

third annual

# *United St. Croix Valley Legislative Days*

A collaboration of Business, Industry, Civic, Education, and  
Government Leaders in Polk, St. Croix, and Pierce Counties

March 5-6, 2008

# St. Croix Valley At-a-Glance

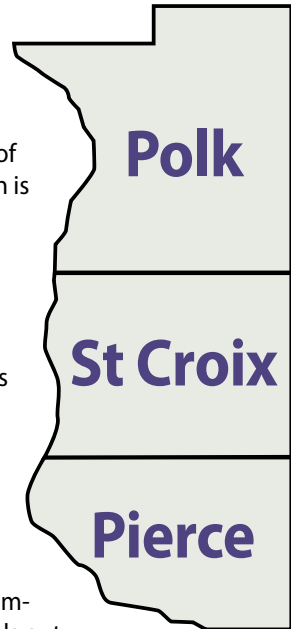
Polk, St. Croix and Pierce counties are strategically located along the Wisconsin-Minnesota border in west central Wisconsin.

Two of the three counties (St. Croix and Pierce) help comprise the 13-county Minneapolis-St. Paul MN-WI Core Based Statistical Area (CBSA). The population of the CBSA exceeds 3.1 million.

All three counties are among the state's leaders in population gains projected to the year 2025. Pierce County's population is forecast to increase 20.55% to 2025; Polk's is forecast at 23.78%, and St. Croix is the state's run-away leader with a forecasted increase of almost 60%. For reference, the population of Wisconsin is projected to increase by almost 17% to the year 2025.

The U.S. Census Bureau ranks St. Croix County as the 81st fastest-growing county in the United States (from April 1, 2000 to July 1, 2006). By percentage change from 2000-2006, St. Croix led all of Wisconsin's counties with a 26.7% increase and added an estimated 16,860 new residents. Based on new housing units added from April 1, 2000 to July 1, 2006, St. Croix is the 42nd fastest-growing county in America. St. Croix added 8,274 housing units for a 34.1% increase.

Residents of Polk, St. Croix, and Pierce are known as commuters. Almost 60% of Pierce County's workforce travels out of the county for a job. In St. Croix, the estimate is 51% and in Polk, the estimate is 33.3%. The most popular destination is the Twin Cities.



## *Why is United St. Croix Valley's legislative agenda important?*

*Assisting the St. Croix Valley with its 2008 agenda is mutually beneficial to the west central region and the entire state.*

# Schedule of Events

## *Wednesday, March 5, 2008*

- 6:00 a.m. Coach Bus departs Hudson Park and Ride Lot
- 6:30 a.m. Coach Bus picks up riders at The Coachman, Baldwin
- 10:00 a.m. Arrive at the Inn on the Park, Madison
- 10:30 a.m. Group Briefing Session, Capital Room East (Refreshments)

### *Issue Overview*

- Consolidation of State Tax Credits
- State Tax Exemption for Health Savings Accounts
- Media Access - FANS Legislation
- Long-term Funding Solutions for the West Central Freeway System, U.S. 8, and Transportation Feeder Systems
- Long-term Funding Solutions for the St. Croix River Crossing Project
- Long-term Funding Component for a Scientific and Research Park in the St. Croix River Valley

### *Breakout Session with Teams and Team Captains*

- 11:30 - 12:00 p.m. Appointments with Legislators or Legislative Aides
- 12:00 - 1:15 p.m. Lunch, Inn on the Park , Capital Room East  
Speaker - Commerce Secretary Jack L. Fischer, AIA (invited)  
*Sponsored by Xcel Energy*
- 1:15 - 1:30 p.m. Group Photo
- 1:30 - 3:30 p.m. Appointments with Legislators or Legislative Aides
- 3:30 - 4:30 p.m. Meeting: Governor Jim Doyle or Secretary Michael Morgan
- 4:30 - 5:00 p.m. Room check-in, Inn on the Park
- 5:00 - 7:00 p.m. Legislative Reception, Top of the Park, Inn on the Park  
*Sponsored by Wisconsin Indianhead Technical College*

## *Thursday, March 6, 2008*

- 7:00 - 8:30 a.m. Breakfast Buffet, Inn on the Park, Capital Room East  
*Sponsored by The RiverBank*
- 8:00 - 8:30 a.m. Speaker
- 9:00 - 10:30 a.m. Appointments with Legislators or Legislative Aides
- 10:30 a.m. Room check-out and load luggage on Coach Bus
- 11:00 a.m. Coach Bus departs Madison  
Box Lunch - *Sponsored by Lommen Abdo*
- 3:00 p.m. Arrive in Hudson



# Tax Credits

## *Consolidation of State Tax Credits:*

**Issue:** In August 2006, the Legislative Audit Bureau (LAB) issued a comprehensive analysis of the state's economic development programs. In the 2003-2005 biennium, state spending on economic development was estimated at \$152.8 million. Program spending included funding for (1) grants and loans; (2) direct program services and administrative costs; (3) bonding authorization; (4) loan guarantees; and (5) tax credits claimed by businesses.

LAB also identified 152 economic development programs in the state. The Department of Commerce is statutorily designated as Wisconsin's lead economic development agency. Seven other state agencies also administer economic development programs, including the Department of Agriculture, Trade and Consumer Protection (DATCP); Department of Natural Resources (DNR); Department of Tourism; Department of Transportation (DOT); Wisconsin Housing and Economic Development Authority (WHEDA); and Wisconsin Technical College System (WTCS).

Tax policies are an important component of the state's economic development efforts. Since 1988 businesses located in designated Development Zones have been eligible for income tax credits. Businesses can earn tax credits through five zones - Community Development, Development Opportunity, Enterprise Development, Technology, and Agriculture Development. Every part of the state is included in at least one type of Development Zone.

Policymakers have raised questions about the scope of Wisconsin's economic development programs. The large number of programs identified by the LAB raises concerns about the potential duplication of program services. Solutions for many programs, including Development Zones and tax credits, have been sought.

**Request:** United St. Croix Valley requests legislation that consolidates the income tax credits from the five Development Zones into a single category and expands eligible activities to include job creation, capital investment, and employee training.



# Health Care

## *State Tax Exemption - Health Savings Accounts:*

**Issue:** Health insurance costs are a major concern for Wisconsin businesses. Together, residents and businesses seek solutions to reduce the cost of health insurance. The inability to proactively find solutions means a further decline of employer-sponsored coverage.

Health savings accounts (HSAs) are tax-exempt accounts used to pay for defined medical expenses for employees who are covered under certain high deductible health plans. They became available on January 1, 2004 and are a popular choice across the U.S., including Wisconsin. HSAs afford employees a strong financial stake in their health care purchasing decisions, giving them incentives to aggressively manage their health care costs by becoming more active, engaged consumers of health care.

Health savings accounts are employee-owned and may be carried over – from year-to-year and from employer-to-employer. Withdrawals from health savings accounts are not subject to taxation if used to pay for qualifying medical expenses.

The U.S. Congress provided a federal tax exemption to HSA contributions and earnings. A state tax exemption in Wisconsin has not been established. Wisconsin is one of a dwindling number of states which subjects HSAs to state income tax. Continuing to tax these accounts only hurts the Wisconsin employees possessing them.

Wisconsin employers understand that attracting and retaining good employees mean they need to offer good healthcare benefits, or explore alternatives to traditional benefits.

Minnesota, Iowa, Michigan, and Illinois (Wisconsin's border states) allow a state tax exemption to HSA contributions and earnings. The lack of an exemption in Wisconsin puts border counties like Polk, St. Croix, and Pierce at a disadvantage to Minnesota companies that are candidates for expansion and relocation.

**Request:** United St. Croix Valley requests a state tax exemption for health savings accounts to mirror federal law.



## *West Central Freeway, U.S. Highway 8, and Transportation Feeder Systems:*

**Issue:** Interstate 94 from Hudson to Eau Claire carries an ever-growing number of vehicles. Rapid population growth has led to increased pressures on this vital corridor. Interstate 94 is faced with significant upgrades in the years ahead.

A few years ago, WisDOT designated I-94 between Hudson and Eau Claire as the West Central Freeway (WCF) System. This segment of the interstate was constructed about 50 years ago, and the pavement and bridges are nearing the end of their useful lives.

Portions of the WCF System already meet engineering standards to warrant proposed upgrades.

The entire segment of the WCF System will need to be completely replaced in the next 5 to 10 years. Current transportation budgets are not able to fund upgrades to the WCF System.

Like the WCF System, U.S. Highway 8 represents a vital corridor. U.S. 8 bisects Polk County and is a 2-lane rural roadway. It faces significant upgrades. A 46 mile segment of U.S. 8 in Polk and Barron counties was examined by WisDOT for improvements. Both WisDOT and the Federal Highway Administration approved Highway 8's Environmental Impact Statement. The project currently awaits funding.

While I-94 serves as the backbone of the WCF System, Highways 35, 65, 128, 53, 63 and 10 are major feeder routes. Upgrades to these highways are imminent.

**Request:** United St. Croix Valley supports long-term funding solutions for the West Central Freeway System, U.S. Highway 8, and major feeder routes like Highways 35, 65, 128, 25, 53 and 10 to ensure that upgrades occur in a timely manner.



## St. Croix River Crossing:

**Issue:** A new river crossing between St. Joseph (St. Croix County) Wisconsin and Stillwater-Oak Park Heights, Minnesota was first proposed in the 1970s. It is designed to replace an aging Lift Bridge that currently spans the St. Croix River, a federally-protected resource under the Wild and Scenic Rivers Act.

In 2002, a federal Executive Order created the Environmental Streamlining process. It requires top-level federal, state and local officials to complete difficult environmental and regulatory permitting reviews as quickly and thoroughly as possible. The St. Croix River Crossing project was one of seven projects from across the U.S. included in the first round of Environmental Streamlining reviews.

Nearly 30 Stakeholders engaged in a 3-year, facilitated process to examine alternatives and bring forth a recommendation on a new river crossing. The Stakeholder's work culminated in November 2006 with a Record of Decision from the U.S. Department of Transportation. The Record is a critical document that leads to funding from state transportation agencies and Federal Highway Administration.

The Record suggests that funding delays may postpone the start of construction on the river crossing to the year 2024. Stakeholders widely view this delay as unacceptable.

The facilitated Stakeholder Process was also designed to avoid litigation. In June 2007, the Sierra Club filed a lawsuit in U.S. District Court in an effort to stop the river crossing project, saying the project violates federal laws and policies that protect the St. Croix River. Of note, the Sierra Club was included as a Stakeholder in the Environmental Streamlining review.

**Request:** United St. Croix Valley supports long-term funding solutions for the St. Croix River Crossing project.

*The Lift Bridge connecting St. Joseph, Wisconsin in St. Croix County with Stillwater, Minnesota was built in 1931.*

*Traffic congestion, safety problems, and delays caused by the operation of the lift mechanism have spurred the discussion of a new river crossing. The estimated (congestion free) vehicle capacity of the Lift Bridge is 11,200 vehicles a day. A 2002 traffic study estimated 16,300 vehicles a day cross the bridge and this volume can exceed 19,000 on a summer weekend.*



Photo: Wikimedia



## *Media Access:*

**Issue:** The St. Croix Valley exists in a media void. Access to daily news from Wisconsin is a challenge for residents and businesses in the St. Croix Valley. The void exists for print, broadcast, and cable.

Disputes between cable companies and sports network channels mean premium channels like the NFL Network and Big 10 Network are not available to a large number of subscribers throughout the state, including Polk, St. Croix, and Pierce counties.

The cable companies and networks disagree on how the channels should be presented to subscribers. Cable companies want to offer the network packages on their sports tier at an additional charge to consumers, while the sports networks want their product carried on the cable companies' basic tier. This would make their programming available to a broader audience at little or no additional charge to consumers.

Assembly Bill 604 and Senate Bill 343, also known as the Fair Access to Networks (FAN) legislation, will establish a dispute resolution process to resolve the programming differences of cable companies and programming networks. A process involving independent arbitration establishes a fair way to end disputes so that consumers may enjoy better access to programs they desire.

**Request:** United St. Croix Valley supports Assembly Bill 604 and Senate Bill 343 (Fair Access to Networks legislation) as a way to improve the media void in the St. Croix Valley.



## *Research and Scientific Park:*

**Issue:** The St. Croix Valley is rich with talent and technology.

Institutions like UW-River Falls, Wisconsin Indianhead Technical College (WITC), and Chippewa Valley Technical College (CVTC) are major drivers of economic development and innovation.

Polk, St. Croix, and Pierce counties are part of the I-94 Corridor Technology Zone. This zone is one of the most active of the state's eight Technology Zones relative to high-tech companies earning state tax credits. The \$5 million pool of tax credits is nearly exhausted.

Polk, St. Croix, and Pierce counties are uniquely positioned along the Wisconsin-Minnesota border. Two of the three counties (St. Croix and Pierce) are included in the 13-county Minneapolis-St. Paul MN-WI Core Based Statistical Area (CBSA). The Twin Cities metro area is significant driver of talent, technology, and scientific innovation. The 13-county region consistently ranks near the top in studies of desired locations to live, work, and operate a business.

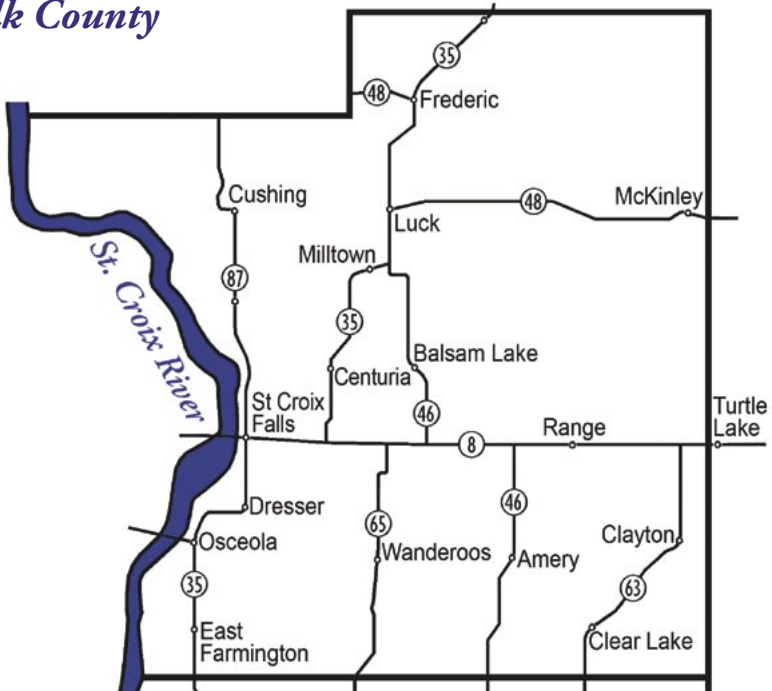
Retaining, expanding, and recruiting high-tech companies are important components of economic development strategies for Polk, St. Croix, and Pierce County EDCs. Jobs created by high-tech companies are highly compensated which raises the standard of living for the region and state.

Successful economic development is a public-private partnership. Both parties bring effective resources that result in expanding the tax base of towns, villages, cities, and regions. The NanoRite Innovation Center in Eau Claire is an excellent example of a public-private partnership. NanoRite will have a profound impact on nanotechnology in the Chippewa Valley for decades.

Public-private interests have aligned in the St. Croix Valley and a regional research-scientific park is desired.

**Request:** United St. Croix Valley requests a long-term funding component from the State of Wisconsin to assist with the creation of a public-private research-scientific park. This could include a Community Development Block Grant (CDBG) from the Department of Commerce and/or workforce development funds from the Department of Workforce Development.

# Polk County



**Median Age** (2006) 40.1 years

### Population

2000 Population	41,319
2007 Population	45,611
Numeric Change	4,292
Percent Change	10.4%
Projection to 2030	52,257

### Housing Units

2000	21,129
2007	24,303

### Civilian Labor Force

2000	24,178 persons
2006	23,478 persons

### Median Household Income Estimate

2000	\$42,938
2005	\$48,022 +11.8% from 2000-2005

### Top Public and Private Employers

Polaris Industries	St. Croix Regional Medical Center
Polk County	Osceola School District

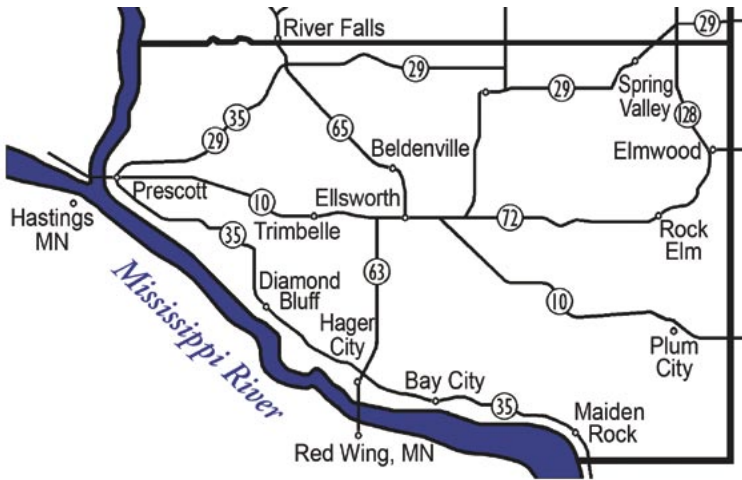
### Higher Education

Wisconsin Indianhead Technical College (WITC)

### Representation in Madison

- Senator Robert Jauch (25th Senate District)
- Representative Ann Hraychuck (28th Assembly District)
- Representative Mary Hubler (75th Assembly District)

# Pierce County



**Median Age** (2006)      33.9 years

### Population

2000 Population	36,804
2007 Population	40,235
Numeric Change	3,431
Percent Change	9.3%
Projection to 2030	45,850

### Housing Units

2000	13,493
2007	15,620

### Civilian Labor Force

2000	23,809 persons
2006	22,703 persons

### Median Household Income Estimate

2000	\$51,067
2005	\$54,796    +7.3% from 2000-2005

### Top Public and Private Employers

Thomas & Betts Corp.	Mentor Management, Inc.
UW-River Falls	River Falls School District

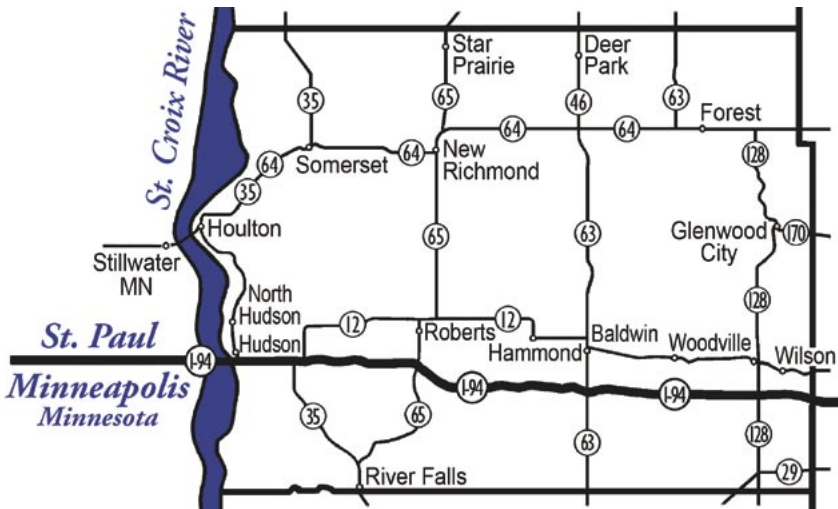
### Higher Education

- UW-River Falls
- Chippewa Valley Technical College (CVTC)

### Representation in Madison

- Senator Sheila Harsdorf (10th Senate District)
- Senator Kathleen Vinehout (31st Senate District)
- Representative John Murtha (29th Assembly District)
- Representative Kitty Rhoades (30th Assembly District)
- Representative Barbara Gronemus (91st Assembly District)
- Representative Jeff Smith (93rd Assembly District)

# St Croix County



**Median Age (2006)** 35.8 years

### Population

2000 Population	63,155
2007 Population	79,020
Numeric Change	15,865
Percent Change	25.1%
Projection to 2030	106,026

### Housing Units

2000	24,265
2007	33,098

### Civilian Labor Force

2000	40,587 persons
2006	45,658 persons

### Median Household Income Estimate

2000	\$57,921
2005	\$65,684 +13.4% from 2000-2005

### Top Public and Private Employers

Wal-Mart	Scientific Molding Corporation, Ltd.
Hudson School District	St. Croix County

### Higher Education

- Wisconsin Indianhead Technical College (WITC)
- Chippewa Valley Technical College (CVTC)

### Representation in Madison

- Senator Sheila Harsdorf (10th Senate District)
- Representative Ann Hraychuck (28th Assembly District)
- Representative John Murtha (29th Assembly District)
- Representative Kitty Rhoades (30th Assembly District)

# St. Croix Valley Resources



*The Gandy Dancer Trail is a county-operated, multi-use trail that crosses the Wisconsin-Minnesota border twice on its way from St. Croix Falls (Polk County) to Superior (Douglas County). Recreationalists use the trail to hike, bike (touring or mountain) ski, or snowmobile.*

*Photo: Jerry Boucher, Schoolhouse Productions.*



*Airports in Osceola (Polk County), New Richmond (St. Croix County), and Bay City (Pierce County) are exceptional resources for both personal and business aircraft. These airports play an important role in economic development successes in the St. Croix Valley.*



*The St. Croix River is a federally-protected resource. The river shapes the western borders of Polk, St. Croix, and Pierce counties. The St. Croix provides year-round recreational opportunities and brings tourism dollars, including ecotourism, to many communities.*



*The St. Croix Valley is home to many talented artisans. Their work is sold from studios that dot main streets throughout the region or at art fairs and community festivals.*

*Photo: Jerry Boucher, Schoolhouse Productions.*

## *United St. Croix Valley Contacts*



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