

Domestic demand

Sheboygan County seeks to pump up housing starts



Multifamily housing has been a success for Sheboygan County, as more than 240 units have been completed since 2016 and another 500 are either under construction or in the planning stages. The riverfront and downtown are popular locations for the new apartment and condo units.

Dane Checolinski's economic development checklist is impressive: Growing economy — check.

Low unemployment rate — check. (Sheboygan county boasts one of the lowest unemployment rates in the state.)

Recruiting top talent — check.

A place for all those workers to live — well, that one is a work in progress, and you can tell it's one that Checolinski might be worried about most these days.

"We have some great companies that are recruiting some great talent, and we can't find places for all of them to live," says Checolinski, executive director of the Sheboygan County Economic Development Corp. "We have talent from around the world here, and we want to make sure they stay."

It's a challenge Checolinski has

been working on for a couple years, since the Sheboygan County economy came booming out of the recession. The county has seen its unemployment rate drop from a high of 11.1 percent in February 2010 to just 2.8 percent in September. That's nearly a point lower than the state average and close to two points lower than the U.S. average.

The workforce in the Sheboygan Metropolitan Statistical Area has grown by 1,000 in the past year alone. An SCEDC job portal has helped create a common recruiting tool, but even with that, nearly 3,000 jobs in the county remain unfilled.

Housing was identified as a major need the past few years, and SCEDC has launched several targeted initiatives to close the gap. The effort has seen some initial

success in terms of apartments and condominium development, particularly in the downtown area.

Since 2016, the county has seen more than 240 multifamily units come onto the market, with another 208 under construction, according to building permit data compiled by the SCEDC. There are concrete construction plans for another 245 units and proposals for an additional 165 in multifamily developments. More than 400 of those units will be in downtown Sheboygan.

But with 17 percent of the workforce commuting from outside the county, Checolinski sees an opportunity for an even greater win for the county if a way to boost single-family housing develops.

"The most immediate need was apartments, because even people looking to buy a house will often rent for a while first," Checolinski says. "But for long-term success, single-family is where there is just a great opportunity here."

Recent building permit and home sales data illustrate the opportunity. Housing data for the county shows the number of all housing units grew by 1 percent from 2010 to 2016. With supply tight, median housing values for the county have risen 21.8 percent, to \$146,200, according to statistics from the Wisconsin Realtors Association.

Checolinski calculates the county needs about 230 new single-family homes a year to absorb the current workforce growth. Building permit data shows the number of new homes increasing, but at under

PHOTO BY SEAN JOHNSON

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The city of Sheboygan approved a 400-acre expansion of the Sheboygan Business Center in 2017. The new site is adjacent to the nearly full existing business park. Land acquisition and infrastructure work are expected to start in 2018.

140, it's still not keeping pace.

"The opportunity is there, we just need to change the current mindset," he says, noting that many builders in the county construct several high-end, custom homes each year. "What

we might need is a Levittown-type development to catch up."

Built in 1947, Levittown was a planned housing development of modest houses that were built in an assembly-line manner, maximizing

economies of scale and providing a large supply of affordable housing to meet demand. More than 17,000 houses were built in four years.

"I think we all want the same thing," Krisi Kaiser, executive director of the Sheboygan County Home Builders Association, says. "But in many ways, the builders are still catching up from the recession, and now demand has just exploded."

Most homebuilders in Sheboygan are already building more homes than they ever have before, Kaiser says. She says she has had discussion with some builders who are more than 35 houses ahead of their previous year's pace. Given the current labor shortage for construction, most builders have reached their maximum capacity.

"We want to build as many homes as we can, but we also have to realize we don't have the workforce and we also want to make sure we are taking care of the clients as well," she says. [continued] »



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Of the 8,658 people commuting to work in Sheboygan, more than 5 percent have said they would move there if they could find housing, according to an SCEDC survey. That would be 433 people needing 216 housing units.

Given the current pace of growth, it would then take another 73 units a year to keep pace, Checolinski says.

Communities in the county have shown they understand the demand and have a willingness to try fresh approaches to spur the pace of development. Several communities have created special TIF districts and modified zoning laws to accommodate the more compact and walkable neighborhoods that would-be residents are demanding.

“Less customization might be the better future for now,” Checolinski says. “Sheboygan County is being really aggressive in encouraging the construction of single-family homes. We are literally running out of supply.”

Business park expands

While housing opportunities may be the dominant topic of discussion, the Sheboygan County Business Center is preparing for a major expansion in 2018.

With just a few lots remaining in the current business park, the city has approved plans for a 400-acre expansion of the business center, adjacent to the existing park. While the city will still need to acquire and annex much of the land, the expansion gives the city and county plenty of opportunities for future growth.

The expanded park is bounded by Interstate 43 and County Highway OK, from the existing business park south to just before the interstate interchange.

“The current industrial park has been there for 25, 30 years now, and we’re just finishing using it up,” Mayor Mike Vandersteen said during a meeting to approve the plan. “So, we look at this as going to hopefully give us what we need to house industrial expansion for many years in the future.”

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