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Growth relies on various factors

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James Otterstein



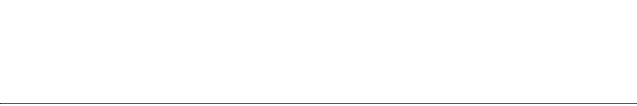
Ruffini



ROCK COUNTY, Wis.—Economic development officials in Rock County agree: Supporting regional growth by fostering cooperation between municipalities, coupled with sound private commercial and residential development strategies, are central to the Rock County region’s growth into the future.

Regional growth relies on many factors, from land availability to the area’s current labor pool and projects aimed at attracting new residents to the area.

Rock County Development Alliance Executive Director James Otterstein says regional growth relies on three main factors: access, affordability and growth.



“Access equates to geographic proximity to domestic and international markets,” Otterstein said. “Fortunately, the Janesville-Beloit metropolitan statistical area is naturally well-positioned to leverage its close geographic access to Chicago and Milwaukee, as well as other significant Midwestern markets. Affordability equates to the overall cost of doing business, as well as living in a defined geographic location. Lastly, amenities equate to the entire quality of life spectrum—crime, education, healthcare, workforce, work-play balance and infrastructure. Combined, all of these drivers facilitate critical mass; and this critical mass creates, accelerates and or raises the region’s overall economic development and investment profile.”

Rock County has approximately 195 acres of developable land primed for future economic development, about 80-acres of which is considered “shovel-ready,” a term used in the economic development world that signifies a third-party has reviewed the property and assigned that designation to make the site more appealing to prospective developers and businesses.

To remain competitive, Otterstein said municipalities need to plan to acquire additional land.

“Whether this acquisition occurs directly or via a third-party arrangement, keeping the land inventory well-stocked is absolutely essential for remaining competitive,” Otterstein said. “Given the complexities and related cost components of today’s economic development projects, owners and investors alike are continually identifying reasons to eliminate a community or location from their consideration list.”

Visit Beloit CEO Celestino Ruffini echoed the call for municipalities to remain collaborative, not competitive.

“We as a city and a region are competing against thousands of other towns in America,” Ruffini said. “When a business is deciding to go there, what are we doing to set ourselves apart?”

A report published in the Summer of 2020 aimed at spurring economic growth in Beloit and the Stateline Area looks to erase boundary lines and show the collective spending power of the Stateline Area to attract future development.

The 10-Mile City Report encompasses the area extending 10 miles from Beloit’s city center to include three counties, 14 zip codes and 37 census tracts in the Stateline Area. In the study area there are 3,360 businesses that employ an average of 50,583 people with an average unemployment rate of around 4%. Most of the employed

population is within the services and manufacturing sectors 42.3% and 18.6%, respectively. In recent years, however, retail trades and food service, combined have grown to about 20% of all employees, the study shows.

The greatest areas for retail opportunities in the area are reflected in the study through calculating annual retail sales with consumer demand. The difference between the two indicate potential retail opportunities. In total, the area has a retail trade supply of \$1.53 billion and consumer demand of \$1.45 billion, leaving an \$82 million spending gap that's filled by consumer spending from outside the 10-mile area, the report said.

Industries including auto dealers and vehicle-related businesses have the largest retail opportunity with \$135.6 million annual potential sales followed by clothing and clothing accessory stores with \$47.52 million in annual potential sales. The third-highest industry of opportunity for new businesses includes furniture and home furnishing stores with an annual potential sales opportunity of \$32 million.

In terms of residential growth, 2020 Census data shows the towns of Beloit, Fulton, Janesville and Milton have grown in population since 2010, along with the cities and villages of Clinton, Edgerton, Evansville, Janesville, Milton and Orfordville. Population growth remained flat in the City of Beloit.

From a private developer's perspective, there's an ebb and flow to regional growth, said Hendricks Commercial Properties CEO Rob Gerbitz.

"In Beloit we really have done an amazing job of bringing the commercial to our community," Gerbitz said. "That was a focus of Hendricks Commercial/Geronimo Hospitality. We knew early on with the Beloit unemployment rate that we needed jobs first. The growth here in jobs has been spectacular and yet diverse at the same time."

The Gateway area in Beloit continues to be a hotbed of interest for businesses looking to relocate or build new in the area attracting growth to Beloit's business base, with the largest project being Amazon.

The Gateway Business Park includes Kerry Ingredients, the Staples Order Fulfillment Center, Kettle Foods/Campbells, The Morse Group, Specialty Tools, Alliance Development, NorthStar Medical Radioisotopes, Chicago Fittings, G5 Brewing Co. and Pratt Industries.

“Nearly two decades ago, we broke ground in the business park and have since seen thousands of jobs come to Beloit. The advanced planning by community and economic leaders back then prepared the way to provided needed jobs to support Beloit families,” said GBEDC Board of Directors President Frank McKearn.

Commercial Property Group Partner Joel Patch said much like the development of the Gateway area, the City of Beloit “must expand its boundaries” and he added that the Shopiere Road/Interstate 39/90 interchange was “critical” for the city to naturally progress.

“There's very little land on Milwaukee Road to bring in new commercial developments, and in particular, retail options” Patch said. “Retailers are looking to build large tracts of land to build their facilities, from Meijer, Fleet Farm, Lowe's or Home Depot, as examples. Developers also need large tracts of land for power centers that would house businesses like Petsmart, Dick's Sporting Goods, Best Buy or Old Navy.”

Boundary agreements can also play into regional growth, officials said, with Otterstein noting that much like other forms of legally binding contracts, the can become “politically charged and contested.”

Gerbitz highlighted fast-paced growth spurred by cooperation between municipalities in other parts of the country, specifically Boise, Idaho and surrounding communities, as a key reason the Beloit and greater Rock County area can thrive through working together.

“They are collaborative in their efforts, that’s why it works so well,” Gerbitz said. “We need to take that same approach here and not become such a bunch of politicians and remember the greater good of our entire community is what truly matters.”

Patch said he understands why boundary agreements are put in place, but said they run the risk of creating a “dead-stop” to a municipality’s own growth.

“Agreements should be reviewed on a yearly basis or bi-annually,” Patch said.

The path to continued regional growth may lie in-part with the upcoming completion of the Interstate 39/90 and Interstate 43, officials said, citing the new entry into Beloit from the east as the Milwaukee Road entrance to Beloit shifts as part of the realignment.

“I think the overall picture of the Beloit area is that commercial and residential growth will continue along major corridors,” Ruffini said. “The major corridors will continue to play a large role in the story. Milwaukee Road as we know it is going to change in a few months. That new entrance is going to be much different than we were used to. The extension of Milwaukee Road will be one of the first areas we might see new growth.”

Austin Montgomery