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

Summary
August 2015
Why Prepare a CEDS?

- Promote regional collaboration and public-private partnerships to:
  - Increase jobs and incomes
  - Increase private investment
  - Encourage innovation

- Promote a more widespread understanding of the Region’s economic development work program
  - The CEDS is based the M7 “Framework for Economic Growth”
  - The Regional Economic Partnership (REP) assisted with the CEDS
  - 60-day public review and comment period (through May 1, 2015)
  - Review and consideration of adoption by EDO and County Boards

- Provides a forum for identifying and prioritizing investment projects
- Identifies performance measures to evaluate strategies
- Adoption of CEDS a pre-requisite for applying for certain grants from U.S. Economic Development Administration (EDA)
The CEDS provides background information on population, land use, infrastructure, and regional economy.

Key business clusters in the Region were identified based on Location Quotients and other analyses.

<table>
<thead>
<tr>
<th>Industry Subsector</th>
<th>Number of Jobs in Region</th>
<th>Percent of Total Jobs in Region</th>
<th>Number of Jobs in U.S.</th>
<th>Percent of Total Jobs in U.S.</th>
<th>Location Quotient: Region Relative to U.S.</th>
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</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td></td>
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<tr>
<td>NAICS 311 Food manufacturing</td>
<td>13,073</td>
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<td>1,442,112</td>
<td>1.36</td>
<td>1.17</td>
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<td>NAICS 322 Paper manufacturing</td>
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<td>0.55</td>
<td>1,115,493</td>
<td>2.14</td>
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<td>NAICS 323 Printing and related support activities</td>
<td>11,686</td>
<td>1.42</td>
<td>485,523</td>
<td>0.46</td>
<td>3.09</td>
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<td>NAICS 326 Plastics and rubber products manufacturing</td>
<td>8,321</td>
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<td>632,259</td>
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<td>1.71</td>
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<td>NAICS 331 Primary metal manufacturing</td>
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<td>361,211</td>
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<td>NAICS 332 Fabricated metal product manufacturing</td>
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<td>1,276,933</td>
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<td>NAICS 333 Machinery manufacturing</td>
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<td>991,039</td>
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<td>NAICS 334 Computer and electronic product manufacturing</td>
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<td>1,097,216</td>
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<td>NAICS 335 Electrical equipment and appliance manufacturing</td>
<td>12,582</td>
<td>1.53</td>
<td>356,075</td>
<td>0.34</td>
<td>4.50</td>
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<td>NAICS 339 Miscellaneous manufacturing (includes medical equipment manufacturing)</td>
<td>5,606</td>
<td>0.68</td>
<td>566,479</td>
<td>0.53</td>
<td>1.28</td>
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<td>Wholesale Trade</td>
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<td>NAICS 423 Merchant wholesalers, durable goods</td>
<td>25,963</td>
<td>3.16</td>
<td>2,718,043</td>
<td>2.66</td>
<td>1.23</td>
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<td>Transportation and Warehousing</td>
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<td>NAICS 485 Transit and ground passenger transportation</td>
<td>6,116</td>
<td>0.74</td>
<td>419,152</td>
<td>0.39</td>
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<td>Services</td>
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<td>NAICS 518 Data processing, hosting and related services</td>
<td>4,663</td>
<td>0.57</td>
<td>242,412</td>
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<td>NAICS 524 Insurance carriers and related activities</td>
<td>19,475</td>
<td>2.37</td>
<td>2,041,869</td>
<td>1.92</td>
<td>1.23</td>
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<td>NAICS 551 Management of companies and enterprises</td>
<td>23,328</td>
<td>2.83</td>
<td>1,854,778</td>
<td>1.75</td>
<td>1.62</td>
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<td>NAICS 611 Educational services</td>
<td>22,181</td>
<td>2.69</td>
<td>2,460,150</td>
<td>2.32</td>
<td>1.16</td>
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<td>NAICS 624 Social assistance</td>
<td>26,946</td>
<td>3.27</td>
<td>2,467,934</td>
<td>2.32</td>
<td>1.41</td>
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</table>

NOTES: This table lists NAICS subsectors in the Southeastern Wisconsin Region which have a location quotient relative to the U.S. of at least 1.1 and account for at least 0.5 percent of all jobs in the Region. The data in this table are from 2010.
The following **business clusters** were identified as having the best potential for economic growth, expansion, and attraction in the Region:

- Energy, power, and controls
- Water technologies
- Food and beverage production and manufacturing
- Finance and insurance services
- Headquarters and business services
- Medical technology, bioscience, and health services
- Machinery manufacturing (related to several of the preceding clusters)
- Printing (legacy cluster)
Economic development efforts will be focused on:

- Expanding and attracting **key cluster industries**
- Enhancing the **export capacity and capability** of the region’s firms
- Aligning **workforce development** with growth opportunities
- Fostering **innovation and entrepreneurship**
- Catalyzing “**economic place-making**” in urban areas
- Modernizing **regional infrastructure** (transportation, broadband, energy)
- Enhancing public-private and interagency **cooperation and collaboration**
Action Plan

- Promote cluster business development
  - Energy, Power, and Controls Cluster (Mid-West Energy Research Consortium (M-WERC))
  - Food and Beverage Cluster (FaB Wisconsin)
  - Water Technologies Cluster (Water Council)

- Assist existing businesses to remain/expand in the Region

- Encourage businesses from outside the Region to locate here
  - Develop a network of site selectors and CEOs
  - Continue calling campaigns (focus on northern Illinois and western Europe)
- Improve the Climate for Economic Development
  - Workforce Development
  - Talent Attraction and Retention
  - Entrepreneurship
  - Public Policy (public incentive programs; EB-5 visa program; maintain/improve transportation and other infrastructure)
  - Regional Export Initiative

- Achieve Greater Equity in Employment and Income
  - Grants to assist economically distressed areas
  - Workforce development programs
  - Small business assistance
  - Improved transit service
Performance Measures

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

- Two tables near end of report that list proposed economic development projects for the Region
  - Tier I: Would directly implement one or more regional strategies; typically will also have an impact on the Region as a whole or in a community with areas of economic distress (50 projects)
  - Tier II: Community projects (67 projects)
- Identified by REP members, WEDC, and local community development staff
EDA grants are intended to increase job opportunities and incomes in counties and census tracts that meet EDA “economic distress” criteria

- Average 24-month unemployment rate of one percent or more above the national average
- Average annual per capita income of 80 percent or less than the national average

223 census tracts (42 percent) in the Region meet economic distress criteria based on high unemployment rates and/or low per capita incomes
Areas Meeting Economic Distress Criteria

Map VI – 1

ECONOMICALLY DISTRESSED AREAS IN THE SOUTHEASTERN WISCONSIN REGION: 2015

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

NOTE: Data on this map are from the 2009-2013 American Community Survey (ACS).

Source: StataAmerica and SEWRPC.
EDA Grants

- Adoption of the CEDS by a County Board would enable the county and communities within the county to apply for EDA grants, provided the grant’s project area is located in and would benefit an economically distressed area.

- Designation of the Region as an Economic Development District would make all county and local governments in the Region eligible to apply for EDA grants, if the grant would directly benefit an economically distressed area.
EDA grant programs provide funding for infrastructure projects and revolving loan funds and other business assistance programs, respectively, that will benefit economically distressed areas.

Nationwide, about 100 grants under these programs awarded annually by EDA; average award $1.05 million.
Review and Adoption Process

- Public comment period on the draft CEDS from March 2 through May 1

- CEDS updated to address public comments received (record of comments on SEWRPC website)

- Formal adoption of the CEDS by each EDO Board and County Board in the Region has been requested
Should the CEDS be approved by each of the County Boards representing the seven counties in the Region, M7 and SEWRPC anticipate requesting that EDA designate the Region as an Economic Development District (EDD)

- A letter of support from the Governor would also be required for formation of an EDD

Designation as an EDD would make the Region eligible for support from EDA through its Partnership Planning program to help update and implement the CEDS, and potentially increase opportunities to apply for EDA grants

It is anticipated that the Southeastern Wisconsin Regional Planning Commission would serve as the governing body of the EDD, and that M7 will have the primary role, with assistance from the REP, in carrying out the recommendations of the CEDS
To obtain more information or submit comments, contact Nancy Anderson at SEWRPC at:

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