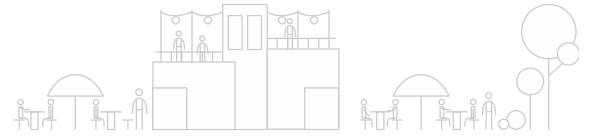




the Urban Weaver



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Another year come and gone. I'm in my 48th year, and 2017 might be in the top 10 most interesting. As tempted as I am, I'm not going to contribute to the annals of trite remembrance. In 2009 I told 2008 to not let the door hit it in the ass on the way out. I definitely don't feel the same about 2017. So I have that going for me. Which is nice.

We are excited here at WiRED about what 2018 will bring. We have terrific clients and are working on what we think are some truly compelling developments. Our footprint has expanded to farther reaches in the state (announcements coming!), and our commitment to community cultivation and creation continues to drive us. We see incredible opportunity in front of us all.

That's not to say we are endlessly optimistic.

We feel uncertainty about where the markets are in their inexorable cycles. We worry about the lack of a specific vision for Milwaukee's future. We have deep concerns about political partisanship and antipathy, and what that means for both governance and society. We are disturbed by persistent inequality in access to opportunity.

But, most importantly, we also believe that our community has never been more ready for effective leadership and positive change. We remain committed to engagement and we believe it's possible for our society's overwhelming partisanship to be directed toward positive change instead of resulting only in apathy and antipathy. It won't be easy, but we don't choose to work toward that because it will be easy. We choose to do that because it is hard, and it is what we all need.

Cheers to all of you in the new year. May you find peace, health, and love.

AmazoNOPE

In some of the least surprising news in this young 2018, [Milwaukee didn't make the cut](#) to the shortlist for Amazon's HQ2. That the "short" list included 20 proposals was a bit surprising. There was no clear geographic preference identified (though the snowbelt is not represented), and 20 cities now have a TON of work to do to get their proposals to stand out from what remains a pretty dynamic crowd.

Before we get to what this means for Milwaukee, let's take a quick look at the cities that made the cut. While the geographic spread is substantial, and cities range in size from Columbus to NYC, there are a number of very striking similarities among the (thus far) successful bidders.

Boston, Austin, Nashville, Raleigh, DC and its environs, Indianapolis, and Columbus are all either state capitals or immediately proximate to the federal government. *Government seems to matter.*

NY, Newark, LA, Chicago, Dallas/Fort Worth, Philadelphia, DC and environs, Miami, Atlanta, and Boston are all in the top 10 largest MSA's in the country. If Toronto was in the US, it would be the 7th largest MSA. *Size seems to matter.*

Raleigh, Pittsburgh, Nashville, Columbus, Austin, Dallas, and Indianapolis all [hit the charts](#) with grades of A- or better as top Millennial cities. Denver was close at a "B" (Milwaukee is a C+). *Millennial attractiveness seems to matter.*

LA, Denver, Dallas, Austin, Newark, Chicago, Toronto, Atlanta, Raleigh, Boston, Dallas, Austin, NYC, and DC all show up in the [top 20 cities for tech workers](#). *Attractiveness to tech workers seems to matter.*

238 cities spent a bunch of time on their proposals. 218 fell short. Had everyone known these four primary qualifying characteristics, many likely would have saved their efforts. Certainly, Milwaukee was unlikely from the start.

That doesn't mean we should have opted out of submitting. After all, like we said in [The Golden Ticket](#), "we think that going through the process of thinking how our city can stand above the rest can empower us as we grow and pursue other opportunities."

The question now is how we use the process to help us get stronger as a city.

Most importantly: we call upon the City and M7 to release the proposal for public review. We all deserve to understand how our leadership presents our city, our region, our workforce, and our residents when marketing us to the outside world. *[note that we are comfortable with redaction of confidential terms]*

We still believe that this proposal should empower us. It should allow us to look through our blinders and see a brighter future. But our only chance for that is if we can use it as a tool - and we need to understand it to use it. And, we need to consider the proposal in the context of our collective vision for the future: are we being presented the way we think we should be?

To be sure, we don't think that failing to make the shortlist is a loss, nor is it a negative reflection on our civic and business leadership. Making it to the short list and losing? That would leave a mark. But this was quick and gentle.

We also aren't entirely convinced we should have wanted to actually win. To win the HQ2, for a city like Milwaukee, means to commit to a profound transformation of both the built environment and the cultural base. Milwaukee would be forever, and irrevocably, changed. And, that change might not mean real improvement for those who need it most right now.

And, in any case, we haven't fully lost yet. Chicago is still in it. And we're pulling for them. We believe strongly in regionalism, and we are confident that if Illinois wins, Wisconsin will become stronger. And, if Amazon creates 50,000 new jobs in Chicago, there will be even more [Millennials down there for us to lure to Milwaukee](#).

Finally, no HQ2 doesn't mean no Amazon. They already have a fulfillment center in Kenosha. They can build another here in the city. They'll need them of all sizes, and they'll need them in all kinds of markets. Given Milwaukee's context, if we could land an urban fulfillment center with 1,000 - 1,500 jobs, I would argue that may have more positive impact than even HQ2.

Milwaukee remains a remarkable city. Our blessings are numerous, and our challenges are dynamic. We are hitting more and more “Top 10” lists, and an increasing number are for positive metrics. Milwaukee is in position for growth and it is in position for improvement. Moments like HQ2 give us the opportunity to compete head-to-head both in our weight class and above. We didn’t win this time. I’m hopeful we all get to see how we competed, and am even more hopeful that we can draw strength from the experience.

Today is Yesterday’s Tomorrow

[This is a really solid piece of writing](#). The author is a guy named Jason Segedy. He’s the Director of Planning and Urban Development for the City of Akron. He writes a blog called Notes from the Underground, though I’ve linked to his piece as re-published on Strong Towns (which is a great site, though it swings a little too cityphilic for even me at times).

Generally, this piece is about the historical anomaly we currently face in our cities. Notably, over the course of the last 60+ years we have essentially built a new version of our cities in the form of suburban communities, right next door to our cities. That means a “duplicate, publicly-funded infrastructure of modern utility and transportation networks.”

You may ask how those ex-urban systems are duplicative of the city’s. The answer in NE Ohio is that the population of the [region](#) hasn’t changed during that period. In short, it’s more infrastructure for the same number of people.

NE Ohio isn’t alone in this. Consider that Milwaukee was the 12th largest city in the country in 1960 with 741,324 people, and it’s 31st with ~600,000 today. While the city is down ~20% from its peak, the MSA has grown. That means we have ~140,000 fewer people using the aging infrastructure we have in the city, and we’ve built new infrastructure to support those 140,000 and more in our surrounding communities.

Infrastructure is a hot topic, as it should be. Indeed, “the 21st Century will mark the first time the United States has ever had to replace a modern public infrastructure.” We have stipulated to the fact our infrastructure is crumbling. Now the conversation is pivoting to how we will fund the necessary repairs.

While we hear a lot about bridges and roads, this isn’t just about transportation. It’s the entire infrastructure that supports our society. Think lead in Flint and Milwaukee and elsewhere. While the conversation will be fascinating to watch in its political machinations- we desperately need it to progress to executable policy. Today’s tomorrow will eventually be too late.

InclusiviCity?

Nashville is a shining beacon of Millennial attractiveness. Number 13 in the 100 best cities to live. It’s the [top ranked city for high-wage job growth](#). Their job count in professional and business services expanded an astounding 42.6% from 2011 to 2017. By most metrics, Nashville is nailing this whole new economy thing (ahem, [mayor](#), ahem...).

To be sure growth is (usually) good. Inclusive growth is better. It's also elusive. The Brookings Institute recently completed a [three-part series](#) examining how cities are creating inclusive economies. Nashville is one of three cities highlighted (along with Indianapolis and San Diego).

Brookings produced a couple of support papers for the series. In one, they looked more deeply at Nashville. "Today, cranes dot the downtown, old neighborhoods are quickly being redeveloped with high-end housing and retail." Sound familiar?

So they've got terrific economic growth and impressive population growth. Is all that glitters gold?

"Runaway growth in downtown and newly upscale neighborhoods like Germantown [Walkers Point] exists alongside stagnation in parts of adjacent neighborhoods like historically African-American North Nashville [northwest Milwaukee]." In Nashville, as in Milwaukee, "race remains a clear dividing line for economic success."

According to Brookings, Nashville is [one of 30 cities](#) that grew by becoming more prosperous: those cities increased their productivity, average wages, and standard of living. Brookings then ranked those cities on whether that growth was inclusive on an overall basis and on a racial basis.

Nashville is booming. And it's not. It has growth and it has prosperity, but definitely not across the board. In fact, it is one of the 15 cities that showed no inclusivity. Consider that in Nashville "earnings for the average worker fell by nearly 2 percent from 2010-2015 - a larger decline than the U.S. overall."

Some readers will be surprised to hear Milwaukee was also one of those 30 cities that grew through prosperity. Even more will be surprised to hear that Milwaukee was one of only 8 cities to achieve improvements in Racial Inclusiveness (improved inclusive economic outcomes for both whites and people of color).

We'll admit this surprised us too. We didn't expect to see Milwaukee get a passing grade on a test associated with the economics of race equity.

At WiRED we believe in the fundamental importance of this issue. Blair Williams spoke on a panel with 4 of Milwaukee's dynamic business leaders: Melissa Goins from Maures Development, Alex Lasry from the Milwaukee Bucks, Kevin Newell from Royal Capital Group, and Greg Wesley from the Medical College of Wisconsin. The topic was "Bridging the Milwaukee Jobs Gap" but it was really all about inclusive growth.

Milwaukee has a fair amount in common with Nashville. But it's not economic expansion, and it's not our current ability to attract and retain Millennials. We do have good and big things happening here. But all that glitters is not gold. Without the winds of expansion beneath our wings, it's just plain hard to get the economic lift we need across our city and region. To get there will take specific intent and directed leadership.

We'll look at this topic more deeply in future issues of the Urban Weaver.

One and Done?

The city [received word today](#) that Milwaukee's TIGER (Transportation Investment Generating Economic Recovery) grant application for \$20 million was rejected by the US Department of Transportation. That means that the city has no funding source for the \$40 million expansion of the streetcar from the Intermodal Station to the new Milwaukee Bucks Arena.

We look at this outcome through at least two lenses. Looking through our Milwaukee lens, we're disappointed in this setback. If our new transit solution is going to have a real chance of working, it needs a reach that goes meaningfully beyond its initial loop. That extension from the Intermodal Station to the Bucks Arena would necessarily incorporate the Convention Center and provide a logical attachment to the neighborhoods to the north along MLK. It could help to trigger development at 4th and Wisconsin, and support future development in the Arena District and north into Haymarket, and Harambee, and MLK and... In short, it could help the streetcar to achieve some of its primary objectives.

That we didn't get the grant this time is not, in and of itself, fatal to the prospects of federal funding help for this expansion. It took twice through to get the grant for the extension to the lakefront. This was the city's second application for this specific grant. If the TIGER program continues, next time we will have actual operational progress to show.

Through the lens of transportation policy, it's clear why Milwaukee was unsuccessful. These are ~\$500 million of discretionary grants administered by the United States Department of Transportation. That means they reflect federal policy. Not surprisingly, this year we see a profound shift to rural America.

As the DOT notes on its website, "more than 64% of this round of TIGER funding was awarded to rural projects, a historic number that demonstrates this Administration's commitment to supporting the country's rural communities." The numbers are compelling. The previous high water mark for rural projects was 39% in 2015, with an average under 30%.

To be clear, this is not a small shift, and it is not likely to be singular in nature. The current administration has a well documented relationship with urban centers. Policies favoring rural areas virtually mandate policies favoring the automobile and highway transit. And, those policies include a profound movement away from urban mass transit. Milwaukee may never have had a chance.

The future of the TIGER grant program is unclear at best. It appears that [Congress is still budgeting for the program, but the White House has no plans to fund it going forward](#). If they go away, one potential implication is that the funding burden for infrastructure projects will generally shift locally: putting the onus on the local community to prioritize its expenditures.

New transit is inherently expensive. The going-in costs can be staggering and the return on investment can't be measured for decades. And, even then, the calculus is so multi-variate it nearly forces confirmation bias. What we do know is that transit matters - everywhere. And we also know that cities are healthier when there are fewer cars.

While the Milwaukee streetcar won't get its extension right away, we're hopeful that Milwaukee embraces the streetcar. We believe its value will be found in its extensions, not in its mere existence. And, the more we can demonstrate its value through use, the more likely we'll be able to fund it in an increasingly uncertain funding environment.