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Preserving Our Industrial Land: Industrial Zoning in Milwaukee, 1998-2011

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ABOUT THIS REPORT

This report was written by Joel Rast, associate professor of political science and urban studies and director of the University of Wisconsin-Milwaukee Center for Economic Development (CED). All GIS and data analysis was done by Catherine Madison and Dan Toth. We are grateful for the assistance of the City of Milwaukee Department of City Development and Patricia Torres Najera in the preparation of this study.

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Introduction

This study examines changes in industrial zoning and land use in the city of Milwaukee during the 13-year period from 1998 to 2011. During this time, the city's inventory of industrial-zoned land fell from 11,984 acres to 10,798 acres, a loss of nearly 1,200 acres. This amounts to a 10 percent reduction in the city's supply of industrial land. On average, the city rezoned 91 acres of industrial land per year for non-industrial uses during this period.¹ This study maps and provides data on the rezoning of industrial land for each of the city's 13 planning areas. Map 1 shows the city's 13 planning areas.

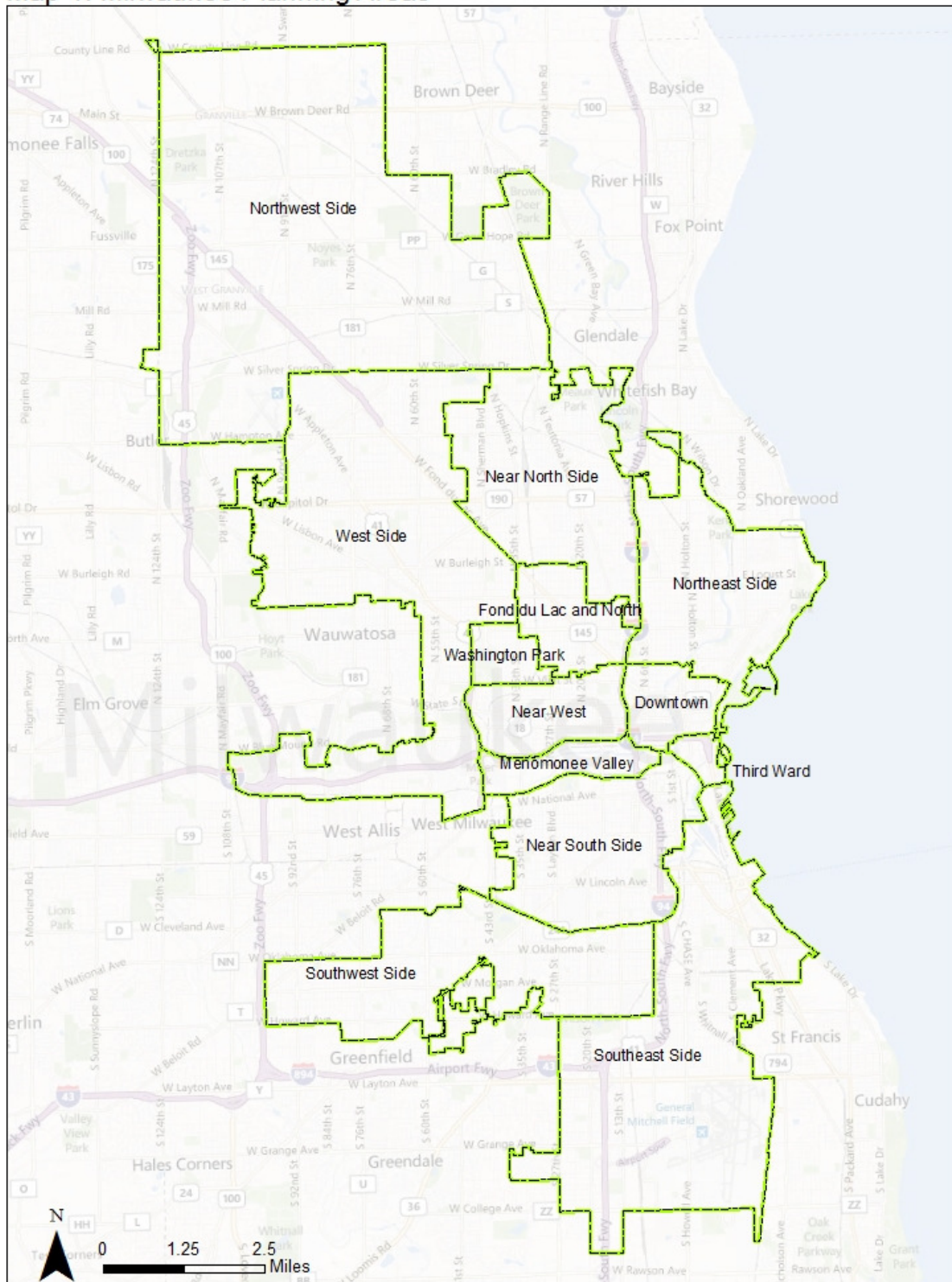
The rezoning of industrial land is not, in itself, a cause for alarm or criticism. All older industrial cities have reduced their inventories of industrial land through rezonings in recent decades; indeed, their economic survival requires them to do so. With manufacturing representing a progressively smaller share of economic activity in cities today, the rezoning of some industrial land is needed to bring the overall supply of industrial land in line with demand. Still, questions remain about the pace of rezonings in Milwaukee and the processes through which decision-making about zoning takes place. If the current pace continues, the loss of industrial land in Milwaukee since 1998 will exceed 2,000 acres by the year 2021. When industrial land is rezoned, the loss of that land from the city's inventory of industrial property is generally permanent. While rezonings are appropriate in many cases, they should be done carefully and deliberately, guided by long-term land-use and economic development planning.

Of course, not everyone views the shrinking supply of industrial land in cities like Milwaukee as a cause for concern. Some scholars and practitioners have celebrated the "postindustrial" city, arguing that economic development policy today should emphasize tourism, revitalized downtowns, and efforts to attract and nurture a "creative class" of postindustrial urban workers.² While some efforts in this direction may make sense, most analysts agree they should be balanced with careful industrial retention strategies. Manufacturing jobs offer the promise of living wages for workers with limited formal education.

¹ The actual amounts most likely fluctuated considerably from year to year.

² See, for example, Richard Florida, *The Rise of the Creative Class*. New York: Basic Books, 2002; Kent A. Robertson, "Downtown Redevelopment Strategies in the United States: An End-of-the-Century Assessment." *Journal of the American Planning Association* 61: 429-37, 1995; Bernard J. Frieden and Lynne B. Sagalyn, *Downtown Inc.: How American Rebuilds Cities*. Cambridge, MA: MIT Press, 1989; Andrew Smith, *Events and Urban Regeneration: The Strategic Use of Events to Revitalise Cities*. London: Routledge, 2012; Nancy Moses, "Have a Plan and Make the Most of Arts and Culture." *Public Management Magazine*, winter 2001.

Map 1. Milwaukee Planning Areas



Source: Milwaukee Property File (MPROP) 1998 and 2011, UWM Center for Economic Development

In a city like Milwaukee with one of the highest poverty rates in the country, maintaining and rebuilding the city's industrial base could play an important role in boosting worker incomes and putting unemployed residents to work. The city's successful efforts to bring manufacturing back to the Menomonee Valley during the past 10 years are testimony to the feasibility of urban industrial revitalization. Similar examples can be found in cities across the country. Urban manufacturing today generally takes a different form than it did 50 years ago, but it is clearly viable under the right conditions.

This study proceeds as follows: I begin with an overview of zoning as a planning and economic development tool, both generally and in Milwaukee. Next I present the findings of the study based on an analysis of industrial zoning in Milwaukee during the years 1998 and 2011. I then describe how the City of Milwaukee's approach to industrial zoning has evolved during the past decade, drawing comparisons with Chicago, a city that has responded somewhat differently to land-use and economic development pressures that are similar to those of Milwaukee. I conclude with some recommendations about how Milwaukee might better safeguard its remaining supply of industrial land.

How Zoning Works

The purpose of zoning is to establish permissible land uses for the various sections of a municipality. It has long been recognized that mixing certain uses—such as residences and heavy industry—creates incompatibilities. Zoning prevents the introduction of activities that might interfere with the predominant land use in a particular area. For example, it prevents factories from moving into a residential area, a development that, in most cases, would depress residential property values and disrupt the quality of life in the neighborhood.

Most cities have zoning ordinances that are created and periodically updated through extensive planning processes that take existing and planned land uses for the city as a whole into account. For a major city such as Milwaukee, a comprehensive revision of the city zoning map is an enormously complex undertaking requiring substantial time and resources. As such, it is generally done on an infrequent basis. The last comprehensive revision of the Milwaukee zoning ordinance was completed in 2002.

Ideally, all changes to the city zoning map would be carried out through this type of comprehensive planning process. In reality, however, such an arrangement is impractical.

Markets for city land shift sometimes with great speed, far more quickly than comprehensive revisions to the zoning ordinance can be undertaken. As such, an additional process is needed to consider incremental adjustments to the zoning map as pressures for such changes arise. In Milwaukee, the Common Council holds the authority to amend the zoning map on a case-by-case basis.

The process works like this. A petitioner, typically the owner or prospective owner of a piece of property, files an application with the Department of City Development (DCD) for a change in the zoning of the property. The application is forwarded to the City Plan Commission, which schedules a public hearing on the matter. After the hearing, the Plan Commission makes a recommendation to the Common Council's Zoning, Neighborhoods, and Development Committee, which holds an additional public hearing and makes a recommendation to the full Council. A majority vote in the Council is needed for the requested change to become law.

While incremental changes to the zoning map are sometimes necessary, the rezoning of industrial land in this fashion poses certain hazards. First, requests for zoning changes are typically made so that some new proposed development can go forward. In the case of industrial property, the site may currently be underutilized or not used at all. If city officials fail to support the change—because, for instance, a zoning change would be inconsistent with the City's long-range plan for the area—they run the risk of being portrayed as anti-development. Requests for individual zoning changes can thus introduce political pressures that become part of the decision-making process.

Second, accommodating requests for the rezoning of industrial property may have unintended and unwanted impacts on land markets in an industrial area. Consider the City's recent approval of a zoning change to allow the conversion of the former Milwaukee Paper Box building on West Pierce Street in the Walker's Point area to apartments. Nearby manufacturers testified against the change, arguing that heavy traffic, noise, and odors from industrial operations would draw complaints from new residents.³ With the City's commitment to the industrial integrity of this area now in question, area manufacturers are rightfully concerned about the long-term viability of the area for industrial use. Studies have shown that manufacturers facing such uncertainties grow cautious about undertaking expansion plans or

³ Tom Daykin, "Plans to Redevelop a Former Factory into Apartments Draw Opposition." *Milwaukee Journal-Sentinel*, Jan. 9, 2012; and Tom Daykin, "South Side Apartments Win Zoning Approval." *Milwaukee Journal-Sentinel*, Jan. 18, 2012.

other new investments in their existing facilities.⁴ They are more likely to consider relocating. In cases such as this, the risk is that the rezoning of industrial land is no longer simply a response to reduced demand for industrial property. Instead, rezoning can become a *cause* of reduced demand should nearby manufacturers perceive that the area in which they are located is transitioning to non-industrial uses. The danger of industrial displacement—the forced relocation of industrial firms due to land-use conflicts or other environmental disruptions—increases when rezoning of industrial land is done on a case-by-case basis through incremental adjustments to the city zoning map.

Industrial Zoning in Milwaukee, 1998 and 2011

The reduction of land reserved for industrial use in a city can occur in one of two ways: either by changing the zoning of industrial property or by allowing uses on industrial land that are not permitted by existing zoning, typically done by granting a zoning variance. This section considers the first of these methods.

We used City of Milwaukee MPROP (Master Property Record) data to assemble databases of all industrial-zoned land for two separate years: 1998 and 2011. We chose 1998 as our base year because we wanted to go back in time between 10 and 15 years in order to examine long-term zoning trends. Within that range, 1998 was the year for which land-use data were most reliable. Once our inventory of land was complete, we created GIS maps of industrial-zoned property for both 1998 and 2011. We then combined these maps to highlight the changes during this 13-year period.

Map 2 shows industrial zoning for the years 1998 and 2011 for the city's 13 planning areas combined. The areas shaded blue on the map experienced no change in zoning during this time; they were zoned industrial in 1998 and still zoned industrial in 2011. The gray areas represent losses of industrial land. These areas were zoned industrial in 1998 but were no longer zoned industrial by 2011. Finally, the areas in red are additions to the city's inventory of industrial land since 1998. These areas were not zoned industrial in 1998 but had been rezoned for industrial use by 2011.

⁴ Winifred Curran and Susan Hanson, "Getting Globalized: Urban Policy and Industrial Displacement in Williamsburg, Brooklyn." *Urban Geography* 26: 461-82, 2005; Robert Giloth and John Betancur, "Where Downtown Meets Neighborhood: Industrial Displacement in Chicago, 1978-1987." *Journal of the American Planning Association* 54: 279-90, 1988.

Map 2. Milwaukee Industrial Zoning, 1998 and 2011

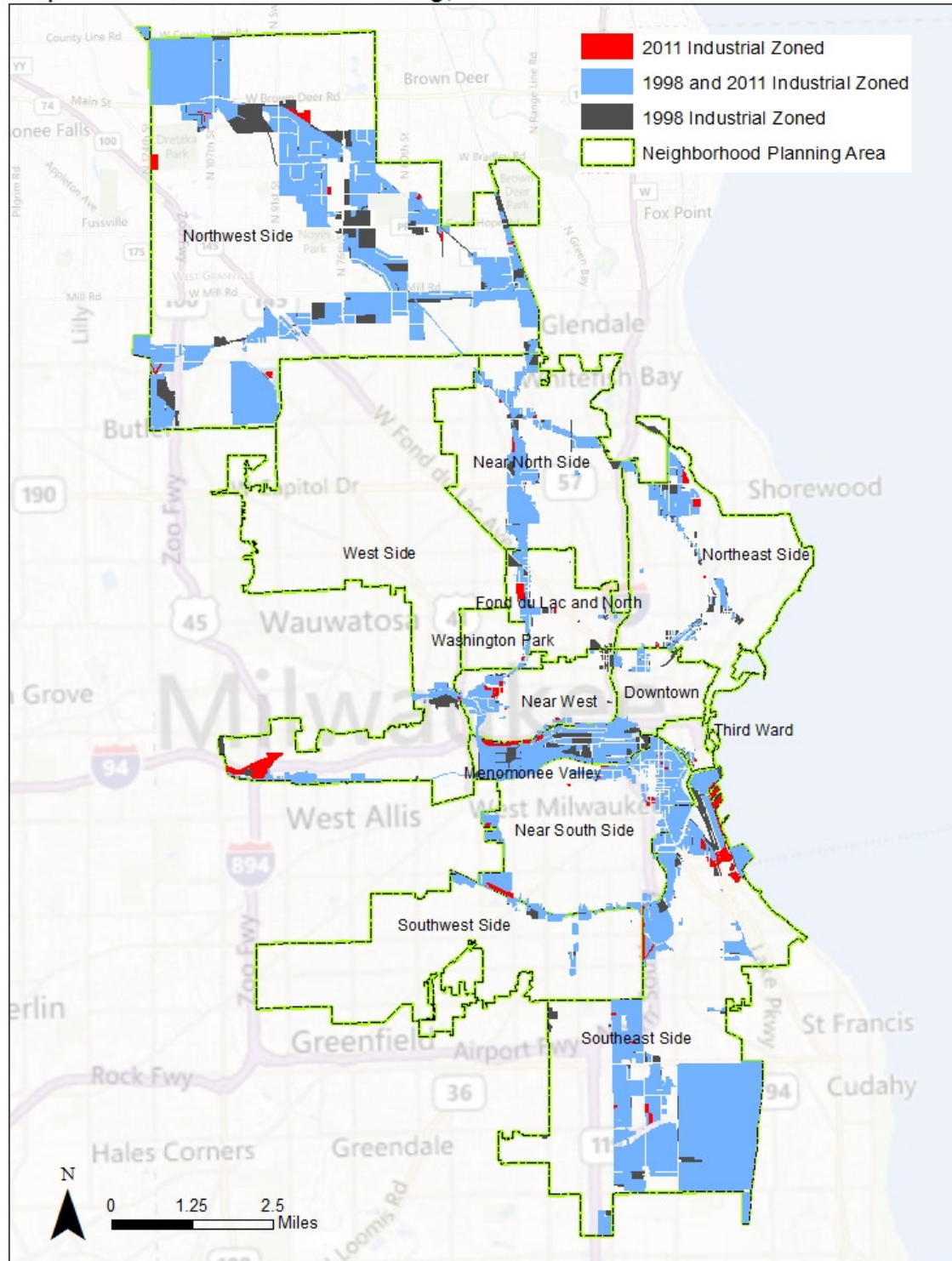


Table 1 summarizes the results of our analysis for each of the city's 13 planning areas. As Table 1 indicates, the city experienced a net loss of 1,186 acres of industrial land between 1998 and 2011. The city's inventory of industrial-zoned land fell from 11,984 acres in 1998 to 10,798 acres in 2011, a drop of 10 percent.

TABLE 1. Industrial Zoning, 1998 and 2011

Planning Area	1998 Acres	2011 Acres	Difference	Percent Change
Downtown	88.48	71.02	-17.46	-19.73
Fond du Lac and North	194.21	141.83	-52.38	-26.97
Menomonee Valley	750.75	629.77	-120.98	-16.55
Near North Side	632.95	596.46	-36.48	-5.76
Near South Side	597.90	611.39	13.50	2.26
Near West Side	230.35	204.70	-25.64	-11.13
Northeast Side	430.48	353.80	-76.68	-17.81
Northwest Side	4,747.24	4,122.73	-624.52	-13.16
Southeast Side	3,790.49	3,612.63	-177.86	-4.69
Southwest Side	164.83	145.89	-18.94	-11.49
Third Ward	14.01	13.58	-0.43	-3.10
Washington Park	24.82	24.24	-0.58	-2.34
West Side	317.82	269.82	-48.00	-15.10
Grand Total	11,984.33	10,797.87	-1,186.46	-9.90

Source: City of Milwaukee MPROP File

In examining the results for individual planning areas, several factors are noteworthy. First, all of the 13 planning areas except the Near South Side experienced a net loss of industrial land. However, the losses are unevenly distributed, ranging from just over two acres in Washington Park to 625 acres in the Northwest Side area. The 625-acre drop on the Northwest Side is by far the greatest decline of the 12 planning areas which experienced losses of industrial land, accounting for more than 50 percent of the citywide total.⁵ Other planning areas with substantial losses (75 or more acres) include the Menomonee Valley, the Northeast Side, and the Southeast Side. Reductions in industrial-zoned land in the other eight planning areas which recorded losses were considerably smaller. These areas combined accounted for only 16 percent of the total acreage rezoned for non-industrial use between 1998 and 2011.

⁵ Some rezoned land includes portions of Primary Environmental Corridors and may have been rezoned to prevent further development.

Some of the observed rezonings are clearly consistent with development trends and do not pose the threat of displacing current industrial firms. For example, the Beerline B area along the Milwaukee River north of downtown had ceased to function as a viable industrial corridor by the time it was rezoned to accommodate the development of condominiums there. These new residential developments are a welcome addition to an area in which a change in land use was a foregone conclusion. In other areas, such as Walker's Point and Riverwest, it is not always clear whether zoning decisions are following or driving market forces. The balance between industrial and non-industrial uses in transitional areas like these is currently in flux, and seemingly minor zoning decisions can send strong signals to property owners and developers that may tip the balance one way or the other.

As Table 1 indicates, the vast majority of the city's industrial land is concentrated in two of the city's 13 planning areas: the Northwest Side and the Southeast Side. These two areas combined accounted for 72 percent of the city's industrial-zoned land in 2011. This figure is somewhat misleading, however, because the amount for the Southeast Side includes General Mitchell International Airport, which is zoned industrial. If the airport is removed from this total, none of the city's 13 planning areas come anywhere close to the 4,123 acres of industrial-zoned land in the Northwest Side planning area.

This finding is consistent with a 2007 study of the Northwest Side planning area which underscores the importance of the Northwest Side to the city's industrial base. The study, prepared by a consultant for the Department of City Development, determined that a substantial majority of land developed for industrial uses in the city of Milwaukee during the previous 15 years was located on the Northwest Side. According to the City's consultants, "of the nearly 550 acres of industrial land absorbed by the city between 1990 and 2004, the Northwest Side absorbed nearly 85 percent or 460 acres of industrial land."⁶

Several factors account for the concentration of recent industrial expansion in this portion of the city. First, all else equal, developers of industrial property typically prefer vacant greenfield sites, and most of the city's remaining greenfield land suitable for industrial development is located on the Northwest Side. In addition, this area is one of the few locations in the city where relatively large parcels of developable land can still be found. Other positive

⁶ S.B. Friedman & Co., *Final Report: Northwest Side Market Study*, January 2007, p. 28.

features include good access to transportation, absence of congestion, and proximity to a large labor force.⁷

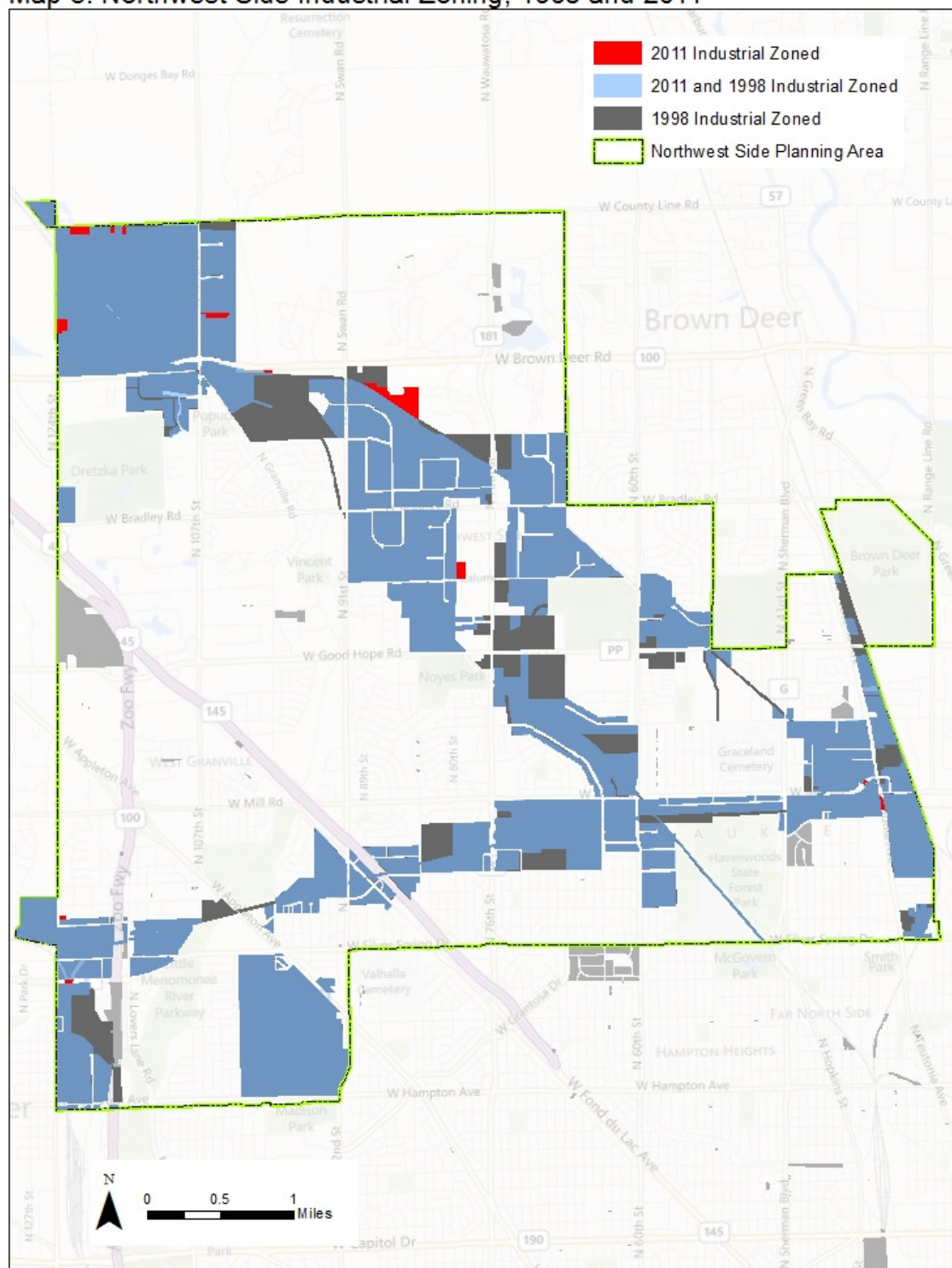
Given the importance of the Northwest Side area to the city's future industrial development prospects, the extensive rezoning of industrial land in this area of the city in recent years is cause for concern. As indicated previously, 625 acres of industrial land in the Northwest Side planning area were rezoned for non-industrial uses between 1998 and 2011. A number of these areas were large, contiguous tracts of industrial land (see Map 3). At the current pace, the loss of industrial land in this area since 1998 will exceed 1,000 acres by the year 2020. Recommendations for protecting industrial land in the Northwest Side area appear later in this report.

Zoning Variances and Land-Use Change

As suggested in the previous section, there are ways that the supply of land reserved for industrial development in a city can be reduced without changing the zoning of industrial property. In Milwaukee, this is generally done through the issuing of a zoning variance or special use permit by the Board of Zoning Appeals. Both of these procedures provide a mechanism for petitioners to introduce uses in an area that are not allowable under existing zoning. The liberal granting of variances and special use permits in an area could conceivably alter land use substantially with no change in zoning. We wanted to see whether this has occurred in Milwaukee's industrial-zoned areas. Has the loss of industrial land through rezoning been amplified through variances or special use permits that have introduced non-conforming uses into industrial-zoned areas? If so, are these uses more or less compatible with industrial development?

⁷ Ibid., pp. 28-31. The study also identifies certain weaknesses with the Northwest Side area, including the poor aesthetic appearance of certain industrial areas and a perception that criminal activity is a problem in the area.

Map 3. Northwest Side Industrial Zoning, 1998 and 2011



Source: Milwaukee Property File (MPROP) 1998 and 2011, UWM Center for Economic Development

To answer this question, we used MPROP data to determine land use in the city's industrial-zoned areas for our two comparison years, 1998 and 2011. Our main interest was to determine whether uses incompatible with industrial development were introduced in industrial areas during this time period. MPROP data includes eight principal land uses. However, given our particular interests, we examined only two of these: residential and mixed commercial and residential. The reason for our focus on these categories is that studies indicate that residential use does not generally mix well with industrial development.⁸ It is common for residents living near manufacturing operations to voice complaints about odors, vibrations, truck traffic, and other factors that interfere with residential quality of life. The mitigation of nuisance-generating industrial operations may be costly and impractical, and manufacturers may ultimately choose to relocate rather than endure constant complaints and possible sanctions or legal action. If residential use in industrial-zoned areas has increased substantially during the past 13 years, efforts to preserve the city's remaining supply of industrial land may require more careful scrutiny of the issuing of variances and special use permits in industrial areas.

Table 2 summarizes our findings for each of the city's 13 planning areas. As the combined totals at the bottom of Table 2 indicate, the amount of land devoted to residential and mixed residential and commercial uses rose by only 18 acres, from 257 acres in 1998 to 275 acres in 2011. These uses represented less than 3 percent of the city's total industrial-zoned land in 2011. From a citywide perspective, at least, the introduction of residential uses into industrial-zoned areas during this time did not perceptibly alter the overall balance between residential and industrial land use. However, a closer look at Table 2 reveals that the citywide totals mask some significant variations among individual planning areas. Residential use has increased in certain areas and decreased in others.

Several developments are noteworthy. First, the largest increases in residential and mixed commercial and residential use occurred in two areas: the Northwest Side and the Walker's Point area of the Near South Side. The results for Walker's Point are not surprising given the interest in this area by residential and commercial developers during the past decade and the City's support for the transition of portions of this area away from industrial uses. While the increase is relatively small at this point, it does suggest that future requests for zoning variances be carefully

⁸ Winifred Curran and Susan Hanson, "Getting Globalized: Urban Policy and Industrial Displacement in Williamsburg, Brooklyn." *Urban Geography* 26: 461-82, 2005; Joel Rast, "Manufacturing Industrial Decline: The Politics of Economic Change in Chicago, 1955-1998." *Journal of Urban Affairs* 23: 175-90, 2001.

monitored to ensure that land-use changes conform to the City's long-term plan for the area and do not disrupt viable manufacturing operations. Of greater significance, perhaps, is the Northwest Side. With 16 additional acres of residential land added to industrial-zoned areas between 1998 and 2011, this area experienced the largest jump of the city's 13 planning areas. The Northwest Side also contains the most industrial-zoned acreage currently used for residential purposes, more than 100 acres in 2011. Map 4 shows residential land use in industrial-zoned areas for the year 2011.

TABLE 2. Residential Use in Industrial-Zoned Areas

Planning Area	1998 Acres	2011 Acres	Difference	Percent Change
Downtown	0.00	0.27	0.27	-
Fond du Lac and North	9.00	1.84	-7.15	-79.50
Menomonee Valley	0.00	0.14	0.14	-
Near North Side	6.78	5.41	-1.36	-20.14
Near South Side	23.52	35.73	12.21	51.93
Near West Side	5.46	2.47	-2.99	-54.74
Northeast Side	15.42	9.57	-5.85	-37.95
Northwest Side	94.24	110.36	16.12	17.10
Southeast Side	94.29	101.68	7.38	7.83
Southwest Side	2.51	2.49	-0.02	-0.75
Third Ward	0.09	2.28	2.19	2377.89
Washington Park	1.11	0.54	-0.58	-51.92
West Side	4.07	2.47	-1.60	-39.30
Grand Total	256.50	275.26	18.76	7.31

Source: City of Milwaukee MPROP File

Other planning areas besides the Near South Side and the Northwest Side experienced either decreases in the amount of residential land in industrial-zoned areas between 1998 and 2011, or small increases. As Map 4 shows, there are concentrations of residential uses in industrial-zoned areas west of Mitchell International Airport, but these uses did not expand measurably between 1998 and 2011, as Table 2 indicates. The concern is greater on the Northwest Side and the Near South Side, where additional residential incursion into industrial-zoned areas could further complicate the loss of industrial land through rezoning.

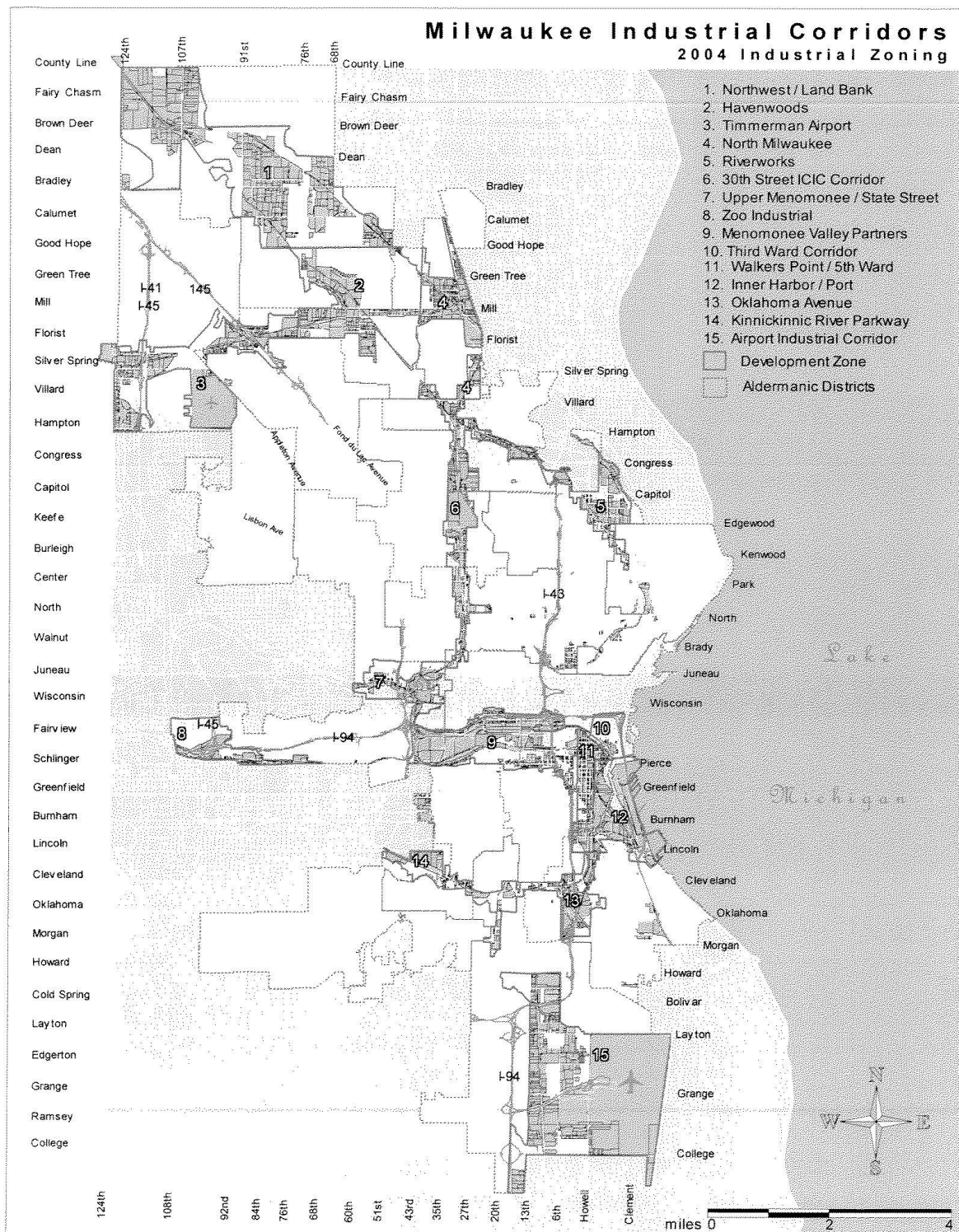
Planning and Industrial Zoning in Milwaukee

It is interesting to observe the changes in the zoning of Milwaukee's industrial areas that have taken place in recent years. However, to fully understand these changes, we also need to know something about the decision-making processes through which zoning changes occur. Earlier in this report, we described the roles played by the City Plan Commission and the Common Council's Zoning, Neighborhoods, and Development Committee in zoning decisions. While both of these bodies represent important decision-making structures, the process itself reveals little about the outcomes of zoning decisions. In particular, why is it that zoning changes are approved by the City in some cases but not others? Are there factors that influence the decision-making process beyond the idiosyncrasies of individual cases?

In reality, the visible role played by the Plan Commission and the Zoning, Neighborhoods, and Development Committee in zoning decisions belies the key behind-the-scenes role played by the Department of City Development. When applications for zoning changes are forwarded to the Plan Commission, they include a recommendation from DCD. This recommendation is nearly always followed by the Plan Commission and the Common Council. As such, the position that DCD takes on zoning decisions has enormous weight in determining the final outcome. It is therefore important to understand how DCD formulates its recommendations about zoning decisions.

DCD's approach to industrial zoning has evolved during the past decade. During the 1990s and early 2000s, the City experienced considerable pressure to rezone industrial property for housing, retail, and entertainment uses. The Norquist administration, sensitive to industrial displacement and anxious to halt the city's industrial decline, generally took a conservative approach to such requests. However, the political costs were sometimes high. For example, the City's refusal to rezone portions of the Menomonee Valley to allow a proposed retail and entertainment complex to go forward exposed the administration to public criticism. DCD officials decided that better planning and analysis was needed to support their recommendations about industrial land use.

As a first step, DCD worked with various groups and stakeholders to produce a map of the city's industrial areas. The map, finalized in 2004 and reproduced on the following page, identified 15 distinct industrial corridors located in various portions of the city. As a decision-



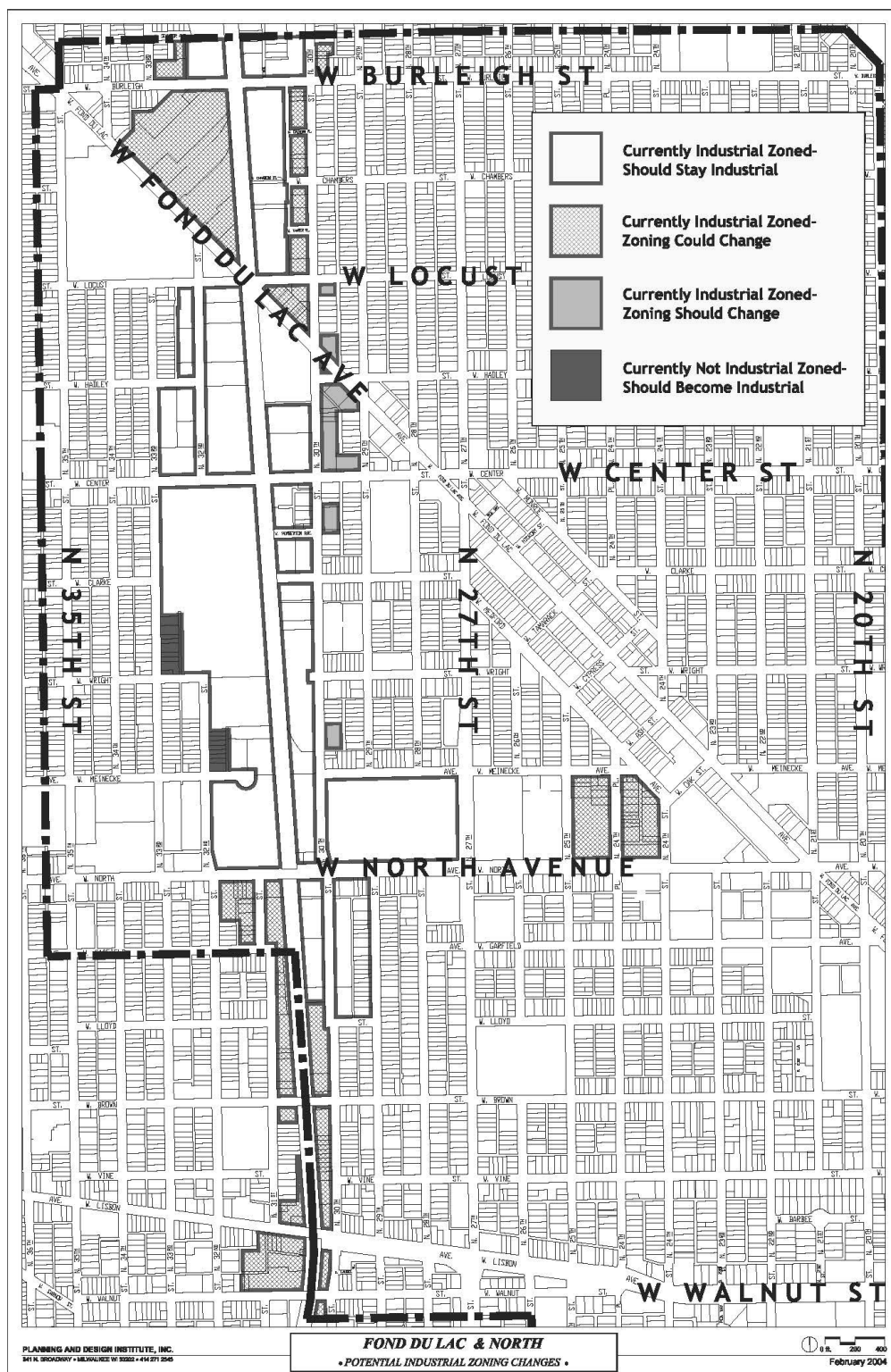
making tool, its value was somewhat limited. The corridor boundaries were hard to decipher, and no effort was made to establish the demand for industrial land within individual corridors. Still, in considering requests for the rezoning of industrial land, DCD now had an additional policy tool. Requests for zoning changes of industrial land within the city's 15 officially recognized industrial corridors would receive greater scrutiny than those elsewhere.

Mapping of the city's industrial corridors was followed by a 2004 study of Milwaukee's industrial land base prepared by S.B. Friedman & Co. at the request of DCD.⁹ The study, which focused in part on the rezoning of industrial land in Milwaukee, included a worksheet for evaluating proposed rezoning requests that DCD continues to use to this day. The worksheet includes a set of questions to ascertain the viability and appropriateness of a particular site for industrial development. Each answer receives a score, and scores are weighted to take into account the importance of each factor considered. A question asking whether the site is located in one of the city's 15 industrial corridors receives the highest weighting.

The Friedman study also recommended that the City prepare a detailed inventory of all sites within the designated industrial corridors, identifying land that should be retained for industry as well as sites that could be converted to other uses. Once that process was complete, the boundaries of the 15 industrial corridors would be revised accordingly. This recommendation was not carried out, but a similar process has taken place with the preparation of detailed area plans for the city's 13 planning areas.

The city's 13 area plans were prepared as part of Milwaukee's comprehensive planning process under the State of Wisconsin's Smart Growth legislation of 1999. Each plan provides extensive descriptive data about neighborhood characteristics, mapping all types of land uses—including industrial—and providing recommendations for future development. For our purposes, what is important about the plans is the recommendations they make about industrial land use. In a few cases, these recommendations are very specific, consistent with the suggestions of the Friedman study regarding the need for a detailed inventory of industrial land. The map on the following page comes from the Fond du Lac and North area plan. It clearly indicates, on a site-specific basis, any changes in the zoning of the 30th Street Industrial Corridor that should be entertained.

⁹ See S.B. Friedman & Co., *Milwaukee's Industrial Land Base: An Analysis of Demand and a Strategy for Future Development*, May 2004.



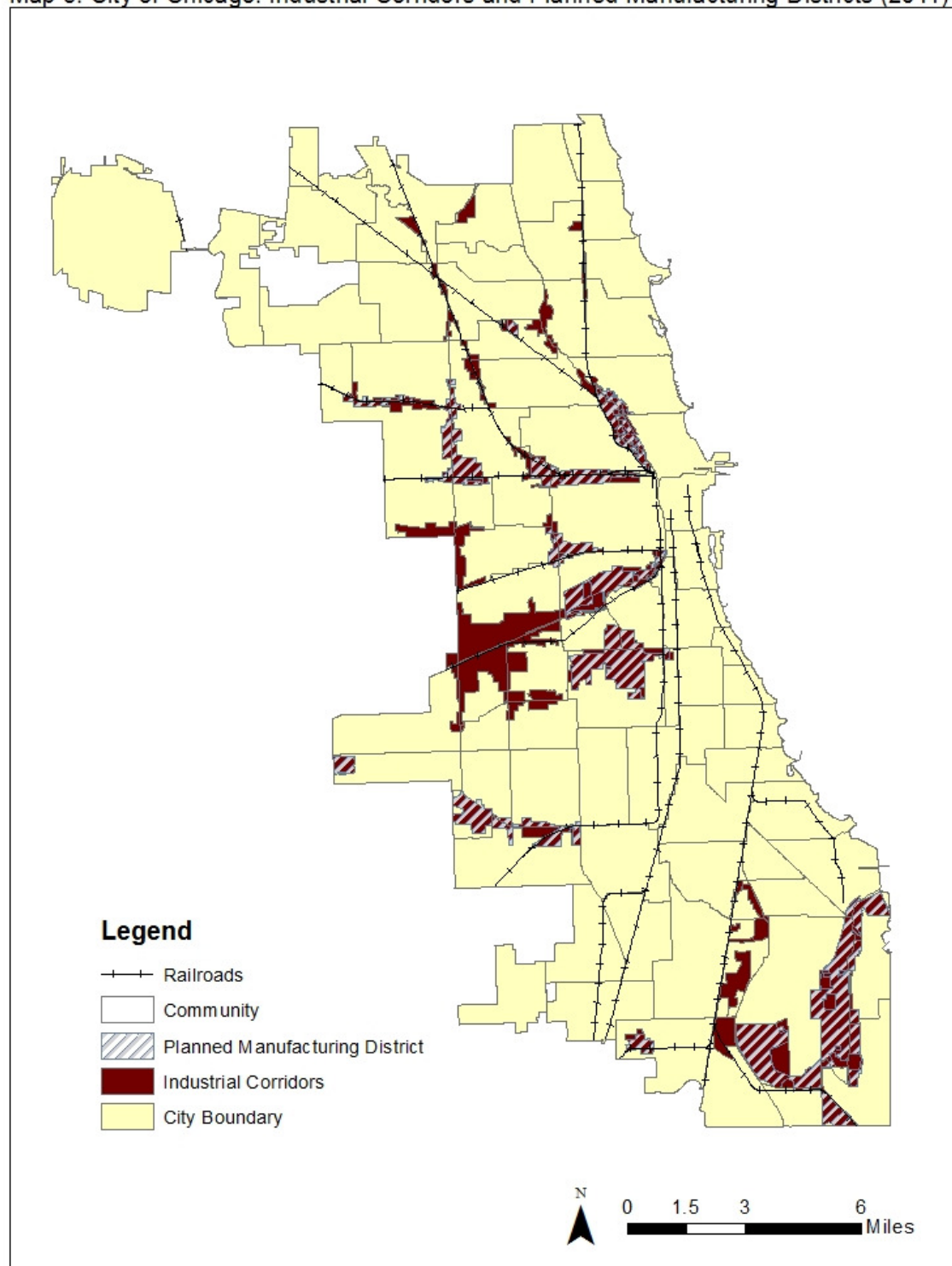
In most cases, however, recommendations about industrial zoning in the City's area plans are less clearly spelled out. For example, the following language comes from the Southeast area plan: "Rezone vacant and underutilized industrial properties generally southwest of Layton and Howell Avenues to mixed use commercial and residential to support the [Layton and Howell] Town Center concept." This statement provides some useful guidance, but it also creates uncertainties. Exactly how much property in this area should remain zoned industrial? And what precisely is the area "generally southwest of Layton and Howell"? These are questions that could easily arise should rezoning requests for this area surface. DCD is currently updating the area plans to include more careful analysis of industrial zoning, but this process is expected to take years to complete. For now, rezoning requests for areas where plan recommendations are vague or ambiguous must be considered on a case-by-case basis.

Planned Manufacturing Districts

As described above, DCD has developed a set of tools to formulate recommendations about rezoning requests for industrial land. These tools include a map of the city's 15 officially recognized industrial corridors, a rezoning worksheet, and guidelines included in the City's 13 area plans. By all indications, these tools are all routinely employed by DCD staff to evaluate rezoning requests. Recommendations are not made on a purely ad hoc basis. Yet are these tools sufficient to preserve industrial zoning in areas of the city that remain viable for industrial development but may at some future point become targets for conversion to alternative uses? Other cities have gone beyond mapping and inventories of industrial property to develop more stringent zoning protections for certain industrial land.

One such tool is Planned Manufacturing Districts (PMDs), which Chicago and a number of other cities have put in place. A PMD is a special zoning designation that places significant restrictions on the rezoning of industrial land. The intent is to protect industrial firms from encroachment by uses incompatible with manufacturing. Chicago established the city's first PMD in 1988 in an industrial area on the city's Near North Side that was experiencing gentrification pressures. Since then, a total of 14 additional PMDs have been established in industrial corridors throughout the city (see Map 5). A key advantage of PMDs is their ability to stabilize land markets in an area and create a secure and predictable environment for investors.

Map 5: City of Chicago: Industrial Corridors and Planned Manufacturing Districts (2011)



Source: City of Chicago

When a PMD is established in an area, the future zoning of the area is no longer in question. As Map 5 indicates, PMDs represent a large percentage of the land area covered by Chicago's officially recognized industrial corridors.

In Chicago, creating a PMD involves several steps. Applications to designate an area as a PMD may be filed by the mayor, the property owners of all land within the proposed PMD, or the alderman of the ward in which the proposed PMD is located. Following submission of the application to the Zoning Administrator, a community meeting is held to solicit comments on the proposal and a public hearing scheduled before the Plan Commission. Recommendations from the Zoning Administrator, the Department of Planning and Development, and the Plan Commission are required before the PMD proposal is submitted for a full City Council vote. The City Council is the final decision-making body for the establishment of PMDs.

Review bodies are required to consider both the industrial viability of the area proposed for PMD designation and the need for PMD status. With respect to industrial viability, the following factors are to be considered:

- The size of the district;
- The number of existing firms and employees that would be affected;
- Recent and planned public and private investments within the district;
- The potential of the district to support additional industrial uses and increased manufacturing employment;
- The proportion of the land in the district currently devoted to industrial uses;
- The area's importance to the city as an industrial district.

With respect to the need for PMD status, the following factors are to be considered:

- Evidence of conflict with or encroachment on industrial uses by nonindustrial uses;
- Demand for zoning changes or use conversions that may be incompatible with the character of the industrial district;
- The continuing industrial viability of the area.

PMDs may be repealed, although this has never happened. The Plan Commission is required to monitor the effectiveness of all PMDs and recommend to City Council changes in or repeal of a PMD if it ceases to perform adequately.

Chicago's PMDs have functioned effectively as a tool to prevent the conversion of valuable industrial land to non-industrial uses. One study of several of Chicago's oldest PMDs concludes that but for the PMDs, these areas would have transitioned to largely residential

development.¹⁰ Instead, these areas today contain significant concentrations of jobs. Still, the creation of PMDs is not something to be taken lightly. PMDs lock in certain restrictions on land use for an area indefinitely. The danger is that industrial development or other allowable uses fail to materialize or go into decline, while other uses may have greater development potential. Under such conditions, the lack of zoning flexibility provided by PMDs can become a hindrance instead of a boost to economic development. For this reason, careful analysis is needed to determine likely demand for industrial land in an area prior to the creation of a PMD.

Conclusion and Recommendations

Like other older industrial cities, Milwaukee has experienced a significant loss of manufacturing firms and jobs during the past several decades. Yet city officials have taken steps to stabilize and redevelop the city's industrial base, as evidenced by current industrial development initiatives in the Menomonee Valley and the 30th Street Industrial Corridor. To be successful, initiatives such as these require sound industrial zoning policies. Above all, they require close coordination between economic development and land-use planning so that decisions to rezone industrial land do not undermine the City's industrial retention efforts.

The findings of this study raise certain questions about the alignment between the City's industrial retention objectives and its industrial zoning decisions. The City is on pace to rezone more than 2,000 acres of industrial land during the 23-year period between 1998 and 2021. If the current pattern continues, much of this land will be in the Northwest Side planning area, an area that the City's own consultants have identified as having significant industrial development potential. It is imperative that zoning decisions about industrial land, both on the Northwest Side and elsewhere in the city, be informed by careful economic development and land-use planning so that viable industrial land is not permanently lost. It is also critical that decisions to rezone industrial land not interfere with or otherwise undermine current industrial operations.

The Department of City Development is the principal governmental unit through which industrial zoning policy and industrial development policy are coordinated. As this study points out, DCD has developed a set of procedures to inform and routinize recommendations regarding

¹⁰ Joel Rast, "Curbing Industrial Decline or Thwarting Redevelopment? An Evaluation of Chicago's Clybourn Corridor, Goose Island, and Elston Corridor Planned Manufacturing Districts." Center for Economic Development, University of Wisconsin-Milwaukee, 2005. Accessible at: <http://www4.uwm.edu/ced/publications/pmdstudy1.pdf>

industrial rezoning requests. These procedures ensure that the rezoning of industrial land takes planning into account. Decisions are not made simply on the merits of individual rezoning requests. Still, while DCD's efforts along these lines should be applauded, there are opportunities to further strengthen the role of planning in industrial zoning decisions. We suggest that two actions in particular be given consideration.

First, a key recommendation of DCD's consultant S.B. Friedman & Co. in its 2004 study—that the City prepare a detailed inventory of all sites within the city's 15 industrial corridors—has not been completed. While the City's 13 area plans help play this role, they do so imperfectly. Where area plans are clear about preferred zoning for an industrial area, DCD's zoning recommendations have been consistent with the plans. However, because recommendations on industrial zoning contained in the plans are frequently couched in somewhat general terms, situations are likely to arise where the plans offer limited guidance.

We recommend that the City move quickly to complete a detailed, site-specific inventory of industrial land in the city's 15 officially designated industrial corridors, mapping areas that should be preserved for industrial use as well as areas that, under the right circumstances, could transition to non-industrial uses. Such a map would serve as a key decision-making tool in evaluating future requests to rezone industrial property. It would also serve as justification for denials of rezoning requests, providing political cover for city officials who might otherwise be susceptible to accusations of being anti-growth or anti-development. Given the importance of the Northwest Side planning area for future industrial development and the extensive rezoning of industrial land in this area during the past 13 years, we suggest that this area be prioritized in any industrial land inventory process.

In addition, we recommend that the City consider adopting stronger planning tools for preserving industrial land to complement those currently in place. Chicago and other cities have had success with Planned Manufacturing Districts, and it is possible that industrial land in certain areas of Milwaukee might be best protected through the creation of such districts. Areas of Milwaukee like Walker's Point, Riverwest, and the Menomonee Valley have experienced land-use conflicts very similar to those that gave rise to the creation of PMDs in Chicago. Whether PMDs are appropriate in Milwaukee is a question this study cannot answer. The creation of such districts requires extensive research and analysis to determine whether a PMD is a suitable

zoning tool for a given industrial area. While such detailed investigation lies outside the scope of this study, we recommend that city officials give the matter careful consideration.

We close by acknowledging that industrial zoning protections are no cure-all for industrial decline. Efforts to establish Planned Manufacturing Districts or other zoning protections for industrial land will not, in themselves, revitalize the city's manufacturing base. How successful the City's industrial retention efforts prove to be depends on many factors. Still, zoning is important. Industries need adequate supplies of desirable industrial land protected from encroachment by incompatible uses. Despite losing hundreds of acres of industrial-zoned land during the past 13 years, Milwaukee still has viable industrial corridors with attractive sites for industrial development. These areas should be carefully protected so they can continue to provide good jobs for city residents long into the future.