



To illustrate the economic history of Racine County would be a fairly simple task: Simply envision the blue-collar workforce that fueled its many large-scale, industrial enterprises.

As for Racine County's future? The illustration is even simpler. It's found in the hands and ideas of entrepreneurs like Pradeep Jain.

As president of ictect, a new information technology firm, Jain travels from his Wind Lake home each day to Gateway Technical College's Business and Incubation Growth Program at the Center for Advanced Technology and Innovation, or CATI, in Sturtevant as he gets his new business off the ground.

"What I needed to help start my business was actually right here in front of me," says Jain, who has 15 years of experience managing information technology for mid- to large-sized companies. "When you're in the entrepreneurial stage, you need a lot of different advisors. When I went to CATI, I found real help and a number of resources."

CATI is a non-profit, collaborative effort between academia, workforce development and economic development entities in the Racine County area. Other recent 2008 collaborations have included alliances with International Specialty Products, a producer of food technologies, and Alliance Enterprises LLC, a Racine-based company pursuing the production of low-cholesterol dairy products.

In Jain's case, he's been collaborating with Gateway Technical College to get his business off the ground, and this past July, Gateway obtained an exploratory grant in partnership with ictect that focused on promoting IT "modeling and architecture" skills.

"We know that IT drives industry, and it's an important component of the Milwaukee 7 Initiative," says Therese Fellner, director of business development for Gateway Technical College. "Pradeep really gets that concept, and it's a collaboration that we are pleased to be a part of."

Jain's startup uses a patented technology method and system that automates construction of textual documents. These documents are used in the design and implementation of technology solutions for managing information life cycles.

Since joining CATI in July, this small startup has hit the ground running. Ictect has already received a contract from the United States Air Force, and will be licensing its intellectual property to the Air Force Department of Publishing Office for use in streamlining the branch's Web document publishing.

"We've also looked at the economic impact data for ictect," adds Fellner. "Since July ictect's monthly wages have increased tenfold, and the company's gross revenue has increased 300%. Pradeep has also added four professional employees, with wages in the range of \$80,000 to \$100,000."

Above: CG Schmidt, Inc. of Milwaukee will provide construction management services for Uline's new corporate headquarters and distribution center in Pleasant Prairie. Design firm Eppstein Uhen Architects of Milwaukee designed the facilities.

LOCATION, LOCATION, LOCATION

Racine and Kenosha counties are taking advantage of their proximity to the Illinois border and strong infrastructure while landing new development.

By Laurie Arendt

MUCH MORE DEVELOPMENT

Jain is far from a single bright spot in the county's continued development. According to Jenny Trick, deputy director of the Racine County Economic Development Corp, economic development is occurring throughout the entire county.

"The west end of the county is very strong right now," she says. "If you look at the city of Burlington, they've done a great job of transforming their riverfront and encouraging redevelopment. The city has undergone an amazing transformation and has had the moxy to pursue even more development."

Burlington has started the process of annexation of an additional 100 or so acres for its industrial park for a very positive reason: The Park will soon be out of developable land.

"Most recently, the city of Burlington completed the sale of land in its industrial park to RexConn, and the company will be moving to Burlington from Milwaukee," says Trick as an example of some of the development going on in western Racine County.

RexConn is currently based on Milwaukee's northwest side, and is expected

to move both its company headquarters and a factory facility to the 26-acre parcel in Burlington Manufacturing & Office Park sometime in 2009.

But it's not just Burlington that's picking up development steam.

"Union Grove is riding on Burlington's coattails, which is a positive development," says Trick. "Union Grove is in the same mode as Burlington was about 10 years ago."

Located five miles west of I-94, Union Grove recently completed a public works project to upgrade and streetscape its Main Street.

"They've also created their first TIF district to encourage growth," says Trick.

MT. PLEASANT COMING ALIVE

Another area that's been in a holding pattern due to lack of public water and sanitary services is now full-steam ahead is Mt. Pleasant.

"It's been on every developer and brokers' radar, and it's now ripe for development," says Trick.

One of the developers that has moved ahead in Mt. Pleasant is Chicago-based HSA Commercial Real Estate, which broke ground

in November on two industrial facilities with a total square footage of 565,200-sq.-ft. in the new 90-acre Park 94, located along I-94.

"HSA has really hit the ground running in Mt. Pleasant and we have a wonderful relationship with them," says Trick. "What's unique about this development is that there is no end party. This is spec development."

When completed, these facilities will include one of the first LEED-certified warehouses in the region, and will constitute the first phase of the business park, which is expected to include seven or more buildings. The first construction phase is slated for completion at the end of 2008.

Another spec property along the same lines is under construction in the GrandView Business Park by CenterPoint Properties/RFP Commercial. The 154,000-sq.-ft. building is slated as a multi-tenant, distribution warehouse facility.

"We see both developments as important for Racine County's future," says Trick. "We're a county with a number of assets, from infrastructure and accessibility to an overall lower cost of living and doing business. We still have a lot of skilled labor here and, just as impor-

tantly, businesses can draw on a much larger employment base, from Oak Creek and Franklin to the north and even down into Lake County to the south.”

Trick estimates that the cost of living in Racine County is, on average, 25% less than in the greater Chicago area and the cost of doing business is about 10% less.

“We also have available buildings and available land, which is not always easy to find,” she says. “In Chicago, space is sold by the square foot. Here in Racine County, we still sell space by the acre.”

LANDING ONE FROM ILLINOIS

That comparison with Chicago isn’t lost on those looking to Kenosha County from across the state line, either. In 2008, leading, international packing supply company Uline

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announced plans to relocate its corporate headquarters and distribution center from Waukegan, Illinois, to a 200-acre campus in Pleasant Prairie.

Preliminary plans are to build 418,000-sq.-ft. of office space and 1.8 million-sq.-ft. of warehouse/distribution space in two phases. The first phase is proposed to include 218,000-sq.-ft. of office space and slightly more than 1 million-sq.-ft. of distribution space.

Construction of the corporate offices began this summer and is expected to be completed during the spring of 2010. Initially, nearly 650 employees are expected to occupy the headquarters. Construction of the first phase of distribution space is expected to be complete by the end of 2009.

Upon completion, the distribution center is expected to run 24 hours per day, seven days per week. Initially 200 employees will work from the Pleasant Prairie distribution center. Completion of all phases for the Uline campus is expected in 2015.

“The village of Pleasant Prairie and our entire county is excited to welcome a company like Uline into the community,” says Todd Battle, president of the Kenosha Area Business Alliance. “This is a significant project that will have a tremendously positive impact on the community and its development.”

Uline’s campus is part of the Lakeview Corporate Park, a CenterPoint-Wispark

development located one mile north of the Wisconsin-Illinois border. The park was first established in 1988, and has since grown to include 75 companies employing more than 8,500 people working in more than 9 million-sq.-ft. of development on 949 acres of land.

“A project of this magnitude was eligible for, and will receive, some incentives from state and local economic development programs, but there were numerous other factors that drove the location decision,” he says, noting that typical incentives include public assistance with infrastructure, low-cost financing programs and tax credits.

Representatives of Uline did not respond to an interview request for this story.

“Uline’s announcement that they will construct a new corporate headquarters facility in Pleasant Prairie is also the culmination

of years’ worth of work by the Village, Wispark and the community at large to improve the area’s business climate and image,” notes Battle. “The Village created a Community Development Authority years ago and spent considerable time and energy to set the stage for this type of development, by acquiring land in and around this intersection [I-94 and STH 165] and working hard to extend infrastructure, put appropriate zoning in place and establish development standards.”

Battle says that there are a number of advantages to locating – or relocating, in the

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—Jim Kreuser, Kenosha County Executive

case of Uline – to Pleasant Prairie, including a prime land site and a collaborative, pro-business approach from a number of entities, ranging from CenterPoint-Wispark and the Village of Pleasant Prairie to KABA and even the State of Wisconsin.

A 20-YEAR TREND

“Kenosha County has been a viable location for corporate re-locations from Illinois, or anywhere for that matter, for the better part of 20 years,” he says. “The community, in

partnership with Wispark-Wisconsin Energy Corp., developed two first-class business industrial parks: Lakeview Corporate Park and Business Park of Kenosha. They’ve worked extremely hard to market those opportunities to the outside world while also working to improve the area’s business climate and maintain its core infrastructure.”

In addition, he points to the significant efforts of the late 1980s and early 1990s to diversify Kenosha’s economic base overall in response to auto plant closures.

“Those efforts also led to the creation of a significant revolving loan fund program, which today is used to structure attractive financing terms to assist companies with expansions and relocations,” he says.

This broad approach continues to garner new interest in Kenosha County each year. In May, Affiliated Foods Midwest (AFM) a Norfolk, Nebraska-based member-owned, member-governed cooperative of independent grocers broke ground on a 730,000-sq.-ft. Midwest distribution center that represents an \$80-million capital investment. When completed, the facility will employ around 300 people.

Another company that chose Kenosha for a Midwestern office and distribution center is Michigan-based Gordon Food Service, which in June broke ground on a 587,000-sq.-ft. facility east of I-94 and south of 38th Street in Kenosha.

“We are excited about this expansion to our distribution network and creating a physical presence in Kenosha,” says Gordon Food Service President Jim Gordon. “We chose Kenosha because of the attractive business cli-

mate, the opportunity to further our geographic growth, and the proximity to our many loyal customers in Wisconsin and the greater Chicago area.”

Upon completion in spring 2010, the facility will employ more than 300 employees, most of whom will be from Wisconsin. The Kenosha facility will be the company’s tenth distribution center in the United States and its first in Wisconsin.

“Overall, the entire county is doing very well in terms of economic development,”

agrees Kenosha County Executive Jim Kreuser. “The ingress and egress of Kenosha County provides the perfect geographic location for distribution firms, and we’re finding that more and more of those companies are interested in us.”

MAINTAINING A DIVERSIFIED ECONOMY

However, he’s also quick to add that Kenosha County wants to maintain a solid business balance.

“We have a number of world headquarters located here – Snap-On Tools and Jockey International, as examples – along with distribution centers and other types of businesses,” he says. “I like to think of it more as a ‘bouquet of opportunity’ than specifically trying to encourage one specific type of development over another.”

Though a lot of the focus is on Kenosha County’s geographic location, that’s not all that’s fueling the interest from new businesses.

“Kenosha is the largest small town in Wisconsin,” says Kreuser. “It’s really true; we offer quality education, ethic culture, a sense of local identity, and a good quality of life. We’re proactive about problem issues, and crime isn’t even on the radar here like it is in other areas.”

“One significant advantage that Kenosha offers firms that consider locating here is our labor force,” adds Battle. “Kenosha County’s labor force is about 85,000; however, 30 to 40,000 of Kenosha County’s residents work outside of the county.”

That’s not unusual, considering the county’s proximity to larger metro areas and the overall ease of commuting with a major interstate and congestion-free arterial highways.

“However, most people would prefer to work closer to home if they had the opportunity to do so. Companies that locate here are taking advantage of this and are able to find an abundant pool of workers that would rather work closer to home.”

As for Kenosha’s proximity to the Wisconsin-Illinois border, Battle says that Kenosha – and Wisconsin – provides some serious competition to its neighbor to the south.

“While Wisconsin attracts its share of criticism for being less than friendly to business interests, everything is relative and Illinois doesn’t exactly have a stellar reputation in this regard either,” he says. “With Wisconsin’s move to single sales factor apportionment of the corporate income tax – the playing field has become a lot more level.” **CRW**