

Racine Economic Development Project Opportunities



Project Report

November 9, 2012

VANDEWALLE &
ASSOCIATES INC.
Madison . Milwaukee



CONTENTS

Contents	i
Introduction	1
Opportunities Analysis to Consider Racine’s Key Assets & Drivers	2
Key City Wide Assets/Drivers Map	3
Economic Development Opportunities Identified – Areas and Projects	5
City Wide Opportunity Areas Map	6
Opportunity Areas and Economic Development Project Opportunities.....	7
Lakefront Opportunity Areas Map	9
Prioritization of the Economic Development Opportunities	10
Economic Development Opportunities Prioritization Matrix	12
Next Steps in Economic Development Project Advancement	14

PREPARED BY VANDEWALLE & ASSOCIATES, MADISON AND MILWAUKEE, WI

In coordination with the City of Racine’s Economic Development Advisory Committee Core Team:

Mayor John Dickert, Chair

Chris Eperjesy, Vice President Finance and Chief Financial Officer, Twin Disc, Inc.

Jerry Franke, President, WISPARK, LLC

Tom Friedel, City Administrator

Gordy Kacala, Executive Director, Racine County EDC

State Representative Cory Mason

Matt Sadowski, Interim Assistant Director, Department of City Development

Matt Wagner, Ph.D., Manager Global Corporate Affairs and President Johnson Redevelopment Corporation, SC Johnson



City Hall
730 Washington Ave
Racine WI 53403
262 636-9111
262-636-9570 FAX
mayor@cityofracine.org

Office of the Mayor
John T. Dickert

City of Racine, Wisconsin

November 9, 2012

The City of Racine holds great potential for opportunity. The areas many assets allow for expansion and development sites that are second to none in the region. As Mayor, I am constantly looking at ways in which we can provide a crystal clear vision of our opportunities available to developers and investors.

In September 2012, we determined that it was imperative to specifically identify geographic areas and prioritize them in order to maximize the opportunities and resources over the next 3-5 years. We did this with the Racine County Economic Development Corporation and a team of economic development advisors to report back on Racine's Economic Development Project Opportunities. The following is the summary report of this effort.

Project purpose: The purpose of this project is to determine geographic areas in the City of Racine with the greatest potential for redevelopment and economic growth to guide the City and project partners as they target redevelopment and economic development efforts over the next 3-5 years.

Overall, I feel it is critical at this time for our community to focus on advancing Racine's economic growth and development; stabilizing neighborhoods; offering the best quality of life and public safety; and promoting opportunities for quality recreation and entertainment venues – these efforts culminate into an initiative called Racine's "Ten in 10" initiative. The goal of this initiative is to advance the City of Racine to become one of the top ranking cities in the U.S. within the next 10 years.

This project leads the way for future efforts aimed at specific project implementation and the development of tools to assist in the implementation of short-term projects. It also lays the groundwork for future development of a shared community vision and repositioning strategy that can be portrayed locally and nationally as part of advancing the "Ten in 10" initiative.

In partnership with the Racine County Economic Development Corporation, I am grateful for participation in this effort by the Mayor's Economic Development Advisory Committee who has guided the project consultant team and provided critical input to create this action plan, which will drive economic development efforts in Racine for years to come.

I appreciate your interest in Racine; please feel free to contact me with any questions or concerns related to this effort.

Respectfully,

John Dickert
Mayor

INTRODUCTION

Vandewalle & Associates was hired in September 2012 by the City of Racine and Racine County Economic Development Corporation to work in collaboration with the Mayor's Economic Development Advisory Committee Core Team to identify and prioritize economic development project opportunities in the City of Racine to help shape the City's economic future. This work will also advance the Mayor's "Ten in 10" goals—focused on advancing economic growth and development; stabilizing neighborhoods; offering the best quality of life and public safety; and promoting opportunities for quality recreation and quality entertainment venues.



This effort began with a high-level study of economic development opportunity areas in Racine.

There are areas in Racine that are in critical need of attention and have tremendous potential for redevelopment. However, not all of the areas that have been identified will be able to achieve the desired impact in terms of meeting the Ten in 10 goals, or in consideration of near-term project feasibility due to various factors. For this reason the second task of this project is focused on developing a measure for project feasibility and impact to determine priority projects—in order to guide the Advisory Committee and City of Racine overall to determine which project opportunities should be implemented in the short-term and long-term, and which will offer the most return on investment.

Project purpose: The purpose of this project is to determine geographic areas in the City of Racine with the greatest potential for redevelopment and economic growth to guide the City and project partners as they target redevelopment and economic development efforts in the coming years.

Specifically, the outcomes of this work will:

- Forge a path for redevelopment and economic development project priorities and focus;
- Develop an understanding of the community's assets and opportunities related to key focus areas; and
- Guide the City to move forward with key identified sites.

A base understanding for this effort must include acknowledgement of the following key factors that are critical to implementation of economic development projects:

1. The City of Racine is landlocked, in that it is surrounded by incorporated communities, and does not have the ability to grow geographically. An ongoing challenge in terms of economic development advancement has been a lack of greenfield land in the City for use by businesses interested in locating or growing in the City. There is, however, not a shortage of brownfield or greyfield lands in the City, which are prospects for redevelopment. Redevelopment is inherently more difficult in terms of cost, time, coordination, and effort than greenfield development. As the City is landlocked, it is important to consider economic development and redevelopment as one and the same moving forward.
2. There are known and/or perceived institutional and intergovernmental barriers to economic development in the City of Racine. The purpose of this project is not to rule out economic development project opportunities based on the existing political or multi-jurisdictional circumstances, the goal, however, is to shine a light on key opportunity areas where economic reinvestment should be targeted to improve Racine's economic outlook in the next 5-10 years. A separate effort, or conversation, should be promoted in which intergovernmental relations and cooperation is addressed to the benefit of the City of Racine and surrounding jurisdictions for the benefit of economic growth for Racine County.

OPPORTUNITIES ANALYSIS TO CONSIDER RACINE'S KEY ASSETS & DRIVERS

Analyzing Existing Conditions

Research and analyses were conducted to develop a broad understanding of the existing economic and physical conditions in Racine. In addition to analyses of the following factors, the Core Team provided local expertise related to priorities of leadership from the view of the private and public sectors, and also provided significant input during project work sessions and a citywide tour and target area site visits.

1. Economic drivers including largest employers based on NAICS classifications for Manufacturing and overall largest employers in the City of Racine
2. Corporate headquarters currently within the City of Racine
3. Historic corporate leadership within the City of Racine
4. Existing major facilities and assets including educational, community facilities, geographic assets, and transportation networks
5. Location of significant redevelopment sites with potential for new tax base generation upon redevelopment
6. Areas or initiatives with positive momentum
7. Areas included in existing community plans, Business Improvement Districts (BID), and Tax Increment Finance Districts (TID)
8. Areas with recent significant investment
9. Areas of challenge based on demographic indicators: household income, age, educational attainment, race, housing tenure, housing vacancy, incident of violent crime
10. Areas of challenge based on economic district indicators: presence and prevalence of blight, commercial and industrial vacancies, large areas of vacant or underused properties, location of known or suspected brownfields



Highlighting Key Assets and Drivers

The following Key City Wide Assets/Drivers map presents the results of Vandewalle & Associates analyses and input from the Core Team. The location of economic drivers and assets in Racine helps to inform the identification of opportunity areas.

The Key City Wide Assets/Drivers map illustrates:

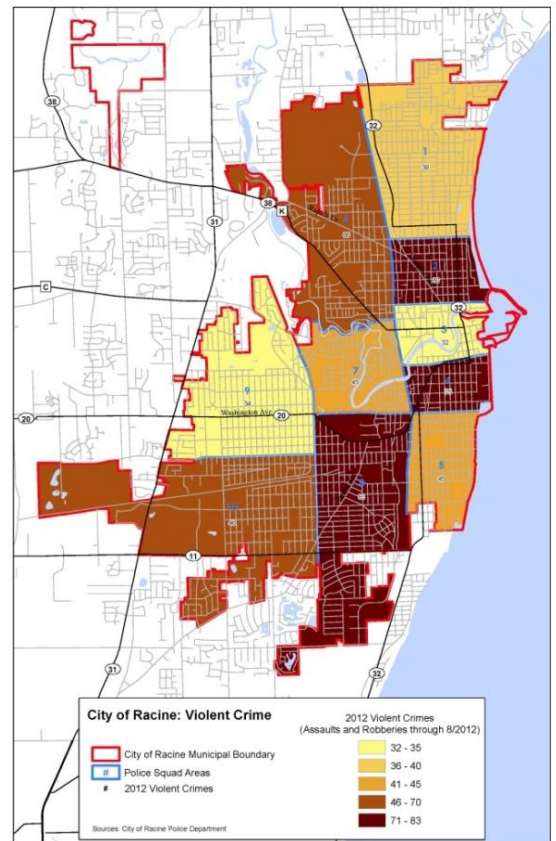
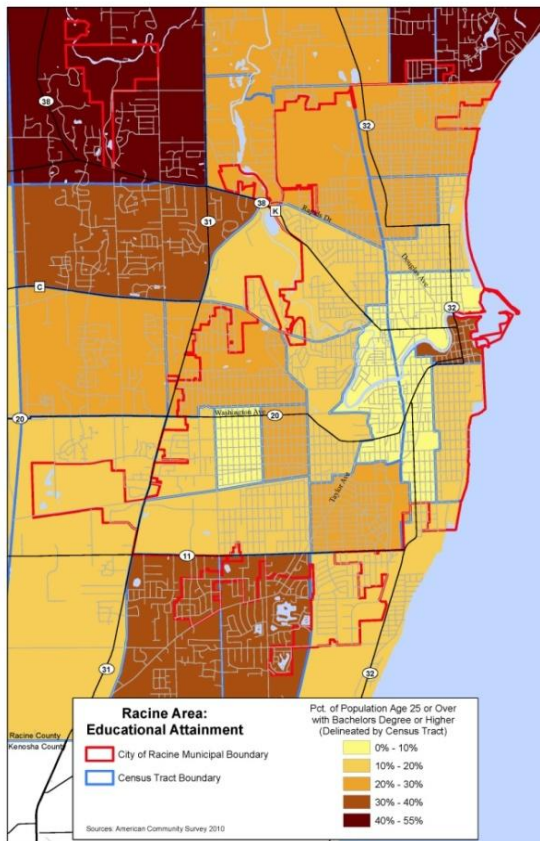
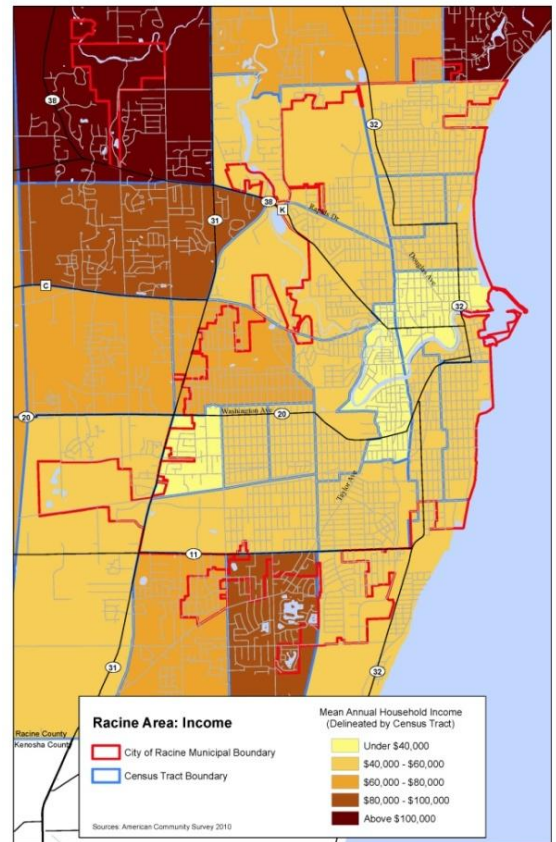
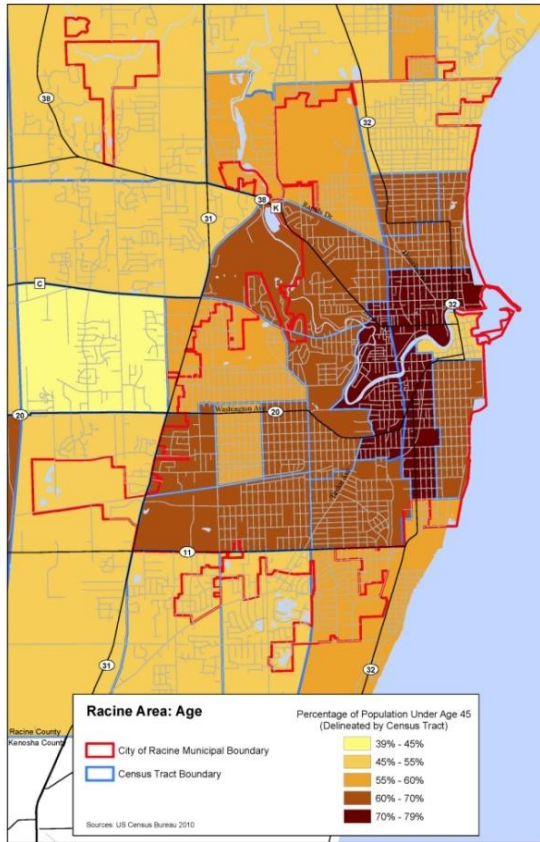
- The prevalence and clustering of Major Employers (over 50 employees) and Corporate Headquarters within the City of Racine.
- Geographic assets of Lake Michigan, the Root River and Jens Jensen Park Network
- Transportation connections including:
 - North-south as well as east-west roadway connections to the Interstate system and to the Chicago and Milwaukee metropolitan areas.
 - The existing rail infrastructure that offers Amtrak service in Sturtevant, the opportunity for KRM rail, as well as adequate freight rail connections.
 - Major bike trail connections to Racine from Kenosha and Milwaukee Counties and pathways and routes throughout Racine.
- Community facilities including North Beach, Reef Point Marina, Gateway Technical College and other educational facilities, Racine Zoo, and many arts focused venues.

KEY CITY WIDE ASSETS/DRIVERS

Racine, Wisconsin



The following maps indicate age, income, and educational attainment by Census Tract. The violent crime data is reported by squad area for 2012. The generalized data shows a cluster of lower income, lower educational attainment, higher violent crime, and higher age group within the central part of Racine, with the reverse occurring as you head north, west, and south from the heart of the city.



ECONOMIC DEVELOPMENT OPPORTUNITIES IDENTIFIED – AREAS AND PROJECTS

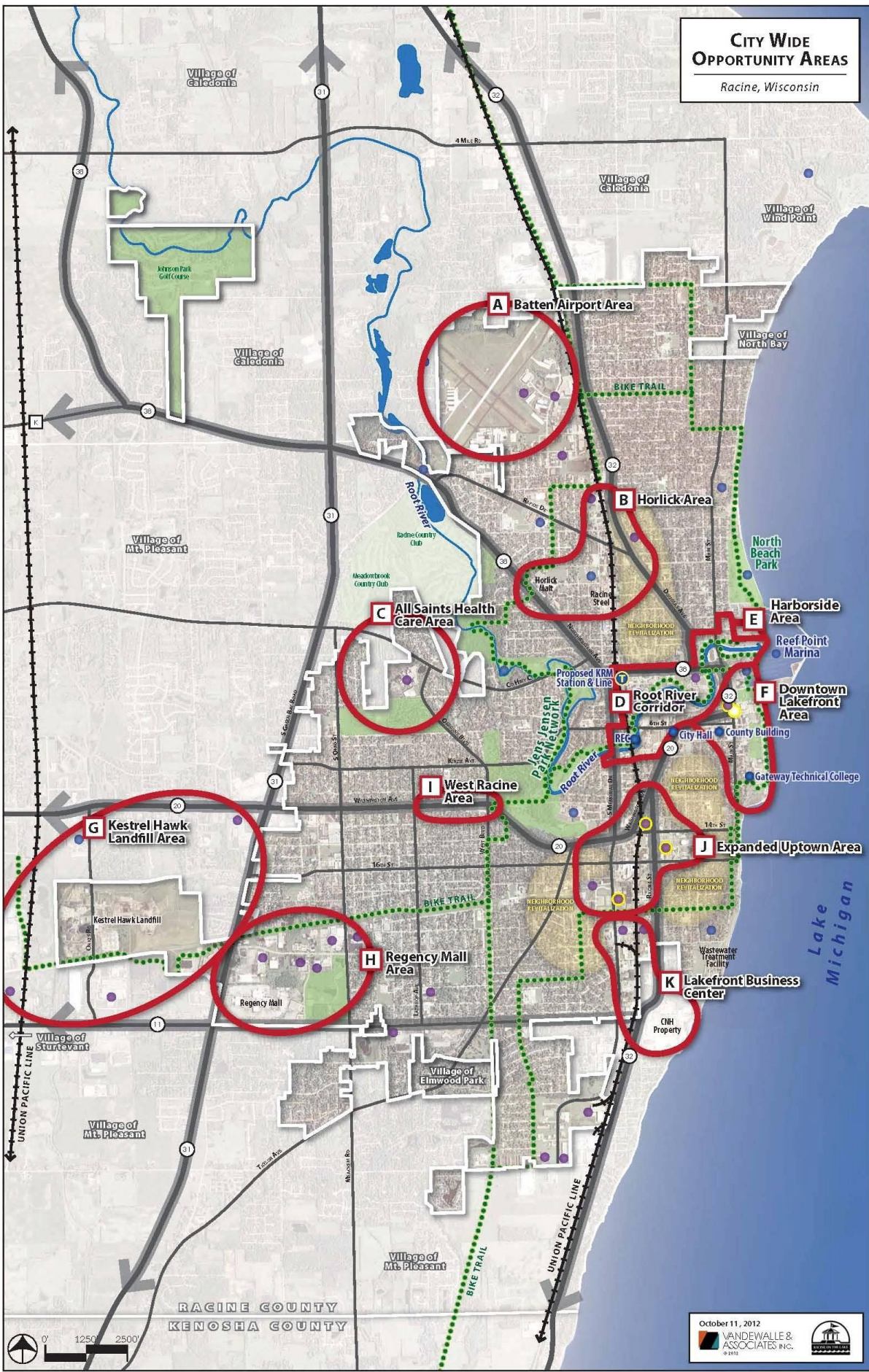
Based on the opportunities analysis of existing conditions, key community assets and economic drivers, and redevelopment expertise of the project team, eleven Opportunity Areas and Project Opportunities were identified as targets for future economic development and redevelopment focus in the City of Racine.

The following City Wide Opportunity Areas map combines the key Assets and Drivers findings with the identification of 11 recommended Opportunity Areas for economic development and redevelopment focus in the City of Racine.

In addition, the Opportunity Areas and Economic Development Project Opportunities list and bullet points provides an overview description of the Opportunity Areas and implementation recommendations – this list presents *what* the opportunity is and the steps that should be taken to advance economic development and redevelopment in the area.



CITY WIDE OPPORTUNITY AREAS
Racine, Wisconsin



October 11, 2012
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A. Batten Airport Area - *Capitalize on the airport, promoting ancillary business development*

- Focus on the airport as a corporate transportation asset, an economic development strategy to benefit corporations with aviation travel needs
- Inventory site potential and develop a strategy to recruit additional businesses to the properties surrounding the airport

B. Horlick Area - *Build off of the historic Horlick Malt campus to create a niche economic development project*

- Develop a strategy to use the historic buildings and campus to create a mixed use project including employment - investigate feasibility of repositioning the buildings in the food economy
- Target adjacent residential neighborhoods for blight elimination
- Facilitate redevelopment of the Racine Steel sites for employment infill, capitalize on the available walkable workforce
- Utilize the active rail corridor in business development strategy

C. All Saints Health Care Area - *Target healthcare industry growth and healthcare neighborhood*

- Target healthcare industry growth and ancillary users for adjacent and nearby lands in cooperation with All Saints
- Promote healthcare workforce connections to surrounding neighborhoods – investigate healthcare neighborhood opportunities
- Develop a workforce mobility plan

D. Root River Corridor - *Revitalize Racine's Urban River Corridor for unique business, residential, and river connections*

- Implement the adopted RootWorks Plan
- Build off the history and historical buildings to reposition the Corridor
- Advance transit initiatives for greater regional connectivity in the core of the city
- Implement water quality improvement projects
- Advance projects for river connections, public access and interaction
- Develop the area to be attractive to the creative class and creative businesses
- Advance Machinery Row and Belle Harbor redevelopment
- Connect Mound Avenue Business Center to transportation assets

E. Harborside Area - *Leverage connection to North Beach to create a phased redevelopment project and new urban greenspace*

- Develop a vision and phased reuse plan, including a urban greenspace that connects the area to the lakefront/North Beach
- Target nearby neighborhood community development, blight elimination strategies to improve market potential for the area
- Coordinate and capitalize on the assembled TIF district and Brownfield grant resources
- Consider cleaning site for use as temporary greenspace to reduce blight

F. Downtown Lakefront Area - *Advance the next phase of Downtown revitalization, considering civic and hospitality projects*

- Move forward with the next phase of downtown revitalization implementation starting with the lakefront
- Develop an implementation priority plan to advance key site redevelopment
- Conduct feasibility analysis of convention center and hotel
- Develop lakefront connection strategy including signage and marketing
- Convert one-way street system to a two-way street system

G. Kestrel Hawk Landfill - *Strategically reuse closed landfill to maximize waste-to-energy opportunities*

- Study the potential to increase energy production as an economic development opportunity, utilizing the latest waste-to-energy technologies
- Investigate opportunities for creating a renewable energy business strategy to provide green power to nearby businesses
- Consider partnering with operating company on a closure plan and in development of a plan for reuse of the landfill

H. Regency Mall Area - *Maintain retail district and promote an updated mall model*

- Study long-term feasibility and market reinvestment opportunities

I. West Racine Area - *Increase neighborhood commercial opportunities and develop a gateway presence at the Hwy 20/West Blvd site*

- Promote the area as a desirable city neighborhood with connections to employment opportunities to the west and downtown
- Build off of the existing strength of the neighborhood, facilitate eastern movement of redevelopment, spreading the cool factor
- Create a redevelopment strategy for the Hwy 20 at West Blvd sites - capitalize on area as a gateway to Washington Park/Jens Jensen park network

J. Expanded Uptown Area - *Capitalize on the existing corporate cluster as the driver for redevelopment*

- Redefine Uptown beyond the Hwy 20 corridor to build upon the cluster of major headquarters and corporations
- Create a redevelopment vision and reinvestment strategy for the redefined Uptown Area
- Coordinate corporate commitment to area and focus investment to catalyze targeted reinvestment
- Establish strong Uptown entryway to SC Johnson, Gateway, Lake Michigan
- Explore the possibility to be an entrepreneurial small business acceleration campus – connecting to the manufacturing sector
- Target reinvestment with residential infill that fits market and new vision

K. Lakefront Business Center - *Maximize premier location for major corporate headquarters and access to alternative energy resources*

- Continue boundary discussions with Mt. Pleasant
- Determine highest and best use for the lakefront site, considering adjacent uses
- Develop a Lakefront Business Center redevelopment vision and reinvestment strategy building off of existing and historic uses in the area –potential for wastewater treatment energy technologies
- Target Corporate headquarters looking for lakefront Campus



PRIORITIZATION OF THE ECONOMIC DEVELOPMENT OPPORTUNITIES

Following Opportunity Area and Economic Development Project Opportunity identification, the team created a sieve for project prioritization – through the development of an Economic Development Opportunities Prioritization Matrix. This completed matrix provides a measure in which to hone in on the redevelopment potential and the ability to provide a catalyst for economic development for the 11 different Opportunity Areas.

In order to also uncover how the City’s interests may be best met through implementation of each project, the Core Team was asked to rank, add to, or edit the following prioritization criteria based on their local expertise and opinion on the most critical factors to consider when prioritizing the Opportunity Areas. Project prioritization ranking criteria provides the lens for assessment of economic development project feasibility and implementation potential. Based on the Core Team rankings, a weighted score was assigned to each prioritization criteria in order to appropriately measure the impact of the different criteria.

The prioritization criteria listed below is in ranked order, 1 being the most important factor and 12 representing the least important. The Core Team individual rankings were compiled to determine the median value of each and then reordered based on the rankings. A number of the criteria were tied in ranked score; in those cases the weighted score is the same for all.

Prioritization Criteria	Weight
1 Stabilize and enhance tax base	7
2 Provides new sites for businesses	6
3 Impact and improve quality of life, housing, neighborhoods, public safety	5
4 Alleviate challenges with physical conditions, such as blighted areas	5
5 Enhance urban workforce connections to employment	4
6 Capitalize on location and transportation assets	4
7 3-5 year development feasibility	4
8 Provide unique market or economic development opportunities	3
9 Near-term implementation likelihood	2
10 Meet commercial service needs	2
11 Flow or coordinate in a logical sequence	1
12 Creative development/ partnerships	1
<i>Criteria ranking and weighted score determined using the median value of Core Team member criteria rankings. Criteria that tied in ranking scores received the same weight.</i>	

Following criteria ranking and assignment of a weighted scale, the Economic Development Opportunity Areas and Project Opportunities were scored by the Vandewalle & Associates team and reviewed and discussed in depth with the Core Team during a project work session. The completed matrix follows. Based on this scoring process, the following is the order in which the Economic Development Project Opportunities may best contribute to economic development in Racine over the next 5-10 years.

Opportunity Areas & Project Opportunities Ranking

- | | |
|------------------------------|--------------------------------|
| 1. Root River Corridor | 7. West Racine Area |
| 2. Downtown Lakefront | 8. Batten Airport |
| 3. Expanded Uptown Area | 9. Regency Mall Area |
| 4. Harborside Area | 10. All Saints Healthcare Area |
| 5. Horlick Area | 11. Kestrel Hawk Landfill |
| 6. Lakefront Business Center | |

Economic Development Opportunities Prioritization Matrix		Economic Development Opportunity Areas & Project Opportunities																					
		A. Batten Airport Capitalize on the airport, promoting ancillary business development		B. Horlick Area Build off of the historic Horlick Malt campus to create a niche business development project		C. All Saints Health Care Area Target healthcare industry growth and healthcare neighborhood		D. Root River Corridor Revitalize Racine's urban river corridor for unique business, residential and river connections		E. Harborside Area Leverage connection to North Beach to create a phased redevelopment project and new urban greenspace		F. Downtown Lakefront Advance the next phase of downtown revitalization, considering civic and hospitality projects		G. Kestrel Hawk Landfill Strategically reuse closed landfill to maximize waste-to-energy opportunities		H. Regency Mall Area Maintain retail district and promote an updated mall model		I. West Racine Area Increase neighborhood commercial opportunities and develop a gateway presence at Hwy 20/West Blvd area		J. Expanded Uptown Area Capitalize on the existing corporate cluster as the driver for redevelopment and revitalization		K. Lakefront Business Center Maximize premier location for major corporate headquarters and access to alternative energy resources	
Prioritization Criteria	Weight	score	weighted	score	weighted	score	weighted	score	weighted	score	weighted	score	weighted	score	weighted	score	weighted	score	weighted	score	weighted	score	weighted
1 Stabilize and enhance tax base	7	2	14	5	35	1	7	5	35	5	35	5	35	1	7	3	21	3	21	5	35	4	28
2 Provides new sites for businesses	6	4	24	5	30	1	6	5	30	5	30	4	24	1	6	1	6	3	18	4	24	5	30
3 Impact and improve quality of life, housing, neighborhoods, public safety	5	1	5	5	25	3	15	5	25	4	20	4	20	1	5	2	10	3	15	5	25	4	20
4 Alleviate challenges with physical conditions, such as blighted areas	5	1	5	4	20	1	5	5	25	4	20	4	20	1	5	2	10	3	15	5	25	4	20
5 Enhance urban workforce connections to employment	4	2	8	5	20	5	20	4	16	5	20	4	16	1	4	2	8	5	20	5	20	4	16
6 Capitalize on location and transportation assets	4	4	16	2	8	2	8	5	20	5	20	5	20	4	16	3	12	4	16	3	12	4	16
7 3-5 year development feasibility	4	3	12	2	8	1	4	5	20	2	8	5	20	2	8	2	8	5	20	4	16	1	4
8 Provide unique market or economic development opportunities	3	2	6	3	9	1	3	5	15	4	12	4	12	3	9	1	3	1	3	4	12	4	12
9 Near-term implementation likelihood	2	4	8	2	4	4	8	5	10	2	4	5	10	2	4	2	4	4	8	4	8	1	2
10 Meet commercial service needs	2	1	2	1	2	1	2	4	8	2	4	4	8	1	2	3	6	4	8	3	6	1	2
11 Flow or coordinate in a logical sequence	1	1	1	3	3	1	1	5	5	4	4	4	4	1	1	2	2	3	3	5	5	1	1
12 Creative development/partnerships	1	3	3	2	2	3	3	3	3	2	2	3	3	3	3	3	3	1	1	3	3	5	5
Total			104		166		82		212		179		192		70		93		148		191		156

Weighted score determined using the median values of Core Team criteria rankings

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NEXT STEPS IN ECONOMIC DEVELOPMENT PROJECT ADVANCEMENT

Drawing from the project prioritization process, the Advisory Committee should determine the best approach to move forward to advance the highest priority projects, kick-off implementation efforts, and continue forward momentum in this economic development initiative.

Recommended next steps include:

- I. Advance efforts for the top three ranked Opportunity Areas and Project Opportunities. Advancement of these top priority Opportunity Areas will enhance Racine in a highly-visible way and have measurable impact on blight elimination in the City.

1. **Root River Corridor** – Implement the adopted RootWorks plan. Focus on Machinery Row and Belle Harbor redevelopment. Implement water quality, river connections, public access, and interaction strategies.

Confirm RootWorks implementation Core Team composition and begin implementation process focused on detailed workplan and strategies laid out in the Plan.



2. **Downtown Lakefront** – Move forward with the next phase of downtown revitalization implementation starting with the lakefront. Develop a redevelopment plan and implementation strategy in response to the changes in the development market since the existing Downtown Plan was adopted.

Determine public and private leadership Core Team to advance this project. The Core Team should develop a budget, scope of work, and project timeline to expedite the Downtown Lakefront redevelopment effort.



3. **Expanded Uptown Area** – Redefine Uptown beyond the Hwy 20 corridor to build upon the cluster of major headquarters and corporations. Create a redevelopment vision and reinvestment strategy for the redefined Uptown Area.

Determine corporate and local leadership to form a Core Team to advance this project. The Core Team, once assembled, should develop a budget, scope of work, and project timeline to expedite the Uptown Area project.



- II. Target and focus redevelopment and economic development energy in the top three priority Areas as public and private grant opportunities, development interests, and partnership opportunities arise.

The remaining eight Opportunity Areas are viewed as high priority areas in terms of future economic development strategy development and project consideration. With limited resources, it is not possible to focus on all 11 project areas at once. If opportunities surface that relate to or are most suitable for one of the other eight Opportunity Areas, the Advisory Committee should consider these projects as they arise. However, by and large, financial and staff resources should be targeted to the top three ranked Opportunity Areas as identified above.

- III. Develop a detailed strategy to fund, staff, and create the necessary Core Teams to efficiently and effectively target and make measureable progress in the top three priority Areas, considering limited public and private resources. Project Core Teams, in coordination with the Advisory Committee, identify project benchmarks, and priorities to measure successful advancement of the top three priority Areas.
- IV. Capitalize on one of Racine’s major assets – the location of key corporate headquarters and employers in the City. A concentrated coordinated effort to support corporations could take the form coordination and direct outreach related to employee recruitment, housing and neighborhood initiatives, job/skills training, K-12 education system, and other quality of life aspects in the City of Racine.
- V. Explore and advance an urban living initiative for the City of Racine. An important aspect of Racine revitalization is creation of an urban environment that is attractive to the next generation of urban dwellers – in particular the Baby Boomer/Zoomer and Millennial Generations.

Advancing the Ten in 10 Initiative and Goals

This economic development project identification and prioritization process leads the way for future efforts aimed at specific project implementation and the development of tools to assist in the implementation of short-term projects. However it is also critical to focus a future phase of work on the development of a shared community vision and repositioning strategy that can be portrayed locally and nationally as part of advancing the “Ten in 10” initiative.

