wisconsin- Extension to complete a Downtown and Business District Market Analysis. Started in 2002, this project will build long-term local capacity to improve economic activity downtown and elsewhere in the community.



Sites for Business and Industry

Sites for Business & Industry

Strengths of the City's economic development efforts include the development of the New Richmond Business & Technical Park. Owned and managed by the City and launched in 1988, the Business & Technical Park offers facility space and services for business and light industry. The park is located in the southwest quadrant of the city, adjacent to WIS 65. While competition for business and industry is strong with area communities offering lucrative incentives, New Richmond not only offers competitive land prices but also utility rates. In addition, the city's sense of place is characterized through the Historic Business District and other gracious homes with distinct architectural features, which also contribute to business location decisions. The city does not have to create a sense of place. Rather, the city can focus on enhancing its existing sense of place and history by tying together commercial and residential areas and paying attention to design and character components of development/redevelopment projects.



Environmentally Contaminated Sites: Potential for Industrial and Commercial Use

Wisconsin's Smart Growth legislation requires identification of potential redevelopment sites. The Domain, Inc. mill site and Cenex Store are two properties with redevelopment potential. Should the downtown middle school be sited elsewhere in the future, adaptive reuse of the school building should be considered. The middle school is a strong asset for the downtown area and surrounding neighborhoods.



Sites for Business and Industry

Land absorption rates in New Richmond's manufacturing industry are outlined below. As of 2002, land in manufacturing/industrial or earmarked for future manufacturing / industrial, as identified by the City of New Richmond, is 298 acres. The 298 acres includes Phases I and II of the Business & Technical Park and approximately 43 additional acres developed as manufacturing/industry in, or at one time, in non-business park locations. Manufacturing/industrial land uses comprise nearly 4% of the city's total land area. Of the 255 acres designated to Phases I and II of the Business & Technical Park, 169 acres remain available. Of the 169 remaining acres, 16 have been designated for commercial use adjacent to WIS 65 and east of St. Croix Avenue. Therefore, 153 acres are available for manufacturing or other industrial development.

The city has absorbed land earmarked for or occupied by industrial and manufacturing uses at an average rate of six acres per year (6 acres / year). At this rate, the existing stock will be fully absorbed by the year 2030 (28 years / 169).

Historically, the City has absorbed manufacturing/industrial land at an average rate of 6 acres per year. At this rate, the existing stock will be fully absorbed by the year 2028 as illustrated below.

$$153 \text{ (manufacturing/industrial available)} / 6 \text{ (average acres absorbed per year)} = 26 \text{ (years)}$$

$$2002 \text{ (year)} + 26 \text{ (years)} = 2028$$

New Richmond Business & Technical Park	Year Started	Acreage in Park/Other Location	Acres Developed	Acres Available	Planned Expansion Acres	Age	Absorption Rate Acres/year
Phase I	1988	80	62	6	175	14	4.4
Phase II	2002	175	12	163		1	12
Other Mfgr.	1972-1996	43	43	0		30	1.8

Source: City of New Richmond

New Richmond Business & Technical Park Business	Launched	Acres	Expanded	Acres
St. Croix Press	1972	5.69	1989/1992	4.4/7.04
Phillips Plastics	1988	6.39	2002	8.3
Federal Foam Technologies	1994	9.07	2002	2.16
Bear Buddies Child Development Center*	1992	< 1	2002	1.8

Sites for Business and Industry

TOTAL		21.2		23.7
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Source: City of New Richmond

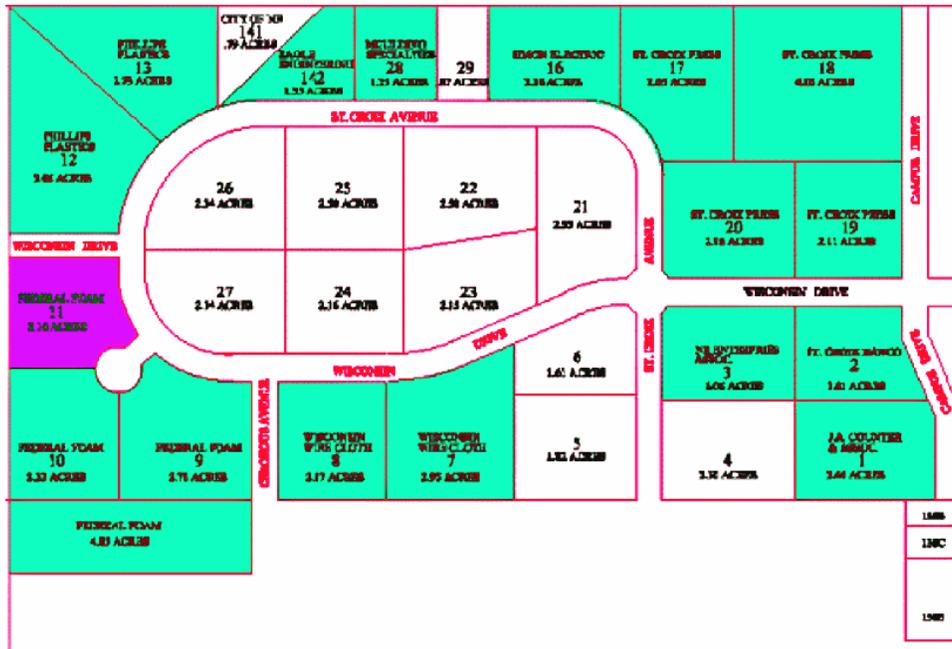
Current center is 2,500 square feet. New Center will be 8,800 square feet. Seventy children served as of 2002. 120 children to be served after expansion.

Sites for Business and Industry

The Business and Technical Park offers a number of amenities including:

- Employment and training services – Wisconsin Indianhead Technical College (WITC) is located within the Business and Technical Park and provides on site and classroom training and conference space. WITC works with companies to tailor train current and prospective employees.
- Proximity to the Twin Cities market and major transportation corridors.
- Park sites are fully improved with direct access to public utilities including sewer, water, electric and gas.
- Land prices are competitive due to the use of Tax Increment Financing (TIF). The Park is located within a TIF District and a Redevelopment District.
- Protective zoning covenants to promote harmonious design and value.

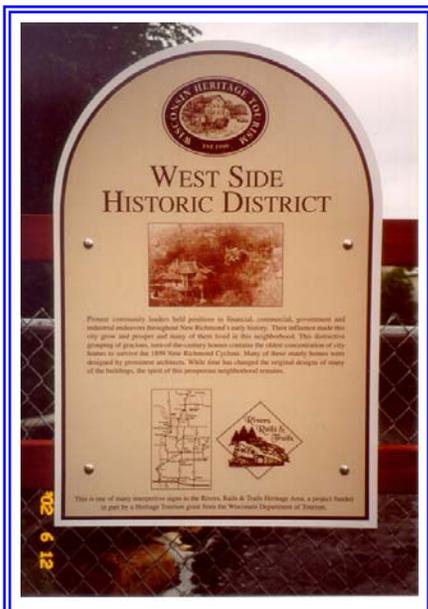
A major benefit to the city’s future economic development is the location of the Business and Technical Park. The relationship between Wisconsin Indianhead Technical College (WITC) and the park-based businesses is an important synergy, as it puts the city in a position to emphasize the connection between existing enterprises and the ability to attract new prospects that will have access to a trained work force. The location of a day care center in the park also adds value from a workforce and business recruitment and retention perspective. The park-based child care center is expanding as of 2002.





Tourism

Another important part of the local economy is the New Richmond Heritage Center, which is comprised of nine historic buildings and the 11-acre Paperjack Greenway. The Heritage Center programming works closely with schools in western Wisconsin and Minnesota. The Heritage Center also serves informally as a Tourist Information Center. In addition, the Heritage Center generates spillover economic activity within and around New Richmond as event and experience purchases are often secondary benefits stemming from heritage tourism. The Bell Tierney Farmstead is the centerpiece of the Heritage Center and is listed on the National Register of Historic Places. Thirty buildings in New Richmond are listed on the National Register of Historic Places.



Transportation

New Richmond Municipal Airport

Also important to economic development is the local and regional transportation network. New Richmond is well positioned to attract business and industry as a result of its proximity to the Twin Cities market and the presence of a local airport. The New Richmond Municipal Airport accommodates both business jets and private aircraft. The airport has and will continue to play a significant role in the economic vitality of the City. Large manufacturers, many of which are located within the Business and Technical Park, including Phillips Plastics Corporation, Lakeside Foods, BOSCH, and Federal Foam Technologies regularly use the airport facility for business-related travel. Also, the airport contributes 18 full-time jobs (on-site) to the local economy and 102 overall. Included in the Transportation Element is an airport facility map.

In 2002, the City brought forward several initiatives in an effort to enhance airport capacity:

- Additional hanger area to meet excess demand
- Creation of an aviation-related business area
- Extension of the primary runway
- Residential air park development



Transportation

Roads

New Richmond is located within a major transportation corridor. WIS 64 is a major east-west passage through New Richmond and St. Croix County and provides a direct link to the Twin Cities Metro Area. It joins

“New Richmond is located within a major transportation corridor.”

WIS 35 near Somerset to serve interstate, interregional and local traffic between Houlton, Somerset and New Richmond. Conversion of WIS 35/64 to a four-lane, divided highway is scheduled for completion in 2007. The new highway will run from 150th Avenue, east of Houlton, to 145th Street, east of New Richmond. It will run south of Somerset and north of New Richmond. Interchanges will provide direct access to the highway at County V, 38th Street, STH 35 and 110th Street. Overpass structures will be located at 150th Avenue and County Highways (CTHs) I and K. An overpass also will be built for Wisconsin Central Railroad. State Highway 65 runs north-south and provides access to Interstate 94. The improvement of WIS 35/64 is included in the State of Wisconsin's Corridors 2007 Plan.¹

Rail Service

Canadian National Railway (CN) is a transcontinental network provider with major regional gateways in Chicago, Duluth, and Minneapolis. Rail access is available to local industries.

Also a strength for the New Richmond area is the recent designation of the I-94 Corridor Technology Zone by the Wisconsin Department of Commerce. The Technology Zone Program brings tax incentives for high-tech development. The Zone offers the potential for high-tech growth in the computer, electronic technologies and telecommunications clusters, among others. The goal is to attract and retain skilled workers and foster regional partnerships to promote the development of a high-tech corridor. The Department of Commerce will certify eligible businesses for tax credits on their ability to create good paying jobs and investment and support the development of high-tech industries in the region.²

¹ Wisconsin Department of Transportation

² Wisconsin Department of Commerce Press Release, June 25, 2002.

Economic Self Assessment

Economic Self Assessment

A Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis was conducted with three stakeholder groups during the planning process: the City Plan Commission, the Strategic Planning Committee of the City Council and the general public. A SWOT Analysis is an effective tool to identify internal strengths and weaknesses, and external threats and opportunities created by, for example, changes in technology and markets, government policy, social patterns, population profiles, and lifestyle changes. By carrying out the analysis, the city can prioritize and focus planning activities into areas where the city is strong, and where the greatest opportunities lie and, at the same time, recognize weakness and threats and work to address those important to the community in the future.

The results of the exercise that relate to economic development are provided in the table that follows:

New Richmond SWOT

STRENGTHS	STRENGTHS
Wisconsin Indianhead Technical College	Sound economic base
Good local government-city services	Close to MN/St. Paul (but not too close)
Proximity to Twin Cities	Close to major freeways (location)
Strong community involvement	Good utilities (city owned)
Well maintained infrastructure with excess capacity	Good labor force (educated/trained)
Airport for business and pleasure	New planned housing/growth
Hospital	Main street/downtown
Library	Good school building
Park system & recreation opportunities	Good streets
Heritage Center	Planning (engaged in, will be good for the future)
Sense of community and small town atmosphere	Day care and pre-school opportunity

SWOT

Economic Self Assessment

WEAKNESSES	WEAKNESSES
Lack of adequate transportation facilities and services	Infrastructure – age, capacity – sewage collection system
Lack of cooperation with surrounding government – County & Town	Lack of new business
Location to Twin Cities	Lack of community identity
Losing jobs and industry	Aging population/workforce
Lack of employment opportunities	Public participation
Lack of long range planning	Lack of fine dining opportunity
City has image as being anti-business	No retail clothing stores in City
Recycling program	Post Office
Capacity on Hwy. 65	
OPPORTUNITIES	OPPORTUNITIES
Wisconsin Indianhead Technical College	Business exp. Available/industrial sites
Proximity to Twin Cities for amenities such as shopping, theater	New tax dollars with new housing
600-Acre Farm	Pending annexations will allow for growth
Proximity to recreation areas	Impact fees
Vibrant economy resulting in development	Opportunity/availability of business space
Business and tech park	New highway – 64
Airport	Balance of residential and business growth
Health center/county farm property opportunity	
THREATS	THREATS
Too fast growth	Loss of major business (potential)
Local business leaving or going out of business downtown	Potential for high taxes
Lack of adequate transportation – network for future growth and emergency response (4)	Lack of bypass/bridge will stifle growth
Future utility demands including electric, water/sewer	Potential for growth to outstrip capacity
High taxes	Water supply/quality could be threatened

SWOT

Economic Self Assessment

Additional Assessment Observations

The City of New Richmond has a strong health care system and would like to build upon it. The New Richmond medical campus includes 78,000 square feet of new and renovated space. While the City maintains ties to the medical communities of St. Paul and Minneapolis, most medical needs are satisfied locally with local clinics offering a full range of medical services. The availability of medical care contributes to the ability to attract and retain businesses and also provides employment to the area. The I-94 Technology Zone.

The City also would like to build upon its already strong industrial base and currently has 153 acres available to serve industrial development needs. Once the current acreage is absorbed, further expansion of the Business & Technical Park will be considered. Also, the St. Croix County Farm property provides a long-term opportunity for the city to foster additional business, commercial or light industrial development within the WIS 35/64 corridor.

The primary weakness that the City of New Richmond faces in attracting and retaining business and industry is competition. Good projects attract the attention of many communities and many communities provide incentives to spur business location.



Local, County, Regional and State Economic Development Programs

Local, County, Regional and State Economic Development Programs

While national forces play a part in business location decisions, state, regional, and local factors including tax structure and laws, incentives, regulations, and the presence of infrastructure typically play an even more significant role. Following is an inventory of local, county, regional and state resources available to the City and/or businesses for economic development projects and programs.

Local

The Economic Development Commission (EDC) and the Community Development Authority (CDA) are the City's primary economic development agencies. The CDA oversees a Redevelopment District that is closely aligned with a Tax Increment District in which the Business & Technical Park is located. These funding mechanisms provide the city with additional tools to attract and retain manufacturing facilities and equipment.

Local programs available to businesses that want to locate or expand in New Richmond include:

- City Revolving Loan Fund
- Double tax-exempt revenue bonds – issued by the CDA and bought by investors
- Utility conservation credits
- New Richmond Utilities - New Richmond buys its electricity from Wisconsin Public Power, Inc. (WPPI), a wholesale distributor of electricity owned by New Richmond Utilities and 37 other municipal utilities in Wisconsin. New Richmond Utilities offers rebates to existing businesses that want to replace facility utilities (electric, water, sewer) such as lighting or cooling systems to operate more efficiently.

Regional

Formed in 1993, the St. Croix Economic Development Corporation (SCEDC) provides business start-up and expansion services in St. Croix County. Its economic development program includes administration of the St. Croix County Business Revolving Loan Fund, which provides Community Development Block Grant (CDBG) dollars to assist businesses in making capital investments for the purpose of start-up, expansion and retention. Assisting in business development enables communities to enhance their tax base and create jobs, which is a necessary part of the economic base.



Local, County, Regional and State Economic Development Programs

West Central Regional Planning Commission (WCRPC)

The WCRPC serves Barron, Chippewa, Clark, Dunn, Eau Claire, Polk and St. Croix Counties and is charged with planning for the physical, social, and economic development of the region. To accomplish this, the Commission conducts area-wide planning and provides technical assistance to local governments. Economic development services include local economic strategies, industrial site analyses, County economic and population profiles, community and industrial park profiles and economic development financing through the Regional Business Fund, Inc.

Xcel Energy

Xcel Energy provides natural gas service to the City of New Richmond. As an Xcel customer, the city and prospective businesses are eligible for loans and loan guarantees. The loan programs are designed to share in financing business start-ups and expansions within the Xcel service area, which includes Minnesota and Wisconsin.

State of Wisconsin

The Department of Commerce has a broad range of technical and financial assistance programs designed to assist businesses to successfully launch or expand operations. Services and programs include business planning, site selection, working capital, permitting, employee training and research and development. Although not comprehensive, the list below outlines available resources and programs. A complete list can be found at www.commerce.state.wi.us.

- *Industrial Revenue Bonds* - the Industrial Revenue Bond (IRB) program allows cities, villages and towns to support industrial development through the sale of tax-exempt bonds. The proceeds from the bond sale are loaned to businesses to finance capital investment projects at, primarily, manufacturing facilities. Even though IRBs are municipal bonds, they are not general obligations of the municipality. The company or business that will use the facilities provides the interest and principal payments on the loan. The local government is in partnership with the business, lending its name, but not its credit, to the bond issue.
- The *Customized Labor Training (CLT) program* assists companies investing in new technologies or manufacturing processes by providing a grant up to 50% of the cost of training employees on the new technologies.
- The *Community Development Block Grant (CDBG)-Economic Development Program* provides grants to communities to loan to businesses for start-up, retention, and expansion projects based on the number of jobs created or retained. Communities can create revolving loan funds from the loan repayments. Eligible project costs include construction and expansion, working capital and acquisition of existing businesses, land, buildings and equipment.

Local, County, Regional and State Economic Development Programs

Also under the umbrella of the Wisconsin Department of Commerce is *Forward Wisconsin*, a statewide public-private marketing and business recruitment organization. Its role is marketing outside Wisconsin to bring new businesses, jobs and increased economic activity to the state.

Wisconsin Department of Transportation (WisDOT)

- The *Freight Railroad Infrastructure Improvement Program* awards loans to businesses or communities to rehabilitate rail lines, advance economic development, connect an industry to the national railroad system, or to make improvements to enhance transportation efficiency, safety, and intermodal freight movement.
- The *Transportation Economic Assistance (TEA) Program* provides matching grants to governing bodies, private businesses for road, rail, harbor and airport projects that help attract employers to Wisconsin, or encourage business and industry to remain and expand in the state.
- The *Transportation Enhancements (TE) Program* promotes activities that enhance a transportation project or area served by a transportation project.

The *Wisconsin Housing & Economic Development Authority (WHEDA)* provides financing to investors and local governments to stimulate housing, small business and agribusiness development.

Tax Increment Financing (TIF)

TIF is used by local governments to fund development and redevelopment projects having a public purpose. TIF allows for infrastructure and other types of improvements to occur by earmarking a defined portion of future tax revenues from specified areas as an income stream to pay off costs of making the improvement.

Through a Redevelopment District created in 1999, the City expanded the Business & Technical Park to include an additional 175 acres. The Redevelopment District is closely aligned with Tax Increment District #6, also being used as a tool to promote industrial growth within the city. Two TIF districts are currently active in New Richmond.

TID #5

Created in 1987, the purpose of TID #5 was to broaden the city's business and industrial base by underwriting certain costs associated with converting raw land into sites for industrial use, and promotional activities to meet this goal. Activities included in this project are municipal utility extensions (water, sanitary sewer, storm sewer), site grading, street paving, landscaping, lighting and installation of an off-site sanitary sewer interceptor. At the time the TID was created, all property within the district was vacant. Some 249,000 square feet of development has been constructed since 1987.

Local, County, Regional and State Economic Development Programs

TID #6

TID #6 allowed the city to continue to make public improvements to establish the New Richmond Business & Technical Park and bring improvements at reduced or no direct cost to companies agreeing to construct industrial facilities within the park.

New Richmond Economic Goals and Objectives

New Richmond Economic Goals & Objectives

Due to border proximity with the Twin Cities Metro Area, New Richmond is in a position to expand its industrial base and has recruitment opportunities in other sectors as well. Transportation facilities and advantages of Wisconsin's business climate are also factors in location decisions. Assets that play in favor of New Richmond as a business location include access to transportation, proximity to larger markets, the city's relationship with the Wisconsin Indianhead Technical College (WITC), a regional educational facility providing tailored training opportunities to expand the skills of both the current and future workforce.

While manufacturing is increasingly fierce with competition for Twin Cities market opportunities, continuing to build on the already strong manufacturing and distribution base in the city and targeting businesses to fill the remaining business park space is critical, given the investment already put toward growth in this area.

General

- Goal: Set goals for city revenue and how to achieve them through business development.
- Objective: Conduct a strategic planning effort with appropriate public and private economic development partners to develop a three to five year economic development plan.
- Objective: Establish performance measures to help the city determine how it is accommodating growth.
- Objective: Identify and target specific markets for growth.
- Objective: Encourage local ownership of business operations along with outside recruitment.
- Objective: Earmark land for housing and economic growth.
- Objective: Establish guidelines that weigh what revenue new companies would bring to New Richmond against what impacts they would have on the city's quality of life.
- Objective: Target new business opportunities that use existing or planned infrastructure and infill areas.
- Objective: Secure corporate revenue and job guarantees to protect city investments.

New Richmond Economic Goals and Objectives

- Objective: Continue to market the remaining space available in the Business & Technical Park.
- Objective: Assist and facilitate economic development planning and coordination between all active local and regional partners in New Richmond.

Business Recruitment

- Goal: Actively recruit new business and industry to New Richmond.
- Objective: Target business in the Twin Cities area for relocation and or expansion in New Richmond.
- Objective: Continue to market available space in the city's Business & Technical Park through various methods such as adds, Forward Wisconsin, etc.
- Objective: Establish an Internet based marketing program including an interactive mapping and available site review function.
- Objective: Conduct a strategic planning effort with appropriate public and private economic development partners to develop a three to five year economic development plan.
- Objective: Utilize economic development incentives to promote business location and expansion. These could include; Tax Increment Financing, Revolving Loan Funds, Grants, Loans, Financing Assistance and capitalizing on Technology Zone Designation program opportunities.
- Objective: Maintain and provide appropriate "traditional" municipal infrastructure and technology based infrastructure such as high speed Internet connections.

Business Retention

- Goal: To retain and assist in the growth and expansion of existing businesses.

New Richmond Economic Goals and Objectives

Objective: Conduct periodic survey's of local businesses to understand existing strengths and concerns and to take a proactive approach to providing assistance and offering solutions.

New Richmond Economic Goals and Objectives

- Objective: Conduct annual interviews with local business operators and CEO's to understand their business plans and needs. Again taking a proactive approach to providing assistance and offering solutions.
- Objective: Utilize Community Development Authority (CDA) efforts and capacity to assist in retaining and expanding existing businesses.
- Objective: Link the Technical School with on the job training efforts and programs.
- Objective: Utilize and access Small Business Administration (SBA), University and private resources to encourage small business development and business planning activities.

Commercial Development

- Goal: Establish commercial shopping and service districts to make goods and services readily available to local residents, capitalizing on location, unique characteristics and market opportunities.
- Objective: Establish north and south commercial gateway districts in combination with the Historic Main Street District effort. Focus new commercial development and redevelopment within these three district areas.
- Objective: Discontinue Strip commercial development patterns through the redevelopment and re-zoning process, designating appropriate alternate land use types on the city's future land use map.
- Objective: Update the city's zoning ordinance to include an Historic District with appropriate standards.
- Objective: Update the City's zoning ordinance to include a design review and negotiation process for the commercial and historical designated districts.

New Richmond Economic Goals and Objectives

North District

- Goal: Plan for and develop a major commercial gateway zone/node within the northeast corridor area of HWY 64 and its intersection with Knowles Ave. to stimulate economic opportunity and health for the City of New Richmond.
- Objective: Delineate the Gateway “Commercial District East” boundaries on the city’s future land use map.
- Objective: Evaluate commercial development and redevelopment opportunities for the Hwy 64 by-pass within the northeast corridor location.
- Objective: Work jointly with St Croix County to plan the future use of the County Farm.
- Objective: Stimulate the redevelopment of the old industrial area within the “Commercial District East” area. Consider offering incentives and promoting other assistance programs such as grants and CDA programs to local landowners and business operators.
- Objective: Work with local land, business owners, interest groups and realtors to package and market the “Commercial District East” plan and concept.

South District

- Goal: Plan for the infill and full development of the city’s major commercial gateway zone/node within the southwest corridor area of HWY 65 and its intersection with S. Washington Avenue to Richmond Way stimulating economic opportunity and health for the City of New Richmond.
- Objective: Delineate the Gateway “Commercial District West” boundaries on the city’s future land use map.

New Richmond Economic Goals and Objectives

Objective: Capitalize on redevelopment opportunities within the WIS 65 corridor as road reconstruction allows.

Objective: Focus on commercial business infill opportunities through additional study and promotion.

Objective: Focus on commercial business retention opportunities through additional study and promotion.

Main Street District

Goal: Revitalize and enhance the city's Historic Main Street District

Objective: Develop design guidelines for structures within the Historic Main Street District.

Objective: Establish Historic District and associated guidelines within the city's zoning ordinance.

Objective: Review parking and access and incorporate findings and recommendations of the Multi-Purpose Pathway Study.

Objective: Through streetscaping and associated enhancements, establish a more public-friendly environment for patrons with consideration given to pocket parks/gardens and other public spaces, outdoor furniture, an urban forestry program and alleyway access from parking lots to storefront entrances.

Objective: Address the issue of housing and rental unit availability and affordability by evaluating and acting on the opportunity to bring residential uses over storefronts within the Historic Business District.

Objective: Promote mixed-use development to capitalize on existing transportation facilities and other infrastructure and link jobs with residential areas and commercial uses.

New Richmond Economic Goals and Objectives

Objective: Actively support and market the Downtown and Business District Market Analysis project.

New Richmond Economic Goals and Objectives

Objective: As part of the Downtown and Business District Market Analysis, survey existing businesses to learn what they like about New Richmond, what could be improved and what they think would attract other companies to the city.

Tourism

Goal: Capitalize on the cultural and natural resource base in and around the City to capture a larger share of the regional tourism market.

Objective: Deliver creative marketing strategies that stimulate travel to and within New Richmond.

Objective: Market New Richmond as a premiere destination by developing a consistent brand image for the city that focuses on the state's four distinct seasons and diverse product.

Objective: Help maintain loyal customers, turn infrequent visitors into more frequent visitors, and lure new visitors to the state through enhanced targeted marketing efforts.

Objective: Expand niche marketing efforts to reach the meetings and conventions, motorcoach, international and multi-cultural audiences.

Objective: Continue researching New Richmond's traveling customers to take advantage of new trends and opportunities.

Goal: Utilize the latest technology to provide quality information and exceptional service to New Richmond's traveling customers and industry partners.

Objective: Strengthen information technology-based partnerships and solutions with the Wisconsin tourism industry through such tools as integrated customer and product databases and the Internet.

Objective: Proactively recruit and maintain a talented, customer-friendly staff who possesses the knowledge and skills to plan, deliver, and evaluate services to New Richmond's customers in the tourism industry.

Objective: Maintain an organizational structure focused on diversity, integrated teamwork, cooperation and communication.

New Richmond Economic Goals and Objectives

- Goal: Encourage the development and growth of New Richmond's tourism economy.
- Objective: Provide/support technical assistance to tourism businesses and organizations related to marketing, customer service, research and product development.
- Objective: Identify and promote additional offerings to enhance New Richmond's tourism product.
- Objective: Continue to provide and identify financing options designed to expand and/or enhance tourism in New Richmond.
- Objective: Participate in research and training - including the Governor's Conference on Tourism - for enhancing New Richmond's competitive edge. Also, participate in industry-sponsored educational conferences and opportunities.
- Goal: Facilitate committed partnerships with stakeholders to develop and grow New Richmond tourism.
- Objective: Strengthen existing and create new partnerships within New Richmond's tourism industry by continuing to conduct staff familiarization tours, listening sessions and other approaches to actively seek industry input.
- Objective: Improve and develop partnerships with other communities and state agencies that share the same customers.
- Objective: Create innovative methods to continuously communicate with the tourism industry and other stakeholders about existing and new programs.
- Objective: Continue to seek the input and involvement of the City Council and other local committees.
- Objective: Expand joint effort marketing programs.