



Economic Development Plan: 2035

*Prepared and submitted for City Council Consideration by:
City of Port Washington Economic Development Committee*

March 2017

~ Final Approved ~

VISION STATEMENT

“The City of Port Washington Economic Development Vision is to achieve a diversified, regionally and globally competitive sustainable economy that provides family wage jobs for Port Washington residents, increases per capita and business income, enhances the tax base, protects the environment, improves the quality of life and makes full use of human and financial capital and natural resources in the creation of marketable goods and services.”

ECONOMIC DEVELOPMENT COMMITTEE MISSION

“The mission of the City of Port Washington Economic Development Committee is to foster and encourage responsible economic development activities that result in job creation, retention, increased tax base and an improved sustainability and quality of life for the citizens of Port Washington.”

ECONOMIC DEVELOPMENT COMMITTEE MEMBERSHIP

- *Tom Mlada, Mayor*
- *Doug Biggs, Alderman*
- *Randy Tetzlaff, City Director of Planning & Development*
- *Steve Schowalter, Chairman of the Board/President/CEO, Port Washington State Bank*
- *Gerry Schwarz, President & CEO, Kickhaefer Manufacturing Company*
- *Doug Arnold, Senior Vice President, Kleen Test Products Corporation*
- *Lisa Krier, General Manager, Duluth Trading Company*
- *Mike Katz, President, Molded Dimensions*
- *Nels Anderson, Vice President, Franklin Energy Services*
- *Nick Deering, Certified Financial Planner, Maritime Financial Group*
- *Megan Taylor, Owner, Cans-To-Go, LLC*
- *Justin Schneider, Manager, Schenck SC*

EXECUTIVE SUMMARY

In March 1999, the City of Port Washington Economic Development Committee (“EDC”) completed its first Economic Development (ED) Plan. On April 15, 1999 the City Plan Commission adopted this document as the Economic Development element of the City’s Comprehensive Plan. The ED Plan was then reviewed and approved by the Common Council.

Much has changed in the City of Port Washington since that first ED Plan was completed – and yet much remains the same. The City of Port Washington, by its location on Lake Michigan’s western shore and along one of the State of Wisconsin’s major Interstates (along which approximately 33% of annual state visitor spending occurs), continues to offer both great employment opportunities and a superb quality of life that serve as the backbone of the City’s economy. A stable and growing population consisting of a balance of newcomers and longer-term residents with a high work ethic and a “can-do” attitude provide the basis for a qualified work force that continues to attract business capital and investment opportunities.

The City weathered the domestic financial crisis of 2008 and the resulting “Great Depression” of the late 2000s and early 2010s. Thanks to conservative financial management of City operations, a tourist economy benefiting from more regionally-focused travel, and resilient business partners, the City saw very limited economic decline during this five-year period (2007-2011) and was well-positioned to capture new investment in the five-year period (2012-2016) afterwards. Current City leadership, both elected and appointed, has sought to identify redevelopment and new development opportunities, especially along the City lakefront, and actively invited and aggressively courted outside financial and capital investment in these opportunities. Moving into 2017, significant development is underway and planned, which will have a marked impact upon tax base growth, residential growth, and business growth. This business growth, especially concentrated on the downtown Business Improvement District, is expected to take the form of enhanced business mix, a more attractive small business environment, and improved business sustainability.

A primary challenge for the City, as outlined in this 2035 Plan, will be to grow the manufacturing and industrial base of operations in order to achieve and sustain a more balanced local economy. While the residential growth being realized now and planned for by the City in years to come is essential, there are many reasons why driving growth in manufacturing and commercial operations becomes all the more essential. In short, all communities are competing aggressively for such manufacturing and commercial activity, both existing and new, and that means opportunities for growth are more limited. Moreover, there are cost considerations involved; a recent “Cost of Services” study conducted by American Farmland Trust found that the median cost for residential development was \$1.16 and for business (commercial and industrial) was \$.30 cents.

Additionally, our City is inherently limited geographically. Within the existing Industrial Park on the City's south side, very limited land exists to accommodate expansion of existing manufacturing operations, or to attract new business. While the creation of Tax Increment Financing (TIF) District #3 in the immediate vicinity will allow for onboarding of some new land for these purposes, it will be limited given the composition of the land (much of it wetland). This points to a fundamental need for City leadership and staff to better maximize other underutilized or idle manufacturing sites (like the former Simplicity) and identify new land acquisition or annexation opportunities on the north end of the City to facilitate incremental manufacturing operations. Funding such land acquisition and development will likely require creation and use of a TIF District #4 – but the course of action will likely be vital and the potential return on this investment significant.

Outside of the need for actual land for industrial or commercial operations, another significant identified challenge surrounds the need for a labor force with the right skill set to align with employer need. The Port Washington-Saukville School District, Milwaukee Area Technical College (MATC), Concordia University, and other educational institutions have begun to partner with local manufacturers in an effort to generate awareness of family-wage employment opportunities and the skills young adults will need to develop in order to fill them. Jobs exist and openings in all sectors (especially manufacturing) present considerable challenge; in fact, the ability of employers to successfully address this gap in employment and skill set on a consistent, ongoing basis may prove to be an inherent limiter to growth in manufacturing base.

The essential goal of the original Economic Development Plan remains the same for this second installment: to guide sound decision-making regarding business growth that will maintain and enhance Port Washington as a place to live, work and do business. To do this, the Plan recognizes the intrinsic value of, and actively promotes, the continued revitalization and development of the Downtown, as well as providing for the maintenance and growth in the industrial sector of the economy. A stable and expanding manufacturing base, family wage paying jobs, increased property values, and increased private investment are the criteria the Economic Development Committee looks for that indicate that the Plan has achieved its goals.

Accordingly, in developing this 2035 Plan, our City EDC set out to establish very specific and measurable goals – and the objectives and strategies we would recommend be employed to attain them. While this 20135 Plan is for a fifteen year planning horizon, it is intentionally a concise document not based on expansive narrative but rather founded on current economic realities and essential yet attainable economic achievement. As with any functional Plan, this 2035 Plan should be evaluated on an ongoing annual basis, both in terms of its continued relevance and City leadership's effectiveness in accomplishing its goals. Major updates will be completed every three to five years as evolving economic conditions dictate.

Over the course of the next 15-20 years, much will continue to change in our City of Port Washington. Our EDC believes future administrations, both elected and appointed, would be very well-served to embrace this as a dynamic vision for necessary economic growth – the kind of economic growth our City will require to position it for success well into the 21st Century.

AN OUTSIDER'S PERSPECTIVE

Recently, as part of City Budget planning for Fiscal Year 2017, elected and appointed City leadership approved borrowing funds for various capital investments and improvements. This borrowing triggers a bond rating review by Moody's Investors Service. The better the assigned rating, the better the financial picture of the city.

Moody's Investors Service has assigned an 'Aa3' rating to the City of Port Washington's (WI) \$4.0 million General Obligation Refunding Bonds. Moody's maintains the 'Aa3' rating on the city's outstanding general obligation debt. The 'Aa3' rating reflects the city's moderately sized tax base north of Milwaukee (general obligation rated 'Aa2'/stable outlook), satisfactory financial operations with some revenue concentration mitigated by a utility aid agreement, and a manageable debt burden with limited future borrowing planned.

The rating is an independent review of the City's economy, finances, management and obligations. The bond rating is used to assess credit risk by identifying various strengths and challenges. The assignment of the bond rating considers the historical and current practices, as well as the forward-looking vision of the City's Administration and Common Council. The rating reflects the ability to manage the City's financial operations, provide ongoing services, preserve and enhance the tax base, employment opportunities and quality of life. Economic development and tourism are key to the City's ongoing financial stability.

The rating rationale states "the financial operations are expected to remain satisfactory given a history of stable operations." Cities in the State of Wisconsin are subject to State-imposed levy limits, restricting revenue-raising, except for taxes levied for the repayment of debt. The high-quality rating demonstrates the City's ability to prioritize and manage revenues and expenditures. The City's favorable location between two major Wisconsin cities covering 3.7 square miles along Lake Michigan is keen to economic stability. The City's investment in the strategic development of the tax base, and preservation of resources, improves revenue-raising flexibility through tax base growth and increased tourism revenues.

The bond rating review considers the ultimate basis for repaying debt is the strength and resilience of the local economy. While economic factors are important in the rating process, the ability of local government to convert the strength of its local economy into

revenues is of greater consideration. The City's financial and management ability in this specific regard is reflected in achieving and sustaining the high-quality "Aa3" bond rating.

Strengths of the City

- Satisfactory financial operations characterized by stable reserves
- Positive annual cash flow impact from utility aid agreement
- Favorably located near Milwaukee with above average resident income profile

Challenges Faced by the City

- State imposed levy limits restrict revenue-raising flexibility
- Direct debt burden elevated compared to state and national medians
- Limited land availability for current or future manufacturing/industrial

What Could Change the Rating Up (Opportunities)

- Significant diversification and expansion of the city's tax base
- Substantive growth in manufacturing/industrial base (production and employment)
- Material increases to General Fund reserves

What Could Change the Rating Down (Threats)

- Erosion of the city's tax base and deterioration of the resident income profile
- Migration of manufacturing/industrial base, domestically and/or globally
- Consecutive operating deficits resulting in declining reserves and liquidity

Key Statistics

2010 Census population: 11,250 (7.5% increase since 2000)

2012 Full valuation (total tax base): \$858 million (1.1% average annual decline since 2007)

Total land mass covered by tax base: 3.7 square miles

Ozaukee County unemployment rate (November 2016): 3.1% (State at 4.1%; US at 4.6%)

Highlights of Detailed Credit Discussion (As Outlined by Moody's)

MODERATELY SIZED TAX BASE NEAR MILWAUKEE EXPECTED TO REMAIN STABLE

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- “Despite recent valuation declines, we expect the city's economy to remain stable due to its favorable location in one of the nation’s wealthiest counties and its equidistance to Milwaukee (general obligation rated ‘Aa2’/stable) and Sheboygan (general obligation rated ‘Aa2’) that provides access to employment centers for area residents.”

SATISFACTORY FINANCIAL OPERATIONS; AGREEMENT BETWEEN CITY AND WISCONSIN ENERGY CORPORATION PROVIDES SOME FINANCIAL STABILITY

- “The city's financial operations are expected to remain satisfactory given a history of stable operations and contractually obligated utility aid payments from the State.”

DEBT BURDEN EXPECTED TO REMAIN MANAGEABLE

- “We expect the city's debt burden to remain manageable due to a lack of future borrowing plans. At 3.1% of full valuation, the city's direct debt burden is higher than state and national medians. The city's overall debt, which reflects borrowing by overlapping entities, is average at 3.6% of full valuation. Principal amortization is average with 65.5% of general obligation debt retired in 10 years. Management reports no additional borrowing plans for the next few years.”

Specific Markets the City Needs to Attract:

The City of Port Washington would be well-served to specifically attract the following target market employers and business partners:

- 1) manufacturing
- 2) water-based and energy-efficiency industry
- 3) tourism
- 4) regional retail presence
- 5) corporate site locationing

The city would benefit immensely from the site locationing of a major corporate partner to provide long-term employment, high-paying jobs, reliable tax base, consistent community support, and indirect promotional value via outside advertising. Additionally, there is great upside potential for the city to build off of the successful regional retail presence of Duluth Trading Company by attracting another powerful regional retail presence. Finally, the city should look to leverage additional spending on tourism (the additional revenue being generated via the recent increase in the Hotel Room Tax is all being allocated for this purpose) and very positive media coverage to draw additional visitors and convert them to return visitors and/or possible residents.

Additionally, beyond the recent success of Duluth Trading Company, there are a number of industry-leading business entities that have chosen to call Port home. This list of businesses

includes Allen Edmonds, Ansay & Associates, Franklin Energy, Port Washington State Bank, and Sailing Magazine. Their selection of Port Washington as their corporate headquarters represents an exciting investment in and partnership with the city. Moreover, it lends significant credence to the city's ongoing, active outreach efforts to attract other businesses looking to expand or change location of their corporate headquarters.

ECONOMIC DEVELOPMENT PLAN

Introduction

An economic development plan provides a blueprint for achieving community objectives by translating the community's broader vision and goals into economic initiatives. Preparing an integrated, targeted economic development strategy presents a series of challenges to the community. This Economic Development Plan seeks to minimize the challenges by providing guidance to decision makers. The Plan incorporates the goals and objectives of the City's adopted Comprehensive Land Use Plan and the various district or neighborhood plans adopted through the years. In addition, the Plan provides suggestions for implementation and a means to monitor and evaluate the Plan's success.

Plan Description

The Economic Development Plan was developed to provide an organized approach to meeting the City's vision of a sustainable economy that includes family wage jobs for residents, increased per capita and business income and enhanced tax base, while protecting the environment and improving the quality of life. The Economic Development Plan incorporates strategies to make full use of human and financial capital and natural resources in the creation of marketable goods and services.

The ED2035 Plan focuses on three major goals:

- 1) Promote a balanced local economy, with emphasis on manufacturing/commercial tax base creation and redevelopment of vacant and underutilized sites, with goal to maintain target of 20-22% manufacturing/commercial to total property equalized valuations through 2035;**
- 2) Support enhanced retail and small business components of local economy, including via focus on strategic, differentiating, year-round activities and expanded downtown residential;**
- 3) Improve the City's image as THE place to live, work and do business.**

The primary goal of the ED2035 Plan is based upon the need to increase manufacturing and commercial growth. Beyond the critical family-supporting jobs such employers offer the community, manufacturing and commercial provides robust return on investment of city tax dollars, translating into a stronger tax base and allowing the City to retain its status as an affordable place to live and one in which a very high level of services are enjoyed by residents. Even the City's debt rating is positively affected, as the City's economy is perceived to be healthier and long-term economic growth prospects are viewed more favorably, encouraging a

greater number of lenders to compete for the City's borrowing, which in turn leads to lower interest rates, greater ability to refinance, and less long-term taxpayer impact.

In short, it is essential the City concentrates its resources and energies on this area of the economy, as a more balanced City economy will very positively impact residents, Main Street businesses, and City operations in a myriad of ways. Sustainable growth will be essential and this ED 2035 Plan provides the roadmap and metrics.

The measurable objectives provide targets that can be reached through careful implementation of the strategies. An implementation plan that identifies the strategy to be accomplished, the individual, committee or board assigned to implementing the strategy, the timeframe for implementation and, where available, the cost of implementation is provided to ensure successful implementation of the Plan within the timeframe of the planning horizon.

The long-term economic development program plan and the implementation plan should be refined continually as the planning process proceeds. In doing this, it may turn out that certain project ideas originally assigned a high priority will have to be deferred or replaced by others in order to achieve a more strategically integrated package of activities implementable with the resources available to the City.

The long-term economic development program plan is designed to accomplish the City's formulated goals and objectives. It provides the context for the detailed implementation plan and also provides the basis for reactive decision making, for modifications in the implementation plan during the plan horizon, and for the evaluation of the economic development effort. It also becomes the starting point for the next planning cycle.

Economic Goals, Objectives and Strategies

An Economic Development Program provides a blueprint for achieving community objectives by translating a community's broader vision and goals into economic initiatives. The Economic Development Committee has established the following economic development goals and objectives to guide the creation of economic development strategies that will become the Program Plan. Following are the definitions of "GOAL" and "OBJECTIVE" as used in this Plan:

GOAL: The end outcome that one strives to attain.

OBJECTIVE: A measurable target that constitutes a means by which a plan's success can be gauged.

STRATEGY: The step-by-step means by which objectives are met.

Goal #1 Owned by City

Promote a balanced local economy, placing emphasis on manufacturing/commercial tax base creation and redevelopment of vacant and underutilized sites, with overall goal to maintain target of 20-22% manufacturing/commercial to total property equalized valuations through 2035.

(Context: West Bend ratio in 2015 was about 32%; Grafton in 2015 was approximately 29%)

Objective One: Increase the Manufacturing/Commercial tax base along the trajectory outlined in Financial charts (based on 2015 dollars):

2015---\$187M

2022---\$214M

2027---\$241M

2032---\$256M

Please reference “ED2035 Financial” and “ED2035 Maps” Addendums

Addendum A: “Data Calculations”

Addendum B: “Growth by Development Activity”

Addendum C: “Activities to Achieve Growth”

Addendum D-I: Maps detailing specific Strategies #1-6 outlined below

- Strategy 1: Embrace need for mixed-use development on 44 Acre City-owned bluff land, with target to complete 50% of development by 2022 (\$3.5 million in manufacturing/commercial tax base increase) and 100% developed by 2026.
Total manufacturing/commercial increment expected/needed: \$7 million.
- Strategy 2: Utilize Tax Incremental Financing (TIF) #3 and other business development options to encourage redevelopment, and, if possible, onboard additional land for incremental industrial development in current South Industrial Park area of City.
Total manufacturing/commercial increment expected/needed: \$15 million.
- Strategy 3: Identify current manufacturing partners with expansionary vision, whether it involves consolidation of operations in City or need for additional land here to accommodate facility build-out, and work with them directly to expedite expansion in other strategic areas of City (example: Kleen Test).
Total manufacturing/commercial increment expected/needed: \$6 million.
- Strategy 4: Partner, if possible, with current owner of property known as “Former Simplicity Site” to identify strategic planning and investment opportunities, including a possible TIF District and/or State Partnership and idle site incentives, that would maximize manufacturing use and increase property value and corresponding tax base.
Total manufacturing/commercial increment expected/needed: \$20 million.
- Strategy 5: Advance progress on Downtown Lakefront Redevelopment, leveraging private investment, employing TIF #2 for private/public partnership to enhance Return on Investment (ROI) for taxpayers, and executing on identified and communicated mixed-use build-out opportunities that will bring jobs, economic activity, and tax base.
Total manufacturing/commercial increment expected/needed: \$5.5 million.
- Strategy 6: Design, create, and complete TIF #4 on north end of City, with goal of making commercially-ready for development by 2026.
Total manufacturing/commercial increment expected/needed: \$15 million.

Goal #2

Support enhanced retail and small business components of local economy, including via focus on strategic, differentiating, year-round activities and expanded residential opportunities, especially along the lakefront.

Objective One: *Identify opportunities for continued City cooperation with and investment in existing business partners and development of new business relationships.*

- Strategy 1: Continue active communication and outreach initiatives, including collaborative planning sessions and engagement of City business representatives on relevant City-related Committees, Boards, Commissions, and Teams. **Owned by City**
- Strategy 2: Support specific recommendations and requests for aesthetic or functional improvements that would benefit downtown business partners; for example, the Design Committee recommendation for new planters along Franklin and Port Deco Diver request to incorporate dive gate/stairs in Breakwater Gateway project. **Owned by All**
- Strategy 3: Ensure strong, diverse BID Board and thriving Main Street Program with effective Executive Director, so that businesses are feeling as if they are being well-represented and their BID assessment dollars well-spent. **Owned by BID/Main Street**
- Strategy 4: Aggressively explore and pursue additional regional retail presence to supplement and build upon success of Duluth Trading, with idea being a retailer that is relatively unique, fits with City brand, possesses strong brand loyalty of its own, and generates strong volume of patron traffic. **Owned by City/BID/Main Street/Chamber**

Objective Two: *Increase residential density and housing variety within Downtown and along lakefront to expand customer base year-round level of support.*

- Strategy 1: Move forward with residential development on underutilized or vacant properties identified as part of Downtown Redevelopment Plan, ensuring mix of housing (apartment, condo, townhome) and affordability. **Owned by City**
- Strategy 2: Explore need for additional hotel room inventory, whether as part of existing property expansion or new build on underutilized or vacant properties. **Owned by All**
- Strategy 3: Ensure new development aligns with existing downtown character and City brand and addresses any business partner concerns (i.e. parking). **Owned by All**
- Strategy 4: Employ demographic analysis and sound market studies to ensure housing mix is optimal, including to meet growing needs of larger local employers, and to identify gaps to be filled in downtown business mix. **Owned by City**

Objective Three: *Increase diversity and number of unique year-round activities within Downtown and along lakefront to increase resident patronage and visitor traffic.*

- Strategy 1: Remain actively engaged with NOAA and other lakefront community partners to secure Wisconsin-Lake Michigan National Marine Sanctuary designation and leverage existing infrastructure and available resources to maximize impact of Sanctuary programming, marketing, and facilities. **Owned by All**
- Strategy 2: Identify and advance experiential destination-based activities that align with City history and City brand (thus making them unique to City), with the existing Port

Explorem and proposed The Blues Factory development being primary examples.

Owned by City and Tourism

- Strategy 3: Explore strategic partnership opportunities for “grand-vision” build-out of nonprofit mission-based building on Coal Dock Park, providing for four-season use and differentiating experience of significant unique parkland along lakefront. **Owned by City**
- Strategy 4: Expand public access to Lake Michigan and pedestrian and bike connectivity along lakefront, with emphasis upon harbor walk experience and additional access to south (i.e. via Cedar Vineyards development). **Owned by City**
- Strategy 5: Drive continued growth of hotel-room tax revenues to fund strategic marketing efforts of Tourism Council, with emphasis upon more intensive advertising frequency and deeper reach and penetration into fertile markets, including outside of State (i.e. Midwest), to promote increased year-round visitor experiences. **Owned by City and Tourism**

Goal #3

Improve the City’s image as THE place to live, work and do business.

This is a critical element of any Economic Development Plan, as the City must be viewed as a great place to live, work and do business. Continuing efforts to coordinate the various activities of the Tourism Council, Business Improvement District, Main Street Program, and the Chamber of Commerce on an annual basis to coordinate their activities with the objectives and strategies of the Economic Development Plan should continue to be pursued. At this time, we are largely leaving this as a placeholder for future alignment of the organizations to common objectives and strategies.

Objective One: *Continue to expand upon City branding and marketing efforts.* Owned by City

- Strategy 1: Integrate Marketing & Economic Development as a permanent component of annual City budget and a unique line item with specific, “protected” appropriation.
- Strategy 2: By 2019, make “Director of Marketing & Economic Development” a full-time position, with Departmental-level recognition and authority, responsible for the active promotion of the City as a special place to live, work, and play.
- Strategy 3: Explore additional revenue-generation opportunities (merchandising, assistance with marketing of Marina, available grants and other funding sources etc.) to offset investment expense of full-time Marketing position and grow Marketing budget.

Objective Two: *Enhance alignment of economic-development related activities of City staff, City EDC, and partner organizations to ensure more efficient and effective engagement of current City business partners and attraction of new ones.* Owned by All

- Strategy 1: Effect more active communication among these various entities, including during annual planning activities, to avoid mission-creep and ensure collaborative environment and shared-goal planning when possible.

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- Strategy 2: Examine and, if optimal, execute upon possible operational synergy between Main Street and Chamber of Commerce to effect more consistent communication and engagement with small business partners.
 - Strategy 3: Develop plan for clear, consistent, intensive outreach into industrial sector to strengthen relationships with existing manufacturers and aggressively pursue new ones.
 - Strategy 4: Promote use of Revolving Loan Fund, Main Street Façade Grant Program, and other local and statewide resources to expand operations or improve aesthetics.

Objective Three: *Invest in city-wide efforts to grow skilled local labor force.* Owned by City

- Strategy 1: Encourage continued partnership among PWSSD, local manufacturers, and higher education institutions to advance STEM programming and highlight career-related opportunities to students at the Junior High and High School levels.
- Strategy 2: Promote employment opportunities and creative workforce solutions via collaborative Job Fairs and other marketing channels (social media, website, forums).
- Strategy 3: Utilize “National Manufacturing Day” and other related events of significance to connect students to manufacturing partners and introduce them to facilities, operations, and career opportunities.

Economic development is not a choice but a very real necessity.

“Our city and our people must embrace this reality – continued economic growth and development is not a choice, it is a necessity. And, that continued economic growth and development is not a ‘sometimes cause’ – it must be a very real part of our community ethos and an intense focus here each and every day. If we do not collectively explore all the opportunities before us to partner with those who seek to partner and invest in those who wish to invest in us, then we will fail the generations of Port Washington residents to come. If we do not collectively fight to keep here all the businesses already calling Port home and fight to attract new businesses looking for a new place to establish their roots, then we will fail the generations of Port Washington residents to come. Failure is not an option.”

~ Mayor Tom Mlada

State of the City Address

February 7th, 2017

Economic Development Committee

2035 Plan

Data Calculations

Historical and Current Data

Year	T Total Valuation	C Commercial	M Manufacturing	C+M Commercial & Manufacturing	(C+M)/T Commercial & Manufacturing %
2015	\$ 891,062,600	\$ 154,942,900	\$ 32,180,120	\$ 187,123,020	21.0%
2014	\$ 839,679,000	\$ 151,829,500	\$ 27,595,200	\$ 179,424,700	21.4%
2013	\$ 803,586,400	\$ 151,747,500	NA		
2012	\$ 800,859,700	\$ 153,464,500	NA		
2010	\$ 801,843,000	\$ 140,074,300	\$ 24,995,000	\$ 165,069,300	20.6%

Explanation: Totals also include other valuation such as personal property, farmland, open space, forest, etc For 2012 and 2013, WDOR calculated the numbers in a land open space, forests, etc. In 2012 and 2013, WDOR used different reporting method.

Calculation of Growth Rate for Residential & Other property

Residential & Other - 2015 -	\$ 703,939,580
Residential & Other - 2010 -	\$ 636,773,700
5 Year Growth -	\$ 67,165,880
5 Year % Increase -	10.5%
Average Growth Rate -	2.1%

FOR USE IN PLAN DOCUMENT

Year	T Total Valuation	C Commercial	M Manufacturing	C+M Commercial & Manufacturing	(C+M)/T Commercial & Manufacturing %
2015	\$ 891,062,600	\$ 154,942,900	\$ 32,180,120	\$ 187,123,020	21.0%
2010	\$ 801,843,000	\$ 140,074,300	\$ 24,995,000	\$ 165,069,300	20.6%

Explanation: Totals also include other valuation such as personal property, farmland, open space, forest, etc For 2012 and 2013, WDOR calculated the numbers in a land open space, forests, etc. In 2012 and 2013, WDOR used different reporting method.

Evolution of Mix between Residential and Commercial/Manufacturing Based on Listed Assumptions

Year	Total Valuation	Residential & Other	Commercial & Manufacturing	Commercial & Manufacturing Dollar Increase Each Period	Commercial & Manufacturing %
2017*	\$ 891,062,600	\$ 703,939,580	\$ 187,123,020		21.0%
2022	\$ 995,146,509	\$ 781,023,489	\$ 214,123,020	\$ 27,000,000	21.5%
2027	\$ 1,107,171,382	\$ 866,548,362	\$ 240,623,020	\$ 26,500,000	21.7%
2032	\$ 1,217,061,535	\$ 961,438,515	\$ 255,623,020	\$ 15,000,000	21.0%

Assumptions

Actual 2015 dollars are used as a 2017 starting point.

No inflation assumed.

Residential grows at 2.1% per year.

Industrial grows as detailed on growth by development activity chart.

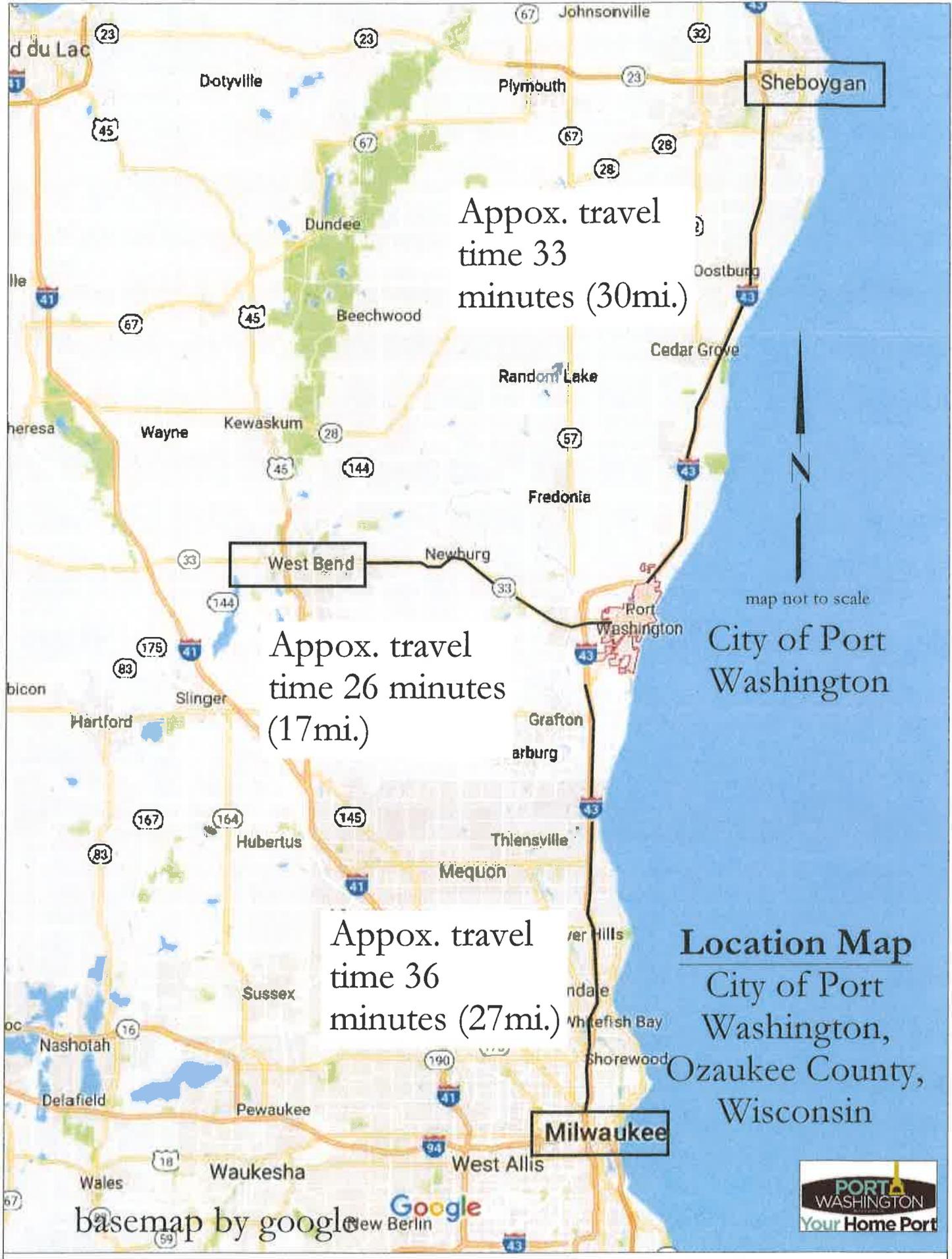
Economic Development Committee
 2035 Plan
 Growth by Development Activity

(All amounts in millions)

<u>Strategy</u>	<u>Source of Growth</u>	<u>2015</u>	<u>2022</u>	<u>2027</u>	<u>2032</u>	<u>Total</u>
1	Bluff land development (non-residential component only)		\$ 3.5	\$ 3.5	\$ -	\$ 7.0
2	Finish build-out of TIF #3		7.5	7.5	-	15.0
3	Expansion of existing manufacturing & commercial sites		2.0	2.5	1.5	6.0
4	Redevelopment of former Simplicity Site		2.0	2.0	1.5	5.5
5	Redevelopment of existing downtown sites (TID)		12.0	6.0	2.0	20.0
6	Develop and build out of TIF #4		-	5.0	10.0	15.0
	Total -		\$ 27.0	\$ 26.5	\$ 15.0	\$ 68.5
	Manufacturing/Commercial Base Evolution	\$ 187.1	\$ 214.1	\$ 240.6	\$ 255.6	
	Estimated Manufacturing/Commercial as a percent of total tax base (assuming 2.1% annual growth in residential)	21.0%	21.5%	21.7%	21.0%	

Estimated non-routine costs to support growth

Strategy	Growth Area	Activity	2017 Budget	2017 Actual	2018 Budget	2018 Actual	2019 Budget	2019 Actual	2020 Budget	2020 Actual	2021 Budget	2021 Actual
1	Bluff Land - non-residential component	Consultants	\$ 25,000									
		Infrastructure			\$ 50,000							
2	TIF #3 and other existing properties	Infrastructure	\$ 3,000,000		\$ 3,500,000		\$ 500,000		\$ 500,000			
3	Expansion of existing manufacturing & commercial	Continued support by Council & Staff. RLF assistance.			\$ 50,000		\$ 50,000		\$ 50,000		\$ 50,000	
4	Redevelopment of former Simplicity Site	Consultants			\$ 25,000							
		Infrastructure					\$ 125,000					
		Development Incentive							\$ 250,000			
5	Redevelopment of Downtown	Infrastructure	\$ 150,000		\$ 580,000		\$ 60,000		\$ 460,000			
		Engineering	\$ 37,500		\$ 145,000		\$ 15,000		\$ 115,000			
		Development Incentive	\$ 200,000						\$ 2,600,000		\$ 1,730,000	
6	TIF #4	Consultants			\$ 15,000							
		Engineers					\$ 100,000					
		Infrastructure							\$ 2,000,000		\$ 500,000	
Total			\$ 3,412,500	\$ -	\$ 4,365,000	\$ -	\$ 850,000	\$ -	\$ 5,975,000	\$ -	\$ 2,280,000	\$ -
Variance			\$ 3,412,500		\$ 4,365,000		\$ 850,000		\$ 5,975,000		\$ 2,280,000	



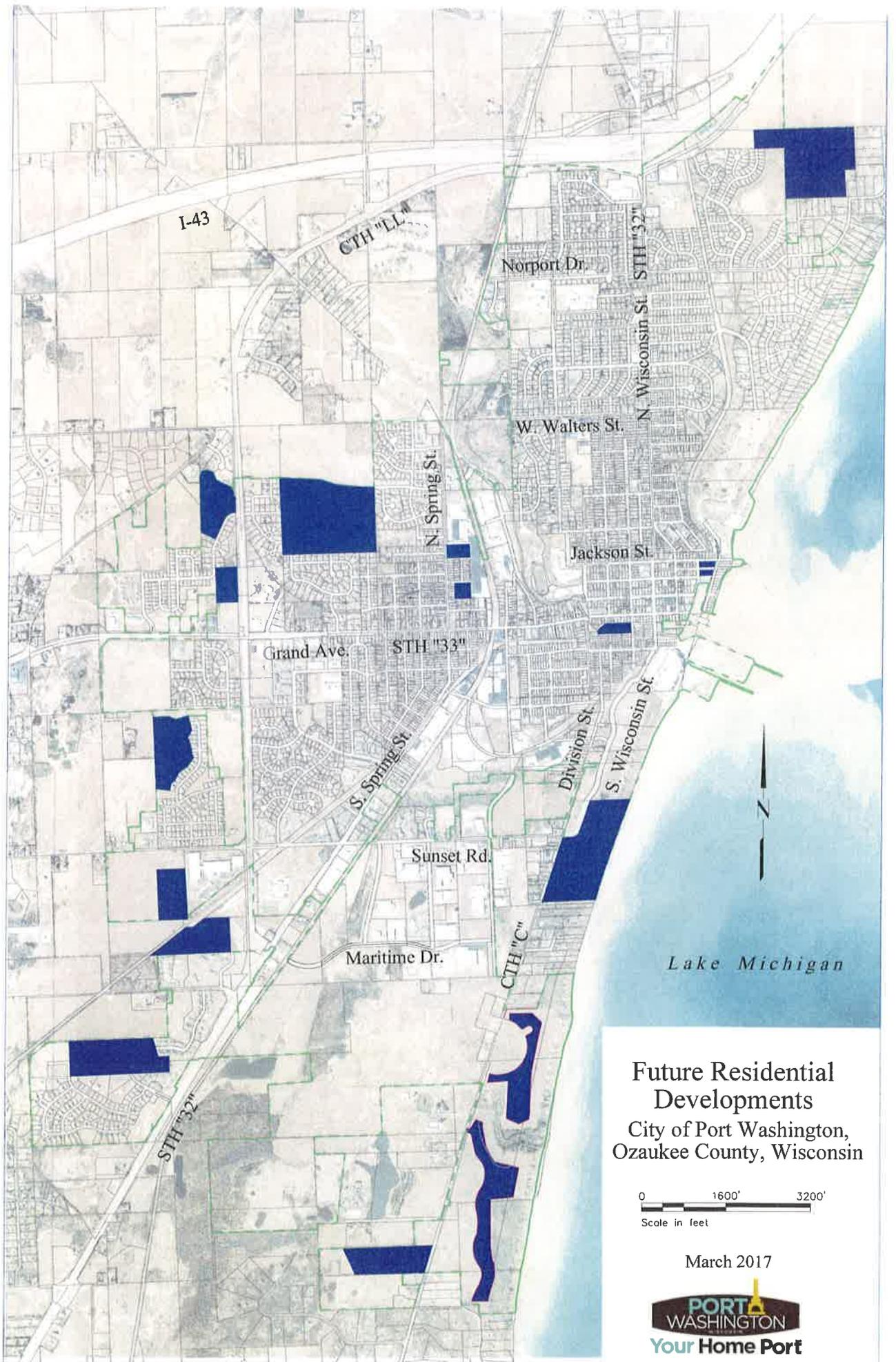
Approx. travel
time 33
minutes (30mi.)

Approx. travel
time 26 minutes
(17mi.)

Approx. travel
time 36
minutes (27mi.)

City of Port
Washington

Location Map
City of Port
Washington,
Ozaukee County,
Wisconsin



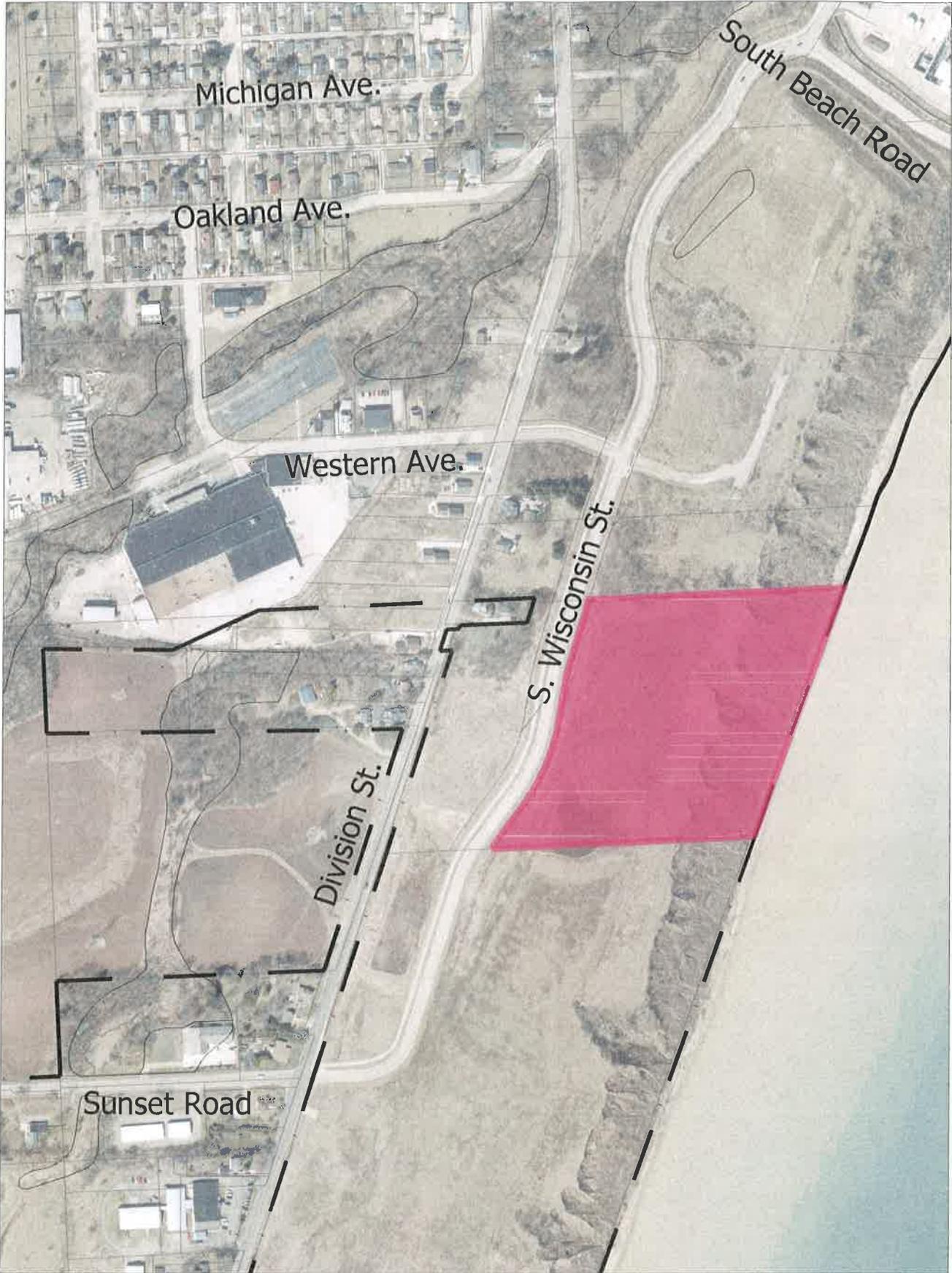
**Future Residential
Developments**
City of Port Washington,
Ozaukee County, Wisconsin



March 2017



Scale in feet



Growth Strategy #1: Bluff land Development (commercial component only)
Expected increment: \$7 million

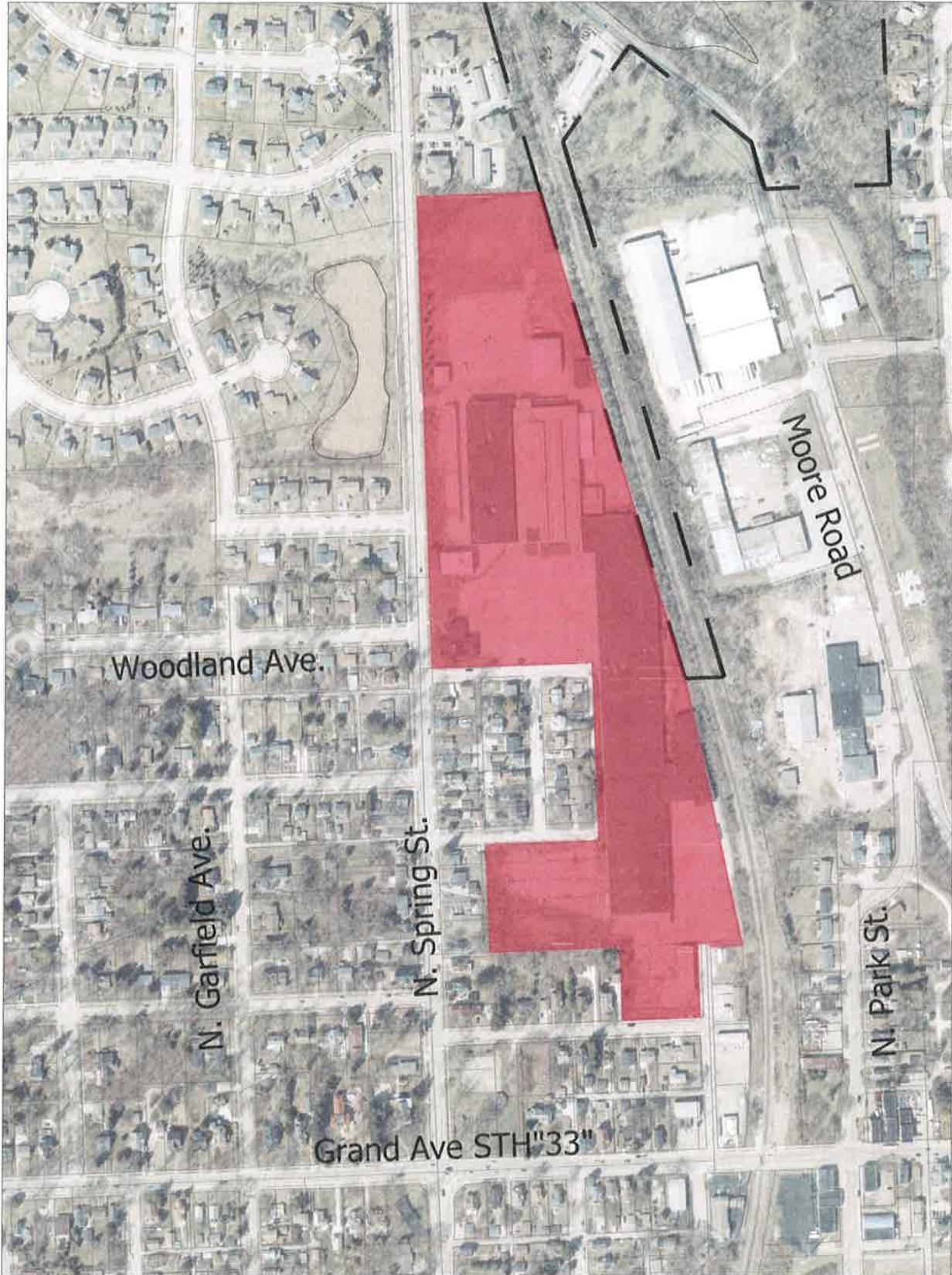


Growth Strategy #2: Finish build-out of TIF#3
Expected increment: \$15 million

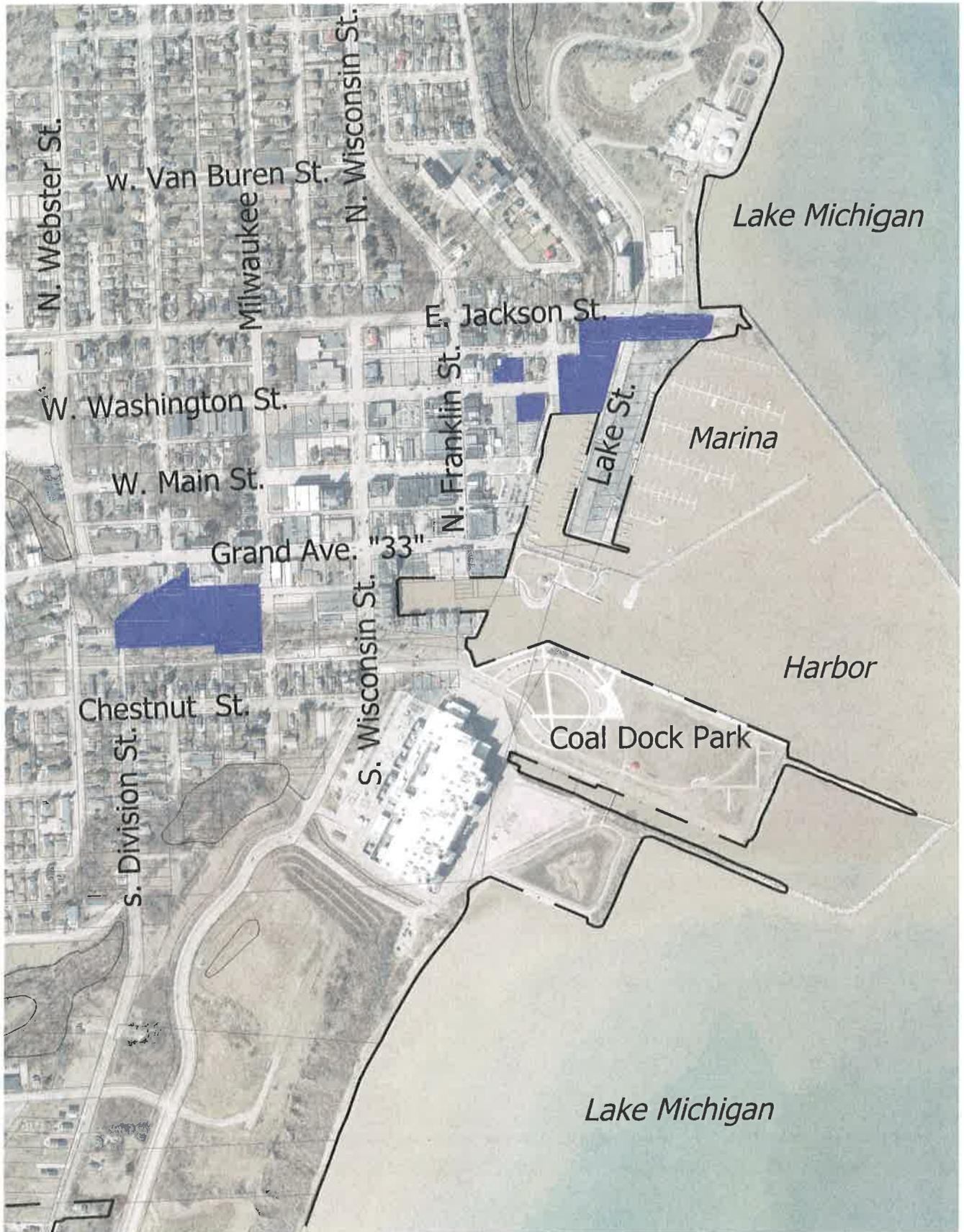


Growth Strategy #3: Expansion of existing manufacturing and commercial sites
 Expected increment: \$6 million

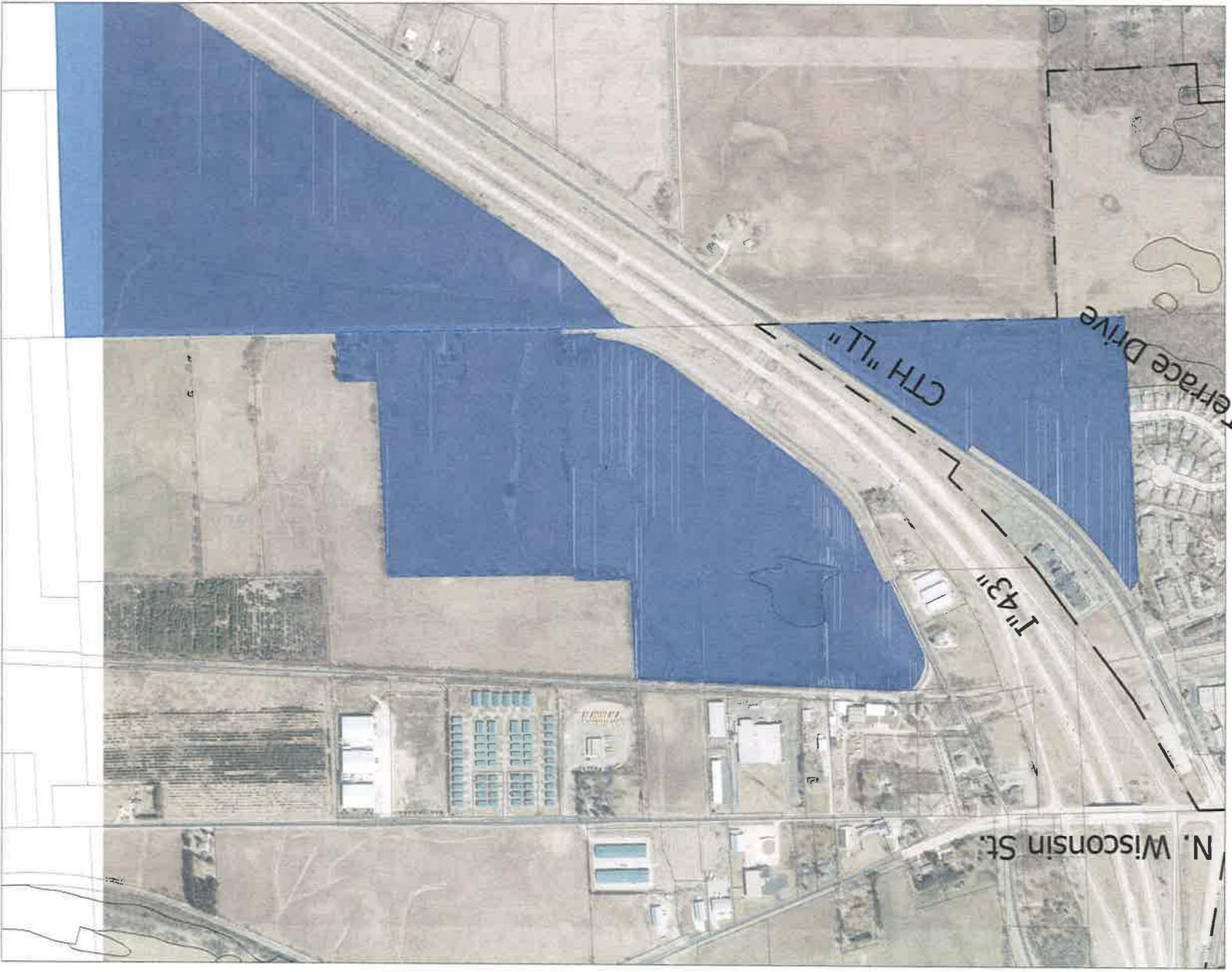
Scale in feet



Growth Strategy #4: Redevelopment of former Simplicity Site
Expected increment: \$5.5 million



Growth Strategy #5: Redevelopment of Existing Downtown sites.
Expected increment: \$20 million



Growth Strategy #6: Develop and Build-out of TIF#4
Expected increment: \$15 million