



# Door County Legislative Days

## Facts Legislators Should Know About Door County...

We are proud of our county's natural beauty and its attraction for visitors and people seeking a quality place to live. However, there is a common misperception that Door County is mainly a wealthy group of residents, local governments and communities. Three points we'd like to make to dispel this misconception...

### ***Door County is a major collector and net exporter of revenues to state coffers.***

- The Wisconsin Department of Tourism reports that visitors and travelers in 2003 generated \$37 million dollars in State revenues, ranking Door County 7<sup>th</sup> statewide in contributions to state revenue.
- On a per capita basis, our contribution to state coffers from sales tax, fuel tax and other traveler expenditures put us second highest on the list of per-capita contributors statewide.

### ***Affordable housing is a major difficulty for the 29,000 year round residents of Door County due to high land values, property taxes and their inherent inequities, and the fact that our income levels are quite modest. Our bedrock geology is also an obstacle to housing development, complicating construction and limiting available space for housing.***

- Door County's median household income of \$38,800 is well below the state average, according to the 2000 census --- It is lower than Brown, Calumet, Kewaunee, Oconto and Manitowoc counties.
- The median value of an owner-occupied home in the county is \$121,000 --- higher than the statewide average, \$4,000 dollars higher than Brown County, \$11,000 dollars higher than Calumet County, and \$38,000 dollars higher than Kewaunee County.
- 22% of our rental households spend at least 35% of their income on rent. Door County ranks as the 19<sup>th</sup> highest county in the state for this category.

### ***Our population is graying more rapidly than our neighbors and the state. And it is not a broadly wealthy population cohort.***

- Our senior citizen population is growing at a rate higher than the state average, especially our over 85 population which grew at 18% from 1990 to 2000. This increases reliance on Medicare which burdens our health care system because it pays less than the cost of services provided.
- Door County works as hard as anyone to serve our growing senior citizen population. For every 1000 of our seniors, Door County provides more congregate meals on an annual basis than Brown, Calumet, Kewaunee, and Marinette Counties.

## **Legislative Agenda**

- *Sturgeon Bay Shipbuilding Cluster Plan Implementation*
- *Downtown Bridge Over Sturgeon Bay*
- *Public Sector Collective Bargaining Reform*
- *Specific State Budget Items:*
  - *Support proposal to help replace the Soo Locks*
  - *Refundable Technology, Enterprise and Development Zone Tax Credits*
  - *Support proposed increase for State Tourism Marketing*
- *K-12 Education Funding and Implementing the Speaker's Task Force Recommendations on the Wisconsin Technical College System*

## **Sturgeon Bay Shipbuilding Cluster Master Plan Implementation**

*The Citizens of Door County request that the State of Wisconsin:*

**Support the implementation of the various initiatives identified during the creation of the recently completed Sturgeon Bay Shipbuilding Cluster Master Plan.**

Specifically:

1. Passage by the Legislature of Governor Doyle's 2005-2007 biennial budget, which includes \$6 Million of new bonding authority for the Department of Transportation's Harbor Assistance Program for public improvements related to the construction of a new boat launch system;
2. State financial support of a shipyard worker training initiative;
3. Securing approval of an application to WHEDA for New Market Tax Credits for partial funding for implementing the Sturgeon Bay Shipbuilding Cluster Master Plan;
4. Support of the application by Palmer Johnson for a \$2 Million forgivable Community Development Block Grant for the completion of a new production facility;
5. Support of the application by the City of Sturgeon Bay for \$1.2 Million in Department of Transportation funds for eligible transportation improvements.

### **Background:**

In 2004, Door County Economic Development Corporation worked with the City of Sturgeon Bay, Wisconsin Department of Commerce, Bay Shipbuilding, Palmer Johnson Yachts and Boldt Technical Services to complete the Sturgeon Bay Shipbuilding Cluster Master Plan. The plan provides a blueprint for the future growth and expansion of the shipbuilding industry in Sturgeon Bay and specifically addresses the needs of Bay Shipbuilding and Palmer Johnson Yachts. The plan calls for substantial investment in equipment, infrastructure and building facilities, including upgrading the boat launch system both companies currently use with a new, state-of-the-art launch system.

The projected capital cost for the plan totals more than \$50 Million, for improvements such as dock walls, boat launch system, utilities, production facilities and parking. Phase I, expected to begin in mid-2005, totals \$29.35 Million and includes four projects: 1) a new 140,000 sq. ft. production facility for Palmer Johnson; 2) street and utility improvements; 3) a new boat launch system; 4) an aggressive workforce development initiative. The street and utility improvements are required to accommodate the proposed location for the new Palmer Johnson building.

Together, the two shipyard companies project that implementation of the Shipbuilding Cluster Master Plan will contribute to the creation of 600 new jobs within three years. Indirect employment by local suppliers would add another 390 jobs for a total economic impact of over \$90 Million. Shipbuilding dollars subsequently turn around more than four times in the area of the earned wage. In a rural county of fewer than 30,000 residents, that constitutes a significant economic impact.

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*Shipbuilding Master Plan, continued...*

Jobs in the modern shipyard require very specific skill sets and training. The proposed drastic increase in the number of available high-wage, high-skills jobs in Door County makes clear the need for a concerted effort to improve the skills of the existing workforce and to prepare the next generation of shipyard workers.

The proposed worker training project is a two-year, three-pronged approach to assist Bay Shipbuilding and Palmer Johnson fill the projected new jobs with well-trained local employees. The proposed employee training program would: 1) target high-school students through a youth apprenticeship program; 2) establish a pre-employment training program for new, postsecondary school hires by either company, and; 3) provide significant and appropriate levels of incumbent worker training.

The overall goal of the shipyard cluster project is to facilitate the retention and expansion of Bay Shipbuilding Company and Palmer Johnson Yachts in Sturgeon Bay. The recent growth and future opportunities presented by these two companies proves the potential to significantly grow the existing shipbuilding cluster in Sturgeon Bay and Wisconsin. This will help to ensure world-class workplaces that will continue to attract, retain and advance workers and provide high-quality jobs in Door County well into the future.

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**ISSUE: Construction of a new bridge in downtown Sturgeon Bay at the Maple Street to Oregon Street crossing prior to rehabilitating the Michigan Street Bridge**

*The citizens of Door County request that the State of Wisconsin:*

- **Construct a new bridge in downtown Sturgeon Bay prior to closing the Michigan Street Bridge for rehabilitation.**
- **Appropriate the necessary funding, in addition to any supplemental federal appropriations, to fund construction of a new bridge.**

**Why this issue is important to Sturgeon Bay/Door County:**

For more than 10 years the Wisconsin Department of Transportation has programmed the replacement of the Michigan Street Bridge. In 1997 the Wisconsin Department of Transportation executed an agreement with the City of Sturgeon Bay to construct a new bridge in Sturgeon Bay. The Wisconsin Department of Transportation has since changed its program and now plans to rehabilitate the Michigan Street Bridge commencing in 2006. Rehabilitation will result in a nine month closure of the downtown bay crossing. This proposed 9 month closure jeopardizes the commerce, public safety, health and welfare of Sturgeon Bay and Door County. Construction of a new bridge prior to the rehabilitation of the Michigan Street Bridge will eliminate these adverse impacts and satisfy Federal Highway Administration transportation standards needed to render the projects eligible for federal funding.

**Local Efforts:**

- As directed by WDOT, the City of Sturgeon Bay has identified its preferred bridge replacement option as a new bridge on the Maple to Oregon corridor.
- The City has pursued supplemental funding at the federal level. A substantial federal appropriation is anticipated.
- Various county-wide referenda were held in April 2005 yielding the following results:
  - A majority of voters support constructing a new bridge prior to WDOT rehabilitating the Michigan Street Bridge.
  - A majority of voters favor a new bridge rather than a rehabilitated Michigan Street Bridge.
  - A majority of voters support a bridge being built in Sturgeon Bay from Maple to Oregon.
  - A majority of voters do not support rehabilitation of the Michigan Street Bridge.

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*Bridge, continued...*

- A majority of voters do not support the historic designation of the Michigan Street Bridge.
- The City has obtained commitment from WDOT to own and maintain a new bridge, if built.

**Conclusion:**

The State of Wisconsin transportation studies conclude the City of Sturgeon Bay requires 4 lanes to satisfy federal transportation standards, and two 2 lane bridges best meet the transportation needs of the City. Meeting the federal standards allows the project to be federally funded. The current state program fails to meet transportation standards, renders the project ineligible for federal funding, jeopardizes the City and County with excessive downtime, and is locally unacceptable as indicated by the referenda results. Given that WDOT agrees that a second downtown bridge is needed, it makes sense to construct that bridge prior to closing the Michigan Street Bridge for repairs.

For Further information Contact:

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John "Jay" Krauss, City Administrator (920)746-2903

**ISSUE: Public Sector Employee Collective Bargaining Reform**

*The citizens of Door County request that the State of Wisconsin:*

**Reform public sector employee collective bargaining to empower local government (municipal, county, school districts) with the authority to maintain services and programs while contending with escalating costs of labor and fringe benefits.**

**Why this issue is important to Sturgeon Bay/Door County (and the State of Wisconsin):**

The majority of local government costs for service and program delivery are for labor/personnel and related fringe benefits. Collective bargaining laws in the State of Wisconsin do not adequately serve the interest of local government in controlling wage and fringe benefit costs, particularly in relation to local economic conditions. Wisconsin collective bargaining laws do not encourage government cost efficiency by precluding local government from freely privatizing existing services. Wisconsin collective bargaining laws are directly responsible for increases in city, county, and school district tax levies. Current collective bargaining laws constitute a system of unfunded wage and benefit mandates on local government and Wisconsin taxpayers.

**Proposed changes to collective bargaining laws and other statutes related to public sector employment:**

1. Require WERC arbitrators to give greatest weight to: *“The economic conditions in the jurisdiction of the municipal employer, and its financial ability to meet the costs of any proposed settlement...In considering the factor specified in this subdivision, the arbitrator or arbitration panel shall specifically consider the revenues available to the local government employer, including state shared revenue and any state law or directive issued by the state legislature which places limitations on expenditures that may be made or revenues that may be collected. The arbitrator or arbitration panel shall concede that an increase in property tax levy to support a final offer shall be the single greatest argument against acceptance of such offer.”*
2. Add a provision to allow employers the right to unilaterally convert health insurance to the “state plan” or to a “substantially similar” plan, as defined by the Commissioner of Insurance.
3. To increase efficiency or lessen service delivery costs, remove privatization as a mandatory subject of bargaining.
4. Mandate that all new public sector employees hired after January 1, 2006 pay the “employee” share of the required state retirement fund contributions.
5. Mandate the expansion of the Qualified Economic Offer (QEO) to all public employees and/or allow the development of a benefits only QEO.

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*Public Sector Collective Bargaining Reform, continued...*

6. Establish a uniform state-wide benefit plan for all new public sector employees hired after January 1, 2006 to be consistent with those benefits provided by the private sector. This uniform benefit plan should include vacation, holidays, sick leave accrual and payout at retirement, pension contributions, and all insurance coverages.

**Conclusion:**

Regardless of legislative consideration of TABOR or levy limits, the State of Wisconsin has not granted adequate authority to local government to manage the trends of labor and fringe benefit costs which directly impact tax levies and local program delivery. The State needs to correct the flaws of the current system and return authority to local government. Adoption of TABOR, levy limits, or other similar measures will magnify the need for such corresponding changes

For Further information Contact:

Dennis D. McIntosh, Mayor (920) 746-2903  
John "Jay" Krauss, City Administrator (920)746-2903  
Charlie Most, County Board Chair  
Robert Grimmer, Sturgeon Bay Schools Superintendent

**State Budget Item:**

**Support Soo Lock Replacement Project**

*The Citizens of Door County request that the State of Wisconsin:*

**Commit and allocate funding Wisconsin's share toward the Soo Replacement Lock Project, as all Great Lake States are being asked to do.**

Specifically:

- Passage by the Legislature of Wisconsin's share of the funding for the new lock, which is included in Governor Doyle's 2005-2007 biennial budget.

**Background:**

Since 1855, four Federally-built and –operated locks at Sault Ste. Marie, MI have connected Lake Superior to the lower Great Lakes and thus made possible the iron ore, coal and grain trades throughout the Great Lakes. Of these four locks, only one, the Poe Lock, can accommodate cargo vessels of 1,000 feet or more. These so-called Poe-class vessels now represent nearly 70% of carrying capacity on the Great Lakes.

Any lengthy closure of the Poe Lock would cripple Great Lakes shipping, as most vessels cannot use the other Soo Locks. Additionally, the movement of iron ore through the Soo Locks is crucial to the nation's defense capabilities.

The U.S. Army Corps of Engineers is planning to replace the smaller and antiquated Davis and Sabin Locks with one newer, larger lock similar to the Poe Lock. The Water Resources Development Act (WRDA) of 1986 authorized construction of this new lock that would provide an important backup for the existing Poe Lock. Construction of the new lock will employ labor and consume products and raw materials from the Great Lakes basin and then ensure cost-effective transportation of all cargos on the Great Lakes for decades to come.

The Great Lakes Commission (GLC) has developed an equitable payment format for the project's non-federal cost share. To date, four of the eight Great Lakes states (Michigan, Illinois, Pennsylvania and Indiana) have committed and provided their respective allotments. It is anticipated that Wisconsin will be responsible for approximately 11% of the non-federal share, roughly \$5.8 million. The Great Lakes Commission has presented to Wisconsin equitable and resourceful funding options that make this regionally significant project a very sensible and sound endeavor.

**Local Impact:**

The replacement of the antiquated Soo Locks with a new Poe-class lock directly affects Door County, as a large share of the Great Lakes shipping fleet were built and are now maintained by the Bay Shipbuilding Company in Sturgeon Bay. A shutdown of the Soo Locks for any reason would cripple Great Lakes shipping and have a detrimental effect on the customers of Bay Shipbuilding and would directly impact the company, making their facilities unavailable to their customers for maintenance and making that maintenance unneeded. Construction of the new lock will ensure that Bay Ship will not have to face this potentially crippling possibility.

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Bay Shipbuilding Company

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**State Budget Item:**

**Refundable Technology, Enterprise and Development Zone Tax Credits**

*The Citizens of Door County request that the State of Wisconsin:*

**Have the Legislature change the Wisconsin Technology, Enterprise and Community Development Zone programs by making the tax credits refundable to allow businesses to fully utilize the incentives offered by these programs.**

Specifically:

- That the state legislature approves LRB 2536/1, which will allow Department of Commerce tax credit Zone programs to be refundable for qualifying companies.

**Background:**

The purpose of the various Zone Programs is to encourage private investment and to improve both the quality and quantity of employment opportunities in the state, and to attract, promote and expand high technology in the state by providing tax credits to qualifying businesses. For many of these newer technology companies, they benefit from participating in the Zone Programs, yet they have little or no state tax liability. By making the Zone Program tax credits refundable, the State would demonstrate an even stronger pro-business climate in Wisconsin.

**Local Impact:**

1. Door County has actively participated in the Department of Commerce's various tax credit programs. The Sturgeon Bay Development Zone Program remains one of the most active and successful of the 22 such zones in Wisconsin, having awarded \$2.3 million in tax credits to 44 businesses creating over 645 jobs. In 2004, \$70,000 in income tax credits were approved for Bay Marine for the creation of 11 jobs in Sturgeon Bay. Also in 2004, Bay Shipbuilding Company, a division of the Manitowoc Company, received \$2 Million in Enterprise Zone tax credits for creating over 500 new jobs.
2. Door County is also an active member of the Northeast Wisconsin Regional Economic Partnership (NEWREP), which administers the Technology Zone program for the area. Since 2002, NEWREP has granted \$2.1 Million in tax credits to ten companies, leveraging \$107 Million in private capital and contributing to the creation of more than 425 new jobs.

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**State Budget Item:**

**Tourism Marketing for the State of Wisconsin**

*The Citizens of Door County request that the State of Wisconsin:*

**Adopt the proposed investment of an additional \$3.8 million in tourism marketing. This is one of the best investments the state can make. The return will be swift and will allow an industry that cannot be out-sourced or relocated to continue to grow and assist other economic development initiatives.**

**Background**

It is widely known that the travel and hospitality industry is important to Wisconsin's economy. It is the state's third largest industry. In Door County the travel and hospitality industry is the primary economic engine that influences far more than innkeepers and restaurant owners. The same attributes and attraction that drive approximately 2 million visitors a year to the county also contribute to the construction, medical, financial and service trades.

Thanks to Door County's vibrant travel and hospitality industry our county contributes more sales tax to the state's general fund than any other county with a similar population. The celebrity of Door County also brings attention to the state of Wisconsin just as the golf courses in Sheboygan County bring national and international attention to the state. In 2002 *Money Magazine* named Door County one of the top ten vacation destinations in North America. The county was the only destination in the Midwest to receive this high honor. Our world class arts community also receives similar honors regularly.

Door County's attractions, both natural and man made, assist in attracting manufacturers, telecommuters and retirees. The boom in vacation home construction and sales have provided a stable economy for many local entrepreneurs. Services of all types are needed by these non resident property owners and all sectors of our economy are benefiting from tourism.

The travel and hospitality industry, by its nature, provides tremendous entrepreneurial opportunities. Like many other Wisconsin vacation destinations, entrepreneurial opportunities for young people have given them the reason and means to remain and become an active member of the community. Perhaps no other industry provides such a range of entrepreneurial opportunities. It is far more feasible for a young person to open their own gift shop or restaurant than to begin their own manufacturing plant. These opportunities will continue to make Door County attractive to creative young people.

As regions throughout the country compete for new economic development they are acknowledging the importance of culture and recreation in attracting the kind of workforce that will attract employers. Door County's exceptional tourism product is an asset for Northeast Wisconsin's economic development initiatives. This same dynamic is happening throughout the state. These are the reasons it is imperative to invest in marketing Wisconsin's travel and hospitality industry.

For further information contact:  
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**Education Funding (K-12) and Implementing the Speaker's Task Force on the Wisconsin Technical College System**

*The Citizens of Door County request that the State of Wisconsin:*

**1) To strengthen our K-12 educational institutions in the following ways:**

- Support additional investment in Wisconsin's public schools to regain the two-thirds funding of Wisconsin's public schools under the equalized aid formula. Two of five Door County School districts would benefit from this.
- Support Rep. Bies' proposal to allow certain school districts that do not receive equalization aid to exceed mandated revenue limits with the approval of a majority of the residents present at the annual meeting. This proposal would benefit three Door County school districts.
- Support the Governor's proposal to increase state reimbursement for student home-to-school and return transportation greater than 12 miles.
- Transportation of students who live beyond two miles from school is a statutory requirement. Ninety percent of the students in four county school districts qualify for mandatory bussing.
- Support increasing the pupil enrollment factor of the revenue limit from a three year rolling average to a five year rolling average. This will help all school districts with declining student enrollment, including all Door County school districts.
- Create better statutory incentives for school districts to merge.
- Allow school districts to sub-contract for services as a strategy for managing decreasing revenues and increasing costs. Pass Assembly Bill 268 that would allow all municipal employers to contract for services without formal negotiation.

**2) Support the unanimous recommendations from the Speaker's Task Force on the Wisconsin Technical College System.**

Specifically:

- The Legislature and WTCS should work towards establishing a funding formula for the WTCS under which an equal share of funding is derived from each of the three funding sources: student tuition; property taxes levied by the local technical college districts; and state aid. The legislature should ensure that as tuition levels increase, financial aid is made available to ensure access to the WTCS. The Legislature should also consider whether the exemption from program fees for vocational adult courses for persons aged 62 years and older is appropriate.

Wisconsin Technical colleges are excellent schools. Unfortunately, state funding for these institutions has dropped by 8% since 1997, and that burden has been shifted to the property tax. In Door County this shift has created an even heavier burden on property owners. This requires urgent attention to implementing the Speaker's Task Force Recommendations on the WTCS.

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