

SEWRPC Community Assistance Planning Report No. 305
A COMPREHENSIVE PLAN FOR THE CITY OF RACINE: 2035

Chapter IX

ECONOMIC DEVELOPMENT ELEMENT

INTRODUCTION

The concept of economic development refers to the process of developing and fostering suitable economic, social, and political environments, in which balanced growth may be achieved, thereby increasing the wealth, quality of life, and outlook of the community. Economic development involves sustaining a strong and diverse economy that provides employment opportunities and a tax base that supports cost effective public services and a livable community. Through on-going planning, the City of Racine has taken important steps to create strategies for a more vibrant business climate and identity, as well as implemented sustainable economic development initiatives and job retention, creation, and training programs.

The economic development element is one of the nine elements of a comprehensive plan required by Section 66.1001 of the *Wisconsin Statutes*. Section 66.1001(2)(f) of the *Statutes* requires the economic development element to compile goals, objectives, policies, and programs that promote the stabilization and retention or expansion of the economic base and quality of employment opportunities in the City of Racine. At a minimum, economic development must:

- Include an analysis of the City's labor force and economic base.
- Assess categories or particular types of new businesses and industries that are desired by the City.
- Assess the City's strengths and weaknesses with respect to attracting and retaining businesses and industries and designate an adequate number of sites for such businesses and industries.
- Evaluate and promote the use of environmentally contaminated sites for commercial or industrial uses.
- Identify economic development programs, including State and regional programs, which apply to the City.

In addition, the following comprehensive planning goals related to the economic development element are set forth in Section 16.965 of the *Statutes* pertaining to planning grants to local governmental units and must be addressed as part of the planning process:¹

- Promotion of the redevelopment of lands with existing infrastructure and public services and the maintenance and rehabilitation of existing residential, commercial, and industrial structures.
- Protection of economically productive areas.
- Encouragement of land uses, densities, and regulations that promote efficient development patterns and relatively low municipal, state government, and utility costs.
- Encouragement of coordination and cooperation among nearby units of government.
- Building of community identity by revitalizing main streets and enforcing design standards.
- Providing adequate infrastructure and public services and an adequate supply of developable land to meet existing and future market demand for residential, commercial, and industrial uses.
- Promoting the expansion or stabilization of the current economic base and the creation of a range of employment opportunities at the state, regional, and local level.

Element Format

This chapter is organized into the following six sections:

- Economic Development Trends and Projections;
- Areas of Potential Development/Redevelopment;
- Economic Development Issues;
- Strengths and Weaknesses in Attracting and Retaining Businesses;
- City of Racine Economic Development Goals, Objectives, Policies, and Programs; and
- Economic Development Assistance Programs, Financial Tools, and Organizations.

ECONOMIC DEVELOPMENT TRENDS AND PROJECTIONS²

Information regarding the economic base of the City is essential to the preparation of a comprehensive plan. This chapter presents current and historic trend data regarding the economic base of the City of Racine, as well as the projection of future employment levels. Existing and historic trend data with respect to the population and housing stock of the City of Racine are presented in Chapters III and VIII, respectively.

¹ Chapter IV lists all 14 of the comprehensive planning goals included in Section 16.965 of the *Statutes*.

² Additional information on the economic base of Racine County is available in SEWRPC Community Assistance Planning Report No. 301, *A Multi-Jurisdictional Comprehensive Plan for Racine County: 2035*.

Economic Base

Historically, employment opportunities, or jobs, in the City of Racine and Racine County overall have not increased as fast as in the Southeastern Wisconsin Region and the State. In addition to its resident labor force, Racine County is bordered by the urbanizing Counties of Kenosha, Milwaukee, and Waukesha, each with an expanding labor force.

Number and of Jobs

Information regarding the number and type of jobs provides important insight into the economic base of an area. The total number of jobs in the City of Racine County increased from about 42,800 jobs in 1970 to 47,500 jobs in 1980, to 48,100 jobs in 1990, and then decreased to 44,200 jobs in 2000—representing an overall increase of 1,400 jobs, or only 3 percent, over 30 years. This compares to increases of 46 percent, 56 percent, and 77 percent in the number of jobs in Racine County, the Southeastern Wisconsin Region, and the State, respectively, during this time. Between 2000 and 2008, the number of jobs in the County overall decreased by 1 percent, due to recent recessions. Total employment in the Southeastern Wisconsin Region in 2008 was about 1 percent higher than the 2000 level.

The largest concentration of jobs in Racine County is in the City of Racine. The approximately 44,200 jobs were in the City in 2000 represents about 47 percent of all jobs in the County.

Labor Force

The labor force is that segment of the resident population that can be most closely related to the economy. By definition, the civilian labor force of an area consists of all of its residents who are 16 years and over and who are either employed at one or more nonmilitary jobs or are temporarily unemployed. Labor force data are often referred to as “place of residence” data, since the labor force is enumerated on the basis of the residence of individuals in the labor force.

The civilian labor force of the City was 38,700 persons in 2000. The labor force participation rate for the City—that is, the civilian labor force as a percent of the total labor force-age population—stood at 64 percent in 2000. This is slightly less than the labor force participation rate for Racine County (68 percent), the Southeastern Wisconsin Region (68 percent), and State (69 percent).

In 2000, 25 percent of the labor force was employed in management and professional occupations; 26 percent in sales and office occupations; 26 percent in production, transportation, and material moving occupations; 16 percent in service occupations; and 7 percent in construction, extraction, and maintenance

occupations. The proportion of the City's labor force in management and professional occupations (25 percent) was lower than the County (30 percent) and the Southeastern Wisconsin Region (34 percent). The proportion of the City labor force in production, transportation, and material moving occupations (26 percent) was higher than the County (21 percent) and the Region (18 percent).

Personal Income

Another indicator of the strength of the economy is the level of personal income. Household income data provide a good indicator of personal income levels. In 2000, the household income was less than \$25,000 for 33 percent of all households in the City; between \$25,000 and \$49,999 for 32 percent; between \$50,000 and \$74,999 for 21 percent; between \$75,000 and \$99,999 for 9 percent; and more than \$100,000 for 5 percent. The median income for households in the City stood at \$37,200 in 2000—less than the median income for households in the County (\$48,100), the Southeastern Wisconsin Region (\$46,300), and the State (\$43,800).

Equalized Property Values

Information regarding property values can also provide insight into the economy of an area. Property value information provides an indication of the potential for generating property tax revenue in support of public services and facilities and, more generally, provides an indication of the overall wealth of an area.

The total equalized value of property in the City of Racine stood at \$3.93 billion in 2006, including \$3.81 billion in real property (land and improvements) and \$0.12 billion in personal property. The equalized value of property per capita for the City was \$48,900 in 2006; this compares to figures of \$76,200 per capita for Racine County, \$89,900 per capita for the Southeastern Wisconsin Region, and \$83,500 per capita for the State.

Employment Projections

Projected future employment levels in the City were reported in Chapter III. As noted in Chapter III, the City selected an employment projection of 44,200 jobs in 2035—about the same number of jobs that existed in 2000. The projected number of jobs represents a substantial recovery from the reduced levels of the early 2000s.

AREAS OF POTENTIAL DEVELOPMENT/REDEVELOPMENT

The greatest opportunities for development/redevelopment in the City of Racine exist where there is available land served by existing infrastructure. This includes areas of the City where opportunities for residential, commercial, and industrial redevelopment have been identified in neighborhood and area plans; available land in existing industrial/business parks; other lands planned or zoned for industrial/business uses; and environmentally contaminated sites.

- Map 6 in Chapter VI shows areas where the greatest opportunities exist for redevelopment in the City. These include areas that have been identified in existing neighborhood and area plans adopted by the City of Racine. These areas generally include aging and underutilized buildings and parcels located in older commercial and industrial areas of the City and areas in and adjacent to the downtown area.
- Map 10 shows the existing industrial/business parks in the City of Racine. As shown on Map 10, there was a total of six industrial/business parks in the City in 2005, encompassing about 350 acres.³ The six industrial/business parks are the F.M. Young Industrial Park, Huck Industrial Park, Racine Steel Castings, S.F. Olsen Industrial Park, Southside Industrial Park, and Wright-Wieczorek Industrial Park. In 2005, land was available for new development in all the parks except for the Huck and Wright-Wieczorek Industrial Parks.
- Map 11 shows all lands identified on the land use plan map for the City that are recommended to be maintained, developed, or redeveloped in commercial and industrial land uses.
- Brownfield sites represent potential additional opportunities for commercial and industrial redevelopment in the City. Brownfields are abandoned or underused properties where redevelopment is hindered by known or suspected environmental contamination. Brownfields include locations of old gas stations, dumps, industrial facilities, or other potentially contaminated sites.

The Wisconsin Department of Natural Resources (WDNR) is the primary source of information on contaminated sites. Contaminated sites identified by the WDNR include leaking underground

³ As identified in SEWRPC Memorandum Report No. 136, 2nd Edition, *Racine County Industrial Park Land Absorption Study*, December 2005.

storage tank (LUST) sites and environmental repair (ERP) sites. A LUST site has soil and/or groundwater contaminated with petroleum, which includes toxic and cancer causing substances; however, given time, petroleum contamination naturally breaks down in the environment. In addition, some LUST sites may emit potentially explosive vapors. An ERP site is a site other than a LUST site that has contaminated soil and/or groundwater. Possible causes for contamination of an ERP site include industrial spills or dumping, buried containers of hazardous substances, closed landfills that have caused contamination, and areas with petroleum contamination from above-ground storage tanks. Map 12 shows environmentally contaminated sites in the City of Racine. Table 5 lists the 84 sites that have been identified in the City and the type of site.

Brownfield Remediation Site Clean-Ups

Benefits associated with the clean-up of these brownfield sites, among others, can lead to employment and environmental gains, leveraged investment, revitalized neighborhoods, and new sources of local revenue derived from previously unproductive land. For example, in 2007 the City of Racine Redevelopment Authority received \$200,000 from the WDNR Brownfield Green Space and Public Facilities Grant Program for the Pointe Blue Waterfront Redevelopment, plus \$40,075 for the Washington Avenue – West Boulevard Redevelopment Area. At the former Pugh Oil Company and Marina, the city envisions that the Pointe Blue project has the potential for expanding the development of Racine’s Lake Michigan Pathway, leading to North Beach. The West Racine funds were used for remediation and capping of the property at the Northeast corner of Grove Avenue and Washington Avenue. The West Racine Business & Professional Association had the site landscaped into a public square that can be used for special events.

ECONOMIC DEVELOPMENT ISSUES

Racine County Economic Development Plan 4.0

The Economic Development element relies heavily on *The Racine County Economic Development Plan 4.0* (EDP), as well as earlier versions, prepared by the Racine County Economic Development Corporation (RCEDC)⁴ and adopted by the Racine County Board in 2008. The plan is intended to provide

⁴ *The Racine County Economic Development Corporation (RCEDC) is a private, non-profit organization that serves as the lead agency in economic development promotion and planning in Racine County.*

strategies and action items specific to the future economic vitality of the County. The plan identifies five challenges with associated strategies that are intended to address the main economic development issues facing Racine County. The five challenges are:

- To cultivate an entrepreneurial culture in Racine County;
- To focus on the importance of technology and innovation relative to the growth of existing businesses and the attraction of new businesses to the community;
- To utilize the existing natural and cultural resources, recreational opportunities and business location advantages to promote a positive image of Racine County to existing residents and those outside the County;
- To take advantage of the development opportunities that exist as a result of the Chicago-Milwaukee corridor and to properly link land use with future business development countywide; and
- To link education and training in a manner that provides a competitive workforce to meet the present and future needs of local employers and to create opportunities for low-income, disadvantaged and minority individuals to prepare for and obtain employment.

The challenges and strategies identified in the EDP 4.0 are the basis for the majority of the objectives and policies listed later in this chapter.

Higher Expectations: A Workforce Development Strategy for Racine County

As an enhancement and supplement to the EDP 4.0, another effort was pursued in the spring of 2007 to address workforce development issues. The Racine County Workforce Development Board (RCWD) assembled leaders and stakeholders from across the County to create a community-wide consensus for a workforce development strategy. This effort consisted of a public kick-off session in October 2007, where 100 community leaders participated in a briefing from the County Executive and leaders of a Plan Steering Committee. Seven major themes originated from those meetings, including issues pertaining to: transportation; a sustainable economic future; an efficient human capital development system; a stronger linkage between poverty alleviation and career development; the possibilities for a more collectively-oriented County; emerging companies demanding an innovative workforce; and an effective implementation strategy entailing a an inclusive process. To advance the vision of the workforce development strategy, the plan was further developed with supporting research, stakeholder interviews, and outreach decision sessions. The resulting workforce development strategy was adopted by the County

Board in the spring of 2008. The main issues listed in the report that are pertinent to the comprehensive plan objectives and implementing policies include:

- A persistent shortage of skilled employees to fill key technical manufacturing occupations;
- Job losses in the manufacturing sector have predominantly been in occupations that historically paid well but required lesser skills and subsequently leave dislocated workers poorly prepared for anything other than lower wage jobs;
- Traditional labor-intensive jobs are being replaced by more technology and knowledge-intensive employment options requiring ever increasing skills and competencies;
- Entry-level jobs frequently are left vacant because applicants either cannot pass required drug tests and background checks or lack the necessary “soft” skills (such as motivation, punctuality and attendance) to be successful;
- While our schools are providing a good education for many students, too many young adults are dropping out before they finish, preventing them from realizing their full potential;
- Only 77 percent of the county’s ninth graders (and 71 percent of those in the Racine Unified School District) achieve their high school diploma within four years;
- For those who do graduate from high school, a diploma may not accurately signify either 12th grade competency or employability in key growing occupations;
- While Racine County has an enviable quality of life, too many residents view the community in negative terms which impacts employee recruitment and retention;
- While the vast majority of residents are employed and have incomes sufficient to maintain a good quality of life, too many are trapped in a cycle of poverty that can thwart them in developing the skills required to secure sustainable employment; and
- For many struggling to balance life and work obligations, affordable transportation to and from the workplace is increasingly an issue.

Desired Businesses and Industries

The RCEDC’s report, “Business Recruitment and Program Guide June 2007,” developed an extensive list of targeted industries as a core part of the RCEDC’s DRIVE (Developing Racine County Through Innovation, Vision and Entrepreneurship) Initiative. The purpose of the analysis was to focus resources on those targeted sectors with the highest probability of expanding in Racine County. In addition to allocating marketing resources, the targeting of industries will help prioritize incentives and promote a forward-looking image for the County and Region. The targeted industries desired for Racine County’s

economic development expansion and recruitment efforts emphasize both establishing new companies and employment growth. This is important to recognize because while companies may be growing with respect to sales, they are not necessarily growing in terms of number of jobs. As a result, the two types of industries—next generation manufacturing⁵ and professional services—and selected countries have been targeted that would be good economic development drivers and employment generators in order to maintain a healthy and sustainable economy for Racine County.

The DRIVE Initiative is a Racine County Program to help meet the needs of local companies considering an expansion or a new business locating its headquarters in the County between the Chicago-Milwaukee Corridor and along major transportation arteries. RCEDC administers the program, working with its partners to support the commitment and creativity that lead business investment and community development. The DRIVE Initiative also gives companies the opportunity to use the Center for Advanced Technology and Innovation, Inc. (CATI) as a source for intellectual property solutions and technology transfer models to bring products or businesses to the market.

Next Generation Manufacturing

As identified in RCEDC’s DRIVE Initiative, the targeted next generation manufacturing industries include:

- Agriculture, Manufacturing and Mining Machinery;
- Navigational, Measuring, Electromedical and Control Instruments;
- Engine Turbine and Power Transmission Equipment;
- Machine Shops, Turned Products and Screw, Nut and Bolt Manufacturing; and
- General Purpose Machinery Manufacturing.

Professional Services

The City’s location within Racine County offers professional service companies access to lucrative markets via a highly developed transportation network. On a national level, there has been rapid growth in the professional services sector and generally higher wages. In addition, the amenities required by these occupations have a multiplier effect previously associated primarily with manufacturing employment. Most importantly, targeting professional services provides a means for reaching the goal of transitioning

⁵ *Next Generation Manufacturing businesses are lean, agile, innovative, and focused on new markets and customers locally and globally. In particular, the commitment to lean and innovative manufacturing practices involves constantly finding new ways to improve processes and products, thereby creating a long-term sustainable competitive advantage.*

Racine County's economy away from its dependence on traditional manufacturing sectors. As identified in RCEDC's DRIVE Initiative, the targeted professional services include:

- Computer System Design;
- Professional Scientific and Technical;
- Specialized Design; and
- Scientific Research and Development.

Foreign-Owned Companies

Located in the heart of the Chicago-Milwaukee corridor, many overseas companies are calling Racine County home. Foreign-owned companies have been shown to be strong performers in the County's industries owing to such factors as offering direct links and networks to long supply chains of regional, national, and international suppliers. As identified in RCEDC's DRIVE Initiative, the targeted international countries include:

- Germany;
- France; and
- Sweden.

Strengths and Weaknesses in Attracting and Retaining Businesses

This section includes a list of business strengths and weaknesses, based on findings from the Racine County Economic Development Plan 4.0 report, and the countywide and citywide efforts to gather public input. Some items appear as both a strength and a weakness.

Business Strengths

The City's strengths for attracting and retaining desirable businesses and industries include:

- Geographic location – proximity to interstate (I-94) and between Chicago and Milwaukee
- Quality of Life
- Worker productivity
- Size of labor force
- Significant manufacturing base
- Existing industries
- Innovative programs and partnerships
- Access to institutions of higher education
- Ongoing planning and development / redevelopment efforts
- Participating in the Wisconsin Smart Growth initiative
- Railway service – commuter and freight
- Availability of business resources and financing
- Ethnic and racial diversity
- Water resources
- Access to national and international markets
- A long history of planning and zoning
- Access to major airports
- Community has begun to attract a dynamic and diverse business mix
- Tourism and recreation opportunities
- Improved intergovernmental cooperation
- Good infrastructure and accessibility
- Lack of congestion and reasonable commuting distances

- Technology Development Zone program
- Active organizations and community leaders committed to technology advancements and attracting and retaining business, industry, jobs, and workers
- Fiber optic network

Business Weaknesses

The City’s weaknesses regarding attracting and retaining desirable businesses and industries include:

- Lack of integration of east and west Racine County
- Educational attainment
- Continued decline of manufacturing
- Population growth/migration
- Lack of funding for redevelopment projects
- Technology infrastructure
- Image and marketing
- Lack of promoting tourism in Racine County
- Personal tax burden
- Perception of deteriorating air quality
- Entrepreneurial climate
- Quality of life
- Access to capital
- Aging population
- Per capita income
- Impacts of growth
- Perception of unions
- Social equity
- Intergovernmental coordination
- Perceived crime in inner City of Racine
- Lack of trained, educated labor force
- Lack of hospitality services (hotels, fine-dining establishments)
- Impacts of large, big box retail on quality of life
- Lack of entertainment venues and cultural attractions or amenities
- Brain drain – many educated and skilled young people leave the City of Racine for jobs elsewhere
- Growing concerns over housing needs due to both a growing and aging population
- Lack of dedicated funding for mass transit (Kenosha-Racine-Milwaukee commuter rail)
- Insufficient efforts to prepare and invest in the expansion of infrastructure to meet projected growth demands
- Lower wages and salaries for jobs in Racine County than jobs in neighboring (including Illinois) counties
- Perceived reputation as thrifty and unwilling to spend money on non-essentials may hinder attracting certain types of retail and service industries
- History rooted in manufacturing (strength and weakness) – the economy may be perceived as undiversified and could face difficulty in today’s fast-changing economic climate

CITY OF RACINE ECONOMIC DEVELOPMENT GOALS, OBJECTIVES, POLICIES, AND PROGRAMS

The economic development goals, objectives, policies, and programs were developed through the public participation process and review of current economic development issues and opportunities identified in the Racine County Economic Development Plan 4.0 (2008) and a report entitled “Higher Expectations: A

Workforce Development Strategy for Racine County,” dated 2008, prepared by the Racine County Workforce Development Board.

The following City of Racine economic development goals were developed under the comprehensive planning program and previously presented in Chapter IV.

City of Racine Economic Development Goals

- Goal IX-1:** Promote the expansion or stabilization of the current economic base and the creation of a range of employment opportunities.
- Goal IX-2:** Provide adequate infrastructure and public services and an adequate supply of land for development and redevelopment to meet existing and future market demand for residential, commercial, industrial, and institutional uses.
- Goal IX-3:** Encourage development patterns that promote efficient and sustainable use of land, link transportation systems, and that utilize existing public utilities and services.
- Goal IX-4:** Protect and enhance cultural structures, historic sites and districts.
- Goal IX-5:** Promote redevelopment and infill in areas with existing infrastructure and services, enhancing existing residential, commercial, and industrial areas.
- Goal IX-6:** Encourage intercommunity planning efforts to make effective use of resources and to resolve conflicts.

Racine County Economic Development Plan (EDP) 4.0 Objectives, Policies, and Programs

The objectives, policies, and programs listed below are identified as “challenges” and “strategies” in the *Racine County Economic Development Plan 4.0*. The resulting objectives, policies, and programs listed below have been adapted to the City of Racine.

Objectives

- To cultivate an entrepreneurial culture in the City of Racine.
- To focus on the importance of technology and innovation relative to the growth of existing businesses and the attraction of new businesses to the community.
- To utilize the existing natural and cultural resources, recreational opportunities, and business location advantages to promote a positive image of the City and Racine County overall to existing residents and those outside the County.
- To take advantage of the development opportunities that exist as a result of the Chicago-Milwaukee Corridor and to properly link land use with future business development countywide.
- To link education and training in a manner that provides a competitive workforce to meet the present and future needs of local employers and to create opportunities for low-income, disadvantaged and minority individuals to prepare for and obtain employment.

Policies and Programs

- Ensure a comprehensive system of entrepreneurial services for both value-added and neighborhood businesses.
- Work to create an entrepreneurial spirit among students and youth in the City of Racine.
- Ensure that pre-entrepreneurs are provided with appropriate training that will enable them to start successful small businesses.
- Ensure that minority small businesses are provided with appropriate training that will enable them to sustain successful businesses.
- Continue to implement an aggressive and targeted existing business growth and business attraction program for the City of Racine that is based on:
 - industries with a recent history of competitiveness and export orientation;
 - emerging industries that show a potential for future growth.
- Focus the resources of the Center for Advanced Technology and Innovation, Inc. (CATI) on becoming a regional center (Chicago-Milwaukee Corridor) for:
 - leveraging intellectual property assets (inovaTECH);
 - assisting companies in gaining an understanding of new product and marketing opportunities (inovaDRIVE);
 - providing intelligence and contacts to support a company's growth strategy (inovaSOURCE).
- Provide secondary financing to existing and new companies that are creating jobs, tax base and personal income.
- Focus on the retention and recruitment of knowledge workers necessary to meet the labor force needs of companies in the City of Racine.
- Continue the aggressive menu of national speaker and networking events that aligns with technology, innovation and growth industries, as well as other challenges in the Racine County EDP. When possible, partner with other organizations on a regional basis.
- Provide technical assistance to transition the capabilities of existing City of Racine manufacturers to next generation or "advanced" manufacturers.
- Engage community organizations and post-secondary education partners in identifying the benefits of living and working in the City of Racine and promoting a positive image of the City to young adults.
- Encourage the Racine Unified School District to partner with community organizations to promote the most positive image of the school district.
- Support the extension of commuter rail from Kenosha to Racine and Milwaukee.
- Address the adequacy of public transportation for serving the needs of low- and moderate-income persons to access job opportunities in Racine County and throughout southeast Wisconsin.
- Use the Smart Growth Initiative to accelerate cooperative area-wide comprehensive planning.
- Complete a Regional Business Park Land Absorption Study, replicating and expanding upon the study update done for Racine County in 2006.
- Plan for value-added commercial and industrial development in the I-94 corridor.
- Continue to implement industrial and commercial redevelopment projects in the City of Racine.
- Monitor the local economy to identify and retain employers that are considering relocation outside of the City of Racine.
- Actively participate in the Milwaukee 7 regional economic development program in order to create a stronger regional economy with a focus on those initiatives that will positively impact the City and County economy.
- Monitor the Wisconsin business climate and advocate for changes that will improve the State as a place to do business.

- Facilitate cooperation between eastern and western Racine County relative to comprehensive planning issues.
- Develop and implement a comprehensive Racine County community-wide workforce development plan to address:
 - high unemployment and low academic achievement in the City of Racine Census Tracts 1-5;
 - current and future (5 years) workforce needs of existing local employers;
 - workforce development strategies to support economic development efforts to attract and expand targeted industry sectors to the County.
- Advocate for programs that will impact the high unemployment rates in the low-income and minority neighborhoods.

Additional Economic Development Objectives, Policies, and Programs Developed as Part of the City of Racine Comprehensive Plan

Objectives

- Promote a wide range of a range of employment opportunities and resources for all residents that improve and enhance the economic vitality of the City of Racine.
- Maintain and enhance the economic vitality of the City of Racine by encouraging a diversified tax base of commercial, industrial, and residential uses.
- Promote the preservation, development, and redevelopment of a variety of suitable industrial and commercial sites both in terms of physical characteristics and locations.
- Foster tourism that promotes the natural features, cultural resources, and unique heritage of the City of Racine.
- Create coalitions to ensure more truly job-ready workers, dramatically reducing the number of individuals and families trapped in the cycle of poverty.
- Public transportation systems should adapt to meet the changing demands of work and personal responsibilities.

Policies and Programs

- Direct commercial and industrial development to those targeted areas identified for such uses on the comprehensive plan 2035 land use plan map.
- Encourage retail, service, and healthcare businesses to identify and market to the customer base of existing employment centers and serve the needs of all ages.
- Encourage the creation of mixed used developments that contain a strategic mix of residential, retail, office, service and civic, school and recreational facilities, and open space in a compact setting as part of the City's redevelopment efforts.
- Promote mixed use developments and employment centers that are visible and easily accessible to existing or planned transit routes.
- Evaluate incentives to encourage sustainable concepts with respect to the building design, site design, energy conservation and waste management practices with all types of businesses.
- Evaluate programs that conserve energy resources and reduce energy costs to residences, businesses, and industries.
- Encourage business development that provides a living wage for its employees and enables employees to afford housing in the City of Racine.
- Ensure adequate housing within close proximity to employment centers, including both affordable and workforce housing.

- Promote convenient, flexible, and affordable public transportation options.
- Promote flexibility in architectural and aesthetic design of retail and service centers.
- Encourage restoration and adaptive reuse of historic buildings and structures.
- Develop guidelines and implementation strategies to seamlessly integrate existing development with the planning and redevelopment of underdeveloped or in-fill properties.
- Promote the redevelopment of underutilized, vacant, blighted, brownfield, or other environmentally contaminated industrial and commercial buildings to efficiently utilize existing public utilities and services.
- Encourage local initiatives such as tax increment financing districts, business improvement districts, or historic district designation to focus attention and resources on revitalization efforts.
- Evaluate business development in terms of short and/or long term environmental impacts and compatibility with adjacent land uses.
- Ensure that the City has adequate community facilities and services to meet the needs of the existing and future workforce.
- Promote the arts, recreation, entertainment, and educational facilities as major contributors to the City’s quality of life.
- Promote coordination and cooperation between all of the communities in the County on economic development related issues including business creation, retention, and expansion.
- Encourage collaborative efforts between private, public, and non-profit entities.
- Continue monitoring of key economic development indicators.

ECONOMIC DEVELOPMENT ASSISTANCE PROGRAMS, FINANCIAL TOOLS, AND ORGANIZATIONS

This section identifies economic development assistance programs, financial tools, and lead partner organizations that are available to the public and private sectors to help foster economic development efforts. There are many programs at the federal, state, county, and local levels that can assist the City of Racine in the support of its economic development efforts. The City can utilize economic development financial tools—Tax Increment Financing Districts, Business Improvement Districts, and Revolving Loan Funds—to help carry out community development programs. The City and local businesses can apply for various grants and loans to assist in business attraction, retention, expansion, and revitalization efforts. Regional, county, and local organizations also provide economic development assistance to local units of governments and businesses.

Economic Development Assistance Programs

There are a number of economic development assistance programs that can provide financial investment to support businesses and industries. Table 6 provides a summary of these programs that are applicable to the City of Racine. Additional information on programs applicable to the City is summarized in the Racine County multi-jurisdictional comprehensive plan and through the websites of the agency that administers the program.

Economic Development Financial Tools

Important financial tools used in support of economic development the City include tax increment financing, business improvement districts, and revolving loan funds. These are described below.

Tax Increment Financing

Wisconsin's Tax Increment Financing (TIF) program can be an important financial tool for cities in eliminating blight, rehabilitating declining property values, and promoting industry and mixed-use development. Under TIF, the City's Community Redevelopment Authority (CRA) facilitates the new growth and redevelopment projects. When a Tax Incremental District (TID) is established the equalized value of taxable property in the district is established by the Wisconsin Department of Revenue. This is called the Tax Incremental Base. The City then installs public improvements, and property taxes generally increase. Taxes paid on the increased value are used to pay for improvements funded by the City. This is the Tax Increment. It is based on the increased values in the Tax Increment District and levies of all the taxing jurisdictions that share the tax base. Other taxing jurisdictions do not benefit from taxes collected on value increases until project costs have been recovered and the TID is retired. If the TID has been successful, each of the taxing jurisdictions would expect to receive a larger share of the property revenue amount from the new development that came about as a direct result of the creation of the TID.

The City of Racine has 9 active TIDs (TIDs 7 through 15) for a total of 177 acres as of 2008. Both the active and inactive TIDs are identified Map 13. The City of Racine has the most TIDs of any community in Racine County. As shown on Map 13, The TIDs are located mainly in the central business district.

Business Improvement Districts (BIDs)

Business improvement districts (BIDs) provide another means to implement downtown and neighborhood economic redevelopment efforts. Per the Wisconsin State Statutes, cities have the power to create one or more special assessments districts within their jurisdiction. As defined by the legislation, the establishment of BIDs represents a geographic grouping of commercial properties where the business owners agree to assess themselves in a way that generates funds to develop, manage, and promote the districts. The use of the generated funds is flexible and can be used for a range of improvements, such as marketing, banners, business recruitment, and streetscapes.

As shown on Map 14, the City of Racine has created four BIDs. The BID process begins with a petition from property owners requesting the creation of a BID for the purpose of revitalizing and improving a

community's traditional downtown or a particular neighborhood commercial area. The BID law requires that every district have an annual Operating Plan and a minimum of five board members appointed with a majority of those individuals owning or leasing property within the BID. The BID proponents prepare the Operating Plan with technical assistance from the City of Racine Community Development Department and other consultants. RCEDC manages the West Racine and Uptown BIDs, and the City of Racine Downtown Racine Corporation manages the Downtown and Douglas Avenue BIDs.

Revolving Loan Funds (RLFs)

Revolving Loan Funds (RLFs) are an additional financial tool that may be used to promote economic development efforts for new business start-ups and expansion. In Racine County, the RCEDC administers Racine County's RLF program to a number of local businesses. To be eligible for funding, a proposed project must meet specified minimum requirements based on the terms of the RLF and pay back the loan at a 4 percent interest rate. Such terms may include a specific amount of private sector investment, such as a ratio of borrowed money to investment, or require that a certain number of jobs be created or retained for the specified amount of RLF funds requested. Additionally, an applicant would need to demonstrate that the proposed project is viable and that the business has the ability to repay the funds under the terms of the agreement. Loans may be used for the purchase, rehabilitation, renovation, or construction of a commercial strip building or brownfield sites; site acquisition and preparation; purchase of furniture, fixtures, and equipment; financing and working capital; tenant improvements; and buyouts by purchase of assets or stock.

Community Redevelopment Authorities (CRA)

Under Section 66.1333 of the *Wisconsin Statutes*, cities are authorized to create redevelopment authorities for the purpose of carrying out blight elimination, slum clearance, and urban renewal programs and projects. CRAs are granted powers to prepare redevelopment and urban renewal plans, and to undertake and carry out redevelopment and urban renewal projects within the city's corporate limits, and to employ personnel to carry out those activities. Redevelopment authorities may enter into contracts; acquire by purchase, lease, eminent domain, or other means, any real or personal property or any interest in the property, together with improvements; and carry out any transactions regarding redevelopment of such properties. Members of a city's common council may resolve, by two-thirds vote, to create a redevelopment authority. Upon confirmation by four-fifths of the common council, the mayor or city manager appoints seven residents of the city to act as commissioners. The powers of the redevelopment authority are vested in the appointed commissioners.

The City of Racine established a Community Redevelopment Authority (CRA) in 1977. It is the only redevelopment authority in Racine County, and primarily concentrates on redevelopment of commercial corridors and brownfield sites. One of the projects that the City of Racine CRA has recently undertaken is the redevelopment of the former Jacobsen/Textron property. In 2002, the City of Racine CRA was given a \$200,000 loan from the Environmental Protection Agency (EPA) through the Brownfields Cleanup Revolving Loan Fund (BCRLF) pilot program to assist in the cleanup of the site. With the completion of infrastructure improvements in 2007, the property is now an industrial park.

Economic Development Organizations

A number of Countywide economic development organizations have been working together to assist in the establishment, retention, and expansion of area businesses. The following is a description of various local and regional partner organizations that help the City of Racine and area businesses in their economic development efforts.

Racine County Economic Development Corporation (RCEDC)

The Racine County Economic Development Corporation (RCEDC) is a private, non-profit organization created in 1983 to build and maintain a strong economic base in Racine County. The mission of the RCEDC is to foster the economic vitality of Racine County by working with numerous local and regional partners to support innovation and creativity that leads to business investment.

The RCEDC Board consists of 28 members representing local industry, government, education, and professional organizations, and is served by 10 RCEDC staff members. Current membership in the RCEDC is about 150 members, representing a diverse group of companies and individuals interested in the economic development of the Racine County area.

RCEDC assists existing and potential businesses in Racine County in numerous ways. First, RCEDC and its partners helped to originally draft the *Racine County Economic Development Plan (EDP) 2.0* in 2002 to serve as the blueprint for future economic development in Racine County. The EDP 2.0 identified community and business needs through a set of challenges, strategies, and actions. The successful implementation of the EDP 2.0 required willingness for change by community development organizations, employers, workers, and the community at large. In many cases, such change required new, or the re-allocation of existing, financial resources. Second, RCEDC assists in developing, facilitating, and administering a variety of economic development initiatives, including technical assistance and grant/loan programs aimed at: technology and innovation; marketing Racine County; small business and

minority-owned business development; regional economic development; workforce development; business financing; land and buildings; community partnership; and making RCEDC a single point of contact for information on the county's economic development. Finally, the RCEDC staff and its website provide technical assistance, marketing services, workforce training, community profiles, demographic data, business site location listings, and information on utilities, transportation, taxes and business assistance, and quality of life factors.

Community Economic Development Corporation, Inc. (CEDCO)

The Community Economic Development Corporation, Inc. (CEDCO) is a private, non-profit community development financial institution which was established in 1996 by the collaborative efforts of the Racine branch of the National Association for the Advancement of Colored People (NAACP) and the City of Racine to encourage and promote minority entrepreneurship throughout Racine. CEDCO offers a variety of personal financial workshops, as well as services and training for start-up entrepreneurs and minority business enterprises. CEDCO is an authorized intermediary selected to package/submit applications for the US Small Business Administration (SBA) Minority, Women and Veteran Pre-qualification Loan Programs.

Racine Area Manufacturers and Commerce (RAMAC)

Formed in 1982 from the consolidation of the Racine Area Chamber of Commerce and the Manufacturers' and Employers' Association, Racine Area Manufacturers and Commerce (RAMAC) supports and promotes businesses and communities in Racine County. RAMAC serves as a unified voice for interests common to every small and large, industrial, professional, service and retail business and community organization in the Racine area, as well as a central source of information and data on a wide variety of business problems and issues affecting its members, which include over 750 firms. Through RAMAC, these employers form an alliance to accomplish its mission:

- To strengthen and maintain a solid, diversified, economic base, one that ensures a healthy business climate and a prosperous, progressive community.
- To promote and protect the fundamentals of the private free enterprise system as the foundation of our nation.
- To help its members manage more effectively, efficiently and productively by excelling in the delivery of personnel, research and management training services.
- To provide the necessary business leadership and services in cooperation with other public and private interests aimed at improving the quality of life in the Racine area.

Some of the programs provided by RAMAC for its members include a Business-to-Business Expo, a Human Resources Hotline, and management and supervisory training.

Racine County Department of Human Services - Division of Workforce Development

The Racine County Division of Workforce Development administers local, state and federal public assistance programs, including the Wisconsin Works program (W-2), Childcare, Medicaid/BadgerCare, Food Stamps and Emergency Assistance Programs, and the Dislocated Worker Program. The Division is part of the greater Southeastern Wisconsin Workforce Development Area, which consists of Kenosha, Racine, and Walworth Counties. Workforce development divisions for these three counties pool resources to provide training and assistance for those seeking employment, and to help employers seeking qualified candidates to fill positions. The Racine Division provides most services at the Racine County Workforce Development Centers located in the City of Racine and Burlington. The Racine County Workforce Development Centers have facilities to conduct on-site job recruitment, interviews, testing, orientations, training, and human resources and employee relations functions.

Although much of its activities are focused on assisting workers to find jobs, and providing interim financial and welfare assistance, other services and programs of the Division of Workforce Development focus on economic development and job growth. These include:

Business Services Program

The Business Services Program provides assistance to employers searching for qualified applicants, provides labor market information, provides small business development workshops and services, and administers or advises employers about grants from a variety of local, state, and federal sources. Business Services assists local employers in the recruitment process on a local, statewide, and national level, and provides employers with assessments and training of new and existing employees.

Youth Services

The Career Discovery Center at the Workforce Development Center provides area youth with career exploration activities, primarily in school settings at both the middle and high school levels. Some topics covered in these workshops include general career exploration, web-based career tools, goal setting, skill discovery, and filling out job applications. Other programs offered by the Career Discovery Center include the Mayor's Summer Jobs, which provides a variety of jobs to inner city youth, and Partners Educating Parenting Students (PEPS), an effort to keep parenting students from dropping out of school by providing additional assistance. Youth services are designed to inspire, engage, educate and train the County's future workforce.

Dislocated Worker Program

The objective of the Dislocated Worker Program is to assist laid-off workers in obtaining full-time employment in a job compatible with the worker's capabilities and interests at a competitive wage. The Southeastern Wisconsin Workforce Development Area manages the Dislocated Worker program, which is a "Work First" program with emphasis on opportunities for employment. Participation requires that the worker be committed to intensive efforts toward obtaining full-time employment. Program staff develops an Individual Employment Plan (IEP) with each participant to identify full-time employment objectives and what steps will be taken to achieve the objectives. The IEP specifies the occupational goals of the enrollee, based on assessment, testing, and individualized counseling.

If, after an initial period of intensive work search the participant is unsuccessful in obtaining employment, additional training may be considered, subject to availability of funds. Those who are deemed eligible to receive additional training are given an Individual Training Account (ITA), and information on providers, which includes the cost of training and the success rate of the training provider.

Downtown Racine Corporation (DRC)

Created in 1989 through a merger of the former Downtown Racine Development Corporation and the Downtown Association, the Downtown Racine Corporation (DRC) is a comprehensive, incremental Downtown revitalization program with activities and programs including retail and special events, design and business development services as well as creating a partnership culture among stakeholder organizations. The DRC also manages the Downtown Business Improvement District, which funds a variety of community maintenance and improvement efforts and business assistance programs in the downtown area, such as coordinated beautification projects and increased security.

Racine County Convention and Visitors Bureau (CVB)

The Racine County Convention and Visitors Bureau (CVB) was founded in 1983 as a nonprofit organization, aimed at promoting Racine County as an attractive destination by aggressively marketing the area's hospitality, facilities and attractions to create a positive economic impact on Racine County and enhance the area's quality of life. The Racine County CVB marketing efforts include advertising in print, television, radio and internet, including materials such as an annual visitors' guide, a restaurant guide, and a relocation packet. The CVB also attracts and develops events (e.g., Spirit of Racine Triathlon, Great Midwest Dragon Boat Festival); arranges group tours, meetings and conferences; and promotes local events to residents.

University of Wisconsin-Parkside Small Business Development Center (SBDC)

The University of Wisconsin-Parkside Small Business Development Center (SBDC) provides assistance to new and existing businesses in the form of classes and business counseling services, including assistance in the development of business plans and marketing. The UW-Parkside SBDC, located in the Center for Advanced Technology and Innovation (CATI) building in Sturtevant, serves both Racine and Kenosha counties. The SBDC provides business counseling and assistance in both pre-venture (business formation) and venture (business growth and enhancement) areas at little or no cost to its clients.

Gateway Technical College

Gateway Technical College collaborates with communities in Kenosha, Racine, and Walworth Counties to ensure economic growth and viability by providing education, training, leadership, and technological resources to meet the changing needs of students, employers, and communities. With over 29,000 enrollees annually, Gateway Technical College serves the vocational and technical training needs of Southeastern Wisconsin from its campuses and through distance learning opportunities, such as online courses. Offerings include associate degree, diploma, certificate, short-term, non-credit, and workshop programs in over seventy-seven fields. Community outreach educational services include courses in English as a Second Language (ESL), GED/HSED, and computer skills. In Racine County, Gateway has a major campus in the City of Racine.

In particular, Gateway’s Workforce and Economic Development Division (WEDD, previously Business & Industry Services) collaborates with Gateway’s Advanced Technology Centers to promote business development, workforce development, and technology innovation in southeast Wisconsin by serving as a “one-stop” economic center for workforce development. WEDD is the leading supplier of training solutions to area business and industry by providing effective, efficient and affordable training for the local workforce through: customized training, technical assistance, assessments, professional development workshops, and the Advanced Leadership Certificate Program. Courses, workshops and seminars are offered on-site, on campus or at any of the Advanced Technology Centers at various times and dates; Gateway also provides opportunities for on-line learning, self-paced learning and accelerated learning.

Gateway Technical College—Center for Advanced Technology and Innovation (CATI), Inc.

CATI was founded in 2001, with the vision of being a source of innovation for entrepreneurs, companies, and students seeking new research and development opportunities. CATI is a regional technology transfer and commercial institution founded by nine academic institutions, including UW-Parkside and workforce

development and economic development agencies in Racine and Kenosha Counties. CATI has three focus areas:

- Technology Transfer: Assisting existing companies and entrepreneurs with assessing and acquiring needed technology.
- Facilitating Focused Education: Providing application-based educational experiences linking businesses with students.
- Entrepreneurial Development: Assisting entrepreneurs and inventors with commercializing more value-added products to be competitive in a global marketplace.

Carthage College

Carthage College, located in Kenosha County, is a private institution offering liberal arts degrees. Enrollment is approximately 1,500 students, with a student/faculty ratio of sixteen to one. The college offers study in thirty-three major fields plus thirteen special academic programs, a Masters in Education program, and an MBA cooperative program with Loyola University in Chicago.

In 2004, Carthage College opened the A.W. Clausen Center for World Business, a learning center featuring state-of-the-art technology conducive to the presentation and discussion of business principles and theories. The facility and its programs are designed with the goal of preparing students for business leadership in a global economy.

Regional Economic Partnership (REP)

The REP includes economic development organizations in each of the Region's seven counties (Kenosha, Milwaukee, Ozaukee, Racine, Walworth, Washington, and Waukesha) plus We Energies, the City of Milwaukee, the Metropolitan Milwaukee Association of Commerce, and SEWRPC. The REP was formed in 1993 to provide:

- A development partner to assist with financing, workforce training programs, and technology development programs.
- Assistance with business permits and regulations.
- Continuing assistance beyond project completion.

The Milwaukee 7

The Milwaukee 7 is a council of representatives from the seven Southeastern Wisconsin counties—Kenosha, Milwaukee, Ozaukee, Racine, Walworth, Washington, and Waukesha. The council, made up of about 35 civic and business leaders and chief elected officials, was formed with the idea that a regional approach is key to fostering economic growth. Milwaukee 7 is engaged in efforts focusing on regional strategic planning for economic development. Among the council's goals are to compile comprehensive

information about the Region, creating a way for businesses to tap easily into data that can help them plan expansion or location decisions; identifying "clusters" of industries well suited to the area; and creating jobs to retain more Wisconsin college graduates.

In April 2007, the Milwaukee 7 released its Strategic Framework, which includes a vision for the Region and recommended steps on how to achieve this vision. The Strategic Framework identifies the Region's assets that pose a unique opportunity for the Region's long-term prosperity; identifies "Regional Export Drivers," which are industries that drive the export of goods and services beyond the regional borders; maps opportunity zones; and outlines a strategic agenda for each of the Regional Export Drivers. The Milwaukee 7 resource center and Strategic Framework are found on the Milwaukee 7 website (www.choosemilwaukee.com).