

## ELEMENT 6 - ECONOMIC DEVELOPMENT

### 6.1 INTRODUCTION

The Town of Sherman is located in southern Iron County, within the highland lake district of north central Wisconsin. It is heavily forested and contains numerous surface water resources and wetlands. The area's natural resources provide four-season recreational activities and sustain tourism in the Town and the County. Protecting the Town's natural resources while also providing for economic development will be a delicate balance for the Town.

Factors or characteristics of the population, labor force, and the economic base of the Town play a key role in its economic development and will be discussed in this element. The strengths and weaknesses, of the Town with respect to attracting and retaining businesses will be explored. A multitude of Federal, State, Regional and County economic development and workforce development programs and/or organizations that may be available to the Town of Sherman are shown at the end of this element.

#### **Economic Development Vision – 20-Year Outlook**

*In preparation for the Comprehensive Plan Update, the Town of Sherman surveyed property owners regarding a variety of topics. Seventy Five percent (75%) of the survey respondents indicated that new commercial or industrial development near their property would detract from their quality of life. The message from the survey, meetings and related listening sessions is that as much as possible the Town should work to 'keep things as they are' and protect the uniqueness of what we have.*

*Therefore, economic development efforts in the Town of Sherman over the next 20 years should support continued growth of existing businesses and the jobs they create. However, great care should be taken so that new business development does not change the main reason residents choose to locate in Sherman, the Town's natural resources, remoteness, unique character, general solitude, and overall quality of life.*

### 6.2 LABOR FORCE

The labor force is defined as the portion of the population 16 years or older that is employed or unemployed but looking for a job. Table 6.1 gives an overview of the characteristics of the population and labor force in the Town of Sherman, Iron County, and Wisconsin.

Sherman's share of population over age 60 is much larger than the County, the State, or the Nation. This is reflected in the Town's median age of 64.2, which is higher than the State (39.5) or Iron County (54.9) median age.

**Table 6.1: General Characteristics of the Workforce**

<b>Characteristics</b>	<b>Town of Sherman</b>	<b>Iron County</b>	<b>Wisconsin</b>
Civilian Labor Force	125	2,699	3,097,113
Unemployment Rate	4.0%	7.0%	2.4%
Labor Participation Rate	43.4%	49.9%	66.5%
Education Beyond High School (25 and over)	27.7%	60.9%	56.3%
Bachelor's Degree or Higher (25 and over)	29.9%	20.0%	31.3%
Per Capita Income	\$36,493	\$28,857	\$34,568
Median Household Income	\$50,875	\$43,798	\$64,168
Median Age	64.2	54.9	39.5

Source: U.S Census Bureau, ACS 2019 5-Year Estimates

Labor Participation Rate is the number of residents working or looking for work, divided by the total non-institutional population over 16 years of age. One of the primary reasons for the low labor participation rate in the Town is the sizable percentage of the population over age 65. An aging labor force, a low birth rate, and the loss of younger workforce members has and will continue to impact the labor supply of the Town of Sherman and, therefore, will influence the Town's economy.

**6.3 ECONOMIC BASE**

The Town of Sherman is in the "lake region" of Wisconsin's Northwoods. It occupies 138 square miles and has fifty-five named lakes and numerous unnamed small lakes that occupy 3,000 acres with seventy-nine miles of shoreline (excluding the Turtle-Flambeau Flowage).

The Turtle-Flambeau Flowage, located in both Sherman and the Town of Mercer, is a reservoir created in 1926 by damming of the Turtle and Flambeau Rivers. The Flowage covers an additional 14,000 acres of water and 211 miles of shoreline. The State of Wisconsin owns about 95% of the shoreline.

Due to the abundance of natural resources, recreation and tourism are extremely important to the Town's economy.

**Employment by Industry**

Table 6.2 lists the number and percent of employed residents in the Town of Sherman, by industry sector, from ACS 2019 5-Year Estimate data plus the estimated annual average pay for each industry sector for Iron County as a whole (pay data is not available at Township level).

The Retail Trade sector has the largest number of employees (27%) that are residents of the Town. Manufacturing, construction, and professional sectors employ the next largest number of Town residents.

**Table 6.2: Employment by Industry using NAICS**

<b>Industry</b>	<b>Town of Sherman Employees</b>	<b>Percent</b>	<b>Annual Avg Pay for Iron County</b>
All Industries	74	100.0%	\$31,085
Agriculture, forestry, fishing and hunting, and mining	1	1.4%	\$33,270
Construction	8	10.8%	\$38,240
Manufacturing	14	18.9%	\$34,861
Wholesale trade	0	0.0%	
Retail trade	20	27.0%	
Transportation and warehousing, and utilities	1	1.4%	\$25,401
Information	1	1.4%	\$52,586
Finance, insurance, real estate, and rental and leasing	5	6.8%	\$32,198
Professional, scientific, mgmt., administrative, and waste mgmt.	8	10.8%	
Educational, health and social services	7	9.5%	\$36,565
Arts, entertainment, recreation, accommodation, and food service	7	9.5%	\$18,757
Other services (except public administration)	0	0.0%	
Public administration	2	2.7%	\$39,635

Source: U.S. Census Bureau, 2019 ACS %-Year Estimates, WI DWD

Not included in Table 6.2 are businesses in the Town defined as ‘non-employers.’ The Census Bureau defines non-employers as businesses with no paid employees but that are subject to federal income tax. Typically, these are self-employed individuals or partnerships that have chosen not to incorporate. Non-employers are not included in any of the detailed sector-specific reports published by the Census Bureau.

**Sherman Businesses**

Table 6.3 lists the employers in the Town of Sherman.

**Table 6.3: Employers in Sherman**

<b>Employer Name</b>	<b>Product or Service</b>	<b>Employment Size Range</b>
Town of Sherman – Iron County	Executive and Legislative Offices	1-4
Kramer Forest Products Inc.	Other Building Material Dealers	1-4
Frontier Inn	Full-Service Restaurant	1-4
The Birches on Boot Lake	Resort/Tavern	1-4
Springstead Lake Lodge	Resort/Tavern	1-4
North of the Border	Resort/Restaurant	1-4
A and J Springstead Trading Post	General Store	1-4
French Lake Resort	Resort	1-4
Penninsula Pines	Resort/Tavern	
Double E Resort	Resort	1-4
Deerwood Lodge	Resort	1-4
Flowage Stowage	Self-Storage Warehouse	1-4

Source: local knowledge.

**6.4 TECHNICAL AND PHYSICAL INFRASTRUCTURE**

The Town of Sherman and Iron County have transportation facilities to serve existing and future businesses. An excellent roadway system is available in the County providing truck freight access to businesses. Great Lakes cargo shipping service is available at Duluth/Superior. Passenger and airfreight service is available at both the Gogebic/Iron County Airport in Ironwood, MI and at the Oneida County Airport in Rhinelander, WI.

Physical infrastructure, like sewer, water and natural gas are not currently available in the Town. Electrical service is adequate for current needs, but upgrades will be needed to serve major new developments. Telecommunications services are improving and available to businesses.

**6.5 QUALITY OF LIFE**

An excellent quality of life is becoming increasingly important to employers and employees alike, not only in Wisconsin, but around the country. The Town of Sherman has an excellent quality of life for those who appreciate the outdoors, encounters with wildlife and a simple lifestyle with few amenities.

The tranquility and solitude of the great outdoors is plentiful. The lack of traffic congestion, low crime rates and the small-town atmosphere enhance the quality of the living environment. Clean, unpolluted air as well as open space for recreation and expansion add to the general overall quality of life for residents of the Town.

## **6.6 STRENGTHS AND WEAKNESSES FOR ATTRACTING & RETAINING BUSINESS AND INDUSTRY**

### **Strengths**

1. Overall Quality of Life (low crime, no traffic, clean environment, etc.)
2. Abundance of natural resources for the Wood Products/Forest Industries.
3. Natural Resources (lakes, forest, etc.) for Tourism Industry

### **Weaknesses**

1. Lack of sewer, water, and natural gas utility services
2. Labor force availability (low labor force participation rate in the Town)
3. Twenty plus mile distance to shopping, schools, health care and other basic amenities
4. Electric power grid may be inadequate for certain businesses
5. Small local market and high seasonal population limits retail/service type development
6. Distance to major transportation centers/routes increases shipping costs for manufacturers
7. Cell phone service is improving but could be better
8. There are development limitations based on the Town's topography

## **6.7 BUSINESS AND INDUSTRY SITES**

Sherman's Land Use Plan, completed in 2002, identified four areas along Hwy 182 as future "highway commercial" districts. These districts all have existing commercial businesses, and the Land Use Plan encourages potential new commercial development to locate adjacent to or near these businesses.

Currently, a property located five hundred feet on either side of Hwy 182 is a commercial overlay district. However, the Hwy 182 frontage includes wetlands, lakes, streams, rivers, state and privately-owned property which limit commercial development. Property in the five hundred foot commercial overlay district is also subject to restrictions contained in the base zoning and shoreland regulations.

## **6.8 TOURISM IMPACT TO THE LOCAL ECONOMY**

Information on tourism spending is not available at the Town level; therefore, Iron County data, acquired from the Wisconsin Department of Tourism must be used for the Town of Sherman.

Iron County is a vacationland for local and distance travelers and ranks 46<sup>th</sup> of seventy-two counties in the state for traveler spending. Local events and natural resources significantly contribute to the number of visitors to Iron County and the Town of Sherman.

According to the State Department of Tourism, traveler spending statewide has continued to increase, reaching an estimated \$9.8 billion in 2020 and \$19.7 million in Iron County. The total impact of tourism extends far into the county, contributing to schools and local governments. Local and State revenues (property tax, sales taxes, lodging taxes, etc.)

collected because of tourist spending was an estimated \$2.2 million in 2020.

The economic impact to the Town of Sherman based on seasonal homes is significant. According to Census 2010, more than two thirds of the total housing units in the Town are for seasonal, recreational, or occasional use.

## **6.9 REDEVELOPMENT AND CONTAMINATED SITES**

Redevelopment of contaminated or blighted locations can be of significant benefit to local units of government. Benefits range from removing potentially environmentally hazardous materials to adding tax base and jobs to the area. Too often, these sites are overlooked due to the perceived costs associated with redevelopment. Programs at the state and federal level can contribute to the cleanup of contaminated or blighted sites. The Petroleum Environmental Cleanup Fund Act and the creation of Tax Increment Districts can be used to redevelop and clean up contaminated and blighted sites.

Leaking underground storage tanks (LUST's) are often a source of localized contamination problems and may pose threats to health and safety. These threats may include contamination of soil and groundwater; contamination of drinking water; or contamination of lakes, rivers, and streams. Underground storage tanks are regulated in Wisconsin.

Land users should consider the potential negative impact of LUST sites and other pollution hazards. Wisconsin's corrective action rules (NR 140 & NR 700 series) define the process for management of environmental discharges from the time of discovery until site closure. Soil and groundwater cleanup standards under these rules are 'risk-based,' with consideration of individual site conditions. Currently, the Town of Sherman has no open LUST sites.

## **6.10 ECONOMIC & WORKFORCE DEVELOPMENT - PROGRAMS / ORGANIZATIONS**

There are programs at the federal, state, regional and local level that can help the Town of Sherman to support both economic development and workforce development efforts. In addition, there are programs available for individual businesses to assist in start-up and expansion.

### **Federal Economic Development Programs**

#### **USDA-Rural Development Programs**

USDA Rural Development: Business and Industry Guaranteed Loan Program  
<https://www.rd.usda.gov/>

USDA-Rural Development: Community Facility Loan (CFL) Program

<https://www.rd.usda.gov/programs-services/community-facilities-direct-loan-grant-program>

USDA-Rural Development: Rural Economic Development Loan Program (REDL)

<https://www.rd.usda.gov/programs-services/rural-economic-development-loan-grant-program>

**U.S. Economic Development Administration (EDA)**

EDA: Public Works and Development Facility Grant Program

<https://www.eda.gov/programs/>

**U.S. Small Business Administration (SBA)**

<https://www.sba.gov/>

**State of Wisconsin Economic Development Programs**

**Wisconsin Department of Administration (DOA)**

Community Development Block Grant for Economic Development (CDBG-ED)

Community Development Block Grant Public Facilities for Economic Development (CDBG-PFED)

**Wisconsin Economic Development Corporation (WEDC)**

Economic Development Tax Credit

Community Development Block Grant for Economic Development (CDBG-ED)

Community Development Block Grant Public Facilities for Economic Development (CDBG-PFED)

**Wisconsin Department of Tourism**

**Wisconsin Department of Transportation (WisDOT)**

Transportation Facilities for Economic Assistance and Development (TEA) Program

<http://www.dot.wisconsin.gov/localgov/aid/tea.htm>

**Wisconsin Housing and Economic Development Authority (WHEDA)**

Small Business Guarantee

<https://www.wheda.com/>

**Local and Regional Programs**

**Northwest Wisconsin Business Development Corporation**

**Indianhead Community Action Agency Revolving Loan Fund**

<http://www.indianheadcaa.org/>

**Northwest Wisconsin Regional Economic Development Fund**

**Northwest Wisconsin Business Development Fund (NWBDF)**

<http://www.nwrpc.com/64/Economic-Development>

**Wisconsin Angel Network**

**Sawyer County Development Corporation (SCDC)**  
**SCDC Revolving Loan Fund**  
<http://www.scdc.us>

## Visions Northwest

### **6.11 ECONOMIC DEVELOPMENT GOALS, OBJECTIVES, AND ACTIONS**

A set of goals, objectives and actions have been developed to assist the Town of Sherman in its overall effort to support, retain and evaluate economic development activity.

#### **ECONOMIC DEVELOPMENT GOALS, OBJECTIVES, AND ACTIONS**

**GOAL: TO HAVE FUTURE ECONOMIC GROWTH THAT IS COMPATIBLE WITH THE COMMUNITY'S NEEDS WHILE PROTECTING THE NATURAL RESOURCES AND MAINTAINING THE REMOTE NATURE OF THE TOWN.**

Objective 1: Support/encourage formation of a local business association.

Objective 2: Focus economic development activity on tourism, forestry, and other businesses that are compatible with the needs and desires of the community.