



ON THE HORIZON

Decades of work to transform their economies are beginning to pay off for Racine and Kenosha counties. By Laurie Arendt

This past September, a new day dawned on the Horizon for Racine and Kenosha Counties at the Horizon Center for Transportation Technology at Gateway Technical College. And this newest specialized training center is indicative of the collaborative efforts being put forth to improve the workforce, economy and future for this region of the state.

“The Horizon Center is a project that Gateway provided community leadership in terms of the education and training needs of all three counties we serve,” says Bryan Albrecht, president of Gateway Technical College, or GTC. “The focus was on advancing the automotive and aviation industries, which cut across all community boundaries.”

This isn’t the first time that GTC has worked with business leaders within the community to create a specialized training facility within its system. The technical college also maintains the Center for Advanced Technology and Innovation in Sturtevant and the Center for Bioscience and Information Technology in Kenosha. But there are certain elements that set this latest specialized training center apart.

The latest Center, which is located in Kenosha, is designed to train auto technicians to compete locally and nationally in the changing workplace. The \$3.1-million Center was created in part with sponsorships from local businesses, including Kenosha-based Snap-On tools.

The Horizon Center’s development has been a catalyst for Snap-On, which is using the facility to introduce a new certification to the National Automotive Technical Education Foundation/Automotive Service Excellence, the highest in the industry. Snap-On’s diagnostic training program is new, and some of the technology has yet to be introduced to the industry as a whole.

“This particular Center is unique in that we have businesses that are not only invested in the facility, but are accessing the training services provided by their investment,” says Albrecht. “By providing a center that links secondary, postsecondary and industrial training, we have created a comprehensive vision for life-long learning and skill development.”

“Any time the public sector and the private sector successfully works together – that’s a win-win situation,” says William McReynolds, Racine County executive. “Job training needs to be market driven; we need to look at our local employers’ needs and design our job training around that.”

LOST JOBS NOT RETURNING

McReynolds notes that in the past 10 years, Racine County has lost 5,000 manufacturing jobs.

“Those jobs are not coming back,” he says. “Fifteen years ago, you could graduate from high school and get a job at [J.I.] Case making \$18.20 an hour. That’s not going to happen in today’s market. Our employers need more high-tech job training and that’s our challenge to be responsive and provide those opportunities.”

Allan Kehl, Kenosha County executive, agrees.

“We have to make commitments like these,” he says. “There has to be a willingness on the county and city government level to make these investments and create these partnerships to show that we really want business here.”

The Racine/Kenosha corridor works with its own unique set of challenges and advantages. McReynolds says that a 2004 economic summit discussed the issues with local small- and medium-sized manufacturers.

AT LEFT: Gateway Technical College auto tech student Tony Torcaso works on a car using a Snap-on Modis recently at the Horizon Center for Transportation Technology.

“Several things came up from that summit,” he says. “We have the highest unemployment rate in the state of Wisconsin yet we have a labor shortage. That same issue has been echoed by the Milwaukee 7 – everybody’s saying the same thing – and we’ve realized that we need to figure out this challenge.”

The first step in this hurdle has been cleared: The recognition of a problem.

“There are a number of statistics I could point to, but one that really sticks in my head is from a Racine County Economic Development Corporation study from several years ago,” says McReynolds. “At that time, 42% of males aged 18 to 24 living east of I-94 did not have a high-school diploma. We need to figure out what we can do to change that. It’s not a [Racine] Unified [School] problem – it’s a city problem and a community problem that together we have to solve.”

DEVELOPING A PLAN OF ATTACK

In October, Racine County launched a countywide workforce study to close that gap and provide a skilled workforce for local businesses. The county and a consortium of private industries, including Modine Manufacturing, Twin Disc, Wheaton Franciscan Healthcare and S.C. Johnson, are jointly funding the study’s estimated \$100,000 cost.

“So often these studies provide a grandiose plan, but then they get put on the



Gateway Technical College employee Wes Wojciechowski demonstrates the security system for a Snap-on tool box during an open house and ribbon-cutting ceremony at the Horizon Center for Transportation Technology.

shelf. That’s not our plan,” says McReynolds. “Our strategy is to find goals, both immediate and long-term, to figure out what we can do about this problem.”

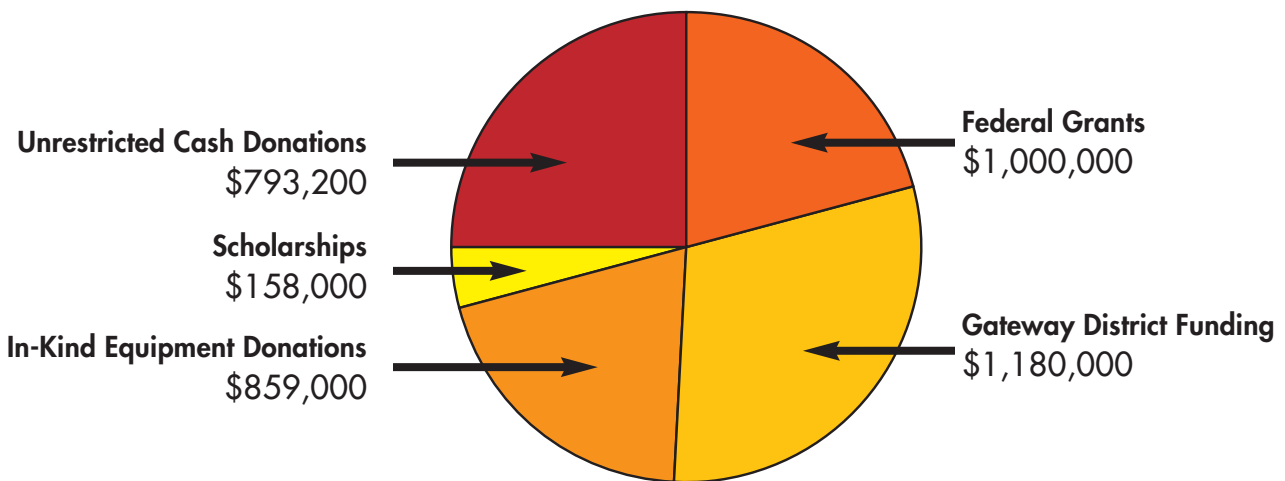
The consultants hired to perform the study are in the interviewing stage, which is expected to last about six months. Local business leaders, educational representatives, elected officials and members of Racine County’s religious and minority communities are providing their input. Data collection and analysis is expected to conclude by April 2008.

“The study is also looking at other areas of the country that have successfully addressed the same issues we’re dealing with,” says McReynolds. “Why reinvent the wheel if the same success can be duplicated here?”

McReynolds believes that the opening of the Horizon Center is part of the immediate response that can and should happen in response to the workforce issue.

“Gateway really has stepped up to address this matter,” he says. “I think part of our long-term response is to work with the local four-

HORIZON CENTER FUNDING SOURCES



year institutions to address the need as well.”

At the same time, McReynolds says the county is being practical about what the results may bring.

“So many times the emphasis is on bringing more industry in – I think that approach makes you lose focus because you need to start by serving the industry you have now,” he says. “We want to come up with solutions that will make our employment base stronger for our current employers first.”

Enhancing and supporting existing industry is also going on in Kenosha County as well. In June, Chrysler Group announced plans to invest \$450 million in its Kenosha Engine plant, which included a \$16.8 million incentive package from the City of Kenosha, Kenosha County, American Transmission Company, We Energies and the State of Wisconsin.

“This retooling investment will allow us to build an entirely new, globally competitive family of V-6 engines,” says Chrysler Group Vice President Powertrain Manufacturing Richard Chow-Wah. “The Chrysler Group Recovery and Transformation Plan is focused on new products, and today’s news supports a long-term commitment to new vehicle components that support consumer demand for refined, economical-to-operate vehicles for many years to come.

“Wisconsin is one of America’s leading manufacturing economies,” notes Governor Jim Doyle. “The \$450 million commitment by Chrysler to our state demonstrates that we continue to attract important investments that provide high-paying jobs for our workforce. This shows what can happen when state and local governments work together to create a business-friendly environment.”

Kenosha County’s Kehl says that the announcement serves as a way for the county to show its commitment to local business.

“Why wouldn’t we want to do this?” he says. “We want to be a partner and the effort that the city and county – as well as the state – shows our willingness and support.”

Retooling for the plant will begin in June 2010. Once the plant is fully operational, it will employ 700 full-time workers.



Don Hutchinson assists Gerry Drudy, an employee of Larsen Bakery in Racine, in getting kringle ready for a customer. Larsen Bakery is owned by Hutchinson's mother Pat. It was purchased by the Hutchinson family from the Larsen family in 1969.

KRINGLE PRODUCTION AT FOUR LONGTIME DANISH BAKERIES IS BIG BUSINESS FOR RACINE

By Barbara Mulhern

It’s 4 a.m. at Larsen Bakery in Racine, and Don Hutchinson is already hard at work.

Hutchinson, who runs the longtime family-owned Danish bakery with his sister, Debbie Jerdee, is checking inventory, assisting with production, and preparing to make an early morning delivery of kringle and other baked goods to a customer.

But while the bakery prides itself on being a full-service retail operation, it’s kringle that has put it and the other three Danish bakeries in Racine on the map.

“We probably sell a couple thousand kringle a week in our retail store, but in November through the Christmas holiday, we average 1,500 to 3,000 a day,” Hutchinson says.

Together with O&H Danish Bakery, Lehmann’s Bakery and Bendtsen’s Bakery, sales of kringle by Racine’s four Danish bakeries during the holiday season easily top 90,000 per week. And while this unique bakery item reaches kringle lovers all over the world, it is also credited with helping to bring millions of dollars into the Racine economy.

“Kringles and Racine are synonymous. We take kringle with us wherever we go to represent Racine at trade shows and tourism meetings. And convention planners always serve kringle at meetings here,” Racine County Convention and Visitors Bureau Executive Director Dave Blank says. Kringle, he adds, has also been a key factor in bringing many large groups to Racine.

“The Women’s State Bowling Tournament in 2002 brought in approximately 12,000 bowlers and \$2.5 million in economic impact. The Harley Owners’ Group Rally earlier this year brought in 3,600 riders and approximately \$1 million in economic impact,” he says.

JUST WHAT IS KRINGLE?

Lest you aren’t a native or resident of Southeastern Wisconsin and aren’t quite sure what kringle is, it’s a flat, oval-shaped, multi-layered pastry brought to Racine by the many Danish immigrant bakers who settled in the western part of the city in the late 1800s. Originally pretzel-shaped and filled with almonds, the oval shape was developed around 1950 after customers requested more filling and less dough in areas of the pastry that overlapped. Over the years, many different fruit, nut, cream cheese and other fillings were introduced to give customers greater variety.

All four longtime Danish bakeries in Racine use kringle recipes handed down from one generation to the next. And while the Danish population in West Racine is significantly less than it was in the past, one thing that hasn't changed is the labor intensive, three day process that goes into making kringle.

"We use very little automation to make our kringle. It is still hand-shaped, hand-folded and hand-filled," Hutchinson says.

At Lehmann's Bakery, where kringle production at this time of year is at 12,000 to 15,000 per week, owner Charlie Palmer-Ball says educating potential customers about kringle is an important goal. "We do tours of preschoolers through sixth grade and bring in other bus tours to show how kringle is made. Our biggest challenge is educating people about this product," he says.

In addition to education on the local level, Racine's four Danish bakeries and their kringle have been featured nationally on the Today Show, the Food Network and the Travel Channel. Kringle also received a major impetus two years ago when the International Dairy Deli Bakery Association "made kringle a category, just like bread," says Mark Gates, a bakery industry consultant from Racine.

"It actually created two categories – one 'Danish kringle' and one 'kringle.' This gave kringle international notoriety," Gates says.

CHANGING WITH THE TIMES

Blank credits O&H Bakery's 38,000-square foot kringle manufacturing facility that opened in 2001 with greatly increasing overall kringle sales. Eric Olesen, a third generation owner/operator who runs O&H with his two brothers, says that the facility has enabled the bakery to "bake over 10,000 kringle per day working at 50 percent capacity compared to 5,000 kringle per day working at 100% capacity."

O&H, which received the 1999 U.S. Small Business Administration Small Business of the Year Award for Wisconsin, sells 5,000 to 8,000 kringle per week at its stores and ships out another 50,000 kringle per week during the month of December. "We have approximately 100 full-time equivalent jobs in our bakery, but without kringle, that number might be around 30," Olesen says.

As the popularity of kringle has grown, the traditional "word of mouth" advertising by Racine's four Danish bakeries has been supplemented by other marketing and sales efforts. Among these are mail order sales, Internet-generated sales, fundraisers, and even "kringle of the month" clubs – the latter described by Bendtsen's Bakery as "a fresh featured flavor kringle delivered to you (or a lucky gift recipient) every single month of the year."

When Palmer-Ball purchased Lehmann's Bakery 10 years ago, he says he "didn't want to be in retail, so I decided to work mail order more and heavily pursue wholesale customers." The bakery has some large chain store customers that have "allowed us to grow comfortably. We do direct store deliveries by truck to their locations in the Midwest, and seasonally, do a lot of business with their distributors across the country. Probably 70% of our business is wholesale," Palmer-Ball says.

Larsen Bakery, which focuses predominantly on the local area, is now actively exploring having individuals market and distribute kringle nationwide. Much of the bakery's local business comes from fundraisers by churches, schools and other organizations that may place orders for thousands of kringles at a time.

At O&H, Olesen says that as mail order sales grow, he foresees the percentage of kringle orders received over the Internet growing at a faster rate. "After quality, our customers want convenience and easy access to our kringle," he says. O&H has customers who ship its kringle all over the world to their own customers. The bakery has also had a lot of success among its corporate customers with its Kringle-of-the-Month Club.

Will kringle's continuing notoriety in locations far away from Racine have a negative impact on local sales of this unique bakery item? Hutchinson doesn't think so.

"It's like New York bagels," he says. "You can get bagels anywhere, but there's nothing like going to New York and getting a really good bagel."

MOMENTUM IS BUILDING

Overall, both Racine's McReynolds and Kenosha's Kehl say that recent developments are just the start of a positive trend for their area.

"Racine County has been 'found' – people are now discovering what a great buy Racine is," says McReynolds. "Traditionally, Kenosha has really benefited from being close to Chicago and the cost of land and developments in the south suburbs of Milwaukee has increased due to their proximity. We're right in between; I like to think we're the epicenter."

He cites the two recently established TIF districts in Mount Pleasant and the way in which Yorkville is promoting its land and development opportunities as positive examples of progress in the county.

"Even our far western communities are strong right now," he says.

The City of Racine is also experiencing some interest in upscale residential development. Waukesha-based Keybridge Development Group recently announced plans to build PointBlue, a \$185 million development that will include 434 condominiums, 90 apartments, boat storage and commercial space on a 20-acre site. A second proposal for a 134-unit condominium development downtown from Kenosha-based developer Robert Watring is in the works.

To the south, Kenosha County is undergoing a residential and commercial boom, thanks in part to its proximity to Chicago. A new 364,677-square foot retail development, anchored by Target and J.C. Penney, is set for Pleasant Prairie and a 700,000-square foot upscale shopping center is scheduled for construction in the I-94 corridor near Highway 50.

From an infrastructure standpoint, Kehl says that countywide wireless is likely to be on line within the next few years and the region is still discussing the concept of a commuter rail system that will link the Kenosha-Racine-Milwaukee (KRM) Corridor.

"What we've seen this year is just the tip of the iceberg for us," says Kehl. "We have so many projects on line that haven't even come forward yet." □