

OVERALL ECONOMIC DEVELOPMENT PROGRAM PLAN

CITY OF SOUTH MILWAUKEE MILWAUKEE COUNTY WISCONSIN

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MEMORANDUM REPORT NUMBER 30

**CITY OF SOUTH MILWAUKEE OVERALL ECONOMIC
DEVELOPMENT PROGRAM PLAN**

MILWAUKEE COUNTY, WISCONSIN

Prepared by the

**Southeastern Wisconsin Regional Planning Commission
P. O. Box 1607
Old Courthouse
916 N. East Avenue
Waukesha, Wisconsin 53187-1607**

March 1988

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Outside Region \$5.00**

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SOUTHEASTERN WISCONSIN REGIONAL PLANNING COMMISSION

916 N. EAST AVENUE

P.O. BOX 1607

WAUKESHA, WISCONSIN 53187-1607

TELEPHONE (414) 547-6721

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March 11, 1988

Mayor and Members of the Common Council
of the City of South Milwaukee
City Hall
2424 15th Avenue
South Milwaukee, Wisconsin 53172

Dear Mayor and Members of the Common Council:

The Southeastern Wisconsin Regional Planning Commission is pleased to provide to you herewith a report documenting an overall economic development program for the City of South Milwaukee. This program was prepared in response to a request of the South Milwaukee Common Council made on September 9, 1985.

The program proposed in this report is based in part on the material compiled in a companion document entitled, "City of South Milwaukee Economic Development Fact Book." The fact book consists of a compilation of pertinent data on the natural resource base and physical characteristics of the City of South Milwaukee and its environs, as well as on the characteristics of the resident population, labor force, and economy of the City. In this document, the potential for, and constraints on, economic development in the City are identified. Recognizing those potentials and constraints, the program herein proposed provides a development strategy that can help guide and coordinate the efforts of local individuals and organizations concerned with the economic development of the City; that can facilitate the creation of employment opportunities; and that can foster a more stable and diversified city economy.

The Commission was materially assisted in the preparation of this economic development program plan by the South Milwaukee Area Resource Team. That Team, which includes representatives from a wide variety of public and private sector interests in the City, contributed substantially to the development of the program, and its efforts are very much appreciated.

The Regional Planning Commission is pleased to have been of assistance to the City in this effort. The Commission stands ready to assist the City in carrying out the program proposed in this report.

Sincerely,



Kurt W. Bauer
Executive Director

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CITY OF SOUTH MILWAUKEE OVERALL
ECONOMIC DEVELOPMENT PROGRAM PLAN

SUMMARY

SUMMARY OF SECTION I - INTRODUCTION

Background

In September 1986, the Southeastern Wisconsin Regional Planning Commission (SEWRPC), acting in response to a request from the City of South Milwaukee, undertook the preparation of an overall economic development program (OEDP) plan for the City. An economic development program plan is the initial stage of an ongoing local economic development process that: 1) inventories the City's economic resources, 2) assesses the City's economic strengths and weaknesses, 3) develops a program of projects and activities designed to capitalize on the City's strengths and eliminate or minimize the weaknesses, 4) implements the recommended projects and activities, and 5) periodically evaluates the results of the economic development program in order to improve the program's effectiveness.

Overall Purpose of the City Economic Development Program Plan

The overall purpose of the city economic development program plan is to develop, as part of a continuing economic development program, a document that will:

1. Collect and analyze appropriate economic development data in order to help identify the need for various economic development program activities in South Milwaukee.
2. Help to develop a consensus among public and private individuals and organizations in the City concerning the constraints on, and potentials for, economic development in the City.
3. Identify specific economic development program activities designed to improve economic conditions in the City.

The Commission staff was greatly assisted in the conduct of this study by the South Milwaukee Area Resource Team (SMART). The Committee consisted of 13 persons representing a variety of economic development-related interests in the City, and was appointed by the City Council. The membership of the Committee is shown in Figure S-1.

Sections of This Report

The findings and recommendations of the economic development program planning process are reflected in this report and include the following:

1. Introduction

This section provides basic background information on the economic development program planning study and on the specific elements of the

Figure S-1

MEMBERSHIP OF THE SOUTH MILWAUKEE AREA
RESOURCE TEAM (SMART)

<u>Name</u>	<u>Representation</u>
Blaine Schultz, Chairperson	Large Businesses, Retired Engineering Manager
John Bosbous	Becor-Western Corporation
Fritz Dinesen	South Milwaukee Chamber of Commerce
Steve Fenno	Retail Trade Industry-- Small Business
Margaret Fischer	Citizen Representative, Small Business
Chester W. Grobschmidt	Mayor, City of South Milwaukee
Gert Hartfeldt	Industrial Sector
John Jaeger	Financial Institutions
Richard Neuman	Milwaukee Area Technical College
Robert V. Nolan (Former Chairperson)	Professions--Small Business
Dorothy A. Stark	Citizen Representative
Donald Stoddard	South Milwaukee School District
Ann H. Ward	Staff Person for Congressman Gerald D. Kleczka

program, and identifies the members of the study's Citizens' Advisory Committee.

2. Description of the Current State of the City Economy

This section is intended to provide summary data on the current condition of the city economy relative to the regional, state, and national economies.

3. Historical Assessment of Economic Development Activities in the City

This section identifies the existing economic development-related organizations in the City and reviews the current economic development activities conducted by these organizations.

4. Economic Development Potentials and Constraints

This section describes the economic development potentials and constraints in the City. Economic development potentials are defined as those factors that give the City certain competitive advantages in attracting and sustaining economic development. Economic development constraints are defined as those factors that act to restrict the expansion of the city economy, and therefore the expansion of employment opportunities.

5. Economic Development Program

This section identifies a specific economic development program that can be adopted and pursued by the City. As such, this section presents: 1) overall goals for the economic development program; 2) specific criteria to guide the development and operation of the city economic development program; 3) recommended economic development objectives and activities flowing from the broader goals for such a program; 4) the actions required to implement the recommended economic development program; and 5) monitoring criteria for measuring the success of the various economic development program activities over time.

SUMMARY OF SECTION II - ECONOMIC CONDITIONS IN THE CITY

Overall, the most important conclusion that can be drawn from the selected economic indicators presented herein is that the economy of the City of South Milwaukee is undergoing a period of rapid change. A number of the economic indicators--the lower estimated unemployment rates, and the high percentage of persons with a high school education--show that the city economy is still in relatively good condition. However, a number of other indicators for the City, Milwaukee County, the State, and the Nation show that the City economy may be expected to continue to experience change.

Specifically, the population decline in the City, as well as the smaller relative percentage of persons in the 25- to 44-year age category, should be of concern to city officials, development organizations, and citizens interested in the economic development of the City. The large number of city residents employed throughout Milwaukee County results in a dependence on county, as well as local, economic conditions. Economic conditions in the County are

being affected by a number of changes, including a shift from manufacturing industry employment to service industry employment, a change from a local and national economy to a global economy, technological change, changing consumer values, and the restructuring of American corporations. The dependence of the city and county economies on the manufacturing industry makes these changes of particular importance to the local economy.

A comprehensive local economic development program could help to preserve and perhaps strengthen the economic condition of the City. Through the implementation of local economic development activities that take advantage of local resources, economic development organizations can help to minimize the effects of negative national, state, and regional economic trends.

SUMMARY OF SECTION III - REVIEW OF HISTORICAL ECONOMIC DEVELOPMENT ACTIVITIES

The historical assessment of recent economic development activities in the City indicates that the City has taken a number of positive steps to improve the local economy. The City, through the office of the Mayor, has taken an active role in leading and coordinating local economic development activities. Business persons interested in locating a new business or expanding an existing business often need to contact the City for the appropriate state and local permits. The active participation of the City in local economic development helps to ensure that these projects are successfully implemented.

The membership of the South Milwaukee Association of Commerce is growing, and the Association is once again taking an active role as an advocate for business interests in the City. The South Milwaukee Area Resource Team (SMART), the city economic development advisory committee, has representation of both the public and private sector interests in the community, thereby providing a second forum for the discussion of economic development issues affecting the City, and the development of policy recommendations to the City Council. Milwaukee County is actively pursuing economic development activities through the recently established economic development program and staff.

Finally, the City and local development organizations have successfully undertaken a number of activities that have a direct impact on the economy of the City. The business and industry retention surveys have developed an important data and information base on the problems and concerns of local employers, as well as exhibiting to the local business community that the City and local development organizations are concerned about the local economy. The sanitary sewerage system improvements resulted in the lifting of the state-imposed moratorium on sewer extensions, thereby enabling new development to occur in the City. The successful business fairs sponsored by the Association of Commerce provide business persons and the overall community with an opportunity to be more aware of local products and services. Finally, the Education for Employment program sponsored by the South Milwaukee School District addressing the problems attendant to the transition of students from the educational environment to the work environment addresses the employment training component of local economic development.

While a number of important economic development activities have been undertaken and continue to be undertaken in the City, the community faces a number

of specific problem areas relative to a local economic development program. First, there is limited city staff available to implement economic development activities. The Mayor's role as an elected public official with an array of responsibilities, as well as the existing responsibilities of the city staff, would limit an expanded local economic development program. The SMART organizational structure is like that of a committee of the City Council. While this structure may have been adequate to date, communities throughout the Region have, in many cases, provided a more formal and independent organizational structure to pursue economic development. Organizational structures for economic development in the Region include private nonprofit or for-profit development corporations and community development authorities. Once more, SMART does not have a specific annual work program of economic development activities designed to address the needs of the local economy.

The economic development activities that are currently underway in the City surpass those of many other communities in the Southeastern Wisconsin Region. However, the activities may not be sufficient given the intense competition for economic development by local governments, as well as the changes that can be expected to continue to occur in the local economy. More specifically, many of the activities are reactive rather than proactive. The City and local development organizations should consider the implementation of activities that have a direct impact on job creation. Examples of such activities in other communities in the Region include: an aggressive industry attraction program, the development of a small business incubator building, the establishment of a revolving business loan fund, and export assistance programs.

The need to expand the economic development efforts in the City is evidenced by the results of the Wisconsin Bell industry retention survey. A total of only three respondents, or 15 percent, indicated that local municipal efforts to improve the local economy were either excellent or good, while 45 percent of the respondents statewide indicated this response. Similarly, 26 percent of the respondents to the survey of service and commercial establishments felt that local economic development efforts were either excellent or above average.

SUMMARY OF SECTION IV - ECONOMIC DEVELOPMENT POTENTIALS AND CONSTRAINTS

This section of the report indicates that there are three overall economic development potentials in the City of South Milwaukee. These potentials are 1) the recent economic development activities in the City, 2) the retention and expansion of the City's existing industrial base, and 3) the retention and expansion of the City's retail trade and service industry base. City economic development activities should seek to further these potentials. In addition to the economic development potentials, this section identifies a number of economic development constraints. The economic development constraints, as they relate to the potentials, are shown in Figure S-2. The elimination of these constraints should represent the focus of future economic development activities in the City.

The next section of this report represents the recommended city economic development program. Such a program sets forth the overall goals, objectives, and activities necessary to improve economic conditions in the City.

Figure S-2

ECONOMIC DEVELOPMENT POTENTIALS AND CONSTRAINTS
IN THE CITY OF SOUTH MILWAUKEE

Potential One: Recent Economic Development Activities in the City

Constraints Related to Potential One--

1. Lack of local economic development staff availability.
2. Lack of a formal organizational structure for SMART.
3. Lack of direct job-generating activities.
4. Poor perception of local economic development activities.
5. Lack of membership by industrial firms in the South Milwaukee Association of Commerce.
6. Limited use of federal community development block grant funds for economic development.
7. The need for additional information to business prospects.
8. Lack of utilization of available economic development staff assistance.
9. Lack of participation in regional and statewide economic development efforts.

Potential Two: Retention and Expansion of the City's Existing Industrial Base

Constraints Related to Potential Two--

1. Lack of industrial business starts.
2. Local impact of changing economic conditions.
3. Lack of firms selling products to the government.
4. Lack of building expansion plans.
5. Firms planning to relocate.
6. Efforts by other states to relocate local employers.
7. Cash flow problems at existing firms.
8. Poor perception of the City as a place to operate a business.
9. Dissatisfaction with stormwater drainage and sanitary sewer services.
10. Lack of availability of industrial land.
11. Lack of small vacant industrial buildings.

Potential Three: Retention and Expansion of the City's Retail Trade and Service Industry Base

Constraints Related to Potential Three--

1. The need to redevelop the central business district.
2. Problems in securing business financing.
3. Employee-related problems.
4. Poor outlook regarding future business.
5. Competition between retail trade and service industry establishments in the Milwaukee metropolitan area.
6. Low wages paid to retail trade and service industry workers.
7. Competition between the central business district and local shopping centers.
8. Lack of a local identity.
9. Availability and high cost of advertising.

SUMMARY OF SECTION V - ECONOMIC DEVELOPMENT PROGRAM PLAN

Overall Economic Development Goals in the City of South Milwaukee

An economic development program in the City of South Milwaukee will be successful only if the program has clear long-term goals that can guide the development and implementation of the program. A statement of such goals should reflect the type of economic development program that is desired in the City, and to which specific economic development program objectives and activities can be related. Only in this way can an effective economic development program be formulated for the City and, importantly, its effectiveness over time measured.

The following have been identified by SMART as the overall goals of the city economic development program:

1. To maintain a formal organization to lead, guide, and coordinate the efforts of citizens and organizations concerned with the economic development of the City. The membership of the organization should include individuals from both the public and private sectors who are residents of, or operators of businesses in, South Milwaukee.
2. To help retain existing employment opportunities and to provide for the expansion of existing employment opportunities in the City by helping to meet the needs of existing employers in all business sectors.
3. To help create new employment opportunities through the attraction of new employers to the community.
4. To assist in creating new employment opportunities by providing assistance to persons interested in developing new, or expanding existing, small businesses in the City.
5. To develop and maintain a physical, cultural, educational, and recreational environment in the City that is conducive to business development. The persons responsible for the implementation of the economic development program should work with the City government in identifying cost-effective alternatives for the rehabilitation of community facilities and services that are in need of repair, as well as the identification of necessary new community facilities and services.

Criteria to Guide the City's Economic Development Program

The city economic development program is envisioned as an ongoing effort to improve the local economy. In order to provide guidance to the persons responsible for implementing the program in its initial, as well as ongoing, selection of objectives and activities, SMART has identified the following decision-making criteria:

1. Nature of Program Activities. The city economic development program should be an action-oriented program that has an impact on job creation and/or retention.

2. Financial Support. Initial financial support for the economic development program should be provided by the City of South Milwaukee. Sole support by the City at such funding levels as may be determined by the Common Council would be limited to the first two years of the program. Thereafter, for every three dollars of city funding, SMART should provide at least one dollar of private sector funding.
3. Number of Economic Development Activities. The City's economic development program activities should be limited to those with the greatest potential for creating and/or retaining jobs in the community.
4. South Milwaukee Association of Commerce. The City's economic development program should recognize the South Milwaukee Association of Commerce as an important partner in improving the local economy and seek to coordinate the development and implementation of economic development activities with the Association.
5. Economic Development Program Staff. A number of existing economic development-related organizations, agencies, and programs are capable of providing staff support to assist in the implementation of the city economic development program. These organizations include: the South-eastern Wisconsin Regional Planning Commission; the Milwaukee County economic development program; the University of Wisconsin-Extension; the Milwaukee Area Technical College; and the South Milwaukee School District. In addition, economic development staff assistance is available from the Wisconsin Electric Power Company, Forward Wisconsin, Inc., the Wisconsin Department of Development, and Wisconsin Bell, an Ameritech Company. The economic development program should utilize the staffs of these economic development organizations in carrying out the program activities.
6. Orientation of the Economic Development Program. The vitality of the economy of the City is dependent upon the growth and development of all sectors of that economy. Therefore, the city economic development program should include projects and activities that address problems and issues facing the commercial and service sectors of the local economy, as well as the industrial sectors of that economy.
7. Program Responsibility. The primary responsibility for the city economic development program rests with SMART in coordination with the Mayor as the lead economic development representative of the City.

CITY OF SOUTH MILWAUKEE ECONOMIC DEVELOPMENT PROGRAM: OBJECTIVES AND ACTIVITIES

This section presents the specific objectives that should be pursued, at least initially, and activities that should be undertaken to enable the City to accomplish its economic development goals. In this regard, the objectives and activities are intended to address, and to overcome to the extent practicable, the economic development constraints identified in Section IV of this report.

The recommended objectives and activities are shown in Figures S-3 through S-7, and are categorized by the following five major functional economic development areas: 1) organizational development activities, 2) business retention activities, 3) business attraction activities, 4) small business development activities, and 5) the development of community facilities and services. The estimated overall cost of the program in 1988 is \$25,000.

Major and Minor Economic Development Activities

The recommended city economic development program activities can be classified into major and minor activities. Major activities are defined as activities that are expected to require a relatively large investment of community effort, time, and cost. In addition, the need to implement the major activities is a result of unique economic development needs in the City. The major activities include: 1) the industrial incubator study, 2) the service industry incubator study (to be implemented in 1989), and 3) the business district redevelopment study. It is the successful implementation of these major activities that will, in large part, determine the initial success of the City economic development program.

The remaining economic development program activities are described as minor activities in that they are expected to require substantially less effort. While a number of these activities result from specific economic development needs in the City, these activities represent the program components that are usually a part of a community's local economic development program.

Overall Cost of the Economic Development Program

The actual total cost of the initial two-year city economic development program cannot be accurately estimated at this time because of the need to request proposals from private consultants for a number of activities. In addition, it is anticipated that a number of program activities will be implemented by the existing city staff, as well as through the services of the staffs of the economic development agencies and organizations identified in this section of the report, thereby reducing the overall cost of the two-year program.

While the overall costs of the program cannot be precisely estimated at this time, a total of \$25,000 should be provided by the City for operation of the program during 1988. This funding may be assumed to be distributed proportionately among the recommended 1988 economic development activities. For those cases where the actual costs, based upon consultant responses to request for proposals or more detailed cost estimates, exceed the available funding, it is recommended that SMART seek private sector financing for these activities.

Monitoring Criteria for Measuring the Success of the South Milwaukee Economic Development Program

In order to determine the success of the city economic development program in addressing the community economic development problems, the program described in this section must be monitored and evaluated with regard to:

1. The effectiveness of the activities in attaining the city economic development goals and objectives;

Figure S-3

SOUTH MILWAUKEE ECONOMIC DEVELOPMENT PROGRAM
ORGANIZATIONAL DEVELOPMENT ACTIVITIES

Objectives and Activities	Responsibility	Estimated Cost
<u>Objective 1</u> To establish SMART as the organization that will lead, guide, and coordinate the efforts of citizens and organizations concerned with economic development.		
<u>Activity One</u> --Designation of the SMART as the City's lead economic development committee.	City Council	--
<u>Activity Two</u> --SMART should annually request the assistance of area economic development organizations in the implementation of the City's economic development program.	SMART	--
<u>Activity Three</u> --SMART should convene a meeting of areawide economic development organizations to inform them of the elements of the economic development program.	SMART	--
<u>Activity Four</u> --Provide the SMART with a 1988 budget of \$25,000 to carry out the economic development program.	City Council	
<u>Activity Five</u> --Examine existing city staff responsibilities and determine the potential for allocating additional city staff time for economic development activities.	Mayor and City staff	--

Figure S-4

SOUTH MILWAUKEE ECONOMIC DEVELOPMENT PROGRAM
BUSINESS RETENTION ACTIVITIES

Objectives and Activities	Responsibility	Estimated Cost
<u>Objective 2</u> To develop and maintain an ongoing business retention program that will identify the problems and concerns of local employers and identify and implement solutions to these problems and concerns.		
<u>Activity Six</u> --Continue the existing informal network of contacting existing businesses that have indicated a problem or concern relative to operating a business in the City.	Mayor/Chairperson of SMART	--
<u>Activity Seven</u> --SMART and the South Milwaukee Association of Commerce should form a joint committee to work with the office of the Congressman of the 4th Congressional District and the Metropolitan Milwaukee Association of Commerce to design a local federal procurement program.	SMART/Association of Commerce	--
<u>Activity Eight</u> --Transmit a letter to the Milwaukee County Executive and the Milwaukee County Board requesting the initiation of a countywide low-interest revolving loan fund.	Chairperson of SMART	--

Figure S-5

SOUTH MILWAUKEE ECONOMIC DEVELOPMENT PROGRAM
BUSINESS ATTRACTION ACTIVITIES

Objectives and Activities	Responsibility	Estimated Cost
<u>Objective 3</u> To initiate a business attraction program that will attract one or more new business establishments to the City during the next two-year time period and create 30 new jobs.		
<u>Activity Nine</u> --Establish a local business attraction team consisting of five persons knowledgeable about the community's facilities and services and existing business.	SMART and Mayor	--
<u>Activity Ten</u> --Participate in the WEPCo business call trips outside the State of Wisconsin.	Business Attraction Team	\$500
<u>Activity Eleven</u> --Improve the existing inventory of available commercial and industrial land and buildings.	City Staff	\$1,000
<u>Activity Twelve</u> --Utilize the <u>Economic Development Fact Book</u> currently being prepared by the Regional Planning Commission staff in the informational package currently provided by the City to businesses.	SEWRPC	--

Figure S-6

SOUTH MILWAUKEE ECONOMIC DEVELOPMENT PROGRAM
SMALL BUSINESS DEVELOPMENT ACTIVITIES

Objectives and Activities	Responsibility	Estimated Cost
<u>Objective 4</u> To place special emphasis on retaining and expanding small commercial, service, and industrial firms currently located in the City and firms that could be expected to locate in the City.		
<u>Activity Thirteen</u> --Study the cost, marketability, and location for an industrial incubator in the City.	SMART/Private Consultant	\$5,000
<u>Activity Fourteen</u> --Convene a meeting of small business technical assistance agencies to determine the availability of such assistance to potential tenants of the industrial incubator.	SMART	--
<u>Activity Fifteen</u> --During the 1989 program year, study the cost and marketability of a service incubator at the former offices of the Bucyrus-Erie Company building in the City's central business district.	SMART/Private Consultant	\$5,000

Figure S-7

SOUTH MILWAUKEE ECONOMIC DEVELOPMENT PROGRAM
COMMUNITY FACILITY AND SERVICE ACTIVITIES

Objectives and Activities	Responsibility	Estimated Cost
<u>Objective 5</u> To ensure that the central business district remains a viable location for new and existing commercial and service firms.		
<u>Activity Sixteen</u> --Public facility improvements in the City's central business district should be made in conjunction with a comprehensive downtown redevelopment study.	Association of Commerce	\$18,500
<u>Activity Seventeen</u> --Conduct a consumer market analysis that will identify the perceptions of local residents of shopping in the City of South Milwaukee.	SMART/SEWRPC	--
<u>Objective 6</u> Ensure that public facilities and services are provided to businesses in the City in a cost-effective manner.		
<u>Activity Eighteen</u> --Conduct an analysis of the cost of sanitary sewer service to local industrial establishments in comparison to such service in neighboring communities.	Mayor/City Staff	--

2. The effectiveness of the economic development program's staff support; and
3. The overall effectiveness of the economic development program, including the economic development planning process.

The City of South Milwaukee budget planning process begins in September of each year. The process includes a budget request to the Chairman of the Finance Committee, and the eventual adoption of a budget by the Common Council. SMART is recommended to be responsible for the implementation of the economic development program proposed herein. Because the city economic development program would be initially funded primarily by the City, SMART will need to evaluate its economic development program on an annual basis in compliance with the city budget review process. The annual budget request by SMART would be submitted to the Finance Committee of the Common Council.

It is recommended that, at a minimum, the following activities be conducted by SMART annually:

1. The appropriateness of the major assumptions of the economic development program should be re-evaluated, including the current state of the City's economy, and changes in the economic development potentials and constraints. Changes in these major assumptions should be made as necessary.
2. The overall goals of the economic development program should be re-evaluated relative to their appropriateness for guiding the program during a three- to five-year time period.
3. The degree to which the program activities have led to the accomplishment of the specific economic development objectives should be evaluated. In addition, the problems encountered in the implementation of the specific program activities should be identified and this information utilized to refine the economic development activities.
4. The appropriateness of the economic development monitoring criteria should be re-evaluated.
5. The methods used to provide staff support to the economic development program should be evaluated, with special attention devoted to the existing strategy of utilizing a combination of existing city staff support, consultants, areawide agency staff, and volunteers to carry out the program activities.
6. SMART, city public officials, and the South Milwaukee Association of Commerce and other appropriate economic development organizations should convene a joint meeting annually to discuss the results of the evaluation process and the manner in which these results can be incorporated into the economic development program for the forthcoming year, and to estimate the amount and sources of funding needed to implement the program for the upcoming year.

7. SMART should hold a public informational meeting annually to explain the results of the evaluation process and identify the proposed program activities for the forthcoming year. SMART should invite the general public to the informational meeting, as well as representatives of organizations interested in, and affected by, economic development in the City, to comment on the program activities that have been implemented over the past year, as well as the activities proposed to be conducted in the forthcoming year. Based upon the public comments received, SMART should, as appropriate, amend the proposed program activities.

ED23A/B

Section I

INTRODUCTION

BACKGROUND

In September 1986, the Southeastern Wisconsin Regional Planning Commission (SEWRPC), acting in response to a request from the City of South Milwaukee, undertook the preparation of an overall economic development program (OEDP) plan for the City. An economic development program plan is the initial stage of an ongoing local economic development process that: 1) inventories the City's economic resources, 2) assesses the City's economic strengths and weaknesses, 3) develops a program of projects and activities designed to capitalize on the City's strengths and eliminate or minimize the weaknesses, 4) implements the recommended projects and activities, and 5) periodically evaluates the results of the economic development program in order to improve the program's effectiveness.

THE NEED FOR LOCAL ECONOMIC DEVELOPMENT PROGRAM PLANNING

Increasingly, communities within Wisconsin have recognized the need to initiate an ongoing economic development program. The need for such a program often stems from a decline in local economic conditions or an interest in preventing a decline in economic conditions. The concern by community leaders with economic conditions has resulted from: 1) decisions by local businesses to relocate or expand to areas outside their present location; 2) employment contraction by existing employers, particularly those firms in the traditional durable-goods manufacturing industries; and 3) the increasing cost of utilizing natural and man-made resources for economic development purposes.

The interest by the City of South Milwaukee in developing an economic development program results from a concern by local public officials and citizens over economic conditions in the City as documented in Section II of this report. The economic development program set forth in Section V of this report includes recommended projects and activities that, when successfully implemented, should help the City to adapt to the changing economic conditions. The economic development program was approved by the Common Council of the City of South Milwaukee on November 17, 1987 (see Figure 1).

OVERALL PURPOSE OF THE CITY ECONOMIC DEVELOPMENT PROGRAM PLAN

The overall purpose of the city economic development program plan is to develop, as part of a continuing economic development program, a document that will:

1. Collect and analyze appropriate economic development data in order to help identify the need for various economic development program activities in South Milwaukee.

Figure 1

CITY OF SOUTH MILWAUKEE COMMON COUNCIL
APPROVAL OF THE OEDP

RESOLUTION No. 87-55

ADOPTION OF ECONOMIC DEVELOPMENT PLAN

WHEREAS on January 2, 1985, the Common Council of the City of South Milwaukee approved the formation of a task force on Economic Development, and


WHEREAS the task force, the South Milwaukee Area Resource Team, (S.M.A.R.T.), has completed a draft of an Overall Economic Development Program Plan, and

WHEREAS an effort has been made to obtain and discuss comments about the plan by holding meetings with the Common Council and the public, and

WHEREAS the South Milwaukee Area Resource Team has unanimously recommended to the Common Council that the Overall Economic Development Program Plan be adopted by the Common Council

NOW, BE IT RESOLVED, that the Common Council of the City of South Milwaukee gives its approval to the Overall Economic Development plan as drafted, and hereby adopts the said plan as its guideline for economic development activities.


CHESTER W. GROBSCHMIDT, Mayor


JACQUELINE JOHNSON, City Clerk

ADOPTED: November 17, 1987

APPROVED: November 18, 1987

2. Help to develop a consensus among public and private individuals and organizations in the City concerning the constraints on, and potentials for, economic development in the City.
3. Identify specific economic development program activities designed to improve economic conditions in the City.

ELEMENTS OF THE ECONOMIC DEVELOPMENT PROGRAM PLANNING PROCESS

The planning process used to prepare the economic development program herein documented is summarized in Figure 2. The first step in the process consists of an inventory and analysis of the existing natural and cultural resource base of the South Milwaukee area. The findings of this inventory and analysis are set forth, in part, in the City of South Milwaukee Economic Development Fact Book prepared by the Commission staff as a part of the economic development program planning process. The results of the analysis identifying the positive and negative factors relating to the natural and cultural resource base that may act to influence economic growth in the City are set forth in Section IV of this report, entitled, "Economic Development Potentials and Constraints."

The second step in the economic development program planning process consists of the formulation of economic development goals, objectives, and program evaluation criteria based upon the information gained and conclusions drawn from the inventory and analysis step, as well as from meetings held with the South Milwaukee Area Resource Team (SMART). The Resource Team consists of 13 persons representing a variety of economic development interests in the City, and was appointed by the Common Council of the City to guide and assist the Regional Planning Commission staff in the conduct of the study (see Figure 3).

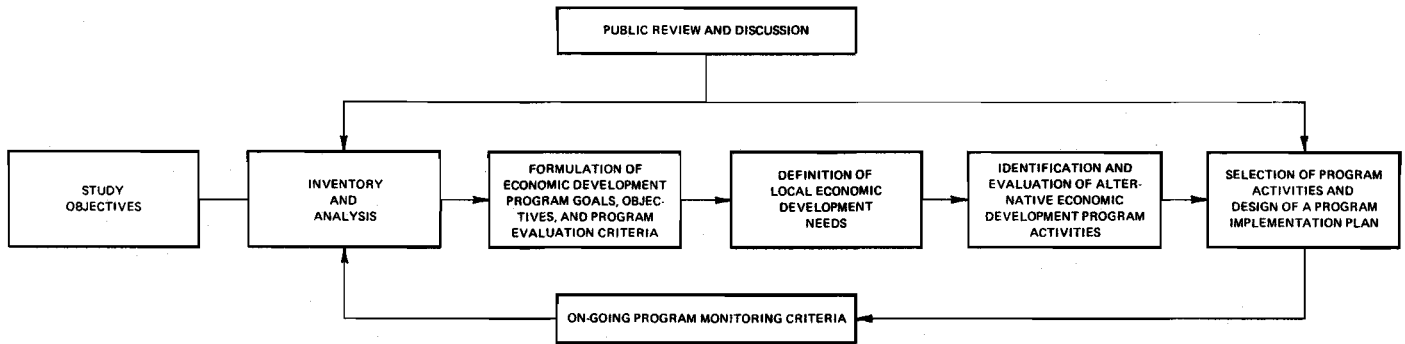
The third step in the process consists of defining local economic development needs based upon the economic development goals, objectives, and evaluation criteria, as well as the potentials for, and constraints on, economic development.

The fourth step in the process consists of identifying various alternative economic development program activities that could be undertaken by the City, as well as by public and private economic development organizations and interests in the City. The program activities are intended to address the economic development needs of the City by capitalizing on the City's economic development potentials and eliminating, or minimizing, economic development constraints, and thereby assist in the attainment of the program goals and objectives.

The fifth step in the process consists of selecting certain alternative economic development program activities to be included in the program, and the design of a plan for carrying out these activities. In this step, the various alternative activities are evaluated against the economic development goals, objectives, and program evaluation criteria identified in the second step of the planning process. In addition, the fifth step includes the identification of criteria that are designed to facilitate the monitoring of the:

Figure 2

THE ECONOMIC DEVELOPMENT PROGRAM PLANNING PROCESS



Source: SEWRPC.

Figure 3

MEMBERSHIP OF THE SOUTH MILWAUKEE AREA
RESOURCE TEAM (SMART)

<u>Name</u>	<u>Representation</u>
Blaine Schultz, Chairperson	Large Businesses, Retired Engineering Manager
John Bosbous	Becor-Western Corporation
Fritz Dinesen	South Milwaukee Chamber of Commerce
Steve Fenno	Retail Trade Industry-- Small Business
Margaret Fischer	Citizen Representative, Small Business
Chester W. Grobschmidt	Mayor, City of South Milwaukee
Gert Hartfeldt	Industrial Sector
John Jaeger	Financial Institutions
Richard Neuman	Milwaukee Area Technical College
Robert V. Nolan (Former Chairperson)	Professions--Small Business
Dorothy A. Stark	Citizen Representative
Donald Stoddard	South Milwaukee School District
Ann H. Ward	Staff Person for Congressman Gerald D. Kleczka

1. Effectiveness of the program activities in attaining the City's economic development goals and objectives;
2. Effectiveness of the work of the economic development program staff; and
3. Overall effectiveness of the economic development program, including the economic development planning process.

SECTIONS OF THIS REPORT

The findings and recommendations of the economic development program planning process described above are set forth in this report. This section of this report has provided basic background information on the economic development program planning effort and the steps comprising that effort, and has identified the members of the citizen advisory committee created to guide and direct the conduct of the planning effort. The remaining sections of this report deal with the following topics:

1. Description of the Current State of the City Economy

This section is intended to provide summary data on the current condition of the city economy relative to the regional, state, and national economies.

2. Historical Assessment of Economic Development Activities in the City

This section identifies the existing economic development-related organizations in the City and reviews the current economic development activities conducted by these organizations.

3. Economic Development Potentials and Constraints

This section describes the economic development potentials and constraints in the City. Economic development potentials are defined as those factors that give the City certain competitive advantages in attracting and sustaining economic development. Economic development constraints are defined as those factors that act to restrict the expansion of the city economy, and therefore the expansion of employment opportunities.

4. Economic Development Program

This section identifies a specific economic development program that can be adopted and pursued by the City. As such, this section presents: 1) overall goals for the economic development program; 2) specific criteria to guide the development and operation of the city economic development program; 3) recommended economic development objectives and activities flowing from the broader goals for such a program; 4) the actions required to implement the recommended economic development program; and 5) monitoring criteria for measuring the success of the various economic development program activities over time.

Section II

SUMMARY OF ECONOMIC CONDITIONS IN THE CITY

INTRODUCTION

An understanding of the current economic conditions in the City is critical to the development of a sound economic development program. The City of South Milwaukee Economic Development Fact Book, prepared by the Regional Planning Commission staff as a part of the city economic development program planning process, provides a detailed description of the City's natural and cultural resource base, and of the status of certain significant economic indicators. The purpose of this section of the program plan is to summarize the status of the most important city economic indicators presented in the Fact Book. As such, this section includes data and information on: 1) historical population trends and important population characteristics such as the education and age of the city population; 2) labor force characteristics; 3) the structure of the area's economy; and 4) a summary of regional, state, and national economic trends.

SUMMARY OF ECONOMIC CONDITIONS

Historical Population Trends

Important to an understanding of the development of an area is knowledge of the changing size of the resident population over time. Such an analysis reveals population growth trends, and thereby provides important insights essential to the proper conduct of an economic development planning program.

Table 1 provides information on the total resident population of the City, Region, State, and Nation during the 1960 to 1986 time period. As indicated in Table 1, the 1986 resident population of the City was about 20,400 persons. From 1980 to 1986, the resident population of the City declined by about 700 persons, or about 3 percent, while the population of the Region declined by about 1 percent, and the population of the State and Nation increased by about 2 percent and 5 percent, respectively. A decline in the resident population of the City also occurred from 1970 to 1980, when the population declined by about 2,200 persons, or by about 10 percent. During the same time period, the population of the Region, State, and Nation increased by 0.5 percent, 7 percent, and 11 percent, respectively. These recent declines in the resident population of the City contrast to the increases in the city population that occurred during the 1950's and 1960's. From 1950 to 1960, the resident population of the City increased by 7,452 persons, or 58 percent, and from 1960 to 1970 by 3,000 persons, or about 15 percent. These increases compare to an increase of 27 percent in the Region, 15 percent in the State, and 19 percent in the Nation during the 1950's, and 12 percent in the Region and State, and 13 percent in the Nation, from 1960 to 1970.

It is important to indicate that while the recent declines in the city population are an important economic development concern, such losses in population

Table 1

TOTAL POPULATION IN THE CITY OF SOUTH MILWAUKEE, THE REGION,
WISCONSIN, AND THE UNITED STATES: 1950-1985

Area	1950	1960	1970	1980	1986 ^a
City of					
South Milwaukee....	12,855	20,307	23,297	21,069	20,392
Region.....	1,240,618	1,573,614	1,756,083	1,764,919	1,743,169
Wisconsin.....	3,434,575	3,951,777	4,417,821	4,705,767	4,789,122
United States.....	151,325,798	179,323,175	203,302,031	226,545,805	241,077,000

Area	Change							
	1950 to 1960		1960 to 1970		1970 to 1980		1980 to 1986	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
City of								
South Milwaukee....	7,452	58.0	2,990	14.7	(2,228)	-9.6	(677)	-3.2
Region.....	332,996	26.8	182,469	11.6	8,836	0.5	(21,750)	-1.2
Wisconsin.....	517,202	15.1	466,044	11.8	287,946	6.5	83,355	1.8
United States.....	27,997,377	18.5	23,978,856	13.4	23,243,774	11.4	14,531,195	6.4

^a Wisconsin Department of Administration 1985 estimates.

Source: U. S. Bureau of the Census and SEWRPC.

are not unusual for older communities in Milwaukee County. Table 2 shows that the resident population of Milwaukee County overall, as well as of a number of communities in the County, experienced recent declines in population. Specifically, during the 1980 to 1986 time period, the county population declined by about 29,200 persons, or 3.0 percent, while a total of six of the 10 cities in Milwaukee County, and all but one of the nine villages, experienced a loss of population (see Table 2). Once more, it is important to note that the enrollment in the public and private schools in the City increased during the 1985 to 1986 time period.

Age Composition

Knowledge of the age composition of the population is important to the formulation of a sound economic development program, since the ages at which a person completes his or her schooling, enters the labor market, or retires from the labor force all have economic implications.

Table 3 compares the age distribution of the resident population of the City of South Milwaukee to the age distribution in the Region, the State, and the Nation. As shown in Table 3, the median age of the resident population of the City, 30.3 years, was nearly identical to that for the Region, 29.7; Wisconsin, 29.4; and the Nation, 30.0. While the median age of the City is similar to that for the other two geographic areas cited, a comparison of the age structure of the city population to that of the Nation is helpful in identifying those age groups that may be over- or under-represented in the City.

As indicated in Table 3, the City is under-represented in the nine year old and under age category by 1.3 percentage points; in the 25- to 44-year age category by 2.7 percentage points; and in the 65-year and over age category by 0.9 percentage point. The nearly 3 percent under-representation in the 25- to 44-year age category is of particular concern to economic development. It is this age group that includes workers with a number of years of experience in the labor force, as well as first time home buyers and persons with growing consumer demands. While the location of the City within the Milwaukee Metropolitan area, and the availability of workers from throughout this area to city employers, somewhat lessens the impact of this labor force factor on the local economy, the smaller percentage of persons in this age category should, nevertheless, be a concern to all interested in the economic development of the City.

Income

One indicator of the economic status of the City of South Milwaukee is income. The adjusted gross income (AGI) per capita for the City, Milwaukee County, the Region, and Wisconsin is shown in Table 4. As indicated in the table, the AGI per capita in the City, \$9,772, is somewhat greater than that for Milwaukee County, \$9,655, and the State, \$8,714, and less than that for the Region, \$10,185.

Labor Force Characteristics

The quality and size of the labor force are important factors influencing the economic development of an area. The importance of the labor force to private business is indicated in a 1978 report by the U. S. Congressional Budget

Table 2

TOTAL POPULATION OF CIVIL DIVISIONS
IN MILWAUKEE COUNTY: 1980 AND 1986

Civil Division	Population		1980 to 1986 Change	
	1980	1986	Number	Percent
<u>Cities</u>				
Cudahy.....	19,547	19,024	-523	-2.7
Franklin.....	16,871	19,430	2,559	15.2
Glendale.....	13,882	13,610	-272	-2.0
Greenfield.....	31,353	31,899	546	1.7
Milwaukee ^a	636,295	608,442	-27,853	-4.4
Oak Creek.....	16,932	17,977	1,045	6.2
St. Francis.....	10,095	9,728	-367	-3.6
South Milwaukee.....	21,069	20,392	-677	-3.2
Wauwatosa.....	51,308	50,070	-1,238	-2.4
West Allis.....	63,982	64,028	46	0.1
<u>Villages</u>				
Bayside ^a	4,612	4,565	-47	-1.0
Brown Deer.....	12,921	12,394	-527	-4.1
Fox Point.....	7,649	7,144	-505	-6.6
Greendale.....	16,928	16,689	-239	-1.4
Hales Corners.....	7,110	6,774	-336	-4.7
River Hills.....	1,642	1,609	-33	-2.0
Shorewood.....	14,327	14,207	-120	-0.8
West Milwaukee.....	3,535	3,561	26	0.7
Whitefish Bay.....	14,930	14,214	-716	-4.8
Total	964,988	935,757	-29,231	-3.0

^a Milwaukee County portion only.

Source: U. S. Bureau of the Census and SEWRPC.

Table 3

AGE COMPOSITION OF THE POPULATION OF THE CITY OF SOUTH MILWAUKEE, THE
SOUTHEASTERN WISCONSIN REGION, WISCONSIN, AND THE UNITED STATES: 1930

Population								
Age Group	City of South Milwaukee		Southeastern Wisconsin Region		Wisconsin		United States	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 5	1,421	6.7	128,085	7.3	346,940	7.4	16,348,254	7.2
5-9	1,383	6.6	127,834	7.2	344,804	7.3	16,699,956	7.4
10-14	1,777	8.4	146,252	8.3	392,247	8.3	18,242,129	8.1
15-19	2,100	10.0	168,897	9.6	466,612	9.9	21,168,124	9.3
20-24	2,056	9.8	166,934	9.5	450,026	9.6	21,318,704	9.4
25-29	1,705	8.1	153,984	8.7	401,915	8.5	19,520,919	8.6
30-34	1,383	6.6	134,573	7.6	348,115	7.4	17,560,920	7.8
35-44	2,174	10.3	194,058	11.0	501,973	10.7	25,634,710	11.3
45-54	2,567	12.2	182,119	10.3	452,945	9.6	22,799,787	10.1
55-59	1,312	6.2	90,688	5.1	229,046	4.9	11,615,254	5.1
60-64	990	4.7	76,201	4.3	206,947	4.4	10,087,621	4.5
65 and Over ...	2,201	10.4	195,294	11.1	564,197	12.0	25,549,427	11.3
Total	21,059	100.0	1,764,919	100.0	4,705,767	100.0	226,545,805	100.0
Median Age	30.3	--	29.7	--	29.4	--	30.0	--

Source: U.S. Bureau of the Census and SEWRPC.

Table 4

ADJUSTED GROSS INCOME PER CAPITA
IN THE CITY OF SOUTH MILWAUKEE,
MILWAUKEE COUNTY, THE REGION,
AND WISCONSIN: 1985

Area	1985 Adjusted Gross Income Per Capita
South Milwaukee.....	\$ 9,772
Milwaukee County.....	9,655
Region.....	10,185
Wisconsin.....	8,714

Source: Wisconsin Department of Revenue
and SEWRPC.

Office. That report, entitled Barriers to Local Economic Development, stated that for every dollar of value added by business in the United States, 66 cents are spent on labor--nearly four times the expenditure on land, plant, and equipment combined. Consequently, productive labor is an important factor in the locational decisions of businesses and industries. Accordingly, it is important for proponents of economic development in the City of South Milwaukee to be concerned with the quality and size of the local labor force. This section presents pertinent information on the city labor force, including information on the size of the employed and unemployed segments, educational attainment, and the commuting patterns of the labor force.

Total Employed and Unemployed Labor Force: An important economic development indicator is the total number and the percentage of the civilian labor force that is unemployed. In 1986, an estimated 600 persons, or 5.4 percent of the City's civilian labor force of 11,100, was unemployed, a percentage that was somewhat less than that for the Region, 6.8 percent; the State, 7.1 percent; or the Nation, 7.0 percent (see Table 5). An estimated 10,500 members of the city labor force were employed in 1986.

It is also useful to examine recent changes in the actual unemployed segment of the Milwaukee County labor force. In 1982, the Region, and specifically Milwaukee County, experienced the greatest number of unemployed persons during this decade as a result of the recession of the early 1980's. An examination of the change in the number of unemployed persons in the County during the 1982 to 1986 time period provides an indication of the recovery of the County economy from this recession.

In 1982, 54,600 persons were unemployed in Milwaukee County, or about 10.8 percent of the labor force, compared to 10.7 percent in the State and 9.7 percent in the Nation. In 1986, a total of 31,500 persons were unemployed in the County, or 6.4 percent, compared to 7.1 percent in the State and 7.0 percent in the Nation. From 1982 to 1986, the number of unemployed persons in the County declined by 23,100 persons, or 42 percent, compared to a decline of 35 percent for the State, and 22 percent for the Nation. In addition, the County's unemployment rate declined by 4.4 percentage points, compared to a decline of 3.6 percentage points for the State and 2.7 percentage points for the Nation. While this information illustrates the significant improvement which took place in the county economy from 1982 to 1986, the 1986 unemployment rate, 6.2 percent, remains greater than the pre-recession 1979 unemployment rate of 4.5 percent.

Place of Work: The City of South Milwaukee is an integral part of the Milwaukee metropolitan area, resulting in the availability of workers to local employers from throughout the area. In addition, this location of the City results in a large number of the city labor force working outside the City. In 1980, about 6,700 workers, or 63 percent of the city labor force, were employed outside the City, a percentage that is significantly greater than for other places within the Region, 44 percent; places within the State, 36 percent; or places within the Nation, 43 percent (see Table 6). Table 7 indicates the specific location of employment for the city labor force. As indicated in Table 7, the largest percentage of the city labor force working outside the City is employed in the City of Milwaukee, 23 percent; City of Cudahy, 18 percent; and the remainder of Milwaukee County, 17 percent.

Table 5

ANNUAL AVERAGE CIVILIAN LABOR FORCE INFORMATION
FOR THE CITY OF SOUTH MILWAUKEE, THE REGION,
WISCONSIN, AND THE UNITED STATES: 1986

Area	Civilian Labor Force			Unemployment Rate
	Total	Employed	Unemployed	
South Milwaukee...	11,100	10,500	600	5.4
Region.....	888,400	828,300	60,100	6.8
Wisconsin.....	2,398,100	2,228,000	170,100	7.1
United States.....	119,540,000	111,170,000	8,370,000	7.0

NOTE: The civilian labor force estimates shown for the City of South Milwaukee are based upon changes in the Milwaukee County civilian labor force during the 1980 to 1986 time period.

Source: U. S. Bureau of the Census; Wisconsin Department of Industry, Labor and Human Relations; and SEWRPC.

Table 6

PLACE OF WORK FOR THE LABOR FORCE IN THE CITY OF SOUTH MILWAUKEE,
THE SOUTHEASTERN WISCONSIN REGION, WISCONSIN, AND THE UNITED STATES: 1980

Area and Place of Work	1980	
	Number	Percent
City of South Milwaukee		
All workers.....	10,584	100.0
Worked in Place of Residence.....	3,097	29.3
Worked Outside Place of Residence.....	6,665	63.0
Place of Work Not Reported.....	822	7.8
Region		
All Workers.....	667,099	100.0
Worked in Place of Residence.....	321,872	48.2
Worked Outside Place of Residence.....	294,030	44.1
Place of Work Not Reported.....	51,197	7.7
Wisconsin		
All Workers.....	1,302,536	100.0
Worked in Place of Residence.....	734,307	56.4
Worked Outside Place of Residence.....	469,062	35.0
Place of Work Not Reported.....	99,167	7.6
United States		
All Workers.....	66,594,853	100.1
Worked in Place of Residence.....	31,862,055	47.8
Worked Outside Place of Residence.....	28,384,442	43.4
Place of Work Not Reported.....	5,884,442	8.8

Source: U.S. Bureau of the Census and SEWRPC.

Table 7
DISTRIBUTION OF EMPLOYED PERSONS LIVING
IN SOUTH MILWAUKEE BY PLACE OF WORK

Place of Work	Workers	
	Number	Percent
Milwaukee County		
City of Milwaukee.....	2,456	23.2
City of Cudahy.....	1,862	17.6
City of South Milwaukee.....	3,097	29.3
Remainder of Milwaukee County..	1,834	17.3
Waukesha County.....	207	2.0
Racine County.....	201	1.9
Kenosha County.....	27	0.3
Worked Elsewhere.....	78	0.7
Not Reported.....	822	7.7
Total	10,584	100.0

Source: U. S. Bureau of the Census and SEWRPC.

Educational Attainment: The level of formal education attained is a significant determinant of the social and economic status of a population. For many people, the degree of participation in, and understanding of, the complex technological changes occurring in society today are directly related to the extent of their formal education. For example, persons with less than a fifth grade education are considered functionally illiterate. Such persons are generally relegated to unskilled labor in a technologically advancing society, and often find themselves part of the unemployed labor force.

Since most required formal education is completed by age 18, educational attainment is most relevant when related to the population 18 years of age and older. Table 8 indicates the 1980 educational attainment of this age group in the City, Region, State, and the Nation. As indicated in the table, the educational attainment of the city population surpasses that for other areas for the high school education category. The percentage of the city population that has completed high school, 48 percent, is greater than that for the Region, 41 percent; the State, 42 percent; or the Nation, 36 percent. However, the percentage of the city population completing one through four years of college, 21 percent, is somewhat less than that for the Region, 26 percent; the State, 24 percent; or the Nation, 25 percent.

Structure of the Metropolitan Milwaukee Economy

Reliable information relative to the structure of the city economy is not available. However, data on the structure of the economy of Milwaukee County--of which the City is a part--are available. A comparison of the percentage distribution of industry employment in Milwaukee County to the percentage distribution of labor force employment in the United States is helpful in identifying those industries that are concentrated in the County, and that therefore comprise a significant aspect of the economic base. Such comparison of the economic structure may be accomplished through the use of industry location quotients. The industry location quotient is a comparison of the percentage employment within the County in an industry to the percentage employment in that industry in the Nation, and is derived by dividing the percentage employment in an industry within the County by the percentage employment in that industry within the Nation. The resulting ratio, if greater than 1.0, indicates an over-representation of county employment in the given industry, while a ratio of less than 1.0 indicates an under-representation of county employment in that industry.

The economy of the County is concentrated, in comparison to the Nation, in the manufacturing industry, although a significant number of workers are also employed in the services industry. In 1984, the manufacturing industry in the County employed 122,900 persons, or about 22 percent of all workers (see Table 9). This is about 5 percentage points greater than the comparable percentage for the Nation, resulting in a location quotient of 1.30. In 1984, the services industry was the largest employer in the County with 157,800 workers, or about 29 percent of all workers. The services industry, like the manufacturing industry, is, in comparison to the Nation, concentrated in the County, with a location quotient of 1.15. The County's finance, insurance, and real estate industry, employing 47,300 workers, is also concentrated in the County, with a location quotient of 1.18.

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Table 8

PERSONS 18 YEARS OF AGE AND OLDER BY YEARS OF SCHOOL COMPLETED
IN THE CITY OF SOUTH MILWAUKEE, THE SOUTHEASTERN WISCONSIN
REGION, WISCONSIN, AND THE UNITED STATES: 1980

Education	City of South Milwaukee		Southeastern Wisconsin Region	
	Number	Percent	Number	Percent
Elementary				
Through High School				
One to Three Years.....	4,192	27.6	350,714	27.8
High School, Four Years...	7,297	48.1	510,428	40.5
College				
One to Three Years.....	2,203	14.5	217,090	17.2
Four Years.....	1,033	6.8	108,972	8.6
Five or More Years.....	444	2.9	73,601	5.8
Total	15,163	100.0	1,260,805	100.0
Education	Wisconsin		United States	
	Number	Percent	Number	Percent
Elementary				
Through High School				
One to Three Years.....	945,674	28.3	51,697,642	31.8
High School, Four Years...	1,413,216	42.2	59,069,903	36.3
College				
One to Three Years.....	548,953	16.4	28,289,943	17.4
Four Years.....	258,175	7.7	12,939,870	8.0
Five or More Years.....	180,312	5.4	10,519,122	6.5
Total	3,346,330	100.0	162,516,480	100.0

Source: U.S. Bureau of the Census and SEWRPC.

Table 9
ECONOMIC BASE OF MILWAUKEE COUNTY
IN COMPARISON TO THE UNITED STATES: 1984^a

Industry	1984 Employment				Location Quotient
	Milwaukee County		United States		
	Number	Percent	Number	Percent	
Agriculture, Forestry, and Fishing.....	1,247	0.2	1,130.7	1.0	0.2000
Mining and Construction....	15,969	2.9	7,113.9	6.2	0.4677
Manufacturing.....	122,887	22.2	19,774.9	17.2	1.2907
Transportation and Public Utilities.....	27,030	4.9	5,682.1	5.0	0.9800
Wholesale Trade.....	29,333	5.3	6,011.0	5.2	1.0192
Retail Trade.....	88,220	16.0	19,237.0	16.8	0.9524
Finance, Insurance, and Real Estate.....	47,287	8.6	8,377.0	7.3	1.1781
Services.....	157,820	28.6	28,424.3	24.8	1.1532
Government.....	62,790	11.4	18,944.0	16.5	0.6909
Total	552,583	100.0	114,694.9	100.0	--

^aShows nonfarm employment only.

Source: SEWRPC.

County industries that show a percentage of total workers similar to that for the Nation include: transportation and public utilities (location quotient: 0.98); wholesale trade (location quotient: 1.02); and retail trade (location quotient: 0.95). The county industries that show a percentage employment that is less than that for the Nation include: agriculture, forestry, and fishing (location quotient: 0.20); mining and construction (location quotient: 0.47); and government (location quotient: 0.69).

While, as previously indicated, employment information is not available for the City, information provided in the 1987 Classified Directory of Wisconsin Manufacturers indicates that the South Milwaukee economy includes 21 manufacturing industry establishments. Table 10 shows the total number of manufacturing industry establishments classified by Standard Industrial Classification (SIC) in the City. As indicated in Table 10, the largest number of establishments are in the machinery except electrical industry, six establishments; fabricated metal products industry, four establishments; and chemical and allied products industry, three establishments. A list of the major private sector employers in all industries in the City is provided in Table 11.

Recent Changes in the Economy

Over much of the period since its settlement, the City of South Milwaukee, as well as Milwaukee County overall, has been in a favorable position for industrial growth and development. During the past decade, however, there have been significant changes in the economy of Milwaukee County, some of which have caused a deterioration in the County's industrial base. An examination of the economic trends in the County, as well as economic trends in the State and Nation, are important to an understanding of the current changes occurring in the regional economy, as well as of future economic trends.

An understanding of national economic trends can provide important insight into current economic activity patterns in the State, the County, and the City of South Milwaukee. A number of national economic trends appear to have a direct bearing on economic activity in these areas, including: 1) the changing structure of the national economy, 2) the emergence of a global economy, 3) technological change, 4) changing consumer values, and 5) the restructuring of American corporations.

The first recent national economic trend that has important implications for the economic growth of Milwaukee County, and therefore for the economic growth of the City, is the changing structure of the national economy, and specifically, the declining importance of the manufacturing industry to employment growth. Growth in manufacturing industries has traditionally been viewed as the most effective means for creating jobs and ensuring long-term economic growth. The rate of increase in manufacturing employment in the Nation, however, has declined significantly during the recent past. Nationally, manufacturing employment, enumerated by employee place of work, increased by only about 0.7 percent from 1970 to 1984, compared with an overall increase in employment of 32 percent (see Table 12). During the same time period, employment in the services industry increased by 73 percent. As a result, the manufacturing employment, as a percentage of total employment, declined nationally from 22 percent in 1970 to 17 percent to 1984, a decline of 5 percentage points.

Table 10

NUMBER OF MANUFACTURING INDUSTRY ESTABLISHMENTS
LOCATED IN THE CITY OF SOUTH MILWAUKEE

Industry	SIC Code	Number
Apparel and Other Textile Products.....	23	1
Lumber and Wood Products.....	24	1
Furniture and Fixtures.....	25	1
Printing and Publishing.....	27	2
Chemical and Allied Products.....	28	3
Rubber and Miscellaneous Plastic Products..	30	1
Leather and Leather Products.....	31	1
Stone, Clay, and Glass Products.....	32	1
Fabricated Metal Products.....	34	4
Machinery, Except Electrical.....	35	6
Electric and Electronic Equipment.....	36	1
Miscellaneous Manufacturing.....	39	2
Total	--	21

Source: SEWRPC.

Table 11

CITY OF SOUTH MILWAUKEE MAJOR PRIVATE SECTOR EMPLOYERS

<u>Manufacturing--Furniture and Fixtures</u> Mitchell Manufacturing Company	<u>Financial Institutions</u> Family Services Credit Union First Financial Savings Home State Bank of Milwaukee Kyle Central Credit Union Marine Bank, N.A. South Milwaukee--Oak Creek Municipal Credit Union South Milwaukee Savings & Loan Association
<u>Manufacturing--Printing and Publishing</u> Voice Journal Printing Company	
<u>Manufacturing--Leather and Leather Products</u> Midwest Tanning Company	
<u>Manufacturing--Primary Metal Industries</u> Appleton Electric	
<u>Manufacturing--Machinery Except Electrical</u> Becor Western (Bucyrus-Erie Division) D. E. Carlson Company, Inc.	<u>Health Services</u> Associated Independent Dentists Franciscan Villa of South Milwaukee, Inc. South Milwaukee Clinic, Ltd. Willow Crest Nursing Home
<u>Manufacturing--Electric and Electronic Equipment</u> Cooper Industries (Kyle Products Plant) McGraw-Edison Company	<u>Retail Trade Centers</u> Grant Park Plaza Marquette Plaza South Milwaukee Downtown Shopping Area Sunrise Shopping Center
<u>Manufacturing--Miscellaneous</u> Everbrite Electric Signs, Inc.	

Source: Wisconsin Department of Industry, Labor and Human Relations; City of South Milwaukee; and Southeastern Wisconsin Regional Planning Commission, 1985.

Table 12

INDUSTRY EMPLOYMENT AND PERCENT CHANGE BY PLACE OF WORK IN
MILWAUKEE COUNTY, THE REGION, WISCONSIN, AND THE UNITED STATES: 1970 AND 1984

Major Employment Category	1970 Employment by Place of Work							
	Milwaukee County		Region		Wisconsin		United States	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Agriculture.....	1,525	0.3	13,777	1.8	158,642	8.3	4,865,600	5.4
Construction and Mining....	18,056	3.5	32,491	4.2	87,281	4.6	5,037,900	5.6
Manufacturing.....	167,142	31.9	254,011	32.5	509,482	26.6	19,643,300	21.9
Transportation, Communi- cations, and Utilities....	29,586	5.7	38,476	4.9	88,873	4.6	4,836,400	5.4
Wholesale Trade.....	29,202	5.6	37,236	4.8	73,236	3.8	4,144,300	4.6
Retail Trade.....	88,391	16.9	131,882	16.9	327,331	17.1	13,496,500	15.1
Finance, Insurance, and Real Estate.....	32,621	6.2	41,039	5.3	84,234	4.4	4,896,000	5.5
Services.....	96,615	18.5	139,510	17.8	308,377	16.1	16,474,200	18.4
Government.....	60,656	11.6	93,841	12.0	276,886	14.5	16,200,000	18.1
Total Jobs	523,794	100.0	782,263	100.0	1,914,342	100.0	89,594,200	100.0

Major Employment Category	1984 Employment by Place of Work							
	Milwaukee County		Region		Wisconsin		United States	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Agriculture.....	1,610	0.3	13,910	1.5	165,675	6.8	4,927,700	4.2
Construction and Mining....	15,969	2.9	33,408	3.6	97,159	4.0	7,113,900	6.0
Manufacturing.....	122,887	22.2	226,091	24.3	524,112	21.4	19,774,900	16.7
Transportation, Communi- cations, and Utilities....	27,030	4.9	40,659	4.4	102,240	4.2	5,682,100	4.8
Wholesale Trade.....	29,333	5.3	47,207	5.2	106,530	4.4	6,011,000	5.1
Retail Trade.....	88,220	16.0	154,370	16.6	419,284	17.1	19,237,000	16.2
Finance, Insurance, and Real Estate.....	47,287	8.6	68,409	7.4	152,290	6.2	8,377,000	7.1
Services.....	157,820	28.5	237,521	25.6	538,743	22.0	28,424,300	24.0
Government.....	62,790	11.4	107,699	11.6	343,176	14.0	18,944,000	16.0
Total Jobs	552,946	100.0	929,274	100.0	2,449,209	100.0	118,491,900	100.0

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Table 12-Continued

Major Employment Category	1970-1984 Change in Industry Employment							
	Milwaukee County		Region		Wisconsin		United States	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Agriculture.....	85	5.6	133	1.0	7,033	4.4	62,100	1.3
Construction and Mining....	-2,087	-11.6	917	2.8	9,878	11.3	2,076,000	41.2
Manufacturing.....	-44,255	-26.5	-27,920	-11.0	14,630	2.9	131,600	0.7
Transportation, Communi- cations, and Utilities....	-2,556	-8.6	2,183	5.7	13,367	15.0	845,700	17.5
Wholesale Trade.....	131	0.5	9,971	26.8	33,294	45.5	1,866,700	45.0
Retail Trade.....	-171	-0.2	22,488	17.1	91,953	28.1	5,740,500	42.5
Finance, Insurance, and Real Estate.....	14,666	45.0	27,370	66.7	68,056	80.8	3,481,000	71.1
Services.....	61,205	63.3	98,011	70.3	230,366	74.7	11,950,100	72.5
Government.....	2,134	3.5	13,858	14.8	66,290	23.9	2,744,000	16.9
Total Jobs	29,152	5.6	147,011	18.8	534,867	27.9	28,897,700	32.3

Source: U. S. Bureau of Economic Analysis and SEWRPC.

This changing structure of the economy is reflected in Wisconsin, the Region, and Milwaukee County. Table 12 shows that, overall, total employment growth in Wisconsin (30 percent), the Region (19 percent), and Milwaukee County (6 percent) during the 1970 to 1984 time period was less than that for the Nation, 32 percent. In addition, the employment growth in the manufacturing industry in Wisconsin, the Region, and Milwaukee County--3 percent, 11 percent, and 27 percent, respectively--lagged behind the total employment growth for these areas. At the same time, employment growth in the services industry in Wisconsin, the Region, and the County--75 percent, 70 percent, and 63 percent, respectively--exceeded the total employment growth for these areas. As a result, as a percent of total employment, service industry employment in all of the areas is now greater than manufacturing employment.

A second major change is the emergence of the global economy. A 1986 report by the Stanford Research Institute (SRI), entitled, Investing in the Future: A Prospectus for Mid America, says that "in today's global economy, the factors that comprised Mid America's previous competitive advantage in manufacturing have lost much of their importance: natural resources, proximity to markets, a large industrial labor force, and a critical mass of traditional buyers and suppliers. Evidence that these factors are less compelling in the new economy is found in the loss of competitiveness of Midwest companies in the global economy (reduced exports), the incursion of foreign trade into the region (increased imports), and the shrinking of the traditional manufacturing sector."

Three other national economic trends are also important. These trends, also documented in the SRI report, include: technological change, changing consumer values, and the restructuring of American corporations. Technological change has resulted in a new work place environment, the need for workers to adapt to changes in production processes, and the growth of what are termed "high tech" industries. The most important factors associated with changing technologies include: 1) information technologies (microelectronics, computer hardware and software, and telecommunications); 2) factory automation; 3) office automation; 4) new materials; 5) biotechnology; and 6) health and medical technologies.

Changing consumer values are also an important factor in the declining importance of manufacturing in the United States. Consumers are demanding products that are specialized and customized to meet their particular needs. This is in contrast to the standardized consumer products previously produced by American manufacturers. The changing demands of consumers result in the need for manufacturing firms to expend additional resources on product development and marketing, as well as on manufacturing products that are unique in the marketplace.

Today's manufacturing companies tend to disperse their operations--research and development, manufacturing, product service, corporate offices--to those locations that are perceived as the most beneficial in terms of cost-efficiencies. From a community's perspective, it must strive to create an environment that is conducive to all of the functions of the company in order to provide the greatest number of job opportunities to its residents, as well as diversify the local economy.

SUMMARY AND CONCLUSIONS

Overall, the most important conclusion that can be drawn from the selected economic indicators presented herein is that the economy of the City of South Milwaukee is undergoing a period of rapid change. A number of the economic indicators--the lower unemployment rates and the high percentage of persons with a high school education--show that the city economy is still in relatively good condition. However, a number of other indicators for the City, Milwaukee County, the State, and the Nation show that the city economy may be expected to continue to experience change.

Specifically, the population decline in the City, as well as the smaller relative percentage of persons in the 25- to 44-year age category, should be of concern to city officials, development organizations, and citizens interested in the economic development of the City. The large number of city residents employed throughout Milwaukee County results in a dependence on County, as well as local, economic conditions. This section of this report has indicated that economic conditions in the County are being affected by a number of changes, including: a shift from manufacturing industry employment to service industry employment; a change from a local and national economy to a global economy; technological change; changing consumer values; and the restructuring of American corporations. The dependence of the city and county economies on the manufacturing industry makes these changes of particular importance to the local economy.

A comprehensive local economic development program could help to preserve and perhaps strengthen the economic condition of the City. Through the implementation of local economic development activities that take advantage of local resources, economic development organizations can help to minimize the effects of negative national, state, and regional economic trends.

Section III

REVIEW OF HISTORICAL ECONOMIC DEVELOPMENT ACTIVITIES

INTRODUCTION

A sound economic development program planning process requires an assessment of the historical economic development activities of a community. An assessment of this kind can help to identify the types of economic development efforts that have been successful. This may, in turn, help identify the direction of future economic development efforts, and do so in a manner benefiting from past experience.

Community economic development activities can be broadly categorized into five functional areas: 1) organizational development activities, 2) business retention activities, 3) business attraction activities, 4) small business development activities, and 5) the development of public facilities and services. This section categorizes the historical economic development activities in the City by these broad functional areas.

ORGANIZATIONAL DEVELOPMENT ACTIVITIES

The successful implementation of a local economic development program requires that the program be coordinated by an economic development organization consisting of public and private sector representatives that are knowledgeable about local economic conditions. The purpose of this organization should be to identify economic development problems, to identify solutions to these problems, and to coordinate the economic development program that will help to improve local economic conditions. While a number of economic development organizations may exist in a community, it is critical that a single organization be identified to lead the community's economic development efforts. The purpose of this section is to identify the historical organizational development activities in the City in order to evaluate the appropriateness of these organizations for coordinating the city economic development program.

City of South Milwaukee

The City of South Milwaukee in effect acts directly as the lead economic development organization in the City, with the Mayor, together with the City staff, leading this effort. The economic development activities of the City may be categorized in four broad areas. First, the Mayor is the initial contact person for business establishments that are considering expansion in the City or an initial location in the City. In this regard, the City maintains and provides to interested businesses a packet of information that includes local maps, a list of available commercial and industrial properties, an economic profile, and information on local cultural and recreational resources. Second, the Mayor is an active member of the South Milwaukee Area Resource Team (SMART), as well as a participant in many activities of the South Milwaukee Association of Commerce. Third, the Mayor personally seeks out, together with the Chairman of SMART, business persons who have indicated,

formally or informally, that they have a problem related to the conduct of their business in the City. Finally, the Mayor coordinates the need for improvements to local community facilities and services.

Of recent importance in this respect are the meetings held by the City with local merchants to identify developmental problems in the central business district, as well as potential solutions to these problems. The meetings were held in response to the findings of a survey of commercial and service establishments that was conducted as part of this study. Thirty-eight respondents to the survey, or 75 percent of all respondents, felt that the downtown area would not remain a viable business district.

South Milwaukee Area Resource Team

The South Milwaukee Area Resource Team (SMART) was created by a resolution adopted by the Common Council on January 2, 1985. The Resource Team currently consists of 13 persons representing various public and private sector interests in the community. The sole purpose of the Resource Team, as indicated in the original resolution, is "to develop a better quality of life for all" of the City's citizens. In addition to acting as the citizens advisory committee for this study, the members of the Resource Team assist the Mayor in carrying out various economic development activities, most notably, assisting the Mayor in contacting existing businesses with problems. In addition, the Resource Team provides the Mayor and the City Council with recommendations regarding local economic development issues.

South Milwaukee Association of Commerce

The South Milwaukee Association of Commerce is organized for the purpose of advancing the commercial, industrial, retail, and civic welfare of the City of South Milwaukee and its trade area. The Association is governed by a Board of Directors that consists of 13 persons, including four officers, and maintains an office within the South Milwaukee City Hall that is staffed by a part-time secretary. The annual budget of the Association is approximately \$8,000 to \$10,000, with funds being provided through membership dues, fund raising events, and service activities. Membership in the Association has increased from 40 members in 1985 to about 90 members in 1987.

Overall, the Association activities consist of:

1. Working to encourage shopping for retail goods and services in the City.
2. Enhancing the image of the business community.
3. Providing educational opportunities to the membership.
4. Publishing a City Business Directory and organizing the city business community.
5. Acting as a liaison between the business community and educational institutions.

6. Providing financial assistance to charitable organizations.
7. Providing special promotional activities.
8. Sponsoring research studies of the business community.

In 1986, the Association initiated a business and industry fair that is designed to provide local businesses the opportunity to display and demonstrate the products and services that they offer. In 1986, about 55 businesses took part in the fair, and about 80 businesses are expected to participate in 1987. A total of 2,000 persons attended the 1986 event.

Recently, the Association initiated discussions regarding an update to the current community brochure that describes the physical, cultural, and recreational opportunities in the City. Other Association activities that will be discussed in this section include the maintenance of a current list of commercial and industrial properties that are for sale in the community and a 1986 industry retention survey.

Milwaukee County

Recently, Milwaukee County established the staff position of Director of Economic Development within the County Transportation and Public Works Department. County economic development activities recommended in the County's recently approved initial economic development program consist of:

1. Business Information Service I and II. The development of a computerized data and information base primarily designed to serve small business.
2. Community Preparedness. The conduct of a forum to discuss key economic development issues with individual communities, as well as the development of a economic development manual that would serve to assist communities in preparing to undertake economic development activities.
3. Business Retention and Expansion. The conduct of an aggressive program of business retention and expansion carried out in cooperation with the Milwaukee Metropolitan Association of Commerce and Wisconsin Bell, an Ameritech Company.
4. Venture Capital Seminar. The conduct of a program that provides direct assistance to small businesses in locating sources of venture capital.
5. Promotion. The preparation of informational literature on the County, as well as the promotion of Mitchell International Airport and the establishment of a business Ambassador Program.
6. Business Recruitment. The recruitment of companies engaged in medical technology development and companies currently located in Canada to Milwaukee County.
7. Technology Matchmaking Service. The conduct of a program that would: identify and catalog the technology needs of the business community;

identify national and international sources of technology; and provide mechanisms to bring together companies that have technology with those that need it.

8. Financing. The conduct of an investigation and review of financing alternatives that are available to local business, as well as of the need for new financing programs.
9. Small Business Video Clinic. The development of a self-teaching video tape system designed to assist local businesses with operational problems and issues.

BUSINESS RETENTION ACTIVITIES

Studies have shown that the majority of new jobs in a community will result from the expansion of existing local enterprises, rather than the attraction of new enterprises. As a result, local economic development activities designed to assist in the expansion of local employers are important to an economic development program. Below is a review of the recent major industry retention activities in the City of South Milwaukee.

Industry Retention Survey of Manufacturing Establishments

In January 1986, local economic development organizations--including the South Milwaukee Association of Commerce, SMART, and Wisconsin Bell, an Ameritech Company--undertook an industry retention survey of manufacturing industry establishments in the City. The purpose of the survey was to create a data file on each of the manufacturing establishments in order to facilitate a systematic approach to industry retention activities. A total of 21 surveys were completed and the results published in a document entitled, City of South Milwaukee, Wisconsin Industrial Business Retention and Expansion Study, June 1986. Copies of the study are available at the South Milwaukee City Hall.

Retention Survey of Service and Commercial Businesses

As a part of this economic development study, SMART, together with a number of community volunteers, undertook a retention survey of commercial and service industry establishments in the City. The purpose of the survey was similar to the purpose of the manufacturing industry survey, but also included questions regarding the types of economic development activities that should be implemented in the City. A total of 51 surveys were completed. A summary of the findings is provided in Appendix A to this report.

Follow-up of the Retention Surveys

In response to the problems identified in the retention surveys, the Mayor and the Chairman of the SMART have been contacting specific businesses that indicated a problem in response to a survey question. In addition, the Mayor of the City maintains an informal business retention network with existing businesses, whereby the Mayor periodically visits the chief executive officers of local companies. In addition, the Mayor is periodically informed of problems that are being encountered by local businesses through the Association of Commerce, SMART, and the city staff.

Business Fairs

As already noted, the South Milwaukee Association of Commerce sponsors an annual business fair. This fair is designed to bring together business persons and citizens in the City to acquaint them with the products and services provided by area companies.

BUSINESS ATTRACTION ACTIVITIES

While the retention and expansion of existing businesses is an important economic development activity, a comprehensive economic development program should include activities that will result in the attraction of new business establishments to the City.

In order to attract new business establishments, the City has prepared a packet of materials containing pertinent data and information on the City. This packet includes: a map of the City, an economic profile, a listing of commercial and industrial properties currently for sale, and various other information on cultural and recreational opportunities. The list of available properties is important to the economic development efforts of the City. Businesses seeking a location in the City can, as a result of the listing, quickly locate potential building and/or site locations. The listing is developed by a private real estate broker who is a member of the Association of Commerce in cooperation with the city staff.

Finally, the Mayor, together with the city staff, acts as an ombudsman for new business by assisting businesses that have indicated an interest in locating in the City. This assistance consists of facilitating the provision of general information on the City, assisting the business in obtaining local and state permits, and generally welcoming the new business to the community.

SMALL BUSINESS DEVELOPMENT ACTIVITIES

All of the current economic development activities provided by the City or other concerned economic development organizations for industry retention and attraction serve small businesses. However, there are no specific economic development activities that are currently being implemented in the City to facilitate the development of small business.

COMMUNITY FACILITIES AND SERVICES

While economic development organizational activities, as well as industry attraction, retention, and small business development activities, are important components of a local economic development program, the maintenance of the community's facilities and services is also important. This section of this report reviews recent efforts to maintain the city community facilities and services.

Education for Employment

Recently, the South Milwaukee School District initiated an Education for Employment program. The program was created in response to a growing need to address the problems attendant to the transition of youth from the educational environment to the work environment. The purpose of the program is to help:

1. Prepare elementary and secondary students for employment.
2. Promote cooperation between business and education.
3. Establish a role for the public school system in economic development.

In order to carry out this purpose, three initial public-private sector planning meetings were held by the School District in order to develop a curriculum for the program and to develop an overall program plan. Currently, program priorities and the identification of program responsibilities are being determined. The program is expected to be an ongoing effort in the school system.

Sanitary Sewer System Improvements

The City of South Milwaukee owns and operates a separate sanitary sewer system that is not a part of the Milwaukee Metropolitan Sewerage District. In 1974, the Wisconsin Department of Natural Resources (DNR) imposed a moratorium on sanitary sewer extensions in the City during to the need to improve the city sewage treatment plant and associated facilities. The moratorium on sewer extensions prevented the construction of new residential land subdivisions in the City, thereby, in part, contributing to the lack of population growth described in Section II of this report. In 1983, the City initiated a \$3.4 million program to improve the city sanitary sewerage system. The program, now complete, resulted in the lifting of the DNR moratorium on sanitary sewer system extensions and created an opportunity for new development in the City.

Transportation System Improvements

The city capital improvements program indicates that the repair and repaving of existing roadways is a major priority for the City in the forthcoming years. One of the major street reconstruction projects that is directly related to economic development, and specifically the central business district, is the reconstruction of Milwaukee Avenue. This project is planned for 1990, at a total cost of about \$796,000. However, the recent interest in the redevelopment of the central business district could result in an attempt to undertake this project earlier.

Residential Subdivision Development

The resident population of the City has declined over the 1970 to 1986 time period. The state-imposed sanitary sewer extension moratorium was a contributing factor, but not the sole factor in this decline. With the lifting of the moratorium, however, the City is again experiencing an interest by developers in residential development. Recent major residential developments in the City include: High Ridge Estates, 39 housing units; Red Oaks, 12 lots; Southtowne, 204 housing units to be completed by July 1987; and Parkway Heights, 7 housing units. Recent residential land subdivision activity in the City, together with the lifting of the sewer extension moratorium, could result in a modest increase in the population of the City. This increase would, however, be dependent to a significant degree upon the rate at which out-migration occurs in the City.

Central Business District Redevelopment

This section previously summarized recent efforts to identify developmental problems and concerns in the city central business district. The meetings with local merchants that were initiated by the City relative to this topic showed that there was a concern with the following issues:

1. The need for promotional activities.
2. Better snow removal.
3. The availability of low-interest loans.
4. An active industry attraction program.
5. The need to reconstruct Milwaukee Avenue.
6. The need for new rental housing.
7. Vacant stores.

The City is currently investigating physical improvements that could be made in the central business district to improve appearance of the district. One of these improvements, the reconstruction of Milwaukee Avenue, is viewed as a necessary ingredient to the redevelopment of the area. In addition, the Mayor has indicated that an overall study of the central business district may be necessary in order to identify additional programs and activities that could improve the area.

SUMMARY AND CONCLUSIONS

The historical assessment of recent economic development activities in the City indicates that the City has taken a number of positive steps to improve the local economy. The City, through the office of the Mayor, has taken an active role in leading and coordinating local economic development activities. Business persons interested in locating a new business or expanding an existing business often need to contact the City for the appropriate state and local permits. The active participation of the City in local economic development helps to ensure that these projects are successfully implemented.

The membership of the South Milwaukee Association of Commerce is growing, and the Association is once again taking an active role as an advocate for business interests in the City. The South Milwaukee Area Resource Team (SMART), the city economic development advisory committee, has representation of both the public and private sector interests in the community, thereby providing a second forum for the discussion of economic development issues affecting the City, and the development of policy recommendations to the City Council. Milwaukee County is actively pursuing economic development activities through the recently established economic development program and staff.

Finally, the City and local development organizations have successfully undertaken a number of activities that have a direct impact on the economy of the City. The business and industry retention surveys have developed an important data and information base on the problems and concerns of local employers, as well as exhibiting to the local business community that the City and local development organizations are concerned about the local economy. The sanitary sewerage system improvements resulted in the lifting of the state-imposed moratorium on sewer extensions, thereby enabling new development to occur in the City. The successful business fairs sponsored by the Association of

Commerce provide business persons and the overall community with an opportunity to be more aware of local products and services. Finally, the Education for Employment program sponsored by the South Milwaukee School District addresses the employment training component of local economic development.

While a number of important economic development activities have been undertaken in the City, the community faces a number of problems relative to a local economic development program. First, there is limited city staff available to implement economic development activities. The Mayor's role as an elected public official with an array of responsibilities, as well as the existing responsibilities of the city staff, would limit an expanded local economic development program. The SMART organizational structure is like that of a committee of the City Council. While this structure may have been adequate to date, communities throughout the Region have, in many cases, provided a more formal and independent organizational structure to pursue economic development. Organizational structures for economic development in the Region include private nonprofit or for-profit development corporations and community development authorities. Once more, SMART does not have a specific annual work program of economic development activities designed to address the needs of the local economy.

The economic development activities that are currently underway in the City surpass those of many other communities in the Southeastern Wisconsin Region. However, the activities may not be sufficient given the intense competition for economic development by local governments, as well as the changes that can be expected to continue to occur in the local economy. More specifically, many of the activities are reactive rather than proactive. The City and local development organizations should consider the implementation of activities that have a direct impact on job creation. Examples of such activities in other communities in the Region include: an aggressive industry attraction program, the development of a small business incubator building, the establishment of a revolving business loan fund, and export assistance programs.

The need to expand the economic development efforts in the City is evidenced by the results of the Wisconsin Bell industry retention survey. A total of only three respondents, or 15 percent, indicated that local municipal efforts to improve the local economy were either excellent or good, while 45 percent of the respondents statewide indicated this response. Similarly, 26 percent of the respondents to the survey of service and commercial establishments felt that local economic development efforts were either excellent or above average.

The purpose of the next section of this report is to identify and summarize the specific economic development potentials and constraints in the City, based upon the initial sections of this report, other economic development studies that have been conducted in the City, and the perceptions of the Citizen Advisory Committee guiding this study. This identification will enable the identification of specific economic development activities that should be implemented to improve the local economy.

Section IV

ECONOMIC DEVELOPMENT POTENTIALS AND CONSTRAINTS

INTRODUCTION

The previous sections of this report, together with the findings of the Industrial Business Retention Survey and the Retention Survey of Service and Commercial Businesses indicate certain characteristics of the City of South Milwaukee which have important implications for economic development. Some of these characteristics constitute positive attributes that give the City a comparative advantage in attracting and sustaining economic development; others constitute negative attributes that act as constraints on further economic development in the City and may need to be overcome in order to sustain the growth of the city economy.

The purpose of this section is to summarize the potentials for, and constraints on, economic development in the City that were documented in the previous sections of this report. It should be noted that in some cases an economic development constraint has been identified as a result of the collective perception of the City of South Milwaukee Area Resource Team (SMART). Information supporting such a perceived constraint may not be previously documented. In those cases where supporting data are not available, this section indicates that the constraint is a perceived constraint. The economic development potentials of and constraints on the City are summarized in Table 13.

Potential One: Recent Economic Development Activities in the City

As previously indicated in this report, a number of community development organizations in the City, as well as the city government, have been actively involved in promoting the economic development of the City. This involvement, while not unique among communities in the Region, represents an important commitment to improving local economic conditions, and therefore can be identified as an economic development potential.

The Mayor and the city staff serve as the initial contacts for business establishments considering an expansion or an initial location in the City; the Mayor is an active participant in SMART, the City's economic development advisory committee. The Mayor, together with the Chairman of SMART, contacts business persons who have indicated a problem related to the conduct of their businesses in the City, and the Mayor and City Administrator identify the need for public improvements in the City that affect the economic development of the City.

In addition to the activities of city government, the activities of SMART, the South Milwaukee Association of Commerce, and the Milwaukee County economic development program are important in promoting local economic development. SMART assists the Mayor in carrying out various economic development activities, as well as providing recommendations to city government regarding local economic development issues. The South Milwaukee Association of Commerce

Table 13

ECONOMIC DEVELOPMENT POTENTIALS AND CONSTRAINTS
IN THE CITY OF SOUTH MILWAUKEE

Potential One: Recent Economic Development Activities in the City

Constraints Related to Potential One--

1. Lack of available local economic development staff.
2. Lack of a formal organizational structure for SMART.
3. Lack of direct job-generating activities.
4. Poor perception of local economic development activities.
5. Lack of membership by industrial firms in the South Milwaukee Association of Commerce.
6. Limited use of federal community development block grant funds for economic development.
7. The need for additional information for business prospects.
8. Lack of utilization of available economic development staff assistance.
9. Lack of participation in regional and statewide economic development efforts.

Potential Two: Retention and Expansion of the City's Existing Industrial Base

Constraints Related to Potential Two--

1. Lack of industrial business starts.
2. Local impact of changing economic conditions.
3. Lack of firms selling products to the government.
4. Lack of building expansion plans.
5. Firms planning to relocate.
6. Efforts by other states to relocate local employers.
7. Cash flow problems at existing firms.
8. Poor perception of the City as a place in which to operate a business.
9. Dissatisfaction with stormwater drainage and sanitary sewer services.
10. Lack of available industrial land.
11. Lack of small vacant industrial buildings.

Potential Three: Retention and Expansion of the City's Retail Trade and Service Industry Base

Constraints Related to Potential Three--

1. The need to redevelop the central business district.
2. Problems in securing business financing.
3. Employee-related problems.
4. Poor outlook regarding future business.
5. Competition between retail trade and service industry establishments in the Milwaukee metropolitan area.
6. Low wages paid to retail trade and service industry workers.
7. Competition between the central business district and local shopping centers.
8. Lack of a local identity.
9. Availability and high cost of advertising.

advocates the commercial, industrial, retail, and civic welfare of the City and its trade area. Recently, the Association has experienced a relatively large increase in membership, has initiated a successful business and industry fair, and has completed a retention survey of industrial establishments. In 1987, Milwaukee County initiated an economic development program that includes a local community economic development planning assistance element, as well as technical assistance to Milwaukee County businesses.

Constraints Related to Potential One:

1. Lack of Available Local Economic Development Staff--City and Association of Commerce staff time limitations may constrain the implementation of additional economic development activities in the City.
2. Lack of a Formal Organizational Structure for SMART--The lack of a formal organizational structure and an annual work program of economic development activities for SMART may limit this organization's long-term effectiveness in improving the local economy.
3. Lack of Direct Job-Generating Activities--The historical economic development activities in the City are predominantly reactive, as opposed to proactive, and do not directly create new employment opportunities. SMART perceives that this constraint is a result of an inability of persons interested in local economic development to identify and develop a consensus regarding the need for specific job-generating activities.
4. Poor Perception of Local Economic Development Activities--A total of only three respondents, or 15 percent, to the Wisconsin Bell industrial business retention survey rated local municipal economic development efforts as excellent or good, while 45 percent of the respondents across the State indicated this response.¹ In addition, a total of 32 respondents, or 62 percent of the respondents to the SEWRPC commercial and service industry retention survey, rated public officials' efforts to improve local conditions as average or below average.
5. Lack of Membership by Industrial Firms in the South Milwaukee Association of Commerce--A total of 12 respondents, or 60 percent of the respondents to the Wisconsin Bell retention survey, indicated that they were not members of the South Milwaukee Association of Commerce, while 32 percent of the respondents across the State indicated this response.
6. Limited Use of Federal Community Development Block Grant Funds--While the City receives approximately \$50,000 in federal Community Development Block Grant (CDBG) funds, these funds have not been utilized for economic development purposes. Eligible CDBG economic development

¹The term "respondents across the State" refers to the aggregation of responses to all of the Wisconsin Bell industrial retention surveys as of June 1986.

activities include the purchase of land, buildings, machinery and equipment, and other fixed assets and building renovation. CDBG funds can also be used as working capital.

7. The Need for Additional Information for Business Prospects--While the informational packet provided by the City to business prospects includes a variety of information on local physical, cultural, and recreational opportunities, the packet lacks statewide information on economic development financial and technical assistance programs.
8. Lack of Utilization of Available Economic Development Staff Assistance--The City's existing economic development activities have included periodic contact with professional economic development assistance from Milwaukee County, the Regional Planning Commission, and the University of Wisconsin-Extension. However, SMART perceived that these agencies, as well as other agencies providing similar assistance, should be asked to implement specific, action-oriented economic development activities, and that SMART should determine the nature of these activities.
9. Lack of Participation in Regional and Statewide Economic Development Efforts--SMART perceived that local participation in regional and statewide economic development efforts was too limited. Once more, SMART perceived that as a result of this lack of participation, area and statewide economic development organizations hold a negative image of South Milwaukee as a business location.

Potential Two: Retention and Expansion of the City's Existing Industrial Base

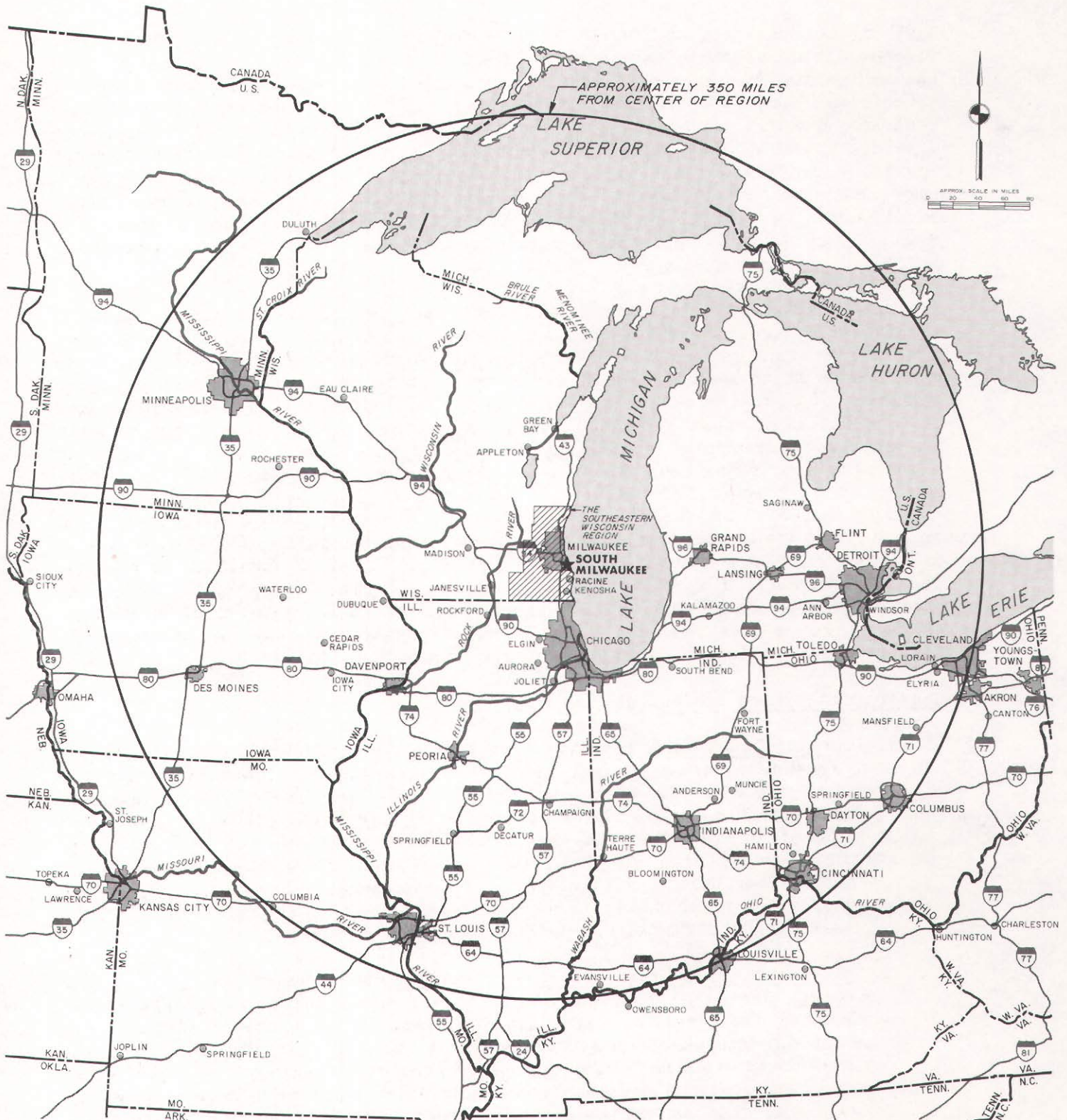
The structure of the city economy results in a need for special emphasis on the retention and expansion of existing industrial employers, as well as the attraction of new industrial employers to the City. This industrial development potential includes both the durable and nondurable goods manufacturing industry, as well as the wholesale trade industry.

In 1987, a total of 21 manufacturing industry establishments were located in the City. While reliable place-of-employment data are not available for the City, employment data for Milwaukee County indicate that in 1984, 155,200 workers, or 28 percent of all employment in the County, was in the manufacturing industry, a substantially higher percentage than that for the Nation, indicating the importance of manufacturing to the county and local economy.

The location of the City in the Milwaukee metropolitan area results in an adequate labor pool that can meet the needs of industrial establishments contemplating expanding or locating in the City. The geographic location of the City also results in many of the most important industrial areas and heaviest population concentrations in the Midwest being located within 350 miles of the City (see Map 1). In particular, in addition to being an integral part of the Milwaukee metropolitan area, the City is located near several large urban centers in southern Wisconsin and northeastern Illinois, including the Cities of Milwaukee, Madison, Racine, Kenosha, and Chicago. These urban centers, as well as the remainder of the Midwest region, provide a large potential market for the sale of goods that are manufactured in the City, as well as access to

Map 1

REGIONAL SETTING OF THE CITY OF SOUTH MILWAUKEE



raw materials and product inputs. The location of the City in proximity to the IH 94 corridor also makes the South Milwaukee area attractive for industrial development.

Many of the community utilities, facilities, and services of the City are able to meet the needs of an expanding industrial base. The City is served by good transportation facilities that include well-developed, all-weather arterial streets and highways, railway facilities, and air transportation facilities that are readily accessible to the City, the latter including Milwaukee's General Mitchell International Airport, a full service commercial airport located approximately one mile to the northwest of the City. The City sanitary sewer system and water supply system have adequate capacity for future development. Finally, the Wisconsin Electric Power Company and the Wisconsin Natural Gas Company provide natural gas to the community at competitive prices.

Several findings of the city industrial retention survey indicate that the manufacturing industry represents an economic development potential. Overall, a number of factors indicate that existing manufacturing firms are likely to continue to be located in the City. A total of 16 respondents, or 80 percent, compared to a statewide average of 72 percent, indicated that South Milwaukee is the firm's corporate headquarters. A business establishment can usually be expected to remain in the area of its corporate headquarters, relative to firms with a corporate headquarters in other locations. A total of 17 respondents, or 85 percent, compared to a statewide average of 70 percent, own the building and land at their existing location, another factor that could lead to the firms remaining in South Milwaukee. Also, a total of 13 respondents, or 65 percent, compared to 59 percent statewide, plan to modernize or improve their present building or equipment. Finally, local firms planning an expansion project will not need to purchase additional land. A total of 17 respondents, or 85 percent, compared to 77 percent statewide, own or lease sufficient space to allow for expansion of the firm's existing building.

Constraints Related to Potential Two:

1. Lack of Industrial Business Starts--The Wisconsin Bell retention survey showed that only one industrial firm has been established in the City since 1980. This problem has also been noted throughout the State of Wisconsin. A recent report by Dunn and Bradstreet Corporation indicates that new business starts in Wisconsin declined from 3,591 in 1985 to 3,448 in 1986, a decline of about 4 percent. The annual percentage decline in new business starts in the State was greater than the overall decline in the Nation, 0.7 percent, or the East North-Central Region of the Nation, 1.6 percent.
2. Local Impact of Changing Economic Conditions--Chapter II of this report indicated that changes in the economy that are uncontrollable at the local level are resulting in a decline in manufacturing employment in Milwaukee County. Correspondingly, 12, or 60 percent, of the respondents to the Wisconsin Bell retention survey indicated that market conditions and the economy have the greatest negative impact on their operations, while only 34 percent of the respondents statewide indicated this response.

3. Lack of Firms Selling Products to the Government--While nearly identical to the state average of 26 percent, only 27 percent of the respondents to the South Milwaukee Wisconsin Bell retention survey directly supplied products to the government.
4. Lack of Building Expansion Plans--A total of only 3 respondents, or 17 percent, to the South Milwaukee Wisconsin Bell survey indicated an intention to expand their existing building, compared to 30 percent of the respondents statewide.
5. Firms Planning to Relocate--A total of 6 respondents, or 32 percent, and 5 respondents, or 26 percent, to the South Milwaukee Wisconsin Bell survey indicated that they planned to move all or part of their operation from the current location, or that they were a candidate for relocation, respectively. This compares to 14 percent and 7 percent, respectively, statewide.
6. Efforts by Other States to Relocate Local Employers--A total of 12 respondents, or 60 percent, to the South Milwaukee Wisconsin Bell survey, compared to 33 percent of the respondents statewide, indicated that they have been contacted by other states in an attempt to relocate the firm.
7. Cash Flow Problems at Existing Firms--A total of 8 respondents, or 42 percent, to the South Milwaukee Wisconsin Bell survey, compared to 35 percent of the respondents statewide, indicated that their firm was experiencing cash-flow problems.
8. Poor Perception of the City as a Place in Which to Operate a Business--While a total of 82 percent of the Wisconsin Bell survey respondents statewide rated their community as excellent or good as a place in which to operate a business, only 42 percent of the South Milwaukee respondents indicated these responses.
9. Dissatisfaction with Stormwater Drainage and Sanitary Sewer Services--A total of 8 respondents, or 42 percent of the respondents to the Wisconsin Bell survey, indicated that they were dissatisfied with the stormwater drainage and sanitary sewer services provided in the City. This compares to 17 percent statewide.
10. Lack of Available Industrial Land--The City's inventory of undeveloped land that is zoned for manufacturing shows a total of about 65 acres available for development. However, this land is scattered throughout the community rather than in one location such as a community industrial park.
11. Lack of Small Vacant Industrial Buildings--Currently, the City has one large vacant industrial building of approximately 290,000 square feet available for sale. However, industrial real estate brokers in the Milwaukee area have indicated that industrial buildings that are 15,000 to 25,000 square feet are in demand, while larger buildings are more difficult to sell.

Potential Three: Retention and Expansion of the
City's Retail Trade and Service Industry Base

The City of South Milwaukee has opportunities to expand its retail trade and service industries. Milwaukee County, of which the City is a part, has a good base of service industry employment. In 1984, these industries in the County employed about 293,300 workers, or about 53 percent of all workers in the County. A recent report by the Wisconsin Department of Development, entitled, The Job Generation Process in Wisconsin: 1969 to 1981, indicates that the service industry sector is, and may be expected to continue to be, a consistent source of new jobs during periods of both economic expansion and recession.

Fifteen percent of the City's population is 60 years of age or older, which is similar to the percentage for the Region, and only slightly smaller than the percentage for Wisconsin and for the Nation, 16 percent. The lack of significant out-migration of older adults from the City provides a market for retail trade and service industry establishments. Often, older adults will shop at commercial and service industry establishments that are near their home in order to avoid excess traveling. In addition, the current Francisca Villa nursing home, and the planned construction of a total care older adult living environment by Francisca Villa, will serve to increase the number of older adults in the City.

At the present time, the Sunrise Shopping Center is undergoing renovation. This renovated center, together with the Marquette Plaza Shopping Center and the Grant Park Plaza in the City, provides commercial establishments near to the City's population.

In December 1986, the Southeastern Wisconsin Regional Planning Commission published Memorandum Report No. 6, Report of the Hoan Bridge Task Force. The report sets forth information that was requested by the Hoan Bridge Task Force, an advisory committee created by the Regional Planning Commission, to address the existing and future traffic and related community development problems at the south end of the Daniel Webster Hoan Memorial Bridge, and the costs and benefits of alternative actions which could alleviate those problems. The study resulted in a recommendation to construct a surface arterial street connection from the southern end of the Hoan Bridge to E. Layton Avenue along the Chicago & North Western Railway right-of-way. The Commission's adopted long-range transportation system plan recommends the extension of this surface arterial to the south to better serve, among other communities, the City of South Milwaukee. While the first stage of implementation of the Hoan Bridge arterial connection to E. Layton Avenue does not extend to the City of South Milwaukee, the proximity to the City of the terminus of the extension will serve to improve substantially the accessibility of the City to persons and businesses throughout the Milwaukee metropolitan area.

Several findings of the city service and commercial business retention survey indicate that service and commercial activities represent an economic development potential. From 1982 to 1985, the total employment of the respondent firms increased by 25 percent, a percentage that was significantly greater than that for all industries in Milwaukee County, 0.4 percent, as well as greater than that for all service industries in the County, 9 percent. In

addition, only one respondent firm expects to reduce employment from 1987 to 1991, with 19 respondents planning an expansion project during this time period. The expansion projects are expected to result in approximately 80 new jobs. In addition, the survey indicated that the respondent firms are selling products and services to the local, state, and federal governments. This is encouraging in that commercial and service establishments often overlook this market. A total of 24 respondents, or 47 percent, supply products and/or services to local government, while 27 percent and 21 percent supply products and/or services to the state and federal governments, respectively.

Constraints Related to Potential Three:

1. The Need to Redevelop the Central Business District--A total of 38 respondents, or 75 percent, to the service and commercial retention survey perceived that the downtown area would not remain a viable business district. The perceived problems in the downtown area that were most often mentioned by the respondents included the poor condition of buildings, 14 percent, and inadequate parking, 12 percent. The suggestions to improve the downtown area most often mentioned by the respondents included improving the condition of buildings and improving the overall appearance of the downtown area, 10 percent each. In addition, SMART perceived that some owners of buildings in the district are apparently unwilling to undertake even normal building maintenance, much less major improvements that would improve the appearance of the central business district.
2. Problems in Securing Business Financing--A total of 11 respondents, or 22 percent, to the service and commercial retention survey indicated that they had experienced a problem in securing financing for their business. In addition, a total of 17 respondents, or 35 percent, indicated that they intend to seek financial assistance during the next five years, with this financing to be used for a new building or addition, machinery and equipment, and working capital.
3. Employee-Related Problems--The respondents to the service and commercial retention survey expressed concern about employee problems related to employee wage expectations, employee attitudes, and employee turnover.
4. Poor Outlook Regarding Future Business--A total of 28 respondents, or 55 percent, to the service and commercial retention survey indicated that their outlook on future business was either average or below average.
5. Competition Between Retail Trade and Service Industry Establishments in the Milwaukee Metropolitan Area--The City of South Milwaukee is only one of several communities in the Milwaukee metropolitan area that have an established central business district or other area of major commercial activity. Consequently, the retail trade and service industry establishments in the City face competition from establishments in the other communities. In particular, the proximity of the City to regional shopping malls provides opportunities for local residents to readily purchase goods and service in other locations.

6. Low Wages Paid to Retail Trade and Service Industry Workers--Retail trade and service industry establishments generally pay lower wages than manufacturing industry establishments. In addition, a number of retail trade and service industries may demand a relatively lower skill level, resulting in a negative image of these jobs by many members of the labor force. Consequently, retail trade service industry jobs are often perceived as providing little, if any, opportunities for advancement. There is a general lack of awareness on the part of the civilian labor force that the retail trade and service industry is, and will probably continue to be, a growth industry, resulting in new opportunities for employment. These labor force factors could result in a lack of availability of qualified workers for jobs in the retail trade and service industries and, as a result, act to inhibit the growth of these industries in the City.
7. Competition Between the Central Business District and Local Shopping Centers--The Sunrise Shopping Center, Marquette Plaza Shopping Center, and Grant Park Plaza in the City are well located to serve the City's population. However, SMART perceives that these areas are in direct competition with the central business district, which could be one of the factors in the vacancies in the district.
8. Lack of a Local Identity--SMART perceived that the City of South Milwaukee lacks an identity as a location within the Milwaukee metropolitan area. As a result, potential customers of commercial and service industry establishments lack knowledge regarding the location of the establishments within the metropolitan area and the best transportation routes to use to travel to the establishments. SMART also perceived that the lack of special events or attractions that are unique to the City also contributes to the lack of a local identity.
9. Availability and High Cost of Advertising--SMART perceived that commercial and service industry establishments lack a vehicle to advertise their products and/or services to local and regional markets. Existing media, including newspapers, radio, and television, are either too costly or provide access to areawide rather than more localized markets.

SUMMARY AND CONCLUSIONS

This section of this report has indicated that there are three overall economic development potentials in the City of South Milwaukee. These potentials are: 1) the economic development activities of the City, 2) retention and expansion of the city industrial base, and 3) expansion of the retail trade and service industry in the City. City economic development activities should seek to further these potentials. In addition to economic development potentials, this section has identified a number of economic development constraints. The elimination of these constraints should represent the focus of economic development activities in the City.

The next section of this report presents the recommended city economic development program. This program sets forth the overall goals, objectives, and activities necessary to improve economic conditions in the City.

SECTION V

ECONOMIC DEVELOPMENT PROGRAM PLAN

INTRODUCTION

The preceding sections of this report have: 1) explained the overall economic development program planning process; 2) described the current state of the City's economy; 3) analyzed the historic economic development efforts in the City; and 4) set forth the potentials for, and constraints on, further economic development in the City. The purpose of this section is to identify and recommend an economic development program for adoption and implementation by the City.

More specifically, this section of the city economic development program presents: 1) overall goals for an economic development program; 2) specific criteria to guide the development and conduct of an economic development program; 3) recommended economic development objectives and activities flowing from the broader goals for such a program; 4) the time period during which the activities should be implemented and the probable cost of such implementation; and 5) the monitoring criteria for measuring the success of the various economic development program activities over time.

OVERALL ECONOMIC DEVELOPMENT GOALS IN THE CITY OF SOUTH MILWAUKEE

An economic development program in the City of South Milwaukee will be successful only if the program has clear long-term goals that can guide the development and implementation of the program. A statement of such goals should reflect the type of economic development program that is desired in the City, and to which specific economic development program objectives and activities can be related. In this way can an effective economic development program be formulated for the City, and, importantly, its effectiveness over time measured.

The following have been identified by SMART as the overall goals of the city economic development program:

1. To maintain a formal organization to lead, guide, and coordinate the efforts of citizens and organizations concerned with the economic development of the City. The membership of the organization should include individuals from both the public and private sectors who are residents of, or operators of businesses in, South Milwaukee.
2. To help retain existing employment opportunities and to provide for the expansion of existing employment opportunities in the City by helping to meet the needs of existing employers in all business sectors.
3. To help create new employment opportunities through the attraction of new employers to the community.

4. To assist in creating new employment opportunities by providing assistance to persons interested in developing new, or expanding existing, small businesses in the City.
5. To develop and maintain a physical, cultural, educational, and recreational environment in the City that is conducive to business development. The persons responsible for the implementation of the economic development program should work with the city government in identifying cost-effective alternatives for the rehabilitation of community facilities and services that are in need of repair, as well as the identification of necessary new community facilities and services.

CRITERIA TO GUIDE THE CITY'S ECONOMIC DEVELOPMENT PROGRAM

The city economic development program is envisioned as an ongoing effort to improve the local economy. In order to provide guidance to the persons responsible for implementing the program in its initial, as well as ongoing, selection of objectives and activities, SMART has identified the following decision-making criteria:

1. Nature of Program Activities. The city economic development program should be an action-oriented program that has an impact on job creation and/or retention.
2. Financial Support. Initial financial support for the economic development program should be provided by the City of South Milwaukee. Sole support by the City at such funding levels as may be determined by the Common Council would be limited to the first two years of the program. Thereafter, for every three dollars of city funding, SMART should provide at least one dollar of private sector funding.
3. Number of Economic Development Activities. The City's economic development program activities should be limited to those with the greatest potential for creating and/or retaining jobs in the community.
4. South Milwaukee Association of Commerce. The City's economic development program should recognize the South Milwaukee Association of Commerce as an important partner in improving the local economy and seek to coordinate the development and implementation of economic development activities with the Association.
5. Economic Development Program Staff. A number of existing economic development-related organizations, agencies, and programs are capable of providing staff support to assist in the implementation of the city economic development program. These organizations include: the South-eastern Wisconsin Regional Planning Commission; the Milwaukee County economic development program; the University of Wisconsin-Extension; the Milwaukee Area Technical College; and the South Milwaukee School District. In addition, economic development staff assistance is available from the Wisconsin Electric Power Company, Forward Wisconsin, Inc., the Wisconsin Department of Development, and Wisconsin Bell, an Ameritech Company. The economic development program should

utilize the staffs of these economic development organizations in carrying out the program activities.

6. Orientation of the Economic Development Program. The vitality of the economy of the City is dependent upon the growth and development of all sectors of that economy. Therefore, the city economic development program should include projects and activities that address problems and issues facing the commercial and service sectors of the local economy, as well as the industrial sectors of that economy.
7. Program Responsibility. The primary responsibility for the city economic development program rests with SMART in coordination with the Mayor as the lead economic development representative of the City.

CITY OF SOUTH MILWAUKEE ECONOMIC DEVELOPMENT PROGRAM: OBJECTIVES AND ACTIVITIES

This section presents the specific objectives that should be pursued, at least initially, and activities that should be undertaken to enable the City to accomplish its economic development goals. In this regard, the objectives and activities are intended to address, and to overcome to the extent practicable, the economic development constraints identified in Section IV of this report.

The recommended objectives and activities are categorized by the following five major functional economic development areas: 1) organizational development activities, 2) business retention activities, 3) business attraction activities, 4) small business development activities, and 5) the development of public facilities and services.

Organizational Development Activities

Objective One: To establish SMART as the organization that will lead, guide, and coordinate the efforts of citizens and organizations concerned with local economic development. SMART should develop a mission statement that clearly defines the role of organizations in local economic development, and this role should be formally recognized by the city government. While this objective is directly related to Goal One, it is also indirectly related to all of the identified goals of the city economic development program. This objective and the activities identified below are intended to address the problems of: 1) the lack of a formal organizational structure for SMART; 2) the lack of local utilization of regional and state economic development staff; 3) the lack of participation in regional and state economic development activities; and 4) the limited use of Community Development Block Grant funds for local economic development purposes.

Activity One--The Common Council of the City of South Milwaukee should adopt a resolution designating SMART as the organization that will lead, guide, and coordinate the economic development activities in the City, as well as implement the economic development program documented herein. The City should appoint a total of 13 persons to SMART who are representative of both public interests and private citizens interested in the economic development of the City. In addition, the resolution should identify the aforelisted economic development goals as the goals of SMART.

Activity Two--SMART should seek as necessary each year the assistance of local, regional, and state staff, as indicated previously herein, in carrying out economic development program activities that are expected to take place during the course of the year.

Activity Three--The Chairperson of SMART should convene a formal meeting of representatives of Forward Wisconsin, Inc., the Wisconsin Electric Power Company, Wisconsin Bell, Milwaukee Area Technical College, the South Milwaukee School District, the Wisconsin Department of Development, Milwaukee County economic development program, Regional Planning Commission, and the University of Wisconsin-Extension to discuss the City's economic development program and the ways in which these organizations can assist in furthering the success of the program.

Activity Four--SMART should request the City to provide funding at such levels as may be determined appropriate by the Common Council for the implementation of the city economic development program during the first two years. Thereafter, for every three dollars of city funding, SMART should provide at least one dollar of private sector funding.

Activity Five--The city staff, under the direction of the Mayor, should consider allocating a portion of the time of an existing city staff person for implementation of the economic development program documented herein.

Business Retention Activities

Objective Two: To develop and maintain an ongoing business retention program that will identify the problems and concerns of local employers and identify and implement solutions to those problems and concerns. This objective and the activities indicated below are intended to address the local economic development problems of: 1) negative local perception of existing economic development activities; 2) the need to increase product sales of local employers to the government; 3) the plans of some local employers to relocate outside the community; 4) efforts by other states to relocate local employers; and 5) the financing needs of local employers.

Activity Six--The Mayor, together with the Chairperson of SMART, should continue the existing informal program of contacting existing business establishments that have indicated a problem or concern relative to operating a business in the City. In addition, SMART, in cooperation with the University of Wisconsin-Extension, should sponsor an annual meeting of all business establishments in the City, the purpose of which would be to identify local problems and concerns and potential solutions to those problems and concerns.

Activity Seven--SMART and the South Milwaukee Association of Commerce should form a joint committee to work with the office of the Congressman of the 4th Congressional District and the Metropolitan Milwaukee Association of Commerce on increasing the sales of the products and services of local business establishments to the federal government. Initially, the committee should develop a system by which local firms can receive assistance and information regarding federal procurement.

Activity Eight--The Chairman of SMART should transmit a letter to the Milwaukee County Executive and the Milwaukee County Board noting the financing problems expressed by respondent firms to the industrial and service and commercial retention surveys. In addition, the letter should request a determination regarding the feasibility of initiating a Milwaukee County low-interest revolving loan fund for local businesses.

Business Attraction Activities

Objective Three: To initiate a business attraction program that will attract one or more new business establishments to the City during the next two-year time period and create 30 new jobs. This objective and the activities identified below address the local economic development problem of 1) the lack of local participation in regional and statewide economic development activities; 2) the local impact of changing economic conditions; 3) the lack of new businesses in the City; and 4) the relatively large percentage of city residents currently working outside the City.

Activity Nine--SMART should work with the City to establish a local business attraction team consisting of five persons knowledgeable about the community's facilities and services and existing business. The attraction team should include: the Mayor, the Chairperson of SMART, the President of the South Milwaukee Association of Commerce, a representative of local financial institutions, and a knowledgeable business person appointed by the Mayor. The attraction team would be responsible for assisting new businesses interested in locating in the City, and should be a subcommittee of SMART.

Activity Ten--On a revolving basis, the members of the business attraction team should participate in two or more industry "call trips" sponsored by the Wisconsin Electric Power Company during the next two years.

Activity Eleven--The available commercial and industrial land and buildings identified in the city informational package should be located on a small-scale city map and used when discussing possible sites with business prospects. In addition, detailed information on each of the sites and buildings should be assembled. The city staff and, if necessary, a private consultant should be responsible for this activity.

Activity Twelve--The informational package provided by the City should include the Economic Development Fact Book currently being prepared by the Regional Planning Commission staff for the City.

Small Business Development Activities

Objective Four: To place special economic development emphasis on retaining and expanding small commercial, service, and industrial firms currently located in the City. This objective and the activities below are in response to the economic development problems of: 1) competition between retail trade and service industry establishments in the City and throughout the remainder of the Milwaukee metropolitan area; 2) the lack of an industrial park in the City; 3) the lack of small vacant industrial buildings in the City; 4) the lack of new industrial business starts in the City; 5) the problem of retail trade and service industry establishments securing business financing; and

6) the perceived poor outlook for future business by retail trade and service industry establishments.

Activity Thirteen--SMART should contract with a private consultant to study the cost, marketability, and location for an industrial incubator building in the City. The study should examine the following alternatives:

1. The potential for leasing excess space from an existing industrial business establishment in the City.
2. The potential for converting a portion of the existing vacant 290,000-square-foot industrial building in the City to an industrial incubator.
3. The potential for constructing a new building to be used as an industrial incubator.

This study should be financed by the City of South Milwaukee. However, in the establishment of the incubator, SMART should examine several ownership and management alternatives, including public, private, and joint public-private ownership.

Activity Fourteen--Should an industrial incubator become a feasible project in the City, SMART should convene a joint meeting of representatives from the University of Wisconsin, Small Business Development Center, the Wisconsin Business Development Finance Corporation, local financial institutions, and the Milwaukee Area Technical College to discuss the methods by which technical and financial assistance can be provided to prospective tenants in the proposed industrial incubator. The Regional Planning Commission staff should assist the City in this activity.

Activity Fifteen--SMART should contract with a private consultant to determine the market potential for a service industry incubator at the former offices of the Bucyrus-Erie Company in the City's central business district. Following the completion of such a study, the City should determine the most appropriate ownership and management alternative as noted above for the industrial incubator established under Activity Thirteen.

Community Facilities and Services

Objective Five: To ensure that the central business district in the City remains a viable location for existing and new commercial and service firms. This objective and the activity below is related to the economic development problems of: 1) the need for redevelopment of the central business district in the City; and 2) the perceived negative outlook by retail trade and service industry establishments regarding future business conditions in the City.

Activity Sixteen--SMART should recommend to the City that public improvements in the central business district be undertaken in conjunction with a comprehensive downtown redevelopment plan that would include the following elements:

1. The identification of initial general downtown redevelopment goals that represent a consensus of what the community desires for the downtown area.

2. The implementation of appropriate studies and surveys that will help to identify, in an objective manner, the specific downtown projects that should be undertaken. The basic studies and survey should include:
 - a. A land use survey that indicates present land uses in the area.
 - b. A building structural soundness survey to identify buildings that are sound, in need of minor or major repairs, or dilapidated.
 - c. The completion of a historical survey report that identifies buildings that are of historic or architectural interest.
 - d. A streetscape survey that gathers information on general building appearance, landscaping, sidewalks, and other visual concerns.
 - e. A public facilities survey to determine the integrity of sewer and water facilities, other utilities, streets, and other public works.
 - f. A public opinion and market survey to determine the adequacy of the downtown area in meeting basic consumer needs and market potential. Specifically, this survey should determine the potential success of retail trade versus service industries in the central business district.
3. The development of specific plans for the redevelopment of the downtown area. The plans would show the improvements that should be made in the area and the time frame during which they should take place.
4. The identification of who will be responsible for carrying out the activities required by the agreed-upon projects and plans; what financing mechanisms will be used such as tax increment financing and business improvement districts; and the specific dates by which the improvements will be completed.
5. An evaluation of the success and failure of the redevelopment effort, as well as the identification of ongoing projects and activities that will benefit the area.

The conduct of the downtown redevelopment study should be assisted by an advisory Committee consisting of a subcommittee of the South Milwaukee Association of Commerce made up of property owners and merchants doing business in the central business district. The City should contract with a private consultant to assist in the redevelopment process. Local professional volunteer assistance would also be sought.

Activity Seventeen--SMART, with the assistance of the South Milwaukee Association of Commerce and the staff of the Regional Planning Commission, should conduct a consumer market survey to identify the perceptions of local residents of shopping in the City of South Milwaukee. The survey should provide merchants with timely information on consumer needs and buying habits, as well

as determine the types of new retail trade and service establishments and products that are desired by local residents. Specifically, the survey should address the following:

1. The percentage of the households' total retail goods purchased in the City.
2. The households' perception of local retail goods relative to quality, selection, price, accessibility, and customer service.
3. The availability of a range of retail goods in the City.
4. The households' perception of the City's various shopping areas relative to hours, days of operation, product availability, and overall appearance.

Objective Six: SMART should ensure that public facilities and services are provided to businesses in the City in a cost-effective manner that is competitive with the cost of facilities and services in neighboring communities. This objective and the activity below are intended to address the concerns of businesses relative to sanitary sewer services in the City, as well as the City's contention that city provision of sanitary sewer services is an economic development potential in the community.

Activity Eighteen--SMART should request the City staff to conduct an analysis comparing the cost of sanitary sewer service to local industrial establishments to the cost of such service in several neighboring communities.

CITY OF SOUTH MILWAUKEE OVERALL ECONOMIC DEVELOPMENT PROGRAM: IMPLEMENTATION

This section of the report summarizes the economic development activities that were explained in greater detail in the previous section of this report (see Figures 4 through 9); identifies a specific schedule for the completion of the program activities; and discusses the program activities in terms of their importance as major or minor activities.

Summary and Time Schedule for Implementation of the Program Objectives and Activities

A summary of the recommended city economic development program activities is set forth in Figures 4 through 9, with each of the figures corresponding to one of the five major economic development program functional areas. Figure 9 shows the time schedule for implementation of the activities. The activities are scheduled to be implemented during an initial two-year time period. The program activities are summarized in Figures 4 through 9 in order to facilitate an overall understanding by the Common Council, SMART, the Association of Commerce, and the general public of the various components of the economic development program, the time period during which the activities will be implemented, and the estimated cost of the activities.

Figure 4

SOUTH MILWAUKEE ECONOMIC DEVELOPMENT PROGRAM
ORGANIZATIONAL DEVELOPMENT ACTIVITIES

Objectives and Activities	Responsibility	Estimated Cost
<u>Objective 1</u> To establish SMART as the organization that will lead, guide, and coordinate the efforts of citizens and organizations concerned with economic development.		
<u>Activity One</u> --Designation of the SMART as the City's lead economic development committee.	City Council	--
<u>Activity Two</u> --SMART should annually request the assistance of area economic development organizations in the implementation of the City's economic development program.	SMART	--
<u>Activity Three</u> --SMART should convene a meeting of areawide economic development organizations to inform them of the elements of the economic development program.	SMART	--
<u>Activity Four</u> --Provide the SMART with a 1988 budget of \$25,000 to carry out the economic development program.	City Council	
<u>Activity Five</u> --Examine existing city staff responsibilities and determine the potential for allocating additional city staff time for economic development activities.	Mayor and City staff	--

Figure 5

SOUTH MILWAUKEE ECONOMIC DEVELOPMENT PROGRAM
BUSINESS RETENTION ACTIVITIES

Objectives and Activities	Responsibility	Estimated Cost
<u>Objective 2</u> To develop and maintain an ongoing business retention program that will identify the problems and concerns of local employers and identify and implement solutions to these problems and concerns.		
<u>Activity Six</u> --Continue the existing informal network of contacting existing businesses that have indicated a problem or concern relative to operating a business in the City.	Mayor/Chairperson of SMART	--
<u>Activity Seven</u> --SMART and the South Milwaukee Association of Commerce should form a joint committee to work with the office of the Congressman of the 4th Congressional District and the Metropolitan Milwaukee Association of Commerce to design a local federal procurement program.	SMART/Association of Commerce	--
<u>Activity Eight</u> --Transmit a letter to the Milwaukee County Executive and the Milwaukee County Board requesting the initiation of a countywide low-interest revolving loan fund.	Chairperson of SMART	--

Figure 6

SOUTH MILWAUKEE ECONOMIC DEVELOPMENT PROGRAM
BUSINESS ATTRACTION ACTIVITIES

Objectives and Activities	Responsibility	Estimated Cost
<u>Objective 3</u> To initiate a business attraction program that will attract one or more new business establishments to the City during the next two-year time period and create 30 new jobs.		
<u>Activity Nine</u> --Establish a local business attraction team consisting of five persons knowledgeable about the community's facilities and services and existing business.	SMART and Mayor	--
<u>Activity Ten</u> --Participate in the WEPCo business call trips outside the State of Wisconsin.	Business Attraction Team	\$500
<u>Activity Eleven</u> --Improve the existing inventory of available commercial and industrial land and buildings.	City Staff	\$1,000
<u>Activity Twelve</u> --Utilize the <u>Economic Development Fact Book</u> currently being prepared by the Regional Planning Commission staff in the informational package currently provided by the City to businesses.	SEWRPC	--

Figure 7

SOUTH MILWAUKEE ECONOMIC DEVELOPMENT PROGRAM
SMALL BUSINESS DEVELOPMENT ACTIVITIES

Objectives and Activities	Responsibility	Estimated Cost
<u>Objective 4</u> To place special emphasis on retaining and expanding small commercial, service, and industrial firms currently located in the City and firms that could be expected to locate in the City.		
<u>Activity Thirteen</u> --Study the cost, marketability, and location for an industrial incubator in the City.	SMART/Private Consultant	\$5,000
<u>Activity Fourteen</u> --Convene a meeting of small business technical assistance agencies to determine the availability of such assistance to potential tenants of the industrial incubator.	SMART	--
<u>Activity Fifteen</u> --During the 1989 program year, study the cost and marketability of a service incubator at the former offices of the Bucyrus-Erie Company building in the City's central business district.	SMART/Private Consultant	\$5,000

Figure 3

SOUTH MILWAUKEE ECONOMIC DEVELOPMENT PROGRAM
COMMUNITY FACILITY AND SERVICE ACTIVITIES

Objectives and Activities		Responsibility	Estimated Cost
<u>Objective 5</u>	To ensure that the central business district remains a viable location for new and existing commercial and service firms.		
	<u>Activity Sixteen</u> --Public facility improvements in the City's central business district should be made in conjunction with a comprehensive downtown redevelopment study.	Association of Commerce	\$18,500
	<u>Activity Seventeen</u> --Conduct a consumer market analysis that will identify the perceptions of local residents of shopping in the City of South Milwaukee.	SMART/SEWRPC	--
<u>Objective 6</u>	Ensure that public facilities and services are provided to businesses in the City in a cost-effective manner.		
	<u>Activity Eighteen</u> --Conduct an analysis of the cost of sanitary sewer service to local industrial establishments in comparison to such service in neighboring communities.	Mayor/City Staff	--

Figure 9

IMPLEMENTATION SCHEDULE FOR THE SOUTH MILWAUKEE ECONOMIC DEVELOPMENT PROGRAM

Activities	Time Period							
	1987		1988				1989	
	Qtr. 3	Qtr. 4	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Qtr. 1	Qtr. 2
ORGANIZATIONAL DEVELOPMENT ACTIVITIES								
Activity 1: Designate SMART As City Economic Development Committee								
Activity 2: Annually Request Assistance from Available Technical Assistance Organizations								
Activity 3: Convene Meeting of Areawide Economic Development Organizations								
Activity 4: Request City Funding for the Economic Development Program								
Activity 5: Examine Availability of City Staff to Implement Economic Development Activities								
BUSINESS RETENTION ACTIVITIES								
Activity 6: Continue Existing Industry Retention	<u>Ongoing</u>							
Activity 7: Establish Federal Procurement Program					<u>Ongoing</u>			
Activity 8: Request Milwaukee County Low- Interest Business Loan Program								

(continued)

Figure 9 (continued)

Activities	Time Period							
	1987		1988				1989	
	Qtr. 3	Qtr. 4	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Qtr. 1	Qtr. 2
ORGANIZATIONAL DEVELOPMENT ACTIVITIES								
BUSINESS ATTRACTION ACTIVITIES								
Activity 9: Establish Industry Attraction Team					Ongoing			
Activity 10: Participate in the WEPCo Out-of-State "Call Trips"					Ongoing			
Activity 11: Expand Information on Available Industrial and Commercial Buildings								
Activity 12: Compile Economic Development Fact Book								
SMALL BUSINESS DEVELOPMENT ACTIVITIES								
Activity 13: Industrial Incubator Building								
Activity 14: Incubator Building Technical Assistance								
Activity 15: Service Industry Incubator Building Study								
COMMUNITY FACILITIES AND SERVICES ACTIVITIES								
Activity 16: Downtown Redevelopment Study								
Activity 17: Consume Market Study								
Activity 18: Sewer Service Cost Analysis								

Source: SEWRPC.

Major and Minor Economic Development Activities

The recommended city economic development program activities can be classified into major and minor activities. Major activities are those that are expected to require a relatively large investment of community effort, time, and cost. In addition, the need to implement the major activities is a result of unique economic development needs in the City. The major activities include: 1) the industrial incubator study; 2) the service industry incubator study; and 3) the central business district redevelopment study. It is the successful implementation of these major activities that will, in large part, determine the initial success of the city economic development program.

The remaining economic development program activities are described as minor activities in that they are expected to require substantially less effort. While a number of these activities result from specific economic development needs in the City, these activities represent the program components that are usually a part of a community's local economic development program.

Overall Cost of the Economic Development Program

The total cost of the initial two-year city economic development program cannot be accurately estimated at this time because of the need to request proposals from private consultants for a number of activities. In addition, it is anticipated that a number of program activities will be implemented by the existing city staff, as well as through the services of the staffs of the economic development agencies and organizations identified in this section of the report, thereby reducing the overall cost of the two-year program.

While the overall costs of the program cannot be precisely estimated at this time, a total of \$25,000 should be provided by the City for operation of the program during 1988. This funding may be assumed to be distributed proportionately among the recommended 1988 economic development activities. For those cases where the actual costs, based upon consultant responses to request for proposals or more detailed cost estimates, exceed the available funding, it is recommended that SMART seek private sector financing.

MONITORING CRITERIA FOR MEASURING THE SUCCESS OF THE SOUTH MILWAUKEE ECONOMIC DEVELOPMENT PROGRAM

In order to determine the success of the city economic development program in addressing the community economic development problems, the program described in this section must be monitored and evaluated with regard to:

1. The effectiveness of the activities in attaining the city economic development goals and objectives;
2. The effectiveness of the economic development program's staff support; and
3. The overall effectiveness of the economic development program, including the economic development planning process.

The City of South Milwaukee budget planning process begins in September of each year. The process includes a budget request to the Chairman of the

Finance Committee, and the eventual adoption of a budget by the Common Council. SMART is recommended to be responsible for the implementation of the economic development program proposed herein. Because the city economic development program would be initially funded primarily by the City, SMART will need to evaluate its economic development program on an annual basis in compliance with the city budget review process. The annual budget request by SMART would be submitted to the Finance Committee of the Common Council.

It is recommended that, at a minimum, the following activities be conducted by SMART annually:

1. The appropriateness of the major assumptions of the economic development program should be re-evaluated, including the current state of the City's economy, and changes in the economic development potentials and constraints. Changes in these major assumptions should be made as necessary.
2. The overall goals of the economic development program should be re-evaluated relative to their appropriateness for guiding the program during a three- to five-year time period.
3. The degree to which the program activities have led to the accomplishment of the specific economic development objectives should be evaluated. In addition, the problems encountered in the implementation of the specific program activities should be identified and this information utilized to refine the economic development activities.
4. The appropriateness of the economic development monitoring criteria should be re-evaluated.
5. The methods used to provide staff support to the economic development program should be evaluated, with special attention devoted to the existing strategy of utilizing a combination of existing city staff support, consultants, areawide agency staff, and volunteers to carry out the program activities.
6. SMART, city public officials, and the South Milwaukee Association of Commerce and other appropriate economic development organizations should convene a joint meeting annually to discuss the results of the evaluation process and the manner in which these results can be incorporated into the economic development program for the forthcoming year, and to estimate the amount and sources of funding needed to implement the program for the upcoming year.
7. SMART should hold a public informational meeting annually to explain the results of the evaluation process and identify the proposed program activities for the forthcoming year. SMART should invite the general public to the informational meeting, as well as representatives of organizations interested in, and affected by, economic development in the City, to comment on the program activities that have been implemented over the past year, as well as the activities proposed to be conducted in the forthcoming year. Based upon the public comments received, SMART should, as appropriate, amend the proposed program activities.

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APPENDICES

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Appendix A

CITY OF SOUTH MILWAUKEE OVERALL ECONOMIC DEVELOPMENT PROGRAM, RETENTION SURVEY OF COMMERCIAL AND SERVICE ESTABLISHMENTS

BACKGROUND

On September 26, 1986, the Commission staff, assisted by the South Milwaukee Area Resource Team (SMART), undertook the preparation of an overall economic development program plan for the City of South Milwaukee. The problems and needs of existing employers are particularly important considerations in determining the economic development activities that should be a part of such a program. This appendix accordingly summarizes the most important findings and conclusions of the retention survey of commercial and service establishments that was conducted as a part of the program planning effort, as well as recommendations regarding the types of economic development activities that should be considered by the City as a result of the survey findings.

In early 1986, a survey of manufacturing industry establishments in South Milwaukee was conducted by the South Milwaukee Association of Commerce, SMART, the City of South Milwaukee, and Wisconsin Bell, an Ameritech Company. The growing importance of the service industry to job generation in Wisconsin results in a need to determine the problems and issues facing the City's service industry, as well as the manufacturing industry, and to consider these problems and issues in identifying appropriate economic development program activities in the City.¹ A recent study conducted by the Wisconsin Department of Development entitled, "The Economic Development Potential of the Service Industries in Wisconsin"² indicated that the service industries in Wisconsin created about 392,000 new jobs from 1972 to 1985, or about 97 percent of the total new jobs created in State during this time.

The purpose of the retention survey was to gather information from the survey respondents regarding:

1. Their firm's history and the current status of their firm relative to the age, how the firm was established, employees, and familiarity with business incubators.
2. Sales to the government.

¹The service industry as it is referred to in this appendix consists of business establishments engaged in the transportation, communication, and utilities; finance, insurance, and real estate; wholesale and retail trade; and personal and business services industries.

²Wisconsin Department of Development, The Economic Development Potential of the Service Industries in Wisconsin, July 1986.

3. Past and future business expansions and acquisitions.
4. Labor force problems.
5. Their assessment of government services and regulations.
6. Availability and sources of business financing.
7. Overall impressions of doing business in the City of South Milwaukee and Wisconsin.
8. Specific areas of interest to the survey's advisory committee including: the respondents perception of the South Milwaukee Association of Commerce; the availability of business services; and interest in locating in a business condominium.

A total of 51 surveys were completed, or about 87 percent of the total of 59 surveys distributed. The survey respondents included a sample of all commercial and service establishments with five or more workers in the City. The survey sample was chosen from a list of employers provided by the Wisconsin Department of Industry, Labor and Human Relations, and the South Milwaukee Association of Commerce.

HISTORY AND CURRENT STATUS OF RESPONDENTS

The following information was gathered from the respondents regarding history and current status of their firms: 1) the length of time the firm has been in operation; 2) how the firm was originally established; 3) the familiarity of the survey respondent with business incubators; 4) the major difficulties encountered during the start-up of the business; 5) the number of full-time and part-time employees working at the firm; and 6) the source of the firm's items purchased for resale and services purchased outside the community. This information can be used as a basis for determining the type of economic development activities necessary to improve economic conditions in South Milwaukee.

Firm Age

Business firms are subject to a variety of internal and external problems that could cause their dissolution at any time. However, a firm is most susceptible to serious problems during the first five years of operation. Table A-1 shows the number of years that the survey respondents' firms have been in business in South Milwaukee. As indicated in the table, the largest number of the survey respondent firms are older, established businesses. A total of 42 of the survey respondents, or 82 percent, have been in business for more than five years. While these findings indicate that the majority of the firms responding to the survey should be in stable condition with regard to business maturity, this relatively high proportion of mature firms may also indicate that there is a lack of new business start-ups in the City.

Methods by Which Firms Were Originally Established

Knowledge of the methods by which the respondent firms were originally established will assist the City in identifying the type of assistance that new business entrepreneurs may require. As shown in Table A-2, a total of 29

Table A-1

YEAR FIRM WAS ESTABLISHED
BY CURRENT OWNERS

Year	Respondents	
	Number	Percent
1986-1984	4	7.8
1983-1982	5	9.8
1980-1977	4	7.8
1976 or Before	38	74.5
Total	51	100.0 ^a

NOTE: This table corresponds to survey question 1.

^a Numbers do not total 100 percent because of rounding.

Table A-2

METHODS BY WHICH FIRMS
WERE ORIGINALLY ESTABLISHED

Methods	Respondents	
	Number	Percent
New Business Start....	29	56.9
Acquisition of an Existing Business....	20	39.2
Other.....	2	3.9
Total	51	100.0

NOTE: This table corresponds to survey question 2.

respondents, or 57 percent, indicated that their business was a new business start, while 20 respondents, or 39 percent, indicated that the firm was established as a result of the acquisition of an existing business. The larger proportion of respondents indicating that their firm was originally established as a result of a new business start is noteworthy in that local entrepreneurs are attempting to meet the needs of consumers by establishing new businesses. However, as previously mentioned, a large number of the respondent firms were established more than five years ago. As a result, the City's economic development program may need to emphasize assistance to entrepreneurs as a method of developing new businesses in the City.

Major Difficulties Encountered by New Business

Table A-3 identifies the major difficulties encountered by the respondents during the original start-up of their business. Information of this kind is important to focusing the new business development assistance that could be provided to entrepreneurs by the City's economic development program. As indicated in Table A-3, the major difficulties most often encountered by the survey respondents included: cash flow problems, 22 responses, or 20 percent; hiring quality employees, 20 responses or 18 percent; obtaining financing, 17 responses, or 16 percent; and establishing a customer base, 14 responses, or 13 percent. Based upon these results, the economic development program should consider these as possible primary problems when considering providing assistance to business entrepreneurs.

Familiarity with Business Incubators

Over the past several years, many communities across the country have established business incubator programs to assist entrepreneurs in starting new businesses. Business incubators provide space, supporting services, personnel, equipment, and related business services to incubator tenants in order to reduce overhead costs to individual tenants. Supporting services provided in an incubator can include such items as a receptionist, clerical personnel, laborers, delivery service, business machines and related equipment, copy machines, computers, storage space, joint fringe benefit packages, and financial and legal counseling. The assistance provided to individual firms within an incubator, therefore, helps the firms overcome many of the initial problems typically encountered by a young business. Also, typically, the rental rates within business incubators are based on what the individual business tenants can afford to pay. As profits increase for an incubator tenant, the rental rates for the leased incubator space also increase. Once individual businesses within the incubator become well-established and profitable, they are encouraged to move to a permanent location outside the incubator.

The South Milwaukee industry retention survey asked respondents whether or not they are familiar with the concept of business incubators for young firms. As indicated in Table A-4, 31 respondents, or 61 percent of all respondents, indicated that they were not familiar with the incubator concept. However, when asked whether the respondent would have utilized a business incubator if one would have been available when their business was started, 14 respondents, or 33 percent, indicated they would have used the incubator. Once more, a total of 10 respondents, or 23 percent, indicated they would use an incubator now if one was available to them.

Table A-3

MAJOR DIFFICULTIES ENCOUNTERED DURING
THE ORIGINAL START-UP OF THE BUSINESS

Difficulties	Responses ^a	
	Number	Percent
Acquiring Machinery and Equipment.....	4	3.6
Identifying a Suitable Location.....	10	9.1
Obtaining Necessary Financing.....	17	15.5
Cash Flow Problems.....	22	20.0
Locating Good Suppliers of Products.....	6	5.5
Difficulty Establishing a Customer Base.....	14	12.7
Hiring Quality Employees.....	20	18.2
Obtaining Necessary Local/State Permits.....	4	3.6
Developing a Business Plan...	7	6.4
Other.....	6	5.5
Total	110	100.0 ^b

NOTE: This table corresponds to survey question 4.

^aFirms responding could indicate more than one response.

^bNumbers do not total 100 percent because of rounding.

Table A-4

FIRMS WHICH ARE FAMILIAR WITH THE
CONCEPT OF INCUBATORS, THOSE WHICH WOULD
HAVE USED A BUSINESS INCUBATOR WHEN FIRM
WAS ORIGINALLY ESTABLISHED, AND THOSE
WHICH WOULD USE A BUSINESS INCUBATOR NOW

Questions	Responses	
	Number	Percent
Firms Which are Familiar With the Concept of Incubators:		
Yes.....	13	25.5
No.....	31	60.8
Not Applicable.....	7	13.7
Total	51	100.0
Those Which Would Have Used an Incubator When Firm was Originally Established:		
Yes.....	14	32.6
No.....	29	67.4
Total	43 ^a	100.0
Those Which Would Use an Incubator Now:		
Yes.....	10	23.3
No.....	33	76.7
Total	43 ^a	100.0

NOTE: This table corresponds to survey questions
3, 3a, and 3b.

^aNo response: 8.

Past and Present Employment Levels

A report published by the Wisconsin Department of Development in December 1984, entitled The Job Generation Process in Wisconsin: 1969-1981, indicated that small businesses, or businesses with fewer than 20 employees, created 100 percent of the net job gains in Wisconsin during the 1979 to 1981 time period. As indicated in Table A-5, in 1986 the average number of employees for the respondent firms was 19.0, with an average of 6.9 full-time and 12.1 part-time employees. Therefore, it could be expected that employment growth of the respondent firms would be greater than that for all industries.

From 1982 to 1985, the total employment of the respondent firms increased by 25 percent, from 777 to 969, a percentage that was greater than that for all industries in Milwaukee County, 0.4 percent, and greater than that for all service industries in the County, 9 percent. It is important to indicate, however, that part-time workers accounted for 155 of the new employees of the respondent firms, and that full-time workers accounted for only 37 new employees. The addition of a part-time worker to the workforce, together with the lower wages that are usually paid in the services industry, reduces the positive effect on the economy of the employment growth in this industry.

Items for Resale and Services

In promoting the economic development of an area, an economic development program can help to expand existing and create new businesses through the identification of items for resale and services that existing firms are currently purchasing outside a community. Existing or new local business could make available the items for resale and services purchased outside the community at a competitive purchase price, and thereby expand their product markets. As indicated in Table A-6, overall, respondents purchase their items for resale and/or services in Milwaukee County. A total of 23 firms, or 54 percent, purchased 61 percent or more of their items for resale and services in Milwaukee County, with only 10 respondents, or 23 percent, purchasing less than 20 percent of their services in the County.

In order to determine why some items for resale and services were not purchased in Milwaukee County, the survey respondents were asked why they purchased some of their items for resale and services outside the County. As indicated in Table A-7, the overwhelming response--52 percent--was that the items or services were not available in the County. In addition, 30 percent of the responses indicated that items for resale or services were purchased outside the County because the materials or services are too high-priced in the County.

SELLING PRODUCTS AND SERVICES TO THE GOVERNMENT

A product market that is often overlooked by many service and commercial firms is the federal, state, and local governments. The U. S. General Services Administration has indicated that both large and small firms seeking to expand their scope of operations and profits should explore doing business with the federal government. Opportunities are plentiful because the government buys more goods and services than any other consumer in the free enterprise

Table A-5

TOTAL NUMBER OF EMPLOYEES
OVER THE PAST FIVE YEARS

Year	Responses ^a					
	Number of Employees					
	Full Time		Part Time		Total	
	Number	Average	Number	Average	Number	Average
1982	316	6.2	461	9.0	777	15.2
1983	317	6.2	470	9.2	787	15.4
1984	338	6.6	552	10.8	890	17.5
1985	344	6.8	579	11.4	923	18.1
1986	353	6.9	616	12.1	969	19.0

NOTE: This table corresponds to survey question 5.

^aNumber of companies responding 51.

Table A-6

APPROXIMATE PERCENTAGE OF ITEMS
FOR RESALE OR SERVICES
PURCHASED IN MILWAUKEE COUNTY

Percent Range	Responses	
	Number	Percent
0-20.....	10	23.3
21-40.....	4	9.3
41-60.....	6	14.0
61-80.....	5	11.6
81-100.....	18	41.9
Total	43 ^a	100.0 ^b

NOTE: This table corresponds to survey question 6.

^aNo response: 8.

^bNumbers do not total 100 percent because of rounding.

Table A-7

REASONS WHY FIRMS PURCHASE ITEMS FOR
RESALE/SERVICES OUTSIDE MILWAUKEE COUNTY

Responses	Responses ^a	
	Number	Percent
Items for Resale/Services are Not Available Locally...	30	51.7
Items for Resale/Services are Too High Priced in the Area.....	17	29.3
Items for Resale/Services are of Inferior Quality in the Area.....	2	3.4
Items for Resale/Services, if Provided Locally, Cannot be Delivered on Time.....	1	1.7
Question is not Applicable...	3	5.2
Other.....	5	8.6
Total	58	100.0 ^b

NOTE: This table corresponds to survey question 7.

^a Firms responding could indicate more than one response.

^b Numbers do not total 100 percent because of rounding.

system.³ Similar observations could be made concerning the state, county, and local governments. An activity that is often carried out by the staff of a local economic development program is the provision of information to businesses regarding securing government contracts and product exporting.

The South Milwaukee survey included questions regarding the extent to which survey respondents participated in supplying products or services to the government. The responses to this question were encouraging. As indicated in Table A-8, 24 respondents, or 47 percent, indicated that they supply products and/or services to the local government, while 27 percent and 21 percent supply products/services to the state government and federal government, respectively. These percentages are impressive for service industry establishments. This survey finding is important in encouraging other city service and commercial firms to provide items and services to the government. In this regard, 16 respondents and 10 respondents, respectively, were interested in more information on government contracts, and attending a seminar or securing government contracts.

PAST AND FUTURE BUSINESS EXPANSIONS

The expansion of existing business is vital to any community's future economic viability. Consequently, economic development programs should be particularly concerned with the retention of existing firms that are planning future expansions and doing whatever is possible to ensure the initiation and successful completion of proposed expansion projects. This section, therefore, discusses past and future firm expansions, with an emphasis on location, size, and expansion problems.

Past Expansions

In order to examine the historic growth of business in the City during the last five years, survey respondents were asked to provide information on firm expansions that had taken place during this time period. Table A-9 shows the number of respondents that indicated that their firm had expanded through the addition of employees or square footage during the last five years, as well as the location of the expansion.

As indicated in Table A-9, 22 respondents, or 43 percent, indicated that their firm had undergone an expansion during the 1982 to the mid-1986 time period. These expansions resulted in an average of 2,500 square feet of space and an average of 16 employees (see Table A-10). This is encouraging for two reasons. First, Milwaukee County continued to experience high unemployment rates in 1982 (10.8 percent); 1983 (10.6 percent); 1984 (6.7 percent); 1985 (6.5 percent); and 1986 (6.5 percent) that began during the national economic recession of the early 1980's (Source: Wisconsin Department of Industry, Labor and Human Relations). The ability of 43 percent of the respondent firms to expand at least once, with some firms experiencing multiple expansions during this time period, indicates the potential for small business establishments in

³"Doing Business with the Federal Government," U. S. Government Services Administration, U. S. General Printing Office, Washington, D. C., 1981.

Table A-8

FIRMS SUPPLYING PRODUCTS AND/OR SERVICES
TO THE GOVERNMENT AND THOSE INTERESTED
IN MORE INFORMATION ON SUPPLYING PRODUCTS
OR SERVICES TO THE GOVERNMENT

Questions	Responses	
	Number	Percent
Government Contract to Supply Products and/or Services to:		
Local Government		
Yes.....	24	47.1
No.....	27	52.9
Do Not Know.....	--	--
Total	51	100.0
State Government		
Yes.....	13	27.1
No.....	35	72.9
Do Not Know.....	--	--
Total	48 ^a	100.0
Federal Government		
Yes.....	10	20.8
No.....	37	77.1
Do Not Know.....	1	2.1
Total	48 ^a	100.0
Interested in More Information on Government Contracts		
Yes.....	16	32.0
No.....	34	68.0
Total	50 ^b	100.0
Interested in Attending Seminar on Government Contracts		
Yes.....	10	21.3
No.....	37	78.7
Total	47 ^c	100.0

NOTE: This table corresponds to survey questions
8 and 9.

^aNo response: 3.

^bNo response: 1.

^cNo response: 4.

Table A-9

NUMBER OF FIRMS INVOLVED IN
AN EXPANSION PROJECT DURING
THE 1982 TO 1986 TIME PERIOD

Response	Respondents	
	Number	Percent
Yes.....	22	43.1
No.....	29	56.9
Total	51	100.0

NOTE: This table corresponds to
survey question 10.

Table A-10

SQUARE FOOTAGE AND EMPLOYMENT ADDED AS A RESULT OF
FIRM EXPANSIONS DURING THE 1982 TO 1986 TIME PERIOD

Year	Respondents ^a					
	Expansion Data					
	Number of Firms	Square Footage		Number of Firms	Employment	
		Total	Average		Total	Average
1982 ^b	3	2,750	917	2	13	7
1983 ^c	2	4,000	2,000	3	94	31
1984 ^d	3	11,600	3,867	5	128	26
1985 ^e	2	10,420	5,210	5	99	20
1986 ^f	5	8,400	1,680	7	28	4
Total	15	37,170	2,478	22	362	16

NOTE: This table corresponds to survey question 10a.

^aFirms responding could indicate more than one expansion.

^bTotal number of expansions in 1982 indicated by respondents: 5.

^cTotal number of expansions in 1983 indicated by respondents: 3.

^dTotal number of expansions in 1984 indicated by respondents: 5.

^eTotal number of expansions in 1985 indicated by respondents: 6.

^fTotal number of expansions in 1986 indicated by respondents: 7.

the services industry to generate economic activity in the City. Second, as indicated in Table A-11, 26 of the expansions, or 74 percent of the expansions that occurred during this time period, occurred within the City of South Milwaukee.

While the majority of expansions that occurred took place in the City, it is important that local development officials be aware of the reasons why some of the expansions occurred outside the City. As indicated in Table A-12, there is no overriding reason why firms chose to expand outside the City. The proximity to suppliers at a new location and the availability of an existing building were each mentioned twice as reasons for an expansion outside the City, with greater business opportunities, proximity to a freeway, and the ability to attract customers each being mentioned once.

Outlook on Future Business, Future Expansion
Plans, and Anticipated Expansion Problems

Overall, the survey respondents are not overly optimistic regarding the future for business in the City. When asked "Overall, how would you rate your firm's future business outlook during the next five years?" a total of 28 respondents, or 55 percent, perceived the next five years to be average or below average (see Table A-13). In addition, 23 respondents, or 45 percent, indicated very good or good outlooks for future business operations.

Tables A-14 and A-15 show the number and percentage of survey respondents that indicated their intention to expand during the 1987 to 1991 time period; the amount of square footage of the anticipated expansion; and the total number of new employees that are expected to be hired as a result of the expansion. As shown in Table A-14, a total of 19 respondents, or 40 percent, indicated that they plan on expanding during the next five years, with 10 expansions expected in 1987 alone. The expansions are expected to result in 34,800 additional square feet of space, or an average of 3,200 square feet per expansion; and 81 new jobs, or an average of six new jobs for each expansion (see Table A-15).

Perhaps the most important activity of a local economic development program in South Milwaukee would be to ensure that the proposed business expansion projects take place in the City. A total of 10 respondents, or 53 percent, indicated that their expansion project will not take place in South Milwaukee (see Table A-16), with three respondents indicating that the expansion outside the City would take place because of the proximity to markets at a new location (see Table A-17). Other reasons mentioned for expanding outside the City included proximity to suppliers, two responses, and the availability of a building, two responses. Local development officials should contact these respondents to determine whether the expansion could take place within the City if certain anticipated problems are resolved.

Overall, a total of four respondents anticipated potential problems in their expansion project within the City (see Table A-18). Respondents anticipating problems were asked to identify the problem. The four respondents indicated a total of 16 responses that were business-development related, including such problems as cash flow, customer base, financing, suppliers, developing a business plan, and hiring employees (see Table A-19). However, it is important to note that all four of the respondents planning to expand in the City indicated

Table A-11

LOCATION OF EXPANSIONS DURING THE 1982 TO 1986 TIME PERIOD

Location	Responses ^a							
	First Expansion		Second Expansion		Third Expansion		Total	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Within the City of South Milwaukee.....	18	81.8	5	62.5	3	60.0	26	74.3
Outside the City of South Milwaukee.....	4	18.2	3	37.5	2	40.0	9	25.7
Total	22	100.0	8	100.0	5	100.0	35	100.0

NOTE: This table corresponds to survey questions 10b.

^aFirms responding could indicate more than one response.

Table A-12

REASONS WHY FIRM CHOSE TO EXPAND ITS BUSINESS OUTSIDE THE CITY OF SOUTH MILWAUKEE

Reasons	Responses ^a	
	Number	Percent
Proximity to Suppliers at New Location.....	2	28.6
Availability of an Existing Building at a New Location.....	2	28.6
Greater Business Opportunities at a New Location.....	1	14.3
Proximity to Freeway.....	1	14.3
Ability to Attract Customers at a New Location.....	1	14.3
Total	7	100.0 ^b

NOTE: This table corresponds to survey question 10C.

^aFirms responding could indicate more than one response.

^bNumbers do not total 100 percent because of rounding.

Table A-13
SURVEY RESPONDENTS'
OUTLOOK ON FUTURE BUSINESS

Future Business Outlook	Survey Respondents	
	Number	Percent
Very Good.....	11	21.6
Good.....	12	23.5
Average.....	21	41.2
Below Average.....	7	13.7
Total	51	100.0

NOTE: This table corresponds to survey question 11.

Table A-14
FIRMS PLANNING AN EXPANSION
PROJECT DURING THE NEXT FIVE YEARS

Response	Respondents	
	Number	Percent
Yes, Within One Year.....	10	20.8
Yes, Within Three Years...	8	16.7
Yes, Within Five Years....	1	2.1
No.....	29	60.4
Total	48 ^a	100.0

^aNo response: 3.

NOTE: This table corresponds to survey question 12.

Table A-15
PLANNED EXPANSION PROJECTS
DURING THE 1987-1991 TIME PERIOD

Expansion Data	Responses ^a	
	Total	Average
Square Feet ^b	34,825	3,166
Number of Employees ^c	81	6

NOTE: This table corresponds to survey question 12a.

^aFirms responding could indicate more than one response.

^bNumber of companies responding: 11.

^cNumber of companies responding: 13.

Table A-16

WILL THE PROPOSED EXPANSION
PROJECT TAKE PLACE IN THE
CITY OF SOUTH MILWAUKEE?

Response	Respondents	
	Number	Percent
Yes.....	9	47.4
No.....	10	52.6
Total	19 ^a	100.0

NOTE: This table corresponds to
survey question 12b.

^aNo response: 32.

Table A-17

REASONS WHY THE PROPOSED EXPANSION PROJECT WILL
TAKE PLACE OUTSIDE THE CITY OF SOUTH MILWAUKEE

Reasons	Responses ^a	
	Number	Percent
Proximity to Product Markets at a New Location.....	3	25.0
Proximity to Suppliers at a New Location.....	2	16.7
Availability of an Existing Building at a New Location.....	2	16.7
Other.....	5	41.7
Total	12	100.0 ^b

NOTE: This table corresponds to survey question 12e.

^aFirms responding could indicate more than one response.

^bNumbers do not total 100 percent because of rounding.

Table A-18

FIRMS ANTICIPATING PROBLEMS
WITH PROPOSED EXPANSION PROJECTS

Response	Respondents	
	Number	Percent
Yes.....	4	44.0
No.....	5	66.0
Total	9 ^a	100.0

NOTE: This table corresponds to
survey question 12c.

^aNo response: 42.

Table A-19

PROBLEMS ANTICIPATED BY FIRMS
FOR PROPOSED EXPANSION PROJECTS

Problems	Responses ^a	
	Number	Percent
Identifying a Suitable Location..	4	17.4
Hiring Quality Employees.....	4	17.4
Cash Flow Problems.....	3	13.0
Difficulty in Establishing a Customer Base.....	3	13.0
Obtaining Necessary Financing....	2	8.7
Locating Good Suppliers of Products.....	2	8.7
Developing a Business Plan.....	2	8.7
Obtaining Necessary Local/ State Permits.....	1	4.3
Other.....	2	8.7
Total	23	100.0 ^b

NOTE: This table corresponds to survey question 12d.

^aFirms responding could indicate more than one response.

^bNumbers do not total 100 percent because of rounding.

that identifying a new location would be a problem. An economic development program in the City should work with these firms in identifying a suitable location for the anticipated expansion.

Relocation of Existing Firms

In addition to determining the location of future expansions and identifying any problems attendant to the expansion, the survey questionnaire asked the respondents if there were any plans to move all or part of the firm's operations from their present location to a different location outside the City. Table A-20 indicates that only four respondents, or 8 percent, indicated plans to move all or part of their firm's operations to a new location outside the City. While the number of firms anticipating such a move is small, local development organizations should contact these firms to determine whether such a move could be avoided.

The four firms anticipating a move outside the City indicated a variety of reasons, as shown in Table A-21, for such a move. However, the most frequent response, four responses, was the proximity of markets at a new location, with the cost of land in the City receiving two responses--factors that are difficult if not impossible for a local economic development program to influence.

Business Firms Anticipating a Decline in Employment and/or Product Sales

Employment growth is one of the principal means through which improvement can be realized in a local economy. Consequently, the City, along with local economic development organizations, should be concerned with business firms that may be anticipating employment declines. Accordingly, the survey respondents were asked whether or not they anticipated a decline in their firm's employment or sales within the next three years. It is encouraging to note that only one respondent indicated that a decline in the firm's number of employees was expected, and two respondents anticipated a decline in product sales within the next three years (see Table A-22).

Businesses Interested in Relocating to South Milwaukee

One means of attracting new employers to a community is to determine whether any firms that are currently located outside the City are interested in locating in the City. In order to determine the interest of product suppliers and customers of the respondent firms in moving to the City, survey respondents were asked whether any business they were familiar with had indicated an interest in locating in the City. As indicated in Table A-23, four respondents indicated that they were aware of such a business. Local development officials should contact these firms in an attempt to foster their location to the City.

Factors Having a Negative Impact on the Development of a Firm

A local economic development program should seek to eliminate, to the extent possible, the factors that have a negative impact on the growth of local business firms. In order to identify these factors, the survey questionnaire asked what key issues the respondent firms encountered during the last five years, as well as the three factors that were expected to have the greatest negative impact on the development of the firm. Table A-24 indicates the

Table A-20

FIRMS PLANNING TO MOVE ALL
OR PART OF THEIR OPERATIONS
TO A NEW LOCATION OUTSIDE
THE CITY OF SOUTH MILWAUKEE

Response	Respondents	
	Number	Percent
Yes.....	4	8.2
No.....	45	91.8
Total	49 ^a	100.0

NOTE: This table corresponds to
survey question 14.

^aNo response: 2.

Table A-21

REASONS WHY FIRMS PLAN TO MOVE ALL OR
PART OF THEIR OPERATIONS TO A NEW LOCATION
OUTSIDE THE CITY OF SOUTH MILWAUKEE

Reasons	Responses ^a	
	Number	Percent
Proximity to Product Markets at a New Location.....	4	28.6
Cost of Land in the City of South Milwaukee.....	2	14.3
Proximity to Suppliers at a New Location.....	1	7.1
Lack of Appropriate Land to Expand in the City of South Milwaukee...	1	7.1
Lack of Available Financing in the City of South Milwaukee.....	1	7.1
Poor Quality Labor Force in the City of South Milwaukee.....	1	7.1
High Labor Cost in the City of South Milwaukee.....	1	7.1
Other.....	3	21.4
Total	14	100.0 ^b

NOTE: This table corresponds to survey question 14a.

^aFirms responding could indicate more than one response.

^bNumbers do not total 100 percent because of rounding.

Table A-22

FIRMS ANTICIPATING A DECLINE IN
NUMBER OF EMPLOYEES OR SALES
WITHIN THE NEXT THREE YEARS

Questions	Responses	
	Number	Percent
Decline in Number of Employees:		
Yes.....	1	2.0
No.....	49	98.0
Total	50 ^a	100.0
Decline in Number of Sales:		
Yes.....	2	4.0
No.....	48	96.0
Total	50 ^a	100.0

NOTE: This table corresponds to survey
question 15.

^aNo response: 1.

Table A-23

RESPONDENTS WHOSE PRODUCT
SUPPLIERS OR CUSTOMERS HAVE
INDICATED AN INTEREST IN RELOCATING
THEIR FIRM OR OPENING A BRANCH
LOCATION IN THE SOUTH MILWAUKEE AREA

Response	Respondents	
	Number	Percent
Yes.....	4	7.8
No.....	47	92.2
Total	51	100.0

NOTE: This table corresponds to
survey question 13.

Table A-24

KEY ISSUES FIRMS HAVE ENCOUNTERED
DURING THE LAST FIVE YEARS

Issues	Responses ^a	
	Number	Percent
Poor Economic Conditions/ General Economy		
The Need to Improve Overall		
Economic and Market Conditions...	15	30.0
High Unemployment.....	9	18.0
Decline in Local Business		
Activity.....	5	10.0
High Taxes.....	5	10.0
Business Closing/Leaving Area.....	4	8.0
Decline in the City of		
South Milwaukee's Population.....	3	6.0
The Need to Improve Physical		
Appearance of City's		
Downtown Area.....	2	4.0
Loss of Industry.....	2	4.0
Inflation.....	1	2.0
Lay-offs by Major Industries.....	1	2.0
Loss of Manufacturing Jobs.....	1	2.0
Value of U. S. Dollar.....	1	2.0
Other.....	1	2.0
Subtotal	50	38.5
Internal Business Issues		
Increasing Competition.....	9	26.5
The Need to Expand Market		
Area/Increase Sales.....	5	14.7
Lack of Advertising.....	4	11.8
Cash Flow Problems.....	2	5.9
Company's General Market Trends....	1	2.9
High Operation Costs.....	1	2.9
Lack of Quality Business.....	1	2.9
Lack of Available Space to Expand..	1	2.9
Locating Good Suppliers		
of Products.....	1	2.9
Reduce the Number of		
Foreign Imports.....	1	2.9
Uncertainty of Parent Company.....	1	2.9
Vandalism.....	1	2.9
Other.....	6	17.6
Subtotal	34	26.2

-continued-

Table A-24 (continued)

Issues	Responses ^a	
	Number	Percent
Public Service/Infrastructure		
Parking Problems.....	4	33.3
Lake Michigan Limits Area Expansion.....	2	16.7
High Cost of Energy.....	1	8.3
High Cost of Utilities.....	1	8.3
Highway Median Strip is Hazardous.....	1	8.3
The Need to Remove Abandoned Railroad Spur.....	1	8.3
Road Construction.....	1	8.3
Snow Removal.....	1	8.3
Subtotal	12	9.2
Labor Issues		
Poor Labor Quality.....	6	54.5
Employee Stability.....	3	27.3
High Union Wage Demands.....	1	9.1
Loss of Insurance Benefits.....	1	9.1
Subtotal	11	8.5
Financing		
High Interest Rates.....	2	40.0
Obtaining Necessary Financing.....	2	40.0
High Delinquency in Regard to Loan Payments.....	1	20.0
Subtotal	5	3.8
Quality of Life		
Older Average Age Group.....	2	40.0
Reduction in Disposable Income....	2	40.0
Lack of Community Spirit.....	1	20.0
Subtotal	5	3.8
Government		
Restrictive Municipal Policies....	2	50.0
Environmental Regulations.....	1	25.0
Insensitivity to Needs of Small Business.....	1	25.0
Subtotal	4	3.1

-continued-

Table A-24 (continued)

Issues	Responses ^a	
	Number	Percent
Communication		
Poor Attitude of Population.....	2	66.7
Inability of Business Community to Progress Cooperatively.....	1	33.3
Subtotal	3	2.3
Other	6	4.6
Total	130	100.0

NOTE: This table corresponds to survey question 16.

^aFirms responding could indicate more than one response.

factors that were indicated most often as having been key issues during the last five years. The responses indicated most often were: poor economic conditions/general economy, 50 responses, or 39 percent; internal business issues, 34 responses, or 26 percent; public services and infrastructure problems, 12 responses, or 9 percent; and labor force issues, 11 responses, or 9 percent. Other significant factors encountered by firms during the last five years are shown in Table A-24.

The respondent firms were also asked what factors could have a negative impact on the development of the firm. Table A-25 indicates that the factors that were indicated most often were: poor market conditions/economy, 32 responses, or 21 percent; lack of customers, 23 responses, or 15 percent; and domestic competition, 22 responses, or 15 percent.

HUMAN RESOURCES

The quality and size of a community's labor force are important factors influencing the economic development of an area in that productive labor is one of the important factors considered in the locational decisions of businesses and industries. Accordingly, the survey questionnaire sought information from the survey respondents with regard to: 1) the existing and potential future skill level of the firm's workers; 2) problems in locating workers in specific occupational areas; 3) overall labor force factors that are the cause of business problems; and 4) the sources utilized for filling job vacancies.

Labor Force Skill Level

The number of respondent firms planning to create new permanent jobs during the next three years are indicated in Table A-26. As shown in the table, 31 respondent firms, or 61 percent of all respondents, anticipate creating some new permanent jobs during the next five-year period. The skill level of existing jobs provided by the respondents and the skill level of the jobs that may be created during the next five-year period are shown in Table A-27. As indicated in Table A-27, the existing jobs provided by all respondents are concentrated in the medium skill category, accounting for 52 percent of all existing jobs. A total of 26 percent are in the high skill category and 22 percent in the low skill category. Table A-27 also indicates that the skill levels of the jobs that may be created by the respondent firms during the next five years represents are similarly distributed, with 22 percent low skill, 49 percent medium skill, and 29 percent high skill jobs.

Employee Problems

The quality of a community's labor force can be measured, to a degree, by the number of labor force problems a firm encounters. In order to determine the types of labor force problems experienced by the respondent firms, the respondents were asked to identify the specific labor force problems being encountered, as well as the labor force problems that were disruptive to the firms' operations. As noted in Table A-28, an average of 17 percent of all respondents indicated problems with their employees with regard to the categories listed. Of the problems identified, the largest percentage of responses dealt with employees' expectation of higher wages, 19 responses, or 38 percent; and employee turnover and employee attitude, each with 12 responses, or

Table A-25

FACTORS HAVING THE GREATEST NEGATIVE
IMPACTS ON THE FIRM'S FUTURE DEVELOPMENT

Negative Impacts	Responses ^a	
	Number	Percent
Poor Market Conditions/Economy...	32	21.1
Lack of Customers.....	23	15.1
Domestic Competition.....	22	14.5
Unfavorable Tax Structure.....	11	7.2
High Energy Costs.....	9	5.9
Poor Labor Quality.....	8	5.3
High Labor Costs.....	7	4.6
State Regulatory Constraints.....	5	3.3
Lack of Available Space to Expand at Existing Site.....	5	3.3
High Interest Rates.....	4	2.6
Federal Regulatory Constraints...	3	2.0
Inadequate Building.....	3	2.0
Exchange Rate of U. S. Currency..	2	1.3
Foreign Imports.....	2	1.3
Availability of Adequate Financing.....	2	1.3
Material Shortages.....	1	0.7
Transportation Problems.....	1	0.7
Other Export Constraints.....	1	0.7
Other.....	11	7.2
Total	152	100.0 ^b

NOTE: This table corresponds to survey question 17.

^a Firms responding could indicate more than one response.

^b Numbers do not total 100 percent because of rounding.

Table A-26

RESPONSES TO QUESTION REGARDING
WHETHER RESPONDENT FIRMS PLAN TO
HIRE ANY NEW EMPLOYEES DURING
THE NEXT FIVE-YEAR PERIOD

Response	Respondents	
	Number	Percent
Yes.....	31	60.8
No.....	20	39.2
Total	51	100.0

NOTE: This table corresponds to
survey question 19.

Table A-27

PERCENTAGE DISTRIBUTION OF EXISTING
AND NEW JOBS BY SKILL LEVEL

Skill Level of Jobs	Response	
	Existing Jobs ^a (percent)	New Jobs ^b (percent)
Low Skill.....	22.0	22.0
Medium Skill.....	52.0	49.0
High Skill		
Professional....	16.0	17.0
Technical.....	10.0	12.0
Total	100.0	100.0

^aNumber of companies responding: 51.

^bNumber of companies responding: 30.

NOTE: This table corresponds to survey questions
18 and 19a.

24 percent. The large response relative to expectations of higher wages is not unusual given the relative decline of higher paying manufacturing jobs in comparison to the increasing number of lower paying service sector jobs in the Milwaukee area economy.

When asked to identify those labor force factors that were causing a problem for the firms' operations, four responses were most often indicated (see Table A-29). These responses were: cost of unemployment compensation, 20 responses, or 40 percent; cost of fringe benefits, 16 responses, or 31 percent; high wage rates, 14 responses, or 28 percent; and employee unwillingness to work various shifts, 11 responses, or 22 percent. Once again, these responses are not unusual for service industry firms. The overall profit margins in the service sector are usually lower than that in the manufacturing industry, making service sector firms more sensitive to labor costs.

Availability of Workers by Occupational Category

The availability of workers by specific occupational categories is of critical importance to employers. Once more, a shortage of workers in a specific occupation can usually be eliminated as a result of formal education and/or on-the-job training of employees: therefore, employment training is a legitimate local economic development activity. A total of 21 respondents, or 41 percent, indicated that their firm was experiencing problems regarding available workers in specific occupational categories (see Table A-30). However, Table A-31 shows that there was no specific occupational category that accounted for a large number of responses, with 14 different job categories mentioned. However, it is important to indicate that five respondents indicated that qualified workers in all occupational categories, as well as reliable workers in all categories, were needed.

Sources Utilized in Filling Job Vacancies

The methods used by employers to fill new job vacancies is useful information to persons who are currently unemployed, as well as to the local school system, employment training organizations, and other organizations that assist new entrants to the labor force. The respondents indicated that, in most cases, job vacancies were filled through traditional methods. As indicated in Table A-32, about 41 respondents, or 84 percent, usually use employee referrals and recommendations to fill job vacancies; with 34 firms, or 68 percent, and 30 firms, or 61 percent, using walk-ins and newspaper advertisements, respectively. A total of 27 employers, or 55 percent, used area high schools to fill their job vacancies.

ASSESSMENT OF GOVERNMENT SERVICES AND REGULATIONS, AND OF PUBLIC UTILITIES

Local governments provide a variety of services to business and industry, ranging from the provision of essential utilities--such as public water supply and sanitary sewer services--to police and fire protection. In addition, the local, state, and federal governments regulate the operation of business firms in many ways. Both private business and local governments are increasingly recognizing that a harmonious relationship between these two sectors is necessary in order to help ensure the viability of local economies. Consequently,

Table A-28

LABOR PROBLEMS ENCOUNTERED BY FIRMS

Labor Problems	Respondents					
	Problem		No Problem		Total	
	Number	Percent	Number	Percent	Number	Percent
Employee Turnover.....	12	23.5	39	76.5	51	100.0
Employee Absenteeism.....	6	11.8	45	88.2	51	100.0
Employee Lack of Basic Skills.....	6	11.8	45	88.2	51	100.0
Employee Use of Drugs/Alcohol.....	3	5.9	48	94.1	51	100.0
Union/Labor Cooperation.....	1	2.0	48	98.0	49 ^a	100.0
Employee Attitude.....	12	23.5	39	76.5	51	100.0
Employee Expectations of Higher Wages.....	19	38.0	31	62.0	50 ^b	100.0
Average Percentage	--	16.6	--	83.4	--	100.0

NOTE: This table corresponds to survey question 20.

^aNo response: 2.

^bNo response: 1.

Table A-29

LABOR FORCE FACTORS THAT CAUSE
A PROBLEM FOR FIRMS' OPERATIONS

Labor Force Factors	Responses					
	Problem		No Problem		Total	
	Number	Percent	Number	Percent	Number	Percent
High Wage Rates.....	14	28.0	36	72.0	50 ^a	100.0
Cost of Fringe Benefits.....	16	31.4	35	68.6	51	100.0
Cost of Unemployment Compensation Insurance.....	20	39.2	31	60.8	51	100.0
Employee Unwillingness to Work Various Shifts.....	11	22.0	39	78.0	50 ^a	100.0
Cost of Overtime Compensation.....	6	11.8	45	88.2	51	100.0
Low Labor Productivity.....	5	9.8	46	90.2	51	100.0
Number of Worker Accidents..	5	9.8	46	90.2	51	100.0
Strikes or Work Stoppages...	--	--	51	100.0	51	100.0
Employee Security/Safety....	2	3.9	49	96.1	51	100.0

NOTE: This table corresponds to survey question 22.

^aNo response: 1.

Table A-30

FIRMS EXPERIENCING PROBLEMS
REGARDING AVAILABILITY WORKERS
IN OCCUPATIONAL AREAS

Responses	Respondents	
	Number	Percent
Yes.....	21	41.2
No.....	30	58.8
Total	51	100.0

NOTE: This table corresponds to
survey question 21.

Table 31

OCCUPATIONAL AREAS IN WHICH FIRMS ARE
EXPERIENCING A PROBLEM IN WORKER AVAILABILITY

Occupational Area	Responses ^a	
	Number	Percent
Clerical.....	2	7.4
Mechanical.....	2	7.4
Experienced Bartenders.....	1	3.7
Experienced Waitresses.....	1	3.7
Grill Cooks.....	1	3.7
Licensed Morticians.....	1	3.7
Managerial.....	1	3.7
Pharmacists.....	1	3.7
Printers.....	1	3.7
Stockers.....	1	3.7
Tax Preparers.....	1	3.7
Technical.....	1	3.7
Vinyl Carpet Installers.....	1	3.7
X-Ray Technicians.....	1	3.7
Total	16	100.0 ^b

NOTE: This table corresponds to survey question 21a.

^aFirms responding could indicate more than one response.

^bNumbers do not total 100 percent because of rounding.

Table A-32
SOURCES USED TO FILL JOB VACANCIES

Source	Responses					
	Used		Not Used		Total	
	Number	Percent	Number	Percent	Number	Percent
Employee Referrals/ Recommendations.....	41	83.7	8	16.3	49 ^a	100.0
Walk-ins.....	34	68.0	16	32.0	50 ^b	100.0
Newspaper Advertisement.....	30	61.2	19	38.8	49 ^a	100.0
Private Employment Services.....	4	8.2	45	91.8	49 ^a	100.0
Wisconsin Job Service.....	7	14.3	42	85.7	49 ^a	100.0
Area High Schools.....	27	55.1	22	44.9	49 ^a	100.0
Milwaukee Area Technical College (MATC).....	21	42.9	28	57.1	49 ^a	100.0
Private Industry Council (PIC)..	2	4.1	47	95.9	49 ^a	100.0
University of Wisconsin-Milwaukee.....	6	12.2	43	87.8	49 ^a	100.0
Higher Education Institutions (i.e., Milwaukee School of Engineering).....	5	19.2	21	80.8	26 ^c	100.0
Other.....	2	66.7	1	33.3	3 ^d	100.0

NOTE: This table corresponds to survey question 23.

^aNo response: 2.

^bNo response: 1

^cNo response: 25

^dNo response: 48

an economic development program in South Milwaukee should include activities that help to foster a harmonious public-private sector relationship. The South Milwaukee retention survey included a number of questions designed to assess the quality of government services and regulations, and public utilities, the results of which are reviewed below.

Government Services and Regulations, and Public Utilities

The survey respondents were asked whether any government services, public utilities, or government regulations had resulted in a problem for their business operations in the City. Table A-33 summarizes the responses to the question. Overall, the respondents did not have a problem with government services and regulations in the City. As shown in Table A-33, street maintenance and repair was the only response that was frequently identified as a problem, with 13 respondents, or 26 percent, selecting this response.

Ratings of Public Officials and Public Employees

An important characteristic of the public and private sector relationship is the perception by business of public sector efforts to improve local economic conditions. Accordingly, the retention survey asked respondents how they rated their local and county elected public officials' and public employees' performance with regard to working to improve economic conditions in the area. Table A-34 summarizes the survey responses to this question. Overall, the respondents gave the same ratings to the performance of city public officials and the performance of city public employees, and gave the performance of city officials and employees a higher rating than the performance of county officials and employees. As indicated in Table A-34, 15 respondents, or 29 percent, rated the performance of city officials as excellent or above average, while 12 respondents, or 24 percent, indicated this response for city employees. However, only seven respondents, or 14 percent, rated county public officials as excellent or above average, and 4 respondents, or 8 percent, rated county employees in this manner. This response is not totally unexpected in that Milwaukee County only recently employed a Director of Economic Development, the first time this position has existed at the county level.

Quality of Life

In order to determine the extent to which respondents were satisfied with South Milwaukee as a place in which to live, the survey questionnaire asked respondents to rate a number of quality of life factors in the City. The responses to the quality of life question will inform city officials of the factors that need to be improved in order to make the City a better place in which to do business. The responses to the quality of life question are shown in Table A-35. The respondents most often indicated the following factors as excellent or above average: fire protection, 70 percent of the responses; the quality of the public school system, 61 percent; the quality of recreational facilities, 56 percent; the availability of vocational/technical education facilities, 54 percent; and the availability of housing, 50 percent. The respondents were most often dissatisfied with the following factors, rating them as below average or poor: the availability of meeting/convention facilities, 65 percent of the responses; the quality of the local newspaper, 61 percent; and the quality of shopping facilities, 48 percent.

Table A-33

RESPONDENTS' PERCEPTIONS OF GOVERNMENT
SERVICES AND REGULATIONS, AND PUBLIC UTILITIES

Service, Regulation, or Utility	Responses					
	Problem		No Problem		Total	
	Number	Percent	Number	Percent	Number	Percent
Water Service.....	5	9.8	46	90.2	51	100.0
Sanitary						
Sewer Service.....	1	2.0	50	98.0	51	100.0
Solid						
Waste Disposal.....	2	3.9	49	96.1	51	100.0
Telephone Service....	4	7.8	47	92.2	51	100.0
Gas Service.....	--	--	51	100.0	51	100.0
Electric Service.....	3	5.9	48	94.1	51	100.0
Police Protection....	6	11.8	45	88.2	51	100.0
Fire Protection.....	1	2.0	50	98.0	51	100.0
Street Maintenance						
and Repair.....	13	25.5	38	74.5	51	100.0
Building Codes.....	6	11.8	45	88.2	51	100.0
Planning/						
Zoning Regulations..	4	7.8	47	92.2	51	100.0
Other.....	3	100.0	--	--	3 ^a	100.0

NOTE: This table corresponds to survey question 24.

^aNo response: 48.

Table A-34

EVALUATION OF CITY OF SOUTH MILWAUKEE AND MILWAUKEE COUNTY PUBLIC OFFICIALS
PUBLIC EMPLOYEES WITH REGARD TO WORKING TO IMPROVE ECONOMIC CONDITIONS

Officials/Employees	Responses													
	Excellent		Above Average		Average		Below Average		Poor		Don't Know		Total	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Local (town, village, or city)														
Public Officials....	5	9.8	10	19.6	27	52.9	3	5.9	2	3.9	4	7.8	51	100.0 ^c
Public Employees....	3	5.9	9	17.6	25	49.0	6	11.8	2	3.9	6	11.8	51	100.0
Milwaukee County														
Public Officials....	2	4.1	5	10.2	29	59.2	4	8.2	1	2.0	8	16.3	49 ^a	100.0
Public Employees....	1	2.1	3	6.3	25	52.1	6	12.5	2	4.2	11	22.9	48 ^b	100.0 ^c

NOTE: This table corresponds to survey question 25.

^aNo response: 2.

^bNo response: 3.

^cNumbers do not total 100 percent because of rounding.

Table A-35

RESPONDENTS' OPINIONS OF QUALITY OF LIFE FACTORS IN SOUTH MILWAUKEE

Quality of Life Factor	Respondents' Ratings											
	Excellent		Above Average		Average		Below Average		Poor		Total	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Quality of Existing Housing....	1	2.0	19	38.0	30	60.0	--	--	--	--	50 ^a	100.0
Affordability of Housing.....	3	6.0	15	30.0	30	60.0	1	2.0	1	2.0	50 ^a	100.0
Availability of Housing.....	3	6.0	22	44.0	23	46.0	2	4.0	--	--	50 ^a	100.0
Quality of Shopping Facilities.....	--	--	3	6.3	22	45.8	20	41.7	3	6.3	48 ^c	100.0 ^e
Police Protection.....	2	4.0	19	38.0	27	54.0	2	4.0	--	--	50 ^a	100.0
Fire Protection.....	7	14.0	28	56.0	15	30.0	--	--	--	--	50 ^a	100.0
Quality of Public School System (K-12).....	9	18.4	21	42.9	16	32.7	2	4.1	1	2.0	49 ^b	100.0 ^e
Availability of Higher Education Facilities.....	6	12.5	14	29.2	17	35.4	7	14.6	4	8.3	48 ^c	100.0
Availability of Vocational/Technical Education Facilities	7	14.6	19	39.6	14	29.2	5	10.4	3	6.3	48 ^c	100.0 ^e
Quality of Local Newspaper.....	--	--	4	8.2	15	30.6	15	30.6	15	30.6	49 ^b	100.0
Quality of Media (radio and television).....	1	2.2	11	23.9	27	58.7	3	6.5	4	8.7	46 ^d	100.0
Quality of Recreational Facilities.....	8	16.0	20	40.0	16	32.0	6	12.0	--	--	50 ^a	100.0
Availability of Meeting/Convention Facilities.....	--	--	2	4.2	15	31.3	17	35.4	14	29.2	48 ^c	100.0 ^e
Average Percent	--	7.4	--	30.8	--	42.0	--	12.7	--	7.1	--	100.0

NOTE: This table corresponds to survey question 26.

^aNo response: 1.^bNo response: 2.^cNo response: 3.^dNo response: 5.^eNumbers do not total 100 percent because of rounding.

South Milwaukee Central Business District

Recently, the viability and overall condition of the South Milwaukee central business district (defined as 8th Avenue on the east to 14th Avenue on the west, and Minnesota Avenue on the north to Marquette Avenue on the south) has become an important issue in the City. In February 1987, a public meeting was held at the South Milwaukee City Hall to discuss the issues facing this area. In order to determine the perceptions of the survey respondents regarding the central business district, the survey asked respondents to rate the viability of the area, as well as to identify specific problems.

Overall, the response to questions regarding the central business district confirms the concern by city officials regarding problems in the central business district. A total of 38 respondents, or 75 percent, perceived that the central business district would not remain a viable business district (see Table A-36). A total of 10 respondents, or 20 percent, felt it would be viable, and only three respondents, or 6 percent, felt it would be very viable. The most frequently mentioned problems in the area included: the poor condition of buildings, 16 responses, or 14 percent; inadequate parking, 13 responses, or 12 percent; and unattractive area, 9 responses, or 8 percent. Other responses are shown in Table A-37.

The respondents were also asked to indicate the activities that should be implemented to improve the central business district. The responses are shown in Table A-38, with the most frequently mentioned responses including improving building conditions and improving the overall appearance of the downtown area, with 7 responses each, or 10 percent. A large number of other responses were mentioned less frequently, as indicated in Table A-38.

Finally, while the central business district is perceived as having problems, a large number of respondents were interested in working to improve conditions in the area. A total of 21 respondents, or 42 percent, indicated that they would be willing to serve on a committee whose purpose was to improve conditions in the City's downtown area.

AVAILABILITY AND SOURCES OF BUSINESS FINANCING

Problems in Securing Financing

An important factor in determining the appropriateness of various local economic development program activities is the availability of financing for business expansions, as well as the availability of financing for ongoing business operations. A number of respondents indicated that securing financing for a business expansion project or for ongoing business operations was a problem. A total of 11 respondents, or 22 percent, indicated that they had experienced a problem in securing financing for their business.

The survey questionnaire also asked the respondents to indicate the nature of the difficulty they had encountered in attempting to secure financing. The most significant problem was the inability to provide security, or collateral, for the loan, three respondents, or 21 percent, and the perception that the bank was unwilling to support local businesses, two responses, or 14 percent (see Table A-39). The variety of other responses to this question are shown in Table A-39.

Table A-36

RESPONDENTS' OPINIONS OF THE FUTURE
OF THE DOWNTOWN AREA IN THE CITY
OF SOUTH MILWAUKEE IN TERMS OF
REMAINING A VIABLE BUSINESS DISTRICT

Opinion	Respondents	
	Number	Percent
Very Viable....	3	5.9
Viable.....	10	19.6
Not Viable.....	38	74.5
Total	51	100.0

NOTE: This table corresponds to survey
question 27.

Table A-37

RESPONDENTS' OPINIONS OF SPECIFIC PROBLEMS
IN THE CITY OF SOUTH MILWAUKEE DOWNTOWN AREA

Problem	Responses ^a	
	Number	Percent
Poor Condition of Buildings.....	16	14.3
Inadequate Parking.....	13	11.6
Unattractive Area.....	9	8.0
Lack of Customers.....	6	5.4
Lack of Variety.....	6	5.4
Shopping Mall Competition.....	6	5.4
Downtown Looks Old.....	5	4.5
Unable to Attract Customers to Downtown Area.....	5	4.5
Lack of Retail Establishments.....	3	2.7
Too Many Vacant Buildings.....	3	2.7
Business Relocating Elsewhere.....	2	1.8
Lack of Creativity.....	2	1.8
Lack of Interest Among Local Business to Develop Downtown Area.....	2	1.8
Lack of Recognition.....	2	1.8
Landscaping Needed.....	2	1.8
Poor Road Conditions.....	2	1.8
Snow Removal.....	2	1.8
Other.....	26	3.6
Total	112	100.0 ^b

NOTE: This table corresponds to survey question 28.

^a Firms responding could indicate more than one response.

^b Numbers do not total 100 percent because of rounding.

Table A-38

RESPONDENTS' OPINIONS OF ACTIVITIES WHICH
SHOULD BE IMPLEMENTED TO IMPROVE THE
CITY OF SOUTH MILWAUKEE DOWNTOWN AREA

Activity	Responses ^a	
	Number	Percent
Improve Building Conditions.....	7	10.0
Improve Overall Appearance of Downtown Area.....	7	10.0
Develop a Program to Help Retain and Attract Business.....	4	5.7
Encourage Planning/Redevelopment.....	4	5.7
Landscaping.....	4	5.7
Improve Parking Conditions.....	3	4.3
Setup Committee to Focus on Problems in the Downtown Area.....	3	4.3
Attract Small Businesses.....	2	2.9
Provide Businesses with Incentives to Develop/Improve Property.....	2	2.9
Snow Removal.....	2	2.9
Street Maintenance/Repair.....	2	2.9
Obtain Low-Interest Financing for Business Owners.....	2	2.9
City Officials Should Develop a Program to Retain and Attract Business.....	2	2.9
Other.....	26	37.1
Total	70	100.0

NOTE: This table corresponds to survey question 29.

^aFirms responding could indicate more than one response.

Table A-39

DIFFICULTIES EXPERIENCED BY FIRMS IN SECURING
THE NECESSARY FINANCING FOR ONGOING BUSINESS
OPERATIONS OR BUSINESS EXPANSION PROJECTS

Difficulties	Responses ^a	
	Number	Percent
Unable to Secure an Adequate Business Loan.....	3	21.4
Bank Unwilling to Support Local Businesses.....	2	14.3
Bank Loan at Unreasonable Interest Rate.....	1	7.1
Banks Don't Seem to be Looking to the Needs of Local Business.....	1	7.1
Difficult Getting Short-Term Loans....	1	7.1
Difficult Obtaining Necessary Financing for a Business Expansion Project.....	1	7.1
Difficult Obtaining Necessary Financing for Working Capital.....	1	7.1
Financial Risk too Great.....	1	7.1
Financing Turned Down.....	1	7.1
Unable to Obtain Necessary Financing from State and County Agencies for a Business Start-Up.....	1	7.1
Other.....	1	7.1
Total	14	100.0 ^b

NOTE: This table corresponds to survey question 31A.

^a Firms responding could indicate more than one response.

^b Numbers do not total 100 percent because of rounding.

Future Financing

In order to determine the need for future business financing, respondent firms were asked whether they anticipated seeking financial assistance for ongoing business operations or business expansion projects during the next five years. A total of 17 firms, or 35 percent, are expecting to seek financial assistance during this time period (see Table A-40). As indicated in Table A-41, about 33 percent of this financing would be used for a new building or addition, 30 percent for new machinery and equipment, 26 percent for working capital, and 10 percent for other uses. A local economic development program should monitor the success of these firms in securing this financing in order to determine the re-occurrence of the historical problems of securing financing, as well as the need for alternative nonconventional sources of business financing.

Familiarity With the U. S. Small Business Administration

The U. S. Small Business Administration (SBA) is the most often used source for nonconventional financing for small businesses. In order to determine whether SBA financing is a viable alternative to conventional financing for South Milwaukee businesses, the survey included a question regarding the familiarity of the survey respondent with the SBA. The response to this question indicates that the SBA is a well-known source of financing in the City. A total of 35 respondents, or 70 percent, were aware of the business financing programs offered by the SBA.

Significant Factors Affecting Respondents' Financial Conditions

Once again, in order to determine the appropriateness of various economic development program activities, it is important to identify those factors that are negatively affecting the financial condition of local businesses. The survey questionnaire thus asked, "What are the most important factors that are currently affecting your firm's financial condition?" As shown in Table A-42, the responses to this question indicate that poor market conditions/economy, 35 responses, or 70 percent, is the overwhelming factor influencing the respondent firms financial condition. Other factors frequently mentioned included: high state personal income taxes, 26 responses, or 52 percent; high local property taxes, 23 responses, or 46 percent; and the high cost of energy and high corporate taxes, each with 20 responses, or 40 percent.

OVERALL IMPRESSIONS OF SOUTH MILWAUKEE AND THE STATE OF WISCONSIN AS A PLACE IN WHICH TO DO BUSINESS

This portion of the South Milwaukee industry retention survey asked the respondents a number of questions pertaining to the key issues that are most likely to be faced by their firms during the next five years, the respondents' opinions of the City and the State as places in which to operate a business, and the respondents' opinions as to what types of actions should be taken by economic development organizations in the City to improve conditions.

Key Business Issues

Of the factors that were mentioned as key issues facing the respondent firms during the next five years, factors related to internal business operations

Table A-40

FIRMS ANTICIPATING THE NEED TO
SEEK FINANCIAL ASSISTANCE FOR
ONGOING BUSINESS OPERATIONS
OR BUSINESS EXPANSION PROJECTS
DURING THE NEXT FIVE YEARS

Response	Respondents	
	Number	Percent
Yes.....	17	35.4
No.....	31	64.6
Total	48 ^a	100.0

NOTE: This table corresponds to
survey question 32.

^aNo response: 3.

Table A-41

PURPOSE FOR WHICH FIRMS
WILL SEEK ADDITIONAL FINANCING

Purpose	Respondents ^a	
	Number	Percent
New Building or Addition....	10	33.3
Machinery and Equipment.....	9	30.0
Working Capital.....	8	26.6
Other.....	3	10.0
Total	30	100.0 ^b

NOTE: This table corresponds to survey question 32a.

^aFirms responding could indicate more than one
response.

^bNumbers do not total 100 percent because of
rounding.

Table A-42

FACTORS HAVING AN EFFECT ON FIRMS' CURRENT FINANCIAL CONDITION

Factors	Responses					
	Effect		No Effect		Total	
	Number	Percent	Number	Percent	Number	Percent
Poor Market Conditions/Economy....	35	70.0	15	30.0	50 ^a	100.0
High State Personal Income Taxes..	26	52.0	24	48.0	50 ^a	100.0
High Local Property Taxes.....	23	46.0	27	54.0	50 ^a	100.0
High Cost of Energy.....	20	40.0	30	60.0	50 ^a	100.0
High State Corporate						
Income Taxes.....	20	40.0	30	60.0	50 ^a	100.0
High Cost of Materials.....	14	28.0	36	72.0	50 ^a	100.0
High Financing Interest Rates....	10	20.0	40	80.0	50 ^a	100.0
Poor Quality Labor.....	10	20.0	40	80.0	50 ^a	100.0
Unfavorable Financing Terms.....	7	14.0	43	86.0	50 ^a	100.0
Availability of Financing.....	6	12.0	44	88.0	50 ^a	100.0
High Cost of						
Transporting Materials.....	1	2.0	49	98.0	50 ^a	100.0
Lack of Labor/Union Cooperation...	1	2.0	48	98.0	49 ^b	100.0
Other.....	7	87.5	1	12.5	8 ^c	100.0

NOTE: This table corresponds to survey question 33.

^aNo response: 1.

^bNo response: 2.

^cNo response: 43.

had 55 responses, or 43 percent of all responses (see Table A-43). In addition, 34 responses, or 26 percent, indicated that economic conditions were key issues; 10 responses, or 8 percent, indicated that labor issues were key issues; and 9 responses each, or 7 percent, indicated that financing, public service/infrastructure, and government issues were key issues affecting business operations during the next five years.

Attitudes Toward the Firm's Locality and the
State of Wisconsin as a Place in Which To Do Business

The attitudes, or perceptions, of the survey respondents toward the City and State as places in which to operate a business are important. The City, as well as the State, need to develop an image as a good place in which to do business in order to retain existing and attract new employers. If the perceptions of the City and State are negative, a local economic development program would need to undertake activities that could help improve the perceptions. Table A-44 shows the respondents' perceptions of the City and the State as places in which to operate a business. As indicated in Table A-44, 6 respondents, or 12 percent, indicated that the City was an above average place in which to operate a business, with 26 respondents, or 52 percent, indicating that the City was an average place in which to operate a business. A total of 18 respondents, or over one-third of the respondents, indicated that the City was an unfavorable place in which to operate their business, a percentage that should be of concern to city officials. As shown in Table A-44, only three respondents, or 6 percent, perceived the State of Wisconsin as an above average place in which to operate a business, with the below average category receiving 12 responses, or 24 percent. Overall, 70 percent of the respondents felt that the State was an average place in which to operate a business.

Tables A-45 and A-46 show the positive characteristics identified by the respondents regarding the City and the State of Wisconsin as places in which to operate a business. As indicated in Tables A-45 and A-46, the positive characteristics noted most often by the survey respondents were the quality of life in the City, 42 percent of all responses, and the State, 53 percent of all responses. Other positive responses regarding the City included: the business environment, 25 percent of all responses; public services/infrastructure, 11 percent; government, 10 percent; and labor, 4 percent. Other positive responses regarding the State included: public services/infrastructure, 12 percent; labor, 10 percent; business environment, 9 percent; government characteristics, 6.2 percent; economic conditions, 5 percent; and financing, 1.0 percent.

Tables A-47 and A-48 show the perceived negative characteristics indicated by respondents regarding the City and the State as places in which to operate a business. As indicated in Table A-47, the most often indicated responses regarding the negative characteristics of operating a business in the City included: the decline of local economic conditions, 32 percent; public service/infrastructure problems, 20 percent; problems relative to internal business operations, 17 percent; quality of life problems, 8 percent; issues related to the operation of government and taxes, 7 percent; problems related to the City's geographic location, 6.1 percent; and labor issues, 4 percent. The most often indicated negative characteristics of operating a business in

Table A-43

KEY ISSUES FACING RESPONDENTS' FIRMS
DURING THE NEXT FIVE YEARS

Issues	Responses ^a	
	Number	Percent
Internal Business Operations		
Increasing Competition.....	14	10.8
Establishing a Customer Base.....	6	4.7
Lack of Customers.....	4	3.1
Future Business Plans.....	3	2.3
Geographic Location.....	3	2.3
Impact of Health Maintenance Programs.....	2	2.3
Establishing a Marketing Program.....	2	1.6
Expanding Customer Base.....	2	1.6
Expanding Existing Business Outside the City of South Milwaukee.....	2	1.6
Increasing Sales.....	2	1.6
Other.....	15	11.6
Subtotal	55	42.6
Economic Conditions		
Local Economic Conditions.....	22	17.1
Loss of Manufacturing Activity.....	3	2.3
Other.....	9	7.0
Subtotal	34	26.4
Labor Issues		
Hiring Quality Employees.....	3	2.3
High Labor Costs.....	2	1.6
Maintaining Quality Employees.....	2	1.6
Stabilizing Local Employment.....	2	1.6
Labor Productivity.....	1	0.8
Subtotal	10	7.8
Financing		
Difficulty Obtaining Necessary Financing.....	7	5.4
High Interest Rates.....	2	1.6
Subtotal	9	7.0

-continued-

Table A-43 (continued)

Issues	Responses ^a	
	Number	Percent
Public Service/Infrastructure		
Viability of Downtown Area.....	5	3.8
Other.....	4	3.1
Subtotal	9	7.0
Government Issues		
High Taxes.....	7	5.4
Other.....	2	1.6
Subtotal	9	7.0
Quality of Life	3	2.3
Total	129	100.0

NOTE: This table corresponds to survey question 35.

^aFirms responding could indicate more than one response.

Table A-44

RESPONDENTS' OPINIONS OF THEIR LOCALITY
AND THE STATE OF WISCONSIN AS A
PLACE IN WHICH TO OPERATE A BUSINESS

Opinion	Respondents' Opinion			
	Locality		Wisconsin	
	Number	Percent	Number	Percent
Above Average....	6	12.0	3	6.0
Average.....	26	52.0	35	70.0
Below Average....	18	36.0	12	24.0
Total	50 ^a	100.0	50 ^a	100.0

NOTE: This table corresponds to survey questions
36 and 39.

^aNo response: 1.

Table A-45

PERCEIVED POSITIVE CHARACTERISTICS ABOUT
OPERATING A BUSINESS IN SOUTH MILWAUKEE

Positive Characteristics	Responses ^a	
	Number	Percent
Quality of Life		
Lack of Crime.....	7	6.1
Friendly People.....	5	4.4
Stable Population.....	5	4.4
Good Education System.....	4	3.5
Good Park System.....	4	3.5
Residents' Above Average		
Income and Education.....	4	3.5
Clean Community.....	3	2.6
Close-Knit Community.....	3	2.6
Conservative People.....	2	1.8
City Image.....	2	1.8
Longevity of Residents.....	2	1.8
Good Quality of Life.....	2	1.8
Small-Town Atmosphere.....	2	1.8
Other.....	3	2.6
Subtotal	48	42.1
Business Environment		
Loyalty of Customers.....	4	3.5
Word-of-Mouth Advertising.....	4	3.5
Good Geographic Location.....	3	2.6
Opportunity for Business		
Improvement/Expansion.....	2	1.8
Proximity to Metropolitan Area.....	2	1.8
Proximity to Product Markets.....	2	1.8
Other.....	14	12.2
Subtotal	29	25.4
Public Service/Infrastructure		
Adequate Police Protection.....	6	5.3
Other.....	6	5.3
Subtotal	12	10.5

-continued-

Table A-45 (continued)

Positive Characteristics	Responses ^a	
	Number	Percent
Government		
Cooperative City Officials.....	3	2.6
Accommodating City Officials.....	2	1.8
Local Government Supports Business in South Milwaukee.....	2	1.8
No Government Interference.....	2	1.8
Fair Takes.....	2	1.8
Other.....	2	1.8
Subtotal	11	9.6
Labor Issues		
Good Quality Labor Force.....	3	2.6
Hard Working Employees.....	2	1.8
Other.....	5	4.4
Subtotal	10	8.8
Total	114	100.0

NOTE: This table corresponds to survey question 37.

^aFirms responding could indicate more than one response.

Table A-46

PERCEIVED POSITIVE CHARACTERISTICS ABOUT
OPERATING A BUSINESS IN THE STATE OF WISCONSIN

Positive Characteristics	Responses ^a	
	Number	Percent
Quality of Life		
Change of Seasons.....	8	8.3
Availability of Recreation.....	6	6.2
Good Education System.....	5	5.2
Quality of Life.....	5	5.2
Residents' Above Average		
Income and Education.....	5	5.2
Stable Population.....	4	4.1
Good Education Facilities.....	3	3.1
Clean Image.....	2	2.1
Pleasant Living Environment.....	2	2.1
Weather.....	2	2.1
Other.....	9	9.3
Subtotal	51	52.6
Public Service/Infrastructure		
Good Transportation System.....	6	6.2
Adequate Water Supply.....	3	3.1
Excellent Range of General Services..	2	2.1
Proximity to the Port of Milwaukee...	1	1.0
Subtotal	12	12.4
Labor Issues		
Adequate Labor Force.....	3	3.1
Ability to Hire Employees		
at Reasonable Wage Rate.....	2	2.1
Hard Working Employees.....	2	2.1
Strong Work Ethic.....	2	2.1
Skilled Labor Force.....	1	1.0
Subtotal	10	10.3

-continued-

Table A-46 (continued)

Positive Characteristics	Responses ^a	
	Number	Percent
Business Environment		
Cold Weather.....	3	3.1
Other.....	6	6.2
Subtotal	9	9.3
Government Characteristics		
Honest Government.....	2	2.1
Other.....	4	4.1
Subtotal	6	6.2
Financing	1	1.0
Other	3	3.1
Total	97	100.0

NOTE: This table corresponds to survey question 40.

^aFirms responding could indicate more than one response.

Table A-47

PERCEIVED NEGATIVE CHARACTERISTICS ABOUT
OPERATING A BUSINESS IN SOUTH MILWAUKEE

Negative Characteristics	Responses ^a	
	Number	Percent
Economic Conditions/Local Decline		
Local Economic Conditions.....	8	6.9
Decline in Business Climate.....	8	6.9
Lack of Employment.....	6	5.2
Loss of Job Opportunities.....	5	4.4
Decline in Industry and Commercial Activity.....	3	2.6
Stagnant Economy.....	2	1.7
Decreasing Population.....	2	1.7
Other.....	3	2.6
Subtotal	37	32.2
Public Service/Infrastructure		
Deterioration of Downtown.....	11	9.6
Snow Removal.....	4	3.5
Inadequate Parking.....	3	2.6
Poor Access to City.....	2	1.7
Other.....	3	2.6
Subtotal	23	20.0
Business Operations		
Getting Residents to Shop Locally.....	3	2.6
Lack of Space to Expand.....	3	2.6
Lack of Cooperation Among Businesses.....	2	1.7
Price Conscious Market.....	2	1.7
Other.....	10	8.7
Subtotal	20	17.4
Quality of Life		
Negative Perception of City.....	3	2.6
Older Average Age Group.....	3	2.6
Other.....	3	2.6
Subtotal	9	7.8

-continued-

Table A-47 (continued)

Negative Characteristics	Responses ^a	
	Number	Percent
Government Issues/Taxes		
High Taxes.....	5	4.4
Other.....	3	2.6
Subtotal	8	7.0
Geographic Location		
Lake Michigan Limits Market Area.....	3	2.6
Poor Geographic Location.....	2	1.7
Proximity to Metropolitan Areas.....	2	1.7
Subtotal	7	6.1
Labor Issues		
Instability of Labor Force.....	2	1.7
Poor Employment Conditions.....	2	1.7
Unskilled Workers.....	1	0.9
Subtotal	5	4.4
Other	6	5.2
Total	115	100.0 ^b

NOTE: This table corresponds to survey question 38.

^aFirms responding could indicate more than one response.

^bNumbers do not total 100 percent because of rounding.

Table A-48

PERCEIVED NEGATIVE CHARACTERISTICS ABOUT
OPERATING A BUSINESS IN THE STATE OF WISCONSIN

Negative Characteristics	Responses ^a	
	Number	Percent
Government Issues/Taxes		
High Taxes.....	37	39.0
Too Much Welfare.....	4	4.2
Lack of Cooperation.....	3	3.2
Lack of Economic Development Assistance..	2	2.1
Lack of Government Assistance.....	2	2.1
Too Many Government Regulations.....	2	2.1
Other.....	7	7.4
Subtotal	57	60.0
Quality of Life		
Weather Conditions.....	10	10.5
Conservative Population.....	2	2.1
Other.....	2	2.1
Subtotal	13	13.7
Economic Conditions		
Lack of New Industry.....	2	2.1
Unable to Attract New Business.....	2	2.1
Relocation of Large Corporations.....	2	2.1
Other.....	5	5.3
Subtotal	11	11.6
Labor Force		
High Cost of Labor.....	3	3.2
High Cost of Insurance.....	2	2.1
High Cost of Unemployment Compensation...	2	2.1
Other.....	2	2.1
Subtotal	9	9.5
Internal Business Operations		
High Operation Costs.....	2	2.1
Other.....	1	1.1
Subtotal	3	3.2
Public Service/Infrastructure		
High Cost of Public Utilities.....	2	2.1
Total	95	100.0

NOTE: This table corresponds to survey question 41.

^aFirms responding could indicate more than one response.

the State included: government issues/taxes, 60 percent; quality of life, 14 percent; economic conditions, 12 percent; labor force factors, 10 percent; internal business operating problems, 3 percent; and public infrastructure problems, 2 percent (see Table A-48).

Opinion of the Locality and State as Places in Which to Operate a Business During the Next Three Years

Table A-49 shows the responses regarding the perception of the City of South Milwaukee and the State as places in which to operate a business during the next five years. Overall, the respondents were equally confident that the City and State would become better places in which to operate a business--16 responses each, or 32 percent. A slightly higher number, 10 respondents, or 20 percent, perceived the City as becoming a worse place in which to do business in comparison to the State, 7 responses, or 14 percent. The largest number of respondents felt that the City and State would remain the same as places in which to operate a business--24 responses, or 48 percent; and 27 responses, or 54 percent, respectively.

Actions That Should be Taken by Economic Development Organizations in the City of South Milwaukee to Improve Business Conditions

In order to improve the local business climate, a community economic development program should consider activities that local business persons consider important to improving economic conditions. For this reason, the survey respondents were asked to indicate the types of activities that should be included in a local economic development program. Table A-50 shows the responses to this question. As indicated in the table, the respondents indicated that industry retention and attraction activities were the most important economic development activities that could be implemented, with 32 responses, or 44 percent. Other responses included: federal, state, and local government programs, services, and facilities, 26 responses, or 36 percent; and improving communication in the City, 7 responses, or 10 percent. Other responses are shown in Table A-50.

Volunteer Participation in Local Economic Development

The successful implementation of community economic development program activities usually depends, to some degree, on community volunteers--specifically, volunteers who are part of the local business community. As a result, the survey asked respondents if they would be interested in serving on a volunteer committee whose goal is to try to improve economic conditions in the City of South Milwaukee. A total of 23 respondents, or 45 percent, noted that they would be willing to assist in improving local economic conditions. Consequently, a local economic development program should contact these respondents to solicit their active participation in local economic development activities.

OTHER RESPONSES

In addition to the responses to the above-mentioned survey questions, the South Milwaukee Area Resource Team, the citizens advisory committee for the retention survey, requested that several additional issues be explored with

Table A-49

RESPONDENTS' OPINION OF SOUTH MILWAUKEE
AND THE STATE OF WISCONSIN AS PLACES IN WHICH TO
OPERATE A BUSINESS DURING THE NEXT FIVE YEARS

Opinion	Respondents' Opinion			
	Locality		Wisconsin	
	Number	Percent	Number	Percent
Better.....	16	32.0	16	32.0
Stay the Same.....	24	48.0	27	54.0
Worse.....	10	20.0	7	14.0
Total	50 ^a	100.0	50 ^a	100.0

NOTE: This table corresponds to survey questions
42 and 43.

^aNo response: 1.

Table A-50

TYPES OF ACTIONS TO BE TAKEN BY ECONOMIC
DEVELOPMENT ORGANIZATIONS IN THE CITY OF
SOUTH MILWAUKEE TO IMPROVE BUSINESS CONDITIONS

Types of Actions	Responses ^a	
	Number	Percent
Industry Retention and Attraction Activities		
Attract New Business and Industry.....	8	11.0
Promote South Milwaukee.....	6	8.2
Provide Incentives to Business.....	6	8.2
Employ an Economic Development Specialist.....	3	4.1
Initiate Economic Development Activities.....	3	4.1
Expand Employment Opportunities.....	2	2.7
Diversify the Economy.....	2	2.7
Retain Established Business.....	2	2.7
Subtotal	32	43.8
Government Programs, Services, and Facilities		
Improve the Downtown.....	1	17.8
Conduct Better Long-Range Planning..	3	4.1
Seek State and Federal Grants and Loans.....	3	4.1
Provide Low-Interest Business Loans.....	2	2.7
Improve Street Accessibility.....	2	2.7
Promote Industrial Sites.....	2	2.7
Lower Taxes.....	1	1.4
Subtotal	26	35.6
Communication		
Improve City Image.....	3	4.1
Change Negative Attitude of Local Business.....	1	1.4
Establish a Business Outreach Program.....	1	1.4
Make People Aware of Changes in the Economy and Business.....	1	1.4
Stimulate an Optimistic Attitude.....	1	1.4
Subtotal	7	9.6

-continued-

Table A-50 (continued)

Types of Actions	Responses ^a	
	Number	Percent
Quality of Life		
Attract Young Families to the City..	1	1.4
Beautify the City.....	1	1.4
Develop a Hotel/Restaurant.....	1	1.4
Subtotal	3	4.1
Small Business Development		
Develop a Business		
Condominium Project.....	1	1.4
Promote Small Manufacturing		
Companies.....	1	1.4
Keep in Contact With Small Business..	1	1.4
Subtotal	3	4.1
Other		
Develop Vacant Properties.....	1	1.4
Develop a Program of Shared Service		
with Surrounding Communities.....	1	1.4
Subtotal	2	2.7
Total	73	100.0 ^b

NOTE: This table corresponds to survey question 50.

^aFirms responding could indicate more than one response.

^bNumbers do not total 100 percent because of rounding.

the survey respondents. These issues included: the degree of membership in the South Milwaukee Association of Commerce; the opinion of the respondents regarding the availability of business services in the area; and the survey respondents' interest in locating in a business condominium. The responses to these questions are set forth below.

Membership in the South Milwaukee Association of Commerce

Overall, 27 of the survey respondents, or 53 percent, were members of the South Milwaukee Association of Commerce, with 11 of the 24 respondents that were not members of the Association indicating an interest in receiving more information on this organization (see Table A-51). Table A-52 indicates the reasons why the 24 respondents were members of the Association. The most often mentioned response--four responses, or 15 percent--was that membership in the Association would not help their business, as indicated in Table A-52.

Availability of Business Services

The survey respondents were asked their opinion of the availability of business services in the City, with the responses shown in Table A-53. As indicated in the table, 24 respondents, or 48 percent, felt that business services were available; while 23 respondents, or 46 percent, felt that business services were only somewhat available. Only three respondents, or 6 percent, felt that business services were not available in the City. When the respondents were asked what types of business services were not available, the most often mentioned response was computer services, with three responses. The remaining responses were varied, and are shown in Table A-54.

Business Condominium

Recently, a number of business persons in the City have discussed the development of a business condominium. A business condominium is a new or existing building that is the location for a number of businesses that cooperatively own the building. When asked of their familiarity with the concept, 36 respondents, or 71 percent, indicated they were familiar with business condominiums, with 10 of the respondents indicating that they would consider locating in such a building if one were available (see Table A-55). A total of 18 of the respondents indicated that they would like to be contacted if a business condominium project is initiated in the City.

SUMMARY

The problems and needs of existing employers are particularly important considerations in determining the economic development activities that should be a part of a local economic development program. This section summarizes the most important findings of the survey of 51 service industry employers in South Milwaukee.

1. The largest percentage of the survey respondent firms are more than five years of age, 82 percent.
2. Fifty-seven percent of the respondents indicated that their firm was established as a result of a new business start, and 39 percent were started as a result of a business acquisition.

Table A-51

FIRMS THAT ARE CURRENTLY MEMBERS OF THE
SOUTH MILWAUKEE ASSOCIATION OF COMMERCE
AND THOSE INTERESTED IN MORE
INFORMATION ON THE ASSOCIATION

Questions	Responses	
	Number	Percent
Member of the South Milwaukee Association of Commerce		
Yes.....	27	52.9
No.....	24	47.1
Total	51	100.0
Firms Interested in More Information on the South Milwaukee Association of Commerce		
Yes.....	11	52.4
No.....	10	47.6
Total	21 ^a	100.0

NOTE: This table corresponds to survey questions 45 and 45b.

^aNo response: 30.

Table A-52

REASONS WHY FIRMS ARE NOT MEMBERS OF
THE SOUTH MILWAUKEE ASSOCIATION OF COMMERCE

Reason	Responses ^a	
	Number	Percent
Would Not Help Business at All.....	4	15.4
Have Never Been Contacted.....	3	11.5
Negative Attitude of Business		
People in Area.....	3	11.5
Don't Know Why.....	2	7.7
No Particular Reason.....	2	7.7
Not Interested.....	2	7.7
Business is No Longer Located		
in the City of South Milwaukee.....	1	3.8
Contemplating.....	1	3.8
Declined Membership.....	1	3.8
Have No Information on the SMAC.....	1	3.8
Have Not Been Contacted		
for Membership Renewal.....	1	3.8
Independent.....	1	3.8
No Return for Investment.....	1	3.8
Too Time Consuming.....	1	3.8
Other.....	2	7.7
Total	26	100.0 ^b

NOTE: This table corresponds to survey question 45A.

^aFirms responding could indicate more than one response.

^bNumbers do not total 100 percent because of rounding.

Table A-53

RESPONDENTS' OPINIONS OF THE
AVAILABILITY OF BUSINESS SERVICES
IN THE CITY OF SOUTH MILWAUKEE

Opinion	Respondents	
	Number	Percent
Available.....	24	48.0
Somewhat Available.....	23	46.0
Not Available.....	3	6.0
Total	50 ^a	100.0

NOTE: This table corresponds to survey
question 44.

^aNo response: 1.

Table A-54

RESPONDENTS' OPINIONS OF BUSINESS SERVICES THAT ARE SOMEWHAT
AVAILABLE OR NOT AVAILABLE IN THE CITY OF SOUTH MILWAUKEE

Service	Responses ^a	
	Number	Percent
Computer Services.....	3	9.1
Accounting Services.....	2	6.1
Lack of Legal Services.....	2	6.1
Advertising Specialists.....	2	6.1
Floor Maintenance.....	1	3.0
Lack of Motel Accommodations.....	1	3.0
Lack of Wholesalers.....	1	3.0
Lawn Maintenance.....	1	3.0
Office Equipment Repair Services.....	1	3.0
Printing and Publishing.....	1	3.0
Refrigeration Storage.....	1	3.0
Repair Services.....	1	3.0
Temporary Job Service Agency.....	1	3.0
Truck Repair Services.....	1	3.0
Waste Pick-up.....	1	3.0
Window Cleaning.....	1	3.0
Other.....	12	36.4
Total	33	100.0 ^b

NOTE: This table corresponds to survey question 44A.

^aFirms responding could indicate more than one response.

^bNumbers do not total 100 percent because of rounding.

Table A-55

FIRMS THAT ARE FAMILIAR WITH THE CONCEPT
OF BUSINESS CONDOMINIUMS, THOSE THAT WOULD
CONSIDER LOCATING IN A BUSINESS CONDOMINIUM,
AND THOSE THAT WOULD LIKE TO BE CONTACTED
IF A BUSINESS CONDOMINIUM PROJECT IS
INITIATED IN THE CITY OF SOUTH MILWAUKEE

Questions	Responses	
	Number	Percent
Firms Familiar With the Concept of Business Condominiums		
Yes.....	36	70.6
No.....	15	29.4
Total	51	100.0
Firms That Would Consider Locating in a Business Condominium		
Yes.....	10	20.0
No.....	40	80.0
Total	50 ^a	100.0
Firms That Would Like to be Contacted if a Business Condominium Project is Initiated in the City		
Yes.....	18	36.7
No.....	31	63.3
Total	49 ^b	100.0

NOTE: This table corresponds to survey questions
46, 47, and 48.

^aNo response: 1.

^bNo response: 2.

3. Of the major difficulties indicated by the respondent firms during the start-up of their businesses, those of primary importance to the respondents include: cash-flow problems, 20 percent; hiring quality employees, 18 percent; financing, 16 percent; and establishing a customer base, 13 percent.
4. Sixty-one percent of the respondents were not familiar with business incubators. However, 14 respondents would have used a business incubator if one had been available when their firm was established, and 10 respondents would use one now if it were available.
5. The respondent firms averaged 19 total employees, 12 part-time employees, and seven full-time employees. While the firms created a total of 192 new jobs during the 1982 through 1986 time period, only 37 of these were full-time jobs.
6. Fifty-three percent of the respondents purchase 60 percent or more of the items for resale and/or services in Milwaukee County, with 33 percent purchasing 40 percent or less in the County.

Sales to the Government

1. Forty-seven percent of the survey respondents supply products and/or services to local government; 27 percent to state government; and 21 percent to the federal government.

Business Expansions

1. Forty-three percent of the respondent firms have undergone expansion projects during the last five years, resulting in an average of 2,478 square feet and 16 employees for each expansion. Seventy-four percent of the expansions occurred in the City of South Milwaukee, with no overriding reason for the expansions outside the City.
2. Fifty-five percent of the respondents felt that business during the next five years would be average or below average, while 45 percent felt it would be very good or good.
3. A total of 19 respondents, or 40 percent, are expecting to expand during the next five years, resulting in an expected 34,800 additional square feet and 81 new employees. However, 10 of the proposed expansions will not take place in the City, and four of the respondents planning to expand in the City expect problems with the expansion. The problems identified most often included identifying a suitable location and hiring quality employees.
4. Four of the respondent firms are planning to move all or a part of their operations out of the City, with the proximity to product markets the most often mentioned reason for the move.
5. Only one respondent indicated an intent to reduce employment during the next three years, while only two respondents anticipated a decline in sales.

6. A total of four business establishments currently located outside the City were identified as interested in relocating to the City.
7. Overall, poor economic conditions/the general economy and internal business issues were the key issues facing the respondent firms during the last five years, accounting for 39 percent and 26 percent of the responses, respectively.
8. The respondent firms most often indicated poor market conditions/the economy, 21 percent of all responses, lack of customers, 15 percent, and domestic competition, 15 percent, as the factors that are expected to have the greatest negative impact on their firm's development.

Human Resources

1. A total of 31 respondent firms, or 61 percent, anticipate hiring new employees during the next five-year period. The skill level of the employees that are expected to be hired is similar to the existing skill level, which is: low skill, 22 percent; medium skill, 52 percent; and high skill, 26 percent.
2. The labor force problems usually encountered by the largest percentage of survey respondents included employee expectations of higher wages, 38 percent of all responses; and poor employee attitudes and employee turnover, 24 percent. Labor force factors that were most often mentioned as causing problems were the cost of unemployment compensation, 40 percent of all responses; the cost of fringe benefits, 31 percent; high wage rates, 28 percent; and employee unwillingness to work various shifts, 22 percent.
3. While 41 percent of the respondent firms encountered difficulty finding available workers in specific occupational areas, no single occupational area was frequently mentioned. However, five respondents indicated that qualified workers in all occupational categories, as well as reliable workers in all categories, were needed.
4. Overall, the survey respondents utilize traditional methods to fill job vacancies. The most often mentioned methods included: employer referrals/recommendations, 84 percent; walk-ins, 68 percent; newspapers, 61 percent; and area high schools, 55 percent.

Assessment of Government Services and Regulations, and of Public Utilities

1. Overall, the respondents are satisfied with local public utilities, services, and regulations. Street maintenance and repair was the only problem indicated somewhat frequently, with 13 respondents indicating this response as a problem area.
2. City officials and employees were generally rated equally in their performance with regard to improving the local economy. A total of 24 percent of the respondents rated the performance of city officials as excellent or above average, 53 percent as average, and 10 percent as below average or poor. The performance of city officials and employees was rated higher than the performance of county officials and employees.

3. With regard to the quality of life in the City, fire protection was the factor most often rated as excellent or above-average, 70 percent, followed by quality of the public schools, 61 percent; recreational facilities, 56 percent; the availability of vocational/technical education facilities, 54 percent; and the availability of housing, 50 percent. The respondents were most often dissatisfied with the following factors, rating them as below average or poor: the availability of meeting/convention facilities, 65 percent; the quality of the local newspaper, 61 percent; and the quality of shopping facilities, 48 percent.
4. The viability and condition of the central business district is an important concern of the survey respondents. Seventy-five percent of the respondents do not feel that the district will remain viable. The most often mentioned problems in the district were: the poor condition of buildings, 14 percent; inadequate parking, 12 percent; and the unattractiveness of the area, 8 percent.

Availability and Sources of Business Financing

1. Eleven respondents, or 22 percent, have had difficulty in securing financing for their business. A total of 17 firms anticipate the need to seek financing for future activities.
2. Overall, 70 percent of the respondents were familiar with the business financing programs offered by the U. S. Small Business Administration.
3. Poor market conditions/the economy is the most important factor that the respondent firms feel is affecting their business, with 70 percent indicating this response. Other factors included: high state personal income tax, 52 percent; high local property taxes, 46 percent; and the high cost of energy and high corporate taxes, 40 percent each.

Overall Impressions of the City and State as Places in Which to Operate a Business

1. Twelve percent of the respondents feel that the City is an above average place in which to operate a business, with 52 percent perceiving it as average, and 36 percent indicating the city as unfavorable. With regard to the State, 6 percent feel it is above average, 70 percent average, and 24 percent below average.
2. The most often mentioned positive characteristics relative to operating a business in the City and State were the quality of life, accounting for 42 percent and 53 percent of all responses, respectively.
3. The most often mentioned negative characteristic relative to operating a business in the City was the decline in local economic conditions, 32 percent; and relative to operating a business in the State was government issues/taxes, 60 percent.
4. Overall, the respondents were equally confident that the City and State would become better places in which to operate a business, with

32 percent of the respondents having this opinion about the City and about the State. A slightly higher percentage perceived the City as becoming a worse place in which to operate a business, 20 percent, than perceived the State becoming worse, 14 percent. The largest percentage of respondents felt that the City and State would remain the same as places in which to operate a business, 48 percent and 54 percent, respectively.

5. Overall, the survey respondents feel that more should be done by economic development organizations in the City to retain and attract industry. A total of 44 percent of the respondents indicated that various types of retention and attraction activities should be implemented.
6. The results of the survey indicate that the survey respondents are willing to help in working to improve local economic conditions. A total of 23 respondents, or 45 percent of the respondents, indicated a willingness to serve on a volunteer committee to help improve economic conditions.

Other Responses

1. A total of 53 percent of the respondents were members of the South Milwaukee Association of Commerce, with the most often mentioned reason for not joining the Association, mentioned by 15 percent, being that it would not help their business. A total of ___ businesses were, however, interested in more information on the Association.
2. Forty-six percent of the respondents indicated that business services are only somewhat available in the City, and only 6 percent that business services are not available. With regard to the types of business services that are not available, the responses were greatly varied.
3. Seventy-one percent of the respondents were familiar with the concept of business condominiums, with 10 respondents indicating that they would consider relocating to one if it were available, and 18 respondents requesting that they be contacted if one is made available.

CONCLUSIONS AND PROGRAM RECOMMENDATIONS

Introduction

The results of the South Milwaukee retention survey of commercial and service establishments provide information that is helpful in the formulation and evaluation of various economic development program activities. It is important to indicate, however, that the service industries herein considered represent only one segment of the economic base in the City. The City's economy, like that of many other communities in southeastern Wisconsin, has been and continues to be highly dependent upon the manufacturing industries. While service industries have recently created the majority of new jobs in Wisconsin, and are forecast to be the major job generators in the future, the City's economic development program must continue to stress the retention and expansion of its industrial base.

Wisconsin Bell Survey Recommendations

In 1986, Wisconsin Bell, an Ameritech Company, assisted in the conduct of an industry retention survey of 21 manufacturing firms in the City. The recommendations that resulted from the conduct of this study bear repetition here in order to provide a balanced basis for the consideration of the economic development program activities in Section V of this report. The recommendations of the Wisconsin Bell study included the following:

1. Continue to monitor and periodically update the Business Retention Study.
2. Implement and maintain a program which calls on each Chief Executive Officer of local industries at least once a year. This program provides an opportunity for local industry leaders to express and discuss their concerns with local officials.
3. Develop a data base to include all industrial land and business site information available in the area.
4. Assist firms considering relocating outside South Milwaukee in areas that can have a positive influence toward retention such as financing, finding more appropriate facilities or sites, etc.
5. Conduct small business workshops to develop entrepreneurial skills and programs to assist in the expansion of existing businesses and the development of new businesses.
6. Monitor businesses that were identified in the study for potential expansion so appropriate assistance can be offered when expansion plans are initiated.
7. Direct an appropriate agency or task force to organize and provide a seminar on the procurement of state and federal government contracts.
8. Develop an effective means to keep industries knowledgeable about local and state economic development initiatives and agencies.
9. Evaluate all municipal service and infrastructure problems identified by the survey and establish a systematic approach to ensure appropriate follow-up and correction.
10. The Industrial Development Corporation and the Chamber of Commerce should continue to assist industries with recruitment of both blue collar and professional employees, stressing the quality of life in the area.
11. Inform local educators, including high schools, technical institutes, and colleges, as to the employment and training needs of local industries.

12. Work to recruit area industrial firms that are not members of the Chamber of Commerce. Hold a luncheon once a year specifically for area industrial firms to keep them aware of area economic development efforts.
13. Communicate with Forward Wisconsin, the Wisconsin Department of Development, and other organizations committed to economic development so that they are aware of what the community has to offer.

Program Recommendations Resulting from the Service Industry Retention Study

Overall, local community economic development activities can be categorized into five major functional areas, including: 1) organizational development activities, 2) industry retention activities, 3) industry attraction activities, 4) new business development, and 5) the maintenance and development of public facilities and services. The recommendations that result from an analysis of the results of the survey of service industries are set forth below. It should be stressed that the following is not a comprehensive list of program recommendations. Additional recommendations will result from analyses of the information presented in Section IV of this report--"Economic Development Potentials and Constraints."

Organizational Development Activities

1. An active and visible industrial retention and attraction program should be a major component of an economic development program in the City. While the respondent service industry firms created 192 jobs during the 1982 through 1986 time period, only 37 of these jobs were full-time positions.
2. A more pro-active economic development program should be established in the City that, on an ongoing basis, evaluates the necessity for implementing various economic development activities. This results from the respondents' perception that additional industry retention and attraction activities should be implemented. In addition, the economic development program section of the initial economic development program should evaluate the need for a new economic development organization in the City that would be directly responsible for local economic development activities. Finally, the economic development program section of this initial economic development study should evaluate the need to retain a full-time economic development staff person. That person should be employed by the lead economic development organization in the City.
3. An economic development program in the City should initially focus on a limited number of economic development activities that would have a major impact on the local economy and begin to change local perceptions regarding the City as a place in which to operate a business and future economic conditions.
4. A local economic development program should actively involve business persons in the development and implementation of specific activities. At a minimum, the respondents indicating an interest in volunteering should be contacted and informed of existing economic development efforts.

5. The local economic development program should develop a cooperative working relationship with the Milwaukee County Economic Development Office. Such a relationship would provide for additional staff assistance for the local program, as well as an opportunity to work with surrounding communities to solve common economic development problems.

Industry Retention Activities

1. The survey results showed that a number of the respondents are actively involved in selling projects and/or services to the local, state, and federal governments. A local economic development program should continue to foster this activity in order to provide an additional market for local businesses.
2. An ongoing dialogue with local businesses that provides for the identification of local business issues and problems should be established by the City and the South Milwaukee Association of Commerce. This dialogue should result in annual recommendations to the City regarding the appropriateness of the economic development program activities.
3. The following survey respondents should be recontacted in the future:
 - o The 19 respondents that expect to expand during the next five years.
 - o The four respondent firms that plan on moving all or part of their operations outside the City.
 - o The respondent firms indicating a problem with local public facilities and services.
4. The City of South Milwaukee should establish a one-stop business assistance center that would be recognized throughout the community as the focal point for business development assistance information and provide business persons with an opportunity to discuss business development problems.

Industry Attraction Activities

1. This survey identified four firms that were interested in locating in the City. Local officials should contact these firms and provide any assistance that may be necessary to help these firms to locate in the City.
2. A local economic development program should work with the Milwaukee County economic development program to develop a countywide industry attraction program.

New Business Development Activities

1. The City's initial economic development program should consider new business development activities as the major emphasis for the City's economic development program. This survey, as well as the Wisconsin

Bell survey, indicated that the firms in the City are older, established firms, and that there was therefore a need for emphasis on new business development in the City's economic development program. Such an emphasis should not only include assistance to persons interested in starting a new business, but assistance to firms that are less than five years old.

2. A local economic development program should work with the University of Wisconsin-Small Business Development Center, Milwaukee Area Technical College, and the South Milwaukee Association of Commerce in developing strategies to provide technical assistance to new business firms in South Milwaukee. Such assistance should provide information on solving cash flow, personnel, and financing problems.
3. A local economic development program should consider the development of a business incubator in the City. The survey indicated that 14 respondents would have used an incubator if one had been available to them when they started their business, and that 10 respondents would use such an incubator now if it were available. Such an incubator could be publicly owned, be privately owned, or be a cooperative public/private venture.

Public Facilities and Services

1. Local officials should meet with representatives of the local school system and employment training agencies in the area to consider the following survey findings:
 - o The respondents' labor force problems related to poor employee attitudes.
 - o The need for qualified and reliable employees in all occupational areas.
 - o The changes occurring in the local economy relative to the growth of service industry jobs and the resulting potential for lower wage, part-time employment, and the necessity of working varying shifts.
 - o The traditional sources used by employers to fill job vacancies.
2. While the survey respondents were generally satisfied with public facilities, services, and regulations in the City, local public officials and staff should review current street maintenance and repair practices.
3. The economic development program should emphasize a high regard for the quality of life in the City, especially with respect to the quality of the public school system and recreational opportunities.
4. City officials should continue current efforts toward developing an overall program for the redevelopment of the City's central business

district. In this regard, special emphasis should be placed on development options for older buildings in the area, the need for parking, and the overall appearance of the district. In the short run, the City should review the manner, and the degree, to which the City's building code and similar ordinances are enforced in the central business district.

5. The economic development program should consider initiating a low-interest business loan fund to assist in business expansion projects. While the City's federal Community Development Block Grant funds can be used for this purpose, the amounts available from this source may be insufficient to adequately capitalize such a fund. Therefore, additional sources of capital will need to be identified.
6. The initial economic development program should continue the current efforts to establish a vacant building and available site inventory in the City.

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