

PRELIMINARY DRAFT CONCEPT PAPER
Version 1.2

Using the Menomonee Valley to Move from Land Development to Economic Development

Strategies that Promote Milwaukee's Business Strengths
to Land High-Wage, High-Yield, High-Growth Manufacturers
and
Six-Month Strategy Implementation Actions

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EXECUTIVE SUMMARY

Using the Menomonee Valley to Move from Land Development to Economic Development

→Goal: Grow High Wage Manufacturing Jobs for Milwaukeeans

What now? Why now? The \$20 million site preparation, environmental clean up, and redevelopment of the former Milwaukee Road Shops at the west end of the Menomonee Valley is underway. Starting in 2006, business park land will be available for development. Now is the time to define and pursue the kinds of jobs we want to attract. With only 20-25 parcels available on this, Milwaukee's largest vacant industrially-zoned property, demand will soon outstrip supply. How do we use the "buzz" about the Valley to spur business growth elsewhere in the city?

A Shift is Needed: Efforts for over a decade have been land-focused, not job-focused. During the same period, 10,000 jobs have left Milwaukee. We need *economic* development that grows the local economy's export-based business sector, not mere *land* development that focuses on fiscal impacts, but not economic benefits to residents. After spending \$20 million to prepare 100 acres of Valley land, we need to identify the types of businesses and jobs we want there and actively pursue them. Passively fielding inquiries, as we have done in the past, will result in a re-creation of the land intensive/job poor users the "Valley Plan" was meant to replace.

Five Job Attraction Essentials

1. Recognize the importance of attracting manufacturing jobs to Milwaukee.

Manufacturing jobs provide greater economic benefit. Manufacturing jobs pay much higher wages (\$32-36,000/yr) than retail (\$16,000/yr) and other low-skilled service-oriented jobs. (The federal poverty level for a family of four is ~\$18,000/year). Those employed in manufacturing are also more likely to have health insurance and much less likely to require public assistance.

Manufacturing jobs create more jobs.

Manufacturing jobs are supported by 2-4 additional support jobs in related regional firms, while retail jobs are supported by only .5 additional jobs.

2. Grow the deck--don't reshuffle it.

Company relocations within the region do not create new jobs in the region, and they create many fewer jobs in Milwaukee than a local expansion or an out-of-state relocation would. This is because when manufacturers create *new* jobs in the region, they also create 2-4 additional support jobs at firms in the region that supply those manufacturers. In contrast, when an existing manufacturer moves from Menomonee Falls to Milwaukee or vice versa, the firm's supply chain tends to stay the same and therefore very, very few new support jobs are created. Workers generally will follow a firm within the 4-county area. Thus, the emphasis should be on local expansions—not relocations—and recruitment of firms outside the four-county area. However, more resources should be dedicated to recruitment of companies outside the region than to local expansions because:

- In general, local expansion will happen on its own and does not require significant resources, beyond periodic outreach to firms considering expansions, or interventions to retain specific businesses in the region.
- Each firm new to the area is likely to create more employment gains than each local expansion.
- As long as firms expand within the four-county area, the effect on secondary employment generation is almost as great as if they had expanded in Milwaukee.

3. Target high-wage, high-yield, high-growth manufacturing sectors.

Within the manufacturing sector, different industry types have different average wages, secondary job creation potential, and prospects for long-term growth. Optimizing all three reveals a relatively short list (on next page):

1. Metal stamping
2. Wind turbine/solar panel manufacturers
3. Plastics and resins (injection molding)
4. Motorcycle, bike, and car parts
5. Medical supplies
6. Microbreweries
7. Food processing and pet food

4. Understand and market Milwaukee's unique assets, particularly to target sectors. Don't be tempted to market ourselves as what we are not; we cannot be all things to all people.

Create a marketing package about "the Milwaukee advantage" or "Made in Milwaukee." Highlight *unique* strengths, such as:

- Our heavy-lift deep water port;
- Our supply of high-quality, low-cost, abundant lake water;
- MSOE, with the nation's fourth-best program in industrial engineering among non-Ph.D. institutions;
- MIAD, one of the country's leading institutes in industrial design;
- MATC, the nation's largest technical college; and
- Our relatively traffic-free highways and excellent quality of life.

Keep the marketing message consistent.

Have public officials consistently emphasize these advantages in speeches, interviews, and press releases. Engage national publicity; develop an "echo chamber" effect.

Cultivate marketing allies. Partner with Port, university, airport and other officials to jointly market Milwaukee and these institutions.

5. Use the Valley as a "hook" to market Milwaukee as a business location.

Market all Milwaukee industrial sites when fielding inquiries about the Valley. Some manufacturers may be better served by other sites—such as ones with moth-balled facilities—while others we may find less desirable for the Valley, but well-suited to another location.

Engage and enable intermediaries—such as commercial/industrial real estate brokers—to assist in marketing Milwaukee's industrial-zoned land.

Use the "buzz" surrounding the Valley to re-brand Milwaukee as a pioneer in leveraging its "Old Economy" advantages to become a center for advanced manufacturing in high-growth, frequently high-tech industries.

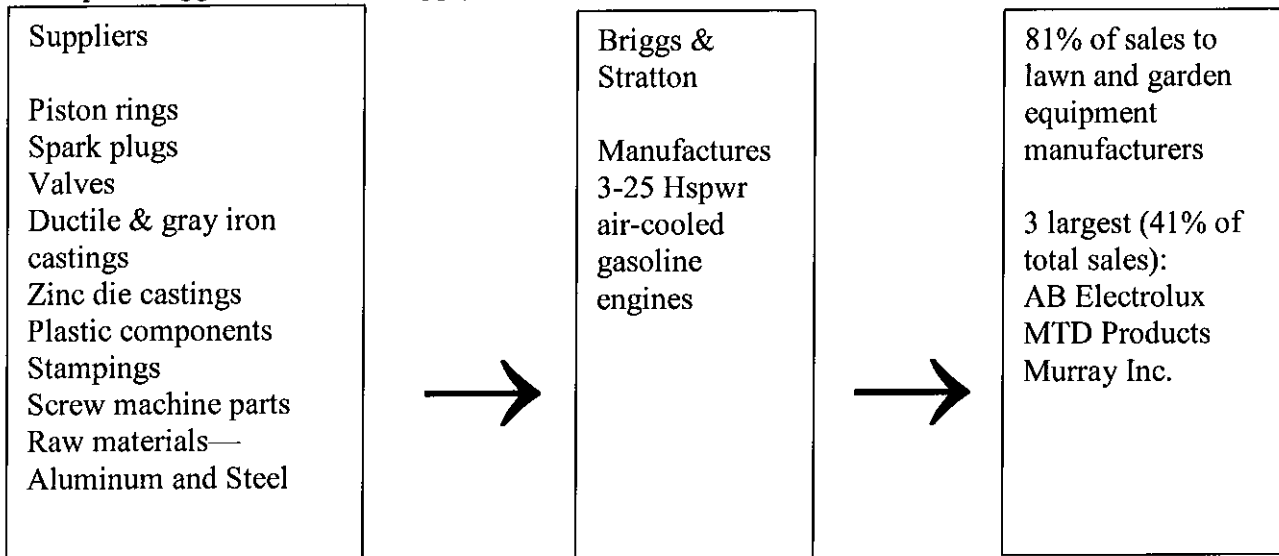
Tailor our marketing materials to two different audiences—existing Milwaukee companies that we want to retain and help expand, and companies outside of the metro area less familiar with Milwaukee's advantages. We need to better communicate to existing businesses the availability of tax credits, low-interest loans, and top-notch workforce training programs. To outside audiences, we need to stress things we take for granted—abundant water, an excellent quality of life, the Port, etc.

Six-month implementation actions:

- Schedule meetings between Mayor Barrett and CEOs of 5 major Milwaukee manufacturing companies with significant supply chains (GE Medical, Johnson Controls, Harley Davidson, Rockwell, Briggs & Stratton) to enlist their support and assistance in recruiting supplier firms (see page 3).
- Form sector-specific committees composed of business leaders and representatives from the public sector and academia. Work with these committees to refine sector-specific marketing pitches and develop lists of key contacts and leads.
- Convene a roundtable composed of representatives from organizations focused on workforce development and those focused on economic development. Follow-up this roundtable with specific initiatives to better coordinate efforts.

How to Utilize a Company's Supply Chain to Identify Prospects

Example: Briggs & Stratton's supply chain



Supply Chain Analysis

A supply chain shows how a company sources the components it needs to manufacture its product and in some instances, how *these* companies source *their* components. A supply chain also shows who the company's customers are.

Supply chains are useful tools for economic developers because they show the interrelationships between companies. Briggs & Stratton, for example, is dependent on metal stampings manufacturers for high-quality, reasonably-priced stampings received in a timely manner. If the manufacturer suddenly experiences quality problems, Briggs' own bottom line will suffer as customers shift their business to businesses with higher quality, or Briggs spends more time on quality inspections and inventory handling to ensure defective components are not included in their products. Similarly, Briggs is dependent on lawn and garden equipment manufacturers to sell its products. If a large customer goes out of business, Briggs' sales will likely suffer in the short run until the company can develop another customer account to compensate for this loss.

Because firms in a supply chain are interdependent, each has a stake in seeing the other succeed. For this reason, firms in the same supply chain often derive benefits from locating close together. Geographic proximity cuts both firms' transportation, logistics, and inventory management costs; proximity also allows for the sharing of information, technology, and management expertise so that firms may make product and process improvements jointly.

Not All Jobs Are Created Equal: A Comparison of Retail Jobs, Other Service Jobs, and Manufacturing Jobs

Milwaukeeans without post-secondary education have four main employment options:

- Low-wage, non export-oriented retail jobs
- Other low- and moderate-wage non-export oriented service jobs (home health care aids, gardeners, etc.)
- Low-wage, export-oriented service jobs (e.g. call centers)
- Moderate-wage, export-oriented manufacturing jobs

“Export-oriented jobs” are defined as those that bring in new money from outside the region. “Non export-oriented” jobs are those that merely redistribute income within the region—for example, from one restaurant to another.

The proportion of Milwaukeeans employed in these sectors will have profound consequences on the region’s economic well-being. The disparity in economic benefits derived from employment in these sectors arises from differences in pay, benefits, job density and secondary employment generation. However, as the final section of the paper discusses, all of these sectors have important and complementary roles to play in a comprehensive economic development strategy for the City.

An Economic Development Strategy Solely Focused on Retail: Some Neighborhoods Improve, but Regional Growth is Zero

Neighborhood commercial development can play an important role in community revitalization efforts. However, an economic development strategy *solely* built on retail development is likely to result in zero regional growth, increased income inequality, continually high unemployment, and increased reliance on public assistance.

The benefits the City receives from new retail development include:

- Increased property tax collections
- Revenue from the sale of the land/buildings
- Decreased blight, increased restoration of historic properties, and increased convenience and community spirit for nearby residents
- Some redistribution of income towards low-income residents *if and only if* new retail development is aimed at keeping inner city residents’ retail dollars in their community (in establishments owned, managed, and staffed by inner city residents) vs. residents spending retail dollars at suburban locations (in establishments owned, managed, and staffed by suburbanites)

The disadvantages of reliance on retail development include:

- Zero regional growth in employment. Money spent at one retail establishment is money not spent at another retail establishment. New jobs at new retail establishments are generally fully offset by lay-offs at establishments losing customers.
- Zero growth in regional economic output. See rationale above.

- Increasing poverty, decreasing median incomes, increasing reliance on public assistance (W2, food stamps, Medicaid, Section 8 housing), and increasing stress on public services (more visits to hospital emergency rooms, for example, which drives the cost of health care up for everyone) *if* these retail jobs replace or come at the expense of higher-paying manufacturing jobs. The average retail worker earns less than \$16,000 a year, placing him or her below the federal poverty line, and rarely has employer-paid health insurance. A report prepared by the Democratic Staff of the U.S. House of Representatives Committee on Education and the Workforce estimates that one 200-employee Wal-Mart store costs federal taxpayers \$420,750 per year in public assistance to employees. Even if these jobs merely come at the expense of other retail jobs, the effect is no net reduction in poverty or reliance on public assistance.

A case study of the economic benefit of a 40,000 sq. ft. movie theater in the Valley shows that even after accounting for the sale of the land and the receipt of property taxes over a ten-year period, the net present value of the project is a *negative* \$337,000 per acre. This negative value results because movie theaters are dependent on the discretionary income of Milwaukee area residents *only*; in a slow-growth economy, incomes remain relatively constant, as do movie-going habits. Overall employment at movie theaters also remains constant therefore. A new theater in the Valley will merely replace an outdated theater elsewhere in the area. Net employment growth is zero.

Non Export-Oriented Service Jobs: Demographics—not Economic Development Strategy—Drive Growth

This paper does not focus on non-export oriented service jobs because there is little role for local economic development organizations. However, this sector represents an important part of the employment outlook for relatively unskilled adults.

While these jobs do not bring new money into the region, and therefore do not contribute to an overall increase in jobs or regional wealth, the number of jobs will increase in certain subsectors. For example, the number employed in healthcare is likely to increase as the population ages and requires greater health care. Similarly, construction employment will likely increase at times; again, this growth is tied to the business climate, trends in residential construction and renovation, and interest rates, not a concerted economic development effort to attract and retain such firms. However, a comprehensive economic development strategy to attract new businesses will indirectly result in employment increases in this sector as new manufacturers hire workers to construct new factories or renovate existing mothballed properties.

An Economic Development Strategy Focused Solely on Export-Oriented Low-Wage Service Jobs: The Growth-with-Poverty Model

An economy increasingly dependent on export-oriented service employment is a slow-growth economy with significant income inequality, but decreasing unemployment and reliance on public assistance. An analysis of a call center provides an excellent overview of the benefits and limitations of this model.

The benefits the City receives from export-oriented service sector growth include:

- Increased property tax collections
- Revenue from the sale of the land/buildings
- Net employment generation. Unlike retail employers, export-oriented service employers in the Milwaukee area generally do not compete for each other's business (instead they are competing with call centers etc. in India, Tennessee, etc.) and therefore employment is not a zero-sum game.
- Net regional wealth creation. Same rationale as above.
- Leverages linkages with Milwaukee's insurance and financial services cluster. May provide additional growth in these sectors, which would further contribute to the regional economy. Back offices could also provide important opportunities for workforce training and development, with successful workers groomed for positions in insurance and financial services.
- Reductions in per capita public assistance, although the actual number receiving assistance is likely to remain fairly constant. While average wages in this sector are similar to retail, and therefore most employees will require some form of public assistance, many of these positions could be filled by those currently unemployed. These workers will require less public assistance to subsidize their small salaries than they currently do as persons with zero income.
- High on-site job density per acre. A comparable call center in inner city Kansas City employed 80 individuals in a pre-existing 6,000 sq. ft. facility.
- The revitalization of abandoned storefronts in blighted neighborhoods. Call centers in Kansas City and other poor neighborhoods have been set up in abandoned storefronts and low-cost locations and therefore do not require valuable industrial-zoned property.

The disadvantages of reliance on export-oriented service jobs include:

- Little or no amelioration of poverty. According to the 2002 Call Center Agent Wage and Benefit Survey, average wages were \$8.00/hour at U.S. call centers, and only 29% of employees received company health benefits.
- Uncertain long-term outlook. Many call centers close as soon as a lower-cost option presents itself. For example, this month Sprint announced it would close a Chicago-area call center and lay off 1,000 workers—just 5 years after commencing operations there.
- Continued necessity for public assistance to large numbers of Milwaukeeans.
- Continued income inequality, which will likely lead to continued race/class tensions.
- Very little secondary employment generation. Call centers by definition do not require many supplies and therefore are unlikely to perform significant business with area manufacturers.

A case study of the economic benefit of a call center in Milwaukee's inner city, comparable to the Kansas City call center described above, would have a net present value of \$23.3 million per acre to the City over a 10-year period. This calculation does not take into account the possibility of the call center leaving Milwaukee prior to the end

of the 10-year period or the opportunity cost of providing land and workers to this type of industry rather than to a high-paying industry such as manufacturing.

An Economic Development Strategy Solely Focused on Manufacturing: Growth-with-Equity but Insufficient Attention to Retail Development

An economy increasingly dependent on export-oriented manufacturing employment is a high-growth economy with declining levels of unemployment, poverty, public assistance, and income inequality, and increasing median incomes and standards of living.

Nevertheless, a strategy solely focused on manufacturing would not create sufficient jobs for those unable or unwilling to work in manufacturing, and might leave areas of the City not near industrial corridors with insufficient funds for investment, neighborhood improvements, and removal of blight.

The benefits the City receives from export-oriented manufacturing sector growth include:

- Increased property tax collections
- Revenue from the sale of the land/buildings
- Net employment generation. Unlike retail employers, export-oriented manufacturing employers in the Milwaukee area generally do not compete for each other's business (instead they are competing with manufacturers in other states and other nations) and therefore employment is not a zero-sum game.
- Net regional wealth creation. Same rationale as above.
- Very significant secondary employment generation. Each manufacturing job *new to the region* (jobs shifted from West Allis to Milwaukee do not count, for example) **creates 2-5 additional support jobs** at firms in the region that supply those firms, while each net new service job creates just 0.5 additional support jobs.
- Reductions in poverty, public assistance, visits to area emergency rooms, and income inequality due to relatively high pay and generous benefits. Manufacturing workers receive, on average, \$32,000-\$36,000 per year, more than twice the average retail salary. Most are eligible to receive health benefits. The maps on page 9 show the relationship between manufacturing employment, reliance on public assistance, poverty, and median neighborhood income. Inner city neighborhoods on Milwaukee's south side, which were more dependent on manufacturing employment, fared far better on these indicators than did inner city neighborhoods on Milwaukee's north side, which were more dependent on low-wage retail and service jobs.
- Increased income leads to job creation in the retail sector, which without this injection of new community wealth, would be stagnant. The economic development consulting firm Blane Canada Ltd. estimates that, on average, **100 new manufacturing jobs result in an additional \$5.3 million in retail expenditures.**

The main drawback to manufacturing has traditionally been the strain that it can place on the environment, natural resources, and a City's physical infrastructure. However, a careful targeting of industries, coupled with design guidelines emphasizing green

building techniques and stringent DNR permitting rules, should effectively attenuate these concerns.

A case study of the economic benefit of a wind turbine manufacturer in the Menomonee Valley, based on data from a new wind turbine manufacturing plant in North Dakota, shows that such a project would have a net present value of \$22.8 million per acre to the City over a 10-year period. In addition to the benefits calculated—wages and health care for workers, significant secondary employment generation at existing Milwaukee-area manufacturers, the sale of the land, and property tax collection—such a plant would offer significant, but hard to quantify, benefits in terms of workforce development and repositioning Milwaukee as a center for advanced manufacturing in high-tech, high-growth industries.

These Strategies Are Not Mutually Exclusive...

Each of these sectors plays an important role in Milwaukee's future economic development. However, manufacturing has the greatest economic impact due its superior wages, employee health benefits, significant secondary employment generation potential, and ability to bring new resources and new wealth to the region. Milwaukee must resist the temptation to re-zone what little industrial land it has left (see map on page 10)—the availability of land for industrial expansion is crucial for the City's future.

An important secondary focus should be the attraction of export-oriented service jobs to Milwaukee's inner city. Existing buildings—mothballed warehouses and abandoned storefronts—should be marketed to potential export-oriented service firms at attractive prices, and with financially attractive options for rehabbing these properties, wiring them for back office functions, and training a low-skilled workforce. Staff at Milwaukee's job training centers will be important partners in this process.

Finally, retail development can play an important support role in this export-oriented strategy. As more workers leave unemployment to work in manufacturing or back office functions, these workers will have more discretionary income to spend at retail establishments. The City can encourage these workers to spend their retail dollars in their own community by providing safe, attractive, convenient local retail centers owned and managed by area residents. Many of these businesses will require low-interest loans, as well as free or low-cost consulting services.

Appendix to “Not All Jobs Are Created Equal”: Estimation of Economic Benefits by Industry

Objective

This method of comparing the attractiveness of various industries was developed in order to better understand the trade-offs of allowing or even encouraging certain types of development at the expense of others. It is essentially a cost-benefit analysis over a 10-year period, with the costs being the cost to taxpayers of acquiring, remediating, and preparing the land in the West End of the Valley, and the benefits being new money pumped into the region’s economy, as well as increased property tax collections and land sales flowing into City coffers to partially offset capital outlays.

Each project’s net present value was divided by the number of acres the project would be expected to require in order to make projects of various sizes comparable. It should be noted that this methodology may understate net benefit to Milwaukee residents since taxpayer costs accrue to all taxpayers—including federal taxpayers outside of the region that contributed to EPA grant funds—while the benefits calculated here almost exclusively accrue to the City of Milwaukee. Benefits included here that may accrue to individuals outside of the City of Milwaukee include wages paid by Milwaukee companies to residents of surrounding jurisdictions and secondary employment created outside of the City, in Milwaukee, Waukesha, Racine, Ozaukee, and Washington Counties. Because RIMS II data provided was for the Milwaukee MSA, we were unable to determine the exact number of secondary jobs that would be created in the City alone. However, we believe that most of the secondary jobs created in the five-county region would be in the City and that the proportion of secondary jobs created in the City would remain relatively consistent across industries. Our assessment of the relative attractiveness of these industries we therefore believe to be fairly accurate despite the limitations of the data.

Methodology

- 1) Estimate the number of new net jobs to be created by the proposed industrial user in Milwaukee. New net jobs are defined as the number of FTE employees on the industrial user’s payroll minus the number of FTE employees laid off by this same employer at another Milwaukee location and/or minus the number of employees laid off at a competitor firm that loses business as a result of the new industrial user commencing operations.
- 2) For years 1-10, multiply the number of new net Milwaukee jobs by the expected annual salary of these jobs. This is the economic benefit to the City in the primary industry.
- 3) For years 1-10, add the economic benefit of jobs created in secondary industries. To do so, multiply the number of new net Milwaukee jobs in that industry by one less than the RIMS II multiplier for the 5-country metro area for that industry category. The RIMS II multipliers are metric developed by the U.S. Bureau of Labor Statistics to estimate the total number of jobs created in a regional economy as the result of 1 new job in a given industry. We subtract one from this multiplier since we have already calculated the economic benefits of the jobs

created by the primary industry. Now multiply this number of secondary jobs created by the expected annual salaries in these secondary industries. A reasonable estimate for manufacturing jobs is \$12/hour since most jobs supporting manufacturing are other manufacturing jobs in the primary firm's supply chain; a reasonable estimate for service jobs is \$8/hour since the secondary effect of low-wage service jobs is generally limited to more retail spending.

- 4) For year 0 only, add the amount received for the land net of selling expenses (here estimated at \$85,000 an acre net) multiplied by the number of acres sold.
- 5) For years 1-10, add the amount the City expects to receive in property taxes from the project. Subtract from this amount the property taxes that would have been received from any buildings razed as a result of this development.
- 6) For year 0 only, subtract the proportional cost to the taxpayer of preparing the land for sale. Here, we estimate total cost of site acquisition, remediation, and preparation, as well as the Canal Street extension at \$35 million for the West End. We allocate this cost to each project as a percent of the 62 net developable acres the project is expected to require.
- 7) Sum the net benefits for years 0-10 and discount at 6% to calculate the project's net present value (NPV) and NPV per acre.

Methodology Note: While health benefits are an important benefit to consider, due to the difficulty in obtaining industry-specific health benefit information, health benefits were not included in this comparison, except for the Garden Fresh scenario, for which the company provided this information. When evaluating a specific proposal, the impact of health benefits should be factored in.

Model Assumptions

- Wages increase 2% per year.
- Property taxes increase 3% per year. Year 1 property taxes based on \$40/sq.ft. assessment, assessed rate of \$27.52 per \$1,000 value.
- Wages in secondary industries that support manufacturing pay \$12/hour; wages in secondary industries that support low-skilled service jobs are primarily retail and pay \$8/hour.

Results of Analysis

Four scenarios were analyzed:

Scenario 1—A 40,000 sq. ft. movie theater in the Valley's West End that results in the closing of a comparable theater elsewhere in Milwaukee. New net jobs are zero.

Scenario 2—Garden Fresh, a preparer of refrigerated foods for resale in grocery stores, expands operations, building a new facility in Walker's Point adjacent to the Valley and creates 35 new jobs. This is the only scenario that involves detailed company-provided data about wages and health coverage, plus detailed City data about property taxes on the new property, as well as the properties razed by the company, and the grants provided for site remediation. Costs included only these small grants; costs did not include the value of the West End preparation, as the parcel is not located in the West End. This estimate assumes that Garden Fresh's competitors are outside the region, so the 35 new jobs are not offset by regional job losses elsewhere.

Scenario 3—A wind turbine plant with the same square footage and employment as a comparable new LM Glasfiber plant in North Dakota opens in the Valley’s West End. The secondary employment multiplier for wind turbine manufacturing is the same as for turbine manufacturing in general. (RIMS II multipliers do not have a category specifically for wind turbines.)

Scenario 4—A call center opens on a half-acre of the Valley’s West End, with the same square footage and employees as a comparable Kansas City call center. This calculation does not take into account that this call center project would have a much higher NPV (due to the much lower taxpayer costs) at a non-industrial zoned site.

Below is a summary of our conclusions from this analysis:

Project	NPV per acre
40,000 sq. ft. theater	-337,187.00
Garden Fresh	8,097,339.00
Wind turbine plant	22,846,593.00
Call center	23,268,916.00

Lessons Learned

Projects will have a higher NPV per acre if:

- Net new job density (jobs/acre) is high. The implication is that industries with very low jobs per acre (e.g. commodity industries with large bulk storage piles and few staff), or firms that are merely relocating from another Milwaukee area location and therefore not creating many (or any) net new jobs, are far less attractive.
- Companies do not cannibalize sales from other local firms. The implication is that manufacturing firms that export products out of the region and primarily compete with factories outside of the region, are far more attractive than retail establishments, which vie for residents’ relatively constant discretionary income.
- Companies have extensive contacts with local firms to supply inputs and/or buy outputs. The RIMS II multipliers are good proxies for this interaction and give a rough idea of “clusters.” The higher the multiplier, the greater the number of secondary jobs created.
- Wages in both the primary and the secondary industries are high.

Therefore, relatively unattractive prospects include:

- Storage facilities
- Firms relocating within the Milwaukee area that do not intend to create additional employment
- Industries with very low multipliers (retail, curtains and drapery, luggage, electric lamps, etc.)

Externalities Are Important!

Project externalities (both positive and negative) that are difficult to quantify but must be considered include:

- Traffic impacts and their effect on future road repair costs
- Cost of additional police patrols
- Environmental impact
- Workforce Development
- Effect on City image within and outside the region

The economic development consulting firm Blane Canada Ltd. estimates that a municipality's cost of providing services to retail is twice the cost of providing local services to industrial users. However, environmental concerns are likely to be greater with most industrial users.

Evaluation of High-Yield Manufacturing Sectors

High-yield manufacturing sectors are defined, for the purposes of this report, as those for which we expect a proactive marketing and business recruitment campaign to yield the greatest economic benefit to Milwaukee. The methodology for identifying these sectors was as follows:

From a list of 364 manufacturing subsectors used by the Bureau of Labor to calculate the impact of these industries on local job creation, we identified those subsectors that created at least 2 additional jobs in the Milwaukee metro area. From this smaller subset of manufacturing industries, we eliminated those with average wages less than \$12/hr. (based on Bureau of Labor data), and those for which the U.S. Bureau of Labor projects declines in U.S. employment. (These tend to be industries which are moving abroad in large numbers and are therefore unlikely to invest for the long-term in a new U.S. location. The only industry not included in this original list was wind turbine manufacturing, which is too specific of an industry to be included in the 364 categories. It does, nevertheless, meet the aforementioned criteria.) Once a list of approximately 15 industries was compiled based on these criteria, MEDC staff contact DNR representatives to discuss the potential environmental implications of these industries. Concurrently, MEDC staff conducted an analysis of the compatibility of the Valley's assets with the site selection criteria of the identified industries. The targeted industries identified here meet most or all project criteria and are considered likely to be attracted to Milwaukee; metal stampings and medical instruments did not meet the job multiplier criteria but were included because they scored highly on all other factors.

Wind Turbine and Solar Panel Manufacturing

Why we want them:

1. Job-intensive industry
 - a. Significant primary job creation
 - Comparable plants 25 new jobs/acre;
 - If overall job density in West End were 25 jobs/net developable acre, that = 1,375 jobs.
 - b. Even greater creation of secondary employment
 - One wind turbine manufacturer interested in locating in Milwaukee indicated that they intended to purchase locally the following products: cast iron pieces, forging shafts, asynchronous generators, transformers, glass fiber covers, hydraulics elements, gears; 37 possible suppliers in Milwaukee area identified in SIC code search
2. Jobs created are "good jobs"
 - Comparable factory pays entry-level wage of \$10/hr. and full benefits
3. Industry with good long-term outlook
 - Price of fossil fuels expected to increase, as price of wind power decreases

- Stricter environmental controls will likely lead to increased demand for renewable energy
- Difficulty transporting product, high-tech nature means less likely that production will go offshore

4. Supports repositioning of Milwaukee as a center for advanced, high-tech manufacturing.

Why they want us:

Site Selection Criteria for Wind Turbine and Solar Panel Manufacturers:

- a) Create market for wind and solar power
- b) Tax and financial incentives
- c) Quality of workforce and availability of programs & incentives to develop workforce
- d) Proximity to suppliers
- e) Access to deep-water port

Example benefits to communicate to this sector:

- a) WI adjacent to three other leaders in renewable energy development—IA, MN, IL
- b) Transportation access to these markets and to inputs—Port, highway, rail
- c) WI at forefront of renewable energy development—State task force unanimously endorsed plan 7/20/04 to require WI utilities to generate 10% of electricity from renewable sources by 2015 and increase state’s purchase of renewable energy to 20% by 2010.
- d) Tax benefits and financing option—RC zone, WI Com. Dev. Zone, Focus on Energy grants, customized labor training grants, City and State low-interest loans
- e) Workforce development assistance—UMOS (pre-screening, Com. Service Jobs, Trial Job Program, workshops & training), Hire Center
- f) Access to professional workforce, R&D Centers, and consulting services—MSOE (4th in industrial engineering), 2 other engineering schools, Rapid Prototyping Center, Fluid Power Institute, UW Solar Power Laboratory (recipient of Weeks Award), MIAD

Recommended Sector Committee Members

Michael Vickerman, Wisconsin Focus on Energy program

Penny Scheuerman, We Energies

?, Port of Milwaukee

?, MSOE

?, UW Solar Power Laboratory

Cuauhtemoc Rodriguez, UMOS

MMAC

John DeLuca, President, Amalga Composites

Ty Gutenkunst, Human Resources, Milwaukee Tool and Equipment

Dave Johnson, Human Resources, Grede Foundries

Martin Essig, President, Milwaukee Forge

Gary Kaine, President, The Falk Corp.
Ron Schurer, General Manager, Citation Custom Products Corp. (machining, Men. Falls)
Marcia Theusch, MEDC

Metal Stampings

Why we want them:

1. Fair total job creation
 - Comparable firm in Milwaukee in 1999 created 10 jobs/acre, planned to expand to 15/acre
 - For each job created, approximately 1.4 jobs are created in Milwaukee area in related industries (based on RIMS II multipliers)
2. Jobs created pay wages among the highest in the manufacturing sector
 - Average production worker earns \$15.09/hour
3. Industry with a very good long-term outlook
 - BLS predicts average annual employment growth of 1.5%
 - Metal working was one of key “clusters” identified by ICM study

Why they want us:

Site Selection Criteria for Metal Stampings Manufacturers:

- a) Access to customers and suppliers
- b) Access to transportation, esp. Port to cut costs of importing steel
- c) Access to skilled, reliable labor force
- d) Tax and financial incentives
- e) Utility costs and reliability (water, gas, electric)

Marketing message—benefits to communicate:

- a) Access to customers—Briggs & Stratton, probably Harley-Davidson as well, maybe Rockwell Automation (3rd most manufacturing-dependent city in the country)
- b) Access to suppliers—metal fabrication cluster in SE Wisconsin
- c) Access to Port for inexpensive steel imports
- d) Access to rail and highways
- e) Access to a skilled workforce—large number of area workers with metal working experience (1,000 displaced metal workers at Hire Center alone); strength of engineering schools (including MSOE, 4th best industrial engineering program in the country), MSOE’s Fluid Power Institute and Rapid Prototyping Center
- f) Workforce development assistance—UMOS (pre-screening, Com. Service Jobs, Trial Job Program, workshops & training), Hire Center, MATC
- g) Tax benefits and financing options—RC zone, WI Com. Dev. Zone, Focus on Energy grants, customized labor training grants, City and State low-interest loans

- h) Reliable utilities—"Reliability One" Award from PA Consultants for Midwest Region in both 2001 and 2002, typically top quartile SAIFI performer, natural gas costs less than Indianapolis and Minneapolis in 2002 (still true?), electricity costs less than Indianapolis, Detroit, Chicago in 2002

Recommended Committee Members

Irv Palmer, President, Manutec Inc. (minority-owned metal fabricating/welding co.)

Jeffrey Bluenstein, CEO, Harley-Davidson

John Shiely, CEO, Briggs & Stratton

Roger Hinkle, Hire Center

?, MATC metals fabrication program

Tom Wanke, Director, MSOE Fluid Power Institute

Dave Latona, MEDC

Rajan Shukla, ICM

Medical Instruments

Why we want them:

1. Good total job creation

- Comparable firm (GE Medical in Waukesha) created 18 jobs/acre
- For each job created, at least 1.5 are created in Milwaukee area in related industries (based on RIMS II multipliers)—some specific sub-fields such as X-ray apparatus and tubes (3.5 additional jobs) and electromedical and electrotherapeutic apparatus (2.3 additional jobs) have even greater secondary employment generation effects

2. Jobs created pay EXCELLENT wages

- Production workers at GE Medical earn \$16-\$25 per hour

3. Business with EXCELLENT long-term outlook

- Spending on healthcare projected to rise from current 14% of GDP to 20% by 2010
- GE Medical revenues increased 65% 2000-2004
- GE Medical reports that it intends to keep most manufacturing operations in the U.S.—believes U.S. has advantage in engineering, designing, and production expertise
- Medical instruments are not commodity good, but rather high-tech, differentiated product

Why they want us:

Site Selection Criteria for Medical Instrument Manufacturers:

- a) Access to top-notch engineers, designers, and production workers (by far most important)
- b) Access to suppliers

- c) Access to transportation, esp. for exports
- d) Tax and financial incentives
- e) Quality of life issues for execs

Marketing message—benefits to communicate:

- a) Access to customers—GE Medical
- b) Emotional appeal: GE Medical has been very successful here (see above); why shouldn't you be as well?
- c) Top-notch engineering programs at MSOE, UWM, Marquette, and UW-Madison; top-notch industrial design program at MIAD; top-notch technical degree/programs and on-site customized training through MATC, the largest technical college in the nation
- d) Access to suppliers—Milwaukee is a very large, diversified manufacturing center (3rd most manufacturing-dependent city in the country)
- e) Access to Port for exports to China and other growing international markets for products
- f) Access to State officials eager to promote Wisconsin exports and with an excellent track record of successfully doing so
- g) Easy access to airport
- h) Quality of life—Milwaukee is safer, more accessible, more affordable, and more fun than most other large cities
- i) Tax benefits and financing options—RC zone, WI Com. Dev. Zone, Focus on Energy grants, customized labor training grants, City and State low-interest loans
- j) Reliable utilities—“Reliability One” Award from PA Consultants for Midwest Region in both 2001 and 2002, typically top quartile SAIFI performer, natural gas costs less than Indianapolis and Minneapolis in 2002 (still true?), electricity costs less than Indianapolis, Detroit, Chicago in 2002

Recommended Committee Members

?, Tech Star
 ?, Milwaukee Medical College
 Joseph Hogan, CEO, GE Medical Systems
 ?, Wisconsin Department of Commerce
 ?, MMAC
 ?, Spirit of Milwaukee
 Laura Wake, MEDC

Motorcycle and Motor Vehicle Parts: A Case Study in Targeting “High Yield” Industries

Why vehicle parts?

1. High job creation potential
 - Potential for significant primary job creation—minority-owned Tier I automotive parts supplier in Detroit created approximately 20 jobs/acre

- For each job created, approximately 3.3 jobs are created in Milwaukee area in related industries (based on RIMS II multipliers)
2. Jobs created pay living wages
 - Average assembler earns \$12.37/hr.
 3. Business with excellent long-term outlook
 - BLS predicts 12.6% employment growth
 4. Opportunity to reposition Milwaukee as center for automotive excellence
 - Fund R&D Center in collaboration with Harley, Johnson Controls, small suppliers, and engineering schools
 5. Compatible industry with another target industry—plastics.
 - A growing percentage of automotive parts are made from plastics.
6. Milwaukee has competitive advantages for attracting this sector:

Site Selection Criteria for Motor Vehicle Parts Manufacturers:

- a) Proximity to suppliers and customers
- b) Transportation infrastructure
- c) Low cost (non-union), skilled, reliable labor force
- d) Tax and financial incentives
- e) Utility costs and reliability (water, gas, electric)

Marketing message—benefits to communicate:

- a) Valley near 2 major automotive companies—Harley-Davidson and Johnson Controls
- b) Access to Port—Excellent, inexpensive containerized transport to Detroit; inexpensive means of importing heavy equipment
- c) Access to highway and rail
- d) Tax benefits and financing options—RC zone, WI Com. Dev. Zone, Focus on Energy grants, customized labor training grants, City and State low-interest loans
- e) Access to a skilled workforce—large number of area workers with automotive experience; 3 engineering schools, including MSOE, ranked 4th nationwide in industrial engineering among non-Ph.D. schools by U.S. News and World Report
- f) Workforce development assistance—UMOS (pre-screening, Com. Service Jobs, Trial Job Program, workshops & training), Hire Center, MATC

Recommended Committee Members

Jeffrey Bleustein, CEO, Harley Davidson

John Barth, Pres./CEO, Johnson Controls

Gus Ramirez, CEO, Husco International Inc. (Hispanic-owned Waukesha company that manufactures hydraulic controls for automotive markets)

John Mellows, CEO, Charter Manufacturing Co. Inc. (automotive products, Mequon-based but has plant in Milwaukee)

?, MATC
?, MSOE/Marquette/UWM
Roger Hinkle, Hire Center
?, Port of Milwaukee
Dave Latona, MEDC

Food Processing

Why we want them:

1. Job-intensive industry
 - a. Significant primary job creation
 - Comparable plants 29-82 jobs/acre;
 - If overall job density in West End were 29-82 jobs/acre, would significantly exceed job creation targets.
 - b. Even greater creation of secondary employment
 - For each job created, approximately 2.5 jobs are created in Milwaukee area in related industries (based on RIMS II multipliers)
2. Jobs created are “good jobs”
 - Average production worker wages approximately \$12/hr., although somewhat lower in poultry processing
3. Industry with good long-term outlook
 - BLS projects employment increase in this sector; Wisconsin state government has also identified as an employment growth sector
 - Low value-to-weight nature of product makes significant outsourcing abroad unlikely
4. Low environmental impact
 - Main by-product of fruit and vegetable processing is inedible food parts, some of which could be recycled as inputs for other industries (i.e. feed for animals at stockyards) or composted/used as fertilizer
 - Meat processing will involve the additional impact of wastewater discharges with biodegradable organic material, nitrogen, phosphorous, chloride ions BUT can be treated by MMSD (salty foods will also involve discharges with chloride ions)

Why they want us:

Site Selection Criteria for Food Processors:

- a) Distribution network tied in with retailers and third-party distributors
- b) Labor costs
- c) Access to markets (transportation infrastructure and population density play a role)
- d) Access to readily available, low cost raw materials

Marketing message—benefits to communicate:

- a) Superior transportation access to these markets and to inputs—Port, highway, rail
- b) Milwaukee located midway along Chicago-Milwaukee-Madison corridor, the third largest population cluster in the country
- c) High quality, inexpensive water
- d) Wisconsin is an agricultural state with high-quality, low-cost agricultural inputs
- e) Tax benefits and financing options—RC zone, WI Com. Dev. Zone, Focus on Energy grants, customized labor training grants, City and State low-interest loans
- f) Workforce development assistance—UMOS (pre-screening, Com. Service Jobs, Trial Job Program, workshops & training), Hire Center

Recommended Sector Committee Members

Roz Rouse, Milwaukee water marketing

Cuahtemoc Rodriguez, UMOS

Roger Hinkle, Hire Center

Brian Reilly, MEDC

Julie Granger, MMAC

Marketing Director, Wis. Dept. of Agriculture (DATCP Agriculture Development)

Dr. William L. Wendorff, Food Science Department Chair, UW-Madison

Dr. Michael W. Pariza, Dir. of Food Research Institute, UW-Madison

Justin Segel, President/CEO, Emmpak Foods

Heinz Sommer, CEO, Kronos Inc. (integrated packaging systems)

Red Star yeast plant manager

Beto & Ernesto Villareal, owners, El Rey

Don Combs, Pres/CEO, Chr. Hansen Inc. (West Allis manufacturer of food cultures, seasonings, colors, sweeteners)

Pet Food

Why we want them:

1. Job-intensive industry
 - a. Fair primary job creation
 - Comparable plant in CA 8 jobs/acre
 - b. Very significant generator of secondary employment
 - For each job created, approximately 5 jobs are created in Milwaukee area in related industries (based on RIMS II multipliers)
2. Jobs created are “good jobs”
 - Average production worker wages believed to be \$12/hr., on par with food processing
3. Industry with good long-term outlook
 - BLS projects employment increase in food processing, pet food believed to be included in this category

- High growth sales segment—Americans love their pets and keep getting more of them, as well as buying higher-quality, more expensive pet food
 - Low value-to-weight nature of product makes significant outsourcing abroad unlikely
4. Low environmental impact
- Very minimal by-products
 - Inputs could be recycled waste from meat processing plant—opportunity for eco-industrial recycling

Why they want us:

Site Selection Criteria for Food Processors:

- a) Distribution network tied in with retailers and third-party distributors
- b) Labor costs
- c) Access to markets (transportation infrastructure and population density play a role)
- d) Access to readily available, low cost raw materials

Marketing message—benefits to communicate:

- a) Superior transportation access to these markets and to inputs—Port, highway, rail
- b) Milwaukee located midway along Chicago-Milwaukee-Madison corridor, the third largest population cluster in the country
- c) Meatpacking plants in Valley have food waste that can be used as inexpensive/free input in pet food
- d) Tax benefits and financing options—RC zone, WI Com. Dev. Zone, Focus on Energy grants, customized labor training grants, City and State low-interest loans
- e) Workforce development assistance—UMOS (pre-screening, Com. Service Jobs, Trial Job Program, workshops & training), Hire Center

Recommended Committee Members

See food processing (same committee)

Microbreweries/Specialty Beverages

Why we want them:

1. Fairly job-intensive industry

- a. Significant primary job creation
 - Comparable plant (Sprecher Brewing) has 12 jobs/acre;
- b. Even greater creation of secondary employment
 - For each job created, approximately 4.7 jobs are created in Milwaukee area in related industries (based on RIMS II multipliers)

2. Jobs created have wages among the highest in manufacturing

- Average production worker earns \$14.78/hour

3. Industry with fair long-term outlook

- 1.2% increase in beer sales last year, with increasing share to microbreweries
- Sprecher sales have increased 15% per year (most growth in soda however)

Why they want us:

Site Selection Criteria for Microbreweries and Specialty Beverage Producers:

- a) Transportation costs for capital equipment imports and beverage exports
- b) Central, attractive location for tourist visits
- c) Access to suppliers
- d) Low water costs, high quality water
- e) Access to skilled, reliable labor force

Marketing message—benefits to communicate:

- a) Superior transportation access and lower transportation costs—access to Port allows brewers to save up to 75% when importing equipment; access to rail and highway system cuts cost of transporting product
- b) Milwaukee located midway along Chicago-Milwaukee-Madison corridor, the third largest population cluster in the country—a great market for your products
- c) Location in Valley prime spot for tourist visits—site visibility from freeway; proximity to downtown, Miller Park, Harley Museum and Potawatomi Casino; ideal site for beer garden with greenspace and river views
- d) Location in third most important manufacturing center in the country gives you access to a wide range of high-quality suppliers
- e) Inexpensive, high quality water—Lake Michigan profile very consistent (much more so than well water), with relatively constant salt and hardness levels throughout the year
- f) Access to a skilled workforce—large number of area workers with brewery experience; MATC can design training courses customized to your needs (they have trained brewery staff once before)
- g) Workforce development assistance—UMOS (pre-screening, Com. Service Jobs, Trial Job Program, workshops & training), Hire Center, MATC
- h) Tax benefits and financing options—RC zone, WI Com. Dev. Zone, Focus on Energy grants, customized labor training grants, City and State low-interest loans
- i) Emotional appeal: Become part of the Milwaukee brewing tradition/legend.

Recommended Committee Members

Randy Sprecher, CEO, Sprecher Brewing

Norman Adami, President/CEO, SABMiller Brewery

Reno Cruz, President, Klockner KHS Inc. (manufactures high-speed filling equipment for brewing industry)

Jack Ostrowski, VP manf. Midwest region, Saint-Gobain Containers Inc. (Burlington manufacturer of glass containers)

Roz Rouse, Milwaukee water marketing

Cuahtemoc Rodriguez, UMOS

Roger Hinkle, Hire Center
Laura Wake, MEDC
Mary Jo Travis, MATC Office of Corporate Learning

Injection Molding Plastics

Why we want them:

1. Fair total job creation
 - Expected primary job creation of 8 jobs/acre
 - For each job created, approximately 2.4 jobs are created in Milwaukee area in related industries (based on RIMS II multipliers)
2. Jobs created pay living wages
 - Average production worker earns \$12.56/hour
3. Industry with very good long-term outlook
 - BLS predicts average annual employment growth of 1.5%
 - Wisconsin already ranks 10th in plastics employment and WI employment is expected to grow rapidly
 - One of six sectors targeted for growth by Forward Wisconsin

Why they want us:

Site Selection Criteria for Injection Molding Plastics Manufacturers:

- a) Tax and financial incentives
- b) Utility costs and reliability (water, gas, electric)
- c) Transportation infrastructure
- d) Access to skilled, reliable labor force

Marketing message—benefits to communicate:

- a) Tax benefits and financing options—RC zone, WI Com. Dev. Zone, Focus on Energy grants, customized labor training grants, City and State low-interest loans
- b) Low cost, high-quality Lake Michigan water with consistent profile
- c) Reliable utilities—“Reliability One” Award from PA Consultants for Midwest Region in both 2001 and 2002, typically top quartile SAIFI performer, natural gas costs less than Indianapolis and Minneapolis in 2002 (still true?), electricity costs less than Indianapolis, Detroit, Chicago in 2002 (still true?)
- d) Superior transportation access and lower transportation costs—Port, rail, highway, central location in U.S.
- e) Large customer base due to location in third most important U.S. manufacturing center
- f) Access to a skilled workforce—large number of area workers with plastics experience (WI already ranks 10th in plastics employment); MATC offers associate’s degree in Materials Technology (plastics technician); 3 area

engineering schools have programs in polymers; MSOE Fluid Power Institute & Rapid Prototyping Center

- g) Workforce development assistance—UMOS (pre-screening, Com. Service Jobs, Trial Job Program, workshops & training), Hire Center, MATC

Recommended Sector Committee Members

Roz Rouse, Milwaukee water marketing

Penny Scheuerman, We Energies

Tom Wanke, Dir. of MSOE Fluid Power Institute

?, Dir. of MSOE Rapid Prototyping Institute

?, faculty member in MATC plastics technician degree program

?, faculty member at MSOE in polymers

?, faculty member at Marquette in polymers

?, faculty member at UWM in polymers

Duane Seidensticker, MIAD Career Services Director

Roger Hinkle, Hire Center

Roch Lambert, VP/general manager, Bombardier Recreational Products (boat manufacturer, Sturtevant, this assumes buy plastic parts for boats)

Bruce Eben Pindyck, CEO, Meridian Industries (manufacturer of latex and thermoplastic products)

Mark Sellers, CEO, MGS Mfg. Group (Germantown; services plastic injection molding industry)

Laura Wake and Dave Misky, MEDC

Marketing the Menomonee Valley and “The Milwaukee Advantage”

Marketing objective: Generate interest in the Valley—and secondarily, in other Milwaukee industrial sites—as a business location among two target groups:

- 1) Existing area manufacturers looking to expand—not relocate—operations
 - 2) Firms outside the metro area looking to expand or relocate operations
- Both groups should demonstrate a commitment to the creation of relatively high-paying, high-benefit jobs and sustainable, reasonably eco-friendly development.

Marketing Challenge: Overcoming the Rustbelt Image

While a subsegment of the audience—particularly those in-state and well-informed about development issues—sees the Valley as model for sustainable economic development, the majority of our target audience believes that Milwaukee is a mid-sized old industrial city that the New Economy has left behind, and that the Menomonee Valley epitomizes the blight associated with these old industrial areas. The out-of-state audience believes Milwaukee is too small to be exciting and it is too “Old Economy” to be a prosperous, dynamic, forward-leaning local economy. The in-state audience believes ex-urban locations offer lower land costs, superior transportation infrastructure, lower crime, and less blight.

Tweaking the Rustbelt Image and Using it to Our Advantage

The redevelopment of the Menomonee Valley should be seen as a powerful link between the region’s glorious past as an Old Economy manufacturing center and its even brighter future as a center for advanced manufacturing in high-tech, high-growth industries. The Menomonee Valley will succeed because it leverages the resources that made it an economic powerhouse a century ago—superior infrastructure, a critical mass of high-quality suppliers, and an educated labor force with a Midwestern work ethic—even as it adds new strengths, like the region’s top-notch engineering and business schools and R&D centers—to its resource mix.

Specifically, we must communicate the following benefits for Valley businesses—most of which apply to Milwaukee as well:

- Superior transportation infrastructure—adjacent to two highways and a rail line; near the premier heavy-lift port of the Great Lakes
- Proximity to downtown, customers, suppliers, and the largest labor pool in Wisconsin
- Abundant, inexpensive Lake Michigan water, rated #1 in water quality in a survey of 101 major U.S. cities by *Men’s Health Magazine*
- A labor force experienced in manufacturing, as well as graduates from top-notch Milwaukee institutions, such as MSOE, ranked 4th in the country by U.S. News and World Report in industrial engineering among schools without Ph.D. programs; MIAD, one of the nation’s premier industrial design schools; and MATC, the country’s largest technical college
- Location in a Federal Renewal Community Zone and a Wisconsin Community Development Zone, qualifying businesses for potentially hundreds of thousands of dollars in tax credits

- The support of a community of citizens, business leaders, and local government officials committed to the long-term prosperity and growth of Valley businesses and nearby neighborhoods

We must face the claims of our detractors head-on; in some instances, we may even turn these perceived “negatives” into advantages. For example, instead of reacting defensively to critics’ dismissals of Milwaukee as a “small city, a poor imitation of Chicago,” we should aggressively market what Milwaukee’s status as a small city offers that Chicago can’t offer—lower crime, less congestion on our roads and at our airport, lower commute times, less stressful living, and more affordable housing. Instead of defending Milwaukee from claims that it is too “inner city” with the negative implication of high crime, we should tout the “inner city” as a great source of labor. Remind ex-urban companies about their difficulty in getting their workers out to their site and the high costs of employee turnover. We should also remind ex-urban companies that more and more professionals are calling the City home.

Finally, we shouldn’t overlook the Valley’s emotional appeal. The Valley offers a unique opportunity to be part of a bold experiment in reinventing the manufacturing sector and making America competitive in manufacturing once again. It offers the opportunity to be part of a new model for sustainable, comprehensive urban development.

Budget and Strategy Options

Low budget option:

MIAD student fee to re-design website	\$3,000 (+5 hr. staff time)
Five 7-line classifieds in Crain’s Chicago Bus. com. RE	\$ 805 (+5 hr. staff time)
Letter to 80 local firms planning to expand in ICM survey	\$ 80 (+ 8 hr. staff time)
Trips to MKE for interested CEO (5/yr., 2-night stay)	\$3,640 (+ 120 hr. staff time)
Postage to mail mktg. packets to interested parties	\$ 200 (+ 15 hr. staff time)
PR—staff prepares press releases, outreach to freelancers	\$ 0 (+ 160 hr. staff time)
Networking, mktg. through sector councils	<u>\$2,000</u> (+ 112 hr. staff time)
Total	\$9,725 (+ 425 hr. staff time)

Mid-Level Budget Option:

MIAD student fee to re-design website	\$5,000 (+5 hr. staff time)
Crain’s Chicago Business classifieds	\$ 805 (+5 hr. staff time)
Four consecutive ½ pg. 4-color ads, Business Xpansion	\$4,000 (+5 hr. staff time)
Letter to 80 local firms planning to expand in ICM survey	\$ 80 (+8 hr. staff time)
Trips to MKE for interested CEOs (5/yr., 2-night stay)	\$3,640 (+ 120 hr. staff time)
Trips to MKE for com. RE brokers, writers, site consultant	\$10,920 (+ 360 hr. staff time)
Postage to mail mktg. packets to interested parties	\$ 400 (+ 19 hr. staff time)
PR—staff prepares press releases, outreach to freelancers	\$ 0 (+160 hr. staff time)
Networking, mktg. through sector councils	<u>\$2,000</u> (+112 hr. staff time)
	\$26,845 (+794 hr. staff time)

High-Budget Option:

MIAD student fee to re-design website	\$5,000 (+5 hr. staff time)
Crain's Chicago Business classifieds	\$ 805 (+5 hr. staff time)
Business Xpansion ads	\$4,000 (+5 hr. staff time)
Other print ads—classifieds in other Crain's, etc. (Midwest Airlines Mag, Corporate Report Wisconsin)	\$9,000 (+15 hr. staff time)
Letter to 80 local firms planning to expand in ICM survey	\$ 80 (+8 hr. staff time)
Trips to MKE for interested CEOs (10/yr., 2-night stay)	\$7,280 (+240 hr. staff time)
Trips to MKE for com. RE brokers, writers, site consult.	\$23,840 (+720 hr. staff time)
Airport ad (three 7-foot displays for 24 months)	\$70,880 (+25 hr. staff time)
Forward WI call trips (8 trips, 2500 mailings & calls)	\$50,000 (+ 10 hr. staff time)
Postage to mail marketing packet to interested parties	\$ 800 (+ 27 hr. staff time)
PR—staff prepares press releases, outreach to freelancers	\$ 0 (+160 hr. staff time)
Networking, mktg. through sector councils	\$ 2,000 (+112 hr. staff time)
Total time)	\$173,685 (+1,332 hr. staff time)

Marketing strategy evaluation

- 1) Create database to track Valley prospects' sector, size, current location, means of learning about the Valley, and the Valley features the prospect found most attractive.
- 2) On a monthly or quarterly basis, determine which media were most successful in generating leads and which sorts of leads (by sector, location, and site selection criteria) they were most likely to generate. Calculate cost per lead generated.
- 3) Revise marketing strategy to reflect findings noted above.
- 4) Record in the database/spreadsheet the results of negotiations with the prospect. If the prospect chooses an alternate location, contact the prospect and ask where the prospect has chosen to locate and why. Record this information in the database. Summarize the results every few months and share this information with the department and the Mayor; discuss whether it is possible for Milwaukee to more competitive in these areas.

Strategy Implementation

Strategy implementation to date:

- ✓ Identify sectors with growing employment, living wages, and significant secondary employment generation (RIMS II multiplier >3).
- ✓ Determine site selection criteria for these sectors and verify that Milwaukee meets most of all criteria.
- ✓ Check with DNR to see if manufacturing operations in these sectors would result in excessive contamination/pollution.
- ✓ Create final list of target sectors: food processing, pet food, microbreweries, injection molding plastics, wind turbine and solar panel manufacturing, motor vehicle parts, metal stampings, and medical instruments.
- ✓ Work with Menomonee Valley Partners and graphic designer to create marketing folder. Compile information from regional job centers, MSOE, MIAD, UWM, Marquette, MATC, We Energies, water and sewer utilities, and the Port of Milwaukee. Develop summary of tax and financial incentives for Valley businesses.
- ✓ Research marketing venues and develop budget estimates.

Recommended next steps:

- Ask Mayor Barrett to meet one-on-one with the CEO's of the Milwaukee area's 5 largest manufacturers (Rockwell Automation, Briggs & Stratton, Harley-Davidson, Johnson Controls, GE Medical) to discuss the potential for firms in their supply chains to choose Milwaukee for their next expansion
- Enlist Mayor Barrett's support/assistance in creating sector-specific advisory councils composed of area business leaders and representatives from the public sector and academia
- Work with sector councils to identify and approach potential prospects; also utilize councils as resources to refine sector-specific marketing approach and message
- Commence an aggressive marketing campaign with broad-based support. Recommended actions include updating the City of Milwaukee's website, buying print ads, partnering with Forward Wisconsin to develop a direct mail campaign in target sectors with follow-up on-site visits, and meeting with commercial real estate brokers.
- Convene a roundtable composed of representatives from organizations focused on workforce development and those focused on economic development. Recommended participants include the Hire Center, UMOS, the Private Industry Council, Maximus, the Job Center network, the Office of Industrialized Design, the Milwaukee Urban League, MEDC, the MMAC/ICM, and the GMC. Follow-up this roundtable with specific initiatives to better coordinate efforts.

Exhibit: Job Density Comparables

Company	Type	Jobs/acre
LM Glasfiber	wind turbine	25
Sprecher	microbrewery	12
Thermoformer Poppelmann Plastics	injection molding plastics	8
Frito-Lay (Lynchburg, VA)	food processing	29
Hispanic Manufacturing Center (Detroit)	Tier I automotive parts	18
Koch Foods (TN)	food processing	82
Hawk Co.	engine manufacturing	18
Snapple's and Mott's	food processing	43
Merit Medical Systems	medical products	33
Nutro Products (CA)	pet food	8
Production Stamping Corp. (MKE 1999)	metal stampings	10
GE Medical (Waukesha manufacturing)	medical instruments	18
Sprint-Kansas City	call center	160