

COMMUNITY ASSISTANCE PLANNING REPORT NO. 102

OF WISCONSIN
WHITEWATER

CITY OF WHITEWATER OVERALL ECONOMIC DEVELOPMENT PROGRAM PLAN

WALWORTH CO.

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**COMMUNITY ASSISTANCE PLANNING REPORT
NUMBER 102**

**CITY OF WHITEWATER OVERALL ECONOMIC
DEVELOPMENT PROGRAM PLAN**

Prepared by the
Southeastern Wisconsin Regional Planning Commission
P. O. Box 769
Old Courthouse
916 N. East Avenue
Waukesha, Wisconsin 53187-1607

January 1985

**Inside Region \$5.00
Outside Region \$10.00**

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SOUTHEASTERN WISCONSIN REGIONAL PLANNING COMMISSION

916 NO. EAST AVENUE

● P.O. BOX 769

● WAUKESHA, WISCONSIN 53187-1607

● TELEPHONE (414) 547-6721

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January 4, 1985

Mr. James Fischer, President
City of Whitewater City Council
312 W. Whitewater Street
Whitewater, Wisconsin 53190

Dear Mr. Fischer:

On April 28, 1983, the City of Whitewater formally requested the Southeastern Wisconsin Regional Planning Commission to assist the City in the preparation of an overall economic development program (OEDP) plan for the City. The planning effort was initiated by the Regional Planning Commission staff in September 1983. Work on the requested plan is now completed, the results of which are presented in this report.

The overall goal of the City of Whitewater OEDP planning process was to develop a document that would:

1. Collect and analyze appropriate economic development data and information in order to identify the need for various economic development program activities in Whitewater.
2. Develop a consensus among public and private individuals and organizations in the City of Whitewater concerning the constraints on, and potentials for, economic development in the City.
3. Identify specific economic development program activities designed to improve current economic conditions in Whitewater.

In order to meet these goals, the work effort involved the analysis of pertinent data on the natural resource base and physical characteristics of the City of Whitewater and environs, as well as on the characteristics of the resident population, labor force, and economy of the City. In addition, a detailed survey was conducted of existing employers in the City and environs in order to identify any particular problems and needs of these employers, as well as to gather detailed information on the size, labor force, markets, expansion plans, and financial condition of employers in the area. The results of the above work indicated certain potentials for, and constraints on, economic development in the City. Recognizing those potentials and constraints, the OEDP plan document sets forth a development strategy that can help guide and coordinate the efforts of local individuals and organizations concerned with the economic development of the City, help to facilitate the creation of employment opportunities, and foster a stable and diversified city economy.

The Commission and its staff were materially assisted in the preparation of this document by the City of Whitewater Economic Research Committee, which includes representatives from a wide variety of public and private sector interests in the City. The assistance of the Committee contributed substantially to the quality of the finished report and is very much appreciated.

The Regional Planning Commission is pleased to have been of assistance to the City in this important planning program. The Commission stands ready to assist the City in the implementation of the recommendations contained in this report.

Sincerely,



Kurt W. Bauer
Executive Director

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Chapter I

INTRODUCTION

BACKGROUND

In September 1983, the Southeastern Wisconsin Regional Planning Commission (SEWRPC), acting in response to a request by the Common Council of the City of Whitewater, undertook the preparation of an overall economic development program (OEDP) plan for the City. Such a plan inventories and analyzes the economic development-related physical, social, and economic characteristics of a community; identifies the community's economic development potentials and constraints; analyzes alternative activities for strengthening the local economy; and identifies an initial economic development program designed to improve local economic conditions through industry retention and industry attraction activities and related economic development efforts.

The purpose of the City of Whitewater OEDP plan was to develop, as part of a continuing economic development program planning process, a document that would:

1. Collect and analyze appropriate economic development data and information in order to identify the need for various economic development program activities in Whitewater.
2. Develop a consensus among public and private individuals and organizations in Whitewater concerning the constraints on, and potentials for, economic development in Whitewater.
3. Identify specific economic development program activities designed to improve economic conditions in Whitewater.

THE NEED FOR LOCAL ECONOMIC DEVELOPMENT PROGRAM PLANNING

Increasingly, communities within Wisconsin have recognized the need to initiate a local economic development planning process that results in an ongoing economic development program. The need for local economic development programs stems from the continuing decline in local economic conditions that is the result of: 1) recent dramatic increases in labor force unemployment rates that have resulted from the national economic recession that began in 1979; 2) decisions by local businesses to relocate or expand to areas outside their present location; and 3) employment contraction by existing employers, particularly those firms in the traditional durable-goods manufacturing industries.

In addition, the recent interest in local economic development program planning results from the increasing cost of utilizing natural and man-made resources for economic development purposes. In many cases, in order to provide a suitable environment for economic activity, communities must purchase land for industrial and business parks, as well as provide the necessary infrastructure--sanitary sewer and water supply facilities, storm sewers, and

roads--that is necessary for development purposes. As the cost of land and the necessary land improvements has escalated, many communities have begun to re-evaluate previous decisions to promote development opportunities. While some of these communities have decided not to provide for the growth of existing industry and the location of new industry within their communities, others are utilizing a local economic development planning process to identify overall economic development goals and objectives, and to indicate the type of business and industry growth that is compatible with those goals and objectives.

The need for the City of Whitewater economic development program planning effort is a result of two factors: the perceived local economic development problems, and the need for new industrial land. Economic conditions in Whitewater have deteriorated, as evidenced by recent unemployment rates. In 1983, an estimated 650 persons were unemployed for the first seven months of the year, an increase of about 76 percent over the number of persons unemployed in 1980, and a 132 percent increase over the number of persons unemployed in 1970 (see Table 1). The City had an estimated unemployment rate in 1983 of 10.2 percent and, although this is lower than the unemployment rate of the Region, 11.7 percent, State, 11.4 percent, and nation, 10.4 percent, it is a dramatic increase over the city unemployment rates in 1970, 5.8 percent, and 1980, 6.6 percent. Consequently, economic conditions in the City indicate the need for an economic development planning program in order to avoid further deterioration of the local economy.

The City's existing industrial park, a 55-acre park located in the northeast section of the City, has no land available for development. This park was constructed in 1967, and by 1982 a total of about 29 acres had been sold, with 23 acres developed for industrial use. The remaining 26 acres are unsuitable for development because of a high water table in the area. In addition, the existing industrial park has a limited infrastructure consisting of public water supply and sanitary sewer service adequate to serve the domestic needs of the industries located in the area. Stormwater drainage is provided by open channels, and the streets are gravel surfaced without curbs or gutters.

Chapter II of this report reviews a series of recent actions undertaken by the City and the City's Industrial Development Committee to alleviate the problem of a lack of industrial sites. However, these efforts have been unsuccessful in solving the industrial site problem in the City and, once more, these efforts have led to an approved referendum that does not allow the City to incur indebtedness or make expenditures to purchase land for, or develop, a new city industrial park prior to January 1, 1984.

While the moratorium on the development of a new industrial park resulted in the continued shortage of industrial park sites for economic growth, it also resulted in an opportunity for the City to review and evaluate the existing and future need for new industrial land as well as other economic development activities in Whitewater. The economic development planning program plan set forth in this document includes a range of recommended activities capable of being undertaken by the City, as well as by public and private development organizations that are interested in improving the City's economy, in order to help ensure that any new industrial park is successful, and that local economic conditions are improved.

Table 1

**NUMBER OF UNEMPLOYED IN THE CITY OF WHITEWATER,
THE REGION, WISCONSIN, AND THE UNITED STATES: 1960-1983**

Area	1960 ^a		1970 ^b		1980 ^b		1983 ^{b,c}	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
City of Whitewater....	70	2.9	280	5.8	370	6.6	650	10.2
Region.....	24,200	3.8	27,300	3.7	58,900	6.6	106,200	11.7
Wisconsin.....	59,100	3.9	70,400	4.0	167,000	7.1	277,300	11.4
United States.....	3,504,800	5.1	3,497,400	4.4	7,448,000	7.1	11,551,000	10.4

^aCivilian labor force 14 years and over.

^bCivilian labor force 16 years and over.

^cPreliminary estimated figures. Data are for the first seven months of 1983.

Source: U. S. Bureau of the Census; Wisconsin Department of Industry, Labor and Human Relations; and SEWRPC

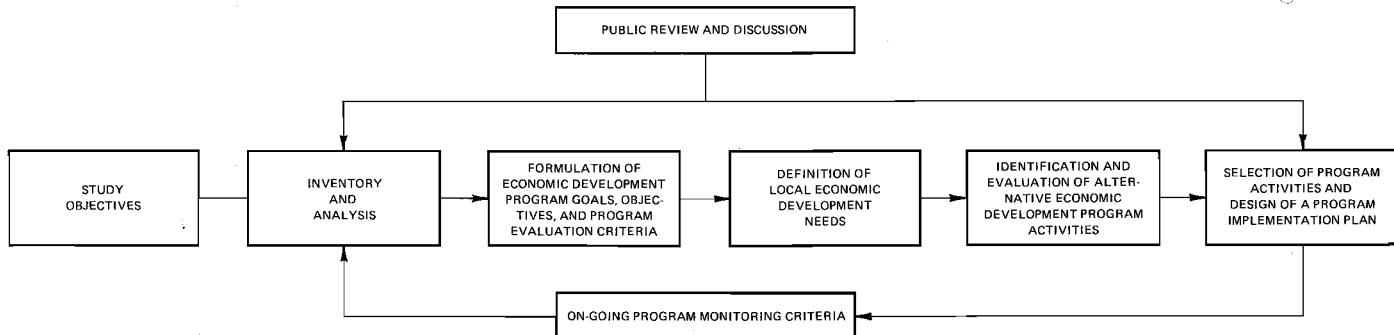
ELEMENTS OF THE ECONOMIC DEVELOPMENT PROGRAM PLANNING PROCESS

The program planning process used to prepare the economic development program herein documented is summarized in Figure 1. The first stage in the process consists of an inventory and analysis of the existing natural and cultural base of the Whitewater area, together with an industry retention survey and an analysis of manufacturing industries that show a good potential for relocation and/or expansion in Whitewater. This first stage identifies the potentials for, and constraints on, economic development in the City of Whitewater.

The second stage is the formulation of economic development goals, objectives, and program evaluation criteria based upon the information gained and conclusions drawn from the inventory and analysis stage, as well as from meetings held with the City of Whitewater Economic Research Committee. The Economic Research Committee consists of 22 persons representing a variety of economic development interests in the City, and was appointed by the Whitewater City Council to guide and assist the Regional Planning Commission in the conduct of the study (see Table 2). The third stage of the economic development program planning process consists of defining local economic development needs based upon the economic development goals, objectives, and evaluation criteria, as well as the potentials for, and constraints on, economic development.

The fourth stage consists of preparing various alternative economic development program activities that could be implemented by the City of Whitewater, as well as by public and private economic development organizations in the City. The program activities would address the economic development needs in the City by capitalizing on the City's economic development potentials, and eliminating economic development constraints. Examples of program activities are the development of an industrial park; the creation of a low-interest revolving loan fund for the construction of new industrial buildings; and the construction of a publicly owned building in the industrial park for new manufacturers.

Figure 1
THE ECONOMIC DEVELOPMENT PROGRAM PLANNING PROCESS



Source: SEWRPC.

Table 2
**MEMBERSHIP COMPOSITION OF THE CITY OF
 WHITEWATER ECONOMIC RESEARCH COMMITTEE**

Name	Representation
Dale Maas, Chairperson.....	Owner, Dale's Bootery
Billie Moksnes, Secretary....	Secretary of the Board of Directors, Moksnes Manufacturing Company, Inc.
Lauri Ahlman.....	Owner, Ahlman Studio Photography
Nino Amato.....	Director, Technology Transfer Program, University of Wisconsin-Whitewater, Small Business Development Center
Paul B. Baker.....	Former Owner, Winchester Hardware (Retired)
Ronald G. Binning.....	Owner, Binning Insurance Services
James K. Caldwell.....	President, First Citizens State Bank
Charles T. Coe.....	Publisher, Coe Printers and Publishers, Inc.
Rollin B. Cooper.....	Recreation Economist, Recreational Resources Center, University of Wisconsin-Extension
Marian Cruse.....	Owner and Real Estate Broker, Cruse Realty Company
Joseph Domitrz.....	Dean, College of Business and Economics, University of Wisconsin-Whitewater
Richard Fassl.....	Manufacturing Engineer, Norland Corporation
James Fischer.....	President and Representative of District No. 4, Whitewater City Council
Conrad F. Geres.....	Attorney
Grafton Hull.....	Professor, Department of Social Welfare, University of Wisconsin-Whitewater
Jon Kachel.....	Vice-President, Commercial Bank
Robert McCullough.....	Manager, McCullough's Prescriptions and Gifts
Gerald J. Schroble.....	Representative of District No. 1, Whitewater City Council
William F. Schulte.....	Salesman, Weiler and Company, Inc.
Neil Stone.....	Assistant Professor, Department of Physics, University of Wisconsin-Whitewater
Arl E. Watson.....	Former Publisher, Good Morning Advertising Services, Inc. (Retired)

Source: SEWRPC.

The fifth stage consists of selecting certain alternative economic development program activities to be included in the program, and the design of a plan for implementing these activities. In this stage, the various alternative activities are evaluated against the economic development goals, objectives, and program evaluation criteria identified in stage two of the planning process. In addition, the fifth stage includes the identification of program monitoring criteria that are designed to monitor:

1. The effectiveness of the program activities in attaining the City's economic development goals and objectives;
2. The effectiveness of the economic development program staff; and
3. The overall effectiveness of the economic development program, including the economic development planning process.

The findings and recommendations of the economic development program planning process described above are reflected in the seven chapters comprising this report. This introductory chapter provides basic background information on the need for the economic development planning study program, the elements of an economic development program, and the members of the study's citizen advisory committee, the City of Whitewater Economic Research Committee. Chapters II through V of this report analyze the characteristics of the natural and cultural base of the City of Whitewater, including the physical characteristics, population, labor force, economy, and community facilities and services. In addition, Chapter IV sets forth the results of the industry retention survey that was conducted in the City as a part of the economic development program planning process. Chapter V analyzes the ability of the City to attract various types of industry based upon national industry employment growth trends and the City's industry locational criteria. The results of these analyses revealed certain potentials for, and constraints on, economic development in the Whitewater area, and these are identified in Chapter VI of this report.

Chapter VII provides alternative economic development program activities designed to help improve the City's economy. As such, the economic development program sets forth and evaluates a range of economic development program activities, and recommends that the most appropriate of these activities be included in the design of an ongoing local economic development program. Chapter VII includes:

1. Economic development program goals, objectives, and program evaluation criteria;
2. Recommended activities that will comprise the City's economic development program over a two-year period; and
3. Monitoring criteria for measuring the success of the various economic development program projects and activities over the two-year period.

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Chapter II

ASSESSMENT OF HISTORIC ECONOMIC DEVELOPMENT EFFORTS

INTRODUCTION

A sound economic development program planning process requires the inventory and analysis of the physical and socioeconomic characteristics of a community so that economic development program activities can be developed which capitalize upon the strengths and overcome the weaknesses of the community. Similarly, an assessment of the historic economic development activities of a community can indicate which types of economic development efforts have been successful. This may, in turn, help formulate the direction of future economic development efforts, and do so in a manner benefiting from past experience.

PREVIOUS ECONOMIC DEVELOPMENT EFFORTS IN THE CITY OF WHITEWATER

City of Whitewater Industrial Development Committee Activities

For many years the Whitewater Chamber of Commerce has been involved in efforts to encourage business and industrial expansion in Whitewater. In 1971, the City of Whitewater, in cooperation with the Whitewater Chamber of Commerce, formally created the City of Whitewater Industrial Development Committee. The Committee is comprised of four members who are appointed by the City Manager and confirmed by the City Council. The principal functions of the Industrial Development Committee are the provision of information to prospective businesses seeking to locate in the City, and the review of offers to purchase land in the City Industrial Park. The work of the Committee over the years has encouraged, and made possible, the location of several firms in the City's industrial park, as well as in other areas of the City. However, current efforts by the Committee to attract new industrial firms to the City are hampered by the lack of available sites which are properly located and sized, and which have the necessary utility services for industrial development.

City Land Use Planning Activities

The first comprehensive land use plan for the City was prepared by Maynard W. Meyer and Associates, Inc., and is documented in the report entitled Comprehensive Plan for the City of Whitewater, July 1968. The plan provides a set of recommendations involving all aspects of the City's physical development, including recommendations regarding the desirable location of future industrial and business development. The plan recommends that industrial development occur primarily at the eastern edge of the City along STH 12. The plan also provides an extensive analysis of the city central business district, and a set of recommendations on traffic and pedestrian circulation improvement, building and street revitalization, and commercial redevelopment, as well as on the provision of new residential, recreational, and open space areas.

A second plan, prepared by Max Anderson and Associates, Inc., Planning Consultants and documented in the report entitled A Plan for Whitewater, Wisconsin, November 1974, provided a set of recommendations addressing the physical development of the City as a whole, as well as specific recommendations for the central business district. This plan identified the following problems in the central business district: inadequate traffic circulation patterns, poor vehicle accessibility to off-street parking facilities, traffic conflicts between journey-to-work traffic and local business and shopping-oriented traffic, vehicular/pedestrian circulation conflicts, building deterioration, and incompatible mixes of commercial, residential, and industrial land uses. The plan recommended a series of traffic circulation and commercial redevelopment improvement projects.

Many of the recommendations contained in the above-mentioned plans may still provide valid solutions to the physical development problems and issues of the City and, particularly, of the central business district. Unfortunately, a strong consensus of public support was never established for either of the plans, and as a result they were never formally adopted by the City Plan Commission or City Council. The inability of the City to formally adopt and maintain a plan which expresses its physical development objectives and policies has undermined its ability to address physical and economic development issues in a comprehensive manner. Consequently, city residents in general, and area businessmen in particular, have not been afforded a clear understanding of the City's development objectives and of the basis for the decisions the City may make on physical and economic development matters. When city development objectives are not clearly understood, owners of local businesses tend to find it difficult to plan and carry out business expansions involving acquisition of new sites and the construction of new buildings and supporting utility improvements.

The frustrated comprehensive planning efforts of the past do not mean that a consensus on an effective plan for guiding city development is impossible to achieve. The City should be able to formulate sound plans for its physical as well as economic development, and to achieve necessary community support for such plans if they are prepared utilizing a process which allows residents and private business interests in the community to be involved in identifying objectives, formulating alternative and recommended plans, and determining specific plan implementation activities and programs. Furthermore, plans and plan implementation programs which address the physical and economic development of the City should be dynamic and subject to periodic review and revision as part of a continuing planning process. Only through such a process can the plans continue to be responsive over time to the changing needs of the City and its residents.

Economic Development Studies Conducted by the University of Wisconsin-Whitewater

Three studies have been conducted by the marketing department of the University of Wisconsin-Whitewater which focus on economic development in the City. The City Profile of Whitewater, Wisconsin, undated, provides an inventory of community facilities and of the city population, as well as socioeconomic data and information on local business activity in Whitewater. A second study entitled Profile of the Retail Trade Area--A Survey of Consumer Shopping Habits, Whitewater, Wisconsin, January 1980, identifies the effects of age,

income, and length of residence on shopping habits in the City. In preparing this report, opinions were solicited on the type of business and services needed in Whitewater, why residents shop elsewhere for goods and services, and ways of improving shopping in downtown Whitewater. A third study entitled Community Consensus Study, Whitewater--A Survey of Opinions and Preference of Residents and a Survey of Merchants and Property Owners, Whitewater, Wisconsin, February 1980, solicited the perceptions of the community concerning the quality of community services and facilities, including the community's desires for growth and ideas for downtown redevelopment.

The above reports provide a large body of information, some of which may be helpful in the formulation of economic development program activities. Unfortunately, since these studies were completed at a time when no one individual or organization was designated in the City to work on transforming the resulting data and research findings into a coordinated set of actions and programs, the studies have had only a limited effect on economic development in Whitewater.

Provision of Rail Service by the Central Wisconsin Railroad Company

The provision of rail service to a community like the City of Whitewater may be important to its continued economic development. When it was learned in 1978 that the Chicago, Milwaukee, St. Paul & Pacific (CMSTP&P) Railroad (Milwaukee Road) might abandon its branch line from Waukesha through Whitewater to Milton Junction, the City of Whitewater formally requested that the SEWRPC conduct a special study to determine the best means for providing freight transportation service in the corridor served by the line in the event of its abandonment. The Commission completed the requested study and rail service plan in August 1979, and the findings and recommendations of that study are set forth in SEWRPC Community Assistance Planning Report No. 30, Whitewater Area Rail Service Plan. The study indicated little probability of profitable shortline railway operation on the Waukesha-Milton Junction line without substantial public subsidy. The study recommended that no immediate action be taken by the City of Whitewater to purchase the line. However, the study indicated that should an individual concern from the private sector desire to attempt profitable operation over the line, the City of Whitewater could and should consider rendering assistance in property acquisition, provided that such public involvement was generally limited to recoverable investment.¹ It was further recommended that the Wisconsin Department of Transportation purchase the right-of-way utilizing its first right of refusal regardless of whether or not the railroad operations continued in the corridor.

¹Recoverable investment may be defined as including the land which makes up the right-of-way and the improved property which is located on the actual railway right-of-way. The land itself is considered to be a recoverable investment because it possesses an intrinsic quality as a continuous corridor of land and thus should be preserved because of its value as a transportation corridor and as a recreation trail. The improved property consists of the railway track, bridges, buildings, and other structures, the value of which is recoverable to varying degrees since these items can be dismantled and sold for salvage or scrap.

In February 1980, the Wisconsin Department of Transportation purchased the right-of-way through a bankruptcy proceeding involving the Milwaukee Road. Subsequently, the right-of-way was leased to the Central Wisconsin Railroad Company (CWRC), which initiated railway freight service on the line in March 1980. Several of the business firms that utilized the freight rail service provided by the CWRC on the Milton Junction-Waukesha portion of the line either went bankrupt or ceased operations during 1983 and 1984. These events combined with other problems had an overall negative effect on the financial condition of the CWRC. Consequently, in December 1984 the CWRC went bankrupt and all freight rail service on the Milton Junction-to-Waukesha portion of the line ceased, with only limited service being continued on several other portions of the line. The prospects for the provision of freight rail service to Whitewater in the future are, at best, uncertain. The recent reduction in the number of freight rail service users along the Milton Junction-to-Waukesha portion of the line would indicate that the reestablishment of freight rail service to Whitewater would be unlikely without the addition of at least several relatively high-volume freight rail service users along this portion of the line.

Consideration of a New City of Whitewater Industrial Park

In 1979, the City of Whitewater Industrial Development Committee became concerned over the lack of sites in the City for additional industrial development served by municipal sanitary sewerage and water supply facilities. At the request of the Committee, the City of Whitewater requested that the Regional Planning Commission study two potential industrial park sites located in the Whitewater area. One site consisted of approximately 240 acres of land located in the east one-half of U. S. Public Land Survey Section 3, Township 4 North, Range 15 East, at the southwest edge of the City in the Town of Whitewater, and the other site consisted of approximately 670 acres of land located in U. S. Public Land Survey Section 7 and portions of Sections 8 and 18 in Township 4 North, Range 15 East, located in the City and Town of Whitewater. The Commission evaluation of the sites considered soil characteristics, potential arterial street access, sanitary sewer and water supply service capability, and land use and zoning. Industrial park design criteria were formulated. The Commission recommended that the site located at the southwest edge of the City be developed as the City's new industrial park. The two alternative site development plans prepared by the Commission utilized the proposed STH 12 freeway corridor to separate residential development north of the corridor from the proposed industrial park development south of the corridor. Both plans were designed to meet the land use acreage needs and site requirements of a variety of potential industrial clientele. Also, both plans provided both adequate railway and highway freight service. Furthermore, both plans could be developed in a phased manner, thereby providing for long-term growth of the industrial park.

The City pursued the acquisition of the site recommended by the Commission. However, after considerable public discussion and debate over the proposed industrial park development, and after having conducted negotiations with the owners of the property on a purchase price for the site, it was determined that it would not be feasible for the City to purchase the site. The purchase price as established by the owner was too high and residents living adjacent to the proposed site strongly opposed industrial development on the property.

Shortly after the recommended industrial park site was eliminated from further consideration, the owner of a property comprising about 240 acres located immediately east of the City, along the north side of STH 12, indicated an interest in selling the land to the City for industrial park development purposes. The City executed an option to purchase the property in December 1981. Also, the City Manager prepared a report which set forth the rationale for pursuing such a development, and analyzed industrial park funding options as well as the financial feasibility of such a development.

The summary report indicated that it was important for the City to pursue the development of a new industrial park for the following reasons:

1. To encourage the establishment of new business and industrial concerns in the City which would assist in paying the debt service costs associated with the construction of the City's new sewage treatment plant, a plant which was built to accommodate substantial increases in population and land use development in the City.
2. To foster industrial development and corresponding increases in the local tax revenue in order to pay for needed improvements to the city water supply system.
3. To foster economic stability in the City by providing more employment opportunities.

The report examined several alternative public and private funding options and provided a financial feasibility analysis of the development of an industrial park on the site under consideration. The report analyzed anticipated costs and revenues associated with the new industrial park, as well as the potential impact on city job creation, population levels, and state-shared revenues, and determined that a phased industrial park development would be desirable and financially stable. A lengthy public debate ensued over the public cost involved in purchasing the site and in providing necessary sanitary sewage and water supply service. Also, some city residents questioned the appropriateness of the City being involved in land development. The issue was formally presented to the city electorate in the form of the following referendum question: "Shall the City of Whitewater adopt the following resolution? Prior to December 31, 1983, the City of Whitewater shall not incur indebtedness or make expenditures to purchase land for or develop in the new city industrial park." The referendum was approved by the electorate by a vote of 842 yes to 659 no. Accordingly, the City ceased industrial park development activities.

The vote on the industrial park development referendum was unfortunate for a number of reasons. Perhaps most important was the fact that the City had no available, vacant sites for industrial development. Also, the City had just completed construction of its new sewage treatment plant in 1982. The new plant is capable of serving more than double the population of the City in 1980, a population which had slightly decreased since 1970. Clearly these findings, together with the results of the industrial park financial feasibility analysis, indicated that it was a prudent action on the part of the City to pursue the development of a new industrial park. The new industrial park would have provided sites for industrial development. The resulting development in the industrial park could have provided new employment opportunities and would have eased the cost of the new treatment plant to the current taxpayers of the City.

The approval of the industrial park development moratorium indicates that proposed programs in the City involving the expenditure of substantial public funds require a strong consensus of citizen support. Since the City has no clearly defined objectives regarding economic development, the moratorium has given the City an opportunity to further review and evaluate the need for additional industrial development, as well as other economic development activities. This plan provides a series of recommendations which can be used to form a strong consensus of citizen support for future economic development efforts in the City.

Establishment of Whitewater Economic Research Committee

Following the referendum on industrial park development, a group of citizens formed the Whitewater Economic Research Committee to investigate and make recommendations for economic development. The purpose of the Committee is to identify actions to be taken by the City which will encourage new residential, commercial, and industrial development and which will support and strengthen existing business and industrial firms. The Committee has 21 members comprised of interested citizens, area businessmen, and elected and appointed city officials. The Committee was appointed by the City Council as the citizen advisory committee to assist in the formulation of this economic development program plan.

Community Development Block Grant Activities

In March 1982, the City of Whitewater, with the assistance of the Regional Planning Commission staff, applied for and received a Small Cities Community Development Block Grant from the Wisconsin Department of Development to assist in financing improvements to the City's public water supply system. The work conducted using this federal Community Development Block Grant included the rehabilitation of the City's existing water storage reservoir and water tower; the replacement of a temporary power generating system for the high lift pumps located at the city water treatment plant; the construction and looping of various water mains in the water supply system, including the construction of a new 14-inch water main across Whitewater Creek; the acquisition and installation of an iron filter on City Well No. 8, which serves the City's east side; and the construction of an additional water tower to serve the City's east side. The acquisition and installation of the iron filter on City Well No. 8 was funded in part by the City and in part by the block grant funds, and the construction of the additional water tower to serve the City's east side was funded solely with block grant funds. The remainder of the activities were funded by the City. The total cost of the projects in the block grant program was \$1,148,000, with \$406,657, or about 35 percent, being funded by the federal government, and \$741,343, or about 65 percent, being funded by the City of Whitewater.

The improvements undertaken as a part of the block grant program corrected deficiencies in the City's total water serving capacity and in its fire protection capability. The city water supply system is now capable of meeting both existing domestic uses and fire protection needs, as well as the needs of anticipated new urban development and population growth. The water supply system improvements will be particularly helpful to the City if it decides to intensify its industrial attraction activities.

In January 1984, the City of Whitewater, again with the assistance of the Regional Planning Commission staff, received funding for a second block grant application from the Department of Development. This grant award provides about \$1.3 million to the City for various low-interest loans to local businesses that will result in about 130 new jobs, and loans to local residents for rehabilitation of approximately 80 housing units. Importantly, the loan funds, when repaid, will remain in a city revolving loan fund rather than being paid back to the State; this will enable the City to make future business and housing rehabilitation loans. The City's Community Development Authority is responsible for the administration of this grant, as well as the 1982 block grant awards.

Construction of the New City of Whitewater Wastewater Treatment Plant

In October 1975 a report entitled Cost Effectiveness Analysis on the Wastewater Facility Improvements for the City of Whitewater, Walworth County, Wisconsin was completed for the City by Robinson and Associates, Inc., of Brookfield, Wisconsin. The report identified and evaluated alternative wastewater management techniques as part of a comprehensive program to bring the City of Whitewater wastewater treatment facilities into compliance with federal laws governing such facilities. The report findings showed that the existing treatment plant and the trunk sewer system conveying wastes to the plant were already overloaded in 1975 and could not properly accommodate additional wastewater loadings. It was found that secondary levels of treatment were not meeting the treatment criteria associated with Whitewater Creek. Also, it was found that the trunk sewer system serving the treatment plant had been constructed in the early 1900's and had outlived its life and usefulness. Furthermore, it was found that on occasion sewers would surcharge, resulting in the discharge of wastewater into Whitewater Creek in order to avoid basement backups.

The new City of Whitewater treatment plant was designed with sufficient capacity to serve a 1995 population of about 26,500 persons. This population projection was based upon local and areawide population growth trends and population forecasts prepared by the SEWRPC. The 1995 population projection assumes that the City of Whitewater will be successful in diversifying its economic base and will receive substantial new industrial development and growth. The City of Whitewater finalized the design for the new treatment plant in 1977 and received funding for the project in June 1979. Construction of the new treatment plant was initiated in July 1980, and the plant began operation in August 1982.

The debt service costs of the new sewage treatment plant and interceptor trunk sewers made it necessary for the City to increase sewer service charges. The efforts by the City to establish a new industrial park, as previously discussed herein, were directed, in part, at reducing sewer service charges to individual property owners. Since the new sewage treatment plant is sized to accommodate wastewater flows from substantial new residential, commercial, and industrial development, and since this treatment capacity has been provided at substantial cost to the City, future city policy and programs should encourage new business and industrial growth and development in the City, in part to minimize the sewer service costs to individual properties over time.

City of Whitewater Downtown Revitalization Workshop/Retreat

On April 27, 1983, Mr. Burt Stitt, Community Development Specialist for Downtown Management and Organizational Planning for the Wisconsin Department of Development, conducted a downtown workshop/retreat in Whitewater for the purpose of identifying downtown revitalization objectives, as well as the means by which those objectives could be accomplished. Local businessmen, government officials, and citizens attended the workshop/retreat. Those who attended were divided into four groups. Each group independently identified a set of priority issues which it felt should be addressed to improve economic conditions in the City. Also, each group identified one goal to be achieved from the top priority issues identified. Various aspects of the City which either helped or hindered the attainment of the selected goal were then identified. Then each group identified a series of actions to be undertaken to attain the goal and determined how those actions might be accomplished. The four goals that were identified in the workshop/retreat were: 1) to create job opportunities through continued growth and development of industry, retail establishments, and population; 2) to formulate a plan to attract and diversify retail businesses and to improve Whitewater market appeal; 3) to establish a long-term downtown development group to improve downtown business diversity, appearance, traffic, parking, development standards, and funding sources; and 4) to employ a full-time or part-time economic development coordinator.

Establishment of the Community Development Authority of the City of Whitewater

Following the Whitewater Downtown Revitalization Workshop/Retreat, community leaders and government officials in the City recognized the need to establish a governmental entity which would be responsible for the implementation of community development programs and projects in the City. The City Council of the City of Whitewater adopted a resolution in July 1983 which established the Community Development Authority of the City of Whitewater, Wisconsin. This new entity is authorized to act as an agency of the City in planning and carrying out community development programs and activities approved by the City Council as well as programs under the Federal Housing and Community Development Act of 1974. More specifically, under Chapter 66.4325 of the Wisconsin Statutes, the authority can acquire, lease, and operate redevelopment projects; act as an agent of government in connection with the acquisition, construction, and operation of redevelopment projects; acquire real property by eminent domain; contract for the sale of real property; make investments with money derived from redevelopment projects; prepare plans; borrow money; issue bonds; and conduct other community development activities. The commissioners of the community development authority are appointed by the City Manager and confirmed by the City Council.

SUMMARY

This chapter has provided a brief description and assessment of the historic economic development efforts of the City. The following findings are particularly important to the formulation of a sound economic development program plan for the City:

1. Past efforts of the City of Whitewater Industrial Development Committee have been successful in bringing new industrial firms to the City.

However, current efforts to attract new industrial firms are hampered by the lack of available sites served by adequate public sanitary sewerage and water supply facilities.

2. The City has never adopted a land use plan for use in guiding land development decisions. As a result, citizens and business interests in the City do not have a clear understanding of the City's physical development objectives. This lack of understanding undermines the development potential of the City.
3. The economic development studies which have been prepared for the City in the past have had only a limited effect on economic development in Whitewater because no one individual or organization has been able to translate the research findings into a coordinated set of actions and programs.
4. After the approval of the industrial park development referendum, a group of concerned citizens independently formed the Whitewater Economic Research Committee. This initiative demonstrates that there is strong support for a major economic development program in the City.
5. The City is making improvements to its water supply system through the use of federal Community Development Block Grant funds, as well as establishing revolving loan funds for business expansion projects and rehabilitation projects. Successful application of this program can enhance funding possibilities for future city improvement projects.
6. The capacity of the City's new sewage treatment plant is adequate to accommodate the needs of substantial new land development.
7. The City of Whitewater Downtown Revitalization Workshop/Retreat successfully identified the major goals toward which the economic development efforts of the City should be directed.
8. In July 1983, the City created the Community Development Authority of the City of Whitewater. This was an important first step toward the establishment of a comprehensive program directed at improving economic conditions in the City.

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Chapter III

PHYSICAL AND SOCIOECONOMIC CHARACTERISTICS AND COMMUNITY FACILITIES AND SERVICES OF THE CITY OF WHITEWATER

INTRODUCTION

Inventories of a community's physical and socioeconomic characteristics and related facilities and services are essential to the preparation of a sound economic development program. The purpose of this chapter is to describe the natural resource base and physical characteristics of the Whitewater area, and the characteristics of the resident population, labor force, and economy of the area.

LOCATION

The corporate limits of the City of Whitewater encompass an area of about 4.9 square miles. The City is located in the northwest corner of Walworth County, although the northern fringe of the City extends into southeastern Jefferson County. Located about 40 miles southwest of the Milwaukee area, the City of Whitewater, while somewhat geographically removed from the direct effects of metropolitan population growth and urban development, is still located within an acceptable commuting distance from the Milwaukee area. Therefore, it is possible for city residents to commute to the Milwaukee area for employment, business, shopping, recreation, and entertainment activities. In addition, the City of Whitewater is located relatively close to several other urban growth centers in southern Wisconsin. The City of Whitewater is only about 39 miles from the City of Madison, about 17 miles from Janesville, and about 38 miles from Beloit. The location of the City of Whitewater also offers its residents the opportunity to enjoy the natural beauty and recreational facilities of the Southern Unit of the Kettle Moraine State Forest, located directly east of the City.

STUDY AREA

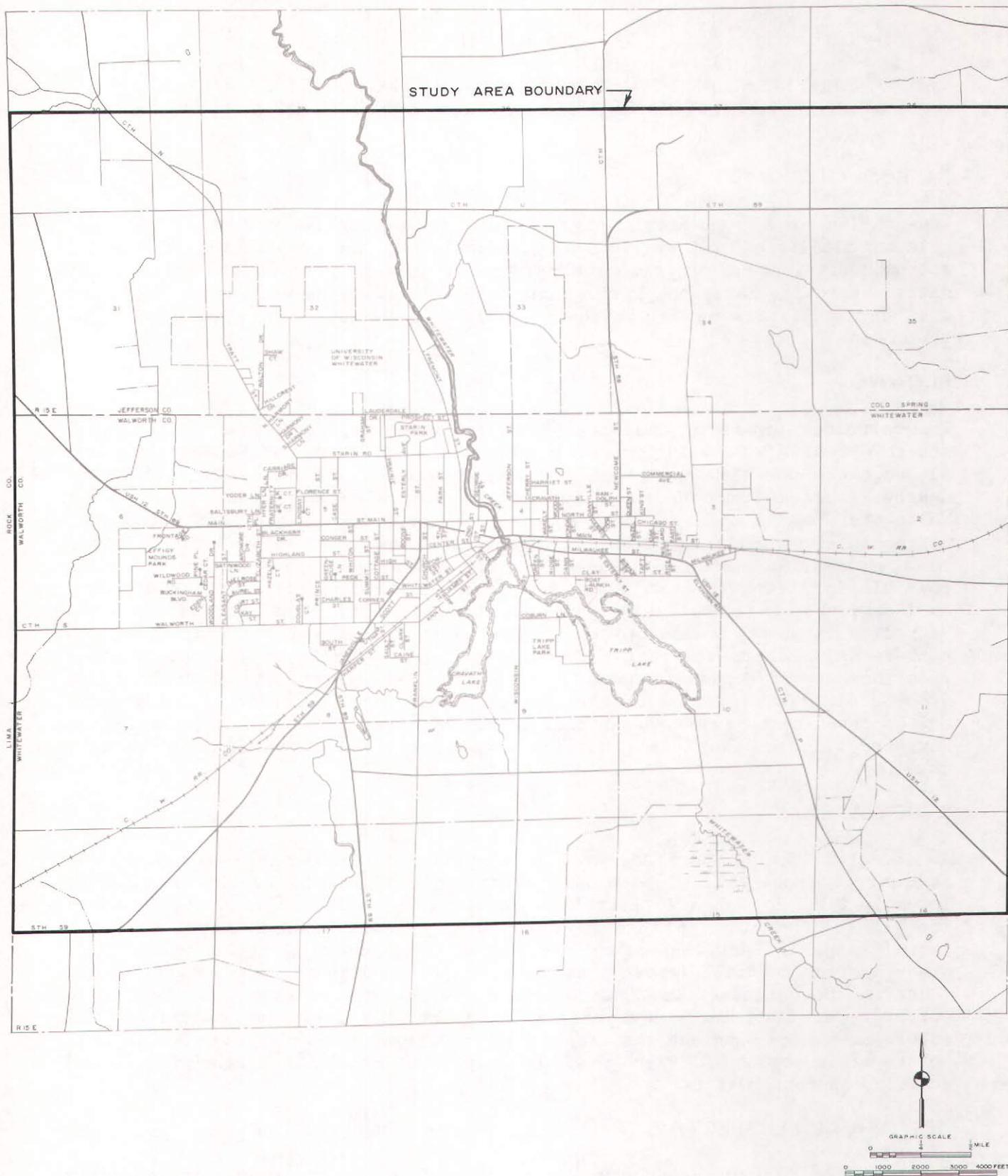
As shown on Map 1, the study area is comprised of Sections 2 through 11 and the northern one-half of Sections 14 through 18 in U. S. Public Land Survey Township 4 North, Range 15 East; and Sections 31 through 35 and the southern one-half of Sections 26 through 30 in U. S. Public Land Survey Township 5 North, Range 15 East. The study area encompasses about 20 square miles. The study area as described above includes lands located in Walworth and Jefferson Counties and extends from about one-half mile to one mile beyond the City's corporate limits. The study area is the geographic area used to analyze the natural resource base and the area's physical characteristics, while the corporate limits of the City are used to analyze the population, labor force, and economic characteristics.

HISTORICAL PERSPECTIVE

The preparation of a sound local economic development program necessarily involves the inventory and analysis of economic development-related physical,

Map 1

CITY OF WHITEWATER ECONOMIC DEVELOPMENT STUDY AREA



Source: SEWRPC.

social, and economic characteristics of a community in order that economic development potentials and constraints can be properly identified and then applied in the formulation of local economic development program activities. In addition, information on the historical development of the City may help to identify opportunities and constraints which may not be readily apparent from the inventory and analysis of information on the City.

The Town of Whitewater was established in 1836. The original settlement of the City developed along the north shoreline of Cravath Lake. The settlement primarily functioned as an agricultural service center and included a grist mill, a dairy, a hotel, and several small retail stores and shops. Between 1850 and 1900 the agricultural service orientation of the settlement was modified with the addition of several new manufacturing firms. The new industrial development that occurred in the City was stimulated, in part, by the Milwaukee & Mississippi Railroad, which established service to and through the Whitewater area in 1852. The establishment of railway service to the City made it possible for manufacturers to import raw materials and export finished goods over long distances. Perhaps the most important development in the City during this period was the growth of the Esterly Manufacturing Company. By 1882, this company was the largest employer in the City, with a total employment of about 500 persons. The Esterly Company manufactured horse-drawn reapers. Other manufacturing firms established between 1850 and 1900 included a plow manufacturer, a brewery, a paper mill, and a wagon manufacturer. Also during this period, a warehouse district became established along Whitewater Street immediately adjacent to the Milwaukee & Mississippi Railroad line. The warehouse district functioned as a grain-buying center. The Normal School was established as a teachers' college in 1886 at the present site of the University of Wisconsin-Whitewater campus.

After 1900 the agricultural equipment and service industries declined in importance in the Whitewater area. Since 1900, the principal manufacturers in the City have been involved in food processing, printing and publishing, steel and metal fabrication, and electrical machinery and equipment manufacturing. The Normal School became part of the State of Wisconsin University System with the establishment of the UW-Whitewater campus.

PHYSICAL CHARACTERISTICS, COMMUNITY FACILITIES, AND RELATED FEATURES

Natural Resource Base

The conservation and wise use of the natural resource base is vital to the physical, social, and economic development of any area and to the continued ability of the area to provide a pleasant and habitable environment for life. Any meaningful local economic development effort must, therefore, recognize the existence of a limited natural resource base to which urban and rural development must be properly adjusted if serious environmental problems are to be avoided. The identification of those elements of the natural resource base which affect, or are affected by, urban development can help to establish new development which is compatible with the natural resource base.

Climate: Climate can directly affect the development of an area in several ways. Climate determines to a large extent the outdoor recreational interests and pursuits that can be carried out in an area, ranging from swimming, boating and other summer recreational activities to skiing, snowmobiling, and

ice-skating in winter. The extent of the seasonal fluctuation in temperature in an area affects the types of agricultural crops which can be produced and the yields which those crops will produce. Also, rainfall, temperature, humidity, and snow cover affect the design of buildings and structures of various kinds and the cost of operating and maintaining private and public facilities and services. Detailed information on the climatic elements of an area is basic to the application of the urban design, site planning, and building design processes directed toward the construction of energy-efficient development.

The climate of the City of Whitewater is characterized by a continuous progression of markedly different seasons and a large range of annual temperature. Summers are relatively warm with occasional periods of hot, humid weather and sporadic periods of cool weather. Historic temperature data for the City of Whitewater indicate that the hottest month during the year is July, with an average daily maximum temperature of 79.6°F and a minimum average daily temperature of 59.9°F. The average daily temperature during the month of July is 72.3°F. The winters in Whitewater tend to be cold, cloudy, and snowy. The coldest month of the year is January, with an average daily maximum temperature of 27.6°F and a minimum average daily temperature of 9.7°F. The average daily temperature for the month of January is 18.7°F. The annual precipitation in the City averages 32.21 inches, with the rainiest month being July, with a rainfall of 14.32 inches, and the driest month being February, with 0.96 inch. Winter precipitation primarily comes in the form of snow, which averages about 45 inches annually. The lowest average daily relative humidity--69.5 percent--occurs in May, and the highest average daily relative humidity--76.5 percent--occurs in December. In the City of Whitewater, prevailing summer breezes are from the southwest, whereas prevailing winter winds are from the west and northwest.

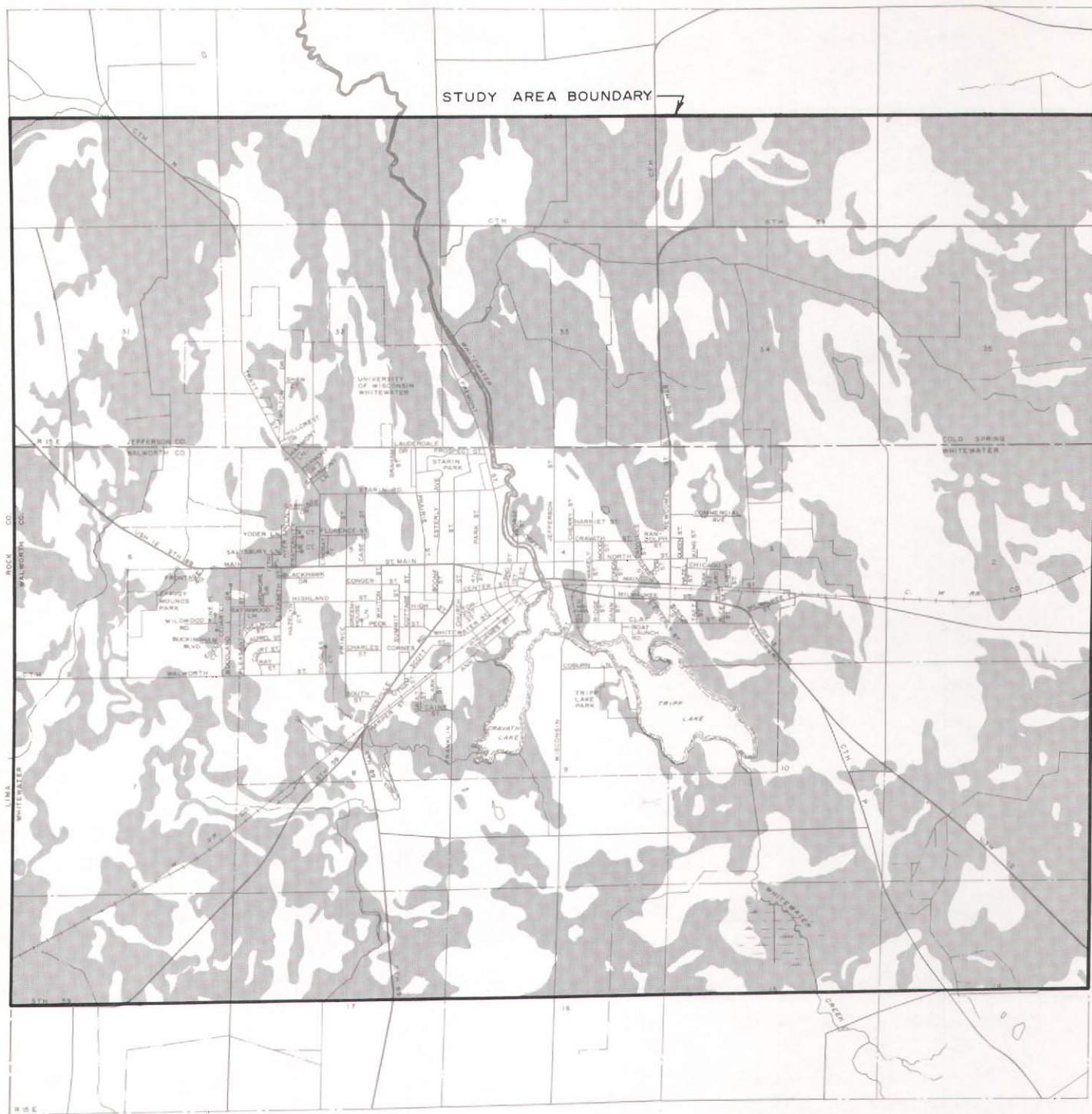
Soil: Soil properties exert a strong influence on how land may be used. Knowledge of the character and suitability of soils in the City of Whitewater and environs is an invaluable aid in analyzing existing development patterns and, more specifically, in identifying suitable sites for urban development.

Map 2 depicts the portions of the City of Whitewater and environs covered by soils having severe limitations for residential development served by public sanitary sewerage systems. These soils are highly organic, poorly drained, subject to periodic flooding and ponding, and located on steep slopes. In some cases, these soils cover areas having a shallow depth to bedrock, which makes urban development difficult and costly. Soils having severe limitations for residential development served by public sanitary sewerage systems are primarily concentrated along watercourses and in the low-lying, poorly drained areas.

Map 3 shows the portions of the City of Whitewater and environs covered by soils having severe limitations for commercial and industrial development. These areas have characteristics such as poor bearing capacity, high shrink-swell potential, low shear strength, high frost hazard, high compressibility, seasonal high water table, steep slopes, or shallow depth to bedrock. The soil limitations reflected on Map 3 are based on the assumption that commercial and industrial structures are generally three or fewer stories high and that such structures have at least 2,500 feet of floor space on any given level. The soil limitations also assume that commercial and industrial structures can

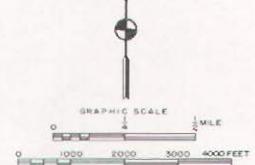
Map 2

SOIL LIMITATIONS FOR RESIDENTIAL DEVELOPMENT SERVED BY PUBLIC SANITARY SEWERAGE SYSTEMS IN THE WHITEWATER STUDY AREA



LEGEND

AREAS COVERED BY SOILS HAVING
SEVERE OR VERY SEVERE LIMITATIONS



Source: SEWRPC.

Map 3

SOIL LIMITATIONS FOR COMMERCIAL AND INDUSTRIAL
DEVELOPMENT IN THE WHITEWATER STUDY AREA



LEGEND

[Shaded Box] AREAS COVERED BY SOILS HAVING
SEVERE OR VERY SEVERE LIMITATIONS

GRAPHIC SCALE
0 1000 2000 3000 4000 FEET
0 1/2 MILE

Source: SEWRPC.

best be built on level to slightly sloping sites, but can be built on slopes to 12 percent if such slopes do not exceed 200 or 300 feet in length. Also, it should be pointed out that the soil limitations for such uses are based on the characteristics of the soil substratum, because foundations for such structures rest on this part of the soil.

As shown on Map 3, the areas with soils least suitable for commercial and industrial development are located immediately south of the Whitewater central business district (CBD), immediately north of the City, and along the east edge of the City. Map 3, indicates that several areas are generally well suited for commercial and industrial development to the west, northwest, and southwest of the City. It should be pointed out that the substantial concentration of soils with shallow depth to bedrock located directly east of the City could preclude future commercial or industrial development because of the particularly difficult and costly work involved in removing bedrock prior to the placement of building footings and foundations.

Selected Surface Drainage and Floodland Features

Selected characteristics of the surface drainage system and related floodland features in the City of Whitewater and environs are shown on Map 4. The subwatershed and subbasin boundaries and surface drainage patterns shown on the map define the general topographic conditions in the area, and, as such, provide useful information which may be applied in the planning and design of sanitary sewerage, public water supply, and stormwater drainage facilities.

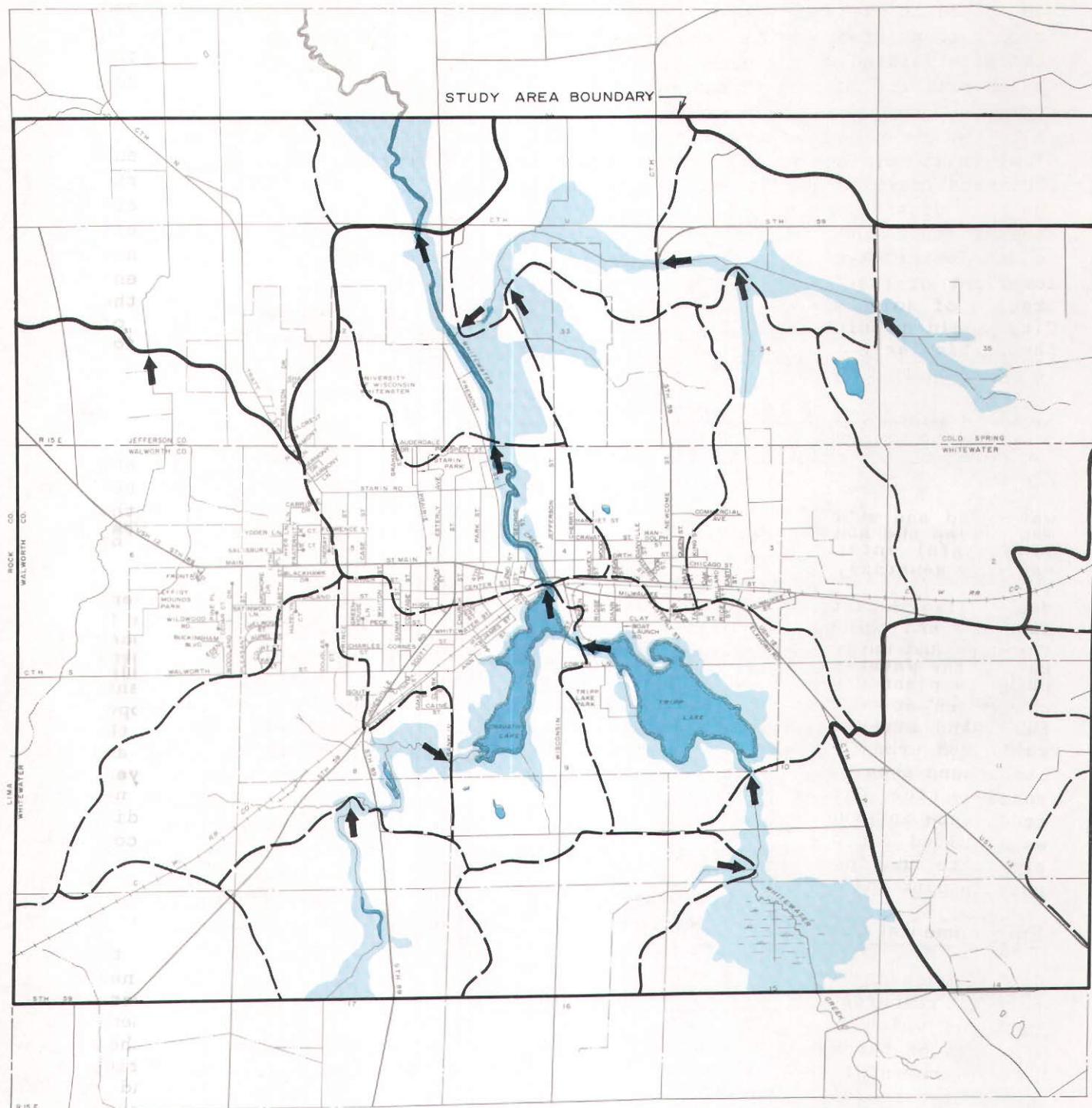
Map 4 also depicts the major and minor lakes, the perennial intermittent streams, and the boundaries of the 100-year recurrence interval floodplain in the City and environs. The lakes and streams shown on the map constitute focal points for water-related recreational activities; provide amenities for appropriately planned urban development; and, when viewed in conjunction with adjacent open space, greatly enhance the aesthetic quality of the environment. Lakes and streams are highly susceptible to deterioration through improper rural and urban land use development. Continued growth and development in the study area should, therefore, be accomplished in a manner which maintains and enhances the environmental quality of surface water bodies. The 100-year recurrence interval flood hazard areas, as shown on Map 4, are generally not well suited for development. Every effort should be made to discourage indiscriminate and incompatible development on floodlands, while encouraging compatible park and open space uses.

Environmental Corridors and Isolated Natural Areas

The Commission studies have shown that the best remaining elements of the natural resource base in southeastern Wisconsin occur in elongated, linear patterns which the Commission has termed "environmental corridors." Several elements of the natural resource base are considered to be the basic elements of environmental corridors. These elements are: 1) lakes and streams and their associated shorelands and floodlands; 2) wetlands; 3) woodlands; 4) prairies; 5) wildlife habitat areas; 6) wet, poorly drained, or organic soils; and 7) rugged terrain and high-relief topography. In addition, there are five natural resource base elements which are not a part of the natural resource base per se, but are so closely linked to that base as to warrant consideration in delineating environmental corridors. These elements are: 1) existing park

Map 4

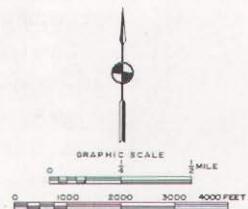
SELECTED CHARACTERISTICS OF THE SURFACE DRAINAGE SYSTEM
AND RELATED FLOODLAND FEATURES IN THE WHITEWATER STUDY AREA



LEGEND

[Blue Box]	SURFACE WATER
[Black Line]	PERENNIAL STREAM
[Dashed Line]	INTERMITTENT STREAM
[Light Blue Box]	100-YEAR RECURRENCE INTERVAL FLOODLANDS

- SUBWATERSHED BOUNDARY
- - - SUBBASIN BOUNDARY
- DIRECTION OF SURFACE DRAINAGE



Source: SEWRPC.

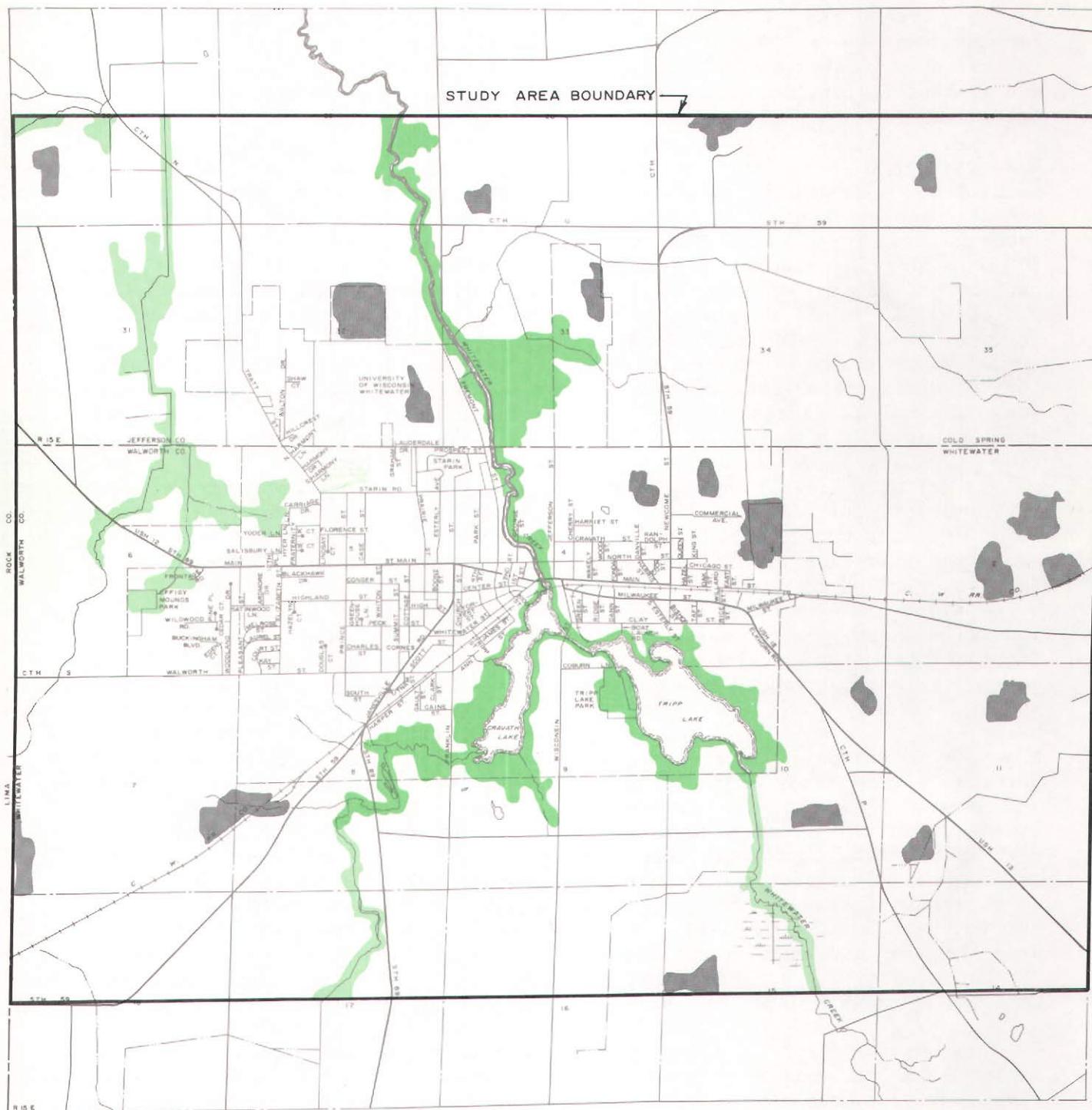
sites; 2) potential park sites; 3) historic sites and structures; 4) areas having natural and scientific value; and 5) scenic vistas and viewpoints. For the purposes of this study, environmental corridors within the City of Whitewater and environs have been classified into three categories: primary environmental corridors, secondary environmental corridors, and isolated natural areas.

The drainage of wetlands, the destruction of woodland cover, and the destruction of wildlife habitat areas can create serious environmental and developmental problems such as flooding, water pollution, loss of groundwater recharge areas, and destruction of the unique natural beauty of an area. It is therefore important that the remaining environmental corridor lands, in particular, primary environmental corridors, within an area be preserved and protected as urban development and population growth occur. The adopted regional land use plan recommends that the environmental corridors be maintained in an essentially open, natural state, which may in some cases include limited agricultural uses and low-density residential uses. The delineation of environmental corridors is of particular importance to the City's economic development program, since the formulation of any economic development activities involving land use development must consider the protection and preservation of such areas. Map 5 depicts the delineated primary and secondary environmental corridors in the study area, as well as the isolated natural areas. Primary environmental corridors within the study area primarily occur along the shoreline areas of Cravath and Tripp Lakes, at the southern edge of the City, and along the shoreline of Whitewater Creek, which flows south to north through the central part of the City. Primary environmental corridors should be considered to be inviolate, and their continued protection from incompatible urban development should be encouraged. Secondary environmental corridors primarily occur at the western edge of the City. Secondary environmental corridors are not as important as primary environmental corridors because of their smaller size; however, such areas should be considered over time for retention in park and open space use, particularly in the urbanizing portions of the study area, as greenways, drainageways, stormwater detention and retention areas, and public and private open spaces. Isolated natural areas within the study area primarily occur in scattered locations to the northeast, east, southeast, and southwest of the City. Although these areas are separated geographically from the primary and secondary environmental corridors in the study area, they may provide good locations for local parks and may add to the aesthetic character and natural diversity of the study area. In some instances, these areas have sufficient natural resource value to warrant conservancy zoning protection and preservation in natural, open uses in conjunction with urban and rural development of surrounding lands.

Of the natural resource elements which comprise environmental corridors and isolated natural areas in the study area, wetlands are the most dominant feature. For the purposes of this study, a wetland is defined as natural area in which the groundwater table lies at or above the surface of the earth, or lies so close to the surface that the raising of a cultivated crop usually is impracticable. Wetlands contribute to the maintenance of good water quality by serving as traps which retain nutrients and sediments. Wetlands act to stabilize streamflows. Wetlands also protect shoreland areas from erosion by absorbing storm impacts and reduce the scouring action of currents. Furthermore, wetlands provide a natural habitat for many forms of fish and wildlife, and therefore provide important areas of recreational, research, educational,

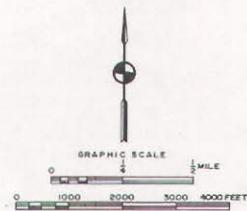
Map 5

PRIMARY AND SECONDARY ENVIRONMENTAL CORRIDORS AND ISOLATED NATURAL AREAS IN THE WHITEWATER STUDY AREA



LEGEND

- PRIMARY ENVIRONMENTAL CORRIDOR
- SECONDARY ENVIRONMENTAL CORRIDOR
- ISOLATED NATURAL AREA



Source: SEWRPC.

and aesthetic value. Given these environmental attributes, continued efforts should be made to protect wetlands by discouraging costly--in both monetary and environmental terms--wetland draining, filling, and conversion to intensive rural and urban uses.

It should be noted that while wetlands are located within most of the environmental corridors in the study area, the environmental corridors contain very few woodland areas. Because of the limited area in woodlands throughout the study area, both within and outside environmental corridors, a special effort should be made to preserve existing woodlands in the study area as urban development occurs.

Agricultural Preservation Areas

Recognizing the need to preserve agricultural lands in Wisconsin, the State Legislature adopted Chapter 29, Laws of 1977, commonly called the "Farmland Preservation Act." The farmland preservation program, as set forth in the act, is divided into two parts--an initial program and a permanent program. The farmland preservation program combines planning and zoning provisions with tax incentives for the purpose of ensuring the preservation of agricultural lands. The program provided that after September 30, 1982--the beginning of the permanent program--farmland owners would be eligible for state income tax credits to offset property taxes on farmland only if such land were zoned exclusively for agricultural use. Moreover, the farmland owners are eligible for the maximum level of tax credits available for their particular tax situation only if the county has adopted a farmland preservation plan.

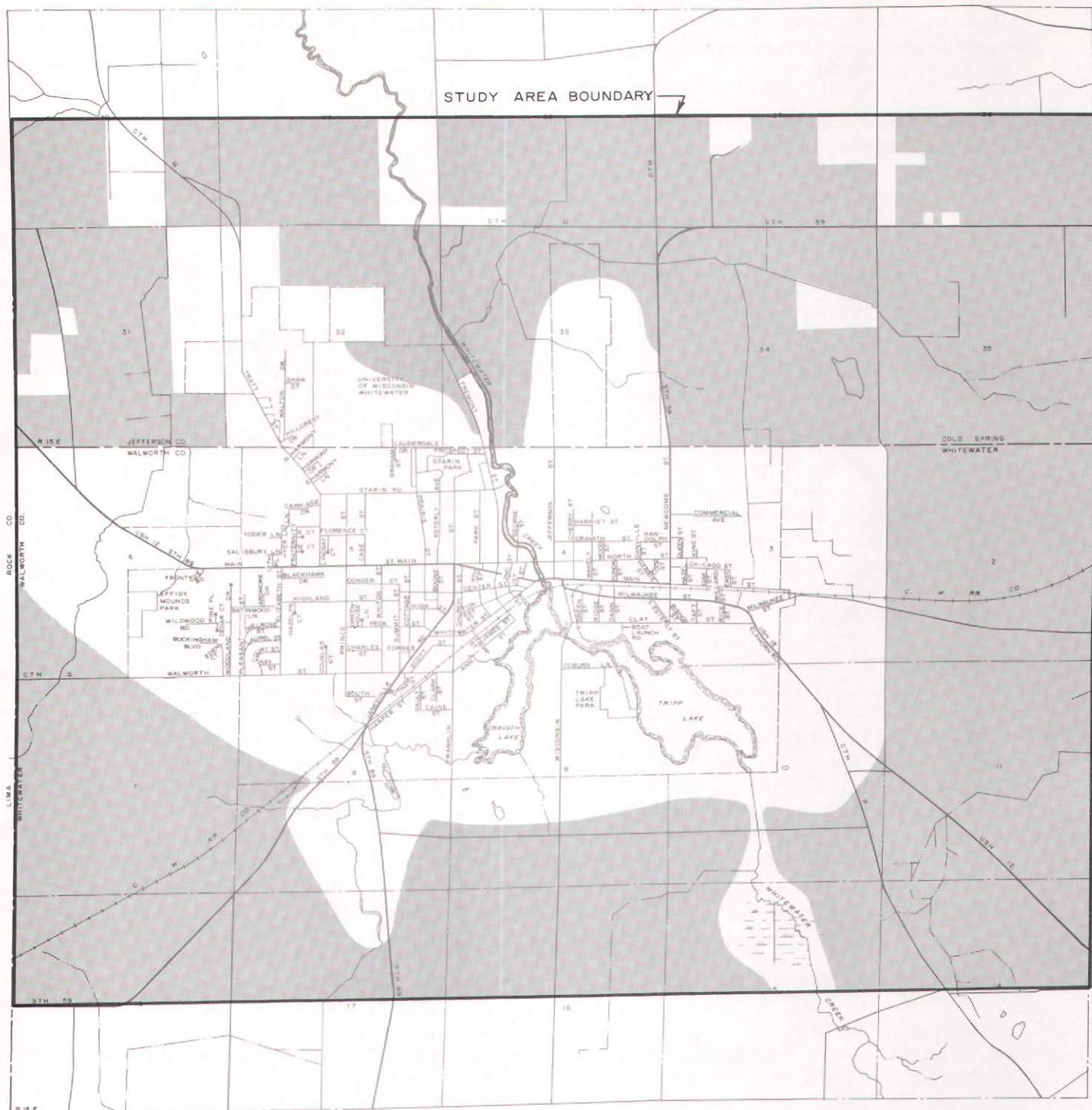
The portions of the adopted farmland preservation plans for Walworth and Jefferson Counties applicable to the study area support the concept of a centralized urban growth pattern within and immediately adjacent to the City of Whitewater. The centralized urban growth pattern reflected in the adopted plans is intended to encourage the preservation of existing natural areas and prime agricultural lands, and to prevent the serious economic and environmental problems associated with scattered urban developments in essentially rural areas. To the maximum extent practicable, no new intensive development should occur within identified agricultural preservation areas in the City of Whitewater and environs. Map 6 shows the areas recommended for agricultural preservation as set forth in the adopted agricultural preservation plans for Walworth and Jefferson Counties.

The Built Environment

The various elements of the built environment in the City of Whitewater area form a vital basis for the City's continued economic growth and development. Information on land use patterns, the spatial relationships between land uses, the amount of land utilized and readily available for urban development, and the service capabilities of municipal utility systems and community facilities and services can assist in the identification of local economic development potentials and constraints, which may then be utilized as the basis for local economic development activities.

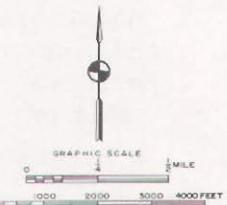
Map 6

RECOMMENDED AGRICULTURAL PRESERVATION AREAS IN THE WHITEWATER STUDY AREA



LEGEND

**RECOMMENDED AGRICULTURAL
PRESERVATION AREA**



Source: Walworth County Park and Planning Commission and Jefferson County Planning Department.

Existing and Planned Land Use:

Residential Land Use--As shown on Map 7, residential land use in the City of Whitewater and environs is primarily located to the north and northwest of Cravath Lake and north of Tripp Lake. These areas are comprised primarily of single-family detached residential dwellings; however, the older neighborhoods of the City immediately adjacent to the Whitewater CBD are comprised of a mixture of single-family and two-family residential dwellings. Also, substantial areas of multi-family residential dwellings and mobile home dwellings are located in the vicinity of the UW-Whitewater campus in the northwest portion of the City. Also, the Fairhaven Retirement Community, which houses about 300 persons, is located in the northwest portion of the City.

Some older areas of the City are comprised of an incompatible mixture of residential, commercial, and industrial land uses. These areas include the area along Whitewater Street in the southwest portion of the City, and the area along Milwaukee Street in the southeast portion of the City. Also, the spacing and arrangement of the arterial street system in the City has resulted in the creation of a number of small, fragmented residential areas on the east side and near west side of the City. These residential areas lack sufficient population and numbers of dwelling units to form cohesive neighborhood units. The relatively high traffic volumes, noise, and air pollution associated with the arterial street system tend to have a detrimental effect on the overall quality of life of the residents of these areas.

While never having been adopted by the City Council or the City Plan Commission, the comprehensive plans prepared for the City of Whitewater by Maynard W. Meyer and Associates in 1968 and by Max Anderson and Associates in 1974 both provide recommendations useful in guiding residential development decisions in the City.¹ Both plans call for the transition of the older residential neighborhoods in the City from single-family detached homes to two-family homes and multiple-family dwellings. Also, the plans provide for several areas of additional residential development, including the undeveloped areas in the vicinity of Cravath Lake and Tripp Lake on the south side of the City, the undeveloped area located immediately east of Jefferson Street and north of Cravath Street, and undeveloped areas along the entire western fringe of the City. Also, both plans encourage the provision of primarily multiple-family residential development in the vicinity of the UW-Whitewater campus.

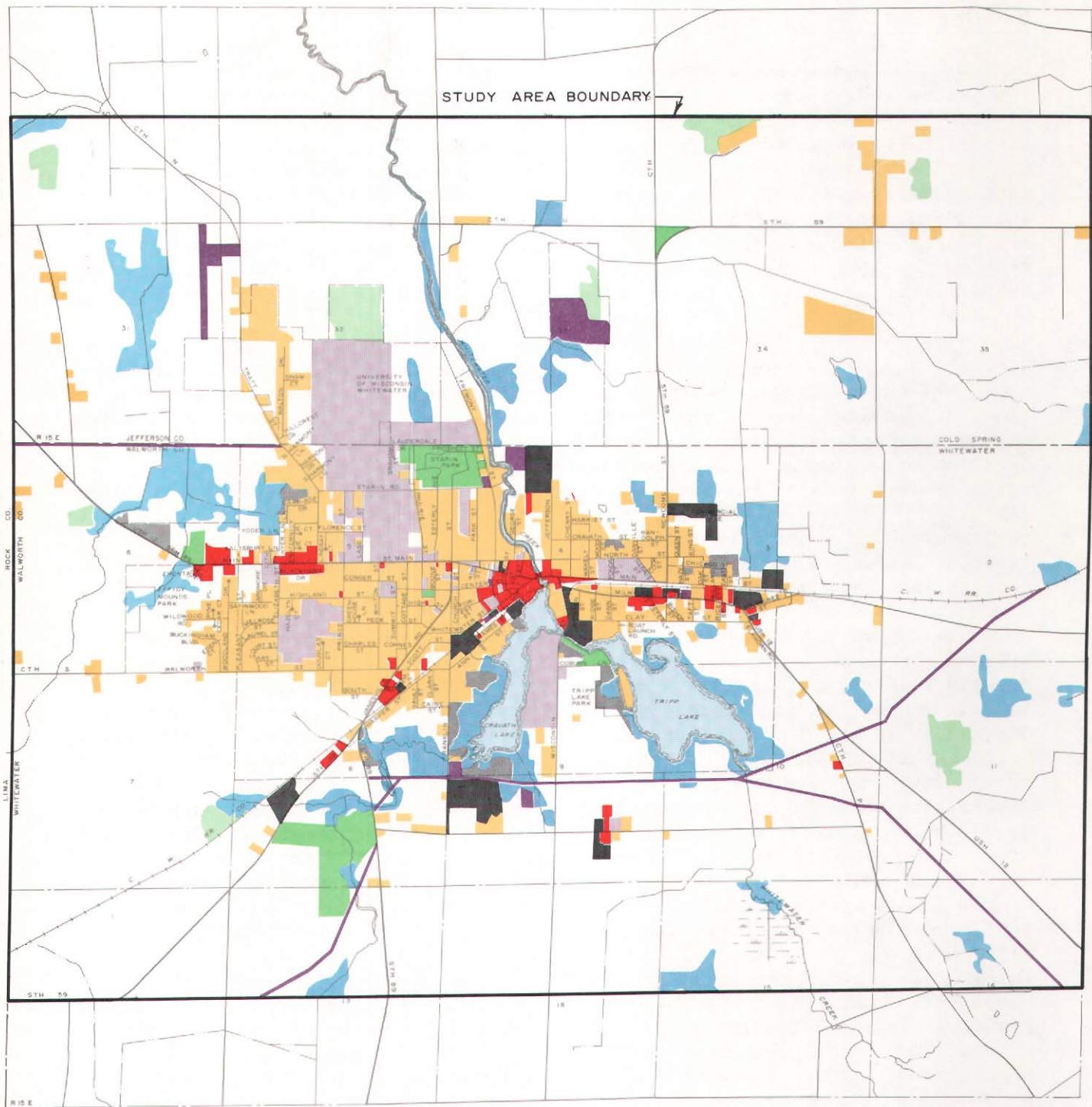
Commercial Land Use--As shown on Map 7, the principal concentration of commercial land use in the study area is located in the Whitewater central business district. Several smaller areas of commercial development are located outside the central business district, including the strip commercial development area located along USH 12 between Wisconsin Street and the east corporate limit line of the City, and the strip commercial development area located along USH 12 between Tratt Street and the west corporate limit line of the City.

The central business district is the principal retail shopping area in the study area. Most of the retail establishments in the CBD provide convenience

¹Max Anderson and Associates, A Plan for Whitewater, Wisconsin, November 1974; and Maynard W. Meyer and Associates, A Comprehensive Plan for the City of Whitewater, July 1968.

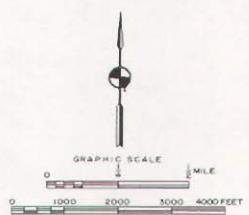
Map 7

EXISTING LAND USE IN THE WHITEWATER STUDY AREA



LEGEND

	RESIDENTIAL		WETLANDS
	COMMERCIAL		WOODLANDS
	INDUSTRIAL AND EXTRACTIVE		WATER
	GOVERNMENTAL AND INSTITUTIONAL		UNUSED LAND
	TRANSPORTATION, COMMUNICATIONS, AND UTILITIES		AGRICULTURAL AND OTHER OPEN LANDS
	PARKS AND RECREATION		



and comparison retail goods and services. The CBD also provides the principal location for professional offices, financial institutions, and automobile dealerships in the City.

Like many mature central business districts of small cities, the Whitewater CBD has several problems which tend to encourage economic decline and physical deterioration. These problems include the functional obsolescence of old commercial buildings, an arterial street system which facilitates the movement of high-volume through traffic at the expense of a safe and pleasant pedestrian environment, the competitive relationship between CBD commercial establishments and establishments offering similar goods and services in the strip commercial development areas located in outlying areas of the City, the under-utilization of commercial properties and structures in the CBD, the intrusion of nonretail business and industrial-related establishments in the CBD, and the limited capability of the CBD to provide land for new commercial buildings without having to raze existing structures.

Even though the Whitewater CBD has significant problems, the area also has several assets which could form the basis for an exciting program of CBD improvement and redevelopment. The amenities of Whitewater Creek and Cravath Lake, which are located near the central business district, could be put to use by establishing a strong visual and functional relationship between CBD development and these surface water bodies. Such redevelopment could include expanded public use of the shorelines along Cravath Lake and Whitewater Creek through the provision of open space areas and pedestrian/bikeway trails. The mature architectural character of the storefront commercial and warehouse buildings in the CBD could form the basis for a "historical theme" approach to CBD redevelopment which could involve the restoration of these buildings to their original style and appearance. Also, several streets in the Whitewater central business district, most notably W. Main Street, have relatively wide street rights-of-way which provide a relatively wide streetscape between buildings located across the street from each other. Several streets in the central business district offer the potential for substantial redesign and reconstruction, with increased use of the street right-of-way for pedestrian circulation space and associated landscaped areas.

The comprehensive plans prepared for the City by Maynard W. Meyer and Associates and by Max Anderson and Associates contain several recommendations which may still provide viable solutions to the problems facing the Whitewater central business district. The formulation of a detailed CBD revitalization program should involve further detailed study of these recommendations, as well as of new ideas regarding future central business district projects and activities. The following recommendations of the above-mentioned plans for the central business district should be carefully considered for inclusion as specific elements of a central business district revitalization program:

1. The provision of additional medium- and high-density residential development adjacent to the east and west shorelines of Cravath Lake.
2. The provision of a new retail commercial area immediately east of the existing central business district on land bounded by E. North Street on the north, Wakely Street on the east, Main Street on the south, and Jefferson Street on the west.

3. The development of a new community park along the northwest shoreline of Cravath Lake.
4. The revitalization of the retail commercial and warehouse buildings on the north side of Whitewater Street.
5. The creation of an arterial traffic loop around the core of the central business district utilizing North Street, Fremont Street, Whitewater Street, and a new street which would be constructed between North Street and the intersection of Main Street and Whitewater Street.
6. A change in function of the local street system in the CBD from one of carrying relatively high traffic volumes to primarily providing access to individual properties and areas for vehicle storage and pedestrian circulation.
7. The provision of additional off-street parking areas immediately adjacent to the recommended arterial traffic loop.
8. The removal of deteriorated and dilapidated structures, particularly several structures located in the area south of Whitewater Street.
9. The provision of low-intensity residential/office development at the west edge of the CBD in the area bounded by North Street on the north, Fremont Street on the east, Whitewater Street on the south, and Fourth Street on the west.
10. The provision of high-intensity retail commercial development in the area bounded by North Street on the north, Whitewater Creek on the east, Whitewater Street on the south, and Fremont Street on the west.

Industrial Land Use--As shown on Map 7, industrial land use in the City of Whitewater and environs is primarily located adjacent to or in the vicinity of the former Central Wisconsin Railroad Company line (CWRC), which traverses the east side of the City in an alignment adjacent to and parallel with Main Street, as well as the west side of the City in an alignment adjacent to and parallel with Whitewater Street. In addition, industrial land use is concentrated in the City of Whitewater Industrial Park, which is located immediately east of Newcomb Street and about one-half mile north of E. Main Street; in the area located along the west side of George Street, immediately south of Starin Road; and in the area east of the intersection of Clover Valley Road and Willis Ray Road directly south of the City.

The comprehensive plans prepared by Maynard W. Meyer and Associates and by Max Anderson and Associates primarily recommend that industrial development continue to be provided on sites located adjacent to the former CWRC line. Furthermore, the plan prepared by Maynard W. Meyer and Associates emphasizes the provision of additional industrial development along both sides of USH 12 for a distance of one mile immediately south of E. Milwaukee Street. The plan prepared by Max Anderson and Associates emphasizes the provision of additional industrial development in the undeveloped area located immediately north of E. Main Street and immediately east of East Street. The industrial land use recommendations set forth in the plans encourage the continuation of the established linear industrial land use pattern of the City by recommending the

provision of industrial development along the former railroad and various arterial highways. This recommended industrial land use pattern has encouraged scattered industrial and related development on relatively small parcels, in much the way typical strip commercial development occurs. This approach does not encourage the type of phased, orderly, and compact industrial development which could be possible in one or more relatively large, well-planned industrial park sites. Also, most of the existing and planned industrial locations in the City offer limited, if any, capability for significant industrial facility expansion on individual sites.

Chapter II of this report recounted the recent efforts to establish a new city industrial park that resulted from the lack of available industrial land use sites in the City. These efforts resulted in a public referendum prohibiting the City from involvement in industrial park development. The City's industrial park development moratorium, which was in effect from July 1983 to January 1, 1984, was the result of an intense public debate over the benefits and problems associated with continued industrial development in the City. The negative attitudes of city residents about additional industrial development in the City appear to have been based upon a perception that industrial development would be detrimental to surrounding nonindustrial development, and that industrial development is inherently incompatible with the presence of the University campus in the City. It is important that this issue be carefully reconsidered by both the citizens and the elected officials of the City. The concerns expressed to date regarding the potential detrimental impact of industrial development on the City are valid. These concerns, however, seem to focus upon issues regarding the size, location, and type of industrial development. Since these issues can be properly addressed in a sound industrial development strategy, they should not necessarily preclude the establishment of additional industrial development in the City. Relatively sophisticated approaches to industrial development have been taken by other communities throughout southeastern Wisconsin and have led to the establishment of sound, orderly, efficient, and attractive industrial developments. The development of properly planned and regulated industrial parks has proven to be a successful approach to the creation of pleasant and functional industrial areas. The establishment of a successful industrial park is dependent upon the type of development regulations, design criteria, environmental controls, marketing strategies, and municipal utility provisions applied to the development. Relatively large industrial park developments which make vacant sites and necessary public utilities available on a phased basis can be structured to keep land improvement costs to a minimum, while encouraging orderly growth and continuous availability of industrial sites.

Governmental and Institutional Land Uses--Governmental and institutional land uses include public and private schools; government buildings such as city halls, fire stations, and post offices; and churches and cemeteries. Governmental and institutional land uses of various types are scattered throughout the City of Whitewater and environs. As shown on Map 7, the public elementary, junior high, and senior high schools are located in the eastern and southwestern portions of the City, within areas fully surrounded by residential development. The Whitewater Christian Academy, the one parochial school in the City, is located south of the central business district. Hill Side Cemetery is a large institutional land use which occupies the majority of the eastern shoreline of Cravath Lake in the southern portion of the City. The largest area of institutional land use in the City and environs comprises the

UW-Whitewater campus, which is the most dominant land use development in the northwest portion of the City. The Whitewater Public Library, the City of Whitewater Safety Building, and a U. S. Post Office are the principal governmental land uses located along the western fringe of the central business district.

The comprehensive plan prepared by Max Anderson and Associates recommends that a new elementary school be located at the present site of the junior high school and that a future high school site be located south of Walworth Street, immediately southwest of the City. The plan also recommends that Washington Elementary School be maintained to serve students residing in the eastern portion of the City. The Whitewater Unified School District has no plans for facility expansion at this time or in the near future. In addition to the above recommendations, the City's five-year capital project budget envisions a major expansion to the Whitewater Safety Building in 1988, which would include additional space for city administrative offices and related municipal functions.

Recreational Land Use--As further shown on Map 7, several large areas devoted to recreational land use are located at the edges of the City. The principal community-oriented park in the City is Starin Park, located immediately east of the UW-Whitewater campus. In addition, Tripp Lake Park is located in the southern portion of the City and Effigy Mounds Park is located at the west edge of the City. Also, the Whitewater Country Club is located along the west side of STH 89, immediately southwest of the City.

The comprehensive plans prepared by Maynard W. Meyer and Associates and Max Anderson and Associates do not recommend locations for new park sites or for the facilities to be provided within parks. Both plans, however, generally emphasize the provision of open space and conservancy areas along the shorelines of Whitewater Creek, Cravath Lake, and Tripp Lake. In addition, SEWRPC Planning Report No. 27, A Regional Park and Open Space Plan for Southeastern Wisconsin: 2000, recommends locations for various types of parks in municipalities throughout the Region, including the City of Whitewater, based upon anticipated levels of population growth and urban development. The park and open space plan recommends that two additional neighborhood parks be provided in the City of Whitewater: one to be located just outside the east corporate limit line of the City in the area immediately south of Bluff Road, and one to be located at the west edge of the City along the north side of USH 12. The plan also recommends the provision of a community park site in the general area bounded by Ann Street, Franklin Street, and Cravath Lake at the south edge of the City. The City of Whitewater does not have any immediate plans to acquire sites for park development purposes. However, the City has listed several park and recreation projects in its five-year capital project budget, including the beautification of the shoreline of Cravath Lake in the vicinity of the central business district, park facility improvements at Starin Park, the establishment of a citywide bike path, and the construction of a municipal swimming pool.

Rural Land Uses--Rural land uses include wetlands, woodlands, surface water, and agricultural and related open lands. As shown on Map 7, there are several relatively large areas containing either wetlands, woodlands, or surface water bodies located immediately adjacent to the developed portion of the City. The significant wetland areas located adjacent to the City could be incorporated

into open space areas and recreational facilities. The map also shows that there are very few woodlands remaining in the vicinity of the City. Therefore, perhaps particular attention should be directed toward preserving the existing woodland areas as urban development occurs in the vicinity of the City. Whitewater Creek, Cravath Lake, and Tripp Lake are the principal surface water bodies in the vicinity of the City. The proximity of these water bodies to relatively large areas of undeveloped land immediately south of the developed portion of the City offers the potential for substantial new residential, commercial, and recreational development.

Community Utilities and Facilities:

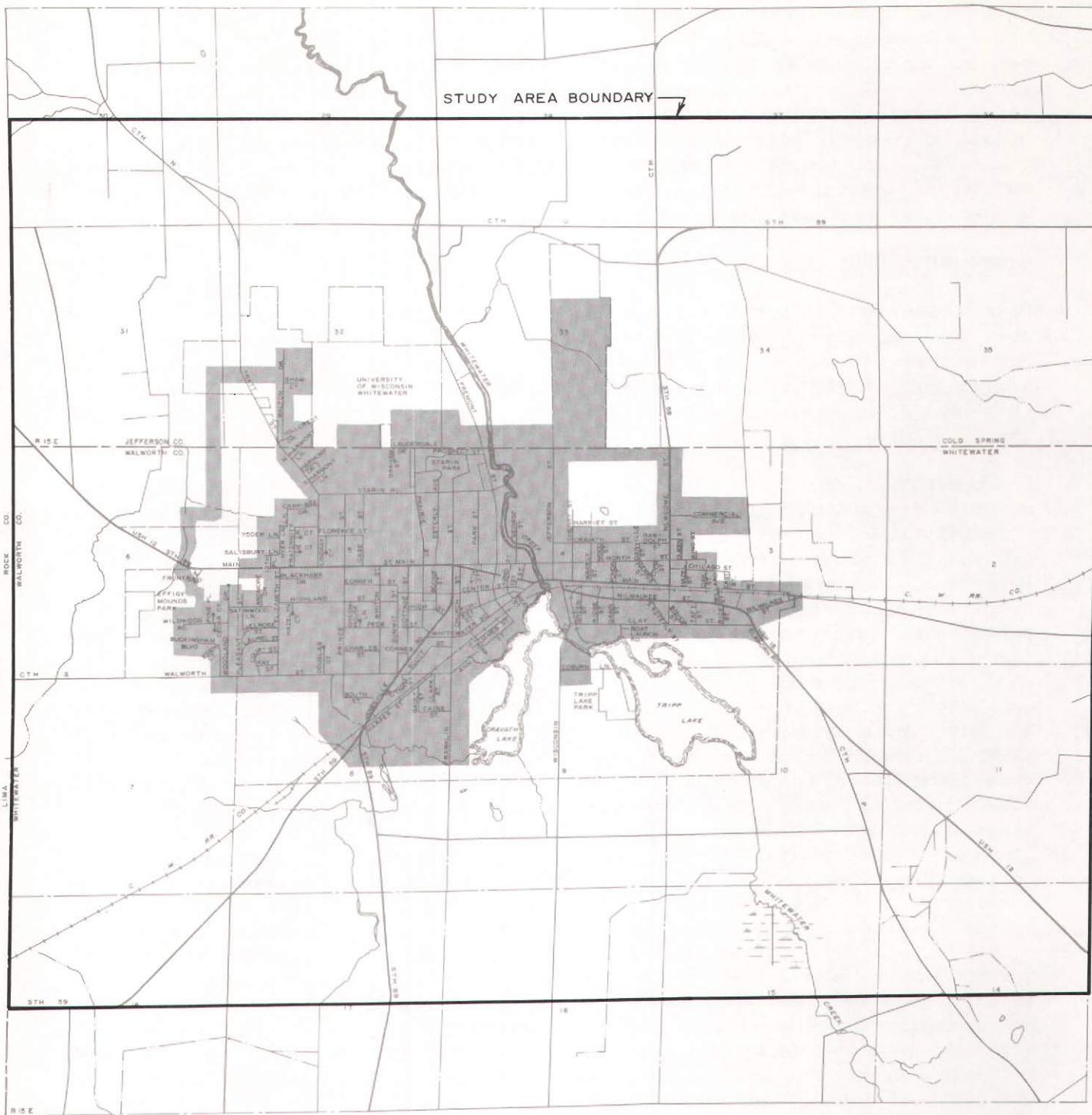
Public Sanitary Sewer Service--The existing public sanitary sewer service area for the City of Whitewater, as shown on Map 8, encompasses approximately 2.8 square miles, or approximately 14 percent of the study area and about 57 percent of the area of the City. Approximately 12,000 people reside in this area. Map 8 also shows the location of the existing trunk sewers within the City.

In August 1982, the City of Whitewater completed construction of major improvements to its sanitary sewage collection and treatment system. The improvements primarily consisted of the construction of a new sewage treatment plant and new sanitary trunk sewers. The new trunk sewers are designed to provide relief to several developed areas of the City where sewer surcharging was a frequent occurrence. The northeast trunk sewer is designed to accommodate existing and anticipated future urban development in the northeast portion of the City. Also, the portion of the trunk sewer serving the Hawthorn Mellody dairy complex in the southern portion of the City has been designed to accommodate wastewater flows discharged from this complex, as well as to provide capacity for any future development in the vicinity of Tripp Lake. The southwest trunk sewer, in addition to providing relief to the existing developed areas, has been constructed to accommodate substantial additional urban development in areas immediately southwest of the developed portion of the City. The new trunk sewer system does not provide sanitary sewer service to undeveloped lands located immediately east of the City's corporate limits; however, the northeast portion of the new system could be extended to accommodate urban development in this area. It should also be noted that the new trunk sewer system operates as a gravity flow system; therefore, the operation and maintenance costs of the system are relatively low when compared with the costs of systems which require the use of lift or pumping stations. The City of Whitewater also recently constructed a trunk sewer and lift station intended to serve areas of both existing and anticipated urban development at the west edge of the City. While the area in the vicinity of the new trunk sewer and lift station at the west edge of the City comprises a large wetland, substantial developable land is still available in adjacent areas for additional urban development.

The five-year capital projects budget for the City of Whitewater includes several sanitary sewerage system projects, including sewer service extension on the east edge of the City along Chicago Street and East Street, the rehabilitation of the lift station located on Clay Street between Rice Street and USH 12, and the extension of sewer service to the City Industrial Park.

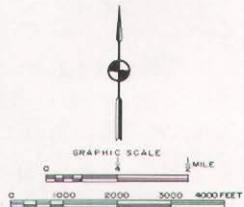
Map 8

EXISTING SANITARY SEWER SERVICE AREA FOR THE CITY OF WHITEWATER



LEGEND

**EXISTING SANITARY SEWER
SERVICE AREA**



Source: City of Whitewater Engineering Department.

The new City of Whitewater sewage treatment plant is designed to meet the wastewater treatment requirements of a projected population of 26,500 persons. The new treatment plant is designed for an average wastewater flow of 3.65 million gallons per day (mgd) and a maximum peak flow of 9 mgd. In December 1983, the average daily flow of wastewater into the City of Whitewater sewage treatment plant was about 1.36 mgd. Therefore, the City of Whitewater sewage treatment plant has 2.29 mgd of wastewater treatment capacity available to accommodate the needs of future urban growth and development.

Public Water Supply System--The City of Whitewater operates its own municipal water supply system. As shown on Map 9, the existing service area of the water supply system comprises about 2.5 square miles, which represents about 13 percent of the study area and about 51 percent of the City. It is the policy of the Whitewater City Council to provide public water supply service only to lands within the corporate limits of the City. Also, the public water supply system has been extended to serve only existing development in the City; however, several small undeveloped areas have been traversed by water mains in order to achieve looping of separate portions of the water supply system. The city water supply system is capable of being extended to serve additional urban development.

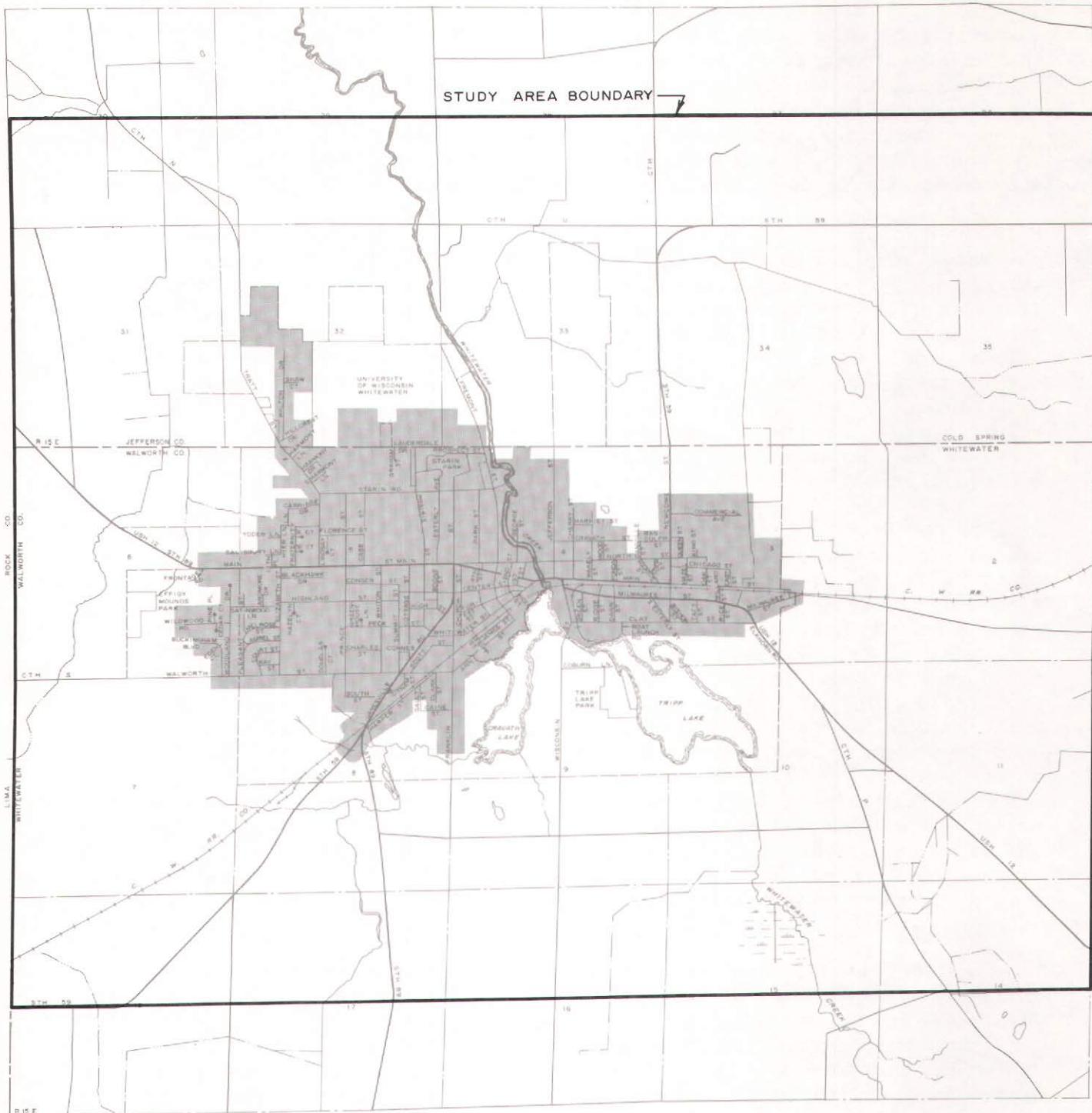
In 1982 the City initiated several improvement projects to alleviate deficiencies in its public water supply system, deficiencies primarily related to the pressure and the quality of water supplied by the system. The work is being financed, in part, by the state Community Development Block Grant program, and includes the rehabilitation of the City's existing water storage reservoir and water tower; the replacement of a temporary power generating system for the high lift pumps located at the City's water treatment plant; the construction and looping of various water mains in the water supply system, including the construction of a new 14-inch water main across Whitewater Creek; the acquisition and installation of a new iron filter on City Well No. 8, which serves the City's east side; and the construction of an additional water tower to serve the east side of the City. All of the water system improvement projects are scheduled to be completed by the end of 1984. At that time, the deficiencies in the City's water supply system will have been corrected and the system will be fully capable of meeting both existing domestic uses and fire protection needs and the needs of anticipated urban development and population growth.

Stormwater Drainage Facilities--The extent of the stormwater drainage system in the City of Whitewater is shown on Map 10. This stormwater drainage system lies totally within the Rock River watershed. The stormwater drainage system consists of subsurface conduits with short reaches of surface channels. The system has no stormwater pumping facilities. The existing stormwater drainage system in the City is separated from the sanitary sewerage system, and serves only areas of existing urban development; however, the system is capable of being expanded as additional development occurs in the City.

Solid Waste Collection and Disposal Services--The City of Whitewater provides solid waste collection and disposal services to residential dwellings in the City containing fewer than five dwelling units through a contract with a private hauler. Commercial and manufacturing establishments are responsible for their own solid waste collection and disposal. Solid waste from the City is disposed of at the Jongetjes Sanitary Landfill in the Town of Palmyra in Jefferson County.

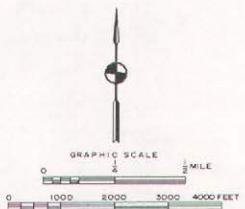
Map 9

EXISTING SERVICE AREA FOR WATER SUPPLY IN THE CITY OF WHITEWATER



LEGEND

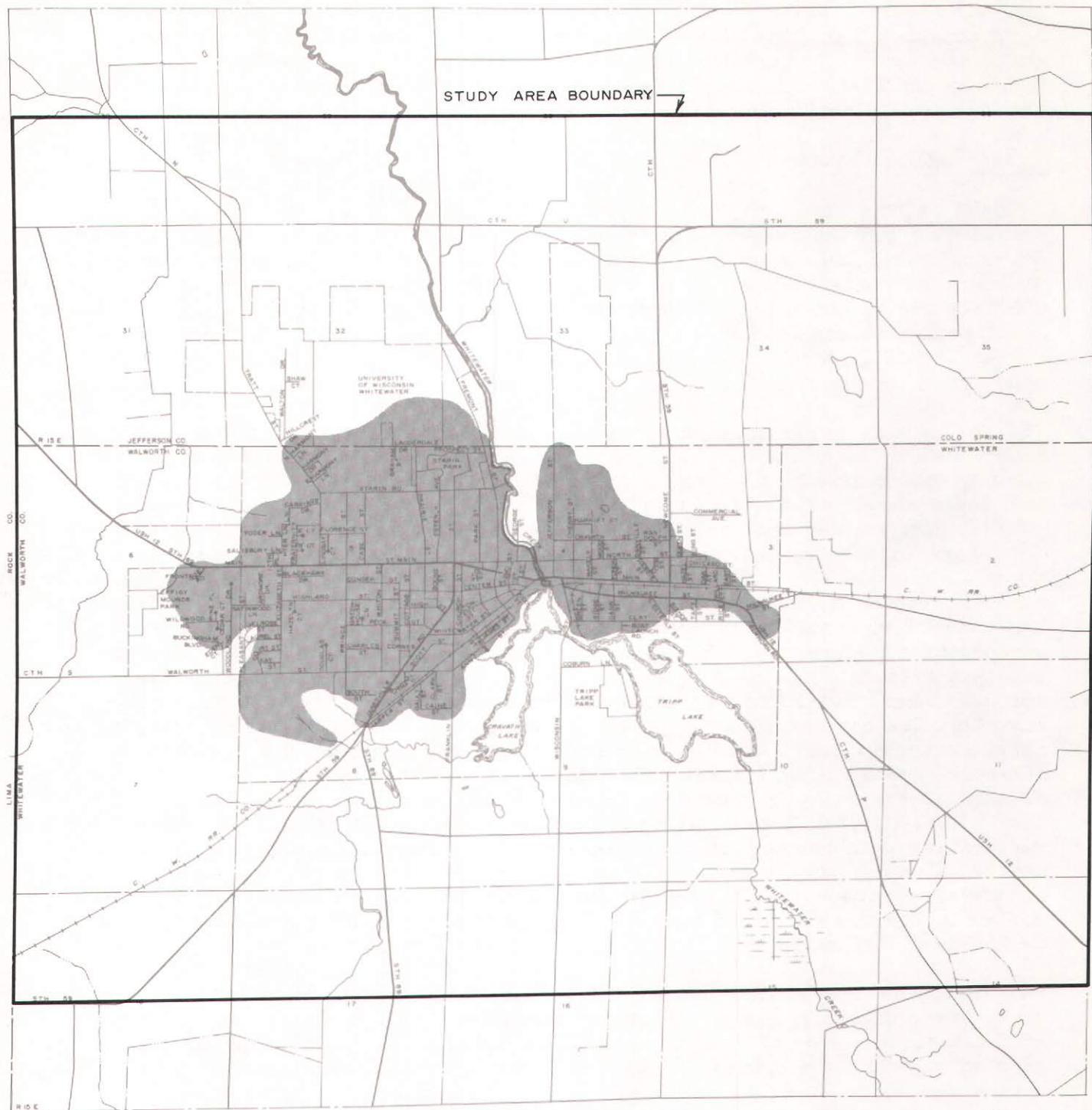
**EXISTING WATER SUPPLY
SERVICE AREA**



Source: City of Whitewater Engineering Department.

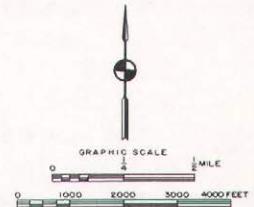
Map 10

EXISTING STORMWATER DRAINAGE SYSTEM
SERVICE AREA IN THE CITY OF WHITEWATER



LEGEND

EXISTING STORMWATER DRAINAGE
SYSTEM SERVICE AREA



Source: SEWRPC.

Natural Gas and Electric Utility Service--Relatively inexpensive natural gas and electric power service is readily available and is not considered to be a constraint on the location and intensity of development in the City of Whitewater and environs. Natural gas service is provided in the City of Whitewater by the Wisconsin Natural Gas Company, and electric power is provided by the Wisconsin Electric Power Company.

Transportation System:

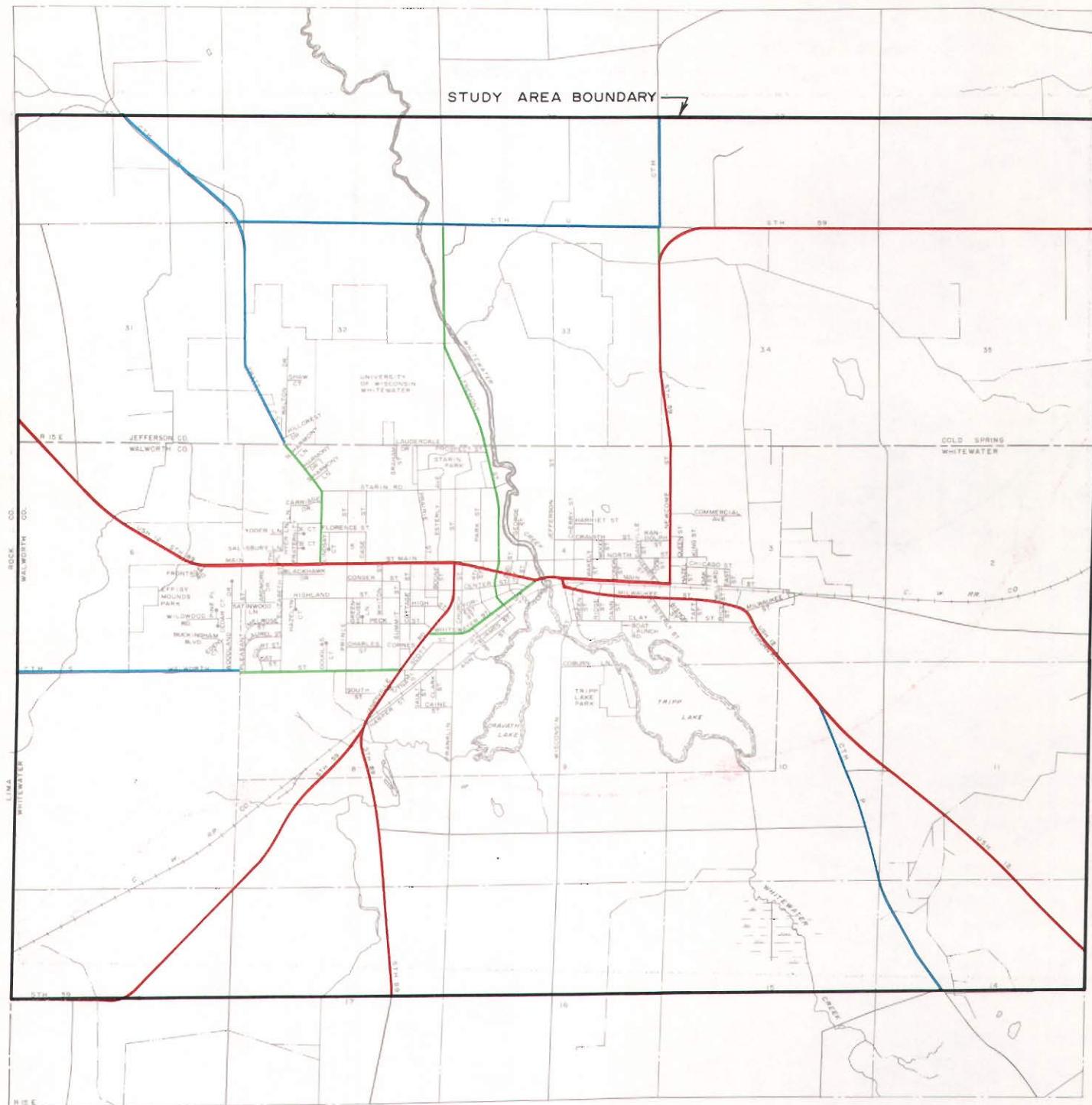
Arterial Street and Highway System--Arterial streets and highways are intended to provide for the expeditious movement of through traffic into, out of, and within the study area, and, as such, are the most important component of the transportation system in the study area. The study area is served by USH's 12 and 59 which pass through the central portion of the City, and STH 89 which passes through the western portion of the City. In addition, the City is served by CTH's N, S, and P. The arterial streets and highways within the study area are shown on Map 11.

The comprehensive plans prepared by Maynard W. Meyer and Associates and Max Anderson and Associates both identified several major arterial street and highway system problems in the City. Perhaps the most significant problem is the large amount of through traffic that continues to be funneled through the central part of the City on USH 12 (Milwaukee Street and Main Street). Since both Main Street and Milwaukee Street serve major local traffic circulation needs within the City, the additional large amount of through traffic on these streets results in relatively high traffic volumes and substantial vehicular and pedestrian traffic congestion. Congestion occurs during peak traffic periods in the vicinity of the University campus and in the Whitewater central business district. The plans also indicated that there is no convenient means for vehicular traffic to traverse the eastern portion of the central business district. The discontinuous and somewhat fragmented nature of the traffic circulation system limits the ease of access to some business establishments and off-street parking facilities. The plans also discuss the discontinuous and awkward routing through the City of STH 59. STH 59 traverses the eastern portion of the City on Newcomb Street and Main Street, and, as such, divides the residential neighborhood in that area, and also directs through traffic adjacent to the public elementary school and neighborhood park that serves the east side of the City. The present alignment of STH 59 through the City does not encourage the continued preservation and orderly development of the adjacent residential areas.

The recommended solution to the traffic circulation problems associated with the routing of USH 12, as set forth in the plans prepared by Maynard W. Meyer and Associates and by Max Anderson and Associates, and reflected in the adopted regional transportation system plan, is the construction of a USH 12 bypass around the southern edge of the City. The roadway alignment and right-of-way configuration for the bypass has been determined, and the City currently maintains a policy of discouraging any urban development that would violate the proposed road right-of-way (see Map 12). It should also be noted that three interchanges are proposed to be constructed along with the construction of the USH 12 bypass: one at its intersection with CTH P, one at its intersection with CTH 89, and one at its intersection with W. Main Street extended. While the USH 12 bypass is shown on the adopted regional transportation system plan, no action can be expected to be taken toward the construction of the bypass by the transportation agencies involved in the absence

Map 11

EXISTING ARTERIAL STREET AND HIGHWAY
SYSTEM IN THE WHITEWATER STUDY AREA

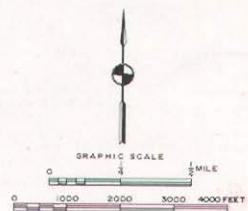


LEGEND

JURISDICTIONAL CLASSIFICATION

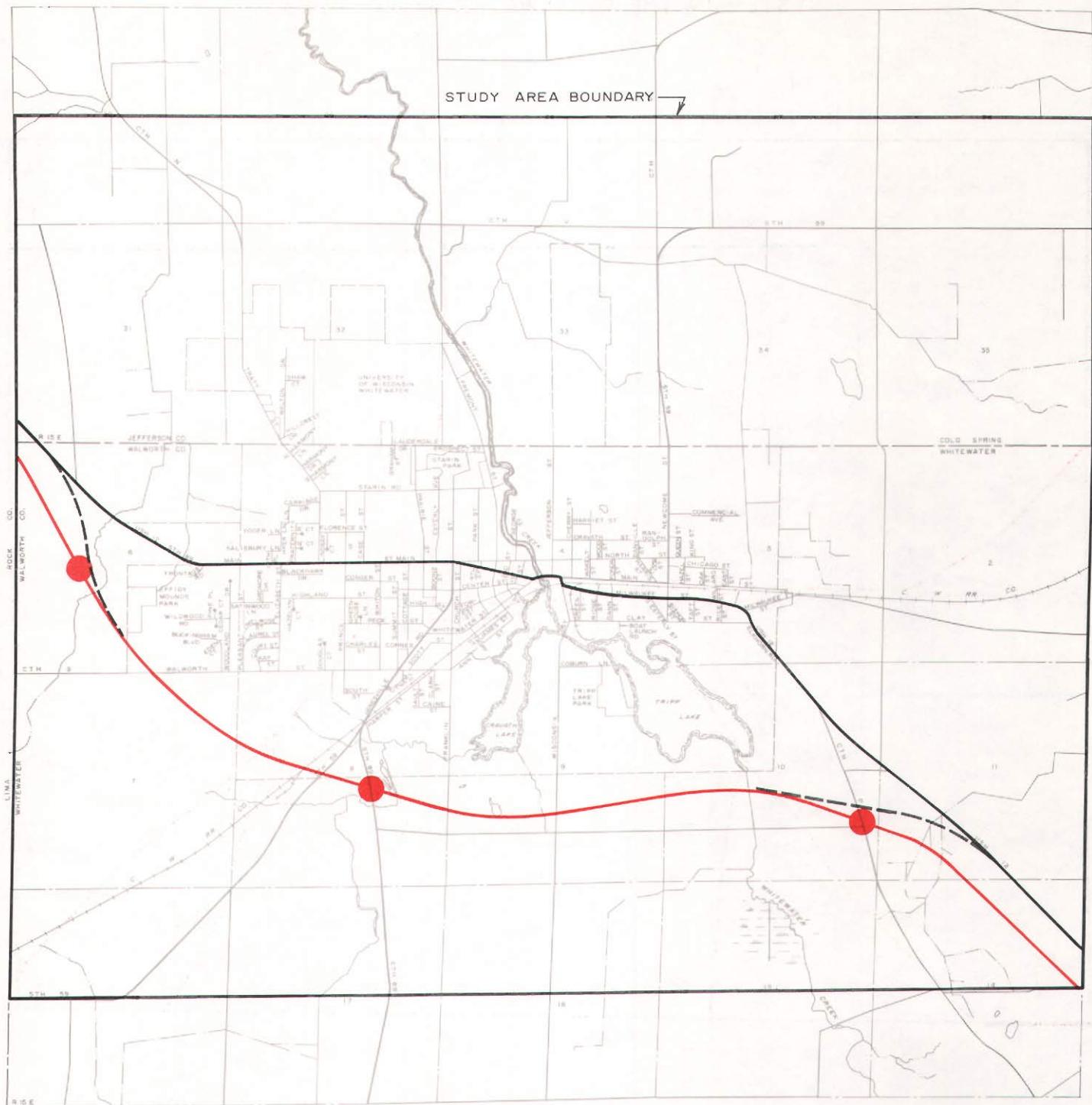
- STATE TRUNK
- COUNTY TRUNK
- LOCAL TRUNK

Source: SEWRPC.



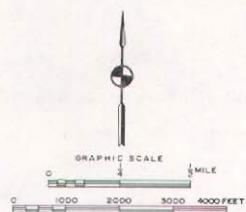
Map 12

PROPOSED ALIGNMENT OF THE USH 12 WHITEWATER BYPASS



LEGEND

- EXISTING USH 12
- PROPOSED RELOCATION OF USH 12 (WHITEWATER BYPASS)
- - - PROPOSED INITIAL CONNECTION BETWEEN BYPASS AND EXISTING USH 12
- PROPOSED INTERCHANGE



Source: Wisconsin Department of Transportation.

of strong local political support. It is important that the City continue to plan for the eventual construction of the bypass. Aside from the direct benefits the City would receive from the project through the lessening of traffic congestion on Milwaukee and Main Streets, the bypass would enhance the development potential of undeveloped lands south of the City, particularly lands located in the vicinity of the three planned interchanges.

Both of the comprehensive plans already prepared for the City recommended specific modifications to the traffic circulation system within, and in the vicinity of, the Whitewater central business district. Both plans recommended that through traffic be channeled around, rather than through, the core of the CBD. These recommendations, however, have been viewed as being very difficult and costly to accomplish, and, therefore, have not been implemented. Also, the proposed USH 12 bypass has been viewed by citizens and public officials in the City as the principal solution to the traffic circulation problems in the CBD. The complex nature of the traffic circulation system in the CBD and the period of time since the above-mentioned plan recommendations were prepared indicate that further study is required to determine the specific traffic circulation projects which should be undertaken to improve traffic circulation in the CBD.

Both of the previously prepared plans recommended the relocation of STH 59 from Newcomb Street and Main Street on the east side of the City to Fremont Street on the north side of the City. By relocating STH 59 to Fremont Street, accessibility to the University campus and to the CBD would be enhanced, and through traffic on Newcomb Street and Main Street would be substantially reduced. Also, Fremont Street intersects with Whitewater Street, which in turn could function as the portion of STH 59 traversing the southwest side of the City. The plan prepared by Maynard W. Meyer and Associates further recommended the construction of a new east-west arterial street between Jefferson Street and Newcomb Street at the northern edge of the City. This new street would provide direct accessibility to the University campus from STH 59. The five-year capital projects budget includes the construction of a new street between Jefferson Street and Fremont Street, the first portion of the recommended street between Jefferson Street and Newcomb Street.

While the recommendations discussed above require further detailed study, it is important to recognize that the efficient and orderly movement of arterial traffic within and around the City of Whitewater in a manner consistent with physical development objectives and policies of the City can have a positive influence on existing businesses within the community, and can enhance the urban development potential of undeveloped land at the fringes of the City.

Public Transit--The City of Whitewater is served by two interregional bus lines. Greyhound Bus Lines serves the City twice daily, except Saturday, on a route between Madison and Chicago, Illinois. The Peoria-Rockford Bus Company serves the City of Whitewater four or five times daily on a route between Milwaukee and Rockford, Illinois. No additional public transit services are planned in the near future to serve the City of Whitewater.

Freight Rail Service--In 1980 the City of Whitewater, in cooperation with the Wisconsin Department of Transportation, purchased the abandoned section of the Milwaukee Road railway line between the City of Waukesha and Milton Junction. Subsequently, the City leased the line to the Central Wisconsin Railroad Company (CWRC), which restored freight service on the line in March 1980.

The CWRC, however, encountered financial difficulties during its first few years of operation and went bankrupt in December 1984. There has been no freight rail service in Whitewater since December 1984.

Airport Facilities: The only airport near the City of Whitewater is Gutzmer's Twin Oaks Airport, located immediately northwest of the City's corporate limits. The airport is open to the public and is intended primarily for use by recreational flyers of small, single-engine aircraft. Other airports located in nearby communities which are capable of serving corporate and business aircraft needs generated by the City and environs include the Lake Lawn Lodge Airport located about 21 miles southeast of the City, the Americana Resort Airport located about 18 miles southeast of the City, and the Rock County Airport located in Janesville about 23 miles southwest of the City. The Lake Lawn Lodge and Americana Resort Airports are primarily intended for recreational use, but are also both capable of accommodating small business and corporate aircraft. There are no plans to upgrade the Lake Lawn Lodge and Americana Resort Airports in the near future. Also, the Rock County Airport already has facilities suitable for accommodating scheduled airline service. In addition, the state airport system plan calls for a substantial upgrading of the Fort Atkinson Municipal Airport, located about nine miles northwest of the City of Whitewater, to a basic transport airport. If the Fort Atkinson airport were so upgraded, it would also be capable of accommodating corporate and business aircraft needs.

Educational Facilities and Services: The public schools serving the City and environs are organized under the Whitewater Unified School District. The public schools within the District are comprised of three elementary schools, one junior high school, and one senior high school. In addition, one private elementary school is located in the District. The total enrollment in the Whitewater Unified School District is about 1,950 students.

The Whitewater Public Library is located at the corner of W. North Street and Main Street on the west side of the City. The library provides a wide range of information and related educational services for a significant portion of the adult population in the City. Also, the library serves as a significant supplementary resource for the educational needs of the school-age population in the City.

As already noted, since the University of Wisconsin-Whitewater campus was established in 1868, enrollment has grown to a current level of about 10,500 persons. The University confers degrees in letters, arts and sciences, education, business, and economics. Over the past 20 years the University has had a major influence on the economy of the Whitewater area. Many retailers offer convenience goods and services, as well as comparison goods, specifically aimed at serving the needs of the faculty and students of the University. Also, many multiple-family dwellings have been established on the west side of the City in recent years to provide additional housing for university students. Furthermore, several local businesses in the Whitewater area utilize University students to fill their part-time job requirements.

In recent years, officials from the University of Wisconsin and City of Whitewater have anticipated a decline in enrollment, largely based on birthrates and migration factors associated with the resident population of the primary service area of the University. Detailed enrollment forecasts prepared by the

administrative staff of the University indicate that the enrollment decrease should reach a maximum level of about 10 percent of total annual enrollment over the next four to five years. After this period, enrollment is expected to remain relatively stable. Even if enrollment declines as expected, the University will continue to have a major impact on the economy of the City of Whitewater. Not only will the University continue to influence the types of goods and services offered by local retailers, but it may also strongly influence private sector business expansion and the location decisions of industrialists within and outside the City, based upon the emphasis the University places on specific programs within its curriculum.

Currently, several programs are being expanded and developed at the University. The University is receiving a steadily increasing number of graduates from two-year technical school programs. Accordingly, the University is modifying curriculum to accommodate the needs of students who have already received two years of college-level training. The University is also receiving a steadily increasing number of part-time adult students and is accordingly developing programs to meet the needs of those students. Also, several years ago the Board of Regents of the University of Wisconsin determined that the Whitewater campus would be one of the schools in the University System which would emphasize computer science programs. Since that determination, enrollment in the commuter science department at the University has more than tripled, along with corresponding growth in faculty and facilities in the department. In 1984, the Data Processing Management Association, the largest professional association serving the information processing management community, recognized the University of Wisconsin-Whitewater management computer systems program as being one of the top programs in the nation. As a result, the University's undergraduate information processing program is the standard by which other programs are evaluated. The University is also placing an increased emphasis on teacher education, as the federal government is attempting to increase the pool of competent science teachers throughout the U. S. by providing additional financial support to universities with such programs. Perhaps the program receiving the greatest emphasis by the University at this time is the College of Business and Economics. The accounting and marketing programs within the College of Business and Economics continue to be expanded, as well as the activities of the University's Small Business Development Center.

Existing Land Use Regulations: All land development and building activity in the City of Whitewater is regulated by the city zoning, building, land division and Landmarks Commission ordinances. In September 1982, the City Council adopted a substantial revision to the comprehensive zoning ordinances. The zoning ordinance incorporates standards and procedures designed to encourage the orderly development of the City. The zoning ordinance provides four residential districts, two business districts, one commercial service and light manufacturing district, one general manufacturing district, one planned unit development overlay district, one agricultural transition district, one conservation district, and one institutional district.

Land subdivision in the City of Whitewater is regulated by a land subdivision ordinance. This portion of the municipal code requires that preliminary and final subdivision plats be filed for all divisions of land which create five or more parcels at any one time or by successive divisions over a period of

five years. The code also requires that a certified survey map be filed for all divisions of land which create two to four parcels that are four acres or less in size.

All building activity in the City of Whitewater is regulated by the State of Wisconsin Uniform One and Two-Family Dwelling Code and by the Wisconsin Administrative Code.

Designated landmarks, landmark sites, and sites located within historic districts must comply with the city landmarks ordinance. The intent of this title is to protect, preserve, and enhance archaeological sites, geological formations, and structures of special character or special historical interest or value in the City of Whitewater. It is also the intent of this ordinance to stabilize property values and increase citizen awareness of the historical and cultural heritage of the City. The ordinance requires that, prior to the issuance of a building permit, the city Landmarks Commission review and approve the proposed changes and alterations to the site or structure.

The City of Whitewater has not adopted an official map ordinance. An official map ordinance can be an effective tool for reserving land for future streets, highways, and parkways within a municipality's corporate limits, as well as within its one-and-one-half mile extraterritorial plat approval jurisdictional area. An official map ordinance primarily consists of a map reflecting the existing and proposed street and park developments within the municipality. An official map ordinance would be helpful to the City of Whitewater in assuring that the proposed right-of-way for the USH 12 bypass is protected from future development by individual property owners. The proposed alignment of the USH 12 bypass is shown on Map 12.

Public Financial Resources

Historically, the Whitewater City Council has maintained a fiscally conservative policy. It has been the policy of the City Council to not increase the amount of the total local property tax levy from year to year, and to account for any city operating budget increases with state-shared revenues. The City has not utilized tax incremental financing as a means of paying for capital improvement projects because of the potential of having to increase the property tax levy to cover debt retirement costs for projects within a Tax Incremental District if assessed values in the District do not increase sufficiently to cover debt retirement costs. The City has utilized special assessments to pay for public land development improvements; however, special assessments have been waived for improvements in the City Industrial Park. The City utilizes various federal aid and grant programs only to pay for major capital improvement projects. Industrial revenue bond financing has been used on four occasions in the past five years to finance industrial plant expansions for existing firms in the City. Currently, the bond rating for the City of Whitewater is a Moody's Investment Grade Two (MIG-2).

EXISTING HOUSING STOCK

Housing probably has a greater impact on daily life than any of the other facilities which together comprise the physical plant of a urban or rural area, and housing problems are, therefore, a matter of wide popular concern. This section presents data on the existing housing stock in the City of Whitewater.

Number of Occupied Housing Units

Table 3 shows the total year-round housing units and the tenure of year-round housing units in the City of Whitewater, the Region, Wisconsin, and the United States during 1970 and 1980. As indicated in Table 3, the City of Whitewater had 3,267 year-round housing units in 1980. From 1970 to 1980, the number of housing units in the City of Whitewater increased 41 percent, compared with 18 percent in the Region, 24 percent in Wisconsin, and 28 percent in the United States. The large increase in the total number of housing units from 1970 to 1980 is the result of the construction of renter-occupied housing units for students attending the University of Wisconsin-Whitewater. From 1970 to 1980, the number of year-round renter housing units increased by 53 percent, a greater percentage increase than experienced by the compared areas.

Tenure of Housing Units

Table 3 indicates the number of owner- and renter-occupied housing units in the City of Whitewater. As indicated in the table, and as could be expected, the City of Whitewater has a greater percentage of renter-occupied housing units than the compared areas, with 50 percent of all housing units being renter-occupied. In comparison, rental housing represents 36 percent of total housing in the Region, 30 percent of total housing in Wisconsin, and 33 percent of total housing in the United States.

Vacant Units

Table 3 shows the total number of vacant housing units in the City of Whitewater, the Region, Wisconsin, and the United States. The City has 237 vacant units, or about 7 percent of all year-round housing units, compared with 4.2 percent for the Region, about 6 percent for the State, and 7 percent for the United States. The large number of vacant housing units could be due, in part, to the large number of units available to University students. The large number of vacant units in the City should be considered by housing developers prior to initiating new housing development projects in the City.

Condition of Housing Units in the City

The creation and preservation of residential housing units that provide efficient, orderly, and safe living environments should be an important development objective in the City. Not only do sound residential units contribute to the quality of life enjoyed by residents, but such housing units tend to have a positive effect on the local economy in that they can encourage persons who are employed by local business firms to reside in the City. These residents, in turn, directly support the local economy since they tend to spend a substantial portion of their expendable income on consumer goods and services sold by local retailers.

No one data indicator can show the overall condition of housing units in the City. Rather, a variety of indicators can together indicate the need for housing rehabilitation activities, as well as the need for the construction of new housing units. These indicators include the age of housing units, the value of owner-occupied housing units, the rents paid for renter-occupied housing, the number of housing units in need of rehabilitation, and the number of new building permits for residential units. Together, these indicators

Table 3

**TOTAL YEAR-ROUND HOUSING UNITS AND STATUS OF YEAR-ROUND
HOUSING UNITS IN THE CITY OF WHITEWATER, THE REGION,
WISCONSIN, AND THE UNITED STATES: 1970 AND 1980**

Area and Status of Housing Unit	Housing Units					
	1970		1980		Change 1970 to 1980	
	Number	Percent	Number	Percent	Number	Percent
City of Whitewater						
Owner.....	1,188	51.2	1,393	42.6	205	17.3
Renter.....	1,069	46.0	1,637	50.1	568	53.1
Vacant.....	65	2.8	237	7.3	172	264.6
Total	2,322	100.0	3,267	100.0	945	40.7
Region						
Owner.....	331,339	59.5	389,381	59.4	58,042	17.5
Renter.....	205,147	36.9	238,547	36.4	33,427	16.3
Vacant.....	20,100	3.6	27,840	4.2	7,740	38.5
Total	556,586	100.0	655,795	100.0	99,209	17.8
Wisconsin						
Owner.....	918,123	64.9	1,127,367	64.2	209,244	22.8
Renter.....	410,681	29.1	524,894	29.9	114,213	27.8
Vacant.....	85,301	6.0	104,050	5.9	18,749	22.0
Total	1,414,105	100.0	1,756,311	100.0	342,206	24.2
United States						
Owner.....	39,885,180	59.0	51,796,395	59.7	11,911,215	29.9
Renter.....	23,564,567	34.8	28,593,278	33.0	5,028,711	21.3
Vacant.....	4,206,819	6.2	6,369,044	7.3	2,162,225	51.4
Total	67,656,566	100.0	86,758,717	100.0	19,102,151	28.2

Source: U. S. Bureau of the Census and SEWRPC.

for the City of Whitewater indicate the need for the rehabilitation of existing housing units as well as the potential need for the development of new housing units.

Age of Housing: Table 4 shows the age of owner-occupied and renter-occupied housing units in the City of Whitewater in 1980. As indicated in the table, the housing units in the City are somewhat older than the housing units in the compared areas. A total 699 housing units, or approximately 50 percent of all housing units in the City, were built prior to 1940, while only 30 percent and 36 percent, respectively, of the housing units in the Region and the State were constructed prior to this time, and only 25 percent of the housing units in the nation were constructed prior to this time. The renter-occupied housing units in the City are relatively new in comparison to those of other areas. A total of 449 renter housing units, or about 27 percent of all rental units, were constructed prior to 1940, compared with 36 percent for the Region, 38 percent for the State, and 29 percent for the nation. Consequently, the age of housing units in the City indicates, in part, the need for the rehabilitation of housing units built prior to 1940, as well as a potential need for the construction of new owner-occupied housing units.

Value of Owner-Occupied Housing Units: Table 5 shows the mean value of owner-occupied, noncondominium housing units in the City of Whitewater, the Region, Wisconsin, and the United States. As indicated in the table, the mean value of owner-occupied, noncondominium housing units in the City, \$47,301, is

Table 4

YEAR-ROUND OCCUPIED HOUSING UNITS BY TENURE AND OCCUPANCY STATUS BY YEAR STRUCTURE BUILT FOR THE CITY OF WHITEWATER, THE REGION, WISCONSIN, AND THE UNITED STATES: 1980

Tenure of Structure and Year Structure Was Built	Housing Units							
	City of Whitewater		Region		Wisconsin		United States	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied								
1979 to March 1980...	13	0.9	6,231	1.6	26,285	2.3	1,674,251	3.2
1975 to 1978.....	73	5.2	28,218	7.3	108,770	9.7	5,485,082	10.6
1970 to 1974.....	84	6.0	31,660	8.1	112,165	9.9	6,573,138	12.7
1960 to 1969.....	204	14.7	67,129	17.2	117,639	15.8	10,294,974	19.9
1950 to 1959.....	213	15.3	94,836	24.4	189,150	16.8	9,889,450	19.1
1940 to 1949.....	107	7.7	44,778	11.5	108,270	9.6	5,322,811	10.3
1939 or Earlier.....	699	50.2	116,529	29.9	405,088	35.9	12,556,689	24.2
Total	1,393	100.0	389,381	100.0	1,127,367	100.0	51,796,395	100.0
Renter-Occupied								
1979 to March 1980...	94	5.7	4,739	2.0	13,506	2.6	657,773	2.3
1975 to 1978.....	81	5.0	17,710	7.4	49,637	9.5	2,212,683	7.7
1970 to 1974.....	156	9.5	26,978	11.3	64,920	12.4	3,924,136	13.7
1960 to 1969.....	612	37.4	44,127	18.5	85,792	16.3	5,796,432	20.3
1950 to 1959.....	144	8.8	30,526	12.8	54,685	10.4	4,201,949	14.7
1940 to 1949.....	101	6.2	29,200	12.2	57,730	11.0	3,644,487	12.8
1939 or Earlier.....	449	27.4	85,294	35.8	198,624	37.8	8,155,818	28.5
Total	1,637	100.0	238,574	100.0	524,894	100.0	28,593,278	100.0

Source: U. S. Bureau of the Census and SEWRPC.

less than the comparable value for the Region, \$62,991, Wisconsin, \$53,024, and the United States, \$55,800. As previously indicated, the mean value of owner-occupied, noncondominium housing units can be associated with the need for the rehabilitation of existing housing units. Because of the lower value of owner-occupied units in the City, it can be assumed that there is a need for housing rehabilitation.

Rents Paid: Table 5 also shows the mean value of rents paid by occupants of renter-occupied housing in the City and compared areas. As indicated in the table, the mean rent paid by occupants of renter-occupied units in the City, \$232, is less than that for the other areas. The mean rents paid in the Region and United States are \$255, and in the State, \$239.

Need For Housing Rehabilitation: While most households in the City of Whitewater are able to obtain decent, safe, and sanitary housing through the normal operation of the housing market, a number of households are presently inadequately housed. Data on existing unmet housing needs are provided for local units of government in Wisconsin by the Housing Information Service (HIS), developed and maintained by the Wisconsin Department of Development. The Housing Information Service data are widely used as the statistical base for housing planning in Wisconsin. For example, the HIS data served as a basis for most housing assistance plans prepared by the local units of government in Wisconsin which participated in the Community Development Block Grant program administered by the U. S. Department of Housing and Urban Development (HUD). Table 6 shows the number of substandard housing units in the City of Whitewater, Walworth County, and Wisconsin in 1980. As indicated in the table, 331, or about 11 percent, of the housing units in the City were substandard in 1980, compared with 12 percent for Walworth County and 17 percent for the State.

Table 5

**MEAN VALUE OF OWNER-OCCUPIED
NONCONDOMINIUM HOUSING UNITS AND
OF RENTER-OCCUPIED RENTS FOR THE
CITY OF WHITEWATER, THE REGION,
WISCONSIN, AND THE UNITED STATES**

Area	Mean Owner-Occupied Value	Mean Renter-Occupied Rent
City of Whitewater...	\$47,301	\$232
Region.....	62,992	255
Wisconsin.....	53,024	239
United States.....	55,800	255

Source: U. S. Bureau of the Census and SEWRPC.

Table 6

**SUBSTANDARD OCCUPIED HOUSING UNITS IN THE CITY OF
WHITEWATER, WALWORTH COUNTY, AND WISCONSIN: 1980**

Housing Unit	City of Whitewater		Walworth County		Wisconsin	
	Number	Percent	Number	Percent	Number	Percent
Standard.....	2,649	89.1	21,898	88.3	1,364,710	82.6
Owner-Occupied...	1,255	46.5	16,225	74.1	1,024,793	75.1
Renter-Occupied..	1,444	53.5	5,673	25.9	339,917	24.9
Substandard.....	331	10.9	2,891	11.7	287,551	17.4
Owner-Occupied...	138	41.7	785	27.2	102,574	35.7
Renter-Occupied..	193	58.3	2,106	72.8	184,977	64.3
Total	3,030	100.0	24,789	100.0	1,652,261	100.0
Owner-Occupied	1,393	46.0	17,010	68.6	1,127,367	68.2
Renter-Occupied	1,637	54.0	7,779	31.4	524,894	31.8

Source: Wisconsin Department of Development, Housing Information Service; U. S. Bureau of the Census; and SEWRPC.

Because of the need for rehabilitation of substandard housing units in the City, the City's Community Development Authority, in January 1984, applied for and received a grant from the Wisconsin Department of Development. The purpose of the grant is to rehabilitate approximately 80 substandard housing units in the City through low-interest loans provided to owner-occupants and investor-owners. Subsequent to the initial loans to homeowners, the monies repaid to the City will be utilized to create a revolving loan fund to rehabilitate additional housing in the future. The block grant program is very competitive, with only those communities that show the greatest needs for housing rehabilitation activities receiving funding. The grant award to the City for this purpose indicates the recognition by the State Department of Development of the need for housing rehabilitation activities in the City.

New Housing Construction Permits: Table 7 shows the number of new housing unit construction permits issued by the City of Whitewater from 1972 to 1984. As indicated in the table, the majority of single-family housing unit con-

Table 7
**NEW HOUSING CONSTRUCTION PERMITS ISSUED
 BY THE CITY OF WHITEWATER: 1970-1984**

Year	Construction Permits Issued		
	Single Family	Two Family	Multiple Family
1970	8	1	--
1971	7	3	--
1972	5	2	--
1973	7	1	--
1974	8	2	--
1975	6	--	--
1976	22	--	--
1977	19	2	2
1978	11	7	--
1979	6	4	--
1980	5	1	--
1981	--	--	1
1982	1	--	--
1983	2	--	1
1984 ^a	--	--	--
	107	23	4

^aData are for the first three months of 1984.

Source: City of Whitewater and SEWRPC.

struction permits issued by the City during this time period were issued prior to 1980--99 permits, or about 93 percent of the permits issued from 1970 to 1984. The most recent national recession that began in 1979 can, in part, be identified as the reason for the lack of new single-family housing starts in the City. Nevertheless, the lack of new housing starts together with the older age of housing units in the City, as well as the need for rehabilitation of existing housing units, indicates that there could be a need for new single-family housing units in the City.

POPULATION TRENDS AND CHARACTERISTICS

An examination of historical population trends and the identification of the characteristics of the resident populations are important to the development of any economic development program. This examination and identification helps to determine what economic development efforts are needed by identifying the local market potential for various consumer products and services; the characteristics of the population available to meet local employment needs; and present and probable future demands for various community facilities and services. This section accordingly examines the historical change in resident population and in population characteristics, including age composition, sex composition, income characteristics, population in poverty, household composition, school enrollment, and educational attainment.

Historical Population Trends

An important factor in the study of an area's population is an examination of its changing size over time. Such a time series analysis provides an overview of cumulative population growth and change and thereby provides insights

essential to the proper conduct of a comprehensive economic development program. Accordingly, this section examines the historical resident population trends of the City.

As shown in Table 8, in 1890, at the time of the first federal census subsequent to the incorporation of the City in 1885, the City contained 4,359 inhabitants. During the following 30-year period, the City showed a decline in population of about 26 percent, and in 1920 contained a total of 3,215 inhabitants. The decline in population in the City during this time period was in sharp contrast to other areas where the total population increased: In the seven-county Southeastern Wisconsin Region, the population increased 103 percent; in Wisconsin, 55 percent; and in the United States, 68 percent. The population decline in the City was, in part, due to the decline and eventual closing of the Esterly Manufacturing Company in the City. In 1882, this company employed 500 people and manufactured horse-drawn reapers and similar agricultural implements. The introduction of the internal combustion engine and its application to agriculture resulted in the closing of the company and the attendant decline in total population in the City.

From 1920 to 1970, the population of the City grew to 12,055 inhabitants, an increase of 275 percent. This increase was greater than that for the Region, 124 percent; the State, 68 percent; and the nation, 92 percent. The large percentage increase in the population of the City was due, in part, to the increase in enrollment at the University of Wisconsin-Whitewater in the City. During this 50-year time period, the University enrollment increased from 428 students in 1920 to 9,721 students in 1970. The current enrollment at the University (1983-1984 academic year) is 10,493. The total population of the City has remained relatively stable since 1970, with a 1982 estimated population of 12,052 persons. There was a small percentage decline in total population from 1970 to 1982 in the City, 0.03 percent. During this same period the population of the Region grew by a mere 0.04 percent, the population in the State grew by 1.0 percent, and the population of the nation grew by 14 percent.

Age Composition

Knowledge of the age composition of the population is important to the formulation of a comprehensive economic development program since the age at which a person completes his or her schooling, enters the labor market, marries, begets a family, or retires from the labor force has economic implications. Since each age group exerts different demands on society for facilities and services, it is important to know the number of persons currently in each group. The needs of an older, more mature population are quite different from those of a younger population. Moreover, each group contributes differently to the economic support of society.

Table 9 compares the 1980 age distribution of the population in the City of Whitewater to the age distribution in the Southeastern Wisconsin Region, Wisconsin, and the United States. As shown in the table, the age distribution in the City is very different from those in the other areas in that the young adult population is over-represented and all other population age groups are under-represented. The dissimilar age distribution in the City is due to the location of the University of Wisconsin-Whitewater in the City. The City shows an under-representation of the population in the younger age categories of under five years, five to nine years, and 10 to 14 years. Together, these age

Table 8
**TOTAL POPULATION IN THE CITY OF WHITEWATER, THE REGION,
 WISCONSIN, AND THE UNITED STATES: 1890-1982**

Year	Population							
	City of Whitewater		Region ^a		Wisconsin		United States	
	Population	Percent Change from Preceding Time Period	Population	Percent Change from Preceding Time Period	Population	Percent Change from Preceding Time Period	Population	Percent Change from Preceding Time Period
1890	4,359	--	386,774	39.6	1,693,330	28.7	62,947,714	25.5
1900	3,405	-21.9	501,800	29.7	2,069,000	22.2	75,994,600	20.7
1910	3,224	-5.3	631,200	25.8	2,333,900	12.8	91,972,300	21.0
1920	3,215	-0.2	783,700	24.2	2,632,100	12.8	105,710,600	14.9
1930	3,465	7.8	1,006,100	28.4	2,939,000	11.7	122,775,000	16.1
1940	3,689	6.5	1,067,700	6.1	3,137,600	6.8	131,669,300	7.2
1950	5,101 ^b	38.3	1,240,600	16.2	3,434,600	9.5	151,325,800	14.9
1960	6,380 ^c	25.1	1,573,600	26.8	3,952,800	15.1	179,323,200	18.5
1970	12,055 ^d	88.9	1,756,100	11.6	4,417,900	11.8	203,184,800	13.3
1980	11,520	-4.4	1,764,800	0.5	4,705,800 ^d	6.5	226,545,800	11.5
1982	12,052	4.6	1,763,400	-0.08	4,756,300	1.1	232,000,000	2.4

^aThe Southeastern Wisconsin Region comprises Kenosha, Milwaukee, Ozaukee, Racine, Walworth, Washington, and Waukesha Counties.

^bA part of the City of Whitewater has been located in Jefferson County since 1950. There was no population in that part in 1960, and 1,909 persons in 1970.

^cSubsequent to 1950, the City of Whitewater annexed a part of the Town of Whitewater.

^dWisconsin Department of Administration estimate.

Source: U. S. Bureau of the Census and SEWRPC.

Table 9

**AGE COMPOSITION OF THE POPULATION IN THE CITY OF WHITEWATER,
THE REGION, WISCONSIN, AND THE UNITED STATES: 1980**

Age Group	Population							
	City of Whitewater		Region		Wisconsin		United States	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 5.....	446	3.9	128,085	7.3	346,940	7.4	16,348,254	7.2
5-9.....	384	3.3	127,834	7.2	344,804	7.3	16,699,956	7.3
10-14.....	378	3.3	146,252	8.3	392,247	8.3	18,242,129	8.1
15-19.....	2,828	24.6	168,897	9.6	466,612	9.9	21,168,124	9.3
20-24.....	3,678	31.9	166,934	9.5	450,026	9.6	21,318,704	9.4
25-29.....	752	6.5	153,984	8.7	401,915	8.5	19,520,919	8.6
30-34.....	427	3.7	134,573	7.6	348,115	7.4	17,560,920	7.8
35-44.....	594	5.2	194,058	11.0	501,973	10.7	25,634,710	11.3
45-54.....	602	5.2	182,119	10.3	452,945	9.6	22,799,787	10.1
55-59.....	287	2.5	90,688	5.1	229,046	4.9	11,615,254	5.1
60-64.....	232	2.0	76,201	4.3	206,947	4.4	10,087,621	4.5
65 and Older..	912	7.9	195,294	11.1	564,197	12.0	25,549,427	11.3
Total	11,520	100.0	1,764,919	100.0	4,705,767	100.0	226,545,805	100.0
Median Age	21.4	--	29.7	--	29.4	--	30.0	--

Source: U. S. Bureau of the Census and SEWRPC.

groups make up about 11 percent of the total population of the City, compared with 23 percent of the population of the Region, Wisconsin, and the nation. The influence of the University enrollment on the age distribution of the City is most evident when examining the 15-to-24-year age category, which comprises 57 percent of the City's total population, compared with 19 percent of the population of the Region and the nation, and 20 percent of the population of the State. As would be expected, the middle-age population category--25 to 59 years--and the older-age population category--60 years of age and older--are under-represented in the City in comparison to the other areas. Table 9 also indicates the median age for the compared areas, with the City of Whitewater median age, 21.4 years, being lower than that in the Region, 29.1 years, the State, 29.4 years, and the nation, 30.0 years.

The age distribution of the population in the City has certain implications for economic development. First, the over-representation in the population of young University students indicates that the community may be expected to have a relatively higher demand for convenience--or consumable--goods than would other communities of similar size, and a relatively lower demand for durable goods such as appliances and furniture. Second, because of the association of the young adult population with the University, the City experiences a short-term out-migration of a portion of its population during the summer months, and an attendant decline in the demand for certain types of goods and services during periods when University classes are not in session. Finally, the over-representation of persons in the 15-to-24-year age category creates an unusual labor force size and composition. These factors are discussed later in this chapter under the section entitled "Labor Force Characteristics."

Sex Composition

In most populations, the number of males and females tends to be nearly equal, with males slightly outnumbering females at the younger ages and females slightly outnumbering males at the older ages. To the extent that large

Table 10

**SEX COMPOSITION OF THE TOTAL POPULATION IN THE CITY OF
WHITEWATER, THE REGION, WISCONSIN, AND THE UNITED STATES: 1980**

Area	Male		Female		Total	
	Number	Percent	Number	Percent	Number	Percent
City of Whitewater...	5,636	48.9	5,884	51.1	11,520	100.0
Region.....	854,125	48.4	910,794	51.6	1,764,919	100.0
Wisconsin.....	2,305,427	49.0	2,400,340	51.0	4,705,767	100.0
United States.....	110,053,161	48.6	116,492,644	51.4	226,545,805	100.0

Source: U. S. Bureau of the Census and SEWRPC.

imbalances in sex composition affect social, economic, and community life, a measure of sex composition is important to a comprehensive economic development program. Large imbalances in sex composition tend to be unusual and temporary, but where they do occur, they normally tend to be removed by the passing of generations.

The population of the City of Whitewater does not show any deviation from other areas in the distribution of the population by sex (see Table 10). In 1980, about 49 percent of the population was male and 51 percent of the population was female, a percentage distribution that is similar to that for the areas compared herein.

Income Characteristics

One indicator of the economic status of the City of Whitewater is income. The 1979 average household income and the per capita income of persons 15 years and older in the City of Whitewater, the Region, Wisconsin, and the United States are shown in Table 11. Once again, the location of the University in the City significantly affects the income characteristics, with the income levels in the City being generally lower than those in the other areas. Table 11 indicates that 54 percent of the households in the City have incomes ranging from \$0 to \$4,999, \$5,000 to \$9,999, or \$10,000 to \$14,999, compared with 36 percent of the households in the Region, 41 percent in the State, and 42 percent in the nation. Conversely, the middle and higher income categories constitute a smaller percentage of the total households in the City than in the other areas. The per capita income of persons 15 years of age and older in the City, \$5,290, is less than the comparable figure for Wisconsin, \$7,243, and the nation, \$7,298.

The lower household and per capita incomes in Whitewater have important implications for the economic development of the community. Because of the lower incomes in the City, the total amount of consumer spending may be expected to be relatively less than in other communities of similar size. Therefore, businesses that provide goods and services to the entire population cannot expect to receive the amount of business volume that would be generated in a community of similar size but with a higher income level. Financial institutions in Whitewater can expect to receive smaller total amounts of income saved because of the lower incomes that are prevalent in the City.

Table 11

AVERAGE HOUSEHOLD INCOME AND PER CAPITA INCOME OF PERSONS 25 YEARS AND OLDER IN THE CITY OF WHITEWATER, THE REGION, WISCONSIN, AND THE UNITED STATES: 1979

Income	Households							
	City of Whitewater		Region		Wisconsin		United States	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
\$0-\$4,999....	526	17.3	59,308	9.4	181,943	11.0	10,663,441	13.3
\$5,000-\$9,999....	581	19.2	83,645	13.3	259,020	15.7	12,772,409	15.8
\$10,000-\$14,999....	534	17.6	82,607	13.1	248,555	15.0	12,342,073	13.3
\$15,000-\$19,999....	402	13.2	87,216	13.9	249,541	15.1	11,379,049	14.1
\$20,000-\$29,999....	617	20.4	161,400	25.6	401,832	24.3	17,441,615	21.7
\$30,000-\$39,999....	255	8.4	87,240	13.9	182,148	11.0	8,582,674	10.7
\$40,000-\$49,999....	90	3.0	35,701	5.7	68,236	4.1	3,594,101	4.5
\$50,000 and Over...	27	0.9	32,100	5.1	63,502	3.8	3,692,065	4.6
Median.....	\$13,540	--	\$20,096	--	\$17,680	--	\$16,841	--
Mean.....	\$16,093	--	\$22,756	--	\$20,382	--	\$20,306	--
Per Capita.....	\$ 5,290	--	\$ 8,154	--	\$ 7,243	--	\$ 7,298	--
Total	3,032	100.0	629,217	100.0	1,654,777	100.0	80,467,427	100.0

Source: U. S. Bureau of the Census and SEWRPC.

Table 12

NONINSTITUTIONALIZED PERSONS BELOW THE POVERTY LEVEL IN 1979 IN THE CITY OF WHITEWATER, THE REGION, WISCONSIN, AND THE UNITED STATES

Poverty Status	Area							
	City of Whitewater		Region		Wisconsin		United States	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Persons Below the Poverty Level....	1,534	20.5	136,732	7.9	397,813	8.7	27,392,580	12.4
Total Population of Area.....	7,485	100.0	1,727,257	100.0	4,582,005	100.0	220,845,766	100.0

Source: U. S. Bureau of the Census and SEWRPC.

Persons in Poverty

Table 12 indicates the number and proportion of noninstitutionalized persons with incomes below the poverty level in 1979 in Whitewater, the Region, Wisconsin, and the United States. As shown in the table, the proportion of persons below the poverty level is significantly greater in the City than in the Region, the State, and the nation. In 1979, 1,534 persons, or about 21 percent of the noninstitutionalized population of the City, had incomes that were below the poverty level, with the Region, Wisconsin, and the United States showing percentages of 7.9, 8.7, and 12.4, respectively.

Table 13

**SCHOOL ENROLLMENT, GRADES KINDERGARTEN
THROUGH HIGH SCHOOL, IN THE CITY OF
WHITEWATER AND THE REGION: 1970 AND 1983**

Area	Enrollment		Percent Change 1970-1983
	1970	1983	
City of Whitewater....	2,389	1,875	-21.5
Region.....	472,550	343,746	-27.3

Source: Wisconsin Department of Public Instruction and SEWRPC.

School Enrollment

School officials, other public officials, and taxpayers are well aware of the increasing costs of education. One reason for these increasing costs from 1950 to 1970 was rapidly increasing school enrollments. However, as shown in Table 13, school enrollments (kindergarten through high school) in the City of Whitewater and the Region declined from 1970 to 1983. In 1983, 1,875 students were enrolled in City of Whitewater schools, a decrease of 22 percent from the 1970 level. This percentage decrease was, however, less than that experienced by the Region, 27 percent. The decline in school enrollment is a result of the recent decline in population growth and the tendency of families to have fewer children.

Educational Attainment

The level of formal education attained is a significant determinant of the social and economic status of a population. For many people, the ability to participate in and understand the complex technological changes occurring in society today is directly related to the extent of their formal education. Persons with less than a fifth grade education are considered functionally illiterate. Such persons are generally relegated to unskilled labor in a technologically advancing society, and often find themselves part of the unemployed labor force.

Since most required formal education is completed by age 18, educational attainment is most relevant when related to the population 18 years of age and older. Table 14 indicates the educational attainment of this age group in 1980 in the City of Whitewater, the Region, the State, and the nation. As indicated in the table, because of the influence of the University, the City has a greater percentage of persons with one to three years of college, 44 percent, than does the Region, 17 percent, the State, 16 percent, or the nation, 17 percent. However, Table 14 also shows that 15 percent of the population has four or more years of college, a percentage that is comparable to that for the Region, 15 percent, and the nation, 14 percent, and somewhat greater than that for the State, 12 percent. As would be expected, most University students

Table 14

**PERSONS 18 YEARS OF AGE AND OLDER BY YEARS OF
SCHOOL COMPLETED IN THE CITY OF WHITEWATER,
THE REGION, WISCONSIN, AND THE UNITED STATES: 1980**

Education	Whitewater		Region		Wisconsin		United States	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Elementary								
Through High School								
One to Three Years.....	1,041	10.4	350,714	27.8	945,674	28.3	51,697,642	31.8
High School, Four Years...	3,071	30.8	510,428	40.5	1,413,216	42.2	59,069,903	36.4
College								
One to Three Years.....	4,380	43.9	217,090	17.2	548,953	16.4	28,289,943	17.4
Four Years.....	726	7.3	108,972	8.6	258,175	7.7	12,939,870	7.9
Five or More Years.....	755	7.6	73,601	5.9	180,312	5.4	10,519,122	6.5
Total	9,973	100.0	1,260,805	100.0	3,346,330	100.0	162,753,480	100.0

Source: U. S. Bureau of the Census and SEWRPC.

leave the City following graduation; this out-migration accounts for the City's comparable percentage of persons with four or more years of college education. However, the presence of the undergraduate University students represents an opportunity for economic development practitioners in the City to encourage business development opportunities for firms that require persons with a college education. These firms could recruit employees on an ongoing basis from among the University students and, to a degree, reduce the out-migration of college graduates.

Household Composition

A household is composed of all persons who occupy a group of rooms or a single room which constitutes a housing unit, i.e., separate living quarters. The household is a useful unit of analysis for comprehensive planning purposes and market analysis. All persons not living in households are classified as living in group quarters such as hospitals for the chronically ill, homes for the aged, correctional institutions, college dormitories, and military barracks.

A total of 773 households were added to the City between 1970 and 1980, an increase of 34 percent. This increase was greater than those for the compared areas (see Table 15). This compares with an increase of 535 households, or 31 percent, from 1960 to 1970 in the City. Since the number of households increased while the total population decreased from 1970 to 1980, the number of persons per household declined from 3.0 in 1970 to 2.5 in 1980. This trend is also evident in the Region, Wisconsin, and the United States.

POPULATION FORECASTS

Information on the size, characteristics, and distribution of the resident population of the City of Whitewater and on anticipated changes in these demographic factors is essential to the development of a sound local economic development program since, in the final analysis, the purpose of any local economic development program is to benefit the resident population of the community. Moreover, certain of the needs which an economic development program seeks to meet are directly related to the existing and probable future resident population levels in the City.

Table 15

**NUMBER OF HOUSEHOLDS AND PERSONS PER HOUSEHOLD IN THE CITY OF
WHITEWATER, THE REGION, WISCONSIN, AND THE UNITED STATES: 1960-1980**

Area	Households			Percent Change		Number of Persons per Household		
	1960	1970	1980	1960-1970	1970-1980	1960	1970	1980
City of Whitewater...	1,722	2,257	3,030	31.1	34.3	3.13	3.00	2.48
Region.....	465,913	536,485	627,955	15.2	17.1	3.30	3.27	2.75
Wisconsin.....	1,146,040	1,328,804	1,652,261	16.0	24.3	3.36	3.22	2.77
United States.....	53,023,875	62,874,000	80,389,673	18.5	27.9	3.33	3.14	2.75

Source: U. S. Bureau of the Census and SEWRPC.

The preparation of population forecasts for a relatively small geographic area like the City of Whitewater is a particularly difficult task, fraught with uncertainties and subject to periodic revision as new information becomes available. The population forecasts presented in this chapter were developed from regional and county forecasts prepared by the Regional Planning Commission using a combination of demographic and economic activity projection techniques. The forecasts are based upon two alternative scenarios for the future development of southeastern Wisconsin--a moderate growth scenario and a stable or declining growth scenario. At the regional level, each of these two scenarios was further developed by postulating centralized and decentralized land use development patterns, providing, in all, four "alternative futures" for the Region.

Key External Factors

Each of the two alternative future scenarios used as a basis for preparing the necessary forecasts was intended to represent a reasonable combination of factors which, while operating external to the Region and to the City of Whitewater, may be expected to influence development in the Region and the City. Thus, the alternative futures considered are intended to represent a range of future conditions in the Region and in the City which may be expected to occur over the next 20 years. The key external factors influencing the future development of the Region and the City were identified as relating to energy, population lifestyles, and economic conditions. Table 16 describes the future conditions in the Region under the two scenarios. The development of the alternative future scenarios of the external factors influencing development in the Region and in the City was followed by a postulation of the amount of growth and decline in regional and city population and employment which may be expected to be attendant to each of the two scenarios, and to the two differing land use patterns.

Forecast Population Size

The purpose of this section is to provide economic development practitioners in the City with a range of population forecasts that can be compared to recent historical growth patterns.

Table 16
ALTERNATIVE FUTURE SCENARIOS

Key External Factors	Moderate Growth	Stable or Declining Growth
<u>Energy</u>		
1. The future cost and availability of energy, particularly of petroleum	Oil price to converge to world price, which will increase at 2 percent annual rate to \$39 per barrel in year 2000 (1979 dollars) Petroleum-based motor fuel to increase to \$1.50 per gallon by year 2000 (1979 dollars) Assumes no major or continued disruptions in oil supply High degree of conservation in all sectors, resulting in increase in energy use of 2 percent or less Automobile fuel efficiency of 32 miles per gallon	Oil price to converge to world oil price, which will increase at 5 percent annual rate to \$72 per barrel in year 2000 (1979 dollars) Petroleum-based motor fuel to increase to \$2.30 per gallon by year 2000 (1979 dollars) Assumes some potential for major and continuing disruptions in oil supply Low degree of conservation in all sectors, resulting in increase in energy use of 3 percent Automobile fuel efficiency of 27.5 miles per gallon
<u>Population Lifestyles</u>		
1. The degree to which the changing role of women affects the composition of the labor force	Female labor force increases to 51 percent and total labor force participation is 62 percent	Female labor force increases to 70 percent and total labor force participation is 72 percent
2. The future change in fertility rates	A continuation of below-replacement fertility rates during the next decade, followed by an increase to replacement level by year 2000	A continuation of below-replacement fertility rates to the year 2000
3. The future change in household sizes	Average household size stabilizes	Average household size continues to decline
<u>Economic Conditions</u>		
1. The future change of real income	Continued increase envisioned as a result of increased proportion in work-force ages, increased population labor force participation, and increased work productivity	Continued increase envisioned as a result of increased proportion of population in work-force ages, and increased population labor force participation
2. The degree to which the Region will be able to compete for the preservation and expansion of its economic base in relation to other parts of the nation	Relatively high attractiveness and competitiveness of the Region	Relatively low attractiveness and competitiveness of the Region

Source: SEWRPC.

Table 17

**HISTORIC AND FORECAST POPULATIONS FOR THE
CITY OF WHITEWATER AND THE REGION: 1970-2000**

Year	Type of Data	City of Whitewater		Region	
		Number	Percent Change	Number	Percent Change
1970	Actual.....	12,055	88.9 ^a	1,756,100	11.6 ^a
1980	Actual.....	11,520	-4.4	1,764,900	0.5
2000	Moderate Growth Scenario Centralized Land Use Plan.....	16,986	48.0	2,219,300	25.8
	Decentralized Land Use Plan.....	15,980	38.7	2,219,300	25.8
	Stable or Declining Growth Scenario Centralized Land Use Plan.....	8,481	-26.4	1,690,000	- 4.2
	Decentralized Land Use Plan.....	11,215	- 2.7	1,690,000	- 4.2

^aPercent change from 1960 to 1970.

Source: U. S. Bureau of the Census and SEWRPC.

Table 17 shows the four population forecasts for the City of Whitewater and the Region. The moderate growth scenario-centralized land use plan shows the City's 1980 population of 11,520 increasing to about 16,986 in the year 2000, or an increase of about 48 percent, while under the moderate growth scenario-decentralized land use plan, the City's 2000 population would be 15,980, or a 39 percent increase. The stable or declining growth scenario-centralized land use plan shows the City's 1980 population declining to 8,481 persons, or a decrease of about 26 percent, while the stable or declining growth scenario-decentralized land use plan shows a 2000 population of 11,215, or a 2.7 percent decline.

Table 17 shows that from 1970 to 1980, the City's population declined by about 4.4 percent. Should this level of actual growth continue from 1980 to 2000, the City could not expect to reach the forecast population levels indicated for the moderate growth scenario. It would be more likely that the City's actual growth from 1980 to 2000 would be somewhat less than that indicated for the stable or declining growth scenario-decentralized land use plan, while somewhat more than that indicated for the stable or declining growth scenario-centralized land use plan. In 1983, the Wisconsin Department of Administration (DOA) estimated that the population of the City of Whitewater was 11,199 persons, or a further decline of 321 persons, or about 2.8 percent, from the 1980 level. Consequently, the past three years have not shown any indication of a change in the population trends evident in the City from 1970 to 1980.

CHARACTERISTICS OF THE CITY OF WHITEWATER LABOR FORCE

The quality and size of a community's labor force are important factors influencing the economic development of an area in that productive labor is one of the factors in the locational decisions of businesses and industries. Accordingly, it is important for proponents of economic development in Whitewater to

be concerned with the quality and size of the City's labor force. This section presents pertinent information on the City's labor force, including information on historic trends in the size and composition of the labor force and characteristics of the unemployed segments of the labor force.

Historical Labor Force Trends

By definition, the labor force of an area consists of all of its residents who are 16 years of age or older and are either employed at one or more jobs or are temporarily unemployed. Historical changes in the size, composition, and distribution of an area's labor force can indicate changes in the economy of the area, population growth or decline, especially in the working age groups, and population movement from one area to another, and provides insight into the migration habits and mobility of the population. Table 18 shows the changes that have occurred in the size of the labor force in the City of Whitewater, the Region, the State, and the United States from 1960 to 1980. While the overall growth in the City's labor force from 1960 to 1980, 119 percent, was greater than that for the Region, 38 percent, the State, 48 percent, and the nation, 53 percent, the greatest growth in the City's labor force occurred from 1960 to 1970, when it grew by 87 percent, or more than five times the growth rate for the compared areas. The higher growth rate of the City's labor force during the 1960's was due to the rapid expansion of the University of Wisconsin-Whitewater during this period. In 1960, the University enrollment was 1,998, while by 1970 the enrollment had increased to 9,721, with attendant increases in faculty and staff.

Recent labor force growth in the City is less than that in the compared areas. From 1970 to 1980, the City's labor force increased 17 percent, somewhat less than the increase in the Region, 19 percent, and significantly less than the state increase, 28 percent, and national increase, 31 percent. The recent, relatively low percentage increase in the City's total labor force has important implications for economic development. Firms may be reluctant to expand or locate in the City because of a perceived lack of workers. However, new jobs that may be created could be filled by persons from outside the City, resulting in a greater demand for private housing and public services and facilities.

Age Composition

The age composition of an area's labor force is significant in that it affects the ability of the labor force to fill a range of employment opportunities--from relatively unskilled occupations that are usually filled by younger workers, to moderately and highly skilled occupations that are usually filled by more mature workers. Table 19 shows the 1980 age composition of the labor force in the City, the Region, the State, and the nation. As would be expected, the University significantly affects the age distribution of the City's labor force. A total of 1,125 persons, or about 20 percent of the City's labor force, are younger workers between the ages of 16 and 19 years, over twice the comparable percentages for the Region and the State. Correspondingly, the percentage of mature and older workers in the City is lower than the percentages for the compared areas.

The over-representation of young workers in the City, and the enrollment of many of these workers at the University of Wisconsin-Whitewater, affects

Table 18

COMPARATIVE CIVILIAN LABOR FORCE SIZE IN THE CITY OF WHITEWATER,
THE REGION, WISCONSIN, AND THE UNITED STATES: 1960-1980

Area	Labor Force			Percent Change		
	1960 ^a	1970 ^b	1980 ^b	1960-1970	1970-1980	1960-1980
City of Whitewater....	2,584	4,836	5,650	87.2	16.8	118.7
Region.....	636,901	736,078	876,152	15.6	19.0	37.6
Wisconsin.....	1,527,722	1,774,008	2,263,413	16.1	27.6	48.2
United States.....	68,144,079	80,051,046	104,449,817	17.5	30.5	53.3

^aFourteen years of age and older.

^bSixteen years of age and older.

Source: U. S. Bureau of the Census; Wisconsin Department of Industry, Labor and Human Relations; and SEWRPC.

Table 19

AGE COMPOSITION OF THE CIVILIAN LABOR FORCE IN THE CITY OF
WHITEWATER, THE REGION, WISCONSIN, AND THE UNITED STATES: 1980

Area	Civilian Labor Force Participation						Total Civilian Labor Force	
	Young Workers 16-19 Years		Mature Workers 20-64 Years		Older Workers 65 Years and Older			
	Number	Percent	Number	Percent	Number	Percent		
City of Whitewater...	1,125	19.9	4,412	78.1	113	2.0	5,650	
Region.....	81,011	9.3	771,655	88.1	23,486	2.6	876,152	
Wisconsin.....	212,775	9.4	1,983,263	87.6	67,375	3.0	2,263,413	
United States.....	8,148,628	7.8	93,079,934	89.1	3,221,255	3.1	104,449,817	

Source: U. S. Bureau of the Census and SEWRPC.

economic development in the City primarily in two ways. First, the student workers provide an ample supply of part-time workers for local business. In 1980, the average number of hours worked per week was less for the City than for the compared areas--32 hours for males and 31 hours for females (see Table 20). Second, existing and new firms in the City could possibly attract recent University graduates as new employees. Mr. James W. Colmey, Assistant Chancellor for Administrative Services, University of Wisconsin, indicated to the Commission staff in a meeting held on February 14, 1984, that the University Board of Regents has decided to place an emphasis on computer science education at the University of Wisconsin-Whitewater. The City of Whitewater could attempt to capitalize on the University's computer science program emphasis by seeking computer-related firms for relocation in the City, or encouraging the establishment of new computer-related firms.

Table 20

AVERAGE NUMBER OF HOURS
WORKED IN 1980 BY PERSONS
16 YEARS OF AGE AND OLDER
IN THE CITY OF WHITEWATER,
THE REGION, WISCONSIN,
AND THE UNITED STATES

Area	Mean Hours Worked	
	Male	Female
City of Whitewater.....	32.4	31.4
Region.....	45.3	40.7
Wisconsin.....	44.7	40.0
United States.....	44.4	39.7

Source: U. S. Bureau of the Census and SEWRPC.

Sex Composition

The increasing participation of females in the labor force is reflected in historical changes in the composition of the City of Whitewater labor force. The labor force composition from 1960 to 1980 is shown in Table 21. The percentage of females in the City's labor force has increased rapidly in relation to the percentage of males. The number of females in the labor force increased by about 201 percent from 1960 to 1980, while the number of males increased by about 73 during the same time period. In comparison to the Region, State, and nation in 1980, the City of Whitewater shows a greater percentage of female members in the labor force, 49 percent; the other areas all have a 43 percent female labor force participation rate.

Average Weekly Wages

The salary and wage structure of an area is an important consideration of business enterprises when making decisions regarding location. High salaries and wages in a labor market area may discourage and, in some cases, prohibit the expansion of employment opportunities. While wage information is not available for the City of Whitewater, such information is available for Walworth County. As shown in Table 22, the average weekly wage for all industries in Walworth County, \$256, is about 80 percent of the average weekly wage for all industries in the State, \$317. The county wages in each industry category are lower than those shown for the State.

Because of the importance of labor costs to the location of an industry, the relatively lower wages in Walworth County could be an advantage in retaining existing industry in the City and attracting new industry to the City. However, the creation of new employment opportunities could result in an increase in average wages as employers would be forced to compete for a limited number of workers.

Industry Distribution

Table 23 indicates the industry distribution of the 1980 labor force in the City of Whitewater, the Region, Wisconsin, and the United States. As shown in the table, the City's labor force is dominated by employment in the retail

Table 21

**COMPARATIVE CIVILIAN LABOR FORCE COMPOSITION BY SEX FOR THE
CITY OF WHITEWATER, THE REGION, WISCONSIN, AND THE UNITED STATES**

Area	Civilian Labor Force						Percent Change		
	1960 ^a		1970 ^b		1980 ^b		1960-1970	1970-1980	1960-1980
	Number	Percent	Number	Percent	Number	Percent			
City of Whitewater									
Male.....	1,674	64.8	2,678	55.4	2,908	51.5	60.0	8.6	73.4
Female.....	910	35.2	2,158	44.6	2,742	48.5	137.1	27.1	201.3
Total	2,584	100.0	4,836	100.0	5,650	100.0	87.2	16.8	118.7
Region									
Male.....	430,601	67.6	451,094	61.3	496,957	56.7	4.8	10.2	15.4
Female.....	206,300	32.4	284,984	38.7	379,195	43.3	38.1	33.1	83.8
Total	636,901	100.0	736,078	100.0	876,152	100.0	15.6	19.0	37.6
Wisconsin									
Male.....	1,056,747	68.9	1,108,584	62.5	1,299,739	57.4	5.4	17.2	23.6
Female.....	476,214	31.1	665,424	37.5	963,674	42.6	39.7	44.8	102.4
Total	1,532,961	100.0	1,774,008	100.0	2,263,413	100.0	15.7	27.6	47.6
United States									
Male.....	45,762,669	67.2	49,549,239	61.9	59,926,488	57.4	8.3	20.9	31.0
Female.....	22,381,410	32.8	30,501,807	38.1	44,523,329	42.6	36.3	46.0	98.9
Total	68,144,079	100.0	80,051,046	100.0	104,449,817	100.0	17.5	30.5	53.3

^aFourteen years and older.

^bSixteen years and older.

Source: U. S. Bureau of the Census and SEWRPC.

Table 22

**COMPARATIVE AVERAGE WEEKLY WAGES BY INDUSTRY
FOR WALWORTH COUNTY AND WISCONSIN: 1983**

Industry	Average Weekly Wages ^a		
	Walworth County	Wisconsin	County Wages as a Percent of State Wages
Agriculture, Forestry, and Fishing....	\$217.02	\$239.87	90.47
Construction.....	346.28	389.22	88.97
Manufacturing.....	329.05	415.40	79.43
Transportation, Communications, and Utilities.....	347.95	408.38	85.20
Wholesale Trade.....	320.86	375.57	85.43
Retail Trade.....	145.21	159.31	91.15
Finance, Insurance, and Real Estate.....	259.10	326.27	79.41
Services.....	173.28	249.06	69.57
Average for All Industries	\$256.07	\$316.71	80.85

^aWages shown are annual averages of the wages published for each of the four calendar quarters of 1983.

Source: Wisconsin Department of Industry, Labor and Human Relations and SEWRPC.

Table 23

EMPLOYMENT BY INDUSTRY IN THE CITY OF WHITEWATER,
THE REGION, WISCONSIN, AND THE UNITED STATES: 1980

Industry	Employment							
	City of Whitewater		Region		Wisconsin		United States	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Agriculture, Forestry, Fishing, and Mining.....	36	0.7	10,112	1.2	121,071	5.7	3,941,767	4.0
Construction.....	128	2.4	30,562	3.7	94,496	4.5	5,739,598	5.9
Manufacturing ^a	836	15.8	273,882	33.1	602,507	28.5	21,914,754	22.4
Nondurable Goods.....	347	41.5	63,352	23.1	199,645	33.1	8,435,543	38.5
Durable Goods.....	489	58.5	210,530	76.9	402,862	66.9	13,479,211	61.5
Transportation, Communications, and Utilities.....	111	2.1	50,482	6.1	121,035	5.7	7,087,455	7.3
Wholesale Trade.....	168	3.1	32,750	4.0	79,267	3.7	4,217,232	4.3
Retail Trade.....	1,456	27.6	134,293	16.3	348,156	16.5	15,716,694	16.1
Finance, Insurance, and Real Estate.....	120	2.3	45,844	5.5	105,040	5.0	5,898,059	6.0
Business and Related Services ^b	359	6.8	56,294	6.8	131,265	6.2	8,164,511	8.4
Business and Repair Services..	97	27.0	29,302	52.1	62,262	47.4	4,081,677	49.9
Personal Entertainment and Recreation Services....	262	73.0	26,992	47.9	69,003	52.6	4,082,834	50.1
Professional Services ^c	1,964	37.2	166,889	20.2	435,609	20.6	19,811,819	20.3
Health Services.....	175	8.9	70,220	42.1	175,176	40.2	7,250,465	36.6
Educational Services.....	1,641	83.6	63,465	38.0	184,082	42.3	8,377,213	42.3
Other Professional Services...	148	7.5	33,204	19.9	76,351	17.5	4,184,141	21.1
Public Administration.....	100	1.9	25,348	3.1	76,027	3.6	5,147,466	5.3
Total Employment	5,278	100.0	826,456	100.0	2,114,473	100.0	97,639,355	100.0

^aNondurable and durable goods are shown as a percentage of total manufacturing.^bBusiness and personal services are shown as a percentage of total business services.^cHealth, education, and other services are shown as a percentage of total professional services.

Source: U. S. Bureau of the Census and SEWRPC.

trade industry and the professional services industry. In 1980, about 65 percent of the total employment in the City was in the retail trade and professional service industries, with 28 percent of the City's labor force being employed in the retail trade industry and 37 percent in the professional services industry, and with 84 percent of the professional service employment being in educational services. In the Region, Wisconsin, and United States, 36 percent, 37 percent, and 36 percent, respectively, of the total labor force was employed in the retail trade and professional service industries. The personal entertainment and recreation services industry employed 73 percent of all persons working in the business and related services industry, compared with 48 percent for the Region, 53 percent for the State, and 50 percent for the nation. The City's concentration of labor force employment in the retail trade and professional services industries indicates the high degree of dependence of the City's existing work force on the University. Because a large proportion of the City's employment is directly related to the University, fluctuations in student enrollment could cause a corresponding increase or decrease in employment in the City.

As a result of the high percentage of city labor force employment in the retail trade and service industries, all other industry groups in the City show a lower percentage of total employment relative to other areas. For example, the manufacturing industry, an industry that employs 33 percent of the labor force in the Region, 29 percent in the State, and 22 percent in the nation, employs only 16 percent of the labor force in the City. The City's nondurable goods industry employs 42 percent of the labor force employed in the manufacturing industry, while in the Region, Wisconsin, and the nation this industry employs only 23 percent, 33 percent, and 41 percent, respectively, of the manufacturing industry labor force.

Occupational Distribution and Skill Level

The occupational distribution of the labor force and the overall educational attainment level of the population are indications of the skill level of the labor force. Earlier in this chapter, it was indicated that a high percentage of persons in the City have one to three years of college education as a result of the presence of the University population. In order to examine the relative educational attainment of the nonuniversity population in the City, the percentage of persons 25 years of age and older who have completed high school but have not entered college was calculated for the City of Whitewater, the Region, Wisconsin, and the nation (see Table 24). As indicated in Table 24, 54 percent of the persons 25 years of age and older in the City had a high school education and no college education in 1980, compared with 57 percent for the Region and the State, and 51 percent for the nation. A high school education is usually the minimum educational level desired by employers.

Table 25 shows the 1980 occupational distribution of the labor force in the City of Whitewater, the Region, Wisconsin, and the United States. As indicated in the table, in 1980 the City's labor force was over-represented in comparison to other areas in: 1) professional specialty occupations, specifically teachers, librarians, and counselors; 2) sales occupations; 3) service workers, specifically food service workers; and 4) handlers, equipment cleaners, and helpers and laborers, specifically freight-, stock-, and material-handlers. The concentration of workers in these occupations indicates a concentration of skilled professionals, i.e., teachers, librarians, and counselors, at the University. However, it also indicates that the University provides opportunities for employment in the semi-skilled and low-skill sales

Table 24

PERSONS 25 YEARS OF AGE AND OLDER BY
HIGH SCHOOL EDUCATION AS A PERCENTAGE OF
TOTAL PERSONS WITHOUT COLLEGE EDUCATION
IN THE CITY OF WHITEWATER, THE REGION,
WISCONSIN, AND THE UNITED STATES: 1980

Area	Number of Persons	Percent	Total
Whitewater.....	986	53.8	1,832
Region.....	399,214	57.1	699,199
Wisconsin.....	1,093,496	57.1	1,915,789
United States...	45,947,035	50.8	90,482,232

Source: U. S. Bureau of the Census and SEWRPC.

and service occupations. The concentration of workers in the freight-, stock-, and material-handlers occupations is related to the semi-skilled and low-skill jobs in the City's manufacturing firms.

Characteristics of the Unemployed Labor Force

The unemployed segment of the labor force is defined as those members of the labor force who: 1) were neither "at work" nor "with a job, but not at work" during the recording period, 2) were looking for work during the previous four-week period, and 3) were available to accept a job. Also included as unemployed are persons who did not work at all during the recording period and were waiting to be called back to a job from which they had been laid off. The characteristics of the unemployed labor force in the City that are discussed herein include the total number of unemployed, the age of the unemployed, and the sex of the unemployed.

Total Unemployment: Table 26 indicates the total number of unemployed persons in the City of Whitewater and the compared areas in 1960, 1970, 1980, and 1983. As shown in the table, an annual average of about 596 persons were unemployed in the City in 1983, or over 1.5 times the number that were unemployed in 1980. In 1983, the unemployment rate in the City, 9.3 percent, was less than that in the Region, 10.7 percent, the State, 10.7 percent, and the nation, 9.6 percent. The City's lower 1983 unemployment rate is a change from historical patterns. In 1980, the City's unemployment rate, 6.6 percent, was similar to that in the State and nation, and greater than that in the Region, while in 1970 the City's unemployment rate was higher than those in all of the compared areas. In 1960, prior to the increase in enrollment at the University, the City's unemployment rate was lower than the rates in the compared areas.

Age of the Unemployed: Table 27 compares the 1980 age distribution of the unemployed labor force in the City of Whitewater and in the compared areas. As indicated in the table, the City's unemployment rate for younger workers 16 to 19 years of age, 6.8 percent, is significantly lower than the rates in the areas of comparison, while the unemployment rate for mature workers 20 to 64 years of age, 6.5 percent, is slightly higher than those in the areas of com-

Table 25

OCCUPATION OF EMPLOYED PERSONS 16 YEARS OF AGE AND OLDER IN THE CITY
OF WHITEWATER, THE REGION, WISCONSIN, AND THE UNITED STATES: 1980

Occupation	Employment							
	City of Whitewater		Region		Wisconsin		United States	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Managerial and Professional.....	1,157	21.9	178,498	21.6	424,250	20.1	22,151,648	22.7
Executive, Administrative, and Managerial.....	387	33.5	81,635	45.7	187,186	44.1	10,133,551	45.8
Professional Specialty.....	770	66.5	96,863	54.3	237,064	55.9	12,018,097	54.2
Technical, Sales, Administrative Support.....	1,545	29.3	249,449	30.2	579,351	27.4	29,593,506	30.3
Technicians and Related Support..	101	6.5	25,271	10.1	61,000	10.5	2,981,951	10.1
Sales.....	560	36.3	81,057	32.5	191,172	33.0	9,760,157	33.0
Administrative Support, Including Clerical.....	884	57.2	143,121	57.4	327,179	56.5	16,851,398	56.9
Service Occupations.....	1,280	24.2	110,023	13.3	297,613	14.1	12,629,425	12.9
Private Household Occupations....	12	0.9	2,486	2.3	8,204	2.8	589,352	
Protective Services.....	80	6.3	11,721	10.6	25,419	8.5	1,475,315	
Other Service Occupations.....	1,188	92.8	95,816	87.1	263,990	88.7	10,564,758	
Farming, Forestry, and Fishing....	67	1.3	9,065	1.1	116,130	5.5	2,811,258	2.9
Precision Production, Craft, and Repair.....	371	7.0	100,953	12.2	255,333	12.1	12,594,175	12.9
Operators, Fabricators, and Laborers.....	858	16.3	178,468	21.6	441,796	20.9	17,859,343	18.3
Machine Operators, Assemblers, Inspectors.....	451	52.6	109,787	61.5	253,362	57.4	9,084,988	50.9
Transportation and Material Moving.....	199	23.2	33,843	19.0	94,180	21.3	4,389,412	24.5
Handlers, Equipment Cleaners, Helpers, Laborers....	208	24.2	34,838	19.5	94,254	21.3	4,384,943	24.6
Total	5,278	100.0	826,456	100.0	2,114,473	100.0	97,639,355	100.0

NOTE: All suboccupational categories are shown as a percentage of the respective occupational category.

Source: U. S. Bureau of the Census and SEWRPC.

Table 26

NUMBER OF UNEMPLOYED IN THE CITY OF WHITEWATER, THE REGION,
WISCONSIN, AND THE UNITED STATES: 1960, 1970, 1980, AND 1983

Area	Unemployed								Percent Change		
	1960 ^a		1970 ^b		1980 ^b		1983 ^b				
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	1960-1970	1970-1980	1980-1983
City of Whitewater...	74	2.9	280	5.8	372	6.6	596	9.3	278.4	32.9	60.2
Region.....	24,174	3.8	27,278	3.7	49,696	5.7	96,600	10.7	12.8	82.2	94.4
Wisconsin.....	59,091	3.9	70,379	4.0	148,940	6.6	253,900	10.4	19.1	111.6	70.5
United States.....	3,504,827	5.1	3,497,447	4.4	6,810,462	6.5	10,717,000	9.6	-0.2	0.2	94.7

^aFourteen years and older.

^bSixteen years and older.

Source: U. S. Bureau of the Census; Wisconsin Department of Industry, Labor and Human Relations; and SEWRPC.

Table 27

AGE COMPOSITION OF THE UNEMPLOYED CIVILIAN LABOR FORCE IN THE CITY OF WHITEWATER, THE REGION, WISCONSIN, AND THE UNITED STATES: 1980

Area	Unemployed Civilian Labor Force						
	Young Workers 16-19 Years		Mature Workers 20-64 Years		Older Workers 65 Years and Older		Total Unemployed Civilian Labor Force
	Number	Percent	Number	Percent	Number	Percent	
City of Whitewater...	76	6.8	288	6.5	8	7.1	372
Region.....	9,529	11.8	39,225	5.1	942	4.0	49,696
Wisconsin.....	25,680	12.1	120,047	6.1	3,213	4.8	148,940
United States.....	1,175,187	14.4	5,461,984	5.9	173,291	5.4	6,810,462

Source: U. S. Bureau of the Census and SEWRPC.

parison. While the unemployment rate for older workers 65 years and older, 7.1 percent, is significantly higher than those in the areas of comparison, the total number of older workers who were unemployed was very small. These figures indicate that in order to reduce the overall unemployment rate, the City should emphasize the creation of new jobs for the mature worker in the 20-to-64-year age category.

Sex of the Unemployed: Male and female employment barriers have become more important as the number of females in the labor force has increased. Traditionally, women across the nation enter the labor market with lower educational attainment and less job experience than males have. Table 28 indicates the number and unemployment rate of persons by sex in 1960, 1970, and 1980 in the City of Whitewater and the compared areas. From 1960 to 1970, the percentage increase in the total number of unemployed women was substantially greater than the percentage increase in the total number of unemployed men in all of the areas of comparison. From 1970 to 1980, the percentage increase in the number of unemployed women was smaller than the percentage increase in the total number of unemployed men in all the areas of comparison. The percentage increase in unemployed women from 1960 to 1970 was attributable to the increasing participation of women in the labor force. The percentage decline from 1970 to 1980 was due, in part, to the national economic recession that began in 1979. Male members of the work force, traditionally employed in the construction and durable goods manufacturing industries, experienced the early effects of the recession in terms of short-term lay-offs, resulting in an increase in the number of unemployed males.

CITY OF WHITEWATER ECONOMIC BASE

The economic base of a community can consist of a variety of activities, including agricultural production; the exploitation of natural resources; the manufacture of products to be exported to regional, national, and international markets; or the performance of certain service activities. In most cases, the economic base of a community is a combination of economic activities, and a specialization in any one activity is the result of the availability of local resources, including natural, human, and man-made resources; the proximity of available markets; and the availability and condition of

Table 28

**NUMBER OF UNEMPLOYED BY SEX FOR THE CITY OF WHITEWATER,
THE REGION, WISCONSIN, AND THE UNITED STATES: 1960-1980**

Area	Unemployed						Percent Change		
	1960 ^a		1970 ^b		1980 ^b		1960-1970	1970-1980	1960-1980
	Number	Percent	Number	Percent	Number	Percent			
City of Whitewater									
Male.....	44	1.7	160	3.3	221	3.9	263.6	38.1	402.3
Female.....	30	1.2	120	2.5	151	2.7	300.0	25.8	403.3
Total	74	2.9	280	5.8	372	6.6	278.4	32.9	402.7
Region									
Male.....	15,477	2.4	14,998	2.0	30,773	3.5	-3.1	105.2	98.8
Female.....	8,697	1.4	12,280	1.7	18,923	2.2	41.2	54.1	117.6
Total	24,174	3.8	27,278	3.7	49,696	5.7	12.8	82.2	105.6
Wisconsin									
Male.....	40,204	1.9	39,379	2.2	94,417	4.2	-2.1	139.8	134.9
Female.....	18,887	0.9	31,000	1.7	54,523	2.4	64.1	75.9	188.7
Total	59,091	2.8	70,379	3.9	148,940	6.6	19.1	111.6	152.1
United States									
Male.....	2,295,718	3.4	1,925,485	2.4	3,921,798	3.7	-16.1	103.7	70.8
Female.....	1,209,109	1.8	1,571,962	2.0	2,888,664	2.8	30.0	83.8	138.9
Total	3,504,827	5.2	3,497,447	4.4	6,810,462	6.5	-0.2	94.7	94.3

NOTE: Percents represent the portion of the total civilian labor force unemployed for each area.

^aFourteen years and older.

^bSixteen years and older.

Source: U. S. Bureau of the Census and SEWRPC.

transportation facilities and services. The economic base of a community may change over time as a result of changes in local resources, markets, and transportation facilities and services.

The specific components of an economic development program for the City of Whitewater must be properly related to the structure of the City's economy and the economic base of the City. An analysis of this kind will identify the relative importance of industry retention and expansion activities, as well as the most effective focus for these activities. Accordingly, it is important for city economic development proponents and practitioners to understand the existing economy, as well as recent changes in the economy. This section presents information on the structure of the City's economy and on recent changes in that structure, discusses forecast industry employment, and identifies the major employers in the City of Whitewater.

Structure of the City of Whitewater Economy

Economic activity in the City of Whitewater can be classified into eight major industry groups: 1) agriculture, forestry, fishing, and mining; 2) construction; 3) manufacturing; 4) wholesale trade; 5) retail trade; 6) finance, insurance, and real estate; 7) services; and 8) public administration. Table 29 shows the 1960, 1970, and 1980 annual average employment in the City of Whitewater for each of the major industry groups. As indicated in the table, total employment in 1980 was about 5,278, with employment and, therefore, economic activity in the City heavily concentrated in the services industry. In 1980, 2,323 members of the labor force, or about 44 percent of the total labor force, worked in the services industry.

Table 29
EMPLOYMENT BY INDUSTRY IN THE CITY OF WHITEWATER: 1960, 1970, AND 1980

Industry	Employment								
	1960		1970		1980		Percent Change		
	Number	Percent	Number	Percent	Number	Percent	1960-1970	1970-1980	1960-1980
Agriculture, Forestry, Fishing, and Mining.....	82	3.3	78	1.7	36	0.7	-4.9	-53.9	-56.1
Construction.....	76	3.0	157	3.4	128	2.4	106.6	-18.5	68.4
Manufacturing.....	706	28.1	796	17.5	836	15.8	12.8	5.0	18.4
Durable Goods.....	412	58.4	449	56.4	489	58.5	9.0	8.9	18.7
Nondurable Goods.....	294	41.6	347	43.6	347	41.5	18.0	0.0	18.0
Transportation, Communications, and Utilities.....	93	3.7	54	1.2	111	2.1	-41.9	79.6	16.2
Trade.....	727	29.0	1,288	28.3	1,624	30.8	77.2	26.1	123.4
Wholesale.....	--	--	74	5.8	168	10.3	--	127.0	--
Retail.....	--	--	1,214	94.2	1,456	89.7	--	19.9	--
Finance, Insurance, and Real Estate.....	56	2.2	105	2.3	120	2.3	87.5	14.3	114.3
Services.....	666	26.5	1,984	43.5	2,323	44.0	197.9	17.1	248.8
Public Administration.....	77	3.1	94	2.1	100	1.9	22.1	6.4	29.9
Not Reported.....	27	1.1	--	--	--	--	--	--	--
Total	2,510	100.0	4,556	100.0	5,278	100.0	81.5	15.9	110.3

Source: U. S. Bureau of the Census and SEWRPC.

The City also had a high percentage of jobs in the trade industry, 31 percent, with 90 percent of that employment in retail trade; and the manufacturing industry, 16 percent, with 57 percent of the manufacturing employment in the durable goods manufacturing industry and 41 percent in nondurable goods manufacturing employment. Together, the trade and manufacturing industries employed about 47 percent of the labor force in the City in 1980. Industries that show a smaller percentage of total employment include construction; finance, insurance, and real estate; transportation, communications, and utilities; and public administration, each accounting for 2 percent of the total employment; and agriculture, forestry, fishing, and mining, accounting for about 1 percent of total employment.

Economic Base

A comparison of the percentage distribution of industrial employment in the City to the percentage distribution of labor force employment in the United States will help to identify those industries that are concentrated in Whitewater and, therefore, comprise a significant aspect of the City's economic base. Such comparison of the economic structure may be accomplished through the use of industry location quotients. The industry location quotient is a comparison of the percentage employment within the City in any industry to the percentage employment in that industry in the nation, and is derived by dividing the percentage employment in an industry within the City by the percentage employment in that industry for the nation. The resulting ratio, if greater than 1.0, indicates an over-representation of city employment in the given industry, while a ratio of less than 1.0 indicates an under-representation of city employment in that industry.

Table 30 compares the 1980 percentage distribution of labor force employment in the City with the labor force employment distribution in the United States, as shown by industry location quotients. As indicated in Table 30, the ser-

Table 30

INDUSTRY LOCATION QUOTIENTS FOR THE CITY OF
WHITEWATER AS COMPARED TO THE UNITED STATES: 1980

Industry	Employment				Location Quotient	
	Whitewater		United States			
	Number	Percent	Number	Percent		
Agriculture, Forestry, Fishing, and Mining.....	36	0.7	3,941,767	4.0	0.175	
Construction.....	128	2.4	5,739,598	5.9	0.407	
Manufacturing.....	836	15.8	21,914,754	22.4	0.705	
Durable Goods.....	489	58.5	13,479,211	61.5	0.951	
Nondurable Goods.....	347	41.5	8,435,543	38.5	1.078	
Transportation, Communications, and Utilities.....	111	2.1	7,087,455	7.3	0.288	
Wholesale Trade.....	168	3.2	4,217,232	4.3	0.744	
Retail Trade.....	1,456	27.6	15,716,694	16.1	1.714	
Finance, Insurance, and Real Estate.....	120	2.3	5,898,059	6.0	0.383	
Services.....	2,323	44.0	27,976,330	28.7	1.533	
Business and Repair Services..	97	4.2	4,081,677	14.6	0.288	
Personal Entertainment and Recreation Services.....	262	11.3	4,082,834	14.6	0.774	
Professional and Related.....	1,964	84.5	19,811,819	70.8	1.194	
Health Services.....	175	8.9	7,250,465	36.6	0.243	
Educational Services.....	1,641	83.6	8,377,213	42.3	1.976	
Other Services.....	148	7.5	4,184,141	21.1	0.355	
Public Administration.....	100	1.9	5,147,466	5.3	0.359	
Total	5,278	100.0	97,639,355	100.0	--	

Source: U. S. Bureau of the Census and SEWRPC.

vices industry, with a location quotient of 1.533, and, more specifically, the educational services industry, with a location quotient of 1.976, are concentrated in the City. In addition, the retail trade industry, with a location quotient of 1.714, and the nondurable goods manufacturing industry, with a location quotient of 1.078, are concentrated in the City. The service industry and retail trade industry concentration in the City is in part the result of the location of the University in the City and the resulting demand for goods and services by the student population, while the concentration in the nondurable goods manufacturing industry can be attributed to the Hawthorn Mellody Farms Dairy of Wisconsin, Inc., a major employer in the City.

Historical Industry Employment Growth

While the percentage distribution of industry employment in the City is important, the historical growth of jobs over time is also important because it helps to identify the industries with the potential for future employment growth. Industries that show a good potential for employment growth should be given special attention in economic development programs in order to ensure that they continue to provide new jobs and, therefore, income for the local population.

As indicated throughout this report, the University of Wisconsin-Whitewater affects the socioeconomic characteristics of the city population in numerous ways. The University and the growth in University enrollment during the 1960's have had a significant effect upon the City's economy. During the 1960's, when

University enrollment increased significantly, the services industry, construction industry, finance, insurance, and real estate industry, and the trade industry showed significant employment increases that were greater than those for the Region, Wisconsin, or the nation (see Table 31). During this same period, the City's manufacturing industry increased 13 percent--greater than the regional or state increase, and equal to the increase in the nation.

By 1970, the University had become a more stable part of the Whitewater community. Thus, the employment changes of the 1970's probably provide a better indication of future economic activity trends than do the changes of the 1960's. As shown in Table 31, the wholesale trade industry and the transportation, communications, and utilities industry showed the greatest increases in employment during the 1970's--127 percent and 80 percent, respectively--with these increases being greater than the increases for the Region, State, or nation. However, the industries that were described as being concentrated in the City, the services, retail trade, and nondurable goods manufacturing industries, grew at a slower rate than in most other areas during this time period. The retail trade industry increased by 20 percent--greater than the increase in the Region, 17 percent, but less than the increase in the State, 27 percent, or the nation, 28 percent. The services industry increased by 17 percent--less than the increase in the Region, 32 percent, the State, 36 percent, or the nation, 21 percent. The City's nondurable goods manufacturing industry showed no employment growth during the 1970's. Overall, total industry employment in the City increased by 16 percent from 1970 to 1980, compared with about 17 percent in the Region, 24 percent in the State, and 23 percent in the nation. The slower employment growth of industries that are concentrated in the City, as well as the overall slower growth in total employment in comparison to the compared areas, is an indication that economic conditions may be deteriorating in the City.

Forecast Employment

Table 32 shows forecast employment change in major nonagricultural industry sectors in the City of Whitewater between 1980 and 1990. The forecasts were developed by applying the forecast percentage change in nonagricultural industry employment for the State of Wisconsin to the City's 1980 industry employment. The statewide forecasts are set forth in a publication entitled Wisconsin's Economy in 1990: Our History, Our Present, Our Future, by William A. Strang, School of Business, University of Wisconsin-Madison. Employment forecasts, while fraught with uncertainty and subject to revision, are important because they provide local economic development practitioners with a future economic scenario that is based upon national and state economic activity trends. The validity of the forecasts set forth in Table 32 are, however, dependent upon local economic conditions and, therefore, could change significantly as local conditions change.

As indicated in Table 32, the largest percentage increases in industry employment in the City from 1980 to 1990 are forecast to take place in the finance, insurance, and real estate industry, 43 percent; the wholesale trade industry, 40 percent; the services industry, 38 percent; and the retail trade industry, 28 percent. Together, these industries are forecast to provide 1,398 new jobs in the City, or about 90 percent of the total 1990 forecast employment increase. In addition, employment in the construction industry is forecast to increase 17 percent; in manufacturing, 15 percent; in transportation, communi-

Table 31

**PERCENTAGE CHANGE IN EMPLOYMENT BY INDUSTRY FOR THE
CITY OF WHITEWATER, THE REGION, WISCONSIN, AND THE
UNITED STATES: 1960-1970, 1970-1980, AND 1960-1980**

Industry	Percent Change											
	1960 to 1970				1970 to 1980				1960 to 1980			
	City of Whitewater	Region	Wisconsin	United States	City of Whitewater	Region	Wisconsin	United States	City of Whitewater	Region	Wisconsin	United States
Agriculture, Forestry, Fishing, and Mining.....	-4.9	-19.4	-33.6	-30.6	-53.9	-10.5	6.2	13.6	-56.1	-27.8	-29.6	-21.2
Construction.....	106.6	7.0	19.6	19.8	-18.5	0.9	10.2	25.5	68.4	6.1	31.8	50.4
Manufacturing.....	12.8	1.4	9.2	13.3	5.0	6.7	14.0	10.5	18.4	8.1	24.5	25.1
Durable Goods.....	9.0	2.9	13.9	19.5	8.9	8.5	16.4	14.8	18.7	11.6	32.6	37.1
Nondurable Goods.....	18.0	-3.2	1.4	5.4	0.0	1.2	9.5	4.2	18.0	-2.0	11.0	9.8
Transportation, Communications, and Utilities.....	-41.9	6.5	8.0	16.3	79.6	33.5	36.2	36.2	16.2	42.2	47.1	59.0
Trade.....	77.2	32.8	31.6	30.4	26.1	15.5	25.9	29.7	123.4	53.4	65.6	39.9
Wholesale.....	--	59.3	48.4	41.6	127.0	9.9	33.2	34.6	--	18.3	97.6	90.6
Retail.....	--	27.3	28.5	27.8	19.9	17.0	24.4	28.4	--	48.9	59.8	64.1
Finance, Insurance, and Real Estate.....	87.5	38.0	43.0	42.5	14.3	44.3	62.5	53.7	114.3	99.1	132.4	118.9
Services.....	197.9	61.7	59.8	48.2	17.1	32.3	35.7	21.1	248.8	114.0	116.9	79.4
Public Administration.....	22.1	18.8	25.0	31.2	6.4	6.2	17.4	22.5	29.9	11.5	46.7	60.7
Total	81.5	15.7	16.0	18.4	15.9	16.6	24.1	22.7	110.3	34.9	44.0	45.4

Source: U. S. Bureau of the Census and SEWRPC.

Table 32

FORECAST EMPLOYMENT CHANGE IN MAJOR INDUSTRY SECTORS IN THE CITY OF WHITEWATER: 1980-1990

Industry	1980		1990		Employment Change 1980 to 1990	
	Number	Percent	Number	Percent	Number	Percent
Construction.....	128	2.4	150	2.2	22	17.2
Manufacturing.....	836	15.8	957	14.1	121	14.5
Transportation, Communications, and Utilities.....	111	2.1	123	1.8	12	10.5
Trade.....	1,624	30.8	2,097	30.8	473	29.1
Wholesale.....	168	10.3	235	11.2	67	39.7
Retail.....	1,456	89.7	1,862	88.8	406	27.9
Finance, Insurance, and Real Estate.....	120	2.3	171	2.5	51	42.6
Public Administration.....	100	1.9	109	1.6	9	9.0
Services.....	2,323	44.0	3,196	47.0	873	37.6
Total	5,242	100.0	6,803	100.0	1,561	29.8

Source: University of Wisconsin-Madison and SEWRPC.

cations, and utilities, 11 percent; and in public administration, 9 percent. Together, these industries are expected to provide approximately 164 new jobs, or only 10 percent of the 1990 total forecast employment increase.

Two important economic development considerations can be derived from the 1990 forecast industry employment. First, in most communities the manufacturing industry has traditionally provided the largest number of forecast employment opportunities. As a result, local economic development practitioners have concentrated their economic development efforts on activities intended to attract new manufacturing firms to the community. However, manufacturing industry employment in Wisconsin is forecast to grow by only 15 percent from 1980 to 1990, with the absolute change in manufacturing industry employment in the City of Whitewater being only 121 jobs, or about 8 percent of the total forecast employment increase in the City. Consequently, local economic development proponents should not expect to see a large number of new jobs created in the manufacturing industry in the near future.

Second, as previously indicated, the City's economy is, in part, concentrated in the retail trade and service industries, industries that are forecast to grow by 28 percent and 38 percent, respectively. While the large employment increases forecast for these industries are a good indication of future economic activity in the City, the ability of these industries to meet these forecasts will be dependent, in part, upon the total enrollment at the University. Mr. James W. Colmey, Assistant Chancellor for Administrative Services at the University, has indicated to the Commission staff that the University administration expects a 10 percent decline in enrollment over the next five years and that enrollments are expected to stabilize after this time.

Because of the relatively small forecast employment change in the manufacturing industry and the relatively large forecast employment change in the retail trade and service industries, together with the stabilizing University enrollment, the City's economic development program will need to focus on economic

development activities that support the retail trade and service industries, as well as the traditional program activities that have sought to increase manufacturing industry employment.

Major Employers

Knowledge of the major employers in the City is important for two reasons. First, major employers in the City employ a substantial number of workers and, therefore, their existing and future total employment is important to the economic development of a community. Second, an identification of the type of major industry employers will result in an indication of the type of new industry that may want to locate in the City of Whitewater. Table 33 lists the largest major private sector employers in the City of Whitewater.

SUMMARY AND CONCLUSIONS

This chapter has described historic trends in, and the contemporary state of, the natural resource base and physical characteristics of the City of Whitewater, and has presented the City's population, labor force, and economic characteristics. The most important findings of this chapter are presented below.

1. The unique location of the City of Whitewater makes it possible for city residents to commute to the Milwaukee area and other urban growth centers for employment, business, shopping, and entertainment, while also being able to enjoy the natural beauty and recreational facilities of the southern unit of the Kettle Moraine State Forest.
2. The established emphasis of the manufacturing sector of the Whitewater economy in agricultural equipment and service-related industries is based, in part, on the historical development and expansion of these industries in the area.
3. The climate in the City of Whitewater and environs is characterized by a continuous progression of markedly different seasons and a large range in annual temperatures. Summers are relatively warm with occasional periods of hot, humid weather, while winters tend to be cold, cloudy, and snowy.
4. The areas in the City of Whitewater and environs which are least suitable for commercial and industrial development are located immediately south of the Whitewater central business district, immediately north of the City, and in the area along the east edge of the City.
5. The 100-year recurrence interval floodlands within the City of Whitewater and environs are generally not well-suited for development. An effort should be made to discourage indiscriminate and incompatible development on floodlands, while encouraging compatible park and open space uses.
6. Environmental corridors in the City of Whitewater and environs contain the best remaining elements of the natural resource base, and, as such, their continued protection and preservation is essential to the ecological balance and natural beauty of the area. Environmental corridors in the study area primarily occur along the shorelines of Cravath Lake,

Table 33
CITY OF WHITEWATER MAJOR PRIVATE SECTOR EMPLOYERS

Trade	Manufacturing	Finance
Burns Industrial Supply Company, Inc. Coburn Company, Inc. Eagle Discount Super Market Hardee's of Whitewater Home Lumber Company McDonald's Restaurant Pamida Discount Center Pizza Hut Professional Food Management Projector-Recorder Belt Corporation Randy's Supper Club Red Lantern Restaurant Sentry Foods Super Valu Foods Triebold Implement, Inc.	Alpha-Cast, Inc. Clinton Supply Company Coe Printers & Publishers, Inc. Good Morning Advertising Service, Inc. Hawthorn Melody Farms Dairy of Wisconsin Midwest Fiber Concrete, Ltd. Moksnes Manufacturing Company, Inc. Polymer Technologies Sturgis Newport Business Forms, Inc. Thomas Manufacturing and Contract Sewing, Inc. Weiler & Company Whitewater Manufacturing Company	Commercial Bank First Citizens State Bank
		Services
		Black Stallion Inn and Supper Club DLK Enterprises, Inc. Fairhaven Home for Senior Citizens McCullough's Prescriptions and Gifts Midcom Services, Inc. Nelson Bus Service Sherwood Forest Inn Wisconsin Dairy Herd Improvement Cooperative

Source: City of Whitewater and SEWRPC.

Tripp Lake, and Whitewater Creek. Wetlands are the most dominant natural resource base element comprising environmental corridors and isolated natural areas in the study area.

7. Existing residential land use in the City of Whitewater and environs is primarily located to the north and northwest of Cravath Lake and north of Tripp Lake. The intrusion of commercial and industrial land uses in and the penetration of arterial streets and highways through the residential areas of the City prevent the formation of cohesive neighborhood units and tend to detrimentally affect the quality of life in these areas.
8. The comprehensive plans previously prepared for the City of Whitewater recommend additional areas of residential development in the vicinity of Cravath Lake and Tripp Lake, in the area located immediately east of Jefferson Street and north of Cravath Street, and in the area along the entire western fringe of the City.
9. The principal concentration of commercial land use in the study area is located in the Whitewater central business district. Two smaller strip commercial development areas are located in the eastern and western portions of the City along USH 12.
10. The Whitewater central business district has many of the problems typically associated with mature central business districts such as functional obsolescence of structures, pedestrian/traffic circulation conflicts, competition from commercial development in outlying areas, and limited expansion capability. But the central business district also has assets which could be exploited and enhanced in a carefully formulated central business district improvement program. These assets include the proximity of the district to Cravath Lake, Tripp Lake, and Whitewater Creek and the mature architectural character of storefront commercial buildings in the district. The comprehensive plans previously prepared for the City contain many recommendations regarding central business district revitalization which should be carefully considered in the formulation of any new revitalization plan for the district.
11. Existing industrial land use in the City of Whitewater and environs is primarily located on sites adjacent to the former Central Wisconsin Railroad Company line within the City. Industrial land uses are also located in the City of Whitewater Industrial Park and along George Street. Currently, the City does not have sufficient industrial land use sites, and previous efforts to establish a new industrial park were halted because of community opposition.
12. The principal community-oriented park in the study area is Starin Park, which is located directly east of the UW-Whitewater campus. Other parks in the study area include Tripp Lake Park and Effigy Mounds Park. The adopted regional park and open space plan recommends that two additional neighborhood parks and one additional community park be provided in the City by the year 2000.
13. Recent improvements to the City's sanitary sewerage system make it possible for the system to be readily extended to serve additional urban development in the areas immediately to the northeast, south, and west of the City.

14. The completion of the City's water supply system improvement program late in 1984 will alleviate the water pressure and water quality deficiencies in the system and will make the system fully capable of meeting existing domestic uses and fire protection needs, as well as the needs of anticipated new urban development and population growth.
15. The principal arterial streets and highways in the City of Whitewater and environs are USH 12, STH's 59 and 89, and CTH's N, S, and P. The comprehensive plans previously prepared for the City call for the construction of a USH 12 bypass around southern and western edges of the City; the rerouting of arterial traffic around, rather than through, the core of the Whitewater central business district; and the relocation of STH 59 from Newcomb and Main Streets to Fremont Street.
16. The Central Wisconsin Railway Company filed for bankruptcy in December 1984, which resulted in the elimination of freight rail service in Whitewater. The reestablishment of freight rail service in Whitewater is unlikely without the establishment of additional rail service users along the portion of the line serving Whitewater.
17. The closest airports to the City of Whitewater which can accommodate corporate and business aircraft are from 18 miles to 23 miles from the City. The state airport system plan calls for a substantial upgrading of the Fort Atkinson Municipal Airport, located only about nine miles northwest of the City, to a basic transport airport. If the facilities at the Fort Atkinson airport were so upgraded, the airport would be capable of accommodating corporate and business aircraft. The Madison and Lake Geneva airports are also located near the City.
18. Enrollments at the UW-Whitewater campus are expected to decrease by about 10 percent over the next five years, and to stabilize thereafter. Even with an enrollment decline, the UW-Whitewater campus will continue to have a major impact on the economy of the City of Whitewater. The University may influence private sector business expansion and location decisions based on the emphasis it is placing on specific areas of its curriculum, in particular business, economics, and computer science. In 1984, the Data Processing Management Association recognized the University's management computer systems program as one of the top programs in the nation.
19. The City of Whitewater does not have an adopted official map ordinance. An official map ordinance would be particularly useful to the City because it would enable the City to reserve the proposed right-of-way for the USH 12 bypass, and would therefore protect the right-of-way from indiscriminate development by individual property owners.
20. The total population in the City in 1982 was 12,052. The largest 10-year increases in total population occurred from 1940 to 1950, 38 percent, and from 1960 to 1970, 89 percent, with the total population remaining relatively the same since 1970, when the total population was 12,055. The recent lack of population growth in the City signifies that recurrences of the large absolute population increases of the past will be unlikely.

21. The median age in the City in 1980, 21.4 years, was lower than the median age for the Region, State, and nation, because of the over-representation of persons in the 15-to-19-year and 20-to-24-year age categories. This over-representation can be attributed to the student population attending the University of Wisconsin-Whitewater and residing in the City.
22. In 1980, females slightly outnumbered males in the City, comprising about 51 percent of the total population.
23. The 1980 income data for the City indicate that because of the high number of students enrolled at the University of Wisconsin-Whitewater and residing in the City, the 1980 average household income and per capita income are less than the comparable incomes for the Region, State, and nation. Furthermore, the City has a greater percentage of persons with incomes below the federally defined poverty level.
24. While the rapidly increasing school enrollments from 1950 to 1970 resulted in increasing educational costs to the general public, public school enrollment in the City declined by 22 percent from 1970 to 1983.
25. As would be expected, the City's population rate for persons over 18 years of age with one to three years of college, 44 percent, is higher than the comparable rates for the Region, State, and nation. However, 54 percent of the persons in the City 25 years of age and older have a high school education and no college education, compared with 57 percent for both the Region and the State.
26. In 1980, there were 3,267 housing units in the City. From 1970 to 1980 the number of housing units in the City increased by 41 percent--greater than the increases experienced in the Region, State, and nation. However, data on housing conditions in the City indicate that there is a need for housing rehabilitation activities in the City, and a need for new housing units.
27. The City of Whitewater 1980 population of 11,520 would increase to about 16,986 by the year 2000 under the Commission's moderate growth population scenario. However, in order to realize this population level, the trends that have resulted in a decline in population from 1970 to 1983 will need to be modified.
28. While the overall growth rate in the City's labor force from 1960 to 1980, 119 percent, was greater than the growth rates for the Region, State, and nation, the greatest amount of labor force growth took place during the 1960's. From 1970 to 1980, the City's labor force increased 17 percent--somewhat less than the increase in the Region, 19 percent, and significantly less than the increase in the State, 28 percent, and the nation, 31 percent.
29. The students residing in the City significantly affect the age distribution of the City's labor force. About 20 percent of the City's labor force are younger workers between the ages of 16 and 19, over twice the percentage of younger workers in the Region and the State.

30. The number of females in the City's labor force increased by about 201 percent from 1960 to 1980, while the number of males increased by about 73 percent during the same time period. In 1980, about 49 percent of the City's labor force was female.
31. The 1983 average weekly wage for all industries in Walworth County is less than the comparable wage in the State of Wisconsin. The average weekly wage for all industries in the County, \$256, is about 80 percent less than the comparable Wisconsin wage, \$317.
32. The City's labor force is dominated by employment in the retail trade industry and the services industry. Together, these industries employed 72 percent of the total labor force in the City.
33. The 1980 occupational distribution of the City's labor force shows that the University provides a range of employment opportunities. A high percentage of city workers are employed in relatively high-skilled occupations, such as librarians and counselors, while at the same time a large percentage of city workers are employed in semi-skilled and low-skill sales and service occupations. The City's labor force also includes a comparatively high percentage of freight-, stock-, and material-handlers.
34. In 1983, the estimated unemployment rate in the City, 9.3 percent, or about 596 unemployed persons, was lower than that for the Region, State or nation. However, the City's 1983 unemployment rate is greater than the unemployment rates for 1980, 1970, and 1960.
35. Based on a comparison of the City's unemployed labor force by age to those of the Region, State, and nation and on the total number of unemployed persons in several different age categories, the City should emphasize the creation of new jobs for the mature worker in the 20-to-64-year age category in order to reduce the overall unemployment rate.
36. In 1980, there were 151 unemployed females in the City, representing 2.7 percent of the total civilian labor force in the City. However, from 1970 to 1980, the percentage of unemployed females declined while the percentage of unemployed males increased.
37. The City's 1980 local economy is concentrated in the services industry, specifically the educational services industry, the retail trade industry, and the nondurable goods manufacturing industry. However, from 1970 to 1980, there was less growth in employment in these basic industries in the City than in the Region, State, and nation.
38. Forecasts of industry employment from 1980 to 1990 show that the greatest percentage increases in employment are expected to occur in the finance, insurance, and real estate industry, 43 percent; the wholesale trade industry, 40 percent; the services industry, 38 percent; and the retail trade industry, 28 percent. Together, these industries are forecast to provide about 1,398 new jobs in the City, or about 90 percent of the total 1990 forecast employment increase.

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Chapter IV

INDUSTRY RETENTION SURVEY RESULTS

INTRODUCTION

A 1979 report by David L. Birch, Massachusetts Institute of Technology, entitled The Job Generation Process showed that about 50 percent of the new jobs created in the nation from 1969 to 1976 were the result of the expansion of existing firms. Accordingly, any effort to expand employment opportunities in the City of Whitewater should give a high priority to addressing the problems and needs of existing employers. Furthermore, the problems and needs identified by local employers will be important in identifying specific economic development program activities. In order to identify the needs of existing employers in the City, a survey of the problems of existing employers in the City of Whitewater was conducted.

The purpose of the survey was to ascertain the following:

1. The history and current status of the survey respondent's business with regard to the business's original location, age, location of past expansions, and the number of employees.
2. The location of major and minor markets for the products and services provided by the respondent's business.
3. Expectations regarding future business expansions.
4. The skill level of the labor force employed by the respondent's firms and a determination of labor force problems.
5. An assessment of government services, regulations, and public utilities.
6. The availability and sources of business financing.
7. An overall impression of the City of Whitewater and the State of Wisconsin as places in which to do business.

A total of 53 surveys were completed, or about 77 percent of the total of 69 surveys distributed. A total of 16 businesses either declined to participate in the survey, no longer existed, or could not be contacted to be interviewed. The survey sample included all manufacturing establishments with three or more workers. All manufacturing establishments were included in the sample because of the customarily large numbers of manufacturing employees in a community. Nonmanufacturing businesses that were included in the survey were selected randomly. The survey sample was chosen from a list of employers provided by the Wisconsin Department of Industry, Labor and Human Relations. Table 34 shows the 1980 percentage of industry employment by place of work in the City and the percentage employment of the firms included in the survey sample.

Table 34
PERCENTAGE INDUSTRY EMPLOYMENT AND
PERCENTAGE EMPLOYMENT OF SURVEY
RESPONDENTS IN THE CITY OF WHITEWATER

Industry	Percentage Employment		
	1980 Estimate	Survey Respondents	
		Number	Percent
Construction.....	1.2	2	0.7
Manufacturing.....	32.5	12	48.8
Transportation, Communications, and Utilities.....	2.4	2	1.4
Wholesale Trade.....	6.4	5	7.6
Retail Trade.....	38.6	23	22.6
Finance, Insurance, and Real Estate...	3.0	2	5.3
Services.....	15.9	7	13.6
Total	100.0	53	100.0

Source: Wisconsin Department of Industry, Labor and Human Relations and SEWRPC.

HISTORY AND CURRENT STATUS OF RESPONDENTS

Important considerations in the assessment of the need for various economic development activities are the history and current status of the survey respondents with regard to: 1) the location of the firm's corporate headquarters; 2) the length of time the firm has been in operation; 3) the location of new firm branch locations; and 4) the average number of employees. Firms that have established corporate headquarters in the City are more likely to take an active role in a local economic development program. Firms that have been in business for more than five years are usually defined as experienced firms and, therefore, less likely to experience internal business problems that would result in the closing of the firm. Businesses that have established branch locations outside the City may be considered to be healthy and growing firms that are seeking new markets for their products and/or services. Finally, recent studies have indicated that firms with an average employment of 100 or fewer workers are more likely to expand in the future.

Corporate Headquarters

Firms whose corporate headquarters are located in the City of Whitewater can be expected to take a more active role in a local economic development program than would firms whose corporate headquarters are outside the City. Based upon this assumption, survey respondents could be expected to take an active role in a local economic development program. As indicated in Table 35, 47 firms, or about 88 percent of all survey respondents, indicated that the City of Whitewater was their corporate headquarters.

Firm Age

Business firms are subject to a variety of internal and external problems that could cause their dissolution at any time. However, a firm is most susceptible to serious problems during the first five years of business. Table 36 shows the number of years that the survey respondents have been in business in the City of Whitewater. As indicated in the table, 44 of the survey respondents,

Table 35
**SURVEY RESPONSES TO LOCATION OF
CORPORATE HEADQUARTERS IN 1983**

Location of Corporate Headquarters	Responses	
	Number	Percent
Whitewater.....	47	88.7
Outside Whitewater.....	6	11.3
Total	53	100.0

Source: SEWRPC.

Table 36
YEARS OF BUSINESS OPERATION BY SURVEY RESPONDENTS: 1983

Respondent	Years in Business											
	1-3		4-5		6-10		11-15		16 or More		Total	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
All Respondents....	4	7.5	5	9.4	13	24.5	9	17.0	22	41.5	53	100.0
Manufacturing Respondents.....	2	16.7	1	8.3	2	16.7	2	16.7	5	41.7	12	100.0

Source: SEWRPC.

or 83 percent, have been in business for more than five years, with about 59 percent of the firms being in business for more than 10 years. Of the manufacturing firms responding to the survey, nine, or 75 percent, have been in business for more than five years. Based upon these data, a majority of the firms responding to the survey can be assumed to be in a relatively stable condition.

New Branch Locations

Sometimes, a firm's only expansion possibility is the establishment of branch locations in a new geographic area. Likely reasons for the establishment of branch locations are the saturation of local markets with a firm's products and/or services, and the need for the product and/or service in other areas. For whatever reason, the establishment of branch locations in other areas could result in a more successful firm overall. The respondents to the survey were asked whether their respective firms had established locations outside the City, and, if so, why these locations were established. A total of 13 respondents, or 25 percent of all respondents, indicated that they had expanded outside the City, and four, or 33 percent, of the manufacturing respondents indicated that they had expanded outside the City (see Table 37).

As indicated in Table 38, about 67 percent of the 13 respondents with branch locations indicated that proximity to product markets was the reason for establishing branch locations outside the City. This response suggests that survey respondents expanded outside the City in order to take advantage of new markets for their products and services, rather than because of locational problems experienced in the City of Whitewater. Table 39 indicates that 61 percent of the branch locations were in areas described as local (Walworth County, Jefferson County, or Rock County), with about 22 percent of the expansions taking place outside the local area but within the Midwest region.

Table 37
NUMBER OF FIRMS ESTABLISHING BRANCH LOCATIONS OUTSIDE THE CITY OF WHITEWATER

Respondent	Have Expansions Taken Place?				Total	
	Yes		No			
	Number	Percent	Number	Percent		
All Respondents....	13	25	39	75	52 ^a	
Manufacturing Respondents.....	4	33	8	66	12	

^aOne of the 53 respondents did not answer this question.

Source: SEWRPC.

Table 38
REASONS WHY SURVEY RESPONDENTS ESTABLISHED BRANCH LOCATIONS OUTSIDE THE CITY OF WHITEWATER

Response Category	Responses ^a			
	All Respondents		Manufacturing Respondents	
	Number	Percent	Number	Percent
Proximity to Suppliers.....	1	8.3	--	--
Proximity to Product Markets....	8	66.8	2	40.0
Lack of Land to Expand.....	1	8.3	1	20.0
Lack of Available Financing.....	--	--	--	--
Quality of Labor Force.....	--	--	--	--
Cost of Labor.....	--	--	--	--
Environmental Regulations.....	--	--	--	--
Federal Safety Regulations.....	--	--	--	--
Transportation Services.....	1	8.3	1	20.0
Local and State Taxes.....	--	--	--	--
Availability/Cost of Public Service/Utilities.....	1	8.3	1	20.0
Total	12	100.0	5	100.0

^aRespondents were asked to indicate all response categories that applied to the establishment of the branch locations.

Source: SEWRPC.

Average Number of Employees

A study by Dr. David Birch of the Massachusetts Institute of Technology indicates that from 1969 to 1976, 80 percent of the new jobs that were created in the United States were created by smaller firms, or firms with 100 or fewer employees, and 67 percent of all new jobs were created by firms with 20 or fewer employees. Consequently, it may be advantageous for a local economy to have a number of smaller firms.

The survey respondents were asked to indicate the total number of employed persons working for their respective firms. The total number of workers employed by the respondents ranges from 3 to 301, with 92 percent of all workers for the respondents' firms being employed by firms with fewer than 100

Table 39
**LOCATION OF BRANCH LOCATIONS
OUTSIDE THE CITY OF WHITEWATER**

Area	Number of Expansions			Total	
	First Expansion	Second Expansion	Third Expansion	Number	Percent
Local ^a	8	4	2	14	60.9
Southeastern Wisconsin Region ^b	1	1	--	2	8.7
Wisconsin.....	--	1	1	2	8.7
Midwest Region ^c	3	1	1	5	21.7
National.....	--	--	--	--	--
International.....	--	--	--	--	--
Total	12	7	4	23	100.0

^a Walworth, Jefferson, and Rock Counties.

^b Kenosha, Milwaukee, Ozaukee, Racine, Washington, and Waukesha Counties.

^c Illinois, Indiana, Michigan, Minnesota, and Ohio.

Source: SEWRPC.

employees, and 64 percent of all workers being employed by firms with fewer than 20 employees. As indicated in Table 40, the average total employment of the survey respondents' firms was about 30, with the median full-time employment of the survey respondents' firms being about 14. The lower median value indicates the large number of firms with a small number of workers in the City. The average and median number of employees of the respondents' firms reflects the retail trade and service industry employment of the City of Whitewater economy. The retail trade and service industries in small communities such as the City of Whitewater often employ a small number of workers.

MARKETS AND CUSTOMERS OF SURVEY RESPONDENTS

Market Location

The locations of a firm's markets and/or customers are a major consideration in the design of a local economic development program. Firms with predominantly local markets will, in most cases, tend to expand or contract as a result of local economic conditions, often in deference to national economic conditions. Conversely, firms with national or international markets are more likely to be affected by national or international economic conditions. The survey questionnaire asked respondents, "What is the location of the major and/or minor markets for your product?" The responses to this question are shown in Table 41. As indicated in the table, the local market (Walworth, Jefferson, and Rock Counties) was the most predominant market for the respondents' firms, with 31 percent of all respondents indicating this as their firm's market area. Of this 31 percent, about 90 percent indicated that the local market represented a major market for their firm's product or service. The product markets of the remaining respondent firms were somewhat equally distributed and include: 1) the Southeastern Wisconsin Region, 15 percent; 2) Wisconsin, 16 percent; 3) the Midwest region, 15 percent; and 4) the nation, 14 percent. Only 9 percent of the total respondents had an international market, and in all cases this represented a minor market.

Table 40
**AVERAGE AND MEDIAN NUMBER
 OF EMPLOYEES OF SURVEY
 RESPONDENTS' FIRMS**

Employees ^a	Average Number	Median
Part Time.....	8.8	4.5
Full Time.....	20.8	5.3
Total Employees	29.5	14.1

^aBased on a total of 52 responses.

Source: SEWRPC.

Table 41
**LOCATION OF MAJOR AND MINOR PRODUCT
 MARKETS FOR SURVEY RESPONDENTS' FIRMS**

Area	All Respondents						Manufacturing Respondents					
	Major		Minor		Total		Major		Minor		Total	
	Number	Percent ^a	Number	Percent ^a	Number	Percent ^b	Number	Percent ^a	Number	Percent ^a	Number	Percent ^b
Local ^c	40	88.9	5	11.1	45	31.3	2	40.0	3	60.0	5	12.8
Southeastern Wisconsin Region ^d	3	14.3	18	85.7	21	14.6	2	50.0	2	66.7	4	10.2
Wisconsin.....	8	34.8	15	65.2	23	16.0	4	66.7	2	33.3	6	15.4
Midwest Region ^e	11	50.0	11	50.0	22	19.3	1	11.1	9	23.1		
National.....	8	42.1	11	57.9	19	13.8	6	66.7	3	33.3	9	23.1
International.....	--	--	13	100.0	13	9.0	--	--	6	100.0	6	15.4
Total	--	--	73	100.0	143	100.0	22	56.4	17	43.6	39	100.0

^aPercent of row.

^bPercent of column.

^cWalworth, Jefferson, and Rock Counties.

^dKenosha, Milwaukee, Ozaukee, Racine, Washington, and Waukesha Counties.

^eIllinois, Indiana, Michigan, Minnesota, and Ohio.

Source: SEWRPC.

Table 41 also shows the percentage distribution of product markets for manufacturing respondents. As indicated in the table, the markets indicated most frequently by manufacturing respondents were the Midwest region and the nation, with both accounting for 23 percent of all responses. Other responses included Wisconsin and international markets, 15 percent each; the local market, 13 percent; and the Southeastern Wisconsin Region, about 10 percent.

Export Markets

Two product markets are often overlooked by business firms in small communities: 1) markets outside the United States, and 2) federal, state, and local governments. A January 1982 article entitled "Export Marketing for Increased Profits" by Frederick H. Rice, Assistant Professor and Coordinator, Wisconsin Small Business Programs, states that "many small and medium-size companies are taking a new look at exporting as a method to increase sales and profits. If a product or service is successful in this country there are many reasons why it may be successfully exported." An undated U. S. General Services Administration article entitled "Doing Business With the Federal Government" states "for big business or small, a firm seeking to expand its scope of operations and

profits should explore the possibilities of doing business with the U. S. government. Opportunities are plentiful because the government buys more goods and services than any other customers in the free enterprise system."

The Whitewater business retention survey included questions regarding the extent to which survey respondents supplied products to the government or were engaged in product exporting outside the United States. Thirty-eight percent of all respondents indicated that they currently supplied products to the government, while only 12 percent indicated that they were involved in product exporting (see Table 42). A higher percentage of manufacturing respondents answering these survey questions indicated that they supplied products to the government, 50 percent, and were engaged in exporting products, 30 percent.

The staff of a local economic development program often provides information to businesses regarding securing government contracts and product exporting. Table 42 also shows the number of survey respondents that were interested in receiving information of this kind. As indicated in the table, 33 percent and 27 percent of all respondents were interested in additional information on

Table 42

**FIRMS SUPPLYING PRODUCTS TO GOVERNMENT, EXPORTING,
AND INTERESTED IN MORE INFORMATION ON SUPPLYING
PRODUCTS TO GOVERNMENT AND EXPORTING**

Question	Responses			
	All Respondents		Manufacturing Respondents	
	Number	Percent	Number	Percent
Government Contracts Supply Products to Government?				
Yes.....	19	38.0	6	50.0
No.....	31	62.0	6	50.0
Total	50 ^a	100.0	12	100.0
Interested in More Information on Government Contracts?				
Yes.....	16	32.7	6	50.0
No.....	33	67.3	6	50.0
Total	49 ^b	100.0	10	100.0
Product Exporting Outside the United States Export Products?				
Yes.....	6	11.8	3	25.0
No.....	45	88.2	9	75.0
Total	51 ^c	100.0	12	100.0
Interested in More Information on Product Exporting?				
Yes.....	13	26.5	7	58.3
No.....	36	73.5	5	41.7
Total	49 ^b	100.0	12	100.0

^aNo response: 3.

^bNo response: 4.

^cNo response: 2.

Source: SEWRPC.

supplying products to the government and on product exporting, respectively. A greater percentage of manufacturing respondents than of all respondents were interested in such additional information--with 50 percent being interested in information on securing government contracts, and 58 percent being interested in information on product exporting.

PAST AND FUTURE BUSINESS EXPANSIONS

Past Expansions

A key component of a community's economic development is the expansion of existing business. In order to examine the historic growth of business in the City, survey respondents were asked to provide information on firm expansions that had taken place during the last five-year period. Table 43 shows the number of all respondents that indicated that their firm had expanded during the last five years. Table 43 also shows whether the expansion took place in the City of Whitewater or outside the City.

As indicated in Table 43, 26 respondents, or about 50 percent of all respondents, and five manufacturing respondents, or about 50 percent of all manufacturing respondents, indicated that their firms had undergone an expansion between 1979 and 1984. This information is particularly encouraging for two reasons. First, the State of Wisconsin, as well as the nation, was experiencing an economic downturn, or recession, from 1979 to 1984. The ability of 50 percent of the respondent firms to expand during this time period indicates the strength of the Whitewater economy during periods of national economic downturn. Second, as indicated in Table 43, 34 of the 37 expansions, or about 92 percent, occurred within the City of Whitewater. The willingness of firms to expand within the City is an indication that the City is a good location for business.

In planning for future land use and labor force needs in the community, it is helpful to be aware of the amount of square footage and number of new employees involved in historic and planned firm expansions. Table 44 shows the additional amount of square footage and new employees that resulted from respondent firm expansions from 1979 to 1983. As indicated in the table, a total of 25 expansions involving additional square footage occurred during this time period, with the average expansion being about 4,704 square feet. The seven manufacturing respondents that expanded during this time period showed a total expansion of 53,200 square feet, or an average expansion of 7,600 square feet. Although a greater number of expansions involved additional employees rather than additional square footage, 33 for all respondents and nine for manufacturing respondents, the average number of employees added by each expansion is small, four employees for all respondents and five for manufacturing respondents.

Future Expansions and Anticipated Expansion Problems

Table 45 shows the number of survey respondents that indicated their intention to expand during the 1984 to 1989 time period; the amount of square footage of the anticipated expansion; and the total number of new employees that are expected to be hired as a result of the expansion. As indicated in the table, a total of 19 respondents indicated that they plan to expand during the next five years, with the expansions to result in the addition of about 131,550 square feet, or an average expansion of 9,396 square feet. The total amount of additional square footage that is planned by these respondents is greater than

Table 43

NUMBER AND LOCATION OF FIRM EXPANSIONS DURING THE LAST FIVE YEARS

Respondent	Expanded During Last Five Years						Location of Expansions					
	Yes		No		Total		City of Whitewater		Outside City of Whitewater		Total	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
All Respondents.....	26	50.0	26	50.0	52 ^a	100.0	34	91.9	3	8.1	37 ^b	100.0
Manufacturing Respondents.....	6	54.5	5	45.5	11	100.0	9	100.0	--	--	9	100.0

^aNo response: 1.^bThe location of expansion total is greater than the total number of firms expanding during the last five years because of multiple expansions by a single firm.

Source: SEWRPC.

Table 44

SQUARE FOOTAGE AND EMPLOYMENT ADDED DUE TO FIRM EXPANSIONS FROM 1979 TO 1983 IN THE CITY OF WHITEWATER

Respondent	Expansion Data											
	First Expansion						Second Expansion					
	Square Footage			Employment			Square Footage			Employment		
	Number of Firms	Total	Average	Number of Firms	Total	Average	Number of Firms	Total	Average	Number of Firms	Total	Average
All Respondents.....	18	58,720	3,262	23	107	5	7	58,880	8,411	8	22	3
Manufacturing Respondents.....	5	31,800	6,360	6	35	6	2	21,400	10,700	3	10	3

Respondent	Expansion Data											
	Third Expansion						Total Expansions					
	Square Footage			Employment			Square Footage			Employment		
	Number of Firms	Total	Average	Number of Firms	Total	Average	Number of Firms	Total	Average	Number of Firms	Total	Average
All Respondents.....	0	0	0	2	4	2	25	117,600	4,704	33	133	4
Manufacturing Respondents.....	0	0	0	0	0	0	7	53,200	7,600	9	45	5

Source: SEWRPC.

the total that resulted from the expansions over the last five years--117,000 square feet. The future expansions are expected to result in a total of 144 new jobs, or an average of nine jobs. Table 45 also indicates that seven of the 12 manufacturing respondents are planning expansion projects during the next five years, resulting in an additional 59,250 square feet, or an average of 11,850 square feet. In addition, the seven manufacturing expansions will result in a total of 101 new jobs, or an average of about 20 new jobs.

The expansion of existing business is a key component of the City's future economic viability. Consequently, a local economic development program in the City should be concerned with the retention of existing firms that are planning expansions. As indicated in Table 46, a high percentage of the planned expansions of all respondents, 78 percent, and of manufacturing respondents, 86 percent, will take place in the City of Whitewater. Four respondents indicated that the planned expansions will take place outside the City. When asked, "For what reasons will the proposed expansion take place outside the City of Whitewater?" the responses were varied. Access to product markets was the only response that was mentioned more than once, with this response mentioned three times. Other responses included: the City is remote from major highways; poor-quality labor; a lack of local financing; and a negative attitude toward business in the City.

Finally, the respondents indicating that they would be expanding in the City were asked, "Do you anticipate a problem in locating a site for your expansion project in the City of Whitewater?" Of the 14 respondents that indicated that the planned expansion would take place in the City, two, or 14 percent, indicated that locating a site for the expansion would be a problem, with this problem being caused by: limited site availability; lack of public services to existing sites; and a lack of available buildings for an expansion project.

Relocation of Existing Firms

In addition to determining the survey respondents' intent to expand outside the City of Whitewater, as well as the problems respondents anticipate in locating a site for future expansions, the survey asked the question, "Do you have any immediate or future plans to move all or part of your firm's operations from your present location to a location outside the City of Whitewater?" Table 47 shows the responses of all respondents and of manufacturing respondents to this question. As indicated in Table 47, a total of five respondents, of whom four were manufacturing respondents, indicated that they had plans to move all or part of their firms' operations outside the City of Whitewater.

As indicated in Table 48, there are a variety of reasons for planned moves outside the City. Five responses were related to the proximity of the firm to either product suppliers or product markets. In addition, there were three responses regarding the availability and cost of public services and public utilities, two responses regarding transportation services, and one response each regarding environmental regulations, federal safety regulations, local and state taxes, and lack of available financing. The reasons indicated for planning to move a firm outside the City are important to an economic development program. These reasons indicate the problems that will need to be addressed in order to prevent the loss of existing employers.

Table 45
PLANNED FIRM EXPANSIONS BY SURVEY RESPONDENTS FROM 1984 TO 1989

Respondent	Yes		No		Total		Square Feet		Employees	
	Number	Percent	Number	Percent	Number	Percent	Total	Average	Total	Average
All Respondents.....	19	36.5	33	63.5	52 ^a	100.0	131,550	9,396	144	9
Manufacturing Respondents....	7	58.3	5	41.7	12	100.0	59,250	11,850	101	20

^aNo response: 1.

Source: SEWRPC.

Table 46
LOCATION OF PLANNED EXPANSIONS AND ANTICIPATED PROBLEMS IN LOCATING A SITE FOR THE EXPANSION IN THE CITY OF WHITEWATER

Respondent	Expansion Will Take Place in Whitewater						Problems in Locating a Site for Expansion in the City of Whitewater					
	Yes		No		Total		Yes		No		Total	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
All Respondents...	14	77.8	4	22.2	18 ^a	100.0	2	14.3	12	85.7	14	100.0
Manufacturing Respondents...	6	85.7	1	14.3	7	100.0	1	16.7	5	83.3	6	100.0

^aNo response: 1.

Source: SEWRPC.

Table 47

EXISTING FIRMS THAT ARE PLANNING TO MOVE ALL OR PART OF THEIR OPERATIONS OUTSIDE THE CITY OF WHITEWATER

Respondent	Firms With Plans to Move		Firms Not Planning on Moving		Total	
	Number	Percent	Number	Percent	Number	Percent
All Respondents.....	5	9.8	46	90.2	51 ^a	100.0
Manufacturing Respondents.....	4	33.3	8	66.7	12	100.0

^aNo response: 2.

Source: SEWRPC.

Table 48

REASONS WHY FIRMS PLAN ON MOVING ALL OR PART OF THEIR OPERATIONS FROM THE CITY OF WHITEWATER

Reasons for Moving	All Respondents	Manufacturing Respondents
Promixity to Suppliers.....	2	2
Proximity to Product Markets.....	3	2
Lack of Land to Expand.....	-	-
Lack of an Available Building.....	-	-
Lack of Available Financing.....	1	1
Labor Costs.....	-	-
Environmental Regulations.....	1	1
Federal Safety Regulations.....	1	1
Transportation Service.....	2	2
Local and State Taxes.....	1	-
Availability and/or Cost of Public Services and/or Public Utilities.....	3	2
Other.....	2	2

Source: SEWRPC.

Relocation of Product Suppliers

One way to attract new employers to a community is to determine the interest in relocation of firms that are currently located outside the City and supplying products to firms located in the City. In order to determine the interest of product suppliers in moving to the City of Whitewater, survey respondents were asked, "Have any of the businesses that supply products to your firm expressed an interest in relocating their firm to the Whitewater area, or opening a branch location in the Whitewater area?" As shown in Table 49, a large number of respondents indicated that product suppliers were not interested in the City as a future location. Of the total number of respondents to this question, only two, or about 4 percent, indicated that product suppliers had an interest in the City as a future location.

Future Business Outlook

The survey questionnaire solicited the respondents' perceptions of the overall business outlook for their firms. In response to the question, "Overall, how would you rate your firm's future business outlook during the next five years in terms of profits in comparison with past years?" 35 respondents, or about 66 percent of all respondents, indicated good or very good as a response (see Table 50). About 30 percent of all respondents indicated that the business outlook was average, with only about 4 percent indicating that business conditions are expected to be unfavorable or very unfavorable in the future.

An objective of a local economic development program should be to eliminate, to the greatest degree possible, the factors that are having a negative impact on the future growth of local business firms. In order to identify these factors, the retention survey asked respondents, "Of the factors listed below, what four factors--in order of their importance--are having the greatest negative impact on the future development of your firm?" Twenty-seven respondents, or about 52 percent of all the respondents, indicated that existing market conditions, or the economy, had the most important negative impact on their firms' future development (see Table 51). Other significant factors that were indicated as having a negative impact on future business growth included domestic competition, energy costs, interest rates, and insufficient space.

LABOR FORCE

Chapter III of this study indicated that the quality and size of a community's labor force are important factors influencing the economic development of an area in that productive labor is one of the factors in the locational decisions of businesses and industries. Accordingly, the survey questionnaire sought information from the survey respondents with regard to: 1) the existing and potential skill level of the firm's workers; 2) worker problems; 3) the sources utilized for filling job vacancies; and 4) public employment training programs.

Skill Level

The skill level of the existing jobs provided by the respondents and of new jobs that may be created during the next five-year period is shown in Table 52. As indicated in the table, existing jobs are concentrated in the medium-skill category, with 51 percent of all jobs being in this category. Low- and high-skill jobs make up 24 percent and 25 percent, respectively, of the remaining jobs. When compared with the skill levels of existing jobs provided by all respondents, the existing jobs provided by manufacturing firms include a somewhat higher proportion of low-skill jobs, 25 percent; a somewhat lower proportion of medium-skill jobs, 44 percent; and a substantially higher proportion of high-skill jobs, 31 percent.

A total of 33 respondents, or about 62 percent of the total respondents, anticipate creating new jobs during the next five years (see Table 52). The table also shows that the jobs that are to be created from 1984 to 1989 are, in comparison to existing jobs, are anticipated to be comprised of a higher proportion of medium-skill jobs and a lower proportion of low- and high-skill jobs. As indicated in Table 52, 19 percent of the new jobs that are expected to be created will be low-skill jobs, with 58 percent being medium-skill jobs

Table 49

SURVEY RESPONDENTS WHOSE PRODUCT SUPPLIERS HAVE
INDICATED AN INTEREST IN RELOCATING TO WHITEMATER
OR OPENING A BRANCH LOCATION IN WHITEMATER

Respondent	Product Suppliers Indicating an Interest in Moving to Whitewater					
	Yes		No		Total	
	Number	Percent	Number	Percent	Number	Percent
All Respondents.....	2	3.8	50	96.2	52 ^a	100.0
Manufacturing Respondents.....	1	8.3	11	91.7	12	100.0

^aNo response: 1.

Source: SEWRPC.

Table 50

SURVEY RESPONDENTS' OUTLOOK
ON FUTURE BUSINESS

Future Business Outlook	Responses	
	Number	Percent
Very Good.....	19	35.8
Good.....	16	30.2
Average.....	16	30.2
Unfavorable.....	1	1.9
Very Unfavorable.....	1	1.9
Total	53	100.0

Source: SEWRPC.

Table 51

FACTORS HAVING THE GREATEST NEGATIVE IMPACT ON FUTURE DEVELOPMENT

Negative Factors	Greatest Importance		Second Importance		Third Importance		Fourth Importance	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Foreign Imports.....	1	1.9	1	2.0	1	2.5	1	2.9
Domestic Competition.....	6	11.5	7	15.2	1	2.5	4	11.4
Regulatory Constraints.....	2	3.8	2	4.3	5	12.5	1	2.9
Energy Costs.....	5	9.6	9	19.6	5	12.5	4	11.4
Material Shortages.....	--	--	--	--	1	2.5	2	5.7
Labor Quality.....	1	1.9	1	2.2	1	2.5	3	8.6
Labor Cost.....	1	1.9	4	8.7	6	15.0	2	5.7
Antiquated Machinery.....	1	1.9	1	2.2	2	5.0	1	2.9
Insufficient Space.....	3	5.8	1	2.2	5	12.5	5	14.3
Transportation Problems....	--	--	2	4.3	--	--	1	2.9
Interest Rates.....	4	7.7	11	23.9	9	22.5	5	14.3
Market Conditions/ Economy.....	27	51.9	9	10.9	3	7.5	2	14.3
Other.....	1	1.9	2	4.3	1	2.5	1	2.9
Total	52 ^a	100.0	46 ^b	100.0	40 ^c	100.0	35 ^d	100.0

^aNo response: 1.

^bNo response: 2.

^cNo response: 13.

^dNo response: 18.

Source: SEWRPC.

Table 52

**PERCENTAGE DISTRIBUTION OF EXISTING
AND NEW JOBS BY SKILL LEVEL**

Skill Level of Jobs	Existing Jobs		New Jobs	
	All Respondents ^a	Manufacturing Respondents ^b	All Respondents ^c	Manufacturing Respondents ^d
Low Skill.....	24.0	25.0	19.0	27.0
Medium Skill....	51.0	44.0	58.0	38.0
High Skill.....	25.0	31.0	23.0	35.0
Total	100.0	100.0	100.0	100.0

^aTotal response: 53.^bTotal response: 12.^cTotal response: 33.^dTotal response: 12.

Source: SEWRPC.

Table 53

EMPLOYEE PROBLEMS IDENTIFIED BY SURVEY RESPONDENTS

Employee Problem	Responses					
	Large Problem		Small Problem		No Problem	
	Number	Percent	Number	Percent	Number	Percent
Turnover.....	1	12.5	17	35.4	35	22.4
Absenteeism.....	1	12.5	9	18.8	43	27.6
Lack of Basic Skills.....	4	50.0	11	22.8	38	24.4
Use of Drugs/ Alcohol.....	2	25.0	11	22.9	40	25.6
Total	8	100.0	48	100.0	156	100.0

Source: SEWRPC.

and 23 percent being high-skill jobs. The manufacturing respondents who expected to hire new employees during the next five years indicated that 27 percent of the new jobs would be low-skill jobs, with 38 percent being medium-skill jobs and 35 percent being high-skill jobs.

Employee Problems

The quality of a community's labor force can be measured, to a degree, by the labor problems a firm encounters that are a result of employee: 1) turnover; 2) absenteeism; 3) lack of basic skills; and 4) use of drugs/alcohol. Table 53 shows the degree to which these labor problems have been identified by the respondents. As indicated in the table, there were only eight responses--about 4 percent of all responses--indicating any significant problem with employees, with 50 percent of the problems being related to the lack of basic skills. About 23 percent of all responses indicated minor problems with employees, with 35 percent of these problems being related to employee turnover; 23 percent being related to employee lack of basic skills; 23 percent being related to employee use of drugs/alcohol; and 19 percent being related to employee

absenteeism. It is important to note that about 74 percent of all responses indicated no problems. The employee problems identified by the survey respondents should be of particular interest to the local school system and employment training organizations, as well as to other local organizations concerned with the quality of the Whitewater labor force.

Advertising Job Vacancies

Knowledge of the methods used by employers to fill new job vacancies is useful to persons who are currently unemployed, as well as to the local school system, employment training organizations, and other organizations that assist new entrants to the labor force and unemployed persons in locating employment opportunities. The respondents to the survey indicated that, in most cases, their firms fill job vacancies through traditional methods. Of the total respondents, 82 percent used word-of-mouth and/or "walk-ins" to fill their job vacancies (see Table 54). About 14 percent used a newspaper advertisement, with 4 percent of all respondents using private employment services and the Job Services offices of the Wisconsin Department of Industry, Labor and Human Relations. Similarly, about 92 percent of the manufacturing respondents used word-of-mouth and walk-ins to fill new job vacancies.

Public Employment Training Organizations

The Job Training Partnership Act (JTPA) represents the federal government's major funding source for public employment training programs. In fiscal year 1984, the Southeast Wisconsin Private Industry Council (PIC), the organization responsible for administering the JTPA program in Walworth County, received approximately \$469,737 to operate employment training programs in the County. In most cases, however, the survey respondents did not utilize the services provided through the JTPA program, or this program's predecessor, the Comprehensive Employment and Training Act (CETA) program. A total of only six respondents, or about 12 percent of all respondents, used the employment training services provided by either the CETA or the JTPA, and of these, four felt the services provided were only average or unfavorable (see Table 55). Given the fact that both employers and the City's labor force could benefit

Table 54

PRIMARY SOURCE USED TO FILL JOB VACANCIES

Source	All Respondents		Manufacturing Respondents	
	Number	Percent	Number	Percent
Word of Mouth/Walk-Ins.....	42	82.3	11	91.7
Newspaper Advertisements.....	7	13.7	1	8.3
Private Employment Services....	1	2.0	--	--
Wisconsin Job Service.....	1	2.0	--	--
Gateway Technical Institute....	--	--	--	--
UW-Whitewater.....	--	--	--	--
Comprehensive Employment and Training Act (CETA).....	--	--	--	--
Southeast Wisconsin Private Industry Council.....	--	--	--	--
Total	51 ^a	100.0	12	100.0

^aNo response: 2.

Source: SEWRPC.

Table 55

**USE AND OPINION OF SERVICES PROVIDED BY THE
COMPREHENSIVE EMPLOYMENT AND TRAINING ACT (CETA)
AND THE JOB TRAINING PARTNERSHIP ACT (JTPA)**

Response Category	All Respondents	
	Number	Percent
Used Comprehensive Employment and Training Act (CETA) or Job Training Partnership Act (JTPA)		
Yes.....	6	11.5
No.....	46	88.5
Total	52 ^a	100.0
Opinion of CETA/JTPA Services		
Very Good.....	--	--
Good.....	2	33.3
Average.....	3	50.0
Unfavorable.....	1	16.7
Very Unfavorable.....	--	--
Total	6	100.0

^aNo response: 1.

Source: SEWRPC.

from the employment services provided by the JTPA program, an effort should be made by local employers to increase the use of this program as well as to improve the employment services provided by the JTPA.

ASSESSMENT OF GOVERNMENT SERVICES AND REGULATIONS

Local governments provide a variety of services to business and industry, ranging from the provision of utilities such as public water and sanitary sewer services to police and fire protection. In addition, the local, state, and federal governments are responsible for regulating a portion of the operation of business firms. The quality and cost of public utilities and similar government services provided to local business firms by local government are often directly related to the overall quality and cost of the product or service provided to the general public by the business firm. Furthermore, the regulatory practices of local, state, and federal governments directly affect the quality and cost of goods and services. Recently, both private business and local governments have indicated that a harmonious relationship between these two groups is necessary in order to help ensure the existing and future viability of local economies. Consequently, an economic development program in the City of Whitewater should include activities that help to foster a harmonious public-private sector relationship. The Whitewater retention survey included a number of questions designed to assess the quality of government services and regulations, and the responses are reviewed below.

Government Services, Regulations, and Public Utilities

The survey asked respondents whether any government services, utilities, or regulations had resulted in a problem for the respondent's business operations in the City of Whitewater. Table 56 shows the responses to this question. As indicated in the table, there is no single government service, regulation, or

Table 56

PROBLEMS WITH GOVERNMENT SERVICES, REGULATIONS, OR PUBLIC UTILITIES

Response Category	Results in a Problem Situation						Total	
	Yes		No		No Opinion			
	Number	Percent	Number	Percent	Number	Percent		
Water Service.....	5	9.4	46	86.8	2	3.8	53	
Sanitary Sewer Services.....	5	9.4	46	86.8	2	3.8	53	
Solid Waste Disposal.....	5	9.4	47	88.7	1	1.9	53	
Telephone Service.....	2	3.8	50	94.3	1	1.9	53	
Gas Service.....	1	1.9	51	96.2	1	1.9	53	
Electric Service.....	1	1.9	51	96.2	1	1.9	53	
Police Protection.....	--	--	52	98.1	1	1.9	53	
Fire Protection.....	1	1.9	51	96.2	1	1.9	53	
Street Maintenance and Repair.....	7	13.2	45	84.9	1	1.9	53	
Building Codes.....	5	9.4	44	83.0	4	7.5	53	
Zoning Regulations.....	7	13.5	41	78.8	4	7.7	52 ^a	

^aNo response: 1.

Source: SEWRPC.

public utility that is causing a major problem for the majority of survey respondents. The problems that were indicated and the number of respondents indicating that problem include: 1) street maintenance and repair, and zoning regulations, seven responses each, or about 13 percent for each response; 2) water service, sanitary sewer services, solid waste disposal, and building codes, five responses each, or about 9 percent for each response; 3) telephone service, two responses, or about 4 percent; and 4) gas service, electric service, and fire protection, one response each, or about 2 percent for each response. Although government services, regulations, and public utilities are not viewed as a major problem by the majority of the survey respondents, a local economic development program in the City should investigate all of the problems indicated in order to avoid any one issue, no matter how insignificantly perceived, causing the relocation of a business outside the City.

Transportation Services

Manufacturing firms are, in most cases, very dependent on the available transportation services to transport product inputs and finished products. As a result, manufacturing respondents were asked, "What method of transportation do you use to transport your primary materials and your finished products and how would you rate this transport service?" As indicated in Table 57, the manufacturing respondents in the City are heavily dependent upon truck transportation. When transporting primary materials, only one manufacturing respondent used a transportation mode other than trucks, and when transporting their finished products, five manufacturing respondents used a transportation mode other than trucks. Overall, the truck transportation services provided to these manufacturers is satisfactory. Eight respondents, or 80 percent, indicated that the transport of their primary materials was either good or excellent. One respondent used the nearby ports in southeastern Wisconsin to transport primary materials, with this service being described as excellent. Nine respondents, or 90 percent, indicated that the truck transportation of their finished products was either good or excellent. Manufacturing respondents also use either air or ship to transport their finished products, with these transportation services also being rated as either good or excellent.

Economic Development Programs, Agencies, and Committees

At the present time, a number of economic development organizations are working to improve the economy in the City of Whitewater. In addition, there are a number of local, state, and federal community development programs that can be utilized by the City, as well as by private business, to help improve local economic conditions. The extent to which local businesses are aware of these organizations and programs will have an impact on the manner in which a local economic development program in the City publicizes the availability of these programs.

In order to measure the extent of basic understanding of existing economic development programs and organizations, survey respondents were asked, "Are you familiar with any of the following economic development programs, agencies, or committees?" As indicated in Table 58, respondents were most familiar with the U. S. Small Business Administration, industrial revenue bonds, and the Univer-

Table 57

QUALITY OF TRANSPORTATION SERVICES FOR MANUFACTURING RESPONDENTS IN THE CITY OF WHITEWATER

Method of Transport	Quality of Transport									
	Excellent		Good		Fair		Poor		Total	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Primary Materials										
Air.....	--	--	--	--	--	--	--	--	--	--
Automobile.....	--	--	--	--	--	--	--	--	--	--
Rail.....	--	--	--	--	--	--	--	--	--	--
Ship.....	1	100.0	6	60.0	2	20.0	--	--	1	100.0
Truck.....	2	20.0	--	--	--	--	--	--	10	100.0
Finished Product										
Air.....	--	--	3	100.0	--	--	--	--	3	100.0
Automobile.....	--	--	--	--	--	--	--	--	--	--
Rail.....	--	--	--	--	--	--	--	--	--	--
Ship.....	1	50.0	1	50.0	--	--	--	--	2	100.0
Truck.....	3	30.0	6	70.0	1	10.0	--	--	10	100.0

Source: SEWRPC.

Table 58

FAMILIARITY WITH ECONOMIC DEVELOPMENT AGENCIES OR COMMITTEES

Program, Agency, or Committee	Familiarity					
	Yes		No		Total	
	Number	Percent	Number	Percent	Number	Percent
Whitewater Economics Research Committee....	30	56.6	23	43.4	53	100.0
Wisconsin Department of Development.....	26	50.0	26	50.0	52 ^a	100.0
U. S. Small Business Administration.....	38	71.7	15	28.3	53	100.0
Southeastern Wisconsin Regional Planning Commission.....	29	54.7	24	45.3	53	100.0
Community Development Block Grants.....	15	28.8	37	71.2	52 ^a	100.0
Urban Development Action Grants.....	14	26.4	39	73.6	53	100.0
Industrial Revenue Bonds.....	32	60.4	21	39.6	53	100.0
Tax Incremental Financing.....	20	38.5	32	61.5	52 ^a	100.0
University of Wisconsin Small Business Development Center.....	32	60.4	21	39.6	53	100.0
University of Wisconsin County Extension Agent.....	32	60.4	21	39.6	53	100.0
University of Wisconsin Extension-Recreation Resources Center.....	20	37.7	33	62.3	53	100.0

^aNo response: 1.

Source: SEWRPC.

sity of Wisconsin county extension agent. Respondents were least familiar with Community Development Block Grants and Urban Development Action Grants. Under local economic development program in the City, the organizations and agencies responsible for the programs indicated in Table 58 should be contacted in order to discuss the familiarity of the respondents with the respective programs, agencies, or committees. In addition, the persons responsible for the operation of the local economic development program should assess the importance of each of the programs, agencies, or committees, and locally publicize those that are most appropriate for meeting local economic development needs in the City.

Ratings of Public Officials and Public Employees

An important aspect of the public and private sector relationship is the perception by business of public sector efforts to improve local economic conditions. The Whitewater retention survey asked respondents, "Overall, how would you rate the City of Whitewater's elected public officials' and public employees' performance with regard to working to improve economic conditions in the City?" Table 59 shows the responses to this question.

Overall, the responses to this question are not encouraging, and this issue should be considered to be a priority for a local economic development program in Whitewater. As indicated in Table 59, only 12 respondents, or about 24 percent, rated the public officials' performance as good, with no respondents rating their performance as very good. Additional ratings of public officials include: average, 22 responses, or 43 percent; unfavorable, 11 responses, or 22 percent; and very unfavorable, 6 responses, or 12 percent.

The respondents' rating of public employees was considerably better than their rating of public officials. Twenty-six respondents rated the performance of public employees as either very good or good, with about 14 percent of all respondents rating the performance as very good and 37 percent rating the performance as good. Other ratings of public employees include: average, 18 responses, or about 35 percent; and unfavorable and very unfavorable, 4 responses each, or about 8 percent, respectively.

Table 59

PERCEPTIONS OF PUBLIC OFFICIALS' AND PUBLIC EMPLOYEES' PERFORMANCE ON WORKING TO IMPROVE LOCAL ECONOMIC CONDITIONS

Response	Responses			
	Public Officials		Public Employees	
	Number	Percent	Number	Percent
Very Good.....	--	--	7	13.5
Good.....	12	23.5	19	36.5
Average.....	22	43.1	18	34.6
Unfavorable.....	11	21.6	4	7.7
Very Unfavorable.....	6	11.8	4	7.7
Total	51 ^a	100.0	52 ^b	100.0

^aNo response: 1.

^bNo response: 2.

Source: SEWRPC.

FINANCIAL CONDITION AND AVAILABILITY AND SOURCES OF BUSINESS FINANCING

Securing Financing

An important consideration in determining the appropriateness of various local economic development program activities is the availability of financing for business expansions, as well as the availability of financing for ongoing business operations. The survey responses showed that 46 of the 53 survey respondents, or about 89 percent, use a Whitewater financial institution as their firms' primary financial institution. Overall, the survey respondents did not indicate that securing either local or nonlocal financing for business expansions or ongoing business operations was a problem. As indicated in Table 60, only seven respondents, or about 14 percent of all respondents, indicated that they had experienced a problem in securing financing from a local financial institution, and only two respondents, or about 4 percent, indicated that they had had a problem in securing financing from an out-of-town institution.

Significant Factors Affecting Respondents' Financial Conditions

Once again, in order to determine the appropriateness of various economic development program activities, it is important to identify those factors that are negatively affecting the financial condition of local businesses. The survey questionnaire thus asked, "What are the most important factors that are currently affecting your firm's financial condition?" As shown in Table 61, the responses to this question indicate that market conditions and the economy are the most significant factors affecting the respondents' firms financial condition, with about 76 percent of all respondents indicating that this factor is important. Other significant factors that were indicated by the respondents include 1) financing interest rates, 43 percent of all respondents; 2) energy costs, 40 percent; and 3) corporate income tax, 34 percent. A local economic development program in the City should attempt, to the degree possible, to address these issues in order to improve the financial condition of business firms in the City.

Table 60

PROBLEMS IN SECURING LOCAL OR OUT-OF-TOWN FINANCING FOR ONGOING BUSINESS OPERATIONS OR A BUSINESS EXPANSION

Response	Responses					
	Yes		No		Total	
	Number	Percent	Number	Percent	Number	Percent
Problem in Securing a Loan From a Whitewater Financial Institution.....	7	13.7	44	86.3	51 ^a	100.0
Problem in Securing a Loan From an Out-of-Town Financial Institution....	2	4.1	47	95.9	49 ^b	100.0

^aNo response: 2.

^bNo response: 4.

Source: SEWRPC.

Future Financing

Local financial institutions in the City of Whitewater should expect a significant number of business loan applications during the next five years. In response to the question, "Does your firm anticipate the need to seek financial assistance for ongoing business operations or a business expansion project during the next five years?" 30 respondents, or about 60 percent of all the respondents, answered yes. As indicated in Table 62, about 37 percent of this anticipated financing will be for machinery and equipment, with about 28 percent being for a new building or a building addition, 19 percent for working capital, and 17 percent for inventory. Because of the interest in securing future financing expressed by the survey respondents, a local economic development program in the City should include an assessment of alternative business financing programs to determine their appropriateness for various local business expansion projects, as well as a promotional effort to make businesses aware of these programs.

Sources of Financing

Various economic development organizations act as conduits for information regarding various state and federal business financing programs. Information regarding the respondents' knowledge of these financing programs is important in designing a financing component for an economic development program for Whitewater.

Table 61

FACTORS AFFECTING THE FINANCIAL CONDITION OF RESPONDENTS' FIRMS

Factors Affecting Respondent Firms' Financial Condition	Responses		
	Number	Percent	Total
Financing Interest Rates.....	23	43.4	53
Labor Quality.....	4	7.5	53
Labor Cost.....	10	18.9	53
Transportation Costs.....	6	11.3	53
Energy Costs.....	21	39.6	53
Material Costs.....	13	24.5	53
Local Property Taxes.....	8	15.1	53
Corporate Income Tax.....	18	34.0	53
Market Conditions/Economy.....	40	75.5	53

Source: SEWRPC.

Table 62

PURPOSE OF FUTURE FINANCING

Purpose of Financing	Responses	
	Number	Percent
New Building or Addition.....	15	27.8
Machinery and Equipment.....	20	37.0
Inventory.....	9	16.7
Working Capital.....	10	18.5
Total	54	100.0

Source: SEWRPC.

Table 63 shows the existing state and federal business loan programs and the number of respondents that indicated that they were familiar with these programs. As indicated in the table, the nonconventional sources of business financing, the survey respondents were the most familiar with the federal Small Business Administration--with 31 responses, or 59 percent; and industrial revenue bonds, 23 responses, or about 43 percent. Eight respondents, or about 15 percent, were familiar with the Wisconsin Business Development Finance Corporation and eight respondents were familiar with the State Community Development Block Grant program, and seven respondents, or about 13 percent, were familiar with federal Urban Development Action Grants.

The responses to this survey question are particularly important for three reasons. First, one of the sources of business financing that the respondents were most familiar with, industrial revenue bonds, may undergo significant changes in the near future. The federal government is, at the time of this writing, considering legislation that would limit the dollar volume of revenue bonds issued by local units of government. A local economic development program in the City should make an effort to inform local business firms of any changes in this nonconventional business financing alternative. Second, subsequent to the conduct of this survey, the City of Whitewater received a \$1.3 million Community Development Block Grant, a part of which will be loaned by the City to four business firms for various types of expansion projects. As a result of this grant award, a larger number of survey respondents than that recorded in this survey may be expected to be familiar with this program. Finally, the City of Whitewater is one of only two small communities in the Southeastern Wisconsin Region that is eligible to apply to the U. S. Department of Housing and Urban Development for federal Urban Development Action Grants. The City has not prepared a grant application under the UDAG program and, therefore, has not taken advantage of this valuable, nonconventional business financing program.

OVERALL IMPRESSIONS

The last section of the City of Whitewater industry retention survey asked a number of questions regarding the respondents' overall impressions regarding key issues facing their firms during the next five years, and the respondents' opinions on doing business in the City of Whitewater and the State of Wisconsin. Responses to these questions will also provide important information in the design of a local economic development program for the City.

Table 63
SOURCES OF BUSINESS FINANCING

Sources of Business Financing	Respondents Familiar With Sources		
	Number	Percent	Total
Conventional Bank Financing.....	51	96.2	53
Small Business Administration.....	31	58.5	53
Wisconsin Business Development Finance Corporation.....	8	15.1	53
Industrial Revenue Bonds.....	23	43.4	53
Community Development Block Grants.....	8	15.1	53
Urban Development Action Grants.....	7	13.2	53

Source: SEWRPC.

Key Business Issues

Economic conditions and interest rates are the most significant business issues for the survey respondent firms. In response to the question, "In your opinion, what are the key issues facing your firm's business operations during the next five years?", 27 respondents, or about 32 percent of all respondents, answered that economic conditions and interest rates were the key issues (see Table 64). Twenty percent, or 17 respondents, answered that internal business problems were the key issue, with 11 respondents, or 13 percent, indicating issues that are not included in Table 64 are the key issues. Other responses include: 1) government regulations, 10 responses, or 12 percent; 2) lack of business/industrial development in Whitewater, nine responses, or 11 percent; 3) local population growth/University enrollment, five responses, or 6 percent; 4) lack of skilled labor/labor costs, four responses, or 5 percent; and 5) negative local attitude toward business, one response, or 1 percent.

Attitudes Toward the City and State as Places in Which to do Business

The attitudes, or perceptions, of the survey respondents toward the City and State as places in which to operate a business are important. The City, as well as the State of Wisconsin, needs to develop an image as a good place in which to do business in order to retain existing employers and attract new employers. If the perception of the City and/or the State is negative, a local economic development program would need to undertake project activities that help to improve the image of the City and State.

Table 65 shows the respondents' perceptions of the City and State as places in which to operate a business. As indicated in the table, a nearly equal number of the respondents indicated that the City and State were either very good or good places in which to operate a business. A total of 35 respondents, or 66 percent, indicated that the City was either a very good or good place in which to operate a business, while 33 respondents, or 65 percent, indicated these responses for the State. It is important to indicate, however, that 16 respondents, or about 30 percent, felt that the City was a very good place in which to operate a business, while only seven respondents, or about 14 percent, indicated this response for the State. It is also important to indicate that nine respondents, or about 17 percent, felt that the City was either an unfa-

Table 64
KEY ISSUES FACING RESPONDENTS' FIRMS
DURING THE NEXT FIVE YEARS

Key Issues	Responses	
	Number	Percent
Economic Conditions/Interest Rates.....	27	32.1
Government Regulations.....	10	11.9
Internal Business Problems.....	17	20.2
Lack of Local Business/Industrial Development.....	9	10.7
Negative Attitude Toward Business.....	1	1.2
Lack of Skilled Labor/Labor Costs.....	4	4.8
Local Population Growth/University Enrollment.....	5	6.0
Other.....	11	13.1
Total	84	100.0

Source: SEWRPC.

vorale or very unfavorable place in which to operate a business, and 12 respondents, or 24 percent, felt this way about the State--a factor which should be a concern in any future economic development program for the City.

Table 66 shows the perceived positive characteristics indicated by respondents regarding the City and State as places in which to operate a business. As indicated in the table, the responses were varied with regard to the City, with 12 respondents, or about 14 percent, indicating responses that were too varied to include in any one category. These responses were thus categorized as "Other." Positive characteristics indicated by the other respondents included: 1) pleasant atmosphere, 14 percent; 2) quality labor force/low labor costs, 11 percent; 3) good local government/government services, 10 percent; 4) good location with regard to suppliers/market, 17 percent; 5) City's economic base, 5 percent; and 6) University location, 29 percent.

The positive business characteristic of the State mentioned most often by the respondents was the good living environment. Twenty-one respondents, or 31 percent, indicated this response. About 19 percent of the characteristics indicated by the respondents were too varied to be included in any category but "Other." Additional responses included: 1) good-quality public services/facilities, 18 percent; 2) no opinion, 13 percent; 3) good place to do business, 12 percent; and 4) good-quality labor force, 7 percent.

Table 67 shows the perceived negative characteristics indicated by respondents regarding the City and State as places in which to operate a business. Once again, a large percentage of the responses, 23 percent, were too varied to include in any category but "Other." The characteristic that was mentioned most often by the respondents was the negative attitude in the City toward business/industrial development. Other negative characteristics that were often indicated include: a lack of local business/industrial growth, 15 percent; and the cost and/or inadequacy of public facilities and services, and taxes, 13 percent. The negative characteristic of the State most frequently cited by respondents was high taxes, with 35 responses, or about 50 percent. Other significant responses included: other negative characteristics, 19 percent; and government rules and regulations, 13 percent.

Table 65

**RESPONDENTS' OPINION OF THE CITY OF WHITEWATER
AND THE STATE OF WISCONSIN AS PLACES
IN WHICH TO OPERATE A BUSINESS**

Responses	City of Whitewater		State of Wisconsin	
	Number	Percent	Number	Percent
Very Good.....	16	30.2	7	13.7
Good.....	19	35.8	26	51.0
Average.....	9	17.0	6	11.8
Unfavorable.....	6	11.3	11	21.6
Very Unfavorable.....	3	5.7	1	2.0
Total	53	100.0	51 ^a	100.0

^aNo response: 2.

Source: SEWRPC.

Table 66

**PERCEIVED POSITIVE CHARACTERISTICS OF
OPERATING A BUSINESS IN THE CITY OF
WHITEWATER AND THE STATE OF WISCONSIN**

City of Whitewater		
Characteristic	Responses	
	Number ^a	Percent
University Location.....	24	28.9
Good Location with Regard to Suppliers/Markets....	14	16.9
Quality Labor Force/Low-Cost Labor.....	9	10.8
Pleasant Atmosphere.....	12	14.5
Good Local Government/Government Services.....	8	9.6
City's Economic Base.....	4	4.8
Other.....	12	14.5
Total	83	100.0

State of Wisconsin		
Characteristic	Responses	
	Number ^a	Percent
Good Living Environment.....	21	30.9
Good Place to Do Business.....	8	11.8
Good-Quality Labor Force.....	5	7.3
Good-Quality Public Services/Facilities.....	12	17.7
No Opinion.....	9	13.2
Other.....	13	19.1
Total	68	100.0

^aMore than one characteristic was identified by some respondents.

Source: SEWRPC.

Opinion of the City and State as Places in Which
to Operate a Business During the Next Five Years

Table 68 shows the respondents' opinions regarding the City and State as places in which to operate a business during the next five years. Overall, the respondents were more confident that the City would become a better place to operate a business than that the State would. As indicated in the table, 24 respondents, or about 47 percent, believed that the City would become a better place in which to operate a business, while 20 respondents, or about 39 percent, believed the State would become a better a place in which to operate a business.

Twenty-two respondents, or 43 percent, believed that the City would stay the same as a place in which to operate a business, while only five respondents, or about 10 percent, believed that the City would become a worse place in which to operate business. In comparison, a similar number of respondents, 23, or about 45 percent, believed that the State would stay the same as a place in which to operate a business, while eight respondents, or about 16 percent, believed that the State would become a worse place in which to operate a business.

Table 67

PERCEIVED NEGATIVE CHARACTERISTICS OF
OPERATING A BUSINESS IN THE CITY OF
WHITEWATER AND THE STATE OF WISCONSIN

City of Whitewater		
Characteristic	Responses	
	Number ^a	Percent
Negative Attitude Toward Business/Industrial Development.....	16	23.2
Lack of Business/Industrial Growth.....	10	14.5
Lack of Business/Industrial Sites.....	5	7.2
Cost and/or Inadequacy of Public Facilities/Services/Taxes.....	9	13.0
Transient Population.....	2	2.9
Nothing.....	4	5.8
Lack of Population Growth.....	4	5.8
Skilled Labor.....	3	4.4
Other.....	16	23.2
Total	69	100.0
State of Wisconsin		
Characteristic	Responses	
	Number ^a	Percent
High Taxes.....	35	50.0
Government Rules and Regulations.....	9	12.9
Poor Economy/Declining Industrial Base....	4	5.7
Winter Weather.....	5	7.1
No Opinion.....	4	5.7
Other.....	13	18.6
Total	70	100.0

^aMore than one characteristic was identified by some respondents.

Source: SEWRPC.

Table 68

RESPONDENTS' OPINIONS OF THE CITY OF WHITEWATER
AND THE STATE OF WISCONSIN AS PLACES IN WHICH TO
OPERATE A BUSINESS DURING THE NEXT FIVE YEARS

Responses	Respondents' Opinion of the City or State as a Place in Which to Operate a Business			
	City of Whitewater		State of Wisconsin	
	Number	Percent	Number	Percent
City Would:				
Become a Better Place.....	24	47.1	20	39.2
Stay the Same.....	22	43.1	23	45.1
Become a Worse Place.....	5	9.8	8	15.1
Total	51^a	100.0	51^a	100.0

^aNo response: 2.

Source: SEWRPC.

VOLUNTEER PARTICIPATION IN LOCAL ECONOMIC DEVELOPMENT

Community economic development program activities usually depend, to some degree, on community volunteers and, specifically, volunteers who are a part of the local business community. As a result, the survey asked respondents, "Would you be interested in serving on a volunteer committee whose goal it is to improve economic conditions in the City of Whitewater?" A total of 21 respondents, or about 41 percent, indicated that they would be willing to assist in improving local economic conditions. Should the City decide to actively pursue an economic development program, an effort should be made to actively recruit those respondents who are interested in volunteer activities.

SUMMARY AND CONCLUSIONS

This chapter has described the results of the City of Whitewater industry retention survey that was conducted as a part of the development of an economic development program for the City. The most important findings of this chapter are presented below:

History and Current Status of the Respondent Firms

1. Eighty-nine percent of the respondent firms indicated that the City of Whitewater was their corporate headquarters; these firms could be expected to take a more active role in the implementation of an economic development program in the City than firms whose corporate headquarters are located in a different community.
2. Eighty-three percent of the respondent firms have been operating their business for more than five years. These firms should not be as susceptible to internal business problems as firms that have been in business for less than five years.
3. About 25 percent of the respondent firms indicated that they had established additional locations outside the City. However, these expansions were not due to problems with operating a business in the City but, rather, to these firms taking advantage of new markets outside the City.
4. The respondent firms ranged in size from 3 to 301 employees; however, 92 percent of the employees of respondent firms were employed by firms with fewer than 100 workers, and 64 percent were employed by firms with fewer than 20 workers. The size of the respondent firms is advantageous to future employment growth in the City.

Markets and Customers

1. The local market (Walworth, Jefferson, and Rock Counties) is the most predominant market for the respondent firms, with 31 percent of all respondents indicating this market. However, 46 percent of the manufacturing respondents indicated that either the Midwest region or the nation was the primary market for their products.

2. Thirty-eight percent of the respondent firms currently provide products and/or services to the government, while only 12 percent of all respondents are engaged in exporting their products/services. About 33 percent and 27 percent, respectively, of the respondents are interested in information on selling their products or services to the government and on product exporting.

Past and Future Business Expansions

1. Fifty percent of the respondents indicated that their firm had expanded from 1979 to 1984, a time period when the State of Wisconsin was experiencing an economic recession.
2. A total of 19 respondents anticipate that their firms will expand between 1984 and 1989, with the expansions resulting in an estimated addition of 131,550 square feet of new floor area, and an estimated 144 new jobs.
3. About 78 percent of the firm expansions planned for 1984 to 1989 will take place in the City of Whitewater, with proximity to the market being the major reason why the remaining 22 percent of the planned expansions will take place outside the City.
4. A total of five respondents indicated that their firms are considering moving all or part of their operations outside the City. The reasons indicated for these planned moves include: 1) proximity to product markets/suppliers; 2) availability and/or cost of public services and utilities; 3) availability of transportation services used; 4) environmental regulations; 5) federal safety regulations; 6) local and state taxes; and 7) a lack of available financing.
5. Only two respondents indicated that their firms' product suppliers have an interest in moving all or a part of their operations to the City of Whitewater.
6. A total of 66 percent of the survey respondents believed that their firm's future business outlook for 1984 to 1989 was either good or very good. However, 52 percent of the respondents indicated that market conditions and the economy are the major determining factors regarding their firm's future development.

Labor Force

1. The existing jobs provided by the respondent firms are concentrated in the medium-still category (requires a moderate amount of education and/or training), with 51 percent of all respondent firm jobs in this category. The new jobs that may be created by the respondent firms are also expected to be predominantly medium-skill positions.
2. Only 14 percent of the respondents indicated that their firm had any large problem with its workers. About 23 percent of the respondents indicated that their firm had a small problem with its workers, with 35 percent of these problems being related to employee turnover.

3. Eighty-two percent of the respondents' firms used either word-of-mouth or walk-ins as the primary method of filling job vacancies.
4. A total of only six respondent firms, or about 12 percent, used the public employment training service provided by the former Comprehensive Employment and Training Act (CETA) or the Job Training Partnership Act (JTPA), with four of these respondents indicating that the training services provided through these programs were either average or unfavorable.

Assessment of Government Services and Regulations

1. Overall, the firms indicated that there is no single government service, regulation, or public utility that is causing a major problem. However, 14 respondents, or about 26 percent, believed that street maintenance and repair and zoning regulations caused problems for their firms.
2. Manufacturing industry respondents indicated that truck transportation is the primary method of transportation for their product inputs and finished products, with 80 percent of these manufacturers describing the truck transportation services as either good or excellent.
3. Regarding economic development programs, agencies, and committees, the survey respondents are most familiar with the U. S. Small Business Administration, industrial revenue bonds, and the University of Wisconsin county extension agent.
4. Only 12 respondents, or about 24 percent, rated the City's public officials' performance as good with regard to working to improve economic conditions in the City, with no respondents indicating a very good performance by public officials. Twenty-six respondents rated the performance of public employees as either very good or good on this issue, with 14 percent rating the performance of public employees as very good.

Financial Condition and Availability and Sources of Business Financing

1. Eighty-nine percent of the survey respondents indicated that they use a Whitewater financial institution as their primary financial institution, with only seven respondents, or 14 percent, indicating that they had experienced a problem in securing financing from a local financial institution.
2. Market conditions and the economy are the most significant factors affecting the respondent firms' financial condition, with about 76 percent of all respondents indicating that these factors are important.
3. Thirty respondents, or about 60 percent, indicated that their firms anticipated seeking financial assistance during the next five years. The financial assistance will be primarily used for the purchase of new machinery and equipment, or for constructing a new building or a building addition.
4. Regarding nonconventional sources of business financing, the survey respondents were most familiar with the federal Small Business Administration and industrial revenue bonds.

Overall Impressions

1. The survey respondents indicated that economic conditions and interest rates were the most important issues facing their firms' business operations during the next five years.
2. A total of 35 respondents, or 66 percent, indicated that they perceived the City as being either a very good or good place in which to operate a business, while 33 respondents, or 65 percent, indicated these responses for the State. However, nine respondents, or 17 percent, perceived the City as being either an unfavorable or very unfavorable place in which to operate a business, with 12 respondents, or 24 percent, indicating these responses for the State.
3. Specific positive and negative perceived characteristics of the City and the State as places in which to operate a business were varied, with the City's pleasant atmosphere and the State's good-quality public services/facilities mentioned most often as positive characteristics. The perceived negative characteristics that were mentioned most often by the respondents were the City's negative attitude toward business and industrial development and the State's high taxes.
4. About 47 percent of the survey respondents believed that the City would become a better place in which to operate a business during the next five years, while 39 percent of the respondents indicated that the State would become a better place in which to operate a business.

Volunteer Participation

1. A total of 21 respondents, or about 41 percent, indicated that they would be willing to volunteer to assist in improving local economic conditions.

An industry retention survey is one of the best methods available for determining the appropriateness and priority of various economic development program activities. The results of the City of Whitewater industry retention survey suggest that the following economic development program issues should be addressed in a City of Whitewater economic development program.

1. The City should actively solicit and involve private business persons in the development and implementation of an economic development program. A high percentage, 89 percent, of the respondent firms have corporate headquarters in the City, and a large number of respondents--21--expressed an interest in volunteering to assist in improving local economic conditions. In addition, an effort should be made to solicit private sector financial contributions to help support a local economic development program.
2. The survey results indicate that a low percentage, 38 percent, of the respondents' firms provide products or services to the government, and only 12 percent of the respondents' firms are involved in product exporting. Furthermore, only a small percentage of the respondents were interested in more information on the government as a customer and on exporting. Given these characteristics, a local economic development program in the City would need to consider the following activities:

- A. Inform local businesses of the advantage of selling to the government and exporting; and
 - B. Provide local businesses with information as to how to sell to the government and how to export their products/services.
3. A number of survey results indicated that the staff of a local economic development program in the City should contact business firms to determine the need for assistance in forthcoming expansion projects. This is important because:
- A. Nineteen respondent firms plan on expanding between 1984 and 1989, with about 78 percent of the expansions to take place in the City.
 - B. The survey respondents were not familiar with the Wisconsin Community Development Block Grant program or the federal Urban Development Action Grant program. The City is currently in a very good position to receive grant awards from these programs, which include low-interest business loans.
 - C. Thirty respondents, or about 60 percent, indicated that their firms anticipated seeking financial assistance during the next five years.
 - D. Financing interest rates was one of the factors indicated as being an important consideration with regard to future business operations.

The economic development program would thus need to undertake the following activities:

- A. Develop informational materials on nonconventional sources of financing.
 - B. Provide informational materials to business firms and design an informational seminar on nonconventional business financing.
 - C. Contact local financial institutions and discuss available nonconventional business financing.
4. A special effort should be made to contact personally the respondent firms that anticipate expanding outside the City. The program should provide these firms with examples of alternative nonconventional financing that could be available to them should they decide to expand in the City.
5. The persons responsible for a local economic development program in the City should immediately contact the five respondents that indicated that they are considering moving all or part of their operations outside the City. The person who contacts these firms should:
- A. Determine why a move is being considered.
 - B. Identify solutions to any of the problems indicated by the firm's representative.
 - C. Indicate the solutions to the problems to the firm's representative and attempt to implement the solutions.

6. Often, representatives of firms are the best economic development "ambassadors" for the City in attracting new industry to the community. Only two respondents indicated that their firms' product suppliers were interested in moving to the City. Representatives of existing firms should be urged to contact the representatives of their product supplier companies and urge the companies to relocate or expand in the City of Whitewater. This activity, based on the survey results, should be well accepted by business persons because 35 respondents, or 66 percent, indicated that they perceived the City as being a very good or good place in which to operate a business.
7. Based on the survey results, local school district officials and employment training organizations should be contacted under a local economic development program in order to inform them that:
 - A. Anticipated job vacancies in the City are expected to be of a medium-skill level and, therefore, job applicants will probably require more than a minimal amount of education and/or training.
 - B. Local firms use either word-of-mouth or walk-ins as the primary method of filling job vacancies.
8. Any local economic development promotional materials should point out that only 4 percent of the survey respondents indicated that they had any major labor force problems.
9. A local economic development program representative should contact the Southeast Wisconsin Private Industry Council (PIC) and indicate that only six survey respondents had utilized the Job Training Partnership Act (JTPA) programs, or the JTPA program predecessor, the Comprehensive Employment and Training Act (CETA) program. A plan should be developed for greater utilization of the public employment training services provided by the PIC.
10. Local economic development practitioners should be aware of, and informed about, issues facing the truck transportation industry. Manufacturing industry respondents indicated that truck transport is the primary method of transportation for their product inputs and finished products.
11. The survey respondents indicated that, of the economic development programs, agencies, and committees, they were very familiar with industrial revenue bonds. Currently, Congress is considering legislation that would limit the use of this nonconventional financing tool. Following congressional determination of the changes to industrial revenue bond financing, local economic development practitioners should make business persons aware of these changes and inform the businesses of other sources of business financing.
12. Because of the importance of financial barriers such as interest rates to the future business operations of the respondent firms, the economic development program should help to make available state and federal sources of alternative financing, including: 1) the Community Development Block Grant program, 2) the Urban Development Action Grant program, and 3) programs administered by the Wisconsin Business Development Finance Corporation.

13. City of Whitewater officials should consider taking steps to change the perception by business persons that public officials are not working to improve local economic conditions in the City, and that there is a negative attitude toward business/industrial development.
14. A local economic development program in the City should include activities that identify the concerns of the nine respondents who indicated that the City is an unfavorable or very unfavorable place in which to operate a business.

Chapter V

OVERALL ECONOMIC DEVELOPMENT PROGRAM PLAN: TARGETED INDUSTRY ATTRACTION

INTRODUCTION

Traditionally, the attraction of new manufacturing firms to a community has been the single most important economic development activity of local economic development practitioners. While the attraction of manufacturing firms to a community remains an important economic development activity, it is becoming increasingly evident that it is necessary for a community to work to retain its existing industries and to target its industry attraction activities to those industries whose locational requirements are compatible with the physical and socioeconomic characteristics of the community, as well as with the community's economic development goals. This targeted approach is sound in view of the need to promote the overall social as well as economic development of the community, and in view of the limited success which communities should expect in attracting new industry. Throughout the nation, approximately 1,500 manufacturing firms relocate annually, with approximately 50 percent of these firms relocating to areas that provide some natural resource required in the firm's manufacturing process. The remaining 750 relocations are subject to intense competition among approximately 15,000 states, cities, counties, private developers, and foreign governments.¹

Consequently, it is important for a community not only to consider carefully its potential for success in undertaking an industry attraction program, but also to identify those industries that are most likely to locate in the community. The purpose of this chapter is to identify those industries that an economic development program in the City of Whitewater could contact as part of a targeted industry attraction program. Accordingly, this chapter:

1. Identifies 60 industries that have been designated as rapid growth industries by the U. S. Department of Commerce, Bureau of Industrial Economics.
2. Presents a list of 19 four-digit Standard Industrial Classification (SIC) manufacturing industries that have been identified by the Wisconsin Electric Power Company (WEPCo) as likely to locate or relocate in the southeastern Wisconsin area.
3. Provides a priority ranking of the industries identified by WEPCo relative to the industry attraction criteria suggested by the City of Whitewater Economic Research Committee.

¹Minnesota Department of Economic Development, Area Industrial Development: A Guide for Community Action.

RAPID GROWTH INDUSTRIES

The historic performance of industries, as measured by increases in production, is one criterion that can be utilized to identify growth industries. Industries showing high growth trends may be considered to be good prospects for firm expansions and the location of branch plants in new locations. This section identifies industries that have shown, and may be expected to continue to show, increases in product shipments. While a later section of this chapter identifies and prioritizes industries with location requirements that are compatible with the locational characteristics of Wisconsin, the growth industries identified below should also be considered by the City of Whitewater as good prospects for an industry attraction program.

In its publication entitled 1984 U. S. Industrial Outlook, the U. S. Department of Commerce, Bureau of Industrial Economics, identifies 168 industries for which increases in product shipments are expected in 1984. Sixty of these industries, or about 36 percent, are expected to surpass their peak product shipments of the 1972 to 1981 time period. Should this occur, these 60 industries will have recovered completely from any decline in product shipments suffered during the recent national economic recession, and, accordingly, will resume their long-term growth patterns. Table 69 lists the 60 industries that were identified by the Bureau of Industrial Economics. While a detailed description of these industries is not within the scope of this study, a number of industries that were identified as growth industries were also indicated by the WEPCo as industries that could be expected to locate in the State of Wisconsin. These industries include:

1. Cheese Manufacturing, SIC Code 2022.
2. Book Printing, SIC Code 2732.
3. Electrical Components, SIC Code 3679.
4. Biological Products, SIC Code 2831.
5. Instruments for Measuring Electricity, SIC Code 3825.
6. Measuring and Controlling Instruments, SIC Code 382.
7. Pharmaceutical Preparations, SIC Code 2834.
8. X-Ray Equipment, SIC Code 3693.

WISCONSIN ELECTRIC POWER COMPANY (WEPCO) PROSPECT LIST

As a part of its economic development program, WEPCo has identified 19 manufacturing industries that are likely to locate or relocate in Wisconsin because of the locational characteristics of the State. This list is shown in Table 70. The criteria WEPCo used for identifying the industries listed in Table 70 included an industry's projected growth as well as its location requirements relative to the locational characteristics of the State. A summary description of these industries as provided in the 1984 U. S. Industrial Outlook is set forth below.²

²One of the priority industries for attraction identified by WEPCo, Batteries, Primary (SIC Code: 3692), is not described in the 1984 U. S. Industrial Outlook, and, therefore, is not described herein.

Table 69

**INDUSTRIES WITH FORECAST 1984 SHIPMENTS THAT
WILL EXCEED PEAK SHIPMENTS DURING THE
1972 THROUGH 1981 TIME PERIOD, RANKED BY
THEIR FORECAST 1983 TO 1984 GROWTH RATE**

Industry	SIC Code	Ranking
Semiconductors and related devices.....	3674	1
Electronic computing equipment.....	3573	2
Electronic components, nec ^a	3679	3
Electronic connectors.....	3678	4
Radio and TV communication equipment.....	3662	5
Logging camps and log contractors.....	2411	6
Millwork.....	2431	7
Miscellaneous plastics products.....	3079	8
Surgical appliances and supplies.....	3842	9
Lithograph platemaking services.....	2795	10
X-ray apparatus and tubes.....	3693	11
Plastic materials and resins.....	2821	12
Surgical and medical instruments.....	3841	13
Pulp mills.....	2611	14
Sporting and athletic goods, nec ^a	3949	15
Paperboard mills.....	2631	16
Greeting card publishing.....	2771	17
Natural and processed cheese.....	2022	18
Commercial printing.....	275	19
Softwood veneer and plywood.....	2436	20
Papermills, except building paper.....	2621	21
Radio and television receiving sets.....	3651	22
Instruments to measure electricity.....	3825	23
Biological products.....	2831	24
Manifold business forms.....	2761	25
Corrugated and solid fiber boxes.....	2653	26
Medicinals and botanicals.....	2833	27
Envelopes.....	2642	28
Converted paper products, nec ^a	2649	29
Die-cut paper and board.....	2645	30
Gypsum products.....	3275	31
Sanitary paper products.....	2647	32
Periodicals.....	2721	33
Aircraft.....	3721	34
Book printing.....	2732	35
Toy dolls.....	3942	36
Surface active agents.....	2843	37
Bottled and canned soft drinks.....	2086	38
Confectionery products.....	2065	39
Poultry and egg processing.....	2017	40
Poultry dressing plants.....	2016	41
Pharmaceutical preparations.....	2834	42
Newspapers.....	2711	43
Office machines and typewriters, etc.....	3579	44
Soap and detergents.....	2841	45
Polishes and sanitation goods.....	2842	46
Dental equipment and supplies.....	3843	47
Pumps and pumping equipment.....	3561	48
Photographic equipment and supplies.....	3861	49
Miscellaneous publishing.....	2741	50
Air and gas compressors.....	3563	51
Book publishing.....	2731	52
Games, toys, and children's vehicles.....	3944	53
Wood pallets and skids.....	2448	54
Ice cream and frozen desserts.....	2024	55
Malt beverages.....	2082	56
Cookies and crackers.....	2052	57
Distilled liquor, except brandy.....	2085	58
Cereal breakfast foods.....	2043	59
Meatpacking plants.....	2011	60

^anec = Not elsewhere classified.

Source: U. S. Department of Commerce, Bureau of Industrial Economics; and SEWRPC.

Table 70
PRIORITY INDUSTRIES FOR ATTRACTION
IN THE WHITEWATER AREA

Industry	SIC Code
Batteries, primary.....	3692
Biological products.....	2831
Book printing.....	2732
Cheese manufacturing.....	2022
Commercial printing.....	2751, 2752, 2754
Electrical components.....	3679
Engineering and scientific instruments.....	3811
Industrial controls.....	3622
Instruments for measuring electricity.....	3825
Lawn and garden equipment.....	3524
Machine tool accessories.....	3545
Metal-forming machine tools.....	3542
Measurement and control instruments.....	382
Paper industries machinery.....	3554
Pharmaceutical preparations.....	2834
Printing trade machinery.....	3555
Special dies, tools, jigs, and contract machinery.....	3544
Switchgear and switchboard apparatus.....	3613
X-ray and electromedical equipment.....	3693

Source: Wisconsin Electric Power Company and SEWRPC.

Biological Products (SIC Code: 2831)

The biological products industry is a part of the nation's pharmaceutical industry. In 1983, the United States accounted for 24 percent of the world's total shipments of prescription and over-the-counter drugs, estimated at \$24 billion. However, the commitment of large sums to research and development, upgrading of employee skills, and procurement of capital equipment which has characterized the U. S. drug industry in the past may be expected to become even more important in the future if this domestic industry is to maintain its position as a world leader. The value of shipments by the biological industry in 1983 was estimated to be \$1.92 billion, compared with \$1.72 billion in 1982. In the future, the drug industry faces a number of major issues, including the ethics of direct advertising of prescription drugs to consumers and the proposed extension of defective patent life on drug products. Nevertheless, this industry is expected to be more profitable than most other industries in 1984. The value of shipments by the biological industry, after adjusting for inflation, is forecast to increase at a rate of about 5 percent annually through 1988. This growth will be sustained through the development of new, more effective vaccines, including oral vaccines for typhoid, dental cavities, hepatitis, meningitis, pneumonia, and chicken pox.

Book Printing (SIC Code: 2732)

The U. S. book printing industry, composed of approximately 950 establishments, realized a significant increase in demand for its services in 1983, as estimated industry receipts reached \$3 billion. The rising demand for books

has eased somewhat the excess capacity problem that had plagued the U. S. book printing industry for the past decade. Receipts of U. S. book printers are expected to increase significantly in 1984, the result of strengthened school budgets, further expansion of retail bookstore outlets, and the growth of disposable personal income. Book printing industry receipts to 1988 are estimated to increase at an average annual rate of 3 percent. The book printing industry is expected to see a series of favorable developments that should increase demand for its services, while experiencing relatively stable raw material costs.

Cheese Manufacturing, Natural and Process (SIC Code: 2022)

The cheese production industry, as well as other dairy products manufacturing, is an important industry when considering the attraction of industries to the City of Whitewater. This significance results from the current location of the Hawthorn Mellody Company, a manufacturer of dairy products, in the City. During 1983, the current dollar value of shipments of all dairy products industries edged up, while the constant dollar shipments rose 0.8 percent overall, ranging from a substantial 7 percent increase for cheese to a 0.3 percent decline for condensed and evaporated milk. Per capita consumption of all dairy products was led by the cheese industry, with a 4.5 percent annual increase in consumption. Demand for cheese, both natural and processed, has grown significantly in the recent past. Between 1977 and 1982, per capita consumption of American cheese, three-quarters of which is cheddar, gained 4.2 percent yearly. From 1977 to 1982, per capita consumption of processed cheese, which is made from natural cheese and other dairy products, rose 4.1 percent a year. In 1984, the consumption of cheese, particularly of specialty, natural products cheese, is expected to rise. New technology is expected to be an important component in the advance of this industry. Over the long term, cheese manufacturing is expected to continue to lead the dairy industry, albeit at a slower pace than in previous years.

Commercial Printing (SIC Codes: 2751, 2752, 2754)

The commercial printing industry fared very well during the economic recovery that began in 1983, with real growth estimated at about 3 percent, compared to a decline of about 1 percent in 1982. The printing industry continues to be one of the most widely dispersed industrial activities in the nation. Every state and most counties have a printing plant of some size. Despite this geographic diversity, printing plants tend to concentrate near centers of industrial activities. It is expected that the commercial printing industry will continue to sustain a positive rate of real growth during 1984 and make further substantial gains over the depressed levels of 1982. Concurrent with expectations for economic growth during the next few years, the commercial printing industry is expected to maintain its position as one of the leaders in adapting to changes in the industrial economy. Between 1984 and 1989, this industry is expected to record an average rate of real growth of between 4 and 5 percent annually.

Electrical Components, NEC³ (SIC Code: 3679)

Electrical components are fundamental to all electronic equipment, and include a variety of product types and categories. Driven by strong demand from major user industries, and by rapid technological change, most segments of the elec-

³NEC = Not elsewhere classified.

trical components industry will expand at impressive rates in 1984. This heterogeneous industry shipped more than \$15.3 billion in products in 1983, or about 43 percent of all electronic components. Total employment was expected to surpass 200,000 in 1984, with capital expenditures expected to total about \$800 million. In particular, the proliferation of computer and telecommunications devices, a component of this industry, should add to the future growth of this industry. These industries can expect a 12.4 percent real growth rate in their 1984 shipments. Semiconductors, subassemblies, and printed circuit boards will post the greatest gains, ranging from 15 to 25 percent. These industries should enjoy an 8 to 10 percent real annual growth rate from 1983 to 1988. The continuing dissemination of electronic technology and products throughout the economy should sustain this level of demand. Only import penetration will impede the industry performance over the next five years.

Engineering and Scientific Instruments (SIC Code: 3811)

The need to expedite sample preparation continues to drive laboratory apparatus product development. During the past decade, companies have introduced automatic dispensers, diluters, stirrers, and fraction collectors; robotic equipment for sample preparation; and analyzers that require fewer sample preparation steps. The future success of these companies will depend on their ability to produce equipment that is easy and quick to use and that allows integration of sample preparation with the analytical instruments in the laboratory. In 1984, the market for scientific instruments is expected only to keep pace with the overall economy.

Industrial Controls (SIC Code: 3622)

Industrial controls are used for starting, regulating, stopping, and protecting electric motors. Demand for industrial controls varies with the level of investment in new plant equipment and generally follows the demand for integral horsepower motors. Some controls have specific applications, such as metal mill controls, crane and hoist controls, and machine tool controls. An expected upturn in industrial production should provide a greater demand for industrial controls during 1984. Shipments by the industry, in constant 1972 dollars, are expected to grow at a compound annual rate of about 3.5 percent between 1984 and 1989.

Instruments for Measuring Electricity (SIC Code: 3825)

The tests and measurements industry experienced a relatively poor year in 1983. Product shipments increased to \$5.7 billion in 1983, or about 1 percent above 1982 levels after adjusting for inflation, with employment falling 3 percent nationally to 91,000. Some segments of this industry did very well, particularly those segments that serve the semiconductor, computer, and telecommunications industries. However, other segments of the industry, such as general-purpose test instruments and panel meters, fared poorly because of their dependence upon industrial capital spending. In 1984, product shipments for this industry are expected to increase 6 percent after adjustment for inflation. In the long term, product shipments for this industry will increase at a compound annual rate of about 4 percent through 1988, after accounting for inflation. The design, manufacture, and service of the increasing amount of installed electronic equipment will continue to provide a potential market for this industry's equipment. Although imports and the development of test circuitry built into integrated circuits will limit growth to some degree, this industry will prosper for the foreseeable future.

Lawn and Garden Equipment (SIC Code: 3524)

The value of lawn and garden industry shipments increased an estimated 4 percent in 1983, in constant dollars, spurred by increases in housing construction and disposable income. Because of the rapid increase in single-family housing starts in 1983 and an expected general recovery in the housing market in the future, new homeowners are expected to be purchasing lawn and garden equipment in 1984. The shipments of lawnmowers are expected to be particularly strong. According to a 1982 consumer survey published by Hardware Age, American consumers have exhibited a greater interest in lawn and garden products in recent years. If interest rates remain relatively stable over the next few years, the housing sector should perform well. As a result, real shipments of lawn and garden equipment can be expected to increase 6 percent annually after adjustment for inflation. The resulting 1988 level of real shipments will be well below the peak achieved in 1979, but still above the previous high achieved in 1974.

Machine Tool Accessories (SIC Code: 3545) and Metal-Forming Machine Tools (SIC Code: 3542)

The machine tools and accessories industries will experience real growth in 1984, but will continue to operate well below capacity levels. Marginal gains in employment will fail to offset the loss of jobs that occurred from 1982 to 1983. As developing countries around the world struggle for a share of the growing factory automation market, the strength of the U. S. dollar, high U. S. interest rates, and lagging foreign markets will hold U. S. exports to marginal gains. Imports will fare better, causing the U. S. trade deficit in these industries to widen. The U. S. industries may be expected to undergo further structural change as marginal producers withdraw from the market and U. S. capacity shrinks. Technology will remain a key factor, as the industries continue to search for even more efficient application of the computer to machine tooling processes.

Measurement and Control Instruments (SIC Code: 382)

The volume of product shipments of instruments for measurement, analysis, and control traditionally has depended upon the level of capital spending for plant and equipment. As a result, the continuing slump in capital spending is largely responsible for the weakness in demand for measurement and control instruments. Until such time as capital spending for plant and equipment increases, the economic recovery will continue to bypass the measurement, analysis, and control instrument sector. Although instrumentation technology moved forward in 1983, no revolutionary changes in performance occurred. Rather, price and its relation to performance rose in importance. New products that incorporated a number of the features of the top-of-the-line instruments, though selling for a significantly lower price, dominated 1983's products introduction. One noticeable trend is the increasing integration of computer technology with instrumentation. Given the proliferation of small computers in the major markets for instrumentation, this trend can be expected to continue in the foreseeable future.

Paper Industries Machinery (SIC Code: 3554)

Paper industries machinery includes machinery and equipment for new production capacity and for rebuilding machinery and equipment in place. These include wood-processing machinery, pulp mill and paper mill machinery, and paper con-

verting machinery. The typical establishment in this industry operates in a small town in the northern areas of the United States, with Wisconsin as a primary producing state accounting for about 30 percent of all industry shipments. The years 1982 and 1983 were difficult for the producers of paper industries machinery. In 1984, the industry should show signs of recovery as new orders rise, and as pulp and paper mill operators announce previously delayed expansion and machinery-building projects. However, because of long production lead times for new plants, industry shipments are once again expected to decline in 1984 by approximately 2 percent. Recovery in the paper machinery industry has traditionally lagged behind recovery in other industries. Rebounding from the 1974 recession, this industry showed substantial losses in 1975, followed by a sharp recovery the following year. Although the immediate prospect of negative real growth continues, the five-year period of 1984 to 1989 should yield substantially better results for this industry than those attained during the 1980 through 1983 period. International trade, however, will continue to be a primary concern. In order to maintain export growth, U. S. manufacturers in this industry must intensify their efforts to supply markets outside North America. Import growth will continue to fluctuate, with traditional Scandinavian and North European suppliers seeking increased penetration of the U. S. domestic market.

Pharmaceutical Preparations (SIC Code: 2834)

Following a decline in after-tax profitability in 1981 to 10.9 percent of net sales, the drug industry's net income rebounded to 13.1 percent of sales in 1982, and is expected to remain at that level in 1983. This increased profitability is partially the result of higher prices of prescription drugs and an upsurge in the number of higher unit-cost products introduced in 1983. Industry shipments of pharmaceuticals increased during 1983 to a value of \$22 million, a 3 percent increase over 1983 after adjusting for price increases. The value of product shipments rose to \$18.2 billion; in real terms, the increase was 2.8 percent. The value of industry and product shipments of pharmaceuticals is expected to show an increase of 3.1 percent in 1984, after adjustment for inflation. Over the long term, the value of shipments by the pharmaceuticals industry, after adjustment for inflation, is expected to increase at a rate of 3.4 percent a year through 1988. The pharmaceutical industry is undergoing a fundamental competitive restructuring in the way it develops and markets new prescription drugs. As a result, by 1988, fewer therapeutic equivalents will be marketed, but there will be more new and unique drug entities for improved relief therapy and prevention. The upward trend in over-the-counter drug sales will continue in the foreseeable future as a result of the greater emphasis on self-diagnosis and self-medication. Industry experts are forecasting an increase in vitamin supplement sales to \$6 billion by 1988.

Printing Trade Machinery (SIC Code: 3555)

The 1983 value of shipments by the printing trade machinery industry is approximately \$1.1 billion, measured in 1972 dollars, an increase of almost 3 percent over the 1982 total, but still well below the \$1.2 billion attained in 1981. Industry product shipments are expected to increase about 5 percent in 1984 over 1983 levels, slightly below the estimated rise in GNP of 5.2 percent, but well below the expected increase of more than 10 percent in nonelectrical machinery. The printing industry is a well-established and mature industry. However, it is expected to seek technologically advanced equipment that incorporates labor- and energy-saving features and meets

increasingly stringent environmental regulations. Industry demand should grow at an average annual rate of about 4 percent over the next five years, after adjusting for inflation. The continuance of research and development operations, as well as the operation of overseas sales and service facilities, will enable U. S. manufacturers to maintain their share of a growing market. West German manufacturers will continue to be major competitors in both the United States and third world markets. The German manufacturers maintain excellent research-and-development programs and offer competitively priced, technologically advanced equipment to all segments of the printing industry. In addition, they have an excellent reputation for servicing the equipment they supply. U. S. manufacturers can also expect increased competition from Japanese manufacturers.

Special Dies, Tools, Jigs, Fixtures, and Contract Machinery (SIC Code: 3544)

The tooling and machinery industry is an essential sector of the U. S. manufacturing industry. This industry produces the tooling, dies, jigs, fixtures, and molds that are indispensable to the mass production of metal parts. This industry creates special machines for the production of specific parts, as well as producing parts and components on a contract basis for other metal working-manufacturers, including precision machine parts and metal stampings. Constant dollar shipments of the tooling and machinery industry increased about 6 percent over 1982 levels to \$6.6 million in 1983. However, substantial idle factory capacity existed in 1983, with employment falling, and with numerous job shops going out of business. The major customers of the tooling and machinery industry are becoming increasingly international, with production facilities located offshore and with growing imports of foreign-made parts, components, and final products. These factors directly affect the level of demand for the products of the domestic tooling and machinery industry. Also, the need to reduce manufacturing costs and the growing importance of computer-aided manufacturing processes are changing traditional relationships between tooling and machinery companies and their customers. In addition, the enhanced flow of information facilitated by the computer is creating new competitors. Total industry shipments of the tooling and machinery industry are expected to increase by about 7 percent over 1983 levels in constant dollars to \$7 billion in 1984. The precision machine segment will experience relatively strong growth as industrial output expands and the utilization of factory capacity increases. Employment in the industry is expected to increase for the first time since 1980. From 1984 to 1989, a compound annual growth rate of about 5 percent is forecast for constant dollar shipments of the tooling and machinery industry. By using the most modern technology available, the industry may be expected to become more competitive in domestic and foreign markets. The tooling and machinery industry may be expected to benefit as the capital spending plans of metal-working industries reflect long-delayed modernization.

Switchgear and Switchboard Apparatus (SIC Code: 3613)

Switchgear industry product shipments declined by about 1 percent between 1982 and 1983, when measured in constant 1972 dollars. Products made by this industry include switches, relays, fuses, panel boards, distribution boards, and circuit breakers. Switchgear products are used primarily for load switching and short-circuit protection in generation, transmission, and distribution systems, and for protecting and controlling branch circuit loads in industrial

and commercial power systems. During 1984, shipments by the switchgear industry are expected to register a constant dollar gain of about 5 percent over the levels attained in the 1983 to 1984 period. Although the level of electric utility construction will remain low between 1984 and 1989, industrial demand for switchgear products will provide potential growth opportunities. The real value of the switchgear industry shipments during this time period is expected to increase at a compound annual rate of about 3 percent.

X-ray and Electromedical Equipment (SIC Code: 3693)

The value of industry shipments of X-ray and electromedical equipment, which also includes industrial and scientific X-ray apparatus, grew at an inflation-adjusted rate of 16.4 percent annually from 1972 to 1979. However, from 1980 to 1983, growth in real shipments by this industry slowed to half that annual rate, or to about 8 percent annually. The X-ray and electromedical equipment industry consists of some 243 manufacturing establishments, of which about 40 percent lie on the East Coast. New York is the largest single location of industry establishments, accounting for 15 percent of all industry shipments. The industry has a number of smaller establishments, with about half of the plants in the industry having fewer than 20 employees. In 1984, industry shipments are projected to increase by 7.4 percent to \$1.7 billion in constant 1972 dollars. This projection assumes that the economic recovery that is currently underway in the United States will continue to gain strength and will spread among the nations major trading partners. As the recession ends, demand for health care services is expected to increase, resulting in a demand for health care equipment. Low interest rates will also encourage capital expenditures for the more expensive items such as cathode scanners and similar advanced diagnostic imaging equipment. X-ray and electromedical equipment shipments are projected to grow at a compounded annual rate of 6.7 percent between 1984 and 1989, after adjustment for inflation. This industry is strongly dependent on foreign markets for its products. Adverse currency exchange rates are still a problem, but exchange rates are expected to improve slightly over the next several years.

RANKING OF TARGETED INDUSTRIES

The importance of targeting an industry attraction program to those industries that are most likely to locate in the Whitewater area has been noted. Because of this importance, the industries identified by WEPCo as having location requirements that are compatible with the locational characteristics of Wisconsin have been listed, and their growth prospects briefly discussed herein. Although the WEPCo industry attraction list provides the City of Whitewater with 19 manufacturing industries that could be the target of an industry attraction program, the costs of contacting all of the firms in these industries could be prohibitive to the City. Therefore, this section ranks these 19 industries in terms of their compatibility with the development objectives of the City.

The following steps were used to rank order these industries: 1) a set of local industry attraction criteria was identified by the City's Economic Research Committee, the City's advisory committee for this study; 2) weights ranging from one to 10 were assigned by the Committee to these criteria based on the perceived local importance of each criterion, with a ranking of 10 indicating the greatest importance; and 3) the criteria were applied to the 19 manufacturing industries, with the total of the weights assigned to each criterion resulting in a rank order of the industries.

The criteria used to rank order the industries as identified by the Whitewater Economic Research Committee reflect the City's economic development objectives at this time. The relative weights assigned to the criteria reflect the relative importance of each criterion as perceived by the Committee. Thus, the process reflects the collective, subjective judgment of the Committee regarding industries that should be contacted in attraction efforts. These judgments may change over time. The information provided herein, however, can be used to develop a new rank order list of industries as perceptions and conditions change by assigning new weights to each criterion.

Explanation of the Ranking Criteria

Tables 71 through 75 set forth the industry attraction criteria identified by the Whitewater Economic Research Committee, as well as the data and information utilized in assigning weights to those criteria. Table 76 presents the final ranking of the industries for use in a targeted industry attraction program in the City.

Table 71

RANKING CRITERION ONE: UNITED STATES INDUSTRY ESTABLISHMENTS WITH FEWER THAN 20 EMPLOYEES IN 1977

Industry	SIC Code	Total	Establishments With Fewer Than 20 Employees in 1977			
			Number	Percent	Ranking	Points
Batteries, primary.....	3692	58	25	43.1	20	--
Biological products.....	2831	310	197	63.6	7	7
Book printing.....	2732	950	580	61.1	11	7
Cheese manufacturing.....	2022	791	498	63.0	8	7
Commercial printing.....	2751, 2752, 2754	28,000	25,000	89.3	1	7
Electrical components.....	3679	3,119	2,204	70.7	3	7
Engineering and, scientific instruments.....	3811	888	525	59.1	14	--
Industrial controls.....	3622	726	443	61.0	12	7
Instruments for measuring electricity.....	3825	671	392	58.4	15	--
Lawn and garden equipment.....	3524	154	63	40.9	21	--
Machine tool accessories.....	3545	1,412	920	65.2	6	7
Metal-forming machine tools....	3542	426	263	61.7	9	7
Measurement and control instruments.....	382	1,408	838	59.5	13	--
Paper industries machinery....	3554	213	110	51.6	18	--
Pharmaceutical preparations....	2834	756	463	61.2	10	7
Printing trade machinery.....	3555	595	396	66.6	5	7
Special dies, tools, jigs, and contract machinery.....	3544	7,152	5,726	80.1	2	7
Switchgear and switchboard apparatus.....	3613	668	352	52.7	17	--
X-ray equipment.....	3693	243	117	48.2	19	--

Source: U. S. Department of the Census, Census of Manufacturers-1977, U. S. Department of Commerce, U. S. Industrial Outlook: 1982, 1983, and 1984; and SEWRPC.

Ranking Criterion One: Establishments With Fewer than 20 Employees: The size of an industrial establishment is an important consideration in an industry attraction program. The Economic Research Committee indicated that the attraction of smaller establishments, as measured by total employment, to the City of Whitewater was an important criterion. This criterion was considered important for three reasons: 1) the majority of the firms of existing city employers are relatively small in comparison to establishments located in larger cities, and, therefore, the attraction of smaller establishments would help to retain the existing character of the City's industrial base and of the City itself; 2) the attraction of smaller establishments would help to assure the availability of needed labor for the new industry given the location of the City and the size of its labor force; and 3) the location of the University of Wisconsin-Whitewater in the City strongly influences the character of the City, and the attraction of smaller industry establishments would help to retain the existing University character. Table 71 indicates the total number of establishments in each of the targeted industries, as well as the total number of establishments with fewer than 20 employees. A weight of seven was assigned to the industry establishment size criterion by the Economic Research Committee, reflecting the perceived importance of this criterion relative to the other criteria. When all industrial establishments are considered, an average of 61 percent have fewer than 20 employees. Accordingly, seven points were assigned to those industries in which more than 61 percent of their establishments employed 20 or fewer employees.

Ranking Criterion Two: Industries With Primary Locations in the States of Wisconsin and Illinois in 1977: The City of Whitewater may be expected to exhibit industrial location characteristics that are similar to those of other communities in the State of Wisconsin. In addition, because of the proximity of the City to the highly urbanized northeastern Illinois region, the City may be expected to attract industries located in northeastern Illinois that are expanding and establishing branch locations. Therefore, the Economic Research Committee indicated that one of the attraction criteria should be industries showing establishments located primarily in the States of both Wisconsin and Illinois. Table 72 indicates the primary locations of the industries being considered for the City's targeted industry attraction program. As indicated in Table 72, the industries with primary locations in the State of Wisconsin and the State of Illinois were assigned 10 points in the ranking system, or the maximum number of points, indicating this criterion's importance relative to the other criteria in the ranking system.

Ranking Criterion Three: Targeted Industries are a Part of the Health Industry: Overall, the health industry has been identified as a growth industry. Therefore, the Whitewater Economic Research Committee indicated that establishments that are a part of the health industry should be given consideration in the City's industry attraction program. Table 73 lists the targeted industries and indicates whether they are associated with the health industry. As indicated in Table 73, manufacturing industries that are related to, or a part of, the health industry were awarded a point value of three in the ranking system.

Ranking Criterion Four: Industries Have Been Identified as Growth Industries: The Whitewater Economic Research Committee considered identification of an industry as a growth industry to be another important consideration in rank ordering industries for a targeted industry attraction program. Table 74 lists the targeted industries that have been identified as growth industries

Table 72

**RANKING CRITERION TWO: INDUSTRIES WITH PRIMARY LOCATIONS
IN THE STATES OF WISCONSIN AND ILLINOIS IN 1977**

Industry	SIC Code	Primary States of Location	Ranking Points
Batteries, primary.....	3692	(Wis. = 8.6%; Ill. = 5.2%) ^a	--
Biological products.....	2831	N.J., N.Y., Calif.	--
Book printing.....	2732	N.Y., Tenn., Wis., Maine	10
Cheese manufacturing.....	2022	Wis., Ohio, Mich., Minn.	10
Commercial printing.....	2751, 2752, 2754	Ill., N.Y., Calif., Ohio, Pa.	10
Electrical components.....	3679	N.Y., Calif., Ill., Pa., Maine	10
Engineering and scientific instruments.....	3811	Calif., Maine, N.Y., N.J., Ill.	10
Industrial controls.....	3622	(Wis. = 4.7%; Ill. = 8.1%) ^a	10
Instruments for measuring electricity.....	3825	Calif., Ore., Colo., Ill., Maine	10
Lawn and garden equipment.....	3524	Wis., Minn., Ill., Ohio, Ind.	10
Machine tool accessories.....	3545	(Wis. = 2.5%; Ill. = 7.7%) ^a	10
Metal-forming machine tools....	3542	Ill., Ohio, Mich.	10
Measurement and control instruments.....	382	Pa., Calif., Maine, Ill., Ohio	10
Paper industries machinery.....	3554	Wis., N.Y., N.J., Maine	10
Pharmaceutical preparations....	2834	N.J., Mo., N.Y.	--
Printing trade machinery.....	3555	Maine, N.J., Ill., Pa., N.Y.	10
Special dies, tools, jigs, and contract machinery.....	3544	Mich., Ohio, Ill.	10
Switchgear and switchboard apparatus.....	3613	(Wis. = 2.3%; Ill. = 10.0%) ^a	10
X-ray equipment.....	3693	N.Y., Ohio, Calif., Fla., Maine, Conn.	--

^aInformation on primary location was not available. Points were awarded if the State of Wisconsin or Illinois included 5 percent or more of all establishments, and a minimum of 50 establishments were located in either of the two states.

Source: U. S. Bureau of the Census, Census of Manufacturers-1977; U. S. Department of Commerce, U. S. Industrial Outlook: 1982, 1983, and 1984; and SEWRPC.

Table 73

RANKING CRITERION THREE: TARGETED INDUSTRIES ARE A PART OF THE HEALTH INDUSTRY

Industry	SIC Code	Industry as Part of the Health Industry		Ranking Points
		Yes	No	
Batteries, primary.....	3692	--	x	--
Biological products.....	2831	x	--	3
Book printing.....	2732	--	x	--
Cheese manufacturing.....	2022	--	x	--
Commercial printing.....	2751, 2752, 2754	--	x	--
Electrical components.....	3679	--	x	--
Engineering and scientific instruments.....	3811	x	--	3
Industrial controls.....	3622	--	x	--
Instruments for measuring electricity.....	3825	--	x	--
Lawn and garden equipment.....	3524	--	x	--
Machine tool accessories.....	3545	--	x	--
Metal-forming machine tools....	3542	--	x	--
Measurement and control instruments.....	382	--	x	--
Paper industries machinery.....	3554	--	x	--
Pharmaceutical preparations....	2834	x	--	3
Printing trade machinery.....	3555	--	x	--
Special dies, tools, jigs, and contract machinery.....	3544	--	x	--
Switchgear and switchboard apparatus.....	3613	--	x	--
X-ray equipment.....	3693	x	--	3

Source: SEWRPC.

by the U. S. Department of Commerce. As indicated in Table 74, industries that were identified as growth industries were awarded nine points in the ranking system, indicating this criterion's major importance relative to the other criteria.

Ranking Criterion Five: Industry Classification is Located in the City of Whitewater: One way to identify the industries that should be targeted in an industry attraction program is to examine the industries that are currently located in the community. The rationale for this criterion is that other establishments in these industries should also find the community to be an appropriate place in which to locate. Table 75 lists those three-digit SIC Code targeted industries that are currently located in the City of Whitewater. As indicated in Table 75, industries that are located in the City of Whitewater were awarded five points in the ranking system, indicating this criterion's medium importance relative to the other criteria.

Results of the Industry Ranking Process

Table 76 sets forth the results of the ranking of the manufacturing industries for the priority industry attraction program. As indicated in Table 76, the points for each industry range from a total of 31 points for the cheese manufacturing industry, an industry that would be most appropriate to target in an industrial attraction program for the City, to no points for the primary batteries industry, an industry that would be inappropriate to target in an attraction program.

The industries listed in Table 76 can be classified into three priority categories: 1) the industries that should receive highest priority in an industry attraction program, or those industries receiving from 22 to 31 points in the priority ranking system; 2) the industries that should receive medium priority in an industry attraction program, or those industries receiving from 17 to 19 points in the priority ranking system; and 3) the industries that should have low priority in an industry attraction program, or those industries receiving fewer than 17 points in the priority ranking system. Information regarding the names, addresses, and telephone numbers of specific manufacturing establishments within the SIC Codes indicated above are available in printed form by state for each state in the nation. The publications setting forth this information range in price from \$15 to \$125 and can be ordered from Manufacturing News, Inc.; 4 E. Huron Street, Chicago, Illinois, 60611; (312) 337-1084.

SUMMARY AND CONCLUSIONS

This chapter has identified a number of industries that an economic development program in the City of Whitewater should contact as part of a targeted industry attraction program. While the attraction of manufacturing firms to a community remains an important local economic development activity, it is becoming increasingly evident that it is necessary for a community to work to retain its existing industries and to target its industry attraction activities to those industries whose location requirements are compatible with the physical and socioeconomic characteristics of the community, as well as with the community's economic development goals. This targeted approach is sound in view of the need to promote the sound overall social as well as economic development of the community, and in view of the limited success which communities should expect in attracting new industry.

Table 74

**RANKING CRITERION FOUR: INDUSTRIES HAVE
BEEN IDENTIFIED AS GROWTH INDUSTRIES**

Industry	SIC Code	Industry Has Been Identified As A Growth Industry		Ranking Points
		Yes	No	
Batteries, primary.....	3692	--	x	--
Biological products.....	2831	x	--	9
Book printing.....	2732	x	--	9
Cheese manufacturing.....	2022	x	--	9
Commercial printing.....	2751, 2752, 2754	--	x	--
Electrical components.....	3679	x	--	9
Engineering and scientific instruments.....	3811	--	x	--
Industrial controls.....	3622	--	x	--
Instruments for measuring electricity.....	3825	x	--	9
Lawn and garden equipment.....	3524	--	x	--
Machine tool accessories.....	3545	--	x	--
Metal-forming machine tools.....	3542	--	x	--
Measurement and control instruments.....	382	x	--	9
Paper industries machinery.....	3554	--	x	--
Pharmaceutical preparations.....	2834	x	--	9
Printing trade machinery.....	3555	--	x	--
Special dies, tools, jigs, and contract machinery.....	3544	--	x	--
Switchgear and switchboard apparatus.....	3613	--	x	--
X-ray equipment.....	3693	x	--	9

Source: U. S. Department of Commerce, 1984 U. S. Industrial Outlook; and SEWRPC.

Table 75

**RANKING CRITERION FIVE: INDUSTRY CLASSIFICATION
IS LOCATED IN THE CITY OF WHITEWATER: 1980**

Industry	SIC Code	Classification Industry Is Located in Whitewater		Ranking Points
		Yes	No	
Batteries, primary.....	3692	--	x	--
Biological products.....	2831	--	x	--
Book printing.....	2732	--	x	--
Cheese manufacturing.....	2022	x	--	5
Commercial printing.....	2751, 2752, 2754	--	x	--
Electrical components.....	3679	--	x	--
Engineering and scientific instruments.....	3811	--	x	--
Industrial controls.....	3622	--	x	--
Instruments for measuring electricity.....	3825	--	x	--
Lawn and garden equipment.....	3524	--	x	--
Machine tool accessories.....	3545	x	--	5
Metal-forming machine tools.....	3542	x	--	5
Measurement and control instruments.....	382	--	x	--
Paper industries machinery.....	3554	x	--	5
Pharmaceutical preparations.....	2834	--	x	--
Printing trade machinery.....	3555	x	--	5
Special dies, tools, jigs, and contract machinery.....	3544	x	--	5
Switchgear and switchboard apparatus.....	3613	--	x	--
X-ray equipment.....	3693	--	x	--

Source: Wisconsin Department of Industry, Labor and Human Relations and SEWRPC.

Table 76
**TOTAL RANKING OF INDUSTRIES FOR A TARGETED INDUSTRY
 ATTRACTION PROGRAM IN THE CITY OF WHITEWATER**

Industry	SIC Code	Establishments With Fewer than 20 Employees	Establishments are Primarily Located in Wisconsin and Illinois	Industry Is Part of the Health Industry	Industry Is A Growth Industry	SIC Classification in Whitewater	Total Points
Cheese manufacturing.....	2022	7	10	--	9	5	31
Book printing.....	2732	7	10	--	9	--	26
Electrical components.....	3679	7	10	--	9	--	26
Machine tool accessories.....	3545	7	10	--	--	5	22
Metal-forming machine tools.....	3542	7	10	--	--	5	22
Printing trade machinery.....	3555	7	10	--	--	5	22
Special dies, tools, Jigs, and contract machinery.....	3544	7	10	--	--	5	22
Biological products.....	2831	7	--	3	9	--	19
Instruments for measuring electricity.....	3825	--	10	--	9	--	19
Measurement and control instruments.....	382	--	10	--	9	--	19
Pharmaceutical preparations....	2834	7	--	3	9	--	19
Commercial printing.....	2751, 2752, 2754	7	10	--	--	--	17
Industrial controls.....	3622	7	10	--	--	--	17
Paper industries machinery.....	3554	--	10	--	--	5	15
Engineering and scientific instruments.....	3811	--	10	3	--	--	13
X-ray equipment.....	3693	--	--	3	9	--	12
Lawn and garden equipment.....	3524	--	10	--	--	--	10
Switchgear and switchboard apparatus.....	3613	--	10	--	--	--	10
Batteries, primary.....	3692	--	--	--	--	--	--

Source: SEWRPC.

The industries that are recommended to be contacted in a targeted industry attraction program for the City were identified in two ways. First, the U. S. Department of Commerce, Bureau of Industrial Economics, in its publication entitled 1984 U. S. Industrial Outlook, identifies 60 industries for which increases in product shipments are forecast in 1984. These industries are expected to surpass their peak product shipments of the 1972 to 1981 time period. Should this occur, these 60 industries will have recovered completely from any decline in product shipments suffered during the recent national economic recession, and accordingly will resume their long-term growth pattern. Consequently, these industries could be considered to be good prospects for firm expansions and the location of branch plants in new locations. These 60 industries are identified in Table 69 of this chapter.

Second, as a part of its economic development program, the Wisconsin Electric Power Company (WEPCo) has identified 19 manufacturing industries that are likely to locate or relocate in Wisconsin because of the locational characteristics of the State. While all of the manufacturing industries identified by WEPCo could be considered good prospects for a Whitewater industry attraction program, the high cost of contacting these industries could be prohibitive in an initial program. Consequently, the City's Economic Research Committee identified five industry attraction criteria that were to be utilized in prioritizing the WEPCo-identified industries. The resulting priority list of industries allows the City to contact a limited number of these industries and to evaluate the results of its efforts prior to expending further resources on this activity. The ranking of industries for an industry attraction program resulted in three categories--high, medium, and low--of industries that can be contacted by the City. These industries are listed in Table 76.

The priority industry attraction list presented in this chapter was based upon the rank ordering criteria and the weighting assigned to those criteria by the Whitewater Economic Research Committee. These criteria and the weighting of these criteria thus reflect the collective, subjective judgment of the Committee members regarding industries that should be contacted in attraction efforts. These judgments may change over time. The information provided herein, however, can be used to develop a new rank order list of industries as perceptions and conditions change by assigning new weights to each criterion.

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Chapter VI

ECONOMIC DEVELOPMENT POTENTIALS AND CONSTRAINTS

INTRODUCTION

The information and analyses contained within the preceding chapters reveal characteristics of the City and environs which have both positive and negative effects on economic development in the City. The purpose of this chapter is to summarize the pertinent findings of the previous analyses in terms of the potentials for and constraints on economic development in the City of Whitewater.

ECONOMIC DEVELOPMENT POTENTIALS

Economic development potentials may be defined as those factors that give the City of Whitewater certain positive attributes, or comparative advantages, in attracting and sustaining economic development. The economic development potentials identified through the previous analyses are summarized below.

Historic Economic Development Efforts

A review of past economic development activities can provide useful information about the types of economic development efforts which have been successful. This information, in turn, can assist in the formulation of a sound economic development strategy for the City of Whitewater. The historic economic development efforts that have resulted in the identification of economic development potentials are briefly discussed below.

Past Activities of Economic Development Organizations: In recent years, three organizations have been active in the City of Whitewater in addressing local economic development concerns: the City of Whitewater Industrial Development Commission, the Whitewater Economic Research Committee, and the City of Whitewater Community Development Authority. In 1971, the Common Council of the City of Whitewater, in cooperation with the Whitewater Chamber of Commerce, formally created the City of Whitewater Industrial Development Commission. Over the years, the Commission has served an important role in negotiating the sale of land in the City's industrial park for industrial development. In March 1983, the Common Council established the Whitewater Economic Research Committee. That Committee is principally responsible for the preparation of the economic development plan documented herein.

In July 1983, the Common Council established the Community Development Authority of the City of Whitewater. With this action, the City established a governmental entity with the resources and statutory authority necessary to implement a wide range of community development and economic development programs and projects.

These three community economic development groups provide the City of Whitewater with three important types of representation: 1) a broad-based economic

development citizen's advisory committee; 2) a committee whose goal is specifically focused on industrial development; and 3) an Authority with a full range of city powers that can be implemented to solve economic development problems and issues.

Recent Community Development Block Grant Activities: Since 1982, the City of Whitewater has been an active participant in the Wisconsin Department of Development (DOD) Community Development Block Grant (CDBG) program. The first block grant received by the City was used to assist in the financing of improvements to the City's public water supply system. More recently, in May 1984, the City received approval for a two-year comprehensive block grant application. The 1984 block grant is particularly significant because it establishes both a revolving low-interest business loan fund and a revolving low-interest home rehabilitation loan fund. Therefore, the City's future community economic development activity will, in part, be able to be funded by local revolving loan funds rather than by competitive state and federal grants. It should also be noted that the City's recent successful involvement in the CDBG program would be supportive of any efforts toward future participation in the Urban Development Action Grant program, as well as in the programs administered by the U. S. Department of Commerce, Economic Development Administration, for which it is also eligible.

Characteristics of the Physical Environment, and
of Community Facilities and Related Services

Various characteristics of the physical environment, including the natural resource base, as well as of community facilities and related services can have a positive effect on the economic development of a community. Any sound local economic development program should, therefore, be based in part upon detailed information regarding the natural and cultural resource base.

Location: The City of Whitewater is located about 40 miles southwest of the Milwaukee metropolitan area. Many city residents and businessmen find this location to be favorable in that it is possible to commute to the Milwaukee area for employment, medical and other professional services, shopping, recreation, and entertainment activities while living in proximity to the pleasant surroundings and natural amenities provided by the southern unit of the Kettle Moraine State Forest. Furthermore, the City is located relatively close to several other urban growth centers, including the City of Madison, the City of Janesville, the City of Beloit, and the populous northeastern Illinois region.

Lakes, Rivers, and Streams, and Environmental Corridor Lands: Whitewater Creek, Cravath Lake, and Tripp Lake are the principal surface water resources in the City of Whitewater. These resources, together with the environmental corridor lands in the City, constitute focal points for water-related recreational activities, provide amenities for appropriately planned urban development, and enhance the aesthetic quality of the City.

Residential Land Use: Residential land use in the City is concentrated in areas located to the north and northwest of Cravath Lake and to the north of Tripp Lake. Large areas of undeveloped land which are well-suited for residential land use are available for additional residential development at the

eastern, western, and southern fringes of the City. The comprehensive plans prepared for the City by Maynard W. Meyer and Associates and by Max Anderson and Associates recommend additional residential developments in these areas. The sites located immediately south of the developed portion of the City, between Cravath and Tripp Lakes, are particularly well-suited for residential development because of their proximity to the Whitewater central business district as well as to the lakes.

Commercial Land Use in the Whitewater Central Business District: The Whitewater central business district has several features which could form the basis for commercial and service-oriented economic development efforts directed toward central business district improvement and redevelopment, as well as toward overall revitalization of the City's economy. The proximity of Whitewater Creek and Cravath Lake to the central business district offers the opportunity to orient central business district development both visually and functionally to these surface water bodies. The mature architecture of the storefront, commercial, and warehouse buildings in the central business district provides an architectural character and sense of place that is unique to Whitewater. These characteristics could be further enhanced by the restoration of many of the older structures in the central business district and by the selective rehabilitation of structures utilizing adaptive reuse design principles. The plans prepared by Maynard W. Meyer and Associates and Max Anderson and Associates contain certain recommendations which should be given further consideration in any future central business district improvement effort. Further detailed studies of these recommendations, as well as of any other potential central business district projects and activities, should be conducted prior to the implementation of any central business district improvement plan.

Open Space and Recreational Land Use: The City of Whitewater has several excellent recreational facilities, including Starin Park, Tripp Lake Park, Effigy Mounds Park, and the Whitewater Country Club. Also, Whitewater Creek, Cravath Lake, and Tripp Lake offer opportunities for expanded open space use and recreational facility development in the City. Continued open space and recreational facility development of the City could be an important part of the City's community economic development effort.

Wastewater Treatment Plant: A 1975 study indicated that the City's existing treatment plant and the trunk sewer system conveying wastewater to that plant were operating over capacity and could not properly accommodate additional wastewater loadings. In an effort to solve these problems, the City constructed a new wastewater treatment plant and attendant trunk sewer system, which was completed in August 1982. The new treatment plant and trunk sewer improvements have not only corrected the deficiencies in the City's sewerage system, but also have provided sufficient additional treatment capacity to meet the needs of future economic development in the City.

Public Water Supply System: As noted in Chapter II, several public water system improvement projects in the City of Whitewater were being funded in part by a Small Cities Community Development Block Grant from the Wisconsin Department of Development. The projects that were completed late in 1984 corrected several deficiencies in the City's public water supply system. The City will also be able to meet the water supply needs associated with anticipated new urban development and population growth. The public water supply

system improvements will be particularly helpful to the City if an effort is undertaken to intensify its industrial attraction activities.

Airport Facilities: The City of Whitewater is located in proximity to several airports. The Rock County Airport located south of the City of Janesville, about 23 miles southwest of the City of Whitewater, has facilities which are suitable to accommodate small corporate jets and other business aircraft, as well as scheduled airline service. The Village of East Troy Municipal Airport is located about 18 miles east of the City of Whitewater. The Village of East Troy has recently undertaken several improvement projects at the airport which, when completed, will enable the airport to accommodate the needs of small corporate jets and other business aircraft. The state airport system plan calls for the upgrading of the Fort Atkinson Municipal Airport, located about nine miles northwest of the City of Whitewater, to a basic transport airport. The upgrading of the Fort Atkinson Airport would also enable this airport to accommodate the needs of small corporate jets and other business aircraft generated by the City of Whitewater. It should also be noted that several scheduled air transport airports are located near the City of Whitewater: Milwaukee's General Mitchell Field--46 miles away, Chicago's O'Hare Field--87 miles away, and Madison's Truax Airport--40 miles away.

Proposed USH 12: The adopted regional transportation plan calls for the construction of a USH 12 bypass around the southern edge of the City, with three interchanges planned for the City of Whitewater. However, no action can be expected to be taken toward construction of the bypass in the absence of strong local political support. Aside from the direct benefits the City would realize from the project through the lessening of traffic congestion in the central business district, the bypass would enhance the development potential of undeveloped lands south of the City, particularly lands located in the vicinity of the three planned interchanges.

The University of Wisconsin-Whitewater: The University of Wisconsin-Whitewater, established in 1868, has had a positive influence on the economy of the City. Local retailers have successfully oriented their businesses to serve the consumer needs of the faculty and students of the University. Also, local business persons have utilized University students to fill their part-time job requirements. Furthermore, local land development interests have constructed numerous multiple-family dwellings in the City to accommodate the housing needs of students attending the University.

Currently, several programs are being developed and expanded at the University which could have a positive impact on the business attraction efforts of the City. The University of Wisconsin-Whitewater is recognized as having one of the finest management computer systems programs in the nation. Also, the accounting and marketing programs within the College of Business and Economics at the University continue to be expanded, as well as the business assistance activities of the Small Business Development Center.

Population Trends and Characteristics

Educational Attainment: The level of formal education attained is a significant determinant of the social and economic status of a population. The relatively high educational attainment of the resident population 18 years of age and older in the City is strongly influenced by the presence of the University

population in the City. The percentage of persons with one to three years of college in the City is more than double the percentages for Region, State, and nation. The large number of students attending and ultimately graduating from the University offers an opportunity to the City to encourage business development opportunities for firms that require persons with a college education, particularly in the University's degree specializations of business administration and computer science, which are expanding and being recognized for academic excellence.

Characteristics of the Labor Force

The quality and size of a community's labor force have a strong influence on the economic development of an area. The characteristics of the labor force in the City of Whitewater that can be identified as economic development potentials are summarized below.

Age Composition of the Labor Force: The large student enrollment at the University of Wisconsin-Whitewater has resulted in an over-representation of young workers in the City. This large pool of young workers provides an ample supply of part-time workers for local businesses. Also, existing and new firms in the City have an opportunity to attract University graduates as new full-time employees.

Low Local Wages: The salary and wage structure of an area is an important consideration in business location decision-making. High salaries and wages in a labor market area may discourage or, in some cases, prohibit the expansion of employment opportunities. The average weekly wages for all industries in Walworth County total about 80 percent of the average weekly wages for all industries in the State. The relatively lower wages in Walworth County could be an advantage in retaining existing industry, and in attracting new industry to the City of Whitewater.

Factors Affecting Business Activity As Revealed by the Industry Retention Survey

Any effort to expand employment opportunities in the City of Whitewater should address the problems and needs of employers in the City. The industry retention survey conducted as a part of this study solicited information from the chief executive officers of all manufacturing firms and a representative sample of other businesses in the City to help determine those economic development activities that could be a part of an ongoing industry retention program in the City. The characteristics of local business activity in the Whitewater area, as revealed in the industry retention survey, which can be identified as economic development potentials are summarized below.

Location of Corporate Headquarters: Firms having corporate headquarters in the Whitewater area can be expected to take a more active role in a local economic development program than would be assumed by firms having corporate headquarters outside the Whitewater area. About 89 percent of all survey respondents indicated that the City of Whitewater was their firm's corporate headquarters. Therefore, a high proportion of firms could be expected to take an active role in the implementation of a local economic development program.

Stability of Local Business Firms: Business firms tend to be more susceptible to those problems which cause business dissolution during the first five years of operation. About 83 percent of the survey respondents indicated that they had been doing business for more than five years. This finding suggests that a majority of the firms in the City are in a relatively stable condition. The relatively stable condition of business firms in the City is a strong basis upon which to build economic development programs oriented toward the retention and expansion of existing businesses.

Business Firms Establishing Branch Locations: About 25 percent of the survey respondents indicated that they had expanded outside the City during the last five years. Of the firms that expanded outside the City, most did so to take advantage of new markets for their products and services. This suggests that the firms that established branch locations outside the City are in relatively sound financial condition, and that the establishment of new branch locations has not been dramatically influenced by locational problems experienced in the City of Whitewater.

Average Number of Employees per Business Firm: Recent studies have shown that it may be advantageous for a local economy to be comprised primarily of smaller firms, because in recent years most new jobs that have been created in the United States have been created by smaller firms. The average total employment of the business firms surveyed was about 30 employees, with the median full-time employment of the business firms surveyed being about 14 employees. The lower median value indicates the large number of firms in the City with a small number of workers. The relatively large number of smaller firms in the retail trade and service industries in the City suggests that it is important that economic development efforts be directed toward the retention and expansion of these smaller firms, in addition to the retention and expansion of larger manufacturing establishments.

Export Markets and Government Contracts: Business firms in small communities often overlook product markets located outside the United States, as well as the sale of products and services to the federal, state, and local governments. Relatively few of the business firms surveyed indicated that they were involved in exporting products; however, about one-fourth of the survey respondents indicated an interest in receiving additional information on product exporting. Also, 38 percent of all respondents indicated that they currently supply products to the government. Thirty-three percent of all respondents were interested in receiving additional information on supplying products to the government. The level of interest indicated by survey respondents in product exporting and in providing products to the government suggests that an economic development program in the City should set forth an effective means for providing information to business firms on how to pursue business activities oriented to these markets.

Past Business Expansion: Fifty percent of the survey respondents indicated that their respective firms had undergone a business expansion between 1979 and 1984. This indicates that the Whitewater economy remains relatively strong during periods of national economic downturn, since the United States was in a recessionary period from 1979 to 1984. Also, the majority of these expansions occurred within the City of Whitewater, which indicates that the City is perceived as a good place in which to do business.

Planned Business Expansions: Nineteen of the survey respondents indicated that their firms plan to expand during the next five years. The amount of building square footage that would be added by these expansions would exceed the amount of square footage added by existing business firms over the past five years. Future expansions are expected to result in a total of 144 new jobs, a figure which is substantially greater than the number of jobs created over the previous five years. Also, of the business firms planning to expand, 14 firms, or about 78 percent, plan to expand in the City of Whitewater. The significant amount of business expansion planned in the City indicates that the City's economic development program should be directed toward ensuring the retention of existing firms that are planning business expansions in the City.

Also, of the 14 firms planning a business expansion in the City, only two indicated that they would have a problem locating a site for that expansion in the City. It should be noted that while the majority of the firms planning a business expansion in the City do not anticipate a problem in locating an expansion site, specific problems regarding such sites often do not become evident until detailed expansion plans are formulated. An ongoing economic development program should assist business firms in resolving specific problems associated with expansion sites and should help to ensure that business expansions occur in a timely manner.

Quality of the Labor Force: The quality of a community's labor force can be measured, to a degree, by the labor problems encountered by the community's existing businesses. Typically, labor problems include employee turnover, absenteeism, lack of basic skills, and use of drugs/alcohol. Of the business firms surveyed, 74 percent indicated none of the employee problems indicated above. Only 4 percent of all responses indicated any significant problem with employees.

Transportation Services: Manufacturing firms in the City primarily utilize truck transportation for the transport of their primary materials and finished products. Eighty percent of the manufacturing firms utilizing truck transportation rated the service they received as either good or excellent. Several of the manufacturing respondents also use aircraft and nearby seaports to transport their products. These firms rated airport and seaport locations and services as also being good or excellent. The transportation services in the Whitewater area appear to be adequately meeting the needs of business firms in the City, and the nearby ports of Milwaukee and Kenosha provide adequate transportation by ship.

Attitude Toward the City and State as Places in Which to do Business: About 65 percent of the survey respondents indicated that both the City of Whitewater and the State were either very good or good places in which to operate a business. The positive characteristics of the City indicated most frequently by the survey respondents were a high-quality living environment, high-quality labor force, and low labor costs. The positive characteristics of the State indicated most frequently by the survey respondents were a high-quality living environment and good-quality public services and facilities. These business environment statistics should be utilized by the City in economic development promotional literature.

Attitudes Toward the City and State as Places in Which to do Business During the Next Five Years: Of the respondents surveyed, 47 percent believed that the City would become a better place in which to operate a business over the

next five years, while about 39 percent believed that the State would become a better place in which to operate a business during this same period. About 43 percent and 45 percent of the respondents, respectively, indicated that the City and the State would remain the same as places in which to operate a business. In comparing the survey results for the City and the State, overall, the respondents were more confident that the City would become a better place in which to operate a business.

ECONOMIC DEVELOPMENT CONSTRAINTS

Economic development constraints may be defined as those factors that act to restrict the expansion of the local economy and therefore the expansion of employment opportunities. The identification and definition of economic development constraints enable local economic development practitioners to identify issues that should be addressed in future economic development efforts.

Historical Events Pertaining to Economic Development in the City

As previously discussed, past economic development efforts in the City have influenced the growth and development of the City. Knowledge of the economic development efforts which have been either unsuccessful, or which have achieved limited success, can be useful in the formulation of a sound economic development program. The historical events pertaining to economic development in the City which have resulted in the creation of economic development constraints are briefly discussed below.

Unsuccessful Comprehensive City Planning: Two comprehensive plans have been prepared for the City of Whitewater. The first plan was prepared by Maynard W. Meyer and Associates, Inc., and is documented in the report entitled Comprehensive Plan for the City of Whitewater, July 1968. A second comprehensive plan was prepared for the City by Max Anderson and Associates, Inc., and is documented in the report entitled A Plan for Whitewater, Wisconsin, November 1974. The plans were never formally adopted by either the City Council or the Plan Commission of the City of Whitewater. Consequently, many of the sound recommendations contained in the plans have never been fully considered for implementation. Review of the plans indicate that many of the recommendations may still provide valid solutions to the economic development-related physical development problems and issues of the City.

The inability of the City of Whitewater to adopt a comprehensive development plan and to maintain a continuing comprehensive city planning process have undermined the City's ability to address physical and economic development issues in a comprehensive manner. Without a clear understanding of the City's development objectives, Whitewater area business persons have found it difficult to plan and carry out business expansions involving the acquisition of new sites and the construction of new buildings and supporting utility improvements.

Lack of Permanent Freight Rail Service: In February 1980, the Wisconsin Department of Transportation purchased the right-of-way of the branch railway line from Waukesha through Whitewater to Milton Junction through a bankruptcy proceeding involving the Milwaukee Road. Subsequently, the right-of-way was leased to the Central Wisconsin Railroad Company (CWRC), which initiated freight rail service on the line in March 1980. However, the CWRC encountered

financial difficulties and went bankrupt in December 1984, which resulted in the elimination of all freight rail service to Whitewater. The provision of freight rail service to Whitewater is important to the continued economic development of the City. If freight rail service is not re-established to Whitewater, it may become difficult for the City to attract new industries that typically utilize railway freight transportation as a means of importing raw materials and supplies or exporting finished products.

Lack of Vacant Sites for Industrial Development: The City of Whitewater has very few vacant sites available for new industrial development. Furthermore, the City's existing industrial park has no land available for development. However, the results of the industry retention survey indicate that most existing business firms planning to expand in the City over the next five years do not anticipate a problem in locating an expansion site. These results suggest that existing business firms planning to expand may plan to do so at their existing locations. In addition, as previously noted, specific problems regarding expansion sites usually do not surface until detailed expansion plans are formulated.

As discussed in this report, the findings of several recent studies indicate that, within the State of Wisconsin, most new jobs are expected to be created by the expansion of existing firms. These findings, however, should not be used as arguments against the establishment of new industrial parks in the City and State. An available inventory of vacant sites for new industrial development is needed in a small community like Whitewater to provide possible locations not only for new firms which may move into the community, but also for firms in the community which may eventually outgrow their existing sites and wish to expand. Furthermore, because of the tax-generating potential of industrial development, the creation of an orderly, well-planned industrial park in the City, together with subsequent industrial development within such a park, could, in part, ease the cost to the taxpayers of the City for the new sewage treatment plant.

In recent years, some city residents have opposed efforts to establish a new industrial park in the City. The opposition to additional industrial park development in the City is thought to be primarily based upon concerns that such development may have detrimental impacts on the physical environment of the City and environs. Such concerns can and should be addressed in a sound industrial park development program. Such a program would include a site plan showing the proposed arrangement of streets and building sites within the industrial park, a plan for the construction of public facilities serving the park, specific regulations pertaining to the land uses and the types of buildings to be permitted within the park, and a proposed landscaping plan. An industrial park that is designed in this manner not only will help to ensure orderly land development within the park, but will integrate the park with the community overall.

As previously discussed, the Whitewater economy is, to a large degree, dependent upon the University of Wisconsin-Whitewater as a principal source for employment and as a market for retail goods and services. The current lack of available industrial sites has a particularly negative effect on the Whitewater economy. Such sites are needed to foster the diversification of the City's economy to make it less vulnerable to factors affecting employment in the City's basic industries--the service industry and the retail trade industry.

Characteristics of the Physical Environment and Community Facilities and Related Services

Characteristics of the physical environment, including the natural resource base, as well as of community facilities and related services can often impose limitations on the development potential of a community. By identifying and defining the characteristics of the physical environment which impose economic development constraints, the important issues which should be addressed as a part of the City's economic development effort can be identified.

Soil Limitations: Soil characteristics such as poor bearing capacity, high shrink-swell potential, low shear strength, high frost hazard, high compressibility, seasonal high water table, steep slopes, and shallow depth to bedrock impose severe limitations on various forms of residential, commercial, and industrial development. Soils possessing one or more of these characteristics occur in a scattered fashion over much of the Whitewater area. The areas covered by soils having severe limitations for residential development are primarily concentrated in areas immediately east, north, northeast, and southeast of the City. The areas covered by soils having severe limitations for commercial and industrial development are primarily concentrated in areas immediately north, south, northeast, and southeast of the City. Depending on the soil characteristic involved, soils having severe limitations for urban development may make industrial land use sites difficult and costly to develop or, in some cases, preclude development of sites.

Relationship Between Residential Neighborhoods and the Arterial Street System: The spacing and arrangement of arterial streets in the City of Whitewater over time has resulted in the fragmentation of residential neighborhoods. In several areas of the City, the relatively high traffic volume and noise and air pollution associated with the arterial street system have a detrimental effect on the overall quality of life in residential neighborhoods.

The creation and preservation of residential neighborhoods that provide efficient, orderly, and safe living environments in the City should be an important physical development objective. Not only do sound residential neighborhoods contribute to the quality of life enjoyed by residents, but such neighborhoods tend to have a positive effect on the local economy in that they can encourage workers who are employed by local business firms to reside in the City. These residents, in turn, directly support the local economy since they tend to spend a substantial portion of their expendable income on consumer goods and services sold by local retailers.

Existing Housing Stock: The analysis of the City's existing housing stock indicated the need for the rehabilitation of existing housing units and the need to examine the potential market for a new residential subdivision. These needs were documented by: the age of the existing housing stock; the award of a grant to rehabilitate existing housing units; the lower average value of owner-occupied housing units in the City when compared with other areas; the recent lack of building permits issued for new housing units in the City; and the perceived need for new single-family housing units by the Economic Research Committee.

Commercial Development: The Whitewater central business district has several physical characteristics which tend to restrict the orderly growth of retail and service business, including obsolete commercial buildings, traffic congestion, under-utilization of commercial properties and structures, intrusion of nonretail business uses, and limited available land for new commercial and service buildings. These characteristics have, over time, encouraged retail strip commercial development along USH 12 at the eastern and western edges of the City. The lack of an adopted, comprehensive development plan, and a corresponding plan implementation program directed toward central business district improvement, threatens the long-term viability of the central business district as a center for business establishments offering retail goods and services.

Arterial Street Traffic Congestion: The mixing of local and through traffic on USH 12 results in substantial vehicular and pedestrian traffic congestion during peak travel periods in the Whitewater central business district and in the vicinity of the University of Wisconsin-Whitewater campus. Furthermore, the discontinuous and somewhat fragmented nature of the traffic circulation system in the central business district limits the ease of access to some business establishments and related off-street parking areas. The provision of efficient and orderly movement of arterial traffic in and around the City could have a positive influence on the level of business activity, and could also enhance the urban development potential of undeveloped land at the fringes of the City.

Lack of an Official Map Ordinance: The purpose of an adopted official map ordinance is to reserve land for future streets, highways, and parkways within a municipality's corporate limits, as well as within its one-and-one-half-mile extraterritorial plat approval jurisdictional area. The City of Whitewater has not adopted an official map ordinance. The adoption of an official map ordinance could be important to the future construction of the proposed USH 12 bypass around the southern portion of the City. The construction of this highway could be viewed as an important long-term economic development objective for the City. The adoption of an official map ordinance would help protect the proposed right-of-way for the bypass from future development by individual property owners.

Population Trends and Characteristics

As discussed in Chapter III, information regarding population trends and characteristics is particularly important to the formulation of a sound economic development program. Examination of population trends and characteristics helps to identify the local market for various goods and services, local employment needs, and present and probable future demands for community utilities, facilities, and services. The population trends and characteristics that have been identified as economic development constraints are summarized below.

Population Growth: From 1920 to 1970, the population of the City increased by about 275 percent to a total of 12,055. This large percentage increase was due in part to the increase in enrollment at the University of Wisconsin-Whitewater. The total population of the City has declined slightly since 1970. In 1983, the population of the City, as estimated by the Wisconsin Department of Administration, was 11,199 persons. A slightly declining population in the City would limit the market expansion potential for products and services sold

locally, and would probably, over time, limit the size of the available labor force in the area. Also, a slightly declining population would make it more difficult to attract new business firms to the City and could hinder a successful industrial park development program.

Age Composition: The enrollment at the University of Wisconsin-Whitewater directly influences the age composition in the City in that the 15-to-24 age category is over-represented when compared with the percentage of this age group comprising southeastern Wisconsin, the State, and the nation. This over-representation indicates a relatively high demand for convenience goods and services rather than for durable goods. As a result, the retail goods and services offered by business persons in the City are, to a degree, oriented toward meeting convenience goods and service needs.

Income Characteristics: The University of Wisconsin-Whitewater significantly affects the income characteristics of the City, with household and per capita income levels being generally lower than those in areas of comparison. Because of these lower income levels, consumer spending, particularly for durable goods, may be expected to be less than that in communities of similar size. Retail trade and service businesses in the City cannot expect to receive the same amount of business that businesses would receive in a community of similar size with higher income levels. It should also be noted that about 21 percent of the noninstitutionalized population of the City had incomes that were below the poverty level, with southeastern Wisconsin, the State and the nation showing percentages of 7.9, 8.7, and 12.4, respectively. This relatively high percentage is once again primarily due to the presence of the University of Wisconsin-Whitewater campus.

Population Forecasts: In 1983, the Wisconsin Department of Administration estimated that the total population in the City of Whitewater was 11,199 persons, which represented a decline of 321 persons from the City's 1980 population of 11,520 persons. Four alternative population forecasts have been prepared by the Regional Planning Commission for the City of Whitewater, based upon four alternative future scenarios. These population forecasts range from a population decline to 8,841 persons, to a population increase to about 16,986 persons. Should the current declining population trend continue in the City, the year 2000 population can be expected to range between 8,841 persons and 11,215 persons.

Characteristics of the Labor Force

As discussed in Chapter III, the quality and size of a community's labor force can strongly influence the economic development of the community. The characteristics of the labor force in the City of Whitewater that can be identified as economic development constraints are summarized below.

Historical Labor Force Trends: From 1960 to 1970, the City's labor force grew by 87 percent, or greater than five times the growth rate for areas of comparison. This increase in the labor force was largely due to the expansion program at the University of Wisconsin-Whitewater. From 1970 to 1980, however, the growth rate of the City's labor force was lower than the growth rate of the areas of comparison. The recent slow rate of growth in the City's labor force may discourage businesses from locating and expanding in the City.

Industry Distribution: The distribution of the City's labor force by industry is currently concentrated in the retail trade and professional services industries. The manufacturing industry employs a much smaller portion of the total labor force in the City than in the Region, State, and nation. The distribution of the City's labor force by industry once again indicates that the City's existing work force is highly dependent on the University of Wisconsin-Whitewater for employment. Since the City's labor force is so directly related to the University, substantial decreases in student enrollment could cause corresponding declines in population as workers seek employment in other areas.

Total Unemployment: The annual average number of unemployed persons in the City in 1983 was about 600 persons, or over 1.5 times the number of unemployed in 1980. This number represented an unemployment rate of 9.3 percent, which was slightly less than the unemployment rates for the Region, State, and nation. As already noted, the City economy is dominated by employment in the retail trade and professional services industries, industries which are dependent upon the University of Wisconsin-Whitewater and its students and faculty as principal markets for the retail goods and services they offer. Since enrollments at the University have been relatively stable over the past several years, corresponding stable employment conditions in the City would have also been expected. The substantial increase in the number of unemployed persons in the City between 1980 and 1983, however, would indicate that economic conditions are declining in the City, and that these conditions are in part related to the recent national economic recession, and in part to city workers being employed in other industries, including the auto-related industries in the City of Janesville.

Age of the Unemployed: The unemployment rate for mature workers 25 to 64 years of age in the City is 6.5 percent, which is slightly higher than the unemployment rate for that age group in the Region, State, and nation. Mature workers comprise most of the unemployed persons in the City. The economic development efforts of the City should emphasize the creation of new jobs for workers in the 25-to-64-year age category.

City of Whitewater Economic Base

The economic base of a community is comprised of various economic activities. Specialization in any one activity is generally the result of the availability of local resources, the proximity of available markets, and the availability of transportation facilities and services. The characteristics of the City of Whitewater economic base which have been identified as economic development constraints are summarized below.

Historical Industry Employment Growth: During the 1960's, when enrollment at the University of Wisconsin-Whitewater showed significant increases, the City had greater rates of employment growth in the services industry, construction industry, and retail trade industry than did the Region, State, and nation. During this same period, employment in the City's manufacturing industry increased at a greater rate than did manufacturing employment in the Region and the State. During the 1970's however, the University of Wisconsin-Whitewater became a stable part of the Whitewater community, and employment in the University-related industries remained steady, with employment in the wholesale trade industry and in the transportation, communications and

utilities industry showing the largest increases. The slower rates of employment growth in the services industry, construction industry, and retail trade industry during the 1970's is particularly noteworthy, since these industries are basic industries in the Whitewater economy, and should be the source of the majority of the employment growth. Furthermore, the manufacturing industry, an industry whose growth could help to balance the City's economy, also showed relatively slower rates of growth during the 1970's. Since 1970, overall employment in the City has increased by 16 percent--lower than the employment growth rates experienced in the Region, State, and nation. The overall slower rate of employment growth in the City, particularly in the retail trade, services, and manufacturing industries, is another indication of a decline in economic conditions in the City.

Forecast Employment: The industries which are expected to show the largest percentage increases in employment in the City from 1980 to 1990 are the finance, insurance, and real estate industry, 43 percent; the wholesale trade industry, 40 percent; the services industry, 38 percent; and the retail trade industry, 28 percent. Manufacturing industry employment in Wisconsin is forecast to increase by only about 15 percent from 1980 to 1990. When applying this rate of growth to the City's 1980 manufacturing employment, the absolute change in manufacturing employment in the City of Whitewater in 1980 could be only 121 jobs, or about 8 percent of the total 1990 forecast employment increase in the City. Based on this forecast, the City should not expect the creation of a large number of new jobs in the manufacturing industry in the near future without the formulation and implementation of a sound industrial retention and attraction program.

Factors Affecting Business Activity as Revealed by the Industry Retention Survey

Chapter IV showed that the problems and needs of existing business persons in the City are important considerations in the formulation of an economic development program. The characteristics of local business activity in the Whitewater area as revealed by the industry retention survey and identified as economic development constraints are summarized below.

Planned Business Expansions Outside the City: Of the 19 survey respondents who indicated that they would expand during the next five years, only four indicated that the expansions would take place outside the City. While only four respondents indicated such plans, their firms should be contacted in order to investigate their plans.

Planned Relocation of Existing Firms: Five survey respondents indicated that they planned to move all or part of their firm's operation outside the City of Whitewater. These respondents indicated a variety of reasons for planning to move outside the City, including proximity of the respondent's firm to either product suppliers or product markets, the availability and cost of public services and utilities, the lack of transportation services, environmental regulations, federal safety regulations, local and state taxes, and a lack of business financing. These firms should be contacted to investigate their plans more fully.

Relocation of Product Suppliers: In some cases, a product supplier located outside a city can be attracted to the community in order to eliminate costly

transportation costs or to take advantage of a new product market. Only two of the survey respondents indicated that they knew of firms that might be interested in a future location in the City of Whitewater. The lack of a more positive response to this survey question may be due, in part, to the lack of promotional activity on the part of local business persons depicting the City as a good place in which to do business.

Future Business Outlook: About 66 percent of the survey respondents indicated a good or very good business outlook for the next five years. However, the other 34 percent indicated that the business outlook for their firm was either average, unfavorable, or very unfavorable. The relatively large number of respondents indicating an average or below average business outlook indicates that there is a need to reduce, to the degree possible, the negative factors affecting the Whitewater economy. A total of 52 percent of the respondents indicated that existing market conditions, or the economy in general, was the most important negative factor affecting their firm's future development. Other significant negative factors that were indicated included domestic competition, energy costs, interest rates, and insufficient space.

Under-utilization of Employment and Training Programs: Most of the survey respondents indicated that they did not utilize the services provided by the Job Training Partnership Act (JTPA) program or this program's predecessor, the Comprehensive Employment and Training Act (CETA) program. The JTPA program is the major source of employment training funds in the nation, and therefore an effort should be made in the city economic development program to increase the use of the JTPA program by local employers.

Government Services, Regulations, and Public Utilities: The majority of the survey respondents indicated that government services, regulations, and public utilities were not causing a major problem in the operation of their businesses. Although most of the survey respondents did not indicate major problems in these areas, any such future problems identified by local business persons should be of concern to economic development practitioners in the City, since, if left unresolved, such problems may influence some business persons to relocate their firms outside the City or State.

Ratings of Public Officials and Public Employees: The survey respondents were asked to rate the performance of public officials and public employees in terms of their effectiveness in working to improve economic conditions in the City. Only 12 respondents, or about 24 percent, rated the public officials' performance as good, with no respondents rating their performance as very good. Other ratings of public officials include: average, 22 responses, or 43 percent; and unfavorable or very unfavorable, 17 responses, or 34 percent. The respondents rating of public employees was considerably better than their rating of public officials. Twenty-six respondents rated the performance of public employees as either very good or good, with about 14 percent of all respondents rating their performance as very good and 37 percent rating their performance as good. Other ratings of public employees include: average, 18 responses, or about 35 percent; and unfavorable and very unfavorable, 8 responses, or about 16 percent. The above responses are not encouraging, and indicate a strong perception on the part of area business persons that public officials need to direct greater effort toward economic development concerns.

Significant Factors Affecting Financial Conditions of Local Businesses: The survey respondents indicated that market conditions and the economy are the most significant factors affecting the financial conditions of local businesses. Other significant factors that were indicated include the availability of low-cost financing and high interest rates. These factors tend to act as economic development constraints throughout the Region, as well as throughout most of the State. An economic development program in the City should attempt to address these issues through existing state and federal business loan programs in order to improve financial conditions in the City.

Attitudes Toward the City and State as Places in Which to do Business: About 65 percent of the survey respondents indicated that both the City of Whitewater and the State were either very good or good places in which to operate a business. However, the City and State were rated either unfavorable or very unfavorable by 17 percent and 24 percent of the survey respondents, respectively. The significant number of survey respondents rating the City and State as either unfavorable or very unfavorable suggests that the reasons for the unfavorable ratings should be addressed in any economic development program for the City. The negative characteristic of the City indicated most frequently by the respondents was the generally negative attitude of residents in the City toward business/industrial development. Other negative characteristics indicated by the respondents included a lack of local business/industrial growth, the cost and/or inadequacy of public facilities and services, and high taxes. The negative characteristic of the State indicated most frequently was high taxes.

Attitudes Toward the City and State as Places in Which to Do Business During the Next Five Years: Overall, the respondents were more confident that the City would become a better place in which to operate a business than that the State would. Once again, the opinions expressed by the survey respondents appear to reflect a generally negative public attitude toward state government because of the perception that state taxes force Wisconsin firms to relocate to other states.

SUMMARY AND CONCLUSIONS

This chapter has described the economic development potentials and constraints in the City of Whitewater in terms of the characteristics of the physical environment and related community facilities and services, population, labor force, economy, and other factors affecting business activity as revealed in the industry retention survey. The identification of the City's economic development potentials and constraints helps in the determination of the important factors affecting future economic development, which in turn serve as the basis for the activities of an ongoing economic development program.

Some important conclusions can be drawn from the economic development potentials and constraints summarized in this chapter. Some of the positive characteristics of the City such as the ample capacity of the new sanitary trunk sewer system and sewage treatment plant, the recently improved public water supply system, the City's proximity to excellent open space and recreational areas, the presence of the University of Wisconsin-Whitewater, and the City's recent involvement in the Community Development Block Grant program give the City a definite advantage over other similar-size communities in the State in pursuing local economic development objectives. These characteristics could

have a positive influence on business expansion and location decisions involving the City of Whitewater. The positive features of the City, however, have not been fully utilized in past efforts to improve economic conditions in the City. Moreover, in recent years the lack of population and employment growth and the lack of clearly defined city objectives, policies, and plans pertaining to the physical development and economic development issues facing the City have contributed to the substantial reduction in the level of local business growth and development.

Since the mid-1960's, the University of Wisconsin-Whitewater has been one of the most important components of the Whitewater economy. Aside from being one of the major sources of employment in the City, the University and its faculty and students provide the principal market for the goods and services offered by local business.

Over the years, the University has had a positive influence on the Whitewater economy; however, this economy has also become increasingly dependent on the University, as substantial employment growth in other segments of the Whitewater economy has not occurred. Moreover, substantial relative employment growth has not occurred in recent years in the retail trade and professional services industries, basic industries in the Whitewater economy which should be showing large employment growth. This increasing dependency on the University tends to make the Whitewater economy vulnerable to any decreases which may occur in student enrollment at the University.

The success of any effort to improve economic conditions in the City of Whitewater will be largely determined by the ability of the City to provide a conducive environment for business growth and development, with particular attention given to the elimination of the factors which are discouraging business firms from expanding and locating in the City, and by the ability of the City to increase the use of the University and its programs as catalysts for future business development.

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Chapter VII

ECONOMIC DEVELOPMENT PROGRAM

INTRODUCTION

The preceding chapters of this report have analyzed: 1) the historical economic development efforts in the City of Whitewater; 2) the characteristics of the natural and cultural resource base of the City, including the physical characteristics, population, labor force, economy, and community facilities and services of the City; 3) the perceived problems, needs, and future plans of existing employers in the City; 4) the potential for the attraction of various industry establishments to the City; and 5) the potentials for, and constraints on, further economic development. The purpose of this chapter is to identify an economic development program that can be adopted and pursued by the City. This program is designed to expand employment opportunities within the City and, thereby, to reduce local unemployment, to increase personal income, and generally to improve the overall quality of life.

This chapter presents 1) a summary of recent economic trends in the City; 2) overall goals for the economic development program; 3) specific criteria to guide the development and operation of the City's economic development program; 4) recommended economic development objectives and activities flowing from the broader goals for such a program; 5) the actions required to implement the recommended economic development program; and 6) monitoring criteria for measuring the success of the various economic development program activities over time.

RECENT ECONOMIC TRENDS IN THE CITY OF WHITEWATER

Current State of the City's Economy

Chapter III of this report summarized the current conditions of the City of Whitewater economy as indicated by selected critical economic indicators. The analysis of these indicators revealed the existence of a number of problems in the City's economy. The population growth rate during the 1970's was substantially lower than that experienced since 1930, and was also lower than the state growth rate and substantially lower than the growth rate in the nation. In addition, the per capita income of persons 15 years of age and older in the City and the income of households in the City are lower than the comparable incomes in Wisconsin and the nation, in part because of the large student body residing in the City. The lower household and per capita incomes in Whitewater have important implications for economic development in that the total amount of consumer spending may be expected to be relatively less in the City than in other communities of similar size.

One of the most significant economic development concerns in the City, however, is the recent increase in the City's level of unemployment. While the City's 1983 unemployment rate was lower than the unemployment rates in the Region, State, and nation, the number of unemployed persons in the City in

1983 was over 1.5 times the number that were unemployed in 1980. The increasing level of unemployment in the City is related to recent industry employment growth in the City. Since 1970, overall employment in the City has increased by 16 percent--lower than the employment growth rates experienced in the Region, State, and nation. During the 1960's, when enrollment at the University of Wisconsin-Whitewater showed significant increases, city employment in the services industry and retail trade industry increased at greater rates than did such employment in the Region, State, and nation. During the 1970's, however, the University of Wisconsin-Whitewater became a stable part of the Whitewater community, and employment in the University-related industries remained steady, with employment in the wholesale trade industry and in the transportation, communications, and utilities industry showing the largest increases. Slower rates of employment growth in the services industry and retail trade industry during the 1970's is particularly noteworthy, since these industries are basic industries to the Whitewater economy, and should be the source of the majority of employment growth. In addition, the manufacturing industry, an industry whose growth could help to diversify the City's economy, also showed relatively slower rates of growth in the City than in the Region, State, and nation during the 1970's. The overall slower rate of employment growth in the City, particularly in the retail trade, services, and manufacturing industries, is an indication of a decline in economic conditions in the City.

Finally, the controversy surrounding the City's effort to develop a new industrial park in 1982, and the resulting public referendum that prohibited the City from incurring indebtedness or making expenditures to purchase land for or develop a new city industrial park prior to December 31, 1984, is an important economic development concern. A new industrial park was considered because the City had no available vacant sites for industrial development, a condition that continues to exist. The industrial park issue could, in part, be a reason for the poor image business owners and managers have of public officials as indicated by the industry retention survey. The defeat of the industrial park proposal indicates that proposed programs in the City that involve the expenditure of substantial public funds for industrial development require strong citizen support. Also, the City has just completed construction of its new sewage treatment plant and upgraded its municipal water system. The new treatment plant is capable of serving more than double the population that existed in the City in 1980, and the water system improvements rectified the majority of the deficiencies in the existing system, resulting in improved water pressure and system capacity.

Major Causes of Economic Problems in the City of Whitewater

As noted in this report, the City of Whitewater possesses a number of attributes that are highly favorable to the growth of employment opportunities. However, there are also a number of economic development problems in the City. The most significant economic development problems in the City of Whitewater are identified below.

Dependence of the City Economy on Retail Trade/Services Industries: The City's economy is highly concentrated in the retail trade and services industries because of the location of the University of Wisconsin-Whitewater in the City. However, as previously indicated, these industries did not show significant growth in employment between 1970 and 1980. As a result, there is a need to undertake economic development activities that will help facilitate growth

in these industries, as well as to undertake efforts that will result in new employment opportunities in the manufacturing industry, an activity that, if successful, will help to diversify the City's economy.

Need for New Residential and Industrial Growth: This study has shown the need to rehabilitate the existing housing stock in the City of Whitewater, as well as to develop new residential subdivisions to accommodate new housing units, particularly for moderate and higher income persons. The creation and preservation of residential neighborhoods that provide efficient, orderly, and safe living environments should be an important development objective in the City. Not only do sound residential neighborhoods contribute to the quality of life enjoyed by residents, but such neighborhoods tend to have a positive effect on the local economy in that they can encourage persons who are employed by local business firms to reside in the City. These residents, in turn, directly support the local economy since they tend to spend a substantial portion of their expendable income on consumer goods and services sold by local retailers.

This study has also identified a lack of vacant sites for industrial development in the City. An inventory of vacant sites for new industrial development is needed in a small community like Whitewater to provide possible locations not only for new firms which may move into the community, but for existing firms which may eventually outgrow their facilities and sites. Furthermore, because of the tax-generating potential of industrial development, the creation of an orderly, well-planned industrial park in the City could ease the cost to the city taxpayers of the new sewage treatment plant.

Lack of Plans to Guide Growth: At the present time, the City of Whitewater does not have a comprehensive community development plan or an overall economic development program plan. The inability of the City of Whitewater to adopt a community development plan has undermined the City's ability to address physical and economic development issues in a comprehensive manner. Without a clear understanding of the City's development objectives, Whitewater area business persons will find it difficult to plan and carry out business expansion projects involving the acquisition of new sites and the construction of new buildings and supporting utility improvements.

Recently, the City has undertaken a variety of steps to improve the economy of the City. However, an overall economic development program that includes activities for the retention of existing businesses and the attraction of new businesses to the City has not been adopted. A comprehensive economic development program plan such as that recommended in this report, and the implementation of the activities identified in this program, is necessary in order to help to ensure the development of future employment opportunities.

Activities With a Potential to Generate Employment in the City of Whitewater

It is important that any economic development program for the City of Whitewater identify activities which capitalize on the City's potentials for generating employment activity. This section identifies the general economic development activities that could result in the generation of new employment opportunities in the City.

Expansion of Existing Employers: As previously indicated in this report, any effort to expand employment opportunities in the City of Whitewater should give a high priority to addressing the problems and needs of existing employers. Listed below are those industries currently located in the City that show a potential for providing increased future employment opportunities in the City.

1. Retail Trade and Services Industries--The economic base of the City of Whitewater is concentrated in the retail trade and services industries. Local retailers have successfully oriented their businesses to serve the consumer needs of the faculty and students of the University. In addition, the Whitewater central business district has several features which could form the basis for commercial and service-oriented economic development efforts directed toward central business district improvements and redevelopment, as well as toward overall revitalization of the City's retail trade and service economy. The existence of a viable central business district, as well as of a relatively stable consumer market for the retail trade and service industries in the City, results in a good potential for the expansion of employment opportunities in these industries. Furthermore, this study has shown that the services industry and the retail trade industry are forecast to show substantial increases in employment levels in the future.
2. Manufacturing Industry--The lack of employment growth in the City's retail trade and services industries, basic industries to the City's economy, indicates the need to diversify the City's economic base. Diversification can be accomplished through the generation of new employment opportunities in the manufacturing industry. However, manufacturing industry employment in the City is forecast to increase only about 15 percent from 1980 to 1990. Based on this forecast, the City should not expect the creation of a large number of new jobs in the manufacturing industry in the near future without the formulation and implementation of sound manufacturing industry retention and attraction activities. Importantly, this study's industry retention survey showed that five manufacturing industries plan expansion projects in the City between 1984 and 1989.

Attraction of Employers from Outside the City of Whitewater: An industry retention program is an important activity for generating employment opportunities. However, activities to attract industries from outside the City are also necessary. This study identified 19 manufacturing industries whose location requirements are similar to the locational characteristics of the State of Wisconsin. While all of these industries could be considered to be good prospects for a Whitewater industry attraction program, the high cost of contacting these industries could be prohibitive in an initial program. Consequently, the City's Economic Research Committee identified five industry attraction criteria that were used to prioritize these industries. The resulting list of industries is shown in Table 77. This list enables the City to contact a limited number of the industries identified as high-priority industries, and to evaluate the results of its industry attraction efforts prior to expending further resources on this activity.

Table 77

**PRIORITY INDUSTRIES FOR AN INDUSTRY
ATTRACTION PROGRAM IN THE CITY OF WHITEWATER**

Industry	SIC Code
High Priority	
Cheese manufacturing.....	2022
Book printing.....	2732
Electrical components.....	3679
Machine tool accessories.....	3545
Metal-forming machine tools.....	3542
Printing trade machinery.....	3555
Special dies, tools, jigs, and contract machinery.....	3544
Medium Priority	
Biological products.....	2831
Instruments for measuring electricity.....	3825
Measurement and control instruments.....	382
Pharmaceutical preparations.....	2834
Commercial printing.....	2751, 2752, 2754
Industrial controls.....	3622
Low Priority	
Paper industries machinery.....	3554
Engineering and scientific instruments.....	3811
X-ray equipment.....	3693
Lawn and garden equipment.....	3524
Switchgear and switchboard apparatus.....	3613
Batteries, primary.....	3692

Source: SEWRPC.

Development of Entrepreneurial Opportunities in the City of Whitewater: The development of new employment opportunities resulting from new business start-ups plays an important role in the economic development of a community. The City of Whitewater is in a good position to foster the growth of new business because of the location of the University of Wisconsin-Whitewater in the community, as well as the location of the University's Small Business Development Center (SBDC), a University service designed to provide counseling to business persons at no cost, and the SBDC's Technology Transfer Program, a program designed to stimulate economic development through the effective and efficient transfer of innovative ideas and inventions to the private sector. The University overall and, specifically, the University's SBDC are important resources to an economic development program in the City and should be utilized and promoted by local economic development practitioners.

GOALS OF THE WHITEWATER ECONOMIC DEVELOPMENT PROGRAM

An economic development program in the City of Whitewater will be successful only if the program has clear long-term goals that can guide the development and implementation of an ongoing economic development program. A statement of such goals should reflect the physical, economic, and social conditions in the City and be designed to be achieved through the implementation of economic development program activities.

Long-Term Economic Development Goals

The Whitewater Economic Research Committee has determined that an economic development program should be established to address the economic development problems of the City. The following long-term economic development goals have been established by the Committee to guide the economic development program:

1. To provide a mechanism for guiding and coordinating the citywide efforts of local individuals and organizations concerned with the economic development of the City.
2. To help retain existing employment opportunities and to provide for the expansion of employment opportunities in the community by helping to meet the needs of existing employers.
3. To help create new employment opportunities through the attraction of new employers to the community.
4. To assist in creating new employment opportunities by facilitating entrepreneurial opportunities in the community.
5. To facilitate economic development in the community through the provision of the necessary community facilities and services that will enable the expansion of employment opportunities.

CRITERIA TO GUIDE THE CITY'S ECONOMIC DEVELOPMENT PROGRAM

The City's economic development program is envisioned as an ongoing effort to improve the economy. In order to guide the Economic Research Committee in its selection of specific objectives and activities to improve the City's economy, as well as to guide the decision-making that will be necessary during the course of the implementation of the economic development program, the Committee has identified the following decision-making criteria.

1. Unemployed and Underemployed--The economic development objectives and activities identified in the City's economic development program should enhance the ability of the City's unemployed and underemployed workers to gain meaningful employment opportunities.
2. Nature of Program Activities--The City's economic development program activities should include: a) coordination of existing economic development activities in the City, b) implementation of specific economic development programs and activities, and c) economic development technical assistance to public and private economic development organizations.
3. Economic Development Financial Assistance--The City's economic development program will act as a conduit for local, state, and federal financial assistance to employers in the City. In addition, the economic development program will assist the City in acquiring financial assistance to improve community facilities and services that affect the economic development of the City. Economic development financial assistance may include business financing assistance, public works grants and loans, grants to improve the community facilities and services, and technical assistance projects.

4. Location of Economic Development Projects--The City's economic development program will provide assistance only to those economic development projects that:
 - a. Utilize to the greatest extent possible the existing urban infrastructure in the City;
 - b. Protect and preserve the City's natural resources; and
 - c. Adhere to local zoning and building code regulations.
5. Sponsorship and Management--The Economic Research Committee recognizes that the growth of employment opportunities in the City is dependent upon financial investment by private business and industry and upon the cooperation of the City's public officials and public employees in facilitating economic development projects. Consequently, the City's economic development program will provide assistance only to those projects which meet the following standards:
 - a. The project is not opposed by the City of Whitewater City Council or City Manager;
 - b. The project has the cooperation of the public and private sectors; and
 - c. The assistance provided by the City's economic development program is not duplicative of the assistance provided by existing public or private economic development agencies or organizations.

WHITEWATER ECONOMIC DEVELOPMENT PROGRAM: COURSE OF ACTION

The Whitewater economic development program "Course of Action" consists of the specific objectives and activities that the City of Whitewater Economic Research Committee has determined should be undertaken to enable the City to accomplish its long-term economic development goals. In addition, the objectives and activities identified in the City's economic development program Course of Action should help to alleviate the economic development constraints that have been identified in this report.

Economic Development Program Objectives and Strategies

The economic development program objectives and activities indicated herein are intended to provide the foundation for an ongoing economic development program in the City, as well as to address those problems and issues that present an immediate need in the City. The economic development objectives and activities identified below are intended to be carried out over a two-year period.

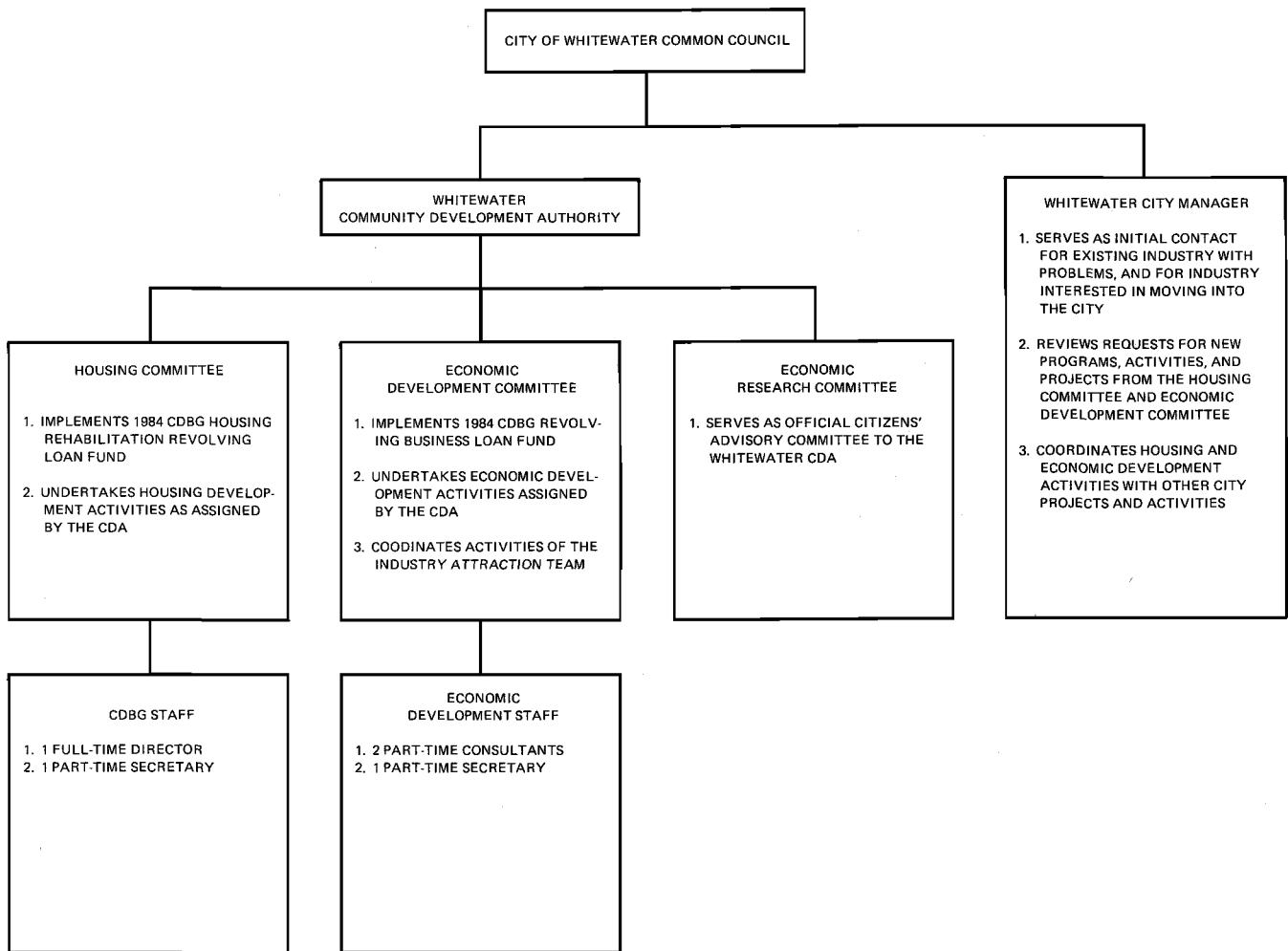
Objective One: To identify and promote the City's Community Development Authority (CDA) as the lead agency to: 1) carry out the City's economic development program, 2) coordinate the various economic development program activities, and 3) act as a conduit for citizen input into the economic development program process. While this objective is directly related to goal one, this objective is also related to all of the other goals previously identified in this chapter. Activities that are intended to accomplish objective one are set forth below.

Activity One--The City of Whitewater City Council should designate the Whitewater CDA as the lead agency for carrying out the economic development activities identified herein and indicate to the CDA that it should adopt an organizational structure capable of implementing those activities.

Activity Two--A recommended organizational structure for the Whitewater CDA is shown in Figure 2. As indicated in Figure 2, it is recommended that the CDA establish a Housing Committee and an Economic Development Committee, as well as maintain the existing Economic Research Committee. The CDA Housing Committee should be primarily responsible for implementing the 1984 Community Development Block Grant (CDBG) revolving housing rehabilitation loan fund, as well as the other housing development activities indicated in this chapter. The CDA Economic Development Committee should be primarily responsible for implementing the 1984 CDBG revolving business loan fund, as well as the other economic development activities indicated in this chapter. Finally, the Whitewater Economic Research Committee, the advisory committee for this study, should serve as an official citizens advisory committee to the Whitewater CDA. This committee is made up of a wide range of public and private persons inter-

Figure 2

**ORGANIZATIONAL STRUCTURE FOR IMPLEMENTING THE
WHITEWATER COMMUNITY ECONOMIC DEVELOPMENT PROGRAM**



Source: SEWRPC.

ested in the economic development of Whitewater and, therefore, represents an opportunity for the CDA to receive a variety of opinions regarding its programs and activities.

Figure 2 also indicates that the Whitewater City Manager should have major responsibility in the community economic development program. This recommendation is based on the authority vested in the City Manager with regard to administration of city activities, as well as the City Manager's availability on a daily basis to assist in economic development activities. Specifically, the City Manager should: 1) serve as the initial contact person for existing industry establishments in the City that may be experiencing economic development problems, 2) review requests for new program activities and projects from the CDA, and 3) coordinate housing and economic development activities with other city programs, projects, and activities.

Activity Three--In order to successfully implement the economic development program strategies set forth in this study, it will be necessary for the City to retain the appropriate community economic development staff persons. As indicated in Figure 2, it is recommended that the City retain one full-time director and one part-time secretary to implement the housing development activities and two part-time consultants and one part-time secretary to implement the economic development activities. A full-time staff person to implement housing development activities would be funded primarily by the 1984 and 1985 block grants, with additional funding being provided by the City in order to implement housing activities that are not a part of the CDBG program. The economic development consultants would be responsible for: 1) assisting in administration of the City's 1984 and 1985 economic development block grants; and 2) the development of the proposed new city business park in 1985 and the preparation of a central business district development plan in 1986. While the administration of the economic development block grant would be funded by the grant itself, it is anticipated that the City would need to provide the funding for the consultant services needed to implement the business park proposal and the central business district development plan.

Objective Two: To retain industrial establishments currently located in the City of Whitewater. This study has repeatedly identified the importance of economic development program activities that will assist in the expansion and retention of existing employers. Consequently, it is important for the City of Whitewater to initiate ongoing industry retention activities that will prevent the relocation of existing Whitewater industry establishments. This objective is directly related to goal two and consists of the activities identified below.

Activity One--A revolving business loan fund should be established and maintained. In 1984, the City of Whitewater received a Small Cities Block Grant Award that included a grant of \$760,000 to the City that would, in turn, be loaned to four local businesses at below-market interest rates. The four initial loans, when repaid to the City, will create a revolving, low-interest business loan fund.

Activity Two--The results of the industry retention survey are the basis for two activities that should be undertaken in order to ensure the retention of existing industry establishments:

1. Contact the 19 respondent firms that plan to expand between 1984 and 1989 and determine, and help solve, any problems that may be attendant to these projects; and

2. Contact the five survey respondent firms that indicated that they plan to move all or part of their operations outside the City. The reasons for these planned moves should be determined, and every effort should be made to retain these establishments.

Activity Three--Local industrial establishments should be informed of the advantages of doing business in Wisconsin. The industry retention survey indicated that 17 percent of the survey respondents believed that the City was either an unfavorable or very unfavorable place in which to operate a business, and 24 percent held the same opinion of the State. In order to change this negative attitude, correspondence should be sent to local industry establishments indicating the activities being undertaken to improve the city and state business climate.

Activity Four--The perceived negative characteristic mentioned most often by respondents to the industry retention survey with regard to the State of Wisconsin was the State's high taxes. This perception is similar to that indicated in other industry retention surveys conducted throughout the State. A meeting with the area's state legislators should be convened to discuss this perception and to investigate activities that can be undertaken to address this issue.

Activity Five--Only 12 respondents, or about 24 percent of the total respondents to the industry retention survey, rated the performance of city public officials as good with regard to working to improve economic conditions in the City, with no respondents indicating a very good performance by public officials. Furthermore, 33 percent of the survey respondents indicated that the public officials' performance was either unfavorable or very unfavorable. In order to address this issue, the Whitewater City Council should utilize the City's CDA as an advisory body for economic development issues. The CDA and the proposed Economic Development Committee of the Authority will be represented by a wide range of public and private sector persons interested in the City's economic development and, therefore, should be able to provide the City Council with a good perspective on decisions and their effect on local economic development.

Activity Six--As part of a local economic development program, information is often provided to businesses about securing government contracts and product exporting. The City's industry retention survey indicated that 33 percent and 27 percent of all respondents were interested in additional information on supplying products to the government and product exporting, respectively. Furthermore, a greater percentage of manufacturing respondents than of all respondents were interested in additional information on these issues, with 60 percent of the manufacturing respondents expressing interest in information on both securing government contracts and product exporting. Consequently, the Wisconsin Department of Development (DOD) should be asked to provide information on these subjects. Periodically, the Wisconsin DOD sponsors seminars on these topics, and persons indicating an interest in the City should be made aware of the seminars. At a minimum, however, the publications available from the DOD on these topics should be provided to those industry establishments indicating an interest in more information.

Activity Seven--A business and industry "hot line" or telephone number that can be used by industry establishments should be established to make the Whitewater City Manager aware of problems and/or issues that are affecting them. The telephone hot line would enable the City Manager to develop a direct

line of communication with industry establishments. The Whitewater City Manager should send correspondence to local business and industry establishments and otherwise advertise the availability of the hot line.

Activity Eight--The City Manager, together with the Chairman of the Whitewater CDA, should sponsor breakfast meetings with the representatives of local business and industry four times a year. Like the above-mentioned hot line, these meetings would enable city officials to be made aware of local economic development issues and concerns on an ongoing basis.

Objective Three: To attract two new manufacturing establishments to the City during the next two-year period. This study has identified 19 manufacturing industries that an economic development program in the City should contact as a part of a targeted industry attraction program, and has prioritized these industries in order to allow the City to contact a limited number of them and to evaluate the results of the industry attraction efforts prior to expending further resources on this activity. Consequently, it is recommended that the establishments that are identified in this study as high-priority industries for an industry attraction program be contacted, and that promotional materials be sent to these establishments in a minimum of three states where a substantial number of these establishments are located. Activities designed to accomplish this objective are identified below.

Activity One--The Regional Planning Commission, in cooperation with the Wisconsin Electric Power Company, has provided the City of Whitewater with an economic profile of the City. The purpose of the profile is to provide the necessary information on community facilities and services and demographic data on the City of Whitewater to business and industry establishments interested in locating in Whitewater. This profile together with the brochures prepared by the Whitewater Chamber of Commerce entitled, "Whitewater Wisconsin: Something for Everyone" and "Whitewater Area Visitors' Guide," and a letter from the City of Whitewater City Manager and the Chairperson of the Community Development Authority should be used as promotional materials for the City.

Activity Two--A local industry attraction team consisting of individuals knowledgeable about the City's community facilities and services and existing business and industry should be established. It is recommended that the local industry attraction team consist of: 1) the City Manager; 2) the Chairperson of the Community Development Authority; 3) the dean of the School of Business at the University of Wisconsin-Whitewater; 4) the President of the City Council; 5) the President of the Whitewater Chamber of Commerce; and 6) the Superintendent of the Whitewater School District. The City Manager and the President of the Chamber of Commerce would be designated as the lead persons for this team and would serve as the primary contact persons for industries indicating an interest in moving to the Whitewater area.

Activity Three--This study identified seven four-digit standard industrial classification code industries that should receive high priority in the City's industry attraction program. The City should purchase manufacturing directories for those states having a large number of these industry establishments, with this list to be used for a direct mailing to approximately 500 industry establishments of the materials indicated in Activity One.

Activity Four--Because of the relatively high cost of an industry attraction program, it is necessary to monitor the results of the initial industry attrac-

tion efforts by the City. Therefore, the telephone calls and/or letters received from industry establishments in response to the initial industry attraction solicitation should be logged and the results analyzed.

Objective Four: To assist in the creation of two new industrial establishments in the City of Whitewater during the next two-year period. This objective is directly related to goal four, the creation of new employment opportunities by facilitating entrepreneurial opportunities in the community. The City is in a unique position for creating new businesses in that: 1) the Board of Regents of the University of Wisconsin has determined that the Whitewater campus will offer a major curriculum emphasis in the field of computer science, currently a growth industry in the nation; 2) the University of Wisconsin system has established a Small Business Development Center (SBDC) at the University of Wisconsin-Whitewater, the purpose of which is to provide counseling to new businesses at no cost; and 3) the Whitewater SBDC is the location of the State's Technology Transfer Program, a program designed to stimulate economic development through the effective and efficient transfer of innovative ideas and inventions to the private sector. Activities designed to accomplish this objective are identified below.

Activity One--Convene a series of meetings of representatives of: 1) the Whitewater CDA, 2) Forward Wisconsin, Inc., and 3) the deans of each of the schools at the University of Wisconsin-Whitewater in order to determine appropriate job creation strategies resulting from a partnership between the City and the University. The meetings would place special emphasis on the development of local employment opportunities in the computer science industry.

Activity Two--Officials of the University of Wisconsin-Whitewater should be urged to apply to the Wisconsin Department of Development Technology Development Fund. The Technology Development Fund offers grants to a consortium of businesses and institutions of higher education in support of research on and development of new products and processes.

Activity Three--Local manufacturing establishments should be made aware of the Wisconsin Department of Development Technology Development Fund and the University's Small Business Development Center. This should be accomplished by correspondence from the University to local industry establishments.

Objective Five: To improve existing community facilities and services that are identified as being deficient and to develop new community facilities and services to meet existing, but unmet, needs. While the previously mentioned industry retention, attraction, and entrepreneurial activities are important to the City's economic development program, this study has previously indicated that deficiencies in community facilities and services must be rectified in order to facilitate a successful program. The activities indicated below are designed to address the most pressing community facility and service needs in the community as identified in this study.

Activity One--A city comprehensive development plan should be adopted. This study has indicated that two comprehensive plans have been prepared for the City of Whitewater. However, these plans were never formally adopted by either the City Council or the Plan Commission of the City of Whitewater. Consequently, many of the sound recommendations contained in the plans have never been fully considered for implementation. However, a review of the plans indicated that many of the recommendations still provide valid solutions to the

physical development problems of the City. Without a clear understanding of the City's development objectives, Whitewater area business persons may find it difficult to plan and carry out business expansion projects involving the acquisition of new sites and the construction of new buildings and supporting utility improvements. Consequently, it is recommended that these plans be reviewed by the City Plan Commission for their appropriateness to the City's existing physical development problems and adopted by the City Plan Commission and the Whitewater City Council should they provide valid solutions to these problems. Should these comprehensive plans be found not to provide valid solutions to existing problems, it is recommended that a new comprehensive development plan be prepared and adopted by the City Plan Commission and the City Council.

Activity Two--An official map ordinance should be adopted. The City of Whitewater has not adopted an official map ordinance. The official map and ordinance are two of the oldest plan implementation devices at the disposal of the community. Their basic purpose is to prohibit the construction of buildings or structures and their associated improvements on land that has been designated for current or future public use. The adoption of an official map ordinance is particularly important to the City to protect the proposed rights-of-way for the USH 12 bypass from future development by individual property owners. Appendix A of this report shows a model official map ordinance that can be used as a guide in preparing an official map ordinance for the City.

Activity Three--A central business district development plan should be prepared. This study has indicated that the Whitewater central business district has several physical characteristics which tend to restrict the orderly growth of retail and service businesses, including obsolete commercial buildings, traffic congestion, under-utilization of commercial properties and structures, intrusion of nonretail business uses, and limited available land for new commercial and service buildings. At the same time, however, the central business district has several features which could form the basis for commercial and service-oriented economic development efforts, as well as for overall revitalization of the City's economy. At the same time, the central business district is the location of many of the retail trade and service establishments servicing the student population of the University of Wisconsin-Whitewater. In order to increase the business activity in the central business district and, therefore, help to generate new employment opportunities, it is recommended that a downtown development plan be developed for the City and the recommendations of the plan implemented.

Activity Four--The City's existing industrial park should be improved. The City's existing industrial park, located on the northeast side of the City, lacks a number of public facilities, as well as proper landscaping of parcels. As a result, the industrial park does not provide a good image to industry regarding the City's concern for economic development. Furthermore, the appearance of the industrial park could be one of the reasons why the new industrial park development proposed in 1982 was rejected by the Whitewater community. Therefore, it is recommended that the necessary steps be taken to improve the appearance of the existing industrial park, including the development of streets and curbs and gutters, and improved landscaping of parcels.

Activity Five--A new business park should be developed. The need for the establishment of a new business park in the City was identified in Chapter III of this report. New industrial land will be necessary to meet the needs of

existing industry establishments planning expansion projects that cannot be undertaken at their existing locations and to attract new industry establishments to the City. Moreover, the establishment of a new business park in the City is needed to diversify the local economy and to reduce the dependency of the Whitewater economy on the retail trade and services industries as the principal source of employment for the local labor force. In addition, the establishment of a new business park could, over time, result in development that would ease the cost to local taxpayers of municipal facilities and services.

It is important to recognize that, given the defeat of the 1982 industrial park proposal in the City, development of a new business park must be orderly, well planned, and economically feasible. In order to accomplish these goals, the City should formulate a business park development program that would consist of: 1) the selection of a business park site, which would include an analysis of alternative sites for a new park; 2) a development design, which would include the preparation of a proposed site plan and street layout, detailed construction plans, cost estimates for required public improvements, and a landscaping plan, and the establishment of industrial park regulations; 3) project implementation, which would include the preparation of a development phasing plan and, more importantly, a financing strategy; and 4) a public participation process that would enable local citizens to be made aware of, and participate in, the development of a new business park.

The formulation of a business park development program should directly involve the City of Whitewater City Council, the City Plan Commission, the CDA, and the CDA Economic Development Committee, as well as other interested groups and citizens. However, the CDA and the CDA Economic Development Committee should be primarily responsible for the formulation and implementation of the program.

In addition to the planning activities identified above, it is recommended that: 1) state and federal funding sources be utilized for the costs associated with developing the business park; 2) a marketing and promotion program for the new business park site be formulated; and 3) the new park be constructed in various phases that would take into consideration estimated absorption of industrial land in the park by industry establishments.

Activity Six--A housing maintenance code should be adopted. Chapter III of this report indicated that the housing units in the City of Whitewater were relatively old in comparison to those in other communities. In addition, this study has shown the need for a housing rehabilitation program for both owner-occupied and renter-occupied units as evidenced by a grant award to the City from the Wisconsin Department of Development for a housing rehabilitation program. The development and enforcement of a housing maintenance code could prevent the deterioration of the housing stock in the City.

Activity Seven--A revolving housing rehabilitation loan fund for the rehabilitation of housing units occupied by low- and moderate-income persons should be established. In 1984, the City of Whitewater received a Small Cities Block Grant award that included a grant of \$436,616 to the City that would, in turn, be loaned to owners of housing units at below-market interest rates to rehabilitate approximately 80 housing units. These loans, when repaid to the City, will create a revolving housing rehabilitation loan fund.

Activity Eight--The feasibility of a new residential subdivision should be investigated. As discussed in Chapter III, housing unit data, interviews with local individuals, and discussions with the City's Economic Research Committee indicated the need for new residential housing units in the City. In addition, as previously indicated, the housing units in the City are generally older than those in other areas and, as a result, families in the City are required to purchase older housing units that, in many cases, do not offer the conveniences and amenities of new housing units. Consequently, it is recommended that private housing development companies be contacted in order to determine the marketability of new housing units and, if necessary, the design of a plan to accomplish the development of a new residential subdivision.

Activity Nine--Discussions should be held with the Southeast Wisconsin Private Industry Council. Only six respondents, or about 12 percent of all the respondents to this study's industry retention survey, have utilized the employment training services offered by either the Comprehensive Employment and Training Act (CETA) program or the Job Training Partnership Act (JTPA) program and, of these six, four respondents rated the services provided as average or unfavorable. In fiscal year 1984, the Southeast Wisconsin Private Industry Council, the organization responsible for administering the JTPA program in Walworth County, received approximately \$469,737 to operate employment training programs in the County. Given the fact that most employers, as well as a portion of the City's labor force, could benefit from the employment services provided by the JTPA program, it is recommended that city officials meet with the Southeast Wisconsin Private Industry Council to determine how JTPA services to local employers and the labor force can be increased and how these services can be improved.

Activity Ten--Local business persons should be familiarized with: 1) the public facility and loan guarantee programs administered by the U. S. Department of Commerce, Economic Development Administration; 2) the public works and economic development programs of the Small Cities Community Development Block Grant program administered by the Wisconsin Department of Development; and 3) the public facilities and economic development programs under the Urban Development Action Grant program administered by the U. S. Department of Housing and Urban Development. At the present time, the City of Whitewater is in a good position to receive grant awards from these community economic development programs, which include low-interest business loans. However, many respondents to the study's industry retention survey were not familiar with these programs. Consequently, it is recommended that the City: 1) contact the above-mentioned agencies to determine the probable success of grant applications under these programs; and 2) following the determination of the potential success of a grant application, contact local business persons to explain these programs and to investigate the need for the programs in the business community.

Activity Eleven--The current status of the proposed USH 12 bypass around the southern edge of the City of Whitewater should be investigated, and its construction encouraged. While the USH 12 bypass is shown on the adopted regional transportation system plan, no action can be expected to be taken toward the construction of the bypass in the absence of strong political support.

CITY OF WHITEWATER ECONOMIC DEVELOPMENT PROGRAM: IMPLEMENTATION

This section identifies: 1) the agency, organization, or person responsible for the implementation of the specific program objectives and activities, 2) the estimated cost of implementing the program activities, and 3) the time period during which the program activities should be undertaken. An important issue when discussing the implementation of the program activities is the degree to which professional community economic development staff should be utilized relative to the efforts of existing staff and local volunteers. The City of Whitewater has not to date implemented a formal comprehensive economic development program and, therefore, there is not a precedent for expending scarce local financial resources for this program.

In discussing the costs related to the economic development program activities, the Economic Research Committee has considered: 1) the availability of administrative funds for the implementation of the City's 1984 and 1985 Community Development Block Grant program; 2) the availability of economic development consultant services to assist in the implementation of the program activities; 3) the potential role of local government staff persons in the City; 4) the availability of local volunteers to assist in the implementation of the economic development program; and 5) the extensive nature of a number of the activities identified in the economic development program. As a result, the Economic Research Committee has recommended that the economic development activities be implemented through a combination of professional community economic development staff, existing city staff, official city committees, and persons interested in volunteering to assist in the economic development of the City.

Scheduling, Cost, and Responsibility for the Whitewater Economic Development Program Activities

The economic development program activities recommended herein are scheduled to be implemented during an initial two-year period. The total cost of the two-year program cannot be estimated at this time because of the variety of alternatives that are available for implementing the program activities. In addition, it is anticipated that a number of the program activities will be implemented by existing city staff as well as by other organizations in the City. However, the total cost of the first year of the program is estimated to be \$81,000, not including the costs incurred in the actual development of a business park. However, because of the availability of other funding sources, the total cost to the City for implementing the economic development program is \$44,000, of which \$19,000 could be provided by a carry-over of funds from the Whitewater CDA 1984 city funding appropriation. Table 78 shows the agency, organization, or person responsible for carrying out the program activities, the estimated costs attendant to each activity, and the time period during which the activities are scheduled to take place.

Overall, the economic development program activities that are scheduled to take place during the first year of the program include: 1) the identification of appropriate agencies, committees, and persons to carry out the program activities and the retention of the necessary community economic development staff; 2) the establishment of revolving loan funds for housing unit rehabilitation and low-interest business loans; 3) a variety of industry retention

activities; 4) the initiation of activities that will assist in the creation of new businesses; 5) the development of a new city business park and improvements to the City's existing industrial park; and 6) the discussion of the need to develop a new residential subdivision in the City. The major program activities that are scheduled for the second year of the economic development program include: 1) the initiation of industry attraction activities; 2) the adoption of the existing city comprehensive plan or the preparation of a new land use development plan and subsequent official map ordinance; and 3) the preparation of a central business district development plan. Specific information regarding the activities designed to accomplish the program objectives is provided below.

Objective 1: To coordinate economic development activities. The activities necessary to accomplish this objective are scheduled to be implemented immediately. The City of Whitewater City Council is responsible for designating the CDA as the lead economic development agency, with the CDA responsible for appointing the housing and economic development committees, and the City Manager assuming the economic development responsibilities previously indicated in this chapter. The staff necessary to implement the housing rehabilitation and economic development revolving loan funds have already been retained by the CDA; however, it will be necessary to retain an economic development consultant to assist in the implementation of the new city business park.

Objective 2: To retain all industry establishments currently located in the City of Whitewater. Currently, it is anticipated that industry establishments that are recipients of the business loans from the 1984 Community Development Block Grant to the City will have repaid a sufficient amount of funds to enable a modest revolving loan fund to be established in October 1985. As indicated in Table 78, the remaining industry retention activities are scheduled to be implemented during the first five months of the economic development program, and consist of meeting the needs of industry establishments that were identified in the City's industry retention survey.

Objective 3: To attract two new manufacturing establishments to the City during the next two years. The only industry attraction activity that is expected to be undertaken during the first year of the City's economic development program is the appointment of the five-member industry attraction team. The remaining industry attraction activities are scheduled to take place during 1986. Delaying the industry attraction activities until 1986 will enable the City to rectify the existing problem of a lack of existing industrial land use sites for existing and new industry establishments.

Objective 4: To assist in the creation of two new industry establishments during the next two years. As indicated in Table 78, the activities designed to assist in the creation of new industry establishments are scheduled to take place during the first year of the program. The CDA members and the University are expected to initiate the activities indicated in Table 78 and, thus, it is estimated that there will be no cost to these activities other than the cost of the support services that may be needed and provided by the City of Whitewater and University's existing staff.

Objective 5: To improve existing and provide new community facilities and services in the City. As indicated in Table 78, there is a need to implement numerous activities in order to accomplish Objective 5. During the first year

Table 78

CITY OF WHITEWATER ECONOMIC DEVELOPMENT PROGRAM IMPLEMENTATION SCHEDULE

Table 78 (continued)

Objective/Activity	Responsibility	Estimated Cost	Time Period During Which Activity Will Take Place																										
			1984		1985										1986														
			Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	
Objective 5: To Improve Community Facilities and Services																													
1. Adopt the existing comprehensive plan or prepare and adopt a land use development plan	City Plan Commission/City Council	None/ \$30,000 ^e																											
2. Prepare and adopt an official map ordinance	City Plan Commission/City Council CDA	To be determined ^f \$15,000 \$217,000 ^g																											
3. Prepare a central business district development plan	City Engineer/ City Manager/ Consultant/CDA/ Economic Development Committee	To be determined ^h None ⁱ None																											
4. Improve existing industrial park	City Engineer/ City Manager/ Housing Committee	None																											
5. Develop a new city business park	Economic Development Committee	None																											
6. Adopt a city housing maintenance code	City Manager	None																											
7. Investigate the feasibility of a new residential subdivision	Housing Committee staff	\$61,000 ^j																											
8. Initiate discussions with the Southeast Private Industry Council	Economic Development Committee	None																											
9. Contact existing government economic development funding agencies to determine availability, and familiarize local industry establishments with these funding sources	City Manager	None																											
10. Establish a revolving loan fund involving local fund	Housing Committee staff	None																											
11. Investigate the current status and encourage the construction of the proposed USH 12 bypass	Economic Development Committee	None																											
Other costs and activities	--	\$1,300 ^k																											

^aThis amount includes the necessary expenditures for the staff and office expenses to implement the economic development program for a one-year period. The \$79,000 includes the following revenues:

Community Development Grant Administration Expense Reimbursement.....	\$27,000
Whitewater Chamber of Commerce Insurance/Rent Reimbursement.....	6,000
Community Development Block Grant Program Expense Reimbursement.....	4,000
Credit Balance from 1984 CDA Operations.....	19,000
City Budget Appropriation for 1985.....	23,000
Total Revenues	\$79,000

Specific expenses included in this amount include: 1) \$12,000 to procure the services of a consultant to implement the business park proposal; 2) \$6,000 to procure the services of a consultant to implement the economic development business loan fund; and 3) \$61,000 to operate the housing rehabilitation loan fund and provide part-time secretarial services.

bThe cost of administering the Whitewater revolving business loan fund is included in the total cost of Objective 1, Activity 3.

cIt is expected that existing local government telephone service would be utilized.

Source: SEWRPC.

^dThese funds would be used to defray the costs of the industry attraction team.

^eThe adoption of the existing comprehensive plans would result in no cost for this activity. It is estimated that the total cost for the preparation of a new land use development plan would be \$30,000.

^fThe overall cost of the preparation of an official map and official map ordinance would need to be determined following the assessment or existing mapping within the community.

^gThe City of Whitewater Engineer has determined that various sanitary sewer, street, and storm drainage improvements in the City's existing industrial park would entail a total cost of \$217,000.

^hThe costs attendant to the land development of the business park would need to be determined at a later date, and would be dependent upon the size and location of the park and supporting business park infrastructure. The \$12,000 cost that was previously indicated would be used only to procure the services of a consultant to assist in the implementation of the business park proposed.

ⁱExisting city staff would be utilized for this activity.

^jThis is the cost of operating this program during 1985. The cost of this program in succeeding years will be dependent upon the amount of available loan funds.

^kIt is anticipated that the economic development program will incur additional unanticipated expenses. Therefore, a total of \$1,300 per year is included in the "Other" cost category.

of the program, it is anticipated that a new business park will be developed and that the existing industrial park will be improved. In addition, the adoption of a housing maintenance code and the investigation of the feasibility of the development of a new residential subdivision are scheduled for the first year. Other activities expected to take place during the first year of the program include: 1) the initiation of discussions with the Southeast Wisconsin Private Industry Council; 2) the clarification of the City's status with regard to existing state and federal funds for economic development programs; 3) the establishment of the housing rehabilitation revolving loan fund; and 4) the investigation of the current status of, and the encouragement of the construction of, the proposed USH 12 bypass. Activities that are scheduled to be implemented during the second year of the program include: 1) the adoption of the City's existing comprehensive plan or the preparation and adoption of a new land use development plan; 2) the preparation and adoption of an official map ordinance; and 3) the preparation of a central business district development plan.

Clerical and Other Administrative Support

Table 78 indicates that there will be no cost attendant to the implementation of a number of the economic development program activities. However, it will be necessary, at times, for the existing city staff, as well as the staff supported by the City's block grant programs, to provide clerical and other support to the volunteers serving on the committees responsible for implementing these no-cost activities. The existing block grant housing rehabilitation and economic development program staff has been provided offices by the Whitewater Chamber of Commerce. It is expected that an economic development consultant for the development of a new industrial park will be provided with a temporary office at the Whitewater City Hall.

MONITORING CRITERIA FOR MEASURING THE SUCCESS OF THE WHITEWATER ECONOMIC DEVELOPMENT PROGRAM

In order to determine the success of the City's economic development program in addressing the community economic development problems, the program described in this chapter must be monitored and evaluated with regard to:

1. The effectiveness of the activities in attaining the City's economic development goals and objectives;
2. The effectiveness of the economic development program's staff; and
3. The overall effectiveness of the economic development program, including the economic development planning process.

The City of Whitewater budget planning process begins in September of each year. The process includes a presentation to the City Council by the City's various department heads of the existing and proposed department programs and activities, along with an indication of the funding necessary to carry out future programs and activities. Following this presentation, the various city department heads meet with the City Manager to discuss the proposed funding for the upcoming calendar year, with the final budget submitted to the City Council by the City Manager. The Whitewater CDA will be responsible for the overall coordination of the Whitewater economic development program documented

herein. Consequently, the CDA will need to evaluate its economic development program on an annual basis in compliance with the City's budget review process.

It is recommended that, at a minimum, the following evaluations of the program be conducted by the CDA annually:

1. The appropriateness of the major assumptions of the economic development program should be evaluated, including: a) the current state of the City's economy; b) major causes of economic development problems in the City; and c) activities with a potential for generating employment in the City. Changes in these major assumptions should be made when necessary.
2. The overall goals of the economic development program should be evaluated relative to their appropriateness for guiding the program.
3. The degree to which the program activities have led to the accomplishment of the specific economic development objectives should be evaluated. In addition, the problems encountered in the implementation of the specific program activities should be identified and this information utilized to refine the economic development activities.
4. The appropriateness of the economic development monitoring criteria should be evaluated.
5. The methods used to provide staff support to the economic development program should be evaluated, with special attention devoted to the existing strategy of utilizing a combination of permanent staff support, temporary consultants, and volunteers to carry out the program activities.
6. The Wisconsin Department of Development regularly monitors the implementation of Community Development Block Grant activities and issues a written report to the community. The findings of the DOD monitoring should be a criterion used to evaluate the housing and economic development block grant programs.
7. The CDA, Housing Committee, Economic Development Committee, and Economic Research Committee should convene a joint meeting to discuss the results of the evaluation process and the manner in which these results can be incorporated into the economic development program for the forthcoming year, and to estimate the amount and sources of funding needed to implement the program for the upcoming year.
8. The CDA should hold a public informational meeting to explain the results of the evaluation process and identify the proposed program activities for the forthcoming year. The CDA should invite the general public to the informational meeting to comment on the program activities that have been implemented over the past year, as well as the activities that have been identified for the forthcoming year. The CDA should consider the minutes of the public informational meeting and, when appropriate, alter the program activities based upon the public comments received.