

KENOSHA FIRST

AN ECONOMIC DEVELOPMENT STRATEGY FOR KENOSHA COUNTY: THE NEXT PHASE

Prepared for:



SEPTEMBER 2009



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Finally, KABA staff provided essential management, administration, and support to the planning process.

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ABOUT US

TIP Strategies, Inc. (TIP) is a privately held Austin-based business and economic development consulting firm committed to providing quality solutions for both public and private-sector clients.

Established in 1995, the firm's areas of practice include economic development consulting, strategic planning, site selection, economic impact analysis, regional economic development, target industry analysis, cluster analysis, technology audit, transit-oriented development, workforce analysis, feasibility studies, market analysis, and redevelopment analysis and planning.

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EXECUTIVE SUMMARY

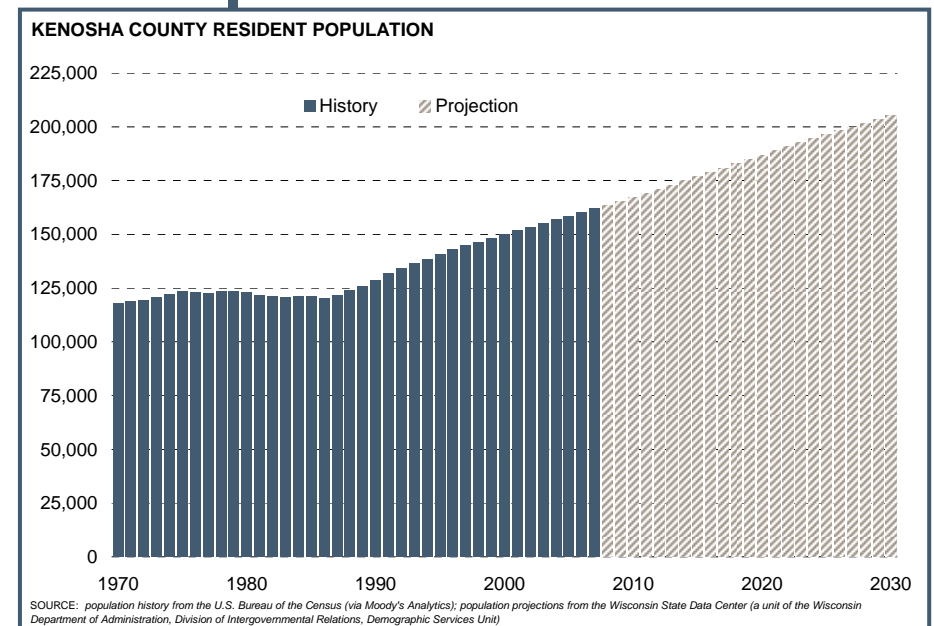
The economic vitality of Kenosha County stands at a critical juncture. Long dependent on traditional manufacturing sectors, the county's economy is making the transition to knowledge-based industries, professional services, and entrepreneurship. This transition, however, is not without pain. The likely closure of the Chrysler engine plant signals the end of Kenosha's century-old history of automotive production. It also means the loss of hundreds of well-paying jobs and millions in tax base.

THE CHALLENGE

The Kenosha Area Business Alliance (KABA) engaged TIP Strategies to assist in the development of an economic development plan – not in response to economic loss, but in anticipation of continued growth. Indeed, after an extended period of stagnant growth in the 1970s and 1980s, Kenosha County has experienced strong employment and population growth since the early 1990s. It has benefited primarily from its strategic location on Lake Michigan and I-94 within the Chicago-Milwaukee corridor. Its proximity to growing metropolitan areas and critical transportation nodes has brought more employers, workers, and residents to the county. Other key economic development assets include:

- Access to high-quality postsecondary education institutions
- Strong inventory of large, shovel-ready industrial sites
- Good water and utility infrastructure
- Competitive cost of living and doing business
- Experienced professional economic development organization
- Effectively managed revolving loan funds

Kenosha County and KABA also face crucial challenges. Of great short-term concern is the effect of the current global recession on the county's existing business base. KABA must



assist its existing businesses in weathering the downturn. With fewer expansions and new investment opportunities, KABA will have to be more creative and strategic in its approach. Additional barriers to long-term economic vitality include:

- Kenosha County must elevate the education and skill sets of its talent base to match future jobs. The era when a manufacturing job allowed those with limited education to live comfortably is over. It is essential that residents – young and old – use the area's first-rate higher education assets.
- Kenosha will face growing competition in the region for talented workers and knowledge-based jobs. Already, a growing number of Kenosha County's highest earning and most skilled workers commute out of the county, especially to jobs in Lake and Cook County, Illinois. Attracting and retaining talent, especially younger professionals, will be key to Kenosha's long-term economic vitality. Offering them high-level jobs is a challenge that must be met.
- Development in the county in recent years has been uneven. As the commercial and residential center of gravity of the county moves westward, there is a danger that downtown Kenosha will no longer be competitive. The expanding gulf in desirable development opportunities is exacerbated by congested traffic and physical bottlenecks along east-west thoroughfares. Promoting faster access between I-94 and the lakefront will be crucial for Kenosha's long-term development.
- While recent economic successes have helped transform Kenosha's image of an aging industrial community, many newcomers to the county report little knowledge of these changes. Misconceptions of the county abound. For many regional commuters, their only image of Kenosha is the commercial and retail development along I-94. They have little or no familiarity with the city and its lakefront amenities.

Within this context, TIP Strategies, Inc. (TIP) worked with stakeholders and citizens in Kenosha County to develop a comprehensive economic development plan for the city. The plan is a response to the KABA's desire to understand how the county's public and private resources can most effectively be deployed to stimulate private investment and employment.



THE RESPONSE

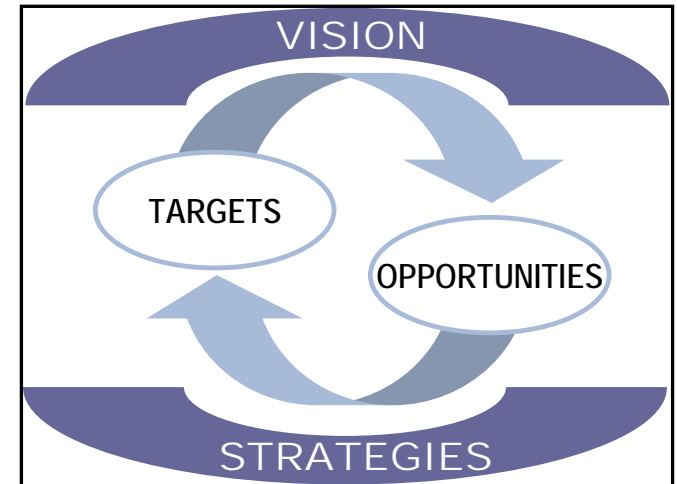
Economic development goals, strategies, and actions must be driven by a clear vision. While conceptually this makes sense, the more practical value of the vision is in directing community resources. As a result, successful vision statements are bold but provide a clear direction and can be supported by goals and strategies. We believe that the following vision achieves those objectives for Kenosha County:

Kenosha County is the premier destination for new investment and talent in the Chicago-Milwaukee corridor.

This vision statement presents a clear focus for Kenosha County's economic development efforts with aggressive, yet attainable, goals. Kenosha County will solidify its position within the Chicago-Milwaukee corridor as a magnet for investment and talent.

This vision, however, can only be reached if goals are established as pillars to support its key proposals. We believe that the following five goals will support the proposed vision and provide a strong framework for strategies and actions:

- **Support and expand the existing base through business retention and consolidation strategies.**
- **Position Kenosha County for long-term economic growth and vitality.**
- **Attract, retain, and engage talent.**
- **Ensure all parts of the county are economically, digitally, and physically connected.**
- **Build a distinct image and brand for Kenosha County.**



Priority Strategies

TIP, with the strong encouragement of the county's leadership, has sought to address the question of Kenosha County's future economic vitality in a practical way. Based on our understanding of the county's opportunities and challenges, and in light of current economic conditions, we believe the six strategies outlined below represent the highest priorities for Kenosha County.

- 1. Build awareness of Kenosha County among employers in and around Chicago and Milwaukee.** The county should be top of mind to companies considering facility consolidation or expansion within the region. Existing Kenosha businesses with locations elsewhere should also be aware of the county's competitive advantages. Consolidation of business units in Kenosha is an opportunity not to be missed.
- 2. Align the funding priorities of the KABA-managed revolving loan funds with the goals of the strategic plan.** Design loan evaluation criteria that emphasize the development or attraction of innovative businesses in targeted industries. Assign a higher value to infill or redevelopment projects. Consider the quality of the jobs as well as the total number of jobs. Support developments and companies that promote sustainability and green building.
- 3. Bring the business, workforce training, and education communities closer together.** Facilitate greater partnerships and communication on issues of employer needs and corresponding training programs.
- 4. Place greater emphasis on entrepreneurship and small business development.** Bring a creative approach to start-up funding and link to young professionals organization.
- 5. Continue making investments in economic development infrastructure.** In order for Kenosha County to compete for new private investment and talent over the long term, it must continue to make critical public investments in such key areas as telecommunications, transportation network and systems, water and wastewater, and industrial/commercial sites and buildings.

Recommended Industry Targets

To support KABA's economic development recruitment efforts, TIP identified target business and industry sectors. We chose potential targets using a combination of quantitative, qualitative, and strategic approaches. The recommended industries capitalize on existing and emerging assets in Kenosha County and the larger Chicago-Milwaukee corridor, such as the transportation network, large regional labor shed, and competitive utilities. These industries were also chosen in light of the current economic environment, as they are likely to endure recessionary times and could possibly benefit from governmental support.

- *Professional services*
- *Clean tech*
- *Transportation & Logistics*
- *Advanced Manufacturing*
- *Biomedical and Life Sciences*
- *Food Processing*

6. **Elevate the image of Kenosha County internally and regionally.** To raise its image, KABA and its partners cannot rely only on regional organizations to market Kenosha. The county must take a more active role in defining itself internally and to the region. This involves a greater utilization of non-traditional outreach and marketing tools, such as Web-based social networks.

These six strategies address some important short-term and long-term economic development needs of Kenosha County. However, they alone don't meet all the county's needs and challenges. The plan also recommends strategies to address other critical issues. These include engaging young professionals and new residents, creating a more vibrant downtown Kenosha and lakefront, and involving educators more directly in economic development.

Final Thoughts

The purpose of this plan is to provide KABA and its partners with specific guidance regarding the commitment of resources for enhancing economic vitality of Kenosha County. Based on TIP's experience working with similar organizations throughout the nation, we feel that for KABA to successfully implement this plan, it will require further staffing resources. At a minimum, the organization needs an additional economic development professional to assist with business retention, recruitment, and marketing activities.

A point must also be made about the plan's orientation. We recognize that KABA is principally responsible for promoting new jobs and new investment in Kenosha County. However, many of the recommendations in this plan deal with what are considered "non-core" economic development activities. Yet, the overall economic vitality of the county is impacted by KABA's ability to positively influence issues such as talent attraction and image enhancement. Since KABA's resources and expertise in these areas are limited, it must rely on partner organizations in the county and region to carry out many of these functions.

Finally, KABA and its partners have put a great deal of effort into this plan. However, it is just the beginning. The next step is to align regional resources in support of these strategies and to begin implementation. This will require a team effort to place "Kenosha First." Kenosha County has the assets to achieve sustained economic vitality. All that is needed is the commitment.



GOAL ONE: SUPPORT AND EXPAND THE EXISTING BASE THROUGH BUSINESS RETENTION AND CONSOLIDATION STRATEGIES.

As this plan is being written, the U.S. is facing its most dire economic difficulties in at least three decades, perhaps longer. Struggling industries are eliminating hundreds-of-thousands of jobs. Unemployment nationally is growing at the fastest rate of the last 30 years. Even healthier industries are suspending new capital investments. Locally, there will be fewer opportunities to attract new employers, and some existing employers may face hardships.

As a consequence, KABA must focus its economic development efforts to the realities of current conditions, while positioning the community to capitalize on new opportunities. Most importantly, it must do what it can to support the county's existing businesses and workers. It must also explore opportunities to attract new investment and jobs from companies already operating locally or in the broader region.

Strategy 1A: Support the retention and expansion of existing businesses. Like any successful business, economic development organizations must attend to their existing customers first: local businesses. Without that, you jeopardize your base of support. A business retention program should be the heart of any economic development program. This is especially true in light of the recession, where there will be fewer recruitment prospects and more existing businesses in distress.

Actions:

1A.1: Continue business retention and expansion (BRE) program. Having a clear understanding of the businesses already in Kenosha County and the issues important to their success is critical to on-going economic development efforts. KABA already administers a comprehensive business retention program focused on personal visits, surveys, and special events. These efforts should be continued and strengthened where necessary.

A Bird in the Hand

The expansion and retention of existing businesses should be at the heart of any economic development strategy. Existing businesses form the backbone of a thriving economy. They typically represent the best opportunity for increasing the employment and tax base of a community and the greatest economic threat if they close or relocate. But local firms are often overlooked in a community's enthusiasm to recruit new, headline-generating businesses.

Given the fiercely competitive environment for business attraction and the myriad of issues facing most communities with regard to the recruitment of new business, business retention should be a baseline activity for economic development organizations. In other words, all other initiatives, including business recruitment, should be considered in light of their ability to complement and support the existing business network.



- **Inventory.** Maintain inventory of existing businesses and available properties. KABA is currently developing a database of headquarters locations and key contacts for companies with facilities in Kenosha County. Publicly available business records, such as tax records, utility hookups, and ownership transfers, can be good sources for information.
- **Survey.** KABA conducts confidential business surveys to gauge economic conditions in the county and to provide benchmarking information for area employers. In addition to the surveys listed in the text box on the following page, TIP recommends a regular non-confidential survey to identify local companies at risk of leaving the community or ceasing operations, as well as those companies planning to expand. Such information will allow KABA to quickly target retention and expansion efforts locally.
- **Visitation.** KABA should meet its goal of making 100 businesses visits per year. The purpose of the visits should be to gauge the ability and needs of local businesses to operate, profit, and possibly expand in Kenosha County.
- **CEO Roundtable.** KABA should organize a regular roundtable of business executives representing small- and medium-sized businesses in the county. Several local business owners expressed a frustration to the consulting team regarding the lack of opportunities to meet their peers and exchange ideas regarding common challenges. Roundtable participants would meet in peer groups of 10 to 15 executives of non-competing companies. The goal is to engage in candid, solution-seeking discussions focused on CEO-level issues — the challenges and pressures unique to top-level management.

Taking the Business Pulse

KABA conducts a number of paper and web-based surveys on a number of topics important to local businesses. Below is a sample of the surveys KABA administered in 2008.

- Executive Economic Outlook
- Member Needs and Program Assessment
- Fringe Benefits
- Wage and Salary
- Holiday Schedule
- Combating Rising Fuel Costs
- Smoke-free Work Environment
- Southeast Wisconsin Regional Transit Authority
- Worker Shortage/Skills Gap
- Tuition Reimbursement
- Unplanned Absences

Strategy 1B: Develop a local “rapid response” strategy and designate a team for dealing with potential lay-offs or plant closures. KABA should develop a “rapid response” strategy for dealing with potential layoffs or plant closures. Under the Federal Worker Adjustment and Retraining Notification Act (WARN) of 1989, companies with 100 or more employees must notify local governments and state workforce organizations about plant closings or mass layoffs at least 60 days in advance of the event. However, at this point, it is frequently too late to do anything. KABA should work with community economic development partners to identify “at-risk” companies and develop an aggressive intervention strategy.

Actions:

- 1B.1:** Identify assistance programs for at-risk companies. Such programs include the manufacturing modernization services offered through the U.S. Department of Commerce's Manufacturing Extension Partnership (MEP) program.
- 1B.2:** Partner with Gateway Technical College, the Kenosha County Job Center, and the Wisconsin Department of Workforce Development to design flexible, demand-driven education and training programs for dislocated workers.
- 1B.3:** Encourage the establishment of a Community Adjustment Committee. The committee would develop a community response plan for assisting dislocated workers and their families. The plan would coordinate community resources for helping families deal with issues associated with income loss (e.g., psychological stress, housing, utility bills, food assistance, creditors, insurance).
- 1B.4:** Cultivate relationships with site selectors, developers, and real estate brokers to ensure prompt reuse of a closed facility by a new tenant.



Strategy 1C: Develop creative solutions for retaining dislocated workers and professionals within the county. The overriding goal for keeping dislocated workers in the region is to find them a new job. For highly skilled or technical professionals, encouraging and supporting the formation of new business start-ups can help to retain critical talent in the area. Area partners can also explore options for helping workers to find auxiliary income that allows them remain in the region until new employment opportunities arise.

Actions:

- 1C.1:** Establish an area Talent Team focused on retaining highly skilled professionals in the community.
- 1C.2:** Directly connect companies that are reducing their workforce with firms that are adding employees.
- 1C.3:** Work with all partners to rapidly move people into employment by holding targeted career fairs, conducting employer specific recruitment, and screening and hosting networking events.
- 1C.4:** Encourage area educational institutions to temporarily hire skilled professionals and tradesmen as instructors and trainers.
- 1C.5:** Foster and support the development of new companies. (see Goal 2, Strategies 5 and 6)

Strategy 1D: Pursue new investment from companies in the region seeking to consolidate facilities. During economic downturns, businesses commonly seek to lower costs by reducing capacity. The severity of the current recession will likely force many companies to consolidate operations into fewer facilities, either existing or new. KABA should look for business expansion opportunities among current companies seeking to merge operations into an existing facility. Additionally, KABA should leverage its location to attract new investment. This should center on companies based or operating in the Chicago-Milwaukee corridor, especially those seeking new sites to house operations of multiple facilities.



Actions:

1D.1: Visit with existing businesses in Kenosha that operate facilities outside of the county.

- Determine whether consolidation is a possibility and offer to assist in relocating outside operations to the county.

1D.2: Monitor Chicago and Milwaukee area news outlets for reports of consolidation.

- Economic and Business Research: Identify economic trends, which companies are expanding and contracting in terms of employment and facilities, where satellite facilities are, and how their supply chains are structured.

1D.3: Build awareness among the corporate base in and around Chicago and Milwaukee.

- Implement a public relations campaign targeted at regional companies. Identify key regional publications and send press releases on recent business successes.
- Call on executives of Chicago- and Milwaukee-based companies to present the benefits of Kenosha County as a location for future expansion or for consolidation of facilities/operations.
- Send targeted mailings touting Kenosha County as a destination for consolidated operations.
- Engage new partners for lead referral. Specific candidates include local and regional construction firms, real estate brokers, banks and service firms (legal and accounting), regional industry associations, and area colleges and universities.



GOAL TWO: POSITION KENOSHA COUNTY FOR LONG-TERM ECONOMIC GROWTH AND VITALITY.

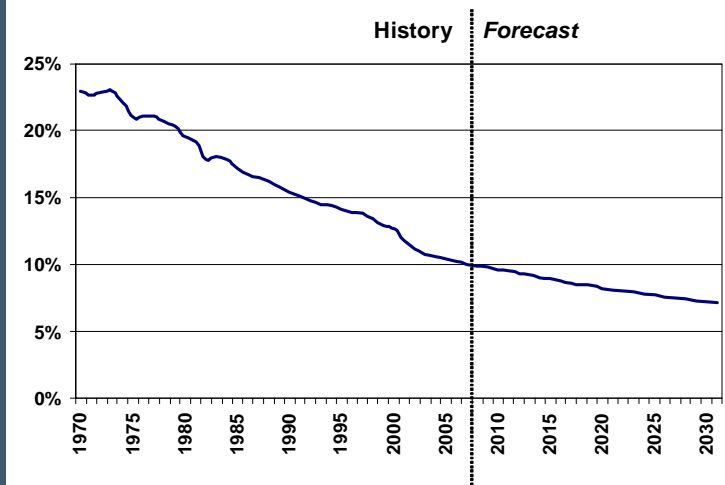
The U.S. manufacturing industry continues a transformation that has profound effects on the practice of economic development. It is forcing us to rethink what we mean by a primary job, how we measure economic impact, and how we design incentives. This is, in large part, because manufacturing employment continues to decline. Most American communities have come to accept that it is no longer feasible to build a successful economic strategy based solely on manufacturing jobs. In Kenosha County, this shift in strategy is painfully reinforced by the struggles of the U.S. automotive sector.

For this reason, the recommended strategies for long-term positioning consider the full complement of economic activities — ranging from traditional industrial employers to clean technology to life sciences — as well as the physical infrastructure (business parks, office space, transportation, etc.) and financial incentive tools to support those activities. Understanding the role of innovation, the potential of entrepreneurship, and the importance of professional services are also important components of a progressive economic development plan.

Strategy 2A: Increase the availability of commercial and industrial land suited for small companies. One of Kenosha County's strongest assets is its inventory of developed and undeveloped sites able to accommodate large- and medium-sized industrial, office, and retail developments, especially near I-94. The Business Park of Kenosha and the 2,400-acre LakeView Corporate Park are the county's most established and well-positioned business parks. There is also a large inventory of privately-owned greenfield sites available for development in the western areas of the county.

Additional analysis shows a limited number of one to 10-acre sites available for purchase by small or young companies, especially in central or eastern Kenosha County. To help meet this need, KABA should evaluate options for purchasing or partnering to develop land in the county. In this scenario, it may be feasible to develop a small business park.

Manufacturing as a Percent of Total Jobs



Actions:

2A.1: KABA should explore locations and ownership options for developing a new business park offering small-acreage sites for sale to industrial and commercial users.

Strategy 2B: **Align the funding priorities of the KABA-managed community revolving loan funds with the strategic plan.** Economic development organizations are subject to the same realities that companies face. They must constantly reevaluate their “value proposition.” Does their product line meet the needs of their customers? Are they remaining relevant? Are they organized in the most effective way? Over much of this decade, it was sufficient for KABA to respond to demand: targeting was not a requirement. If a relocating company approached the county, meeting certain broad criteria, it could be sure of receiving incentives. This approach is no longer viable. Both the needs of the county, and the conditions for business growth have undergone major changes. Growth out of the Chicago area, coupled with new residential developments, put huge pressure on the land adjacent to the interstate. This continues to have consequences for business opportunities adjacent to the lake and for the city of Kenosha.

As a result of these factors, coupled with a radically changing national economy, this plan recommends a change in the funding priorities of KABA’s revolving loan fund. The new goals can be summarized as follows:

- align loans and related incentives to the target industries identified in the plan,
- give priority to those businesses that meet specific wage and skill standards (detailed below),
- provide additional support based on geographic location and specified sites, and
- meet criteria for sustainability and alternative energy use.



Actions:

2B.1: Design a loan scoring system emphasizing innovative businesses in targeted industries as well as infill or redevelopment projects.

- Specific loan evaluation criteria should be established placing greater emphasis on funding businesses involved in professional services, life sciences, clean tech, logistics, advanced manufacturing, or specialty foods.
- The scoring criteria should consider the location of a project within the county. Desirable infill or redevelopment projects should receive a higher score.
- Additional scoring criteria to consider include:
 - Number of permanent job creation/retention
 - Quality of jobs (salary, skill level, stability, etc.)
 - Economic impact
 - Ratio of KABA RLF investment to other private investment
 - Additional tax base generated
 - Level of research and development
 - Positive neighborhood impact
 - Businesses that meet criteria for sustainability and alternative energy use
 - Consistency with local comprehensive plans

Strategy 2C: **Pursue a targeted industry strategy.** The primary purpose of traditional economic development marketing is to generate interest from companies

Kenosha County Revolving Loan Funds

KABA manages a \$27 million portfolio of six community revolving loan funds (RLF). These funds are used to extend low-cost financing to companies creating jobs in Kenosha County by expanding an existing business or by establishing a new facility. The KABA-managed RLFs include:

- KABA RLF (non-restrictive loan fund)
- Consolidated Kenosha County (RLF) (several small funds combined)
- Economic Development Administration RLF (funded by a grant from EDA with a Kenosha County local match)
- County RLF (funding provided by Kenosha County)
- Urban Development Action Grant RLF (UDAG funds from the Dept. of Housing and Urban Development)
- City RLF (funding provided by city of Kenosha)



with expansion or relocation plans. Due to resource constraints, KABA's existing marketing outreach is very limited. However, as resources permit, KABA should enhance its business recruitment efforts and include the target industries listed in the adjacent text box and outlined in the Target Industry Section.

Actions:

2C.1: Build awareness among decision-makers in target industries.

- Develop and maintain a database of companies in each target industry.
- Initiate a direct mail program to companies in each target sector.
- Initiate a postcard (physical or digital) campaign highlighting Kenosha County's strengths and a highly visible Web address that directs prospects to the KABA website.
- Follow the direct mail campaigns with telephone calls to 1) identify companies with expansion plans, and 2) assess their interest in Kenosha County as a location for consolidation or expansion.
- KABA should conduct four call trips per year (one each quarter) to regions where target industry concentration is highest. These trips can be conducted separately or in conjunction with the trade shows or other events.
- Compile and maintain resource information for each target industry sector. This would include identifying associations for each industry sector as well as following industry trends by monitoring trade publications or purchasing industry data and reports from private sources.

Recommended Industry Targets

To support KABA's economic development recruitment efforts, TIP identified target business and industry sectors. We chose potential targets using a combination of quantitative, qualitative, and strategic approaches. The recommended industries capitalize on existing and emerging assets in Kenosha County and the larger Chicago-Milwaukee corridor, such as the transportation network, large regional labor shed, and competitive utilities. These industries were also chosen in light of the current economic environment, as they are likely to endure recessionary times and could possibly benefit from governmental support.

- *Professional services*
- *Logistics & Distribution*
- *Advanced Manufacturing*
- *Biosciences*
- *Food Processing*
- *CleanTech*

- KABA should track the success of the target industry campaign using a contact management system.

2C.2: Build awareness among corporate site selectors.

- Update and maintain a database of developers, brokers, and site consultants in the upper Midwest.
- Continue to maintain and update information typically of interest to commercial and industrial developers on the KABA website.
- To the extent feasible, KABA staff should call on site consultants in major metropolitan areas in the upper Midwest (e.g., Chicago, Milwaukee, Minneapolis, and Detroit).
- Offer assistance to aggressively market developers' and land owners' properties and buildings to future tenants.
- KABA should periodically host events that showcase specific assets, such as available land and buildings or new projects. Local and regional developers, site consultants, and industrial and commercial brokers may be invited to attend.

2C.3: Build awareness among corporate base in Chicago and Milwaukee. (See Goal 1, Strategy 4)

Strategy 2D: Support innovation among existing businesses. Kenosha County and the Chicago area are home to a number of companies and institutions that support and foster innovation. KABA can support innovative businesses and individuals in Kenosha County by referring them to the appropriate innovation resource providers in the region.

Actions:

2D.1: Work closely with Gateway College, CATI, Inc., Carthage College, UW-Parkside, and other partners to establish a regional “know-how”

Recent Corporate Investments

Relocations or expansions affecting over 50 employees over the past three years

Company	Projected FTEs
Uline	1,000
Affiliated Foods Midwest	450
Gordon Food Service	375
Coleman Cable	100



network of business service providers. A know-how network would offer enhanced business and technical assistance services to area entrepreneurs and small businesses.

- 2D.2:** Encourage companies to pursue federal grants to support innovation, such as the Small Business Innovation Research (SBIR) Program and the Small Business Technology Transfer (STTR) Program.
- 2D.3:** Encourage companies to secure local, state, and federal government contracts relative to innovation.
- 2D.4:** Assist companies in identifying other sources of technical assistance, such as the Wisconsin Manufacturing Extension Partnership.
- 2D.5:** Sponsor a local design competition. The competition should engage Kenosha entrepreneurs, students, engineers, or industrial designers in the development of new products, solutions, or ideas. Invite Kenosha companies to participate in the competition through financial support, judging assistance, or submission of specific problems for contestants to solve.
- 2D.6:** Encourage local innovators to submit their nomination for the annual Chicago Innovation Awards.

Strategy 2E: **Promote entrepreneurship and small business development.** KABA and its regional partners should place greater emphasis on fostering small business development and growth-oriented entrepreneurship. Fostering entrepreneurship is important for multiple reasons. In general, small businesses are responsible for a significant portion of jobs created. Local businesses that have matured in a community often have much stronger ties to the region and require less effort to retain. Entrepreneurial enterprises add to those elements: they contribute to economic vitality through their creativity and innovation. In other words, they create a center of gravity for talent and

Chicago Innovation Awards

Established in 2002, the Chicago Innovation Awards shine a bright light on the creative spirit of Chicago by focusing attention on the most significant new products and services introduced in the region. The ten winners each year are innovations that uniquely fill unmet needs, spark a competitive response in the marketplace, exceed market expectations, achieve financial success, and improve people's lives. They emerge from the public, private, and nonprofit sectors. Most importantly, the Chicago Innovation Awards remind is that innovation is thriving in America's heartland.
<http://www.chicagoinnovationawards.com/>

SBIR Program

SBA's Office of Technology administers the Small Business Innovation Research (SBIR) Program and the Small Business Technology Transfer (STTR) Program. Through these two competitive programs, SBA ensures that the nation's small, high-tech, innovative businesses are a significant part of the federal government's research and development efforts. Eleven federal departments participate in the SBIR program; five departments participate in the STTR program awarding \$2 billion to small high-tech businesses. www.sba.gov/sbir



capital. The unique quality of entrepreneurial ventures rests on the following understanding:

- *Export Oriented:* unlike many small businesses, entrepreneurial companies seek markets beyond the immediate region.
- *Capital Intensive:* since these companies are on a growth trajectory, they require substantial operating and expansion investment.
- *Technology Driven:* even non-technology companies require a technology infrastructure (broadband, e-commerce transaction capability, highly skilled workforce).
- *Professional Service Dependent:* since most entrepreneurs have some form of intellectual property (including patents, specialized equipment or processes), they need easy access to legal, financial, and marketing services.

While small business development centers are beneficial to the typical locally-oriented start-up, they are not designed to assist the specialized needs of entrepreneurs. The facilities, networks, and support they need fall into a different category. As a consequence, this recommendation speaks to the assistance the KABA should provide in building an entrepreneurial cluster. in Kenosha County.

Actions:

- 2E.1:** Assess the existing entrepreneurial programs and services available in Kenosha County. Work with representatives of the UW-Parkside Small Business Development Center (SBDC), CATI, Inc., the Kenosha Chamber of Commerce, and the Kenosha Inventors and Entrepreneurs Club to formally assess the needs of area entrepreneurs and identify gaps in services and support that are not being provided.



2E.2: Work with partners to enhance services for entrepreneurs to augment the county's entrepreneurial assets.

- Support the establishment of a formal angel investor network to aid entrepreneurs in raising seed capital by providing opportunities for entrepreneurs to present business plans and financing needs to an audience of local investors.
- Encourage the UW-Parkside SBDC or other organization to offer entrepreneurship training courses such as FastTrac or NxLevelL that provide intensive training for potential entrepreneurs.
- Support the creation of a youth entrepreneurship education program in Kenosha County public schools.
- Encourage the development of a mentor network to match "green" entrepreneurs with experienced entrepreneurs.
- Create a clearinghouse of information on services available in the community. Include a description of services and contact information for:
 - Business services: accounting, legal, human resources, information technology, business transfer planning, production, marketing, market research.
 - Financing services: microlenders, local banks, national banks, factors, angel investor networks.

2E.3: Establish an information clearinghouse to aid entrepreneurs in gaining competitive information, market research, and assistance.

- Create a section on the KABA Web site devoted to entrepreneurship. To access certain areas of this site, entrepreneurs would register with the KABA. This will allow the

Entrepreneurship Training Curricula

Founded by the Kauffman Foundation of Kansas City, Missouri, FastTrac is a boot camp for entrepreneurs. According to the foundation's materials, 70 percent of companies that go through the program succeed beyond three years – the oft-touted threshold by which the majority of small businesses fail. The program can be brought to any town provided there is an organization willing to become certified to teach the program. <http://www.fasttrac.org/>

Another popular program is NxLevelL, a curriculum developed by the University of Colorado at Denver. NxLevelL includes 7 different curriculum tailored for different types of entrepreneurs. Since 1996, over 80,000 students have participated in NxLevelL trainings. A third-party evaluation of the program shows that over 90 percent of business start-ups that participated in the program were still in business after 3 years. The program is taught by certified trainers in over 600 communities in 48 states. <http://www.nxlevel.org/>



KABA to keep track of who is using their services and monitor any potential abuse.

- *Competitive Information.* Consider making available select commercial database services such as Lexis/Nexis, Dun & Bradstreet, InfoUSA, and Claritas to registered small businesses. KABA should either charge a nominal fee for this service or may provide the service for free.
- *Small Business Resources.* Provide a list of resources in Southeast Wisconsin. This list should include technical assistance providers, financial institutions (traditional and non-traditional), and a calendar of events. In addition, “how-to” guides should be created to guide entrepreneurs in starting a business, securing financing, applying for necessary permits, and complying with regulatory requirements.

2E.4: Celebrate and support entrepreneurship in the region. KABA and its partners should engage in a public relations campaign profiling area entrepreneurs (“success stories”) – current and past – and informing residents of entrepreneurial activity and initiatives. This will help foster an entrepreneurial spirit and a community that values entrepreneurship.

2E.5: Establish and sponsor a bi-annual KABA business plan contest.

- Every other year, KABA should set aside a portion of its annual RLF earnings to fund a business plan contest. The funds could be used to award cash prizes to winning entries, as well as matching RLF grants for business plan implementation.
- KABA should invite area companies, especially professional service firms, to sponsor and participate as judges.

Wisconsin Governor’s Business Plan Contest

The mission of the Governor’s Business Plan Contest is to encourage entrepreneurs in the creation, start-up and early-growth stages of high-tech businesses in Wisconsin. Participants have the chance to win seed capital, valuable services that will help them launch their businesses and a Grand Prize worth \$50,000. Since its inception in 2004, more than 1,300 entries have been received and nearly \$850,000 in cash and in-kind prizes has been awarded. In 2008, 17 finalists won cash prizes.

Produced by the Wisconsin Technology Council and a growing list of partners, the Governor’s Business Plan Contest engages contestants in a six-month process that includes mentoring and comments from judges on selected plans. It will also lead to valuable public and media exposure for the best business plans submitted by contestants and spur economic growth in Wisconsin. In addition, past finalists have raised a reported \$11 million in private equity, such as angel and venture capital.

<http://www.govsbizplancontest.com/>



- The contest may be modeled after and serve as a feeder for the Wisconsin Governor's Business Plan Contest, which awards cash prizes to winning business plans in four main categories: Advanced Manufacturing, Business Services, Information Technology, and Life Sciences.

2E.6: Explore establishing a business incubator in Kenosha County.

- Given the proximity of the county to the corporate headquarters of Abbott Labs and Baxter International, and the North American headquarters of GE Healthcare Technologies, a potential focus of the incubator could be on the biomedical and life sciences sector. Perhaps the greatest source of new biosciences investment and employment in the county will be the result of entrepreneurial spin-offs and start-ups connected to existing companies in the region.
- Beyond subsidized office space, shared services, and mentoring traditionally offered by incubators, a Kenosha county incubator concept could incorporate shared wet lab, research, and testing facilities. Such features are often inaccessible to start-up or 2nd-stage firms due to high capital costs.
- Explore formal program linkages with CATI Inc., Gateway Technical College, and UW-Parkside.

Strategy 2F: Explore redevelopment opportunities for Chrysler site. The relationship of the automobile industry and Kenosha County spans over 100 years. The auto sector has had an indelible influence on the economy, culture, and history of Kenosha. However, the recent disclosure that Chrysler intends to close its Kenosha engine plant in 2010 as part of its bankruptcy restructuring threatens that bond. The closure will also leave behind a 100-acre vacant industrial site in the heart of Kenosha. The near-term potential for Chrysler to sell the site to another industrial user is limited due to the site's location, its cost competitiveness, and the low market demand for industrial space in the



upper Midwest. As an alternative, KABA and its regional partners should explore other disposition alternatives for the site, including a below-market sale to the city and the creation of a redevelopment authority.

Actions:

- 2F.1:** Continue engaging corporate decision makers at Chrysler and Fiat regarding new investment opportunities in Kenosha County.
- 2F.2:** Begin communicating with Chrysler regarding potential property dispensation and reuse scenarios.
- 2F.3:** Work with regional and state partners on devising a redevelopment strategy for the site.

Strategy 2G: **Support needed public infrastructure investments to keep pace with growth.** Key to Kenosha County's development in recent decades has been substantial investments made in local public infrastructure, especially the transportation system. The county's system of interstate, state, county, and local roads has traditionally been a competitive advantage in attracting new investment. However, the county's rapid population growth has strained the public transportation infrastructure, resulting in greater congestion and maintenance costs.

Actions:

- 2G.1:** KABA should publicly support investment in public infrastructure needed to position the county for long-term economic growth and vitality. See Goal 4 for more specific strategies and actions.



GOAL THREE: ATTRACT, ENGAGE, AND RETAIN TALENT.

Nurturing and attracting talent is perhaps the most fundamental issue for creating long-term, sustainable economic vitality. Much of this is due to the changing needs of U.S. employers as the economy transitions from manufacturing to services. More importantly, shifting demographic patterns are changing the way employers evaluate areas they are considering for possible relocation or expansion. Workforce availability is now the predominant site selection criterion for most industries.

With unemployment rates reaching levels not experienced in decades and older workers delaying retirement to rebuild their nest eggs, it might be difficult to see the urgency in attracting and retaining talent as a priority for Kenosha County. However, while national economic conditions are less certain, future demographic trends are clear. The largest generation of workers in U.S. history is reaching retirement age and there will be fewer working age people to replace them. Once the economy recovers, educated and skilled workers will again be in high demand.

Kenosha County's most important talent asset is access to higher education. The presence of Gateway Technical College, UW-Parkside, and Carthage College makes the county very competitive in attracting and keeping young talent from around the region. However, Kenosha County must do more to elevate the education and skill sets of its homegrown talent base to match future jobs. The era when a manufacturing job allowed those with limited education to live comfortably is over. It is essential that residents – young and old – use the area's first-rate higher education assets.

Other critical talent retention and development challenges for Kenosha County include deepening the professional workforce pool, continuing to improve educational excellence within the public schools, and developing new generations of leaders engaged in economic development.

Strategy 3A: Bring the business, workforce training, and education communities closer together. A concern often voiced to the consulting team is the lack of effective communication and interaction between Kenosha businesses and educators. Employers, training providers, and educational institutions often

Redefining Talent

The concept of talent means more than a skilled workforce. It means recruiting talented people as well as cultivating the talent pool represented by groups as diverse as students, retirees, and entrepreneurs. It also means ensuring that the employees and companies that have been responsible for a community's growth continue to see a reason to remain in the area.

National demographic trends, most notably the aging of the baby boomers, suggest that demand for workers may soon outstrip supply. As a result, competition for labor is expected to increase among companies as well as communities. Focusing on the development, attraction, and retention of talent should, therefore, be an important part of any economic development strategy.



are forced to be reactive to issues of mutual concern. Facilitating greater communication and coordination between the private sector and the education sector will help Kenosha County meet its most important long-term goals.

Actions:

3A.1: Establish a Kenosha County Business and Education Task Force. The primary purpose of the task force should be to initiate an ongoing mechanism for business, education, and workforce training leaders to discuss mutual challenges and generate ideas and solutions. More specifically, the task force should engage the private sector in local educational issues, identify new opportunities for business/school partnerships, provide a forum to match training needs with programs, and provide resources for improving student performance and educational attainment.

- The task force should be composed of representatives of regional educational institutions (K-12 and post-secondary), businesses (small, medium, and large), economic development, and workforce development.
- A well-known and respected business or education leader should be identified by the core team to chair the task force.
- The chair should take the lead in recruiting and assembling the members of the task force.
- Once the panel is assembled, schedule in advance an agenda for meetings, the scope of work to be undertaken, specific tasks, and expected deliverables.
- The task force may consider forming subcommittees to study and report on specific issues.



3A.2: Continue supporting educational excellence in Kenosha County through KABA's scholarship and mentoring programs.

- Each year, KABA awards \$15,000-\$20,000 in scholarships to Kenosha county high school graduates pursuing higher education, including a minority academic achievement scholarship and a Gateway tuition scholarship. Depending on the availability of funds, KABA should expand its scholarship program in the future.
- The KABA Mentor Program is a school-based program that brings volunteer mentors from area businesses together with elementary students to work on academic and social skills. In the 2008/09 school years, 121 mentors from 44 member organizations participated in the program. KABA should continue expanding the number of partner organizations and volunteers in the program.

3A.3: Align economic development and area education programs – K-12, vocational, adult, and post-secondary. KABA should work with regional higher education institutions and Kenosha Unified School District to align vocational education and professional certification programs with KABA industry cluster development efforts.

- Expand internship/apprenticeship programs to aid in the transfer of vocational students to entry-level positions among existing industrial employers and/or targeted industries.
- Enhance and expand partnerships between area school districts and local higher education institutions in developing vocational training programs in targeted industries.

Strategy 3B: Engage educators more directly in economic development. Access to higher education opportunities is one of Kenosha County's most important strengths in attracting new investment and talent. To fully leverage this asset,



KABA should explore ways to increase the direct involvement of educational institutions in economic development activities.

Actions:

- 3B.1:** Engage in joint marketing efforts. (See Goal 5, Strategy 4)
- 3B.2:** Encourage joint participation. KABA and education leaders should promote cross-representation on relevant boards and commissions. KABA staff should engage with local higher education faculty and staff on a regular basis.
- 3B.3:** Continue developing education and workforce training programs. KABA should continue working with educational leadership and faculty to develop innovative curricula and programs addressing the current and future needs of students, workers, and businesses in the county.
- 3B.4:** Explore best practices for economic development and higher education. Published in 2006, *Tools and Insights for Universities Called to Regional Stewardship* provides guidance on this recommendation (available for download at: www.regionalstewardship.org). This document and related works are notably weak on specific strategies. They are, however, strong on case studies. The critical elements include the following:
- ensuring that entrepreneurial strategies are part of the economic development mix,
 - enfranchising businesses in the broader goals of the community and the college(s), especially as they relate to innovative practices and training, and
 - defining a “stewardship” role for colleges.

Best Practice: HIRE

The HIRE (Higher Income Requires Education) Education Forum is a regional educational alliance consisting of 22 post-secondary educational institutions in the greater Louisville, KY region. HIRE is guided by a 20-member advisory council, which consists of employer representatives focused on higher education in the community. HIRE’s mission is to provide a forum for regional higher education institutions to collectively align post-secondary activities and programs with regional economic development challenges. As a consequence, HIRE strives to form the foundation of a regionally responsive education and workforce development system.

www.greaterlouisville.com/HIRE



Strategy 3C: Promote greater utilization of existing workforce training assets.

Kenosha businesses and residents are well served by the workforce and vocational training assets available in the county. In particular, Gateway Technical College offers scores of state-of-the-art training classes and programs through its four advanced technology centers. KABA itself offers education and training programs to hundreds of individuals in Kenosha County. Still, several employers reported the challenge finding and retaining many categories of technically skilled workers. Some were also unaware of many of the advanced training programs offered by Gateway and KABA.

Actions:

3C.1: Continue marketing and publicizing KABA training programs and classes to Kenosha businesses.

3C.2: Form a workforce training subcommittee of the recommended Business and Education Task Force.

- The subcommittee should examine how local businesses and training providers can better coordinate and communicate needs versus capacity.

3C.3: Provide findings and analysis of information gathered from KABA business visitation and survey activities to the county's educational leadership and faculty.

Strategy 3D: Engage young professionals and new residents. Kenosha County's strong population growth over the last two decades has largely been fueled by a surge of new residents from northern Illinois. Many of these new residents have been younger professionals seeking affordable housing options close to the growing base of professional services jobs in the region. In many respects, Kenosha's future economic vitality depends on its ability to attract, retain, and engage this critical talent base. However, in discussions with the consulting team, several young professionals expressed a lack of engagement by local organizations and a detachment from the issues,



amenities, and events in the community. The challenge for the Kenosha County is finding new and innovative ways for engaging younger people in civic and economic development affairs. However, the solutions will not be identified and designed by the region's existing cadre of leaders, but by the younger professionals they hope to engage.

Actions:

3D.1: Develop a new generation of leaders. With the creation of Y-Link, KABA, the Kenosha Area Chamber of Commerce, and the United Way of Kenosha have laid the foundation for new leadership development in the county. However, for this endeavor to truly be successful, it must become more than an "after 5:00" business networking organization. It must elevate the issue of generational leadership to a higher plane through a clear charter, goals, and funding.

- Y-Link organizers should establish a Next Generation Task Force comprised by professionals and volunteers in their 20s and 30s. The purpose of the task force is twofold: (1) understand the primary barriers to this generation's civic engagement; and (2) design innovative methods of outreach and engagement.
 - *Needs Assessment.* The task force should conduct a needs assessment that identifies the issues and barriers to civic engagement by young adults in Kenosha County. The needs assessment should include a regional survey and focus groups to identify the primary issues and barriers to civic engagement.
 - *Social mapping.* A young adult social network mapping initiative should also be a goal of the survey and focus groups. The idea is to map relationships between people, groups, and places in order to identify common interests, relationships, and locations for interaction. Once the nodes



are identified, targeted strategies for engaging young adults can be designed.

3D.2: Strengthen Kenosha County's leadership base and involvement in economic development. Promoting and retaining leadership is a long-term, invaluable component to economic development. Without committed leaders, economic development practitioners often find themselves lacking the necessary support to undertake needed initiatives. Not only can local leaders aid in the improvement of the local business climate, but they can also be effective in marketing Kenosha County to the outside world in the course of their business-related interactions.

- Continue raising awareness of economic development issues and build support among Kenosha County's leadership and citizenry.
 - *Economic Summit.* Similar to the event held in 2007, KABA should establish a bi-annual Kenosha County Economic Summit to keep leaders and citizens informed of economic opportunities and challenges in the county and the region. The summit should include information regarding economic trends and business climate issues (e.g., taxation, initiatives, and business announcements).
 - Meet quarterly with existing leadership organizations, key individuals, and other decision makers to provide opportunities for private discussions and input on Kenosha County's business climate issues.
 - Establish a long-term planning process for updating progress on specific goals and priority projects. Consider coordinating process with an annual economic summit.

Developing New Generations of Leaders

This is a challenge faced by communities across the nation. Many traditional social and volunteer organizations (e.g., Lions, Rotary, and Altrusa clubs) are no longer popular among the X, Y, and millennial generations. Younger people often choose more informal social networks linked by common interests. Technology now allows people to network and engage in civic issues via the Internet. Moreover, younger families coping with the time demands of two-income households and longer commutes tend to have less time for community leadership and volunteer activities.



Strategy 3E: Reach out to former residents and recent graduates. A successful talent attraction strategy should also include reaching out to individuals and former residents with existing ties to Kenosha County. First, the target audience already has a familiarity with Kenosha County, requiring less education about the community. Second, individuals with strong ties to Kenosha County, especially young professionals with families, may already desire to relocate if given a clear opportunity. Third, these individuals would presumably be easier to reach through existing social networks and, therefore, less expensive to target.

Actions:

3E.1: Establish a marketing campaign urging former residents to “Come Home to Kenosha.”

- Work with alumni organizations for area colleges and high schools; career placement offices at the various schools; and key allies to assist in the development of a database of former students to whom marketing materials should be sent.
- Develop marketing materials and a quarterly newsletter to inform former residents of opportunities and current events in Kenosha County (e.g., job postings, business expansions, investment opportunities, planning initiatives).
 - Consideration should be given to creating an electronic form of the newsletter for easier and less expensive transmittal.
 - Consideration should be given to distributing the newsletter to job placement counselors at area institutions of higher education as means for informing existing and former residents of local opportunities.

Best Practice: *Return to Roots*

Return to Roots is a campaign aimed at the estimated 15,000 alumni who have graduated from Southwest Virginia’s high schools in the last 20 years and may have moved away from the region.

Return to Roots is an information portal highlighting the exciting job opportunities that exist today in Virginia’s Great Southwest region.

www.returntoroots.org



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- Information on local events and opportunities can also be communicated via web-based social networking sites such as Facebook, MySpace, and Twitter.
 - Alumni publications and social networking sites can provide a channel for communicating with alumni. For example, information about Kenosha can be posted on the Carthage College Alumni Facebook page or included in UW-Parkside's Perspective alumni magazine.
 - Enlist the support of the Kenosha News in providing information about the newsletter or actually posting it directly to its website. In many cases, viewing of the "hometown newspaper" is the sole source for information about Kenosha for former residents.



GOAL FOUR: ENSURE ALL PARTS OF THE COUNTY ARE ECONOMICALLY, DIGITALLY, AND PHYSICALLY CONNECTED.

Achieving long-term economic vitality requires healthy and sustainable growth in all areas of the county. No single area of the county can prosper while others remain stagnant or decline. As the commercial and residential center of gravity of Kenosha county moves westward, there is a danger the economic competitiveness of downtown Kenosha will weaken. The expanding gulf in desirable development opportunities is exacerbated by congested traffic and physical bottlenecks along east-west thoroughfares. Promoting faster access between I-94 and the lakefront will be crucial for Kenosha's long-term development. The county must also continue investing in and enhancing other critical economic development infrastructure such as the airport, commuter rail, broadband Internet, and public transportation.

Strategy 4A: Actively promote downtown development. A vibrant downtown is a key component to economic vitality. Downtown revitalization influences every economic development issue facing the city of Kenosha, from talent attraction and retention to quality of place to economic diversification. The potential of Kenosha's downtown and lakefront is evident. The historic buildings, walkable streets, new housing stock, existing businesses, and museums create a strong base for revitalization efforts.

Kenosha County has a sizeable population of young adults that generally would take advantage of downtown and lakefront retail and entertainment options. A revitalized downtown with a diverse range of entertainment, retail, residential, and employment options could also draw new tourists and visitors from the Chicago-Milwaukee corridor's substantial population base. In addition, a successful bid by Chicago to host the 2016 Summer Olympic Games would represent a tremendous opportunity for Kenosha to attract thousands of new visitors and guests.

The implementation of effective strategies as part of a well-coordinated revitalization effort can make a significant difference in elevating Downtown

"A healthy and vibrant downtown boosts the economic health and quality of life in a community. Specifically, it creates jobs, incubates small businesses, reduces sprawl, protects property values, and increases the community's options for goods and services. A healthy downtown is a symbol of community pride and history."

- *The Pew Partnership for Civic Change*

Kenosha as a prime destination in the region. This, in turn, will greatly enhance the county's economic vitality.

Actions:

4A.1: Strategically use the KABA revolving loan fund to assist the development of professional services businesses in the downtown and lakefront areas of Kenosha.

- Within a new RLF scoring system, KABA should encourage the location of high-value professional services employers in the downtown/lakefront area.
- Support the development of an updated downtown master plan for the City of Kenosha.
- Establish the organizational capacity to organize and coordinate downtown revitalization. A non-profit should be created to spearhead downtown revitalization efforts, promote new investment, and organize and advocate for downtown business and property owners. Funding for the organization should consist of a mix of contributions from membership fees, grants, private donations, and existing TIF districts.
 - The organization should hire a full-time director to manage and lead the organization's efforts.
- Join the Wisconsin Main Street Program.
- Encourage the City of Kenosha to more aggressively engage absentee landlords of vacant downtown properties. The city should adopt and enforce requirements that vacant properties are properly maintained.
- In the event of a successful Olympic bid by Chicago, a community task force should be formed to begin planning and



preparing Kenosha for the event. A primary focus of the task force should be positioning and investing in Kenosha's downtown and lakefront to maximize the economic impact of the Games.

- Support private and public efforts in developing a retail strategy for existing business and for the attraction of new specialty retail boutiques in downtown Kenosha.
 - Consider offering assistance in identifying potential funding sources for revitalization efforts.
 - Encourage existing Kenosha County companies and retailers to establish downtown anchors. For example, the feasibility of relocating the Jockey Closeout Center in the downtown/lakefront area should be explored.
 - Promote downtown Kenosha as a destination for specialty retail in KABA marketing materials.

Strategy 4B: Support road improvements to east-west thoroughfares between I-94 and the lakefront. A significant barrier to new residential and commercial development in Kenosha's downtown and lakefront areas is impeded traffic flow between I-94 and the lakefront. County and city leaders should look at creative ways to expedite flow between the growing residential, commercial, and industrial areas of the county near the interstate and older urban core of Kenosha.

Actions:

- 4B.1:** Form a KABA-sponsored transportation task force to address and take a position on critical transportation issues in Kenosha County. The task force should address these issues from the perspective of the business community. A key issue the task force should address is promoting faster transportation access between I-94 and the



lakefront. Other important issues to address include regional commuter rail, potential airport expansion, and public transportation service to employment centers.

Strategy 4C **Work with county and municipal officials to pass and implement the Multi-Jurisdictional Comprehensive Plan for Kenosha County.** County, municipal, and regional planning officials have been working to develop comprehensive plan for Kenosha County. The goal of the plan is to provide a smart growth blueprint for Kenosha County through 2035. It will help guide county decisions on land use, infrastructure development, and natural resource preservation.

4C.1: Support the development and implementation of a plan that meets the needs of all areas and municipalities in the county.

4C.2: Provide input to the plan from an economic development perspective.

Strategy 4D: **Improve public transportation to business, industrial, and education sites.** Some residents and employers expressed a frustration at public transportation access to industrial sites, employment centers, and university campuses. The City of Kenosha currently operates bus service to many key employment centers in the county, including Lakeview Corporate Park, Kenosha Business Park, and higher education campuses. KABA should work with employers and the city to identify where improvements can be made.

Actions:

4D.1 Communicate with employers in the county regarding their public transportation needs.

- KABA should survey HR managers in the county to determine if public transportation access is adequate for their employees.
- The results of the survey should be compiled, analyzed, and shared with the City of Kenosha.



4D.2 This issue should be considered as part of a KABA-sponsored transportation task force.

Strategy 4E: Support KRM expansion. KABA should support regional efforts to link Kenosha, Racine, and Milwaukee via commuter rail service. The KRM line would directly connect and be coordinated with the existing Metra service, which links Kenosha and Chicago via commuter rail. Kenosha's rail connection to Chicago would remain the most economically valuable. However, an expanded regional commuter rail service linking Chicago and Milwaukee, by way of Kenosha, would provide the county with expanded opportunities to attract new residents and workers from both the south and the north.

Actions:

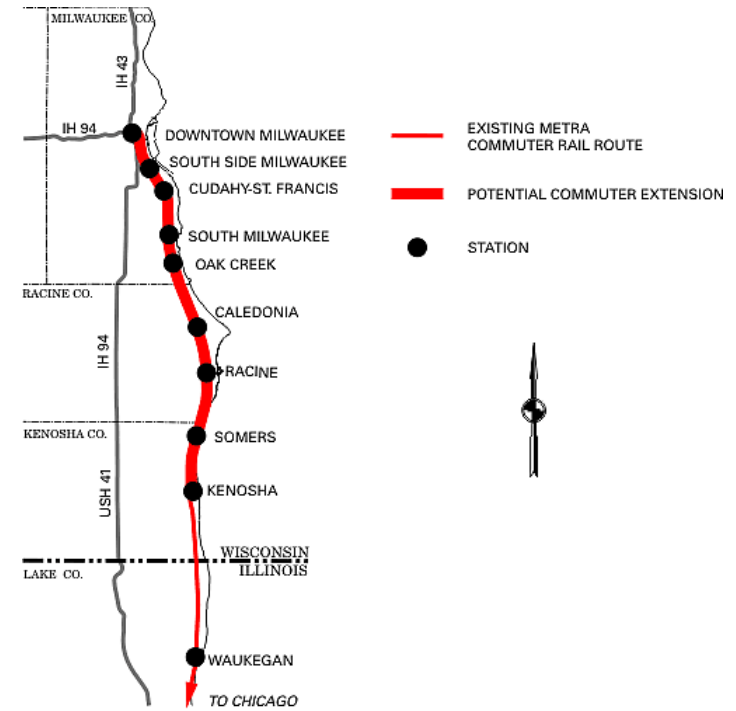
4E.1 Coordinate support with other economic development organizations in the region.

- Work with regional economic development organizations to articulate an economic development case for establishing KRM and linking it with the Metra service.

4E.2 Advocate for additional public transportation service between the Kenosha Metra Station and key industrial sites and employment centers in the county.

4E.3 This issue should be considered as part of a KABA-sponsored transportation task force.

Strategy 4F: Support airport expansion for corporate aviation. KABA should work with the City of Kenosha to explore options for expanding the infrastructure and facilities at Kenosha Regional Airport. The goal of the expansion would be to increase the capacity of the airport to accommodate additional corporate aviation. Such a strategy would align and support KABA's efforts to recruit corporate and regional headquarters to the county.



Source: Southeastern Wisconsin Regional Planning Commission

According to the FAA, 12 corporate aircraft are based at Kenosha Regional Airport. In comparison, 52 corporate jets are based at Waukegan Regional Airport and 50 jets are based at Chicago Executive/Palwaukee Airport.

Currently, Kenosha Regional Airport's longest runway is 5,499 feet. Lengthening the runway by 1,000 feet would allow aircraft using the airport to take-off with more fuel. This would make the airport more attractive to corporations operating businesses jets, as it would extend the range of their aircraft.

Kenosha Region Airport Comparisons

Name	ID	Location	Distance/direction from KNW (NM)	Ownership	Owner	No. of Runways	Length of Longest Runway (ft)	Average daily Usage	No. of Corporate Jet*
Kenosha Regional	KNW	Kenosha, WI	0	Public	City of Kenosha	3	5499	180	12
Waukegan Regional	KUGN	Waukegan, IL	11 S	Public	Waukegan Airport District	2	6000	189	52
John H Batten	KRAC	Racine, WI	11 NE	Private	Racine Commercial Airport Corp.	2	6574	129	6
Campbell	C81	Grayslake, IL	18 S	Private	KANE ILL PROPERTIES	2	3573	82	0
Burlington Municipal	KBUU	Burlington, WI	18 W	Public	City of Burlington	2	4300	151	0
Grand Geneva Resort	C02	Lake Geneva, WI	20 W	Private	Grand Geneva Resort	1	3830	8	n/a
Chicago Executive/ Palwaukee	PWK	Wheeling, IL	32 S	Public	Cities of Wheeling & Prospect Heights	3	5000	297	50

Note: * Number of jet airplanes based on a particular airport

Source: <http://www.airnav.com>

Actions:

- 4F.1** Local partners should explore the feasibility and impact of a runway expansion.
- Consider engaging an aviation consultant to study the feasibility and impact of an airport expansion.
- 4F.2** Work with the City of Kenosha in pursuing a Federal Aviation Administration (FAA) grant to fund airport expansion.



Strategy 4G: Support and publicize ongoing efforts to provide broadband Internet access to county schools and campuses. Gateway Technical College, the Kenosha Unified School District, and Kenosha County have partnered to wire the county with 196 strands of dark fiber optic lines. Known as the Kenosha Community Area Network (CAN), the project will provide broadband Internet access to every Kenosha Unified school building, Kenosha County facility, and Gateway facility in Kenosha County. In addition, excess fiber optic network capacity will be made available for procurement by other education, non-profit, and governmental entities at below-market rates. Private individuals and businesses in the county will be able to purchase broadband access, as well. If fully implemented, Kenosha CAN will provide the entire county with a 21st Century digital infrastructure.

Actions:

- 4G.1** Encourage other municipalities, educational institutions, healthcare providers, and public entities to join the Kenosha Community Area Network consortium.
- 4G.2** KABA should highlight the county's increase in broadband capacity in its economic development marketing efforts.



GOAL FIVE: BUILD A DISTINCT IMAGE AND BRAND FOR KENOSHA COUNTY.

Kenosha County should take a more active role in defining itself inside and outside the region. Currently, the Milwaukee 7 is the region's overarching economic development organization. It markets and supports the economic development efforts for Washington, Ozaukee, Waukesha, Milwaukee, Racine, Walworth, and Kenosha Counties. KABA should continue to support and participate in M-7 business attraction and development activities for the Milwaukee region. However, TIP also recommends that KABA and its partners (private and public) commit additional resources to raising the image of Kenosha County. This is based partially on the concern that Kenosha gets diluted within a seven county marketing effort. It also reflects the close geographic and cultural relationship Kenosha County has to Chicago and its surrounding metro area.

Strategy 5A: Commit additional resources to economic development marketing efforts. KABA is operating in a highly competitive environment for recruiting new investment and talent. Economic downturns only make this competition fiercer, as communities and regions feel more desperate to attract a smaller pool of potential prospects. TIP does not recommend KABA engage in an aggressive and expensive marketing campaign under current economic conditions. The likelihood of a favorable return on investment presently is low. However, we feel KABA should now begin the process raising additional resources for more proactively marketing the county once the economy does recover and the environment for business investment improves.

Actions:

5A.1: Develop a marketing plan and budget. KABA should develop a specific marketing plan and budget for raising the profile of Kenosha County among potential new investors in targeted industries and residents within the Chicago-Milwaukee corridor and beyond. Recommended business recruitment elements of the plan are described in Goal 1, Strategy D and Goal 2, Strategy C.



- KABA may consider engaging a marketing consultant to help in designing the plan. This recommendation should not be confused with engaging a consultant for an overall image and branding study. Such studies are not effective for attracting new business investment. KABA's efforts should focus on targeted marketing strategies for new investment and talent, including marketing materials, travel, and advertising.
 - Goals for a KABA marketing plan should focus on the following areas:
 - Company relocation,
 - Business expansion,
 - Talent attraction, and
 - Awareness in the regional business community about Kenosha County.
 - The implementation of the plan should be targeted for 2010 and 2011, when the economy has hopefully improved.
- 5A.2:** Once KABA successfully demonstrates the effectiveness of its expanded marketing efforts to its investors, it should pursue a capital campaign to raise additional marketing funds for its business and talent attraction efforts.
- The campaign should be targeted to the county's existing private and public sector base. It should have a goal of raising \$150,000-\$200,000, which would be utilized over a three- to five-year period.

Strategy 5B: Initiate a local positive image campaign. One of the most important targets of any marketing effort should be the people and businesses already in the county. They are the ones who have already made an investment in



the area and they represent Kenosha County on a daily basis. Making sure that existing residents and local business leaders have a positive image of their community is critical to the success of any external campaign, as these are the people who can best tell the Kenosha story to the outside world.

Actions:

5B.1: Develop and implement an internal marketing effort. This is designed to promote a positive image of Kenosha County among residents and build awareness regarding current economic and community development initiatives. This effort should promote a positive image of Kenosha County not only to local residents, but those living throughout the wider Chicago-Milwaukee corridor. The campaign should be coordinated with local communities, the county, the chamber, the CVB, Y-Link, educational institutions, and other partners.

Some cost effective initiatives that can be utilized to market Kenosha internally include:

- Develop a single county-wide “calendar of events” similar to the one hosted by the CVB on its website. The calendar can be established on a new stand-alone site or within a social networking site such as Facebook. This would allow various community organizations and individuals to manually update their events on the calendar and link to it on their own websites.
- KABA and its partners should work with the local media, including both print and broadcast media, to promote positive stories about the community. Something as simple as highlighting local business achievements or including human interest stories can help create a positive image of the community for local residents.



- Develop a “speakers bureau” of professionals that are available to speak at community meetings and promote local initiatives.

5B.2: Increase publicity and exposure of Kenosha’s lakefront amenities and events within the county. One of Kenosha County’s greatest assets is its lakefront. Several people commented to the consulting team that the lakefront remains “hidden” from the rest of the county and the region. Some residents living closer to I-94 had little knowledge of events or features surrounding the lakefront.

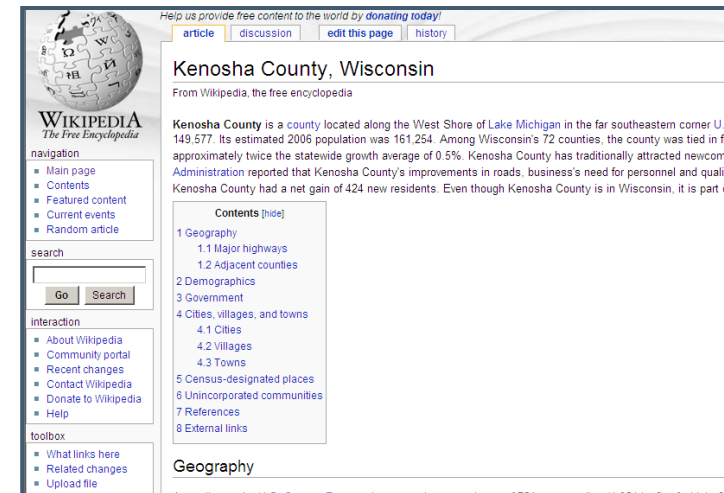
- Expand the visibility of the lakefront within county and community marketing materials.
- Highlight events and businesses located on the lakefront as part of internal marketing efforts.
- Improve signage to the lakefront within the county.

Strategy 5C: **Enhance the image of Kenosha County within the Chicago-Milwaukee corridor.** Beyond standard economic development marketing strategies, KABA should work with local partners such as the Kenosha Area Chamber and the CVB to utilize non-traditional social networking tools for enhancing the image of Kenosha County within the regional corridor.

Actions:

5C.1: Influence the image of Kenosha County portrayed on the Web.

- Assume ownership of Kenosha County’s entry on Wikipedia. Regularly update the information and data with references.
- Establish a new Facebook page for KABA. Join other Kenosha-related Facebook groups to influence content.



- Create a Twitter account to update and inform regional residents and followers of new announcements, upcoming events, and salient issues.
 - Create a blog section of the KABA website to provide content and connect to other sites.
 - Coordinate social media strategies with other organizations in the county such as the chamber and CVB.
- 5C.2:** Employ word-of-mouth marketing techniques. Word-of-mouth marketing allows information about Kenosha County to be disseminated without the KABA's direct involvement. This type of marketing leverages existing social and IT networks. It can extend the reach of the KABA at a very low cost. Internal marketing efforts will assist in building positive information exchanges around economic development initiatives in Kenosha. Efforts should include giving community leaders, business owners, managers, residents, and city staff the information and tools to communicate with the internal and external community in order to generate this type of information exchange.
- For Kenosha County, viral marketing offers low-cost marketing strategies for targeting the Chicago-Milwaukee market and beyond. County partners should create entertaining or informative messages that are designed to be passed along in an exponential fashion, especially electronically or by email.
 - A one-page "cheat sheet" for an internal audience and one for an external audience should be created and distributed. These sheets should outline the primary message that KABA would like to have conveyed, important talking points, and three to five concise sales points.



5C.3: Explore options for regional guerrilla marketing. Guerilla marketing is another technique by which an organization reaches its customers through non-traditional, free or low cost, promotional activities. Rather than money, the primary inputs of a guerrilla marketing campaign are time, energy, and imagination. It requires marketing organizations to think of unconventional ways to reach its target audience. While time-intensive, this marketing technique can be a very effective means of establishing a personal relationship with customers that promotes a strong brand loyalty.

Strategy 5D: Engage in cooperative marketing with area post-secondary institutions.

KABA and area higher education institutions should establish a coordinated marketing message highlighting the area's post-secondary education assets.

Actions:

5D.1: KABA should incorporate information regarding specific academic and training programs at Gateway, UW-Parkside, and Carthage College in its economic development marketing materials.

- Training and academic programs that support KABA economic development goals should be highlighted.

5D.2: Area colleges and universities should provide updated community information, data, and events on their Websites and in their student recruitment materials.



IMPLEMENTATION MATRIX

The following guide outlines potential partners and allies as well as a recommended time horizon for implementation.

STRATEGY / ACTION ITEMS		TIMELINE				
Description	Regional Partner(s)	0-6 mos.	6-12 mos.	13-36 mos.	37-60 mos.	On-going
KABA – Kenosha Area Business Alliance; County – Kenosha County; CoK – City of Kenosha; VoPP – Village of Pleasant Prairie; GTC – Gateway Technical College; UWP – University of Wisconsin-Parkside – Area School Districts; CC – Carthage College; CATI – CATI, Inc.; KUSD – Kenosha Unified School District; KCJC – Kenosha County Job Center, WDWD – Wisconsin Department of Workforce Development; KCC – Kenosha Chamber of Commerce; KIEC – Kenosha Inventors and Entrepreneurs Club; CVB – Convention and Visitors Bureau						
GOAL ONE: SUPPORT AND EXPAND THE EXISTING BASE THROUGH BUSINESS RETENTION AND CONSOLIDATION STRATEGIES.						
1A Support the retention and expansion of existing businesses.						
1A.1	Continue business retention and expansion (BRE) program.	KABA				X
1B Develop a local “rapid response” strategy and designate a team for dealing with potential lay-offs or plant closures.						
1B.1	Identify assistance programs for at-risk companies.	KABA	X			
1B.3	Design flexible, demand-driven education and training programs for dislocated workers.	GTC, KCJC, KCJC, WDWD		X		
1B.4	Establish a Community Adjustment Committee.	All		X		
1B.5	Cultivate relationships with site selectors, developers, and real estate brokers to ensure prompt reuse of a closed facility by a new tenant.	KABA		X		
1C Develop creative solutions for retaining dislocated workers and professionals within the county.						
1C.1	Establish an area Talent Team focused on retaining highly skilled professionals in the community.	KABA, GTC, UWP, CC, KCC, KUSD, KCJC		X		
1C.2	Directly connect companies that are reducing their workforce with firms that are adding employees.	KABA	X			
1C.3	Work with all partners to rapidly move people into employment.	All		X		
1C.4	Encourage area educational institutions to temporarily hire skilled	GTC, UWP, CC,	X			



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	professionals and tradesmen as instructors and trainers.	KUSD, KCJC				
1C.5	Foster and support the development of new companies. (see Goal 2, Strategy 5)	KABA				X
1D Pursue new investment from companies in the region seeking to consolidate facilities.						
1D.1	Visit with existing businesses in Kenosha that operate facilities outside of the county.	KABA				X
1D.2	Monitor Chicago and Milwaukee area news outlets for reports of consolidation.	KABA				X
1D.3	Build awareness among the corporate base in and around Chicago and Milwaukee.	KABA		X		
GOAL TWO: POSITION KENOSHA COUNTY FOR LONG-TERM ECONOMIC GROWTH AND VITALITY.						
2A Increase the availability of commercial and industrial land suited for small companies.						
2A.1	Explore locations and ownership options for developing a new industrial park offering small-acreage sites for sale to industrial and commercial users.	KABA, CoK			X	
2B Align the funding priorities of the KABA-managed community revolving loan funds with the strategic plan.						
2B.1	Design a loan scoring system emphasizing innovative businesses in targeted industries as well as infill or redevelopment projects.	KABA		X		
2C Pursue a targeted industry strategy.						
2C.1	Build awareness among decision-makers in target industries.	KABA				X
2C.2	Build awareness among corporate site selectors.	KABA				X
2C.3	Build awareness among corporate base in Chicago and Milwaukee.	KABA		X		



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	(See Goal 1, Strategy D)					
2D Support innovation among existing businesses.						
2D.1	Establish a regional "know-how" network of business service providers.	GTC, CATI, CC, UWP			X	
2D.2	Encourage companies to pursue federal grants to support innovation.	KABA, GTC, CATI, UWP			X	
2D.3	Encourage companies to secure local, state, and federal government contracts relative to innovation.	KABA, GTC, CATI, UWP			X	
2D.4	Assist companies in identifying other sources of technical assistance, such as the Wisconsin Manufacturing Extension Partnership.	KABA, GTC, CATI, UWP			X	
2D.5	Sponsor a local design competition.	KABA, GTC, CATI, UWP			X	
2D.6	Encourage local innovators to submit their nomination for the annual Chicago Innovation Awards.	KABA, GTC, CATI, UWP		X		
2E Promote entrepreneurship and small business development.						
2E.1	Assess the existing entrepreneurial programs and services available in Kenosha County.	KABA, GTC, CATI, UWP, KCC, KIEC		X		
2E.2	Work with partners to enhance services for entrepreneurs to augment the county's entrepreneurial assets.	KABA, GC, CATI, UWP, KCC, KIEC		X		
2E.3	Establish and information clearinghouse to aid entrepreneurs in gaining competitive information, market research, and assistance.	KABA, GC, CATI, UWP, KCC, KIEC		X		
2E.4	Celebrate and support entrepreneurship in the region.	KABA, GC, CATI, UWP, KCC, KIEC		X		



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2E.5	Establish and sponsor a bi-annual KABA business plan contest.	KABA, GC, CATI, UWP, KCC, KIEC			X		
2E.6	Explore establishing a business incubator in Kenosha County.	KABA, VoPP, CATI, GTC, UWP	X				
2F Explore redevelopment opportunities for the Chrysler site.							
2F.1	Continue engaging corporate decision makers at Chrysler and Fiat regarding new investment opportunities in Kenosha County.	All				X	
2F.2	Begin communicating with Chrysler regarding potential property dispensation and reuse scenarios.	All				X	
2F.3	Work with regional and state partners on devising a redevelopment strategy for the site.	All				X	
2G Support needed public infrastructure investments to keep pace with growth.							
2G.1	Publicly support investment in public infrastructure needed to position the county for long-term economic growth and vitality. See Goal 4 for more specific strategies and actions.	All				X	
GOAL THREE: ATTRACT, ENGAGE, AND RETAIN TALENT.							
3A Bring the business, workforce training, and education communities closer together.							
3A.1	Establish a Kenosha County Business and Education Task Force.	KABA, GTC, UWP, CC, KUSD, KCC, KCJC			X		
3A.2	Continue supporting educational excellence in Kenosha County through KABA's scholarship and mentoring programs.	KABA				X	
3A.3	Align economic development and area education programs – K-12,	KABA, GTC,				X	



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	vocational, adult, and post-secondary.	UWP, CC, KUSD, KCJC				
3B Engage educators more directly in economic development.						
3B.1	Engage in joint marketing efforts. (See Goal 5, Strategy 4)	KABA, GTC, UWP, CC, KUSD			X	
3B.2	Encourage joint participation.	KABA, GTC, UWP, CC, KUSD			X	
3B.3	Continue developing education and workforce training programs.	KABA, GTC, UWP, CC, KUSD, KCJC				X
3B.4	Explore best practices for economic development and higher education.	KABA, GTC, UWP, CC			X	
3C Promote greater utilization of existing workforce training assets.						
3C.1	Continue marketing and publicizing KABA training programs and classes to Kenosha businesses.	KABA				X
3C.2	Form a workforce training subcommittee of the recommended Business and Education Task Force.	KABA, GTC, UWP, CC, KUSD, KCC, KCJC			X	
3C.3	Provide findings and analysis of information gathered from KABA business visitation and survey activities to schools.	KABA, GTC, UWP, CC, KUSD,			X	
3D Engage young professionals and new residents.						
3D.1	Develop a new generation of leaders.	All				X
3D.2	Strengthen Kenosha County's leadership base and involvement in economic development.	KABA				X



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3E Reach out to former residents and recent graduates.						
3E.1	Establish a marketing campaign urging former residents to “Come Home to Kenosha.”	KUSD, GTC, UWP, CC, CVB			X	
GOAL FOUR: ENSURE ALL PARTS OF THE COUNTY ARE ECONOMICALLY, DIGITALLY, AND PHYSICALLY CONNECTED.						
4A Actively promote downtown development.						
4A.1	Strategically use the KABA revolving loan fund to assist the development of professional services businesses in the downtown and lakefront areas of Kenosha.	KABA			X	
4B Support road improvements to east-west thoroughfares between I-94 and the lakefront.						
4B.1	Form a KABA-sponsored transportation task force to address and take a position on critical transportation issues in Kenosha County.	KABA, County, CoK, VoPP			X	
4C Work with county and municipal officials to pass and implement the Multi-Jurisdictional Comprehensive Plan for Kenosha County.						
4C.1	Support the development and implementation of a plan that meets the needs of all areas and municipalities in the county.	Public partners				X
4C.2	Provide input to the plan from an economic development perspective.	KABA				X
4D Improve public transportation to business, industrial, and education sites.						
4D.1	Communicate with employers in the county regarding their public transportation needs.	KABA			X	
4D.2	Consider this issue as part of a KABA-sponsored transportation task force.	KABA, County, CoK, VoPP			X	



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4E Support KRM expansion.						
4E.1	Coordinate support with other economic development organizations in the region.	KABA		X		
4E.2	Advocate for additional public transportation service between the Kenosha Metra Station and key industrial sites and employment centers in the county.	Private sector			X	
4E.3	Consider this issue as part of a KABA-sponsored transportation task force.	KABA, County, CoK, VoPP			X	
4F Support airport expansion for corporate aviation.						
4F.1	Explore the feasibility and impact of a runway expansion.	CoK,			X	
4F.2	Pursue a Federal Aviation Administration (FAA) grant to fund airport expansion.	CoK,				X
4G Support and publicize ongoing efforts to provide broadband Internet access to county schools and campuses.						
4G.1	Encourage other municipalities, educational institutions, healthcare providers, and public entities to join the Kenosha Community Area Network (CAN) consortium.	All				X
4G.2	KABA should highlight the county's increase in broadband capacity in its economic development marketing efforts.	KABA			X	
GOAL FIVE: BUILD A DISTINCT IMAGE AND BRAND FOR KENOSHA COUNTY.						
5A Commit additional resources to economic development marketing efforts.						
5A.1	Develop a marketing plan and budget.	KABA			X	
5A.2	Pursue a capital campaign to raise additional marketing funds for its	KABA				X



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	business and talent attraction efforts.					
5B Initiate a local positive image campaign.						
5B.1	Develop and implement an internal marketing effort.	All		X		
5B.2	Increase publicity and exposure of Kenosha's lakefront amenities and events within the county.	CoK, CVB, KCC, County		X		
5C Enhance the image of Kenosha County within the Chicago-Milwaukee corridor.						
5C.1	Influence the image of Kenosha County portrayed on the Web.	KABA, KCC, CVB	X			
5C.2	Employ word-of-mouth marketing techniques.	All		X		
5C.3	Explore options for regional guerrilla marketing.	KABA, KCC, CVB			X	
5D Engage in cooperative marketing with area post-secondary institutions.						
5D.1	Incorporate information regarding specific academic and training programs in economic development marketing materials.	KABA, GTC, UWP, CC			X	
5D.2	Area colleges and universities should provide updated community information, data, and events on their websites and in their student recruitment materials.	GTC, UWP, CC		X		



TARGET INDUSTRIES

As part of our planning process, TIP was charged with recommending industry recruitment targets for Kenosha County. Unlike traditional approaches, which focus on a limited array of factors (e.g., workforce, available sites, and incentives), we identify target sectors using a three-pronged approach: **quantitative**, **qualitative**, and **strategic**.

Our analysis is based on a more detailed, cluster-based approach that examines employment and occupational trends in the region. However, our target recommendations are not based solely on these factors. We supplement this quantitative analysis with the information gathered in interviews conducted with area leaders. Through these interviews, we are better able to understand potential opportunities and challenges that are often not readily identifiable through secondary data sources. In addition, TIP brings to bear an appreciation of broader socioeconomic trends such as capital investment trends, emerging markets, and demographic shifts.

Finally, we strongly consider how targets might fit within the overall strategic framework of the plan, as well as their affect on Kenosha County's ability to attract talent to the area.

Once potential targets are identified, we consider economic development trends in each sector. We identify sectors with the potential to capitalize on area assets and help the region differentiate itself from others competing for talent and jobs.



TIP recommends that the following targets represent the best long- and short-term recruitment targets for KABA’s economic development efforts. We believe these represent the best opportunities for business startup, retention, expansion, and attraction activities. These sectors are selected for their ability to serve a dual purpose: 1) to bolster and diversify the regional economy over the short-term by taking advantage of existing assets and 2) to provide a pathway to sustained economic vitality over the long-term.

TARGETS	LABOR	ECONOMY	INFRASTRUCTURE	SCORE
PROFESSIONAL SERVICES	◇	◇	◇	◇◇◇
LOGISTICS & DISTRIBUTION	◇	◇	◇	◇◇◇
ADVANCED MANUFACTURING	◇	◇	◇	◇◇◇
BIOSCIENCES	◇	◇	◇	◇◇◇
FOOD PROCESSING	◇	◇	◇	◇◇◇
CLEAN TECH	◇		◇	◇◇

KEY: ◇ local competitive advantage = no local competitive advantage

Labor

Specific characteristics, including regional talent/labor (i.e., availability, wage rates, and level of qualifications) and access to educational infrastructure (i.e., higher education and workforce development programs) play an important role in site selection.

Economy

Economic considerations, including access to markets (local, regional, and global), suppliers and customers, public policies (e.g. incentives, taxation, regulations etc.), and availability of capital (investment, venture capital) strongly affect these site location decisions.

Infrastructure

Factors, such as availability of land, buildings, raw materials, utilities, visibility, and access to transportation (such as the proximity to highways, rail, and airports) also have an important effect on a site’s suitability.



BUSINESS & PROFESSIONAL SERVICES

Industry Trends:

Professional and business services, as an industry, has been one of the primary generators of employment growth and economic vitality for the last 20 years in America and is expected to remain a critical driver for the foreseeable future. While overall manufacturing employment in the U.S. has remained stagnant since the early 1970s, services employment has tripled. In other words, America has transitioned from an economy based on producing goods to one that provides services. In fact, business and professional services has emerged as the backbone of the modern American economy. This very broad sector includes a great number of activities, such as advertising and marketing, consulting, management services, technical and scientific research and design, and financial, insurance, and real estate services. One reason that business and professional services has emerged as such a powerful creator of new jobs is the increasing role of entrepreneurship.

With the exception of technical services, which typically follow a specific, specialized customer base, business and professional services is broadly driven by three primary factors: proximity to customers, access to an educated workforce, and quality of life considerations.

Suburbs are increasingly being seen as viable places to do business, especially among professional service companies. Office developers across the country increasingly have suburbs in their sites. Also, the spread of the nation's telecommunications infrastructure, especially broadband services, has enabled suburban and exurban communities to compete with their urban competitors. Finally, trends indicate that companies are reconsidering the off-shoring back office operations and are beginning to relocate customer service and other functions back to the domestic market. This trend has been termed "on-shoring."

Corporate and Regional Headquarters > According to *Area Development*, approximately 5 percent of corporate headquarters move each year. Reasons firms relocate are varied. However, the most commonly cited reasons include repositioning itself in the marketplace, consolidating operations after a merger, and reducing costs.

NICHE OPPORTUNITIES

CORPORATE & REGIONAL HQs:

- Firms with a regional presence
- Firms with existing presence in Kenosha

SHARED SERVICE CENTERS:

- Fortune 500 firms with a regional presence



In a recent study of 25,000 headquarters, researchers found that firms that are sales-oriented, foreign, global, or recently merged are the most likely to relocate. Headquarters tend to be attracted more to metros with good airport facilities, low corporate taxes, low average wages, high levels of business services, same industry specialization, and agglomeration of headquarters in the same sector of activity. Smaller headquarters tend to locate close to key plants while larger headquarters tend to locate near hubs of business activity. Overall, headquarters choose to locate “where final demand, and consequently production of goods from their industry, is high.”

With Uline and Gordon Foods, Kenosha County has already experienced some recent success in attracting corporate headquarters. The county is also home to the corporate headquarters for Snap-on Tools, Jockey International, Birchwood Foods, JHT Holdings, and Cherry Corporation. Kenosha County's competitive factors for attracting additional company headquarters include its position within the Chicago-Milwaukee corridor, its growing population, access to I-94, higher education offerings, and available land.

Shared Service Centers > Shared service centers have proven to be effective models to reduce costs and increase productivity for organizations managing large-scale operations. Organizations in both the private and public sector have embraced this model to improve their efficiency.

While the first generation of shared service centers were typically single-function centers, today's shared service centers are moving towards a multi-function model. The functions most commonly consolidated in shared service centers are finance and accounting, human resources, information technology, and procurement. Facilities, customer service, real estate, supply chain, order management, and legal are also functions that are sometimes included in a multi-function shared service center.

Shared service centers reduce costs primarily by reducing redundancies, streamlining and standardizing processes, and realizing economies of scale that may not be possible under a decentralized service model. The centers deliver their services by treating each department they serve as internal clients or customers.

DEFINITION

Shared Service Centers (SSCs) reduce costs by consolidating one or more back-office operations used by multiple divisions of the same company—such as finance, information technology, customer service and human resources—into a shared operation. By creating a stand-alone or semi-autonomous Shared Service Center, companies can eliminate redundant activities and improve efficiency, services and customer satisfaction.



Kenosha may be an attractive location for Milwaukee or Chicago-based firms seeking to consolidate operations or locate back office operations closer to company headquarters. Therefore, targeting and recruitment activities should initially be focused on such companies.

Site selection criteria:

- Availability of Class A office space
- High visibility or “prestige” development sites
- Access to deep pool of highly educated talent
- Access to hub airport or one with quick and frequent connections to a major hub
- Broadband internet connectivity
- Low corporate taxes
- High levels of business services
- Same industry specialization / agglomeration of HQs in the same sector

Rationale:

- Potential for growth and local economic diversification, especially among upper wage professional positions
- The continued loss of manufacturing jobs means that much of U.S. employment growth will occur in the broad services sector
- Business services represent the majority of high wage service occupations that are being created nationally
- Potential for growth and local economic diversification, especially among upper wage professional positions
- Kenosha’s position within the Chicago-Milwaukee corridor
- Existing cluster of corporate headquarters in the region
- Reliable communications with access to fiber optics and multiple service providers
- Business programs at local higher education institutions

STRATEGIC CONSIDERATIONS

- First target Chicago- and Milwaukee-based corporations that may be considering consolidation of operations or cost-cutting measures.
- Leverage existing professional networks present in the corridor linked to existing corporate citizens.
- Difficulty in marketing to this broad sector according to traditional economic development practices.
- Potential for customized training programs provided by Gateway Technical College, UW-Parkside, and Carthage College
- Look for infill or redevelopment opportunities for small- and medium-sized prospects

LOGISTICS AND DISTRIBUTION

Industry Trends:

Once known as “warehousing and distribution,” the process of moving goods to market has evolved significantly in recent years. What was once a matter of simply storing large quantities of goods and shipping them in bulk (when end-users placed orders) is now an increasingly sophisticated science. This process seeks to minimize inventories and respond to the growing demand for next-day – or even several-times-a-day – delivery. Competitive shifts within the industry have been accelerated by global trade, containerization and standardized packaging, just-in-time (JIT) inventory management, outsourcing of delivery services, and increased technological capabilities.

The primary goal for transportation and logistics companies is to increase efficiencies through the standardization of packaging and the increased use of technology. Also, firms are beginning to geographically cluster their activities, spurring a new trend in the development of multi-modal logistics parks. Another major trend is the increased outsourcing of services by manufacturers to maintain low inventories in-house, prompting the proliferation of third-party logistics providers.

Standardized packages and containers allow for inter-modal shipments of cargo. Goods can remain in the same container whether towed on a truck, stacked on a railcar, or placed on a ship. In addition, tracking cargo electronically permits time-specific delivery. Since the beginning of the 1990s, manufacturers have increasingly depended on just-in-time inventory management, stimulating the use of scheduled freight contracts in the U.S. trucking industry. These factors have also played a strong role in recent logistics merger and acquisition activity, as cargo carriers seek to improve efficiencies and cut costs through inter-modal partnerships.

Kenosha County sits in a prime location for logistics and distribution investment. Adjacent to its new corporate headquarters in Pleasant Prairie, Uline is constructing a one million square-foot distribution center. In addition, Affiliated Foods Midwest and Gordon Foods are each constructing large Midwest distribution facilities in the county.

DEFINITION

Logistics and distribution includes establishments engaged in the transport, storage, and distribution of goods, as well as affiliated services such as logistics and supply-chain management. Establishments include those involved in railroad and highway freight, marine shipping, and air cargo, as well as warehousing and storage and other fixed facilities and services.

The Council of Supply Chain Management Professionals (formerly the Council of Logistics Management) defines logistics as “the process of planning, implementing, and controlling the efficient, effective flow and storage of raw materials, in-process inventory, finished goods, services and related information from the point of origin to the point of consumption for the purposes of conforming to customer requirements.”



Selection Criteria:

- Proximity to major population centers and consumer markets.
- Access to manufacturers.
- Quality of regional transportation network, especially air, interstate, and rail.
- Availability of large tracts of affordable industrial land with access to multimodal transportation infrastructure.
- Availability of warehouse and distribution space.
- Availability of semi-skilled labor.

Rationale:

- Presence and access to I-94
- Availability of development sites along I-94
- Access to manufacturers and major retailers throughout the Chicago-Milwaukee corridor
- Regional workforce
- Links to food processing sector

Strategic Considerations & Recommendations

- Due to the stress increased truck traffic places on local infrastructure, logistics and distribution facilities should be placed as closely as possible to freeways and away from residential developments and downtown.
- To garner attention from export/import-oriented distributors and logistics providers, Kenosha should be positioned as a platform to and from the Chicago and Milwaukee metropolitan areas.
- The county should avoid becoming oversaturated with distribution facilities. There is a danger that most of the county's prime sites along I-94 for corporate and regional headquarters are developed as distribution facilities. Additionally, the sight of large distribution warehouses populating the I-94 could adversely affect the county's image.

NICHE OPPORTUNITIES

- Food distribution and warehousing
- Regional retail distribution
- Refrigerated warehousing and storage
- Logistics/supply chain management

ADVANCED MANUFACTURING

Industry Trends:

U.S. manufacturing is undergoing a deep transformation from a low-tech factory setting to a network of high-tech enterprises. In fact, over the past 30 years, productivity in the sector has risen dramatically as output has risen and employment has declined. In order to compete in today's global marketplace, U.S. manufacturers have focused on technological and process advancements to yield higher productivity and a greater value proposition for their customers. The viability of "traditional manufacturing" is increasingly in peril. As a result, *advanced manufacturing* has become a target for economic development organizations across the country, even as they struggle to define it.

Given Kenosha's concentration in manufacturing, understanding advanced manufacturing should be part of the KABA's job retention and expansion strategy. Core industries—those companies already established in the region—represent the first tier of economic development opportunity in advanced manufacturing. Exceptions to this rule are important, however. If the industries are contracting, or if they add little value (through wages or capital investment), public support for them must be more measured and more cautious.

Nevertheless, core industries will inevitably play a part in re-defining manufacturing in the region. The challenge, then, is to determine how the region's current core industries can be linked to new businesses. Identifying companies employing specialized engineering and advanced manufacturing processes will be the key to a successful recruitment strategy for Kenosha.

DEFINITION

Advanced manufacturing is not a specific process or product; rather, it is an overall philosophy that stresses constant improvement in efficiency. It is less about high-tech products and more about advanced processes. *Advanced Manufacturing* magazine defines advanced manufacturing technologies or AMTs as "new manufacturing techniques and machines combined with the application of information technology, micro electronics and new organizational practices within the manufacturing sector."

LAKEVIEW ADVANCED TECHNOLOGY CENTER

LakeView Advanced Technology Center focuses on automated manufacturing, engineering, and information technology. (LATC) hosts the LakeView Technology Academy, which is a high school academy for 9th through 12th grade students interested in technical college credit and youth apprenticeships in manufacturing, engineering, and IT. Gateway offers two-year degree programs in automated manufacturing systems and electromechanical technology. LATC also provides manufacturing oriented customized training for area employers, noncredit classes,



To help identify prospective companies in the advanced manufacturing sector, TIP created an index. The Advanced Manufacturing Index considers the concentration of high-skill occupations, research and development spending, capital expenditures, and productivity. Companies within these sectors are more likely to fall under the umbrella of *advanced manufacturing*.

ADVANCED MANUFACTURING INDEX		
NAICS Description	Weighted Score	
3344 Semiconductor & Other Electronic Component Manufacturing	3.40	most advanced ↑ advanced
3341 Computer & Peripheral Equipment Manufacturing	3.08	
3254 Pharmaceutical & Medicine Manufacturing	2.77	
3345 Navigational, Measuring, Electromedical, & Control Instruments Manufacturing	2.72	
3342 Communications Equipment Manufacturing	2.55	
3251 Basic Chemical Manufacturing	2.26	
3364 Aerospace Product & Parts Manufacturing	2.07	
3346 Manufacturing & Reproducing Magnetic & Optical Media	2.01	
3252 Resin, Synthetic Rubber, & Artificial Synthetic Fibers & Filaments Manufacturing	1.65	
3241 Petroleum & Coal Products Manufacturing	1.64	
3343 Audio & Video Equipment Manufacturing	1.57	
3336 Engine, Turbine, & Power Transmission Equipment Manufacturing	1.25	
3332 Industrial Machinery Manufacturing	1.17	
3333 Commercial & Service Industry Machinery Manufacturing	1.16	
3391 Medical Equipment & Supplies Manufacturing	1.15	
3255 Paint, Coating, & Adhesive Manufacturing	1.08	
3259 Other Chemical Product & Preparation Manufacturing	1.05	
3339 Other General Purpose Machinery Manufacturing	1.05	
3366 Ship & Boat Building	0.99	
3365 Railroad Rolling Stock Manufacturing	0.98	
3353 Electrical Equipment Manufacturing	0.90	
3359 Other Electrical Equipment & Component Manufacturing	0.89	

Source: TIP Strategies, Inc.

METHODOLOGY

The NAICS industry classification system includes a lengthy list of four-digit descriptions for manufacturing industries. Identifying which of these is truly advanced can be challenging. To address this challenge, TIP analyzes the occupational mix in each industry, along with R&D spending, capital investment trends, and overall productivity levels. These criteria help to identify which industries invest in advanced workers, processes, and products.

We begin with those industries that have an above-average mix of occupations in computers & mathematics, engineering, and the sciences. This becomes the threshold for inclusion in the index. We identified 22 four-digit NAICS industries (shown in table). From these 22 industries, we then weighted our evaluation criteria as follows: occupational concentration (40%), R&D spending patterns (30%), overall capital expenditure patterns (21%), and industry productivity (9%). While we feel that all 22 of these industries can claim to be “advanced”, the index scores help our clients differentiate their relative positions and thus their potential.



Selection Criteria:

- Skilled labor (by far the most important)
- Business costs, including labor and taxes
- Adequate infrastructure, including telecommunications, transportation, and utilities
- Proximity to suppliers and markets

Rationale:

- Strength of existing manufacturing base
- Large manufacturing labor pool adaptable to advanced manufacturing
- Presence of LakeView Advanced Technology Center

Strategic Considerations & Recommendations:

- Many local manufacturers report growing difficulty in attracting and retaining younger workers. The sector is no longer viewed by many younger workers, especially those seeking careers in technology-oriented sectors, as desirable or glamorous. Younger residents whose family members have lost manufacturing jobs due to the sector's decline are particularly suspicious of production careers. In order for advanced manufacturers in Kenosha to find and keep the workers they need, regional partners must better educate young residents on the advanced processes and technologies involved in modern manufacturing. This education effort should extend to the primary education level.
- Local small manufacturers also report few opportunities to network and interact with their peers. KABA should assist in the organization of a local manufacturer's association and networking group. Such an organization would allow local employers to discuss common challenges and exchange ideas on solutions.

PROCESSES ASSOCIATED WITH ADVANCED MANUFACTURING

- computer-aided design/engineering software (CAD/CAE);
- programmable logic controllers (PLCs);
- flexible manufacturing cells or systems;
- robotics;
- use of inspection data in manufacturing control;
- MRP or Enterprise Resource Planning (ERP) software;
- automated parts identification (i.e., bar coding);
- modeling or simulation techniques;
- high-speed machining;
- supervisory control and data acquisition (SCADA);
- automated sensor-based inspection/testing systems;
- automated vision systems;
- lasers used in material processing;
- distributed control systems,
- rapid prototyping systems.

Source: www.advancedmanufacturing.com



BIOSCIENCES

Industry Trends:

The bioscience sector spans a variety of markets and includes manufacturing, services, and research activities. However, the sector is bound by one common thread – the application of knowledge of the way in which plants, animals, and humans function. It includes the following subsectors:

- Agricultural Feedstock & Chemicals
- Drugs & Pharmaceuticals
- Medical Devices & Equipment
- Research, Testing & Medical Laboratories.

According to the most recent State Bioscience Initiatives report, the sector employs over 1 million workers and is made up of almost 43,000 establishments. Research, testing & medical laboratories is the largest of the subsectors, accounting for about 35 percent of the bioscience sector's total employment. With an average annual wage of \$71,000, the bioscience sector pays 68 percent higher salaries than the average private sector job.

Kenosha County is well positioned to take advantage of the growing Biosciences cluster within the Chicago metropolitan area. According to World Business Chicago, each of the four subsectors listed above employs a regional workforce numbering in the thousands.¹ The most notable bioscience employer located in close proximity to Kenosha County is Abbott Laboratories. Headquartered in neighboring Lake Forest, IL, the Fortune 100 company pharmaceutical company employs a significant number of Kenosha county residents. In 2006, Abbott purchased 485 acres in Pleasant Prairie for future development. Other bioscience companies operating currently in Kenosha County include Baxter International, Bradshaw Medical, Teleflex Medical, BioFab Technologies and the North American headquarters of GE Healthcare Technologies

¹ http://www.worldbusinesschicago.com/Portals/0/infocenter_files/biotech.pdf

DEFINITION

The medical devices industry is comprised of companies that develop, manufacture, and market medical apparatus, equipment, instruments, devices, and supplies. Products include surgical and medical instruments, electromedical and electrotherapeutic apparatuses, surgical appliances and supplies, ophthalmic goods, in vitro diagnostics, and laboratory equipment.

DEFINITION

The pharmaceuticals industry includes firms that research, develop, produce, market, and sell chemical or biological substances for medical or veterinary use, including prescription, generic, and over-the-counter drugs; vitamins and nutritional supplements; diagnostic substances; and drug delivery systems.



Medical Devices > According to the Advanced Medical Technology Association, the U.S. medical device market is over \$100 billion. In addition, national healthcare spending on medical devices is projected to increase at an average annual rate of 4.2 percent, according to the Centers for Medicare & Medicaid Services. The graying of the population and growth in worldwide per capita incomes and per capita healthcare expenditures are forecast to provide a platform for stable and steady growth for medical devices in the foreseeable future. Medical devices are a major source of high-paying American jobs, with workers earning nearly 50 percent more than private sector employees overall and almost 20 percent more than general manufacturing workers.

Pharmaceuticals > Despite pharmaceuticals being, for the most part, a heavily regulated industry, employment growth rates within this industry have exceeded that of the overall U.S. economy during the past decade and are projected to remain one of the few growth segments for U.S. manufacturing in the coming years. U.S. expenditures on prescription drugs are expected to climb to \$453 billion by 2018, a 6.8 percent average annual increase. A primary driver of this growth is the aging of the world's population.

As a result of rising research and development costs, most drug makers are now focusing efforts toward treating chronic rather than acute diseases due to their larger patient populations. Climbing healthcare costs have also been a primary driver in the rise of generic drug manufacturers who can produce lower cost alternatives to widely prescribed and proven drugs that are no longer protected by patents.

Site Selection Criteria:

- Proximity to major research centers
- Access to healthcare destinations
- Availability of skilled and semi-skilled workforce
- Access to capital networks
- Availability of tech/flex space, warehouse/industrial space and research and technology parks

NICHE OPPORTUNITIES

MEDICAL DEVICES:

- Medical disposables
- Films and laminates
- Plastic medical supplies
- Assembled products

PHARMACEUTICALS:

- Pharmaceutical materials
- Petrochemical related by-products
- Generic pharmaceutical manufacturing



Rationale:

- Kenosha County's proximity to the region's substantial biosciences cluster.
- A wide availability of highly skilled workforce exists regionally.
- Available development sites.

Strategic Considerations & Recommendations:

- KABA should support the efforts of World Business Chicago to promote the region to bioscience companies.
- KABA and its partners should explore the feasibility of establishing a bioscience incubator in the county. Perhaps the greatest source of new biosciences investment and employment in the county will be the result of entrepreneurial spin-offs and start-ups connected to existing companies in the region.
- Actively engage local higher educational partners to assess need and enhance the availability of educational programs in the life sciences.

Related NAICS Codes

NAICS	Description
339111	Laboratory Apparatus and Furniture Manufacturing
339112	Surgical and Medical Instrument Manufacturing
339113	Surgical Appliance and Supplies Manufacturing
339114	Dental Equipment and Supplies Manufacturing
339115	Ophthalmic Goods Manufacturing
339116	Dental Laboratories
325411	Medicinal and Botanical Manufacturing
325412	Pharmaceutical Preparation Manufacturing
325413	In-Vitro Diagnostic Substance Manufacturing
621511	Medical Laboratories

FOOD PROCESSING

Industry Trends:

The food processing industry remains one of the few manufacturing sectors expected to increase employment in the US during the next decade. It is also a sector that remains relatively recession-proof. This is, in large part, a result of growing US and international consumer demand stemming from overall population growth. Food processing—much like the remainder of manufacturing—is undergoing a significant degree of transformation. The US food processing industry faces two primary challenges: shifts in US consumer preferences and increasing globalization.

US consumers' food preferences are becoming increasingly fractured as America is no longer a homogenous marketplace where Wonder Bread, Oscar Mayer, and Campbell's Soup dominate. While these products remain recognized household name brands, others such as Great Harvest, Hebrew National, and Goya have risen to become formidable forces. Their emergence is a direct reaction to the increasing sophistication of certain segments of the American society. Still, time constraints on American households have risen dramatically in the last 20 years allowing families fewer opportunities to cook traditional meals, resulting in the increased consumption of prepackaged foods.

Changing demographics are also greatly influencing our eating habits as households—of all ethnicities—are more willing to sample a greater diversity of exotic “foreign” foods introduced by immigrants from far-flung places. For example, Italian was long-ago adopted by the vast majority of Americans, as is Mexican today, and perhaps Thai tomorrow. As the population ages and becomes more food conscious, other opportunities for food processing include products that cater to specific to health and safety considerations, such as the emerging interest in organically raised “natural” meat.

An increasing number of major food processing companies recognize the competitive benefits of Kenosha County. In addition to food distribution, the county is home to a number of processors, namely Ocean Spray, Lakeview Farms, Fair Oaks Farms, and Birchwood Foods.

DEFINITION

The specialty foods industry includes companies that process, manufacture, distribute, market, and/or sell niche market foodstuffs for consumption, including canned and frozen foods, dairy products, edible oils, fish and seafood, grains, meat products, sauces and condiments, snack foods, and sugar and other sweeteners.

NICHE OPPORTUNITIES

- Operations that complement existing processors
- Foods incorporating local/regional crops



Site Selection Criteria:

- Strength of existing cluster
- Access to growing markets
- Relationship to distribution and logistics target
- Ample water supply
- Competitive utility rates
- Business costs, including labor and taxes.
- Abundant semi-skilled labor.
- Proximity to consumer markets.
- Large industrial sites with access to transportation.

Rationale:

- Central location with easy access to Mid-Western consumer markets.
- Emergence of the county as a distribution hub for food products.
- History of food processing industry in the region.
- Availability of skilled and semi-skilled workers in the region.
- Upgrading of skills, technology, and wages in production processes for specialty foods.
- Food processing one of only a few manufacturing industries expected to increase in employment in the U.S. during the coming decade.
- Multitude of food processors constantly seeking new locations translating into a larger pool of potential recruits.

Related NAICS codes

NAICS	DESCRIPTION
311412	Frozen Specialty Food Manufacturing
311422	Specialty Canning
311712	Fresh and Frozen Seafood Processing
311813	Frozen Cakes, Pies, and Other Pastries Manufacturing
311919	Other Snack Food Manufacturing
311991	Perishable Prepared Food Manufacturing
311999	All Other Miscellaneous Food Manufacturing
311412	Frozen Specialty Food Manufacturing



Strategic Considerations & Recommendations:

- Despite upgrade in skills and wages, food processing remains a relatively low-wage industry.
- Kenosha will need to carefully select which specialty food processors it recruits. Special considerations should be given to:
 - Types of food processors that may damage Kenosha’s image and make it more difficult to attract professional talent.
 - Ensuring that labor shortages at existing food processors do not occur as a result of the competition of a newer company in this industry.
- Opportunities for entrepreneurial specialty food processing and agricultural ventures (e.g., wineries, “natural” and/or organic foods, and festival-like farmers markets) should also be explored.



CLEANTECH

Industry Trends:

From Google to GE, companies across the globe are taking an interest in developing and adopting clean technologies not only to address global environmental challenges but also to improve their bottom lines.

Venture capital firms have devoted significant resources to CleanTech firms. In 2007, venture capitalists invested \$6.1 billion in CleanTech firms in North America, Europe, Israel, China, and India. This figure rose to 8.4 billion in 2008. While venture capital investment has fallen off in the first quarter of 2009 due to the global economic crisis, governmental investment holds much promise for the sector. Global stimulus spending to support CleanTech is estimated to be \$400 billion. Utilities are also becoming significant investors in the sector.

This growth in investment has been driven by rising energy costs, climate change concerns, global competition for resources, and highly favorable government policies. Solar, biofuels, transportation (electric vehicles, advanced batteries, and fuel cells), and wind were the leading investment areas in 2008. North American companies received almost 70 percent of the funding.

Alternative Energy Equipment> The recent emergence of climate change as a serious political issue in the US coincided with a major spike in energy prices and deregulation of many state electricity markets. This perfect storm of events created enormous interest in cleaner energy resources as well as decreasing dependence on foreign energy resources. As evidenced by the top two investment areas in 2008, alternative energy technologies are rising to the top of the CleanTech sector. Both venture capital and stimulus funds are promoting the development of new technologies. In addition, governmental policies that support alternative energy projects will stimulate demand for equipment.

Green Building Systems> As climate change emerges as a major policy priority, it is also rising as a priority for businesses that seek to capitalize on sustainability issues for profit as much as for their public image. Businesses increasingly find that “greening” the construction sector provides significant bang for the buck. In the US, the Green Building Council developed a LEED (Leadership in Energy and Environmental Design) certification

DEFINITION

Clean Technology (CleanTech) is comprised of new technologies and business models that offer competitive returns while providing solutions to global challenges. It is defined by these 11 segments:

- Energy Generation
- Energy Storage
- Energy Infrastructure
- Energy Efficiency
- Transportation
- Water & Wastewater
- Air & Environment
- Materials
- Manufacturing/Industrial
- Agriculture



program that has quickly gained acceptance. LEED certification is now actively sought by many developers as well as buyers and tenants. Developers and investors are doing this for profit as well as for environmental reasons. Because energy accounts for one-quarter to one-third of a commercial structure's operating expenses, reducing those costs can be a powerful incentive. As the trend toward sustainable building techniques and green building materials diffuses to more developers, investors, and individuals, the burgeoning market for green building systems is poised for growth.

Site Selection Criteria:

- Access to educated workforce
- Availability of Class A office space, tech/flex space, and research and technology parks
- Light industrial, distribution space (green building); general purpose manufacturing for production, general purpose flex space for research and development (energy technology)
- Access to power sources
- Access to capital networks to provide financing for startups
- Available workforce with advanced manufacturing skills (welders, machinists, solders, engine assembly & repair)
- Access to transportation networks (highway & rail)
- Affordable electrical power
- Proximity to research & development facilities

Rationale:

- Strong national, regional, and local interest in the environment and sustainability
- Increased availability of federal funding in the form of economic stimulus spending

NICHE OPPORTUNITIES

ALTERNATIVE ENERGY EQUIPMENT:

- Related goods and services, including design, small scale manufacturing, and consulting.

GREEN BUILDING SYSTEMS:

- Materials research
- Energy efficiency systems
- Weather-proofing systems
- Computer systems integration
- Architectural design services

- Ability to develop upstream and downstream cluster of energy-related activities, including services, manufacturing, and innovation
- Sector could provide opportunities for energy/utility workers and other professionals in Kenosha County to startup new business enterprises, as well as generate new high wage job opportunities

Strategic Considerations & Recommendations:

- Encourage and support green building standards in the construction of public buildings to stimulate local market and investment.
- Embrace clean tech within all marketing materials, drawing linkages to sustainability and how it relates to healthy living and wellness. Such initiatives would make the county more attractive to younger professionals who are concerned with environmental issues.
- Encourage CleanTech R&D within regional higher educational institutions.



Related CleanTech NAICS Codes

NAICS	Description
221119	Power generation, wind electric
325211	Plastics Material and Resin Manufacturing
333611	Windmills, electric power, generation-type, manufacturing
335312	Motor and Generator Manufacturing
335314	Relay and Industrial Control Manufacturing
334513	Instruments and Related Products Manufacturing for Measuring, Displaying, and Controlling Industrial Process Variables
333415	Air-Conditioning and Warm Air Heating Equipment and Commercial and Industrial Refrigeration Equipment Manufacturing
333999	All Other Miscellaneous General Purpose Machinery Manufacturing
236117	Modular housing, residential, assembled on site by operative builders
238990	All other specialty trade contractors
3212-	Veneer, plywood, and engineered wood product manufacturing
321991	Manufactured home (mobile home) manufacturing
324122	Asphalt shingle and coating materials manufacturing
332311	Prefabricated metal building and component manufacturing
541310	Architectural services
541340	Drafting services
541380	Industrial, mechanical, and metallurgical testing laboratories or services
541420	Industrial design services
541511	Custom computer programming services
541512	CAD (computer-aided design) systems integration design services
541710	Engineering research and development laboratories or services
561621	Security systems services

DEMOGRAPHIC & ECONOMIC ASSESSMENT

METHODOLOGY & BACKGROUND

The primary goal for the following assessment is to arrive at a common understanding of Kenosha County's unique economic strengths, weaknesses, opportunities, and threats. This analysis is expressed in the context of the metropolitan, regional, and national economies as a means for understanding the community's relative position and highlighting its latent and potential competitive advantages.

TIP has drawn upon our knowledge of current economic and demographic trends affecting the Chicago-Milwaukee corridor, as well as our experience working in areas throughout the nation. We have applied this knowledge and experience to both qualitative and quantitative analysis methods for developing a full understanding of the Kenosha County economy, including specific barriers to growth and development.

We based our findings on the following elements:

- A review of relevant studies, plans, and other material provided by KABA and others;
- A review of economic and demographic data from primary and secondary sources, including population growth, migration and commuting patterns, employment distribution and growth, housing patterns, and sales trends (included within this data assessment);
- Tours of Kenosha County from a real estate and land-use perspective

INPUT > For any plan to be effective, it must respond to the needs of those who will be affected by the plan (residents and businesses) and to the community leaders charged with its implementation. Throughout the Discovery phase, we capitalized on opportunities presented by interviews and focus groups to solicit input from key stakeholders. In addition to the individual business and community leaders who gave their valuable time to participate in this process, TIP would like to thank representatives of the organizations listed in the adjacent text box.

ASSESSMENT COMPONENTS

Demographics

- *Population patterns*
- *Population flows*
- *Age structure*
- *Migration patterns*
- *Educational attainment*
- *Income and affordability*

Economy and Workforce

- *Traffic and commuting patterns*
- *Employment and unemployment*
- *Industry employment*
- *Occupational distribution*
- *Retail sales*
- *Salaries*

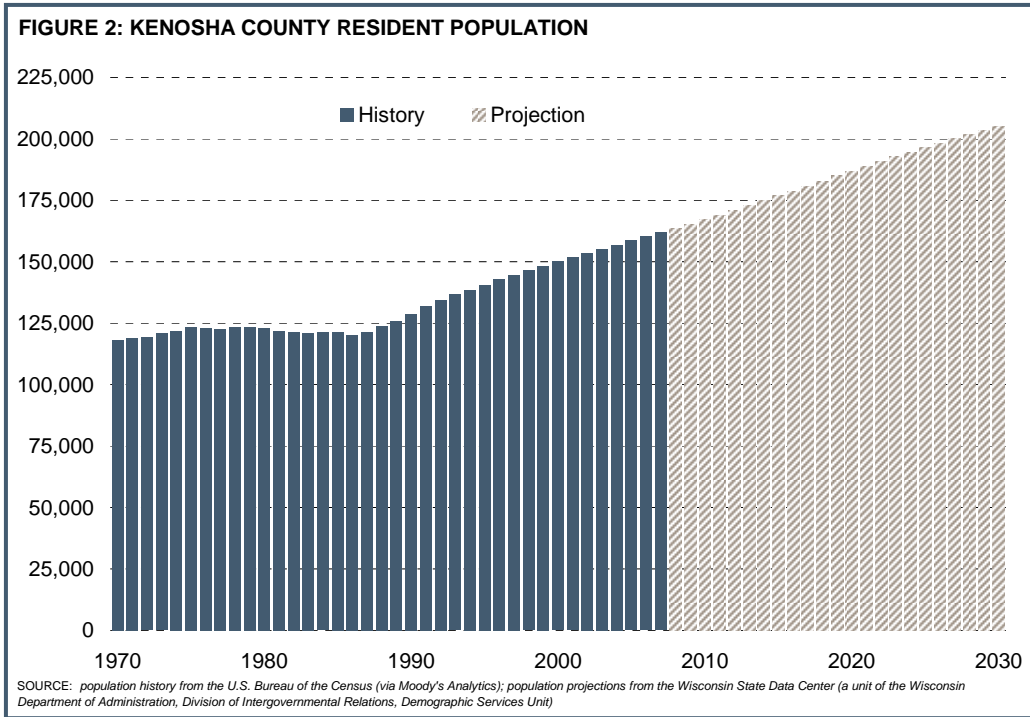
SWOT

TIP conducted a SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis for Kenosha County to create a framework for understanding the area’s issues. This assessment was based on interviews, site visits, data analysis, and our experience. The table below captures the major findings of this analysis.

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> ▪ Location, location, location ▪ I-94 ▪ Lake Michigan ▪ KRM ▪ Existing skilled manufacturing base ▪ Available shovel-ready sites for large industrial development ▪ Wisconsin Energy ▪ Revolving loan funds ▪ Growing population ▪ Access to higher education opportunities ▪ New range of housing products ▪ Cost of living and doing business ▪ KABA 	<ul style="list-style-type: none"> ▪ Depth of professional workforce pool ▪ Perception of public schools ▪ Lack of communication and engagement between business community and educational community ▪ Underutilized downtown & lakefront ▪ Lack of distinctive brand within region ▪ Growing disconnect between east and west ▪ Getting from I-94 to the lake ▪ Public transit to industrial areas ▪ Perception of worsening crime and safety issues ▪ Publicity of community assets and events ▪ Peer networking opportunities ▪ New leadership development
THREATS	OPPORTUNITIES
<ul style="list-style-type: none"> ▪ Replenishing production workforce base ▪ Automotive sector ▪ Oversaturation of warehouse/distribution sector ▪ Underdeveloped professional services sector ▪ Inability to attract young professionals ▪ Inability to retain young residents ▪ Only image of Kenosha is I-94 ▪ Effect of aging population on tax base and services ▪ Permanent loss of critical mass in downtown area 	<ul style="list-style-type: none"> ▪ Business retention & consolidation strategies ▪ Positioning Kenosha for recovery ▪ Strategic incentives ▪ Building white collar base ▪ Peer business and networking group for manufacturers ▪ Business and education partnerships and communication ▪ Engaging educators more directly in economic development ▪ Greater utilization of workforce training assets ▪ Young professionals organization ▪ Mechanism for engaging new residents ▪ Downtown revitalization ▪ Improved access to downtown from I-94 ▪ Image and marketing ▪ Mechanism for engaging new residents



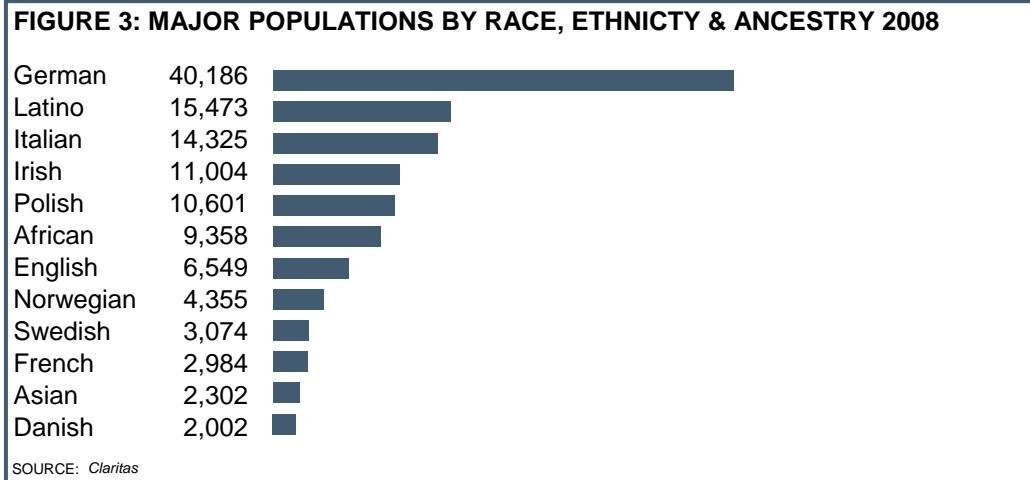
PROFILE: DEMOGRAPHICS

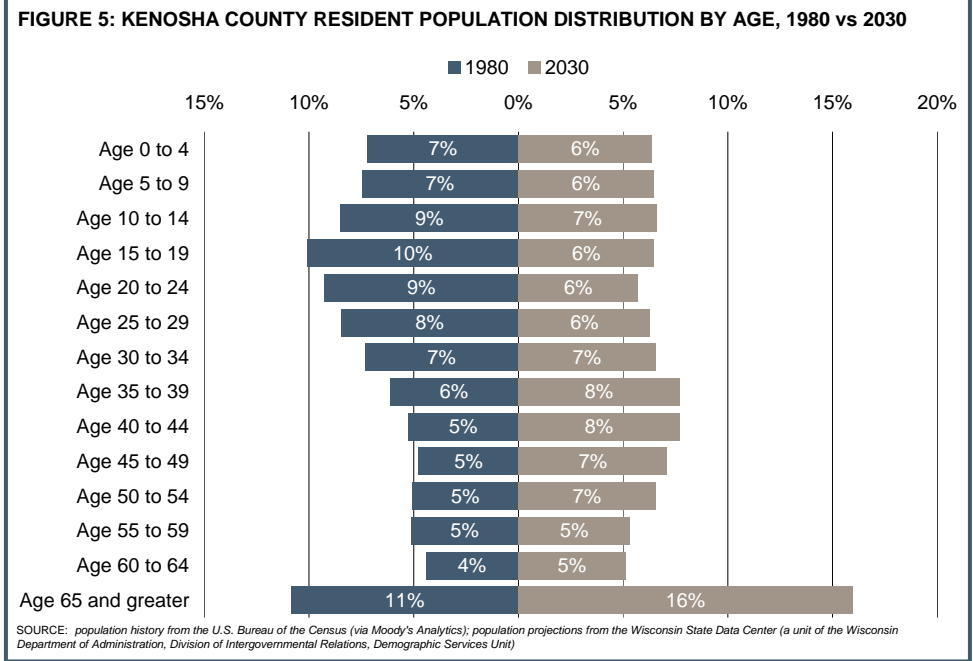
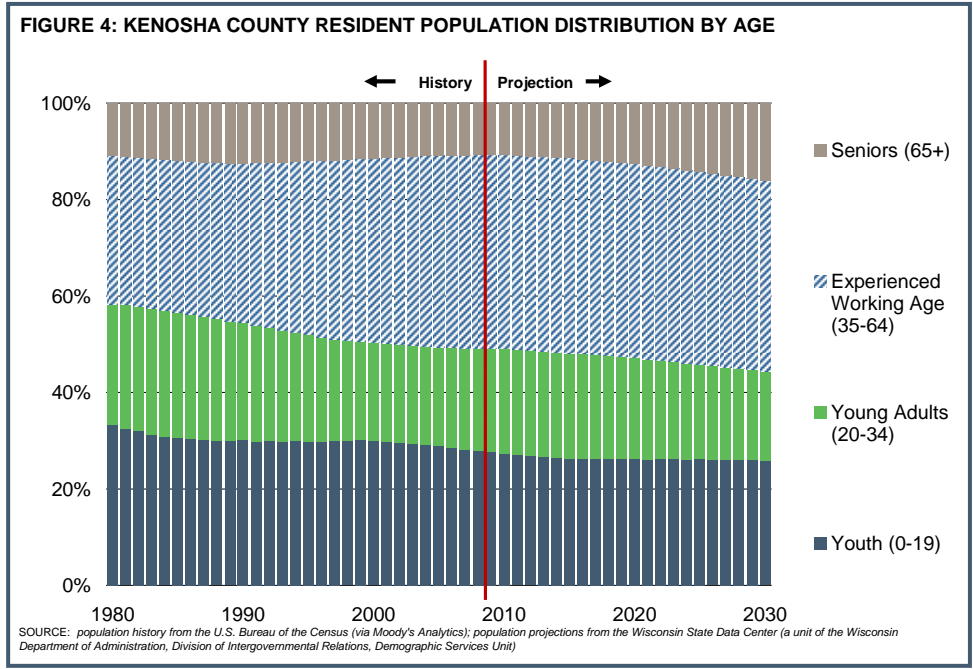


Population Patterns

After a stagnant period of growth in the 1970s and 1980s, Kenosha County's population has been surging since the early 1990s. Between 1970 and 1989, the county's population grew by only 7 percent. However, from 1990 to 2007, the number of Kenosha County residents swelled by 26 percent. The Wisconsin State Data Center projects this growth will continue in the years to come, with the population growing by 25 percent between 2008 and 2030.

Kenosha County is home to a racially and ethnically diverse population. Figure 3 shows the largest population group in Kenosha County by ancestry is German. People of Latino ancestry constitute the second largest group in the county. At least 12 different groups with populations of 2,000 or more can be identified in Kenosha County by race, ethnicity, or ancestral heritage.





Over the past quarter-century, Kenosha County's labor force has grown older. Like many areas of the nation, the percentage of the county's working-age population age 35 and over has increased relative to the percentage of working age residents younger than 35.

Furthermore, in the years ahead, a growing portion of the experienced working age population will begin to pass age 65. This signals a potential squeeze in the size of the labor force as these older workers enter retirement age.

Such trends highlight the importance of retaining and attracting younger talent to Kenosha County in the coming years. Kenosha won't be alone in this competition for talent. As our national population ages, communities across the country will place a high priority on amenities and image to compete for younger working age residents.

Comparing Kenosha County's age distribution in 1980 to the projected distribution in 2030 shows more specifically how the population is evolving (Figure 5). The current year (2009) falls near the mid-point of this 50-year period of change. The long-term changes are stark. The age cohorts age 35 and over rise as a share of the population while age cohorts under age 30 decline.

The percentage of residents aged 65-plus is projected to jump to 16 percent of the county's population. Beyond available workforce issues, such an age structure may place increased pressure on local governments in the form of reduced tax revenue and greater demand for local social and health services.

Migration

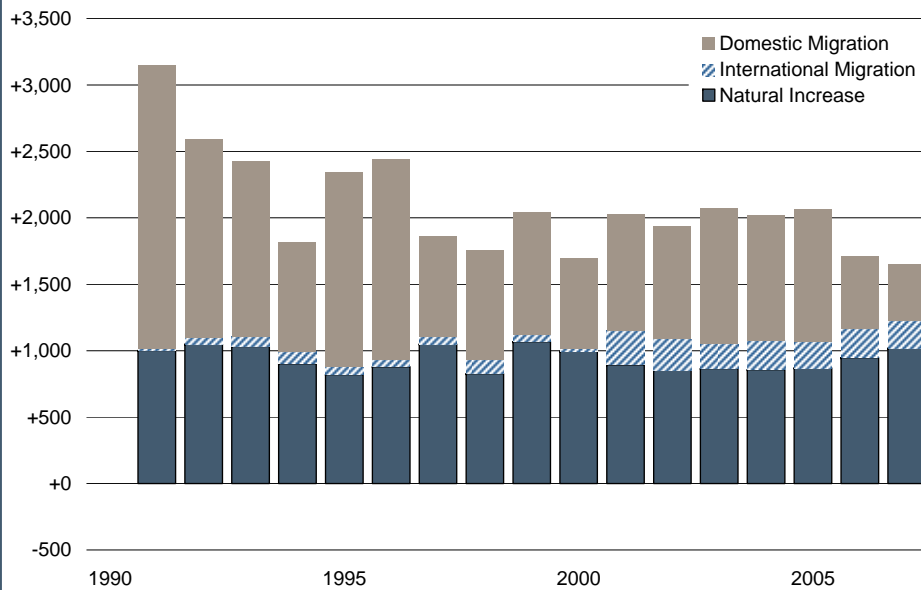
Population growth is driven by three factors tracked by the U.S. Census Bureau: natural increase, domestic migration, and international migration. Natural increase (number of births minus deaths) and international immigration typically change gradually over time.

The third – and most volatile – component of growth is domestic migration, which measures U.S. residents moving into or out of Kenosha County. In the early 1990s, domestic migration was the primary contributor to Kenosha’s growth. However, its role has dwindled in recent years and now trails natural increase as the most important driver of population growth.

Of particular note for area leaders is an increase in net international migration into Kenosha County since 2001. Given that Mexico and other Latin American countries have been a major source of recent immigrants into the U.S., this increase suggests a concurrent increase in the local Latino population. Understanding the needs of this new community and assisting in its integration into Kenosha County should remain a priority for decision makers.

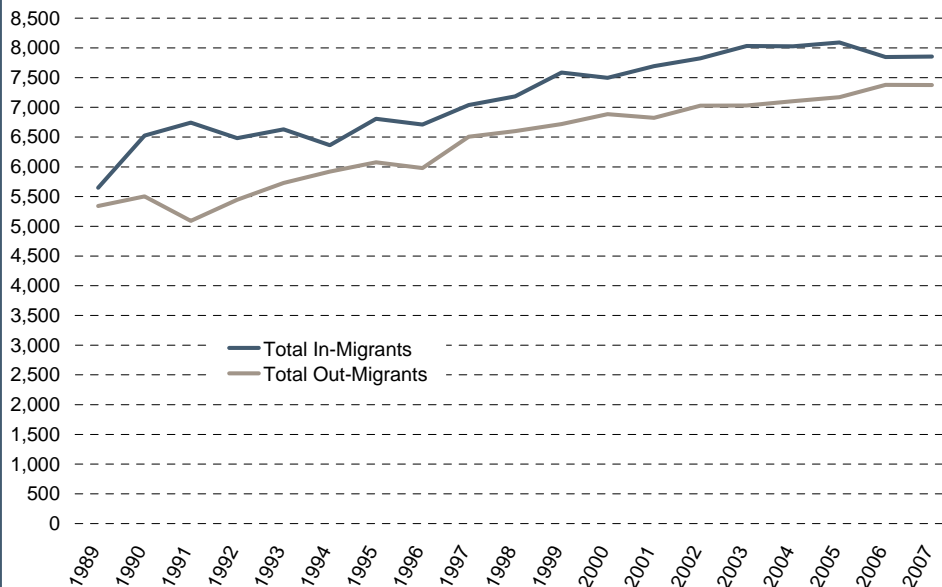
U.S. Census estimates of domestic migration represent a net change. IRS data, as shown in Figure 7, allows one to assess the gross flows of residents (as represented by the number of exemptions claimed). The IRS tracks the movement of income tax filers from year to year at the county level. An analysis of IRS filings corroborates the U.S. Census estimates. IRS data shows that the net number of U.S. income tax filers moving into Kenosha County remains positive, but the margin has narrowed in recent years.

FIGURE 6: KENOSHA COUNTY COMPONENTS OF RESIDENT POPULATION GROWTH



SOURCE: U.S. Bureau of the Census (accessed via Moody's Analytics)

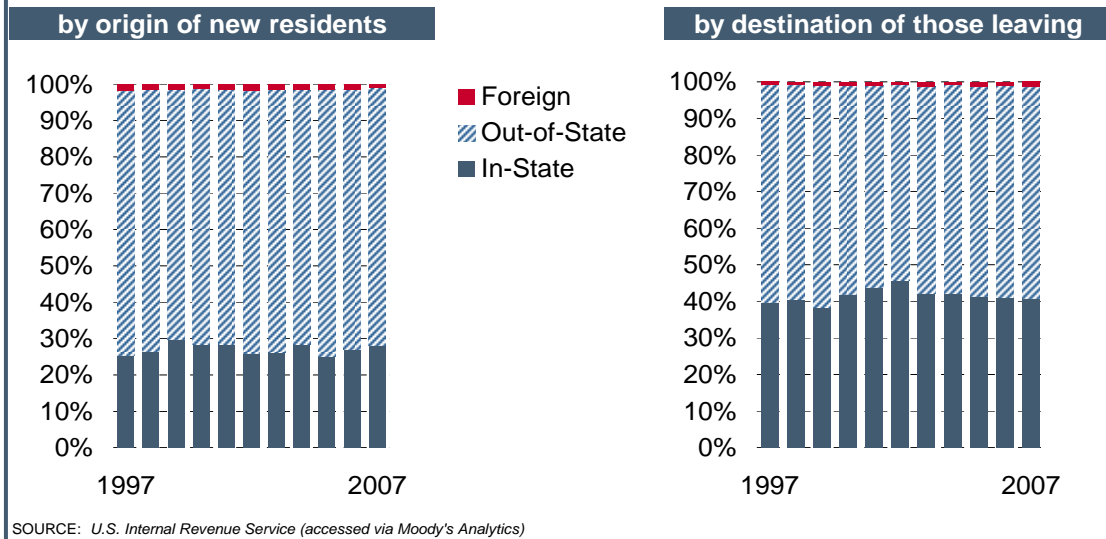
FIGURE 7: KENOSHA COUNTY IN- & OUT-MIGRATION TOTALS



SOURCE: U.S. Internal Revenue Service (accessed via Moody's Analytics)



FIGURE 8: DISTRIBUTION OF MIGRANTS TO & FROM KENOSHA COUNTY

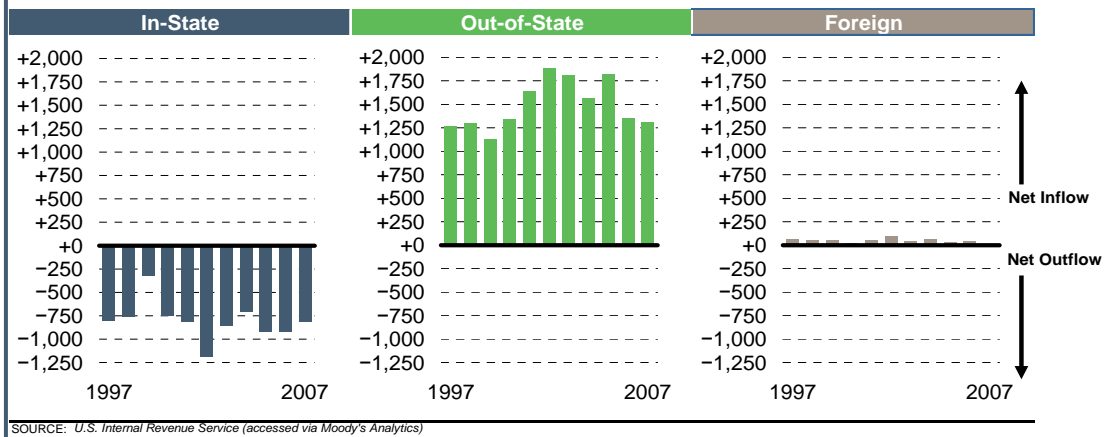


Further analysis of IRS data in Figure 8 shows that those moving into Kenosha County are more likely to arrive from out-of-state than from another county within Wisconsin.

For those leaving Kenosha County, the destination of out-migrants is more balanced between in-state and out-of-state destinations, although the majority of movers still leans more toward out-of-state destinations.

Figure 9 reveals more detail about Kenosha County's migration patterns. Even though total net domestic migration has been from year to year, the net totals diverge sharply when separated into in-state and out-of-state of flows.

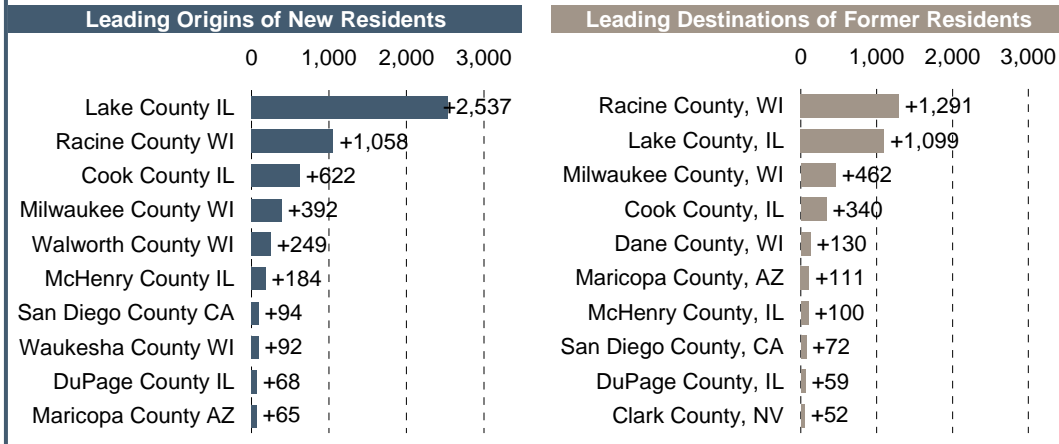
FIGURE 9: NET MIGRATION FLOWS TO/FROM KENOSHA COUNTY BY TYPE



The net migration patterns between Kenosha County and the rest of Wisconsin show a consistent net outflow of residents to the rest of the state. Meanwhile, the net patterns between Kenosha County and other states show a consistent net inflow of new residents.



FIGURE 10: COUNTIES WITH MAJOR MIGRATION FLOWS TO & FROM KENOSHA COUNTY, 2007



SOURCE: U.S. Internal Revenue Service (accessed via Moody's Analytics)

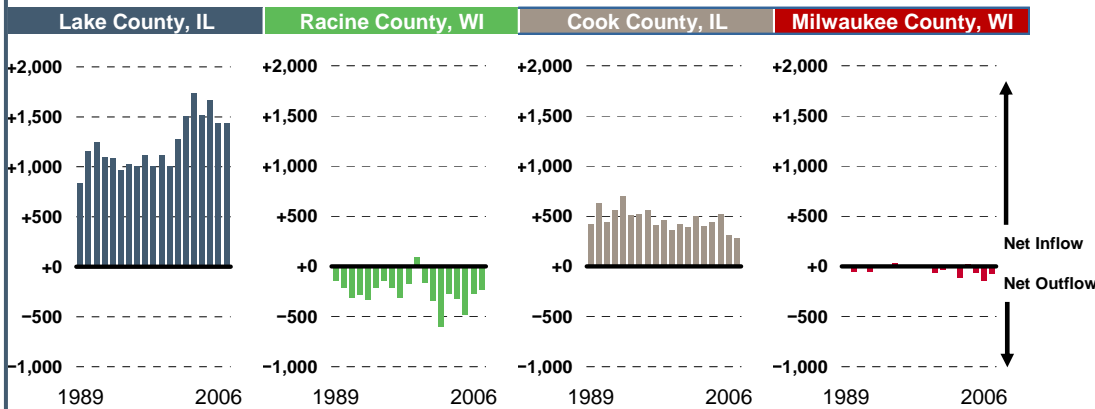
Kenosha County exchanges the most residents with the surrounding counties of the Chicago-Milwaukee corridor. Of the top 10 counties providing Kenosha County with new residents in 2007, four are in Wisconsin, four are in Illinois, and the other two represent the Sunbelt metropolitan areas of San Diego and Phoenix.

Of the top 10 counties to which Kenosha County residents are moving, four are in Illinois, three are in Wisconsin, and the other three include the central metropolitan counties of Phoenix, San Diego, and Las Vegas.

In 2007, Kenosha County enjoyed a net gain of 1,438 residents from Lake County, Illinois. Kenosha, however, experienced a net loss of 233 residents to Racine County.

Figure 11 shows the top four migration flow patterns for Kenosha County between 1989 and 2006. Of the top four counties, Kenosha shows a consistent net outflow to Racine and Milwaukee in Wisconsin, but a consistent net inflow from Lake and Cook in Illinois.

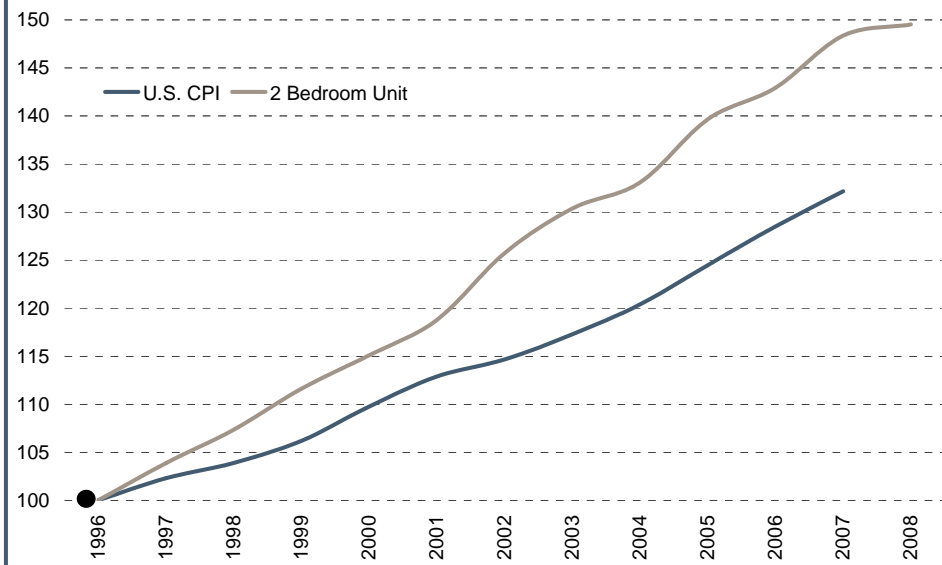
FIGURE 11: TOP 4 NET MIGRATION FLOW PATTERNS WITH KENOSHA COUNTY



SOURCE: U.S. Internal Revenue Service (accessed via Moody's Analytics)

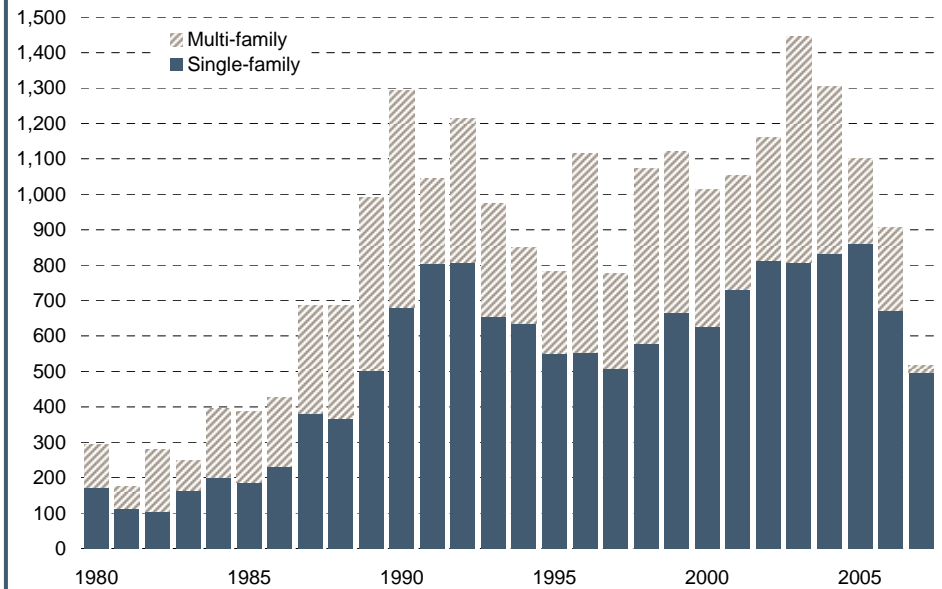


FIGURE 12: KENOSHA COUNTY RENTS* COMPARED TO THE U.S. CONSUMER PRICE INDEX (1996 = 100)



*NOTE: County rents are annual "fair market rents" for a 2-bedroom unit as defined by the U.S. Department of Housing and Urban Development
 SOURCE: U.S. Department of Housing and Urban Development (accessed via Moody's Analytics); U.S. Bureau of Labor Statistics

FIGURE 13: KENOSHA COUNTY HOUSING UNITS PERMITTED ANNUALLY



SOURCE: U.S. Bureau of the Census (accessed via Moody's Analytics)

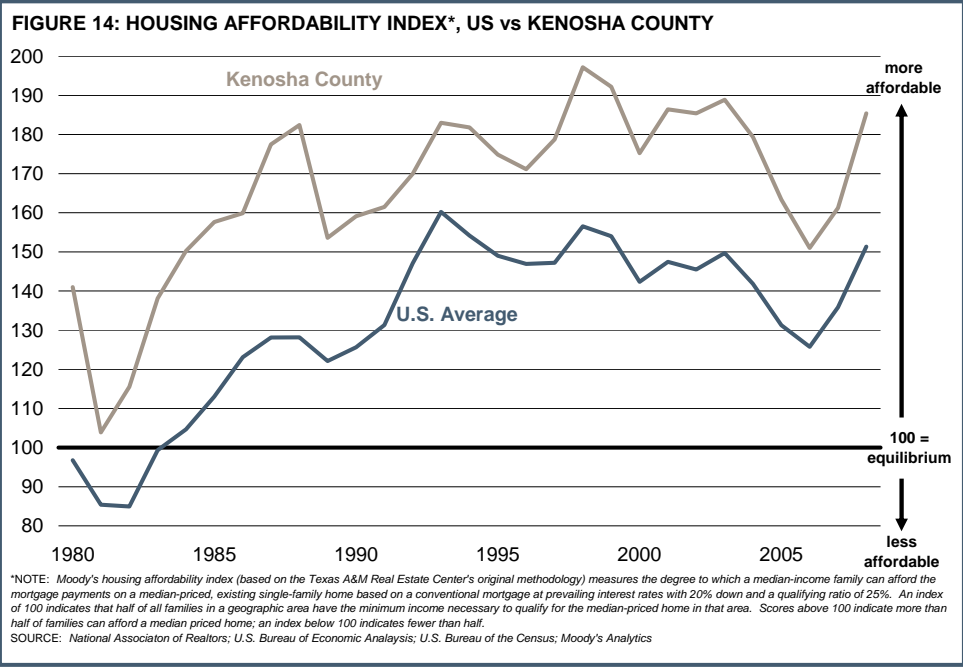
HOUSING & INCOME

The increased demand for housing in Kenosha County in recent years is reflected by rising residential rents. Figure 12 reveals residential rents in Kenosha County rose faster than the U.S. consumer price index (CPI) in the last decade. Between 1996 and 2007, the U.S. CPI grew by 32 percent, while rent for a 2-bedroom unit in Kenosha County surged by 48 percent over the same period.

In response to rising demand, the supply of housing in Kenosha County climbed quickly early in the decade. Between 1998 and 2005, Kenosha County permitted more than 1,000 units of new housing annually with the peak of activity occurring in 2003.

Since 2004, however, the residential building boom in the county slowed down considerably. By 2007, the annual number of new single-family permits had dropped below 500 for the first time since 1988. That year, permits for multifamily units dropped to the lowest level since the Census Bureau began tracking local records in 1980.





Overall, housing in Kenosha County remains relatively affordable for average buyers, as shown in Figure 14. Moody's index of housing affordability assumes that a score of 100 represents equilibrium. In short, equilibrium is reached when a median income household has the minimum income needed to afford the payments on a median-priced home – the lower the score, the less affordable the housing.

The figure illustrates that movements in the Kenosha County index have generally paralleled swings in the U.S. average since 1980, while always remaining more affordable. Rampant inflation and high interest rates in the early 1980s cut into affordability nationally and locally. Affordability recovered again in the late 1980s and 1990s as interest rates dropped. Wide swings in home prices since 2000 have made the index more volatile.

Figure 15 displays median household income for the U.S. and Kenosha County since 1980. When adjusted for inflation, the median U.S. household income has grown only marginally over the past quarter century. In Kenosha County, median household income has generally held above the U.S. level, with larger fluctuations in growth and decline. Kenosha's real household income peaked at \$59,792 in 1995. By 2007, it had dropped to \$52,749, which was essentially unchanged from its 1980 level.

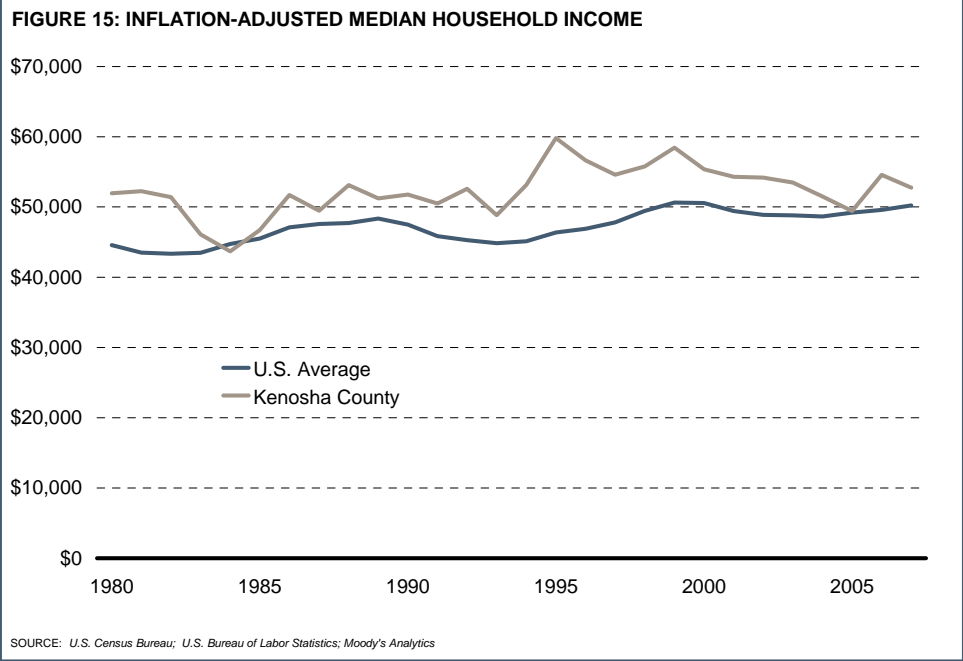
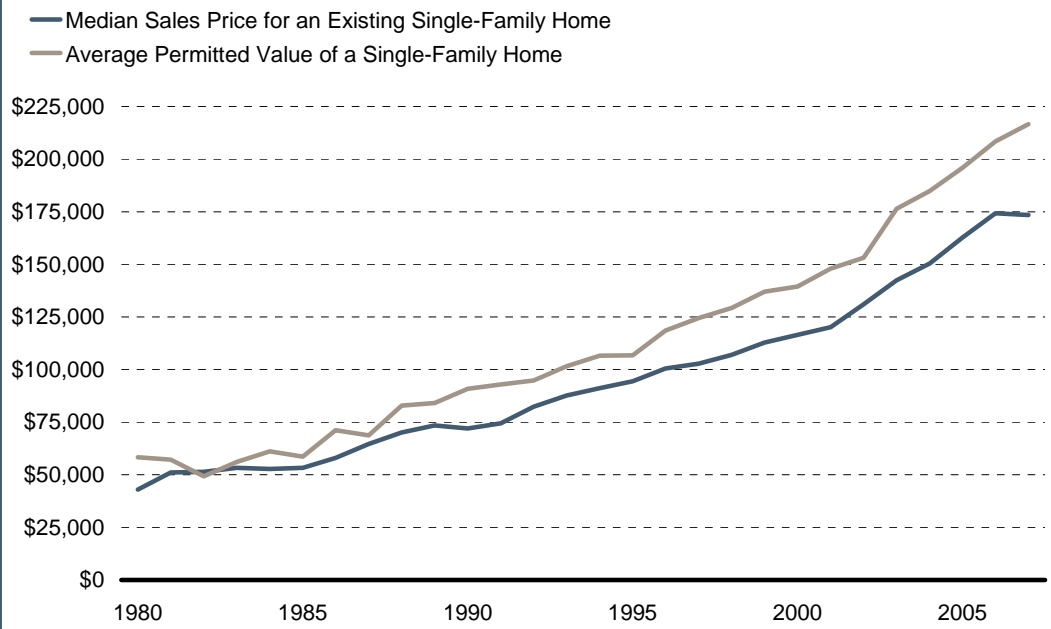


FIGURE 16: KENOSHA COUNTY SINGLE-FAMILY SALES PRICES vs NEW CONSTRUCTION VALUES



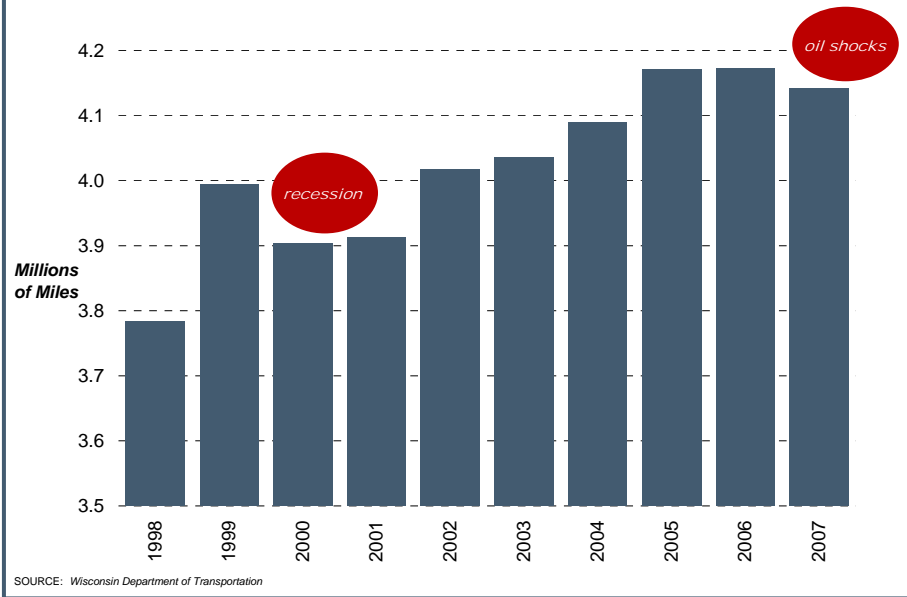
SOURCE: U.S. Census Bureau; National Association of Realtors; Moody's Analytics

Finally, Figure 16 looks at housing affordability and income in the county by comparing the median sales price of an existing single-family home to actual local construction costs for a new single-family home. Comparing averages and medians can be precarious, even in well-populated areas with good income distribution. Nevertheless, such a comparison is still a useful rule-of-thumb for measuring affordability and identifying potential bubbles in residential values.

In many areas of the country where housing prices in recent years spun out of control, this type of sales-price-to-construction cost comparison shows that median sales prices far exceed average construction values, thus indicating a potential price bubble. The figure shows this not to be the case in Kenosha County. Construction costs have maintained a fairly steady spread over existing sales prices for two decades, indicating a steady, moderate premium for newly constructed housing.



FIGURE 17: AVG. DAILY VEHICLE MILES TRAVELED (DVMTs) ON KENOSHA COUNTY ROADS

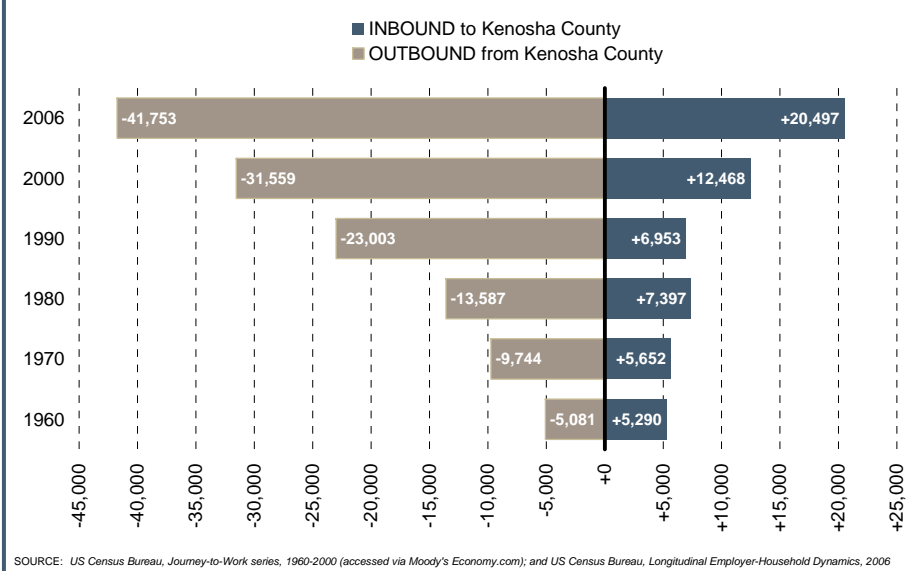


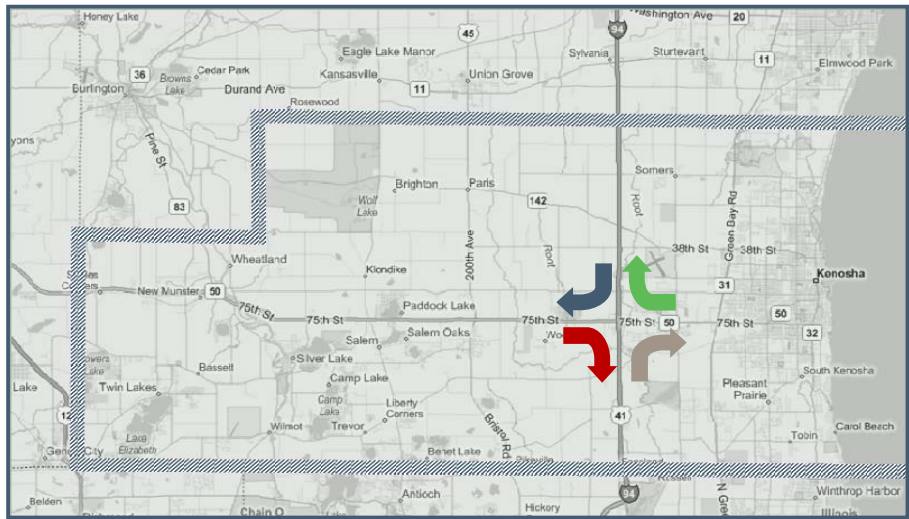
TRAFFIC & COMMUTING

Kenosha County’s growing population is reflected in the increased congestion on its streets and roads. Figure 17 shows long-term traffic volumes on Kenosha County roadways to be escalating. The short-term dips in 2000 and 2001 coincide with economic recession. In 2007, traffic volumes tapered slightly as gas prices soared. Preliminary counts have not yet been released for 2008. However, past recessionary trends suggest a further slowing of traffic volumes is likely in the near term.

Without question, Kenosha County has emerged as a major commuter hub within the Chicago-Milwaukee corridor over the last four decades. In 1960, a roughly equal and small number of people commuted into and out of the county. Since then, the number of Kenosha residents commuting out of the county for work has exploded. While the number of workers commuting into Kenosha County has nearly quadrupled since 1960, the number commuting out of the county has increased eight-fold over the same time period.

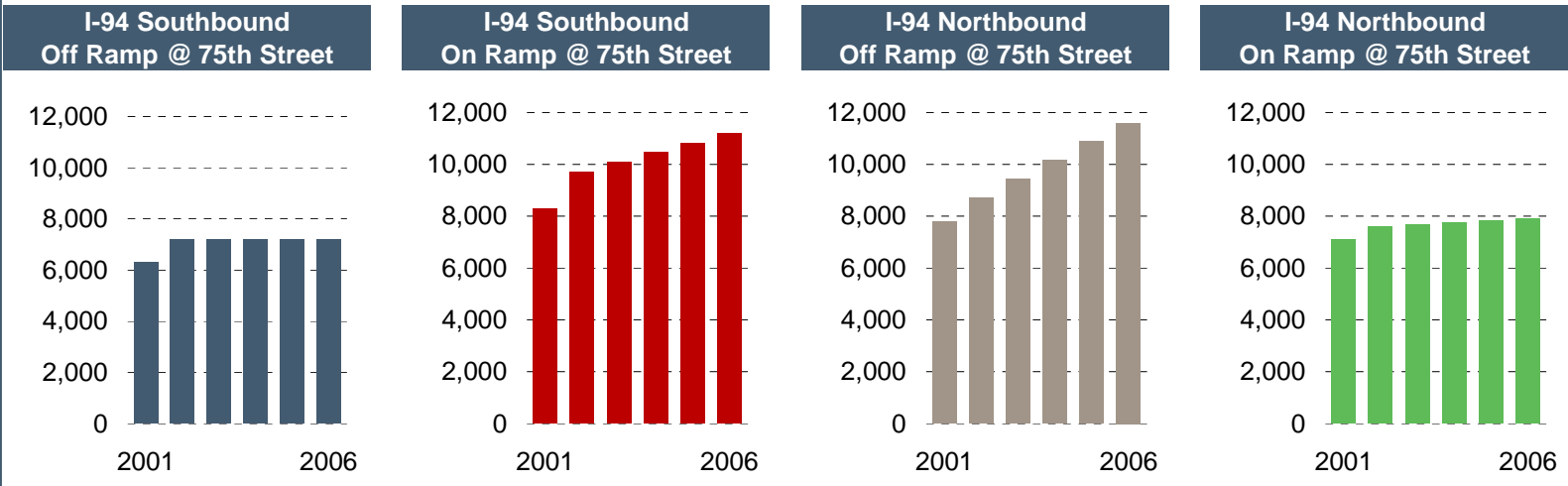
FIGURE 18: AVERAGE DAILY COMMUTER FLOWS INTO & OUT OF KENOSHA COUNTY





The county's busiest junction for commuters is the intersection of I-94 and 75th Street. According to the Wisconsin Department of Transportation (WisDOT) weekday traffic volume counts (Figure 19), traffic flows at this intersection heading to and from the south are roughly 50 percent higher than those to and from the north. Traffic flows to and from the south have also shown greater increases in volume over the past six years, while flows to and from the north have remained level.

FIGURE 19: AVERAGE WEEKDAY TRAFFIC COUNTS AT KENOSHA COUNTY'S MAJOR INTERSECTION



SOURCE: Wisconsin Department of Transportation
 NOTE: WisDOT traffic counts are for the years 2001, 2002, & 2006. Because complete traffic counts are not available in the three interim years, a linear trend is estimated between 2002 and 2006.



FIGURE 20: MAJOR COMMUTING PATTERNS FOR KENOSHA COUNTY

Outbound Commuters

Top 5 destinations for Kenosha County residents working in other counties

Lake County, IL	13,267	
Racine County, WI	6,882	
Milwaukee County, WI	5,922	
Cook County, IL	4,244	
Waukesha County, WI	2,190	

Inbound Commuters

Top 5 county origins for those commuting to jobs in Kenosha County

Racine County, WI	7,386	
Milwaukee County, WI	2,957	
Lake County, IL	2,898	
Waukesha County, WI	1,100	
Walworth County, WI	971	

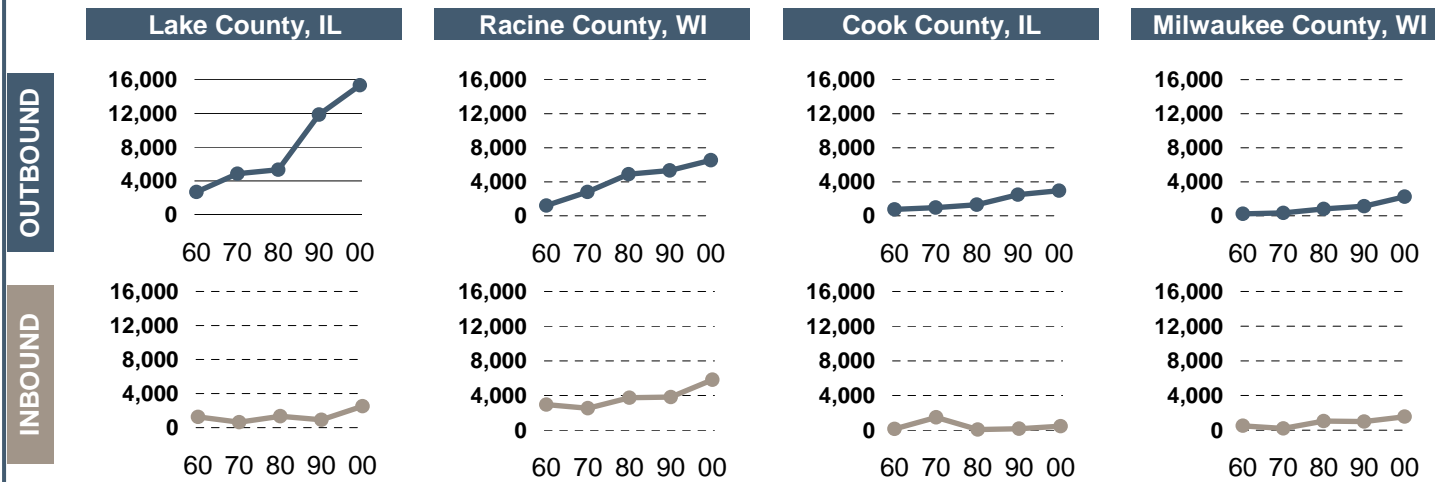
SOURCE: US Census Bureau, Longitudinal Employer-Household Dynamics, 2006

According to updated Census data, more than 41,000 Kenosha County residents worked outside the county in 2006. Figure 20 shows that, of those, about one-third commute to work in Lake County.

A much smaller number (just over 20,000) commute into Kenosha County for work. More than a third of these inbound commuters arrive from Racine County.

Figure 21 below reveals that Kenosha County's outbound commuter flow into Lake County has soared since 1980. No other commuter flow relationship to or from Kenosha County has changed as dramatically during this same period.

FIGURE 21: KENOSHA COUNTY'S EVOLVING LOCAL COMMUTER PATTERNS, 1960-2000



SOURCE: U.S. Bureau of the Census, Journey-to-Work dataset (accessed via Moody's Analytics)



FIGURE 22: KENOSHA COUNTY INDUSTRIES (1)

Industry	2006 Employment
Manufacturing	10,268
Retail trade	8,972
Health care & social assistance	8,612
Local government	7,519
Accommodation & food services	5,797
Personal & other services	5,073
Construction	5,044
Administrative services	4,598
Real estate	3,088
Wholesale trade	2,923
Professional & technical services	2,679
Other sectors*	2,384
Finance & insurance	2,065
Arts, entertainment, & recreation	1,949
State government	1,519
Educational services	1,366
Corporate & regional headquarters	705
Information	701
Farms	565
Federal government (military)	525
Federal government (civilian)	283
Total	76,635

SOURCE: U.S. Bureau of Economic Analysis (accessed via Moody's Analytics)

*includes forestry, fishing, mining, utilities, & transportation

ECONOMY

Manufacturing remains the single largest employment sector of Kenosha County's economy. In 2006, manufacturing jobs accounted for 13 percent of the county's total employment base. In comparison, manufacturing accounted for about 9 percent of total U.S. employment.

Retail trade, healthcare, local government, and accommodation and food services sectors were the next largest employment sectors. Combined, these four sectors accounted for about 40 percent of Kenosha County's total employment. For the U.S., these sectors accounted for 36 percent of total employment in 2006.

While the above five sectors account for a larger share of total employment relative to the U.S., other important sectors in Kenosha County have smaller shares relative to the nation. Professional and technical services, finance and insurance, corporate offices, and information accounted for 8 percent of total employment in Kenosha County. In comparison, these generally high-wage sectors comprised 15 percent of total U.S. employment.

FIGURE 23: KENOSHA COUNTY EMPLOYMENT CHANGE BY INDUSTRY

Industry	2001-2006 Net Chg.	2006 Location Quotient
Manufacturing	-1,743	1.55
Arts, entertainment, & recreation	+305	1.23
Local government	+564	1.21
Personal & other services	+755	1.16
Health care & social assistance	+1,465	1.12
Accommodation & food services	+508	1.11
Retail trade	+344	1.06
Other sectors*	+496	1.04
Construction	+1,207	1.03
Wholesale trade	+309	1.02
Administrative services	+2,038	0.99
Real estate	+1,063	0.97
Educational services	+258	0.86
Corporate & regional headquarters	+247	0.85
State government	+12	0.66
Federal government (military)	-29	0.58
Finance & insurance	+419	0.56
Professional & technical services	+409	0.53
Information	+90	0.44
Farms	+4	0.43
Federal government (civilian)	-2	0.23
Total	+8,719	1.00

SOURCE: U.S. Bureau of Economic Analysis (accessed via Moody's Analytics)
*includes forestry, fishing, mining, utilities, & transportation

above avg
> 1.25

below avg
< 0.75

During the five-year period of 2001-2006, Kenosha County's healthcare administrative services, construction, and real estate sectors experienced significant employment growth (1,000+ jobs). The county's manufacturing employment, however, contracted by 1,743 jobs. Job growth in professional services, finance/insurance, information, and education remained relatively low.

Manufacturing is the county's biggest source of job losses and also the only sector with an above-average location quotient (LQ). The box at the left provides a description of location quotients. This paradox illustrates Kenosha County's vulnerability to large manufacturing downturns. Private industries with below-average LQs, again, include finance/insurance, professional services, and information.

Understanding LQs

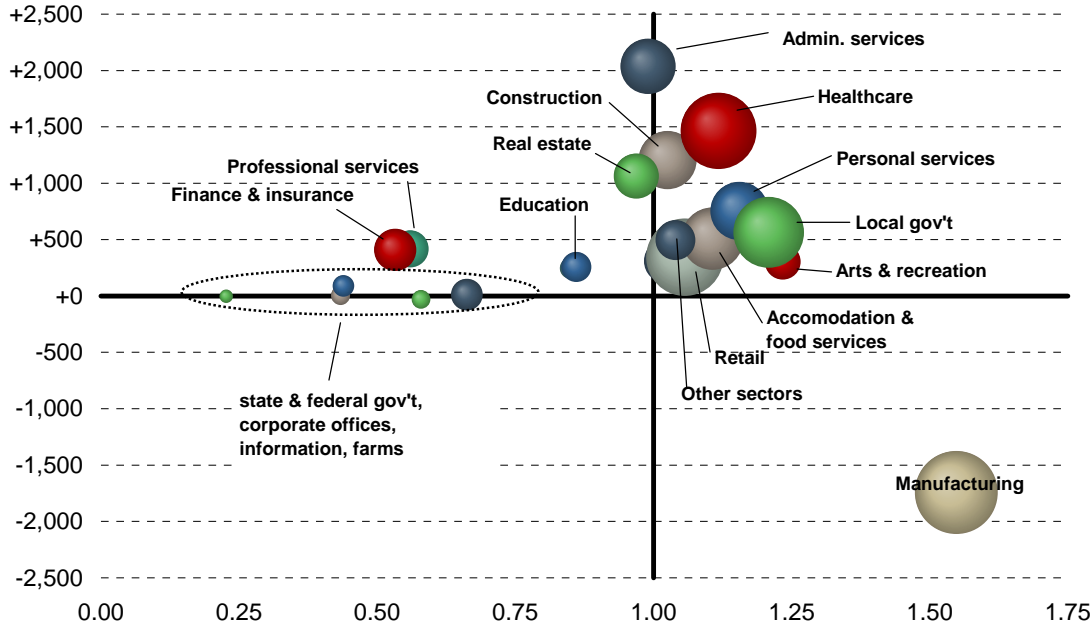
A location quotient (LQ) is calculated as a local occupation's share of total local employment divided by the same occupation's share of employment at the national level:

$$LQ = \frac{\text{Local jobs in occupation} / \text{Total local jobs}}{\text{U.S. jobs in occupation} / \text{Total U.S. jobs}}$$

If the local occupation and national occupation are perfectly proportional, the location quotient will be 1.00. If an occupation is heavily concentrated at the local level, then the location quotient will be higher than 1.00. Conversely, if the occupation is sparsely concentrated at the local level, the location quotient will be lower than 1.00.



FIGURE 24: KENOSHA COUNTY : 5-YEAR JOB GROWTH vs LOCATION QUOTIENT





























NOTE: Bubble sizes represent relative total employment of each sector
SOURCE: U.S. Bureau of the Census (accessed via Moody's Analytics)

Figure 24 displays the same data in a different format. Five-year job growth for each industry is plotted on the y-axis, while the x-axis measures the industry location quotient. Bubble sizes represent the total employment of each sector. Large bubbles in the top right quadrant represent sizeable, growing industries. For example, healthcare shows up as a large industry with good job growth and an LQ slightly over the average.

In contrast, professional services, finance & insurance, and education show marginal job growth and small LQs. The figure also illustrates the relative size and concentration of manufacturing employment in the county, as well as the recent job losses in the sector.



FIGURE 25: RETAIL SALES PER CAPITA, 2007

NAICS Description	Kenosha County	US Average
441 Motor vehicle & parts dealers	\$3,186 	\$3,073 
452 General merchandise	\$1,043 	\$1,911 
445 Food & beverages	\$2,410 	\$1,860 
447 Gasoline stations	\$1,362 	\$1,477 
722 Food services & drinking places	\$1,066 	\$1,467 
444 Building & garden supplies	\$735 	\$1,116 
454 Nonstore retailers	\$695 	\$1,007 
446 Health & personal care	\$794 	\$788 
448 Clothing & accessories	\$875 	\$748 
442 Furniture & home furnishings	\$179 	\$395 
453 Miscellaneous stores	\$217 	\$394 
443 Electronics & appliances	\$162 	\$369 
451 Sporting goods, books, & music	\$270 	\$291 




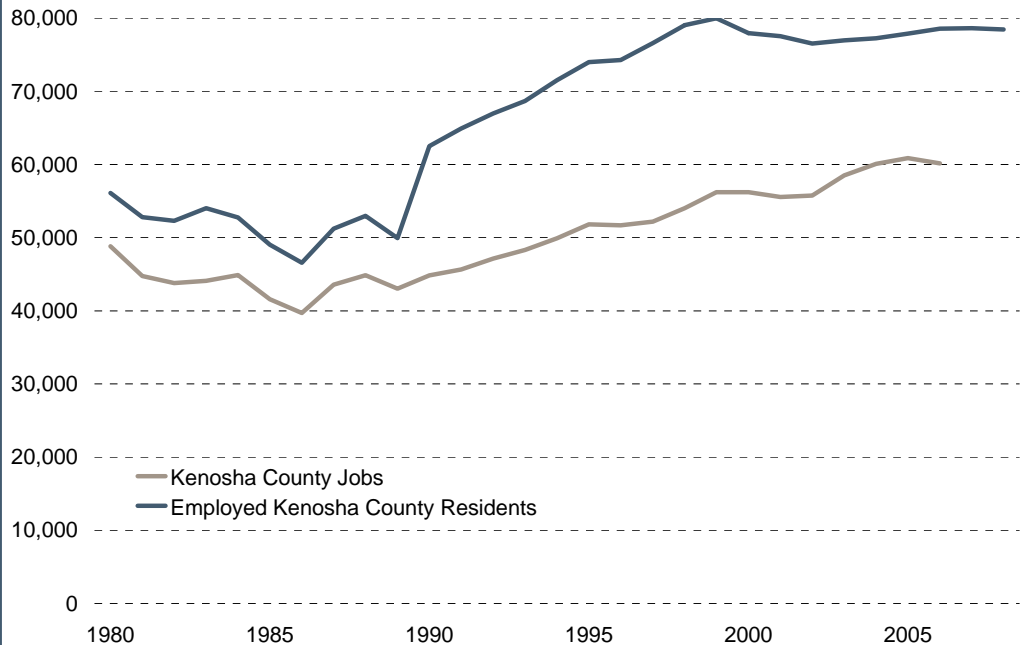
 U.S. average
 above average
 below average

Figure 25 provides insight into the county's retail sector. Retail spending patterns in Kenosha County differ somewhat from national trends. On a per capita basis, the county's retailers of food and beverages, for example, ring up substantially more sales than national trends might suggest. On the other hand, the county's per-capita sales lag in categories such as general merchandise, building supplies, and restaurants and bars.

NOTE: Bubbles show the relative size of retail sales per capita by
 SOURCE: U.S. Census Bureau, Monthly Advanced Retail Trade Survey; Moody's Analytics



FIGURE 26: KENOSHA COUNTY GAP: MORE EMPLOYED RESIDENTS THAN JOBS

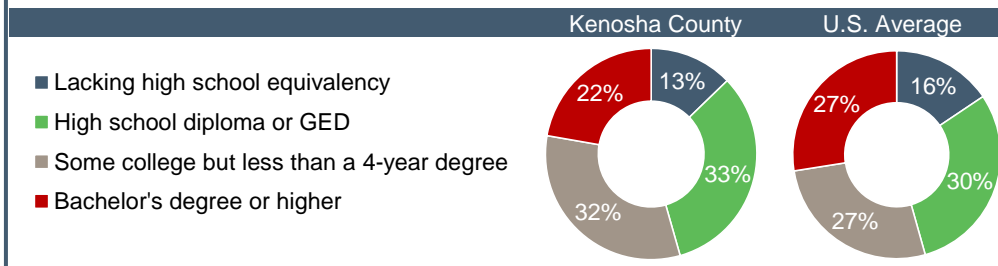


SOURCE: U.S. Bureau of Labor Statistics (household survey); U.S. Bureau of Economic Analysis (wage & salary employment by place of work), accessed via Moody's Analytics

FIGURE 27: EDUCATIONAL ATTAINMENT FOR THE POPULATION AGE 25+

	Kenosha County	U.S. Average
Lacking high school equivalency	12.9%	15.5%
High school diploma or GED	32.6%	30.1%
Some college but less than a 4-year degree	32.2%	26.9%
Bachelor's degree or higher	22.2%	27.5%
Total	100.0%	100.0%

SOURCE: U.S. Census Bureau, American Community Survey (accessed via Moody's Analytics)



SOURCE: U.S. Census Bureau, American Community Survey, 2007 (accessed via Moody's Analytics)

WORKFORCE

Comparing employment data from two separate collection processes can be problematic. In large urban areas covering multiple counties, however, it is valuable to compare the distinct differences between what labor economists call “household employment” and “establishment employment.” This means counting jobs either by where people live or by where they work.

By comparing the Bureau of Economic Analysis’ (BEA) establishment-based wage and salary employment series to the Bureau of Labor Statistics’ (BLS) household survey, the discrepancy is made clear. Figure 26 shows the number of jobs in Kenosha County is less than the number of employed residents. Moreover, the gap appears to be widening since the early 1990s. This underscores data in previous charts showing a growing net volume of outbound commuters from Kenosha County.

Educational attainment in Kenosha County differs from the U.S. in two key ways. First, there are fewer adults in Kenosha County (in percentage terms) who lack high school equivalency than in the U.S. overall. Second, there is also a smaller share of adults who have at least a four-year degree. This means that the mid-range of educational attainment (i.e., a high school diploma or GED, a two-year degree, or at least some college coursework) is larger in Kenosha County than in the nation overall.



FIGURE 28: SOUTHEAST WISCONSIN* OCCUPATIONAL GROUPS

Occupational Group	2006 Employment	
Production	26,000	
Office & Administrative Support	25,040	
Food Preparation & Serving	17,380	
Sales	16,680	
Transportation & Material Moving	13,470	
Education, Training, & Library	10,040	
Healthcare (Technical)	8,100	
Construction & Extraction	6,810	
Installation, Maintenance, & Repair	6,620	
Property Maintenance	6,460	
Management	5,700	
Business & Financial Operations	5,350	
Personal Care & Service	5,100	
Healthcare (Support)	4,930	
Protective Service	2,810	
Architecture & Engineering	2,710	
Community & Social Services	2,140	
Arts, Design, & Media	1,760	
Computer & Mathematical	1,750	
Life, Physical, & Social Science	1,260	
Legal	580	
Farming, Fishing, & Forestry	190	
Total	170,880	

*NOTE: The Southeast Wisconsin workforce development area includes Racine, Kenosha, & Walworth counties
 SOURCE: Wisconsin Department of Workforce Development

The presence of Gateway Technical College, UW-Parkside, and Carthage College may explain the higher percentage of residents with some college or associate degrees. However, for Kenosha County to become more attractive to employers requiring higher levels of education, greater emphasis will need to be placed on educational attainment and retention.

Another helpful measure for analyzing the local workforce is to look at employment by occupation. It provides insight as to how employment is structured within industries. The Wisconsin Department of Workforce Development releases occupational statistics by workforce development area, but not by individual county. The Southeast Wisconsin workforce development area covers three counties: Kenosha, Racine, and Walworth.

Figure 28 reveals the occupational composition of the three-county workforce corresponds with Kenosha County's industrial structure. In Kenosha County, manufacturing is the largest industrial sector, and in the three-county workforce region, production-related occupations make up the largest share of the labor pool. Other large occupational groups in the region include office and administrative, food preparation, sales, transportation, and education. Many jobs within these groups tend to pay medium to low wages.

Conversely, high paying occupations in engineering, computers, sciences, and law comprise a relatively small share of the southeastern Wisconsin labor pool.



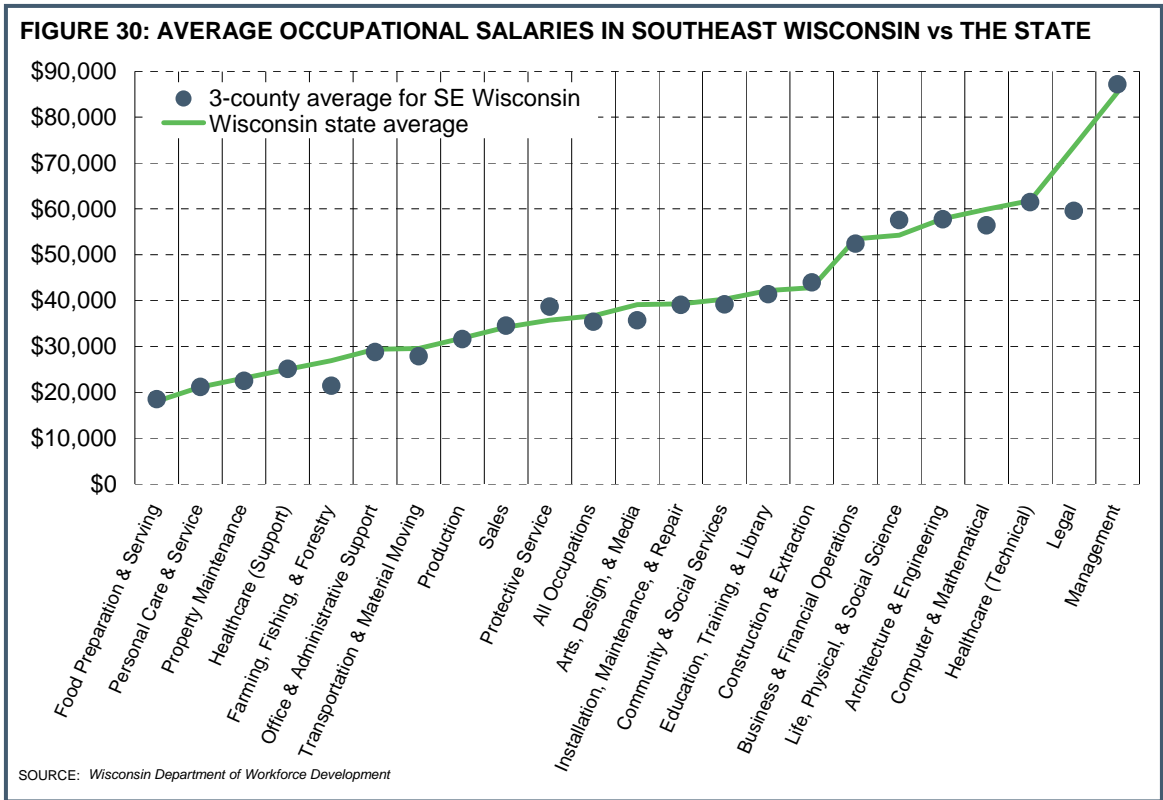
FIGURE 29: PROJECTED JOB CHANGE & LQs IN SOUTHEAST WISCONSIN*

Occupational Group	Projected Net Job Chg., 2006-2016	2006 Location Quotient**
Production	+380	1.31 above avg
Food Preparation & Serving	+2,020	1.29 > 1.25
Protective Service	+200	1.04
Transportation & Material Moving	+470	1.03
Installation, Maintenance, & Repair	+530	1.03
Healthcare (Support)	+1,120	1.02
Property Maintenance	+790	1.01
Sales	+670	1.01
Healthcare (Technical)	+1,740	0.98
Architecture & Engineering	+140	0.95
Office & Administrative Support	+990	0.94
Education, Training, & Library	+680	0.94
Construction & Extraction	+630	0.89
Personal Care & Service	+990	0.87
Management	+190	0.83
Life, Physical, & Social Science	+130	0.80
Business & Financial Operations	+680	0.78
Community & Social Services	+400	0.67
Farming, Fishing, & Forestry	+30	0.67
Legal	+60	0.65 below avg
Computer & Mathematical	+310	0.60 < 0.75
Arts, Design, & Media	+140	0.58
Total	+13,280	1.00

*NOTE 1: The Southeast Wisconsin workforce development area includes Racine, Kenosha, & Walworth counties
**NOTE 2: Location quotients here are calculated against the state average rather than the national average.
SOURCE: Wisconsin Department of Workforce Development

Southeast Wisconsin's two strongest occupational concentrations are production and food preparation, with LQs of 1.31 and 1.29, respectively. The strong concentration of production workers, however, is not matched by strong job outlook between 2006 and 2016, with the group only adding 380 jobs. The number of food preparation workers is expected to jump by over 2,000 over the 10-year period. Unfortunately, food industry workers generally earn much less than workers involved in manufacturing.

Overall, the region is projected to gain over 13,000 new jobs. Projected job gains in Southeast Wisconsin will be concentrated more heavily in service occupations, including all aspects of healthcare.



Average salaries in Southeast Wisconsin fall relatively close to the state average in most occupational categories, with the exception of legal salaries. This discrepancy with legal professions is not surprising, though. The highest paying legal occupations would be expected in the state’s largest city (Milwaukee) or the state capital (Madison).



PROFILE: DATA BENCHMARKS

FIGURE 31: BENCHMARK COUNTY SELECTION

Outlying County	MSA	Similar Size & Growth Demographics	Across State Line from the Central City	Commuting Distance to Central City & International Airport	Direct Connection to Central City by Interstate or Major Arterial
Kenosha County, WI	Chicago	✓	✓	✓	✓
Porter County, IN	Chicago	✓	✓	✓	✓
Frederick County, MD	Washington, DC	✓	✓	✓	✓
Rockingham County, NH	Boston	✓	✓	✓	✓
Lehigh County, PA	New York	✓	✓	✓	✓
Northampton County, PA	New York	✓	✓	✓	✓
York County, SC	Charlotte	✓	✓	✓	✓

SOURCE: TIP Strategies, Inc.

In selecting benchmarks for Kenosha County, TIP settled on six comparison counties with similar demographic and geographic characteristics. Those counties include:

- Porter, IN (near Chicago);
- Rockingham, NH (near Boston);
- Lehigh and Northampton, PA (near New York/New Jersey);
- Frederick, MD (near Washington/Baltimore); and
- York, SC (near Charlotte, North Carolina).

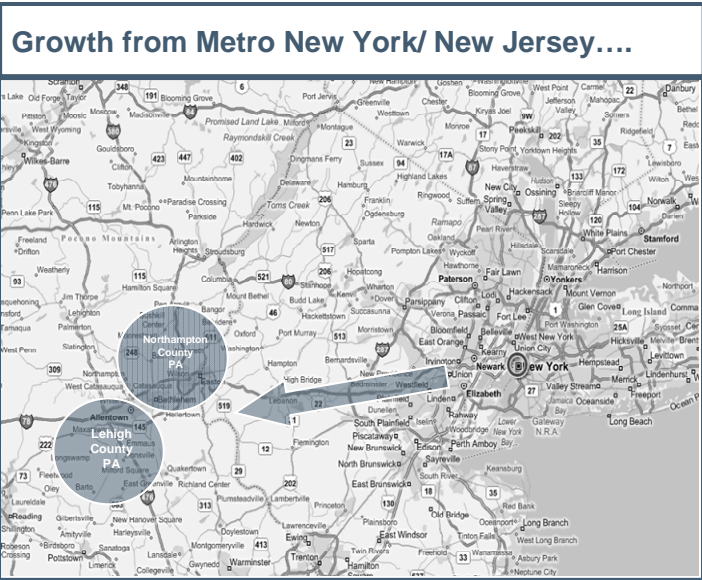
The selected counties are located on the outer commuting fringes of major metropolitan areas that cross state lines and thus may offer distinct tax or policy advantages within the greater urban area. Tax competitiveness, for example, has certainly been an advantage for southern New Hampshire counties skimming business investment and talent from the Boston area.

Of the six counties selected, one is in the Midwest (Porter); one is in New England (Rockingham); one is in the South (York); and three are in the Mid-Atlantic region (Frederick, Lehigh, and Northampton).



Growth from Metropolitan Chicago....	Growth from Washington/Baltimore....	Growth from Metropolitan Boston....
<p>A map of the Chicago metropolitan area with arrows pointing to Kenosha County, WI in the northwest and Porter County, IN in the southwest.</p>	<p>A map of the Washington/Baltimore metropolitan area with an arrow pointing to Frederick County, MD in the western part of the region.</p>	<p>A map of the Boston metropolitan area with an arrow pointing to Rockingham County, NH, located north of the city.</p>
<p>PORTER COUNTY, INDIANA</p> <p>County Seat: Valparaiso: 29, 951 (2007 Census Estimate)</p> <p>Profile: Located in northwest Indiana, Porter County's population has grown due to expansion from the Chicago Metropolitan Area. Portage (36,505) is the county's largest city. Government (12.9%), manufacturing (12.1%), and retail (11.5%) are the largest employment sectors in the county.</p>	<p>FREDERICK COUNTY, MARYLAND</p> <p>County Seat: Frederick: 59, 220 (2007 Census Estimate)</p> <p>Profile: Frederick County is located in the western part of Maryland, bordering the southern border of Pennsylvania and the northeastern border of Virginia. It is a part of the Washington-Baltimore Metropolitan Area, and is often recognized as part of Western Maryland. The county is home to Catoctin Mountain Park (encompassing the presidential retreat Camp David) and to the U.S. Army's Fort Detrick.</p>	<p>ROCKINGHAM COUNTY, NEW HAMPSHIRE</p> <p>County Seat: Brentwood: 3,904 (2007 Census Estimate)</p> <p>Profile: Rockingham County is located 60 minutes north of Boston. The county is home to New Hampshire's entire seacoast and features several popular resort towns. The largest towns are both in the western part of the county: Derry (36,500) and Salem (30,000). Seabrook is home to the Seabrook Nuclear Power Plant, the last nuclear plant opened in the United States.</p>





NORTHAMPTON COUNTY, PENNSYLVANIA

County Seat:
Easton: 26,094 (2007 Census Estimate)

Profile:
Northampton County is located in Pennsylvania's Lehigh Valley. The county is one of the most industrially oriented regions in the nation, producing anthracite coal, cement, and other industrial products. Bethlehem Steel, once one of the world's largest manufacturers of steel, was located there prior to its 2003 closing.

LEHIGH COUNTY, PENNSYLVANIA

County Seat:
Allentown: 107,117 (2007 Census Estimate)

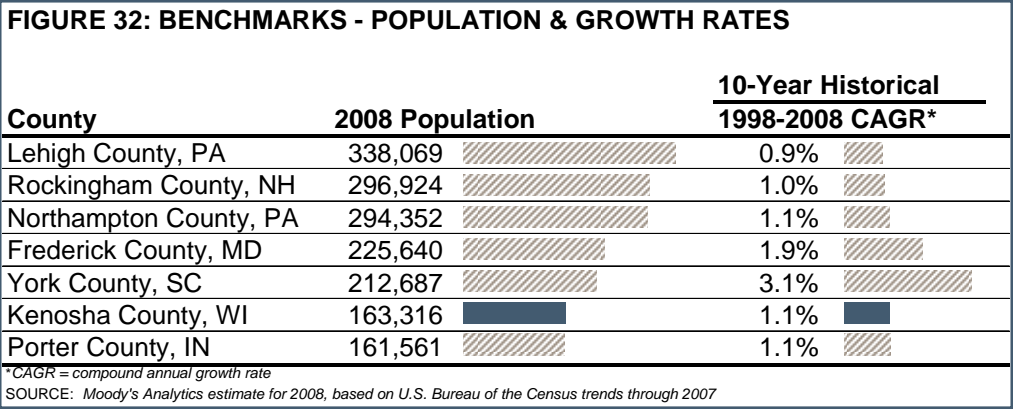
Profile:
Lehigh County is located in the Lehigh Valley region of Pennsylvania, in the eastern part of the state. The county's two largest cities are Allentown and Bethlehem. Like Northampton County, Lehigh has seen much of its old industrial base erode over the last few decades.

YORK COUNTY, SOUTH CAROLINA

County Seat:
York: 7, 735 (2007 Census Estimate)

Profile:
York County is located in north central South Carolina, along the North Carolina border. York County is part of the greater Charlotte metropolitan region and includes Rock Hill, the county's largest city. York County has faced increasing developmental pressure from Charlotte and the decline of small-scale farming; however, much of York County remains rural in character.





Most of the benchmark counties have experienced solid annual population growth rates over the past 10 years. Lehigh County is the largest of the benchmarks and York County is the fastest growing. Kenosha and Porter Counties have near identical population sizes and growth rates.

All of the benchmark counties have grown steadily in recent decades. Like Kenosha County, population growth in the Pennsylvania benchmarks (Lehigh and Northampton) was slower in the 1970s but has since accelerated.

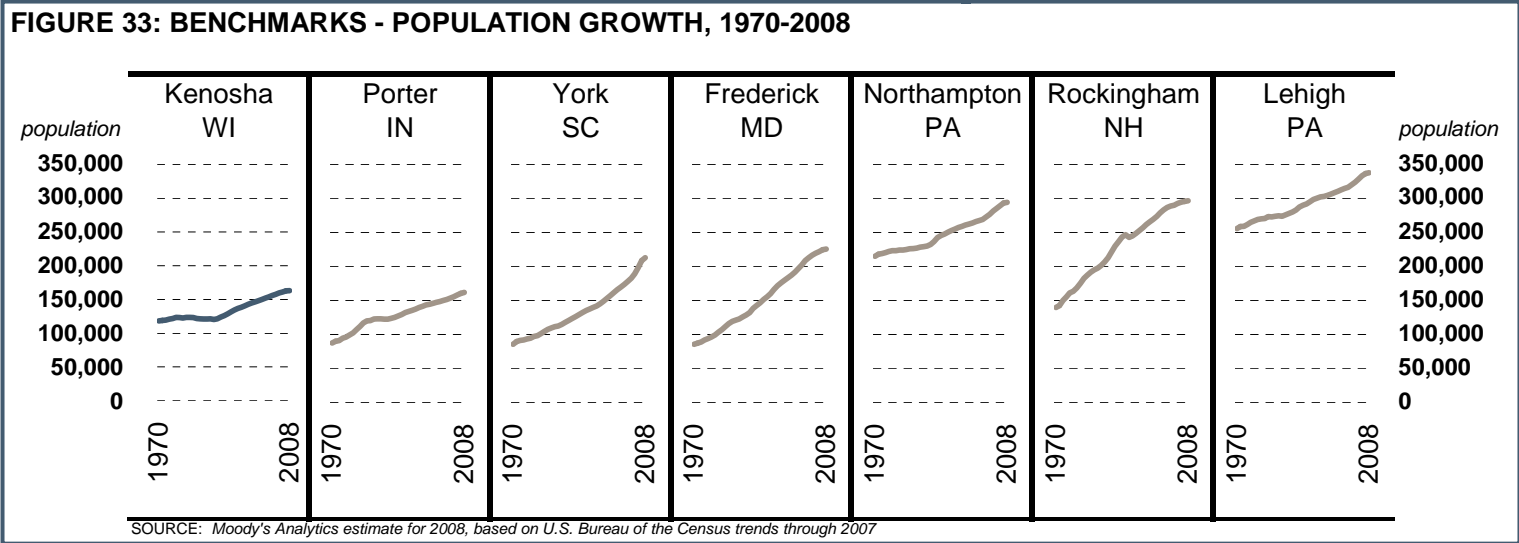


FIGURE 34: BENCHMARKS - LAND AREA & POPULATION DENSITY

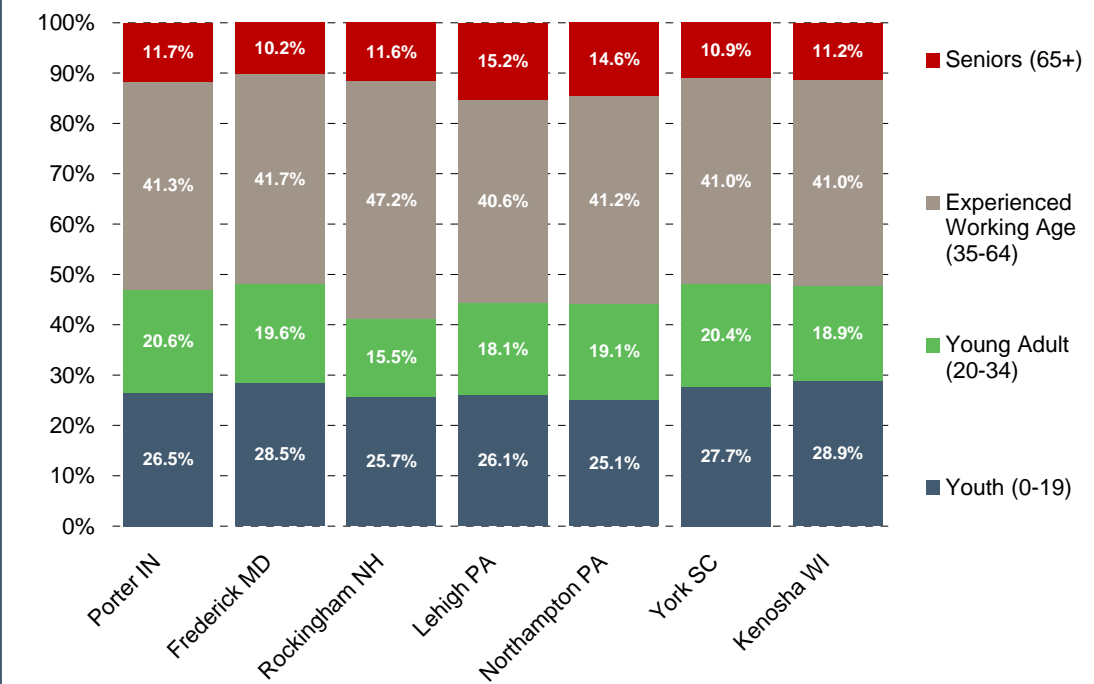
City	Land Area (sq. miles)	Persons per sq. mile
Lehigh County, PA	346.7	975
Northampton County, PA	373.8	787
Kenosha County, WI	272.8	599
Rockingham County, NH	695.0	427
Porter County, IN	418.1	386
Frederick County, MD	662.9	340
York County, SC	682.5	312

SOURCE: Moody's Analytics; U.S. Bureau of the Census

Kenosha County covers a smaller land area than the six benchmarks, but in terms of population density, it falls in the mid-range of this group. The Pennsylvania counties are the most densely populated.

The age distribution is fairly similar across the benchmark counties. The closest thing to an outlier in this group is Rockingham County, New Hampshire, which has a relatively small population of young adults but a larger-than-average share of its population in the experienced working age group.

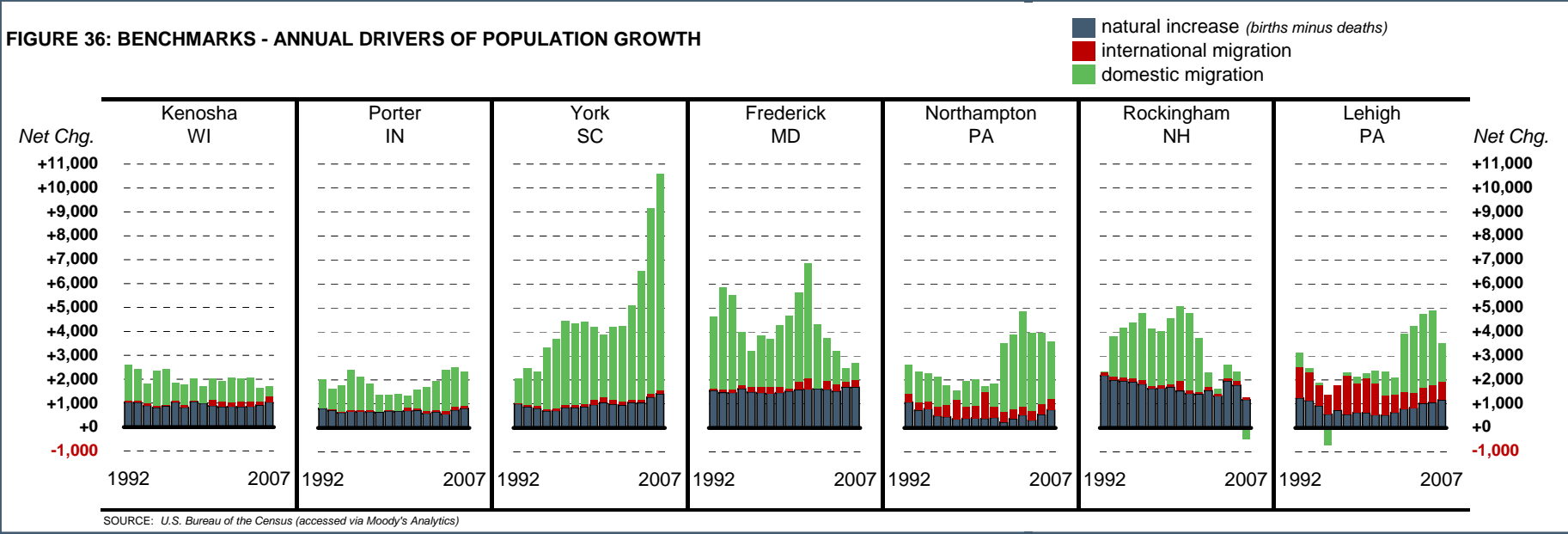
FIGURE 35: BENCHMARKS - AGE DISTRIBUTION



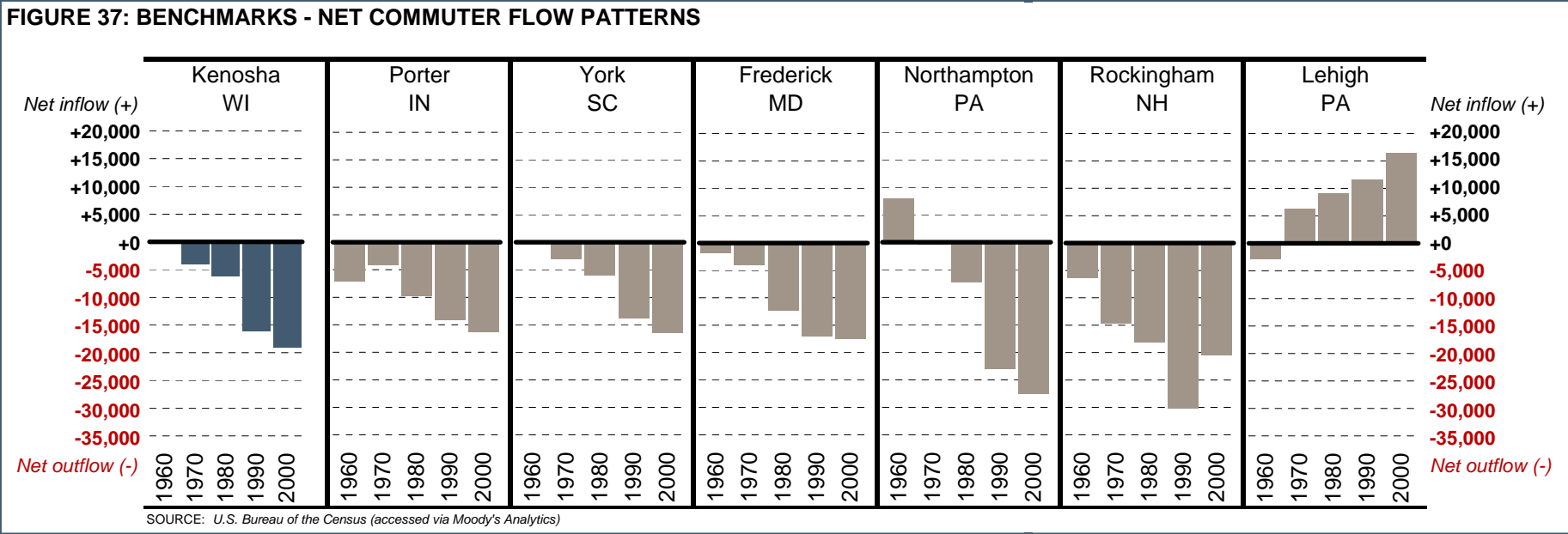
SOURCE: Moody's Analytics estimate for 2008, based on U.S. Bureau of the Census trends through 2007



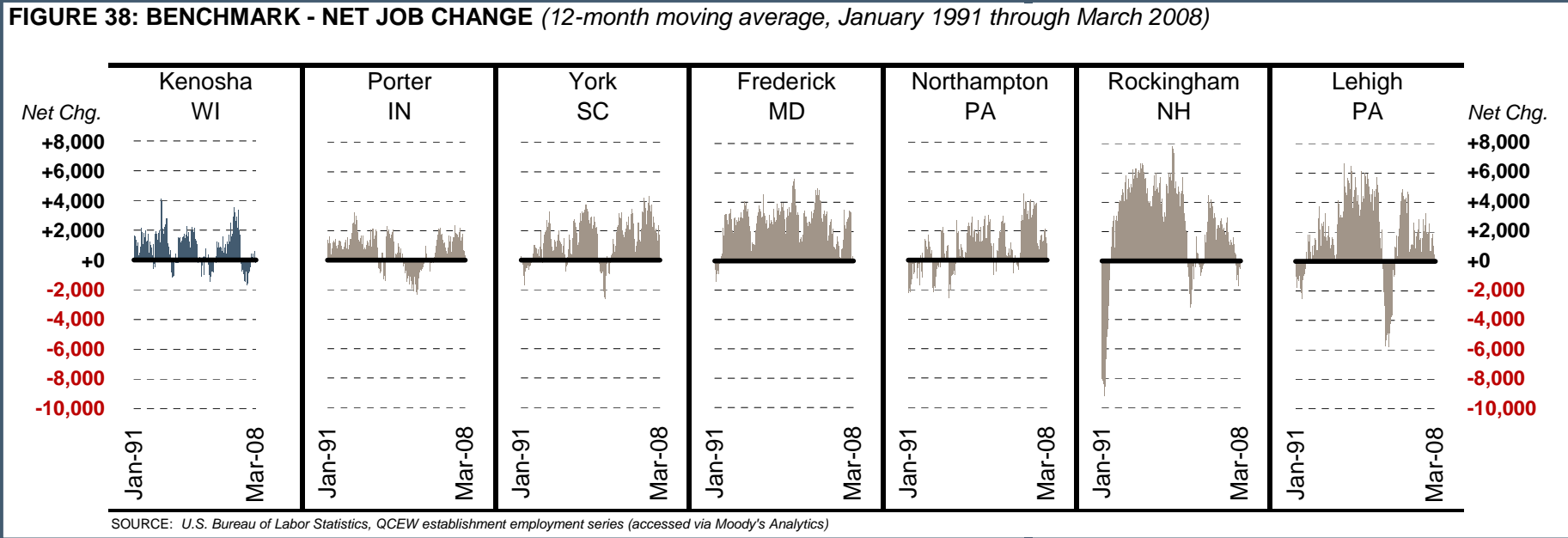
Porter and Kenosha counties have experienced stable, steady growth patterns over the last 15 years. Other counties have had much more dynamic patterns of net domestic migration. Since the early 1990s, domestic migration into York County (near Charlotte) and Northampton and Lehigh counties (near New York/New Jersey) has surged. In Frederick and Rockingham counties, however, net domestic migration has recently slowed from a previous period of vigorous growth. The Pennsylvania counties are the only benchmarks to experience significant international migration.



Five of the six benchmark counties have experienced a rising net outflow of commuters over the past few decades, indicating these counties are increasingly serving as bedroom counties for the adjacent urban area. Lehigh County (home to Allentown) is the only benchmark to experience a net inflow of workers since 1960. However, since the 2000 Census, Lehigh and Northampton counties have increasingly gained new commuting residents from New York/New Jersey. These patterns may not be captured in the data until the 2010 census.

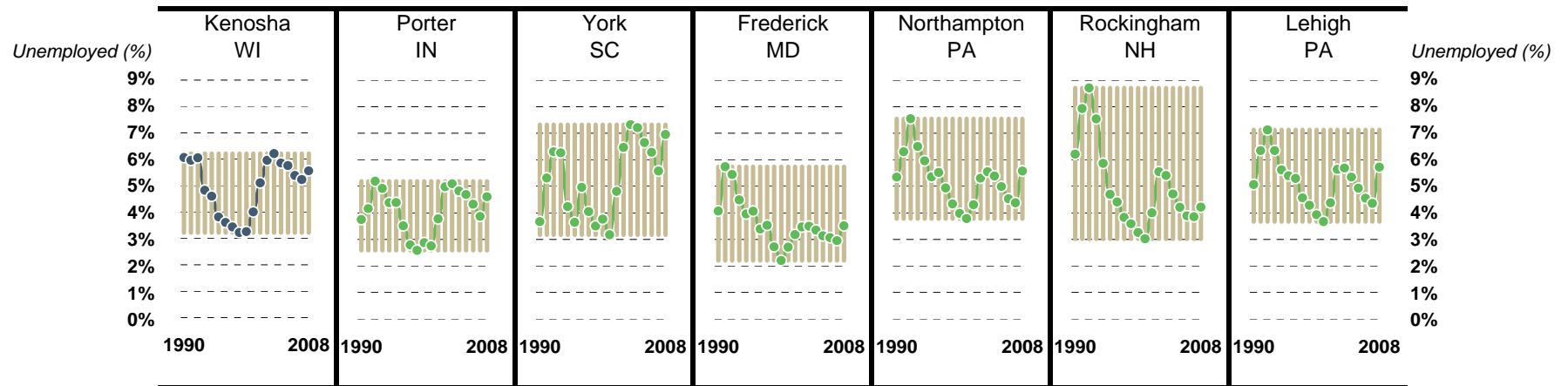


Among the benchmarks, patterns of net job creation have been the most consistent and steady in Frederick County. Substantial periods of job growth in Rockingham County and Lehigh County have been interrupted by bitter recessionary shocks in recent years.



Compared to the benchmarks, unemployment rates in Kenosha and Porter counties have historically swung within a narrow range. Rockingham County has experienced the widest spread in unemployment rates, falling from a high of nearly 9 percent to a low of 3 percent. For 2008 (through November), York County registered the highest annual unemployment rate of about 7 percent. All of the benchmarks experienced a spike in unemployment in 2008.

FIGURE 39: BENCHMARKS - AVERAGE ANNUAL UNEMPLOYMENT RATE*



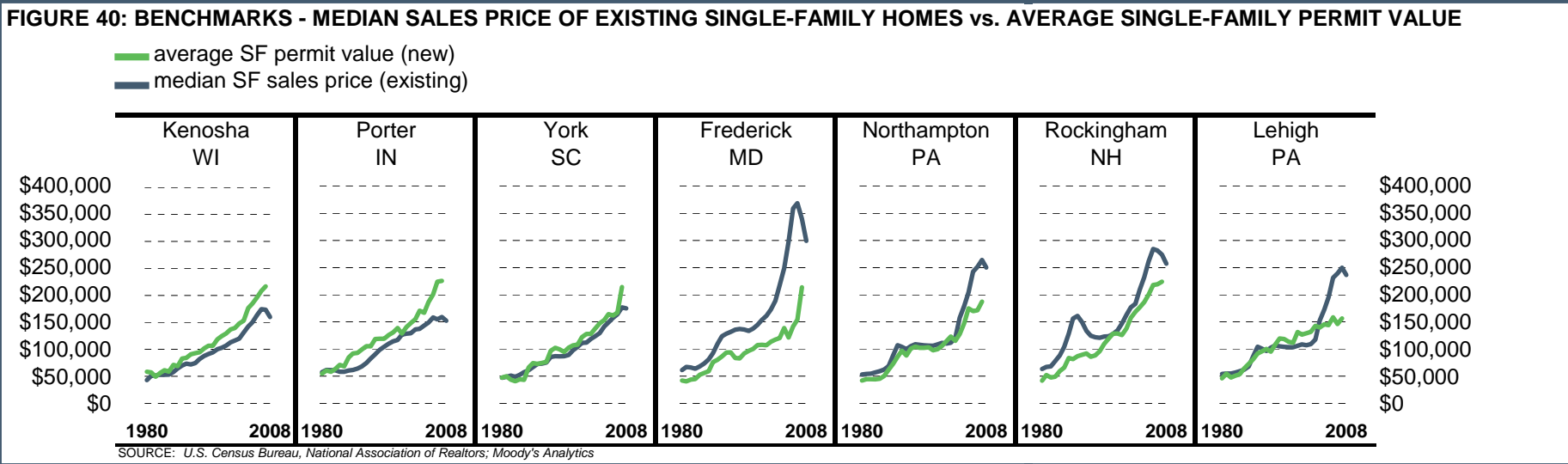
SOURCE: U.S. Bureau of Labor Statistics, LAUS series (accessed via Moody's Analytics)

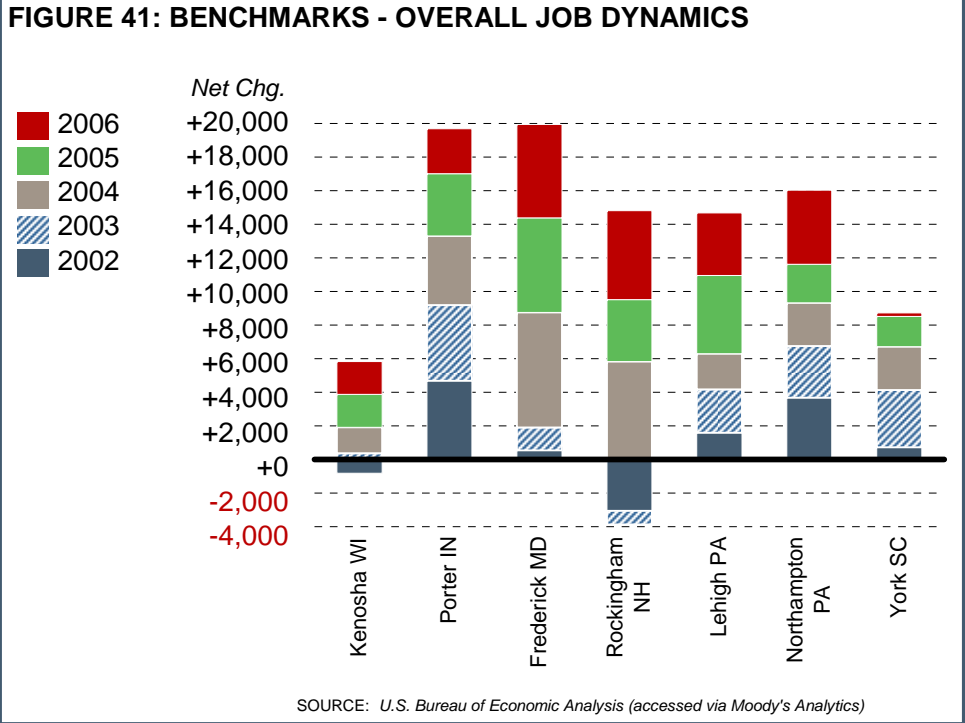
NOTE 1: The block of columns shows the historical range of annual unemployment rates in the county. The dot is the unemployment rate average for each year.

NOTE 2: The average annual unemployment rate for 2008 is based on data through the first 11 months of the year.



In many areas of the country where housing prices spun out of control in recent years, a comparison of sales-price-to-construction-cost shows that median sales prices far exceed average construction values. In most cases especially on the East Coast, this would indicate a potential price bubble. This is certainly what appears to have happened in Washington, D.C., (Frederick County) and in New York/New Jersey (Lehigh and Northampton counties). In Boston (Rockingham County), housing price bubbles have occurred twice in the past three decades. Outside of Chicago (Kenosha and Porter counties) and Charlotte (York County), average new construction prices have held consistently above median sale prices for existing homes.





Kenosha County's overall job creation over the last business cycle has lagged the other benchmark counties in most years. For example, while Porter County gained almost 20,000 net new jobs between 2002 and 2006, Kenosha County added fewer than 6,000 net jobs.



The figure below compares job change among benchmarks in three key sectors: manufacturing, professional services, and healthcare. Kenosha County's recent job losses in the manufacturing sector were relatively moderate compared to some of the benchmarks. Lehigh County's loss of manufacturing jobs was especially severe (-12,000 jobs). However, the county was able to recoup some of those losses by adding about 8,000 jobs in healthcare and professional services. Indeed, Kenosha County's job gains in healthcare and professional services have lagged all of the benchmark counties.

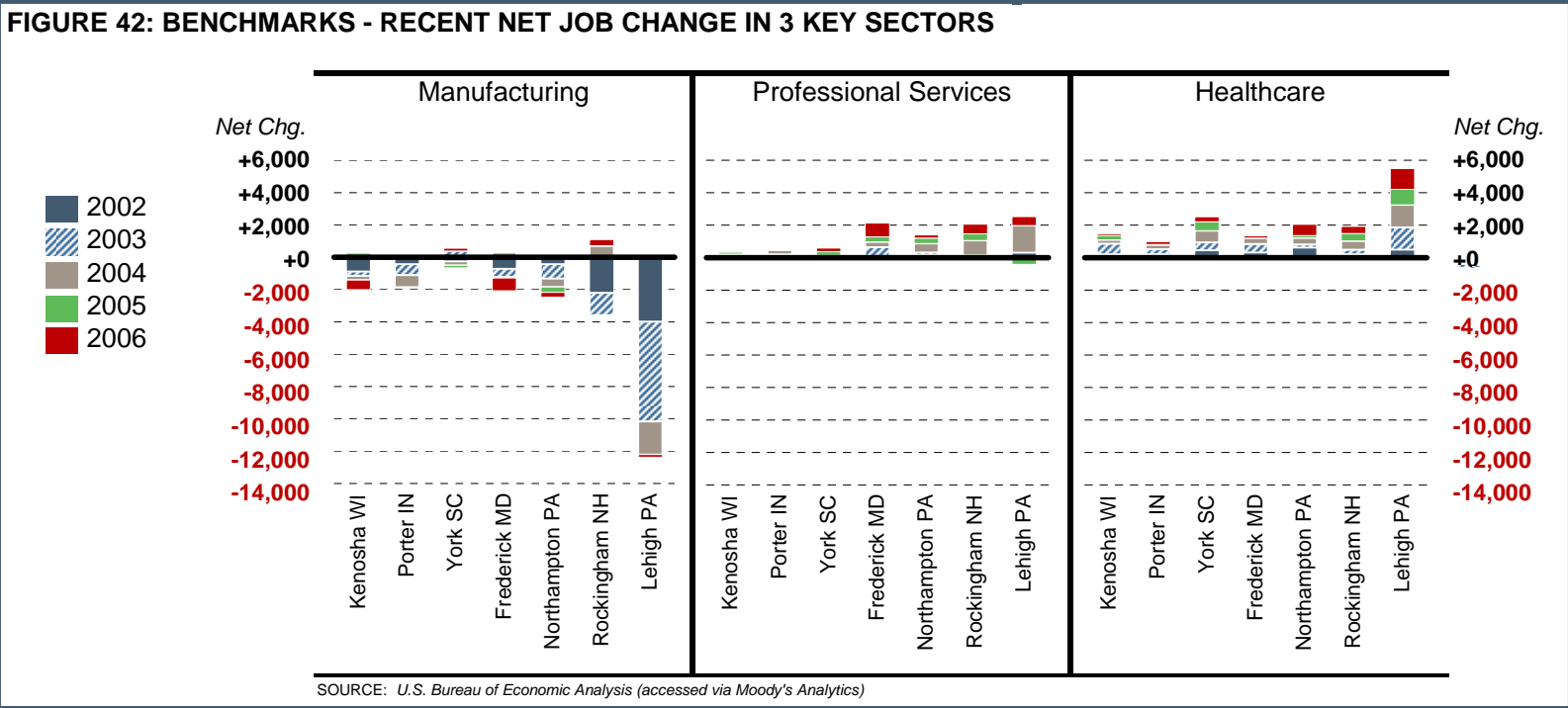
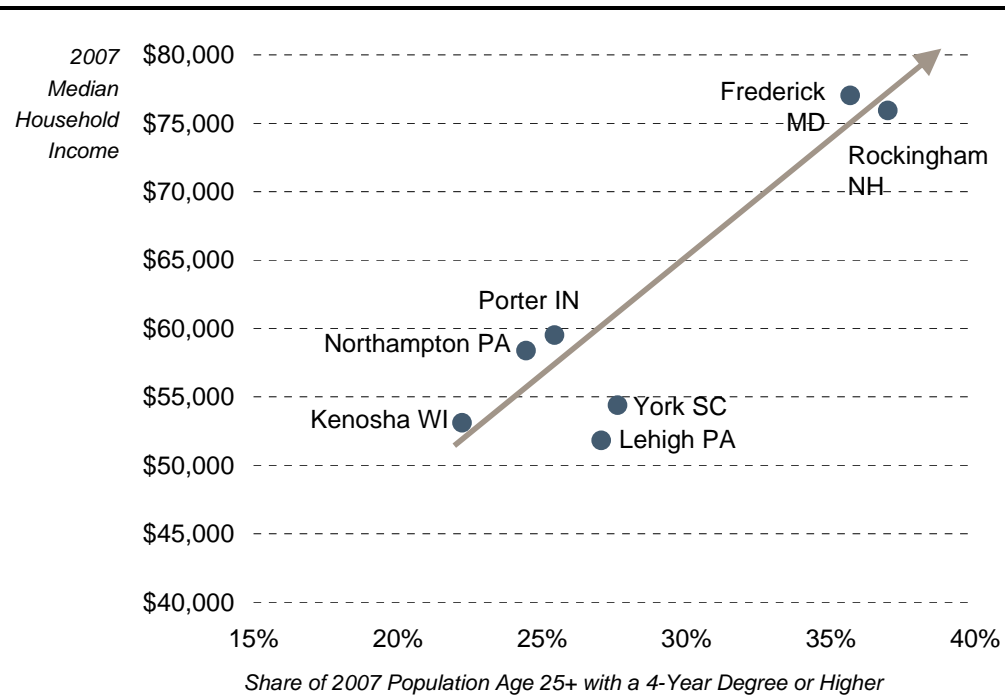


FIGURE 43: BENCHMARKS - EDUCATIONAL ATTAINMENT vs MEDIAN HOUSEHOLD INCOME



SOURCE: U.S. Census Bureau's American Community Survey; U.S. Bureau of Labor Statistics; Moody's Analytics

In most every region of the country, there is a high correlation between income and education. Better-educated workers earn substantially more than less-educated workers. For example, in a 2002 report based on current population surveys, the Census Bureau estimated that U.S. workers with only a high school diploma earned an average of \$25,900 a year, while those with a bachelor's degree earned \$45,400. Moreover, earnings differences have widened among workers with different levels of educational attainment.

The income-education correlation can be seen in Figure 43. Kenosha County ranks last among the six benchmark counties in the share of population with a four-year degree or higher. It also ranks next-to-last in medium household income.

Exhibits such as this underscore the need of every region to aim for higher workforce quality and better preparedness as part of its economic development strategic planning.

