

Recreation in Racine

Nearly three decades of revitalization efforts are beginning to pay off for Racine, located on Lake Michigan between Chicago and Milwaukee. Recently current development projects total more than \$100 million in combined public and private investment. "There is a lot of momentum right now, and lots of the value of owning property downtown," says Kathy Hansen, executive director of the Downtown Racine Corp.

Home to the Frank Lloyd Wright-designed S.C. Johnson headquarters and heavy-equipment manufacturer Case, this city of 80,000 residents is changing industrial workhorse to a pleasure boating and cultural mecca. Redevelopment began in 1974 when the city council approved the purchase of an abandoned property along Lake Michigan and replaced coal piles with a recreational harbor and park to maximize the city's lakefront location.

Once the waterfront redevelopment was complete, the focus shifted to the adjacent downtown. Key points of the downtown plan, unveiled in 1999, call for its proximity to Lake Michigan and the Root River, preserve historic architecture, develop a pedestrian-friendly environment, increase residential development and promote business development.

Office Anchors Retail

The most significant redevelopment is the Johnson Building, a newly constructed, \$22.5 million, 244,000-square-foot office building housing more than 400 jobs for Johnson Financial Group and Johnson Outdoors, two divisions of S.C. Johnson.

Another important office development is the 45,000-sf One Main building. "Part of the plan was to develop these anchors in the middle of downtown and infill, which is exactly what is happening," says John P. Crimmings, GRI, president of N. Christensen & Son Real Estate in Racine.

More than 20 new retail businesses have opened downtown since 1999. The retail vacancy rate has dropped steadily from 28 percent in 2000 to 23 percent in 2002, according to the Downtown Racine Corp.

"Downtown redevelopment efforts have helped us to market the Racine area to investors outside of Racine, because they see redevelopment and perceive generate a healthy market," says Patrick D. Gallagher, CCIM, president of Siegel-Gallagher Oncor International in Milwaukee. In March Siegel-Gallagher sold Wind Point Apartments north of Racine to a private buyer. "This was an investor that looked at the opportunity and said, 'Racine is going in the right direction and can add some value to this property and make it go in the right direction as well,'" Gallagher says.

The revitalization activity has prompted other value-added buyers to snap up underutilized buildings, pump money into renovation or rehab, and then retrofit restaurants, service businesses, and residents. Within the past year, N. Christensen & Son Real Estate has brokered more than a half-dozen buildings sales. "Investors are looking at downtown Racine and saying, 'This is an opportunity that is waiting to happen,'" Crimmings says.

The Cultural Component

Two major cultural venues are joining the mix: the 40,000-sf Racine Art Museum that opened in May and the Racine Heritage Museum, which plans to open this year on a larger downtown facility. "The new art museum is going to be huge," Hansen says. Housed in a renovated historic bank building, the museum's contemporary crafts ranks third in the nation, which Hansen sees as a strong tourist draw.

The cultural projects help to further the city's goal of creating a significant critical mass that draws people downtown. "We're talking about things that put radar screens and make them think about living and working here," says Brian F. O'Connell, Racine's director of city development.

Redevelopment also is an important part of the strategy to diversify and expand the city's business base. By increasing its service and tourism base, Racine can reverse high unemployment brought about by a loss of manufacturing and industrial jobs. "We need a strong downtown as an amenity to attract people,"