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## Chapter VIII: Economic Development

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- Focus economic development around an overall strategy of helping local businesses prosper; building Beloit residents as sought-after employees and entrepreneurs, attracting new industries, retailers, and economic initiatives that capitalize on Beloit's attributes; enhancing economic health in the City Center and nearby neighborhoods through revitalization efforts; and working collaboratively through local and regional partnerships.
- Encourage entrepreneurship in local residents including supporting training and incubator space.
- Strengthen the link between people and jobs, including greater options in workforce housing, education, and transportation.
- Recognize the importance of existing local businesses by supporting their retention and expansion.
- Direct business recruitment efforts towards specialized manufacturing, retail opportunities not yet available in Beloit, and projects that contribute to Downtown and corridor redevelopment.
- Pursue community enhancements, such as Riverwalk expansion and events, as part of the City's economic well-being.
- Continue to collaborate with local and regional partners on economic development initiatives.



This chapter of the *Plan* contains information, goals, objectives, policies and recommended programs to promote the retention and stabilization of the economic base in Beloit. This chapter assesses the City's economic development strengths and weaknesses and evaluates the types of new businesses and industries that are desired for the City.

Because a successful economic development strategy must consider a community's position within a broader economic and geographic region, this chapter was developed with that regional perspective in mind. Chapter II: Issues and Opportunities also features a discussion of the major economic opportunities for Beloit based on its regional position and local assets.

## A. Labor Force

The City's labor force is the portion of the population employed or available for work and includes people who are in the armed forces, employed, unemployed, or actively seeking employment. According to 2000 U.S. Census data, 17,449 residents, or 65 percent, of City residents age 16 or older were in the labor force. Of this total, 9.2% were unemployed. The percentage of the City's labor force employed by occupational sector is shown in Figure 32. Nearly 35 percent of the labor force is employed in the manufacturing sector, which is reflective of the City's large "blue collar" workforce. The educational, health, and social services sector employs another 18.4 percent of the workforce.

**Figure 32: City of Beloit Occupational Groups**

<b>Occupational Group</b>	<b>% of Labor Force</b>
Manufacturing	34.9
Educational, health, and social services	18.4
Retail trade	11.1
Arts, entertainment, recreation, accommodation, and food services	8.5
Professional, scientific, management, administrative, and waste management services	5.2
Construction	4.9
Other services (except public administration)	3.9
Transportation, warehousing, and utilities	3.4
Finance, insurance, real estate, rental, and leasing	3.3
Public Administration	2.4
Wholesale trade	2.0
Information	1.5
Agriculture, forestry, fishing, hunting, and mining	0.5

*Source: U.S. Census Bureau, 2000*

## B. Educational Attainment

Educational attainment is one variable that is used to assess a community's labor force potential. According to 2000 Census data, 75.6 percent of the City's population ages 25 and older have attained a high school degree or higher, which is lower than all other surrounding communities except the City of South Beloit. Over 13 percent of that group holds bachelor's degrees or higher. This is lower than the Town of Turtle but higher than the Town of Beloit. Increasing educational attainment and well-trained employees will be key to Beloit's economic future.

**Figure 33: Education Characteristics, 2000**

	<b>% High School Graduates</b>	<b>% with Bachelor's Degree or Higher</b>
City of Beloit	75.6	13.5
Town of Beloit	84.8	11.5
Town of Turtle	86.3	17.0
City of South Beloit	73.7	7.4
City of Janesville	87.0	18.9
Rock County	83.9	16.7
State of Wisconsin	85.1	22.4

*Source: U.S. Census Bureau, 2000*

### C. Income

Figure 34 presents income characteristics for the City of Beloit and the surrounding communities. According to 2000 U.S. Census data, median household income in the City was \$36,414, which is similar to the neighboring Illinois community of South Beloit, but is lower than the adjacent towns, Janesville, the County, and the State. Similarly, the City of Beloit's per capita income ranged between 9 and 42 percent lower than the adjacent communities, Janesville, the County, and the State. Approximately 46 percent of households in Beloit reported an annual income of between \$35,000 and \$100,000 in 1999. Nearly 6 percent of the households reported an annual income of more than \$100,000.

Using the total income tax returns and gross adjusted income filed between July 1, 2004 and June 30, 2005 for the City of Beloit, the adjusted gross income per tax return was \$31,209. The adjusted gross income per tax return throughout Rock County was \$41,906. This data includes only income subject to tax and income of persons filing tax returns; it does not include non-taxable income and people not filing returns. It does not directly reflect household incomes because tax returns do not always correspond with households.

**Figure 34: Comparable 2000 Housing and Per Capita Incomes**

	<b>Median Household Income</b>	<b>Per Capita Income</b>
City of Beloit	\$36,414	\$16,912
Town of Beloit	\$47,907	\$21,874
Town of Turtle	\$57,188	\$24,015
City of South Beloit	\$35,597	\$18,363
City of Janesville	\$45,961	\$22,224
Rock County	\$45,517	\$20,895
State of Wisconsin	\$43,791	\$21,271

*Source: U.S. Census Bureau, 2000*

### D. Commuting Patterns

Although the largest number of Beloit's resident workforce is employed within the City, approximately 56 percent commute to work outside of the City. Figure 35 illustrates the number of workers commuting to proximate metropolitan areas. Of Beloit residents who work outside the home, the median time spent traveling to work was 15 to 19 minutes. This data suggests that the most common places for Beloit residents to work are Beloit, Janesville, and Rockford. 92.3 percent of workers traveled by private vehicle to work, and of these, 14.8 percent carpooled. 15 percent of Rock County's workforce commuted from outside the County (only County-specific information was available).

**Figure 35: Commuting Patterns**

<b>Workplace Location for Beloit Residents</b>	<b># of Workers</b>	<b>% of Employed Residents</b>
City of Beloit	6,827	43.9%
Janesville-Beloit MSA (outside of the City of Beloit)	4,247	27.3%
Rockford MSA	3,003	19.3%
Chicago MSA	283	1.8%
Milwaukee MSA	217	1.4%
Madison MSA	96	.6%

*Note: Metropolitan Statistical Area (MSA)*

*Source: U.S. Census Bureau, 2000*

## **E. Trade Area Demographics**

Existing and prospective businesses consider the population and characteristics of the larger trade area when considering location and expansion decisions. Beloit businesses serve not only City residents, but also customers from a larger trade area.

Figure 36 below presents demographic information for 10-mile and 15-mile radii from Beloit. The 2000 population of the 10-mile radius is more than twice as large as the City's 2000 population (35,775). The average household size and median age for the 10-mile area are higher than in the City alone. The median household income of the 10-mile radius is significantly higher than the City.

**Figure 36: Trade Area Demographics**

	<b>10-Mile Radius</b>	<b>15-Mile Radius</b>
2000 Population	94,524	256,941
2006 Population (estimated)	101,210	273,622
2000 Households	34,920	98,052
2006 Households (estimated)	38,210	106,657
2000 Average Household Size	2.6	2.51
2000 Median Age	36.0	36.4
2000 Median Household Income	\$52,911	\$52,536

*Source: City of Beloit*

## **F. Locations of Economic Development Activity**

Beloit's economic development activity is focused in three geographic areas, described below.

### **1. Downtown and City Center**

Beloit's City Center, the riverfront corridor that extends through the City and includes Downtown, was the historic location of Beloit's economic activity, including riverfront industrial businesses, like Fairbanks Morse and the Beloit Corporation. Beloit experienced devastating economic decline there starting in the 1970s along with other "rustbelt" cities throughout the Midwest, but has made significant progress to revitalize the City Center in partnership with Beloit 2020, the Downtown Beloit Association, and private investors.

Today, the City Center is home to a number of major employers including Fairbanks Morse, ABC Supply, Regal-Beloit Corporation, several Downtown banks, and Beloit College. The Downtown portion of the City Center alone boasts over 2,000 employees and 200 businesses. There are also a number of small businesses downtown, catering to Beloit residents, students, and visitors. Efforts to reinvest in the City Center have been

aided by support through state and federal programs, the Wisconsin Main Street program, and Tax Increment Financing.

## 2. Commercial Corridors

The most rapidly expanding area of commercial activity in Beloit is along Highway 81/Milwaukee Road near the interchange with Interstates 39/90 and 43. This area is characterized by automobile-oriented development, including regional-scale retailers like Wal-Mart, Menards, and Staples; multi-tenant commercial centers; national chain sit-down and fast food restaurants; and travel service centers.

In the northeast area of the City, Prairie Avenue and Cranston Road both serve as commercial corridors. Cranston Road businesses are focused on retailing and restaurants closer to Highway 81 with service businesses and offices further west. Prairie Avenue is a community service and retail area, which is struggling relative to the interchange area, but is bolstered by the health care institutions that are focused in that area. On Beloit's west side, Madison Road is home to a mix of neighborhood-scale commercial establishments and a large grocery store. Smaller neighborhood commercial pockets also dot the City.

## 3. Industrial Development

In addition to the significant industrial activity in the City Center, most industrial development is located on Beloit's northeast side along the rail corridor. It is most heavily concentrated on both sides of Interstate 39/90, south of the Interstate 43 interchange. Major industrial employers on the west side of Interstate 39/90 include Frito-Lay, Hormel Foods, and Alcoa International. Recently, the City, in partnership with MLG (a commercial real estate development company), established the Gateway Business Park on the east side of Interstate 39/90 for new industrial and residential development. Major developments recently completed or underway in the Gateway Business Park include a Staples distribution center, bringing 200 new jobs, a Kettle Foods production and distribution center, bringing 100 new jobs, and the relocation of Kerry's facilities from the Downtown.



The presence of Frito-Lay, Hormel Foods, Kettle Foods, and Kerry Ingredients demonstrates a clear food products cluster in Beloit. In addition to the food industry, the east side of Beloit is home to a biotechnology company, Genencor, which processes agricultural products for feeds, food and food ingredients, and renewable fuels. Beloit's proximity to agricultural raw materials, interstate transshipment routes, a power plant, and major metropolitan markets demonstrates a clear growth potential in bio-based production, particularly focused on food products.

**Figure 37: Major Employers of Greater Beloit, 2007**

<b>Employer*</b>	<b>Industry/Organization</b>	<b># Employees</b>
School District of Beloit	Educational Services	890
Beloit Memorial Hospital	Medical Services	845
Frito-Lay	Snack Foods	717
Taylor Company (Rockton, IL)	Ice Cream and Shake Machines	652
Beloit College	4-Year College	448
Alcoa International	Aluminum Wheels	401
Beloit Clinic	Medical Services	394
City of Beloit	Municipal Services	382
ABC Supply Co.	Roofing, Siding	372
Wal-Mart Super Store	Retail Department Store	336
Kerry Americas	Dehydrated Food	330
Fairbanks Morse/Goodrich	Diesel Engines	288
General Motors (Janesville, WI)	Auto Assembly	279
Hormel Foods	Canned Meat	272
Ecolab, Inc. (South Beloit, IL)	Chemical Dispenser	264
Warner Electric (South Beloit, IL)	Brake & Clutch Systems	232
Woodward Governor (Rockford, IL)	Aerospace Products	228
Regal-Beloit (all area locations)	Cutting Tools	225
Staples	Office Supplies	190
Scot Forge (Clinton, WI)	Open Die Steel Forgings	186
First National Bank & Trust	Financial Institution	183
Menards	Retail Department Store	170
Midstates Concrete	Precast concrete slabs	160
Turner School District	Educational Services	160
Serta Mattress Company	Mattresses	158
United Industries	Stainless Steel Tubing	137
McCleary Industries (South Beloit)	Snack Foods	135
Metso Paper USA	Paper Making Machines	120
Woodman's	Grocery Store	120
Paperchine	Paper Machinery Manufacturers	110

\* Employers with 100 or more employees were included on this list

Source: City of Beloit, 2007

## **G. Environmentally Contaminated Sites**

The Wisconsin Department of Natural Resources' Environmental Remediation and Redevelopment Program maintains a list of contaminated sites, or "brownfields," in the state. The DNR defines brownfields as "abandoned or under-utilized commercial or industrial properties where expansion or redevelopment is hindered by real or perceived contamination." Examples of brownfields might include a large abandoned industrial site or a small corner gas station. Properties listed in the DNR database are self-reported, and do not represent a comprehensive listing of potential brownfields in a community.

The sites represented on the DNR database in the planning area include areas contaminated through spills, leaking underground storage tanks (LUST), and other contamination sources that require long-term monitoring of the soil and water. As of August, 2007, there were 66 sites listed in the DNR database in the City of Beloit. Of these, 37 were classified as spill sites, 16 were classified as "ERP" (sites which have contaminated soil and/or groundwater), and 13 were classified as "LUST" sites.

Concentrations of brownfield sites appear to be along 4<sup>th</sup> Street, Broad Street, Liberty Avenue, Pleasant Street, and Prairie Avenue. Specific locations, property ownership information, and status of remediation efforts for these sites are available from the DNR. These properties may need special attention for successful redevelopment to occur. The locations of these environmentally contaminated sites were considered when making the land use recommendations in this *Plan*.

## H. Local Economic Development Organizations

The following section describes the numerous economic development organizations working in the Beloit area. Attesting to the strong collaboration among four of these organizations – Downtown Beloit Association, Chamber of Commerce, Visit Beloit, and Greater Beloit Economic Development Corporation – starting in winter of 2008, they will be housed in the new “Vision Beloit” center in Downtown Beloit.

### 1. City of Beloit Economic Development Department

The City’s Economic Development Department offers a number of services to businesses and developers to promote balanced economic growth for the City. The City assists businesses and developers with provision of demographic information; building and site searches; labor searches; financial packaging; and incentive packaging.

### 2. Greater Beloit Economic Development Corporation (GBEDC)

The GBEDC was formed in April 2005 through the merger of the Beloit Economic Development Advisory Council and the Beloit Economic Development Corporation. The GBEDC focuses on industrial development, business retention and expansion, and commercial development leading to private investment and job creation in the Cities of Beloit and South Beloit and the Towns of Beloit and Turtle. The GBEDC serves as a voice of the business community and works to facilitate partnerships with government, utilities, realtors, and other public and private entities.

### 3. Community Development Authority (CDA)

The City of Beloit Community Development Authority develops plans and implements economic redevelopment and housing initiatives. It also oversees the operations of the public housing office.

### 4. Downtown Beloit Association (DBA)

The DBA works to revitalize Beloit’s center through its management of the downtown, in part utilizing the State’s Main Street program. The DBA assists with (1) organizing human and financial resources to implement the Main Street program; (2) marketing the downtown through promotional materials and special events; (3) promoting historically sensitive design for both private buildings and public improvements; and (4) economic restructuring of the downtown to achieve an optimal, vibrant business atmosphere.

### 5. Greater Beloit Chamber of Commerce

The Chamber of Commerce serves the greater Beloit business community through its coordination with government, educational, and other community organizations; networking opportunities; and special events.





## **6. Visit Beloit**

Visit Beloit—the local convention and visitors bureau—supports tourism in Beloit through its promotion of Beloit attractions, special events, activities, dining, and accommodations.

## **7. Beloit 2020**

Formerly Beloit 2000, Beloit 2020 is comprised of key members of the public, private, and civic sectors who are committed to Beloit's continuous improvement and a greater quality of life for its residents. Beloit 2020 has led many planning and implementation efforts, focused particularly on the City Center, stretching near the river from the new Eclipse Center to South Beloit. Recently, Beloit 2020 led the development of the City Center Plan for this area.

## **8. Beloit Fine Arts Incubator**

The Beloit Fine Arts Incubator is a non-profit organization that provides affordable space for artists to create, display, and sell their work and also provides business development services to artists.

# **I. Regional Economic Initiatives**

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## **1. Rock County Development Alliance**

In addition to a wealth of local economic development organizations, the City is active at a higher level with Janesville and Rock County. These efforts recognize that both cities benefit from an overall strong region. The focus of this effort is the development of joint marketing materials. Recently Rock County and the two cities have targeted the Chicago development market to maintain and improve local visibility.

## **2. Stateline Coalition Steering Committee**

The Stateline Coalition Steering Committee is a collaborative effort among Illinois and Wisconsin cities near the stateline. Its purpose is to identify strategic transportation initiatives which impact economic development and lobby for funding (e.g. expansion of Highway 20 from Iowa to Rockford, Illinois).

## **3. I-39 Logistics Corridor**

Rock County Planning and Development is a member of the I-39 Logistics Corridor group. This group markets the proximity of the Interstate 39 corridor, which offers everything of vital importance to logistics, manufacturing, and other companies analyzing site criteria for the Chicago area. The Chicago area handles more freight than any other region in the country.

# **J. Economic Incentive Programs**

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## **1. Tax Increment Financing (TIF)**

Tax increment financing is the City's most important economic development tool and is used mostly to finance infrastructure and to leverage private investments. The City of Beloit has nine active TIF districts, concentrated in the City Center and in industrial areas on the east side of City. TIF is used as a funding tool to facilitate desired development and redevelopment that would not happen "but for" the use of TIF. Incremental tax dollars collected from rising property values within a TIF district are used to finance public improvements and/or to narrow an evident funding gap for a private development investment.

## **2. City of Beloit Revolving Load Fund**

The City's Revolving Loan Fund provides up to 30 percent financing for real estate and depreciable assets for businesses creating new jobs and tax base within the City.

### 3. GBEDC Multi Bank Loan Pool

The Greater Beloit Economic Development Corporation, M & I Bank, First National Bank, and Blackhawk State Bank have partnered to establish a Multi Bank Loan Pool. This Pool can provide financing for business development or expansion projects in the City leading to significant job creation or private investment.

### 4. Community Development Zone

Beloit's City Center and Industrial Park are part of a state-designated Community Development Zone, in which new companies are eligible for income tax credits based on job creation.

### 5. Beloit Development Opportunity Zone – Gateway Business Park

New companies locating or expanding in the Gateway Business Park are eligible for income tax credits for job creation for full-time positions filled by Wisconsin residents. This program has recently been extended to be available into 2009.

### 6. Capital Ideas Technology Zone

The Capital Ideas Technology Zone is an economic development initiative promoting high-technology businesses development in Dane, Jefferson and Rock Counties. In Beloit, high technology businesses locating in the I-90 Industrial Park and in the City Center are eligible for state income tax credits based on job creation and private investment.

### 7. Industrial Revenue Bonds

New industrial facilities with demonstrated financing needs can request the City's assistance in obtaining industrial revenue bond financing for new construction and equipment. IRBs are tax exempt and maintain interest rates lower than the market rate by about 75%.

### 8. Small Business Administration (SBA) 504 Financing

The City can assist businesses with the procurement of SBA 504 financing for new construction and equipment. SBA financing requires a 10% equity investment coupled with a 50% investment by a lending institution and 40% investment from the federal government.

### 9. State Job Training Programs

Businesses creating new jobs in manufacturing and new technology can take advantage of the State's Customized Labor Training Program (CLT) that provides \$2,500 in training funds for each new job created. Additionally, the State's Business Employee's Skills Training (BEST) grant program can provide up to \$10,000 to small employers for job training.



## K. Assessment of Desired Economic Development Focus

Following the State's comprehensive planning law, this *Comprehensive Plan* assesses categories or particular types of new businesses and industries that the City desires. In order to do this, the City must understand its economic development assets, and how to capitalize on those assets through identifying strengths and weaknesses.

**Figure 38: City of Beloit Strengths and Weaknesses for Economic Development**

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>▪ Well connected to major metro markets through transportation network</li> <li>▪ Access to raw materials</li> <li>▪ Infrastructure in place to serve new development</li> <li>▪ Recent residential growth</li> <li>▪ Proactive leadership</li> <li>▪ Available workforce</li> <li>▪ Food processing cluster</li> <li>▪ Regional recreation and tourism amenities</li> <li>▪ Historic City Center riverfront</li> <li>▪ Sewer and water capacity and quality</li> <li>▪ Workforce initiatives and the Job Center</li> <li>▪ Availability of land</li> </ul>	<ul style="list-style-type: none"> <li>▪ Difficulty in land assembly, particularly downtown and along Milwaukee Road</li> <li>▪ Status as “in between” market</li> <li>▪ Obstacles faced in changing perceptions of the community</li> <li>▪ Lower property taxes and more flexible incentive packages across the State line</li> <li>▪ Some future economic development areas—particularly east of I-90—currently lack good access</li> </ul>

**L. Employment Projections**

The following employment projections in 5-year increments are based on the Wisconsin Department of Workforce Development’s Office of Economic Advisors (OEA). The OEA produces mid-term employment projections for the South West Wisconsin area (Grant, Green, Iowa, Lafayette, Richland, and Rock Counties). Employment is a count of jobs rather than people, and includes all part- and full-time non-farm jobs. Employment does not include self-employed, unpaid family, and railroad workers.

The City’s current proportion of jobs relative to the region is projected to continue through the planning period. In 2000, the City had 14,150 jobs, which is approximately 12 percent of all jobs in the South West Wisconsin area. By 2012, the South West area’s total number of jobs is expected to increase by 16,760 jobs (14.2 percent). The City’s portion of this increase would be approximately 2,015 new jobs. This employment growth rate is projected to remain constant throughout the planning period.

**Figure 39: City of Beloit New Employment Projections: 2005-2030**

	2005-2010	2010-2015	2015-2020	2020-2025	2025-2030	Total
Projected Number of New Jobs in the City of Beloit	901	956	1,014	1,076	1,141	5,088

*Source: Wisconsin Department of Workforce Development, Office of Economic Advisors, 2004; Vandemalle & Associates*

**M. Economic Development Goals, Objectives and Policies**

The City’s economic strategy acknowledges that the economic health of the City is inextricably linked to its regional position, and to its local attributes and conditions. Often through partnerships, the City will seek to capitalize on these attributes and improve local conditions to enhance its economic environment. At the same time, the City will direct limited economic resources in directions that best meet unmet community needs, raise the standard of living and quality of life for Beloit residents, and advance the City’s overall vision and goals as expressed through this *Comprehensive Plan*.

**1. Goal**

- a. Attract and retain businesses that capitalize on Beloit’s regional position, enhance the City’s character and appearance, and strengthen and diversify the non-residential tax base and employment opportunities.

**2. Objectives**

- a. Promote commercial development that will meet the shopping, service, and entertainment needs of the residents of the Beloit trade area.
- b. Support the creation and growth of small business development.
- c. Recruit businesses and industries that provide high paying jobs in a variety of fields for Beloit residents.
- d. Continue to grow and enhance economic clusters in Beloit, such as specialized food processing, transportation, energy, and logistics.
- e. Promote regional economic development through cooperative efforts.
- f. Actively support the continued revitalization of Downtown Beloit, the City Center area, and nearby neighborhoods.
- g. Balance economic growth with other community goals, such as neighborhood preservation and environmental protection.

**Pillars of the City’s Economic Strategy**

- Focus economic development on community vision and goal achievement
- Help local businesses grow and prosper
- Build Beloit residents as sought-after employees and entrepreneurs
- Attract new industries, retailers, and economic initiatives that capitalize on Beloit’s unique attributes and position
- Enhance economic health in the City Center and nearby neighborhoods through revitalization efforts
- Enhance community sustainability through responsible economic growth
- Work collaboratively through local and regional partnerships

**3. Policies**

- a. Provide sufficient business and industrial sites for the community to be competitive in attracting high quality enterprises, and in helping existing businesses grow if relocation is necessary.
- b. Continue to revitalize Downtown Beloit as a specialty retail, service, residential, and event district that complements its existing scale and character and draws customers from a broader trade area.
- c. Encourage neighborhood-serving commercial opportunities in the existing developed areas of the City, particularly aging commercial corridors and neighborhood retail centers.
- d. Capitalize on Beloit’s ideal location and excellent access by encouraging regional retail and commercial service development in the vicinity of the Interstate 39/90 and 43 and Milwaukee Road.
- e. Continue to enhance and beautify the streetscapes along major corridors and community gateways, particularly Highway 51, Milwaukee Road, Madison Road, and the Highway 75.



- f. Encourage the redevelopment or rehabilitation of underutilized and deteriorated properties and districts, following the directions provided in Chapter Four: Land Use.
- g. Support the creation of small-business incubators in both formal and more ad hoc locations, and for a variety of business types, including industrial, retail and service, and the arts.
- h. Allow neighborhood-scale retail businesses and services in predominantly residential neighborhoods, provided such uses and structures are compatible with adjoining residential properties and serve primarily the needs of the surrounding neighborhood.
- i. Require that new business or industrial development provides adequate separation and buffering between facilities and nearby existing or planned residential neighborhoods, while still encouraging the concept of live-work neighborhoods where neighborhood and site planning is high.
- j. Encourage businesses and industries that do not have environmental impacts that would negatively affect adjoining properties or otherwise degrade the environmental quality of the community.
- k. Complete the marketing, development, and expansion of the Gateway Business Park as the premier industrial, manufacturing, and distribution area of the City.
- l. Preserve long term economic opportunities beyond the City limits—particularly east of the City—through intergovernmental cooperation and extraterritorial authorities to prevent premature development there.
- m. Create and communicate clear expectations and standards for areas planned for industrial, office, mixed use, and commercial development, and review projects against these standards, to eliminate uncertainty in the development review process.
- n. Continue the appropriate use of Tax Increment Financing and other financial incentives and implementation tools to promote desirable new and expansion industrial development and redevelopment.
- o. Work with the Beloit Area Chamber of Commerce, the Downtown Beloit Association, Beloit 2020, Visit Beloit, the Greater Beloit Economic Development Corporation, and other organizations to address the concerns and issues of area businesses to promote a healthy and vibrant business community.
- p. Work with surrounding communities and the County to enhance the region, in part by not pursuing industrial projects that are currently in other communities and encouraging them to do the same.
- q. Work with education providers to help grow and support local entrepreneurs and to better match local workforce skills with industry needs.
- r. Support a variety of housing options to meet the needs of the Beloit business community, from workforce housing to executive housing.



## **N. Economic Development Recommendations and Programs**

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To carry out the City's economic strategy, and to build on the goals, objectives, and policies outlined in the previous section, the City intends to pursue the following directions.

### **1. Grow the Economy by Creating a Better Beloit**

A lot has been written about the nation's and world's transition to the "new economy." One key aspect to economic growth and health in the new economy is providing physical and cultural amenities that employers and workers want. Community features like good housing and neighborhoods, a strong downtown, parks and trails, the arts and theater, and education really do matter. To this end, the City will continue to work with others in providing an amenity-rich environment for Beloiters—to serve the intertwined goals of economic prosperity and high quality of life.

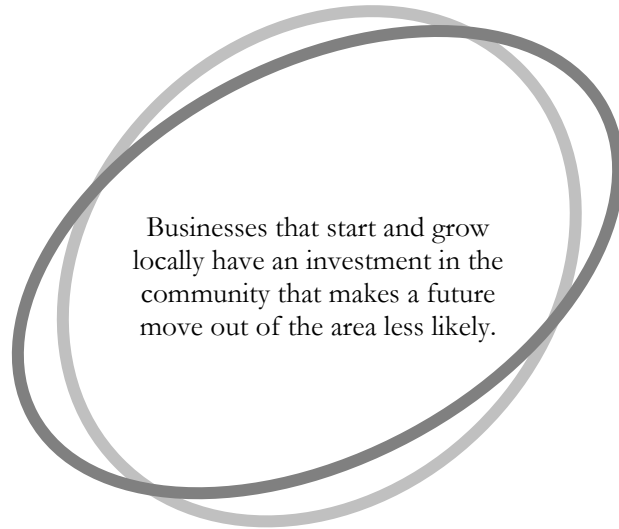
In addition to being sound infrastructure investments, appropriate public improvements can improve the overall appearance of a community and present a more attractive face to potential companies and industries. Investments in neighborhoods and parks are key components. The City will continue to capitalize on the Rock River as one of its most important natural features. The recent removal of the parking structure over the River is a positive step in enhancing the City's connection to the River. The City will pursue development of the Riverwalk through Downtown on both sides of the River, as well as other Downtown enhancements. Additionally, as City streets are reconstructed, upgrades such as wayfinding signs, decorative lighting, and new sidewalks should be considered. Efforts will continue to remove billboards from inappropriate locations, including City Center.

### **2. Foster Entrepreneurs and Small Business Start-Ups**

As a diverse urban community, Beloit should explore ways of cultivating entrepreneurship and fostering new businesses started by area residents – a "growing from within" approach. Entrepreneurs are defined by their ability to create new products, services, or methods of production to meet local needs. Entrepreneurship can take many forms, ranging from the part-time home occupation to the start-up businesses that grow into firms that require their own facilities and employees. Individually or collectively, these activities can greatly enhance the overall economic health of the community. The following continued and new approaches are advised to foster greater entrepreneurial activity in Beloit:

- Bringing together networks of individuals and agencies that can provide training and funding assistance. The City can be a key player in connecting prospective business owners with training and funding. Numerous County, Regional, State and Federal programs, agencies, and private organizations exist to provide would-be entrepreneurs with information and financial assistance on an array of issues including training, grants, and on research on specific products and services. The Greater Beloit Chamber of Commerce, Downtown Beloit Association, and the GBEDC are but a few examples of organizations that provide staff capable of matching interested individuals with links to these numerous and varied resources. Educational opportunities with the University of Wisconsin-Whitewater, Blackhawk Technical College, and University of Wisconsin-Rock County should be fostered or reestablished. Partnerships with Janesville and Rock County may make training programs more economically feasible.
- Promoting a "buy local" campaign among Beloit residents to enhance markets for small, locally-owned businesses. This could be carried out through the media or through tasteful signage marking locally-owned businesses. In executing this approach, the City should not overlook the role of locally-owned franchises. Franchise owners often have more access to capital than "mom and pop" operations, and pre-disposed clientele. Franchising in urban areas also allows workers to find employment in their own neighborhoods and strengthens the local community through local ownership.

- Collaboratively creating and fostering business incubator space. This may be in the form of a structure that is leased to a new or small business on terms highly favorable to the tenant. This allows new business to direct more revenue into growing a business and building a reserve of capital that will eventually allow the business to construct or move to a permanent site. However, incubators can also be “created” formally or informally in older spaces in different parts of the City, such as second floor spaces Downtown, along Madison Road, or in proposed redevelopment areas like Cranston Road (see Land Use chapter). The City could collaborate with partners such as UW-Whitewater and Beloit College on this effort.
- Creating reasonable standards for home occupations that allow home-based businesses to start and flourish, without negatively affecting the neighborhood environment. Once a business grows beyond a home-based business status, it should move on to incubator or other space in a district zoned for business use.



### 3. Retain and Expand Existing Local Businesses

Beloit has a variety of locally-owned businesses that provide unique goods and services, and contribute strongly to the community’s urban identity. Since the owners of such businesses usually live within the community, there is a strong likelihood that the profits from such enterprises will be spent locally, and recycle through the local economy.

Local business retention and development will be emphasized as an important component of the City’s economic development strategy. It is far easier to retain the City’s existing businesses and industries than recruit new businesses, and most employment growth in any community occurs through existing business expansion. Support through development approval assistance, business mentoring, development incentives, and small business loans are important ways that the City can continue to promote locally grown businesses.


### 4. Strengthen the Link between People and Jobs

Good employees are a vital part of the economic development equation. The accessibility and quality of education, job training, transportation, and housing affect the ability of a community’s workforce to access and prosper at today’s jobs. The City intends to carry out the following efforts to strengthen the link between area residents and local jobs:

- *Education and training opportunities.* The City intends to work with the Beloit School District, Blackhawk Technical College, and local businesses to ensure that local curriculums and training opportunities are meeting employer needs. The City, local businesses, and the School District may also collaborate on education and training initiatives such as job shadowing and mentoring. The City will also encourage local businesses to support life-long learning opportunities for employees.
- *Transportation options.* Beloit is fortunate to have a variety of transportation options. The Beloit Transit System provides bus service through the City as well as to Janesville. Map 11: Transportation System Improvements depicts potential new routes where more intensive new development is proposed, in particular the Gateway Business Park. Developing a more complete bicycle and pedestrian system also increases transportation choices for workers—particularly in good weather and where jobs are close to

housing. All this being said, maintaining the existing road network also cannot be overlooked in getting people to jobs.

- *Variety of housing options.* Housing is not simply part of the fabric of the City; it also contributes to its economic vitality. In order for the Beloit area to grow economically, local housing development and improvements are critical. Businesses need access to workers, and workers need quality housing they can afford. A range of housing types, from workforce housing to executive housing, is an asset that the City will endeavor to encourage.
- *Bringing jobs to the neighborhoods.* This Plan identifies several places in and near the City's older neighborhoods where job and business redevelopment could occur. These include the Cranston Road area (near the railroad crossing), Park Avenue, and Madison Road. Bringing jobs close to where people live enhances employment opportunities without creating transportation challenges. It also enhances positive neighborhood activity.




A good-paying, rewarding job is essential for economic self-sufficiency and self-worth.

#### 5. Recruit New Retail Sales and Service Businesses that Fill Unmet Local Needs

There is an undersupply of local establishments where purchases can be made in the City compared to the purchasing power of local households. This results in a significant leakage of wealth from the community, and unnecessary and longer automobile trips as Beloit residents travel outside the community for much of their shopping. A greater quantity and variety of stores geared specifically toward the local market would help re-circulate local wealth, bolster local tax revenues, enhance the City's image and quality of life, and put less strain on regional roads. Appropriate locations for future retail and commercial service development are described more fully in the Land Use chapter and on Map 10.

The City will also work to bring desired retailers to the area, including additional department stores, clothing stores, sports outfitters, and others. Site assembly and access are key impediments that the City and real estate interests will continue to work to overcome. Efforts will include improving road access via the Freeman/Inman Parkway extension, along with interchange and freeway over/underpass improvements, discussed more completely in the Transportation chapter.

Historically, the City has not provided significant financial incentives to encourage retail development, instead choosing to focus its investments on redevelopment (which is often impossible to achieve without incentives) and industrial development (which has superior potential for creating good-paying jobs). The City does not currently have guidelines for whether, what types, and under what circumstances financial support may be offered to provide an incentive for a retail project. The City will use the following minimum criteria before it considers for financial support for retail and commercial service development through TIF or other means:



The City may link incentives for retail development to projects with sustainable designs in areas served by existing infrastructure.



- Commitment to remain in operation in Beloit for a minimum acceptable period of time.
- Providing a product or service needed within the Beloit area.
- Having a brand identity or cache that will significantly enhance Beloit’s image.
- Likelihood that development will create positive spin-off development nearby.
- Site design and building layout.
- Minimum of 100,000 square feet of floor space.
- Location that promotes efficiency and connectivity with existing public infrastructure. The City will incorporate the cost of required new infrastructure in preparing incentive package.

## 6. Recruit New Industrial Development that Capitalizes on the City’s Position

Attraction of industries from outside the City and region will help expand the breadth and depth of the City’s economy. Techniques for attracting new businesses are often similar to those used to retain existing businesses, outlined earlier in this section. The City has a range of these and other tools at its disposal that it will utilize.

Many times the availability of improved sites is often necessary to overcome an outside firm’s hesitancy to move or expand into a new community. The City will consider developing an inventory of a broad range (e.g. size and location) which are already improved with streets, sanitary sewer, and water services and are ready for construction—in all parts of the City.

Development regulations should be clear. The City may even consider having a pre-approved building plan where a prospective business seeking a quick opening could begin construction immediately, according to the approved plan.

At the time of writing, the Gateway Business Park was nearly 25 percent developed. The City will continue to market this area of the City for specialized manufacturing, transportation, and logistics companies. In particular, Beloit will continue to grow its “food cluster.” A cluster is a group of companies that produce similar products and share infrastructure, suppliers, and distribution networks—all of which provide additional business opportunities in an area. Where formed, informal cluster organizations can also help identify careers in related industries, guide local schools and colleges in providing appropriate training, and help policy makers understand industry requirements for success. The City encourages formation of such a working group.



## 7. Pursue Redevelopment and Infill of Underutilized Lands

The City will continue to promote Downtown Beloit as a social, civic, business, and residential center. The Downtown Plan contains detailed recommendations for redevelopment and infill in the Downtown. The City Center planning effort includes redevelopment recommendations for other properties near the Rock River, which are being carried out with projects such as the Eclipse Center.

Additional redevelopment opportunities are present outside of Downtown and City Center area.

Redevelopment concept plans for the following areas are illustrated in the Land Use chapter: Prairie Avenue, Park Avenue, Madison Road, the Former K-Mart-Sentry site, Switchtrack Alley, and Cranston Road.

Sites like these typically do not redevelop themselves. Instead, careful planning, site assessment, public-private partnerships, redevelopment incentives, and persistence over a number of years are required. The Beloit Community Development Authority should be the lead organization in such redevelopment efforts. In the case of the Cranston Road and Prairie Avenue locations, collaborate with the Town of Beloit will also be critical.

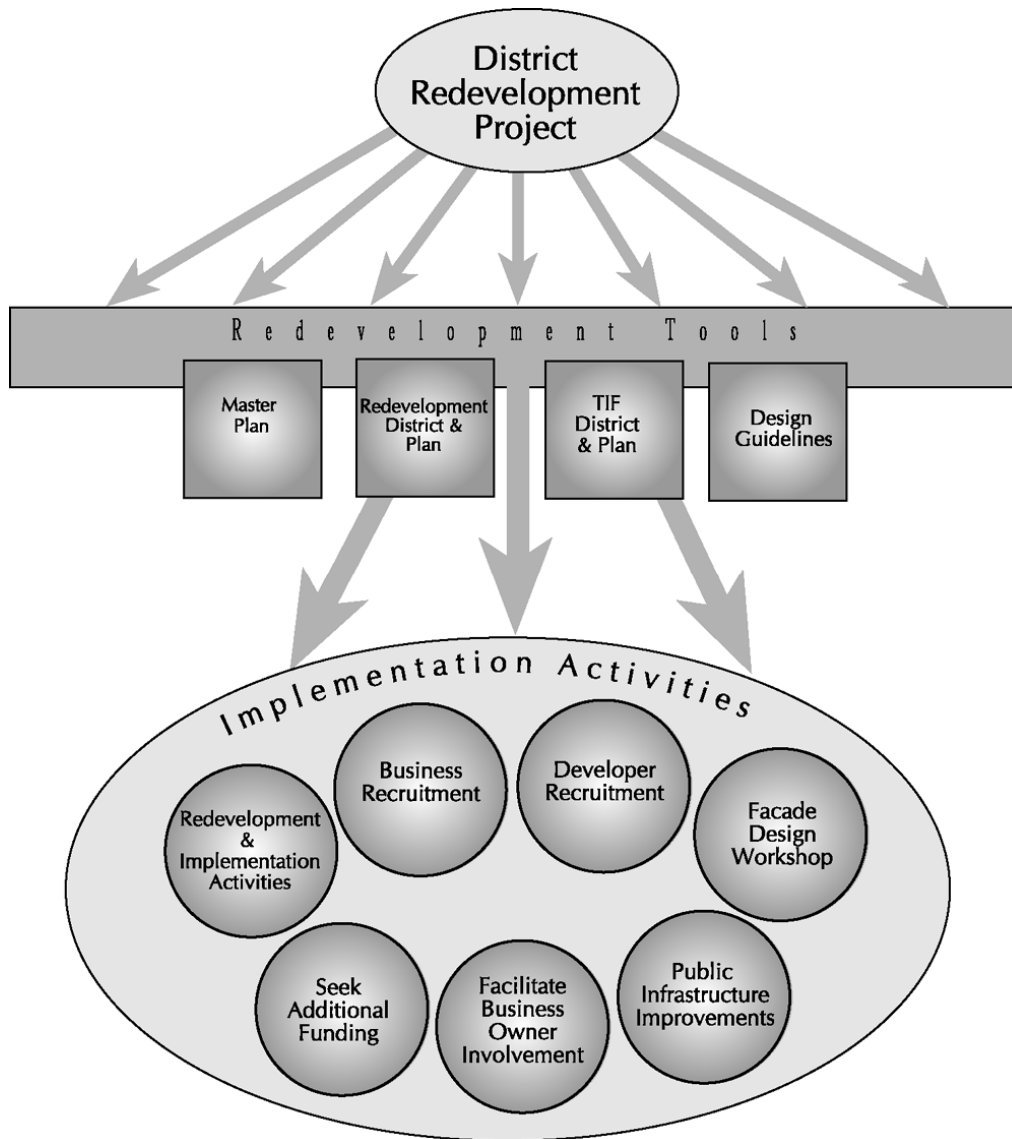
The concept plans in Chapter Four are intended to be a starting point for individual redevelopment plans and actual redevelopment for each these areas. Figure 40 illustrates a recommended approach to redevelopment planning and implementation that will have a lasting, positive economic effect on each area and the community. Typically, this type of detailed planning and implementation process includes:

- Evaluating the planning area's condition.
- Conducting a regional and local economic opportunities analysis.
- Identifying goals and objectives for the redevelopment area
- Prioritizing individual redevelopment sites within the area.
- Conducting a market assessment for each redevelopment site.
- Preparing a redevelopment strategy and detailed plan map, with attention to priority sites.
- Aggressively pursuing implementation through techniques like the adoption of a statutory redevelopment plan; establishment of a redevelopment tax increment financing district; possible brownfield remediation (see approach in Figure 40); possible site acquisition, consolidation, and demolition; and developer recruitment.

Where brownfields are identified in the redevelopment planning process, the following list of special steps are advised for successful brownfield remediation and reuse.

- *Resource Procurement.* In order to ensure the successful redevelopment of these sites, considerable capital must also be raised for remediation and redevelopment. Funding assistance from state, federal, and other public agencies, as well as from non-profit and foundation sources should be sought.
- *Environmental Assessment.* Successful redevelopment of brownfields is not possible without a thorough understanding of the environmental conditions present on the site. The first step is to conduct a Phase I Environmental Site Assessment (ESA), which entails an analysis of potential environmental concerns at the site. Following a Phase I ESA is a Phase II ESA which includes soil and groundwater sampling to determine the existence and extent of the perceived potential contamination.
- *Site Control.* Successful brownfield assessment, cleanup, and redevelopment hinges on access to the site. This can be achieved either through a cooperative relationship with the property owner, or through purchase of the property by the municipality. Consequently, working with property owners to negotiate property access or acquisition and to determine a relocation strategy, when necessary, is critical.
- *Developer Recruitment and Enrollment in the State's Voluntary Cleanup Program.* It is important to seek out developers whose skills and portfolios best meet the end use and site specific requirements of each brownfield redevelopment project. A determination of a developer's desire of a No Further Action (NFA) letter from Wisconsin DNR Voluntary Cleanup Program should be made early in the discussions, and enrollment in the program should occur early to facilitate WisDNR buy-in to the project, if an NFA letter is required by the developer.
- *Environmental Remediation and Construction.* Once issues of site control have been adequately dealt with, environmental remediation, if necessary, should occur. Remedial actions are often developed most efficiently when a developer has been secured for the site, so that new construction can be used as a remedial method.

Figure 40: Redevelopment Planning and Implementation Process



**8. Continue Participating in the Economy Focused on “New Uses” for Agricultural Products**

Advances in technology are opening up new markets for traditional agricultural products. The “new uses” economy is focused on finding new ways to use and process corn, soybeans, other carbohydrate-rich farm products, and even waste and industrial by-products into plastics, fuel, and even pharmaceuticals. At the same time that production costs are declining to process these carbohydrate-base materials, environmental regulations and “green” economic incentives are increasing the cost of other hydrocarbon- or petroleum-based products.

The City is strategically located close to a major research and development center at the University of Wisconsin-Madison, agricultural producers, and the manufacturing centers of southeastern Wisconsin, north central Illinois, and Chicago. The City is also home to many food products companies with organic by-products and collects and processes municipal and sanitary waste. There is also a power plant in the Town of Beloit. These location characteristics lend themselves to opportunities in the production of bio-based products for more than just food.

The Gateway Business Park provides a location for “new uses” research enterprises and producers. The City will support business development for emerging and expanding “new uses” operations, particularly those in the production and energy sectors.

One promising option for positioning Beloit as a center of sustainability and the “new uses” economy is the development of an alternative fuel and/or bio-products production facility, relying on surrounding agriculture and the by-products of existing businesses and even municipal waste.

Figure 41 illustrates the conceptual flow of inputs, processes, and outputs that would support such a facility. A bio-energy and/or production facility could use a variety of inputs—called “feedstocks”—including plant materials, municipal sludge and organic waste, and food wastes and by-products from local manufacturers like Frito Lay and Kettle (see side bar on the following page). The production facility could deploy a combination of processes such as collection, storing, and crushing of the feedstocks. This facility could convert these feedstocks to a variety of outputs, including bio-fuels and bio-plastics for further use and processing elsewhere.

The City will explore the feasibility of developing a bio-processing and production facility including cost of production and demand for outputs, including perhaps the local power plant.



**Kettle Foods: Alternative Energy, Alternative Fuel**

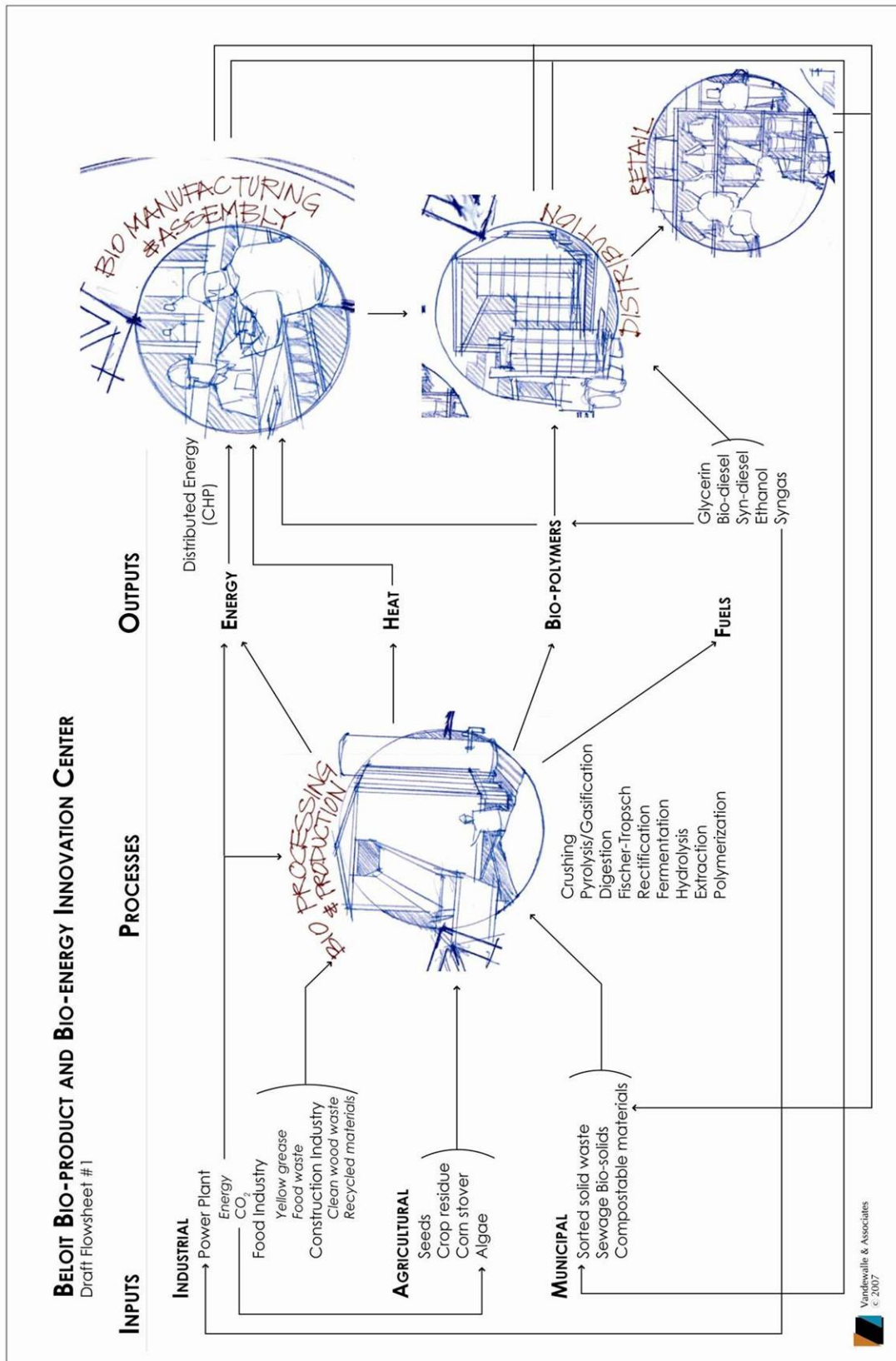
Kettle Foods has been cooking up chips at its potato processing factory in Beloit since last spring, but the Salem, Ore., company will hold a grand opening for its Beloit factory at 9:30a.m. Wednesday with Gov. Jim Doyle and Beloit City Manager Larry Arft among the participants.

The \$20 millions plan at 3150 Kettle Way has 95 employees and is expected to produce 2.5 million bags of potato chills a year. About 2.2 percent of them could be manufactured using electricity from the 18 wing turbines posted along the roof of the new, 73,000-square-foot factory.

Kettle will receive gold-level certification from the U.S. Green Building Council, the first U.S. food manufacturing facility to achieve that honor, for efforts that also include prairie restoration and recycling its used cooking oil into biodiesel fuel.

*Source: Wisconsin State Journal, September 18, 2007.*

Figure 41: Conceptual Bio-Product and Bio-Process Flowsheet



### **9. Continue to Collaborate with Local and Regional Partners on Economic Development Initiatives**

As described earlier in this chapter, Beloit has a wealth of local and regional economic development partners and a track record of productive collaboration. Key partners for the City include local organizations like GBEDC, education providers such as the Beloit School District, Beloit College, and Blackhawk Technical College, and neighboring and overlapping communities like Janesville and Rock County.

The City will continue to work with these organizations and others individually and collectively to implement the recommendations of this *Plan*. For example, Beloit will consider formal/informal “non-compete” agreements with surrounding communities in which participating municipalities agree not to attempt to have businesses relocate to their community. The City will also participate in joint efforts to bring logistics and other desired and appropriate industries to Rock County.

As described more completely in the Intergovernmental Cooperation chapter that follows, the City has an intergovernmental agreement with the Town of Turtle that limits rural development and secures support for future annexation of lands between the current Gateway Business Park and the state line. This area should accommodate Beloit’s industrial development demands throughout most of the 20-year planning period. In its current form, that same intergovernmental agreement prevents annexation of lands from most other parts of the Town of Turtle. These include significant lands along the Interstate 39/90 corridor and near the Shopiere Road interchange that will be appropriate for long-term economic development. The City intends to work with the Town of Turtle and through its extraterritorial abilities to minimize premature development in these areas on private well and septic systems. Such development may impede logical future economic

### **10. Capitalize on Positive Impacts of Proposed Casino**

At the time of writing this *Comprehensive Plan*, a proposal to build a casino on the City’s east side was working its way through the federal approval process. The casino resort project, proposed by the Bad River and St. Croix Chippewa Tribes, would include a casino, convention center, hotel, multiple restaurants, theater, day care facility, and a year round water park. An estimated 1,500 workers, most of them from the local building trades, would be required to construct the Beloit Casino Project. When complete, the casino would employ 3,000 workers.

Studies from other communities have documented both positive and negative impacts from casino development. Negative impacts include problem gambling and a drain on public services. It is the City’s intent and hope to address these issues in collaboration with the casino owners and also to capitalize on the positive economic impacts associated with the casino that would extend beyond the casino property. They may include spin off shopping such as department stores or even outlet centers, enhanced Downtown redevelopment through frequent bus or shuttle service, and complementary entertainment venues, lodging, and restaurants to promote overnight stays.