Commercial district economic development playbook for Waterford Village and the WesTerra TID

Prepared for the Racine County Economic Development Corporation

by
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Introduction to the Playbook

In the fall of 2008, the Racine County Economic Development Corporation asked the Community Land Use and Economics Group to provide it with an objective assessment of the retail performance and retail development opportunities of four commercial districts in Racine County and to suggest some strategies for guiding retail market development in the coming years.

We have created two specific products for the Racine County Economic Development Corporation and its partner communities:

- A report summarizing our market research, major findings, recommendations for County-wide action, and major recommended strategies for each of the four districts and the Waterford Tax Increment District (TID); and

- Four "Playbooks" - one for each of the four communities - outlining the major tasks that we believe need to be done in order to achieve each of the recommended strategies.

While the overall process of transforming the economy of an older, historic, or traditional commercial district is never easy, we have found that probably the most difficult parts of the process are identifying the major strategies needed for transformation, then breaking those strategies into do-able tasks. This Playbook is intended to help address that need by providing specific suggestions and guidance to public- and private-sector community leaders in Waterford Village on strengthening and expanding the economy of Waterford Village and the Waterford TID over the next 3-5 years.

Through our market research, we identified several potential strategies Waterford Village and the Waterford TID, and we presented and discussed these strategies with members of the community in October 2009. With their feedback on and approval of three key strategies, we then created this Playbook. It breaks each of these three strategies into the major tasks that we believe need to take place in order to achieve these strategies, with suggested actions drawn from our experiences with hundreds of other communities throughout the US that have been involved in revitalization initiatives in similar districts. The playbook is also contained in a Microsoft EXCEL workbook, which we have provided to the Racine County Economic Development Corporation. The EXCEL workbook includes a rollup of all major actions and tasks, by market-based strategy, with columns for assigning timelines, responsibilities, budgets for implementation, and sources of funding. The Playbook's worksheets can then be sorted according to task due dates, person or organization responsible for each task, budget, funding source, or any other criteria that those using the Playbook wish to add.

A few explanatory points:

- Not all tasks include notes, since some tasks are self-evident or are already underway.
Some tasks are repeated more than once, because they apply to more than one goal. We have left these in the Playbook to underscore the interrelationships and overlap between the market-based strategies.

One of the keys to successful revitalization and economic transformation is dividing and conquering: assigning tasks to a broad range of organizational partners, representing many different interests and with many different skills, vantage points, and resources, working together on a shared work plan. No one sector, or no one entity, can take on the entire agenda alone; collaboration and coordination is essential.

In some instances, therefore, tasks listed in the Playbook are already being done by someone - the Racine County Economic Development Corporation, local government, property owners, business owners, or one of many other organizations - but these tasks are included in the Playbook, also, underscoring the need for many partners and many participants.

Because the work load should be distributed broadly, many of the tasks included in the Playbook can take place simultaneously. Some tasks will have short time lines, while others will take several years - but, by moving forward with a number of tasks at the same time, all advancing one of the three major market-based strategies, transformation will happen more quickly than might otherwise be possible.

Next steps
The next step in this process is for stakeholders in Waterford Village's community and economic development initiatives to assign responsibilities, timelines, and budgets for each of the tasks included in this Playbook. In some instances, the entities to which certain tasks should probably be assigned will seem obvious. In other instances, it will seem less obvious. We encourage the community to cast the net broadly when looking for participants and to have honest and open discussions with all participants about the tasks and activities in which they would most like to be involved and for which they have the skills and resources.

We have recommended to the Racine County Economic Development Corporation that it take the lead in convening working groups to review the Playbook and begin the process of assigning responsibilities, timelines, and budgets. We have also recommended that it served as the organizing entity to move the agenda forward, working with all participants to ensure that the task deadlines are being met. We will be available to the Racine County Economic Development Corporation and to Waterford Village and Waterford TID project participants for several hours of telephone conference calls through the end of April to discuss our suggestions and the process for implementation.
The Playbook for Waterford Village and the Waterford TID

Our work in Waterford Village focused on both the downtown district and on the Waterford TID.

Waterford Village has several distinctive strategic advantages: the presence of the Fox River, a cohesive core of historic commercial buildings, and significant volumes of cars traveling along Main Street between Second and River every day, providing it with exposure to thousands of potential customers. It also has several disadvantages, including having relatively high commercial rents, compared with similar buildings and districts within the region, and is farther away from major population centers than most other comparably sized communities in the County. In addition, its relatively small size and physical constraints argue against development as a regional retail destination that would require large numbers of parking spaces during concentrated periods of time. Our recommendations for Waterford Village therefore focus on positioning the commercial district as a hub for outdoor recreation, with visitation spread throughout the year, and for increasing the district's daytime worker population.

The Waterford TID faces some unusual challenges, particularly because of the recent economic downturn and its likely negative impact on the market for commercial scratch that new commercial development over the next decade. We believe that successfully developing and marketing WesTerra will require differentiating it from other similar commercial complexes within the region by developing a unique focus with significant growth potential in the years ahead. We also believe that the best solution is likely to be one that is not dependent on drive-by traffic or on local expenditures, but it is one that can be more of a self-contained economic ecosystem with a regional or global market. After examining lists of emerging and established industries in the Racine County region, exploring the potential for a variety of possible new mixed-use clusters, and considering the TID's size and location, we recommend that the developers active in the Waterford TID position the commercial center as a regional and national center for green businesses and small industries.

We have outlined our observations about and major recommendations for Waterford Village and the Waterford TID in the report that accompanies this Playbook. To briefly summarize, though, our recommendations are based partly on these findings:

- Waterford Village is growing. The State of Wisconsin projects that the community will gain almost 900 new residents and approximately 400 new households by 2020, generating approximately $7 million in new retail demand.

- A relatively high percentage of Waterford Village's households earn income from interest, dividends, or rentals, suggesting that community members might have equity to invest in commercial development.

- Only 26 percent of Waterford Village's business entities are retail businesses. This is the lowest percentage of the four communities participating in the study and lower than that in most comparable older commercial districts in the United States. Personal and professional services comprise the largest percentage of business entities in the commercial district.
Our survey of Waterford Village businesses suggests that relatively few of the district's businesses use distribution channels other than in-store sales to walk-in customers. Just slightly more than one quarter (27 percent) said that they sell products through an online storefront; less than ten percent wholesale products to other businesses; none reported using eBay or another online auction website.

Business performance in Waterford Village is slightly below average, compared with similar businesses within the region.

Rents reported by the 11 businesses participating in the business survey who rent space (rather than owning the buildings in which their businesses are located) report paying an average of $2,489 per month in rent, the highest of the three older and/or historic commercial districts we are examining as part of this assignment.

Virtually all businesses participating in the business survey reported that sales were lower in 2008 than in 2007.

Waterford has fairly significant retail sales surpluses in several categories: motor vehicle and parts dealers, food and beverage stores, gasoline stations, and food services and drinking places. It has negligible sales surpluses in two categories: building materials and garden equipment stores, and health and personal care stores. Its sales surpluses underscore Waterford's continuing role as a convenience oriented community shopping district, but its sales leakages reflect competition from outlying shopping areas, particularly from Burlington.

Between 11,200 and 13,800 cars travel daily, on average, along Main Street between Second and River.

The district has a visually cohesive core of historic and architecturally distinctive commercial buildings.

Parking constraints suggest that increasing the numbers of 'captive shoppers' within the district - people who live and work in and adjacent to the district and who can walk or bike to the district - could make the district a more self-supporting economic ecosystem, less reliant on parking infrastructure.

“Turning the ship” to create a dynamic retail collection will most likely require one or more catalytic actions (versus incremental actions).

Strategies
We recommend simultaneously pursuing two market-based strategies to strengthen and expand the economy of Waterford Village:

1. Position Waterford Village as a destination for outdoor recreational products and activities.
2. Position and promote Waterford Village as a friendly office environment.

We recommend this strategy for the Waterford TID:

3. Position the Waterford TID as a regional and national center for green businesses and small industries.
STRATEGY 1
Position Waterford Village as a destination for outdoor recreational products and activities.

The commanding presence of the Fox River in Waterford Village is an exceptional asset for the Waterford Village commercial district. But it appears that the business connection between the River and the commercial district is weak, with relatively few goods and services in the commercial district catering to people visiting the River. We believe that the presence of the Fox could be a much more significant economic generator for the district.

We recommend that Waterford Village, the Chamber of Commerce, and other organizational partners position Waterford Village as a destination for outdoor recreational products and activities. This will involve adding some additional product lines to existing businesses, adding one or two new businesses to the district's current mix, and marketing the district as a hub for river related recreational activities. We do not envision this strategy changing the way the district currently functions -- but, rather, adding additional functions to those already in place.

Strategy 1 // Action A
Add new product lines to Waterford Village's existing businesses.
We recommend that the process of offering a wider range of river and recreation related products and services began by adding new product and service lines to Waterford Village's existing businesses. In many instances, these are products and services that might be of interest to community and area residents, also, not only to visitors. And, in some instances, these new product lines could also attract sales from outside the region via business websites.

Task 1.A.1 Develop a list of potential new product lines.

We have included a list of potential new product and service lines in Appendix A of this report. The list includes products like sports clothing and outdoor gear, food for people hiking or canoeing, and services like canoe rentals and orienteering classes. But this list is only a starting point. We encourage those involved in strengthening Waterford Village to expand the list by talking with the district's businesses, recreation enthusiasts, and others. Ultimately, the new product and service lines that should be introduced are those that fit well with the existing products and services offered by businesses that add them; are of interest to the business owners; and offer the possibility of an online market, expanding sales beyond the immediate area.

It will be important to synchronize the introduction of new product lines among interested district businesses, to the extent possible, to maximize visibility. The more products and services the district has to offer in this category, the stronger a magnet for regional shopping for recreational goods and services it will become. It will also be important to bolster the addition of these product lines with marketing activities (we discuss this in Strategy 1 / Action C, below).
Task 1.A.2  

**Meet with business owners to discuss adding new product lines to their businesses.**

We recommend that representatives of the Village, the Chamber, and other volunteers meet individually over the course of the next several months with all Waterford Village retailers to discuss the possibility of adding one or more new product lines to each business and to explore some potential new product lines.

There are several models that business owners might consider. For example, a business might add a new product line to its current merchandise mix, or it might replace a current product line with a new one. It might plan to keep the product line as one of their permanent offerings, or it might try to grow the product line into a separate, freestanding business within a few years. Or, rather than launching a new product line itself, a business might strike a deal with another business to host a product line from the other business in its store, integrating it with its own products in exchange for a percentage of sales of that product. We recommend exploring all these models with interested business owners.

Also, we suggest talking with businesses interested in adding a new product line about ways to promote that new product line - for example, by featuring it in its window display, placing it prominently inside the store (initially, at least), sending email announcements to customers, and putting flyers in customers' shopping bags announcing the new product line.

Task 1.A.3  

**Help businesses develop new distribution channels for new and existing product lines.**

One of the best ways for downtown businesses to expand sales is to develop new distribution channels. Selling products on the business's website, selling products through online auction websites, making local deliveries, wholesaling merchandise to other retail stores, renting space in other retail stores, and selling things at festivals, for example, are all ways to broaden exposure and make it easier for customers to patronize a business.

Online storefronts are particularly valuable tools for businesses in commercial districts whose visitors/patrons include a relatively high percentage of tourists. Many independently owned downtown businesses throughout the country have successfully turned one-time visitors into long-term customers by maintaining contact with them and making them into repeat customers via their websites. The visitorship that the Fox River generates could translate into significant new sales for Waterford Village businesses - but having a greater online commercial presence will be essential to this.
There are number of web-based services that make it easy for businesses to set up online storefronts. We particularly recommend Shopify.com\(^1\), which offers a variety of ready-made website designs, a robust order processing and order tracking system, and online credit card transaction services for a very low monthly fee (currently beginning at $24, with $25 worth of Google ad words included) and a small percentage of each transaction, making it virtually effortless for independent businesses to create attractive, low maintenance online storefronts.

**Task 1.A.4**

**Help young entrepreneurs launch recreational product/service lines in existing Waterford Village businesses.**

Some of the district’s business owners might not be interested in launching a new recreation-focused product or service line in their businesses themselves - but they might be willing to lease shelf/exhibit space within their businesses to other businesses to do so. For a number of reasons, this could be an excellent way for young entrepreneurs to get started. For instance, launching a single product line requires only a fraction of the cash outlay of launching a new, freestanding business. Because the host business provides staff and space, the business providing the new product line has no long-term commitment for overhead expenses. And, in addition to providing valuable exposure for the new product line, the host business can mentor the young entrepreneur and help them learn successful retailing.

National department stores routinely rent store space to other vendors. Most ‘branded’ departments in department stores - clothing, cosmetics, linens, etc. - are operated by department stores as rented space, with merchandise provided by a manufacturer or distributor, space and staff provided by the department store, and advertising and marketing costs shared between the product manufacturer and the department store.

InQBox\(^2\), a Singapore-based company, offers a potential model for hosting merchandise from one or more micro-businesses inside other Waterford Village businesses. InQBox provides small cubicles (approximately 3x3 feet), each of which features products manufactured or sourced by a small business, in a storefront space with shared staff and overhead. Each small business pays a percentage of the space’s staff and overhead expenses. We think a similar model might work well in Waterford Village, with small cubicles providing retail incubator space for small retail distributors or product manufacturers within the community and region.

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\(^1\) [www.shopify.com](http://www.shopify.com)

\(^2\) [www.inqbox.com](http://www.inqbox.com)
Steps:
1. Talk with Waterford Village businesses about their potential interest in hosting one or more compatible product lines, and brainstorm with them about potential product lines that might complement their current product mix and/or that might appeal to the types of customers their businesses currently attract.

2. Talk with representatives of area high schools, community colleges, and other higher education institutes about collaborating to help retail business-related classes and recent graduates launch new product lines in existing Waterford Village businesses.

3. Through Village business records, the Chamber of Commerce, and other networks, identify small home-based manufacturing businesses and home-based retailers, then talk with those whose offerings and/or customers might be compatible with those of existing Waterford Village businesses about the possibility of placing products in Village businesses.

Strategy 1 // Action B
Develop two or three new retail- and service-sector businesses to round out the niche.

Task 1.B.1 Identify/cultivate potential entrepreneurs.

For a variety of reasons, the process of developing and recruiting businesses for an older, traditional commercial district is considerably more complicated than the process of recruiting businesses for a shopping center or shopping mall. Differences in property ownership and management, retail business financing, retail brokerage practices, and information management, among other things, make it more difficult to recruit or develop businesses for older commercial districts. We have included some information on these differences and some general guidelines for developing businesses in older commercial districts in Appendix A.

For Waterford Village, we particularly recommend two of the strategies we have outlined in Appendix A:

- We recommend beginning the process of strengthening the district's recreational products/services niche by adding new product lines to existing businesses, promoting these product lines (and the entire recreational products/services niche), and gradually growing each of these product lines (we have outlined some processes for this in Strategy 1 / Action A, above). After several years, some of these product lines might have grown to a level that would make it possible to expand into a new, freestanding storefront. We encourage the civic leaders involved in strengthening downtown
Waterford Village to encourage and help businesses that add new recreational products/services lines to create business plans for their new business lines with this goal in mind.

- We recommend approaching existing successful, stable retail business owners in Racine County - particularly those who have considerable experience and relatively little debt - and talking with them about the possibility of opening an additional business in West Racine.

Steps:
1. Talk with business owners interested in adding new recreational product/service lines about developing business plans and setting goals that would enable them to spin off the new product lines into new storefronts within several years, and help them find the technical assistance resources to do so.

2. Develop a list of successful retailers in Racine County and, over the course of the next year, talk with each of them about the possibility of opening a new recreational products/services business in West Racine.

Task 1.B.2 Develop a new small downtown inn and restaurant.

We think it is likely that, as recreation-related visitorship increases, demand will also grow for a moderate- to upper-moderate price-point small inn and restaurant, with enough rooms and meeting spaces to accommodate groups of 12-20 people (e.g., small corporate and institutional meetings, family reunions, and tour groups), plus routine business travelers and tourists looking for something more unique and distinctive than a national chain hotel. The Fox River has the potential to attract thousands of people to Waterford Village every year, but there is no hotel or inn in the downtown area. A downtown hotel would support restaurants and other businesses in the district and increase tourism. We believe a small downtown inn that provides 5-8 rooms at a slightly higher price point than is currently available in the region could be a significant magnet for Waterford Village. The inn’s lodging revenues should be augmented by restaurant sales, catering services, and meeting room rentals.

Steps:
1. Explore similar downtown inns in historic downtowns of a similar size throughout the country and become familiar with how they operate. A few examples we recommend:

   a. Tremont Inn on Main\(^3\), in Marshalltown, Iowa, offers perhaps one of the best models. The inn itself occupies the second floors of three

\(^3\) www.tremontonmain.com
adjacent three-story storefront buildings in downtown Marshalltown; it offers 11 guest rooms and has become the most desirable hotel in the community, with rooms typically reserved months in advance. One of the ground-floor spaces is occupied by an upscale restaurant (Tremont on Main) that also provides meeting space for small meetings; another of the ground-floor spaces houses a coffee shop serving breakfasts and lunches (Tremont Grille); and the third ground-floor space houses a sports bar/cafe (Tremont HD Sports Cafe). The lodging rooms, which are sold out most weeknights, provide the majority of the inn’s revenues. The couple that owns and operates the inn and the three restaurants lives on the third floor of one of the three buildings. The Tremont Inn's three buildings are only slightly larger than most of the storefront buildings in Waterford Village.

b. The Porches⁴, in North Adams, Massachusetts, consists of a row of small houses that have been connected to one another. It provides lodging, small meeting rooms, and a restaurant primarily for visitors to Mass MoCA (the Massachusetts Museum of Contemporary Art), across the street.

c. Abingdon Manor Inn and Restaurant⁵, in Latta, South Carolina, offers one entree in its restaurant each night - and the first guest who calls and makes dinner reservations gets to choose what it will be. Because of this tradition, the restaurant often books up months in advance. The restaurant also offers cooking classes. The inn's seven rooms are often reserved as a bloc for family reunions, small corporate retreats, and even book clubs looking for a night away.

d. The Pomegranate Inn⁶, in downtown Portland, Maine, offers eight rooms in an art gallery-like setting, providing guests with add-on services like an escorted day of shopping, private chamber music, and in-room spa treatments.

2. Secure up-front commitments and serious expressions of interest for meetings, small conferences, and inn rooms from regional industries and institutions. This information will be quite helpful to potential entrepreneurs considering opening an inn/restaurant/meeting facility.

⁴ www.theporches.com

⁵ www.abingdonmanor.com

⁶ www.pomegranateinn.com
3. Explore the possibility of creating a local investment fund to capitalize business development in this cluster (see Task 1.B.3, below).

Task 1.B.3 Explore the possibility of creating a local investment group to help capitalize new businesses.

Most of the commercial loans for retail development that are awarded in the US are awarded to national and regional retail chains - "credit tenants" - that, if necessary, can collateralize their loans with their inventory, equipment, and facilities. There is, unfortunately, relatively little capital (either debt or equity) for development of small, independently owned retail- and service-sector businesses. To make capital available, a growing number of communities are creating their own investment funds to support development and growth of independently owned businesses, helping to both provide jobs for community residents and to also ensure that the goods and services that residents want and need are available to them.

We recommend that the Village and its partners encourage local investors to pool funds to create an investment group to jump-start creation of key new businesses in Waterford Village. The investment pool would own the businesses, hiring highly skilled management staff to operate each business and to meet or exceed quarterly performance benchmarks. The investment group could offer managers the option of buying out the group’s investment after a period of years (either revolving the repaid investment into new businesses or returning the capital to investors) or it could maintain ownership of the businesses. Doing so would accelerate the business development project, pair skilled local mentors with business managers, and help ensure development of one or more clusters of key businesses that could help catalyze economic development in Waterford Village. The investment group could also purchase key downtown businesses whose owners are retiring, holding them until a new buyer can be found or managing them indefinitely.

The pool could include private individuals and/or local institutions; it could be structured to consist of a relatively small number of investors or could be structured as a stock company, with a large number of investors. Funds could be used for direct loans to and/or investments in new businesses, product lines, or business growth, or they could be used to guarantee loans from conventional lenders, or both.

Steps:
1. Gather information on similar ‘angel’ investment corporations the country – both those focused specifically on older downtowns as well as those with a broader community or regional focus. Some examples:
   a. A group of investors in Bonaparte, Iowa formed Township Stores in the late 1980s, selling 50 shares of stock for $2,000 each and using
the capital to buy and rehabilitate several downtown buildings and to launch a small grocery store, which it has successfully operated for almost 20 years.

b. In the early 2000s, a group of 15 investors in Effingham, Illinois created an investment pool to launch several new downtown restaurants.

c. More than a dozen communities in the Mountains/Plains states have created local investment groups to launch and operate downtown discount department stores, offering viable alternatives to big-box retailers.

d. There are a number of larger-scale models of local investment groups – some capitalized by local sales of stock (such as the Greenfield Mercantile and some by a mix of foundations and private investors (such as the Kentucky Highlands Investment Corporation and Pacific Community Ventures).

2. Convene a task force to oversee this assignment, with successful business people, people with access to investment capital, and downtown property owners among the task force's membership.

3. Set a target amount of capital to raise within 12 months of the task force's first meeting, based on the task force's estimates of capital needed to support the business development activities recommended in this study.

4. Create the corporate/legal structure for the investment fund.

5. Raise the capital.


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7 See, for example, www.boomtowninstitute.com/News/news061206b.html. Also, economist Michael Shuman cites numerous examples of local ownership programs in his book Going Local: Creating Self-Reliant Communities in a Global Age (Routledge, 2000).


9 www.greenfieldmercantile.com

10 hwww.khic.org

11 www.pcvfund.com
Strategy 1 // Action C
Promote the new retail niche within the region.

Task 1.C.1  Create two new special events - one in the fall, one in the spring - focusing on outdoor recreation.

Special events can be invaluable tools for changing public perception of an older or traditional commercial district and for creating a new marketing position for the district.

We recommend that those involved in strengthening Waterford Village's economy create two new special events focusing on outdoor recreation - one to take place in the spring and one in the fall. These should become annual events, growing in attendance, impact, and visibility each year. Their overall goal should be very specific: to position Waterford Village in the minds of regional residents as a center for outdoor recreation. While special events can (and usually do) benefit the district's retail businesses, their primary goal is simply to change public perception of a district - to bring people into the district to have a good time and experience aspects of the district with which they might not have been familiar before the event.

Both events should include outdoor recreation events (canoeing, orienteering, ice climbing, hiking, camping, stargazing, wilderness medicine instruction, etc.), with product demonstrations, instruction, and fun competitions. We also recommend that both events include the five components that Walt Disney recommended that all special events include:

- Music
- Food
- Overlapping activities
- Something free, to take home
- Something for children

Steps:
1. Convene a short-term task force to develop the goals, concepts, and names of major event components/activities for the two events. Task force members should include people active in outdoor activities and highly creative people.

2. Once the two events have been named and vetted with the Village,

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12 For example, Goffstown, New Hampshire includes a pumpkin boat regatta, with boats made from giant pumpkins, in its annual fall festival (www.goffstownmainstreet.org/pump_history.html).
Chamber, and other key institutions, create a working group for each of the two events. Each group should choose one person to serve as the events overall coordinator. It should also choose people to coordinate specific components of the event - fundraising/sponsorships, entertainment, food, equipment, permits/insurance, publicity, trash collection, documentation, etc.

3. Explore information on other outdoor festivals for ideas and inspiration.

4. Develop an outline of activities that will take place during each festival, and assign each activity to a person or group of people to organize.

5. Develop a budget for each event and seek sponsorships to cover costs.

6. Select a date for each event; notify organizations and publications that maintain lists of community events of the date, for inclusion in their calendars.

7. Obtain permission from the City to close one or more blocks/streets for each event, if needed.

8. Secure all necessary permits.

9. Secure special event insurance\(^\text{13}\).

10. Arrange for restrooms for each event (either in district businesses or by renting portable toilets).

11. Recruit volunteers to help set up tables, booths, signs, etc. and to help out on the day of each festival with trash collection, entertainment, food service, and other tasks. Be sure each volunteer understands his/her responsibilities.

12. Write press releases, media advisories, and feature stories and distribute them to area news media, beginning a month before each event, then every week leading up to the event.

13. Take photographs during each event and develop estimates of event attendance, for comparison in future years.

Resources:

*Main Street Festivals: Traditional and Unique Events on America's Main Streets*, by Amanda B. West (Washington: National Trust for Historic Preservation, 1998)

\(^{13}\) National Trust Insurance Services provides specialized insurance for events and festivals in older commercial districts: www.nationaltrust-insurance.org/Special-Events.html.
Task 1.C.2  

**Create a year-round series of retail promotional events focusing on outdoor recreation.**

The goal of the two new special events mentioned in Task 1.C.1 should be to change public perceptions of Waterford Village and, in particular, to position it as a regional outdoor recreation center. And, there are many opportunities for retail businesses to tie into these two special events - window displays and in-store product demonstrations, for example.

But, in addition to tying into these two festivals, we recommend that the district's businesses also organize a series of year-round retail promotional events to fill in gaps in the calendar and to continue to reinforce the message that Waterford Village provides a variety of recreational products, as well as a friendly shopping experience.

We recommend that Waterford Village's businesses create a couple of new retail events, and re-define a couple of existing events, to focus more explicitly on the district's role as an outdoor recreation center. For example, businesses might buy joint advertisements in regional publications for Valentine's Day or Christmas, or they might organize a collaborative in-store retail promotional event for Independence Day. Retail events should be scheduled to fill in gaps in the calendar between the two special events. When possible, retail events should emphasize retail offerings and retail variety - but should not necessarily be discount-oriented. Too many discount-oriented retail events can inadvertently give an older commercial district a 'bargain basement' image that erodes its positive public image.

**Steps:**
1. Appoint a task force or committee to develop the initial calendar of retail events.
2. The task force should meet with the group working on the two special events in order to coordinate events and to refine a consistent theme.
3. The task force should then appoint committees to work on each individual event.
4. Each event committee should then flesh out the details of the event to which it is assigned.
5. Appoint smaller, specific task forces to handle the specific tasks for all the events together - marketing, advertising, in-store merchandising, etc.

Task 1.C.3  

**Create a "buzz" campaign to help position Waterford Village as a nexus for outdoor recreation.**
“Buzz” marketing - word-of-mouth marketing - can have a powerful impact on consumers’ perception of a district. Patagonia's focus on outdoor gear, or Starbuck's focus on providing a community gathering place, or E*Trade's focus on providing a self-driven investing environment, are all examples of buzz marketing - in these instances, marketing driven by underlying advertising campaigns but then relying on word-of-mouth marketing to propel the messages forward.

We recommend developing a series of feature stories that profile Waterford Village’s role as a center for outdoor recreation - stories about recreational events, products, and personalities in Waterford Village.

Steps:
1. Generate a list of ideas for feature stories. Possibilities could include:
   a. Stories about outdoor recreational activities and events taking place in Waterford Village
   b. Stories about people who visit Waterford Village because of the presence of the Fox River and recreational opportunities.
   c. Profiles of some of the district’s outdoor recreational products and services.
2. Generate a list of regional news media.
3. Write, review, and edit a series of feature stories.
4. Distribute feature stories to regional media, following up with personal contact and/or invitations to tour the district, if needed.

Strategy 1 // Action D
Evaluate and fine-tune the niche's performance.

Task 1.D.1 Gather metrics about promotional events.

During and immediately after each promotional event, gather information that will help evaluate each event's effectiveness in meeting the goal of positioning Waterford Village as a nexus for outdoor recreation and that will help measure changes in each event from year to year. Key metrics include:

- Total estimated event attendance
- Percentage changes in retail sales during the event
- Most popular items purchased by customers during the event
- Amount of news coverage the event garners

It would also be useful to gather information on the towns and cities from which
event participants come. One of the easiest ways to gather this information is to put maps of the region (ideally mounted on Fome-Cor or a bulletin board) in downtown stores and restaurants and to ask everyone who comes into the store to put a pin or dot on the map indicating where they live.

**Task 1.D.2**

**Examine metrics about promotional events and set successively more aggressive goals each year.**

After each event, the event's organizing committee should examine the event's metrics and set goals for the next year's events.
STRATEGY 2
Position and promote Waterford Village as a friendly office environment.

Waterford Village offers many potential benefits for offices and office workers - it is compact, walkable, and friendly; it offers restaurants and other support services for daytime workers; its buildings offer unique, one-of-a-kind work spaces; and the Fox River and its banks offer a wonderful coffee break setting. We believe that the district could significantly boost its number of workers by positioning and promoting Waterford Village as a friendly, unique office environment. Doing so could offer several key benefits:

- Increasing the number of workers in the district also increases the number of customers, since people who work in the district patronize its businesses.
- Relying more on spending from district workers than on spending from outside visitors helps minimize parking demands within the district.
- By converting unused or under-used upper-floor space to offices, property owners can generate more revenue from their buildings.

Strategy 2 // Action A
Create a loyalty program for Waterford Village workers, residents, and other loyal customers.

Retaining existing customers is ultimately more important than attracting new ones -- and one of the best ways to retain customers is to make them feel truly welcome and valued. We therefore recommend that those involved in Waterford Village’s commercial growth implement a loyalty program to reward existing customers (including people who work in Waterford Village) for their continued patronage and to give them many reasons to continue coming back.

Task 2.A.1 Explore potential loyalty card systems and select a system for Waterford Village.

A growing number of downtown revitalization organizations across the country have adopted a loyalty card to provide customers with special benefits, such as discounts, free products, or advanced notification of events and new merchandise. For example, more than 200 businesses in Boston's citywide network of neighborhood Main Street revitalization organizations offer incentives to their customers through the Boston Community Change card (www.bostoncommunitychange.org). The card - which looks like a typical credit or debit card - offers customers incentives at participating businesses. Businesses can choose whatever incentives they wish to offer (a discount, for instance, or a free item or service), and they can change the incentive online as often as they wish. The card is free to customers. Businesses pay a small percentage of each transaction made using the card. The amount businesses pay is divided three ways: A portion of each transaction is returned to the customer in the form of a cash rebate, a portion is donated to the organization coordinating neighborhood revitalization activities, and a portion is donated to a nonprofit organization of the customer’s choice. The program is promoted through a dedicated website.
(www.shoppingonmainstreets.com), through decals in the front windows of participating businesses, through electronic newsletters, and through the efforts of individual businesses and community organizations. The nonprofit organizations designated by cardholders to receive contributions through the program are also an integral component of the program's promotion, spreading the word to their respective members and networks of supporters.

Steps:
1. Investigate loyalty card programs that have been adopted and implemented by other commercial district revitalization organizations, talking with representatives of those organizations to get first-hand information about how the programs work and about their effectiveness in helping retain and reward loyal customers.

2. Talk with Waterford Village business owners about the concept and gauge their level of interest in participating in a loyalty card program if it were created.

3. Assuming business owners are interested, select a loyalty card system.

4. Sign up businesses.

Resources:
"Customer loyalty programs for commercial districts", in Main Street News, No. 103, December 2003.

Boston Community Change Card: www.bostoncommunitychange.org

Task 2.A.2 Invite all Waterford Village customers and residents to join the loyalty program.

Promote the loyalty card program through news releases, literature in Waterford Village businesses, and direct mail to homes in the neighborhoods surrounding the commercial district.

Task 2.A.3 Create/launch a calendar of events geared towards loyalty program members.

Events might include after-work open houses in Waterford Village businesses, special members-only shopping nights around major holidays (such as Valentine's Day and Christmas), special previews of new merchandise, and members-only classes and product demonstrations.
Strategy 2 // Action B

Create a coworking space.

A coworking space is a shared, flexible office. Unlike temporary offices that can be rented by the day by people who travel or who need a conference room in which to host a meeting, coworking spaces emphasize active collaboration between the people who rent and share space there. A relatively new concept even a few years ago, coworking spaces have now opened up in most major US cities -- and in a growing number of smaller ones. Most co-working spaces offer a range of space rental options, making it possible for someone to be a full-time office tenant or to simply use space and an Internet connection at a common worktable. Coworking spaces are particularly appealing to independent workers who would otherwise work from a home office but who enjoy being around other people, exchanging ideas, and collaborating on projects. Many of the people who use coworking spaces are designers (websites, fashion, architecture, etc.), consultants, writers, and others involved in creative industries, but they are becoming increasingly popular with a much broader professional population. Most for working spaces provide a shared conference room, kitchen, office equipment, and Internet connection. Some also offer clerical assistance.

We believe that Waterford Village might be an ideal location for a coworking space for people who live in Waterford and the western part of Racine County. Our research suggests that there is a sizable population of people who work out of their homes and who might be good candidates for a coworking space. And Waterford Village offers an appealing, pedestrian oriented environment, with restaurants and other services within easy walking distance.

We have also recommended that West Racine create a coworking space. It is possible that one person (or firm) might be interested in launching and operating both of the coworking spaces. We therefore suggest contacting those involved in revitalizing West Racine’s commercial district and exploring the possibility of looking for an owner/operator together.

Task 2.B.1 Become familiar with existing coworking spaces elsewhere in the US.

Although co-working spaces are relatively new, half a dozen or so have been in operation for a decade or more and have gained considerable experience. We recommend that Waterford Village and its partners contact representatives of these coworking spaces and ask them for advice.

Steps:
1. Read articles about coworking spaces and scan websites about and for coworking spaces. A few examples:
   a. OfficePort Chicago\(^{14}\) (Chicago, Illinois)
   b. Carrboro Creative Coworking\(^{15}\) (Carrboro, North Carolina)
   c. Independents Hall\(^{16}\) (Philadelphia, Pennsylvania)

\(^{14}\) officeportkc.com/chicago/
\(^{15}\) carrborocoworking.com
\(^{16}\) www.indyhall.org
d. Affinity Lab\(^{17}\) (Washington)

2. If possible, have one or two people visit a successful coworking space and talk with their owners or managers about what works well, what they might do differently, and what advice they might offer for creating a new coworking space in West Racine.

**Resources:**
“*They’re Working on Their Own, Just Side by Side*, New York Times, February 20, 2008\(^{18}\)

“*Where the Coffee Shop Meets the Cubicle*, Newsweek, February 26, 2007\(^{19}\)

Several websites, such as Coworking (http://coworking.pbworks.com), the Coworking Community Blog (http://blog.coworking.info), and CoolTown Studios (www.cooltownstudios.com/category/coworking) provide lots of general information about coworking spaces and links to coworking spaces throughout the US and around the world.

**Task 2.B.2** Decide on an operating model and secure an owner or operator.

Steps:
1. Identify one or more potential spaces for the coworking space.
2. Secure an operator or owner.
3. Discuss operating models

**Task 2.B.3** Contact potential coworking space tenants, market the space, and secure initial participants.

There are several ways to find potential co-working space tenants:

- Obtain a list of residents who currently work from home offices (at least those who have obtained business licenses).
- Create a co-working group on Meetup.com, a website that helps people find others with common interests.
- Spread the word informally through graphic design firms, architecture and planning firms, community colleges, economic and community development organizations, and neighborhood associations.
- Hold a community meeting to explain what a coworking space is and to generate interest. Show photos of coworking spaces in other cities.

\(^{17}\) www.affinitylab.com

\(^{18}\) http://www.nytimes.com/2008/02/20/business/businessspecial2/20cowork.html

\(^{19}\) http://www.businessweek.com/smallbiz/content/feb2007/sb20070226_761145.htm
Task 2.B.4  **Promote the coworking space throughout the region.**

Organize open houses and media tours. Write and place feature stories about the coworking space and its tenant businesses in regional publications.

Strategy 2 // Action C

**Develop a few upper-floor housing units.**

Revitalizing and sustaining the economy of an older or historic downtown ultimately means finding a combination of uses for its buildings that generates enough revenue to support the rent levels building owners need in order to be able to rehabilitate and properly maintain them. Using the buildings as fully as possible helps make rehabilitation and maintenance more affordable.

Many of Waterford Village's upper floor spaces are vacant or underused, making them less economically productive than they could be and, ultimately, putting undue pressure on ground-floor tenants to provide enough rental revenues for property owners to rehabilitate and maintain the buildings. We therefore recommend that Waterford Village begin an initiative to encourage and facilitate greater use of the district’s upper floors. A few suggestions:

Task 2.C.1  **Become familiar with upper-floor housing development in older and historic buildings elsewhere in the US.**

*Main Street News* has published half a dozen or so articles about upper-floor housing development in older and historic commercial buildings in the past several years.²⁰

The Illinois Main Street Program has developed an award-winning program to help property owners use their upper floor spaces, called Upstairs Downtown.²¹ Although its consulting services are not available without charge to communities outside Illinois, some of its resources are available online, including a slide presentation²² that outlines issues involved in reusing downtown upper floor spaces.

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²¹ [www.upstairsdowntown.org](http://www.upstairsdowntown.org)

Task 2.C.2  
**Create pro-rehabilitation zoning and construction policies.**

Appoint a short-term task force to review the Village's building code, zoning code, and other regulations that affect development. The task force should identify any potential regulatory barriers that might make deter property owners from using their upper floor spaces for commercial or residential purposes. For each potential barrier, it should propose one or more solutions for eliminating or overcoming the barrier.

Task 2.C.3  
**Encourage property owners to redevelop their upper-floor spaces.**

We recommend holding several group meetings for downtown property owners and others in the area interested in investing in or developing downtown property, explaining the benefits of developing upper floor space for new uses, possible uses for upper floors, some of the techniques for overcoming obstacles, and the incentives and tools available for upper floor development. Then, follow up individually with property owners to explore options for each space and to gauge each property owner’s interest and should maintain periodic contact for at least the next five years, providing updates on projects underway and completed, on new incentives, and on other relevant news.

Task 2.C.4  
**Develop a package of incentives to encourage upper floor development.**

Some communities have created incentive programs to help property owners use upper floor spaces. For example, Rock Island, Illinois created a tax increment finance district, generating revenue to capitalize a loan pool that makes up to five forgivable loans of $20,000 per unit each year. The community also adopted the International Existing Building Code, amended its zoning ordinance to streamline the process of developing mixed-use buildings downtown, and listed its downtown district in the National Register of Historic Places so that property owners could take advantage of the federal historic rehabilitation tax credit.

The federal government provides two income tax credits to help the owners of older or historic commercial buildings rehabilitate their buildings:

- For buildings that are “historic” (meaning that they are listed in, or eligible to be listed in, the National Register of Historic Places, or that contribute to the character of a historic district that is listed in the National Register), the federal government provides a tax credit equal to 20 percent of qualified rehabilitation expenses. Rehabilitation plans must be approved in advance by the state’s historic preservation office and the National Park Service, and both must review the completed work to ensure consistency with the approved plans before the credit is issued.

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23 [www.nps.gov/history/hps/tps/tax/brochure1.htm](http://www.nps.gov/history/hps/tps/tax/brochure1.htm)
- For buildings that are not historic, but that were built in 1936 or earlier, the federal government provides a tax credit equal to ten percent of qualified rehabilitation expenses. Rehabilitation plans do not need to be reviewed; claiming the credit is straightforward and uncomplicated.

In both instances, rehabilitation expenses must equal or exceed $5,000 or the adjusted basis of the building, whichever is greater. The tax credits can be carried back one year and forward up to 20 years - so, if a property owner does not have enough federal income tax liability the year the rehabilitation is completed, he or she can claim part of the credit retroactively for the previous year or can use it to reduce or eliminate income tax liability for up to 20 years in the future.

**Task 2.C.5 Organize an 'upstairs downtown' tour.**

We recommend that, as upper floor spaces are rehabilitated and put back in service, the Village and its partners organize periodic "Upstairs/Downtown" open-house tours to publicize the availability of upper floor office space, apartments, condominiums, etc. We also recommend boosting the visibility of upper floor development with window signs ("Looking up downtown!" or something similar).

**Strategy 2 // Action D**

**Animate the district's storefront windows.**

Storefront activity is vital to encouraging pedestrian movement. Storefront display windows blur the public space of the sidewalk with the semi-private space of the store or business, sending a visual signal to pedestrians that they are welcome inside. When pedestrians encounter a storefront whose display window is vacant or screened off, they subliminally interpret this to mean that they have reached the end of the district’s retail core, and they are likely to stop browsing and turn around.

Historic photos show that, when Waterford Village had a higher concentration of retail businesses several decades ago, its storefront windows were full of inviting merchandise and activity. But the district now has a high percentage of non-retail uses and vacancies, and there are only a handful of places within the district with significant groups of active storefronts.

We recommend that Waterford Village, the Chamber, and their partners actively work to enliven the district’s storefront windows.

**Task 2.D.1 Provide ongoing technical assistance to business owners in creating enticing, effective window displays.**
Steps:

1. Create an ongoing photo file of attractive window displays. There are two major visual merchandising industry magazines *(Display and Design Ideas)* and *(Visual Merchandising and Store Design)*, and both offer many photos and other resources on their websites. There are also a number of books available that profile well-designed window displays and in-store displays, and these could be made available to West Racine businesses to borrow.

2. Offer occasional window display design workshops for the district's businesses. Visual merchandising professionals from large department stores, such as Nordstrom, Macy's, and Bloomingdale's, are often willing to conduct workshops and provide ideas for independently owned businesses.

3. Identify several artists or other creative people in the community who might be willing to offer occasional guidance and suggestions to interested business owners on a pro bono basis.

4. Provide suggestions to non-retail businesses on enlivening their storefront display windows. Realtors might display photos of available properties in light boxes mounted to the inside of storefront windows. Stock brokers might put an LED ticker machine in their storefront windows. Physicians might display vintage medical equipment. If a business cannot think of a way it can create a window display that engages attention and enlivens the street, it can display merchandise for another downtown business or provide display space for a local nonprofit organization.

Resources:


Task 2.D.2  **Organize a window display competition.**

We recommend organizing a window display competition in conjunction with a special event or a major holiday. In several communities, participating businesses have taped brown Kraft paper inside their storefront windows while working on their window displays, keeping them private until it is time for the competition to begin, and we have found that this works well to build anticipation and to attract public attention, and we would therefore recommend this for Waterford

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24 www.ddimagazine.com

25 vmsd.com/projects
Village.

Steps:
1. Outline the competitions rules and regulations. Decide, in particular, how the competition will be judged (e.g., will members of the community be able to vote on their favorite window displays? If so, will voting take place during a concentrated period of time, such as an afternoon, or will it take place over a period of a week or more? Or will there be a panel of judges who select the winning window displays? If so, including one or more members of the news media in the panel of judges might help increase the event's visibility.

2. Set the dates during which the competition will take place.

3. Obtain prizes for winning window displays. We recommend awarding prizes in several categories, with a first prize and runner up prizes in each category, as well as one overall "best of show" prize so that as many businesses as possible might be rewarded.

4. Circulate information about the window display competition to all district businesses and encourage everyone to participate.

5. Send out press releases and media advisories to publicize the window display competition and to invite the public to see the window displays.

6. Take photographs of the window displays of all participating businesses.

7. Publicize the winners through local news media.

Task 2.D.3 Partner with area arts organizations to help animate storefront windows.

Arts organizations might be interested in placing exhibits in the storefront windows of interested businesses and/or vacant storefronts. For example, an arts organization in Boston, Massachusetts partnered with a commercial district revitalization organization in Boston's Downtown Crossing neighborhood to place video exhibits in vacant storefront windows, providing valuable exposure for the artists as well as an enjoyable experience for pedestrians26.

Task 2.D.4 Keep storefront display lights on until late in the evening.

Keeping storefront display lights on throughout the evening helps provide ambient lighting for the sidewalk, making the district appear safer and more vibrant. Lights can be placed on plug-in timers so that they can turn off automatically even when the store is closed.

26 bostonartwindows.wordpress.com
Task 2.D.5  Include storefront window displays in major marketing and promotional events.

Encourage all businesses to create special window displays whenever a marketing event or promotional activity is taking place in the district.
STRATEGY 3
Position the Waterford TID as a regional and national center for green businesses and small industries.

The original development plans for the Waterford TID included commercial uses that have become very challenging to support since the economic downturn, and its developers are interested in exploring different potential uses.

We explored the potential demand for new retail space in and around Waterford, and we concluded that there is not enough demand to support development of new retail space at the Waterford TID. Even before the economic downturn, the region had a surplus of retail space, with retail development in Burlington, in particular, drawing shoppers away from other commercial centers in the region.

The economic downturn has had a profound impact on national retail chains. Almost 200 national retail chains have closed stores, scaled back expansion plans, or gone out of business altogether since 2007. Our research suggests that, for several reasons, retail demand is likely to remain below 2007 levels for a decade or more. We believe that, in many instances, the best courses - perhaps the only viable courses - for new commercial development over the next decade or two will be to pursue distinct market niches, with little or no regional competition, and to create a mix of uses to provide greater overall market stability.

We ultimately concluded that one of the most promising development opportunities for the Waterford TID would be to develop it as an environmentally friendly mixed-use community. The market for environmentally friendly products and services has grown almost exponentially over the past several years and the market is expected to continue expanding for years to come. Yet, there are a relatively small handful of mixed-use communities in the United States that have been developed both to be environmentally friendly in their planning and construction and also to support environmentally friendly commercial activities. We believe that this might present a unique market opportunity for the developers active in the Waterford TID.

In making this recommendation, we have made several core assumptions. These include:

- Nothing quite like what we have suggested exists - yet - in North America, although there are several successful developments that incorporate portions of it (such as Stapleton, Colorado, a new, environmentally friendly mixed-use community recently developed on the site of the former Denver Stapleton Airport, and the "green" industrial park at Kalundborg, Denmark).

- New construction that takes place in the Waterford TID will be "green" construction, meaning that it will use environmentally friendly building materials and construction processes and that it will be designed in ways that promote energy conservation, resource sustainability, and longevity.
The overall plan for the Waterford TID should encourage sustainable business, transportation, conservation, and residential practices.

The Waterford TID will, to some extent, become an economically and environmentally self-sustaining ecosystem in that, by providing a mix of uses, the people who work there will comprise a significant percentage of the people who also live in housing units there and who support retail businesses there. So, for example, if 20 acres of the Waterford TID were devoted to small-scale green manufacturing and service-sector jobs, with a job density of 40 jobs per acre and a total of 800 jobs, representing 700 unique households, the TID might also include enough housing to accommodate one-quarter to one-third of those 700 households' housing and retail needs, or approximately 175-230 housing units and approximately 15,000-20,000 square feet of retail space\textsuperscript{27} for TID workers.

The Waterford TID's developers and public-sector partners should aggressively recruit and develop green businesses for the site - businesses that produce environmentally friendly products and services or that want to improve their environmental performance by locating in green buildings and in a complex that promotes and supports environmental sustainability. Targeted businesses might be primarily small, green manufacturers, or the complex's developers might choose to create a concentration of green retail businesses, green building suppliers, or a mix of manufacturers and retailers specializing in environmentally friendly goods and services.

Developing a complex such as this is a relatively new process in the United States and will require more research and innovation than might otherwise be needed for a more ordinary commercial complex. At the same time, there are likely to be more financial incentives and funding resources for such a complex than for a more traditional one.

The process should begin with simultaneous marketing/recruitment and development of a revised master plan and will take place in phases over the course of a decade or more.

Strategy 3 // Action A
Gather examples of environmentally friendly mixed-use centers.

Task 3.A.1 Look for examples from European communities.

Most European communities have been exploring environmentally friendly design and development for several decades longer than most North American communities. Northern European nations - Denmark, Finland, Germany, The Netherlands, Norway, Sweden, the United Kingdom - have been particularly active in environmentally sustainable urban planning and design, and they

\textsuperscript{27} Based on the assumption of $17,000/household for retail goods and services and on $200 average gross sales/square foot. So, (700 households x $17,000/household ÷ $200/square foot) ÷ 3 = 19,800 square feet of retail space for one-third of the households represented by Waterford TID workers.
provide a great range of examples and experiences. Leipzig, Amsterdam, and Malmö, in particular, have been quite active in environmentally sustainable mixed-use development for a number of years. There are countless good examples that could be transferred to the Waterford TID. For instance, Ooms Avenhorn Holding BV, an engineering company in the Netherlands, has created a heating system that draws heat from water in pipes embedded in an asphalt-paved parking lot. The system - Road Energy System - powers 70 housing units and a 160,000 square foot industrial park with the heat energy extracted from a 200-square-yard paved parking lot.

Resources:
"Learning from Europe", by Jerry Yudelson, in Urban Land, Spring 2009.

Green office parks:
Glory Park (UK)  

Case studies:
European Sustainable Development Network  
European Commission's Directorate-General for Energy and Transport  
GreenTechMedia.com

Task 3.A.2  
Attend conferences on green development.

There are several major conferences scheduled in 2010 within the region:

- The Green Business Conference, in Chicago
- GreenFestival, also in Chicago
- The Green Energy Summit, in Milwaukee

Each of these provides opportunities to gather examples of environmentally

28 www.glorypark.co.uk

29 www.sd-network.eu

30 www.managenergy.net/castudies.html

31 www.greentechmedia.com

32 www.greenamericatoday.org/cabn/conference/chicago/index.cfm

33 www.greenfestivals.org/chicago/

34 greenenergysummit.us/
sustainable development, to meet potential tenants for the Waterford TID, and to promote the Waterford TID's development plans to the region's green development community.

Task 3.A.3  
**Visit some green mixed-use developments.**

We recommend visiting one or more green mixed-use development projects, talking with their developers about their planning processes, financing, marketing, and management. A few examples:

- TechCity, a mixed-use development on a 260-acre site in Kingston, New York, is transforming a former IBM manufacturing facility into a mixed-use development with office, residential, industrial, retail, and recreational space.

- The City of Denver and Forest City Development are redeveloping the former Denver Stapleton airport into Stapleton, Colorado, a green mixed-use community that will eventually include 12,000 houses and approximately one million square feet of commercial and industrial space.

- Camden County, North Carolina is developing a green industrial park, building in large part on the successful, established industrial symbiosis model in Kalundborg, Denmark, in which the byproducts of one industry in the park are the raw materials needed by another industry in the park.

- Los Angeles is redeveloping a 20-acre downtown parcel as CleanTech Manufacturing Center, a green industrial park.

- The Chicago Center for Green Technology houses a variety of businesses that manufacture or sell green products and services. It also houses Greencorps Chicago, a nonprofit organization that trains people in environmentally friendly gardening and agricultural methods. Chicago has

35 www.techcity.net/vision.php

36 discover.stapleondenver.com/#/discover


38 www.symbiosis.dk and www.eoearth.org/article/Kalundborg,_Denmark

39 egov.cityofchicago.org/city/webportal/portalEntityHomeAction.do?entityName=Chicago+Center+for+Green+Technology&entityNameEnumValue=161
numerous green buildings now\footnote{See, for example, “Greening a City from the Top Down", by Sam Newberg, in \textit{Urban Land}, March 2007.} - but, so far, no mixed-use developments that are built using environmentally friendly techniques and that include housing and green industries.

**Task 3.A.4**

**Explore some simple options for industrial symbiosis and colocation at the Waterford TID.**

The "eco-industrial" park at Kalundborg, Denmark is renowned within the environmental engineering field for the innovative partnerships that have developed there over the past 30 years. Its collection of industries is built around several key businesses:

- A coal-fired power plant: The power plant heats the town of Kalundborg, provides waste heat to a fish farm and commercial greenhouse, provides steam for the oil refinery and the pharmaceutical plant, and provides fly ash to a cement plant and sheetrock manufacturer.

- An oil refinery: The refinery provides waste water and flared gas to the power plant and provides sulphuric acid to a sulphuric acid manufacturer/packager.

- A pharmaceutical plant provides fermentation sludge and surplus yeast to the commercial greenhouse and for agricultural land within the community.

- A fish farm provides organic waste for the commercial greenhouse and for agricultural land within the community.

In all, there are over 50 industries in the Kalundborg eco-industrial park, and almost all of them obtain some or all of their raw materials in the form of byproducts of other industries within the park.

We do not, of course, recommend a green industrial park of the scale of the one in Kalundborg, Denmark - but we do recommend that the collection of small manufactures and industries developed at the Waterford TID use one another's byproducts as completely as possible, minimizing the need to transport materials long distances and helping the development become as ecologically self-contained as possible. For example, an electronics recycling center could sell repairable equipment to a TID-based electronics repair business; it could disassemble electronic equipment and sell parts to small TID-based manufacturers who would use them in their operations (e.g., a significant new industry is developing involving remanufacturing office furnishings, jewelry, artwork, clothing, and many other items from disassembled equipment, furniture, and soft goods).
Resources:
*Journal of Industrial Ecology*, a bi-monthly journal published by Yale University and available by subscription and for purchase by issue online, provides case studies of industrial parks and business parks throughout the world using green colocation strategies.

Strategy 3 // Action B
Explore the potential availability of tax credits and special funding for developing a green mixed-use center.

Task 3.B.1  **Meet with the Wisconsin Department of Natural Resources to discuss state incentives.**

Like many states, Wisconsin now offers financial incentives to encourage developers and property owners to incorporate energy generation and energy conservation features into their projects. And, as in many states, the incentives available in Wisconsin change quickly, as budget and legislative priorities change and as different types of environmentally friendly development tools become available. At the time this report was prepared, Wisconsin offers at least two incentives that might be applicable to new development at the Waterford TID:

- property tax exemptions for increases in property value from installation of solar and wind energy systems
- rebates from the State of up to $500,000 for use of energy efficient technologies (including overall building design) and use of renewable energy technologies (such as daylighting and geothermal heat)

We encourage those involved in development at the Waterford TID to meet with representatives of the Wisconsin Department of Natural Resources to describe development plans for the TID and to ask for assistance in identifying potential state-level incentives.

We also recommend meeting with the elected officials serving on key Wisconsin legislative committees dealing with the environment and with these committees’ staff members. With each group, present the plans for the Waterford TID and explore options for grants, loans, equity investments, and tax incentives for environmentally sustainable development at the TID. Keep the DNR, legislators,

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41 [www.dsireusa.org/incentives/incentive.cfm?Incentive_Code=WI01F&re=1&ee=1](www.dsireusa.org/incentives/incentive.cfm?Incentive_Code=WI01F&re=1&ee=1)

42 [www.dsireusa.org/incentives/incentive.cfm?Incentive_Code=WI19F&re=1&ee=1](www.dsireusa.org/incentives/incentive.cfm?Incentive_Code=WI19F&re=1&ee=1)
and committee staff informed as development proceeds.

**Key legislative committees:**
Wisconsin Senate: Committee on Clean Energy
Wisconsin Senate: Committee on Environment
Wisconsin Assembly Committee on Clean Energy Jobs
Wisconsin Assembly Committee on Energy and Utilities
Wisconsin Assembly Committee on Renewable Energy and Rural Affairs

**Article:**
"Wisconsin poised to be global leader in green economy", by John Imes, posted on the website of CapTimes November 28, 2009
http://host.madison.com/ct/news/opinion/column/article_1e459dc3-d8a5-52ae-a652-c432bac8d5ce.html

**Task 3.B.2 Contact the US Environmental Protection Agency's Smart Growth program to discuss potential federal incentives.**

The Environmental Protection Agency's Smart Growth program is an active repository of information about state and federal incentives for green development. Although the program itself does not offer many incentives, it provides a wealth of information and is an excellent resource on current and pending federal financial incentives and funding sources for green development.

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43 www.legis.state.wi.us/w3asp/commpages/IndividualCommittee.aspx?COMMITTEE=Clean+Energy&HOUSE=Senate
44 www.legis.state.wi.us/w3asp/commpages/IndividualCommittee.aspx?COMMITTEE=Environment&HOUSE=Senate
45 www.legis.state.wi.us/w3asp/commpages/IndividualCommittee.aspx?COMMITTEE=Clean+Energy+Jobs&HOUSE=Assembly
48 www.epa.gov/dced/index.htm
At the moment, the EPA's Smart Growth Implementation Assistance program is offering technical assistance, on a competitive basis, to local governments and nonprofit organizations interested in using smart growth techniques. Technical assistance can include design workshops, public charrettes, build-out analyses, and other expert services that might otherwise be quite costly. The deadline for this year's round of competition is April 9, 2010.

The EPA has recently formed a partnership with the Department of Housing and Urban Development and the Department of Transportation to advance green development and smart growth issues. The partnership - called the HUD-DOT-EPA Interagency Partnership for Sustainable Communities - focuses primarily on coordinating program resources and conducting joint research, but there are indications that it may also pool agency financial assistance and streamline application processes.

The EPA's Smart Growth program will also have up-to-the-minute information on federal tax credits for sustainable development. Current tax credits include the Advanced Energy Manufacturing Tax Credit, a 30 percent credit for investments in advanced energy manufacturing projects; under a provision of the American Recovery and Reinvestment Act of 2009, owners of renewable energy facilities can apply for a grant in lieu of tax credits\(^49\) for qualified projects placed in service in 2009 or 2010.

Some statewide incentives are listed on the website\(^50\) of the US Department of Energy's Energy Efficiency and Renewable Energy program. Incentives that might be able to be used at the Waterford TID include:

- Federal tax deductions of up to $1.80/square foot for construction of energy-efficient commercial buildings\(^51\);
- Grants from the US Department of Agriculture's Rural Development program for up to 25 percent of the cost of energy efficient and renewable energy equipment\(^52\);

**Task 3.B.3**  **Pursue grants, loans, and equity investments from private-sector entities that support green development and green business practices.**

A number of private foundations have made grants and program-related investments in environmentally friendly development and projects that

\(^49\) [www.ustreas.gov/recovery/1603.shtml](http://www.ustreas.gov/recovery/1603.shtml)

\(^50\) [www.dsireusa.org/incentives/index.cfm?State=WI](http://www.dsireusa.org/incentives/index.cfm?State=WI)

\(^51\) [www.dsireusa.org/incentives/incentive.cfm?Incentive_Code=US40F&re=1&ee=1](http://www.dsireusa.org/incentives/incentive.cfm?Incentive_Code=US40F&re=1&ee=1)

\(^52\) [www.dsireusa.org/incentives/incentive.cfm?Incentive_Code=US05F&re=1&ee=1](http://www.dsireusa.org/incentives/incentive.cfm?Incentive_Code=US05F&re=1&ee=1)
incorporate environmentally friendly business practices. These include:

- The Kresge Foundation's Green Building Initiative
- The Surdna Foundation
- Prince Charitable Trusts
- The Henry M. Jackson Foundation
- Curtis and Edith Munson Foundation
- The Johnson Foundation
- Charles Stewart Mott Foundation
- Robert Wood Johnson Foundation
- The Ford Foundation's Sustainable Development Initiative

Most private foundations provide funding to nonprofit organizations, rather than for-profit developers or property owners, so pursuing funding from one or more of these entities (or other private foundations) would most likely mean that the Waterford TID's developers would need to partner with one or more nonprofit organizations (or, in some instances, with Waterford Village) and shaping a proposal that meets the nonprofit's needs while also advancing one or more components of the TID's development. Some possible partnerships might

53 www.kresge.org/content/displaycontent.aspx?CID=59
54 www.surdna.org
55 www.princetrusts.org
56 www.hmjackson.org
57 www.munsonfdn.org
58 www.johnsonfdn.org
59 www.mott.org
60 www.rwjf.org
61 http://www.fordfound.org/issues/sustainable-development/overview
62 www2.guidestar.org
63 www.philanthropy.com
64 www.greencommunitiesonline.org/tools/resources/
include:

- Partnerships with nonprofits interested in job and business creation, in which the nonprofit might use grant funds from a foundation to stimulate development and growth of green businesses that would locate at the Waterford TID

- Partnerships with nonprofits interested in physical health (for example, the Robert Wood Johnson Foundation has invested in community development projects that reduce obesity by creating walkable neighborhoods and communities that reduce dependence on cars)

- Partnerships with nonprofits interested in energy conservation, energy generation, and renewable energy

- Partnerships with nonprofits interested in the preservation of rural land (e.g., building more densely and compactly might reduce the need for future development outside the TID, thereby preserving rural land)

- Partnerships with nonprofits interested in promoting urban agriculture

- Partnerships with nonprofits interested in innovative recycling and repurposing techniques and practices

GuideStar\textsuperscript{62} and The Chronicle of Philanthropy\textsuperscript{63} are both excellent sources of information on nonprofit organizations interested in these (and many other) issues.

At least one national nonprofit organization actively invests in green housing development through partnerships with private-sector developers. Enterprise Community Partners, Inc. (formerly the Enterprise Foundation) helps property owners develop environmentally friendly affordable housing through its Enterprise Green Communities program. Projects supported by the Enterprise Green Communities program must meet certain criteria in several categories, including:

- Integrated design
- Site, location, and neighborhood fabric
- Site improvements
- Water conservation
- Energy efficiency
- Materials beneficial to the environment
- Healthy living environment
- Operations and maintenance

Enterprise Green Communities program provides sample documents on its
website from many of the communities with which it has worked, including residents' guides, operations manuals, and design charrette reports for environmentally friendly housing developments.

Task 3.B.4  **Contact Racine's Members of Congress to discuss the green development plan and ask about funding options.**

There are occasionally special funds set aside for discretionary use by Members of Congress, including special allocations of Community Development Block Grant funds. The availability of these funds changes frequently - so we recommend contacting the County's Members of Congress, discussing the green development plan, and asking for both short- and long-term help in raising money to develop and maintain the green mixed-use center, citing its potential role as a model for development in other communities and states and its potential to attract green jobs to Racine County.

Sen. Russell Feingold  
506 Hart Senate Office Building  
Washington, DC 20510  
202 224 5323

Sen. Herb Kohl  
330 Hart Senate Office Building  
Washington, DC 20510  
202 224 5653

Rep. Paul Ryan  
1113 Longworth House Office Building  
Washington, DC 20515  
202 225 3013

US Senate: Standing Committee on Environment and Public Works  
US Senate: Standing Committee on Environment and Public Works's Subcommittee on Green Jobs and the New Economy

US House of Representatives: Committee on Energy and Commerce's Subcommittee on Energy and the Environment

65 http://epw.senate.gov

Strategy 3 // Action C

**Develop a comprehensive list of potential tenants.**

**Task 3.C.1**  **Begin with CATI.**

CATI\(^{68}\) - the Center for Advanced Technology and Innovation - at the Racine County Economic Development Corporation maintains a list of small industries throughout the region, including scores of businesses involved in sustainable energy, remanufacturing technology, and other green industries.

**Task 3.C.2**  **Contact Wisconsin environmental organizations.**

Talk with each organization with information about the green development strategy for the Waterford TID and ask for their help in identifying and making introductions to potential commercial tenants. Among the organizations to contact:

- American Planning Association - Wisconsin Chapter\(^{69}\)
- Daylighting Collaborative\(^{70}\)
- Fox Cities Greenways, Inc.\(^{71}\)
- Fox River Watch\(^{72}\)
- Gathering Waters Conservancy\(^{73}\)
- Kenosha/Racine Land Trust\(^{74}\)
- Nature Conservancy - Wisconsin Chapter\(^{75}\)

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\(^{68}\) www.thecati.com

\(^{69}\) www.wisconsinplanners.org/SmartGrowth/

\(^{70}\) 595 Science Drive; Madison 53711; 608-238-4601 x139

\(^{71}\) http://www.focol.org/greenways/

\(^{72}\) www.foxriverwatch.com

\(^{73}\) www.gatheringwaters.org

\(^{74}\) www.krlt.org

\(^{75}\) www.nature.org/wherewework/northamerica/states/wisconsin/
1000 Friends of Wisconsin\textsuperscript{76}
RENEW Wisconsin\textsuperscript{77}
River Alliance of Wisconsin\textsuperscript{78}
Sierra Club - John Muir Chapter, Southeast Gateway Group\textsuperscript{79}
Wisconsin Bicycle Federation\textsuperscript{80}
Wisconsin Green Building Alliance\textsuperscript{81}
Wisconsin Land and Water Conservation Association\textsuperscript{82}
Wisconsin Metro Audubon Society\textsuperscript{83}
Wisconsin Resources Protection Council\textsuperscript{84}
Wisconsin Solar Use Network (WisconSUN)\textsuperscript{85}
Wisconsin Wildlife Federation\textsuperscript{86}

Task 3.C.3\textbf{ Harvest leads from the National Green Pages, Organic Consumers Association, and other online sources.}

Each of these publications and organizations has access to contact information on hundreds of green businesses.

www.greenamericatoday.org/pubs/greenpages/

www.greenamericatoday.org.cabn/conference/chicago/index.cfm

\textsuperscript{76} www.1kfriends.org

\textsuperscript{77} www.renewwisconsin.org

\textsuperscript{78} http://wisconsinrivers.org

\textsuperscript{79} http://wisconsin.sierraclub.org/segg/

\textsuperscript{80} www.bfw.org

\textsuperscript{81} www.wgba.org

\textsuperscript{82} www.wlwca.org

\textsuperscript{83} www.wimetroaudubon.org

\textsuperscript{84} www.wrpc.net

\textsuperscript{85} 7507 Hubbard Ave., Suite 100; Middleton 53562; 608-831-1127 x308

\textsuperscript{86} www.wiwf.org
Strategy 3 // Action D
Create a new master plan for the Waterford TID.

Task 3.D.1 Include mixed uses.

We believe that a mix of uses - commercial, industrial, residential, recreation - will be essential to making development in the Waterford TID successful, providing economic diversity and helping create a self-supporting ecosystem in which the district's residents and workers help support the district's retail- and service-sector businesses and in which the district's industries and retail- and service-sector businesses provide jobs for the district's residents.

Task 3.D.2 Include shared production space.

One of the greatest needs that cottage industries and small manufactures often have is affordable production and storage space. We recommend that the Waterford TID's developers consider including a shared production space for small green industries.

There are several examples in the US of shared production space for small businesses. For example, La Cocina\(^\text{87}\), an incubator space for food entrepreneurs in San Francisco, provides shared kitchen and food storage space to approximately 20 micro businesses that rent space there (it also provides its tenants with help in marketing their products). We recommend considering including a shared production space for green businesses in the TID.

Task 3.D.3 Include environmentally-friendly transportation features, such as car- and bike-sharing.

Several US communities have reduced on-site parking requirements for housing complexes that provide dedicated parking spaces for car-sharing services like Zipcar\(^\text{88}\), since doing so reduces the numbers of cars on the road, minimizes the amount of ground surface paved with asphalt (both of which are good for the environment), and saves consumers money that would otherwise be spent on car purchases, repairs, gas, and answers. We encourage Waterford Village to reduce on-site parking requirements for housing at the Waterford TID in exchange for its developers providing one or more dedicated car-sharing parking spaces.

\(^{87}\) www.lacocinasf.org

\(^{88}\) www.zipcar.com
Task 3.D.4  **Consider including a restaurant that features food grown on site.**

Several restaurants in the US now grow their own food, a practice that saves the restaurant money, ensures fresh produce, and attracts loyal followings of fans of locally sourced food. They also attract media attention: for example, Roberta's[^89], a pizzeria in New York, was featured on ABC Eyewitness News[^90] for growing some of its food in a lot in back of the restaurant. We were able to find only three restaurants in Wisconsin that grow food in their own gardens - Famiglia[^91] (Hales Corner, Wisconsin), Roots[^92] (Milwaukee), and Third Ward Caffe[^93] (also in Milwaukee) - but none of these have a garden on site; they all grow their food in an off-site farm. We believe that a well-marketed restaurant at the Waterford TID that grows its own food on site and composes kitchen waste for garden use could become a regional restaurant magnet. It might also sell its own branded packets of seeds of heirloom and specialty fruits and vegetables, packaged foods, or cookbooks within the restaurant and through other distribution channels (online sales, sales through other retail businesses, wholesale sales to regional or national grocery or seed companies, etc.).

Task 3.D.5  **Use green building design and construction practices and renewable energy sources as extensively as possible; seek/obtain LEED certification.**

We recommend that all new construction in the Waterford TID, and any building retrofitting, use green building design and construction practices as extensively as possible, and that all buildings in the TID seek LEED certification. LEED - Leadership in Energy and Environmental Design - is a rating and certification system developed by the US Green Building Council[^94] for environmentally sustainable buildings and neighborhoods. The US Green Building Council's website contains extensive information on green building design, environmentally sustainable development, and LEED certification. The Urban

[^89]: www.robertaspizza.com
[^91]: www.miafamigliarestaurant.com
[^92]: www.rootsmilwaukee.com
[^94]: www.usgbc.org
Land Institute has published scores of articles about green building design and development, most of which are available on its website. The American Institute of Architects also has a helpful publication - 50to50, a guide to 50 sustainable building practices, available online.

**Task 3.D.6 Seek certification through the Green Tier program.**

The State of Wisconsin's Department of Natural Resources' Green Tier program represents a partnership between the State and Wisconsin-based businesses and industries that provides businesses with streamlined environmental review processes and other benefits in exchange for meeting certain environmental performance standards up front. There is currently only one business (Stericycle, Inc., a medical waste management service company) in Racine County participating in the Green Tier program.

Program overview:

Program website:
http://dnr.wi.gov/org/caer/cea/environmental/

**Strategy 3 // Action E**

**Recruit tenants.**

**Task 3.D.1 Develop compelling marketing materials.**

Because the concept of an environmentally sustainable mixed-use development is relatively new, we recommend creating very compelling marketing materials, professionally written and designed, that "sell the sizzle" of a green community.

Symphony Park, a new 61-acre green mixed-use development in Los Vegas, has produced an effective, compelling media kit, available online, that we believe might be a good model for the Waterford TID.

We recommend that the marketing kit contain, at a minimum:

- A concise opening paragraph that compellingly pitches the environmental innovation and progressiveness of the Waterford TID

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95 www.uli.org

96 www.aia.org/SiteObjects/files/50to50_20071212.pdf

97 www.symphoniypark.com/media/869510/MediaKit-Winter_2009LOWRES.pdf
- Quotes from well-known individuals about the importance of environmentally sustainable development
- A list of the environmentally sustainable characteristics of the Waterford TID
- Statements that stress the convenience of being able to work within walking distance of homes, shops, and entertainment
- Statements that stress the financial savings from living and working in an energy efficient community

Task 3.D.2  
**Provide information, and inspiration, to commercial brokers within the area.**

By designing, developing, and positioning the Waterford TID as an environmentally sustainable mixed-use community, Waterford Village and the Waterford TID's developers will set the TID apart from all other development within the region. But, for several reasons, there is a disconnect between the commercial opportunities the site can offer to green businesses and the process of identifying and recruiting prospective businesses to the TID. For example, commercial brokers often work primarily with retail businesses - but the ideal business mix for the Waterford TID would include non-retail businesses, also (small manufactures, for example), and commercial brokers are likely not to have many contacts outside the retail arena. Also, commercial brokers are often more experienced in working with national chains and franchises - but most "green" businesses are independently owned (at least at this point in the evolution of green commerce and manufacturing) and not on the radar screens, so to speak, of most commercial brokers.

We believe the Waterford TID will therefore need a different model, or models, for securing commercial tenants for the site. Incidentally, this is quite similar to the business development hurdle with which many older and historic downtowns (like Waterford Village) grapple. The downtown development organizations that have been most successful in business recruitment and development are those that work closely with regional brokers to help them understand their districts' particular needs and opportunities and those that create their own specialized brokerages, and we recommend a similar approach for the Waterford TID:

- Help commercial brokers within the region develop a new area of expertise in green business.
  - Send a letter to all commercial brokers in the region, describing the vision for the Waterford TID and inviting those who are interested in the concept to talk with you further about how they would market the green business opportunities there.
o Involve the most interested brokers in the development planning process for the TID.

o Provide brokers with examples of alternative brokerage models from other communities. For example, Cool Space Locator, a nonprofit property brokerage in Pittsburgh, specializes in finding tenants for commercial space in older and historic buildings, buildings that are usually off the radar screen of most traditional brokerages.

- Work with an established nonprofit organization or help create a new nonprofit organization that can develop, or serve as a catalyst for the development of, new green businesses and green jobs at the Waterford TID. The Cool Space Locator, mentioned above, operates as a nonprofit organization. It was created by a nonprofit community development corporation that had rehabbed and redeveloped a number of historic commercial buildings but found that it needed a specialized brokerage to market these unique properties.

Task 3.D.3 Cultivate ongoing relationships with specialized national brokers.

There are a growing number of brokers who specialize in marketing environmentally sustainable buildings and communities. The National Association of Realtors and EcoBroker offer training and certification to realtors in marketing green properties and provide names and contact information for green-certified brokers throughout the United States. While most of the brokers certified so far specialize in residential properties, there are some who specialize in commercial properties. There are several regional green brokerage certification programs, also. For example, the Commercial Brokers Association, a trade association for brokers of commercial space, has partnered with the Cascadia Region Green Building Council to develop a professional certification program in green building brokerage.

We recommend contacting these organizations, providing them with an overview of plans for the Waterford TID, and asking them for referrals to several

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98 www.coolspacelocator.com/csl/home/about.htm

99 www.greenresourcecouncil.org

100 www.ecobroker.com/search/findb.aspx?city=milwaukee&stateid=63

101 www.commercialmls.com

102 www.cascadiagbc.org
Task 3.D.4  
**Participate in the 2010 Green Business Conference or GreenFestival in Chicago to promote the site.**


**Strategy 3 // Action F**  
Promote the Waterford TID regionally and nationally.

**Task 3.F.1**  
**Develop and place features stories about the site and its tenants.**

Feature stories should be released regularly to local and regional media. Topics might include:
- Innovative green building techniques being used in the Waterford TID
- The positive environmental impacts of the Waterford TID
- Profiles of unique Waterford TID businesses

We also recommend submitting stories for possible publication in several national publications - particularly *Urban Land*, *Planning*, *Metropolis*, *The Chicago Sun-Times*, and the Milwaukee Journal Sentinel.

**Task 3.F.2**  
**Develop an attractive, engaging, and informative website.**

The website should echo the site’s marketing materials in its design. It should include the information included in the print version of the site’s marketing materials, but should also include a blog that is updated at least weekly with news from the TID, links to businesses located at the TID, and a calendar of events taking place at the TID.

**Task 3.F.3**  
**Organize activities to attract public and media attention.**

Consider organizing a series of events that would attract the public and media, such as planting trees or a community garden, inviting high-profile
environmentalists to visit the site, or organizing a special project that demonstrates something about green design. For example, Public Architecture, a nonprofit organization that encourages architects to offer _pro bono_ services to help meet public needs, built a temporary house on San Francisco's Civic Center Plaza over the course of three days, using only scrap and recycled materials. The project, called ScrapHouse\(^{103}\), attracted international media attention and has been the subject of a documentary film. Carbon Busters, an environmental sustainability consulting firm, organized a "plant-off" at The Willows, a green village near Edmonton, Alberta, inviting members of the public to plant 200 tree seedlings at the site\(^{104}\).

\(^{103}\) [www.scraphouse.org](http://www.scraphouse.org)

\(^{104}\) [www.carbonbusters.org/ecovillage/Kickoff.php](http://www.carbonbusters.org/ecovillage/Kickoff.php)
Appendix A

Developing and recruiting businesses in traditional commercial districts

During the course of our work, someone in each of the communities participating in this study asked us about the process for developing and recruiting new commercial tenants. In particular, project participants asked about how to find potential tenants and about how to manage or control where businesses locate.

The process of developing and recruiting businesses for an older, traditional commercial district is considerably more complicated than the process of recruiting businesses for a shopping center or shopping mall.

One of the reasons it is more complicated is that, unlike in a shopping center or shopping mall, the commercial buildings in a traditional commercial district are owned by many different entities, each with its own goals, management styles, and interests, rather than being owned or managed by a single entity. Single property ownership or management provides shopping malls and shopping centers with the ability to tightly control which tenants locate in which spaces, making it possible to physically cluster businesses together in ways that maximize the foot traffic and visibility. In order to create similarly synergistic business clusters in older and traditional commercial districts, individual property owners need to collaborate with one another and agree to make leasing decisions according to a shared strategy.

Also, the national retail chains that tend to locate in shopping malls and shopping centers have specific requirements with regard to the demographic characteristics and population size of the communities in which they locate; the size, physical configuration, and visibility of the spaces they lease; the types of other tenants; the quality of the shopping center's marketing activities; and other key characteristics. Shopping mall management companies therefore maintain detailed information on all of these requirements and can easily provide it to national retailers and retail brokers. But information like this is often not readily available for older and traditional commercial districts, nor do the characteristics of the physical space, shopper demographics, business mix, or marketing activities of older and traditional commercial districts have the predictability that shopping malls provide. This makes it both less likely that national retail chains will consider locating in older commercial districts and also less likely that commercial district revitalization organizations will succeed in attracting national retailers. National retail chains tend to be market followers, rather than market leaders, in that they have a strong tendency to locate in commercial centers where a strong customer market has already been established or where there is easy access to substantial numbers of potential customers whose demographic characteristics meet their needs.

For these reasons, and others, the retail businesses most likely to locate in older commercial districts are those that are independently owned and locally owned. Unfortunately, businesses such as these are usually not on the "radar screens" of commercial space brokers, who focus primarily on recruiting national retailers for shopping malls and shopping centers. So, recruiting
and developing businesses for older commercial districts must usually become the responsibility of a public or nonprofit community development organization.

A few general suggestions for developing and recruiting new businesses:

- National retail chains almost always have very specific requirements for the demographics and traffic volume of the neighborhoods in which they locate, as well as specific physical requirements for the spaces they lease, for the other tenants in the shopping center or neighborhood, and for the center’s or neighborhood’s marketing program. Retail brokers are familiar with many retail chains' specifications; specifications for about 10,000 chains are also available in the Retail Tenant Directory, produced by Trade Dimensions International.

- Like national retail chains, independently owned businesses will be interested in the demographics and traffic volume of the neighborhoods in which they consider locating. But their site selection process is not as formulaic as that for national retail chains and is often driven by needs for space that is larger or smaller, or configured differently, than their current space; for a location that has greater visibility, or a safer environment, or a marketing program that is more appropriate for them; for greater synergy with nearby businesses; or for any one of a number of other factors likely to be unique to each business.

- Very few independently owned businesses are on the radar screen of retail brokerages. Encouraging independent businesses to open an additional location, or encouraging entrepreneurs to launch a new business, is almost always a “one-off” process that involves simultaneously cultivating potential entrepreneurs, keeping a current inventory of available spaces and pending vacancies, and maintaining ongoing communication with property owners, realtors, and others who need to be involved in the process.

- The best candidate for launching a new retail business in a commercial district dominated by independently owned businesses is almost always a business already operating successfully in that district or in a nearby district. The business owner is familiar with the district and its customers. Lenders, investors, and realtors are familiar with the business and its track record. And having an additional store within the district provides some economies of scale for the business, making it possible to share storage space, for example, and to shuffle staff between locations when one location is busier than another.

- When recruiting and developing new businesses, always stress retail contiguity on the ground floors of commercial nodes. As ground-floor non-floor vacancies gradually occur, shift offices and non-retail uses to side street and upper-floor locations.
Appendix B

Some specialized outdoor recreational product lines

Balaclavas
Bandanas
Binoculars
Books (trail guides, outdoor how-to books, bird-watching, plant identification, etc.)
Camping/hiking food, snacks (fresh and freeze-dried)
Camping stoves, cooking accessories, fire starting gear
Canoes, kayaks, and accessories (helmets, paddles, life jackets, safety gear, car racks, etc.)
Carabiners
Compasses
Crank-powered radios
Dry packs and waterproof cases
Energy food (gels, drinks)
Flashlights, light sticks, lanterns
Fishing clothes
Fishing gear
Gaiters
Geocache supplies (cases, handheld GPS devices, Waterford Village-branded geocoins, labels)
Gloves
Gore-Tex apparel and accessories
Guidebooks
Headlamps
Insect repellant
Maps and navigation charts
Men's and women's Waterford Village-branded basic outdoor apparel items
Pedometers
Pet gear (life jackets, Frisbees, collapsible water bowls, etc.)
Picnic accessories (baskets, backpacks, cutlery, dishes, blankets, etc.)
Picnic lunches
Pocket knives
Portable water filtration/purification kits, bottles
Running apparel and equipment
Snowshoes
Sports watches
Stuff sacks
Sunblock and sunscreen
Sunglasses, cases, retainers
Triathlon apparel and equipment
Walking hats (heat-resistant, waterproof, etc.)
Walking, trekking, showshoeing poles
Water bottles
Water shoes
Appendix C

Some specialized green product lines

- Energy generation products, such as:
  - Solar panels
  - Rooftop wind turbines
  - Geothermal pumps and components
  - Grid panel interfaces

- Energy storage devices

- Recycling equipment and supplies

- Lighting supplies, such as:
  - Compact fluorescent lightbulbs
  - LED lightbulbs
  - Solar lighting fixtures

- Building materials made from recycled and natural/low-impact products, such as:
  - Rubber sidewalks and paving blocks made from recycled tires
  - Kitchen and bath tile made from recycled glass
  - Cabinets and flooring made from recycled wood
  - Wallpaper made from recycled fabric, cork, plastic, and paper
  - Carpet made from plastic bottles
  - Recycled brick, stone, and concrete for landscaping and construction
  - Bamboo flooring

- Green roof materials, including:
  - Roofing systems and membranes
  - Sedum and other plants
  - Design and installation services

- Architectural salvage

- Housewares made from recycled materials, such as:
  - Drinking glasses made from bottles
  - Containers and notebooks made from recycled license plates, vinyl albums, circuit boards, billboards, and tires, seat belts, and other materials (see, for example, products sold by Secco Shop, Uncommon Goods, and eConscious Market)

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105 See, for example, Transglass (www.dedeceplus.com)

106 seccoshop.com

107 www.uncommongoods.com

108 www.econsciousmarket.com
- Pillows, throws, and quilts made from recycled clothing (see, for example, Crispina.com)
- Recyclable gift wrap and gift bags
- Furniture made from recycled and repurposed materials, such as the recycled plastic furniture offered by Green Home[^109] and the home furnishings and artwork made by artists and sold via Repurposed 4 You[^110]

- **Apparel made from recycled and natura/low-impact materials, such as:**
  - Yarn made from locally grown and locally spun wool and from unraveled used sweaters
  - Clothes and fabric made from hemp, corn fiber, chitin, and other renewable sources[^111]
  - Fabric made from recycled magnetic cassette tape[^112]
  - Jewelry made from recycled phone wire
  - Simple Shoes[^113]
  - Clothes made from recycled fabric and pre-manufacture fabric scraps[^114]

- **Green art[^115]**
- **Products and services for green weddings[^116]**
- **Environmentally friendly dry cleaners, such as OXXO[^117], which uses environmentally safe cleansers and offers a 24-hour ATM-style automated pickup window, and that could also offer commercial 'green' cleaning to Racine-area hotels, restaurants, and other institutions**

There are almost limitless other possibilities, as well. The key factors we recommend considering when evaluating a business prospect for the Waterford TID are:

- **A clearly identified green focus:** The prospective business should manufacture and/or sell environmentally friendly products and/or services or should be able to market its business in a way that overtly conveys a strong green message (e.g., a custom jeweler whose services...

[^109]: www.greenhome.com/products/furniture/recycled_plastic_furniture

[^110]: www.repurposed4you.com/shop

[^111]: www.soysilk.com

[^112]: www.sonicfabric.com

[^113]: www.simpleshoes.com

[^114]: www.clothesmadefromscrap.com

[^115]: See, for example, Eco-Artware (www.eco-artware.com)

[^116]: See, for example, www.portovert.com

[^117]: www.oxxousa.com
include recycling old jewelry to make new jewelry; a restaurant that features fresh produce grown locally).

- **A solid business plan:** Prospective businesses should have realistic, solid business plans that demonstrate adequate capitalization, substantial business expertise, and an aggressive marketing strategy.

- **A marketing plan that actively uses multiple distribution channels:** We believe that multiple distribution channels will be essential for almost all green businesses in the Waterford TID to thrive, with businesses augmenting walk-in sales with local and regional deliveries, online sales, wholesale sales to other retail businesses, “shop in shop” leases inside other retail stores, contract sales to government agencies and other large entities, and other distribution channels.

- **Synergy with local/regional businesses:** Although not essential, it would be helpful if green businesses that locate in the TID might also have synergistic relationships with other businesses in the community and region – a connection to other industries in the area, for example, or to academic research interests.