



An Economic Development Adjustment Plan for Door County, Wisconsin



April 26, 2005

EXECUTIVE SUMMARY

This study was undertaken in the summer of 2004 in response to changing economic conditions in Door County. The study was conducted by NorthStar Economics, Inc. and Grant Thornton, LLP.

The study focused on economic goals for Door County over the next 5-10 years. For each goal, strategies and tactics to achieve the goal were outlined. Finally in Chapter VIII, the implementation of goals is discussed.

The study concludes that the following goals should be considered as guiding economic development in the county over the next 5-10 years:

The following are general economic goals that reflect our surveys, interviews and the data analysis we present in later chapters.

- Goal 1** Create high-paying year-round jobs by retaining and attracting a skilled workforce that will be a long-term competitive advantage to businesses in Door County.
- Goal 2** Grow and expand existing businesses and business cluster that have market and growth opportunities.
- Goal 3** Tap into the visitor, seasonal resident and retiree populations as sources of entrepreneurship and new business formation..
- Goal 4** Establish economic development strategies that will reduce the seasonality of the County economy. Implement economic development strategies that create better balance in the Door County economy and are consistent with maintaining the quality of life and the natural environment.
- Goal 5** Create economic development and opportunity around future demographic trends in the County.
- Goal 6** Improve the county's basic physical and business infrastructure including bridges, telecommunications, capital formation, the power grid, business networks, and business support systems.
- Goal 7** Attract younger families as permanent residents of Door County to increase the talent pool, to create better balance in the future age distribution, and to maintain a high level of energy in the life of the County.

To carry-out these goals, the following strategies were developed:

- Strategy 1** Develop programs and initiatives that raise the education and skill level of the future workforce; design programs that attract new workers to Door County; and encourage programs that explore the full utilization of older workers.
- Strategy 2** Expand economic development around key existing clusters and business concentrations that have demonstrated market opportunities.
- Strategy 3** Tap into the early retiree, visitor and seasonal resident communities as sources of new businesses in Door County. Concentrate on businesses with high technology and knowledge inputs and low raw material and environmental impact. Create a good business climate and business infrastructure to attract people 50+ who will continue to work at their current occupation or establish new business careers and will work well into their 60s and 70s. A prime opportunity in this area is professional and consulting service businesses including engineering and technical consulting, investment and financial consulting, sales and marketing services, design services, and management consulting.
- Strategy 4** Develop strategies that expand off-season business activity to reduce the seasonality of Door County's business cycle.
- Strategy 5** Form economic development strategies around emerging demographic and economic trends that create market opportunities for existing and new businesses. The in-migration of retirees and the aging of the County's population are examples of trends that create economic development markets and opportunities.
- Strategy 6** Address common economic development base needs that will support the economic strategies listed above and the general Door County business community. Move to a New Economy model that includes and supports seed capital formation, higher educational attainment, new business start-ups, networking, and technology infrastructure and technology/innovative product flow.
- Strategy 7** Attract younger families to reside in Door County using the high quality of education and life and the completion of the four lane Highway 57 project as prime advantages of raising a family in Door County.

The strategies are discussed in detail in Chapter VII of the full report.

In developing the goals and strategies for Door County, the study included public input through interviews and meetings from over 150 people. Interviews and group meetings were arranged to get opinions from people in all parts of the county from Southern Door

to Washington Island. People from business, education, government, agriculture, the arts, the environment, social services, health care, and many other sectors were interviewed. Input was also sought from seasonal residents, visitors and second home owners. A common survey form was used to gather the data. The full feed back obtained in the interview process was extensive and some of the highlights include the following:

- There is support for creating good paying jobs and year-round jobs.
- There is a high value place on the natural environment and preserving the natural beauty that makes Door County unique.
- There is concern over the decline in agriculture and the decline in manufacturing jobs.
- There is a concern about the current direction of the Door County economy.
- Those interviewed thought that future economic development should concentrate on tourism and hospitality, manufacturing, health care, business, finance, and professional services, the arts, and marine services.

The recommendations of this study are based on market opportunities that can lead to good paying, year around jobs. Chapter III of the study lays out the primary market opportunities in twelve market sectors of the County economy. These market opportunities will be shaped by demographic trend such as the aging of the population, the existing economic base in the County, and the availability of land, labor and risk capital. The study highlights market opportunities in manufacturing, health care, tourism, marine services, the arts, retail, agriculture, and construction. It also describes market opportunities linked to the aging of the population and the presence of a large number of seasonal residencies and second homes.

Chapter IV contains a detailed demographic and economic analysis. The findings in this chapter deserve careful reading and the following summarizes only part of the findings in the chapter:

- The population of Door County is growing older at a faster rate than most other counties in the state. This is partially due to the in-migration of people above the age of 50.
- The workforce in the County is projected to decline over the next 25 years.
- The per capita income of the County is above the state and national averages but average annual wages and median household income are below state and national averages.

Chapter V looks at possible comparables for Door County. The chapter looks at comparables based upon size, geography and economic characteristics and also looks at some comparables based upon the presence of a large arts community. Finally, the chapter looks at some areas that may offer some “New Economy” ideas that may be useful in Door County.

Chapter VI contains an analysis of the strengths, weaknesses, opportunities and threats (SWOT) facing Door County.

Summary: The Door County economy has a solid base upon which to build future economic growth. There are significant challenges to face in the future and those include workforce numbers and skill levels, a seasonal business cycle, a modern physical and business infrastructure and an aging population. Fortunately, the County already has energetic efforts underway to deal with telecommunications, the future of shipbuilding, and the future direction of tourism. The framework for dealing with other issues is often in place but needs to be reenergized.

In the end, we believe that the economic opportunities in the County far out weigh the challenges it faces. We hope that this strategic economic plan can serve as a pathway to the future economic growth in the county.

ACKNOWLEDGEMENTS

We thank the following organizations for their financial support of the Door County Economic Adjustment Plan:

Associated Bank
Door County Memorial Hospital
Fred J. Peterson Foundation
Door County Manufacturers Association
City of Sturgeon Bay
Door County Economic Development Corporation

Baylake Bank
Wisconsin Public Service Corporation
Door County Chamber of Commerce
The County of Door
Sturgeon Bay Utilities
Wisconsin Department of Commerce

We also wish to thank the following people who served on the Door County Economic Development Adjustment Plan Steering Committee:

Bob Agnew - Fred J. Peterson Foundation
Fred Anderson - Ashbrooke Suites
Ralph Bergman - Development Services
Warren Bluhm - Door County Advocate
Bill Brey - Southern Door Farmer
Dan Burke - Door County Land Trust
Rob Burke - UW-Extension
Kaye Christman - American Folklore Theatre
Deb Eisen - DC Memorial Hospital
Matt Felhofer - Bay Marine
Mike Felholfer - Candleworks of Door County
Robert Florence - Door Co. Planning Dept.
Larry Gajda - Associated Bank
Cain Goettleman - FLS Banners
Marjean Gutschow - Lakeshore Tech. College
Richard Heath - Bay-Lake RPC
Charlie Henriksen - Commercial Fishing
Tom Herlache - Baylake Bank
Jim Knipfer - Bergstrom Automotive

Jay Krauss - City of Sturgeon Bay
Tim Lawrie - Simon Creek Winery
Randy Lynn - The Computer Sleuth
Becky McKee- SBVCB
Charlie Most- County of Door
Dave Nueville- Four Sail Realty
Pat O'Hern- Bay Shipbuilding Corp.
Marty Olejniczak- City of Sturgeon Bay
Ted Penn- Wisconsin Public Service
Karen Raymore- DC Chamber
Dennis Russell- WI Dept. of Commerce
Dennis Skahen- NW Technical College
Dave Smith- HTF/DC Manufacturers
Bob Starr- Starr Realty
Jim Stawicki- Sturgeon Bay Utilities
Mark Walter- Bay-Lake RPC
Cindy Weber- Homespun Touch
Gerald Worrick- DC Memorial Hospital

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