



# DANE COUNTY

**Joe Parisi**  
County Executive

## **Dane County Jobs and Prosperity Project Summary**

### **Background**

In June of 2011, Dane County Executive Joe Parisi introduced a new initiative to review county government's existing capacity and services in the area of economic development. The "Dane County Jobs and Prosperity Project" also set out to explore what additional resources and areas of focus the county could explore to assist with the promotion of job creation and economic prosperity.

Through the summer, the County Executive hosted a series of summits with constituencies representing key economic sectors:

- High-tech and biotech
- Manufacturing
- Agriculture
- Health care
- Green energy
- Small business, minority businesses

These summits were hosted by prominent leaders in the business community including Mark Bugher, Director of the UW Research Park; Bill Haight, Founder and President of Magna Communications and Vice Chair of the Board of Directors for the Greater Madison Convention and Visitors Bureau; Pam Jahnke, Director, Wisconsin Farm Report; Jodi Glynn-Patrick, In Business Magazine and In Business Radio; Chuck McGinnis, Director of Strategic Projects for Johnson Controls, and Ray Allen, Editor of *The Madison Times*.

More than 300 people attended these summits and the summary of recommendations attached reflects their oral and written remarks from these hearings. Video of these summits is available at: [www.prosperitydane.org](http://www.prosperitydane.org)

Additional feedback was obtained through surveys completed by summit participants. This survey was also available through the summer on the [www.prosperitydane.org](http://www.prosperitydane.org) website.

In addition to the summits and surveys, the County Executive met individually with a number of local economic development leaders. They included: the regional director of the U.S. Housing and Urban Development Agency, representatives of the Workforce Development Board of South Central Wisconsin, the Chamber of Commerce, Thrive,

the Greater Madison Convention and Visitors Bureau, Madison College, the UW/Dane County Extension, the Wisconsin Women's Business Initiative Corporation and the Wisconsin Employment Manufacturing Partnership (WEMP).

Through his work on the "Dane County Jobs and Prosperity Project," the County Executive was named to a new board to help advance Thrive's new "Advance Now" multi-county regional economic development efforts.

### **Building Upon a Strong Foundation**

Dane County continues to experience an unemployment rate well below the state and national averages. According to the Department of Workforce Development, Dane County's August unemployment rate was 5.1%. That's the lowest of Wisconsin's 72 counties. Wisconsin's unemployment in August was 7.9% and the national rate was 9.1%.

The Department of Workforce Development reports Dane County's total workforce has increased 2.3% in the past year. 293,974 individuals are employed in 2011 compared to 287,292 the previous year.

Dane County's top 12 private and public sector employers are:

1. UW-Madison
2. Madison Metropolitan School District
3. EPIC Systems Corp.
4. American Family Mutual Insurance
5. UW Hospitals and Clinics
6. Wisconsin Department of Corrections
7. Wisconsin Department of Health Services
8. UW Medical Foundation/Health
9. City of Madison
10. SSM Health Care of Wisconsin, Inc.
11. Meriter Hospital
12. Dean Medical Center

August new housing starts were up over the same month a year ago and home sales increased from 416 in August of last year to 516 last month. Median home prices however have decreased 4.5%.

One significant unknown through the rest of 2011 and beyond is how changes in the state's collective bargaining law and how corresponding lower wages for thousands of Dane County families will affect these economic barometers. Reduced disposable income could result in delayed purchases and sluggish sales tax growth.

## The “Dane County Office of Jobs and Prosperity”

At the direction of the County Executive, the Dane County Department of Administration (DOA) has completed a review of existing economic development resources within county government. That review recommends creation of the “Dane County Office of Jobs and Prosperity” in 2012 and suggests a possible staffing organizational model. A copy of that DOA review is attached.

As proposed, the “Dane County Office of Jobs and Prosperity” will be tasked with coordinating the county’s economic development efforts including new business recruitment and retention, promoting policies to enhance job creation, managing the county’s revolving loan fund to assist businesses with low interest financing, and serving as a liaison between existing public and private sector economic development entities, among other job and business development duties. This includes identifying strategies to ensure the skills of the eligible workforce help meet the needs of employers as the economy continues to evolve.

The “Dane County Office of Jobs and Prosperity” will also help coordinate and be a liaison to existing initiatives in county government intended to help promote economic development. These include but aren’t limited to:

- The Institutional Food Market Coalition – created by Dane County to promote local foods and link local growers with institutional buyers in the market for vegetables, fruits, and commodities
- The Community Development Block Grant program – currently administered by the Dane County Department of Human Services to help promote opportunities for community and neighborhood revitalization
- The Early Childhood Initiative – currently administered by Human Services to help moms and dads in neighborhoods find jobs to help support their families
- Dane County/UW Extension – Financial Education Center
- Minority Business Outreach - - currently administered by Dane County Office of Equal Opportunity
- University of Wisconsin Small Business Development Center Answer Line – currently funded by Department of Planning & Development

Based on input from the “Jobs and Prosperity Project” summits and the survey offered by the County Executive to local business owners, economic development professionals, and citizens, it is recommended the new “Dane County Office of Jobs and Prosperity” focus on the following:

- **Clearinghouse of economic development resources:** The new office will serve as Dane County’s point of contact for and liaison between communities,

individuals, and businesses for economic development related matters. It will maintain an inventory of services available to prospective and existing businesses.

- **Enhanced coordination and collaboration:** Pull together existing economic development interests, business leaders, educators, investors, and local government officials to work to address identified challenges to job creation. These can include shortages in skilled labor, disconnects between educational opportunities and the needs of employees and employers, limited access to venture capital, and competition between municipalities for prospective new business development. This new office can serve as a liaison between Dane County's 61 cities, villages, and towns and identify ways to improve collaboration and better meet their individual economic development needs. It can also identify and facilitate conversations between employers in individual sectors regarding potential overlap of services, avoiding duplication, and promoting competition.
- **Job and business recruitment and retention:** Through networking, the new office will maintain current information on businesses that are thinking of expanding, downsizing, or relocating. This office will help with site location or relocation services for businesses looking to move to or expand within Dane County. It will assist in promotion of the county's high quality of life and pursue opportunities for new job and business development. Dane County's vast natural resources, parks, trails, culture, diverse community events and offerings were cited during the economic development summits as reasons why new businesses and jobs relocate here. Further focus on marketing and outreach of the county's quality of life will only enhance new job creation and strengthen the attraction of this area for new business ventures.
- **Dane Jobs First:** From local foods to green energy, Dane County is known for its diverse mix of "home-grown" business enterprises. 86% of Dane County Employers have ten or fewer employees. According to an analysis this summer by the Brookings Institution, the Dane County/Madison metropolitan area ranked 7<sup>th</sup> in the nation in the number of green jobs as a percentage of all jobs in the region. The report found there are 12,337 green jobs in Dane County (3.5% of the total workforce) and our green economy ranks 43<sup>rd</sup> among the 100 largest metro areas. The new "Dane County Office of Jobs and Prosperity" will link these local businesses with resources to help them navigate otherwise challenging hurdles including start-up, accounting, sales and production, hiring workers, and development of best business practices.
- **Advise county policymakers:** To ensure Dane County continues to be attractive to new jobs and businesses of all sizes, this new office can serve as an ombudsman between local businesses and county policymakers. It can provide feedback and advice on strategies to encourage a business friendly environment and answer questions on the potential effects of proposed new ordinances and regulations as they relate to job growth.

County Executive Parisi's 2012 budget proposes creation of the "Dane County Office of Jobs and Prosperity." The director of this new office will report directly to the County Executive. The office will be advised by a new commission consisting of members of the County Board of Supervisors, local economic development professionals including the Workforce Development Board, and representatives of various economic sectors reflecting the county's top employment sectors. The Commission will help advise the Director of the new office on work priorities. Consistent with other county commissions, appointments to this 11-member body will be made by the County Executive and confirmed by the Board of Supervisors.

/Attachment




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TRAVIS MYREN  
Director of Administration

September 26, 2011

TO: Joe Parisi  
Dane County Executive

FROM: Travis Myren   
Director of Administration

RE: Economic Development Organizational Options

In June, you initiated the *Dane County Jobs and Prosperity Project*. The goal of this Project is to ensure the County's continued economic prosperity by re-focusing efforts and ensuring that Dane County is doing everything it can to facilitate and promote economic development. As part of this project, you have actively gathered information on economic development needs and resources to determine the most appropriate and effective role for Dane County.

As part of the information gathering effort, you asked me to prepare a memorandum that defines the County's current organizational capacity in economic development related activities. This paper also offers options to refine and enhance the County's role by creating an organizational structure that is poised to most effectively add value to current efforts and ensure continued economic prosperity.

**Current Organizational Capacity**

The County's current efforts in economic development are organizationally located in the Department of Planning and Development, the Department of Human Services, UW-Extension, Department of Administration, and the County Executive's Office. Most of these efforts are now offered as discrete programs, so an opportunity may exist to offer them in a more comprehensive and coordinated fashion.

***Department of Planning and Development***

Economic development activities in the Department of Planning and Development primarily focus on business retention and expansion, sector development, and technical assistance to communities, organizations, and businesses. The specific responsibilities include:

- Administering two revolving loan funds funded through the Community Development Block grant. These loan funds are intended to stimulate new economic development and revitalize commercial development:

- The *Economic Development Revolving Loan Fund* provides financing to businesses that create jobs for low and moderate-income persons.
  - The *Commercial Revitalization Revolving Loan Fund* provides financing to businesses and real estate development projects that help revitalize downtown and commercial districts.
- Developing and providing resources and referral services to attract and retain businesses,
  - Facilitating business relocation and expansion by coordinating with other local governments,
  - Implementing projects under the direction of the Economic Development Committee, and
  - Coordinating a feasibility study to examine the viability of locating a fresh vegetable packing house in Dane County and a local fresh food market in the South Madison Area. These studies are funded through the Sustainable Communities Regional Planning Grant from the Department of Housing and Urban Development administered by the Capital Area Regional Planning Commission.

A Senior Economic Development Specialist (1.0 FTE) is responsible for administering the revolving loan funds and providing other technical assistance. This position is also serving as the lead staff person on the packing house study which is scheduled for completion in September and the local fresh food market study which has not been initiated. A Senior Planner in the Department also allocates a portion of her time to staff the Economic Development Committee and organize other informational resources. Finally, the 2011 Budget included \$30,000 to fund a Limited Term Employee to assist with the Department's economic development workload. Recruitment for this position has been suspended pending this analysis and a potential reorganization of resources.

Economic development work in the Department of Planning and Development is guided by the County's Economic Development Committee. The Committee is comprised of three County Board Supervisors and four citizen members. The Committee provides oversight on the implementation of the economic development chapter of the Dane County Comprehensive Plan and makes recommendations to the County Board and County Executive on policies and programs related to community and business economic development and agricultural enterprise. Separate committees are charged with evaluating and recommending loan awards to the CDBG Commission and the Dane County Board of Supervisors for the two revolving loan funds.

### ***Department of Human Services***

The Department of Human Services administers the Community Development Block Grant (CDBG) program and the Economic Assistance and Work Services Division. The Community Development Block Grant (CDBG) Program includes the Home Opportunities (HOME) Program, and the American Dream Down payment Initiative (ADDI).

Dane County receives approximately \$1.7 million annually in CDBG, HOME, and ADDI funds. These funds are used for housing, economic development, and community service initiatives for people with low to moderate incomes. Funds are awarded on a competitive basis and are available to municipalities as well as not-for-profit and for-profit entities. The funds are invested in community-based groups that create decent affordable housing, create suitable living environments, and expand economic opportunities. Examples of the proposed use of funds for 2011 include funding for home modification, down payment and closing cost assistance, home foreclosure counseling, acquisition and rehabilitation of affordable rental housing, microenterprise and small businesses assistance, home visitation services to low income expectant mothers and mothers with a child under the age of

one, and other services to promote family stability and self sufficiency such as eviction prevention, utility payments, food costs, and educational expenses.

The CDBG program is staffed by two full time CDBG Program Specialists. The program is supervised part time by a Senior Program Analyst/Manager who is also responsible for program analysis, evaluation, and performance management. Department of Human Services staff also provide administrative support to the program as well as contract compliance and legal services.

The 13-member Dane County Community Development Block Grant Commission provides oversight for the CDBG program. The Commission is charged with addressing policy issues related to housing and community development and with recommending eligible projects, activities, and contracts to the County Board of Supervisors and County Executive.

The Division of Economic Assistance and Work Services assists families and individuals in need of financial assistance and refers them to employment services. The Division offers a broad range of employment services for both job seekers and employers. Job seekers are offered job search services and other technical assistance such as resume reviews, interviewing workshops, and computer workshops intended to result in a successful job search. Employers have access to job fairs to seek well trained employees and are offered technical resources such as a labor law clinics to insure compliance with employment laws and regulations. The Division partners with several other agencies to fulfill its mission. These agencies include:

- *Employment and Training Association (EATA)* which provides work experience and dislocated worker services as well as youth employment services for education, career guidance, life skills, and job placement.
- *Madison College* which provides a wide range of customized instruction for area employers.
- *Tenant Resource Center* which promotes stable housing relationships through information and referrals, education about rental rights and responsibilities, and access to conflict resolution.
- *Wisconsin Division of Vocational Rehabilitation* which assists persons with disabilities to obtain, maintain and advance in employment.
- *Wisconsin Job Service* which provides a 'one-stop' service for employers to meet their workforce needs and job seekers to get the career planning, job placement and training services they need to get jobs.
- *Workforce Development Board of South Central Wisconsin (WDBSCW)* which serves as the grant recipient and administrative entity for the federal Workforce Investment Act (WIA). The agency plans, sets policy, and contracts with area organizations to operate workforce related programs to assist job seekers and area businesses.

### ***UW-Extension***

UW-Extension is responsible for general capacity building for economic development activities. The Department's capacity building work involves assisting local economic development leaders in understanding economic development options and approaches available to them. The Department works with local governments to facilitate decisions on economic development strategy, the structure of their local economic development organization and resources, and the community assets that are available to support economic development. Examples of recent activities include:



- *Village of Oregon* developing strategy and creating an economic development component of their new strategic plan
- *Village of Waunakee* evaluating perceptions among the business community of business climate and its impact upon economic development (business retention, expansion, and new business prospecting)
- *Village of Cambridge* planning around economic development and related work such as downtown revitalization, local government education, and market analysis

This capacity building work is accomplished by one full time Community and Economic Development Educator. The Department receives oversight by the UW-Extension Committee which is comprised of five County Board Supervisors. The Committee oversees the activities of the department and functions as the agriculture and extension education committee in accordance with statute.

### ***Department of Administration***

The Department of Administration houses the Director of Policy and Program Improvement. This position is responsible for many of the County's clean energy initiatives and has been assigned to develop a phosphorus trading program in cooperation with the Madison Metropolitan Sewerage District. The position has been instrumental in facilitating several clean energy economic development projects such as the community manure digester implementation, food waste digester feasibility study, and the energy efficiency and conservation block grant projects.

The position receives general supervision from the Director of Administration and policy direction from the County Executive. As part of the Department of Administration, legislative oversight is provided by the Personnel and Finance Committee and specific capital project oversight is provided by the Public Works and Transportation Committee.

### ***County Executive's Office***

The County Executive's Office oversees the Office of Equal Opportunity. Part of this Office's mission is to develop and administer community wide programs that enhance opportunities for minority persons, women, and people with disabilities in employment, housing, recreation, and economic development. Although the Office is now focused on issues related to equal employment, contract compliance, and disparities in the criminal justice system, the Office used to participate more actively in economic development outreach for minority and women owned businesses.

One of the economic development activities sponsored by the Office of Equal Opportunity was the Business Opportunity Forum. The Forum connected minority and women-owned businesses with government procurement officers and educated business owners on public purchasing policies and procedures. The Forum was a cooperative effort between Dane County, the Wisconsin Department of Commerce, the UW-Madison Small Business Development Center, MATC's Business Procurement Assistance Center, Wells Fargo Bank, Wisconsin Women's Business Initiative Corporation and community sponsors.

Part of the Director's position and part of the Contract Compliance Officer's position are formally allocated to economic development related activities. According to position descriptions, the Director of the Office of Equal Opportunity position should allocate 5% of time to working with community partners to increase employment opportunities, and the Contract Compliance Officer

position should allocate 30% of time providing outreach to potential targeted business enterprises and related programming activities.

The Office of Equal Opportunity reports to the County Executive but receives policy guidance from the Dane County Equal Opportunity Commission.

### **Recommendations to Create an Office of Economic Development**

The County's current economic development activity is dispersed among several different agencies. This dispersion, however, does not appear to hamper the performance of any single function. At the same time, these activities are not actively coordinated, and performance may be enhanced through the development of a centralized, comprehensive economic development strategy that guides these activities and defines successful outcomes. Therefore, creating a centralized economic development resource should emphasize collaboration and coordination rather than consolidation.

- 1. Create an Office of Economic Development within the County Executive's Office to create a comprehensive economic development strategy and coordinate the economic development activities of the County. Hire a Director of Economic Development to implement this charge.**

Economic development resources in Dane County would benefit from enhanced coordination. Creating an Office of Economic Development headed by an economic development professional would represent the County's initial effort in coordinating County resources. The Director will also work with economic development professionals and other local government professionals employed by various communities within the County to create a more strategic model. The Director will be responsible for defining the role of the office in a way that complements and enhances current activities.

The Director of Economic Development would be a new position reporting directly to the County Executive. The position would be a contract manager employed under the terms of an employment agreement. Based on market research and internal comparables, the starting salary for the position should be between \$80,000 and \$90,000. Based on a starting salary of \$85,000, the total cost of the position would be \$116,300.

The cost of this position and the operating costs of the new Office of Economic Development can be partially offset in the 2012 Budget by reallocating \$30,000 in LTE funds budgeted in the Department of Planning and Development. Funding that is allocated to the UW-Small Business Development Center and to the Chamber of Commerce should also be transferred to this Office.

- 2. Reallocate Planning and Development Resources to the Office of Economic Development**

The Senior Economic Development Specialist should be reallocated to the Office of Economic Development to provide professional staff support to the Director. The Office would then be responsible for administering two revolving loan funds intended to create jobs for low to moderate income individuals and to revitalize commercial economic activity. These tools represent the only financial incentives the County can leverage to help directly stimulate economic development. The Director will be responsible for marketing and

identifying grant opportunities while the Senior Economic Development Specialist will assist with the grant application process, monitoring, and reporting. The Office will continue to use an outside provider for underwriting purposes.

**3. Retain CDBG Programs and EAWS Programs in the Department of Human Services.**

The CDBG program and employment programs in the Division of Economic Assistance and Work Services are well integrated into the administrative structure of the Department of Human Services and complement the current array of services offered by the Department. These units should be retained in the Department. However, the Office of Economic Development must prioritize developing a closer and more direct relationship with employment service organizations such as the Workforce Development Board. These services need to be more closely aligned and integrated into the County's economic development strategy so that existing businesses have ready access to appropriately trained employees and potential employers view the workforce as a strategic asset of the community.

**4. Retain the Community and Economic Development Educator in UW-Extension but reallocate staff to the Institutional Food Market from the Department of Planning and Development to UW-Extension**

The mission of UW-Extension is educational and supportive. This supportive role should be maintained. However, the activities of the Institutional Food Market are also associated with the Department's role in educating growers about new market opportunities and helping them to achieve sustainable business models. The Institutional Food Market Coalition was created to expand market opportunities for Dane County food growers. The Coalition connects large volume institutional buyers, such as hospitals, universities, nursing homes, prisons, office parks and large businesses with local Wisconsin product and helps to identify and resolve obstacles to local sourcing. These functions would complement the Department's educational and supportive role.

The Coalition is staffed by a 0.8 FTE project position which would be reallocated to UW-Extension under the guidance of the Director. Policy guidance is provided by an advisory committee and the Dane County Food Council which is already organizationally aligned with UW-Extension. The County should also examine whether the other local food responsibilities such as the fresh vegetable packing house study and the local fresh food market study should also be transferred to UW-Extension in the context of the current status of those projects and the County's obligations under the Sustainable Communities grant.

**5. Retain the Director of Policy Implementation and Program Improvement in the Department of Administration**

The Director of Policy Implementation and Program Improvement should be retained in the Department of Administration. The phosphorus trading work will be starting in 2012 in cooperation with MMSD. Although this work will certainly improve quality of life indicators over time, it is not direct economic development work.

The position will also continue to assist with energy efficiency and clean energy projects that are coordinated through the Department of Administration.

- 6. Retain the Contract Compliance Officer in the Office of Economic Development but assign specific economic development responsibilities to the position to reflect an emphasis on promoting women and minority owned businesses in the County.**

The Contract Compliance Officer in the Office of Equal Opportunity should work closely with the Director of Economic Development to promote women and minority owned business opportunities. The Director of Economic Development will help in defining those specific areas of responsibility and may recommend a title change to reflect the position's new or enhanced duties.