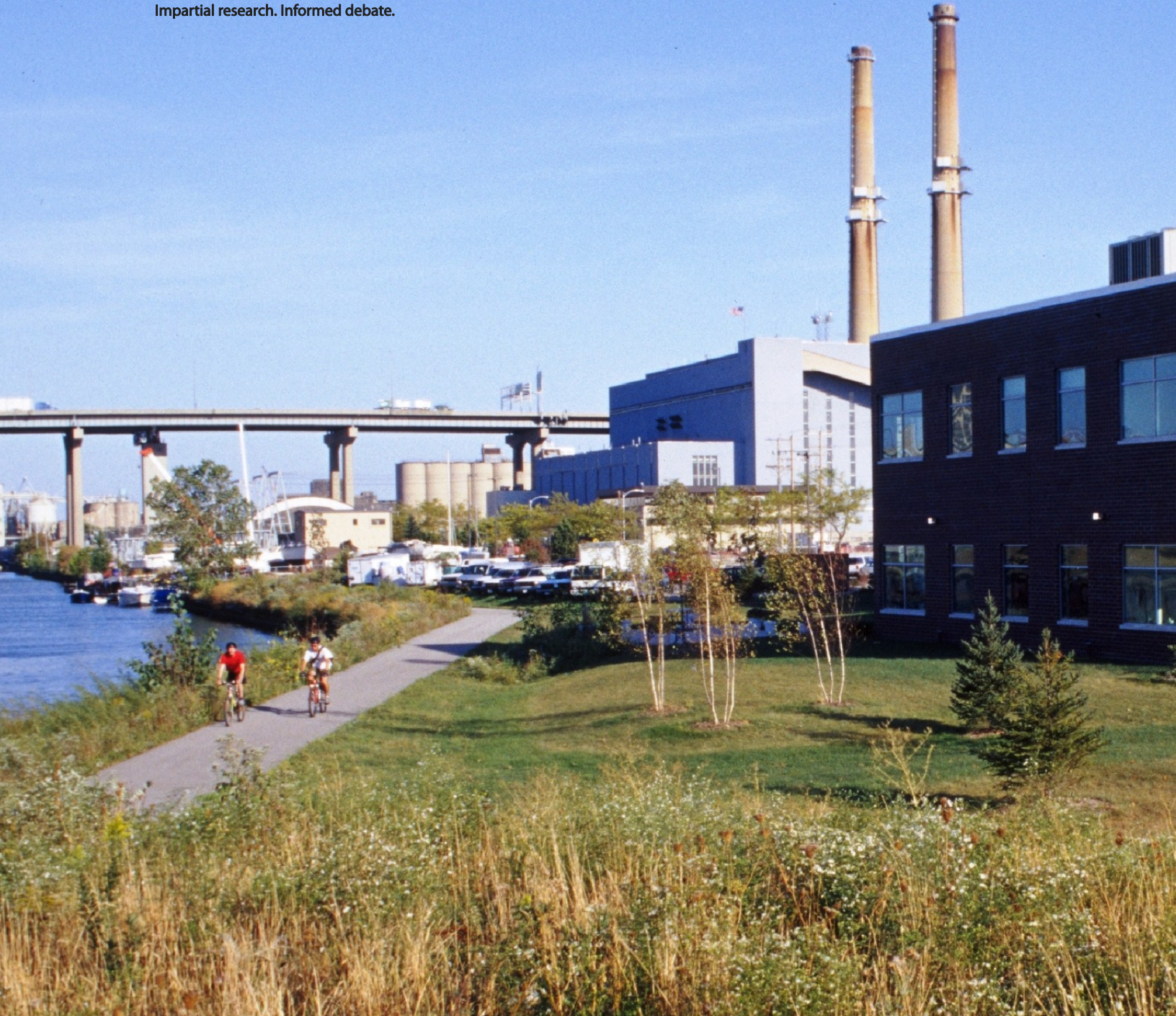




Public Policy Forum

Impartial research. Informed debate.



**Redevelopment in Milwaukee's
Menomonee Valley:
*What Worked and Why?***

ABOUT THE PUBLIC POLICY FORUM

Milwaukee-based Public Policy Forum – which was established in 1913 as a local government watchdog – is a nonpartisan, nonprofit organization dedicated to enhancing the effectiveness of government and the development of southeastern Wisconsin through objective research of regional public policy issues.

PREFACE AND ACKNOWLEDGMENTS

This report was undertaken to provide citizens, policymakers, and business leaders in the Milwaukee area with a better understanding of the key factors that contributed to the Menomonee Valley's recent redevelopment. We hope that policymakers and community leaders will use the report's findings to inform discussions about economic development strategies that might be used to ensure the success of other major redevelopment projects in our region.

Report authors would like to thank the leadership and staff of the City of Milwaukee's Department of City Development (DCD) and the Redevelopment Authority of the City of Milwaukee (RACM) for patiently answering our questions and providing us with financial information about recent Menomonee Valley projects. We also would like to thank the many public and private sector individuals interviewed for this report for providing additional information and insight, and Eddee Daniel for providing many of the report's photos, including the cover photo.

Finally, we wish to thank Menomonee Valley Partners, Inc. for commissioning this research and for helping to fund it, as well as the Helen Bader Foundation for its grant to the Forum for economic and workforce development research, which also helped make this report possible.



Redevelopment in Milwaukee's Menomonee Valley: What Worked and Why?

September 2014

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Executive Summary

The revitalization of Milwaukee's Menomonee Valley as an industrial, recreational, and entertainment district has been lauded both locally and nationally as a successful and sustainable urban redevelopment project. In this report, the Public Policy Forum explores how the Valley's major improvements over the last 15 years were achieved, including an examination of the public policies, financial resources, and partnerships that were crucial to the redevelopment effort.

The purpose of this research effort is *not* to evaluate the success of Valley redevelopment. Indeed, we start with the premise that Valley redevelopment *has* been successful. Our objective, instead, is to identify and analyze the ingredients of success so that consideration can be given to replicating them elsewhere. Through analysis of Valley data and documents, and through an extensive series of interviews with public and private sector leaders, we are able to cite the major barriers that inhibited Valley redevelopment, and examine the policies, activities, and strategies that helped to overcome those barriers and facilitate private sector investments.

The report begins with a brief overview of the economic, environmental, and community improvements that have occurred in the Menomonee Valley since the late 1990s. We then explore the work that brought about those outcomes by examining five "success factors" deemed critical to the Valley's revitalization, and by presenting four major Valley projects as case studies.

We find that several strategies utilized in the Menomonee Valley could be adapted and applied to other large-scale redevelopment efforts. Specifically, we urge public and private sector economic development leaders to consider the following lessons from the Valley's revival as they pursue redevelopment in other priority areas in the region:

- 1) Major redevelopment initiatives need to be accompanied by a robust set of planning and design activities that establish both a common vision for the initiative and a detailed roadmap to achieve that vision.**

The Valley's extensive planning and visioning process engaged stakeholders, local design professionals, and the larger community to an unusually high degree. The plans and policies subsequently established were specific in nature, with tangible actions and guidelines that addressed key redevelopment barriers and emphasized economic, environmental, and social equity goals simultaneously. Having a detailed plan and being able to articulate a vision for the future is essential to generating support for major redevelopment projects from funders, political leaders, and the community as a whole.



2) Strong intergovernmental cooperation and public-private partnerships will be essential for large-scale redevelopment efforts to succeed.

While specific individuals and organizations stand out as essential to the Menomonee Valley's revitalization, the process of redeveloping the Valley has been exceptionally collaborative. Indeed, intergovernmental and public-private partnerships have been essential to most major Valley projects and to the success of the effort as a whole. Moreover, the Valley's story illustrates that rather than being led *only* by city government, major redevelopment efforts may stand the best chance for success if they are collaboratively led by multiple public and private sector stakeholders.

3) Funding must be pursued and creatively assembled from numerous sources to address the many barriers that impede brownfield redevelopment projects.

The City's willingness to invest heavily in infrastructure, environmental cleanup, and other pre-development work through tax increment financing (TIF) and other financial contributions, as well as the aggressive pursuit of funding by the City and Menomonee Valley Partners, Inc. (MVP) from numerous state, federal, and private sources, were critical to the Valley's redevelopment. In particular, early engagement of state and federal agencies in the project proved an effective strategy that helped the City and its partners to identify and pursue needed funding throughout the redevelopment process.

4) Given the key advantages involved with public or public-private ownership of re-developable brownfield properties, the City likely will need to assume considerable financial risk to advance major redevelopment projects.

The success of several major Valley projects was attributed largely to the ability of the City or MVP – as property owners – to expeditiously and effectively assemble project funding and address cleanup and infrastructure issues to make sites “shovel ready.” Since it likely will be much more challenging to assemble, prepare, and market land in priority redevelopment areas that are privately owned, the City may need to continue to assume property ownership risk in other parts of the city to meet redevelopment goals. In addition, State leaders may need to provide funding assistance – as they did for the Valley – to help project leaders acquire properties and assist in pre-development work.

5) Major redevelopment projects must be accompanied by aggressive marketing of the area's existing strengths and amenities.

Leaders of the Menomonee Valley redevelopment effort capitalized on the unique strengths of the area, which were evident to them but required comprehensive visioning and effective public relations to convey to others. The Valley experience illustrates the need to take advantage of locational strengths in redevelopment work, which may include transportation infrastructure, existing industry clusters, available business resources, workforce proximity, neighborhood



amenities, and other factors. Lessons can be learned not only from the manner in which Valley redevelopment leaders identified those strengths, but also from the creative strategies they employed to make them known in the broader community.

6) Major redevelopment projects should be viewed as opportunities to address multiple community objectives.

One of the most striking components of the Valley's recent revitalization is the varied range of improvements it has produced. The "triple bottom line" approach to sustainable development not only achieved several economic development objectives, but also enhanced the natural environment and generated quality-of-life amenities that benefit the broader community. In light of this success, City leaders should seek other opportunities to achieve multiple goals through individual redevelopment projects. While job creation and growth in tax base may be the foremost priorities, opportunities to link those goals with simultaneous improvements in flood control, multi-modal transportation infrastructure, environmental health conditions, and recreational amenities for nearby residents also should be sought.

7) Using redevelopment projects to create jobs for neighborhood residents may require greater emphasis on workforce development.

Valley redevelopment leaders emphasized the need to foster development that would provide employment opportunities for the local workforce. While that objective was achieved somewhat, the recent decision by Cargill, Inc. to close its meatpacking facility in the Valley means that Palermo's and the Potawatomi Hotel and Casino are the only Valley businesses that employ large numbers of residents of nearby neighborhoods. For future redevelopment efforts that share a similar goal, greater emphasis may need to be placed on workforce training of area residents and on specific recruitment of businesses that have a need for workers with the types of skill sets possessed by those residents.

Like all urban business districts, the Menomonee Valley is a dynamic place and its redevelopment is never complete. Indeed, the City of Milwaukee currently is working on an updated land use plan to guide future redevelopment in the Valley – an effort that may have gained further urgency with the Cargill decision. At the same time, efforts are progressing to redevelop other industrial areas in Milwaukee, including the 30th Street Industrial Corridor and the Inner Harbor. We hope that by promoting a greater understanding of the critical elements of the Valley's last 15 years of redevelopment, we can help guide current and future planning in the Valley and inform policy and practice for similar efforts in Milwaukee and beyond.



Introduction

Over the past 15 years, Milwaukee's Menomonee Valley has undergone a remarkable renaissance, transformed from a blighted and largely abandoned industrial corridor into an increasingly vibrant center of industry, entertainment, and recreation. Where vacant and dilapidated buildings once stood – visible from the state's busiest stretch of freeway – new businesses have sprouted and new infrastructure has been developed to improve connections between the Valley and the surrounding community. Meanwhile, a new park, state trail, and Urban Ecology Center branch have created enhanced natural and recreational opportunities for area residents. While still a work in progress, the Menomonee Valley has become a national model of sustainable urban redevelopment.

Much has been written about what has been accomplished in the Menomonee Valley. In this report, we seek to identify *how* those accomplishments were achieved. What were the key public policies that drove change in the Menomonee Valley? How were financial resources and public-private collaborations secured that were needed to foster redevelopment? It is our hope that by promoting a greater understanding of the critical elements of the Menomonee Valley's first phase of redevelopment, we can help guide future planning in the Valley and inform policy and practice for similar efforts in Milwaukee and beyond.

The key research questions guiding our analysis include the following:

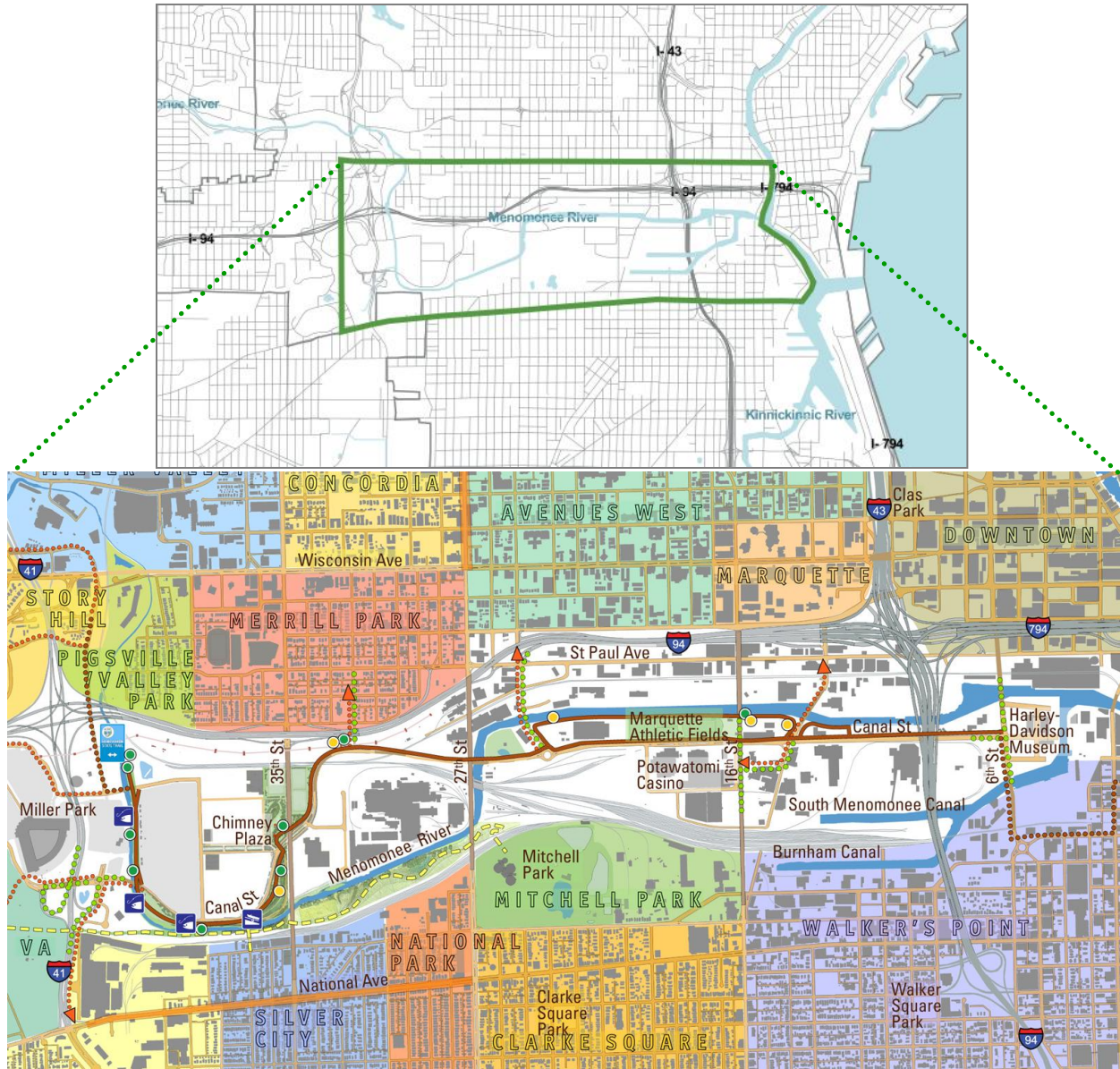
- *What were/are the greatest barriers to redeveloping the Menomonee Valley, and how have those barriers been overcome?*
- *What role did individual organizations and partnerships play in accomplishing Valley goals? For example, what was the role of the City of Milwaukee versus that of Menomonee Valley Partners, Inc. (MVP), a nonprofit organization formed to foster Valley redevelopment?*
- *Which particular policies, activities, and financial tools have proven most effective in encouraging private sector investment?*
- *Was the Valley's recent success the product of its unique location and good fortune, or are there important lessons learned that should be applied to continued work in the Valley and to other major redevelopment efforts in Milwaukee?*

We sought to answer these questions through two stages of research. First, we conducted archival research, gathering and reviewing numerous documents pertaining to the Menomonee Valley redevelopment efforts to date. Those resources include planning documents and development guidelines; grant data and related documents; previous reports and market studies; articles in academic journals and in the local and national news media; and data provided directly from organizations active in the Menomonee Valley.



Through a series of key stakeholder interviews, we then vetted the findings from our archival research and gathered valuable on-the-ground perspectives. The individuals we interviewed include representatives of city, state, and federal government agencies, Valley businesses, and community organizations that have played significant roles in Valley redevelopment.

Figure 1: Milwaukee's Menomonee Valley¹



The purpose of this report is not to evaluate or quantify the success of the Menomonee Valley redevelopment. Indeed, our research begins with the premise that Valley redevelopment *has* been

¹ The solid green line on the first map above represents the boundaries of the study area used by the City of Milwaukee for the 1998 plan for the Menomonee Valley. The second map, which displays the neighborhoods in the area, was provided by Landscapes of Place, LLC.



successful, as reflected by the fact that it is frequently held up both locally and nationally as a model to be replicated elsewhere.² Our purpose, rather, is to shed light on the ingredients that produced this success and contemplate whether and how they might be applied to other major redevelopment efforts in Milwaukee and elsewhere.

The report begins with a brief overview of the accomplishments that have occurred in the Menomonee Valley since the late 1990s. Those accomplishments are organized into economic, environmental, and social metrics. We then explore the work that brought about those outcomes, identifying the core activities and strategies undergirding the redevelopment effort and presenting several specific Valley projects as case studies.

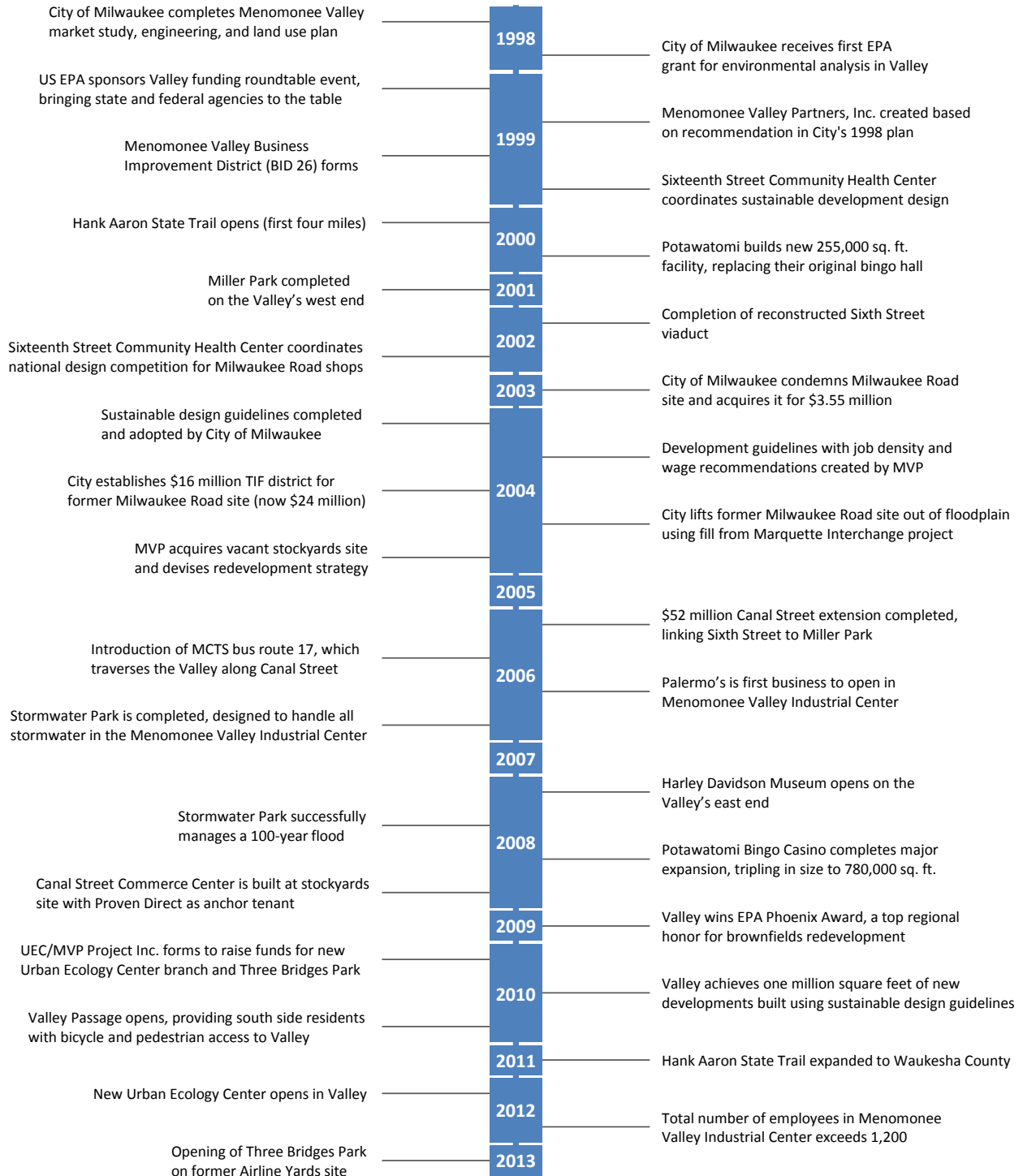
The City of Milwaukee currently is in the process of developing an updated land use plan that will guide future redevelopment in the Menomonee Valley. Simultaneously, efforts are underway to redevelop other industrial areas in Milwaukee, including the 30th Street Industrial Corridor and the Inner Harbor. We hope that this report can inform those efforts and similar Milwaukee redevelopment projects in the future.

² For example, the U.S. Environmental Protection Agency recognized the Valley as one of the best brownfield redevelopment projects in the country in 2009. *Milwaukee Business Journal*. "Menomonee Valley wins top brownfields honor." November 3, 2009. <http://www.bizjournals.com/milwaukee/stories/2009/11/02/daily41.html>



Valley Timeline

Numerous events have taken place and significant milestones reached in the Menomonee Valley throughout the course of its recent revitalization. The timeline below lists many of those developments and the dates when they occurred, and can be used as a helpful reference in navigating this report.



Key Outcomes to Date

Though redevelopment of the Menomonee Valley is not complete, the efforts undertaken thus far are considered successful from multiple perspectives. The Valley is best known for its recent economic turnaround, but its environmental improvements and community development also are noteworthy. In fact, since the late 1990s, the “triple bottom line” definition of sustainable development – balancing the needs of the economy, the environment, and the community – has been a frequently cited mantra guiding Valley redevelopment efforts.

Economic Development

Originally the home of wild rice fields and a river transportation system inland from Lake Michigan, the Menomonee Valley rose to prominence in the late 1800s as an industrial hub for tanneries, metal shops, stockyards, and other industries, which were supported by an extensive rail transportation network.³ At its peak in the 1920s, the Valley housed more than 50,000 jobs.⁴ Despite that initial success, however, the Valley later suffered from several decades of job movement overseas and disinvestment. By the beginning of the 21st century, the number of jobs in the area had dwindled to less than 14,000,⁵ and prospects of a significant turnaround seemed improbable.

While it is unlikely that the concentration of economic activity in the Menomonee Valley ever will return to its 1920s peak, economic data document the significant surge of economic growth that has taken place in the Valley in recent years. Between 2002 and 2011 (the most recent year for which jobs data are available at the Census tract level), an estimated 3,244 net new jobs were added to the Valley (from 13,853 to 17,097), as compared to a net gain of 872 jobs in the City of Milwaukee as a whole (**Figure 2**).⁶ Thus, without the job growth in the Valley, the City of Milwaukee would have *lost* jobs during that timeframe. Notably, the expansion of Potawatomi Bingo Casino in 2008 added roughly 1,000 of the new jobs to the Valley.⁷

In some portions of the Valley, new development has been characterized by a maximization of available space. Indeed, the *job density* of new development in those areas of the Valley has surpassed an established goal of 1.5 jobs per 1,000 square feet of buildable land, which was based on the city’s

³ Gurda, John. “The Menomonee Valley: A Historical Overview.”

http://www.renewthevalley.org/media/mediafile_attachments/04/4-gurdavalleyhistory.pdf

⁴ De Sousa, Christopher. “Milwaukee’s Menomonee Valley: A Sustainable Re-Industrialization Best Practice.” University of Illinois at Chicago, Institute for Environmental Science and Policy. 2012.

<http://www.uic.edu/orgs/brownfields/research-results/documents/MenomoneeValley.pdf>

Menomonee Valley Benchmarking Initiative. “State of the Valley Report: Ten Years Benchmarking Change in the Valley.” 2013. <http://www.renewthevalley.org/documents/157-menomonee-valley-benchmarking-initiative-report>

⁵ Ibid.

⁶ Ibid. Data extracted from the U.S. Census Bureau’s On the Map tool, which uses Longitudinal Employer-Household Dynamics (LEHD) data.

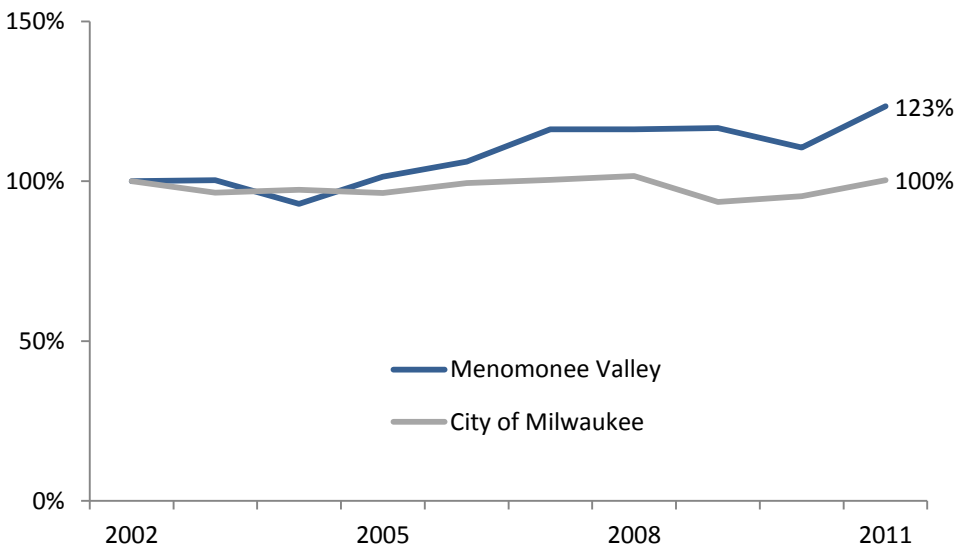
⁷ Menomonee Valley Partners, Inc.



average job density for land sales to manufacturers at the time.⁸ Depending on the percentage of buildable land on a given site, that goal worked out to roughly 16-22 jobs per acre. In the Menomonee Valley Industrial Center (MVIC) on the Valley’s west end, where the job density goal was 22 jobs per acre, approximately 1,480 jobs will be located on 57 acres once current and planned projects are completed, resulting in a density of 26 jobs per acre.⁹

Figure 2: Job growth in the Menomonee Valley and the City of Milwaukee, 2002-2011

Note: Data are indexed to compare relative growth over time. Values in 2002 are set to 100%.



Additional examples of economic growth include the following:

- Since 1999, 49 companies have moved to the Valley or expanded within the Valley.¹⁰
- Between 2002 and 2012, taxable property values in the Menomonee Valley business improvement district (BID) increased by an inflation-adjusted 94.4% to a total of \$154 million.¹¹ By comparison, the total assessed value of all commercial and manufacturing property in the City of Milwaukee increased by 9.5% during that timeframe (**Figure 3**).¹²

⁸ Menomonee Valley Partners, Inc. “Development Objectives for the Menomonee Valley Stockyards.” 2004. http://www.renewthevalley.org/media/mediafile_attachments/00/300-mvpdevelopmentobjectives.pdf

⁹ Public Policy Forum analysis of MVP data. Planned projects include Rishi Tea, whose facility currently is being constructed, and Solaris, for which the land sale recently closed.

¹⁰ Menomonee Valley Partners, Inc.

¹¹ Public Policy Forum analysis of City of Milwaukee BID 26 and City Assessor’s Office data. BID 26 covers a majority of the Menomonee Valley land area.

<http://city.milwaukee.gov/ImageLibrary/User/dmalqu/PDF/2012ASSMTandTAXESBOOKLET.pdf>

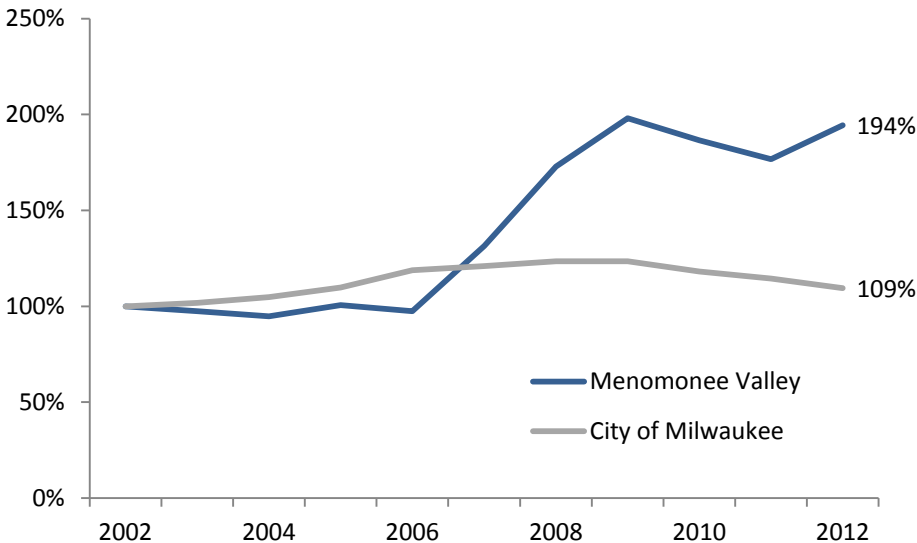
¹² Public Policy Forum analysis of Department of Revenue data.



- The percentage of Valley workers who earn at least \$3,333 per month (\$40,000 per year) increased from 31.2% in 2002 to 47.7% in 2011.¹³
- Visits to Valley entertainment venues and tourist attractions have more than tripled in the past two decades, from 2.8 million visits in 1994 to more than nine million annual visits today.¹⁴

Figure 3: Growth of total assessed value of commercial and manufacturing property, 2002-2012

Note: Data are indexed to compare relative growth over time. Values in 2002 are set to 100%.



The Valley’s economic revival not only has benefited the City of Milwaukee, but also has meshed with efforts to promote job growth in industries that are *economic drivers* for the region. Sectors that are export-driven or otherwise bring in revenue from outside the community, such as manufacturing, are considered such drivers because they create new sources of regional income. The Valley now competes favorably with the region’s other business districts in attracting businesses, as evidenced by the MVIC nearly filling up within 10 years. With an increase in manufacturing, tourism, and other services that produce income from outside of Milwaukee, the Valley has strengthened its position as a hub of income-generating activities.

The Valley’s economic growth also is distinctive in that its industrial occupants sit side-by-side with major tourist destinations, as well as natural and recreational amenities. Valley leaders believe this distinction offers a competitive advantage over suburban business parks, which tend to be exclusively used for industrial or office uses. According to former city planning director Peter Park, “*the intention in*

¹³ Menomonee Valley Benchmarking Initiative. 2013. Data extracted from the U.S. Census Bureau’s LEHD Origin-Destination Employment Statistics (LODES).

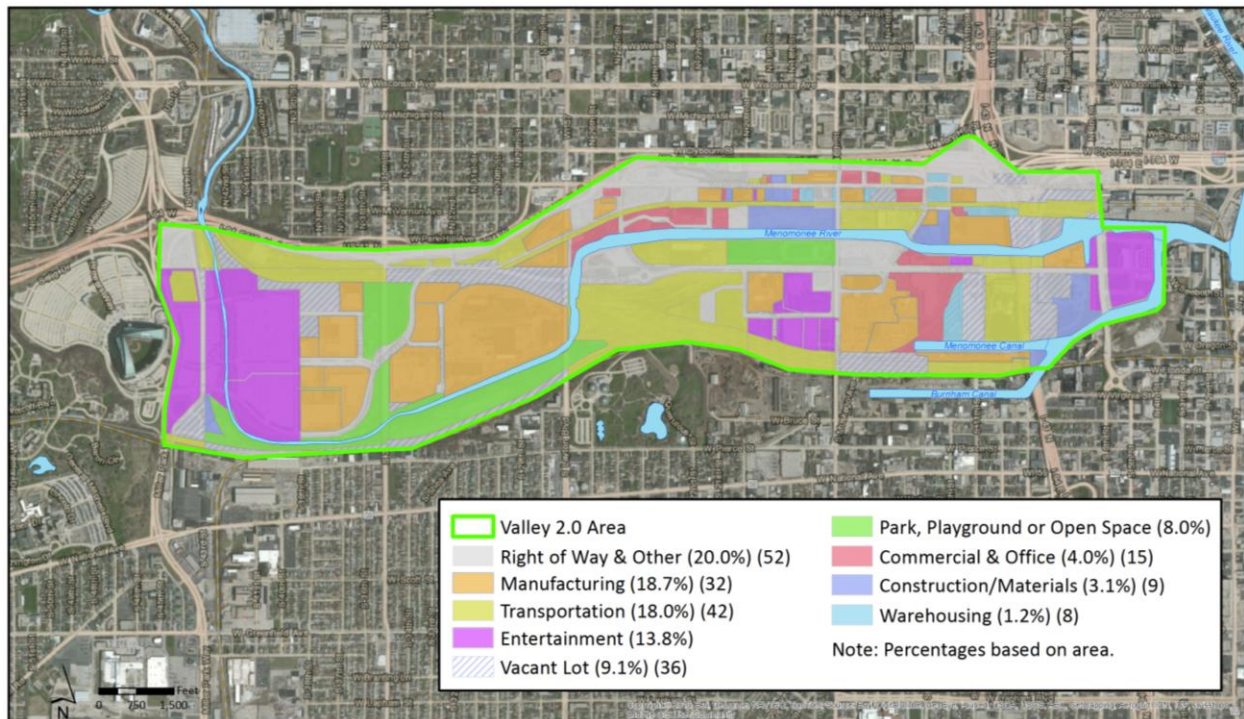
¹⁴ Data provided by the organizations or available on their websites. Attendance at Miller Park has averaged 2.85 million for the last five years, Potawatomi now has approximately six million visitors per year, and the Harley Davidson Museum attracts around 350,000 visitors per year. By comparison, in 1994 the Milwaukee Brewers attracted 1.3 million fans to County Stadium and Potawatomi Bingo had 1.5 million visitors.



the Valley was to create a place where more than one thing was happening, which is what an urban environment is all about.”

Recent Valley redevelopment has enhanced the diversity of land uses and activities in the area. Based on mapping and analysis conducted by URS Corporation, which is displayed in **Figure 4**, approximately 19% of the land in the Menomonee Valley currently is being used for manufacturing, while 14% is being used for entertainment and 8% for recreation and open space. With the active railroad in the Valley, an additional 18% is being used for transportation-related infrastructure and operations. (Zoning prevents housing in most of the Valley; the intention is for economic development in the Valley to support housing redevelopment in surrounding neighborhoods.) Several key stakeholders interviewed for this report pointed to the Valley’s diversity as a key part of what makes the area unique and vibrant, though it is also a source of ongoing tension with regard to the future direction of Valley redevelopment.

Figure 4: Current land use in the Menomonee Valley¹⁵



One frequently cited economic development objective that has been challenging to achieve is that of using the redevelopment effort to create jobs for residents of surrounding neighborhoods, which suffer from high rates of unemployment. Only a few Valley businesses employ large numbers of workers from those neighborhoods. With the recent loss of Cargill’s slaughterhouse in the Valley, the need to further

¹⁵ This map was created by URS Corporation, the consultant in charge of the market study for the City of Milwaukee’s Menomonee Valley 2.0 plan. The area included in the Valley 2.0 plan is notably smaller than that included in the 1998 Valley plan.



this objective now may be an even greater priority.¹⁶ Some would argue, however, that adding high-paying jobs to the Valley is beneficial regardless of who fills them, because the added wealth that comes with those jobs creates demand for services in other parts of the city and region, including the adjacent neighborhoods.

Environmental Improvements

Much of the national focus on the Valley's redevelopment efforts stems from its successful reuse of polluted or contaminated properties, which often are referred to as "brownfields." In 1999, when concerted efforts to redevelop the Menomonee Valley were launched, most of the vacant and underutilized parcels of land in the area were considered brownfields due to past industrial uses. Since that time, nearly 300 acres of brownfields have been remediated and redeveloped for business and recreational uses.¹⁷ (The work is not finished, however, as at least 75-100 acres of undeveloped or underdeveloped land remain in the Valley, all of which likely have brownfield issues that will need to be addressed.)

As redevelopment has occurred, considerable efforts have been undertaken to replace detrimental environmental practices of the past with more sustainable practices. According to Menomonee Valley Partners, more than one million square feet of sustainably designed buildings have been built on former brownfield sites in the Menomonee Valley over the past 10 years, including several buildings that have been recognized by the U.S. Green Building Council as LEED certified buildings.¹⁸ All stormwater from the new Menomonee Valley Industrial Center is now managed by Stormwater Park, an innovative amenity constructed in 2006 that successfully handled a 100-year flood in 2008. In addition, at the Reed Street Yards site on the Valley's southeastern edge, "green infrastructure" features have been installed to manage the site's stormwater and wastewater sustainably, including bio-swales, rain gardens, and a grey water recapture system.¹⁹

Additional efforts have added open space, restored the natural environment, and raised environmental awareness in the area. For example, the Urban Ecology Center's new facility in the Menomonee Valley, which is a showcase of green building practices, provides environmental education for thousands of children each year in the newly created Three Bridges Park. All together, more than 60 acres of new

¹⁶ Mendez, Edgar. "South Side residents hit hard by closing of Menomonee Valley Cargill facility." *Milwaukee Neighborhood News Service*. August 1, 2014. <http://www.milwaukeeens.org/2014/08/01/south-side-residents-hit-hard-by-closing-of-menomonee-valley-cargill-facility/?pcat=211>

¹⁷ Data provided by Menomonee Valley Partners, Inc.

¹⁸ The U.S Green Building Council's Leadership in Energy and Environmental Design (LEED) program is the nation's most prominent certification system for sustainably designed buildings.

¹⁹ Reid, Dave. "Transforming Reed Street Yards." *Urban Milwaukee*. April 18, 2014.

<http://urbanmilwaukee.com/2014/04/18/friday-photos-transforming-reed-street-yards/>



parks and trails have been added to the Valley since 1999,²⁰ and native plants have been re-introduced throughout Three Bridges Park and around many Valley businesses, totaling 45 acres to date.²¹

Finally, while it is beyond the scope of this report to analyze in depth the efforts that have been undertaken to restore the Menomonee River, those efforts have occurred alongside the Valley redevelopment effort. River restoration efforts have involved several public and nonprofit organizations, including the Milwaukee Metropolitan Sewerage District (MMSD), the Wisconsin Department of Natural Resources (DNR), Milwaukee Riverkeeper, and other environmental organizations. In addition to producing environmental and recreational benefits, those efforts have helped to make the Valley more attractive to businesses.

Community Integration and Engagement

Over the past 10 years, physical infrastructure improvements have led to increased connectivity between the Menomonee Valley and adjacent neighborhoods, including downtown Milwaukee and the south side neighborhoods of Silver City, Clarke Square, and Walker's Point. Since 2004, four new roads providing automobile access to the Valley floor have been created, including the reconstructed Sixth Street viaduct and improved Canal Street, which now extends from Sixth Street to Miller Parkway.²²

Several major bicycle and pedestrian amenities and a new bus route have been introduced recently as well, creating additional opportunities for residents to access the Valley for work and play. The Hank Aaron State Trail, which first opened in 2000, now traverses the entire Menomonee Valley and extends for a total of 12 miles out to Waukesha County. Two new bridges along a recent extension of the Hank Aaron State Trail provide new connections for Clarke Square and Silver City residents to access the Valley. Also, while previously the only way to access the Valley by public transit was via stairways from the 16th, 27th, and 35th Street viaducts, south side residents now can access the Valley floor by transit via Milwaukee County Transit System (MCTS) route 17, which travels along Canal Street.²³

With Interstate 94 to the north of the Valley, pedestrian and bicycle access remains a challenge from north side neighborhoods such as Avenues West (though one new connection at N. 32nd Street offers a point of connection from the Merrill Park neighborhood). Overall, however, the Valley's connectivity with surrounding neighborhoods has improved significantly.

The ongoing development of the Hank Aaron State Trail and the opening of the Menomonee Valley branch of the Urban Ecology Center in 2012 have infused the area with additional recreational activity.

²⁰ Menomonee Valley Partners, Inc. <http://www.renewthevalley.org/documents/4-welcome-to-the-menomonee-valley-partners>

²¹ Ibid.

²² Menomonee Valley Benchmarking Initiative. 2013.

²³ Milwaukee County Transit System: <http://www.ridemcts.com/routes-schedules/routes/17#Weekday>



Over 20,000 people participated in the Urban Ecology Center's programs in the Valley in its first year.²⁴ The Urban Ecology Center also conducts park use surveys to estimate how many people use Three Bridges Park and the Hank Aaron State Trail nearby. The organization estimates that during the 2012-2013 fiscal year, in addition to those who participated in Urban Ecology Center programming, 45,372 adults and 8,126 children used the parks and trail. The Friends of the Hank Aaron State Trail also hosts an annual 5k Run/Walk event on the trail that attracted 1,744 participants in 2013.²⁵

With regard to community engagement, it is clear that more people contribute to Valley improvements than ever before. Milwaukee area residents and employees of Valley businesses invest thousands of hours of their collective time each year into making the Valley a cleaner and more vibrant place. For example, MVP, Friends of the Hank Aaron State Trail, and the Urban Ecology Center – three organizations that were not present in the Valley 15 years ago – each attract hundreds of volunteers every year for environmental cleanup and restoration work.

The opening event for Three Bridges Park in 2013 illustrates the extensive change in perception that has taken place in the Menomonee Valley. After 777 name suggestions were submitted for the new park, more than 1,000 people showed up for the park opening.²⁶ The event drew a wide-ranging group of participants, including representatives from neighborhood groups, Valley and National Avenue businesses, community organizations, area schools, environmental organizations, the Milwaukee Police Department, bicycle clubs and organizations, and more.

A summary of performance metrics that speak to the success of Valley redevelopment efforts is shown in **Figure 5**.

²⁴ According to the Urban Ecology Center, their programs served 9,832 adults and 10,774 children during the 2012-2013 fiscal year, for a total of 20,606 individuals.

²⁵ Figure provided by Friends of the Hank Aaron State Trail.

²⁶ Menomonee Valley Partners, Inc.



Figure 5: Summary of recent Menomonee Valley redevelopment accomplishments²⁷

Economic Development	
Businesses moving to or expanding within Valley, 1999-2014	49 businesses
Net change in jobs located in the Valley, 2002-2011	+3,244 jobs
Job density in Menomonee Valley Industrial Center, 2014	26 jobs/acre (goal was 22)
Change in taxable property values in Valley BID, 2002-2012	+94.4%
Valley workers earning at least \$40,000 per year, 2011	47.7% (31.2% in 2002)
Visits to Valley entertainment venues, 2012 (estimated)	9,200,000 (2,800,000 in 1994)
Environmental Improvements	
Acres of brownfields remediated and redeveloped in Valley, 1999-2014	300 acres
Acres of brownfields that remain undeveloped in Valley (estimated)	75-100+ acres
Square footage of sustainably designed buildings constructed, 2004-2014	Over 1 million sq. ft.
Number of LEED-certified buildings constructed, 2004-2014	3 buildings
Acres of new parks and trails developed, 1999-2014	60 acres
Acres of native plants installed, 1999-2014	47 acres
Community Integration & Development	
New pedestrian/bicycle connections into Valley	4 new connections
New automobile connections into Valley	4 new connections
New sidewalks added to Valley	10.8 miles
Change in transit ridership on MCTS bus routes in Valley, 2001-2011	Up 30%
Traffic counts on Canal Street at 16 th St., 2001-2012 (Wisconsin DOT counts)	Up 39%
Parks and trails users (Urban Ecology Center estimate)	50,000+ per year
Participation in Urban Ecology Center programs	20,000+ in first year
Volunteers with MVP, Urban Ecology Center, Friends of the Hank Aaron State Trail	Over 1,000 per year
Volunteer hours: MVP, Urban Ecology Center, Friends of the Hank Aaron State Trail	Over 9,000 per year

²⁷ All figures not cited previously were taken from the Menomonee Valley Benchmarking Initiative's 2013 "State of the Valley" report.



Success Factors

Our analysis of the outcomes and accomplishments cited in the previous section yielded five major factors that we deem most crucial to the Menomonee Valley's redevelopment success:

- 1) Extensive *planning and visioning* that engaged the community and built consensus around key objectives.
- 2) Strong *leadership and collaboration* among organizations and individuals working to bring the vision for the area to life.
- 3) Access to and creative *utilization of available funding* in order to address key barriers to redevelopment.
- 4) Effective *project management* that capitalized on the Valley's existing strengths and on infrastructure-related opportunities.
- 5) A unique *location and good timing* that facilitated redevelopment and allowed the Valley's mix of businesses and natural amenities to come together and thrive.

In this section, we describe and analyze those factors and how they played a prominent role in the Valley's recent revival.



Planning and Visioning

Numerous individuals interviewed for this report noted the vital role of planning and community engagement in the Menomonee Valley's revival. A strong vision for the area with wide-ranging support from those affected was critical to fostering collaboration among the Valley's many stakeholders and to attracting financial support for Valley projects.

1998 Valley plan

While several key documents shaped the recent wave of redevelopment in the Menomonee Valley, the City of Milwaukee's 1998 *"Market Study, Engineering, and Land Use Plan for the Menomonee Valley"* was the foundational blueprint.²⁸ The plan – which was co-sponsored by MMSD and the Menomonee Valley Business Association – presented information about the existing conditions and future redevelopment potential of Valley land and recommended specific actions needed to promote redevelopment.

According to the City's former planning director, Peter Park, the 1998 Valley plan changed the City's approach to planning in two important ways. First, the City diligently followed the plan and used it to evaluate and implement actual redevelopment projects as they originated, which had not always been the case with previous plans. Second, a much greater emphasis was placed on stakeholder engagement activities than in previous planning efforts. Interviews, workshops, and surveys were conducted with area residents and Valley businesses, giving them numerous opportunities to participate in shaping the plan.

A key goal of the plan was to clarify the role of government in Menomonee Valley redevelopment efforts. City leaders described that role as creating the conditions needed to facilitate high-quality private sector investments by establishing and enforcing regulations, building and improving infrastructure, and supporting partnerships between public and private sector entities.

The notion of "partnership" was reflected by two of the plan's eight "action agenda" recommendations, the first of which called for creation of a nonprofit organization to implement the plan and lead Valley redevelopment activities alongside the City. City leaders embraced that notion, acknowledging that the challenges of redeveloping the area were beyond the capacity of city government and its resources alone. Soon after the plan's creation, Menomonee Valley Partners, Inc. (MVP) was formed as a 501(c)(3)

"In the Valley, a lot of time was spent on planning, because they wanted to 'get it right.' They created an ambitious vision for the Valley and built support for that vision with the community. That is the way to make change happen."

-Leo Ries, LISC Milwaukee

²⁸ City of Milwaukee. *Market Study, Engineering, and Land Use Plan for the Menomonee Valley*. October, 1998. <http://city.milwaukee.gov/ImageLibrary/Groups/cityDCD/planning/plans/valley/plan/MRVplan.pdf>



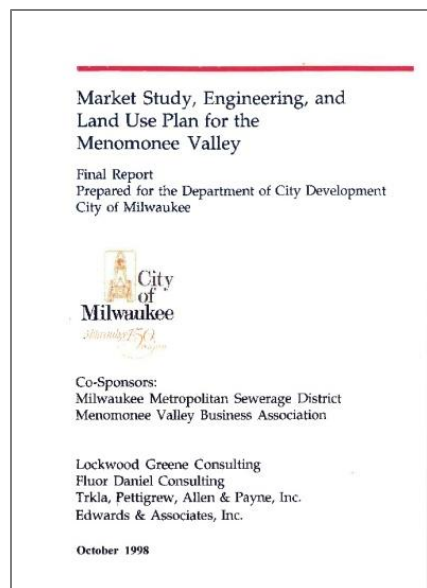
organization to fill that role, with early support provided in part by grant funds the City had received from the EPA.²⁹

Another important goal of the plan was to establish clarity about the nature of environmental contamination in the Valley. At the time, the common perception was that the entire Valley was heavily polluted due to decades of industrial use. The high cost associated with remediating contaminated parcels was identified as a significant barrier to redevelopment. Two plan recommendations called for extensive environmental testing to be undertaken on Valley parcels and for public funding to be made available to pay for environmental cleanup.

Following the plan's adoption, the City of Milwaukee aggressively pursued federal and state grants and established several tax increment financing (TIF) districts in the Valley to pay for environmental testing, cleanup, and other site improvements.³⁰ Two early grants from the EPA totaling \$350,000 allowed for environmental testing to be conducted in the area, including a study by the U.S. Geological Survey that showed that groundwater contamination was less of an issue than land contamination.³¹ Knowing that cross-contamination among properties via groundwater was not a significant risk boosted confidence among stakeholders in the Valley's redevelopment potential, as environmental issues could be addressed on a parcel-by-parcel basis.

Two other plan recommendations proposed land use and zoning modifications to promote more environmentally sustainable and visually appealing land uses. Much of the Valley was covered by a single zoning code (A-125 Industrial District) at the time, which allowed for heavy manufacturing and other land uses that produced air, groundwater, and noise pollution. The City followed up on the plan's recommendations by establishing more restrictive zoning regulations for many Valley parcels.

Other recommendations addressed the established need to develop new infrastructure, green space, and other amenities to improve vehicular and pedestrian access to and through the Valley and to improve the area's physical appearance. At the time, access to the Valley was extremely limited. Canal Street, for example, only extended west as far as 25th Street. Bicycle and pedestrian access was equally inadequate. The City and State were considering proposals to extend Canal Street west to Miller Park and to reconstruct the Sixth Street viaduct such that it would be lowered to connect with Canal Street. The plan supported both of those proposals and made the case that improved connections were



²⁹ De Sousa, Christopher. 2012.

³⁰ A description of tax increment financing is provided on page 31 of this report.

³¹ U.S. Geological Survey. "Simulation of Ground-Water Flow, Surface-Water Flow, and a Deep Sewer Tunnel System in the Menomonee Valley, Milwaukee, Wisconsin." 2004.

http://pubs.usgs.gov/sir/2004/5031/pdf/2004-5031_Menomonee.pdf

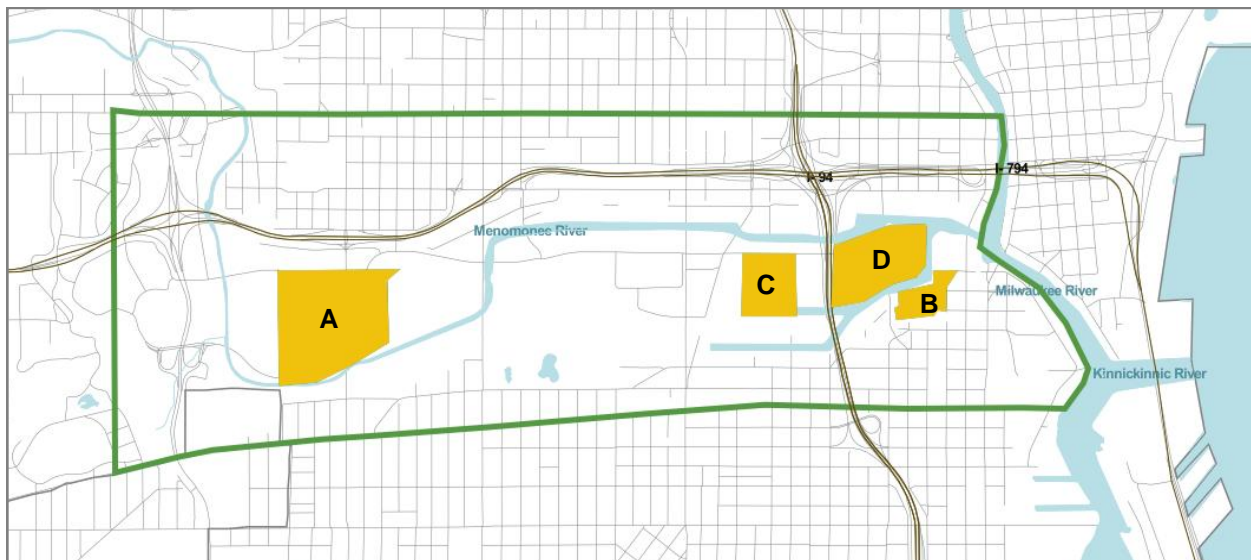


essential to making the redevelopment of the area viable. The City followed up on that recommendation as well by paying for a large share of the cost of resurfacing and extending Canal Street and by developing and improving internal streets in order to make available parcels accessible.

In addition to the recommendations included in the “action agenda,” the plan supported the continued presence and expansion of manufacturing in the Valley, which provided clarity to businesses with regard to the City’s intentions for the area. The market study included in the plan identified manufacturing as the highest and best use for the Valley, demonstrating the existing strength of manufacturing in the area and the continued importance of manufacturing in the Milwaukee region. Stakeholder feedback confirmed that the public and businesses already located in the Valley preferred that the area maintain its focus on manufacturing.³² The plan also noted that the export-oriented nature of manufacturing would provide the greatest economic benefit to the City among potential land uses.

The City’s plan identified four “priority redevelopment areas,” which are displayed in **Figure 6**. Priority areas were selected based on their potential to catalyze redevelopment throughout the Valley. As described below, those areas currently are at various stages of redevelopment. The development that has occurred in the priority areas demonstrates the progress that has been made in the Valley since the plan was completed. Still, it is important to note that two of the four areas continue to have large vacancies, and that a second set of priority areas is emerging through the City’s current effort to update the Valley plan.³³

Figure 6: Priority development areas identified in the City’s 1998 plan for the Menomonee Valley



³² De Sousa, Christopher. 2012.

³³ Information about “Menomonee Valley 2.0,” the City of Milwaukee’s current project that will update the land use and marketing plan for the Menomonee Valley, can be found at <http://www.planthevalley.org/>.

- A) The largest of the plan's four priority areas was the 140-acre site of the **former railroad shops of the Milwaukee Road** on the Valley's west end. That site was an early priority because it was the largest and most visible brownfield in the area and because the abandoned buildings on the site had raised significant health and safety concerns for many years. Previously owned by CMC Heartland Partners – the company that was created to own certain assets of the Milwaukee Road after it filed for bankruptcy – the site was condemned and acquired by the Redevelopment Authority of the City of Milwaukee (RACM) in 2003. RACM and MVP then led efforts to redevelop the site into the Menomonee Valley Industrial Center and Stormwater Park, which is nearly complete. The process of redeveloping this site is described in detail in the "Project Management" section of this report.
- B) The priority area where the least progress has been made to date is **Reed Street Yards**, a privately owned, 17-acre site east of Sixth Street in the southeastern corner of the Menomonee Valley. With the recent development of the Global Water Center in an adjacent building, and new infrastructure currently being constructed by the City, momentum is building to redevelop Reed Street Yards into a business park with a water technology focus. In fact, General Capital Management Group is planning to begin construction on the first new building in Reed Street Yards in fall 2014.³⁴
- C) A portion of the **properties along Canal Street just east of Emmer Lane**, known as the former Milwaukee Stockyards, was purchased by MVP and redeveloped for commercial and light industrial use. The complex redevelopment of that site, which now is known as the Canal Street Commerce Center, also is highlighted as a case study in the "Project Management" section of this report. Cargill – the former owner of the Milwaukee Stockyards – continues to own a small parcel of land along Emmer Lane.
- D) The **properties near Sixth and Canal Streets** – another highly visible location – also have been partially redeveloped, highlighted by the Harley Davidson Museum. The City had previously owned much of the site where the museum now stands, and Morton Salt also had an operation there. MVP purchased Morton Salt's parcel with the support of a state grant, which paved the way for the redevelopment of the entire parcel. Lakefront Brewery recently considered the possibility of developing a second brewery on a nine-acre parcel also located in this area, but cost estimates to build and equip the brewery and to finance the proposal were higher than expected and those plans were dropped.³⁵ Significant environmental and geotechnical issues stand in the way of redeveloping the remaining vacant land in this area. The geotechnical issues result from the fact that the Valley was originally a marsh and contains soft soils that are not

³⁴ Daykin, Tom. "Water business park expects first building in 2014." *Milwaukee Journal Sentinel*. February 6, 2014. <http://www.jsonline.com/blogs/business/243750561.html>

³⁵ Daykin, Tom. "Lakefront drops plan for Menomonee Valley brewery." August 7, 2014. *Milwaukee Journal Sentinel*. <http://www.jsonline.com/blogs/business/270222991.html>



stable enough for development. Due to the challenges of redeveloping these properties and their significance as a gateway to the Valley, this area remains a priority.

Prior to the 1998 plan, the City had created several plans for the Menomonee Valley that had never been put into action. In contrast, each of the 1998 plan's eight major "action agenda" recommendations have been addressed by the City and its partners in a significant way since the plan was adopted, and major progress has been made toward redeveloping each of the four priority areas identified in the plan. In fact, the current effort to update the Menomonee Valley plan was precipitated by the perception that much of what was envisioned in the 1998 plan now has been realized.

Additional planning efforts

While the 1998 plan proposed solutions to significant redevelopment barriers and identified priority areas within the Valley, it provided relatively little detail regarding what a revitalized Valley could look like. Several community leaders felt that additional vision and energy was needed to fill in those details and move the effort forward. With the 1998 plan as a foundation, community organizations stepped in to facilitate additional activities and studies that further developed and enhanced the collective vision for the area.

One of the earliest of those efforts was a report produced for the newly formed Menomonee Valley Partners by the Center on Wisconsin Strategy (COWS). The 2000 report, entitled "*At the Center of it All*," reinforced the City's proposal that the former Milwaukee Road site on the Valley's west end should be redeveloped into an eco-industrial park and suggested that efforts be made to attract businesses in industries that were economic drivers for the region.³⁶ It also specified that the new business park should provide family-supporting wages to workers and emphasized the potential for the site to provide much-needed jobs to residents of adjacent neighborhoods.

A driving force behind the Menomonee Valley visioning process following the 1998 plan was the Sixteenth Street Community Health Center, a nonprofit health care and social service provider on Milwaukee's south side. Between 1999 and 2003, Sixteenth Street played a lead role in coordinating a sustainable development design charrette and a national design competition that many describe as hugely influential in shaping the Menomonee Valley Industrial Center and other parts of the Valley.³⁷ Sixteenth Street collaborated with MVP and the City on these projects, which one key stakeholder described as helpful in creating buy-in from civic leaders and public officials.

In 1999, Sixteenth Street received a \$200,000 Sustainable Development Challenge Grant from the EPA to conduct a design charrette aimed at generating ideas for the Valley's future.³⁸ The event brought

³⁶ Center on Wisconsin Strategy. *At the Center of it all: The High-Road Strategy for Milwaukee's Menomonee Valley*. June 2000. http://www.cows.org/_data/documents/966.pdf

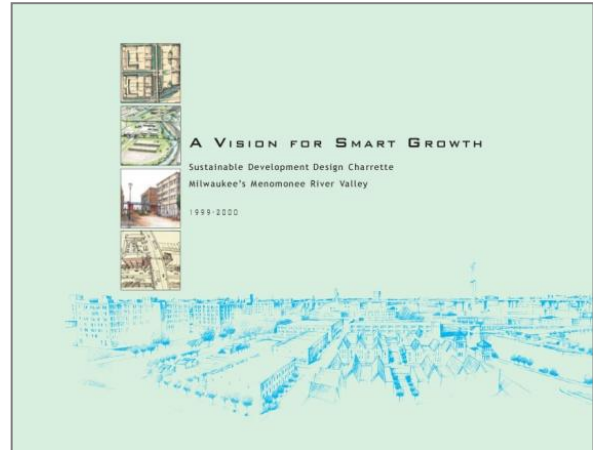
³⁷ A design charrette brings together multiple designers to draft a solution to a design problem.

³⁸ MVP funding database.



together over 140 leading design professionals from the Milwaukee area and a wide variety of other experts and stakeholders to discuss and design a sustainable future for the Valley.³⁹ Their work provided visual ideas of how individual parcels could be transformed and generated energy around the prospect of revitalizing the area as a whole.

The 2000 report that resulted from the event – “*A Vision for Smart Growth*” – added support to previous recommendations that the former Milwaukee Road site become an eco-industrial park featuring high-quality manufacturing jobs that would be accessible to area residents. The report also set a much stronger vision for environmental improvement and green building than previously had been established. An emphasis on sustainable development that balances the needs of the economy, the environment, and the community – which became a central theme of the Valley’s redevelopment efforts – was fortified through the design charrette.



Sixteenth Street also coordinated the process of developing a detailed plan for the site of the former Milwaukee Road shops and Airline Yard sites on the Valley’s west end, which further strengthened the vision for that area and its emphasis on sustainability. In 2002, Sixteenth Street worked with the City of Milwaukee, MVP, and other organizations to coordinate a national design competition for that site. The competition was facilitated by Larry Witzling, a professor in UW-Milwaukee’s School of Architecture and Urban Planning, who had a great deal of credibility in the region and experience leading national design competitions. It was supported by a \$50,000 grant from the National Endowment for the Arts (NEA) and by contributions from the City, the Wisconsin DNR, and many private sector contributors.⁴⁰ An expert jury with members selected by the NEA judged the proposed designs.

The design competition brought national talent in landscape architecture to the table to design the new Menomonee Valley Industrial Center and Stormwater Park. From 24 initial proposals, the jury



³⁹ Sixteenth Street Community Health Center and PDI, Inc. *A Vision for Smart Growth*. 2000. http://renewthevalley.org/media/mediafile_attachments/05/135-charettebook.pdf

⁴⁰ Gould, Whitney. “Plans for Menomonee Valley are Far and Wide.” *Milwaukee Journal Sentinel*. 3/24/02 http://articles.chicagotribune.com/2002-03-24/business/0203240327_1_wisconsin-department-landscape-coalition



chose four finalists whose detailed designs for the area were presented in the 2003 report, *“Menomonee River Valley National Design Competition: Natural Landscapes for Living Communities.”*⁴¹ The winning design from Denver-based Wenk Associates envisioned an industrial park interlaced with green spaces. Wenk’s designs also included plans for what would become Stormwater Park and Three Bridges Park.

The Wenk design was realized almost exactly as proposed. An important feature of the national design competition was that it offered the winning design team the right to negotiate a contract with the City of Milwaukee to build their design, and Wenk Associates was given that opportunity. In 2003, the Milwaukee Common Council approved a proposal to have Wenk create a detailed design and engineering plan for the Valley’s west end based on their proposal. The detailed design they created ultimately was implemented.

Development guidelines

Another important component of Valley planning was the creation of development guidelines and objectives, which established standards for development in the Valley with regard to job density, wages, and site and building design. At the time, there was tension over the wisdom and practicality of establishing such standards in an area that was having trouble attracting businesses, but they appear to have been effective in encouraging high-quality, sustainable development.

In 2004, the City, Sixteenth Street, and MVP worked together to create *“Sustainable Development Guidelines for the Menomonee River Valley,”* with technical support provided by a broad group of local architecture and engineering firms, developers, and nonprofit organizations, and funding support from several public and private sector sources.⁴² The guidelines were developed based on national standards, which were modified to create realistic and achievable criteria for the Valley. The goal was for businesses to be able to pay back incremental costs associated with their buildings’ sustainability features relatively quickly.

The sustainable development standards included in the guidelines related to site design; building design and energy use; materials and resources; construction and demolition; indoor environmental quality; and operations and maintenance. The guidelines modified underlying zoning by specifically prohibiting land uses that negatively affect the environment. In this way, the City followed up on a major recommendation of the 1998 plan.

⁴¹ Sixteenth Street Community Health Center. *Menomonee River Valley National Design Competition: Natural Landscapes for Living Communities*. 2003. http://renewthevalley.org/media/mediafile_attachments/02/142-nationaldesigncompetition.pdf

⁴² City of Milwaukee, Department of City Development: <http://city.milwaukee.gov/ImageLibrary/Groups/cityDCD/planning/plans/valley/pdfs/MenomoneeValleySustainableGuid.pdf>



The sustainable development guidelines originally were adopted by the City for the Menomonee Valley Industrial Center site on the Valley's west end, but since have become standard for much of the Valley's redevelopment.⁴³ They were utilized by MVP, for example, for two properties it acquired at different periods of time – the sites where the Harley Davidson Museum and Canal Street Commerce Center now stand. Later, the City also applied the guidelines to the east end of the Valley as part of a Development Incentive Zone (DIZ).⁴⁴ Thus, the standards have been applied to much of the land in the four priority areas identified in the 1998 plan.

According to MVP leaders, it was difficult to convince some of the first businesses that moved to the Valley to follow the sustainable design guidelines. Once they did so successfully, however, business-to-business connections helped encourage other businesses to incorporate sustainability features. The Valley also started to attract businesses for which sustainability was a core principle; compliance with the standards was a non-issue for those businesses.

The City and MVP did not offer subsidies to businesses that followed the sustainable design standards, though incentives available through Wisconsin's Focus on Energy program were helpful in encouraging companies to implement features that would improve energy efficiency. We Energies worked with prospective businesses to connect them with those opportunities. In addition, construction companies became familiar with the guidelines over time, which made meeting the guidelines easier to accomplish for later projects.

Also in 2004, MVP led an effort to create "*Development Objectives for the Menomonee Valley Stockyards' Redevelopment*," which included job density and wage guidelines for that property.⁴⁵ According to key stakeholders, while the *sustainable design guidelines* had been created to promote environmental sustainability, the *development objectives* were meant to address all three elements of sustainable development simultaneously by fostering compact, job-intensive development that provided living wages for Valley workers.

The development objectives called for a job density standard of 1.5 jobs per 1,000 square feet of buildable land for the former Milwaukee Stockyards site, which had been acquired by MVP. The standard was based on "the average job density of Northwest Land Bank sales to manufacturers as reported by the City of Milwaukee Department of City Development in 2000."⁴⁶ Based on the amount of buildable land available on the site, the standard added up to 16.4 jobs per acre for the project. The

⁴³ Redevelopment Authority of the City of Milwaukee (RACM). March 2006.

<http://city.milwaukee.gov/ImageLibrary/Groups/cityDCD/planning/plans/valley/pdfs/MVDevelopmentGuidelines.pdf>

⁴⁴ A DIZ is a development tool used by cities to encourage high quality developments by modifying zoning, lot, and density requirements for a designated zone. Developments that meet the DIZ standards are able to receive expedited permits for their projects.

<http://city.milwaukee.gov/ImageLibrary/Groups/cityDCD/build/pdfs/devincen.pdf>

⁴⁵ Menomonee Valley Partners, Inc. 2004.

⁴⁶ Ibid.



objectives also established an average wage target of \$11.83 per hour for the site based on research demonstrating that it was the minimum wage needed to support an average Milwaukee household. It was recommended that prospective employers who failed to meet those standards be required to have a plan in place to meet them in the near future.

As with the sustainable design guidelines, the development objectives have been used extensively in the Valley since their creation. Originally created for the former Stockyards site, the objectives later were applied to RACM-owned properties in the Menomonee Valley Industrial Center as a requirement of land sales and have been used for many other Valley redevelopment projects.

Summary

Key stakeholders point to the importance of planning and consensus building to the Menomonee Valley's transformation. Beginning with the 1998 plan, significant time and resources were committed to planning-related activities in the Valley, which produced several important documents and designs that have guided Valley redevelopment over the past 15 years. Those guiding documents pointed the way to overcoming major barriers to redevelopment, including access, environmental, and geotechnical challenges. They also established strong sustainable development standards for Valley projects.

Throughout the process of developing a vision for Valley renewal, government agencies, businesses, design professionals, community organizations, and citizens were brought together to establish a common vision and set of objectives for the area, a course of action many describe as critical to creating the community buy-in and financial support needed to drive change. The fact that the plans and guidelines produced for the Menomonee Valley have been largely applied and implemented speaks both to the strong content of the plans and to the success of the community engagement process that contributed to their development.

Leadership and Collaboration

Another theme raised consistently in key stakeholder interviews was the value of effective leadership and collaboration in implementing the vision that had been created for the Valley. It was essential to have the right individuals in leadership roles and the right mix of organizations engaged as partners to make projects work and keep the overall effort moving forward. It was also important to manage conflicting interests and avoid the kind of turf battles that have dragged down large-scale redevelopment projects elsewhere. Though not a painless process, those objectives were largely met in

"The quality of people involved in the Menomonee Valley redevelopment — from the city, the state, and the private sector — has been outstanding. Really, off the charts. Without those individuals and their ability to work together, the Valley wouldn't be what it is today."

— Jim Van der Kloot, U.S. EPA



the Valley.

Particularly striking was the fact that several distinct organizations played leadership roles in different capacities and at different points in time. As demonstrated in the previous section of this report, for example, several entities took the lead throughout the planning process in the late 1990s and early 2000s. The City of Milwaukee, Sixteenth Street, and MVP each facilitated efforts that built on one another's work and combined to produce a detailed vision for the area.

Redevelopment projects in the Valley have involved numerous organizations representing all levels of government, the Forest County Potawatomi, area businesses, and community organizations.⁴⁷ While it is beyond the scope of this report to identify each of those organizations and their roles, we describe here the respective roles of a few of the major players. Later in this report, we highlight several Valley projects as case studies that show how these partners and many others contributed to the area's revival.

Sixteenth Street Community Health Center

Many key stakeholders recognized Sixteenth Street as a vital leader who focused community attention on the Valley and infused the redevelopment effort with an emphasis on sustainability and quality of life issues. Rather than seeking redevelopment in any way possible, Sixteenth Street leaders promoted sustainable development that took into account the varied needs of the surrounding community. Those leaders emphasized the need to attract businesses that would provide jobs that were accessible to central city residents, to make infrastructure improvements that could stitch the Valley together with its adjacent neighborhoods, and to restore and protect the natural environment for the long-term health of the community.

Through the sustainable development design charrette and the national design competition, Sixteenth Street brought energy to the Valley redevelopment effort and helped to develop community buy-in. At the time, MVP was just becoming established and Sixteenth Street already was a well-known and respected community organization with experience in brownfields redevelopment projects on Milwaukee's south side.

Sixteenth Street played a leadership role in the Valley in other important ways as well. For example, the organization's former director of environmental health, Peter McAvoy, served as the vice president of MVP's board of directors for several years and worked closely with the City to implement the Valley plan. Sixteenth Street also has been actively involved in the Menomonee Valley Benchmarking Initiative, an effort to track metrics related to the economic, environmental, and social health of the Valley, which began in 2003 and continues today.⁴⁸

⁴⁷ The Forest County Potawatomi operate the Potawatomi Hotel and Casino in the Menomonee Valley.

⁴⁸ Menomonee Valley Benchmarking Initiative. <http://epic.cuir.uwm.edu/mvbi/>



City of Milwaukee

The City's early and ongoing leadership in the Valley is viewed by many as fundamental to the area's revival. City leaders are credited for their diligence in implementing the 1998 Valley plan by following up on each of the plan's major recommendations and by leading efforts to address key barriers to redevelopment, including access challenges, unstable soil conditions, frequent flooding, and environmental contamination. Indeed, without the City's investments in infrastructure, environmental cleanup, and site preparation, it is unlikely that much redevelopment would have occurred.

The City has dedicated significant staffing resources to Valley planning and pre-development work. After work on the 1998 plan was completed, for example, DCD hired a staff person, Brian Reilly, whose work was focused exclusively on the Valley for seven years. At the same time, RACM – and its Assistant Executive Director, Dave Misky – was intensively involved in environmental assessment and cleanup work in the area, and the City's Department of Public Works (DPW) managed several infrastructure projects, including the extension of Canal Street, a project that was largely financed by the City.

As previously mentioned, RACM also took ownership of several key properties, including the largest brownfield in the area – the Milwaukee Road site – and made the improvements needed to prepare those sites for private sector redevelopment. In that regard, the City played the role of the “developer of last resort” in many parts of the Valley, as characterized by Brian Reilly.

The City also is credited with ensuring that the former Milwaukee Road site maintained a focus on manufacturing, as opposed to retail or other lower-wage land uses. In 2001, for example, DCD commissioner Julie Penman objected to a proposal before the City's Board of Zoning Appeals to allow the owner of the former Milwaukee Road site to develop an indoor go-kart facility on the site.⁴⁹ The commissioner's opposition was based on the proposal's incongruity with the 1998 Valley plan, and she argued the importance of preserving the limited industrial land located within the city that was suitable for manufacturing. Most of the land that has been redeveloped on that site is being used for manufacturing today.⁵⁰

The City also has been praised for promoting a collaborative approach to Valley redevelopment that is believed to have facilitated successful outcomes. In addition to its support of MVP and its ongoing

Menomonee Valley Partners, Inc. <http://www.renewthevalley.org/documents/157-menomonee-valley-benchmarking-initiative-report>

⁴⁹ Memo to the City of Milwaukee's Board of Zoning Appeals. February 8, 2001.

⁵⁰ While the City rejected several proposals for non-manufacturing uses in the Valley, one prominent exception was a proposed development by BuySeasons Inc., a costume distribution company. The project had the support of Mayor Tom Barrett and Commissioner of City Development Rocky Marcoux, but faced vocal opposition from other elected officials because the company was a distributor rather than a manufacturer. BuySeasons ultimately decided to develop its distribution center in New Berlin rather than in the Menomonee Valley. Source: Romell, Rick. “Milwaukee's industrial legacy played against BuySeasons' move.” *Milwaukee Journal Sentinel*. April 20, 2013. <http://www.jsonline.com/business/a-time-to-build-milwaukees-industrial-legacy-played-against-buyseasons-move-203926461.html>



involvement in the partnership, the City promoted collaboration by bringing state and federal agencies to the table early on in the redevelopment effort. In 1999, the City and the EPA organized a daylong roundtable event that brought representatives of numerous state and federal agencies to Milwaukee to discuss the Valley plan and to explore opportunities to tap into available funding for Valley projects. Several key stakeholders identified that event as one of the most important activities in the Valley's revival story, because it engaged state and federal agencies from the beginning as important partners.

Key stakeholders described DCD and RACM leaders who have played active roles in the Menomonee Valley as hands-on, creative, and tenacious in their efforts to turn the area around. According to a representative of the EPA, for example, the City of Milwaukee's staff stands out nationally in its level of engagement in brownfields redevelopment work. Recognition was given both to City staff who brought energy and creativity to the planning process and to those who have worked more recently on Valley redevelopment projects.

City staff continue to be active in the Valley, but with the rise of MVP and with other priorities stretching the City's resources, staffing has spread out to focus on other geographic areas.

Menomonee Valley Partners

While the City of Milwaukee and Sixteenth Street played lead roles in setting the stage for redevelopment in the Valley, the

Menomonee Valley Partners, Inc. organizational overview

MVP was established in 1999 with the mission of "revitalizing the Menomonee Valley for the benefit of the entire Milwaukee community." In the beginning, the organization was primarily volunteer-led, but over time, it has grown to have a staff of five and an annual budget of over \$750,000. MVP is overseen by a 21-member board of directors that includes representatives of businesses, government agencies, and community organizations.

MVP is led by its executive director, Laura Bray, who has been with the organization for 10 years and associate director, Corey Zetts, who has been on staff for nine years. Additional staff positions include a business resources manager, a fund development manager, and a communications coordinator.

The organization's active committees include a management committee, finance committee, nominating and governance committee, and strategic planning committee. MVP also has recently reestablished a committee that is focused on the organization's pre-development efforts. Other committees exist on an ad hoc basis, but are not currently active.

In the early years, annual contributions from four organizations were the primary source of financial support for MVP's operations. Those organizations are the Helen Bader Foundation, Forest County Potawatomi Foundation, the Menomonee Valley BID, and We Energies. Since that time, MVP has diversified its revenue sources and today is supported by 20-30 local foundations and corporations annually. The Menomonee Valley BID continues to represent a significant source of support; in fact, a majority of the funding that the Menomonee Valley BID levies from its member businesses supports MVP operations. In return, MVP provides staffing for the BID.

Source: Menomonee Valley Partners:
<http://www.renewthevalley.org/about>



leadership of Menomonee Valley Partners, Inc. (MVP) was identified by many key stakeholders as one of the essential factors contributing to the success of the redevelopment process itself.⁵¹ They credit the public-private partnership structure of MVP and the organization's continuity and persistence as crucial to keeping the Valley's many stakeholders coordinated and working together toward achieving common goals. As former city planning director Peter Park put it, *"We can make plans all day long, but ultimately there needs to be an entity outside of city government that persists – that advocates for the plan and focuses on implementation."*

MVP provides a range of services for prospective and existing Valley businesses. For example, the organization takes a leadership role in recruiting businesses to the Valley, often serving as the first point of contact for developers and businesses interested in the area. In fact, rather than working with an individual broker to market the Menomonee Valley Industrial Center site, the City contracted with MVP, which worked with many brokers to promote redevelopment. MVP also assists prospective new businesses or those looking to expand within the Valley to work through development challenges and access available grants and tax credits. The organization links businesses with one another to foster partnerships through its Business to Business Connector program, and works with existing Valley businesses on district improvement projects through its work in staffing the Menomonee Valley BID.⁵² MVP also assists Valley businesses with their workforce development needs, though some key stakeholders noted that the organization could consider expanding its role in that regard.

Perhaps the most important role MVP plays in the Valley is that of convener and independent intermediary between public and private sector entities. MVP facilitates communication and collaboration among Valley stakeholders and builds consensus around Valley goals. As a nonpartisan organization, MVP has been able to avoid political obstacles and "work both sides of the aisle," according to key stakeholders. Business leaders interviewed for this report also noted that having an intermediary like MVP has been attractive for businesses considering the area, as the organization is perceived by many as not benefitting directly from development that occurs.

In addition to its business recruitment and consensus-building activities, MVP has stepped in to take a leadership role in other ways. Like the City, for example, MVP has been an occasional Valley landowner, purchasing properties that were difficult to redevelop or potentially subject to an undesirable use, performing pre-development work, and selling them to businesses whose development projects met established design, job density, and wage standards.

A unique characteristic of public-private partnerships like MVP is that they have greater ability than local governments to solicit philanthropic donations for use on specific projects. When it was unclear who

⁵¹ On September 17, 2014, MVP Executive Director Laura Bray was named the incoming CEO of BIOforward, Inc., a biotech trade association working to advance Wisconsin's position as a leading life science community. On the same day, Corey Zetts was named MVP's Acting Executive Director by its Board of Directors.

⁵² Menomonee Valley Partners, Inc. http://www.renewthevalley.org/media/mediafile_attachments/03/123-ourprograms.pdf



would pay for the development and maintenance of Three Bridges Park, for example, MVP took a leadership role in fundraising alongside the Urban Ecology Center. Together, the two entities have raised more than \$23 million for the development of Three Bridges Park and for a new Urban Ecology Center facility in the Valley, which is described in detail later in this report.

Key stakeholders cite the credibility of the individuals who have served on MVP's board of directors as contributing significantly to the organization's effectiveness. For example, Don Schuenke, a former CEO of Northwestern Mutual Life Insurance Company, was the first president of MVP's board of directors, and his early leadership was frequently cited as crucial to MVP's early development. Having a well-known and respected board president with strong connections to business and civic leaders gave MVP legitimacy from the beginning. In addition, the organization's board always has included partners of the law firm of Foley and Lardner LLP, including Mick Hatch and Bruce Keyes, who have brought real estate expertise to the table. Several key stakeholders pointed to their involvement as extremely valuable to making development deals work.

Indeed, ensuring that its board includes members with diverse and specific skill sets has been a priority for MVP. In 2004, MVP formalized guidelines to ensure that the board included a mix of Valley stakeholders with broad skills, temperaments, and connections. Currently, MVP's policy is to have between six and eight board members who are representatives of Valley businesses, five members who are representatives of community organizations, four representatives of city, state, and county governments, and between three and five "at large" members.⁵³ The organization's policy also calls for board members to bring desired skills to the table, specifying that they must have expertise in economic development and finance; business recruitment; transportation; entrepreneurship; workforce development; and/or fundraising.

The effectiveness and stability of MVP's current and former staff members also is widely viewed as important to the Valley's recent success. Many key stakeholders credited the organization with hiring staff members who not only have the skills and backgrounds needed to be effective, but who also are enthusiastic about their work. MVP's lead staff was characterized as persistent yet patient and realistic – qualities many viewed as essential to leaders of public-private intermediaries.

State of Wisconsin

Several state agencies have played major roles in Valley projects over the past 15 years, both as funders and as project partners. The Wisconsin DNR, for example, has provided oversight and approval for all brownfields cleanup projects and led the ongoing development and maintenance of the Hank Aaron State Trail. The Wisconsin DOT collaborated with the City in the Canal Street extension project and worked with several partners to develop Three Bridges Park. Those departments – as well as the Department of Commerce, Wisconsin Housing and Economic Development Authority (WHEDA), and Wisconsin Economic Development Corporation (WEDC)—also provided funding for Valley projects.

⁵³ Menomonee Valley Partners, Inc. "Guide to Board Structure and Composition." July 11, 2006.



Many key stakeholders described DNR and DOT staff members involved in the Valley as important partners who were helpful in moving projects forward. As with MVP, the continuity of many of those lead staff members also is viewed as vital to the success of many Valley projects, as they understood the overarching vision for the Valley and became increasingly knowledgeable about the area over time, which facilitated project development efforts.

DNR staff members, for example, are viewed as having helped to move Valley projects through necessary brownfields cleanup approval processes in a collaborative and timely fashion. The positive impact of the DNR's increased "flexibility, cooperation, and willingness to negotiate" in recent years in working through brownfields cleanup approval processes also was a key finding of national research on Wisconsin's brownfields redevelopment efforts.⁵⁴

Valley Businesses

Businesses in the Valley also have been important partners in the area's revival. According to City leaders, Valley businesses have relatively strong connections with one another and many have been willing to become actively involved and contribute to the area's improvement.

The Menomonee Valley Business Association (MVBA) has existed for many years, providing business-to-business networking opportunities. Valley business leaders interviewed for this report noted how much they value the MVBA as an entity that offers opportunities for participating businesses to share ideas and resources and to know what is happening in the area. The MVBA was a co-sponsor of the 1998 Valley plan, which reflected their support for creating a consensus plan for the Valley's future.

In 1999, Valley businesses formed a business improvement district (BID), which levies an additional property assessment on commercial and industrial properties located within the district boundaries, based on assessed property values, and invests those funds in Valley improvement projects. Several key stakeholders cited the leadership of one small business owner in the Valley as essential to building support for the BID among Valley businesses, many of whom were opposed to the idea initially. A majority of the BID's revenues are used to support MVP's operations, as MVP manages most of the BID's projects. In 2010, the BID adopted the MVBA as one of its committees, and it continues to operate networking events for area businesses today.

Individual Valley businesses have taken leadership roles in Valley redevelopment efforts and/or contributed to specific community improvement projects. For example, the company with the longest history in the Valley, Falk/Rexnord, gifted a piece of its property to the City to allow for the installation of one of the bridges in Three Bridges Park. Several business leaders serve on the MVP board and its committees, and many businesses have worked with MVP to form stewardship groups ("Stew Crews"), which do volunteer cleanup, restoration, and beautification work in the Valley.

⁵⁴ Resources for the Future. "Brownfields Redevelopment in Wisconsin: A Survey of the Field." December 2003. <http://www.cpeo.org/pubs/RFF-DP-03-54.pdf>



Summary

One of the factors most frequently cited by key stakeholders as essential to the Menomonee Valley's turnaround was strong leadership and collaboration among numerous public and private sector organizations. Success in the Valley started with a few passionate leaders at Sixteenth Street Community Health Center and the City of Milwaukee, who used planning and community engagement efforts to build excitement for a new vision that emphasized sustainable development. From there, MVP stepped into a leadership role alongside the City, helping to foster collaboration among Valley stakeholders and partners, which many see as instrumental to the Valley's turnaround.

The City is credited with establishing a strong foundation for Valley redevelopment. After developing the 1998 Valley plan, the City led efforts to address key barriers to Valley redevelopment by using eminent domain to acquire the largest brownfield site in the area, investing in infrastructure and pre-development work, and engaging state and federal funding agencies as project partners. The City also showed commitment to its plan by "holding the line" to maintain the Valley's emphasis on manufacturing.

Alongside the City, MVP's leadership in filling the Valley with job-intensive businesses in economic driver industries – and with new recreational amenities – exemplifies the role a public-private partnership can play in development work. While governments have competing priorities throughout a city, and city administrations come and go, an intermediary like MVP can provide unique focus and dedication to a specific geographic area. As nonpartisan, neutral brokers, such intermediaries also have the potential to manage complex political dynamics. The Valley case study illustrates that with the involvement of individuals and organizations with the right mix of skills and connections, public-private partnerships are capable of fostering significant improvements.

Overall, the push to revitalize the Menomonee Valley as a sustainable urban business district exemplifies the importance of having committed leaders from all levels of government and the private sector in lead roles. It also demonstrates the importance of strong partnerships among numerous government agencies, businesses, and community organizations in initiating and completing major development projects, which is further illustrated in the "Project Management" section of this report.

Utilization of Funding

Progress in the Menomonee Valley obviously has depended upon the availability and acquisition of a great deal of funding from both public and private sources. In addition to the infrastructure investments that were needed, most Valley parcels had significant environmental and geotechnical challenges that were costly to address. Those added costs often created financial "gaps" that had to be filled in order to make land attractive to developers. For example, it is very expensive to remove contaminated soil and



backfill sites with clean soil. Likewise, it is costly to drive deep piles in places where they are required in order to create stable conditions for development.

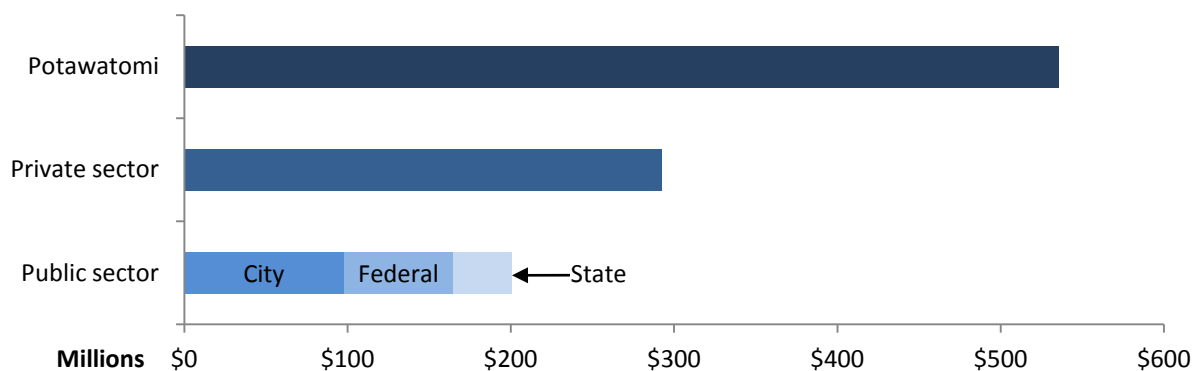
The City of Milwaukee, State of Wisconsin, MVP, and other partners have contributed in various ways to secure funding from multiple sources to move projects forward. As previously mentioned, several key stakeholders described a funding roundtable event organized by the City and the EPA in 1999 as critical to engaging state and federal agencies early on in the Valley redevelopment effort. According to Julie Penman, the City’s commissioner of development at the time, the City presented its Valley plan in the morning, which created excitement around the vision for turning the area around. In the afternoon, City staff met with the participating agencies to discuss their grant programs, which helped the City to understand available opportunities and move forward to pursue funding. Examples of how those partners contributed to specific Valley projects are included in the next section of this report.

“The potential for a revitalized Menomonee Valley to produce multiple significant benefits for the community was huge, which made it an ideal project to support for many funders.”

–Ruben Anthony, Jr., Wisconsin Department of Transportation (former)

The City and other lead organizations have been able to attract a substantial amount of public funding from numerous sources for Valley projects. Those investments have been followed by much greater investments made by private sector organizations and the Forest County Potawatomi. In fact, as shown in **Figure 7**, public sector entities have contributed at least \$200 million in funding for Valley projects since 1998, which has facilitated at least \$828 million of investments by private sector organizations and the Forest County Potawatomi, for an overall investment of more than \$1 billion.

Figure 7: Total investments in Menomonee Valley projects, 1998-present ⁵⁵



⁵⁵ Menomonee Valley Partners, Inc. MVP’s internal funding database is a comprehensive list of investments made in the Valley since 1998. Additional data included for City of Milwaukee TIF districts and for the UEC/MVP’s From the Ground Up campaign.



The influence of the Forest County Potawatomi on these figures cannot be overstated, as roughly \$536 million of the total investments have been made by that one entity (52%).⁵⁶ Thus, the Forest County Potawatomi have invested more in the Menomonee Valley than all other private and public sector entities combined. The vast majority of those investments went to expanding the Potawatomi Hotel and Casino and other Potawatomi facilities, but contributions also were made to MVP's operations and to several Valley projects. Notably, while the Potawatomi's casino is tax-exempt, all of its other properties are taxed, including its hotel, parking structure, and business administration building. The tribe also has revenue sharing agreements with the City, County, and State.

It is also worth noting that the cost of constructing Miller Park, which was completed on the Valley's west end in 2001 and paid for primarily by a regional sales tax, is *not* included in these figures. That investment was roughly \$400 million.⁵⁷

The largest single source of funding for pre-development work in the Menomonee Valley has been a set of six tax increment financing (TIF) districts established by the City of Milwaukee, which are shown in **Figure 8**. (See text box on the following page for a detailed description of TIF.) Proceeds from those TIF districts allowed the City to finance efforts to clean up land, prepare it for development, and install infrastructure and utilities. In fact, most of the Valley land that has been redeveloped over the last 15 years has benefited from TIF investments, including the Menomonee Valley Industrial Center and the Harley Davidson Museum.

Figure 8: City of Milwaukee TIF districts located within the Menomonee Valley, 2004-present



Note: TIF districts are labeled above by District Number. See Table 1 or 2 on the following pages for the names of the TIF districts shown here and for additional information about each district.

⁵⁶ This figure primarily reflects investments in the Potawatomi Casino and Hotel facilities, but also includes contributions made by the Forest County Potawatomi to MVP and to other Valley projects.

⁵⁷ *Milwaukee Journal Sentinel*. "Miller Park: Economic promises got it built. Has it paid?" April 4, 2008.

<http://www.jsonline.com/sports/brewers/29508084.html>



What is TIF?

Tax incremental financing is an economic development tool used by local governments to redevelop “blighted” properties. Its basic function is to help generate equity for real estate ventures by leveraging future property tax revenues.

A TIF district is drawn around the site of the proposed development, the assessed base value of the property within the district is frozen, and an estimate of the development’s impact on the future assessed value is determined. Based on the projected growth in assessed value within the district, the increased tax revenue attributable to that growth is determined. Those future property tax revenues are then used as up-front equity for the project.

Typically, a municipality will issue general obligation bonds at the beginning of the project and use the funds raised for public infrastructure improvements and/or developer incentives. All new property tax revenue (based on the TIF district’s increased value, or “increment”) is then used to pay off the initial bonds, and the TIF district is retired after the investment is repaid. At that time, all property tax revenues from the district return to the general tax rolls.

Source: Public Policy Forum. <http://publicpolicyforum.org/sites/default/files/2009TIFBrief.pdf>

Table 1 shows that between 2004 and 2009, the City authorized total expenditures of approximately \$47 million for six Valley TIF districts. (Authorized expenditures for each district are determined based on feasibility studies that define the scope of work, estimate costs, and project the length of time it will take to generate property tax revenues to pay off project-related debt.) During the same timeframe, the City authorized \$154 million in total TIF expenditures citywide. At 30.5% of the total, this demonstrates the extent to which the Valley was prioritized among the City’s economic development efforts.

Based on Wisconsin law, TIF districts can exist for a maximum of 27 years. The City’s six TIF districts in the Valley are all projected to be paid back within that timeframe, as shown in **Table 2**.⁵⁸ One district, however – established for the Amtrak Intermodal Station (#60) – has not met expectations and will require substantial donations from other, more successful TIF districts elsewhere in the city to be paid back on time. Among the other Valley TIF districts, three (Harley Davidson Museum, City Lights, and Reed Street Yards) are on track to be paid off several years earlier than required. Another district – Falk/Rexnord (#63) – is a “developer financed” district, meaning that Falk/Rexnord paid for the project and assumed the financial risk that the increment would be sufficient for those investments to be paid back.

The first and largest Valley TIF district – the Menomonee Valley Industrial Center district (#53) – currently is projected to be paid back in the last year of its legal life. That district was amended twice to

⁵⁸ The “City Lights” TIF district covers an area along the Menomonee River between N. 25th and N. 17th Streets. The development that has occurred within that district to date includes a major historic rehabilitation project that now is home to Zimmerman Architectural Studios, Inc.



provide additional funding to cover the substantial costs of making the site “shovel ready,” which ultimately were determined to be more expensive than originally estimated. Despite those amendments, the district still is expected to be paid back on time. City leaders also note that the total property value of the district has consistently surpassed original estimates.

Table 1: TIF districts created by City of Milwaukee, 2004-2009⁵⁹

District Number	Name	Year Created	Authorized Expenditures	Valley?
75	Reed Street Yards	2009	\$6,217,770	X
74	N. 35th & Capitol Drive (Century City)	2009	\$15,600,000	
73	City Lights	2009	\$2,038,000	X
72	Bishop's Creek	2009	\$1,585,000	
71	Mitchell Street	2008	\$3,116,600	
70	735 N. Water St.	2007	\$3,253,992	
68	Fifth Ward/First Place	2007	\$4,402,966	
67	The Brewery Project	2007	\$29,002,272	
66	Metcalfe Park Homes	2007	\$1,475,000	
65	North 20th/West Brown Streets	2006	\$3,250,000	
64	Direct Supply	2006	\$13,350,000	
63	Falk/Rexnord	2006	\$2,500,000	X
62	DRS Power & Technology	2006	\$1,700,000	
61	Chase Commerce Center	2005	\$500,000	
60	Amtrak Intermodal Passenger Station	2005	\$6,250,000	X
59	Bronzeville	2005	\$3,288,500	
58	20th/Walnut	2005	\$2,230,046	
57	Harley Davidson Museum	2005	\$5,965,000	X
56	Erie/Jefferson Riverwalk	2004	\$21,593,059	
54	Stadium Business Park	2004	\$2,810,000	
53	Menomonee Valley Industrial Center	2004	\$24,000,000	X
Total Authorized Expenditures			\$154,128,205	
Valley Authorized Expenditures			\$46,970,770	
Valley as % of total			30.5%	

Table 2: Menomonee Valley TIF districts ⁶⁰

District Number	Name	2014 Revenue Increment	Remaining cost after 2014 ⁶¹	Projected Payoff (levy year)	Maximum Legal Life
75	Reed Street Yards	\$665,923	\$5,134,077	2033	2036
73	City Lights	\$141,473	\$2,221,756	2029	2036
63	Falk/Rexnord	\$100,047	\$1,822,365	2025	2026
60	Amtrak Intermodal Station	\$171,815	\$8,544,975	2017	2032
57	Harley Davidson Museum	\$646,547	\$4,096,311	2020	2031
53	Menomonee Valley Industrial Center	\$1,706,087	\$26,401,503	2029	2030

⁵⁹ City of Milwaukee. <http://city.milwaukee.gov/MilwaukeeTIDprojectsummaries.htm#.U8AN7fldWS0>

⁶⁰ Data provided by the City of Milwaukee at the request of the Public Policy Forum.

⁶¹ Notably, the remaining cost of districts 53 and 60 are higher than the original authorized expenditures for those districts. That is due to interest accrued on the bonds that were issued by the City to support those projects.

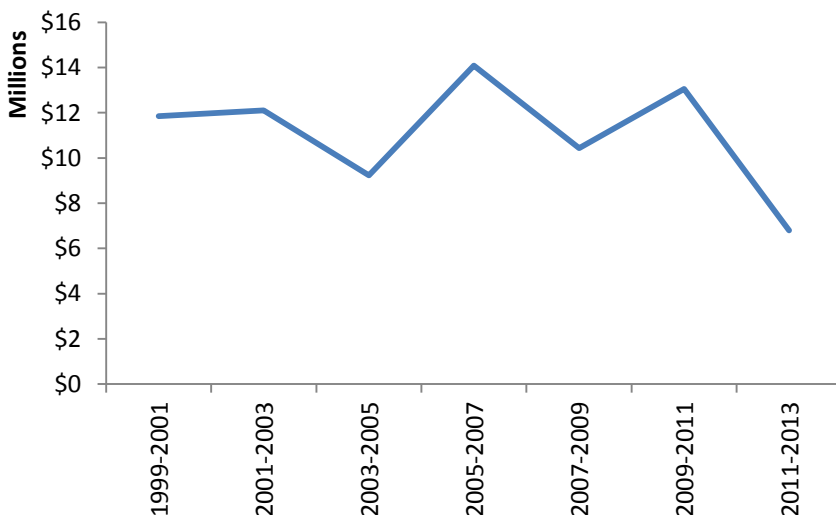


State and federal brownfields grants also were among the most important funding sources used to jumpstart redevelopment in the Valley. Brownfield assessment and cleanup grants from the EPA, HUD, Wisconsin Department of Commerce, and Wisconsin DNR, which totaled at least \$5.7 million during that period, were critical to understanding the environmental conditions of Valley parcels and to preparing land for redevelopment.⁶²

Key stakeholders raised concerns that because state brownfields grants are more difficult to access now than they were during the early-to-mid 2000s, efforts to complete the Valley’s redevelopment and engage in major redevelopment efforts elsewhere in Milwaukee could be hampered. The Wisconsin Department of Commerce awarded more than \$14 million in grants through the State’s largest brownfields program during each biennium up until 2009, but less than \$7 million was awarded from that program (now run by the Wisconsin Economic Development Corporation – WEDC) during the 2011-2013 biennium (**Figure 9**). According to key stakeholders, increased competition also has contributed to greater difficulty in acquiring grants.

Concerns also were raised that the maximum value of state brownfield grant awards has been reduced in recent years. The City of Milwaukee received state grants of as high as \$1 million for individual brownfields projects in the Valley, but WEDC has established an administrative policy that caps its brownfields grants at \$500,000.⁶³

Figure 9: Total value of grants awarded per biennium through Wisconsin’s Brownfield Program⁶⁴



While access to state brownfields grants may pose a future challenge, federal funding for brownfields programs has remained stable and in some cases expanded in recent years, and RACM has been

⁶² Public Policy Forum analysis of MVP funding database.

⁶³ Wisconsin Legislative Fiscal Bureau. http://legis.wisconsin.gov/lfb/publications/Informational-Papers/Documents/2013/93_WEDC.pdf

⁶⁴ PPF analysis of data provided by the Wisconsin Economic Development Corporation.



extremely successful in accessing those funds. Based on our conversations with key stakeholders, in fact, it appears that Milwaukee has earned a high degree of trust with the EPA with regard to brownfields redevelopment efforts through the process of redeveloping the Valley, which may help the City in seeking support for additional projects. According to an EPA representative, however, federal funding for brownfields has become more institutionalized and its use has become more restricted. In addition, federal brownfields cleanup grants require that the City owns the land, which may limit their usefulness in some cases.

Other forms of flexible funding from the state and federal governments also were crucial to Valley projects. Federal earmarks, which were secured by Senator Herb Kohl and Representative Gwen Moore and funneled through HUD to the City and MVP, totaled at least \$5.6 million between 2001 and 2008.⁶⁵ With the recent push by the U.S. Congress to eliminate federal earmarks, however, that funding source may be limited today.

The Wisconsin Department of Commerce contributed flexible funding for “pre-development” work on Valley parcels as well. In the 2001-2002 Wisconsin State Budget, MVP and the Milwaukee Economic Development Corporation (MEDC) – a close partner of the City of Milwaukee – each received grants of \$750,000 for Valley redevelopment projects.⁶⁶ According to MVP leaders, that funding allowed them to acquire several parcels over time, perform environmental assessments, and recruit businesses. As funds were paid back through the sale of each parcel, they could be recycled into the next project. The pre-development funding provided by the State of Wisconsin was instrumental to several major catalytic projects in the Valley, including the Harley Davidson Museum, Canal Street Commerce Center, and the Urban Ecology Center’s new Menomonee Valley facility. The grant was a unique, one-time opportunity, however, which may not be replicated in the future.

With reduced access to some forms of state and federal funding, the City of Milwaukee and its partners will have to find other means of financing pre-development work for remaining Valley parcels and for similar projects elsewhere in Milwaukee, such as Century City on the city’s north side.⁶⁷ TIF undoubtedly will be one important tool, and indeed, a \$15.6 million TIF district already was established for the Century City project in 2009, as shown in **Table 1**.

When contemplating the efficacy of using TIF, cities also should consider the full range of benefits the investment can generate. For example, industrial properties typically generate lower sales values and lower incremental growth in property taxes than retail properties, but often produce greater economic growth for the city and feature jobs with comparatively higher wages. These factors should not be

⁶⁵ Public Policy Forum analysis of MVP funding database.

⁶⁶ Wisconsin Legislative Fiscal Bureau. “Comparative Summary of Budget Provisions (Enacted as 2001 Act 16) -- Volume I.” December, 2001. <http://legis.wisconsin.gov/lfb/publications/Prior-Budgets/Pages/Prior%20Budgets.aspx>

⁶⁷ Century City is the name of the 84-acre site the City of Milwaukee is working to develop where A.O. Smith was formerly located, near the intersection of N. 35th Street and Capitol Drive.



dismissed in TIF district planning, which can focus too heavily on the growth in property taxes to pay off TIF-related debt.

Nevertheless, TIF must be used carefully. The Valley was a truly blighted area with significant issues that needed to be addressed to make land marketable, which is precisely the type of project for which the tool was created. In addition, even if TIF does prove to be a viable source of redevelopment funding, the Valley's experience shows that other funding sources will be needed as well.

A unique opportunity that may aid the City in accessing additional federal dollars is Milwaukee's recent designation by the U.S. Department of Commerce as one of 12 "Investing in Manufacturing Communities Partnership" (IMCP) cities.⁶⁸ The new program gives IMCP-designated cities priority when applying for funding from several federal programs administered by 11 different agencies.

Summary

Public sector investments of roughly \$200 million in infrastructure, environmental cleanup, utility installation, and site preparation in the Valley over the last 15 years have leveraged private investments of more than four times that amount from the Forest County Potawatomi and private sector entities. The City of Milwaukee's contributions, which included investments in Canal Street and the establishment of six TIF districts in the Valley, account for almost half of the total public sector investments, while the combined contributions of state and federal government sources make up the remainder.

Several important state and federal funding sources – including state brownfields grants and federal earmarks – appear to be less available now than in the past, which may put pressure on the City to increase its use of TIF and/or to find other creative means of financing similar projects on brownfield sites with significant barriers to redevelopment. According to key stakeholders, the flexible grant funding provided by the State of Wisconsin to MVP and MEDC for pre-development work in the Valley was one effective financing tool that facilitated redevelopment. The State may wish to consider whether similar targeted pre-development investments may be an effective strategy for large-scale brownfields redevelopment projects in Wisconsin moving forward.

In many instances, creative and collaborative strategies were utilized to secure funding for Valley redevelopment projects. For example, the funding roundtable organized by the City and the EPA following the completion of the 1998 Valley plan was a unique event that connected City leaders with numerous state and federal programs. Having many partners working together on individual Valley projects allowed project leaders to combine resources and coordinate efforts to pursue state and federal financial support, as illustrated in the following section of this report. Key stakeholders also noted that the holistic approach to redevelopment that was taken in the Valley, which included goals

⁶⁸ *BizTimes Milwaukee*. "Feds name Milwaukee area one of 12 'manufacturing communities.'" May 29, 2014. <http://www.biztimes.com/article/20140529/ENEWSLETTERS02/140529791>



ranging from economic development to ecological restoration to quality of life improvements, allowed the City and its partners to tap into funding from many different sources.

Project Management

The revitalization of the Menomonee Valley is the product of numerous overlapping projects that each added momentum to the overall effort. While it is beyond the scope of this report to analyze every major project that has occurred in the Valley over the past 15 years, we examine several projects here to understand how specific aspects of project management – including policies, partnerships, and financial resources – contributed to their completion and the Valley’s overall success.

“The Valley’s redevelopment involved a series of very complex and interconnected projects, which often required us to juggle multiple priorities. We worked on individual projects with an eye to the whole.”

*Julie Penman, former
Commissioner of City Development*

Canal Street extension

The extension of Canal Street from Sixth Street to Miller Park is widely viewed as one of the projects that made the greatest impact in spurring Valley redevelopment. The project came on the heels of the \$49.7 million Sixth Street viaduct reconstruction project, which was completed in 2002. That project lowered Sixth Street to connect with the Valley floor at Canal Street, thus improving accessibility to the Valley’s east end.⁶⁹ Shortly thereafter, in 2006, the \$52 million Canal Street project produced even greater accessibility, creating an extended thoroughfare that traverses the heart of the entire Valley from east to west.

Project background

Canal Street previously only extended from Sixth Street to 25th Street, providing access to a limited area. The Sixth Street viaduct stretched over the Valley, and though it included a spiral exit for Canal Street, it was awkward to utilize and by the mid-1990s it was dilapidated and badly in need of repairs. One could access Canal Street from 13th Street or 25th Street as well, but those were small city streets and required travel past heavily blighted areas along the way, such as a junkyard formerly located on 25th Street. In addition, CP Rail had active railroad lines running down the center of Canal Street, making travel by car confusing and uncomfortable.

⁶⁹ Mader, Becca. “Sixth Street Viaduct is model of new bridge technology.” *Milwaukee Business Journal*. March 24, 2002. <http://www.bizjournals.com/milwaukee/stories/2002/03/25/focus1.html?page=all>



The Canal Street extension project involved rerouting the rail lines, resurfacing the existing street, and extending it out to Miller Park. It also included extending the Hank Aaron State Trail for bicycle and pedestrian use, developing a new traffic roundabout at the intersection of 25th and Canal Streets, and creating a bio-retention facility for stormwater management near the new roundabout.⁷⁰

Leadership and collaboration

The City of Milwaukee, Wisconsin DOT, Wisconsin DNR, and the Milwaukee Metropolitan Sewerage District (MMSD) were the major partners in the Canal Street extension project, providing funding support as well as project leadership. The City paid for engineering, design, construction, and utility work, totaling approximately \$36.5 million. The DOT contributed \$15 million for the project, despite the fact that Canal Street is not a state road. According to former DOT deputy secretary Ruben Anthony, who was active in the Valley project, the agency saw it as an opportunity to serve multiple purposes, because an extended Canal Street could open up the Valley for redevelopment, while also serving as a mitigation strategy for the Marquette Interchange reconstruction project, which would be launched soon after.⁷¹ For the duration of that project as well as ongoing repaving and reconstruction of the east-west corridor, Canal Street would offer drivers an alternate route.

The DNR collaborated with the DOT and City to extend the Hank Aaron State Trail along the entire stretch of the new Canal Street, with the support of a mix of state and federal funds. The Hank Aaron State Trail was seen as a way to bring multi-modal transportation options to the Valley, while simultaneously providing recreational opportunities for the community along the Menomonee River corridor.

The Forest County Potawatomi, who had completed a significant expansion of their casino on Canal Street in 2000, also were a strong supporter of the Canal Street extension project.⁷² The Potawatomi paid for a \$250,000 study commissioned by MVP that examined expansion options for Canal Street and completed preliminary engineering for the project. In addition, a significant portion of the State's contributions to the Canal Street extension came from its share of Potawatomi gaming revenue. At the time, the Forest County Potawatomi had a compact with the State of Wisconsin through which they shared more than \$6 million of gaming revenue with the State each year. According to a Potawatomi representative, the tribe advocated for a portion of those funds to be used for the Canal Street project, which ultimately was done.

⁷⁰ *BizTimes Milwaukee*. "Canal Street extension to open on Friday." March 28, 2006. <http://www.biztimes.com/article/20060328/ENEWSLETTERS02/303289993/>

⁷¹ Menomonee Valley Partners, Inc. Internal funding database.

⁷² Quigley, Kelly. "Casino says valley needs Canal Street expansion." *Milwaukee Business Journal*. November 5, 2000. <http://www.bizjournals.com/milwaukee/stories/2000/11/06/story3.html?page=all>



Images 1 and 2: Canal Street looking west from the 16th Street viaduct, 1980s (left) and today (right)



The project also involved private sector partners, as the City had to work with CP Rail to remove and reroute rail lines. At the time, only two customers still used the rail line that ran down Canal Street. The City negotiated with CP Rail to adapt the connections to those customers, which allowed them to remove the tracks in the street. According to a CP Rail representative, those negotiations were amicable, which may have facilitated agreements between the two entities on other Valley projects that followed.

Stormwater management

One goal of the project that proved difficult to achieve fully was regional stormwater management. The idea had been to use stormwater infrastructure as a facilitator for redevelopment. According to key stakeholders, that proved too difficult to do for the entire Valley by way of the Canal Street extension project, largely because there were so many different landowners with whom to negotiate. Ultimately, shared stormwater management only was achieved by creating the bioretention facility near 25th and Canal Streets, which serves a relatively small area. Later, shared stormwater management was achieved in two other Valley parcels that were owned by the City and MVP through separate redevelopment projects. Those areas are the Menomonee Valley Industrial Center and the Canal Street Commerce Center, both of which are highlighted below. MMSD was instrumental in creating all of these facilities.

Takeaway

The City and State investments in the Canal Street extension project were crucial to opening up access to the Menomonee Valley, which facilitated the area's redevelopment. With the contributions of many public sector partners, this project exemplifies the type of intergovernmental cooperation that has been common in the Valley's revitalization story. It also illustrates the importance of strategically timing infrastructure projects to leverage unique funding opportunities, and it shows that holistic thinking can allow one project to make significant improvements to an area's economic, environmental, and social conditions concurrently.



Menomonee Valley Industrial Center (MVIC)

As previously described, the 60-acre MVIC on the Valley's west end was the largest priority redevelopment area identified in the 1998 Valley plan. Today, it is the most prominent example of the economic growth that has occurred in the area since the plan was adopted. What was formerly a heavily blighted area is now home to eight businesses – primarily manufacturers – that collectively employ an estimated 1,323 workers.⁷³ The industrial center already is over 90% occupied, and two other businesses are in advanced stages of developing projects that will bring approximately 160 more jobs to the area and fill much of the remaining land there.⁷⁴ According to DCD's director of finance and administration, the sales price per acre has averaged around \$114,000 at the MVIC site, which exceeds original estimates and is comparable to suburban greenfield sites. Furthermore, a park has been developed on the site that manages all of the stormwater from the MVIC and provides open space for recreation.

Project background

Several years of legal wrangling over the conditions at what was then the site of the Milwaukee Road shops led to the City's largest-ever property condemnation.⁷⁵ That move allowed RACM to acquire the MVIC property for \$3.55 million in 2003.⁷⁶ When RACM acquired the property, it had numerous challenges that needed to be resolved, including poor access, lack of infrastructure, frequent flooding, unstable soil conditions, derelict buildings, and soil contamination.

Leadership and collaboration

Many partners contributed to the MVIC's development process in various ways, including various City departments and affiliates, MVP, MMSD, and the City's political leadership. Early on, the City and MVP both were influential in bringing about the condemnation of the Milwaukee Road shops site. At the time, the Milwaukee Road was in bankruptcy, having reached that point in part because of nearby Chicago's powerful position as a national rail hub. The company that acquired the Milwaukee Road after it filed for bankruptcy – CMC Heartland Partners – sold the land that was needed for rail operations to Soo Line/CP Rail and kept the remaining land and structures, allowing it to deteriorate for many years. City leaders felt there was little promise that CMC ever would redevelop the site.

⁷³ Menomonee Valley Partners, Inc.

⁷⁴ Daykin, Tom. "Rishi Tea plans September move to new building." *Milwaukee Journal Sentinel*. July 17, 2014.

<http://www.jsonline.com/blogs/business/267344941.html>

Jannene, Jeramey. "Jobs, Jobs, Jobs Coming to Milwaukee." *Urban Milwaukee*. May 2, 2014.

<http://urbanmilwaukee.com/2014/05/02/friday-photos-jobs-jobs-jobs-coming-to-milwaukee/>

⁷⁵ Millard, Pete. "Menomonee Valley: Cleaning up the backyard." *Milwaukee Business Journal*. April 11, 2004.

<http://www.bizjournals.com/milwaukee/stories/2004/04/12/focus1.html>

⁷⁶ A change in state policy that had occurred previously made condemnations and redevelopments of brownfield properties like the MVIC easier for cities to accomplish. Wisconsin's Land Recycling Law, which passed in 1993, removed the risk of liability from cities wishing to redevelop brownfields.



To catalyze the condemnation process, DCD and MVP organized a press conference that featured MVP's board president and the City aldermen who represented the area. In the background, the decaying Milwaukee Road site was visible, while prominent political and civic leaders stood in the foreground calling for change. According to key stakeholders, having that image on the front page of the newspaper, with public and private sector leaders standing up for the City's plan to condemn the site, led to a significant increase in public support for the effort.

Once the site was condemned and acquired by RACM, the City's Department of Public Works (DPW) worked alongside RACM to clean up the site and install new infrastructure and utilities. Key stakeholders also pointed to the collaborative work of MMSD as important in developing Stormwater Park, noting that MMSD is at the forefront nationally in its use of progressive "green infrastructure" to manage stormwater. As the site began to take shape, the City contracted with MVP to lead marketing efforts for the property.

Image 3: Milwaukee Road shops, 1990s



Image 4: Menomonee Valley Industrial Center and Stormwater Park– 2010⁷⁷



⁷⁷ Additional development has occurred in the MVIC since this photo was taken, including the construction of a new LEED-certified building for JF Ahern and a new facility for Rishi Tea, both located on the largest vacant lot visible in this photo.

Plan implementation

The MVIC is remarkably congruent with the vision that had been established for the area through the 1998 Valley plan and Wenk Associates' detailed site plan, the latter of which emerged from the national design competition held in 2002. In serving as the developer of the MVIC, RACM also was able to utilize the design and development guidelines that had been created for the Valley. Most of the development that has occurred in the MVIC over the last 10 years has followed the sustainable design guidelines created for the Valley, including several buildings that have become LEED certified through the U.S. Green Building Council. Similarly, the job density and wage guidelines developed by MVP were utilized by RACM in sales agreements for MVIC parcels.

RACM's ownership of the land also facilitated the creation of Stormwater Park, a shared stormwater management system for the entire MVIC that was included in the Wenk plan for the site. Stormwater Park, which was constructed beneath the 35th Street viaduct, is a key feature of the industrial center, as it allows businesses to maximize their building footprints without having to acquire and preserve open space on their individual sites for stormwater to be absorbed. The development of Stormwater Park thereby resulted in a higher density business park.

Funding

Numerous funding sources were pooled together to finance the development of the MVIC, as shown in **Table 3**. A TIF district established by the City for the MVIC site, with total authorized expenditures of \$24 million, was the largest single source of financial support.⁷⁸ The TIF funds paid for building demolition, environmental remediation, site preparation, and the development of new internal roads and utilities. Federal and state funds, including brownfields grants and several federal earmarks, contributed a combined 34% of total project revenue. Two of the largest of those contributions were a \$1.95 million HUD grant through its Brownfields Economic Development Initiative and a \$1 million brownfields grant through the Wisconsin Department of Commerce.

In some cases, funding support for the project was increased by having different project partners pursue funding from different sources. For example, MVP was able to access several federal earmarks directly and invest those into the project, which allowed the City to use its TIF funds in other ways.

⁷⁸ The TIF district established for this project originally was authorized to spend up to \$16.2 million, but it was later amended to have total authorized expenditures of \$24 million.



Table 3: Funding sources used for Menomonee Valley Industrial Center pre-development work⁷⁹

	Source	Federal	City	State	Total
1	Wisconsin Dept. of Commerce -- MEDC			\$807,200	\$807,200
2	Wisconsin Dept. of Commerce -- Brownfields			\$1,000,000	\$1,000,000
3	DNR -- Greenspace			\$200,000	\$200,000
4	DNR -- Sustainable Urban Development Zone			\$397,018	\$397,018
5	U.S. Economic Development Administration	\$874,000			\$874,000
6	EPA -- BFRLF sub-grant	\$200,000			\$200,000
7	EPA - Cleanup grant	\$228,000			\$228,000
8	HUD -- BEDI grant	\$1,950,000			\$1,950,000
9	HUD -- Earmark 1	\$1,197,000			\$1,197,000
10	HUD -- Earmark 2	\$670,613			\$670,613
11	HUD -- Earmark 3 (Neighborhood Initiative)	\$1,000,000			\$1,000,000
12	City of Milwaukee TIF district		\$24,000,000		\$24,000,000
13	Milwaukee Metropolitan Sewerage District		\$60,061		\$60,061
14	Wisconsin Coastal Management Program 1			\$111,330	\$111,330
16	Wisconsin Coastal Management Program 2			\$101,890	\$101,890
17	DOT -- Incoming soil receipt fees			\$1,561,571	\$1,561,571
18	DOT -- Stadium access road cleaning			\$672,985	\$672,985
19	DOT -- Management of incoming soil			\$348,257	\$348,257
20	MVP -- HUD earmark -- 2004	\$198,000			\$198,000
21	MVP -- HUD earmark -- 2005	\$248,000			\$248,000
22	MVP -- HUD earmark -- 2006	\$198,000			\$198,000
23	Wisconsin Dept. of Commerce -- Valley grant			\$365,000	\$365,000
Total		\$6,763,613	\$24,060,061	\$5,565,251	\$36,388,925

The list of funding sources shown in **Table 3** includes those that the City or MVP utilized for the development of the MVIC. Additional funding sources were accessed by businesses in order to make their individual development deals work. Federal New Markets Tax Credits, which support business and real estate investments in low-income communities, are one of the key funding sources that businesses utilized. According to RACM officials, for example, Palermo’s Pizza leveraged New Markets Tax Credits it received from MEDC for both initial construction and expansion projects, which helped the company to secure more favorable terms on loans. Palermo’s, which opened its doors in the MVIC in 2006, was the first company to move into the industrial center.

Intergovernmental cooperation

Unique partnerships were established during the MVIC’s pre-development process. One prime example was an agreement between the Wisconsin DOT and RACM to move clean soil from the Marquette Interchange project – which was being removed to make way for the new infrastructure – to the MVIC site, where it was used to create stable conditions for development.

Because of the MVIC site’s unstable soil, RACM had to “surcharge” the site in order to fill and stabilize it. Surcharging involves heaping soil on top of land and allowing it to press down on the soil below until the land is stable enough that buildings can be developed without the need to drive deep piles.

⁷⁹ Financial summary provided by RACM.



Since the site was in a floodplain, the added fill also needed to be sufficient to raise the entire site up several feet. According to RACM officials, the City used a total of 800,000 cubic yards from the Marquette Interchange project on the MVIC site and later for Three Bridges Park.

In a classic “win-win” situation, the DOT provided RACM with two vacant Valley properties valued at approximately \$1.9 million in exchange for taking the fill, which RACM otherwise would have had to purchase. At the same time, the DOT saved money it would have spent to have the soil sent to a landfill. As noted by former DCD staff member Brian Reilly, whose work focused on Valley redevelopment, *“The lesson is to look beyond your project footprint to find these types of partnerships.”*

Takeaway

The process of developing the largest piece of underutilized land in the Menomonee Valley into the Menomonee Valley Industrial Center illustrates the important role that land control played in those efforts. RACM owned the site, which allowed it to apply the plans and guidelines that had been established for the area with regard to infrastructure, land use, site and building design, job density, and wages. It may prove more difficult to achieve the same level of compliance with those guidelines in other parts of the Valley that remain to be redeveloped and are privately owned.

As was the case for the Canal Street project, the development of the MVIC shows how collaboration played a significant role in project success. In addition to the high degree of intergovernmental cooperation that was evident in this project, public-private partnerships also played a major role, as MVP worked closely with RACM and other government agencies to implement the plan for the area. MVP helped to coordinate the efforts of the many project partners throughout the redevelopment process, while also taking a leadership role in business recruitment and business support services. The collaborative approach taken to developing the MVIC also allowed the project to attract diverse funding support from many city, state, and federal sources.

For areas with great redevelopment potential, the lesson may be that a clear plan and strong collaboration are key ingredients needed to secure the funding support needed for projects to succeed.

Canal Street Commerce Center

The development of the Canal Street Commerce Center – a \$15 million project that resulted in a multi-tenant building for light industrial users – is a prime example of how public-private partnerships were leveraged in the Valley to spur business growth. Unlike the MVIC, which was developed on City-owned land, a private developer built the Canal Street Commerce Center with the assistance of MVP. The project was completed in 2008 on the site of the former Milwaukee Stockyards, which had been owned by Cargill. That 13-acre site also had been identified in the 1998 Valley plan as a priority redevelopment area.



Image 5 and 6: Milwaukee Stockyards, 2005 (left); Canal Street Commerce Center, 2007 (right)



Project background

The impetus for the Canal Street Commerce Center project was the need for the project’s developers to accommodate a growing business located in one of their suburban properties. That business – Proven Direct (now First Edge) – provides on-demand marketing, document output services, and photo book publishing, which involves frequent trips to the region’s main post office in downtown Milwaukee. The company was looking both to expand and to be located near downtown for ease of access to the post office. Proven Direct’s average wage at the time was \$19 per hour, but the company offered a range of employment types, from low skilled to professional positions.

MVP initiated efforts to redevelop the former Stockyards site, purchasing the property in 2005. After the property acquisition, MVP contracted for Phase 1 and Phase 2 environmental site assessments, which the Wisconsin DNR requires for brownfields projects to ensure that they are safe for redevelopment. MVP also secured “case closure” from the DNR, which means the site was approved for development, provided certain conditions were met in the development process to prevent human contact with contaminated soil. The property was sold to the developer in 2006.

During the same period, MVP created development guidelines for the project that were aimed at promoting higher job densities and family-supporting wages, which were utilized in the land sale agreement. As described previously, those development guidelines have been used extensively in the Valley ever since.

MVP and the Wisconsin DNR worked closely with the developer of the Canal Street Commerce Center to facilitate the project. According to the developer, MVP’s familiarity with the City’s policies and with potential funding sources helped considerably. Also, the DNR staff person involved in the project already had worked on several other Valley projects and understood how to facilitate necessary state approval processes.

Proven Direct was committed to taking one-third of the space in the Canal Street Commerce Center immediately. The rest of the project was essentially speculative development, which was controversial at the time. Neither MVP nor the City knew how long it would take to fill the remainder of the space or what type of businesses the new owner would be able to attract. The center filled quickly, however, with primarily light industrial users. It is now completely full with six businesses that employ 195 individuals, including several small international companies.⁸⁰ The job density of the project is roughly 19.5 jobs per acre, which is slightly above the project goal of 16.4 jobs per acre.

Site challenges

Redeveloping the former Stockyards site involved costly work to address many site challenges, which created a financial “gap” that made the project difficult to realize. According to the developer, preliminary testing found that groundwater was only three feet below the surface, which made the soil on the site very unstable. In order to construct a building that could handle industrial users in such conditions, a very firm foundation was needed. Environmental contamination also was an issue, but fortunately, the contamination did not affect the groundwater, so it could be more easily addressed. In addition, because of the site's history as a marsh and former use as a stockyard, there also was concern that methane could be trapped underground.

In order to make the site capable of holding a building, the developers ultimately needed to drive 226 piles and create a solid base upon those piles with steel beams and concrete. About \$3.5 million was invested in that foundation before building construction began.

To address environmental contamination, the entire site had to be covered with a “contact barrier” to eliminate risk of exposure to contaminated soil. The building and parking lot served as a contact barrier for part of the site, and the remainder had to be covered with a thick layer of clean fill and soil before plantings could be made.

With regard to concerns over the potential presence of methane, testing showed it was not a significant issue on the site. To be on the safe side, however, the developer installed an “active system” for methane extraction, which pumps air through the ground to remove any methane that may be trapped below.

Funding

MVP purchased the former Stockyards site with the use of the flexible pre-development funds it had received from the Wisconsin Department of Commerce in 2001 and 2002. It was their second use of those funds, which previously had been used for the Harley Davidson Museum project.

⁸⁰ Ziegler Bence Development



For the developer, a primary source of funding was federal New Markets Tax Credits. Those credits are distributed to organizations designated as Community Development Entities, including the Milwaukee Economic Development Corporation (MEDC), a close partner of the City of Milwaukee. Those entities are then able to sell the tax credits to private investors who make investments in low-income communities.⁸¹ Through the assistance of New Markets Tax Credits, the developer of the Canal Street Commerce Center was able to receive loans with favorable terms from both U.S. Bank and MEDC.

Other important funding sources for the project were brownfields grants from the Wisconsin Department of Commerce and DNR, which helped to cover the costs of bringing in clean fill and soil to cover the undeveloped portion of the site. MVP also contributed a \$277,000 grant to the developer.⁸²

Takeaway

The Canal Street Commerce Center project exemplifies the distinct challenges that likely will affect efforts to redevelop much of the remaining vacant land in the Valley. Unlike the 140-acre site where the MVIC, Stormwater Park, and Three Bridges Park now stand – which was owned by RACM – much of the land in the Central Valley has many different owners and vacant land is more dispersed, thus requiring redevelopment to occur parcel by parcel. It is more likely that private developers will need to take the lead for redevelopment projects in the Central Valley, as occurred in the case of the Commerce Center, but significant financial gaps resulting from geotechnical and environmental barriers to development may need to be filled with public funding in order to make projects viable.

MVP's pre-development funding from the Wisconsin Department of Commerce played a key role in making this and other projects a success. As previously suggested, the State may wish to explore whether and how to make similar flexible pre-development funds available to other development intermediaries as a means of facilitating additional large-scale brownfields redevelopment projects in Milwaukee and throughout the state.

Valley Passage and Three Bridges Park

The Valley Passage and Three Bridges Park projects on the Valley's southwestern edge serve as prime examples of the improved connectivity and enhanced recreational opportunities that have been generated in the Valley in recent years. Valley Passage, which was completed in 2010, opened up a new bicycle and pedestrian connection between the Valley and the Silver City neighborhood to the south. A focus of the project was to provide an opportunity for south side residents to walk or bike to Valley jobs. In 2012, a new branch of the Urban Ecology Center opened next door to Valley Passage, offering

⁸¹ Low-income communities are defined as census tracts with a poverty rate of 20% or higher or where median family income is less than 80 percent of the area's median income. Source: New Markets Tax Credit Coalition. <http://nmtccoalition.org/fact-sheet/>

⁸² Menomonee Valley Partners, Inc.



environmental education programming to the surrounding community. The 2013 opening of Three Bridges Park, which extends from Valley Passage on the west to Mitchell Park on the east and includes an extension of the Hank Aaron State Trail, completed the project.

Project background

The concept of creating a park on the long and narrow 24-acre parcel of land formerly known as Airline Yards was included in the 1998 Valley plan and refined through the national design competition in 2002. The site, which stretches along the southern banks of the Menomonee River and is hemmed in on the south by rail lines, was considered too constricted to be feasible for other types of development. The vision was not only to create a new park, but also to use the development to reconnect the Valley with adjacent neighborhoods and to activate the space with educational and recreational activities.

RACM took ownership of the Airline Yards parcel as part of its acquisition of the 140-acre Milwaukee Road shops site. At the time, the Airline Yards site was essentially a landfill, having been used as a dumping ground for asbestos-containing materials from buildings that had been demolished on the former Milwaukee Road site and other sites nearby.

Image 7 and 8: Three Bridges Park site, before (left) and after (right) park development



Leadership and collaboration

As with other projects highlighted in this report, an extremely high level of collaboration between several public and private sector partners was instrumental in the creation of Valley Passage and Three Bridges Park. While RACM owned the land, several other public agencies and nonprofit organizations played major roles in the project's development.

The Wisconsin DOT was a major partner, managing the design and construction of the park and bridges. The DOT also facilitated the process of developing a "project charter," which laid out how the partners would contribute to the project, make decisions, and communicate with one another. The charter



emerged from a two-day workshop facilitated by a DOT staff person. According to one workshop participant, *“Everyone went into the process of developing the charter feeling frustrated and came out really feeling like a team. What we put on paper was helpful, but the process was the most important part.”*

As owner and manager of the Hank Aaron State Trail, the DNR also was a primary partner on multiple aspects of the project. The DNR coordinated connections with the trail and signed off on the environmental safety of the site. To secure such approval for use as a park, project partners had to cover the entire site with a contact barrier, which was created largely with clean fill provided by the DOT from the Marquette Interchange project (such fill similarly was used on the MVIC site). The fill also was used to form hills that give Three Bridges Park its shape, designed to mimic the Kettle Moraine.

Additional public agencies involved in the project include the City’s DPW, the Wisconsin Department of Administration (DOA), and the Miller Park Stadium District. The DPW now owns the bridges and maintains trail lighting and retaining walls in the area.⁸³ The DOA and Miller Park Stadium District were involved in creating an emergency access road into the site.

Nonprofit organizations also played major roles in developing Valley Passage and Three Bridges Park. MVP took an early leadership role in fundraising efforts. Rather than expanding its own mission to provide environmental programming in Three Bridges Park, MVP collaborated with the Urban Ecology Center, another local nonprofit with expertise in that area. The Urban Ecology Center has two other branches in Milwaukee parks, where they provide environmental education, land stewardship, and many other programs and services.⁸⁴ Together, the two organizations created a third entity called UEC/MVP Project Inc. and launched “From the Ground Up,” a fundraising campaign that is now close to reaching its goal of raising \$25 million for the project.⁸⁵

Several key stakeholders noted that this “joint venture” between MVP and the Urban Ecology Center was both highly unusual and very effective. It gave local foundations, businesses, and citizens a clear and simple way to support the project as a whole. Rather than thinking about which organization or which piece of the project to support, they could donate to one joint organization. It also made funding distribution to the two organizations simple. Each quarter, each organization submits disbursement requests and the UEC/MVP Project Inc. board approves distributions.

The campaign’s breakdown of how the \$25 million goal will be used further illustrates the project’s key features.⁸⁶

⁸³ De Sousa, Christopher. 2012.

⁸⁴ Urban Ecology Center: <http://urbanecologycenter.org/>

⁸⁵ Menomonee Valley Partners, Inc. <http://www.renewthevalley.org/documents/18-menomonee-valley-from-the-ground-up>

⁸⁶ UEC/MVP Project Inc. <http://www.menomoneevalley-fromthegroundup.org/a-unique-partnership.html>



- \$8.29 million for three bicycle and pedestrian bridges connecting the park with the Valley and with the neighborhoods to the south
- \$5.34 million for a new Urban Ecology Center facility and five years of programming there
- \$4.25 million for environmental cleanup, site grading, and river improvements on the park site
- \$3.13 million for land restoration and park construction
- \$2.49 million for a six-mile addition to the Hank Aaron State Trail
- \$1.5 million to establish an endowment for the park to support its long-term maintenance

Additional nonprofit organizations assisted with the Valley Passage and Three Bridges Park projects in other ways. For example, Layton Boulevard West Neighbors (LBWN), Journey House, and other neighborhood organizations gathered community input for the projects. LBWN also helped to coordinate pre-development meetings with the past owner of the Valley Passage parcel and acted as a “straw buyer” to facilitate the UEC/MVP’s acquisition of the Urban Ecology Center building. In addition, the Wisconsin Bicycle Federation moved its offices near the new Urban Ecology Center and Valley Passage in 2012, which has helped to create a small hub of green organizations and businesses in the area.

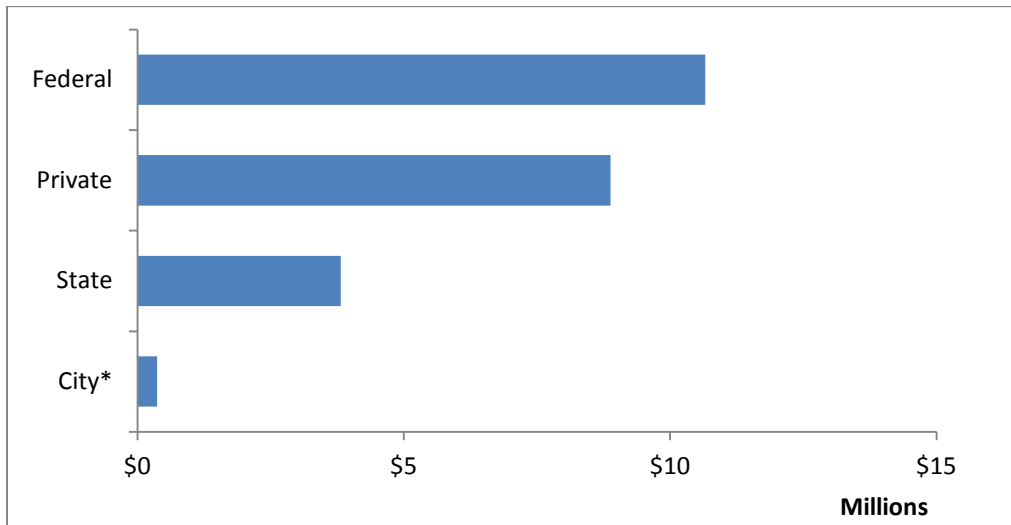
To complete the Valley Passage project, the City and State had to work with CP Rail, which still owned land and several rail lines in the area, including one active line. The railroad also owned a tunnel where Valley Passage now stands. Ultimately, the City paid CP Rail to “stub” one of its tracks, which reduced the number of tracks crossing the Valley Passage area to one. CP Rail also had to approve another bridge in Three Bridges Park, which crosses over five sets of its tracks to connect with Mitchell Park. It appears that the relationship the City and CP Rail had developed through other projects may have aided their efforts on this project.

Funding

The UEC/MVP partnership has brought in funding from many private sector sources, including local foundations, businesses, and private citizens. While the campaign did not receive public funding directly, public sector contributions were included toward the \$25 million goal. Overall, the projects have raised a total of \$23.4 million to date, including \$14.7 million in public funding primarily from the federal and state governments (**Figure 10**).



Figure 10: Funding sources for Valley Passage and Three Bridges Park⁸⁷



* The City also donated the land for this project and invested heavily in adjacent projects.

The U.S. DOT provided the bulk of the federal funds for the projects through a series of 11 grants, a majority of which came from the Congestion Mitigation and Air Quality Improvement (CMAQ) program in support of the Hank Aaron State Trail extension. The CMAQ program is designed to support surface transportation projects that reduce congestion and improve air quality in places that do not meet federal air quality standards, including Milwaukee. In addition, \$1.4 million in federal stimulus funds from the American Recovery and Reinvestment Act (ARRA) helped to finance Valley Passage.

Federal funds require a 20% local match, which were largely provided through \$3.8 million in state funding from the Wisconsin DNR’s Knowles-Nelson Stewardship Program. The Stewardship program supports land preservation efforts for purposes of protecting wildlife habitat, improving water quality, and developing outdoor recreation opportunities.⁸⁸

At the time, there was debate among project partners as to who could receive and manage the Stewardship funds. Typically, the City would have led park construction and managed project funding, but the Stewardship program stipulates that funding cannot be used for land that has been taken through eminent domain *by the entity that did the taking*. Thus, RACM, the landowner, could not accept or utilize these funds for the construction of the park. Private organizations, such as MVP, cannot receive Stewardship funds either. Consequently, MVP approached other public entities to find a partner willing to manage the funds and construction of the park. The DOT, which had been involved in the Valley from the beginning, accepted that role.

⁸⁷ PPF analysis of data provided by Menomonee Valley Partners, Inc. It should be noted that while the City’s financial contributions to this project were relatively small, the City invested heavily in the adjacent and connected Menomonee Valley Industrial Center project.

⁸⁸ Wisconsin Department of Natural Resources: <http://dnr.wi.gov/topic/stewardship/>



Takeaway

The Valley Passage and Three Bridges Park projects exemplify how intergovernmental cooperation and public-private partnerships were leveraged in the Valley to create public improvements that extended beyond the realm of economic development, where they are more common. Improved connectivity, additional public space, and new opportunities for recreation and environmental education were created only through the combined efforts of many public and private sector partners. Given that the team charter created by the project's major partners played a key role in guiding that collaboration, this may be an effective strategy that could be used for other projects.

The unique way in which this project was funded also may be an example to follow for other projects with multiple lead organizations. The establishment of a joint organization created a unified fundraising effort that could market the project and its many goals in a clear and cohesive manner.

Location and Timing

There is little question that the Menomonee Valley's recent revival is linked not only to the effectiveness of the individuals and organizations involved and the strategies they developed, but also to its unique location and fortuitous timing. Centrally located near downtown Milwaukee and along the busiest stretch of interstate highway in Wisconsin, the Menomonee Valley is an attractive location for many businesses that produce and transport goods and for those that provide services for a regional client base. At the same time, zoning, road, and rail infrastructure – as well as the Valley's natural bluffs – provide businesses with protection from competing and potentially conflicting land uses, including housing.

“Timing played a big role. The City was moving ahead with its plan for the Valley's west end, the 6th Street viaduct project was in the works, Miller Park was being completed, MVP and the BID were forming. All of those things created momentum.”

*Jeff Crawford, Forest County
Potawatomi*

In addition, the Valley provides relatively easy access to a large workforce from surrounding neighborhoods and the Milwaukee region as a whole. The neighborhoods immediately adjacent to the Valley are some of the most densely populated residential neighborhoods in the state, thanks largely to the Valley's historic position as a major job center.⁸⁹ Valley businesses also can draw their workforce from the larger Milwaukee region because of their close proximity to major highways.

⁸⁹ Gurda, John. “The Menomonee Valley: A Historical Overview.”
http://www.renewthevalley.org/media/mediafile_attachments/04/4-gurdavalleyhistory.pdf



The redevelopment effort also benefited greatly from a confluence of outside events that were occurring at the very time the Valley plan was taking shape. Those included the reconstruction of the Sixth Street viaduct and the development of major cultural and entertainment attractions in the area. Miller Park was completed in 2001 and Potawatomi Bingo and Casino completed major expansions in 2000 and 2008, becoming the largest gaming facility in the state. Marquette University developed its athletic facilities on Canal Street in 1991, bringing students to the area. These projects added greater visibility to the Valley and made the area more attractive to many businesses.

As redevelopment progressed in the Valley, its highly visible location made the improvements clearly apparent to business leaders and the broader community who used the interstate highways and/or visited Valley entertainment destinations. This “constant reminder of progress” provided by the Valley’s high degree of visibility likely added to the positive momentum in the area.

The Menomonee River – the Valley’s central feature – adds yet another unique amenity to the area. In addition to cycling, walking, and running on the Hank Aaron State Trail, which was developed adjacent to the river throughout much of the Valley, river restoration efforts have allowed fishing and kayaking to become common activities in the Valley today. These recreational assets are not common features in business districts and add vibrancy to the area.

While many elements of the Valley’s redevelopment effort may be replicable elsewhere, the area’s unique locational attributes and the ability to time redevelopment initiatives with major infrastructure enhancements and cultural and entertainment projects are big pieces of the puzzle that cannot be reproduced. Nevertheless, the ways in which public and private sector leaders capitalized on the existing strengths of the Valley and took advantage of development and infrastructure-related opportunities provide insights for how similar strategies may be employed elsewhere.



Policy Observations

The Menomonee Valley's story still is being written, but its revitalization over the last 15 years has been heralded both locally and nationally as a model of sustainable development to be studied and replicated elsewhere. Our analysis has identified numerous policies, partnerships, and unique strategies that have been influential factors in the Valley's success. While some amount of that success also may be attributable to the Valley's unique location and the synchronicity of multiple infrastructure and entertainment-related development projects in the area, several strategies utilized in the Valley should be considered for adaptation and application to other large-scale redevelopment efforts in Milwaukee and beyond.

Specifically, we would urge public and private sector economic development leaders in southeast Wisconsin to consider the following lessons from the Menomonee Valley's revival as they seek to generate redevelopment in other challenged areas in the region:

1) Major redevelopment initiatives need to be accompanied by a robust set of planning and design activities that establish both a common vision for the initiative and a detailed roadmap to achieve that vision.

Several aspects of the Valley's planning and visioning process were unique but could be applied elsewhere. For example, the process in the Valley engaged stakeholders, local design professionals, and the larger community to an unusually high degree, and community organizations played a major role in many influential planning and visioning activities. In addition, the plans and policies subsequently established were specific in nature, with tangible actions and guidelines that addressed key redevelopment barriers and emphasized economic, environmental, and social equity goals simultaneously. Overall, the planning and visioning process was one of the most comprehensive efforts ever undertaken for a priority redevelopment area of Milwaukee.

According to the key stakeholders interviewed for this report, having a detailed plan for the Valley and being able to articulate a vision for the area generated needed support from funders, political leaders, and the community as a whole. The commitment of the City and other Valley leaders to seeing the plan implemented also played an important role in the Valley's success.

2) Strong intergovernmental cooperation and public-private partnerships will be essential for large-scale redevelopment efforts to succeed.

While specific individuals and organizations stand out as essential to the Menomonee Valley's revitalization, the process of redeveloping the Valley has been exceptionally collaborative. In fact, many key stakeholders affirmed that the most important lesson from the Valley's success is the importance of intergovernmental and public-private cooperation in redevelopment work.



In particular, the Valley's success illustrates that rather than being led *only* by city government, major redevelopment efforts may stand the best chance for success if they are collaboratively led by multiple public and private sector stakeholders. To their credit, City leaders supported the creation of a public-private intermediary in the Valley, which was structured to involve influential leaders from Valley businesses, community organizations, and other governments in addition to the City itself. The ability of this intermediary to eliminate government "turf battles" and control tension between public and private interests was instrumental to the timely and successful completion of many of the Valley's key projects and to the broader revitalization it has achieved.

3) Funding must be pursued and creatively assembled from numerous sources to address the many barriers that impede brownfield redevelopment projects.

In the 1990s, the potential to redevelop the Menomonee Valley was hampered by many challenges that originally were deemed cost prohibitive, including poor access, limited infrastructure, unstable soil conditions, environmental contamination, frequent flooding, and blighted buildings. Those challenges were met by the City's willingness to invest heavily in Valley infrastructure, environmental cleanup, and other pre-development work through TIF and other financial contributions, as well as the City's and MVP's pursuit of funding from several different sources to supplement the City's own contributions, including numerous state and federal grants.

The effort by the City and MVP to engage state and federal agencies as partners early in the redevelopment process was a particularly effective strategy. While TIF and other City resources likely will need to play a prominent role in other major Milwaukee redevelopment projects, it is unlikely that those sources will be able to do the job alone. In the Valley, because of the personal connections made by City and private leaders, local representatives of state and federal agencies not only identified funding opportunities within their own purview, but also actively assisted the City and MVP to identify and pursue funding opportunities in other state and federal departments.

The Valley experience also demonstrates the need to combine government grant-seeking activities with private fund development strategies, and to do so as a team effort involving diverse project partners. For the Valley Passage and Three Bridges Park projects, for example, City and State partners secured funding from state and federal sources for the new bridges and trail extension. Meanwhile the UEC/MVP joint fundraising organization raised flexible private funds from local foundations, businesses, and citizens to pay for other components, including the new Urban Ecology Center facility and five years of programming there.

With diminished availability of certain state and federal funding sources that were utilized for past Valley projects, including federal earmarks and state brownfields grants, this type of creativity and collaboration may be even more necessary for future efforts to redevelop additional land in the Valley and in other priority areas in Milwaukee.



4) Given the key advantages involved with public or public-private ownership of re-developable brownfield properties, the City likely will need to assume considerable financial risk to advance major redevelopment projects.

The success of several of the major redevelopment projects within the larger Valley revitalization effort was attributed largely to the ability of the City or MVP – as property owners – to expeditiously and effectively assemble project funding and address cleanup and infrastructure issues to make sites “shovel ready.” In instances where a private entity owns the property where major redevelopment is desired – or where multiple private owners control a dispersed set of properties in a priority area – the challenges involved with assembling, preparing, and marketing sites for redevelopment likely will be much greater.

Consequently, while City government does not relish the role of buying and owning highly challenged properties because of the financial risk it entails, it may need to do so aggressively (particularly through the use of RACM) in areas where redevelopment is a top priority. The City has recognized that reality with regard to Century City and may need to continue to assume property ownership risk in other parts of the city to meet redevelopment goals. The City also may need to be more assertive in exercising its power of eminent domain in some cases. In addition, State leaders may need to step up with funding assistance – as they did for the Valley – should public-private intermediaries in other parts of Milwaukee seek the wherewithal to acquire properties and assist in pre-development work.

5) Major redevelopment projects must be accompanied by aggressive marketing of the area’s existing strengths and amenities.

Leaders of the Menomonee Valley redevelopment effort capitalized on the unique strengths of the area, which were evident to them but required comprehensive visioning and effective public relations to convey to others. While access to the Valley in the 1990s was poor, these leaders saw the potential to take advantage of the area’s proximity to the interstate highway system. Despite the loss of many businesses in the area, they recognized that a cluster of manufacturers remained. The Menomonee River was receiving renewed attention as well, including the plan to develop the Hank Aaron State Trail along its path. Valley redevelopment leaders capitalized on these advantages by reinforcing the area’s manufacturing focus and supporting the restoration and enhancement of its natural features and recreational amenities.

Indeed, the Valley experience illustrates the need to take advantage of locational strengths, which may include transportation infrastructure, existing industry clusters, available business resources, workforce proximity, neighborhood amenities, and other factors. While this point may seem elementary, lessons can be learned not only from the manner in which Valley redevelopment leaders identified those strengths, but also from the creative strategies they employed to make them known in the broader community.



6) Major redevelopment projects should be viewed as opportunities to address multiple community objectives.

The Menomonee Valley redevelopment effort was designed to address the many challenges that previously existed in the Valley and its surrounding community. While there is still progress to be made, one of the most striking components of the Valley's recent revitalization is the varied range of improvements it has produced.

Indeed, the "triple bottom line" approach to sustainable development not only achieved several economic development objectives, but also enhanced the natural environment and generated quality-of-life amenities that benefit the broader community. This approach also allowed Valley leaders to diversify their financial support, as shown by their success in attracting funding from government agencies, businesses, local foundations, and private citizens.

In light of this success, City leaders should seek other opportunities to achieve multiple goals through individual redevelopment projects. While job creation and growth in tax base may be the foremost priorities associated with any such project, opportunities to link those goals with simultaneous improvements in flood control, multi-modal transportation infrastructure, environmental health conditions, and recreational amenities for nearby residents also should receive attention, and opportunities to assemble funding from diverse sources to support such improvements should be sought.

7) Using redevelopment projects to create jobs for neighborhood residents may require greater emphasis on workforce development.

While the above suggestions emanate from positive lessons learned from the Valley revitalization effort, one of the Valley's lingering challenges also offers some cautionary advice. Both public and private sector leaders of the Valley redevelopment effort emphasized the need to foster development that would generate economic growth while also providing employment opportunities for the local workforce. While that objective was achieved somewhat, the recent decision by Cargill, Inc. to close its slaughterhouse in the Valley means that Palermo's and the Potawatomi Hotel and Casino are the only employers in the Valley that employ large numbers of residents of nearby neighborhoods.

For future redevelopment efforts that share a similar goal, greater emphasis may need to be placed on workforce training of area residents and on specific recruitment of businesses that have a need for workers with the types of skill sets possessed by those residents. In the 30th Street Industrial Corridor, City and State leaders appear to have recognized that need, as evidenced by their efforts to create an advanced manufacturing training center at the Century City site. Additional workforce development efforts likely will be needed for other major redevelopment projects as well.

