

Eau Claire Comprehensive Plan 2015

Economic Development Assessment



City of Eau Claire Wisconsin

Economic Development Assessment

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Economic Development Assessment

This chapter summarizes the current economic environment in and around Eau Claire and presents the major economic development planning issues. Subjects covered in this chapter include transportation facilities, workforce, employment, major employers, key industries, locations of employment, and economic development organizations.

Major Economic Development Issues

These are the major economic development issues identified through the assessment of conditions:

- 1. Workforce:** How can the community maintain or improve its attractiveness as a place to live and work? Which community resources and areas should be a priority in a strategy to attract and retain a competitive workforce, including the “Millenials.”
- 2. Development of Additional Business and Industrial Park Land:** What should the City do, if anything, to improve the community’s inventory of serviced industrial sites so as to provide an appropriate and competitive mix of sites with regard to location, size, topography, services and covenants?
- 3. Fringe Sites versus Redevelopment Sites:** How much of Eau Claire’s future business development should occur on redevelopment sites (where there are existing roads and utilities) compared to fringe or “greenfield” sites (within the Sewer Service Area)?
- 4. Tax Base Density of Future Business Park Developments:** Should the City seek to increase the property tax yield of its business and industrial parks? Should this be done by increasing density, increasing building value, or both?
- 5. Limited Rail Access:** What should the City do, if anything, to help create new industrial sites with railroad access? Are such sites important to the community’s economy and development strategy?
- 6. Conflicts with Adjacent Uses:** Should the City take steps to reduce land use conflicts in and around existing business and industrial parks?
- 7. Downtown:** Should a master plan be prepared for redevelopment east of North Barstow Street?

Major Local Economic Changes since the Prior Plan

The Eau Claire economy has continued to grow and evolve during the past ten years despite the severe setback of the Great Recession. Here are some of the notable changes.

Downtown

Royal Credit Union pioneered the redevelopment of the former site of Phoenix Steel with a 120,000 square foot headquarters at the confluence of the Chippewa and Eau Claire Rivers.

The North Barstow District of Downtown has added 215 apartment units and 30,000 square feet of retail and service business space (in mixed-use buildings). A 576-space parking structure is planned, which will support existing and future office space.

The Eau Claire County administrative and justice center was expanded on the western side of the river.

Luther-Midelfort Hospital and Clinic formally became Mayo Clinic Health System – Luther Midelfort and added a 166-bed tower.

The Technology Sector

JAMF Software is a local start-up that provides Apple information technology tools and services and has grown to 275 employees and 6 offices across the nation. In 2014, JAMF opened a 65,000 square foot office and R&D building next to the RCU headquarters and Phoenix Park. Intel opened an office in Eau Claire. Riverside Engineering and Manufacturing expanded into the HTI building. Some pull-back has been experienced by Hutchinson Technology.

The Ever-Evolving Nature of Retail Sales

Retail sales have been hurt across the nation because of the lingering effects of the recession coupled with increased online sales. Large, enclosed malls have been notably affected. Discount retailers have benefited.

Frac Sand Rail Operations

Frac sand mining in the counties north of Eau Claire has greatly increased the length and number of freight trains through the city, adding air pollution, noise and hazards.

University Expansion and Investment

UW-EC has been investing in off-campus housing, performing arts, sports and recreation in addition to adopting a plan for more on-campus dormitory rooms.

Medical Industry Investment

The hospitals and clinics have improved or expanded their facilities and increased their employment.

Altoona Development

The River Prairie project in Altoona has attracted Oakleaf Surgical Hospital, Chippewa Valley Orthopedic Center, Woodman's Grocery Store and others.

Economic Environment

The Eau Claire Area Economy

The City of Eau Claire serves as the economic hub of West Central Wisconsin. Located in the Chippewa Valley, its economy is closely linked to its neighbors – Altoona, Chippewa Falls and Menomonie. Eau Claire is the county seat of Eau Claire County and serves as a regional center for health care, higher education, retail and service businesses, arts and culture, and employment. The community's diversified employment base includes health care, education, business and professional services, transportation, trade and utilities, finance, manufacturing, and high technology.

Population Trends

Because it is a regional center for health care, education, retail, services and government, the Greater Eau Claire area is probably well positioned for continued population growth.

Population trends are of importance to economic development because they affect the supply of workers and because economic activity tends to concentrate in areas with a larger population.

Census figures reveal that the median age in Eau Claire County is comparatively young – the fourth lowest in the state. The median age in the City of Eau Claire is even younger. Both are lower than the state median the national median. This can be attributed in part to the concentration of young adults attending the university and technical college. Access to young, well-educated people can be viewed as an advantage for employers in the area. The retirement of Baby Boomers has begun, and the labor market will begin to tighten as a consequence. Thus, the community's ability to attract and retain young people will be important to future economic vitality.

Transportation

Eau Claire is located along the east-west Chicago-Milwaukee-Minneapolis corridor of Interstate 94/90 at the intersection with north-south US Highway 53, which runs north to the Lake Superior ports of Duluth / Superior and south to the Mississippi port city of La Crosse. East-west US Highway 29 currently passes through Chippewa Falls and runs east to the port city of Green Bay on Lake Michigan. Highway 29 has been relocated out of downtown Chippewa Falls to an alignment just three miles north of the City of Eau Claire; this will complete the process of creating a four-lane access from the Twin Cities to Green Bay.

The Chippewa Valley Regional Airport is the largest airport in a 30-county area of northern Wisconsin. Eau Claire County owns the 1000-acre airport; Chippewa and Dunn Counties contribute operating support. Scheduled air service is provided by United Airlines / SkyWest, which offers two flights to Chicago daily, one in the morning and one in the afternoon. Charter flights for vacation travelers also occur on a periodic basis. In 2014, the number of annual enplanements was approximately 22,000. The forecast for year 2031 is 34,000.

Railroad Access

Rail service is provided by Union Pacific Railroad. The community is located on a line that runs from the Twin Cities to Milwaukee and Chicago.

There is only one four-acre site with rail access in Eau Claire. While not a lot of companies require rail, it is critical to some operations; such operations may locate in another county because of the lack of rail sites in Eau Claire. For companies doing business in the area, it may mean increased trucking costs; for communities it may mean additional truck traffic.

Some trucking and logistics firms are creating facilities and providing services that enable small and mid-sized manufacturers to use rail, providing substantial cost savings on freight. One such facility in Lakeville, Minnesota, provides rail access for a number of industrial park tenants as well as businesses within a 30 to 40 mile radius.

Workforce

Historically, competitiveness was based on access to natural resources, agricultural commodities, transportation, and cost factors such as the cost of labor, utilities, and taxes. These are still important factors, but increasingly the availability and skills of the workforce as well as training resources are critical in company decisions to locate or expand a facility.

The retirement of the Baby Boomers in next decade is expected to tighten labor availability in the United States. The competitiveness of manufacturing and high technology in countries such as China and India will challenge US companies to find niches less subject to competition. An available, skilled and adaptable workforce will be critical to business success.

Attracting and retaining a quality workforce, particularly younger members of the workforce, is increasingly part of a community's economic development strategy. Cultural amenities like a lively arts, culture and entertainment district, and recreational amenities such as trails, access to lakes and rivers, golf, health and exercise facilities, hunting and fishing are important to attracting and retaining a competitive workforce. Quality neighborhoods, schools, health care, a respect for diversity, and community assets that meet the needs of younger single people, families and the elderly are all considered important.

The "Labor Shed" for Eau Claire

The City of Eau Claire, the employment center of Eau Claire County, is also a regional employment center, with a net commute into the county. The majority of workers commuting into Eau Claire County reside in Chippewa and Dunn Counties.

Labor Force Participation

The Eau Claire population is hard-working. The labor force participation rate in Eau Claire County is nearly equal to that of the state, which typically ranks first or second in the nation for labor force participation. The labor force consists of civilians who are at least 16 years old and are not incarcerated or institutionalized. Most people not in the labor force are students, at-home parents or retirees.

Educational Attainment

The City of Eau Claire enjoys exceptionally high educational attainment when compared with the State of Wisconsin, the nation, and even all metro areas in the nation. This is likely because of the presence of high tech industries and the concentration of health care and higher education.

Income

Typically, higher educational attainment translates into higher earnings. However, per capita income in the City of Eau Claire was lower than the state per capita income. County-wide, per capita income was higher than that of the state.

The poverty rate for individuals in the City of Eau Claire was higher than that of Eau Claire County or of the State of Wisconsin. According to the Department of Workforce Development, Eau Claire County Workforce Profile, “Incomes are lower in Eau Claire County, not only because of lower wages, but also because of a large elderly population living on fixed incomes.” A significant concentration of full time students typically reduces the per capita income of an area.

Occupation

The largest occupational group in both the City of Eau Claire and the State of Wisconsin is **Management, Professional and Related Occupations**. These include jobs as teachers and health care professionals as well as a variety of professional services – legal, accounting, finance, and insurance.

Jobs in these occupations typically require an education beyond high school and may require an advanced degree. The concentration of jobs in this category in the community reflects its role as a regional center for health care and higher education.

The second largest occupational category in the community and the state is **Sales** and office. Workers in these occupations, such as accounting clerks, technical sales representatives, and general office clerks, are employed in all industries. Most employers expect workers in these occupations to have some training beyond high school. The concentration of sales and office workers in the city likely reflects the community’s role as a center for government, health care, business, and professional services.

Service occupations such as nurse aides, janitors, kitchen workers, waiters, police, and firefighters comprise the third largest occupational category in the city. The educational requirements and wages for many of these jobs are relatively low and workers in some of these occupations often work less than 40 hours per week.

The third largest occupational group statewide is **Production, Transportation, and Material Moving**; it is the fourth largest category in the city. Many of these occupations are associated with manufacturing and distribution. Manufacturing employment as a percentage of total employment in Eau Claire is only about 10 percent, less than half the statewide average of 21 percent.

Employment

The following table of employment concentration by industry reflects Eau Claire’s role as a regional center – with high concentrations in trade, transportation, and utilities; education and health; professional and business services; and leisure and hospitality. The community’s high concentration in information may reflect the legacy of Cray Research in the Chippewa Valley. There is a notably low concentration in the manufacturing sector.

Health Services is the largest industry group in the city. It has also shown the greatest numeric increase during recent years, significantly more than the next highest segment, Industrial Machinery and Equipment.

Those sectors which serve as an economic engine for the area – health, educational, and business services; industrial machinery and equipment; and wholesale trade – have all shown a respectable 10-year increase in employment not counting the reductions during the Great Recession.

**Table 8-1:
Top 10 Industry Groups in Eau Claire County**

| Industry Group |
|----------------------------------|
| Health Services |
| Educational Services |
| Eating and Drinking Places |
| Building Materials |
| Business Services |
| General Merchandise Stores |
| Industrial Machinery & Equipment |
| Wholesale Trade – Durable Goods |
| Food Stores |
| Government |

The top employers list is topped by Menard’s, which has both corporate headquarters and two retail operations in the community. Seven of the top 10 employers are involved with education, health care or local government.



Health care services are the strongest single industry group in Eau Claire. Shown here is part of the Mayo Clinic Health System – Midelfort expansion.

**Table 8-2:
Major Employers**

| Major Employers | Type of Business |
|--|---------------------------------------|
| Menard's Inc | Lumber and other building materials |
| Mayo Clinic Health System – Midelfort | General medical and surgical hospital |
| Hutchinson Technology Inc | Computer storage devices |
| University Wisconsin System – Eau Claire | University |
| Chippewa Valley Technical College | Technical institute |
| Sacred Heart Hospital | General medical & surgical hospitals |
| University Wisconsin-Eau Claire | University |
| Ovations and AmeriChoice (United Health Group) | Medical insurance claim processing |
| Nestle | Foods |
| County of Eau Claire | Local government |
| City of Eau Claire | Local government |
| Wal-Mart | Department stores, discount |
| Lutheran Social Services | Social Service Center |
| Eau Claire Public School District | Education |
| Phillips Plastics Corporation | Automobile hose, plastic |
| Leader Telegram | Newspapers, publishing and printing |
| Market & Johnson Inc | Hospital construction |
| Cascade Tissue Group of Wisconsin | Sanitary tissue paper |
| JAMF Software | Computer software |
| P D M Bridge L L C | Fabricated structural metal |



Eau Claire is a regional center for retail sales and services.

Key Industries of Eau Claire

A number of the key industries in Eau Claire – such as health care, higher education, and professional services – reflect the city’s role as a regional service center for West Central Wisconsin. Businesses in the manufacturing and high tech sectors, as well as finance and insurance back office operations, bring new wealth into the region through the export of products and services.

The economies of the Chippewa Valley and City of Eau Claire are inter-related. Workers commute throughout the region; businesses and institutions are influential throughout the region. For example, former employees of Cray Research in Chippewa Falls have established high tech businesses in Eau Claire; higher education resources at University of Wisconsin – Stout in Menomonie benefit Eau Claire manufacturers.

Health Care

Eau Claire serves as the regional center for health care in West Central Wisconsin. The community benefits from healthy competition among the Mayo Clinic Health System, Sacred Heart Hospital, Oakleaf Surgical Hospital and the Marshfield Clinic.

Mayo Health System – Luther Midelfort Campus. The Mayo Clinic Health System operates four facilities in Eau Claire: a general and intensive care hospital overlooking Half Moon Lake in the West Riverside Neighborhood, a clinic next to the hospital, a clinic on Clairemont Avenue and an express care facility on Mall Drive. Locally, the Mayo System offers a great number of medical specialties ranging from comprehensive cardiac and trauma care to family-based primary care services. Other Mayo Clinic entities in Eau Claire are Pharmacy and Home Care, and Home Health and Hospice. Total employment in the county is approximately 2,000.

Oakleaf Surgical Hospital, located in Altoona, recently opened a new facility there. Today, 52 surgeons in 14 specialties offer surgical procedures on an outpatient or extended stay basis.

Marshfield Clinic has 9 locations and more than 100 physicians in the Chippewa Valley. Marshfield Clinic – Eau Claire Center is located on the south bank of the Chippewa River just west of UW- Eau Claire. Marshfield Clinic is a multi-specialty clinic that offers urgent care, as well as concentrations in neuroscience and cancer care.

Sacred Heart Hospital is a regional 344-bed acute care medical facility offering a full range of medical, surgical, maternity, behavioral, and psychiatric services. It is home to the Regional Cancer Center and the Neuroscience Center, and is the only accredited Rehabilitation Center in West Central Wisconsin. Sacred Heart employs approximately 1,000 people and is located north of West Clairemont Avenue, adjacent to UW – Eau Claire and the Chippewa Valley Technical College.

Higher Education

The City of Eau Claire benefits directly from the presence of two large higher education institutions. Other higher education resources in the region enhance the significance of this economic sector.

University of Wisconsin – Eau Claire provides degree programs in three colleges: Arts and Sciences, Business, and Professional Studies, which includes the Schools of Nursing, Education, and Human Sciences and Services. The campus of more than 10,500 students and 700 faculty spans the banks of the Chippewa River just south of the Courthouse complex. The University has primarily full-time, traditional students. The University is largely focused on undergraduate studies, but has 500 graduate students in business, education, nursing, and communication disorders. US News & World Report consistently ranks UW - Eau Claire among the top public universities in the Midwest.

Chippewa Valley Technical College (CVTC) has a main campus immediately south of UW – Eau Claire. The 48-acre campus is located north and south of W. Clairemont Ave. Four regional campuses serving 11 counties are managed out of the Eau Claire campus. Other campuses are located in Chippewa Falls, Menomonie, Neillsville and River Falls. The college, with an enrollment of 4,000 full-time equivalent students, offers 55 associate degree and technical diploma programs in fields such as health, business, manufacturing, agriculture, construction, and emergency services.

CVTC opened a Health Care Education Center on its main campus to meet the growing demand for skilled health care professionals. It is located south of W. Clairemont Avenue next to the Midelfort Clinic.

The college’s Manufacturing and Technology Center, located on 26 acres in the Gateway Industrial Park in Eau Claire, is home to the Haas Technical Center. The college has partnered with Haas, a manufacturer of machine tools, and its Midwest distributor, Productivity, Inc., of Minneapolis, to provide state-of-the-art equipment and technical training.

CVTC has a third campus in the community; the 167-acre site located west of US Highway 12 off County Highway CC includes facilities for truck driver training, as well as a “simulated city” for training of fire fighters and emergency responders. CVTC recently built a new 20,000 square foot emergency services center at the campus on the west side of Eau Claire.

Other Chippewa Valley Educational Resources The University of Wisconsin—Eau Claire and Chippewa Valley Technical College collaborate with other educators in the area. Residents and employers also benefit from the presence of two other institutions.

- **Globe University** offers degrees in business, health science, animal science, veterinary technology, technology and legal studies. Their classroom building is located in Eau Claire.
- **The University of Wisconsin – Stout**, located in Menomonie, enrolls more than 7,200 students in its 24 undergraduate and 16 graduate degree programs. Stout’s unique academic approach includes close working relationships with the private sector. Stout has an awarding winning institute in manufacturing technology.

High Technology

High technology started in the Chippewa Valley in Chippewa Falls when Seymour Cray, “father of the supercomputer,” established Cray Research in 1972. The regional technology industry encompasses more than 140 companies employing over 9,000 people in the Chippewa Valley. It is estimated that more than half of the technology workforce consists of degreed professional and technical staff. Technology sectors represented in the region include computer and electronic technologies, material technologies, telecommunications and utilities, automation and precision machining, medical technology and devices, and software. High tech employers located in the City of Eau Claire include JAMF Software, Hutchinson Technology, Minnesota Wire and Cable, Intel, Superior Technology, Invisible Connect, and Riverside Engineering and Manufacturing.



The new headquarters of JAMF Software on Riverfront Drive

Manufacturing -- Plastics and Rubber Manufacturing

Nine plastics manufacturing firms are located in the City of Eau Claire, employing over 600 people.

American Phoenix, Inc., located at the Banbury Place, uses equipment from the former Uniroyal-Goodrich operation in the custom formulation of rubber. UniRoyal Goodrich employed 1,350 people shortly before it closed in 1990, and had 3,000 employees at its peak.

**Table 8-3:
Plastic or Rubber Manufacturing Businesses**

| Business name | Type of business |
|---------------------------------|---------------------------------------|
| Phillips Plastics Corp | Injection molded finished plastics |
| American Phoenix Inc | Custom compounding of rubber |
| Intek Plastics | Thermoplastic extrusion – window trim |
| Tuscarora Inc. | Foam packaging & shipping materials |
| Phillips Corporate Operations | Plastics – mgmt of multiple locations |
| Five Star Plastics, Inc | Injection molding |
| Midwest Manufacturing Extrusion | Plastics hardware & building products |
| Badger Custom Windows, Inc. | Plastic windows |
| Accu-tech Plastics | Plastic film & sheeting |

Manufacturing -- Food Processing

Eau Claire is home to three food processors. Nestle USA expanded in Eau Claire in 1999, building a \$27 million facility for the production of infant food. Nestle originally purchased Carnation in 1985. Key factors in the company’s decision to expand in Eau Claire were proximity to the existing plant, labor force, and water supply.

**Table 8-4:
Food Processing Businesses**

| Business Name | Type of business |
|-----------------------|-------------------------|
| Silver Spring Gardens | Prepared horseradish |
| Nestle, USA | Infant foods |
| American Ice Company | Manufactured ice |

Manufacturing -- Metal Manufacturing

Eleven metal manufacturing firms are located in the community, employing over 900 people.

**Table 8-5:
Metal Manufacturing Businesses**

| Business name | Type of business |
|----------------------------|---|
| PDM Bridge, LLC | Fabricated structural metal |
| Northwestern Motor Company | Tractors used in plants, docks, terminals |
| J & D Manufacturing | Barn, silo, poultry & livestock machinery |
| Cloeren, Inc. | Tools, jigs, dies and fixtures |
| Minnesota Wire & Cable | Communication wire |
| LPI, Inc. | Trucks, tractors, loaders, and related eqmt |
| Pacesetter Corporation | Metal storm doors or windows |
| U-fuel Gumex | Pumps & pumping equipment |
| Pro-cise, Inc. | Molds for foundry & plastics working machinery |
| Premier Dies Corp | Dies & die holders for metal cutting, forming & die casting |
| Culimeta Saveguard | Thermal insulation |
| Dynamic Fabrication | Laser cutting |
| LT Industries | Metal cans |

Manufacturing – Printing, Publishing, and Mailing

Ten firms in the City of Eau Claire with more than 10 employees are involved with printing, publishing, and mailing services and employ a total of nearly 600 people. The largest of these is the Leader Telegram – a locally-owned and family-owned publication. Some businesses serve a local or regional market, while others serve broader markets.

**Table 8-6:
Printing, Publishing and Mailing Businesses**

| Business name | Type of Business |
|------------------------|----------------------------------|
| Leader Telegram | Newspapers, publishing, printing |
| Documation LLC | Commercial printing |
| Johnson Litho Graphics | Commercial printing |
| Powertex Group | Screen printing |
| Spring Street Group | Commercial printing |
| Thinking Publications | Textbook publishing |
| Awards & More | Visiting cards |
| Eagles Printing | Flexographic printing |
| L & M Bar Coding Inc | Mailing service |

Services – Finance and Insurance

The back office operations of several finance or insurance businesses provide substantial employment in the City of Eau Claire. Royal Credit Union, with corporate headquarters in Eau Claire, provides significant back office employment in addition to retail banking services.

**Table 8-7:
Finance and Insurance Businesses**

| Business name | Type of business |
|------------------------------------|--|
| Ovations and AmeriChoice | Medical insurance claims processing |
| Equitable Life Assurance | Insurance services |
| Royal Credit Union | Headquarters operation- financial services |
| Blue Cross Blue Shield | Accident & health insurance |
| FDIC | Federal Deposit Insurance Corporation |
| Harmon Solutions Group / Code Blue | Insurance billing |
| Wisconsin Carpenters Pension Fund | Pension fund |

Services -- Business and Professional Services

The City of Eau Claire’s role as a regional center for West Central Wisconsin is apparent, with strong concentrations in engineering services as well as accounting and architectural services. In addition to the firms listed below, there are also more than 50 law firms in the community. Several of the businesses serve not only West Central Wisconsin and also bring revenue into the community from an even broader service territory.

**Table 8-8:
Professional Service Businesses**

| Business name | Type of business |
|-------------------------------|---------------------------------------|
| Lorman Education Services | Seminars |
| Clifton Larson Allen | Accounting |
| Ayres Associates | Engineering services |
| Chartwells | Restaurant & food service consultants |
| Wipfli Ullrich Bertelsen, LLP | Certified public accountant |
| Zorn Accounting | Certified public accountant |
| Triniteam, Inc | Management services |
| Precision Quality Systems LLP | Engineering services |
| Finley Engineering | Consulting engineer |
| SDS Architects, Inc. | Architectural engineering |
| WJ Bauman Associates | Accounting services |
| Consumer Opinion Center | Marketing consulting services |
| PESI | Construction management |
| KRM | Seminars |
| Maxim Technologies Inc. | Engineering services |
| HVP Design Inc | Mechanical engineering |
| Andre Fleming & Associates | Consulting engineer |
| Ruder Ware | Accounting |
| Virchow Krause & Company. LLC | Certified public accountant |

Regional Service and Distribution

As a regional center in west central Wisconsin, Eau Claire has a large number of regional service and distribution businesses including soft drink, food, beer, and liquor distribution; paper and box supplies; and automotive, truck, and trailer parts and supplies;

The retail sector in the US and State of Wisconsin accounts for approximately 12 percent of total employment; in Eau Claire County it is approximately 20 percent. Accounting for employment at the corporate headquarters of Menard's, the retail sector still represents approximately 15 percent of total employment, reflecting the role of Eau Claire as a regional center for retailing activities.

However, the retail sector is recognized as a low wage sector with limited benefits. Average annual pay in retail in the State of Wisconsin, and the US, is approximately 38 percent lower than "all industries." Average annual pay in the retail sector is only 15 percent lower than "all industries" in Eau Claire, again reflecting higher wage employment at the corporate headquarters of Menard's.

Corporate Headquarters

Corporate headquarters typically generate higher-paying jobs in the community and increase the demand for air transportation (private or commercial), advanced telecommunications and hospitality services. The corporate headquarters operations of several major Eau Claire firms are characterized as follows:

- Menard's, located in the nearby Town of Union, employs approximately 2,400 people locally and more than 25,000 nationally.
- DeRosa Development is involved with fast food restaurants and employs more than 200 people in Eau Claire.
- Presto Industries manages world-wide operations from their offices south of Melby Street in Eau Claire.
- Hardee's fast food restaurant is headquartered in Eau Claire.
- Market and Johnson is a construction company with 250 employees locally and over 350 throughout its operations.
- Ayers & Associates is a consulting engineering firm that employs 200 people locally.
- Silver Spring grows and processes horseradish.



Royal Credit Union, a major regional savings and lending institution, reaffirmed the importance of Downtown by locating its new headquarters there.

Business and Industrial Parks / Key Employment Locations

Three business or industrial parks are located in the City of Eau Claire – Chippewa Valley Industrial Park, SkyPark Industrial Center and Gateway Industrial Park. Other concentrations of employment include:

- Downtown and major employment centers adjacent to the Historic Waterfront District of Downtown, including Luther Midelfort Mayo Health Systems, Hospital, the Courthouse, and Banbury Place;
- The adjacent campuses of five major institutions: UW-Eau Claire, Chippewa Valley Technical College, Sacred Heart Hospital, Midelfort Clinic, and Marshfield Clinic;
- Oakwood Mall area; and
- South Point Shopping Center (former London Mall area).

Chippewa Valley Industrial Park

Chippewa Valley Industrial Park, developed privately in 1968, is located between the Chippewa Valley Regional Airport and US Highway 53 in the northeastern quadrant of the city. The park consists of 425 acres, with 10 acres available. The site is flat, with a sand and gravel base, and has full utility services. The park is home to approximately 65 heavy and light manufacturing operations.

Some older housing is located between Hastings Way and the industrial park, resulting in some truck traffic through the residential area to the residential area.

In 2014, the number of annual passengers at the Regional Airport was approximately 22,000. The forecast for year 2031 is 34,000. As of 2014, there were no regularly scheduled air cargo operations locally because most freight is trucked to or from the Twin Cities. Only, 6 to 10 cargo flights occur at the airport in a given year.

However, in the *Airport Master Plan*, two alternative sites were identified for development of air cargo operations in the long-term future. Both include cargo aircraft parking, a cargo processing facility and ground vehicle parking. Alternative 1 is north of the general aviation hangars adjacent to Taxiway A with access via Hogarth Street. Alternative 2 is south of the airfield with access from 10th Avenue and Airport Road. Alternative 1 was preferred in the master plan.

To achieve its full potential as a regional airport, and to manage traffic coming into the airport from the region, access will be provided from the new US 53 route via Melby Street. Regional traffic coming to Eau Claire via US 29 and I-94 is likely to use the new US 53 and Melby Street for quick and easy access to the airport.

SkyPark Industrial Center

SkyPark, a park designed for light manufacturing operations, is located adjacent to State Highway 37 less than 1 mile from an interchange with I-94. The 120-acre park currently has 40 acres remaining. Developed in 1982 by the City of Eau Claire, the park features protective covenants, sidewalks, curb and gutter, and street lighting. Sewer, storm sewer, water, electric, gas, and fiber optic services are available.

Gateway Industrial Park

Gateway West, the newest park in Eau Claire, was developed in 1990. It is located adjacent to US Highway 12 and State Highway 312, approximately two miles from the interchange with I-94. Gateway has water, sewer, storm sewer, electricity, fiber optic cable and natural gas services. It is owned by a private non-profit corporation created by the City of Eau Claire, Eau Claire Economic Development Corporation and Xcel Energy. The park consists of 740 acres of land; a total of 498 acres are undeveloped, with utility services to each parcel or nearby. See the park map on page 8-18.

In 2002, Gateway Industrial Park Corporation exercised its option to purchase from Eau Claire County 138 acres of land adjacent to the northeast corner of the Gateway Business Park. The Gateway Corporation also purchased the 160-acre Krause property located northeast of the intersection of County Line Road and County Highway T. The newly acquired 298 acres of land (which is part of the 498 acres of undeveloped land described above) has been incorporated into the Gateway Business Park and will be served with roads and infrastructure for future industrial use.

Banbury Place

Banbury Place is the former manufacturing complex of Uniroyal Goodrich tire company, which ended its operations in Eau Claire in 1990. These several large buildings have 2 million square feet of space, 100 businesses and 1,000 employees.



The resurrection and re-purposing of the 2 million square foot Banbury Place complex, the former Uniroyal Tire factory, is a success story that marked a turning point in the economic history of Eau Claire.

Downtown

Downtown serves as an employment center for government, legal and professional services, health care, arts and entertainment. Major new private development and public parks have occurred in both the North Barstow and the South Barstow Districts, and more is on the way. The vision for downtown includes a mix of government and business offices, arts and entertainment, independent retail and service businesses, medical offices, and additional housing.

Downtown is a government center – city, county, state, and federal offices are located there. Legal and other professional services are also concentrated downtown, some because of proximity to the courthouse and other government functions.

Downtown is home to 24 law offices and 72 other professional services, including 2 abstract and title companies, 2 appraisers, 8 property management and real estate development firms,

10 computer and internet companies, 4 financial institutions, and 14 insurance and investment service firms. There are also a number of personal services including dance studios, barbershops and beauty salons, and dry cleaners. Most businesses are locally owned and operated.

Downtown also serves as a focal point for arts and entertainment in the region. The Eau Claire Regional Arts Center features a renovated 1922 Art Deco style theater, an art gallery, and a two-story office complex. It is home to the Chippewa Valley Symphony Orchestra, the Chippewa Valley Theatre Guild, the Eau Claire Children's Theater, vocal groups, three dance organizations, and a number of private music instructors and other organizations. The L.E. Phillips Memorial Library hosts popular programs for all ages. There are 13 specialty retailers, nine restaurants, five taverns, four antique stores, and two bookstores.

Maintaining a vital downtown requires a dynamic mix of activities during the day and in the evening. Some facilities and services serve as critical anchor tenants – drawing additional businesses or activity. For example, many types of law offices find it convenient to locate close to courtrooms and information located in the courthouse. Restaurants benefit from a strong employee base over lunch, and people participating in cultural and recreational activities on evenings and weekends. Downtown housing can strengthen the customer base for some retail and service businesses.

Further description of Downtown is provided in the Downtown Assessment chapter of this plan.



Arts, culture and recreation are a growing component of the economic scene in Eau Claire and add to the quality of life, which helps attract and retain employees. Local financial programs and benefactors have supported this sector.

Institutional Campus Complex

The campuses of five major employers are adjacent to each other along the Chippewa River – the University of Wisconsin – Eau Claire, Chippewa Valley Technical College, Sacred Heart Hospital, Marshfield Clinic and Midelfort Clinic.

Approximately 20,000 students, employees, patients (in-patient and out-patient), and hospital visitors are in this area of approximately 55 city blocks on a daily basis during the school year. Of this number 3,738 are on-campus students and there are 95 to 135 in-patient beds occupied each night; this population may not be moving in and out of the area on a daily basis. However, at least 16,500 people move into and out of the adjacent campuses for work, school, or healthcare. There are also many service vehicles bringing in food and supplies.

Many of these facilities anticipate expansion over the near term, and the long term. A further description of this area is provided in the *Clairemont Avenue Medical and Educational District Plan*, City of Eau Claire, 2010.

Retail

Retail activity for the Eau Claire region is centered around the Oakwood Mall in the southeast corner of the city, near the intersection of US 53 and I-94. Oakwood has over 100 stores; anchor tenants include Marshall Field's, JC Penney, Scheels All Sports, Sears, and Younkers.

Commercial corridors along highways and major arterials include Hastings Way, the Highway 93 corridor, North Clairemont Avenue corridor, and areas along Madison, Birch or Harding Avenues.

Traditional, pedestrian oriented retail areas include the South Barstow District of downtown, Water Street near the University, and West Grand Avenue near the Courthouse.

Absorption of Business or Industrial Land

Since 1968, industrial land absorption in the community has totaled 1,275 acres, an average annual absorption of 17 acres. A total of 472 buildable acres remain with full services. Using a simplistic approach, this can be considered an inventory of 28 years. This assumes a continuation of historic absorption trends and does not take into account the size, location, or covenants associated with the available land.

A total of 596 acres of industrial land, serviced and unserved, is available. Assuming the historic absorption rate of 17 acres per year, the community has a 35-year inventory. However, there is a **shortage of land** with rail access and a shortage of land having only the basic level of design standards similar to Chippewa Valley Industrial Park in the northeastern part of the city.

Table 8-9: Summary of Industrial Park Absorption

| Industrial Park | Years Active | Total Acres | Acres Sold | Aver. Yearly Absorption | Acres Left | Est. Years Remaining |
|-----------------|--------------|-------------|------------|-------------------------|------------|----------------------|
| Chippewa Valley | 1968-2014 | 425 | 382 | 8 | 44 | 5 |
| SkyPark | 1982-2014 | 120 | 60 | 2 | 45 | 24 |
| Gateway | 1990-2014 | 730 | 337 | 14 | 507 | 36 |
| Total | 1968-2014 | 1,275 | 778 | 17 | 596 | 35 |



Gateway Industrial Park, located along County Highway T and north of Wisconsin Highway 312, has 498 available acres (the blue areas on this map) in a variety of parcel sizes. Municipal utilities are readily available.

Economic Development Roles and Responsibilities

City of Eau Claire Economic Development Division

The City of Eau Claire and its Economic Development Division participate actively in a full array of economic development functions, including:

- Site location assistance and preparation of proposals for prospective companies,
- One-stop assistance with permits, zoning, and utility issues,
- Ownership of SkyPark Industrial Center,
- Partner in Gateway Business Park,
- Business retention visits to existing industries (coordinated with Eau Claire Area Economic Development),
- External marketing activities in cooperation with county, regional, and state partners,
- Maintenance of a building and sites inventory for industrial and commercial properties as well as Downtown properties,
- Maintenance of a database of development related statistics,
- Management of several revolving loan funds,
- Management of Downtown Eau Claire, Inc. and the Clearwater Development Corporation,
- Management of the Eau Claire Area Redevelopment Authority,
- Participant and supporter of numerous development oriented community committees and organizations.

Eau Claire Area Economic Development Corporation

The Eau Claire Area Economic Development Corporation (EDC) is a private, nonprofit corporation that works for its members, government, and community groups to enhance economic development in Eau Claire County. The mission of the organization is “to create and maintain quality job opportunities in the Eau Claire Area. The Corporation will sustain and enhance a positive business climate by ensuring the training and development of a qualified workforce and by assisting existing business and industry, attracting new business and industry, and bringing into existence new job growth opportunities.” The organization receives approximately one third of its funding from Eau Claire County, a third from the City of Eau Claire and other municipalities, and a third from private business contributions.

The Eau Claire Area Economic Development Corporation offers a broad range of services including:

- Business retention visits to existing industries (coordinated with City of Eau Claire Economic Development Division)
- Management of revolving loan funds,
- External marketing activities in cooperation with city, regional, and state partners,
- Development of marketing materials, and
- Idea Challenge

Momentum West

Momentum West coordinates regional economic development efforts in Eau Claire, Dunn, Chippewa, St. Croix, Pepin, Barron, Polk and Rusk Counties. Momentum involves public and private sector representatives and focuses on statewide issues, marketing and regional initiatives.

Gateway Industrial Park Corporation

Gateway is a partnership involving the City of Eau Claire, the Eau Claire Area EDC and Xcel Energy. Gateway manages the Gateway Industrial Park.

Financial Assistance Programs

The City of Eau Claire, the Eau Claire Area EDC and other regional partners have secured or organized a comprehensive array of financing tools to support business expansion and attraction. A variety of state and federal programs are also available to support economic development projects.

Three financing tools are **targeted geographically within the City of Eau Claire**.

Tax Increment Financing

This statewide tool allows a City or an Economic Development Authority to use the increased property taxes resulting from development or redevelopment to pay the debt service on bonds sold to make the project feasible. In Eau Claire, the bond proceeds are only used to pay for new utilities or roads, except that in the downtown North Barstow redevelopment district this tool was used to reduce the cost of selling land to the redeveloper. Eau Claire uses tax increment financing more conservatively than most cities.

The following funds are targeted specifically to **technology-oriented businesses**.

Eau Claire Area Manufacturing Technology Implementation Fund

Provides loans up to \$15,000 to encourage companies to participate in a comprehensive Manufacturing Technology Assessment the recommended objectives.

The following funds are all available to **manufacturers** and some other sectors (as noted).

Eau Claire Economic Development Administration Revolving Loan Fund

Provides low interest loans for up to \$100,000 for manufacturers or service industries that create new jobs in the City of Eau Claire. Dislocated workers who start new businesses are also eligible.

Eau Claire Business Development Fund

Provides loans up to \$150,000 at a lower interest rate for commercial and industrial projects that create jobs in the City of Eau Claire.

Regional Business Fund

Provides these programs: Downtown Façade Loans, Micro Loans, Revolving Loan Fund and the Technology Enterprise Fund.

Competitive Strengths and Weaknesses of the Eau Claire Economy

A community's approach to economic development is based on its competitive strengths, weakness, opportunities and threats.

Strengths

- Crossroads location: I-94 Minneapolis to Chicago; US 53 Duluth to La Crosse; US 29 Minneapolis to Green Bay
- Location east of the Twin Cities – closer to markets; Wisconsin business climate
- High tech industry in Eau Claire and the Chippewa Valley
- UW- Eau Claire, CVTC as educational and work force development partners
- Strong regional health care center
- Insurance back office
- Stable, productive workforce
- High educational attainment
- Quality of life amenities
- Perceived as a good location to raise a family
- Good infrastructure
- Chippewa Valley Regional Airport
- Good business and industrial parks
- Capable economic development staff
- Banbury Place
- River, natural environment
- Historic downtown along the river
- Low cost of living

Weaknesses

- Low percentage of manufacturing employment
- Spousal employment options less than larger metro areas
- Lack of rail served industrial sites
- Industrial land currently available does not include a large site with municipal utility services
- Lower wage rates

Opportunities

- Build on existing industry clusters – high tech, plastics, metal manufacturing, food processing
- Improve access to quality of life amenities for prospective employees, visitors and new residents by enhancing trail system; access to water resources; and strengthening downtown as an entertainment and cultural center

Threats

- Loss of manufacturing employment due to competition from China and other low cost locations
- Aging and retirement of baby boom may create worker shortages unless younger workers are retained or attracted
- Paper industry vulnerable to significant international competition
- Loss of a major employer