

## **VI. Housing and Economic Development**

*Note: After conducting the research required and establishing goals, objectives, and implementation policies regarding housing and economic development issues, the two topics were combined into one plan chapter due to the interconnection of the issues and potential solutions. This chapter therefore outlines first the summary of existing conditions regarding housing, then for economic development, and then presents one vision statement and one set of goals, objectives, and implementation policies. Further background research and data required for these two plan elements, however, are found in two separate appendices to the plan (Appendix 5 for housing and Appendix 6 for economic development).*

### **Housing: Summary of Existing Conditions**

*Please see Appendix 5 for further background research and data required for the housing element of the plan.*

*Per Wisconsin Statutes Section 66.1001(2)(b), the housing element of a comprehensive plan is “a compilation of objectives, policies, goals, maps and programs of the local governmental unit to provide an adequate housing supply that meets existing and forecasted housing demand in the local governmental unit. The element shall assess the age, structural, value and occupancy characteristics of the local governmental unit’s housing stock. The element shall also identify specific policies and programs that promote the development of housing for residents of the local governmental unit and provide a range of housing choices that meet the needs of persons of all income levels and of all age groups and persons with special needs, policies and programs that promote the availability of land for the development or redevelopment of low-income and moderate-income housing, and policies and programs to maintain or rehabilitate the local governmental unit’s existing housing stock.”*

There were a total of 19,587 housing units in Door County in 2000. 1,036 of those were located in Baileys Harbor, with 477 of those defined as occupied. The vast majority of Baileys Harbor’s housing units – 87.5 percent – were single-family detached structures.

*The residential land use categories on the 2005 Land Use Inventory and Resources map show the basic location and composition of Baileys Harbor’s existing residential units as well as vacant properties (which are designated with a dot) considered potentially available for residential development. The 2025 Projected Land Uses map shows the potential increases for different types of residential development during the planning period. Both maps may be found following Chapter X.*

As of the year 2000, 41 percent of the town’s total housing units had been constructed prior to 1960. However, nearly 25 percent of the town’s total housing units had been constructed between 1990 and 2000, reflecting both the town’s year-round and seasonal population growth.

**A quality, well-designed housing stock is vital to a healthy community. The styles, sizes, and types of available housing selections enhance community character and establish a connection between residents and their neighborhoods. In most instances, rural towns have a high percentage of single-family homes with few other housing choices available. Baileys Harbor differs in that available housing options include seasonal and vacation**

homes, condominiums, multi-unit owner-occupied and rentals, and other options more often found in larger, more urbanized communities.

The Town's beautiful natural setting presents residents and elected officials with what some see as an opportunity and others view as a nuisance...residential and commercial development pressure. Baileys Harbor's scenic location drives the development of second- and vacation homes. As the demand for this type of development increases, property values will continue to rise, tempting farmers and other rural landowners to sell their land for development. Rising property values make it more difficult for residents to afford to live in the community, particularly young families and retirees.

The main housing issue facing Baileys Harbor – and all of Door County – is the lack of affordable – or “attainable” – housing for year-round residents. Attainable housing is considered that which people of median income in a community can rent or purchase for no more than 28-30% of gross household income, exclusive of other debt such as student loans, car payments, child support, credit cards, etc. For example, a person working full-time, year-round making \$9 an hour can afford roughly a \$55,000 mortgage; \$15 an hour, a \$90,500 mortgage; and \$20 per hour, a \$120,000 mortgage. (Note: those figures exclude the down payment and again assume no outside debt.)

#### Housing Unit Values

The median value for all owner-occupied housing units in Baileys Harbor in 2000 was \$179,300, far above either Door County's median value of owner-occupied housing units that same year – \$120,800 – or the state median of \$112,200. (“All owner-occupied housing units” includes units in any configuration, single- or multi-family; mobile homes; housing units on all sizes of lots; and housing units containing or connected to business or medical offices.)

The median value of owner-occupied mobile homes in Baileys Harbor in 2000 was \$55,000.

The median value for specified owner-occupied housing units in Baileys Harbor in 2000 was \$164,600, compared to \$120,800 for Door County overall. The median total real estate tax paid by specified owner-occupied housing units in Baileys Harbor in 1999 was \$1,385. (“Specified” owner-occupied housing units includes only 1-family houses on less than 10 acres without a business or medical office on the property. The data for “specified units” also excludes mobile homes.)

#### Mortgage Costs

The median selected monthly owner costs for the 158 specified owner-occupied housing units with a mortgage in Baileys Harbor in 2000 was \$967. For Door County overall, the median was \$894. The “selected monthly owner costs” for housing units with mortgages include mortgage and related payments, real estate taxes, homeowners' insurance, utilities, and fuels.

Nearly two-thirds of those with mortgages spent 25 percent or more of their monthly income on those selected monthly owner costs.

#### Rental Housing

In 1999, four in ten families in Door County could not afford Fair Market Rent (FMR). FMR is defined as the market cost to rent a home or apartment, plus the cost of all utilities, heat, etc.

Median gross monthly rent – which includes contract rent plus utilities – for specified renter-occupied housing units in Baileys Harbor in 2000 was \$553. For Door County overall, it was \$481.

In 2000 at the time the Census was taken, there were a total of 69 specified renter-occupied housing units in Baileys Harbor. There were also 11 vacant rental housing units at the time. The median rent asked for the vacant units – not necessarily including utilities – was \$608.

### Projected Housing Needs and Configurations

Please see related sections in Chapter I, Issues and Opportunities, and Chapter V, Land Use, for information on these issues.

## **Housing Issues**

A number of housing-related challenges will face the community during the next two decades. Among them:

- How can Baileys Harbor provide a sufficient supply of affordable and attainable housing for year-round residents and seasonal employees?
- How will the community address a growing need for senior housing?
- How can the Town protect its most cherished natural and cultural resources when future development occurs?

## **Affordable Housing Tools**

### Inclusionary Zoning

The issue of affordable housing is a concern throughout many Wisconsin communities, but more so in towns like Baileys Harbor where rural character and abundant natural resources drive the development of second- and vacation-homes. Due to the high demand for these homes, and the seasonal demands of a strong tourist economy, it may be difficult for certain groups of people (seniors, young families, and others) to find housing at a price they can afford. One tool that local governments can use to increase the supply of affordable housing is inclusionary zoning. Incorporated into the zoning or subdivision ordinance, inclusionary zoning may encourage (through density bonuses and other incentives) or require that a certain percentage of the units in a new residential development (or a neighborhood) be affordably priced. The standard of affordability is determined by the mean and median incomes of residents (or prospective workers) within the community. A variety of issues must be considered prior to making a decision to move forward with inclusionary zoning standards. They include:

- Equity. Is inclusionary zoning the only effective way of ensuring the provision of homes affordable to working families? Or, is it unfair for government to require property owners and developers to subsidize the public good of affordable homes?

- Incentives. Consensus around the adoption of inclusionary zoning is generally easier to achieve through density bonuses. In other words, developers who include a certain percentage of affordable housing units in a development project are allowed to develop a greater number of lots (and allowed smaller minimum lots sizes) than would otherwise be allowed under current subdivision or zoning requirements.
- Voluntary v. Mandatory. The consensus among planners and zoning administrators is that mandatory requirements are more effective; however, they are also much more controversial. A well-crafted voluntary program may not achieve the level of success of one that is mandatory, but its market-based nature has the potential for significantly increasing the supply of affordable housing while still providing property owners and developers with some flexibility in the development process.
- Target Income Levels. Inclusionary zoning tends to be more effective in providing homes affordable to families of moderate income than those with very low incomes.
- Duration of Affordability. Many communities that adopt inclusionary zoning standards require that the housing units remain affordable for a predetermined time frame (often 15-20 years).
- On-site vs. Off-site. The local government must decide whether the inclusionary standards will be set on-site (in that the percentage of affordable units must be part of the development project) or allowed off-site (allowing the developer to construct an equivalent number of homes somewhere else in the community).<sup>1</sup>

#### Conversion of Underutilized Lodging

Retrofitting underutilized lodging facilities may provide another opportunity to increase the supply of affordable housing. Many vacation communities around the country, working in partnerships with redevelopment agencies, nonprofit, and for-profit developers, have successfully undertaken hotel and motel conversions that satisfy multiple community goals by eliminating eyesores, meeting affordable housing requirements, and increasing the local tax base. Selection of a motel or hotel that can be successfully converted into apartments requires evaluation of the building and its location. A candidate facility must be examined to determine whether it is physically and economically feasible to undertake as a conversion project.

#### Flexible Land Use Regulations

Current development patterns may fail to provide adequate affordable housing in part due to existing land use regulations. While local ordinances can achieve important development and planning goals, they may also prevent (or inhibit) the private sector from creating lower-cost and affordable housing. The removal of certain zoning and regulatory barriers may eliminate the need for developers to procure variances and

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<sup>1</sup> Much of the text included in this section was excerpted from *Zoning Practice, Issue #12, Affordable Housing*, December, 2006.

waivers through a lengthy (and costly in pre-development terms) planning process in order to create housing alternatives. Such regulatory barriers include minimum lot size requirements, minimum setback requirements, minimum square footage requirements, parking requirements, and prohibitions on accessory dwelling units or multifamily housing.<sup>2</sup>

### Manufactured Housing

Another method to promote more affordable housing is to encourage quality manufactured housing. Not to be confused with mobile homes, manufactured housing has grown in popularity in recent years. Manufactured housing is considered a viable affordable housing choice only if units are similar in size, appearance, and quality to area stick-built housing. Manufactured housing units must conform to local building and zoning restrictions. Once placed on the property, the manufactured home should look like 70% of site built housing located within one half mile. Manufactured housing is more affordable than site built housing because homes are built in a factory and assembled on-site thereby reducing the time and cost of construction.

### Housing For Seniors

Clearly defining the need for future senior housing in a community is not a simple task. This is largely due to the complexity of the marketplace. The majority of seniors in Wisconsin, in all age groups, live in their own homes or in mixed-family congregate housing (i.e. apartments with residents of all age ranges). The ability of a resident to remain at home is enhanced by organizations and services catering to people of retirement age. Examples of these services include: 'meals on wheels' programs, parish nursing programs, and home healthcare, among others. In addition, building designs for life (i.e. wider doorframes to accommodate future wheelchair access, first floor bedrooms, etc.) can extend the ability of a resident to live independently in their own home. However, some seniors may not be able (or desire) to live in a private home and will seek alternative housing options.

In recent years, a variety of alternative housing options for seniors and grants for retrofitting existing homes for disability access have become available. Although no one of these can be considered the preferred housing alternative, a combination of various housing types will provide a way in which Baileys Harbor may address the challenges of adequate and desirable housing for seniors.

A variety of senior-oriented housing options exist to meet the needs of an aging population<sup>3</sup>. They include:

- Age Restricted Retirement Communities. One type of housing for seniors that is growing in popularity is the age-restricted, active adult development. Active adult developments provide a housing atmosphere with the amenities including golf courses and fitness centers that vibrant seniors desire. Aging residents can benefit from a relaxed environment with similarly-aged neighbors while avoiding

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<sup>2</sup> Much of the text in this section was excerpted from, *Affordable Housing and Smart Growth: Making the Connection*, Smart Growth Network and National Neighborhood Coalition, 2009.

<sup>3</sup> Source: American Planning Association Magazine: December 2006.

the conventional maintenance and upkeep requirements that come with home ownership.

The benefits of these developments include quality housing for those that do not require assisted living and nursing care. Communities benefit from attracting active adult developments because they reduce the impact on the transportation network and schools while increasing tax revenue. Some methods used to encourage the construction of active adult developments include creating senior housing districts in the zoning ordinance, planned unit development sites (PUDs), or creating overlay districts. In some instances communities will also provide density bonuses to attract developers.

- Seniors Only Apartments. Some older seniors may choose to sell their homes and move into senior apartments. This frees equity that can then be used to supplement income through interest or dividends earned through investment of capital. The move also frees seniors from home maintenance and grounds-keeper chores. For others, living in a large senior complex affords a greater sense of security than living in a private home.
- Modular Home Communities. Modular home communities have both full-time residents and those that reside only part of the year. The lots and mobile units may be leased to, or owned by, the residents.
- Elder Cottage Housing Opportunities (ECHO). Elder Cottage Housing Opportunities, which may include accessory units, and granny flats, refer to housing options wherein seniors occupy a second living unit, or apartment with a separate entrance, on a single-family lot with another family. Generally, they are permitted by the municipality to foster affordable housing or aid families with elderly parents unable to live completely alone. The owner of the home or the renting party may be a senior.
- Shared Housing. Under this alternative, seniors share their home with another senior. Professional organizations which specialize in these arrangements match the two parties based on needs. Most of the organizations that provide these services are non-profit and supported from sources other than those seeking help.
- Continuing Care Retirement Communities (CCRCs). Continuing Care Retirement Communities are designed to provide active seniors an independent lifestyle and a private home from which to enjoy it, regardless of future medical needs. They may require buy-in or an up-front annuity purchase followed by monthly payments covering services, amenities, and necessary medical care. They provide the availability of multiple layers of care, without the uncertainty of wondering where you will live.
- Congregate Housing. Congregate communities offer independent living in private separate, apartments and the opportunity to share activities of daily living with other residents. They may offer rental or ownership options.

- Assisted Living. Assisted Living (or Residential Care for the Elderly) offers help with non-medical aspects of daily activities in an atmosphere of separate, private living units. It is similar to Congregate Care albeit for residents less able to function independently in all aspects of their daily life. Licensing is usually required for Assisted Living facilities.
- Board and Care / Residential Care. Board and Care, sometimes referred to as Residential Care, is usually offered in converted homes. It provides a home-like setting with supervision for 4-10 senior residents.
- Skilled Nursing Facilities (Nursing Homes). Skilled Nursing Facilities may be freestanding or part of a senior community and may offer congregate or assisted living options. It may specialize in either short-term acute care or long-term care.

### **Mixed-use Development**

Mixed-use development provides additional opportunities to expand and diversify the Town's housing supply. Mixed-use development is the practice of allowing more than one type of use in a building or set of buildings or incorporating complementary residential, commercial, and civic uses into a single parcel or adjoining parcels. For additional information on mixed-use development please refer to *Chapter V: Land Use*.

### **Conservation Subdivision Design**

Residents view Baileys Harbor a special place to live and vacation. They do not want to see important natural features lost in order to make way for new residential and commercial development but recognize that additional homes and employment opportunities may be required to meet the needs of a growing and changing population. One method that may allow the Town to meet these seemingly conflicting needs – protecting the natural environment while allowing for additional residential development – is through the use of conservation design for subdivisions. Conservation subdivisions provide developers with a marketable alternative to conventional subdivision design. They allow for profitable and desirable development while simultaneously preserving the important natural and cultural features present on a given piece of property (woodland, farmland, historic structures, etc).

Conservation subdivisions are a tool to balance the growth desires of landowners and retiring farmers with the rural character preservation desires of other residents. The benefits associated with conservation subdivisions make these types of development more desirable for landowners and

#### **How is a Conservation Subdivision Created?**

1. **Develop a Yield Plan.** *This plan essentially shows how many homes could be developed if a traditional subdivision layout were used.*
2. **Identify Primary and Secondary Conservation Areas.** *Primary conservation areas include: poor soils, steep slopes, wetlands, waterways and floodplains that are not conducive to development. Secondary conservation areas include other areas of local importance targeted for protection (i.e. farmland, woodlands, scenic views, etc.).*
3. **Locate the Home Sites.**
4. **Incorporate Roads, Sidewalks and Trails.**
5. **Draw the Lot Lines.** *This is usually the first step in a traditional approach.*

*Source: Randall Arendt, Conservation Design for Subdivisions, 1996.*

developers alike, and include:

#### Social/Recreational

- Provision of amenities including trails, sports fields, tennis courts, swimming pools, and the like.

#### Economic

- Reduced engineering and infrastructure costs. Conservation subdivisions can reduce the length of streets, sewer/water lines, and other utilities by 50-75%. The costs of these initial site improvements can add up to fully one-half of the cost of the subdivision.
- Higher resale values due to amenities (trails, play fields), open space, and security in the fact that no new homes will be built in their backyard.
- Open space provided by the subdivision means the local government may not have to construct or maintain additional parks in the area.

#### Environmental/Hydrological

- Preservation of natural lands, wetlands, habitat, and environmental corridors.
- Provides superior stormwater management as drainage swales and low-lying areas are left intact.
- Preservation of aquifer recharge areas provides for better water quality.

In the typical conservation subdivision, the landowner or developer agrees to preserve the undeveloped area as common open space. The open space is protected through a conservation easement, a permanent restriction against further development on a portion of a parcel. During the design stages, individual lot sizes are reduced and the surrounding land is held in common ownership, usually maintained by a homeowners association (although a variety of other options are available).

The overall density of development remains the same (i.e. there are the same number of homes in a conservation development as in a traditional development), unless the developer has been awarded a density bonus (or more information on *density bonuses*, please refer to *Chapter V: Land Use*). This is often the result of the community rewarding the developer for preserving more than the minimum required open space. By doing so, the community may choose to allow the developer to sell a few extra lots out of the property.

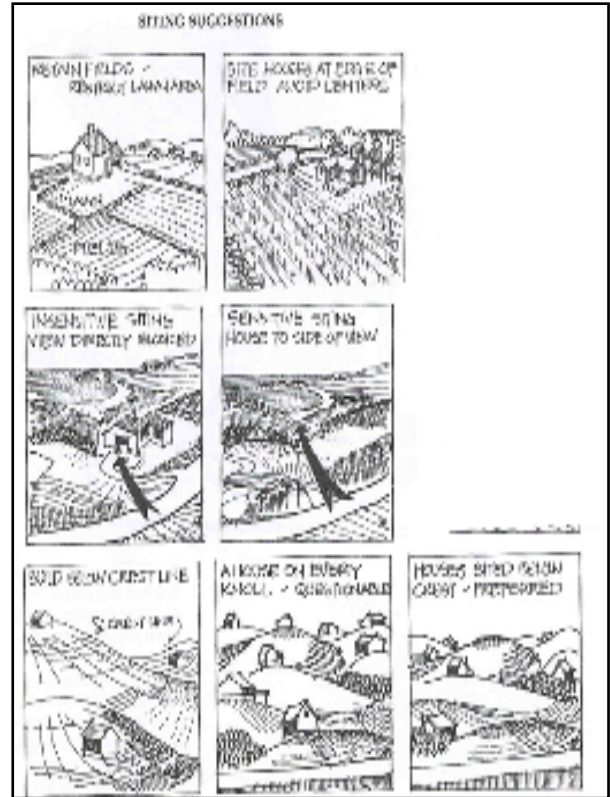
In some situations, however, it is not feasible to reduce the lot size to develop a conservation subdivision. In these situations, lot lines can be extended so that there is no common open space, but rather private open space. Areas beyond the home sites can then be deed-restricted against further development, keeping the property open without creating a “common” open space. These developments do not benefit from a trail network or common playfields but do achieve the goal of preserving large areas of open space.

## Placement of Houses on New Parcels

The placement of a home on a parcel can have a significant impact on the rural character of the area surrounding it. Properly locating homes on parcels can minimize the impact of new development on the natural environment and rural setting. Examples of proper siting suggestions that will minimize the impact upon the land and preserve rural character follows. The implementation of parcel siting requirements would be accomplished within the subdivision ordinance.

To minimize the visual impact of development and maintain a rural, undeveloped character and feeling:

- When constructing homes in agricultural lands or on fallow fields, residences should be located adjacent to tree lines and wooded field edges, if available. If not, homes should be clustered on the edges, not in the center, of the parcel.
- Property should be evaluated to identify land that can continue to be actively farmed or preserved to protect vital wildlife habitat. Homes should be clustered away from this area.
- Development on hilltops should be discouraged (i.e. homes, water towers, cellular towers, etc.) because it can disrupt scenic, open, rural vistas.



*Source: The Hidden Design in Land Use Ordinances: Assessing the Visual Impact of Dimensions Used for Town Planning in Maine Landscapes, 1991.*

To retain rural features and protect rural character:

- Existing farm roads should be incorporated into subdivision designs.
- Stone rows, tree lines, and hedgerows should be preserved.

To minimize the disturbance to the natural environment when new development occurs:

- Roads should be as short as possible and constructed to follow contours and the lay of the land.
- Large, structurally sound trees should be left in tact (roads should be outside of the drip line).
- Disturbance for the construction of roads and other improvements should be kept at a minimum.
- Disturbance on individual lots (i.e. lawn area) should be limited.
- Drainage swales should be left intact.

## Economic Development: Summary of Existing Conditions

*Please see Appendix 6 for further background research and data required for the economic development element of the plan.*

*Per Wisconsin Statutes Section 66.1001(2)(f), the economic development element of a comprehensive plan is “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 unit.”*

#### General Information on the Economy in Wisconsin

Wisconsin’s per capita income in 2001 placed the state at 21<sup>st</sup> in the nation, while Minnesota was ninth and Illinois, tenth. Wisconsin’s per capita income forecast for the year 2024 is 83% of the forecasted U.S. average.

To raise per capita income to the national average, 140,000 high-paying jobs (\$50,000+) need to be created in Wisconsin. High-tech jobs appear to be the best opportunity for creating high-paying jobs on a large scale. Currently, Wisconsin ranks 31<sup>st</sup> in the nation in the number of high-tech jobs while Minnesota ranks seventh. Wisconsin is also \$1 billion short of the national average in “R&D” (research & development) spending and is trailing other Midwest states badly in venture capital investment.

Compounding these problems is the fact that the percent of Wisconsin’s workforce with a 4-year college degree is lower than that for Minnesota, Illinois, and the nation overall. This is significant as persons with bachelor’s degrees or higher earn far more than those with high school educations only. And, Wisconsin schools graduate more college graduates than the state retains, experiencing a net migration of college graduates of 50,772 people between 1989 and 1999. Minnesota had a net gain of college graduates during that same time period of 141,055 people.

#### Door County’s Economy

There are no official state, regional, or county economic development plans or programs guiding economic development initiatives in the county. The Door County Economic Development Corporation (DCEDC) has, however, been working in the county since 1989 to address various economic development issues facing the area. While DCEDC has historically primarily focused on Sturgeon Bay employers – and, more specifically, on manufacturing employers – they are now looking at larger issues such as the county’s rising housing costs and lack of telecommunications infrastructure. DCEDC, as a member of the Northeast Wisconsin Regional Economic Partnership, participated in 2004 in the creation of the Northeast Wisconsin Opportunities Study, a 16-county regional economic strategic plan. This study did utilize local – including Baileys Harbor residents’ – input in various manners. A regional commission is now working to implement this plan. Between February of 2004 and April of 2005, DCEDC also prepared and completed a Door County Economic Development Adjustment Plan that

provided a snapshot view of current economic circumstances, surveyed demographic and economic trends, and provided seven strategic recommendations regarding economic development in the county. DCEDC will use this new document to guide its activities over the next 5-10 years.

Door County's economy has traditionally depended on the agriculture, manufacturing, and tourism industries. While all three industries are still present in the county, working age residents, particularly in the northern part of the county, are becoming more and more dependent on the tourism industry for employment.

As of 1999, employment in manufacturing made up over 18 percent of the total employment in Door County. It was the third highest industry in terms of number of jobs in the county that year but the highest in terms of total amount of wages paid – 23.2 percent of all wages paid in Door County that year were to manufacturing industry jobs. As of December 2003, however, the Northeast Wisconsin region, including Door County, had in the previous 24 months experienced approximately a 35% job loss in the manufacturing industry, with replacement wages for re-employed displaced workers at levels less than 85% of previous earnings. Several hundred manufacturing jobs have recently been created in Sturgeon Bay, however, which will help to counteract local job losses in recent years.

In 1999, the 26.6 percent of Door County's workers in the retail trade earned only 16.9 percent of the total wages paid in the county. Retail trade workers consistently earn far less than workers in other industries, while at the same time retail trade work is becoming more and more prevalent in the county.

Baileys Harbor's Economy

The primary economic issues facing Baileys Harbor's working residents are consistent with those in the rest of Door County: increased dependence on lower-paying tourism-based jobs, rising housing and land costs, and lack of telecommunications infrastructure.

Just over three-quarters of Baileys Harbor's year-round households reported having at least one source of income in 1999. As one might expect from the aging population of the town, over 34% of all year-round households reported receiving income from Social Security that same year.

The following table illustrates the number of weeks and the hours per week worked as well as wages earned by Baileys Harbor's male and female workers in 1999.

**Work Status and Earnings in 1999 of Baileys Harbor's Workers**

	All Workers	Males	Females
<b>16 years and over, worked in 1999</b>	<b>630</b>	<b>303</b>	<b>327</b>
<b>Usually worked 35 or more hours per week</b>	<b>456</b>	<b>240</b>	<b>216</b>
40 or more weeks	384	217	167
<b>Usually worked 15 to 34 hours per week</b>	<b>124</b>	<b>46</b>	<b>78</b>
40 or more weeks	82	23	59
<b>Usually worked 1 to 14 hours per week</b>	<b>50</b>	<b>17</b>	<b>33</b>
40 or more weeks	14	5	9
<b>Earned \$24,999 or less</b>	<b>100</b>	<b>39</b>	<b>61</b>

<b>Earned \$25,000 to \$49,999</b>	168	111	57
<b>Earned \$50,000 to \$99,999</b>	45	30	15
<b>Earned \$100,000 or more</b>	5	2	3
<b>Median earnings</b>	\$30,556	\$31,705	\$26,458
<b>Mean earnings</b>	\$35,914	\$40,144	\$30,254

The following table shows Baileys Harbor's male and female workers by industry category.

#### Baileys Harbor's Workers – Industry by Sex, 2000

<b>Industry</b>	<b>Both Sexes</b>	<b>Males</b>	<b>Females</b>
Agriculture, forestry, fishing and hunting, mining	14	8	6
Construction	82	73	9
Manufacturing	44	27	17
Wholesale trade	5	4	1
Retail trade	81	36	45
Transportation and warehousing, and utilities	9	5	4
Information	8	6	2
Finance, insurance, real estate, and rental and leasing	28	11	17
Professional, scientific, management, administrative, and waste management services	27	18	9
Educational, health, and social services	83	15	68
Arts, entertainment, recreation, accommodation, and food services	106	32	74
Other services (except public administration)	29	13	16
Public administration	6	2	4
<b>Total employed civilian population 16 years and over</b>	<b>522</b>	<b>250</b>	<b>272</b>

The current business inventory in Baileys Harbor is typical of a vacation community. To better understand the business environment, it is helpful to classify the economy. In general, there are five types of economies typically found in a small community<sup>4</sup>:

- **Resource-Based Economy.** This type of economy is characterized by geographic isolation, as they are typically far away from larger cities / metro areas and have limited interstate access. These communities often have an aging population base and lack of opportunities for higher education and local employment.
- **Industrial Economy.** This type of economy is characterized by dependence on yesterday's economic base. Often a community of this type has a single manufacturing or industrial operation that sustains the vast majority of residents.

<sup>4</sup> Randall Gross, Embracing Change in Small Communities, APA National Conference, March 2005.

- Metropolitanizing Economy. These communities are experiencing a high amount of residential development which causes concern about decreasing land supplies, loss of community identity, maintaining small town character, and avoiding becoming a “bedroom community.”
- Dependent Economy. Usually an unincorporated (i.e. township) area outside of the suburban ring of development. The economic vitality of this community depends on the economic success of the larger adjacent/nearby community (i.e. Sturgeon Bay, Green Bay, etc.). The primary challenge is handling local residential development pressure.
- Lifestyle Economy. These communities include university towns, small communities with military bases, and tourist destinations. Residents enjoy their small community setting and quality of living, but are concerned about their long-term dependency on a single economic source. In the case of Baileys Harbor, participants expressed a desire to broaden the economic base beyond tourism. While the tourism industry may always be the largest employer, areas in technology, cultural arts, wellness, forest products and agriculture need to have a larger representation in the community.

The Town of Baileys Harbor does not fit easily into any individual; category. It possesses aspects of *resource-based* and *dependent* economies but is probably best described as a *life-style economy*. Unlike many of Wisconsin’s rural Towns, Baileys Harbor is not rapidly transitioning from one economic category to another. Instead, the lifestyle economy provides the economic foundation for the community as it aims to diversify its economic base.

Given the Town’s relative geographic isolation it is unlikely that the community can compete for mid- to large-scale industry; however, with proper incentives at the local level the Town may become a magnet for certain types of start-up businesses (particularly those in the ‘green economy’) and can take actions to ensure that existing employers remain in the community.

*The 2005 Land Use Inventory and Resources map provides a guide to the location of much of Baileys Harbor’s existing economic activity as well as vacant properties (which are designated with a dot) considered potentially available for such development. The 2025 Projected Land Uses map shows the areas for potential expansion for different types of economic development during the planning period. Both maps may be found following Chapter X.*

### **Desired Economic Development**

Responses to the Community Survey and the results of the Visioning Exercise identified a variety of economic development alternatives desirable within the Town. Of the options listed in the survey those that received the greatest level of support included:

- Grocery Store
- Locally-owned Small Businesses
- Banking, Insurance
- Farmers’ Market
- Family Dining
- Art Galleries

- Healthcare, Clinics
- Craft Stores
- Pubs, Breweries, Bars

During the Kick-off Meeting, participants identified a desired future economic development inventory that included:

- Broadband internet access
- Grocery store
- Tourism and Eco-tourism
- Community gardens
- Development that would attract a young workforce
- Banking
- A strong, vibrant commercial core

Please refer to the Appendices for complete summaries of the Survey and Kick-off Meeting results.

## **Opportunities for Attracting Desired Economic Development**

### **Streetscaping**

The Town may expand upon its strong tourism-based economy through infrastructure improvements. Streetscaping will enhance the historic character of the town core and create a unified identity distinct from other communities on the peninsula. Architectural and design standards will help to maintain the quaint atmosphere of Baileys Harbor by providing specific guidelines for commercial development. These may include:

- Sidewalk enhancements like colored and stamped concrete and bumpouts to improve crosswalk visibility and invite pedestrians to use the area.
- Character signage (including incentives for business owners to provide such signage to create a theme for the corridor).
- Building façade improvements (e.g. materials, awnings, etc.).
- Public gathering spaces.
- Landscaping, including street trees and planters.
- Historic lampposts and banners.
- Focusing on node-style development and avoiding “corridor creep,” wherein linear development patterns spread outwards from the community center along roads and highways.

### **Eco-Tourism**

The natural environment of Baileys Harbor provides opportunities to attract eco-tourists to the area. The travel industry defines ecotourism as: *a style of travel in which an emphasis is placed on unspoiled, natural destinations and on disturbing the environment as little as possible*<sup>5</sup>. Unlike conventional tourism, eco-tourism focuses on experiences (including lodging, dining, and entertainment) that occur in harmony with the biosphere.

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<sup>5</sup> Text excerpted from The Intrepid Traveler website, [www.hometravelagency.com](http://www.hometravelagency.com), 2009.

Ecotourism provides an opportunity to distinguish Baileys Harbor from the other nearby communities vying for tourism dollars.

### Adopt Eco-Municipality Ordinance

An eco-municipality aspires to develop an ecologically, economically and socially healthy community for the long term, using The Natural Step framework for sustainability as a guide and a democratic, highly participative development process as the method. The concept originated in Sweden in 1983 and has since been embraced by communities in the United States, Europe, Japan and around the world.

The four guiding objectives of the eco-municipality model include:<sup>6</sup>

1. Eliminate the community's contributions to the fossil fuel dependence and to wasteful use of scarce metals and minerals.
  - Transit and pedestrian-oriented development
  - Heat and power by renewable energy
  - Mixed-use development
  - Public transit, alternatively fueled municipal fleets
  - Incentives for organic agriculture that minimizes phosphorus and petrochemical fertilizers and herbicides
  - Home-based occupations, reduced commuting
  - Local food production and agriculture
2. Eliminate the community's contributions to dependence upon persistent chemicals and wasteful use of synthetic substances.
  - Healthy building design and construction that reduces or eliminates use of toxic building materials
  - Landscape design and park maintenance that uses alternatives to chemical pesticides and herbicides
  - Municipal purchasing guidelines that encourage low- or nonchemical product use
  - Reduction of waste and promotion of recycling
3. Eliminate the community's contributions to encroachment upon nature.
  - Redevelopment of existing sites and buildings before building new ones
  - Promote regional and local designs that respect the regional ecosystems and natural functions that support human communities
  - Open space, forest and habitat preservation
  - Reduced water use and recycling of wash water
  - Reduction or elimination of impervious paving materials
  - Recognition of the "cradle-to-grave" costs of waste generation and disposal
4. Meet human needs fairly and efficiently.
  - Affordable housing for a diversity of residents

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<sup>6</sup> Excerpted from *The Eco-Municipality Model for Sustainable Community Change*, UW-Extension, June, 2005.

- Locally based business and food production
- Using waste as a resource
- Eco-industrial development
- Participatory community planning and decision making
- Housing located near employment centers
- Equitable educational opportunities

Wisconsin communities that have adopted Eco-Municipality resolutions include<sup>7</sup>:

- Counties  
Dane, Douglas, Dunn, and La Crosse
- Cities  
Ashland, Baraboo, Bayfield, Beloit, Eau Claire, La Crosse, Madison, Manitowoc, Marshfield, Menasha, Neenah, Reedsburg, Sheboygan, Stevens Point, Washburn and Wausau.
- Villages  
Colfax, Johnson Creek, Shorewood, and Spring Green
- Towns  
Bayfield, Cottage Grove, Greenville, and Menasha

#### Tax Increment Financing (TIF)

The Town Tax Incremental Finance Law, Wis. Stats. 60.85, was approved by the Wisconsin Legislature in 2004 as a financing tool that towns could use to help pay for specific agricultural, forest, manufacturing and tourism activities as classified in the North American Industry Classification System (NAICS), 1997 edition. Activities eligible for financing under a Town TIF program include:

- Agricultural projects - Crop Production, Animal Production, Support Activities for Agriculture, Support Activities for Animal Production, and Refrigerated Farm Product Warehousing and Storage.
- Manufacturing projects - Animal Slaughtering and Processing, Wood Product Manufacturing, Paper Manufacturing, and Ethyl Alcohol Manufacturing.
- Forestry projects - Forestry and Logging, and Support Activities for Forestry.
- Tourism projects - Recreational and Vacation Camps, RV Parks and Campgrounds, Racetracks, Dairy Product Stores, and Golf Courses.

Additional information related to Town TIF programs can be found on the Wisconsin Department of Revenue website at:  
<http://www.revenue.wi.gov/forms/govtif/townbase.html>.

#### Attracting a Grocery Store to Baileys Harbor

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<sup>7</sup> Excerpted from *Sustainable Communities Capacity Center*, UW-Extension website, <http://www3.uwsuper.edu/sustainability/Wisconsin%20Eco-municipalities.htm>, 2010.

Drawing new stores into historically underserved areas is challenging. Alongside research documenting the need for grocery stores, there has been considerable research that highlights the significant difficulties that communities face in grocery store attraction and development. Several interrelated challenges must be overcome to attract a new grocery store and to have it be successful.

The Local Initiatives Support Corporation (LISC) has developed a ten-step strategy for communities to utilize in attracting a grocery store. The steps include:

- Identify and organize stakeholders
- Raise awareness of the need for a grocery
- Understand the challenges
- Consider alternatives
- Understand the retail market
- Address any limiting perceptions of the area
- Identify potential development sites
- Research and offer incentives
- Sell the opportunity
- Secure community support

For more detailed information on attracting a grocery store, please refer to *Grocery Store Attraction Strategies* at [www.lisc.org](http://www.lisc.org).

#### **Housing and Economic Development: Vision Statement**

Baileys Harbor shall work to create a community where diverse housing opportunities of high quality are available, including historic homes, affordable homes, rentals, condominiums, and homes for seniors and the disabled. The town shall seek to provide a broad spectrum of business and economic activity which is consistent with its small-town rural character, including skilled trades, agriculture, health care, technology-based businesses, food service, lodging, retail sales, and the arts.

#### **Housing and Economic Development: Goals, Objectives, and Policies**

The goals, objectives, and policies related to Housing and Economic Development in the Town of Baileys Harbor can be found in *Chapter X: Implementation*.