

ELEMENT 6: ECONOMIC DEVELOPMENT

I. Element Overview

Monona is focusing its economic development efforts on infill development and redevelopment, since the majority of the city is built out and unlike to annex additional land. Most of Monona's land is already developed with residential, commercial, and industrial uses (see the Land Use Element for a list of the amount of vacant, undeveloped land remaining in the city for commercial development). The city has experienced steady growth in economic development in its commercial areas. Substantial development occurred in the 1980s in the South Towne area, and in the 1990s along East and West Broadway. Infill development, business expansion, and redevelopment have continued to occur along Monona Drive, one of the city's main streets and largest business districts.

Monona pursues an economic development strategy of business retention, expansion, and attraction. The City uses different methods and tools for economic development, including Tax Incremental Financing, redevelopment districts, grants, loans, and Industrial Revenue Bonds. Monona has adopted four *Tax Incremental Financing (TIF) Districts* between 1980 and 2000 to attract business development and to revitalize older areas of the city. (See Map Appendix L for the location of Monona's TIF Districts.) Additionally, Monona has adopted three *Redevelopment Project Plans* in areas that are in need of redevelopment. (See Map Appendix M for map of the three Redevelopment Districts.) Monona has also worked diligently to clean up and redevelop environmentally contaminated land.

Organizations working together in the city to pursue economic development include: the Monona Community Development Authority; the advisory Economic Development Committee; the Plan Commission; the City Council; and the Monona Chamber of Commerce.

During the first decade of this century, economic development efforts will focus primarily on the implementation of the City's newest TIF districts, redevelopment project plans, and the community's major thoroughfare, Monona Drive.

II. Background Information, Data, and Analysis

A. Strengths and Weaknesses in Business Attraction and Retention

Monona is a family community with a high quality of life. Its location, as well as its environmental and physical features make Monona an attractive area to locate a business. Many residents and businesses value the numerous educational opportunities in the area, as well as the high quality education provided by the Monona Grove School District. In addition to a high quality of life, the City of Monona has a lower city tax rate than nearby Madison, making it an appealing location for businesses. Monona also has a smaller, more accessible governmental body. Monona has been described as a business-friendly community and provides residents and business leaders with easy access to the City of Monona's employees and officials. The small government in Monona has allowed the City to take advantage of working with its neighbors and has established good intergovernmental relationships with numerous surrounding



communities. (See the Intergovernmental Cooperation element for more details.)

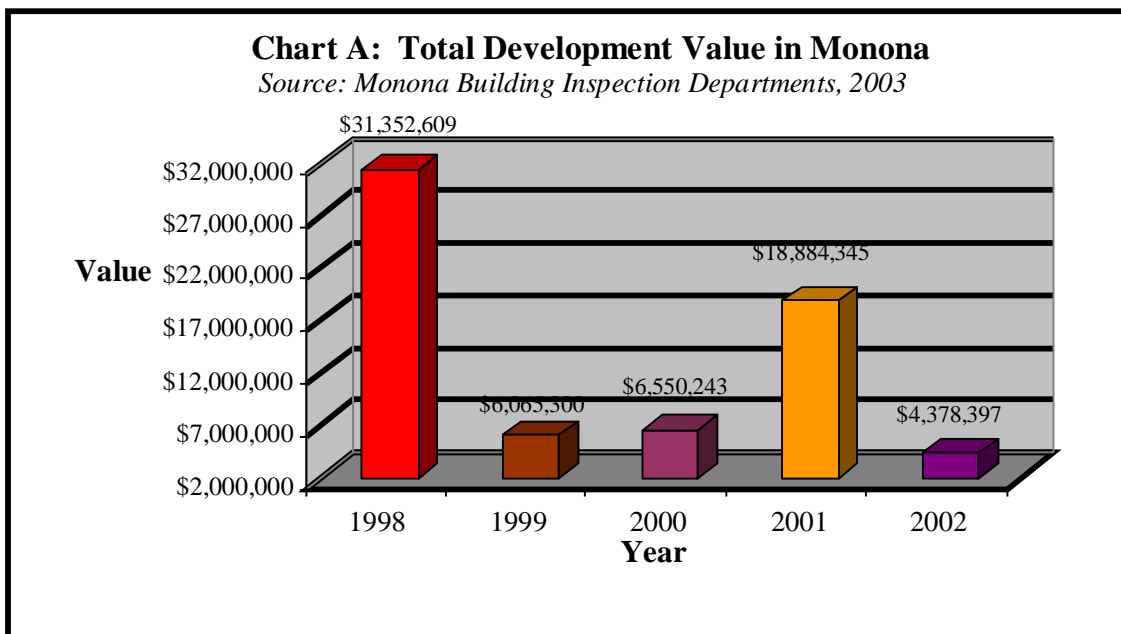
The City of Monona possesses much strength in attracting and retaining businesses. Monona’s location, with close proximity to the Beltline Highway (U.S. Highway 12/18), Interstate 90/94, and the City of Madison, allows businesses to flourish. The city’s location in the center of the Madison metropolitan region allows local businesses to draw upon a large labor pool and demand for products and services.

Monona also faces challenges in attracting and retaining businesses. With its close proximity to the interstate, and with its major thoroughfares like Monona Drive and Broadway, there is significant traffic and sometimes congestion in the city. Monona must rely on redevelopment strategies, as little vacant land exists in Monona for business or residential development. Several pieces of land in the city are not developed to their highest and best use. Some land is also difficult to redevelop because of their small parcel sizes. Being primarily landlocked by the City of Madison has been a challenge for Monona as well. The City of Madison has focused its new development and redevelopment projects on the west side of Madison, often neglecting the development of its east side, near Monona. Because of this, many potential businesses have not looked into Monona as an option for their business development plans. Monona meets a significant challenge in identifying itself as an independent community, separate from Madison. Finally, the City of Monona receives limited revenue sharing, which makes its planning, development, and redevelopment challenging.

B. Economic Base

The City of Monona has a large commercial base with over 500 businesses. Commercial and light industrial land uses comprise approximately 13 percent of the land area in Monona. Because the City of Monona can no longer expand its borders, it has focused primarily on infill development and redevelopment in commercial areas. Many existing businesses have grown and expanded in the city. Monona has also attracted new businesses, large and small, to various established or expanded business and industrial districts. The Chart A shows the total value of construction in Monona from 1998 to 2002.

Most businesses in Monona are located in the Monona Drive business district, the Broadway corridor area, and the South Towne area. Monona’s economic and business base includes a wide range of businesses.



C. Commercial Development History Since 1980

In the 1980s, the South Towne area was transformed from vacant, undeveloped land in southwest Monona to a retail and office development in the City’s first *Tax Incremental Financing District (TID No. 1)*. In the early 1980s, South Towne Mall was developed with anchors Shopko and Kohl’s Department Store. The 68,000 square foot South Towne Office Park was developed in the early 1980s, and a major expansion to WPS, the 155,000 square foot Nordby Building, was constructed in 1987. The South Towne Industrial Park, a 70-acre business park for office, warehouse, and light industry, was also developed in the mid to late 1980s. *TID No. 1* financed the construction of new streets and other infrastructure to support this development. *TID No. 1* was one of the most successful TIF districts in Wisconsin and was retired in 1991, after it added \$60 million of increment.

In the 1990s, development continued in the South Towne Business Park. Offices and warehouse businesses quickly filled the Park. Some infill development continued on the few vacant pieces of land left along Monona Drive, but most development took the form of redevelopment in the 1990s. Some redevelopment on Monona Drive included a new local bank, a national chain drug store, and medium rise condominiums. The largest project on Monona Drive in the late 1990s was the construction of the new \$22 million Monona Grove High School at the site of the former high school.

In 1988, the Wisconsin Department of Transportation completed the relocation of U.S. Highway 12/18, from Broadway, to the South Beltline Highway, a new six-lane highway addition. This new highway, as stated in the *Broadway Corridor Plan*, “open[ed] up new access points within the Broadway corridor and relocated traffic volumes that have a great impact on land use. In addition, the construction of the Beltline has opened up the Broadway corridor to better regional linkage which has directly resulted in creating new redevelopment and market opportunities.”

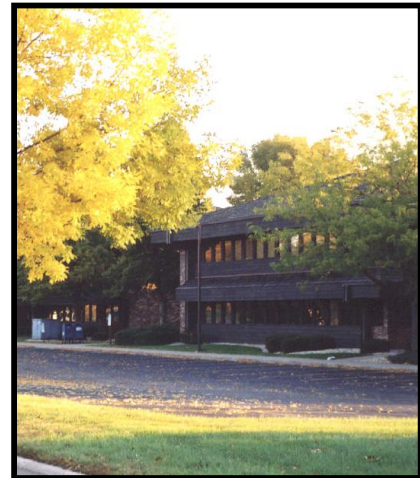
The City of Monona adopted the *Broadway Corridor Plan* in October 1989 to plan the revitalization of the former Broadway corridor, which was left with many vacant and underutilized properties, including many old gas station sites. The redevelopment of this two and one-half mile stretch of four-lane highway at the southeastern entrance of the Madison urban area presented a major challenge in economic and community development for Monona.

The Monona Community Development Authority (CDA), the Monona Plan Commission, and the City Council worked together to create and adopt the *Broadway Corridor Plan*. They also created the City’s second TIF district after *TID No. 1* was retired in 1991. *TID No. 2* financed the reconstruction of Broadway with a new streetscape to attract business investment and redevelopment. The CDA and the City Council adopted the City’s *Redevelopment Project Plan No. 1* in 1994. Two large 15-acre commercial office and retail developments, River Place and Pier 37, were constructed along Broadway at the entrance to Monona from the Beltline Highway along Monona Drive. The City of Monona used a combination of infrastructure improvements, TIF assistance, and special assessments to assist these two major redevelopment projects. River Place, a \$15 million mixed-use development, is anchored by an 87-room hotel and two large office buildings. A 58,000 square foot grocery store anchors Pier 37, a \$12 million retail development.



Other significant business development that has occurred along Broadway since the relocation of the Beltline include the 28,000 square foot Broadway Business Center office building on the far west end of the corridor and a 67-room hotel at Broadway and Monona Drive. Wisconsin Physicians Service (WPS), the largest employer in Monona, has completed a major addition to their campus in 2002, with the development of a four-story, 109,100 square foot office building along Broadway and the Beltline Highway.

The City of Monona adopted a redevelopment plan for the area on the west end of the Broadway corridor in 1998. *Redevelopment Project Plan No. 3* was implemented to encourage investment and redevelopment in the area along Bridge Road. As of 2003, no major redevelopment activity has occurred in this area. One of the City's economic development goals is to redevelop this area for office, commercial, or condominium development.



A third TIF district, *TID No. 3*, was created in 2000, in the office and warehouse area in the far west end of the city, just south of the Beltline, to encourage office redevelopment near this highway. Redevelopment of this area for Class A office space is another economic development goal of the City.

Planning and redevelopment efforts have recently shifted focus to Monona Drive, one of the City's main streets and largest business districts. In 1993, the CDA financed a traffic safety study of Monona Drive. This study identified many traffic problems with Monona Drive and laid some groundwork for the redevelopment of this corridor. A Monona Drive Advisory Committee was formed in 2000, and a consultant was hired to prepare a land use and traffic study for Monona Drive. The *Monona Drive Corridor Study* was completed in 2002. After preparation of this Comprehensive Plan, detailed engineering, streetscape, and landscaping plans will be prepared for Monona Drive, with plans to reconstruct the street, with some funding from WisDOT. In 1998, *Redevelopment Project Plan No. 2* was created. In 2000, *TID No. 3* was created along Monona Drive from Femrite Drive north to Panther Trail.

Residents had the opportunity to voice their concerns and ideas about the project in the *2001 Master Plan Survey*, the *Monona Drive Corridor Survey* (2001), and in the *2003 Community Survey*. (Survey results are located in Appendices E, F, and G, respectively.) Additionally, numerous public workshops have been held to develop the new concept for Monona Drive, which includes a city center. The *Monona Drive Corridor Study* (2002) shows the design ideas for this project. With the upcoming redevelopment of Monona Drive and other districts in the future, there will be opportunities for businesses to expand and to relocate in the City of Monona. Current and new businesses along Monona Drive will be required to comply with the zoning requirements and design standards, which will be adopted by the community before redevelopment begins.

D. Labor Force

1. Dane County

Dane County currently has one of the lowest unemployment rates in the State of Wisconsin. The *Dane County Workforce Profile*, published by The Wisconsin Department of Workforce Development, reports that the 2000 unemployment rate was 1.5 percent. The report indicates that Dane County has increasing business activity and a slowing labor force. Dane County's unemployment rates are far below the national rate of approximately 4 percent and the state's rate of approximate 3.4 percent, in 2000. However, the Dane County Regional Planning Commission reported that in 2002, Dane County's unemployment rate rose to 2.7 % (Regional Trends 2002: Dane County).

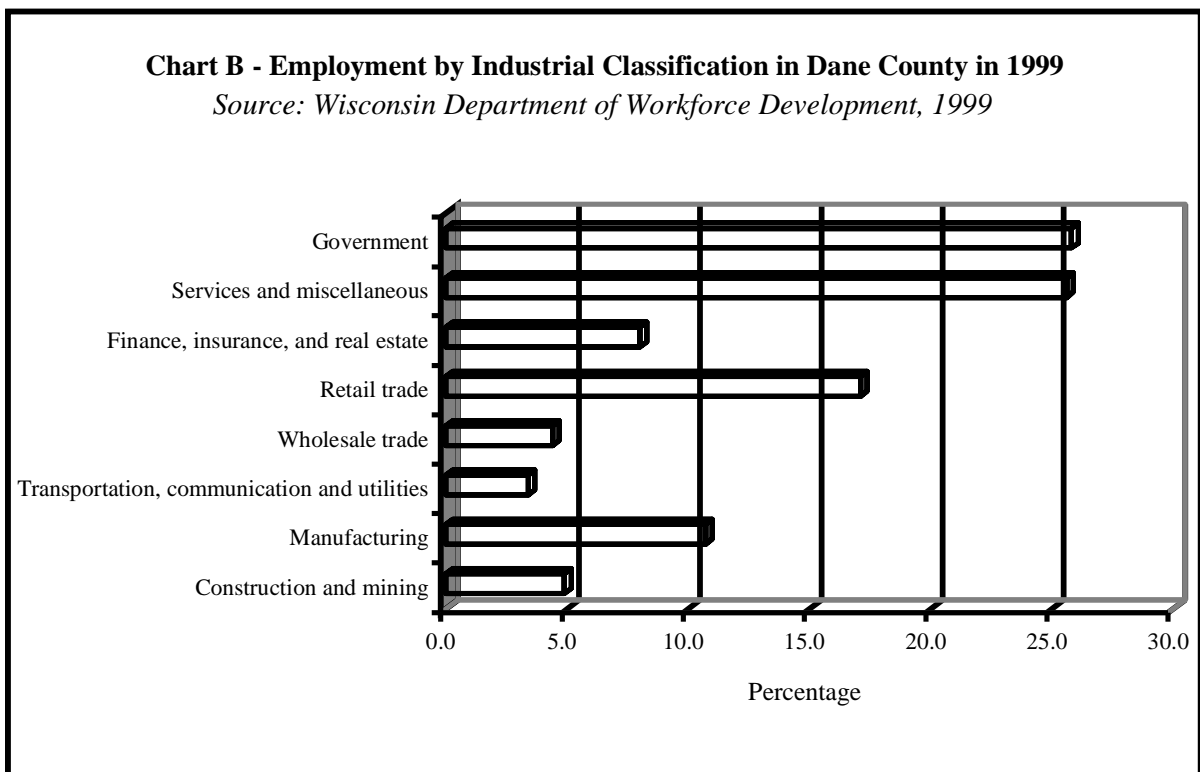
The *Vision 2020 Dane County Land Use and Transportation Plan* (1997) includes labor force and employment predictions for the county through 2020. These predictions are illustrated in Table A.

TABLE A - Dane County Labor Force and Employment: 1970-2020

Source: Dane County Regional Planning Commission

	<u>1970</u>	<u>1980</u>	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2020</u>	<u>% Change 1990-2020</u>
Labor Force	126,911	178,136	214,866	245,936	273,896	287,064	33.6
Employment	120,600	170,000	215,983	253,536	275,328	288,565	33.6

Chart B depicts Dane County’s labor force by industrial classification.



2. City of Monona

a) Labor Statistics

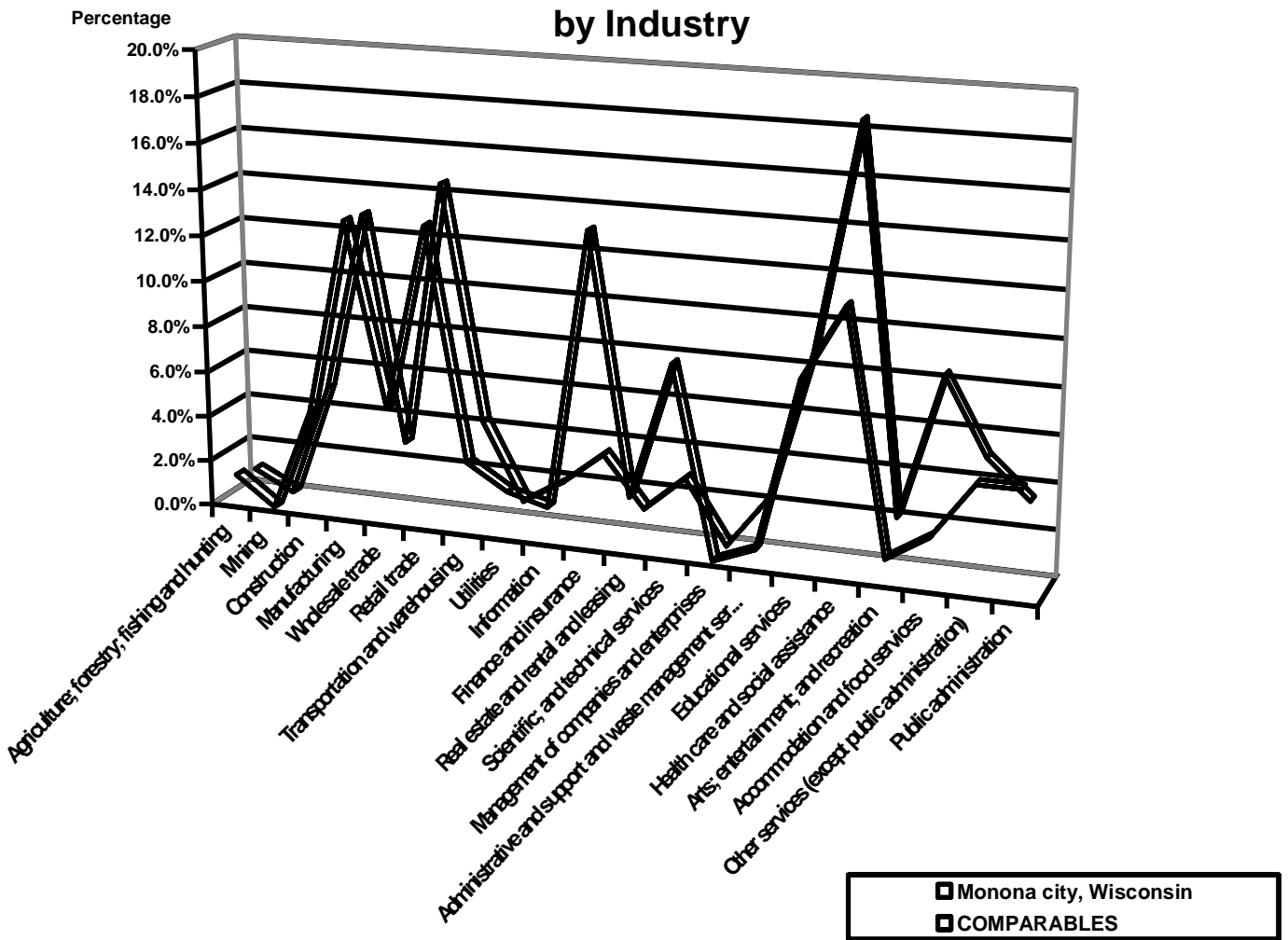
Data from the 2000 Census shows that 4,603 of Monona’s residents are in the labor force, while 1,992 are not. Out of these 4,603 people in the labor force, 4,592 are employed and 166 are unemployed. Therefore, the unemployment rate in Monona is 2.5%.

The 2000 Census also shows that 72% of workers are “private wage and salary workers”, 22.7% are government workers and 5.3% are “self-employed workers.”

b) Employment by Industry

Employment in Monona is dominated by four industries: finance and insurance (13.5%); retail trade (13.1%); manufacturing (13.0%); and health care and social assistance (11.4%) (UW-Extension and U.S. Census Bureau). The following graph, Chart C depicts Monona’s employees by industry and displays the average results of comparable geographies, which include Middleton, McFarland, Waunakee, Stoughton, Verona, and Sun Prairie.

Chart C: Percentage of Total Employees by Industry



Source: UW Extension - Center for Community Economic Development

Table B below has detailed data on the percentage of employees by industry.

Table B: Percentage of Total Employees by Industry: Monona, WI

Source: UW Extension - Center for Community Economic Development

INDUSTRY	City of Monona	COMPARABLES	US	Midwest	Wi
Agriculture; forestry; fishing and hunting	1.3%	1.0%	1.5%	1.9%	2.7%
Mining	0.0%	0.1%	0.4%	0.2%	0.1%
Construction	4.5%	5.1%	6.8%	6.1%	5.9%
Manufacturing	13.0%	12.9%	14.1%	18.5%	22.2%
Wholesale trade	5.0%	3.0%	3.6%	3.5%	3.2%
Retail trade	13.1%	14.5%	11.7%	11.7%	11.6%
Transportation and warehousing	3.0%	4.3%	4.3%	4.3%	3.7%
Utilities	1.9%	0.9%	0.9%	0.9%	0.8%
Information	1.5%	2.0%	3.1%	2.5%	2.2%
Finance and insurance	13.5%	3.4%	5.0%	5.0%	4.9%
Real estate and rental and leasing	2.3%	1.2%	1.9%	1.5%	1.2%
Scientific; and technical services	8.3%	2.8%	5.9%	4.9%	4.0%
Management of companies and enterprises	0.0%	0.0%	0.1%	0.1%	0.1%
Administrative and support and waste management services	0.7%	2.3%	3.4%	2.9%	2.5%
Educational services	8.2%	8.8%	8.8%	8.6%	8.5%
Health care and social assistance	11.4%	18.5%	11.2%	11.5%	11.6%
Arts; entertainment; and recreation	1.0%	2.2%	1.8%	1.5%	1.5%
Accommodation and food services	2.1%	8.4%	6.1%	5.8%	5.8%
Other services (except public administration)	4.6%	5.1%	4.9%	4.6%	4.1%
Public administration	4.6%	3.5%	4.8%	3.9%	3.5%
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%

Comparable Geographies Include: Middleton, McFarland, Waunakee, Stoughton, Verona, and Sun Prairie

c) Major Employers

Monona's largest employer, in 2004, is Wisconsin Physicians Services (WPS) with 3,530 employees. See the Table C below for other major employers in Monona.

TABLE C: Major Employers	
<i>Source: Monona Chamber of Commerce, 2004</i>	
Company	Number of Full Time Employees
Wisconsin Physicians Service Insurance Corporation (WPS)	3,530
Electronic Data Systems Corp / United Government Services	395
Copp's Food Store	150*
Menard's	135*
B D Diagnostic Services	132
Kilgust Mechanical	124
Kohl's Department Store	120*
First Supply Madison	115
Shopko	110*
Widen Colorgraphic	80
TruGreen/Chemlawn	80
Homburg Contractors	65**
Monona State Bank	58
Vendura	50
Ultimate Spa Salon	46
Red Robin Restaurant	45*
Denny's Restaurant	40
Power System Engineering	40

* Includes part time employees.
** Includes seasonal employees.

E. Community Development Authority

The City's Community Development Authority (CDA) has also been active in planning and promoting business development, particularly in the Monona-Broadway Business District. The CDA works cooperatively with the Chamber to encourage a strong city economy. The CDA was established by the Monona City Council on March 7, 1982. It is considered a separate Wisconsin municipal corporation that will carry out "blight elimination and urban renewal" programs. The CDA has the power to acquire property, to condemn property by eminent domain, and to hold property. It prepares and carries out redevelopment plans and projects. It also borrows funds and issues bonds to finance such projects. The Mayor appoints members to the CDA, and the City Council confirms them. The CDA is served by city staff, including the City Administrator and the Planning and Community Development Coordinator. The City Attorney also advises the CDA.

The Community Development Authority works cooperatively with the Plan Commission to eliminate blight in the community while promoting the City's commercial benefit. The Monona Community Development Authority adopted a mission statement and operating policies in 1994.

F. Economic Development Committee

This advisory committee to the Plan Commission is also defined by City Code and is reestablished as city need dictates. Two City Aldermen chair and co-chair the Committee, while other members are appointed by the Mayor and confirmed by the City Council.

The EDC was reestablished in May 2003, to promote economic development within the community, including developing a strategic plan for the economic development of Monona.

G. Chamber of Commerce

The Monona Chamber of Commerce was established in 1990 to work as a unifying force to serve the interests of commerce in the community. The group strives to retain existing businesses, attract new businesses, and encourage high standards for businesses, such as ethics, good citizenship, and providing fair opportunities for residents. Approximately 200 Monona businesses are members of the Chamber of Commerce. The City of Monona has formed and continues to foster a cooperative relationship with the Chamber of Commerce.

H. Industry and Business Attraction

Monona practices performance zoning, which is regulated by the City's *Performance-based Zoning Code*. The *Zoning Code* indicates which types of businesses and industries are permissible in the city. The City wishes to attract non-heavy industrial, economically viable businesses to Monona in the next 20 years. The types of businesses the City plans to attract include service industries, high tech firms, retail companies, general office companies, light industrial companies in appropriate locations, and appropriate mixed-use developments. The City does not want heavy industrial companies relocating to Monona, because of the City's limited and urbanized land area.

I. Development of Environmentally Contaminated Areas

Monona must work diligently on redevelopment projects to increase the economic activity and tax base in the city because of its limited ability to annex more vacant land for development. This includes promoting the redevelopment of areas that have been environmentally contaminated. Prior to the construction of the Beltline Highway (U.S. Highway 12/18) in 1988, numerous gas stations lined Broadway and parts of Monona Drive and had varying amounts of environmental contamination. In addition, a former landfill was located between Broadway and the Beltline, east of Monona Drive. Significant private and public redevelopment activity has occurred along the Broadway corridor since the construction of the Beltline, and many sites have been cleaned up and redeveloped for other commercial uses, including retail and office buildings, and a large City park.

In 1999, the City compiled an inventory of gasoline station underground tank contamination and remediation activity along Broadway and Monona Drive. This study included the status of cleanup, and the type of redevelopment and reuse of the sites. The City will continue to review the inventory of underground tank contamination throughout the city in the future, as it is an essential component of redevelopment activities. One potential use for these sites is commercial development. The study will continue to update the status of these formerly contaminated sites including, their cleanup efforts, and redevelopment activities.

J. Economic Development Programs

The State of Wisconsin offers a variety of financial assistance programs to local governments, like the City of Monona, to undertake economic development projects. In 2000, the Wisconsin Department of Natural Resources (DNR) and the Wisconsin Department of Commerce (DOC) outlined several programs in *The Financial Resource Guide for Cleanup and Redevelopment* that are available to Wisconsin communities from the State and Federal Government. Some examples of programs that are available to the City of Monona include Community Development Block Grants (CDBG) and the DNR Remediation and Redevelopment Program.

Community Development Block Grants exist in a variety of forms. CDBGs are available for blight elimination and brownfields redevelopment. The CDBG Emergency Grant Program provides grants for small communities with infrastructure damage due to catastrophic events. Some CDBGs are intended for public facilities or infrastructure in economic development plans and projects. Communities like Monona can use CDBGs to loan money to businesses for start-up costs. Finally, CDBGs are available to upgrade community facilities, infrastructure, and utilities to benefit low- and moderate-income residents.

The Wisconsin DNR Remediation and Redevelopment Program is a comprehensive, streamlined cleanup program that consolidates state and federal cleanup programs into one program. The DNR oversees the investigation and cleanup of superfund sites, leaky underground storage tanks, hazardous waste corrective actions, new and historic spills of waste or product materials, brownfields properties, closed solid waste landfills, closed wastewater facilities, and contaminated sediments. This program assists property owners and individuals causing hazardous material discharge and provides technical oversight, certification of cleanup completion, and assurance letters to the community.

In addition to these programs and grants, local governments may take advantage of redevelopment funds that exist through the state and national governments. In addition, Cities like Monona can take advantage of Industrial Revenue Bonds as a means of funding redevelopment projects.

Numerous options exist for the City of Monona in its redevelopment efforts. For complete information on funding available, see *The Financial Resource Guide for Cleanup and Redevelopment* (2000).

III. Goals, Objectives, and Policies

Note. This does not imply ranking of importance.

Goals:	Objectives & Policies:
I) Expand employment opportunities in Monona.	<p>A) Encourage commercial development and redevelopment that will provide jobs, goods, and services needed by residents, and to discourage the unnecessary duplication of existing facilities.</p> <p>B) Encourage business development and redevelopment in major business areas, such as Monona Drive, Broadway, and South Towne.</p> <p>C) Encourage cooperation between the Chamber of Commerce, CDA, and EDC on business retention, expansion, and attraction.</p>
II) Encourage economic growth in Monona.	<p>A) Retain existing businesses, encourage and enable their expansion and revitalization, and attract new businesses.</p> <p>B) Continue to provide opportunities and incentives for new businesses to locate in Monona.</p> <p>C) Implement <i>TID No. 3</i> and <i>No. 4</i>.</p> <p>D) Implement <i>Redevelopment Project Plans 2, 3, and 4</i>.</p> <p>E) Focus on revitalizing business corridors for successful business location.</p> <p>F) Address residents' desires and concerns for redevelopment and new economic development.</p> <p>G) Promote and support the purposes of the Economic Development Committee, including the following:</p>

Goals:	Objectives & Policies:
	<p>i) Evaluate needs and opportunities for various types of future economic growth (industrial, office, and commercial) that would be most directly beneficial to the residents of Monona, both as sources of goods and services and as sources of employment for Monona residents;</p> <p>ii) Strive to create an economic redevelopment strategy and an economic development strategy for business retention, expansion, and attraction;</p> <p>iii) Develop detailed plans for the future development of Monona Drive as a center of retail and service activity for Monona; and</p> <p>iv) Encourage the completion of the last phase of reconstruction on West Broadway.</p> <p>H) Encourage coordination between the City Council, the Community Development Authority, the Planning Commission, the Monona Drive Advisory Committee, the Monona Chamber of Commerce, and the Economic Development Committee.</p> <p>D) Improve facilitation of the project review and approval process.</p>
<p>III) Encourage the maintenance of community design standards.</p>	<p>A) Enforce design standards for redevelopment, zoning, and TID's.</p> <p>B) Incorporate residents' responses from the <i>Monona Drive Survey</i> and the <i>Master Plan Survey</i> into design guidelines for redevelopment, where feasible or appropriate.</p> <p>C) Ensure that proper zoning occurs for business areas.</p> <p>D) Continue to promote, maintain, and enforce design and landscaping standards for new development and redevelopment.</p> <p>E) Encourage commercial design standards for consistent architecture within commercial districts.</p> <p>F) Develop and enact design guidelines for Monona Drive.</p>