

GROWING PROSPERITY

An Action Agenda for Economic
Development in the City of Milwaukee



Executive Summary

Introduction

As the largest city in Southeast Wisconsin, Milwaukee plays a pivotal role in the region's economic success. The recent *Framework for Economic Growth* developed by the Milwaukee 7 recognizes the city's unique position in the regional economy. In our current knowledge-based economy, markets and preferences have shifted in favor of regions that are socially and economically integrated over ones that are more fragmented. Thus, alignment between regional and city-based strategies and priorities is critical: both city and region must move forward together. However, while a healthy region is necessary for a healthy city economy, a strong region alone does not guarantee that the city will thrive. *Growing Prosperity: An Action Agenda for Economic Development in the City of Milwaukee* addresses the need for actions to be taken in the city itself—by city government and by others—to capitalize on regional strategies for growth so that the city can thrive in an increasingly global economy.

Growing Prosperity outlines 10 principles and a broad vision, closely aligned with the goals of the M7 *Framework*, that will put the City of Milwaukee and its residents on a path to economic success. This Action Agenda explores four areas of focus: location-based opportunities, human capital development, entrepreneurship and innovation, and quality of life and place, and identifies strategies to develop and capitalize upon strengths in these areas. Roughly half of the action items identified must be undertaken by departments within City government; the remaining actions will require partnership with some of the many

businesses, nonprofits, and other organizations that work in the City of Milwaukee. These action items, developed by the City in consultation with community participants, are meant to be inclusive and collaborative, and will succeed only with a high level of coordination.

Economic Conditions & Trends

A number of economic trends affect the city and regional economy. These include a shift in competition for business investment from intra-regional (between city and suburbs) to inter-regional (between different regions and even different countries); the return of some manufacturing to the U.S. as increasing international labor and transportation costs make outsourcing less profitable; changing workforce demographics; and higher fuel prices that make cities and regions with robust transport and shipping networks attractive.

Recent Milwaukee investment has responded to these trends. Examples of successful initiatives include the revitalization of the Menomonee Valley; ongoing investment in the 30th Street Corridor at Century City and in water technology in Walker's Point and the Inner Harbor; a thriving downtown with a vibrant nightlife and abundant arts and entertainment options; and redevelopment of the Pabst Brewery complex, Park East corridor, Northwestern Mutual, and lakefront interchange. As the home of the largest workforce in Wisconsin, an impressive collection of institutions of higher education, and engaged citizens, Milwaukee is poised to further capitalize on its strengths.

However, a number of measures identify areas of weakness for Milwaukee. These include higher unemployment rates compared to the region and state, particularly among the city’s minority populations; a growing inventory of City-owned foreclosed structures and vacant lots; disparities in education and income equality that break along racial lines; and transportation challenges that make it difficult for some segments of the population to get to work. The City also struggles to market itself effectively.

Economic development is often viewed as the practice of attracting new companies away from other cities and regions, but growing research shows that supporting existing local businesses is a much more effective way of fostering and maintaining economic growth. Moreover, economic growth typically occurs in particular clusters—groups of businesses that thrive together because of their geographic concentration with its associated competitive advantages like specialized suppliers, skilled workforce, good physical infrastructure, and interlocking networks of buyers and sellers who mutually support each other’s businesses.

The Milwaukee 7 has identified five industry clusters that will drive future economic and job growth in the region. These “asset” clusters include (1) food and beverage processing, (2) power, energy, controls and automation, (3) water technology, (4)



Consultant Paul Brophy leads local stakeholders in a discussion of economic growth principles and ideas. (Source: Department of City Development / Planning)



VISION STATEMENT

City of Milwaukee government will reduce unemployment and poverty within the city and grow prosperity for its residents by partnering strategically with and leveraging the resources of community organizations, key asset industry leaders and private sector partners.

headquarters and business services, and (5) finance and insurance. City strategies must anticipate the needs of asset industry clusters and help support their growth. In addition, support industries that employ large numbers of Milwaukeeans such as health care, retail and hospitality, and business services must thrive in order for the city’s residents to succeed.

Principles to Guide Actions

The City convened meetings involving more than 100 community leaders and local stakeholders to develop and agree upon principles to guide the actions in this report. These principles are:

- Implement data-driven, place based strategies for development
- Take a balanced and equitable approach to business support
- Promote existing businesses with growth potential
- Develop a workforce prepared and poised for success
- Foster public-private partnerships to leverage resources, knowledge and innovation
- Ease the path to development
- Declare a positive vision for the city
- Build upon the city’s existing quality of life and place-based assets
- Attract and nurture ecologically friendly businesses
- Adopt a customer-oriented approach

The strategies and actions in *Growing Prosperity* were developed with an eye to these 10 principles, and the principles will act as guideposts in future City policies related to economic growth.

Location-Based Opportunities

More than 500 acres of vacant industrial land exists in the City of Milwaukee, and some of this land is primed for redevelopment. In addition, more than 650 vacant commercial and industrial buildings exist within the city limits. The investment and revitalization of these sites represent an opportunity to capture regional economic growth within the city limits. However, such initiatives must be accompanied by transportation improvements that provide access to the jobs created in redeveloped locations. Vacant commercial and industrial buildings pose their own unique challenges, but hold great opportunity for creative reuse by entrepreneurs, start-ups, and creative workers. *Growing Prosperity* outlines 10 action items organized within three strategies that will leverage the City's locational opportunities and support asset clusters and other segments of the local economy.

Strategy 4.1: Implement a data-driven, location-based approach to large site development.

4.1.1: Develop, maintain and publish a comprehensive list of available sites in the City of Milwaukee.

4.1.2: Maintain an inventory of 100 acres of "shovel ready" industrial land for development.

4.1.3: Return 500 acres of brownfield land to active, industrial use in 10 years.

Strategy 4.2: Anticipate future industry needs.

4.2.1: Regularly communicate with M7 and key asset industry cluster organizations to learn more about their location needs, and keep suitable Milwaukee development sites on their radars.

4.2.2: Create a food innovation district or corridor in the City of Milwaukee.

4.2.3: Update the analysis of industrial-zoned land in Milwaukee, to ensure that zoning regulations fit the needs of asset industry clusters.

4.2.4: Advocate for policy changes that promote investment in public transportation options.

4.2.5: Invest in infrastructure to promote efficient intermodal networks.

Strategy 4.3: Develop and promote neighborhood business opportunities.

4.3.1: Identify existing vacant building inventory and promote for alternative uses.

4.3.2: Explore and advance opportunities for home-based businesses in neighborhoods.

4.3.3: Explore and advance opportunities for live/work/sell space to support artists & entrepreneurs alike.



The Menomonee Valley is a prime example of successful location-based industrial development, at a large scale. (Source: Department of City Development)

Human Capital

Employed residents are the single most important ingredient in the city’s economic health. Residents who hold jobs add value to the economy by using their skills to make their employers more competitive, and the wages they earn are recycled locally and regionally through expenditures for everything from houses and cars to restaurant meals. The City of Milwaukee has the single largest workforce of any municipality in Wisconsin, and has a higher workforce entry to exit ratio than the suburbs, meaning that city residents represent the future of the region’s workforce.

The city faces a number of challenges in human capital: higher unemployment rates, particularly among minority populations; large numbers of potential workers lacking the technical and soft skills (e.g., punctuality, work ethic, etc.) needed to succeed in the workplace; and other barriers to employment such as lack of valid driver’s licenses, lack of reliable transportation, or previous criminal records that discourage employers from hiring. The City of Milwaukee already has a number of organizations working in the human capital sphere; strategies focus primarily on building capacity and coordination between agencies, and offering programs and opportunities to help workers develop the skills needed to be successful in a job.

 **Strategy 5.1: Grow the workforce employers need.**

5.1.1: Build on the success of the Mayor’s Manufacturing Partnership and expand training opportunities by developing a Center for Advanced Manufacturing at Century City.

5.1.2: Align workforce development with growth opportunities in key asset industry and large employment clusters.

5.1.3: Expand internships, job shadowing opportunities, part-time summer jobs, and local high school career academies for high school and college students.

5.1.4: Develop a web site of opportunities for employers to become involved in job preparation activities that target local youth.

5.1.5: Investigate proven national models, such as Children’s Savings Accounts and “Say Yes to Education” that change the educational aspirations of students of low-income families (see Figure 1).

5.1.6: Establish branding, events and internship opportunities designed to better connect students at Milwaukee post-secondary institutions with the assets and opportunities of the larger community, with the goal of retaining more graduates of local colleges.

 **Strategy 5.2: Expand efforts to assist the hardest to employ.**

5.2.1: Appoint a team to explore the establishment of an entity, similar to Homeboy Industries, that offers jobs and provides support services for ex-offenders.

5.2.2: Facilitate local employers’ pursuit of hiring practices that are more inclusive of ex-offenders.

5.2.3: In partnership with the superintendent of Milwaukee Public Schools, spearhead a private fundraising effort to restore free driver’s education classes and expand support for driver’s license recovery efforts.

5.2.4: Vigorously advocate for public transportation improvements that connect Milwaukee residents to employment centers throughout the metropolitan area.

5.2.5: Support the expansion of the State of Wisconsin transitional jobs programs.

Figure 1: Post-Graduation Plans for Milwaukee Public School Students, Class of 2012

	College	Vocational or Technical School	Job Training
Asian	51.6%	14.4%	0.8%
African American	36.3%	23.6%	0.5%
Hispanic or Latino	32.3%	21.2%	1.7%
White, Non-Hispanic	45.9%	13.7%	0.8%

Source: Wisconsin Department of Public Instruction, 2012

Entrepreneurship & Innovation

Two types of entrepreneurship are critical to Milwaukee's future. Innovative entrepreneurs create jobs and wealth by commercializing new ideas, or improving on existing goods and services. Communities can support these types of firms by supplying capital investment and access to research and development, opportunities through local academic institutions, the public library, and spaces in which to interact and share ideas with others. Replicative entrepreneurs form businesses that provide products and services to local markets. These businesses identify access to capital as a top concern. Since such businesses are often very small, communities can support them by simplifying processes of permitting and licensing, and providing technical assistance to improve business practices.

Strategy 6.1: Define clear pathways to business creation and expansion.

6.1.1: Develop regulation road maps for start-ups.

6.1.2: Reuse vacant City-owned commercial properties to foster start-ups in central city neighborhoods.

6.1.3: Establish a Local Business Action Team within City government to focus on improving service to businesses.

6.1.4: Outstation City staff with local entrepreneurship development organizations to provide them direct assistance.

Strategy 6.2: Maximize the effectiveness of local technical assistance providers.

6.2.1: Invite KIVA to partner with City government and local organizations to develop micro-lending programs for small businesses.

6.2.2: Encourage all organizations that assist businesses to list their services on a common forum.

6.2.3: Improve communication between City agencies and the intermediaries who provide services and technical assistance to local businesses.

Strategy 6.3: Support Milwaukee's entrepreneurial culture.

6.3.1: Develop and host an annual "Entrepreneur Week" to showcase local talent and resources.

6.3.2: Introduce principles of entrepreneurship to Milwaukee school students.

6.3.3: Foster an "Artist Entrepreneurial" city by supporting artists and creative entrepreneurs.

6.3.4: Evaluate City regulations to ensure they facilitate the occupancy of shared work spaces; live/work/sell spaces; and research and development activities.



Flying Car is an annual conference organized by MiKE that showcases entrepreneurship and innovation. Action Item 6.3.1 proposes working with MiKE to develop an annual Mayor's Entrepreneur Week (Source: MiKE - Innovation in Milwaukee)

Quality of Life & Place

Quality of life and quality of place matter in attracting and retaining skilled workers and employers. Quality of life improvements also impact the health, well-being and enthusiasm of the residents of Milwaukee neighborhoods. Milwaukee's rich collection of cultural, entertainment and institutional resources adds value to the entire region. The city boasts a dense, walkable and exciting urban environment with historic buildings and beautiful architecture; the best access to services and transit of any community in the state; vast educational and healthcare choices; a strong public library system; acres of parks and miles of bike lanes and trails; a vibrant nightlife; and numerous festivals, street fairs and cultural events year-round. At the same time, Milwaukee offers a lower cost of living relative to nearby Madison, Chicago, and many of its peer cities across the country.

Strategy 7.1: Enhance quality of life and opportunity.

- 7.1.1: Establish a Quality of Life Council.
- 7.1.2: Adopt a Quality of Life Plan.
- 7.1.3: Establish an Equality of Opportunity Blueprint.
- 7.1.4: Use creative placemaking and special events to establish places and activities in the city where all segments of the community can interact.
- 7.1.5: Implement *ReFresh Milwaukee* to make Milwaukee a greener, more environmentally sustainable city.
- 7.1.6: Support the continued implementation of catalytic projects identified in the Milwaukee area land use plans.

Strategy 7.2: Strengthen and enhance neighborhoods and civic leadership.

- 7.2.1: Help to fully resource affinity groups like NEWaukee and FUEL Milwaukee that engage younger Milwaukeeans in civic life.
- 7.2.2: Encourage and support organizations that engage in neighborhood improvement.

Strategy 7.3: Enhance the impact of neighborhood investments.

- 7.3.1: Develop a menu of intervention strategies targeted to the different neighborhood categories identified by the Market Value Analysis.
- 7.3.2: Seek alignment among the many actors working to improve Milwaukee neighborhoods.

Strategy 7.4: Build Milwaukee's brand.

- 7.4.1: Promote Milwaukee as America's most water-centric city.
- 7.4.2: Establish an aggressive neighborhood marketing campaign.
- 7.4.3: Leverage opportunities linked to the City of Milwaukee's international relationships.
- 7.4.4: Create and distribute a Milwaukee marketing tool kit for use by local businesses.



Lincoln Memorial Drive, looking south towards downtown Milwaukee. (Source: Department of City Development)

A Path Forward

Growing Prosperity outlines 47 action items across 12 strategies that will build upon the community's many existing assets, and help the City of Milwaukee and its partners work toward economic prosperity for all residents. While many of the action items in this report may seem small or incremental, combined they will make an impact on Milwaukee's economic landscape and poise the city and its residents for future success.

In order to implement this Action Agenda, the City will work closely both internally and externally with its partners to align program goals and activities to support the strategies outlined in this document. On March 25, 2014, the Department of City Development (DCD) convened a meeting of organizational partners to identify points of alignment on the strategies contained in the Action Agenda. Further, on April 6, 2014, DCD brought together City employees and department heads to discuss how internal activities could be aligned with *Growing Prosperity*. In both instances, these meetings were a starting point for future discussions and coordination among various City departments and between City government and outside organizations.

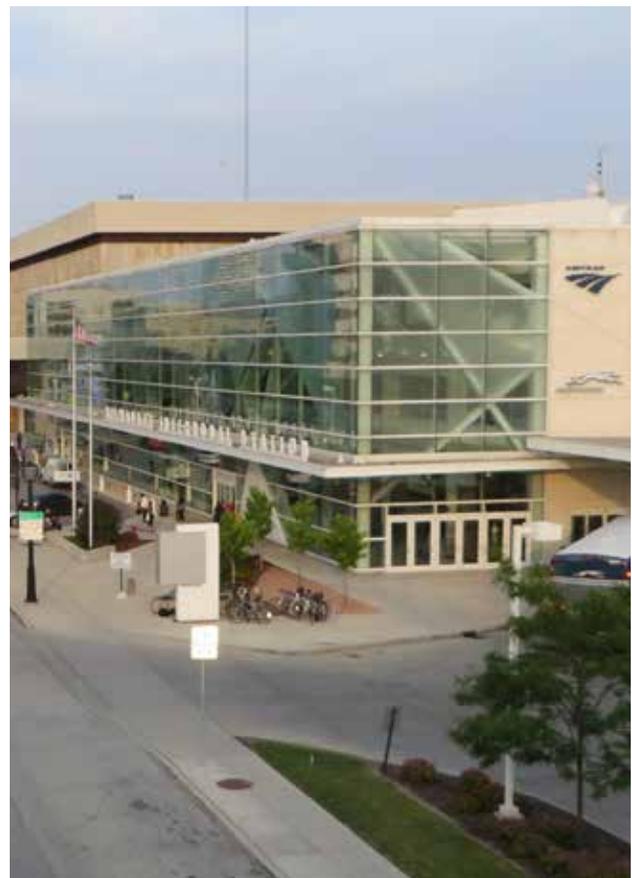
Establishing a baseline and defining metrics are the first steps in measuring the success of the City's economic development efforts. Initial work plans will also be developed for each of the action items in *Growing Prosperity*—internally by City staff for City-led actions, and collaboratively with partner organizations for those actions that require outside support.

The City will establish a dashboard, populated with key metrics that it will report annually, to measure and report success and determine where improvements are still needed. The City will also continue proactively to reach out to the outside organizations identified as partners and leads in the strategies and action items to ensure both City and organizations are moving forward together in implementing the initiatives in this report.

The City has identified metrics to track progress and economic growth. The metrics are:

- Population change, especially focused on central city areas
- Acres of developable industrial land available and redeveloped; non-residential vacancy rates
- Workforce participation rate, by race/ethnicity
- Percent of workforce employed in manufacturing or family-supporting jobs
- Percent of workforce employed in key asset industry clusters
- Total population poverty rate; poverty level as a share of MSA
- Number of business start-ups and closures
- Median household income
- Neighborhood market conditions
- Percent of residents 25+ with bachelor's degrees or higher; income migration

Many of these metrics will be reported by race/ethnicity, educational attainment, age, or geographic area where appropriate.



*The recently renovated Intermodal Station provides good regional connections via Greyhound and Amtrak.
(Source: Department of City Development / Planning)*