

Economic Development

We've all seen the images in photos, on movie screens, or along the highway as we travel across our great nation, remnants of towns, such as abandoned buildings and homes, are wistful reminders of happier times when communities flourished. Why do towns die? Towns can die for various reasons, but a common scenario involves the loss of economic vitality. Citizens must be able to provide for themselves and their families. It is an essential part of the human condition. They need access to goods and services, and the ability to pay for those goods and services. When a city's goods or services are not desirable or affordable, its residents look to obtain what they need elsewhere. When good jobs are not available, citizens relocate to other communities.

The Economic Development working group seeks to suggest policies and actions to the city of Elgin that would create an environment of opportunity for citizens to increase their economic wealth. Such policies and actions will support and nurture the creative abilities of both industry and individuals, recognizing their interdependence.

Economic Development Goal I Increase the Wealth of Elgin's Citizens and Businesses

The better Elgin is perceived, the more likely it is to attract key businesses and their employees to live and work in Elgin. Our goal is to raise the economic wealth of Elgin by increasing the median house-hold income from it's current level.

Objective 1 Increase the median household income in Elgin.

The Economic Development working group feels that this is the most important metric by which to judge economic growth. It is also the most important demographic element that businesses consider in relocation.

Currently, the median household income in Elgin is significantly lower than its area neighbors. Yet, the amenities offered to Elgin's residents are substantially superior to what neighboring communities have to offer. Elgin must leverage these offerings to attract key companies and residents that would serve to increase the median household income.

Tasks/Metrics

1. Monitor household income and other economic indicators by accessing the Record Information Services website (<http://www.public-record.com/>)
2. Strive for an increase of 3% in the median household income by the end of the 2011 calendar year. This would serve to substantiate the claim that Elgin is indeed growing economically.

Objective 2

Consider retaining a high profile public relations firm (international in scope) to draft and launch an ongoing campaign that effectively communicates that Elgin is a business and resident friendly location.

In the over-communicated society we live in, it is not enough to hope that those interests or people you are trying to communicate your message to will find you. You must aggressively seek to make your message heard above the fray.

Elgin has worked, and continues to work hard, to create a vibrant, sustainable, resident and business friendly community. It is time to let the world know.

Tasks/Metrics

1. Market Elgin aggressively as a premier location to work and live.
2. Strive to improve the gateway by increasing city wide way finding signage. The more amenities that are indicated throughout the city, the more awareness is raised regarding the benefits and advantages of the Elgin community.
3. Suggest that the city council adopt a measure to continue this program to increase the signage by 100% by the end of 2011.

Economic Development Goal II

Leverage available infrastructure programs and tax incentives to encourage businesses to locate and remain in Elgin.

Infrastructure is a vital piece of economic growth. Providing good roads and access to major transportation routes allows businesses to prosper and, in turn, benefit the city and its citizens. Bring into the mix access to communications, broadband access, quality utility service and similar amenities and you provide an environment that is welcoming to business. Encouraging businesses to be leaders through technology, energy sustainability and transportation is one of the most important attractions and retainers a city can offer.

Objective 1

Promote Elgin's willingness to embrace the business community through custom incentives.

Elevating the perception of Elgin as a progressive, business-friendly city in terms of what it offers to businesses through relocation and expansion incentives helps entice new and encourage existing businesses to prioritize Elgin as a vitally important location for business. This type of economic support system is most effective when customized to each business' need. These customized incentives are value added to the business and include:

- Grants - Energy Efficiency Improvement grants and partnership facilitation for low-cost loans
- Fast track permitting
- Review and fee abatement
- Low utility rates – Provide incentives of electrical rates that fall below the average of most areas. Energy efficiency can be significant when local and state codes, ordinances, plans and programs support sustainable development and practices.

Objective 1

Promote Elgin's willingness to embrace the business community through custom incentives (cont.)

Tasks / Metrics

1. All of this information must be visible, accessible and, most importantly, promoted to those researching the area.
2. Though our incentives are customized to each individual prospective business interest, a broad statement verbalizing the city's commitment to infrastructure and incentives is an important piece to the allure of Elgin.
3. To continually evaluate these commitments, there must be a continuing discussion with both local and county officials as well as IDOT and transit companies. Custom programs such as the one Hoffman Estates put together with Pace to service Sears was a key component in facilitating the relocation of a major corporate headquarters to their taxing area.
4. Adopt a measure to review current mass transit (train, bus, walk-able community) and initiate a plan to leverage it to support the Elgin business community. Touting the fact that the Metra Train system already in place can deliver a labor force of four million to Elgin from the Chicago metro area is significant to prospective businesses. Also notable is the already existing Pace bus system that can deliver those workers to the businesses' locations.

Objective 2

Duplicate successful local and regional TIF programs in older Elgin business parks to rejuvenate specific areas into modern sustainable business communities.

Revitalize older industrial parks using TIF Districts (Tax Increment Financing). This is a public financing method which has been used as a subsidy for redevelopment and community improvement projects. It would help to eliminate high vacancy areas that are distressed and of no interest to prospective businesses and make them into sustainable, technological, productive areas for business development and retention.

Tax increment financing (TIF) is an alluring tool that allows municipalities to promote economic development by earmarking property tax revenue from increases in assessed values within a designated TIF district. The Chicago metropolitan area has the largest number of TIF districts in the nation.

Revitalizing the building inventory into modern, sustainable, energy efficient business parks will attract and retain additional companies which in turn will bring higher paying jobs and a much higher tax base. This will benefit the city and other taxing bodies such as schools.

Tasks / Metrics

1. The Miller Davis Industrial Park has obsolete and high vacancy industrial and office properties that do not represent the highest and best use of land in Elgin. Given its current condition, and proximity to I-90, with access from both Route 31 and Randall Road, it is suggested the Miller Davis Industrial Park be studied as a candidate for an initial TIF targeted area.
2. It is also suggested that a review committee be set up to implement the best practices of this kind of program. Once successful, such a project should be duplicated in the many older industrial and downtown areas to bring those communities back to life.

Economic Development Goal III

Encourage a strong educational system and workforce training to provide skilled labor for existing and prospective businesses.

Objective 1

Promote Elgin WorkKeys Program

WorkKeys® is a job skills assessment system that helps employers select, hire, train, develop, and retain a high-performance workforce. It aims to develop and document the skills of the current and future workforce to benefit job seekers and employers, and strengthen economic development efforts in the region.

The Elgin Chamber of Commerce recently partnered with several area agencies to launch “The 1,000 Worker Skills Initiative.” The intention is to offer WorkKeys training, assessments, and a National Career Readiness Certificate—at no cost—to 1,000 unemployed residents in the Elgin Community College District. The initiative is funded by the United Way of Elgin and Elgin Community College, with support from the Chamber, the Gail Borden Public Library, the Illinois Department of Employment Security, the River Valley Workforce Investment Board, the city of Elgin, and School District U-46. It is designed to provide documented proof of an individual’s skills to make it easier for them to find employment. While the initiative is off to a solid start, communicating and promoting it will be a significant benefit to Elgin’s business community and residents.

Tasks / Metrics

1. Educate industry leaders on value of adopting WorkKeys
2. Support U-46’s goal to certify all graduates by 2015
3. Educate public on WorkKeys, addressing misconceptions and fears
4. Support increased ESL training – involve other volunteer groups, ex. Retirees, churches, etc.

Economic Development Goal IV

Identify the “Sustainability Industry” as a burgeoning market and encourage a “business cluster” to further attract businesses to Elgin.

The workforce has a central role in the sustainability action plan of the city. The wealth of the community is directly affected by the supporting number and types of jobs.

One central focus of economic development is to focus on developing business clusters that could have a major effect on local employment.

Objective 1

Partner with surrounding organizations to develop “green” workforce training opportunities in Elgin

Elgin has significant employment in health care with two major hospitals and associated facilities. Other growing clusters are marketing exhibits, food and associated products, and plastics. Now, it is important to recognize and prepare citizens for employment in sustainable products manufacturing and services. The global movement to incorporate environmental considerations in our day-to-day lives has generated a sizable and rapidly growing consumer market for goods and services that satisfy the new targets of social and environmental responsibility - the so-called “green” market.

The Natural Marketing Institute (NMI), in coordination with Georgetown University, released in 2010 an analysis of the consumer spending for the “Lifestyle of Health & Sustainability” (LOHAS) market. The LOHAS market for 2008 came in at \$290 billion broken down as follows:

Personal Health	\$ 117 Billion (natural/organic food, personal care, supplements)
Green Building	\$ 100 Billion (Energy Star appliances, certified homes, etc.)
Alternative Transportation	\$ 20 Billion (hybrids, diesel vehicles, electric vehicles, car share)
Eco-tourism	\$ 42 Billion (travel spent on nature excursions, etc.)
Natural Lifestyles Products	\$ 10 Billion (home furnishings, apparel, etc.)
Alternative Energy	\$1 Billion (renewable power)

The growth rates for green products is very high. Building products are estimated to grow in a range between 17-23% per year according to NMI, while renewable energy production is projected to grow 40% annually and production of all green products are projected at 100% growth in three years .

Tasks / Metrics

1. Move to develop workforce initiatives along service and manufacturing lines to take advantage of the growth in the green economy. Target those green economy segments that would best give Elgin an economic advantage, and yet are reasonable and attainable.
2. Collaborate with existing Elgin companies involved in the green economy to determine how the workforce can be enhanced in order to take full advantage of the situation.
3. Aggressively market the opportunities to Elgin businesses, bringing them together in roundtables to find means to build a green workforce.
4. At this time, Elgin Community College is developing an Energy and Green Institute and Judson University is considering a Sustainability Management Degree program. These institutions will be important to the full collaboration for workforce development.

Objective 2

Develop opportunities for other allied businesses to enjoy Elgin incentives.

There are significant opportunities in other green industries – e. g. green chemistry, water conservation, recycling and reuse, etc. Many companies are interested in greening their processes, and certainly there is a need to find ways to do this. We project green businesses will be formed around performing these tasks for other businesses.

Current “green” business specific demand from the business sector is in wind turbine businesses. Suzlon Energy, an India headquartered firm is establishing a training center in Elgin to train specialized maintenance employees to work on wind turbine nacelles. This is demanding work with a large safety component. Suzlon Energy has asked Elgin Community College to provide a safety training program that focuses on the maintenance work component.

Tasks / Metrics

1. Document the current green work in Elgin and to delineate the green business segments that we know we want to grow in the city.

Future Considerations

Elgin has some exciting cultural and recreational events on the horizon:

Artspace

The Elgin Artspace project provides 55 affordable housing units for Illinois artists and their families in downtown Elgin; increased property tax revenue by returning an existing vacant, historic, downtown building back to the tax rolls; 100 plus construction-related jobs and 12-15 permanent jobs at the project's completion.

Elgin funded a \$750,000 pre-development contract for architecture, engineering, staff time, fees and other various costs associated with the pre development of any housing project. The total project cost is \$11.2 million.



The Riverside Drive Promenade

Calling it the ultimate in recycling, Gov. Pat Quinn pledged \$8 million toward completing the redevelopment of the City's downtown riverfront. At a press conference held at Walton Island, Quinn, alongside Elgin Mayor Ed Schock and state Sen. Michael Noland, D-Elgin, touted it as a special day for the people of Elgin and the people of Illinois, as he announced that money from the state's \$31 billion capital plan would go toward building a new downtown riverfront promenade. Quinn touted the benefits of the project as twofold, saying that it provided an opportunity to improve the environment by cleaning up the waterfront area while creating as many as 100 construction jobs, with hopes of creating another 120 permanent private-sector jobs over time.

Recommendations

Both the Artspace and Riverside projects are in proximity to an area of downtown that has already seen quite a bit of revitalization. This appears to be the right time to look at what other cultural interests might be supported in that area (theatre, music, crafts, etc.). Therefore, we suggest that a feasibility study be undertaken of the immediate vacant real estate in that area for this purpose.



Additional Resources/Best Practices

For information and answers to FAQ's regarding TIF programs in Illinois, see:

<http://www.aldermanlaurino.com/userfiles/TIF%20FAQ.pdf>

For more information on business clusters see:

http://www.businessweek.com/smallbiz/content/dec2009/sb2009128_428278.htm

For more information about WorkKeys see:

<http://www.act.org/workforce/case/elgin.html>

Illinois Municipality - Kane County Data

<http://www.public-record.com/content/municipalities/kane/index.asp>

Related info from Elgin Chamber of Commerce website:

<http://www.elginchamber.com/econdevelopment.cfm>

Tribune article on Sears / Pace program:

http://articles.chicagotribune.com/1991-10-29/news/9104070475_1_suburban-bus-bus-routes-bus-service