



# Comprehensive Economic Development Strategy (CEDS) for Southeastern Wisconsin: 2015

## Summary



## Why Prepare a CEDS?

- Promote regional collaboration and public-private partnerships to:
  - Increase jobs and incomes
  - Increase private investment
  - Encourage innovation
- Promote a more widespread understanding of the Region's economic development work program
  - The CEDS is based the M7/Brookings Institution "Framework for Economic Growth"
  - The Regional Economic Partnership (REP) assisted with the CEDS
  - 60-day public review and comment period (through May 1, 2015)
  - Review and consideration of adoption by EDO and County Boards
- Provides a forum for identifying and prioritizing investment projects
- Identifies performance measures to evaluate strategies
- Enables counties and communities with areas of economic distress to apply for EDA grants, if CEDS is adopted by the County Board



## CEDS Data

- The CEDS provides background information on population, land use, infrastructure, and regional economy
- Key business clusters in the Region were identified based on Location Quotients and other analyses

Industry Subsector	Number of Jobs in Region	Percent of Total Jobs in Region	Number of Jobs in U.S.	Percent of Total Jobs in U.S.	Location Quotient: Region Relative to U.S.
<b>Manufacturing</b>					
NAICS 311 Food manufacturing.....	13,073	1.59	1,442,112	1.36	1.17
NAICS 322 Paper manufacturing.....	4,535	0.55	392,853	0.37	1.49
NAICS 323 Printing and related support activities.....	11,686	1.42	485,523	0.46	3.09
NAICS 326 Plastics and rubber products manufacturing.....	8,321	1.01	623,259	0.59	1.71
NAICS 331 Primary metal manufacturing.....	5,567	0.68	361,211	0.34	2.00
NAICS 332 Fabricated metal product manufacturing.....	24,223	2.94	1,276,933	1.20	2.45
NAICS 333 Machinery manufacturing.....	23,666	2.88	991,039	0.93	3.10
NAICS 334 Computer and electronic product manufacturing.....	11,037	1.34	1,097,216	1.03	1.30
NAICS 335 Electrical equipment and appliance manufacturing.....	12,582	1.53	356,075	0.34	4.50
NAICS 339 Miscellaneous manufacturing (includes medical equipment manufacturing).....	5,606	0.68	566,479	0.53	1.28
<b>Wholesale Trade</b>					
NAICS 423 Merchant wholesalers, durable goods.....	25,993	3.16	2,718,043	2.56	1.23
<b>Transportation and Warehousing</b>					
NAICS 485 Transit and ground passenger transportation.....	6,116	0.74	419,152	0.39	1.90
<b>Services</b>					
NAICS 518 Data processing, hosting and related services.....	4,663	0.57	242,412	0.23	2.48
NAICS 524 Insurance carriers and related activities.....	19,475	2.37	2,041,869	1.92	1.23
NAICS 551 Management of companies and enterprises.....	23,328	2.83	1,854,778	1.75	1.62
NAICS 611 Educational services.....	22,181	2.69	2,460,150	2.32	1.16
NAICS 624 Social assistance.....	26,946	3.27	2,467,934	2.32	1.41

NOTES: This table lists NAICS subsectors in the Southeastern Wisconsin Region which have a location quotient relative to the U.S. of at least 1.1 and account for at least 0.5 percent of all jobs in the Region. The data in this table are from 2010.



## Key Business Clusters

- The following **business clusters** were identified as having the best potential for economic growth, expansion, and attraction in the Region:
  - **Energy, power, and controls**
  - **Water technologies**
  - **Food and beverage manufacturing**
  - **Finance and insurance services**
  - **Headquarters and business services**
  - **Medical technology and bioscience**
  - **Machinery manufacturing (related to several of the preceding clusters)**
  - **Printing (legacy cluster)**



## Nine Strategies for Regional Prosperity

- The economic development strategies identified by the M7 Framework for Economic Growth are included in the CEDS:
  - Become a leading innovator, producer, and exporter of products and services related to **energy, power, and controls**.
  - Become a global hub for innovation and start-up activity in the **water technology** industry.
  - Leverage the region's geographic, supply chain and human capital advantages to grow the **food and beverage** cluster.
  - Enhance the **export capacity and capability** of the region's firms, focusing on small- and medium-sized enterprises.
  - Align **workforce development** with growth opportunities in targeted, high-potential industry clusters.
  - Foster a dynamic, richly networked **innovation and entrepreneurship ecosystem**.
  - Catalyze "**economic place-making**" in the region's core cities and strategic locations throughout the region.
  - Modernize **regional infrastructure** (transportation, broadband, energy) to enhance efficiency, cost-effectiveness, and connectivity.
  - Enhance **inter-jurisdictional cooperation and collaboration** for economic growth.



## Action Plan

- Promote cluster business development
  - Energy, Power, and Controls Cluster (Mid-West Energy Research Consortium (M-WERC))
  - Food and Beverage Cluster (FaB Wisconsin)
  - Water Technologies Cluster (Water Council)
- Assist existing businesses to remain/expand in the Region
- Encourage businesses from outside the Region to locate here
  - Develop a network of site selectors and CEOs
  - Continue calling campaigns (focus on northern Illinois and western Europe)



## Action Plan (continued)

- Improve the Climate for Economic Development
  - Workforce Development (*Regional Workforce Alliance, “Dream It. Do It.”, Manufacturing Tours*)
  - Talent Attraction and Retention (*FUEL Milwaukee*)
  - Entrepreneurship (*BizStarts, Scale Up Milwaukee*)
  - Public Policy (*Maintain/expand incentive tools, EB-5 foreign investment*)
  - Regional Export Initiative



## Performance Measures

- Quarterly M7 “Scorecard”
  - Project “Wins” (new business or business expansion in Region)
  - Total Jobs, Direct and Indirect
  - Total Payroll, Direct and Indirect
  - Average Wage
  - Capital Investment



## Proposed Projects

- Two tables near end of report that list proposed economic development projects for the Region
  - Tier I: Would directly implement one or more regional strategies; typically will also have an impact on the Region as a whole or in a community with areas of economic distress (45 projects)
  - Tier II: Community projects (66 projects)
- Identified by REP members, WEDC, and local community development staff



## Economic Distress Criteria

- EDA grants are intended to increase job opportunities and incomes in counties and census tracts that meet EDA “economic distress” criteria
  - Average 24-month unemployment rate of one percent or more above the national average
  - Average annual per capita income of 80 percent or less than the national average
- One county (Racine) meets economic distress criteria based on high unemployment rate
- 220 of 485 census tracts (45 percent) in the Region meet economic distress criteria based on high unemployment rates and/or low per capita incomes

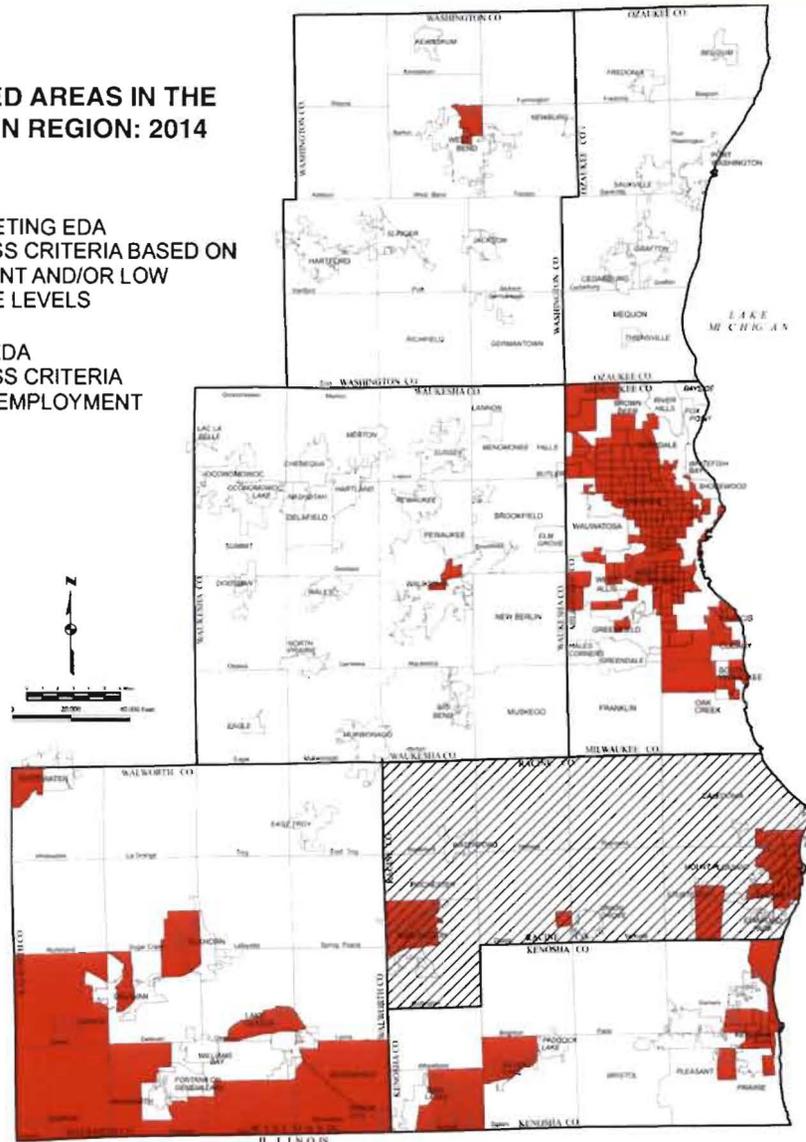


# Areas Meeting Economic Distress Criteria

Map VIII – 1

## ECONOMICALLY DISTRESSED AREAS IN THE SOUTHEASTERN WISCONSIN REGION: 2014

-  CENSUS TRACT MEETING EDA ECONOMIC DISTRESS CRITERIA BASED ON HIGH UNEMPLOYMENT AND/OR LOW PER-CAPITA INCOME LEVELS
-  COUNTY MEETING EDA ECONOMIC DISTRESS CRITERIA BASED ON HIGH UNEMPLOYMENT



Source: Stats America and SEWRPC.



## EDA Grants

- Adoption of the CEDS by a County Board would make the county concerned and local governments in the County with economically distressed areas eligible to apply for grants under EDA Public Works and Economic Adjustment programs
- These programs provide funding for infrastructure projects and revolving loan funds and other business assistance programs, respectively, that will benefit economically distressed areas
- 79 grants awarded by EDA January through September 2014
  - Awards ranged from \$125,000 to \$4.6 million
  - Average award \$1.05 million



## Review and Adoption Process

- Public comment period on the draft CEDS from March 2 through May 1
- SEWRPC and/or County economic development staff will be briefing County officials and EDO Boards during that time
- Formal adoption of the CEDS by each EDO Board and County Board in the Region will be requested following the comment period



## Potential Economic Development District

- Should the CEDS be approved by each of the County Boards representing the seven counties in the Region, M7 and SEWRPC anticipate requesting that EDA designate the Region as an Economic Development District (EDD)
  - A letter of support from the Governor would also be required for formation of an EDD
- Designation as an EDD would make the Region eligible for support from EDA through its Partnership Planning program to help update and implement the CEDS, and potentially increase opportunities to apply for EDA grants
- It is anticipated that the Southeastern Wisconsin Regional Planning Commission would serve as the governing body of the EDD, and that M7 will have the primary role, with assistance from the REP, in carrying out the recommendations of the CEDS



## Contact Information

- To obtain more information or submit comments, contact Nancy Anderson at SEWRPC at:
  - **Website:** [www.sewrpc.org/CEDSreport](http://www.sewrpc.org/CEDSreport)
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# Comprehensive Economic Development Strategy for Southeastern Wisconsin: 2015

KENOSHA · MILWAUKEE · OZAUKEE · RACINE · WAUKESHA  
WALWORTH · WASHINGTON

7

Seven counties united  
around a regional  
economic development  
strategy



## EXECUTIVE SUMMARY

February 2015

Public Review Draft

Nine strategies are proposed for moving the Southeastern Wisconsin Region forward on the path to economic growth. Each strategy is designed to increase the productivity of local firms by leveraging the Region's unique strengths, taking advantage of its emerging opportunities, and addressing its most critical challenges. These strategies provide a framework that aligns existing efforts, and offers guidance for identifying, developing, and prioritizing future economic growth initiatives.

- Become a leading innovator, producer, and exporter of products and services related to **energy, power, and controls**.
- Become a global hub for innovation and start-up activity in **water technology**.
- Leverage the Region's geographic, supply chain, and human capital advantages to grow the **food and beverage** cluster.
- Enhance the **export capacity and capability** of the Region's firms, focusing on small and medium-sized enterprises.
- Align **workforce development** with growth opportunities in targeted, high-potential industry clusters.
- Foster a dynamic, richly networked **innovation and entrepreneurship ecosystem** to boost rates of new firm creation and build the competitive advantage of existing firms.
- Catalyze "**economic place-making**" in the Region's core cities and strategic locations throughout the region to streamline the movement of goods, people, and ideas throughout the Region; reconnect its underutilized human capital assets to economic opportunities; and better leverage its strategically located land assets to foster growth in the new economic environment.
- Modernize **regional infrastructure** to enhance efficiency, cost-effectiveness, and connectivity.
- Enhance **inter-jurisdictional cooperation and collaboration** for economic growth across the public, private, and civic sectors.



## WHAT IS A CEDS?

A Comprehensive Economic Development Strategy (CEDS) is intended to bring together the public and private sectors to develop a strategic plan to diversify and strengthen regional economies. A CEDS also identifies potential economic development projects. A CEDS for the Southeastern Wisconsin Region was prepared in 2014 and 2015 in order to:

- Provide a basis for a more widespread understanding of the ongoing economic development work program in the Region.
- Meet the requirements of the U.S. Department of Commerce - Economic Development Administration (EDA) for economic strategic planning, thereby buttressing efforts to secure Federal funding for projects in the Region.
- Provide a basis whereby the EDA can consider creation of an Economic Development District in southeastern Wisconsin.

Six business clusters have been identified as having the best potential for economic growth, expansion, and attraction in Southeastern Wisconsin:

- **Energy, power, and controls**, focusing on products and services related to electrical power distribution and industrial and building automation and controls.
- **Water technologies**, involving water quality and quantity, wastewater treatment, environmental engineering, and the manufacturing and distribution of pumps, valves, and other water-related equipment.
- **Food and beverage manufacturing**, involving both ingredients and processing.
- **Finance and insurance services**, focusing on insurance and money management.
- **Headquarters and business services**, particularly relating to data processing systems and services, supply chain systems, and medical information.
- **Medical technology and bioscience**, focusing on diagnostic equipment and botanical and pharmaceutical manufacturing.

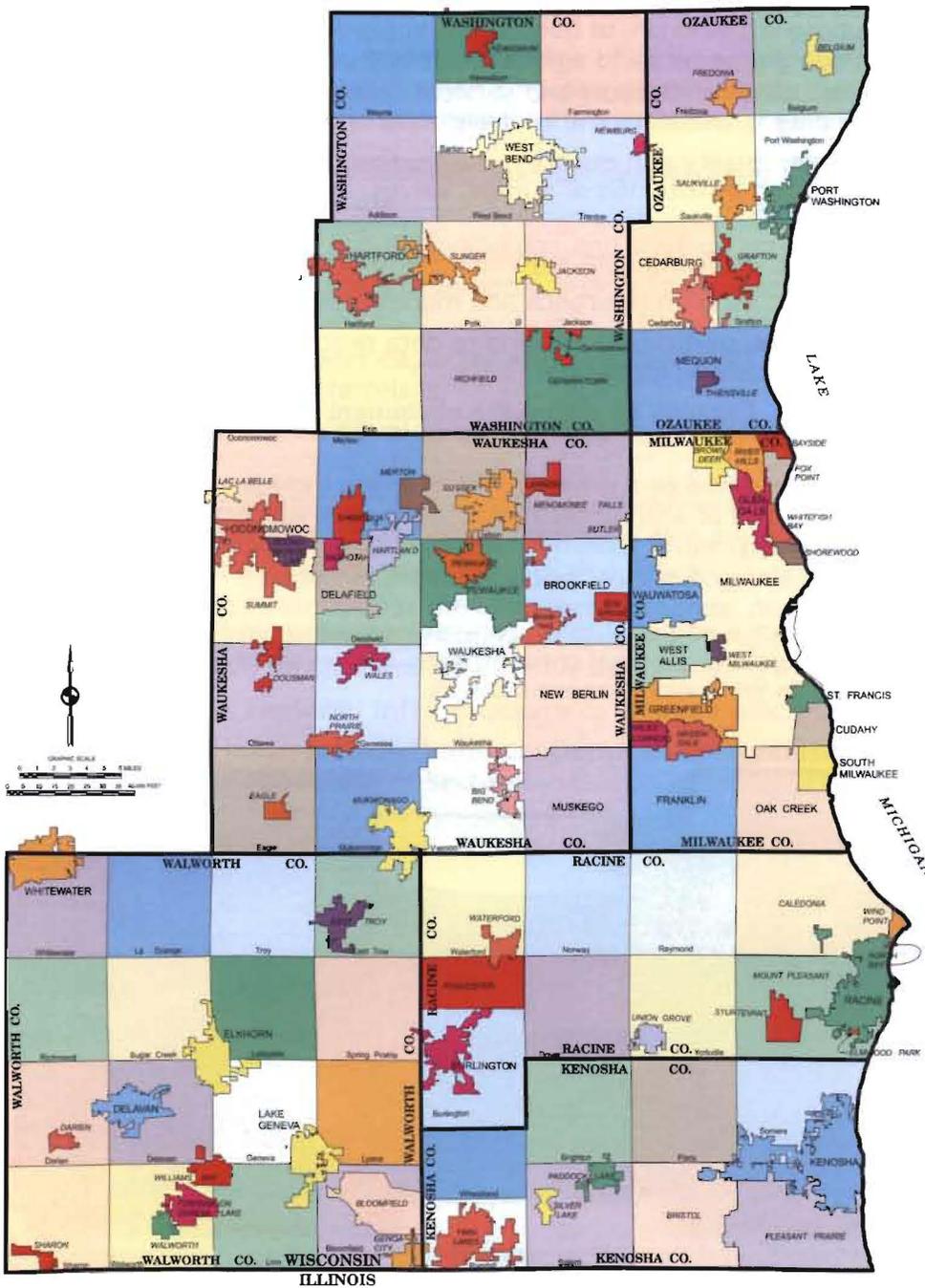
**Machinery manufacturing** has also been identified as a driver industry, which includes the manufacture of heavy industrial equipment and the production of sophisticated machinery that supports other key economic clusters in the power, energy efficiency, water treatment and distribution, medical and food products industries, among others.

**Printing** was identified as a legacy cluster, with a potential to capture an increasing share of the consolidating printing market based on the cluster's regional concentration and levels of local expertise, supportive industry institutions, and access to Wisconsin's paper industry.



The Southeastern Wisconsin Region includes the counties of Kenosha, Milwaukee, Ozaukee, Racine, Walworth, Washington, and Waukesha. Preparation of the CEDS was a joint effort by the following organizations:

- The Southeast Wisconsin Regional Economic Partnership (REP). The REP consists of the director of the economic development organization in each of the seven counties and representatives from the City of Milwaukee Department of City Development, the Wisconsin Energy Corporation, M7, and SEWRPC.
- The Milwaukee 7 (M7). M7 is the economic development organization for the seven-county Region, and undertook an extensive strategic planning process during 2012 and 2013 that served as the basis for the CEDS.
- The Southeastern Wisconsin Regional Planning Commission (SEWRPC). SEWRPC is the areawide planning agency for land use and infrastructure for Southeastern Wisconsin, and prepares advisory plans and recommendations for consideration by the seven counties and 147 cities, villages, and towns within the Region.



## Regional Statistics (2010):

- Area: 2689 square miles, 5% of State
- Population: 2.0 million persons, 36% of State
- Employment: 1.18 million jobs, 34% of State
- Property Value: \$182.6 billion equalized valuation, 37% of State
- Colleges and Universities: 17 (With an enrollment of 500+)
- Technical Colleges: 9 Major Campuses in 5 Districts
- County and Local Governments: 154

### For more information:

The complete CEDS report can be viewed at:  
[www.sewrpc.org/CEDSreport](http://www.sewrpc.org/CEDSreport)

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