

Lac du Flambeau
Workforce Training & Business Development Center
Feasibility Study



October 2017

Acknowledgments

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Prepared with the assistance of the
North Central Wisconsin Regional Planning Commission (NCWRPC)

Executive Summary

The Lac du Flambeau Workforce Training & Business Development Center is a project intended to promote economic development in the area. The Center is envisioned as a one-stop site offering workforce training and support, as well as business development assistance. Specifically, the project aims to train area unemployed and underemployed for high demand high wage positions, and stimulate new business formation and expansion. The overall goal is to increase the area's economic activity.

The study's primary findings indicate that:

- Unemployment in the area exceeds state levels, especially among tribal members
- Construction and manufacturing have been identified as high skill, high wage sectors in demand
- Training for these professions is not readily available
- Business creation and expansion lag behind state and national levels
- The Center will increase overall economic activity in the area
- With tribal support the facility is financially viable

The Lac du Flambeau Workforce Training & Business Development Center will change the status quo, to broaden access to training and business development opportunities, and to ultimately stimulate the local economy and bring economic benefit to the Lac du Flambeau people and the area. This feasibility study indicates that the Center as outlined will be successful.

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Chapter One:

Concept

Introduction

The Lac du Flambeau Tribe of North Central Wisconsin has proposed the establishment of a Workforce Training & Business Development Center (Center). This project has been identified as critical for the long-term economic development growth of both Lac du Flambeau tribal members and area non-tribal members. The Center would be located in the reservation business park.

Specifically, the project aims to:

- Train area unemployed and underemployed for high demand high wage positions, and
- Stimulate new business formation and expansion, and
- Expand the overall economic strength of the area.

A. Background

The Center is envisioned as a one-stop facility offering workforce training and support, as well as business development assistance. In addition, Tribal services will be offered at the Center to help fully develop the trainees - although not part of the project, but some of the existing services already provided by the tribe. The Center and its programs are intended to give participants needed assistance to pursue their goals in employment and business creation and expansion while supporting traditional Tribal culture, to those that desire those efforts. The Center will also contribute to local and regional economic development efforts, working in partnership with regional, statewide and federal institutions, organizations and agencies.

Economic data demonstrate that the Lac du Flambeau residents are not benefitting from the recent state and federal economic growth. North Central Wisconsin has many assets upon which to strengthen and grow the local economy and increase employment. Unfortunately, in large part, the people living in the Lac du Flambeau area have not benefited from these opportunities. Data show disproportionately high rates of unemployment among Lac du Flambeau tribal members, as well non-tribal members. Overall Wisconsin lags behind the nation in business start-ups.

Construction and manufacturing have been identified as high skill, high wage sectors in demand. Strategic efforts by communities and institutions within the region can contribute to the growth of these sectors; currently there is a growing need for skilled workers particularly in the construction trades. The region must transition from reliance on past economic activities related to forestry. Jobs in that field have continued to decline in number and have been

replaced by jobs in service industries and most of these service sector jobs do not pay well. Residents need to transition and take advantage of training or fall even further behind.

Additionally, residents of reservation communities are not as likely to pursue higher education, which means residents take lower-paying positions with less growth potential. One result of this situation is that those who do find a steady job often remain in it for many years without advancement, or learning new skills. Tribal members are less mobile as well. Many need reliable transportation to travel long distances. Local entrepreneurs and business owners are not responding to opportunities as they could; workers are not able or are not motivated to consider training and advancement.

The purpose of the Lac du Flambeau Workforce Training & Business Development Center is to change the status quo, to broaden access to training and business development opportunities, and to ultimately stimulate the local economy and bring economic benefit to the Lac du Flambeau people and the area.

B. Tribal History

The Lac du Flambeau Tribe came to the area in 1745 led by Chief Kiishkemun, settling along the western shoreline of Flambeau Lake at the beginning of Bear River. Traditionally, the Tribe lived by cultivating corn and squash, hunting and fishing, and harvesting wild rice. The Tribe's name, Lac du Flambeau, means "Lake of Torches," originating from the French trappers who saw the Ojibwe Indians spearing fish by torchlight at night when they explored the area.

The Town of Lac du Flambeau is located in the southwest corner of Vilas County in northern Wisconsin. One-seventh of the Town's 82,000 acres is a part of the Chequamegon National Forest, mainly owned by the U.S. Forest Service. The Treaties of 1837 and 1842 established the reservation which extends into the Town of Sherman, Iron County as well. The Tribe was officially established on May 8, 1937, when the Tribal members ratified the Corporate Charter of the Lac du Flambeau Band of Lake Superior Chippewa Indians of the Lac du Flambeau Reservation of Wisconsin.

There were five federally run Indian Boarding schools in the state of Wisconsin, with one in Lac du Flambeau. The boarding school in Lac du Flambeau opened in 1895 and children from Red Cliff, Bad River, Potawatomi and Menominee communities attended, as well as Lac du Flambeau. In 1932, the boarding school became a day school until 1940 when the tribe gained control of the school. The majority of these schools did not close until the late 1980s.

The Mikwendaagoziwag Heritage Center is now located in the former Bureau of Indian Affairs Government-sponsored boarding school boys' dormitory. In the early 1900s, Tribal children were involuntarily immersed in European-American culture in an attempt by the federal government to assimilate the Tribe. Today the site is the home of the Lac du Flambeau Historic Preservation Office, which was established for the purpose of protecting and regulating cultural

and historical resources in Lac du Flambeau. The office is responsible for the implementation of the Tribal Code, Chapter 66, and the National Historic Presentation Act as outlined in the Memorandum of Agreement between the Tribe and the National Park Service. Additionally, the office issues “permits to proceed” with ground disturbing activities, such as construction, for Tribal members after the required cultural resource review.

As of 2008, 52 percent of the reservation land in the Town is held in trust or is tribally owned for Tribal housing needs and economic development pursuits. The remaining 48 percent of land is “fee land,” which is privately owned by individuals, most of which are not Tribal members. There are approximately 3,500 total residents in the Town and about half are Tribal members.

Natural resources present in Lac du Flambeau include a vast number of lakes and expansive woodlands. Over a third of the land is woodlands dominated by aspen, paper birch, and balsam fir trees. Primarily a rural area, the historical economy was based on logging. By the early 1990s, the Northwoods area became a tourist designation for Wisconsin families and those from the Chicago area. While tourism plays a major role in the economy today, the Lac du Flambeau government, including its enterprises, is the largest employer in Vilas County. Tribal enterprises include the Lake of Torches Resort and Casino. Revenues generated by the casino operations go to the Tribe and directly benefit the economic and social development of the community.

The Tribe has been dedicated to preserving its cultural heritage and history. The Midewiwin Society is the keeper of oral history, songs, events, geometry and mathematics which were recorded on birch bark scrolls. Many other cultural artifacts are exhibited at the George W. Brown, Jr. Ojibwe Museum & Cultural Center, which is operated by the Tribe. The museum opened in 1989 and visitors come to take classes, interact with exhibits, participate in cultural programming, or use the collection and archives for research. The Ojibwe Museum recently received a grant from the National Endowments for the Humanities to create a working plan to assess the current facility and systems and its capacity to protect the historical collection.

The Lac du Flambeau tribe has been hosting pow-wow celebrations with traditional dance and storytelling at the Indian Bowl every summer since 1951. For over sixty years, the Indian Bowl has been a renowned cultural attraction, even hosting President Dwight Eisenhower and wife in 1965. The Indian Bowl has had a significant economic impact on the community as well, providing supplemental income to families. Over the years the elements have taken their toll on the area and ground was broken in 2016 to build a new Indian Bowl. This 1.6 million dollar project is scheduled to be completed in July of 2017.

There are also a number of health and human services in the community. The Abinoojiyag Center, or youth center, provides a gathering place for community youth after school and on weekends. The center offers a number of activities geared towards cultural heritage, arts and crafts, nutrition education, and recreation as positive alternatives for youths in order to reduce alcohol, tobacco and other drug use and criminal behavior.

The Educational Department coordinates programs for higher education as well as workforce development within the community. Heavily student services orientated, the Educational Department provides guidance to tribal members applying for higher education tribal grant funding and the job placement training program. They also provide career counseling for tribal members and work with local educational institutions, such as Nicolet Technical College, to provide educational programs on the reservation, greatly increasing the ability of tribal members to access the courses.

The Peter Christensen Health Center is located within the reservation. This clinic provides a number of medical services including family medicine, dental, optometry, oral surgery, pharmacy, physical rehabilitation, and radiology. The Family Resource Center is a part of the health center and offers mental health services and an Alcohol and other Drug Abuse (AODA) program.

Responding to the nationwide drug epidemic, Gookomis Endaad, meaning “Your Grandmother’s House” in Ojibwe, was founded in 2014. This is a 20-bed, co-ed community based residential facility located in Lac du Flambeau for in-patient drug and alcohol treatment, as well as mental health and other psychological challenges. Situated on the shores of Pokegama Lake on 40 acres forest-land, the program offers modern chemical dependency clinical interventions and is centered on the culturally specific needs of Native Americans. The program is 90 days, with the options for extensions. The intervention program focuses on holistic healing and a wide variety of approaches and incorporates cultural activities to reintegrate the patient back into the community. The facility was made possible through a tribal-state partnership with the Department of Health Services, and in consultation with the Department of Children and Families and the Department of Corrections.

C. Demographics

The following section details the Town’s demographics, including population trends, projects, educational attainment, incomes, poverty, and resident employment data. The demographic information came from the U.S. Census, the 2015 American Community Survey and the Wisconsin Department of Administration (WDOA) Demographic Service Center. The Town of Lac du Flambeau and the Lac du Flambeau Band of Lake Superior Chippewa (known as the Tribe) share jurisdiction within the Town boundaries. The U.S. Census provides information for all residents within the Town (Tribal and non-Tribal), and Tribal residents within the Reservation that extends outside of the Town. Ethnicity was used for reference to separate the two groups of Town residents for some data sets. The WDOA only has total Town resident projections. Even if U.S. Census data could be separated, there is no way to isolate Tribal and non-Tribal residents among WDOA projection data.

The Wisconsin Department of Administration estimated the Town’s 2016 population as 3,468. This includes 1,905 native Lac du Flambeau tribal members. This is a .1% increase since 2010, meaning that there has been little growth since the recent economic recession. This has been

typical for many small communities in Wisconsin. The Town has grown well above the state average over the past fifteen years. Between 2000 and 2015, the Town of Lac du Flambeau's population increased by about 14.4 %; see **Table 1**.

Vilas County has grown much slower than the State with respective growth rates of 1.5% and 7.1% over the last 15 years. Since 2010, the county population has virtually held steady, declining just 0.3%.

Table 1: Population Trends

	1990	2000	2010	2015	% Change 1990-2000	% Change 2000-2010	% Change 2000-2015	% Change 1990-2010
Town of Lac du Flambeau	2,433	3,004	3,441	3,437	23.5%	14.5%	14.4%	41.4%
Vilas County	17,707	2,1033	21,430	21,355	18.8%	1.9%	1.5%	21.0%
Wisconsin	4,891,769	5,363,675	5,686,986	5,742,117	9.6%	6.0%	7.1%	16.3%

Source: WDOA and 2015 ACS

Population projections in **Table 2** show the Town of Lac du Flambeau growing a total of 22.7% over the next 20-year period between 2010-2030. By 2030, the WDOA projected the population would be 4,295. Vilas County is projected to grow 13.8%, which is faster than the state, which is projected to grow 12.1%.

Table 2: Population Projections

	2010 Census	2020 Projection	2025 Projection	2030 Projection	2035 Projection	2040 Projection
Town of Lac du Flambeau	3,441	3,750	4,015	4,225	4,295	4,295
Vilas County	21,430	22,535	23,645	24,395	24,305	23,890
Wisconsin	5,686,986	6,005,080	6,203,850	6,375,910	6,476,270	6,491,635

Source: 2013 WDOA

Household Trends and Forecasts

In 2015, the 3,437 residents of the Town of Lac du Flambeau formed 1,695 households. This is 55 more households than projected by the Wisconsin DOA in the year 2030. These calculations by the DOA were based on the 2010 Census average household size in the Town. In 2010, the U.S. Census Bureau calculated that the average household size in Lac du Flambeau to be 2.71, which was comparatively high to both the County and the State. At the same time, the American Community Survey estimated that the average household size was 2.23 in 2010 and 2.02 in 2015. Assuming that the average household size remains steady and the American Community Survey is correct, the number of households in 2030 will be closer to 2,100 in Lac du Flambeau.

Table 3: Household Projections

	2010 Census	2020 Projection	2025 Projection	2030 Projection	2035 Projection	2040 Projection
Town of Lac du Flambeau	1,269	1,429	1,544	1,640	1,686	1,709
Vilas County	9,658	10,469	11,069	11,512	11,575	11,517
Wisconsin	2,279,768	2,491,982	2,600,538	2,697,884	2,764,498	2,790,322
Source: WDOA						

Age Distribution

In 2015, the median age of Lac du Flambeau's population was 48.5 years. At that time, residents of the County had a higher median age (52.6 years). Both the Town and the County had populations older than the State (39.0 years) as a whole. The Town of Lac du Flambeau had almost the same proportion of population in the working age (18-64) class as the County but almost 9 percentage points lower than the State. The percentage of children aged < 5 and 5-17, was about the same for the Town and State. The Town had a much higher percentage of the population that was 65 and older when compared to the State, more than 10 points. **Table 4** displays the age distribution comparisons.

Since 2000, the median age of the population in the Town increased by 13.1 years. Meanwhile, the County only increased by 6.8 year and State increased by just 3 years. In 2000, the Town's median age was lower than both the County and the State. In 2015, the Town's median age was 9.5 years above the State, but 4.1 years lower than the County. The proportion of working age (18-64) population increased slightly for the Town and the state between 2000 and 2015. During the same time period, the proportion of the population aged <5 years and 5 to 17 generally decreased across all communities. The proportion of the retirement age (65+) population increased in Lac du Flambeau and across the County at a rate significantly higher than the State

Table 4: Age Distribution 2000 to 2010

		Percent of Population				Median Age
		<5	5 - 17	18 - 64	65 +	
Town of Lac du Flambeau	2000	7.09%	22.74%	53.40%	16.78%	35.4
	2010	6.80%	19.20%	56.60%	17.40%	42.6
	2015	5.80%	15.30%	53.50%	25.40%	48.5
Vilas County	2000	4.26%	16.39%	56.57%	22.78%	45.8
	2010	3.80%	13.80%	57.50%	24.90%	49.8
	2015	3.80%	13.20%	54.80%	28.20%	52.6
Wisconsin	2000	6.38%	19.14%	61.38%	13.10%	36.0
	2010	6.30%	17.50%	62.80%	13.40%	38.1
	2015	6.00%	16.80%	62.40%	14.80%	39.0

Source: U.S. Census and 2015 ACS

Figure 1 displays the population pyramid for the Town, a snap shot of the combined Tribal and non-Tribal population in 2015. Unlike 2000, the retirement age population was larger than those under the age of 18.

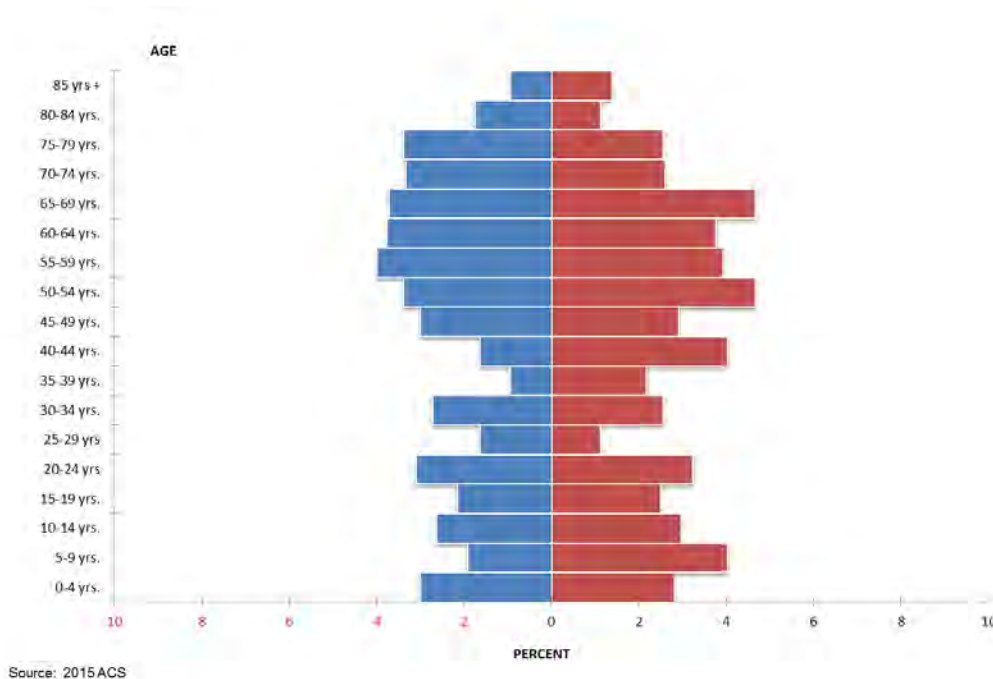


Figure 1: Town Residents Population Pyramid, 2015

Figure 2 represents the non-Native American population that lives within the town boundaries. This population pyramid shows that the largest groups of people residing in town are older. Very few younger people reside in town.

Figure 2: Non-Tribal Residents Population Pyramid, 2015

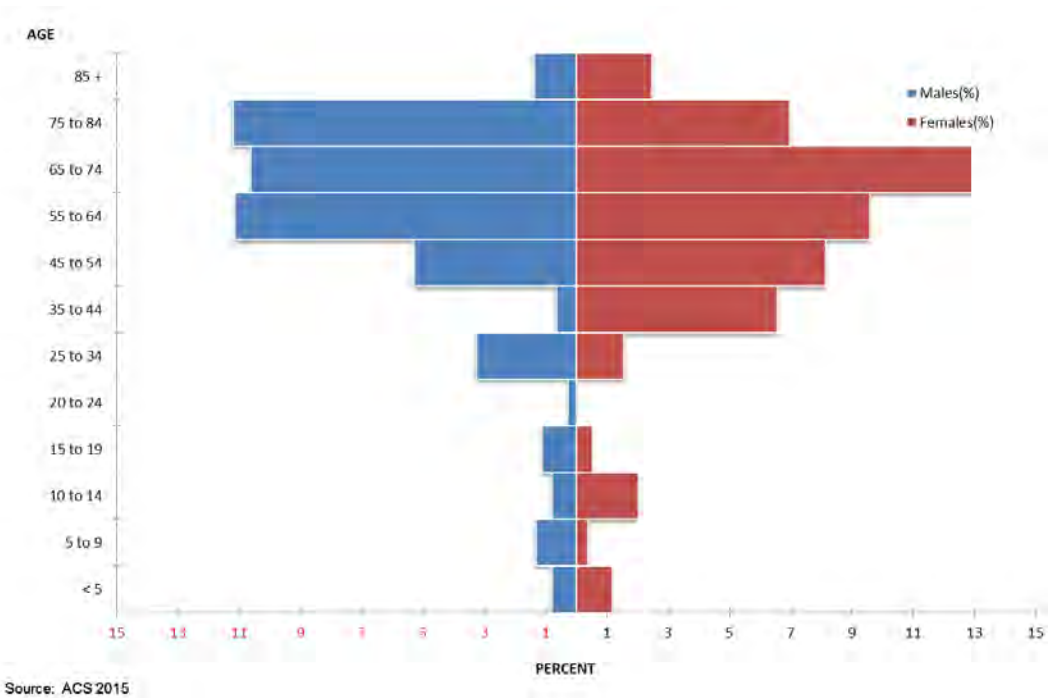
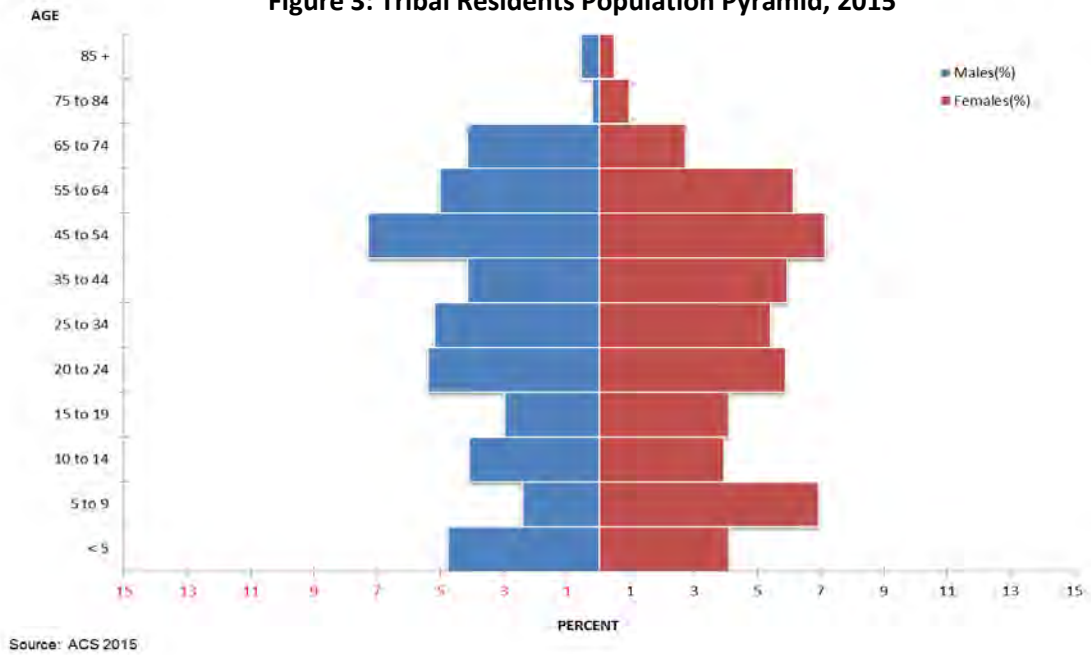


Figure 3 represents the Native American population that lives within the Town boundaries. This population pyramid shows that many young families exist, and are having children to replace the naturally declining older population.

Figure 3: Tribal Residents Population Pyramid, 2015



Education Levels

The educational attainment level of persons within a community is often an indicator of the overall income, job availability and wellbeing of a community. In 2000, about 81.2% of the Town of Lac du Flambeau's population age 25 and over were high school graduates, compared to 85.5% in the County and 85.1% in the State. By 2015, high school graduation had increased to 91.0% in the Town, 92.5% in the County, and 91.0% in the state. See **Table 5** for details.

Table 5: Education Levels

	Town of Lac Du Flambeau			Vilas County			State of Wisconsin		
	2000	2010	2015	2000	2010	2015	2000	2010	2015
Total Persons 25 & Over	1,906	2,409	2,463	15,667	16,814	16,520	3,094,226	3,739,243	3,873,119
Less than 9th Grade	2.6%	3.3%	1.3%	3.9%	2.0%	0.9%	9.5%	3.7%	3.1%
9-12 Grade / No Diploma	16.2%	6.7%	10.0%	10.7%	6.3%	6.6%	11.9%	6.9%	5.8%
High School Diploma	36.2%	34.1%	29.8%	39.8%	35.2%	31.4%	37.1%	34.0%	32.0%
College / No Degree	25.4%	24.5%	25.4%	21.6%	23.7%	26.3%	16.7%	20.6%	21.1%
Associate Degree	4.6%	8.3%	6.4%	6.5%	7.8%	8.8%	7.1%	9.0%	10.1%
Bachelor Degree	10.2%	15.9%	16.4%	12.6%	17.3%	16.7%	12.1%	17.1%	18.4%
Graduate/Professional Degree	4.8%	7.3%	10.7%	4.9%	7.7%	9.3%	5.6%	8.6%	9.4%

Source: U.S. Census and 2015 ACS

Table 6 displays educational attainments of different races, as defined by the U.S. Census, for Tribal and non-Tribal residents within the Town of Lac du Flambeau. Non-Tribal races include: White, Black, and Asian. Tribal races include: American Indian, and two multi-race categories that included American Indian as one of the races.

In 2015, about 95.2% of non-Tribal residents and 79.8% of Tribal residents had at least a high school diploma. Since 2000, the percentage of Tribal residents with at least a high school degree increased by over ten percentage points by 2015. Non-Tribal residents held more bachelor degrees (42.2%) than Tribal residents (6.9%).

Table 6: Non-Tribal & Tribal Education Levels, 2015

Town of Lac Du Flambeau	Non-Tribal		Tribal	
	Number of People	Percentage of Non- Tribal	Number of People	Percentage of Non- Tribal
Total Persons 25 & Over	1,336	100%	1,055	100%
Less than high school diploma	67	4.8%	213	20.2%
High school graduate (includes equivalency)	372	26.4%	362	34.3%
Some college or associate's degree	375	26.6%	407	38.6%
Bachelor's degree or higher	594	42.2%	73	6.9%

Income Levels

In 2000, the median household income for the Town was 10.1% lower than the County, and 30.7% lower than the state. On a per capita basis, the income of Lac du Flambeau's residents was 17% less than that of the County, and about 28.6% lower than the state in 2000. However, the Town had made substantial progress in closing these gaps from 1900 to 2000.

Between 2000 and 2015, Town of Lac du Flambeau's median household income grew about 4%, while the county grew 22%, widening the gap again to 23% between the Town and the County. On a per capita basis, Lac du Flambeau's income grew 56.8%, but continues to trail the state by 16%, see Table 7.

		Median Household Income	Per Capita Income
2000	Town of Lac du Flambeau	\$ 30,349	\$ 15,176
	Vilas County	\$ 33,759	\$ 18,361
	State Wisconsin	\$ 43,791	\$ 21,271
2010	Town of Lac du Flambeau	\$ 39,875	\$ 23,258
	Vilas County	\$ 41,631	\$ 27,128
	State of Wisconsin	\$ 51,598	\$ 26,624
2015	Town of Lac du Flambeau	\$ 31,596	\$ 23,802
	Vilas County	\$ 41,061	\$ 26,304
	State of Wisconsin	\$ 53,357	\$ 28,340

Source: U.S. Census and 2015 ACS

Table 8 shows the year 2015 income levels for each race within the Town of Lac du Flambeau as provided by the U.S. Census. Generally, non-Tribal members (non-native) include the following races as shown below: White, Black, and Asian. There is no median household income for the Black race or "other" race in Town, because no one in those races is householder.

	Non-Native				Native	
	White*	Black*	Asian*	AIAN*	Other Race*	Two or more*
Median Household Income	\$ 45,500	-	\$ 46,548	\$ 17,950	-	\$ 24,583
Per Capita Income	\$ 38,445	-	\$ 54,649	\$ 10,876	-	\$ 10,986

Source: 2015 ACS

*White=White Alone Householder

*Black=Black or African American Alone Householder

*AIAN=American Indian and Alaska Native Alone Householder

*Asian=Asian Alone Householder

*Other Race=Some Other Race Alone Householder

*Two or more=Two of More Races Householder

Poverty

In 2015, 31.4 percent of residents in Lac du Flambeau Town were under the federal poverty level. This was substantially higher than the county poverty rate of 14.4 percent and the state rate of 13.0 percent. In the Town, 53.4 percent of children under the age of 18 were living under the federal poverty level while only 6.9 percent of adults 65 years or older experienced poverty in 2015.

Labor Force

The labor force participation rate is the number of residents that are either employed or are actively searching for a job as a percentage of the total population 16 and older. A high labor force participation rate is an indicator of community economic success. In 2015, the labor force participation rate was 51.2 percent, a drop of five percentage points from 2000. Among non-tribal residents, the labor force participation rate was 42.3 percent and among tribal residents, it was 60.5 percent in 2015. The differences in participation rates can be contributed to the differences in working aged adults in the two populations. The labor force participation rate was 67.9 percent and 53.6 percent for the State and Vilas County respectively. Since 2000, the state's rate has declined by 1.2 points while Vilas County has declined 3.7 points.

In 2015, the unemployment rate was 16.5 percent, according to the American Community Survey, part of the U.S. Census. Among tribal residents, the unemployment rate was about 27 percent while among non-tribal residents the unemployment rate was 3.1 percent, however, among persons aged 20 to 64 the rate is over 16 percent. Another population with high unemployment rates is persons with children under the age of 6; this group has a rate of over 22 percent unemployed. Meanwhile, the state unemployed rate was 6.3 percent while it was 8.0 percent in Vilas County. This is an area with an untapped labor force.

Table 9: Lac du Flambeau Residential Workers by Industry

Industry	Count	%
Civilian employed population 16 years and over	1,198	100%
Agriculture, forestry, fishing & hunting, & mining	24	2.0%
Construction	94	7.8%
Manufacturing	106	8.8%
Wholesale trade	20	1.7%
Retail trade	97	8.1%
Transportation and warehousing, and utilities	36	3.0%
Information	7	0.6%
Finance and insurance, and real estate and rental and leasing	32	2.7%
Professional, scientific, and management, and administrative and waste management services	58	4.8%
Educational services, and health care and social assistance	304	25.4%
Arts, entertainment, and recreation, and accommodation and food services	277	23.1%
Other services, except public administration	22	1.8%
Public administration	121	10.1%

The largest industry employer for Town residents was the Educational, Health Care, and Social Assistance industry. This was followed by the Arts, Entertainment, and Recreation, and Accommodation and Food Services industry. The third largest industry employer was the Public Administration industry.

The average commute time for residents was 15.5 minutes. The majority of residents drove to work (82.7%), while 5.1 percent walked, 1.3 percent biked, and 5.7 worked from home. 2.2 percent of residents used “other means”. About 65 percent of residents worked within the Town and 29 percent worked outside of the county.

Chapter Two:

Need

Introduction

Northern Wisconsin has for decades lagged behind the state and nation in job growth and incomes. Multiple short-term programs have come and gone, but the reality is that there continues to be high rates of unemployment, persistent low income levels, and high poverty rates. As the rest of Wisconsin and the nation recover from the latest recession this area continues to be depressed. There are opportunities, but there has been no long-term strategy developed to counter these economic realities. The Workforce Training and Business Development Center intends to change that. This chapter identifies the need for this project.

A. Need for the Project

The purpose of the Lac du Flambeau Workforce Training and Business Development Center is to broaden access to workforce training and business development opportunities, and to ultimately stimulate the local economy and bring economic benefit to the Lac du Flambeau area. Both tribal members and non-tribal people need help to succeed.

Unemployment and poverty levels highlight the need for this project. As identified earlier, in Lac du Flambeau, 49.1 percent of American Indians live in poverty. Employment opportunities are key to rising out of poverty. Without a good paying job, it is difficult to save, buy a home, and build wealth. For example, 51% of American Indian households in Lac du Flambeau were renters, compared to 7 percent of the households self-identified as white. Unfortunately, poverty is a barrier to employment in itself while unemployment only exacerbates poverty.

The project objectives are to both increase the employability and mobility of people living on and near the reservation, and to stimulate new business development. While the ultimate goal is to bring more money into the local community through increasing the number of people employed, higher wage jobs, as well as to increase the internal circulation of dollars to support local businesses.

B. Barriers to Native People's Employment

Nationally, in recent years, Native American peoples across the United States have increased their economic prosperity and well-being. They have gained more control over their local resources, becoming players in the energy sector, and are utilizing ingenuity, developing opportunities, and their cultural traditions to develop economic prosperity in their communities. Gaming enterprises have helped change the economic circumstances of many Tribes across Wisconsin.

Nonetheless, more progress is needed. More than one in four American Indians and Alaska Natives, or 28.3 percent, lived in poverty in 2015 and their poverty further inhibits them when finding gainful employment. As President Obama once remarked, “The painful legacy of discrimination means that . . . Native Americans are far more likely to suffer from a lack of opportunity-higher unemployment [and] poverty rates.”

American Indians have the lowest labor force participation rate of all race and ethnicity groups, at 58.6 percent compared to 63.7 percent for the general population in the United States. Their unemployment rate is 14.7 percent, 6.4 points higher than the national average in 2015. In Lac du Flambeau these trends are similar. The unemployment rate among tribal members was 26.5 percent in 2015, which is significantly higher than Wisconsin and national American Indian rates of unemployment. High unemployment rates can be contributed to a number of issues that American Indians face on reservations as well as regional economies, including the lack of jobs on reservations, transportation issues, lower educational achievement, the absence of broadband, higher rates of disability, poor healthcare outcomes, substance abuse, and discrimination.

Given the depressed economies on many reservations due to high rates of poverty, many reservations are only able to support a few businesses and jobs. Most of the jobs are with the Tribal governments. However, as is the case in Lac du Flambeau, the wages from these jobs do not guarantee a middle class income. Many of the tribal government and casino jobs pay hourly wages around \$10 per hour. Tribal members often have to leave the reservation in search of employment. This needs to change.

Transportation and weather issues can sometimes be an issue to employment and to educational training. This is especially true for rural reservations that do not have access to public transportation and generally live further from job centers. Lack of transportation can also impede potential students from completing their field of study. Those American Indians that live closer to urbanized areas are more likely to be employed and have more access to educational opportunities. Even the lack of financial institutions on reservations can inhibit tribal members from obtaining a car loan, among other financial services. In Lac du Flambeau 13.3 percent of households have no vehicle present, compared to 4.7 percent for the county. There is a limited transit system available; however, rides are available only within the reservation itself and to a shopping center in Minocqua.

American Indians generally have lower rates of educational attainment and therefore can lack basic reading and math skills sought by employers. This barrier can lead to lack of employment as well as low wages for those who find work. While 13.3 percent of the general American population have only attained less than a high school education or equivalency, 21.9 percent of the American Indians and Alaskan Natives have attained less than a high school education or equivalency, while 30.0 percent of the general public have earned a Bachelor’s degree or higher, only 14.1 percent of American Indians and Alaska Natives have advanced educational degrees. In

Lac du Flambeau, over 20 percent of the Tribal population has less than a high school education; while only 6.9 percent of the Tribe has a bachelor's degree or higher.

Lower education levels among American Indians could partially be due to distrust of non-tribal educational institutions contributed to the history of Indian boarding schools, run by the Bureau of Indian Affairs. Starting in the nineteenth century, the federal government forced Native American parents to send their child to boarding schools where students were subjected to assimilation with European-American culture. Students were forced to reject their cultural heritage and forbidden to speak in their native languages. Reports later found that there were many documented cases of sexual, mental, physical and mental abuse occurring at these schools.

Native Americans also suffer from a digital divide. According to the 2012 National Congress of American Indians, broadband is only available on 10 percent of reservations. Furthermore, according to Native Public Media, when internet is available, it is more expensive on reservations than average American prices. Considering that many of the job postings have moved online, this puts anyone without internet access at a significant disadvantage in the job market. Ashley Maki stated that there were issues about using the computer lab at the library because of the lack of reliable internet service in the area. Lack of internet is one of the major issues limiting economic growth in the area.

Additionally, Native American population reports higher rates of disabilities compared to every other racial group, at 16.5 percent, compared to 12.4 percent for the general public. Only 40.5 percent of the population with a disability is in the labor force, compared to 63.7 percent for the general public. This is often compounded by relatively poor healthcare outcomes on reservations due to lower rates of insurance and fewer contacts with healthcare professionals on the reservations.

Substance abuse is another factor that the American Indian population is struggling to address. According to the Substance Abuse and Mental Health Services Administration, in 2013, among persons aged 12 or older, the rate of substance dependence or abuse was higher among American Indians or Alaska Natives than any other population group. While substance abuse lowers the likelihood of employment, unfortunately higher rate of unemployment increases the likelihood of substance abuse, creating a cycle.

However, even when demographic factors such as age, sex, education levels, marital status, and state of residence are taken into account, Native Americans are 31 percent less likely to be employed when compared to whites. This may be due to discrimination towards Native Americans when they are applying to jobs or felt in the workplace. Research has been done on discrimination of minorities in the workforce, and native people are likely to face similar challenges.

In order to be effective in serving these functions, the Center will need to fill the gap in the existing array of workforce development programs and institutions in the area. While there are

many similar institutions in the area, the fact remains that the people living in Lac du Flambeau are not fully taking advantage of these opportunities; the focus of the work will be to bridge that gap.

Unemployment is high in the area, but there are available jobs. The problem is the lack of workforce training and business development. If those areas are addressed, change can happen and the economic well-being of the area will improve. The goal of the Center is to produce skilled labor, which will decrease unemployment and increase incomes, which will reduce poverty rates. In addition, new business starts will utilize newly trained labor force.

Chapter Three:

Alternatives

Introduction

As part of this feasibility study we examine other options or alternatives for workforce training and business development in the area. These other alternatives will impact the operation of the proposed Lac du Flambeau Workforce and Business Development Center.

A. Existing Programs

Northern Wisconsin is served by a number of higher education institutions, some of which do offer training programs. There are also two institutions that have a presence on Lac du Flambeau reservation, but they are focused on higher education (associates and bachelor's degrees) or programs in industries such as healthcare or business management which require a high school diploma. Many of those degrees do not help when most of the tribal residents want to work in the area. Many of those jobs do not exist, but the trades are in high demand locally, as well as manufacturing positions. The apprenticeship programs in the area have been geared towards youth, and do not address the unemployment issue for the larger general population. The Center will provide trade skills that do not require high school diploma.

Training programs in the trades are relatively remote from the reservation. Traveling 40 miles or more for training can be a barrier, particularly for Tribal members, due to lack of transportation and inclement weather. Because of this reason, some educational institutions have opened satellite campuses on the reservation, but again the focus is on higher education, not workforce training or business development. Some local community leaders have observed that the field of studies offered at these institutions is unlikely to lead to a job for local graduates because of the lack of demand for those graduates in the area.

Education

Lac Courte Oreilles Ojibwa Community College

The Lac Courte Oreilles Ojibwa Community College is a non-profit Ojibwa tribal community college located in Hayward Wisconsin about 90 miles west of Lac du Flambeau. Its mission is to provide Anishinaabe communities with post-secondary and continuing education while advancing the language, culture and history of the Ojibwa. The college offers associates degrees and one-year certificates, and is an HLC Accredited institution. Each student takes courses in education (writing, math, science, etc.), as well as at least one course in Native American

Studies, and courses in their chosen degree path. While the main campus is located outside of Hayward, Wisconsin, there are three satellite sites, including Lac du Flambeau.

Academic programs include accounting, agriculture and natural resources, small business management and administration, a carpentry certificate, certified nursing assistant, early childhood education, human services, liberal arts, Native American Art Certificate, Native American Studies, Nursing, Personal Care Worker Certificate, Pre-Nursing, and a Road Construction Certificate.

Nicolet Area Technical College

Located 40 miles away, in Rhinelander, the Nicolet Area Technical College is one of 16 colleges in the Wisconsin Technical College System. There were 1,648 students enrolled in the 2015-2016 school year, 20 percent of which were full-time students. 41 percent of enrollees are 25 years and older.

The technical college offers over 60 different associate degrees, technical diplomas, certificates and apprenticeship programs, and University Transfer Liberal Arts program, as well as continuing education courses. Technical diplomas are programs that prepare students to enter, remain or advance in a skilled craft or semi-skilled job. Apprenticeships include carpentry, electrical and instrumentation, pipefitting, and plumbing. The college also has a number of technical labs, including automotive, welding, healthcare, graphic design, electromechanical, industrial, mechanical, and culinary for hands on learning. These are very limited to the number of students admitted and all require a high school diploma.

The Nicolet Area Technical College operates a Basic Education Learning Center in Lac du Flambeau. Residents may take classes including college preparation classes to help bring them up academically so they can be successful in college-level classes, skills in reading, writing, and math, as well as GED and HSED attainment. The Nicolet College-Lac du Flambeau partnership also provides community members with a convenient opportunity to take classes on a range of subjects, such as business management and natural resources. This tribal partnership strives to offer at least 6 credits of college classes per semester, and eventually plans to increase that number to 12.

The partnership has been successful in increasing the number of associate's degrees on the reservation and then facilitating the transfer of students to traditional, four year institutions, such as a college within the UW-System. The Federal Reserve Bank of Minneapolis even took notice, calling the Nicolet classroom at Lac du Flambeau "an effective workforce development

strategy” in 2012¹. In 2011, the Lac du Flambeau tribe was honored with the Nicolet College Foundation Friends and Partners Award for the tribe’s longstanding dedication to promoting education. Based, in part, on the success of this program for education, the Center looks to duplicate for training. To do so a facility needs to be available.

University of Wisconsin-Marathon County

A part of the University of Wisconsin Colleges, UW-Marathon County is a two-year campus. It is located in downtown Wausau, Wisconsin, over 80 miles away from the Lac du Flambeau reservation. The college enrolls about 1,000 students on average and allows students to earn an associate’s degree as well as select University of Wisconsin Bachelor’s degrees.

University of Wisconsin-Stevens Point

The University of Stevens Point is the nearest public university to Lac du Flambeau. Located over 110 miles away from the reservation, the university is a traditional four year institution and houses graduate and professional programs as well. The university offers 120 undergraduate program choices with 48 majors and 78 minors. The university partners with the Peter Christensen Health Center in Lac du Flambeau for health care administration majors as an experiential learning site.

State Programs

Job Centers

Wisconsin Job Centers help people look for work and offer workshops in job-search techniques like resume writing and interviewing. Many sites offer business services to help employers hire, retain and train workers. Most services are offered on a walk-in basis including assistance with job search, job referral, placement, access to training, and supportive community resources. Re-employment services to Unemployment Insurance benefit claimants; and recruitment services for employers with job openings are available. Assessments may be conducted to test qualifications for some federally funded programs.

On-site resources often include phones, internet access, and resume writing and job search computers. Specialists for veterans, vocational rehabilitation, dislocated workers, older workers, and business services are often available via appointment. The center also facilitates the Wisconsin Youth Apprenticeship program. Wisconsin's Youth Apprenticeship program is a

¹ Wascalus, Jacob. "Spanning the spectrum of Native workforce development." *Federal Reserve Bank of Minneapolis*. July 1, 2012. <https://www.minneapolisfed.org/publications/community-dividend/spanning-the-spectrum-of-native-workforce-development> (accessed April 4, 2017).

part of a statewide School-to-Work initiative. It is designed for high school students who want hands on learning in an occupational area at a worksite along with classroom instruction. This one or two year elective program combines academic and technical instruction with mentored on-the-job learning.

The nearest comprehensive center is located in Wausau, over 80 miles away. There is a limited service Job Center in Rhinelander, which is about 40 miles away. There they have computers to search open positions and prepare resumes. Some limited other services are available at this location.

Federal Programs

Bureau of Apprenticeship Training

The Bureau of Apprenticeship Training is a program sponsored by the United States Department of Labor, Employment and Training Administration. The program collects and lists apprenticeship programs by State and county, listing occupations available. Employers, employer associations or partnerships between employers and labor unions sponsor and operate these programs on a voluntary basis for individuals.

The apprenticeship training model has two essential pieces: a structured plan for on-the-job training under the supervision of a skilled mentor, and “related instruction”, which includes education provided on the job, through distance learning or on-campus at an educational institution. For many fields, there are standard curricula to prepare the participant to qualify for State-license in the field. An apprenticeship is a great way to teach jobs skills, in part because participants earn wages while they are learning.

Many apprenticeship programs focus on the construction trades, but they can also be developed for other industries such as utilities, law enforcement, childcare and manufacturing. An apprenticeship can be somewhat complicated to set up, because employer involvement is required but there are many benefits to this approach. Apprenticeships provide many opportunities for an employer to get to know a prospective employee and to ensure the employee is well trained in the prospective field. For the employee, by doing well in the apprenticeship he or she gains marketable skills and ideally, secures permanent employment following the completion of the apprenticeship.

Youth Build was a program that operated until recently in the area. However, federal funding for that program has ended. There was some success with this program and this effort is also, in part, building upon that past success.

Job Corps

Job Corps was a free education and vocational training program run by the U.S. Department of Labor and authorized by the Workforce Investment Act (WIA). The program was established in 1964 and has been training young people ages 16 through 24 since its inception. Run through a nationwide network of campuses, Job Corps teaches academic, vocational, employability and independent living skills. There are 122 Job Corps center campuses located throughout the U. S. operated for the U.S. Department of Labor by private companies or by other Federal Agencies. The closest Job corps center is the Blackwell Job Corps Center, located in Laona, about 50 miles away.

TrANS

Transportation Alliance for New Solutions, or TrANS, is program that helps to fulfill entry-level laborer positions for construction contractors by preparing Wisconsin's untapped workforce with the skills needed to contribute to the transportation construction industry as laborers and apprentices. TrANS has partnered with the Lac du Flambeau tribe to provide an industry awareness class at the reservation that includes physical conditioning, hands on projects, certified flagging, construction math, laborers terminology, OSHA-10, CDL temps training, map reading, and resume development.

Workforce Investment Act Program

The WIA Program, which was formerly known as the Job Training Partnership Act (JTPA) Program, provides on-the-job training referrals for adults, and a summer youth employment program for eligible, unemployed Native Americans who meet the Federal poverty level income guidelines. The program also administers a tribal youth worker program, which does not have income guidelines.

HUBZone

The Lac du Flambeau recently submitted an application to the Small Business Administration (SBA) for designation as a Historically Underutilized Business Zone (HUBZone). The program was created to encourage economic development in historically underutilized business zones.

SBA provides certification to businesses which in turn are eligible to receive HUBZone contracts. SBA maintains a listing of qualified HUBZone small businesses that federal agencies can use to locate vendors. The program's benefits include: competitive and sole source contracting and 10% price evaluation preference in full and open contract competitions, as well as subcontracting opportunities.

The goal is to promote economic development and employment growth in distressed areas by providing access to more federal contracting opportunities providing preferences to firms located in these areas.

Local Programs

Vilas County Economic Development Corporation

The Vilas County Economic Development Corporation provides innovative leadership and regional infrastructure to improve the economic well-being of businesses, local communities and residents; promote creation and retention of viable businesses and quality jobs; and provide increased opportunities for education strengthening workforce. The organization also operates three business incubators. These incubators are located in Eagle River, Manitowish Waters and Phelps. These incubators provide a low-cost solution for working space for start-up and expanding businesses. The VCEDC staff provides on-site assistance and counseling to start-up businesses located in the incubators.

To date there has been limited contact with the VCEDC in this area of the county. The VCEDC has expressed interest in working in the Lac du Flambeau area as this project moves forward. There is commitment to some regular office hours being provided at the Center by VCEDC staff. There are also discussions with the State Business Development Centers and area SCORE to provide some assistance as well. Both of these groups now work with VCEDC.

Lac du Flambeau Business Development Corporation

The LDF Business Development Corporation is the non-gaming business arm of the Lac du Flambeau Band of Lake Superior Chippewa Tribe. As an economic arm of the tribe, the BDC and businesses under its umbrella are designed to contribute to the general fund while at the same time, maintain investment capital for future projects and business ventures.

B. Successful Native American Training and Business Centers

American Indian Opportunities Industrialization Center

The American Indian Opportunities and Industrialization Center was founded in 1979 in Minneapolis, to empower American Indians to pursue career opportunities by providing individualized education, training, and employment services in a culturally rich environment. It is a nationally recognized leader in the workforce development field. The center operates three programs: the Takoda Institute of Higher Education, Adult Basic Education, and Takoda Prep.

The Takoda Institute of Higher Education is a post-secondary school that is an accredited, vocational education institution that trains students for in-demand careers in the fields of

business, healthcare, and information technology. The Takoda Institute also partners with the professional staffing services of the Takoda Group. Students have the opportunity to participate in a service learning experience by working with staff from the Takoda Group that allows for a transition into employment placement. The Takoda Group has several hundred employment partners actively seeking candidates for internships and employment. Last year, the Takoda Group placed approximately 400 individuals across the Twin Cities metro area in jobs.

The Adult Basic Education programs aids students who are seeking a GED, an academic refresher, assistance with employment placement, preparation for entrance exam, and sustain post-secondary enrollment. The program specializes in working with people of all ages and all types of learning styles. In addition, there is a team of volunteers who bring extensive professional experience from the worlds of education and business who offer additional academic support to enrolled participants. Students who complete the program are prepared to pass the final GED exam, have transition plans in place for enrollment in higher education, or direct career placement.

Takoda Prep is an alternative high school that provides culturally competent education to American Indian students who have not achieved success in the main stream classroom. Takoda Prep focuses on helping all students make advancements in reading, writing, and mathematics, while maintaining a strong connection to American Indian culture. The school features a unique, small class environment that allows students to receive more individualized instruction, as well as additional support from the learning community of which they will be a part of once enrolled. Students can also maintain a connection to their home school for extracurricular activities such as prom, athletics, and graduation ceremonies.

In the year since its founding, the American Indian Opportunities and Industrialization Center has built a workforce of over 20,000 people from the entire Twin City area and tribal nations across the county. It is a nationally recognized leader in the workforce development field.

Workforce Development for American Indians of South East Wisconsin

Established in 1974, Spotted Eagle, Inc. has been providing comprehensive employment and training services to the off-reservation American Indian community in southeast Wisconsin as well as high school of American Indian youth. The program is funded by the U.S. Department of Labor and is a partnership with Milwaukee Public Schools, a division of small community schools, Milwaukee Area Technical College, and the Indian Community School of Milwaukee. On site resources include a technology center with computers, free printing, faxing and phones. One on one career counseling is available as well as scholarship and grant guidance.

Council of Three Rivers American Indian Center, Inc.

The Council of Three Rivers American Indian Center has operated an employment and training program since 1976 in Pennsylvania, West Virginia, Maryland, and Kentucky. Services available include Manpower Training Services, job placement, and counseling. Additionally, the centers provide classroom training for technical skills for specific vocations and work with local employers for on the job training programs.

Southern Good Faith Fund

The Southern Good Faith Fund in Arkansas is a career pathways program which establishes an educational track to train workers for employment in a specific industry, and then they provide continued support and education for both job placement and advancement in that industry. The Southern Good Faith Fund established a statewide career pathways program in Arkansas for careers in six high demand sectors: nursing and allied health, business, manufacturing, education, welding, and EMT/paramedic. To ensure that students across the state, particularly in rural areas, can complete any of the career pathways, all necessary courses are offered at each of the state's community colleges and technical institutes. Staff members work with students to develop individualized career plans based on the circumstances and goals of the students. The program was designed for students facing difficult circumstances.

Although there are some local and regional resources scattered throughout the area, the proposed project does not duplicate any of these. The goal of the Lac du Flambeau Workforce Training & Business Development Center is not to duplicate any offerings at these institutions. The vision of the Center is rather unique; it will create a one-stop training and business development resource on the reservation that will serve both tribal and non-tribal members. Nationally, many of the more successful programs are located on reservations.

Chapter Four:

Economic & Market Analysis

Introduction

This chapter provides a detailed description of the Vilas County economy, including various employment sectors such as retail, health care, tourism, education and manufacturing, as well as current market conditions. In the end economic and market factors will determine the success of this project.

A. Economy Overview

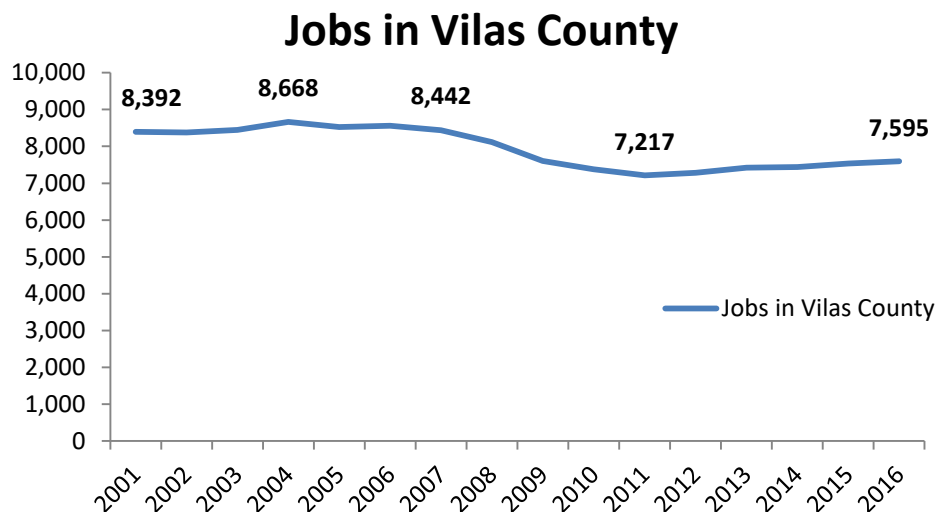
In 2016, there were approximately 7,800 jobs in Vilas County, which was a 400 job increase over 2011. However, this is still over 800 jobs fewer than at the beginning of the recession. Over the next ten years, the county is projected to add roughly 200 jobs to the economy.

The Lac du Flambeau community has been actively pursuing economic development. Within the Town of Lac du Flambeau, the Center for Economic Studies estimated that there are 1,199 jobs in 2014. In 2013, the Wisconsin Department of Transportation improved State Highway 47, the main artery of the community, increasing access to the Lac du Flambeau downtown. According to the Great Lakes Inter-tribal Council Comprehensive Economic Development Strategy Report, the economic development arms of the Tribe hopes to capitalize on longer stays in the area and encourage more people to stay year-round with the renovation of the Indian Bowl, a major area cultural attraction, and the LinkWisconsin initiative to improve broadband in the area.

Much of the statistics used in the market analysis are on the county level. Employment statistics originate from the Center for Economic Studies and Emsi. The Center for Economic Studies is an agency of the U.S. Census Bureau while Emsi's labor market dataset (2016.3 Class of Worker) provides historical, unsuppressed and up-to-date data from a number of federal departments to project industry and occupational trends. Emsi provides estimates for the number of non-QCEW jobs and self-employment, which adds approximately 230 employees to the County job count in 2016, most of which fall under the construction and crop and animal production industries.

Next to the Government industry, the Accommodation and Food Services was the largest industry employer, with 1,500 employees in Vilas County. With one of the highest concentrations of lakes in the world, along with a unique geography of open space and forestland, Vilas County has a strong tourism sector. Accommodations such as motels, resorts, campgrounds, and other lodging facilities generate an influx of visitors and business to Vilas County. Over 4,700 rooms and 3,100 campsites were identified throughout the County in the

2009 Comprehensive Plan. The Arts, Entertainment, and Recreation and Retail industries employ an additional 1,000 people. The Northwoods Nijjii Enterprise Community 2014 Comprehensive Strategic Plan found that between 20 to 27 percent of jobs were tourism related.



According to the Center for Economic Studies, the workforce was generally older in Vilas County than the state of Wisconsin as a whole in 2014. In the county, 19.4 percent of the workforce was 29 years of age or younger which was 4.3 percentage points lower when compared to the State. At the same time, 31.3 percent of the population can be expected to retire within ten years while only 22.4 percent of the State’s population is expected to retire during this time.

Workers earned less than workers in other parts of the State. 36.5 percent of the population earned \$1,250 or less per month. On the state level, only 27.0 percent of workers earned \$1,250 or less. This is unsurprising given the higher rates of poverty in Vilas County and the lower median household incomes and per capita incomes discussed in the previous chapter. The median earnings for a full-time year-round worker were \$38,000 in 2015, compared to \$43,000 in the State of Wisconsin.

Employment by Sector

The North American Industry Classification System (NAICS) is the standard used by Federal statistical agencies in classifying business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the U.S. business economy. NAICS divides businesses into 20 major industries, which are subdivided into over 1,000 subindustries. This section discusses each of the major industries and notable subindustries within the County.

Agriculture, Forestry, Fishing and Hunting

The Agriculture, Forestry, Fishing and Hunting industry includes establishments occupied with the growing of crops, raising animals, harvesting timber and fish. There were roughly 50 jobs in this sector in 2016 and 15 payrolled business locations in 2015 in the County, including the Lac du Flambeau cranberry growing operation. Crop and Animal Production comprises .6% percent of the jobs in Vilas County. The number of jobs held steady since 2011, but decreased about 23 percent since 2001. This was a net decrease of 14 jobs. This industry had \$16.9 million in sales in 2014 in Vilas County. The 2016 average earnings per job was \$42,902, compared to \$37,235 for the nation.

The average earnings per job is the total annual earnings of a regional industry, including wages, salaries profits, benefits, compensation, and profits divided by the number of jobs in the industry. Lower average earning per job than the national average does not necessarily indicate that workers are less productive than the national average. Rather it can mean that workers have lower wages or benefits or that the particular subindustries that comprise the industry in a region produce less revenue compared to the national industry earnings per worker.

Utilities

The Utilities industry is comprised of businesses that provide electric power, natural gas, steam supply, water supply, and sewage removal through a permanent infrastructure of lines, mains, and pipes. In 2016, there were 36 jobs in this sector, or about .5 percent of the county workforce. Most of these positions were in the electric power distribution subindustry as well as the water sewage, and other systems subindustries. The number of jobs in this industry held steady since 2011, but four jobs have been lost since 2001. 49.1 percent of workers in this industry are 55 or older, and expected to retire in the next 10 years. The average earnings per job were \$112,196 in 2016 in Vilas County, compared to the national average of \$136,939.

There were 9 payrolled business locations in Vilas County in 2015. This included Xcel Energy and the Lac Du Flambeau Water Department. This industry had 16.9 million dollars in sales in 2014.

Construction

The Construction industry encompasses businesses that are engaged in the construction of buildings or engineering projects, such as highway or utility system design. Firms involved in the preparation of sites for new construction are included as well. There were 633 jobs in this sector in 2016, which was 8.1 percent of the county workforce. About a third of these jobs were in the residential building construction subindustry. There were about 400 houses built in the County from 2010 to 2015. Nonetheless, this industry experienced the largest percentage

decrease in the county. Since 2001, the Construction industry has lost 27.9 percent of its jobs, a net decrease of 245 jobs. At the same time, the nation decreased 1.5 percent. The average earnings per job were \$53,807 for the County.

There were 141 payrolled business locations in the County, including 42 that were classified as residential building construction. This industry had 91.7 million dollars in sales in 2014, which was more than any other industry. This is the primary market the Center will be directly involved.

Throughout northern Wisconsin there are many openings for carpenters, plumbers, electricians and other related professions. In addition, the Tribe currently has an enterprise in this industry, LDF Construction which is working to expand and needs trained labor.

Manufacturing

The Manufacturing industry is described as establishments employed in the mechanical, physical, or chemical transformation of materials, substances, or components into new products. Manufacturing is an important part of the Wisconsin economy, however, it is not as concentrated in Vilas County as it is in other parts of Wisconsin.

In 2016, there were 349 jobs in the manufacturing industry, mainly in the wood product manufacturing, sugar and confectionery product manufacturing, and sporting and athletic goods manufacturing subindustries. Generally, the number of manufacturing jobs in Vilas County has been declining over the past 15 years-however, most of the losses have been contained to the wood product manufacturing subindustry. There were 28 payrolled locations in Vilas County and the average earnings per job were \$41,890, compared to \$79,885 national average. Businesses include Simpson Electric, which is located on the Lac du Flambeau reservation. Simpson Electric manufactures medical equipment and supplies.

Wholesale Trade

The Wholesale Trade sector covers firms engaged in wholesaling merchandise and rendering services related to the sale of merchandise. The merchandise described in this sector includes the outputs of agriculture, mining, manufacturing, and certain information industries, such as publishing. This industry employed 269 people in 2016. This was a 94 percent increase from 2001. There were 21 payrolled business locations in 2016 which had total sales of \$29.3 million.

Retail Trade

Retail Trade is the final step in the distribution of merchandise and retailers are establishments that are organized to sell merchandise in small quantities to the general public. There were 917

jobs in this sector in 2016. This was a six percent decrease from 2011, and a 24.5 percent decrease from 2001. From 2001 to 2016, the Retail industry increased 5.4 percent across the nation.

Many of the Vilas County retail jobs were concentrated in the motor vehicle and parts dealers, building material and garden equipment and supplies dealers, food and beverage stores, and gasoline stations subindustries. There were 126 payrolled business locations and 74.2 million dollars in sales in the county.

Transportation and Warehousing

The Transportation and Warehousing industry includes the transport of passengers and cargo, the storage of goods, and support activities related to modes of transportation. The modes of transportation are air, rail, water, road, and pipeline.

In Vilas County, the number of jobs has increased from 75 to 116 jobs, a 55 percent increase in this industry since 2001. At the same time, the nation increased 12.4 percent. The average earnings per job were \$29,731 in Vilas compared to \$61,547 at the national level. In 2015, there were 20 payrolled business locations in the industry and the industry had sales of 10.3 million dollars. Most of these jobs are concentrated in the school and employee bus transportation subindustry.

Information

The Information industry includes several media and data processing subindustries. It encompasses establishments engaged in producing and distributing information and cultural products, those that provide the means to transmit or distribute these products as well as data or communications, and those that process data. There were 85 jobs in this industry in 2016, a 14.1 percent decrease over 2001. The nation decreased 22.2 percent during this time.

Most of the jobs in Vilas were concentrated in the newspaper, periodical, book, and directory publisher's subindustry. There were 14 payrolled business location and 39 percent of workers are 55 years or older. The average earnings per job were \$43,763 compared to the national average of \$115,254.

Finance and Insurance

This industry is primarily engaged in financial transactions or facilitating financial transactions, including the creation, liquidation, or change in ownership or financial assets. In Vilas County there were 153 jobs in 2016, compared to 165 jobs in 2001. Most Vilas County jobs were in the credit intermediation and related activities subindustry. 34 percent of the industry workers are 55 years or older close to retirement.

Real Estate and Rental and Leasing

This industry includes businesses involved in renting, leasing or otherwise allowing the use of tangible or intangible assets and establishments providing related services. There were 94 jobs in this industry in Vilas County. With 22 payrolled locations, this industry had 35.9 million dollars in sales in 2014.

Professional, Scientific, and Technical Services

The Professional, Scientific, and Technical Services industry specializes in performing activities that require a high degree of expertise and training, including legal services, accounting, bookkeeping, architectural, engineering, computer services, etc. In Vilas County, this industry employed 106 people in 2016, a 22 percent decrease from 2001. Of the 35 payrolled business locations, a third was engaged in accounting, tax preparation, bookkeeping, and payroll services. This industry had 16.9 million dollars in sales.

Management of Companies and Enterprises

Establishments in this industry perform essential activities that are often undertaken, in-house, by establishments in many sectors of the economy. By consolidating the performance of these activities of the enterprise at one establishment, economies of scale are achieved. This industry only employed 21 people in 2016 in Vilas County.

Administrative and Support and Waste Management and Remediation Services

This industry is made of companies that perform routine support activities to the day to day operations of other organizations. Often these activities are undertaken in-house by establishment in many sectors of the economy. These activities include office administration, hiring and placing of personnel, document preparation and similar clerical services, security, cleaning, and waste disposal services.

In Vilas County, this industry employed 190 people. Between 2001 and 2016, jobs in this industry grew 77.6 percent, more than any other industry in the county. This was a net increase of 83 jobs. At the same time, the jobs in this industry only increased 16.3 percent nationally. In the county, the growth mostly occurred in the services to buildings and dwellings subindustry, especially landscaping services. There were 42 payrolled locations with 20.6 million dollars in sales in 2014.

Health Care and Social Assistance

This industry employed 599 people in 2016, an 18 percent increase over 2001. Across the nation, jobs increased 46.8 percent. Over 250 people were employed in the nursing and residential care facilities subindustry in Vilas County. There were 81 payrolled business locations in 2015, including the Peter Christensen Health Center, and the industry had 50.8 million in sales in 2014. This industry is expected to add roughly 140 jobs over the next ten years in the county, which is 51 percent of all projected job growth.

Arts, Entertainment, and Recreation

The Arts, Entertainment, and Recreation sector includes a wide range of establishments that operate facilities or provide services to meet varied cultural, entertainment, and recreational interests of their patrons. This industry employed 173 persons in 2016, a net decrease of 33 people from 2001. 110 people were employed in the amusement, gambling, and recreation subindustries, which included casinos, golf courses, marinas, and bowling centers. This industry had average earnings per job of \$20,398, compared to the national average of \$42,618. In Vilas County, there were 27 payrolled business locations and these businesses had 14.9 million dollars in sales. This included the Lake of the Torches Casino and the Lake Forest Recreation Area.

Accommodation and Food Services

The Accommodation and Food Services sector comprises establishments providing customers with lodging and/or preparing meals, snacks, and beverages for immediate consumption. This industry had 1,555 jobs, which comprised about 20 percent of the County workforce. This is the second largest industry employer in the County, after the Government industry. Between 2001 and 2016, this industry lost 184 jobs, or 11 percent. Over the next ten years, the industry is expected to add 40 jobs. The average earnings per job were \$20,229, compared to the national average of \$22,587. There were 192 payrolled locations in the county in 2015 and 90.2 million dollars in sales in 2014, which was slightly less than the Construction industry.

Other Services

The Other Services (except Public Administration) sector comprises establishments engaged in providing services not specifically provided for elsewhere in the classification system. Establishments in this sector are primarily engaged in activities, such as equipment and machinery repairing, promoting or administering religious activities, grant making, advocacy, and providing dry cleaning and laundry services, personal care services, death care services, pet care services, photofinishing services, temporary parking services, and dating services.

In Vilas County, there were 364 jobs in this industry, a net increase of about 30 jobs since 2001. There were 106 payrolled locations and just 30 million dollars in sales. The majority of these jobs were in the religious, grant making, civic, professional and similar organizations subindustries.

Education Services & Government

The Education Services industry consists of instruction and training in specialized establishments, including schools, colleges, universities, and training centers, both private and public. There were 56 people employed in this industry in 2016 and half were employed in elementary and secondary schools. Meanwhile, the Government industry includes federal, state, and local levels of government. There were 2,064 people employed in this sector. Since 2001, the number of jobs in this sector declined by 7 percent.

Tribal Government

The Lac du Flambeau Tribe employs approximately 800 employees working in government departments and tribal enterprises. It is the largest employer in Vilas County, according to the Wisconsin Department of Workforce Development. Tribal departments include the Lac du Flambeau Aging and Disabilities services, the Lac du Flambeau Ojibwe Language Program, the Peter Christensen Health Center, law enforcement, the Family Resource Center, Natural Resource Department, the Tribal Roads Department, the Water and Sewer Department, and the Abinojjiyag Center.

Tribal enterprises include the Lake of Torches Casino, hotel, and convention center. The casino was built in 1996 and revenues generated by the casino operations go to the tribe and directly benefit the economic and social development of the community. Other businesses include a campground, marina, gas station, grocery store, smoke shop, museum, and Simpson Electric.

B. Economic Analysis

In an effort to fully examine the economic environment two different analysis techniques are utilized. The first is Location Quotient, which shows the degree of specialization and dependency that a local economy has in a particular economic sector compared to the nation. The other is Shift Share analysis, which tries to explain the changes in the county economy by breaking that change into three sources: national share, industry share and regional share. In terms of employment, the area is still below recession levels, but there are several areas of opportunity.

- Location Quotient

Table 10 displays select Location Quotients for Vilas County. A location quotient of one indicates that a community has the same proportion of its economic activity in a particular sector as the nation, existing largely to meet local needs. A location quotient greater than 1 indicates a degree of specialization, producing an excess of that particular good or service for export. Finally, a location quotient of less than one indicates that the community is not producing enough to meet local needs.

To illustrate the idea, the value for Accommodation and Food Services in Vilas County is 2.22. This would indicate that over one-half of this activity is devoted to export production. Conversely, about three-fourths of Professional, Scientific, and Technical Services are imported from other counties as indicated by its location quotient value of .23. While a region cannot produce all of its consumers and industry demands in today's economy, low location quotient values can indicate economic opportunities for the county.

Table 10: Major Industry Location Quotients, 2016

NAICS	Description	2016 Jobs	2016 Location Quotient
72	Accommodation and Food Services	1,555	2.22
23	Construction	633	1.73
90	Government	2,064	1.61
71	Arts, Entertainment, and Recreation	173	1.47
22	Utilities	35	1.19
81	Other Services (except Public Administration)	364	1.18
44	Retail Trade	917	1.09
42	Wholesale Trade	269	0.86
53	Real Estate and Rental and Leasing	94	0.83
11	Crop and Animal Production	48	0.65
62	Health Care and Social Assistance	599	0.59
51	Information	85	0.58
31	Manufacturing	349	0.54
52	Finance and Insurance	153	0.49
48	Transportation and Warehousing	116	0.45
56	Administrative and Support and Waste Management and Remediation Services	190	0.40
61	Educational Services	56	0.28
54	Professional, Scientific, and Technical Services	106	0.23
55	Management of Companies and Enterprises	21	0.18
21	Mining, Quarrying, and Oil and Gas Extraction	<10	0.06
99	Unclassified Industry	0	0.00

Source: Emsi 3Q 2016

- Shift – Share

While a location quotient is useful for giving a static picture of a county's strengths and weaknesses, it does not explain the sources of change. The national share estimates the impacts of total national growth or decline in a particular industry. The industry share shows how much local change in employment can be attributed to national growth or decline in that particular industry. These two parts describe the change that would have occurred in the county economy if it followed national and industry trends. The competitive effect reveals the effects of region-specific factors affecting local employment. Industries where the competitive effect is largest are often the best targets for economic development individually or in clusters with other similarly positioned industries.

Table 11: Shift Share Analysis

NAICS	Description	Industrial Mix Effect	National Growth Effect	Competitive Effect	Expected Change
42	Wholesale Trade	(2)	27	99	25
56	Administrative and Support and Waste Management and Remediation Services	10	19	29	29
62	Health Care and Social Assistance	60	61	18	121
22	Utilities	(4)	4	16	0
48	Transportation and Warehousing	(1)	12	16	11
51	Information	(6)	9	6	3
53	Real Estate and Rental and Leasing	(2)	9	5	7
99	Unclassified Industry	0	0	0	0
21	Mining, Quarrying, and Oil and Gas Extraction	0	0	(0)	0
54	Professional, Scientific, and Technical Services	8	11	(1)	19
55	Management of Companies and Enterprises	(0)	2	(2)	2
11	Crop and Animal Production	(3)	5	(8)	2
71	Arts, Entertainment, and Recreation	2	18	(9)	20
31	Manufacturing	(38)	35	(10)	(3)
52	Finance and Insurance	(2)	15	(17)	13
81	Other Services (except Public Administration)	(5)	37	(25)	32
61	Educational Services	2	6	(27)	8
23	Construction	32	64	(32)	96
72	Accommodation and Food Services	4	157	(120)	161
90	Government	(115)	209	(168)	94
44	Retail Trade	(23)	93	(204)	70

Source: Emsi, 3Q 2016

II. Market Overview

This section describes the market for the proposed Training and Business Development Center and establishes the level of local demand for the economic sectors that it will serve. In this section the market area includes not only Vilas County, but the surrounding counties of Forest, Iron, Oneida, and Price, as well as two Michigan Counties of Gogebic and Iron. This seven county area is rural in nature with a population of about 112,000 and with about 50,000 jobs.

There are two critical components to examine related to the success of the Center. One is demand for construction, manufacturing and information positions in the area and the other is a supply of trainees for the programs provided by the Center. Combined these three sectors represent about 20 percent of the total employment in the area. These sectors also have higher wages than many of the other sectors.

Demand

A consistent issue is lack of qualified carpenters, plumbers, electricians and other trades people. Reviewing local want ads and conversations with several area firms and community members there is demand for trained construction trades people. In fact, the Lac du Flambeau Business Development Corporation has operated a Construction Firm and filling positions has been a challenge. Information and Technology positions are few in the area, but incredibly challenging to fill and maintain. This is a growing sector and an area of need to area businesses. Manufacturing exists throughout the area and provide some of the higher paying positions in the area. The aging workforce is presenting a challenge to this sector.

Moving from anecdotal to verifiable demand we examined various data sources including an economic modeling dataset called Economic Modeling Systems Incorporated (EMSI). The following section highlights the demand for workers in these three sectors.

In the seven county area there is demand for construction positions. Using the more conservative data for projections the sector is expected to be relatively flat – about a two percent decline over the next decade. This projection is based, in part, on the last decade of slow growth in the area. However, when you examine the sector in depth there is substantial opportunity. Table 12 displays the existing area jobs in the construction sector. Over 20 percent of those positions are held by persons aged 55 and older. Therefore, as they retire over the decade there is a projected need of about 500 qualified persons to fill those positions.

Emsi indicates that there are 274 openings annually in this sector in the area alone. State-wide, over the decade, there is substantial more demand for trained construction workers. Approximately 500 will be needed over the next decade in the area.

Table 12: Demand for Construction Jobs	
Total Area Construction Jobs Today (2017)	2,733
Workers aged 55 plus	558
Total 2027 Construction Workers Available	2,176
Projected 2027 Need	2,674
Needed Workers (Demand)	499

Source: Emsi, 3Q 2016

In the seven county area there is demand for information positions. Sector projections indicate about a 15 percent growth rate over the decade. Table 13 displays the existing area jobs in the information sector. Combined with projected increases and the 10 percent of positions held by persons aged 55 and older, there is a need for about 120 qualified persons to fill those positions.

Emsi indicates that there are 40 openings annually in this sector in the area alone. State-wide, over the decade, there is substantial demand for trained construction workers. Approximately 120 will be needed over the next decade.

Table 13: Demand for Information & Technology Jobs	
Total Area Information Jobs Today (2017)	466
Workers aged 55 plus	47
Total 2027 Information Workers Available	419
Projected 2027 Need	536
Needed Workers (Demand)	117

Source: Emsi, 3Q 2016

In the seven county area there is demand for manufacturing positions. Sector projections indicate about a 5 percent growth rate over the decade. Table 14 displays the existing area jobs in the manufacturing sector. Combined with projected increases and the 21 percent of positions held by persons aged 55 and older, there is a need for about 1,072 qualified persons to fill those positions.

Emsi indicates that there are 520 openings annually in this sector in the area. State-wide, over the decade, there is substantial demand for trained construction workers. Approximately 1,080 will be needed over the next decade.

Table 14: Demand for Manufacturing Jobs	
Total Area Manufacturing Jobs Today (2017)	4,153
Workers aged 55 plus	857
Total 2027 Manufacturing Workers Available	3,295
Projected 2027 Need	4,368
Needed Workers (Demand)	1,072

Source: Emsi, 3Q 2016

Overall, there is demand for these three sectors. Over the next decade the area will need an additional 500 construction workers, 120 information workers and over 1,000 manufacturing workers. Combined, nearly 1,700 persons need to be trained in these three sectors. The Center would help train the area workforce for these positions.

Labor Force Trainees

Currently there are unemployed and underemployed persons in the area. As identified earlier, there is widespread unemployment among tribal members and higher than state level rates among non-tribal persons aged 20 to 64 in the area. Another area of high unemployment is among persons with children under 6 years of age. Unemployment among tribal members exceeds 26 percent and over 16 percent among non-tribal members in the area. Statewide unemployment was 6.3 percent. Meanwhile, there are jobs open. The issue is lack of qualified, trained labor.

In addition, when reviewing the need for training the differences between tribal and non-tribal members is striking. About 95 percent of non-tribal members have a high school degree or equivalent, while less than 80 of tribal members have that level of education. That difference is even wider when comparing bachelor degree attainment, where about 42 percent of non-tribal to 7 percent of tribal hold bachelor's degrees. The area tribal population needs another way to gain the skills needed to compete in today's workforce.

Local officials estimate that 80 trainees would be enrolled annually at the Workforce Training & Business Development Center. Over a five year period about 400 persons will have been trained at this facility. The goal would be to retain at least half of those trainees in the area.

Construction and manufacturing training programs offered will not require a high school diploma; the focus will be on practical hands on training and soft skills to fill the open positions in the area. Technology & information training is needed in the area for numerous employers. The type of information training will be geared toward entry level and skill enhancement training. Trainees that complete the various programs will have opportunities with area construction firms, building trades contractors, and manufacturers. Many may choose to become self-employed and start their own businesses. Tribal members that complete the training course will also have opportunities with the tribe's construction company. The Center will offer both programs for unemployed workers and businesses needing specialized training to bolster skills.

Chapter Five:

Ownership & Operation

Introduction

The previous chapters have identified and quantified the need for this project. This chapter examines ownership structure, operational procedures, programs, and space needs. The Lac du Flambeau Workforce Training and Business Development Center project is founded on the belief that training and skill-building are the keys to economic viability, which is a critical path to meaningful self-worth. This project will provide inspiration, hope, and the means to create a brighter future for the Lac du Flambeau area.

I. Ownership

The Lac du Flambeau Tribe will own and operate the facility, including ownership of the land where the facility is located. No other entities or subsidiaries will own or have authority over any of the EDA-funded facility. The LDF Business Development Corporation will operate and manage the facility.

There are a variety of users envisioned for the Center. However, the primary use will be training and business development. The various training programs will operate Monday through Friday from 8:00am to 4:00 pm. A child care center will also operate Monday through Friday 7:00am to 5:00pm.

Other users will use the Training space, computer lab or conference space, which will be available on weekends, after regular hours, and during other designated times for specialized training/meetings. Area manufacturers have expressed interest in a space where a machine can be set up to conduct specialized training. Tribal and community groups may also utilize the space, when other users are not in operation.

About 50 percent of the space will be used regularly for training. A smaller amount of space, about 20 percent, will be used for entrepreneurial training and business assistance. The child care center will occupy about 20 percent of the space. All other miscellaneous space, such as rest rooms, storage, mechanical and HVAC will occupy the rest of the space.

Center Programs

This section describes the programs, services, activities and events that will be housed in the Lac du Flambeau Workforce Training and Business Development Center. Many of the Center's programs exist currently; others will be developed over time, as resources and need dictate.

The heart of any community facility is the programs offered within it. While the facility itself is important, as it provides a sense of place, a safe and nurturing environment, and is a testament to the work done there – it is the activities housed within the facility that give it meaning and purpose; it is the events that take place in its spaces that give it life; and it is the services offered that make it a needed, useful part of the community.

A variety of new programs are proposed for the Center, once it is established. These programs are compatible and complementary with existing programs, and provide needed services. These programs are described briefly below. Preliminary designs for the facility allow for future uses such as the ones described briefly below. Program descriptions are grouped by the area they relate to or fall within:

- Workforce training
- Business development

Training Programs

The focus of the facility will be toward building trades and manufacturing training. Generally these will be two year programs with the first year on site in the Center and second year hands on training with local builders and contractors. Some programs may vary. Below are the initial offerings being proposed for the Center.

Construction Training Program

The program will introduce trainees to the fundamental materials and methods of residential construction: wood, concrete and masonry, gypsum, glass, plastics, metals and insulating materials. The program will also examine foundations, framing, roofing, interior and exterior wall coverings, trim, stairs and insulation.

Related Training Programs

Working in partnership with local area manufacturers and the US Apprenticeship Program, develop certified manufacturing apprenticeships and trainings. These apprenticeships will direct people to specific jobs while also helping to supply local manufacturers with much-needed, well-trained labor.

- Electrical...introduces electrical safety, electrical quantities and the fundamental concepts of direct current. The basic laws of DC circuits including Ohm's Law and Power Law are applied to series and parallel circuits. Calculations of voltage, current and resistance are verified by connecting circuits and making measurements using a meter.

- Plumbing... introduces plumbing drawings; and learn about plastic pipe & fittings, copper pipe & fittings, cast iron pipe & fittings basic hand and power tools, blueprint reading, and rigging.
- HVAC (Heating, Ventilation and Air-Conditioning) ...introduces basic heating and cooling principles, electricity for HVAC air distribution systems, transformers and motors used in HVAC, compressors, refrigerants & oils; leak detection, evacuation, recovery & charging as well as metering devices.

Manufacturing & Injection Molding Program

Manufacturing is a strong sector in the area. A program will be developed introducing trainees to the minimal skills needed to work in a manufacturing setting. A focus of this program will be on the modern injection molding equipment and processes. Partnership with local area manufacturers will be key to this program. This will be a short term training course, unlike the other programs, to provide trainees knowledge and experience working in a manufacturing environment.

Information and Technology Training

The use of the computer in any business is a critical skill and is a growing sector in the area. The program developed will be to provide basic and intermediate skills. An area of focus will be on construction and manufacturing software. The LDF Construction Company has researched three different software companies for its potential use and will use a Cloud Based software that will track all aspects of construction from bidding, project management, contracting, progress reporting, and accounting just to name a few features. In addition the computer lab will be able to provide short courses on a variety of other much needed software, such as Word, Excel, Access and QuickBooks. Not only will trainees be learning a new skill, but already employed persons will be able to expand skills and make area businesses more profitable.

Business Development

Business development is another critical component of the Center. The computer lab will have access to multiple online resources anytime the Center is open. Various state and regional providers will have scheduled hours during the week/month for one-on-one counseling. There will also be various scheduled training programs throughout the year.

Entrepreneurship Training

Provide assistance for those persons looking to create their own business. Work with VCEDC, SBDC, WEDC and others to provide a program for business startups. Services that would be provided include business plan development, marketing assessment, streamlined small business loans, accounting and bookkeeping assistance, assistance securing investors and other business development services.

Business Counseling

Work with existing businesses to help expand in the area. Assistance in a variety of areas will be provided. Services that can be provided would include business plan development, marketing assessment, streamlined small business loans, accounting and bookkeeping assistance, assistance securing investors and other business development services.

B. Operations

The LDF Business Development Corporation will manage the facility. A staff person would be identified as the Center Director that would oversee and coordinate efforts of all training programs offered by the Tribe, and through partnerships with other institutions. The Director would also oversee the day-to-day operations of the facility and have managerial responsibility for all center programs and spaces. This position could be established and filled either by a restructuring of existing Tribal programs, or by the creation of a new position. LDF Business Development Corporation staff will also staff the reception area of the facility.

The Lac du Flambeau Business Development Corporation will manage and operate the facility. LDF BDC staff will be located on site. They will provide all management for the facility, from scheduling, maintenance, and other duties, including expanding partnerships. Training will be provided by the Tribe.

The Lac du Flambeau Tribe has successfully completed many economic development and community projects of a similar scale – most recently the construction of the Health Clinic. The Lac du Flambeau Tribe has accomplished these projects, in part, through partnerships with Federal agencies such as the Indian Health Services; State entities including the Office of the Governor; and the Great Lakes Tribal Intercouncil. With this strong track record, the Tribe is poised to successfully take on development of the Lac du Flambeau Workforce Training and Business Development Center.

LDF Business Development Corporation

The LDF Business Development Corporation is the non-gaming business arm of the Lac du Flambeau Band of Lake Superior Chippewa Tribe. As an economic arm of the tribe, the BDC and businesses under its umbrella are designed to contribute to the general fund while at the same time, maintain investment capital for future projects and business ventures.

A. Workforce Training & Business Development Center – The Facility

Costs for maintaining the Center will be lowered through highly energy-efficient design and if alternative sources of energy are incorporated. Additionally, many people interviewed for this project cited the desire to have the Center be a model for new, sustainable building techniques, and as an example of stewardship. Funding is available for certain types of green building and infrastructure, as well as for workforce training and development in these emerging construction, design and energy industries.

To adequately provide the space needed to be successful a building of about 15,000 square feet is needed. Below is the description of the various spaces within the Center, including Training Programs, Business Development, and Facility Support. See conceptual layout.

Training Program

Flexible Training Rooms

Two large and two smaller training spaces will be the focus of the facility. Each training area will be designed to offer maximum flexibility in terms of space size, occupancy and arrangement. This area must be served by state-of-the-art technology to facilitate distance learning, collaboration between students and between instructors and students, and to promote a flexible and individualized learning environment. Partitions in all four spaces will allow the areas to be divided into smaller spaces.

The Training area is estimated at about 8,400 net square feet.

Business Development

Technology Lab

A small technology center will be located in the facility but must be networked with the other parts of the facility to allow for flexible work and study spaces. About 20 workstations are planned.

The education and training facility is estimated at about 800 net square feet.

Reception

In order to foster collaboration and resource sharing the reception area will be an open area with plenty of natural light that will invite users and visitors in to the center. A central reception desk will be staffed by an employee from one of the LDF and will act as a connection point, helping users find the services and facilities that they need. The reception area will provide portals to the other parts of the facility. Seating areas for informal collaboration and wireless connections to the center's network will create a vital, learning atmosphere.

The reception area and storage are estimated at about 400 net square feet.

Conference and Office Space

The Center will provide space for the Tribe's training and business development programs. This space will be configured to strike a balance between shared working space that fosters collaboration and barriers that provide some noise and visual separation. As the programs of the center are developed, it may be that some of the instructors/trainers are deployed in new ways to staff expanded programming. This will affect the type and amount of office space required to house these programs.

The conference and office areas are estimated at about 1,200 net square feet.

Facility Support

The goal is to attract child care provider to lease space. This not only helps increase revenues it provides a valuable service to trainees at the facility. Child care availability is critical for any successful training program. Parents need a reliable and safe place for their children while attending training.

The leased child care space will be somewhat isolated from the rest of the facility. This is necessary in order to provide the level of secure access that is mandated to protect children enrolled in the program. The center will have a small kitchen, offices, rest rooms, and janitorial areas appropriate to the various age groups served by the program. The space will be designed and constructed to meet the federal program guidelines for Head Start facilities. Outdoor playground space will be provided as well.

This area is estimated at about 1,600 net square feet.

In addition there would be various other spaces within the facility, including maintenance space, storage, and restrooms.

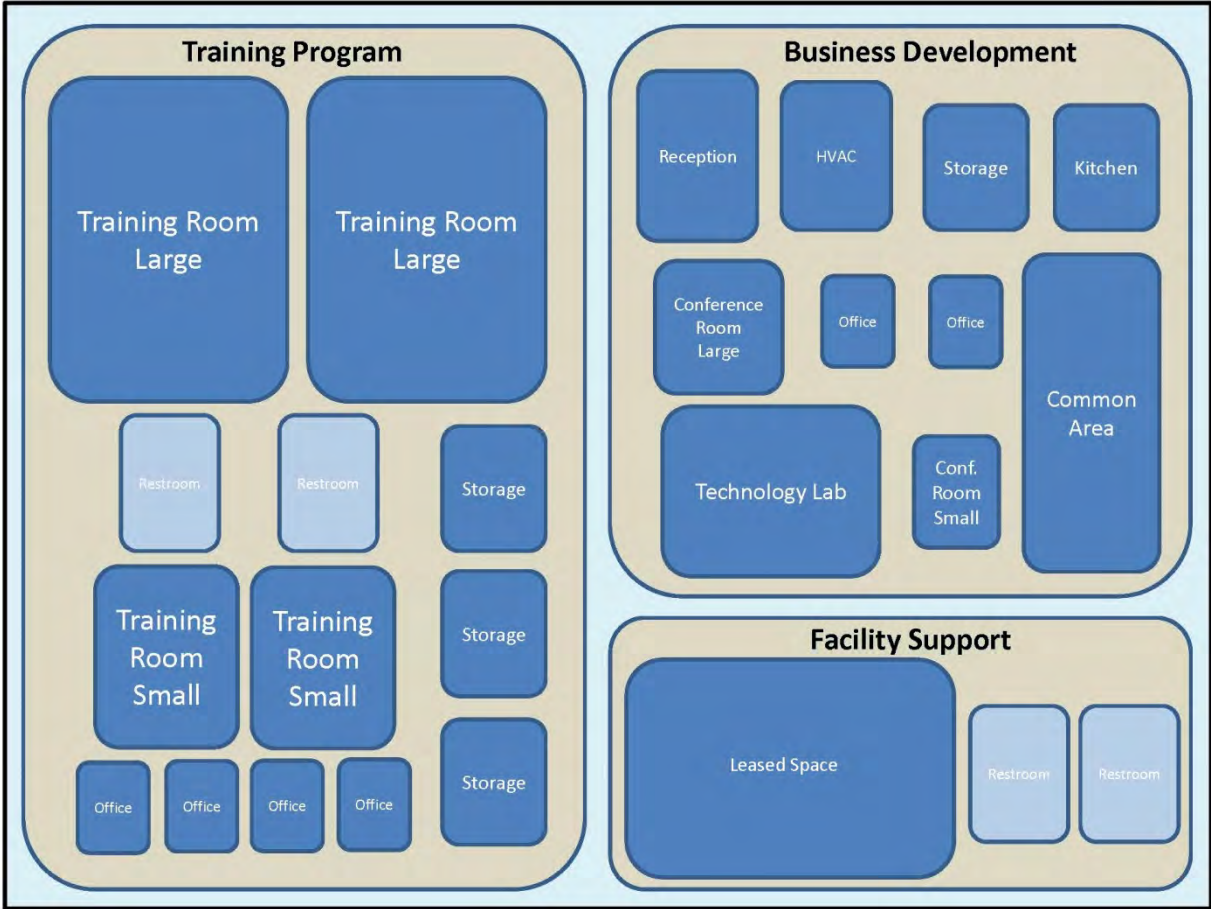
Maintenance and other Building Support

The maintenance and support area of the facility includes the areas that will be needed to support users and to operate and maintain the facility (e.g., restrooms, janitorial and additional storage). It is currently estimated at about 2,000 net square feet.

Storage Areas

Storage is critical to the Flexible Training rooms. When different programs are being conducted, other program machines and materials need to be stored on site. Storage minimizes the overall space requirement since two large and two small rooms can accommodate all of the anticipated training efforts. General storage is also required throughout the building. It is currently estimated at about 600 net square feet.

Display 1 – Conceptual Layout



Chapter Six:

Financial Review

Introduction

This chapter reviews both anticipated revenues and expenses to build and operate the facility. Initial construction costs including final design, site preparation, and construction are estimated at \$2.7 million. This also includes much of the needed equipment. Annual maintenance and program operating costs are estimated to be about \$180,000

A. Construction Costs & Source of Funds

Initial capital cost estimate were prepared based on the facility size and type of construction. The \$180 per square foot construction cost is based, in part, on some of the project costs of some local projects: the Health and Wellness Center that was constructed at \$190 per square foot, the Youth Center at \$225 per square foot, and the Country Market Remodel at \$200 per square foot.

Anticipated revenues for this project include an EDA grant and tribal funds. Although the tribe is eligible for a 100 percent grant, the tribe is committing about 10 percent toward the construction of this project, as well as financial support for operation. See the Table 15.

Federal Grant – EDA	\$2,500,000
LDF Tribe	\$250,000
Total Capital Costs	\$2,750,000

B. Pro Forma

The pro forma for the operation of the Lac du Flambeau Training and Business Development Center has been developed working closely with the LDF Business Development Corporation that will provide overall management for the programs and facility.

See attached Pro Forma.

The pro forma identifies operating revenues and expenses by category for the first five years. In Year 1, the total revenue for Center operations is projected to be \$182,250, with expenses projected at \$179,500. In year five revenues are projected at \$213,207 and expenses at \$202,029.

If revenues are not met the LDF tribe will step in to ensure that the facility will operate in the event revenue expectations are unmet.

C. Operational Revenues

The bulk of revenues are projected to be from the training fees. Each trainee will pay \$1,500 to attend the various training programs offered. This is a minimal fee compared to any other program. This is set low and will be increased over time. Assuming about 80 trainees, fees will result in about \$120,000 or about 66 percent of revenues. Programs and instructors need to be ready day one for this revenue to be realized.

LDF contributions are committed for the life time of the facility. About 22 percent of revenues will be provided. This contribution is for the overall management of the facility.

A small portion of the revenue will come from renting space to outside groups and businesses, about 12 percent in total. Projections are very conservative because the priority will be for community members and partner institutions to use the Center as much as possible to provide training and stimulate local business development.

The primary rental income will be for the child care center. The 1,600 square foot space will be rented at \$12 per square foot, which will be \$19,200 in year one. Child care is critical to the success of the trainees. In addition some minor income is anticipated renting the training, technology and conference space.

The flexibility built into the design of these spaces will provide multiple venues for other trainings, planning sessions and private events. The entire facility will incorporate state-of-the-art technology that is designed to be mobile to facilitate a flexible learning environment and to easily connect the various spaces for training and courses.

D. Operational Expenses

Program costs, maintenance, and utilities will be the bulk of expenses to operate the Center.

A total of six training programs will be offered. Cost estimates to provide part-time instructor and other related costs are \$12,000 per program, for a total cost of about \$72,000. Programs need to be developed as the facility is being built so everything is operational when the doors open. Business assistance costs are not included as part of the project since these will be shifted from other locations to bring them into the facility to create a one-stop Center concept.

Maintenance will be provided by existing tribal janitorial and maintenance staff. It will be an expansion of services already provided to other tribal facilities. An annual agreement will be negotiated. The first year estimate is \$18,000.

Annual utilities, including gas, electric, and other services are estimated at \$35,500.

Finally, a capital reserve account will be established for major repairs and upgrades for the Center. Initially a 2 percent of capital cost will be used to build the fund. That rate may increase in the future.

Chapter Seven:

Goals, Objectives and Outcomes

Introduction

All projects need to be considered in relation to the stated goals of an organization. The Business Development Corporation will be the manager of the facility on behalf of the tribe.

A. Organizational Goals

Lac du Flambeau Business Development Corporation

Mission Statement:

The mission of the BDC is to diversify the tribe's non-gaming revenue sources and create career opportunities for the tribal community.

Vision Statement:

Our vision is to build sustainable, profitable, businesses which provide career paths for citizens of the tribal community, embodying tribal goals and objectives, while respecting the Lac du Flambeau cultural values. By developing business opportunities and creating strategic partnerships, we will positively impact economic growth and career opportunities. This holistic approach to economic development will build a strong, healthy Nation as we shepherd progress into the seventh generation.

Value Statement:

The BDC places the highest value on integrity, respect, honesty and ethics. We practice these values in deed and word while working for and serving the best interest of the Waswaagoning Ojibwe Nation.

B. Project Goals

There are a variety of goals and objectives identified as part of this study effort. The Center will have seven overall goals.

Goal 1:

Training

Increase training and skill level of people living on and near the Lac du Flambeau reservation.

Goal 2:

Better Jobs

Increase opportunities and access to higher-paying, more professional jobs. Promote wealth-building, financial acuity and economic empowerment.

Goal 3:

Remove Barriers

Remove specific barriers to training and business development, (e.g., trained labor force, need for childcare, available hours, access to capital, and technology).

Goal 4:

Business Growth

Increase viability of and number of local businesses. Create spaces and provide services that will promote business growth.

Goal 5:

Revitalize and Expand Commerce

Increase vibrancy of core areas of reservation communities through local business development. Circulate money within the reservation economy. Bring dollars in from outside. Bring more money into the local community through increasing the number of employed people, and increase the internal circulation of dollars to support a greater variety and scale of local businesses.

Goal 6:

Access Technology

Increase access to technology and tools for learning, skill-building, employment and business development.

Goal 7:

Address issues of development at every stage of life: birth, childhood, youth, adulthood, and elder years to promote self-determination of Lac du Flambeau people.

C. Outcomes

A variety of outcomes are expected from this project. As stated the primary functions of this facility will be to:

- Offer training to prepare unemployed and underemployed persons to enter the job market and to offer continuing training to those already employed or looking to develop new skills; and
- Provide resources to entrepreneurs to start new business ventures and to small business owners who wish to expand or improve the goods and services they produce.

Both of these outcomes will decrease unemployment, increase wages and expand the local economy. More importantly this effort will help provide persons with opportunity to succeed.

Increase Skilled Labor Force

Current unemployment rates are too high. The goal is to reduce the rate by 2% by year two and 5% by year 5. A variety of information will be tracked to monitor and evaluate the programs offered, including total number of trainees that start and complete the program, total hired, and at what wage.

Earlier in this study several examples of similar facilities were highlighted that have been successful. Building on the success of those efforts and the success of local efforts the facility will produce the types of results that will create positive change in the area. A key to this will be creating professional development plans for each trainee and then matching resources provided through the Center.

In order to be ready for the new Center when it is constructed, the Lac du Flambeau Tribe needs to develop new programs and increase collaboration between existing programs. Any barriers that currently prevent increased collaboration need to be removed.

Encourage Entrepreneurism

There are too few business startups in the area. The goal will be to help create 5 new start-ups each year and provide assistance to 10 existing businesses annually. A variety of information will be tracked to monitor and evaluate this program, including total number of attendees, total business plans created, total number seeking and obtaining financing, and total jobs created. Assistance to existing businesses will be tracked by total inquires and total firms assisted. Information related to type of assistance will also be monitored to best modify the program in the future.

Entrepreneurs need to be fostered in the area. There are too few startups and limited business assistance available in the area. Potential entrepreneurs often begin with only an idea or an innovative solution to an existing problem. But it takes the right resources to grow that idea

into a real business opportunity, one that captures the imagination of the marketplace and makes a positive economic impact in the region. The Center will provide the services and support critical to the development of these early-stage and startup companies. The Center will be home to business counseling and mentoring for established businesses as well.

Expand Local Economy

Focus of economic growth should be on the local economy. Local businesses and the Tribe should find ways to operate to mutual benefit, rather than competing. Use existing business owners to teach and mentor new ones. Working to develop and support more local businesses will also create more employment opportunities to supplement the opportunities provided by the Tribe. This will provide jobs for people to move into and create greater mobility and more opportunity. These business owners have firsthand experience with the trials and joys of owning and operating a small business. Encouraging these owners to act as mentors to younger people and to offer apprenticeships at their businesses would provide real-life experience in business development.

The facility will help reduce unemployment and increase worker skills in the area. In addition, the business development programs should help spur business development and increase future demand for trainees from the program.

The Tribe has powerful resources that could be used to assist local business development. Some that were suggested during the stakeholder interviews include: preferential use of lands and traditional trails for locally owned businesses; including local businesses in tourism marketing efforts and tour package development; and, purchasing goods and services from local businesses.

Make a strong commitment to sustaining the Center and using it to forge a new way of working together. The Lac du Flambeau Tribe has made a commitment to commit financial resources to operate the Center. Finding creative ways to improve the Center's ability to engage in revenue-generating activities and by working to create a sustainable financial plan overall for the Tribe will leverage the investment in the Center to the benefit of the Tribe, local businesses and all residents of the Lac du Flambeau area.

Monitoring and Evaluation

The LDF will develop and maintain an extensive tracking program to monitor results long-term. Annually and over time the Center will be evaluated to quantify a return on investment. Substantial tribal resources will be invested in this project and monitoring and evaluation will determine success of the project.

Some of the data to be tracked, as stated earlier, will be unemployment rates and income levels along with business start-ups. Other indicators will be identified as well. Each trainee that attends as well as the overall programs and business assistance model will be monitored to track success rates.

A key to the future success of the Center and the Tribe's capacity to operate entails having reliable and detailed figures on the cost to operate the Center and its programs. The Tribe will take steps to invest in tracking software. This is an important step to being able to examine revenues and expenditures more intricately, and make incremental adjustments, as needed as the Center develops. Over time this data will be used to make changes to the programs offered at the Center. Every year minor program modifications will be made and every three years major program changes will occur.

Chapter Eight:

Implementation

Introduction

This feasibility study was prepared as the first step in the process to move this project from concept to reality. Overall, based on the assumptions, projections, and local financial commitments, there appears a strong likelihood that the Lac du Flambeau Workforce Training & Business Development Center will achieve the desired outcomes.

Programs currently available are not adequately meeting the need. Though there are several institutions in the region providing services, none are like those proposed for this Center. There is an unmet demand for the facility and programs outlined in this feasibility study. Currently no space exists to undertake the training locally.

To make the Lac du Flambeau Workforce Training & Business Development Center a reality there are three types of funding needed: Capital funding to build the facility, Program funding to provide the training and business assistance, and Operations and Maintenance funding to keep the facility operational. The Lac du Flambeau Tribe is committed to providing funds to help build the facility and the long-term funds to operate the facility. Revenues from the facility should cover the costs for program development. If not, the Tribe is committed to covering any shortfalls. The Center is a critical part of the area's economic development strategy.

- Capital Funding

The general strategy for capital funding to complete design and construct the facility is to secure 80 percent of funds from EDA to match with the 20 percent already committed by the LDF.

- Program Development

Funding for the training programs is expected to be covered from fees. Additionally this project will remove barriers for business development by co-locating these services. Few of these services are consistently offered by the Tribe and the few that are available are inadequately housed. By bringing these programs into the Center the impact should be significant.

- Operations & Maintenance Funding

Some of the programs that will occupy the proposed Center are already operating. Once they move into the new Center, the contributions from these programs will be available to pay for the overhead costs associated with the Center. Through this source and through additional revenue raised by leasing portions of the facility, the Center will receive adequate funds. Additionally, the LDF has made a commitment to fund any overage from the Tribe's General Fund.

Efforts to Date

To date, planning for the Center has been conducted mainly by LDF Business Development Corporation. As this project grows in scale, additional capacity for planning and managing the project is needed. The Tribe has already accomplished several important steps:

Identification of the concept to promote economic development,

Identification of parcel for construction,

Completion of conceptual design with cost estimates,

Funding commitments for this facility and programs, and

Completion of a feasibility study (this document).

Next Steps

The following steps are needed to continue the development of this project:

Create of a Project Work Group to oversee the process,

Establish project timeline,

Begin development of Training Program Curriculum & Staffing Needs, and

Prepare and submit an EDA Grant to Construct the Facility.

Attachment:

Project Pro forma

Lac du Flambeau
 Workforce Training & Business Development Center
 Five Year Pro Forma

	Year 1	Year 2	Year 3	Year 4	Year 5
Facility Revenues					
Income					
LdF Contributions (1)	\$ 40,000	\$ 41,600	\$ 43,264	\$ 44,995	\$ 46,794
Training Fees (2)	\$ 120,000	\$ 124,800	\$ 129,792	\$ 134,984	\$ 140,383
Rent (3)	\$ 22,250	\$ 23,140	\$ 24,066	\$ 25,028	\$ 26,029
Total Revenues:	\$ 182,250	\$ 189,540	\$ 197,122	\$ 205,006	\$ 213,207
Facility Expenses					
Staffing (4)					
Program Costs	\$ 72,000	\$ 74,160	\$ 76,385	\$ 78,676	\$ 81,037
Maintenance Contract	\$ 18,000	\$ 18,540	\$ 19,096	\$ 19,669	\$ 20,259
Utilities (5)					
Natural Gas	\$ 12,000	\$ 12,360	\$ 12,731	\$ 13,113	\$ 13,506
Electricity	\$ 12,000	\$ 12,360	\$ 12,731	\$ 13,113	\$ 13,506
Internet/Wi Fi	\$ 6,000	\$ 6,180	\$ 6,365	\$ 6,556	\$ 6,753
Insurance	\$ 5,500	\$ 5,665	\$ 5,835	\$ 6,010	\$ 6,190
Repair & Replacement (6)					
Capital Reserve (2% annually)	\$ 54,000	\$ 55,620	\$ 57,289	\$ 59,007	\$ 60,777
Total Expenses:	\$ 179,500	\$ 184,885	\$ 190,432	\$ 196,144	\$ 202,029
Surplus (Deficit):	\$ 2,750	\$ 4,655	\$ 6,690	\$ 8,862	\$ 11,178

Revenue assumption 4% annually
 Cost assumption 3% annually

LDF Pro Forma
Notes

Revenue Notes:

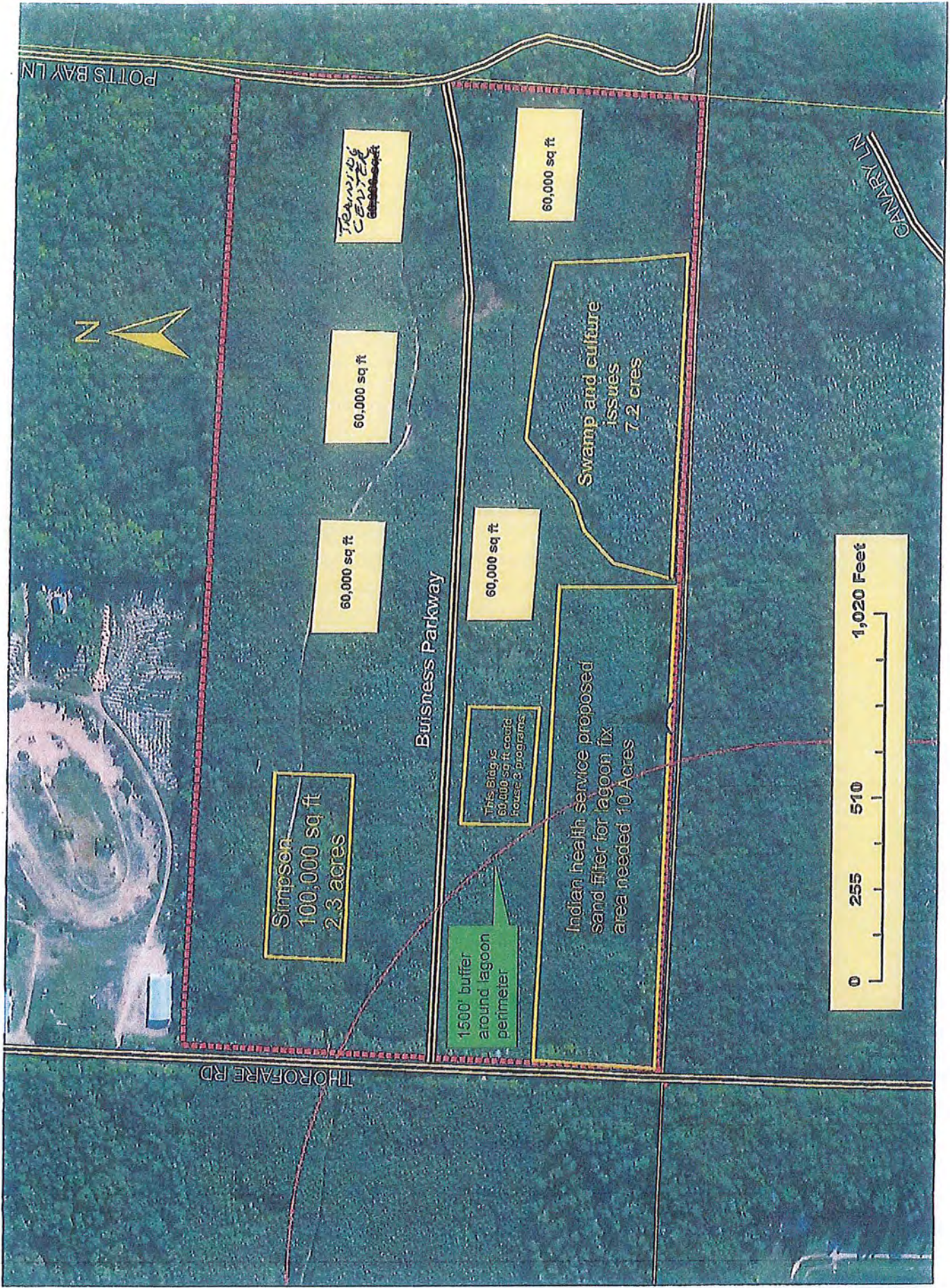
1	Contribution of the LDF	40,000
2	Training Fees based on 80 students @\$1,500 each	120,000
3	Rent: Child Care Facility 1,600 sq. ft * \$12	19,200
	Rent: Training Rooms 6 * \$100; 6 * \$75	1,650
	Rent: Technology Room 12 * \$50	600
	Rent: Conference Rooms 6 * \$50	300
	Rent: Other miscellaneous users	500

Expense Notes:

4	Costs to deliver the programs - 6 part-time instructors	72,000
5	Costs for various building utilities	35,500
6	Annual repair fund is set at 2% of construction costs	54,000

Attachment:

Workforce Training & Business Development Center Site



POTTS BAY LN

GAMARY LN



Teaming Center

60,000 sq ft

60,000 sq ft

60,000 sq ft

60,000 sq ft

Swamp and culture issues
7.2 cres

Simpson
100,000 sq ft
2.3 acres

This Stage
60,000 sq ft could
house 3 programs

Indian health service proposed
sand filter for lagoon fix
area needed 10 Acres

1500' buffer
around lagoon
perimeter

Business Parkway

THOROFARE RD



