

ASSEMBLING THE PARTS

**An examination of Milwaukee's
economic development landscape**



Rob Henken, President
November 21, 2011

ASSEMBLING THE PARTS

*An examination of Milwaukee's
economic development landscape*



 **Public Policy Forum**
moving the region forward

Primary Research Questions

Precisely how has the economic development landscape changed over the past five years (e.g. economic challenges, new partnerships, revised strategies)?

What role does the City of Milwaukee currently play in economic development efforts, and how does that role relate to those played by other leading economic development organizations?

To what extent is there overlap, or are there gaps, in the broad range of economic development activities pursued by economic development organizations in Milwaukee, and would those activities benefit from better coordination and priority-setting?

Defining Economic Development

- *The use of a wide array of strategies and policies by local government and private organizations to increase employment opportunities and grow the local tax base*

Major Economic Development Organizations

- City of Milwaukee, Department of City Development (DCD)
- Redevelopment Authority of the City of Milwaukee (RACM)
- Milwaukee Economic Development Corporation (MEDC)
- Milwaukee 7 (M7)
- Milwaukee Water Council
- BizStarts Milwaukee
- Wisconsin Women's Business Initiative Corporation
- Milwaukee County, Economic Development Division

DCD by the Numbers, 2010

Full time employees	73.5
Operating budget	\$14.1 million
Economic development funding	\$37.3 million
Jobs created	819
Jobs retained	1,223
Construction/remodeling permits issued	37,888
Vacant lots sold	101
Private investment associated with department activity	\$219 million
Number of Tax Incremental Districts managed by DCD	46
Average payback period for all active Tax Increment Districts	19 years

Note: Staffing and budget figures include economic development and planning activities only.

DCD Economic Development & Planning Activities

Activity	2010			Change from 2008 to 2010			
	O&M	Grants/ Reimbursements	Total	O&M	Grants/ Reimbursements	Total \$ change	Total % change
Support housing development	\$308,306	\$6,785,409	\$7,093,715	\$223,116	\$5,903,460	\$6,126,576	633%
Support private development investment	\$851,671	\$1,197,493	\$2,049,164	\$295,000	\$(454,747)	\$(159,747)	-7%
Permitting & plan review	\$1,977,078	-	\$1,977,078	\$161,785	-	\$161,785	9%
Prepare & market sites for new development	-	\$1,199,373	\$1,199,373	-	\$548,738	\$548,738	84%
Prepare citywide Comprehensive Plan elements	\$997,595	\$10,006	\$1,007,601	\$(66,496)	\$(23,198)	\$(89,694)	-8%
Other	\$485,920	\$242,009	\$727,929	\$8,614	\$17,312	\$25,926	4%
TOTAL	\$4,620,570	\$9,434,290	\$14,054,860	\$622,019	\$5,991,565	\$6,613,584	89%

City of Milwaukee Comprehensive Plan



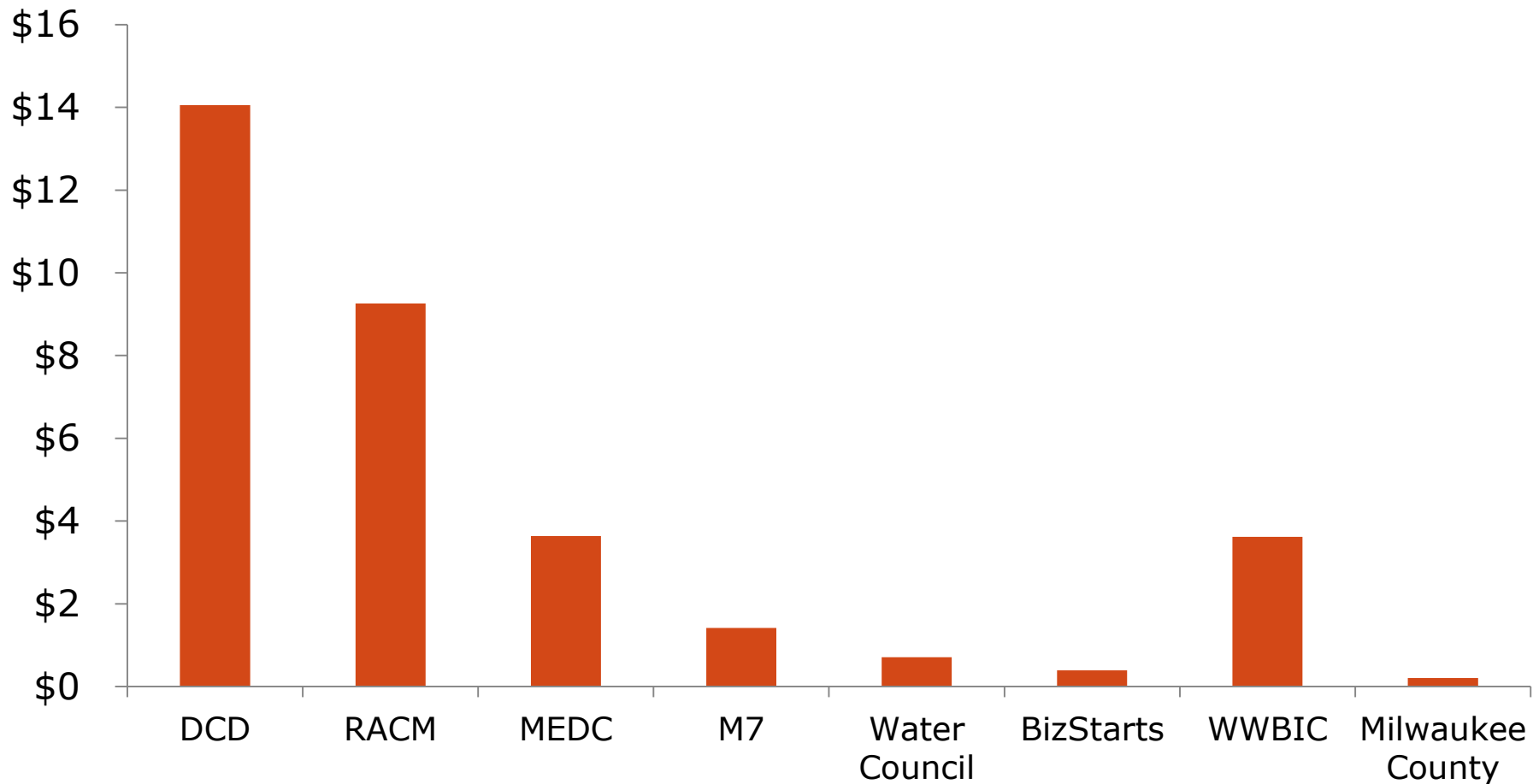
Economic Development Policies and Objectives, Citywide Policy Plan

- 1) Ensure that the City's economic development efforts complement the efforts of local and regional partners.
 - a. Align city government's economic development efforts with the efforts of others pursuing economic development and employment growth, and expansion of the tax base in Milwaukee and the region.
 - b. Align city government's economic development efforts with the needs of local employers, since most job growth occurs through the expansion of existing companies.

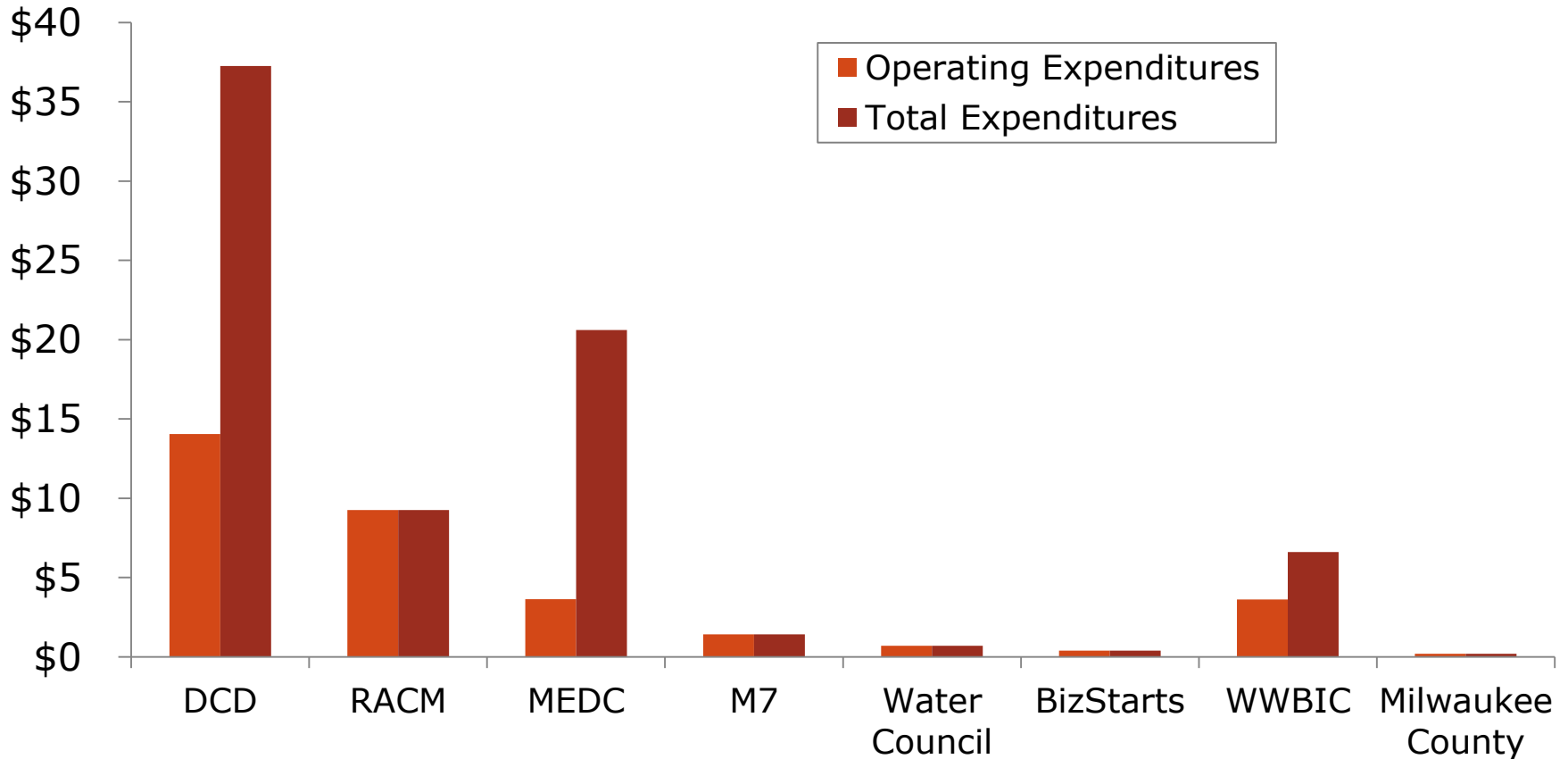
DCD/RACM/MEDC Summary

- DCD's role in Milwaukee's economic development landscape is to establish the conditions under which the various economic development activities deemed critical by city leaders can occur.
- It is essential to view DCD's economic development activities in tandem with RACM and MEDC; this viewpoint shows the City's overall role is targeted toward real estate development/redevelopment; financing assistance to existing businesses; comprehensive planning; and logistical support and permitting for private sector activities.
- The dimensions of the City's role only can be determined by analyzing the budgets and activities of DCD, RACM and MEDC; the City still lacks a strategic economic development plan that sets citywide priorities and objectives and establishes city government's responsibilities in fulfilling them.

Annual Operating Budgets of E.D. Organizations (In Millions)



Total Annual Expenditures of E.D. Organizations (In Millions)



Economic Development Tools and Activities

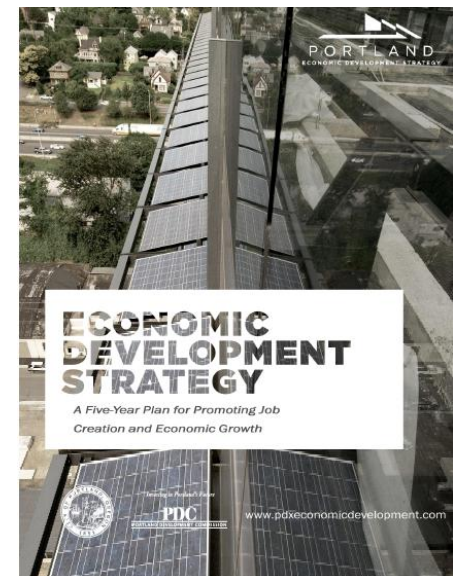
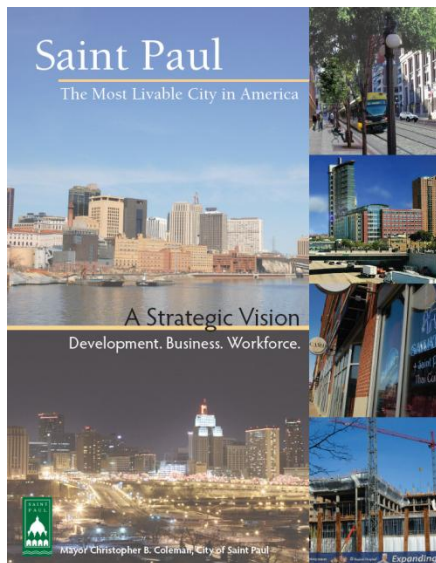
	City of Milwaukee Department of City Development	Redevelopment Authority of the City of Milwaukee	Milwaukee Economic Development Corporation	Milwaukee 7	Milwaukee Water Council	BizStarts Milwaukee	Wisconsin Women's Business Initiative Corporation	Milwaukee County Economic Development
Activities/Tools								
Tax incentives/credits	●		●					
Eminent domain	●	●						
Business attraction	●	●		●	●			●
Business retention and expansion	●	●	●	●	●			
Real estate/business financing	●	●	●				●	●
Infrastructure (re)development	●	●						
Site selection assistance	●			●	●			
Planning	●	●		●	●			●
Business development/assistance					●	●	●	
Entitlements	●							
Branding/Marketing	●	●		●	●			

Mapping Insights

- There is an increasingly wide variety of tools available and used by major economic development participants to enhance local economic development efforts.
- The DCD-RACM-MEDC triumvirate remains the lead player with the largest budget /staff and greatest number of tools at its disposal. This suggests DCD should bear primary responsibility for overall planning and cohesion of citywide economic development efforts.
- Business attraction and real estate/business financing are the most widely used and best resourced economic development tools in Milwaukee. Need for additional analysis to measure the effectiveness of these strategies and whether they are being justifiably prioritized?
- In contrast to business attraction and financing, the resources dedicated to business development and assistance are limited.

Case Studies

- Portland's Economic Development Strategy
- St. Paul's Economic Development Strategy
- Pittsburgh's regional collaboration efforts
- Oklahoma City's unique economic development tools
- Cleveland's JumpStart, a support organization for startups



Metropolitan Business Planning

THE METROPOLITAN BUSINESS PLANNING PROCESS INVOLVES
THREE MAJOR STAGES

1 METRO DEVELOPMENT BASELINE OVERVIEW (MDBO)

MISSION/VISION
▼
MARKET ANALYSIS
▼
GOALS
▼
STRATEGIES

2 DETAILED DEVELOPMENT INITIATIVE (DDI)

PRODUCTS, POLICIES, PROGRAMS, INTERVENTIONS
▼
ORGANIZATIONAL AND OPERATIONAL PLAN
▼
FINANCIAL SOURCES AND USES
▼
PERFORMANCE METRICS

3 METROPOLITAN INVESTMENT PROSPECTUS

Source: RW Ventures and the Brookings Institution

Conclusion

- The Milwaukee area has a sizable number of organizations pursuing economic development activities, and these organizations possess an impressive array of economic development tools.
- Economic development participants are aware of each other's activities and, in some cases, work closely together.
- Significant new economic development efforts have occurred in the past five years, but Milwaukee still lacks a cohesive economic development plan.
- The major economic development participants themselves have differing opinions on what the components of a unified economic development strategy should be.
- The city's economic development efforts would benefit from more clearly defined roles and responsibilities for major economic development participants.

ASSEMBLING THE PARTS

*An examination of Milwaukee's
economic development landscape*



 **Public Policy Forum**
moving the region forward

The full report can be
found at:

www.publicpolicyforum.org

 **Public Policy Forum**
moving the region forward