

7. ECONOMIC DEVELOPMENT PLAN

The Economic Development Plan establishes a policy framework to guide strategic public investments in the County, and to direct private initiatives to capitalize on the County's economic strengths. The focus of the plan is to increase household wealth, business investment and capital access, and job growth opportunities. This will be accomplished through organizing and coordinating economic development efforts County-wide, setting in place proper economic development programs, and implementation of the Land Use Plan

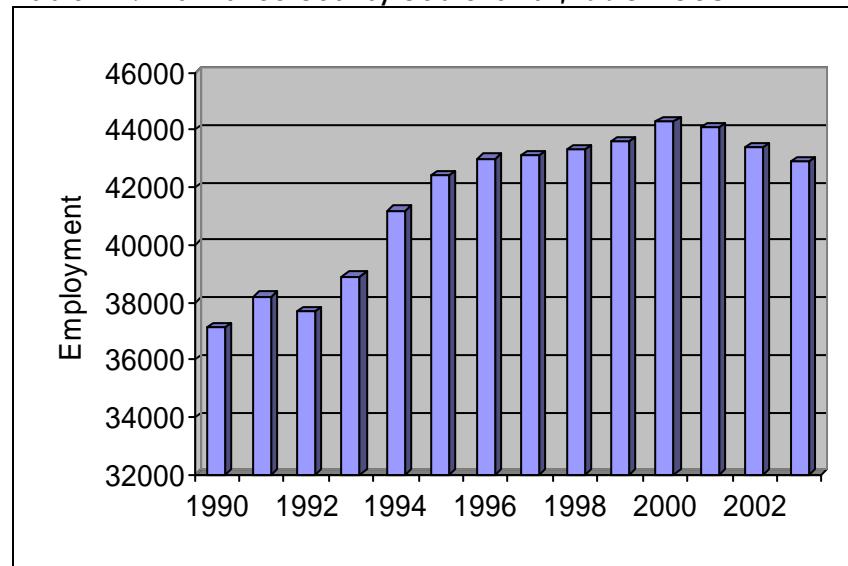
A. Economic Conditions

Understanding economic patterns is essential in the new Comprehensive Plan. A major goal of Kankakee County is to secure economic development and enhance county-wide wealth for all its citizens in the future. Understanding key past patterns is the first step in the planning process.

Employment Trends and Projections

Employment in Kankakee County has grown over the past thirteen years, but with the "employment recession" beginning in 2000 County employment levels have dropped. Table 7-1 illustrates annual job growth in Kankakee County from 1990 to 2003.

Table 7-1: Kankakee County Job Growth, 1990-2003



Source: Illinois Department of Employment Security (2004) and REPG



Today's economic development theory focuses upon creating or sustaining industrial clusters and expanding on the inherent strengths of these clusters. Clustering is based upon the principle that locating similar businesses in geographic concentrations results in economies of scale, and will fuel further growth. Placing similar business together also will increase nearby business services. Based upon this principle, the current Kankakee County economic base is centered increasingly in transportation and the distribution of goods. Further, Kankakee is becoming a health services center serving a broad area. Table 7-2 illustrates the County's growth sectors. The location quotient is an index that shows Kankakee County's employment structure compared with the State. Pursuing development in strong economic segments is considered an appropriate economic development strategy, and ties into the State's economic development planning efforts.

Table 7-2: Kankakee County's Employment Location Quotient

INDUSTRY	1990 Employment Location Quotient (1.00=State)	2003 Employment Location Quotient (1.00=State)	2003 Employment Share
Mining and Construction	1.16	0.88	4.20%
Manufacturing	0.89	1.04	12.80%
Wholesale Trade	0.88	0.85	4.40%
Retail Trade	1.08	1.28	13.80%
Transportation, Warehousing, Utilities	0.95	1.32	5.80%
Information	0.48	0.61	1.40%
Financial Activities	0.73	0.68	4.70%
Professional and Business Services	0.62	0.48	6.30%
Educational and Health Services	0.87	1.4	17.20%
Leisure and Hospitality	1.19	1	8.60%
Other Services	0.87	0.86	3.70%
Government	1.24	1.17	17.20%
Total Non-Farm Employment	37,142	42,900	100.00%

Source: Illinois Department of Employment Security and REPG

Employment Projections

According to Woods & Poole, an independent forecasting firm, the 2004 non-farm employment projections show Kankakee County growing from 53,340 employees in the year 2000 to 71,090 employees by the year 2030, an increase of 17,750 or 33%. Woods & Poole employment projections indicate jobs will begin to grow faster than the population. This would reverse previous trends in Kankakee County where the County has served as an exporter of



jobs. Woods & Poole also estimates that industrial employment will increase from 2000 employment levels of 23,240 jobs to 30,130 jobs in 2030, an increase of 6,890 jobs.

Live-Work Relationship

The relationship between place of work and home shows that Kankakee County is its own central place, but that the strength of the situation may be eroding. This means that while few people commute into Kankakee County for jobs, an increasing number of Kankakee County residents are commuting outside the County for employment. With 22% of Kankakee County's workforce commuting outside the County for jobs, Kankakee County is losing its relative economic "independence". More workers are beginning to commute beyond the limits of the County. In recognition of this trend, the Census Bureau announced in 2003 that when the 2010 census is conducted, the Kankakee-Bradley Metropolitan Statistical Area (MSA) would be included for the first time in the Chicago Core Based Statistical Area as an "outlying county." The Census Bureau anticipates that the 25% qualifying threshold of residents commuting to the adjacent Chicago metropolitan area for jobs will be reached. With this changing live-work relationship, Kankakee County should be concerned that primary household wage-earners may continue to travel outside the County for work, which results in both increased traffic congestion and economic leakage for the County.

County Education Levels

Education is a significant element of community health and competitiveness. This is especially true in a global economy where access to information and technology demand an educated workforce. In 1990, 12% of Kankakee County's population of 25 years and older held a bachelor's degree, which increased to 15% by the 2000 Census. However, this level of attainment lags behind the Chicago metropolitan area in which 30% of its population of 25 years and older hold a degree. Adjacent Will County has 26% of its 25+ population holding a degree, and overall the State has 26% holding degrees. This may represent a competitive disadvantage in a society that increasingly is looking for higher skill levels in its workers.



Economic Development Options

The Illinois Department of Commerce and Economic Opportunity has undertaken extensive County level economic analysis that has led to the *Illinois Framework for Global Competitiveness*. Globally, political boundaries are becoming irrelevant, and the goal of the State project is to develop a strategy to position Illinois in key opportunity sectors to remain competitive.

Some of the key challenges outlined in the framework include defining the strengths of the County, and how these strengths relate to changing market conditions. It calls for understanding trade routes and connection points that link Kankakee County with broader markets. It also calls for preparing the workforce that will have the skills that will allow Kankakee County to target key businesses. One of the principles in developing an economic development strategy for the County is to understand the County's current strengths and finding ways to build upon these strengths. As introduced earlier, the concept is known as clustering.

The basic principle of clustering is to take competitive advantage of existing strengths through agglomeration economics. Agglomeration economies continue to expand upon the County's strengths and provide efficiencies that will allow County businesses to become more competitive. Agglomeration argues for the clustering of existing firms that are economically interrelated such as suppliers, customers, and service providers, as well as supporting organizations such as human resources, research and development, finance, infrastructure and regulatory agencies.

In thinking globally, it is also important to understand that Kankakee County is along an important North American Free Trade Agreement (NAFTA) corridor that connects Canada with Mexico. Kankakee County's two major links are Interstate 57 and two major rail lines that transect the County and help connect Kankakee County not only with the Chicago metro area, but Canada and Mexico. In addition, the employment data suggests that Kankakee County's strength lies in the transportation sectors of the economy. This supports Kankakee County's geographic location that helps provide a competitive advantage in the marketplace as a logistics center, as well as a site for potential manufacturing.

The data also suggests that to improve the economic conditions in Kankakee County, education levels must rise - only 15% of those over 25 held a bachelor's degree. Moreover,



transportation networks need to connect Kankakee County to where growth is occurring. The potential of the third airport in Peotone should have a positive influence upon Kankakee County. The existing Interstate system will provide the spine for that growth, and enhance Kankakee County's connection to the Chicago metropolitan area. However, without the airport and in the near term, Kankakee County's growth—particularly for Essex and Essex Township—will likely be linked to the growth that the new inter-modal facility is generating around Joliet and the I-55 corridor. Kankakee County has an opportunity to link its development potential to a number of important developments that will enhance the velocity of development.

The Illinois Tollway recently approved the extension of Route 355 south to New Lenox. This is an important development because it connects Will County to the job rich DuPage County. However, most of Kankakee County is beyond the 30-minute drive time to New Lenox and it is unlikely that Kankakee County will immediately benefit from this extension. The extension of Route 355 to I-57 however, will have a significant impact. Development along State Route 102, which connects Kankakee with Southwest Will County, also will open Kankakee County to future, but limited growth. In addition to State Route 102, Kankakee County's economic development would also improve with better connections east-west connecting Interstate 65 in Indiana with Interstate 57 and Interstate 55.

Transportation and education will be the two main factors that will have the most impact upon the future economic growth of Kankakee County and will be the best preparation for the future. However, the outcome of this scenario would be to slow the rate of accessible job growth outside of Kankakee County, as well as commuting time. Therefore, Kankakee County should work aggressively over the next ten years to create opportunities for transportation-based employment, such as improved industrial parks linked by rail, interstate access, and/or the Greater Kankakee Airport. To develop its long-range economic position, the Kankakee County area should invest more into its public educational system and work with area universities, such as Olivet University and Kankakee Community College, to offer technology programs that would support local businesses and industries.



Industrial uses near I-57 in Kankakee Township



B. Goals and Objectives

Based on the County's economic development preferences, goals and objectives have been formed which support the long range vision for Kankakee County. Planning goals and objectives are intended to provide general policy direction. Goals describe a desired end state toward which planning efforts should be directed, while objectives describe actions that should be undertaken in order to advance toward the overall goals. The goals and objectives for economic development were considered in creating the detailed recommendations in the subsequent section.

Economic Development

Goal 1: *Strive to achieve a stable economy that includes business diversity, provides high-paying primary employment and "living wage" opportunities, and is compatible with planned growth and quality of life objectives for the County.*

Objective 1.1: Provide locations with direct access to the arterial highway system for industrial, manufacturing, warehousing and office uses in order to diversify the County's tax base and reduce the homeowner's tax burden.

Objective 1.2: Encourage the creation of a county-wide brownfield redevelopment program to better utilize abandoned or contaminated industrial land and accommodate future growth in centrally-located and well-serviced areas.

Objective 1.3: Prepare an economic development implementation program that includes incentive programs to attract complementary businesses for Kankakee County's business clusters.

Goal 2: *Support workforce education to expand and diversify the County's labor populations through a variety of institutions and learning technologies.*

Objective 2.1: Coordinate with State and local agencies to identify and help persons requiring special assistance (such as information, training, transportation) in obtaining and maintaining employment.

Objective 2.2: Interview major employers to assist public schools and universities in determining what vocational and professional training is necessary for current and future labor market needs.

Objective 2.3: Continue to assist State agencies in obtaining and disseminating accurate labor market information and encourage local employers to participate in supplying labor market information.

Objective 2.4: Retain and/or attract employers which provide employment opportunities of sufficient income to sustain a family standard of living.



Objective 2.5: Support continuing education and job development to maintain workers 25-35 years of age.

Objective 2.6: Support the development of information technology programs and training at local universities and colleges to provide a more educated workforce.

Goal 3: Provide overall leadership and direction for the County's economic development.

Objective 3.1: Assume a clearinghouse role for economic development inquiries from business organizations or potential developers.

Objective 3.2: Promote the role of technology as a catalyst for economic development, and work with local universities in developing technology training and education.

Objective 3.3: Help to develop lifelong learning programs at local universities in order to meet the needs of existing or future employers.



C. Recommendations and Implementation

Based on plan goals and objectives, and County preferences for future economic development, several recommendations and implementation strategies are provided below.

Recommendation # 1: The County will become the lead coordinator for economic development initiatives and inquiries in order to facilitate orderly growth and infrastructure planning.

Implementation Actions:

A. Coordinate regular meetings of local economic development organizations.

Kankakee County has numerous local economic organizations including municipal chambers of commerce, the Kankakee River Valley Chamber of Commerce, and the Kankakee County Economic Development Association (KCEDA). Although KCEDA is meant to be a single point-of-contact for economic development in the County, the numerous local organizations all have varying purposes and programs to attract growth. Therefore, the Kankakee County Planning Department should coordinate regular meetings of local organizations to understand each others' programs, needs, and goals, and more importantly, to help create a unified economic development approach for the County. These meetings would also help the County promote its revolving loan fund and enterprise zone programs. In order to assist with coordination efforts, the County should consider hiring additional staff for economic development initiatives.

B. Conduct a telecommunications assessment for Kankakee Urbanized Area.

During the comprehensive planning process, many community and business leaders expressed concern over the state of the County's telecommunications infrastructure, particularly within the I-57, U.S. 45, and Route 50 business corridors. Specifically, advanced telephone and internet services are needed for more sophisticated office and industrial operations. Therefore, the County should conduct a telecommunications assessment by working with local municipalities, major employers, and economic development organizations to determine existing services and needs, and



then consult with the County's service provider, SBC, on necessary services and infrastructure to foster growth.

C. Conduct a live-work employment survey.

Kankakee County has maintained relative independence from the Chicago metropolitan region. However, population and employment trends indicate that this independence is changing, and 25% of the County's population may work outside the County by 2010. Therefore, the County should initiate an employment survey to determine where residents work, what they do, and would they work in the County if they had the opportunity. The County may use the survey data to determine long-term opportunities to attract the appropriate employers for its resident population, and continue to maintain its relative independence.

Recommendation # 2: As a key implementation step of the Plan, the County will promote transportation-related employment opportunities.

Implementation Actions:

A. Investigate capacity expansion for the Greater Kankakee Airport.

The Greater Kankakee Airport is the largest public airport in Chicago's south suburbs. Since the airport's master plan is currently being updated, the County has an opportunity to work with airport representatives to facilitate growth and economic development potential. Due to its overall knowledge of county-wide land use and infrastructure plans, the County could provide assistance to expand airport capacity so it serves as an economic development hub for the Kankakee Urbanized Area.

B. Help establish improved industrial parks in the County.

Although the County has a significant amount of industrially-zoned land, there are few available industrial sites with water, sewer, and roadway improvements that are needed for modern industrial parks. Although the Diversatech Campus east of Manteno has the appropriate public facilities, the existing building floor plans are only sufficient for small- to medium-sized industrial uses that require minimal flex-space. Therefore, the County



should work with local economic development organizations to determine the most feasible locations for improved industrial parks with easy access to I-57 interchanges, freight railroads, or the Greater Kankakee Airport.

Recommendation # 3: The County will help improve the educational training of local residents in order to keep and attract major employers.

Implementation Actions:

A. Investigate the human resource needs of major employers.

In order to keep and attract large office or industrial firms with 100 or more employees, Kankakee County should investigate the human resource needs of its major employers. In particular, the County should determine the level of technological and professional training that is needed for these employers through surveys and interviews with top executives or managers. In addition, Kankakee County could work with local economic development organizations to determine any specific human resource needs of firms inquiring about locating in the County.

B. Coordinate with local colleges and universities on market development opportunities

Once the County investigates the needs of major employers, the County should coordinate with local colleges and universities on new professional and technology learning programs. Specifically, life-long learning opportunities should be provided locally during evening hours, so that employees may improve and advance their career. In addition, the County should explore opportunities for the local colleges and universities to serve as catalysts of change for technology.

