City of Wauwatosa
Economic Development Vision, Structure and Implementation Plan

Final Draft

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URS

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Reliance on Information Provided by Others

Background information included in this report was furnished by the City of Wauwatosa, the Wauwatosa Economic Development Corporation, and other stakeholders. URS has relied on this information as furnished, and is neither responsible for nor has confirmed the accuracy of this information.

Task 1 Report

Goals & Objectives for Restructuring Economic Development Activities in Wauwatosa

1 / Introduction

The City of Wauwatosa is an inner ring suburban community located in Milwaukee County. Wauwatosa is strategically located at the center of the Milwaukee metropolitan area with excellent transportation access. It is the home of a number of regionally significant institutions and companies – including the Milwaukee County Grounds, the County Medical Center, Research Park, Harley-Davidson, GE Health Care and Briggs and Stratton – and is second only to downtown Milwaukee as a regional employment center. The City of Wauwatosa features diverse neighborhoods, an excellent variety of housing stock, a thriving Village business district, and a key regional shopping center; the City is noted for its level of municipal services, excellent schools, the civic engagement of its citizens, and its high quality of life.

While Wauwatosa enjoys an enviable set of assets, the City also faces economic development challenges similar to other inner-ring suburbs. A landlocked and built-out community, if the City is to maintain its tax base and ensure a continued high level of municipal services, it will likely have to focus its economic development on redevelopment of land in the city. At the same time, Wauwatosa must ensure that its neighborhood businesses are able to thrive to maintain the City's quality of life. The City and its stakeholders desire to make the redevelopment process effective and efficient, producing the greatest returns for the investment of the people and businesses of Wauwatosa in economic development.

Presently, several agencies and organizations share economic development tasks in the City. These include the City Department of Community Development; the Wauwatosa Economic Development Corporation, a public-private partnership; the Wauwatosa Redevelopment Authority; the Wauwatosa Revolving Loan Fund; and the Village Business Improvement District. The Wauwatosa Economic Development Vision, Structure and Implementation Plan seeks to determine the best organizational structure for economic development activities in Wauwatosa.

2 / Stakeholder Involvement Process

The first task of the Wauwatosa Economic Development Vision, Structure and Implementation Plan is the development of goals and objectives for the organization of economic development in the City. The goals and objectives address both the economic development process and its desired outcomes.

Consequently, stakeholder involvement played a vital role in the formation of this Plan. Through a series of confidential interviews and a community roundtable discussion, stakeholders described the context in which economic development activities take place in Wauwatosa, critiqued the existing structures for economic development, and articulated a vision for its improvement over time. The findings from the stakeholder involvement process are summarized below.

In December 2008 and January 2009, 29 stakeholders participated in confidential interviews. These stakeholders included elected officials, small business representatives, developers, regional economic development specialists, institutional interests, current and former WEDC executive directors and City staff. The list of stakeholders was developed with input from the City of Wauwatosa and the Wauwatosa Economic Development Corporation (WEDC). The consulting team also invited several additional contacts who could provide a regional or historical context to the issues. There was keen interest in the planning process among community members. As a result, the original interview list was widened to accommodate other people who were interested in sharing their perspective. The interviews took place primarily over the course of three days during the third week of December. Interviews were conducted in person and over the phone and were scheduled for 45 minutes in length. In some instances, follow-up interviews were conducted to clarify or elaborate on information received.

A facilitated small group discussion with WEDC board members focused on the economic development corporation's role in Wauwatosa's future.

A community roundtable discussion gave small businesspeople, community organizations and the general public an opportunity for input. The roundtable discussion took place in the Garden Room at Hart Park in January 2009. Approximately 25 stakeholders participated in this discussion, most remaining for the complete two-hour event. Comments from the roundtable focused on users' experiences with the economic development entities in the City; the comments were used to refine the list of issues and opportunities facing economic development in Wauwatosa. A complete list of interviewees and participants is appended to this document.

3 / Summary of Findings from the Stakeholder Involvement Process

Through the interviews and other discussions, several consistent themes emerged. A general history of events *as related by stakeholders* may be characterized in this way:

When the WEDC was founded in the early 1990s, it was based on a model organization used in the City of Oak Park, Illinois, a Chicago suburb that shares many development characteristics with

Wauwatosa. Early in its history, the WEDC worked with the City and neighborhood organizations to stabilize the business and real estate climate in the East North Avenue Business District. The redevelopment of the Arcade Building is considered by many to be an early success of this partnership. The building had been foreclosed on by its lenders – a Wauwatosa bank; the bank donated the property to the non-profit WEDC, which worked with the City and private developers to redevelop the mixed-use building. City staff devoted considerable resources to the project, including historic designation, block grant funding and working on zoning and building code issues. Today, the Arcade Building is considered by many to be an anchor for its neighborhood.

In the early years of this decade, it became clear to some City staff and elected officials and to some on the WEDC board of directors that Wauwatosa must focus its efforts on actively seeking and enabling desirable redevelopment if it is to maintain its level of services, tax base and quality of life. At the same time, larger-scale redevelopment projects — such as big box development on the City's west side, the Burleigh Triangle, changing land uses on Mayfair Rd. and the GE Health Care project – presented increasingly complex issues requiring the mustering of considerable public resources and private effort. On some of these issues – such as initiating a planning process for the Burleigh Triangle – the City and WEDC worked together in partnership. On some, such as the pursuit of a new headquarters location for GE Healthcare, the City took the lead in working with developers to establish a tax incremental district for the project and usher it through the zoning, permitting and development process.

The WEDC is dependent on City for funding, which is allocated on an annual basis. The WEDC can make recommendations to the Wauwatosa Revolving Loan Fund, as well as distribute some of the City's block grant funding for facade improvements and other purposes. In addition, the WEDC can develop business contacts, and act as a point of entry for the developers seeking to do business in Wauwatosa. The Mayor, Common Council President and one additional alderman occupy seats on the WEDC board. No formal process exists to link City staff with the WEDC. The City Community Development Department acts as a gatekeeper of the permitting process for all development. The WEDC used to provide administrative support and mentoring to business and neighborhood organizations as well, but has not devoted resources to this function as much in recent years as in the past.

Stakeholders report a sense that the ground rules for economic development have changed in Wauwatosa in the last five to seven years. Formerly, the City and the WEDC was able to focus on scattered site development, business and neighborhood organization, and neighborhood quality of life issues. Large scale development "took care of itself," meaning that the City and WEDC possessed the tools and initiative to respond to development proposals. Wauwatosa's desirability was self-evident to developers and businesspeople.

Now, while its desirability remains intact, the City is faced with increasingly complex redevelopment issues, which require a proactive effort to channel desirable development in accord with the comprehensive plan. The WEDC is not empowered to provide public resources (such as recommending TIF financing) and it is underfunded – whether through its City funding allocation, lack of mechanism to capture development revenue or its inability to raise large sums of money on its own – if it is to act as an organization designed to engage in land assembly activities and proactive development recruitment. The City administration is not organized to take the lead in redevelopment pursuits, or to engage in proactive negotiations with developers. City elected officials don't necessarily possess an understanding of the larger context in which redevelopment occurs. At the same time, neither the City nor the WEDC is able to provide consistent support to small businesses that desire to open or expand in Wauwatosa. Consequently, businesspeople at all scales report delays in project approval processes that have seemed opaque and disorganized. There is a sense among stakeholders that economic development leadership in Wauwatosa is fractured.

In general, stakeholders agree that communication could be improved among all parties in the City's economic development milieu, and that resources could be better marshaled in the service of the public good. Additionally, stakeholders generally concur the economic development process should be reorganized to provide clearly delineated roles and accountability for all agents in the process. The specific issues articulated by stakeholders are summarized in the following sections.

3.1 / Stakeholder Reported Issues for City Staff and Elected Officials

The City of Wauwatosa is in "maintenance mode."

Until recently, the City of Wauwatosa has not conceived of itself as a community whose future depends on thoughtful, targeted and strategic redevelopment. Because this need has not been universally recognized, the City's structures and processes are designed to respond to development proposals and requests from interested parties, rather than lead the City into the future. The City is, in other words, generally reactive rather than proactive. This worked fairly well in the past, but is no longer adequate to the City's changing economic development exigencies.

City government and administration is not organized or empowered to spearhead redevelopment.

In the most general sense, there exists no mechanism in the City to implement the recommendations of planning processes. As the City administration is currently structured, no

entity is responsible for or able to undertake new economic development initiatives. Furthermore, the Community Development Department's scope is not necessarily aligned with the needs of a redeveloping community, and some stakeholders feel that the staff is not enabled to or comfortable with communicating benefits, costs, risks, rewards or a vision for redevelopment plans and projects to elected officials. Finally, the Community Development Department is considered to be understaffed; it may not have the capacity to lead economic development initiatives as it is currently configured. The department administers the zoning code, building inspections, and permitting.

The Common Council evaluates redevelopment projects with *ad hoc* and subjective standards.

Having only adopted a comprehensive plan at the close of 2008, and with zoning code that is considered outdated by many stakeholders, the Common Council makes redevelopment decisions and evaluations on a case-by-case basis. The alderpeople may have an imperfect understanding of redevelopment processes, market conditions, and potential public benefits and costs. In addition, elected officials don't necessarily understand the range of tools available to the City, how the City may cooperate with the private sector, the value of planning, or the situations in which it may be appropriate to bring the City's clout to bear. The comprehensive plan is not specific enough to provide guidance for economic development on a parcel-by-parcel basis. (Indeed, it is not intended to serve this function.) This lack of consistency is reflected in a permitting process that is widely held to be opaque and difficult to navigate. It also allows personalities and personal politics to drive the project approval process. Leadership among elected officials on economic development issues is dispersed among several committees and functions.

The City has constraints on confidentiality.

It is difficult to accommodate the levels of confidentiality expected by business concerns in the public arena. Open records and open meetings requirements can make dealing directly with the City very difficult for developers and businesspersons in a competitive environment.

3.2 / Stakeholder Reported Issues for the Wauwatosa Economic Development Corporation

The WEDC's mission is no longer clearly articulated.

As the WEDC has attempted to evolve with Wauwatosa's changing economic development environment, the organization has been unable to determine its focus. Formerly, the organization focused on smaller, scattered site projects and business development functions appropriate to the City's needs. As those needs and opportunities have changed, the WEDC has attempted to take on projects for which they do not necessarily have a mandate. Consequently, some of the organization's small business development functions are perceived to have been neglected, while at the same time they are unable to comprehensively take the lead on large redevelopment issues. The WEDC has been unable to articulate a cogent action plan to meet its disparate objectives.

The WEDC has no sustainable funding source.

Receiving funding on a year-by-year basis, the WEDC is dependent on the City budget process. Some WEDC board members have been very effective at raising matching funds, but in general this has not been a focus. No overarching and consistent fundraising program exists. The WEDC does not have the capital to acquire property – the sale of which could potentially become a funding source.

Stability and continuity are important to economic development staffing.

It is difficult for the WEDC to attract the sort of talent that some stakeholders view as necessary to initiate and facilitate the major redevelopment opportunities facing the City in the future. In the last two years, the WEDC has had two executive directors, and is currently led by an interim executive director. The executive director necessarily bears most of the burden for the organization's success, and the lack of continuity in the position means that the organization is regularly "starting over" as it builds relationships with the City, developers, the Business Improvement District and other stakeholders in economic development. Furthermore, as the position is currently structured, the executive director is forced to split their work week between administrative tasks, fundraising and economic development work.

The volunteer nature of the board constrains the WEDC's effectiveness.

Volunteer board members bring an enormous depth of talent and experience to the WEDC, but have limited time to devote to its functioning. They are motivated by a desire to serve their City, but there is no clear accountability for their successes and failures, because the members are essentially self-appointed, with "soft" term limits. The minority of members who are also elected officials may not be enough to ensure that the WEDC is working in the public interest. In recent months, personality conflicts have affected decision-making and effectiveness.

The WEDC has no powers over land use or City funding tools.

The opportunities facing Wauwatosa require expansive vision and the marshaling of large resources, including land assembly, design standards and tax incremental financing. The WEDC is unable to utilize any of these tools and has no established channels to encourage the City to make use of them in the service of the public. Even if legally permissible, there is little evidence that the WEDC has the capacity to administer such large-scale programs. Another potential issue is that a recent Wisconsin Supreme Court Case, *State of Wisconsin v. Beaver Dam Economic Development Corporation, et al.*, determined that quasi-governmental organizations are subject to the same open records laws as municipalities. Because "quasi-governmental" is determined on a case by case basis, it is unclear at this point what this ruling means for economic development corporation like WEDC.

3.3 / Issues with the Economic Development Process in Wauwatosa

The City is financially risk averse.

There exists a general lack of understanding among elected and appointed officials of the tools available to the City for economic development or of the potential benefits of their use. With no structure in place to determine applicability of incentives, and a belief among some elected officials that the market will dictate the best solutions, there is a consequent reluctance among City staff people to offer those tools for use. This is particularly true of the Revolving Loan Fund, block grant funding, tax incremental financing (TIF), and other established funding mechanisms.

There is no central point of contact to leverage City tools with private expertise.

The City and WEDC essentially operate as unconnected entities, with no clear communication channels. Consequently, developers and businesspeople are unsure where to turn with their proposals and projects. The economic development process is opaque, as is the permitting process, with no clear standards against which projects will be evaluated. Because of this lack of clarity, the economic development process is considered to be cumbersome and more time consuming than that in some other communities, increasing costs for would-be developers and preventing some small businesspeople from taking advantage of all the tools potentially at their disposal.

No one is responsible for economic development.

There exists no credible champion for economic development in Wauwatosa, articulating the benefits of proposals to the Common Council and working with developers and business people to further the citizen's vision. Additionally, it is likely that neither the City nor the WEDC or other partners currently have the staff capacity to undertake this role effectively.

3.4 / Opportunities for Economic Development Initiatives in Wauwatosa

Corridor and Area Redevelopment Planning and Implementation.

Several large scale redevelopment areas have emerged in the comprehensive planning process in the near- and medium-terms. These include planning for the eventual redevelopment of Mayfair Rd., continuation of implementing plans for the Burleigh Triangle area, and the creating a vision for the future of the East State Street district. Other major area planning issues are likely to present themselves over the longer term on the County Grounds and at the Milwaukee County Research Park. Implementing the vision for these areas articulated in the comprehensive plan will require a proactive stance from the City and its partners in redevelopment.

Scattered Site Redevelopment and Small Business Encouragement.

The City's business and real estate mix is in constant flux as the economy, market and needs of small businesses evolve and change. Many opportunities exist in scattered sites around Wauwatosa to connect small businesses and developers with the locations and tools necessary for them to achieve their objectives. Organizing these efforts will require an un-

derstanding of environmental remediation, permitting and zoning, purchasing power and retail shortfall analysis, real estate market analysis and inventory, and financing and funding tools. The health of Wauwatosa's neighborhood business districts and hometown employers is dependent on these functions.

Neighborhood and Business Organization.

Helping neighbors, area businesses and City departments coordinate and work together will strengthen neighborhoods, improve quality of life, and preserve tax base overall in Wauwatosa. Opening channels of communication and cooperation may create safer, healthier neighborhoods and stronger local businesses.

4 / Draft Goals and Objectives for Economic Development Wauwatosa

The foregoing Section summarized the main themes identified by Wauwatosa stakeholders regarding issues and opportunities for structuring economic development activities in the City. Through analysis of these themes and all the issues articulated through the stakeholder involvement process, the study team developed draft Goals and Objectives for economic development in Wauwatosa. These are subject to refinement by stakeholders, and will drive the development of recommendations for reorganizing economic development initiatives in the City.

Goal 1 / The City and its partners will establish robust structure for economic development.

1. The City will collaborate and engage experts in the private sector if necessary to meet economic development objectives.

2. Staffing and capacity will be established commensurate with defined needs and responsibilities.

3. A funding source will be defined for economic development activities commensurate with needs and responsibilities.

4. The City and its partners in economic development will establish clearly delineated channels of communication.

Goal 2 / Responsibilities for economic development will be clearly defined.

1. The City and its partners will establish accountable roles for all aspects of economic development.

2. Objectives for economic development outcomes will be measurable and regularly reported.

Goal 3 / Economic development in Wauwatosa will follow a predictable process.

1. Those responsible will undertake proactive planning and implementation of economic development initiatives.

2. Those responsible will react consistently to new economic development opportunities.

3. Economic development processes will be depoliticized.

4. Those responsible will maximize the effective use of available resources in the pursuit of desirable redevelopment as described in the comprehensive plan and subsequent plans.

5. The economic development process will be efficient for developers and businesses and for the City, its partners and the public.

The recommendations formulated in the next phase of the planning process address these goals and objectives.

Task 2 Report

Recommended Structure for Economic Development Activities in Wauwatosa

1 / Introduction and Methodology

Following the development of Goals and Objectives for structuring economic development activities in Wauwatosa (documented in the Task 1 Report: Goals and Objectives for Economic Development) the following steps were undertaken to complete Task 2, the development of a recommended structure for those activities. This report will include:

- Promising models analysis
    - ◊ Research "state of the art" in municipal economic development efforts
    - ◊ Selection of model cities based on criteria in Table 1
    - ◊ Document structure of ED efforts in selected cities
    - ◊ Record "best practices" of model cities
- Development of an organizational structure for Wauwatosa, outlining roles and responsibilities of each component
- Stakeholder review and refinement of the recommended model

The economic development structure recommended for Wauwatosa in this document is based on models used by peer cities – cities with similar demographic and compositional characteristics to Wauwatosa. The model cities were selected for their high-profile successes in economic development and national reputations for effective redevelopment programs.

2 / Background

The City of Wauwatosa and the Wauwatosa Economic Development Corporation (WEDC) have wisely recognized the value of searching beyond the City limits for successful redevelopment models. This is not the first time that Wauwatosa has sought "best practices" from peer municipalities. In 1990, when the WEDC was created, the Village of Oak Park, IL served this purpose.

At the time, the Village of Oak Park was home to the highly regarded Oak Park Development Corporation (OPDC). Today, similar to Wauwatosa, the City of Oak Park continues to partner with the OPDC to accomplish its business development goals. However, also similar to Wauwatosa, the city has most recently reduced its contribution to the OPDC by $95,000 (from $482,000 in 2008 to $382,000 in 2009). Compounding these budget cuts was the recent retirement of the OPDC's President of 11 years, John Eckenroad. More cuts are expected in 2010 as the Village faces sustained fiscal headwinds. As in Wauwatosa, the cuts have brought about media attention and opinion. The Oak Park community newspaper released an editorial questioning the model:

> "And we continue, as we have over many years, to question if the village and OPDC are at all clear on their respective roles. Increasingly we question, particularly in tough times, if separate functions are necessary."

Clearly, Wauwatosa is not the only community struggling to reach consensus on an appropriate and effective redevelopment model. Going forward, it is reported that the Village of Oak Park Board and staff will be entering discussions with the OPDC on a "new direction" that may be able to foster a better retail and business environment in the Village. Similar discussions are now taking place in Wauwatosa and throughout Wisconsin.

Most recently, Forward Wisconsin, the State of Wisconsin's non-profit economic development entity, decided to close after 25 years of service. The organization has been without a president since 2007 and was almost entirely reliant on state aid for its budget. Beside financial challenges, Forward Wisconsin's recruitment and marketing mission also became redundant with similar efforts from around the state coming into existence. As reported by the Milwaukee *Journal Sentinel,* the group may continue to exist but only as a shell.

> "The organization might shift to a new role of channeling private funds to other groups and agencies that recruit businesses"
>
> -Jerry Franke, Forward vice chairman.

The picture painted thus far for the future Economic Development Corporations in peer cities is somewhat bleak. If this was the end of the story, one would think that non-profit development corporations were either dead or only exist on paper. Nothing could be further from the truth. In Wisconsin, over 40% of economic development organizations in the state are non-profit corporations. However, because the non-profit structure is well-suited to cross political boundaries, a majority of economic development corporations in Wisconsin are organized at the county level or cross county lines to form regional development organizations.

Those non-profit ED organizations that have survived at the municipal level seem to have two things in common: they tend to serve larger cities and they typically have carved out a niche in business finance. Two notable examples are the Madison Development Corporation and the Milwaukee Economic Development Corporation. Serving the two largest cities in Wisconsin, these entities offer low-interest business loans from their respective revolving loan funds. In both cases, these entities originally capitalized their loan fund with federal CDBG dollars. Today, they are both self funded organizations which receive no public subsidy.

It should be noted that two of the six "Model City" communities selected for inclusion in our analysis currently have non-profit economic development corporations. In the first case, the Speedway Community Development Corporation is used as a shell to funnel private grants and dollars to community redevelopment efforts, similar to the way Forward Wisconsin may be reconfigured. In the second case, the Southfield Economic Development Corporation has broad powers to issue bonds and approve low-interest loans for commercial development. The Southfield EDC is primarily a vehicle to issue such tax-free bonds and is staffed by the Southfield Planning Department. These non-profit corporations serve as a pass through entity with a governing and experienced board, but no dedicated staff or budget.

2.1 / Economic Development Context in Wisconsin

Institutions must anticipate and adapt to an ever changing economic and regulatory landscape. Two court decisions should be taken into consideration in any discussion of economic development strategy in the State of Wisconsin:

- **State of Wisconsin vs. Beaver Dam Area Development Corporation**

  This 2008 decision by the Wisconsin Supreme Court found that the Beaver Dam Area Development Corporation (BDADC) is a "quasi-governmental" organization and is therefore subject to Wisconsin's open meetings and public records laws. The court gave weight to the fact that a majority of funding for the BDADC came from local government, that the BDADC primarily served a public function and the BDADC had city officials as members of the voting board. Of course, these are all conditions that would apply to the WEDC, forming a concern if the WEDC were ever challenged on "open meetings" grounds.

  Implication: The advantage that the WEDC was perceived to have had in terms of confidentiality is now in question because of this 2008 ruling. To the extent that the WEDC would continue to have negotiations in private, they would now appear to be susceptible to challenge. In the end, it appears that the WEDC may hold little or no "privacy advantage" over a governmental entity.

- **Kelo vs. City of New London**

  This landmark 2005 US Supreme Court ruling reaffirmed the power of local government to use eminent domain for a private for-profit development projects if deemed to advance a "public purpose" of economic development. After the decision, a nationwide public backlash against the ruling set in motion state actions to curtail the use of eminent domain. Wisconsin was one of the 34 states which passed restricting legislation. On March 29th 2006, Gov. Doyle signed into law Wisconsin Act 233:

> "The policy incorporated in Wisconsin's new statute is very restrictive and prohibits the use of eminent domain to acquire unblighted property if sale or lease to a private entity is intended."
>
> -Wisconsin Lawyer, September 2007

We do not yet know the extent to which eminent domain has been curtailed in the State of Wisconsin because this new policy is not yet court tested. The risk to fully developed, inner-ring municipalities is that this could lead to a "chilling effect" in redevelopment activity by making blight designations more difficult. There is fear that this "chill" is already being felt in Southeastern Wisconsin. One case to watch in this regard is the pending redevelopment of Southridge Mall. The Village of Greendale's Community Development Authority (CDA) is taking a proactive role in funding a redevelopment master plan for Southridge Mall and neighboring properties. However, this effort is at odds with Mall owners who appear to be in no hurry to redevelop the property. This redevelopment effort is still in its earliest stages but it appears to be headed for a possible testing of Wisconsin's new condemnation structure.

Implication: With the curtailment of condemnations powers, and the burden of proof on the public body, it will be more important than ever for local government to have clearly stated redevelopment objectives and priorities.

3 / Promising Models Analysis

This study is based on identifying the most effective models for economic development being used in cities around the United States with conditions similar to those in Wauwatosa. Communities were selected for inclusion in this analysis if they met a majority of the following criteria. Criteria were established so as to ensure similarity of the selected "model cities" with the City of Wauwatosa based on the following:

Size

- Population (2007 Population Estimates, US Census Bureau)
- Size of municipal budget (General fund program expenditures, most recent fiscal year)

Composition

- Regional retail center
- Regional employment center
- Residential neighborhoods

Type

- Built-out, fully developed community
- Land-locked, inner ring suburb

Reputation

- Evidence of awards and recognition, measurable results, positive word-of-mouth
- Evidence of ambitious, proactive redevelopment planning effort

Several communities under consideration met the "Size," "Composition," and "Type" criteria that failed to impress on "reputation." These communities were not included in our analysis because a positive "reputation" was a mandatory criterion. Both the City of Roseville, MN and the Village of Oak Park, Il were considered and rejected on these grounds. The City of Roseville, an inner-ring suburb of Minneapolis, has been unsuccessful in the redevelopment of the Twin Lakes Area. The effort has been ongoing since 1988 and still a majority of the 275 acres is undeveloped. The Village of Oak Park has had a relatively stagnant tax base, a neighborhood business district in transition and a community and economic development structure in flux. Although both communities have some positive ongoing redevelopment activity, evidence weighed against their inclusion in this analysis.

Last, it is important to note that in the identification and selection of these communities, no weight was given to HOW these communities are organized. The analysis of each model city's economic and community development structure occurred after their selection. Table 1 details the inner-ring communities selected for inclusion in this analysis.

Table 1: Criteria for selecting model cities

	West Allis, WI	Richfield, MN	Emeryville, CA	Southfield, MI	Speedway, IN	Shaker Heights, OH
Size	X	X		X		X
Composition	X	X	X	X	X	
Type	X	X	X	X	X	X
Reputation	X	X	X	X	X	X

What follows is an analysis of the community and economic development structure within these six "model city" peer municipalities. Information in this section was derived from a variety of official municipal documents including, annual CAFR statements, annual budgets, agendas and minutes from committee meetings, comprehensive planning documents, visioning reports, media coverage, citywide redevelopment plans and myriad other official government communications.

First, a closer look at the structure of community and economic development efforts in the City of Wauwatosa.

City of Wauwatosa, WI

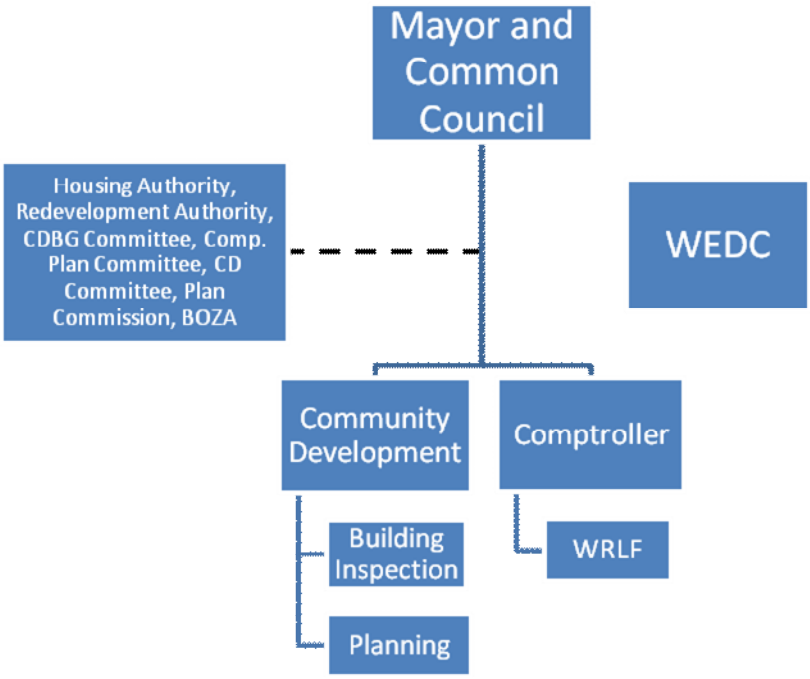
www.wauwatosa.net

Population:	45,498
Municipal budget:	$49.7 million
Composition:	Regional retail and employment center with residential neighborhoods
Type:	Land-locked, fully developed community
Reputation:	Recently updated the city's Comprehensive Plan. The City and its partners secured GE Medical Systems headquarters in 2004. The city benefits from active grassroots neighborhood business development efforts around North Avenue and the Tosa Village areas. The WEDC is currently in transition but did oversee several positive redevelopment projects in the 1990s. The city is currently undertaking an Economic Development organization and implementation plan. (See pages 8– 15 for greater detail on stakeholder perceptions of the challenges and opportunities within Wauwatosa's economic and community development structure)
Government:	Mayor and 16 members of council

Community and economic development structure

- Department of Community Development
  - Building Inspection Division (7.8 FTE for 2009)
  - Planning Division (2.875 FTE for 2009)
  - Department is staff for the CDBG Advisory Committee, Joint Committee on the Comprehensive Plan, Common Council Community Development Committee, Redevelopment Authority, Housing Authority, Plan Commission, Board of Zoning Appeals, Sign Appeals Board
- WEDC (1.0 position)
- Comptroller (no dedicated economic development position but some CDBG funding)
  - Administers the Wauwatosa Revolving Loan Fund (WRLF)
  - Financial analysis of projects requesting TIF assistance

Figure 1: Existing Economic Development Structure in Wauwatosa



Funding

- WEDC (2008)
  - $95,000 of city GPR funds from Common Council ED Fund to underwrite WEDC administrative costs
  - $15,000 of CDBG funds for allocated through WEDC for local projects
  - Additional $40,000 to $50,000 raised by WEDC through fundraising efforts
- Community Development Department funding (2008)
  - $300,000 tax levy support for planning staff (approx)

It should be noted that the City's CDBG Annual Plan allocates $89,205 of CDBG funds for administration purposes. However, research was unable to locate these funds in the city's 2008 budget.

City of West Allis WI

www.ci.west-allis.wi.us

Population:	59,763
Municipal budget:	$54.2 million
Composition:	Regional employment center with residential neighborhoods
Type:	Land-locked, fully developed community
Reputation:	Excellent – Despite the absence of an overall economic development plan, the City has successfully undertaken a number of large redevelopment projects. Most recently, the First-Ring Industrial Development Enterprise – of which, the City of West Allis is the controlling entity – was awarded a $35 million infusion of New Markets Tax Credits from the US Treasury Department aimed at the revitalization of southeastern Wisconsin's industrial corridor through compact quality urban development.
Government:	Mayor and 10 members of council

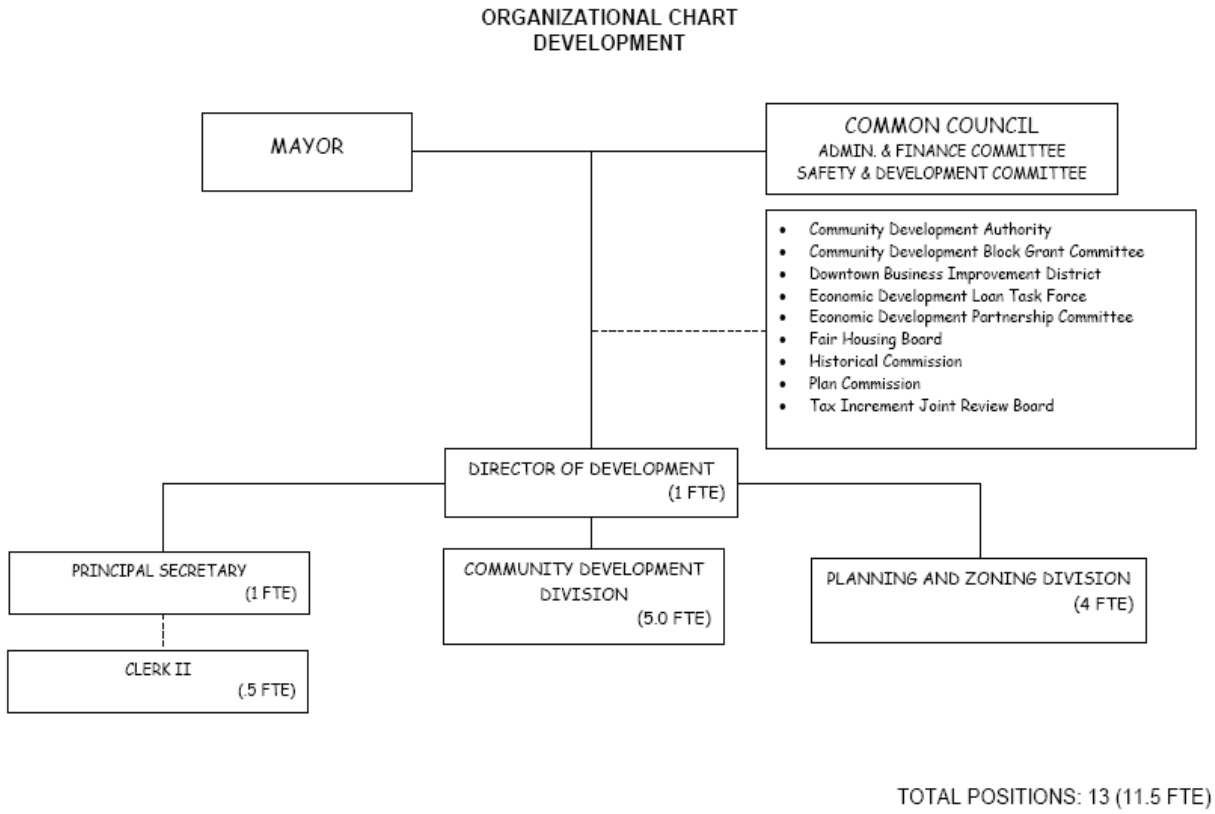
Community introduction

Billing itself as City at the Center, West Allis has a strong reputation in the Milwaukee region for its aggressive redevelopment efforts. This land-locked, inner-ring suburb was continually cited in recent stakeholder interviews (see Task I) as a model redevelopment community.

Community and economic development structure

- Department of Development (11.5 FTE)
  - Community Development Division (Housing rehab grant and loan program, Rent Assistance, Business Development, Redevelopment, CDBG, Historic Preservation)
  - Planning and Zoning Division (Guides long-range planning decisions and administers current planning codes and zoning)
  - The Department provides staff support for the following citizen advisory committees:
    - Block Grant Committee – meets three times a year to oversees and make suggestions for the use of Federal Community Development Block Grant funds received by the City
    - Economic Development Partnership Committee – meets on an "as needed" basis to review loan applications and business development programs
    - Community Development Authority – oversees housing and redevelopment projects in the City, convened for 10 meetings in 2008.

Figure 2: Economic Development Structure in West Allis



Funding

- In 2009, $566,613 of CDBG funds were allocated for "Economic Development management," "Community Development management," "Redevelopment Management," and "Housing Loan Admin"
- Section 8 administration funding pays for part of one position
- GPR funds 2.0 FTE positions

Formula for success:

Strong political will and community consensus that economic development and redevelopment should be a priority. The result of this consensus is a robust Development Department with 11.5 FTE to oversee several major redevelopment projects. Also beneficial is having one central point of contact for planning, housing and redevelopment efforts. West Allis has an active Community Development Authority.

City of Richfield, MN
www.cityofrichfield.org

Population:	33,387
Municipal budget:	$19.8 million
Composition:	Regional employment center (Best Buy world headquarters – 5,000 jobs) and residential neighborhoods
Type:	Land-locked, fully developed community
Reputation:	Excellent - The Richfield Housing and Redevelopment Authority (HRA) has won several awards, including a "Superior" award for the Cedar Avenue Corridor Redevelopment Concept Master Plan at the Mid-America Economic Development Council's 2005 Competitiveness Conference. The award recognizes organizations that have developed outstanding targeted marketing strategies for competitive positioning. The result of the HRA's labor is seen in the recently completed Cedar Point Commons development which was awarded "Best Retail Development" by the Minneapolis-St. Paul Business Journal in 2007.
Government:	Mayor, 4 members of council

Community introduction

Billing itself as an "An urban home town in the heart of the Twin Cities," the City of Richfield is a land-locked, inner-ring suburb of Minneapolis which is perhaps best known for recently landing the corporate headquarters for Best Buy. Besides being a regional employment center, Richfield has a growing retail trade and strong neighborhoods. The community has several major ongoing redevelopment projects and recently joined the Twin Cities Community Capital Fund – a seven-county regional revolving loan fund.

Community and economic development structure

- Community Development Department (10.0 FTE for the entire department in 2009)
  - Housing (3.0 FTE)
    - Administer single-family home purchase programs – New Home program and Richfield Rediscovered Program (125 new houses built since 1990 where the applicant acquires and demolishes substandard home and rebuild new home) Now being used to acquire foreclosed properties.
    - Administer affordable housing programs (Section 8)
    - Administer single-family home rehab/improvement programs

- Redevelopment (3.0 FTE)
  - Provides staff for the Richfield Housing and Redevelopment Authority based on a "Purchase of services contract" – Created in 1975 to assure the long-term vitality of Richfield's residential and commercial property, the HRA uses federal, state, and local funds to create and administer programs that encourage investment in Richfield. The HRA consists of five board members who are nominated by the Mayor and approved by the City Council, serving staggered five-year terms. The City Manager serves as Executive Director, while Community Development Department staff manages the programs. The HRA met 16 times in 2008 to discuss regular and special business. The value of HRA redevelopment projects this decade exceeds $325 million.
- Planning & Zoning (1.0 FTE)
  - Long range comprehensive planning for the community and shorter range strategy and implementation planning for specific areas;
  - Administering and enforcing the City's Zoning Ordinance, including processing applications for rezoning and variances.
- Administrative support (3.0 FTE)
  - The department is under the direction of a Community Development Director, a Community Development Assistant Director/Manager and a full-time secretary

Funding

Current funding is in the form of $282,000 in tax levy and $759,000 transferred from other city departments.

Formula for success:

Richfield benefits from an active Redevelopment Authority which is staffed by the City's Community Development Department (CDD). Having been a built-out community for the better part of three decades, the CDD is adept at using planning to spark redevelopment. For example:

- Initiated in 2000 and completed in 2001, the city articulated a clear vision of what it wants to be in "Richfield 2020: Focus on the Future" – this process and resulting plan laid the groundwork for current redevelopment efforts
- The Richfield Comprehensive Plan was first completed in 1970, updated in 1982, updated again in 1997, and most recently updated in 2008.

Redevelopment efforts have benefited from good marketing. The city uses its website to clearly articulate the value of redevelopment to their constituents, outside investors, and neighborhood business owners. Last, the City is under the direction of a Mayor and 4 City Council Members. This relatively lean configuration appears to produce some efficiencies in the development process.

City of Emeryville, CA
www.ci.emeryville.ca.us

Population:	9,353
Municipal budget:	$63 million
Composition:	Regional retail (IKEA) and employment center (Chiron, Pixar)
Type:	Land-locked, fully developed community
Reputation:	Excellent, especially from the perspective of outside investors. The City recently completed its General Plan outlining development goals.
Government:	Mayor and five members of council

Community introduction

It would be hard to think of another inner-ring municipality in the United States as aggressive in the redevelopment of their community as Emeryville, CA. A land-locked, built-out suburb situated between Berkeley and Oakland, currently two TIF districts encompass fully 95% of the land in Emeryville. Once an afterthought, Emeryville has emerged as a major player in commercial development in the extremely competitive San Francisco Bay Area market.

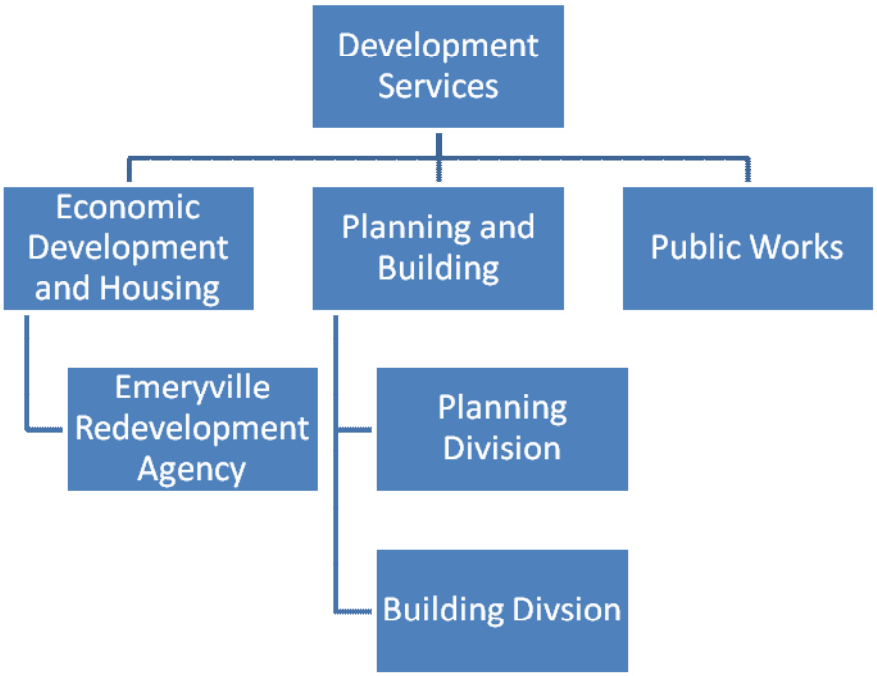
Community and economic development structure

The entire Emeryville City Council serves as the Emeryville Redevelopment Agency Board. The Council also approves certain development projects consistent with the General Plan. With nearly the entire City encompassed within one of two redevelopment project areas, the Redevelopment Agency plays a key role in the financing of capital improvements and implementing the land use program, consistent with redevelopment project area plans and State law.

Economic Development and Housing Department (7.2 FTE) The Department coordinates programs and projects of the Emeryville Redevelopment Agency. These responsibilities include redevelopment-financed projects, brownfields remediation programs, business development, and infrastructure improvements. Housing programs include assistance to local businesses and a full service housing rehabilitation program to maintain and improve the housing stock available to low to moderate income residents.

Planning and Building Department (7.0 FTE Planning Division, 4.0 FTE Building Division) The Planning and Building Department has primary responsibility for administering the laws, regulations and requirements that pertain to the physical development of the City. Tasks include administering

Figure 3: Economic Development Structure in Emeryville



planning and building permit procedures, providing public information, performing building and code enforcement inspections, maintaining complete public records on planning and building projects and issuing necessary permits, certificates, approvals and enforcement citations.

Funding

The Redevelopment Agency's budget comprises an astonishing $33 million of Emeryville's entire $63.3 million budget. Of that $33 million in revenue, $7 million was transferred out to fund "General Government" expenditures in 2008. These Authority funds are mainly used by the City to fund administrative costs for large redevelopment projects in the pre-development or pre-construction phases. The city actively lobbies for grant and earmark funding from federal and state sources.

Formula for success

Two words: Massive investment. With 95% of all land in the City of Emeryville under the jurisdiction of the Redevelopment Agency, the Agency has invested $157 million on economic development projects between 1990 and 2001 – this represents 2 out of every 5 dollars spent on all public services by the City. During this period, private investors poured in $760 million into the city's 1.2 square miles and created 5,500 jobs and a million square feet of new office space.

It should be noted that the redevelopment of Emeryville into an inner-ring boomtown has not been without controversy. Critics include neighborhood groups, adjacent municipalities, unions and affordable housing advocates. Criticism is focused on increased traffic loads on neighboring municipal roads and the city's failure to ensure that enough affordable housing units to accommodate the growth in low-end retail jobs.

City of Southfield, MI
cityofsouthfield.com

Population:	75,389
Municipal budget:	$69.3 million
Composition:	Regional employment center (83 "Fortune 500" companies and 27 million square feet of office space) with many residential neighborhoods
Type:	Land-locked, fully developed community
Reputation:	Excellent – Southfield has been approved as a "Redevelopment Ready Community" by the Michigan Suburbs Alliance (MSA). The MSA's Redevelopment Ready Communities is a nationally recognized program that certifies cities for incorporating innovative redevelopment best practices into their daily development processes. The goal of the RRC project is to change market perceptions of older communities by streamlining local government administrative processes and removing redevelopment barriers. Southfield is among a select group of cities to achieve certification after meeting an extensive set of criteria. An independent third party reviewed community processes and certified that Southfield's planning and economic development operations meet the benchmark. Lastly, the City of Southfield received first place in the Michigan Economic Developers Association's (MEDA) annual MEDA Marketing Materials Competition in the print marketing materials category.
Government:	Mayor and 7 members of council

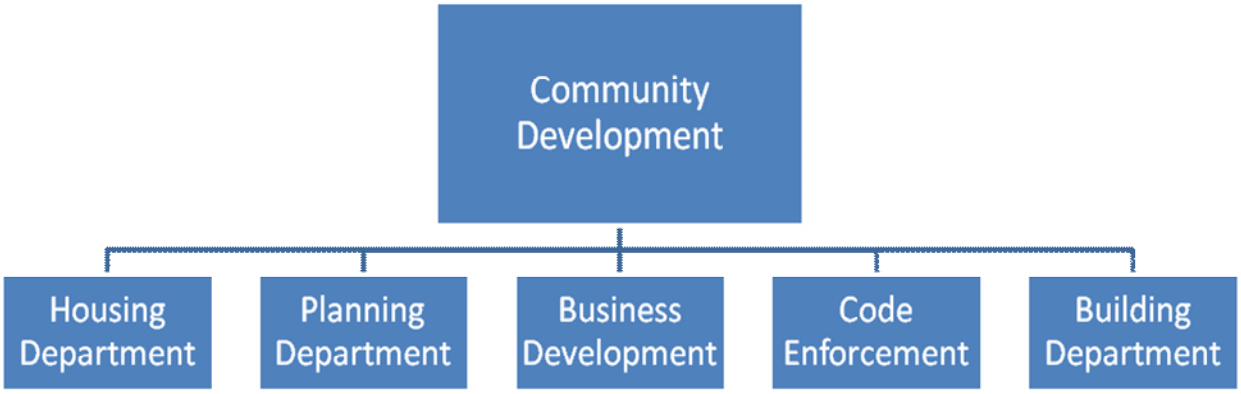
Community introduction

Calling itself "the center of it all," the City of Southfield is an inner-ring suburb of Detroit, MI and home to many ethnic groups including a large middle and upper-middle class African-American community. The City of Southfield is ambitiously courting new businesses to fill the nearly 27 million square feet of office space within its boundaries. The City of Southfield completed its Comprehensive Master Plan in October 2008.

Community and economic development structure

Economic development is organized under a Director of Planning and Economic Development. This position oversees the following city departments:

Figure 4: Economic Development Structure in Southfield



- Business Development Team (1 Business Development Manager)
    - ◊ Coordinating the delivery of local, state and federal incentive programs for new and expanding businesses
- Planning Department (4 planners, 1 secretary)
- Code Enforcement (1 manager, 6 officers)
- Building Department (6 plan examiners, 7 inspectors, 8 admin)
- Housing Department (3 housing specialists)
    - ◊ Administers CDBG and Section 8 funding
    - ◊ Charged with improving and preserving existing housing stock
- Boards and Commissions
    - ♦ Downtown Development Authority – A nonprofit development corporation that focuses on the revitalization and development of the "downtown area." It has broad powers including taxation, bonding, and tax increment financing. It has an Executive Director and one Assistant to the Executive Director.
    - ♦ City Center Advisory Board - The City Centre Advisory Board was formed with the goal to help plan, initiate and implement the City Centre Master Plan. It is comprised of seven major stake holders located within the City Centre Boundaries, one citizen liaison and the Mayor of the City. The Board meets bi-monthly to work on the ongoing evolution of this initiative.
    - ♦ Southfield Economic Development Corporation – This non-profit, an agency of the City, is a vehicle to provide lower interest rates on construction and renovation projects through the sale of Industrial Revenue Bonds exempt from Federal taxes. The Commis-

sion evaluates and recommends to Council high quality, desirable office, commercial, and industrial developments for financing through the EDC.

- Other redevelopment tools used by the city included the following: Tax Increment Finance Authority, Local Development Finance Authority, Brownfield Redevelopment Authority, Joint-Local Development Finance Authority, Southfield Nonprofit Housing Corporation, Housing Commission

Funding

The Community Development Department, the Business Development Department, the Code Enforcement Department and Planning Department are funded with revenue from the general fund. The Building Department is funded with $1.9 million in self-generated revenue. The Housing Department is funded through Section 8 administration funds and CDBG funds.

Formula for success:

Award-winning streamlined processes, award-winning marketing, clear communication of the great value and necessity in redevelopment, capacity to implement ambitious redevelopment plans with unique development finance tools only available in Michigan, the marriage of planning and economic development under one Director.

Town of Speedway, IN
www.townofspeedway.org
www.redevelopspeedway.com

Population:	12,562
Municipal budget:	Speedway is a Township in Marion County, and as such, has a very small budget and provides a minimal level of service. Despite having over 10,000 residents, the government only has 28 employees and a budget of $8.2 million in 2007.
Composition:	Regional entertainment center and residential neighborhoods
Type:	Land-locked, fully developed community
Reputation:	Excellent – Speed Zone Master Plan has received multiple awards, including the praise of the respected Urban Land Institute.
Government:	Town Manager and five members of council

Community introduction

Home of the Indianapolis Motor Speedway, this built-out township is completely land-locked and encircled by the City of Indianapolis. The Town is in the midst of orchestrating a major $500 million redevelopment project to bolster 350 acres south of the track to transform the town into a year-round motorsports destination. The Commission has received multiple awards for the Speed Zone Master Plan in the area of planning, engineering and public input.

Community and economic development structure

Virtually all redevelopment in Speedway is orchestrated by the Speedway Redevelopment Commission (6 member staff with a 6 member board). "The Speedway Redevelopment Commission (SRC) was authorized under Indiana law as a result of actions of the 2005 Indiana Legislature. The SRC officially began its organizational activity on July 1, 2005, and since that time, the SRC has conducted a series of public meetings to discuss a broad range of issues related to the role, activities and projects of the SRC in pursuit of redevelopment within the Town of Speedway." The SRC will use the following tools to aid in the implementation of its Speed Zone Master Plan:

- Speedway Redevelopment Authority (a statutory body used to issue large debt)
- Speedway Community Development Corporation (a statutory body used to accept grants and solicit donations)

In addition to forming the Speedway Redevelopment Commission in 2005, the Speedway Town Council simultaneously created the position of Town Manager to bring added professional management to the governance of the town. A professional city manager was hired who has experience in real estate development and specific management experience in government.

Funding

The operations of the SRC are largely funded by private business interests, including the Indianapolis Motor Speedway. The SRC has raised $4.4 million from mostly private sources between 2006 and 2007.

Formula for Success

Statutorily strong redevelopment commission, strong buy-in from the state and federal government, ample private sector funding for the effort from the Indianapolis Motor Speedway, award-winning Speed Zone Master Plan completed by outside planning firm.

City of Shaker Height, OH
www.shakeronline.com

Population:	26,777
Municipal budget:	$51.5 million
Composition:	Residential neighborhoods
Type:	Land-locked, fully developed community
Reputation:	Excellent – The City's Strategic Investment Plan, authored in 2000, is an example of a planning document which has not "gathered dust on a shelf." The ambitious citywide redevelopment plan has been systematically implemented in the past decade on a multitude of fronts and continues to spur redevelopment activity in Shaker Heights.
Government:	Mayor, 7 members of council

Community introduction

The land-locked, fully developed, inner-ring suburb of Cleveland, OH is ethnically mixed with highly sought after neighborhoods. Shaker Heights is predominantly a bedroom community with the school district and City government as the two largest employers. The city is in the midst of implementing its Strategic Investment Plan from the year 2000 which calls for the development of a $50 million Transit Oriented Development at the city's center. The city is also undertaking a number of initiatives to maintain and improve the existing housing stock in recognition that the city's tax base is predominantly residential.

Community and economic development structure

Economic and Community Development is split into 3 Departments:

- Planning Department (1 director, 3 planners, 1 admin) – provides support for current and long-range planning and redevelopment studies. Leading the implementation of the Strategic Investment Initiative.
- Neighborhood Revitalization Department (1 director, 1 admin) – Charged with strengthening the City's tax base through encouraging reinvestment in neighborhoods and in homes. This department administers the City's Green Building Initiative.
    - ◊ Neighborhood Revitalization Committee - Addresses strategic issues related to strengthening neighborhoods and preserving and enhancing the quality of the City's housing. Develops and monitors policies related to housing; focuses on community support and customer satisfaction and grassroots involvement in housing preservation activities.

- Economic Development Department (1 director) – Provides services to Shaker businesses and business organizations to site their office functions, assist in business management planning and consult with businesses by putting them in touch with potential partners, suppliers, service providers and others so that they may benefit from the synergy among existing businesses and help them locate or relocate in the City.

Funding

Housing and Development activities (building and housing inspection, planning, economic development and neighborhood revitalization activities) account for 14.1% of the City's program expense total of $51.5 million.

Formula for success:

Strong buy-in to detailed economic development plan, strong city agency with ample capacity, ability of residents to think long-term.

4 / Model City Best Practices

By examining a cross section of some of the most highly regarded municipalities in the world of local economic development practice, a number of best practices are revealed to meet the challenges of effectively and efficiently spurring redevelopment.

1. **High-quality marketing and communications** – These efforts included "investor friendly" websites and promotional and educational materials that emphasize the merits of redevelopment. Such materials can also help to educate elected officials and the public as well as potential investors.
2. **Award-winning redevelopment master plans** tied to direct measurable public return and expected results. Often these plans were completed by outside planning consultants under the direction of city staff.
3. **Ample staff capacity** to implement their ambitious redevelopment plans. For communities of a similar size to the City of Wauwatosa, which currently has a development staff of just under 4.0 FTE (counting the WEDC Executive Director), no other community had less than 8.0 FTE.
4. **Funding is principally derived from a tax levy support.** However, CDBG dollars and redevelopment revenues (land sales, TIF administrative allocation, development fees, etc.) also contribute significantly to underwriting redevelopment operations.
5. **Private sector involvement** as investors and/or policy advisors through citizen advisory boards. The private sector was much less likely used as "implementers" of municipal economic development plans.
6. Each Model City designated and **empowered a key agency or department** with the authority and financial support to implement major redevelopment projects. The single exception to this rule was the City of Shaker Heights, which had three separate Departments under three different directors.

4.1 / Best Practices Applied to Wauwatosa

One of the primary goals to emerge from stakeholder interviews detailed under *Task 1* of this report is that "the City of Wauwatosa and its partners should establish robust structure for economic development." The underlying objectives to reach this goal are articulated this way:

1. The City will collaborate and **engage experts in the private sector** if necessary to meet economic development objectives.
2. Staffing and **capacity** will be established commensurate with defined needs and responsibilities.
3. A **funding source will be defined** for economic development activities commensurate with needs and responsibilities.
4. The City and its partners in economic development will establish **clearly delineated** channels of communication.

The following issues and opportunities were identified when the Model Cities best practices were applied to Wauwatosa's current organization and strategic objectives

- Wauwatosa is an outlier with a full-time, staffed, non-profit economic development corporation. The Model Cities that did have a non-profit economic development corporation only used it as a "shell" to accept tax-deferred donations and grants. While public-private partnerships were critical to the success of Model City development efforts, these "partnerships" appeared to be less formal and more centered on the completion of specific projects.
- Wauwatosa is an outlier with a revolving loan fund administered by the city comptroller's office. Model cities with low-interest loan funds administered such funds out of their planning and development departments with oversight performed by either an appointed citizen committee or the board of an economic development corporation.
- Wauwatosa is an outlier regarding the size of its Common Council, requiring in essence two alderpersons to support any given project. While typically having a much smaller council body, ranging from four to ten total members in peer municipalities, council members were well represented on powerful redevelopment authority boards.
- Wauwatosa is an outlier with far smaller planning and development staff than its peer cities. The biggest gaps in staffing capacity are positions dedicated to business and neighborhood services, economic development finance, and the implementation of redevelopment master plans.
- Wauwatosa is an outlier in segregating its economic and community development efforts. The majority of peer municipalities under review had a single director responsible for all economic, community development and planning efforts. Benefits of a unified department included consistency and alignment, greater resources "under one roof," and greater accountability.
- Wauwatosa is an outlier in that it has a largely dormant Redevelopment Authority. Similarly conceived statutory bodies in Wauwatosa's peer cities were much more active in the redevelopment of their communities. Of course, this was only because the communities

themselves were more active and city staff had ample capacity to implement projects, while Wauwatosa has shifted some of these responsibilities to the WEDC. Private sector expertise and involvement is appropriate for policy development and assuring accountability, not implementation. This involvement is typically structured through an official advisory committee to the Common Council. While the WEDC benefits from an extremely high quality and committed board, the advantage of a committee structure is that board members don't spend valuable time fundraising and doing administrative duties.

- If the political will emerges to be more proactive in the redevelopment of Wauwatosa, there will be a need to reactivate and empower Wauwatosa's Redevelopment Authority and Housing Authority.
- Wauwatosa is an outlier in not using its website and marketing materials to communicate basic information on the benefits and processes underpinning redevelopment in the community. Other peer cities have discovered that the provision of information is both cheap and effective and can help increase business productivity and survival.

5 / Recommended Model

The following are nine recommendations to restructure Wauwatosa's economic and community development efforts.

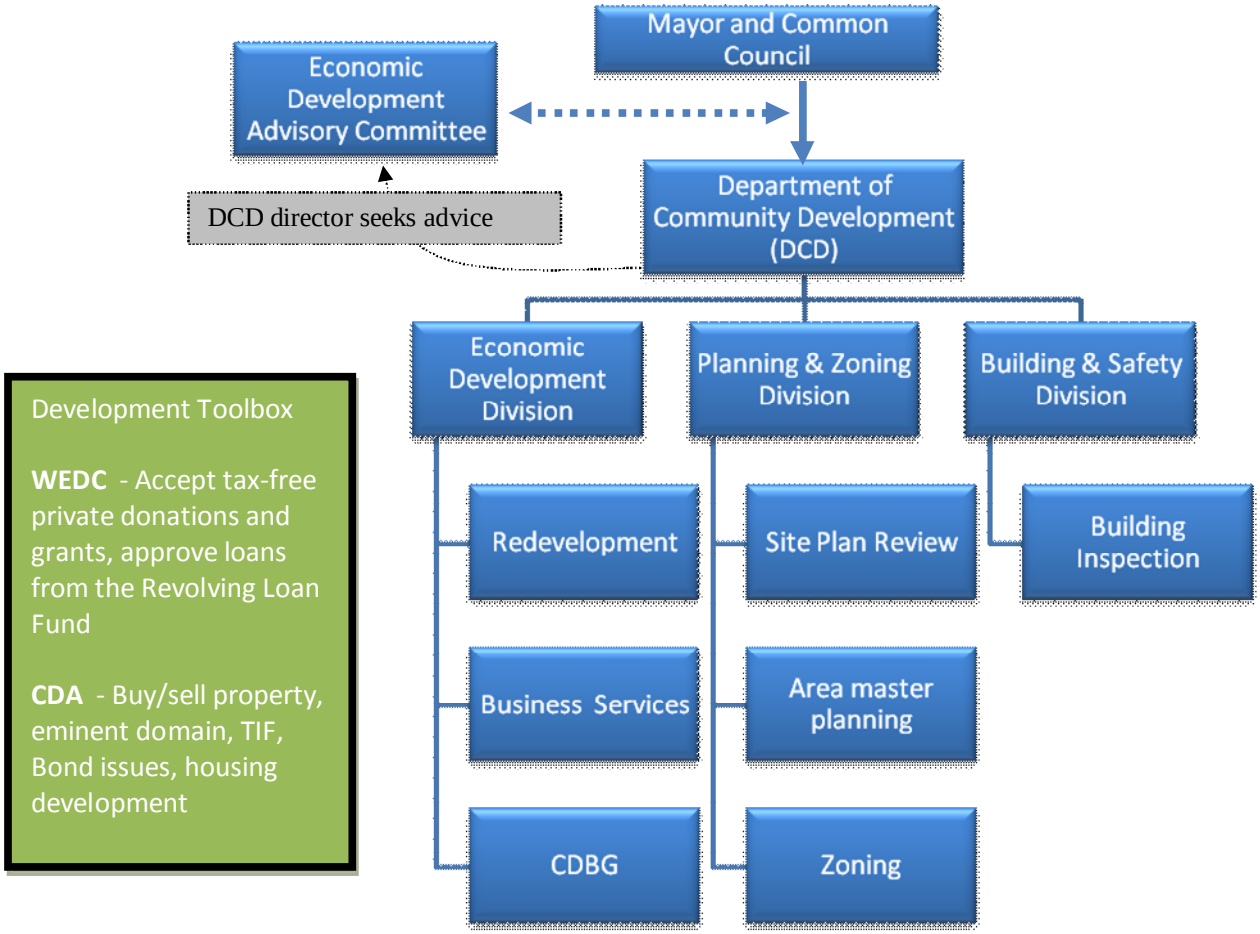
1. **Establish an Economic Development Division** under the Department of Community Development. The Economic Development Division would implement redevelopment projects, provide business services and administer CDBG funds. Under this scenario, the Planning & Zoning Division would maintain its focus on current planning issues and the Building Division's duties would remain unchanged. The proposed economic development division is placed under the Department of Community Development to emphasize, as stakeholders did throughout the data gathering task of this study, that economic development is done in the service of the community, to enable the community to maintain its high level of services. This proposed structure modifies the City's existing structure, rather than reinventing it, in order to reflect community values and to ease implementation.
2. **Establish an Economic Development Advisory Committee.** The committee would be appointed by the Mayor and confirmed by the Common Council. Like the City of Madison's 11-member Economic Development Commission, certain committee seats could be reserved for specific classes of community stakeholders. For example, in Madison, one seat each is reserved a small business owner, a high education representative, a Common Council member and representative from high tech industry. In addition, a portion of the initial seats could be reserved for current WEDC board members interested in this role. This recommendation ac-

knowledges that the strength of the WEDC board lies in its deep pool of experience and passion for the "big-picture" economic development needs of the Wauwatosa community. This committee would channel the passion and knowledge of WEDC members by bringing them closer to the power structure of City government. The Director of Community Development would report regularly to the Economic Development Advisory Committee and seek advice on policy issues and direction. The appointment structure is typical of advisory committees in many communities. While it is "political," it does include a check-and-balance in requiring Common Council approval of appointments. As an advisory committee, some level of politicization is probably inevitable; at the same time, the overall economic development process is professionalized under these recommendations.

3. **Maintain the WEDC corporate "shell," but de-fund operations.** Bring the WEDC "in-house" and deploy it as a development tool of the Department of Community Development. The WEDC mission and board would change to reflect its new status as DCD's non-profit corporate arm to accept private donations and grants and review Revolving Loan Fund applications. Under this scenario, the WEDC would absorb the Wauwatosa Revolving Loan Fund and all of its assets and liabilities. The new WEDC board would be made up of current members of the WRLF board, current members of the WEDC board and other citizen experts in economic development. The board would meet on an "as-needed" basis to review revolving loan fund investment decisions or as otherwise directed by DCD. This recommendation reflects the need to maintain the valuable WEDC name, brand and history as a successful neighborhood redevelopment specialist. There is also value in the WEDC's corporate structure which should be maintained. However, the WEDC business model is outdated and should be altered accordingly. In addition, this recommendation reflects the need for consolidation of the WEDC and WRLF.

4. **Combine the existing Redevelopment Authority and the existing Housing Authority into a new Community Development Authority.** The new CDA would be the chief redevelopment tool for the Department of Community Development. The primary purpose is to combine a Housing authority and Redevelopment authority which may be useful for some mixed use projects. Also having common commissioners with specialized expertise may be advantageous to the broader city goals. The CDA statute also speaks to optional powers of broader involvement in TIF process and CDBG projects. Of course, not all cities have granted the optional powers. In addition, a CDA can negotiate in private if needed. According to Wisconsin statutes, a CDA is authorized "to meet in closed session to deliberate or negotiate the purchase of public properties and the investment of public funds, or conduct other specified public business whenever competitive or bargaining reasons require a closed session."

Figure 5: Recommended Economic Development Structure in Wauwatosa



5. **Hire an Economic Development Manager** to oversee the implementation of redevelopment master plans, negotiate redevelopment deals and to serve as a liaison to the Wauwatosa business community. This person would need to be trained as an expert in economic development finance and eventually seek certification from the National Development Council. This would likely be a relatively high pay grade position to attract and retain the necessary talent. Locally, this position is akin to the "Economic Development Coordinator" at the City of Brookfield and the "Community Development Manager" at the City of West Allis.

6. **Hire a CDBG Administrator** to handle all paperwork dealing with federal CDBG funds. This dedicated position is necessary due to the departure of the WEDC Executive Director, who handled a portion of the CDBG paperwork burden. In addition a large portion of the CDBG paperwork burden currently falls on the shoulders of City planners. Reassigning CDBG administration duties from the Planning & Zoning Division to the Economic Development Division

will free planners to focus on basic plan review and other core responsibilities. In turn, this will free the Community Development Director to focus on larger issues such as the development of area master plans and the implementation of the Comprehensive Plan.

7. **Hire a "Business Services Specialist"** to staff the WEDC board meetings and serve as a liaison to the Village BID and community and business organizations on North Avenue and elsewhere. This person should have banking, community development and small business development experience. This is mid-level pay grade position. Among other duties, this person would be responsible for the implementation of the yet-to-be-completed North Avenue area master plan.

8. **In addition to the $95,000 originally allocated to the WEDC, some general purpose revenue (GPR) will most likely be needed** to fund the new, expanded department in the near-term, until the time that the CDA is able to generate sufficient revenue from redevelopment activities to partially offset GPR allocations. Additionally, the city could tap its CDBG allocation to the maximum allowable 20% cap for "administration" (after some funding is set aside for Low– and Moderate-Income projects). This could generate an additional $100,000 to fund redevelopment administrative costs in the near term.

9. **Master planning activities will be coordinated by the DCD Director**, but will typically require the expertise of outside consultation. Master plans will be implemented by the Economic Development Division.

The City of Wauwatosa's existing economic and community development structure has fallen out of favor. Non-profit economic development corporations like the WEDC are more commonly deployed at the multi-jurisdictional county and regional level and in large cities such as Milwaukee and Madison. One reason why the non-profit ED model has fallen out of favor for individual municipalities is that such entities don't have the power to issue bonds, authorize TIF expenditures or pursue condemnation proceedings – all necessary tools for complex redevelopment projects. More typical of similarly-sized cities is the use of non-profit ED corporations to accept donations of land and grant dollars and/or to approve and issue low-interest loans from a revolving loan fund. These functions are typically conducted with the efforts of a dedicated staff. Finally, in Wisconsin, some types of non-profit redevelopment corporations now appear to be subject to similar "open meetings" requirements to that of public authorities.

In cities similarly constituted to Wauwatosa, redevelopment efforts have met with great success under a very different redevelopment model. The trend is toward consolidation of community and economic development functions so as to be able to efficiently leverage scarce resources. In an era of mixed-use development projects, this effort to combine planning, building, housing and redevelopment disciplines under a single Director is popular, logical and effective.

The City of Wauwatosa's current structure spreads resources too thin. The evidence that this model isn't working in Wauwatosa is shown in the city's underutilization of its Revolving Loan Fund (as reported by stakeholders and documented in the Task 1 Report), overall lack of consensus on redevelopment priorities, and the City's reputation as place where it is difficult to navigate and get information on the development process. The consolidation of community and economic development efforts under a single department would not only improve efficiency but would also ensure greater accountability. Under this model, the Community Development Department, under the direction of the Mayor, Common Council and a newly constituted Economic Development Advisory Committee, would be where "the buck stops."

6 / Roles and Responsibilities

Clearly defining roles and channels of communication between the City and its partners in economic development is a crucial aspect of this recommended reorganization plan. The idea is to leverage available resources in the service of desirable development. To this end, two general "teams" are recommended to be formed, with regular communication. An implementation team shoulders the primary responsibility for implementing the recommendations of the Wauwatosa Comprehensive Plan and ancillary area plans. The policy and accountability team, with a larger proportion of elected officials, ensures that the citizens' interests are being represented in economic development efforts.

6.1 / Implementation Team

- Wauwatosa Economic Development Corporation (WEDC)
  - Approves RLF loans
  - Accept tax-free private donations
  - Other functions as deemed necessary
  - Staffed by DCD
  - Meets on an "as-needed" basis
- Community Development Authority (CDA)
  - Approves TIF deals
  - Condemnation power
  - Buy/sell land
  - Issue bonds
  - Staffed by DCD
  - Meets initially on an "as-needed" basis

- Department of Community Development (Director)
  - Oversee the creation of redevelopment master plans
  - Long-range planning
  - Manage staff of four (2.0 FTE Planning and Zoning and 2.0 FTE Economic Development)
- Department of Community Development: Economic Development Division (2.0 FTE)
  - Economic Development Manager is a new city position and oversees the implementation of redevelopment master plans (Hwy. 100, Burleigh Triangle, etc.). This person must be experienced in both business development and real estate development. The candidate must have economic development finance expertise so as to be able to negotiate and vet TIF deals. The manager must be dedicated to reaching out and fostering relations with the business community. This is a relatively high pay-grade position.
  - CDBG Administrator is a new city position. This person is in charge of all paperwork association with federal CDBG funds. This is a lower pay-grade position.
  - Eventual addition of a Business Services Specialist to serve as a liaison to neighborhood business development efforts (Tosa Village, North Avenue, etc.)
- Department of Community Development: Planning & Zoning Division (2.0 FTE)
  - A Planner I and Planner II to oversee all basic plan review and current planning functions

6.2 / Policy and Accountability Team

- Common Council
  - Members serve on the WEDC and CDA boards
- Mayor
  - Makes appointments to the EDAC, CDA and WEDC boards
- Economic Development Advisory Committee (EDAC)
  - A citizen advisory committee would not be unlike the City of Madison's Economic Development Commission. The Madison commission is described as follows: "The Commission shall be responsible for preparation and periodic updating of the city's economic development plan and strategy for recommendation to the mayor and Common Council; evaluate economic conditions in the community; identify economic problem areas; recommend specific policies, programs and projects; recommend items for inclusion in the capital and operating budgets in support of the development strategy."
  - Committee comprised of former WEDC board members, Common Council member(s) and Wauwatosa citizens. Board members will be appointed by the Mayor and confirmed by the Common Council. A select number of seats will initially be reserved exclusively for WEDC board members. Has an advisory and oversight role on policy issues but does not have any direct power on any specific projects. It will typically be referred items or legislation by the Mayor or Common Council which could have an economic impact.
  - Staffed by DCD and meets monthly

7 / Implementation

The final task of this study will recommend an implementation plan to realize this restructuring of economic development efforts in Wauwatosa; it will include near and longer term implementation steps to ensure that the City can create a sustainable and responsive economic development framework, with accountability and communication processes clearly defined.

Task 3 Report

Executing a Coordinated Approach to Economic Development in Wauwatosa: A Roadmap for Implementation

The final task of this study recommends specific steps to realize the restructuring of economic development efforts in Wauwatosa; it includes near- and longer-term actions to ensure that the City can create a sustainable and responsive economic development framework, with accountability and communication processes clearly defined. It concludes with an "Implementation Matrix" showing actions to be undertaken, their timing, and parties responsible for their completion.

1 / Introduction

The City of Wauwatosa, as part of the adoption of its Comprehensive Plan in 2008, has established the following vision for its economic development efforts:

> "Advance economic growth in Wauwatosa to provide a variety of employment opportunities, increase the non-residential tax base, promote the City's regional role as a center for research and innovation, and support dynamic, vibrant, and walkable neighborhoods, while preserving the City's character and appearance."

This vision represents what will be done, while the Task 2 report outlines recommendations which clarify *who* the main actors will be in the implementation of Wauwatosa's economic development vision and the nature of their respective roles and interactions. This section will lay out a roadmap for *how* the recommendations should be enacted over the next two years.

1.1 / Implementation "guiding principles"

- **Be realistic about the timeline.**

  The transition to a more robust and proactive economic and community development structure will not happen overnight and will likely require two budget cycles to implement.

- **Private sector trust must be earned.**

  The City of Wauwatosa can become a reliable and respected player in the real estate and development process. The City must continue to solicit the involvement of its private sector partners in the implementation of Wauwatosa's community and economic development vision.

- **Staff should be entrusted to do the right thing and be given the ability to work within the confines of set policy**.

  Council will set policy and measure staff progress toward development goals, but will not interfere with day-to-day management decisions. Elected officials should heed the professional advice of City staff to ensure effective and timely implementation of development projects.

- **All parties must rededicate themselves to better communication.**

  This includes internal communication between City departments and elected leadership and external communication, between the City, the public and outside investors.

- **If expectations are for Wauwatosa to become "proactive" rather than "reactive" in its economic development pursuits, there will need to be significant and sustained investments of funding and political will.**

2 / Implementation Plan

2.1 / Immediate Initiatives to be pursued for the remainder of 2009

- **Fund the WEDC for the remainder of 2009 to ensure an orderly transition to the recommended structure without losing traction on any ongoing initiatives.**
  - During this time, a transition plan will be developed in partnership with the city. The City and WEDC leadership may appoint a transition team to develop this plan. The City Manager, WEDC interim executive director and the DCD Director are likely participants in the transition team.
  - The transition team should meet regularly for the remainder of 2009 to communicate the range of WEDC activities and ongoing projects to the City. The key is to make the eventual transition appear seamless to any clients of the WEDC as the City takes over these functions. At a minimum, the following would need to be accomplished during the transition period:
    - Complete an audit, accounting for all WEDC assets and liabilities.
    - Determine whether any WEDC donations and grants have "strings attached" — i.e. used to fund a particular activity — and appropriately resolve such matters.
    - Close out expiring projects and transfer any ongoing projects to city control.
    - Secure WEDC contact database and donor database and transfer to DCD.
    - Return all WEDC assets to City.
    - Devise a marketing strategy to effectively communicate organizational changes to WEDC donors, clients and community stakeholders.
    - Brainstorm a list of possible appointees to the Economic Development Advisory Committee (EDAC), the Community Development Authority (CDA) and the Wauwatosa Economic Development Corporation (WEDC)
  - The transition team should communicate progress regularly to the WEDC board and the Mayor and Common Council to solicit guidance.
- Contract with a credible entity (UWM, UWEX, etc.) to deliver an "Economic Development 101" seminar as part of orientation for new aldermen. This could include a brief overview of

Economic Development tools available to Cities, pertinent issues in Wauwatosa, and other facets of Economic Development that legislators must understand.

- Initiate regular round-table discussions between the City and its major non-profit institutions and major employers. These institutions and employers are major players in the City's economic development landscape, and their concerns are quite distinct from smaller developers and businesses. These discussions could be convened annually or semi-annually, for the purposes of mutual information gathering.

2.2 / Near Term Initiatives to be included in the 2010 budget or completed in calendar year 2010

- Establish a new Economic Development Division under the direction of the Department of Community Development. Hire an Economic Development Manager to head the division.
- Hire a full-time CDBG Administrator as staff to the Department of Community Development. This position will absorb CDBG administrative duties previously completed by the WEDC Executive Director and City planning staff. Although CDGB money is also used for purposes other than community development in Wauwatosa (such as providing services to senior citizens), housing this position in the Community Development Department reflects the basic intent of Community Development Block Grant funds.
- Secure consensus and financial resources to advance at least one "high impact project" into the master planning phase as outlined in the comprehensive plan. Priority areas may include the County Grounds, Mayfair Rd. corridor, Burleigh Triangle or E. State Street corridor.
- Establish an Economic Development Advisory Committee as outlined in the Task 2 Report. The Mayor appoints and Council confirms members of the committee to guide economic development policy in the City of Wauwatosa. The transition team described in the previous section will have provided to the Mayor of list of possible appointees.
- Secure a legal opinion on dissolving the Wauwatosa Revolving Loan Fund Corporation (WRLFC) and transfer assets and control over the Revolving Loan Fund (RLF) from the WRLFC Board of Directors to the WEDC. Administrative support will shift from the Comptroller's office to the Department of Community Development. Alternatively, the WRLF could maintain its current incorporation, with the administration of the Fund brought out of the Comptroller's Office and into the Economic Development Division.
- Set aside funding to retain legal counsel to advise the City of Wauwatosa on the appropriate Community Development Authority (CDA) structure to ensure the creation of a robust economic development body. Legal council would author the CDA bylaws and help make critical legal determinations such as the exact role the CDA will play in the preparation and review of proposed tax incremental districts.

- Define the incentives program — and criteria to be applied in determining levels of incentive — that Wauwatosa will prioritize to spark development that advances the objectives of the comprehensive plan. This is the foregone Task 4 of this study.

2.3 / Medium Term Initiatives to be included in the 2011 budget

- Define and communicate the incentives programs that Wauwatosa will prioritize to spark redevelopment. This step is critical to ensure that available resources (TIF, CDBG, and RLF) are consistent with priorities.
- Hire a Business Services Specialist to accelerate small-business start-up activity in Wauwatosa's neighborhood commercial districts.

3 / How does the new system work in practice?

Within the proposed structure, authority to execute the economic development goals in Wauwatosa's Comprehensive Plan lies squarely with the Department of Community Development (DCD). As the chief implementer and champion of economic and community development in Wauwatosa, the DCD and its Director will be responsible for ushering catalytic development projects through Wauwatosa's regulatory and political process. The reorganized and re-branded DCD will have additional tools and staff capacity to accomplish its goals. The proposed structure is designed to build capacity and expertise to eventually undertake complex redevelopment tasks that may involve real estate deals, TIF financing and other tools available to the City.

3.1 / New economic development entities

- **Community Development Authority**

  A Community Development Authority (CDA) would replace the Redevelopment Authority and the Housing Authority. The new CDA will have all of the same powers as the former entities. According to Wisconsin State Statute 66.1335(1):

  "A city may, by a two-thirds vote of the members of the city council present at the meeting, adopt an ordinance or resolution creating a housing and community development authority which shall be known as the "community development authority" of the city. It is a separate body politic for the purpose of carrying out blight elimination, slum clearance, urban renewal programs and projects and housing projects. The ordinance or resolution creating a housing and community development authority also authorize the authority to act as the agent of the city in planning and carrying out community development programs and activities approved by the mayor and common council under the federal housing and community development act of 1974…"

As with Redevelopment Authorities and Housing Authorities, CDAs in Wisconsin have the ability to buy, sell and assemble land, initiate condemnation proceedings and issue redevelopment and housing bonds.

Wisconsin CDA statutes also speak to optional powers of broader involvement of CDAs in the TIF approval process and CDBG projects. Of course, not all cities have granted these optional powers. The clause in the Wisconsin statutes speaking to these expanded powers reads as follows:

"If provided in the resolution or ordinance, the community development authority may act as agent of the city to perform all acts, except the development of the general plan of the city, which may be otherwise performed by the planning commission."

Several communities in Wisconsin have tapped these expanded powers to grant their CDA the ability to approve TIF districts and TIF district amendments. In these communities, the CDA typically gives the initial approval for the TIF district, with it then proceeding to the Common Council and finally to the Joint Review Board for final approval. The requirement for public comment on all TIF approvals is usually solicited as part of the initial CDA meeting. The advantage of TIF oversight being performed by a CDA, rather than a city's plan commission, is that CDA members typically have a higher level of expertise in redevelopment finance over that of their plan commission peers. The higher level of expertise ostensibly translates into a more critical review of the TIF applicant and a more streamlined approval.

Currently in the City of Wauwatosa, TIF districts need initial approval from the Plan Commission before then proceeding to the Common Council and finally to the Joint Review Board. It is recommended that if TIF recommendation powers devolve on the CDA, one seat on the Community Development Authority could be reserved for a current member of the City's Plan Commission. Such a policy is endorsed by the American Planning Association in its policy guide on redevelopment.

The appointment of board members to a CDA is defined in the state statutes as follows:

"Upon receipt of a certified copy of the ordinance or resolution, the mayor shall, with the confirmation of the council, appoint 7 resident persons having sufficient ability and experience in the fields of urban renewal, community development and housing, as commissioners of the community development authority. Two of the commissioners shall be members of the council and shall serve during their term of office as council members."

See Wisconsin State Statute 66.1335(5) for rules on the termination of housing and redevelopment authorities.

- **Wauwatosa Economic Development Corporation (WEDC)**

  The new role of the WEDC will be to provide oversight of Wauwatosa's Revolving Loan Fund and serve as a non-profit corporate shell to accept tax-deferred grants and donations. All RLF applications will go in front of the WEDC board for approval. The Business Services Specialist will proactively recruit promising new or expanding small business to apply for RLF funding. The Department of Community Development is responsible for managing and administering the RLF.

  The WEDC board will only meet on an as-needed basis and at the behest of the DCD Director. The new WEDC board will be comprised of community bankers, business leaders and elected officials. A new "Business Services Specialist" in the Economic Development Division of DCD will serve as staff to the WEDC board.

  The dissolution of the WEDC as it currently exists does not imply that public-private partnerships are no longer necessary in economic development activities. To the contrary, it is likely that Public-Private Partnerships (PPPs) are vital to the City's future, particularly if they conform to the changing economic development landscape in Wisconsin, including the continued departure of major for-profit employers and the fact that the community will likely need to take on very complex and expensive redevelopment projects very soon, requiring sustained and focused effort on the part of the municipality. Given these new realities, many PPPs are now formed on a project-by-project basis. The goal is to wrap individual projects with private capital and expertise and leverage those resources with public sector tools and funding. Wauwatosa's most successful peer communities orchestrate these partnerships internally, rather than through a separately funded intermediary. This can help ensure that resources are directed the community's key objectives.

- **Economic Development Advisory Committee**

  The role of the Economic Development Advisory Committee (EDAC) is to provide expert guidance to Wauwatosa lawmakers on economic development trends and policy. The EDAC board may meet on a regular or as-needed basis, depending on the wishes of the EDAC board and the Mayor. The Mayor can assign special projects to the EDAC for their review and to solicit their expert opinion. Such an entity would be uniquely qualified to advise lawmakers on the design of any future citywide development policies. Such policies would likely include:

  - The development of policy guideline recommendations for the appropriate and strategic use of Tax Increment Financing
  - Submit a list of possible projects to be funded with federal "Economic Stimulus" funds

- Any future revisions to the economic development element in Wauwatosa's Comprehensive Plan
- Develop policy guidelines for effective use of revolving loan funds to meet community objectives
- Monitor economic trends in Wauwatosa and Southeastern Wisconsin
- Oversee the creation of a 5-year or 10-year citywide economic development work plan
- Receive periodic updates from public and private sector partners on progress in ongoing economic development projects in the Wauwatosa community.

The EDAC would work in tandem with, but independently, of the Mayor and the Common Council to help shape policy. The EDAC can only advise on the passage of specific policies or the inclusion of specific budget items. Individual projects will not go in front of the EDAC for approval or opinion. The EDAC is strictly confined to policy matters and is only advisory.

The new Economic Development Manager within the Department of Community Development will serve as staff to the EDAC board.

The make-up of the EDAC board will be designed by Wauwatosa's elected officials. One idea is to reserve certain positions for particular stakeholders in Wauwatosa. EDAC board positions could be reserved for small business owners, representatives from Wauwatosa's medical and research quadrant, the Common Council and the Mayor or designee.

Wauwatosa officials should confer with City of Madison officials who recently revamped the city's Economic Development Commission (EDC). The 11-member EDC is charged with the following:

"Responsible for working with the Mayor, Common Council, other City boards and commissions and City staff to facilitate the development of a healthy, diversified economy in which businesses can locate, innovate, grow and prosper, and all residents have opportunities for economic prosperity. The Commission shall be responsible for preparation and periodic updating of the city's economic development plan and strategy for recommendation to the mayor and Common Council; evaluate economic conditions in the community; identify economic problem areas; recommend specific policies, programs and projects; recommend items for inclusion in the capital and operating budgets in support of the development strategy."

For more information on the City of Madison's EDC, visit www.cityofmadison.com/mayor/myCommit/roster/102400.cfm

3.2 / Staffing changes

Staffing changes proposed in the Task 2 report are aimed at streamlining development efforts in the Department of Community Development (DCD). The goal is to appropriately align job duties with job titles so that planners are allowed to focus on planning, administrators focus on administrative tasks, and management is free to manage. To achieve greater alignment and efficiency within DCD, it is recommended that the following critical staffing changes be implemented in the following sequence:

- **Eliminate the WEDC Executive Director position at the close of 2009.**

  Economic development responsibilities will be shifted to the Economic Development Manager (new position) and the DCD Director (existing position). CDBG responsibilities will be absorbed by a CDBG Administrator (new position).

- **Consolidate all CDBG administrative tasks that were previously split between the WEDC Executive Director and City planners, to a single CDBG Administrator to be hired in early 2010.**

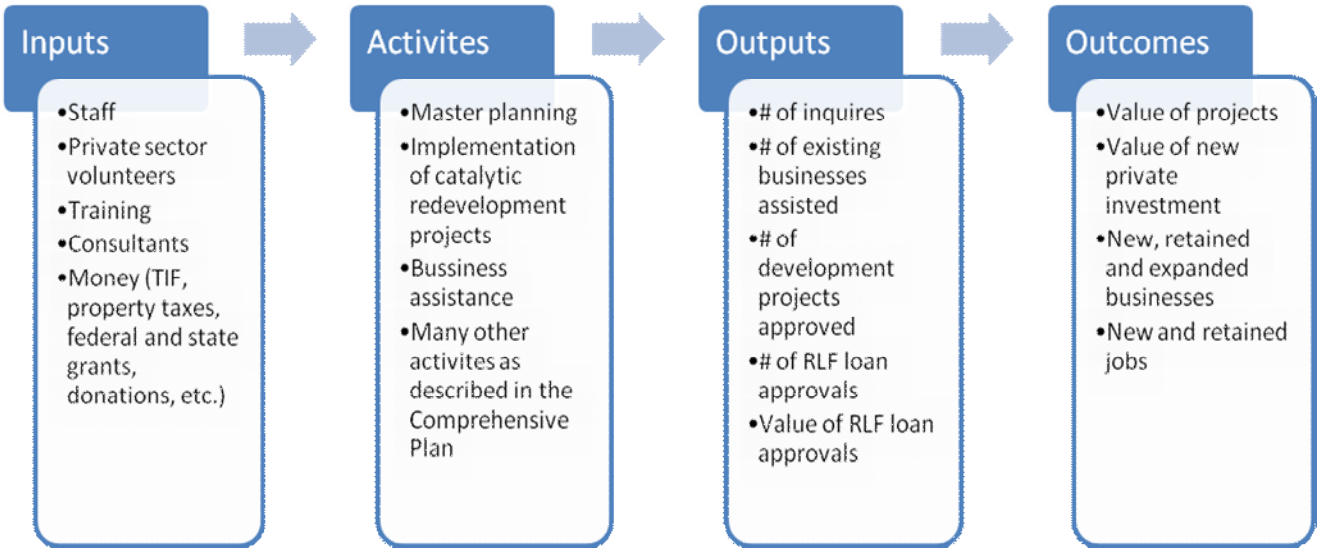
  Important: The consolidation of CDBG administrative duties to a designated city staffer would help ensure that city planners who were previously burdened with CDBG oversight could instead focus on core planning duties. The end result is that planning enforcement and regulation will be the sole focus of Planner I and Planner II positions. This would, in turn, free the DCD Director from administering day-to-day planning regulations and allow the Director to focus more on "big picture" master planning responsibilities.

- **Hire an Economic Development Manager to lead the Economic Development Division in early 2010.**

  This person would absorb duties previously assigned to the WEDC Executive Director and the DCD Director. The ED Manager will work alongside the DCD Director to spearhead the implementation of all major economic development and redevelopment projects. This person would also actively pursue state and federal grants and loans to support Wauwatosa's redevelopment efforts.

- **Hire a Business Services Specialist at the start of 2011.**

  This position will be hired to assist small business creation efforts in Wauwatosa's commercial districts. The person will function as a liaison between the business community and city government. The staffer will cultivate the growth of new and existing business ventures and guide



these entrepreneurs though the regulatory process to secure necessary permits and funding. Until the time that the Business Services Specialist is hired, the DCD Director and the Economic Development Manager would be responsible for business services and outreach.

4 / Performance Measurement

How will Wauwatosa measure success? Performance measurement is a vital component to any public economic development effort. Solid metrics not only ensure better management of programming, but the presence of solid metrics also make it easier for City staff to communicate the value of economic development investments to elected representatives, developers and the public.

The EDAC may be charged with determining appropriate performance measures for Wauwatosa. There is no single best way to measure economic development performance. Instead, communities must decide how they want to measure themselves based on the purpose of their economic development agenda. For example, while Wauwatosa's economic development agenda is comprehensive, stakeholders interviewed for this study appeared to be most concerned with adding new small businesses and increasing the community's overall tax base. While overall job creation numbers and per-capita income figures are no doubt important, these measures might take a secondary importance in Wauwatosa behind the number of new businesses created and the overall property tax base change.

The path to create meaningful and relevant performance measures for Wauwatosa's new economic development system can be visualized in the following chart. Definitions are as follows:

- "Inputs" – Investments of time, money and resources
- "Activities" – Services provided by DCD
- "Outputs" – Services delivered by DCD
- "Outcomes" – Progress toward overall community goals

This chart is adapated from John Warren ("The Role of Performance Measurement in Economic Devlopment," *AngelouEconomics*, 2005). It originated in *Measuring Program Outcomes: A Practical Approach* (United Way of America, 19960. The performance measures outlined in the above chart are merely suggestions. The City of Wauwatosa will need to establish its own custom set of performance measures which are agreeable to all parties. As noted in Harry Hatry's *Performance Measurement: Getting* Results (Urban Institute Press, second edition, 2007), all performance measures should be "SMART." That is, they must be:

- Specific – Are they easy to understand?
- Measurable – Can they be measured?
- Achievable – Are they realistic?
- Relevant – Are they relevant to DCD's mission?
- Time-based – Are they measuring activity within a specific period?

In addition to quantifiable performance metrics, it is also recommended that the city annually revisit more subjective (but no less important) indicators of success:

- There's strong(er) trust among all parties.
- Clear and continued vision and leadership.
- Resources are consistently aligned with priorities.
- Processes are predictable.
- All stakeholders are at the table early and often.

7 / Implementation Action Plan Matrix

A matrix showing steps to implement this plan is included in the appendix to this report.

8 / Conclusion

The City of Wauwatosa and its private sector partners find themselves at an opportune moment in 2009 to undertake a restructuring of its economic development structure. A confluence of external and internal factors may allow an effective restructuring over the timeframe outlined in this document to position the City for success over the medium term. These factors include:

- **A recessionary economy and soft real estate development market.**

  The current state of the national and regional economy present numerous challenges to municipalities, businesses and private citizens. However, the pace of development and pressures to accommodate changes may have eased, creating a window in which restructuring can take place and appropriate efforts may be expended by staff and elected officials without affecting their abilities to pursue existing projects. In general, a recession is a good time to undertake planning activities, so that vision and structure are in place when the economy revives.

- **The recently adopted comprehensive plan articulates a clear vision and focus.**

  Economic and community development goals and objectives are prioritized in the comprehensive plan. The City has clear objectives to pursue.

- **Potential private sector partners in economic development are well organized.**

  The experience and leadership of the existing Wauwatosa Economic Development Corporation has created a body of expertise in development and redevelopment among potential private sector partners. If this expertise can continue to be tapped by the City under the new economic development structure, it will allow citizens to help guide economic development policy and help ensure that it is responsive to stakeholder priorities.

- **Turnover on the Common Council brings opportunities for a balance between experience and new energy.**

  The City of Wauwatosa has witnessed unforeseeable turnover in the Common Council roster in the early months of 2009. Economic development has emerged as a clear priority among candidates for the Council, and their focused energy may be able to combine well with the experienced views of sitting Alderpersons to undertake this restructuring program.

This recommended restructuring is ambitious and must be accomplished over a period of years, not months. If Wauwatosa is serious about taking charge of its future, and not just "letting it happen," this is the way similarly constituted cities have found success. The proposed new structure for Wauwatosa's community and economic development efforts will work if stakeholders are ready to conceive of the City as an inner-ring, land-locked, "redevelopment community."

The economic development structure envisioned in this document is responsive to stakeholder-driven goals and objectives. It represents state-of-the-practice recommendations used by Wauwatosa's successful peer municipalities. Implementing these recommendations will require sustained investment in the near-term. It must be accepted by all stakeholders that the additional investment required will pay dividends. If Wauwatosa is prepared to make these investments, the City can position itself for success in its redevelopment ambitions.

Appendices

Appendices

A. List of Interview Participants

B. List of Persons Signing In to the Roundtable Discussion

C. Interview Questions.

D. Implementation Matrix

Appendix A: Stakeholder Interviewees

1. John Balzer
2. Ald. Birschel
3. Bill Bode
4. Tim Casey
5. Bob Dennik
6. Mayor Jill Didier
7. Ald. Donegan
8. Kathy Ehly
9. Terry Estness
10. Bill Hatcher
11. Ald. Herzog
12. Bob Gintoff
13. Ald. Krol
14. Ald. Maher
15. Guy Mascari
16. Lisa Mauer
17. Ald. McBride
18. Matt Mikolajewski
19. Ald. Nikcevich
20. Ald. Stepaniak
21. Ald. Purins
22. Paul Roller
23. Bob Simi
24. Steve Smith
25. Gloria Stearns
26. Joe Tierney
27. Maricolette Walsh
28. Nancy Welch
29. John Yentz

Appendix B: Community Roundtable Sign-In Participants, January 22, 2009

(Please Note: Not all participants signed in)

1. Linda Burg
2. Jessica Brittingham
3. Elizabeth Bruderle-Baran
4. Marshall Chay
5. Ben Clark
6. Tom Ertel
7. Laurie Goetz
8. Warren Groff
9. Rebecca Haefner
10. Nancy Hall
11. John J. Kastl
12. Deb Kruse
13. Meg Miller
14. Bobby Pantuso
15. Jay Paunovich
16. Brit Ruiz
17. Stefanie Scott
18. Mary VanDerven
19. Scott Van Derven

Appendix C: Interview and Roundtable Discussion Questions

1. What is your role in economic development in Wauwatosa?
2. What is rewarding about this work? What is challenging?
3. What have your dealings been with the City and WEDC?
4. Describe an ideal economic development product for Wauwatosa. What does the result of good economic development look like here?
5. Describe an ideal economic development process. What is the experience of a developer or businessperson who wants to do business here?
6. How will Wauwatosa know if it has reached that ideal future?

Appendix D: Implementation Matrix

City of Wauwatosa Two-Year Community and Economic Development "Implementation Action Plan"

The "Implementation Action Plan" builds off the the Comprehensive Plan's "Implementation Checklist."

Implementation team members: Department of Community Development Director, Mayor, Council, Business, Economic Development Advisory Committee (EDAC), Planning & Zoning Division, Development Manager, CDBG Administrator, Business Services Specialist

Goal: "Advance economic growth in Wauwatosa to provide a variety of employment opportunities, increase the non-residential tax base, promote the City's regional role as a center for research and innovation, and support dynamic, vibrant, and walkable neighborhoods, while preserving the City's character and appearance." (Wauwatosa Comprehensive Plan)

Action Item	Source	Leader	Support	Budget Impact	Timeframe							Notes/Status
					2009			2010				
					II	III	IV	I	II	III	IV	
I. Implement recommended organizational structure (Task 2)												
Establish transition team	Horton/URS Study	Administration	Common Council	No	√	√	√					
Establish a new Economic Development Division under the Department of Community Development	Horton/URS Study	Administration	Common Council	No			√	√	√	√		
Establish an Economic Development Advisory Committee	Horton/URS Study	Mayor	Common Council	No			√	√				
Bring the WEDC "in-house" and deploy it as a development tool of the Department of Community Development	Horton/URS Study	Transition Team	Common Council	No				√	√	√		
Combine the existing Redevelopment Authority and Housing Authority into a new Community Development Authority	Horton/URS Study	Administration	Common Council	Yes, minor					√	√		
Hire an Economic Development Manager	Horton/URS Study	Administration	Common Council	Yes, significant				√				
Hire a CDBG Administrator	Horton/URS Study	Administration	Common Council	Yes, significant					√			
Bring RLF administration into the Economic Development Division and/or under control of restructured WEDC	Horton/URS Study	Administration	Common Council	No						√		
Hire a Business Services Specialist	Horton/URS Study	Administration	Common Council	Yes, significant					2011			
II. Define Development Recruitment and Negotiation Process (Task 4)												
Define and communicate the incentives programs that Wauwatosa will prioritize to spark redevelopment	Wauwatosa Economic Development Structure RFP	Economic Development Manager	Common Council	Yes, minor			√	√				
Streamline redevelopment review process	Comprehensive plan	DCD Director	Common Council	No					√	√		
III. Initiate, fund and manage the creation of master redevelopment plans												
Determine consensus area for master planning activities, based on recommendations in comprehensive plan.	Horton/URS Study, Comprehensive plan	DCD Director	MRMC, MCRP, Private consultant	Yes, moderate					√			
IV. Ongoing economic development efforts												
Continuing education for public officials and staff	Horton/URS Study	DCD Director	Common Council	Yes, minor		√			√			
XI. Monitor Implementation												
Establish Basline Indicators	Horton/URS Study	EDAC	Administration	No			√	√				
Measure results	Horton/URS Study	Administration	EDAC	No							√	
Review staff performance	Horton/URS Study	Administration	EDAC	No							√	
Review council performance	Horton/URS Study	Administration	EDAC	No							√	

Final Draft / 28 April 2009