

**The
Five-Year
Regional
Development
Strategy**

The Regional Strategy For the East Central Illinois Region

August 29, 2001

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The Regional Strategy

For the East Central Illinois Region

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EXECUTIVE SUMMARY

In August 1999, Governor George Ryan signed the “State and Regional Development Strategy Act” (PA 91-476) into law, calling for a multi-year, strategic planning process for economic development in Illinois. In part, the law requires “a consensus on a long-term economic development strategy that recognizes both the competitive position of the state’s regions and the needs of commerce and industry.”

This executive summary reports the results of a meeting of leaders from around the East Central Illinois Region in Monticello on May 29, 2001. The summit was the culmination of a several-month process that included key leaders from around the area, which was coordinated by the Institute for Public Affairs of the University of Illinois at Springfield. Similar efforts are occurring in other regions around the state.

PURPOSE

The ultimate goal of the regional process was to bring business, government, chamber of commerce, education, community, and economic development leaders together to more effectively address the long-range economic development needs of the area.

In the first year of this initiative, the Department of Commerce and Community Affairs and the Illinois Economic Development Board published a “Plan to Plan” to start the process. In the second year, primary stakeholders in the economic region were called upon to undertake research and assessment efforts that define what each regional economy is, where its constituents envision their future, and how they will arrive at their goals. In this third year, stakeholders in the region were assembled to make specific recommendations for improving the economic climate of the state.

The State and Regional Development Strategy is an initiative designed for Illinois’ regions: regional goals, objectives and strategies produced by and implemented by the regional organizations themselves. Regional organizations and institutions are the key stakeholders in this strategic planning process, both for generating recommendations and for implementing the region’s chosen economic development strategies.

At the Allerton Park and Conference Center summit participants were asked to develop specific goals, objectives and strategies. The implementation strategies were to include specific programmatic, legislative, or administrative changes that were needed at the state level, as well as those actions that should be undertaken in the region by governments, associations, organizations, educational institutions, and others.

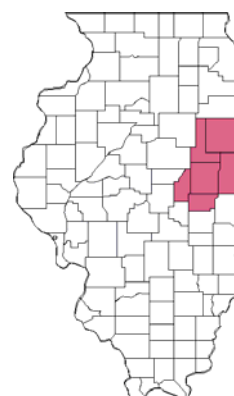
East Central Illinois Region Vision Statement

The East Central Illinois Region will be a place that is characterized by employers who offer solid benefit packages to recruit and retain employees and training programs to empower workers to bring needed skills to the workplace; a quality of life that attracts former residents back to the region; an integrated economy that includes the “low tech” workforce; and an educated workforce that includes those with basic skills, technical skills, and college educations; and local school districts that are less reliant on property taxes. The area will have an equitable distribution of benefits geographically and socially; a workforce that is prepared and ready, through job training in place (basic job skills, life skills), just-in-time training, and continuing education; an infrastructure that includes transportation, technology, and communications across the region, moving workers to jobs and providing connections to metro areas; value added manufacturing and development opportunities resulting from public/private partnerships; a diversified local economy that blends the “old economy” with the “new economy; and institutions and government entities that are responsive to economic development opportunities. It will also have a regional (multi-county) approach to promoting business opportunities and the quality of the life of the area; a modern, high quality infrastructure in the counties outside of Champaign County, particularly as to technology, energy, communications, and transportation; and incentives for businesses to adopt new technologies. Finally, the East Central Region will have low crime and public safety, a strong public transportation system, involved and informed citizens, a high quality of life that includes diversity, accessibility, the arts, restaurants, services, education, transportation, parks, and recreational activities, managed and planned growth, an equitable local tax base that supports both retention of existing businesses and attracts new and balanced growth, accessible and affordable housing with a high prevalence of home ownership, and preserved prime farmland and communities that are stewards of the environment.

THE EAST CENTRAL ILLINOIS REGION

The East Central Illinois Region is comprised of six counties. It is a sparsely populated area of 4,356 square miles. Champaign County is home to more than one half of the region’s population. Only two other cities, Danville and Rantoul, have populations greater than 10,000. Over the years the region has lost about 1.6% of the population base. Champaign County is expected to experience modest growth.

Because of the presence of the University of Illinois, the area has an unusually youthful age profile and the proportion of adults with high school and college diplomas is equal to the state and significantly higher than most rural areas.



**East Central
Region Counties**

Champaign,
Douglas,
Ford, Iroquois,
Piatt, and Vermilion

Per capita incomes lag behind Illinois. The service sector is the leading source of employment. The manufacturing sector is relatively healthy and growing modestly with nearly all of the growth occurring in Champaign County. Farm income remains important in Ford, Iroquois, and Piatt counties, but employment in farming is declining and farming accounts for less than 5% of the total regional income. The trade sector has experienced modest growth in earnings. An increasing share of the regional labor force commutes to Champaign County for employment.

SUMMIT PARTICIPANTS

To include broad representation from different communities within the area invitations to participate were extended to representatives from businesses and community organizations; Mayors and City/County Managers; representatives of Community Action Agencies, Convention/Business Bureaus, County Board Chairs, DCCA Area Development Representatives, Dislocated Worker Centers, Illinois Employment and Training Resource Centers, Illinois Enterprise Zone Association Boards, Main Street Managers, Manufacturing Extension Centers, Regional Planning Commissions/Councils, Regional Tourism Councils, Small Business Development Centers, service delivery area directors; individual members of area of Chambers of Commerce, Economic Development Boards, Illinois Development Councils, and labor unions.

Private sector businesses/corporations	17%
Local governments	28%
Economic Develop. Councils/Depts	22%
State agencies	5.5%
Educational institutions	22%
Reps of Chambers of Commerce	5.5%
TOTAL	100%

East Central Summit Table of Participants

The table shows the entities represented at this year's summit. Local support will continue to be the focus of this process as it moves forward, because it is these organizations that will determine the economic development success of the areas as

EAST CENTRAL ILLINOIS REGIONAL OBJECTIVES AND ACTIONS TO IMPROVE DEVELOPMENT THROUGHOUT THE STATE

Last year's meeting identified issues and goals that the state needed to address in four areas: market foundations, business development foundations, public sector foundations, and community betterment foundations. This year participants identified a list of actions that the state should implement to achieve goals in those areas. The top five state goals and related actions, in priority order, are:

- Improve the skills of the workforce.
 - o DCCA should develop public/private alliances composed of local business, high schools, and community colleges so that students and educators know what job skills are necessary and the needs of the local job market.

- Promote sustainable development.
 - o Provide incentives for regional development and marketing.
 - o State government should provide incentives and direction to use a regional model of development—using the district EDA organization for regional development.
 - o The state should implement programs that preserve agricultural land and choice natural resources.
- Attract and retain basic employment opportunities.
 - o Create locally-based retention/expansion training programs.
 - o Expand the enterprise zone program.
 - o Simplify regulations and tax structures to make Illinois competitive for small business.
 - o Level the playing field regarding labor regulation to compete with adjacent states.
 - o Change legislation to liberalize TIF districts.
- Maintain and improve upon the physical infrastructure.
 - o Work with IDOT to develop a regional transportation network.
 - o Support efforts to increase train and air service.
 - o Make recreation a priority for state parks.
- Develop the infrastructure to take advantage of the new economy.
 - o Determine if there are unnecessary restrictions on telecommunications and eliminate those.
 - o Facilitate the demand for high bandwidth for rural communities. Explore wireless.

EAST CENTRAL REGIONAL ACTIONS TO IMPROVE THE EAST CENTRAL ILLINOIS REGION

Meeting participants discussed objectives and actions that should occur at the regional level to strengthen the region's economy. A number of high priority objectives and actions were identified. They include the following:

Goal: Promote technology transfer and commercialization efforts.

Objective: Take advantage of the opportunities the U of I brings to the region—both direct and indirect technology development transfer and youthful talent prepared for employment.

Action:

- Strengthen the partnership between local business/industry/local government and the University of Illinois research park to create an environment for more business locations in central Illinois.

Goal: Support retention of Illinois' diverse base of firms.

Objective: Assist small businesses with business and workforce development

Actions:

- Develop a strong retention program that provides services to existing businesses to help them compete.
- Provide training/retraining for employment.
- Develop a regional marketing plan that will educate businesses on current resources available to them in the region.

Goal: Adopt modern business practices in government, including digital technology.

Objective: Improve the government and private sector interface.

Actions:

- Assess/inventory what local governments are doing regarding e-government.
- Create regional forums to pool resources and coordinate activities.
- Provide funds to local government to improve e-government initiatives and fund leadership programs.

Goal: Support regional coordination and cooperation among development organizations.

Objective: Develop a regional strategy for the six counties.

Action:

- Use the six-county region as a base to develop broader multi-regional initiatives.

Goal: Coordinate regional land uses and balanced growth:

Objective: Preserve our agricultural lands.

Actions:

- The University of Illinois should organize workshops to help each county plan for preserving agricultural lands.
- Implement land-use zoning regulations on drainage, development of easements, residential development, and property rights.
- Outline requirements/guidelines for small communities.

What's Next?

What happens in the East Central Illinois Region will be largely determined by the efforts and cooperation of the organizations that attended the summit and even those who did not attend. The Institute for Public Affairs of the University of Illinois at Springfield is committed to moving forward on some of the actions identified in this year's process, with the goal of coming back to the area with a plan of action late this summer or early fall. But the success of those efforts will depend primarily on the commitment, expertise, and cooperation of local organizations that care about economic development.

Over the course of the next year, the university will seek out financial and organization sponsors for carrying out the recommended actions, for example by securing regional agency commitments to carry out the initiatives identified as top priorities. For some of the action items—in particular those that have the potential to improve economic development throughout the state—the university itself will undertake implementation that could encompass technical assistance, or direct project management. For a portion of the actions, the university, in cooperation with the Department of Commerce and Community Affairs, will carry out additional research to assess implementation feasibility and identify those that have the greatest potential impact on regional development.

For More Information:

If you would like to read the full report prepared as a result of this planning effort, visit the Institute's Office of Policy & Administrative Studies' website, <http://opas.uis.edu/dcca/>, where additional Five-Year State and Regional Development Strategy materials are located. The site also has an e-mail feature, which you can use to obtain more information, share your comments, or register your interest in participating in the process.

INTRODUCTION

In August 1999, Governor George H. Ryan signed the “State and Regional Development Strategy Act” (PA 91-476) into law, re-instituting a multi-year strategic planning process for economic development in Illinois.¹

The Regional Strategy for the East Central Illinois Region is an effort to carry out the intent of that statute for the East Central Illinois Region and establish a consensus on a long-term economic development strategy that recognizes both the competitive position of the region and needs of commerce and industry. The challenge is to create a newer and better region and provide a guide to economic renewal and diversification. It is a platform for innovative initiatives. It is a process by which our progress toward long-term goals will be managed and monitored.

The Regional Strategy for the East Central Illinois Region builds on analysis and planning work performed since the law was passed. Since January 2000, the University of Illinois-Springfield (in tandem with university partners throughout Illinois) met with more than 120 area leaders, calling upon the local economic development experts, mayors, business owners, and other community leaders in the region in its efforts to construct a vision, identify issues and barriers confronting the region, develop economic goals and objectives for the region, and produce fundamental decisions and actions that can positively shape and guide development in the region.

The primary stakeholders within each major economic region have had an opportunity to, with state assistance, undertake research and assessment efforts that define what each regional economy is, where its constituents want to go, and how they plan to get there. *The Regional Strategy for the East Central Illinois Region* has been crafted in an open, participatory manner to develop regional priorities, objectives and action plans based on citizen-driven priorities following a process outlined in PA 91-476.

The state and regional development strategy envisioned under PA 91-0476 is unique. It provides a means, under the leadership of Department of Commerce and Community Affairs, for integrating a state plan with local and regional plans thus providing a comprehensive strategic plan for economic development in Illinois.

The Illinois Economic Development Board approved the initial planning process in January 2000. DCCA then published the first *Five Year State and Regional Strategy* report, commonly referred to as the “Plan to Plan,” in February 2000.² This initial report set the stage for the next two years work. First, it divided the state into eleven manageable sized planning areas, called “regions,” based on existing labor markets. The East Central Illinois Region covers six counties in Illinois.

¹ 20 ILCS 695-10, *et seq.* See also, George H. Ryan, *Transforming Illinois Government*, Campaign Position Paper, 1998.

² A copy of this report, along with all other DCCA Five Year Regional Development Strategy reports, can be found at <http://www.commerce.state.il.us/press/5yearplan.htm>.

Another important first step was the identification and recruitment of university based economic development research and policy expertise around the state to assist with the implementation of the process. The Institute for Public Affairs of the University of Illinois at Springfield is working with two regions. Other public universities are working with the remaining nine regions. Finally, the *Plan to Plan* outlined the tasks necessary to complete the five-year planning process.

The “university partners” began implementing the *Plan to Plan* in early Spring 2000. The first several steps included: reviewing existing regional economic development plans, analyzing the region’s place in the New Economy, conducting a field questionnaire, and holding regional summits to develop regional vision statements and identify regional economic development issues and priorities.

DCCA published a second *Five Year State and Regional Strategy*³ report on February 1, 2001, which summarized the activities of the regions and the main economic development themes around the state. The report identified four foundation areas that provided a structure for framing and categorizing goals and objectives at the state and regional levels: market foundations, business development foundations, public sector foundations, and community betterment foundations.

In the Spring of 2001 through a series of two work group meetings and a larger summit meeting with key stakeholders, the Institute for Public Affairs built on the visions and priorities established in 2000 and began to identify programmatic and administrative actions that need to be taken to move forward. The process followed in the East Central Illinois Region is described in detail in the Appendix #1. Additional information can be found at the Institute for Public Affairs’, Office of Policy and Administrative Studies’ website at <http://opas.uis.edu/dcca/>.

At the summit held on May 29, 2001, participants brainstormed numerous actions that the state could pursue to achieve goals in each of the four foundation areas. Participants also developed a comprehensive list of possible regional objectives and actions that key stakeholders could pursue within the region. Only those state actions and regional objectives and actions that were selected by the participants as priorities are identified in the report below.

The result of this year’s efforts is a challenging, action-oriented document. *The Regional Strategy for the East Central Illinois Region* is built around the vision of 2010 that the region expects to achieve: It will be a place with a diversified and integrated economy; a diversified, skilled and educated workforce; an up to date transportation, technology and communications infrastructure that moves workers to jobs; responsive institutions and government entities; preserved farmland; communities that are stewards of the environment; and a high quality of life.

The objectives and actions that form the future action agenda for the East Central Illinois Region build upon the four foundation areas identified in the 2000 *Plan to Plan* and the 15 strategic goals and 40 strategic objectives that were developed by regional participants from across the state as a part of last year’s process and that are found in the 2001 *Five Year State and Regional Strategy*.

³ A copy of this report can also be found at <http://www.commerce.state.il.us/press/5yearplan.htm>.

COMMUNITY IMPROVEMENT CHARACTERISTICS

While the economy has evolved and changed, the communities of interest with a stake in improvement have been relatively consistent in their choices about the scope of public responsibility. The needs and requirements of these communities of interest are important as they serve to define the broad scope of the overall strategic planning effort. Major stakeholder interests—related to public capacity, community stability, enterprise vitality and competitive advantage—historically have commanded widespread support. It is essential in the five year planning process that the regions of Illinois confirm which of these interests are important to their respective regions and which interests should be accommodated as a part of their development strategy.

The regional strategy for East Central Illinois demands that every public and private agency and institution take direct responsibility for the future vitality and direction of the region and communities within the region. Regions move in the right direction when they start to understand the market forces that are driving their economic transition. These market forces, which were incorporated as the four foundation areas in the region's planning process, are described below.

COMPETITIVE ADVANTAGE OF THE MARKET FOUNDATIONS

A major component of development policy should recognize the area's competitive advantage, in relation to the broader economic environment, as a key to commercial and industrial survival. Area growth depends on exploiting its competitive advantages, which can consist of specialized human capital, financial capital, material resources, or a competitive market structure. The following make it possible for a region to produce the goods and services that people value: human capital, in the form of a skilled work force; financing, in the form of debt and equity funds for business operations; material resources, such as natural resources, capital equipment and new technologies; and a market structure that facilitates fair, private economic transactions.

BUSINESS DEVELOPMENT FOR ENTERPRISE VITALITY

A second dominant element of development policy focuses on the vitality and growth of the business sector. The actions of individual firms—investment decisions, sales activity through trade and export, the organization of production and operations and their entrepreneurial and innovation efforts—all serve to enhance the productive output of a locality. New jobs and increased taxes can result from these business actions, which provide the jobholder with increased income and buying power and provide government tax revenues for public goods and services. By improving the vitality of firms, by minimizing business risks and by encouraging local economic decisions, economic development practitioners help their communities benefit from increased jobs and an expanded tax base.

CAPACITY OF PUBLIC SECTOR FOUNDATIONS

Another important component of development policy is the capacity of public facilities and services to support community and economic efforts. Elected officials and city and county managers concern themselves with these basic public conveniences on a daily basis, to assure that public goods and services are adequate to encourage smart development, whether it is residential, industrial, or commercial in nature. While public works are not sufficient to drive an economy, adequate public facilities and services are a necessary ingredient for a community to remain vibrant.

The adequacy of public works and services has an impact on both the households that reside in the area and the businesses that operate in the area. Households and businesses generally expect infrastructure construction and maintenance at pace with local needs, such as roads, water and waste treatment facilities; the delivery of important social utilities such as education, protective services and health care; the provision of amenities such as recreation and cultural events; and the efficient and accountable administration of ordinances, tax systems and services.

COMMUNITY STABILITY, BETTERMENT AND QUALITY OF LIFE

A fourth component to a comprehensive development policy should seek to overcome conditions of distress in our communities. The conditions or shortcomings that may need to be addressed can include the underemployment of human resources or under use of physical resources; physical degradation of neighborhoods; inadequate distribution of social support services; and related issues. These undesirable conditions can affect the well being of particular groups, neighborhoods, population segments, or industry sectors. Community-based organizations have been at the forefront in terms of linking development to address these economic shortcomings and have been particularly successful in engaging small firms in their solutions. Their efforts contribute to the management of growth; preservation and revitalization of the physical environment; improvements in the employment status of residents; specialized services to industry segments; and related efforts, all of which move targets into the mainstream of economic activity.

COMMON STRATEGIC GOALS & OBJECTIVES

The global economy is undergoing a remarkable transformation in how goods and services are produced and distributed. Traditional economic foundations of the 20th century—labor, land and capital—have been supplemented by a new factor of production: knowledge. To support the growth of these high value-added goods and services, government agencies, in concert with private sector organizations, must concentrate on the economic foundations and development functions that are appropriate to the demands of the economy.

Last year stakeholders across Illinois responded to a mail survey, participated in 19 regional focus group sessions, and asked for prudent state and local government actions in support of the requirements of the “New Economy.” They identified a framework for government action that essentially proposed 15 strategic goals, seven of them related to improving market foundations and public foundations and eight related to business development and community betterment. Within that framework, they also identified 40 strategic objectives. The strategic goals and objectives, they proposed are discussed below.

MARKET FOUNDATIONS

The Skills of the Workforce: An area's human resources are the most important ingredients for successful economic development. The New Economy is even more demanding and will require public organizations to:

- build basic skills and link the business and educational communities;
- promote life long learning, ongoing education and training;
- promote workforce development and specialized skills; and
- expand higher education opportunities and resources.

Capital Resource Base: A strong base of capital—intangible capital, capital equipment, and financial capital—is another hallmark of vibrant economic regions. Given the requirements of the New Economy, the state's capital base should be strengthened by:

- nurturing the venture capital industry and expanding access, especially for high tech companies; and
- supporting emerging industries, primarily high technology ventures.

Material Resources of the New Economy: A broad range of factors—from natural resources to export industries to intellectual property—serve as the basis for creating products and services. Because this New Economy uses technology and intellectual capital as its primary inputs, the implications for government are to:

- create a research and development presence by investing in and encouraging partnerships in research and development; and
- promote technology transfer and commercialization, from the lab to the market.

BUSINESS DEVELOPMENT FOUNDATIONS

New Venture Formation: Development organizations should be helping companies start and grow since innovations and entrepreneurs drive the New Economy. The state's role is to:

- nurture new ventures and startups and expand business services to boost tech development;
- assist high tech firms to secure venture capital; and
- support the incubation of high tech firms.

Attract/Retain Basic Employment: Over the long term, the level of the invested plant and equipment determines the productive capacity of an area. Attracting new basic employment will necessitate:

- developing appropriate marketing strategies to market advantages of the state's regions (a top priority in the field survey);
- supporting the retention of Illinois' firms with sufficient field staff for administration (another top priority in the field survey); and
- promoting the value-added to existing agricultural sector products.

Export Trade Promotion: To remain competitive, businesses must continuously seek out and secure an expanded market base in which to sell their products and services. An effective trade program should:

- expand the availability of international trade services, especially information through the Internet;
- build on Illinois destination sites and continue investments in tourism; and
- position Illinois as a location for global companies and direct foreign investment.

Efficiency of Existing Small Business: This critical function recently received a major boost with the Governor's announcement of a new Small Business Advocate position within the Executive Office. In addition, the state should expand its effective business assistance programs that encompass:

- manufacturing modernization services;
- small business assistance and counseling programs, such as expanded investment in the small business development centers network; and
- comprehensive market data for small- and mid-sized firms.

PUBLIC SECTOR FOUNDATIONS

Business Climate: Issues concerning the business climate are of interest to all types of firms. State policy could be improved by:

- creating a one-stop registration process for business;
- expanding the analysis and outreach functions of regulatory review efforts; and
- shifting from enforcement to an assistance posture and presumption of compliance in regulatory matters.

Physical Infrastructure: Research shows a correlation between physical infrastructure investment and economic growth. Investment in physical infrastructure requires:

- funding for advanced broadband and wireless infrastructure since telecommunications is a key to competitive position; and
- maintenance of Illinois' transportation infrastructure, including highways (a top priority in the field survey), rail, high-speed rail and passenger air service and intermodal freight shipment.

Re-engineer Government: How efficiently and effectively governments run their operations have become an important development concern. To keep pace governments need to:

- adopt modern business practices such as strategic planning, performance review and results-oriented management;
- use public/private partnerships to deliver innovative public services that provide customers choice, competition and innovation; and
- use digital technology to improve and transform service delivery that is responsive to customer needs.

Basic Public Services: Quality of life is considered an integral ingredient in the economic development process. A high quality of life includes:

- responsive public safety and health services; and
- significant recreational and cultural amenities and expanded accessibility.

COMMUNITY BETTERMENT FOUNDATIONS

Civic Organizational Capacity: The complexity of development necessitates strong organizations that understand and make use of the best improvement practices. This can be achieved by:

- supporting regional coordination and cooperation, including state incentives to promote regionalism; and
- empowering leadership through training on best practices and forums for leadership development activities.

Area Redevelopment: Even with the phenomenal growth over the last decade, there are conditions of distress in our communities. These conditions should be ameliorated by:

- targeted assistance and strategic state investments to bolster community assets or reverse decline; and
- positioning community development programs to facilitate regional competitiveness.

Economic Opportunity: The social support system should maximize the economic opportunity of targeted residents of a community such as young adults and families. To enhance employability requires:

- providing affordable housing (a stakeholder-identified priority in the field survey) to reduce the jobs/housing location mismatch; and
- providing support services for working parents, such as day care and transportation.

Sustainable Development: Growth in the commercial, industrial and residential sectors should come in a way that minimizes harm to the environment and reduces the overall inconveniences to the state's residents. The Governor's Illinois Tomorrow initiative is an excellent example of a program dedicated to maintaining the delicate balance between these diverse goals. Community stakeholders have suggested:

- managing and recycling resources efficiently;
- coordinating regional land uses and balancing growth; and
- providing training and technical assistance on regional land use planning.

THE REGION

The East Central Illinois Region, comprised of six counties, represents the best and worst of the social and economic pressures affecting local economies in Illinois. Several of the rural counties in the region have experienced population loss and diminished employment opportunities. Other rural counties, most notably Piatt, have become bedroom communities for commuters but lack an economic base other than agriculture. Vermilion County, still rebounding from the loss of manufacturing jobs in the 1970s and 1980s, is regaining some of its economic vitality. Champaign County exists as the economic engine for this region, with all the attributes that point to future growth. Key characteristics of the region are described in more detail below.

KEY INDUSTRY CLUSTERS

Service Sector: Government employment has gradually given way to growth in the service sector. Since 1970, the service sector, centered in Champaign County, has displaced government as the leading source of employment. Employment in the service sector has doubled since 1970.

Manufacturing Base: The manufacturing sector is relatively healthy and growing modestly. The region has more manufacturing establishments today than in the mid-1970s and employment is increasing. Nearly all of the growth is occurring in Champaign County, which has added over 4,000 manufacturing jobs since 1976.

Trade/Retail: The trade sector has experienced modest growth in earnings, but has enjoyed substantial growth in employment, where it is second only to the service sector. Many rural areas lost retail establishments, while Champaign experienced substantial growth, especially among establishments with 100 to 500 employees.

Agriculture: Agriculture continues to be an important part of the economy, especially in the rural counties. The agricultural service sector is growing moderately while employment in farming is declining. Earnings in this sector are somewhat volatile and represent less than five percent for total regional income.

PUBLIC FOUNDATIONS

Governance: The East Central Illinois Region is comprised of the following six counties: Champaign, Douglas, Ford, Iroquois, Piatt, and Vermilion. The East Central Illinois Region is a sparsely populated area of 4,356 square miles. The population density of 77.1 persons per square mile is about one third of the Illinois average.

QUALITY OF LIFE

Settlement Patterns: Champaign County, the only metro county in the region, is home to more than one half of the region's 335,821 people. Champaign-Urbana, with a combined population of almost 100,000, is by far the largest city. Only two other cities, Danville and Rantoul, have populations greater than 10,000.

Population Change: Since 1900, the rural counties have experienced modest cycles of population growth and decline, but ended the century with nearly the same population totals. The population of Champaign County more than tripled during the same period from less than 50,000 to 170,000. Although the region experienced a net out migration of over 23,000 between 1990 and 1999, and lost about 1.6% of the population base, it is expected to rebound with moderate growth rates. Nearly all of the population gains are projected to occur in Champaign County.

The presence of the University of Illinois creates an unusually youthful age profile for the area with a median age well below the Illinois average. The rural counties are more typical of smaller downstate counties with large proportions of persons 65 years and older.

Labor Force: In 1999 the regional labor force numbered 179,243, an increase of 8.7% over 1977 when the labor force numbered 164,914. Most notable are losses of 13% in Vermillion County and 16.3% in Ford County. Both counties experienced significant losses in basic industries and population in the 1970s and 1980s. The labor force in Champaign County grew 27.4%, an increase of over 20,000. Ninety percent of all job growth went to Champaign County residents between 1970 and 2000. An increasing share of the regional labor force commutes to Champaign County for employment. In 1990, one out of four workers living outside of Champaign County commuted to another county for work. The proportion of those workers commuting to Champaign County doubled between 1980 and 1990.

Education: Educational attainment rates are skewed by the University of Illinois presence in the region. The proportion of adults with high school and college diplomas is equal to the state and significantly higher than most rural areas. Champaign County is second only to DuPage County in the proportion of adults with college degrees.

Income: Per capita incomes have lagged behind Illinois in recent years. Income in the region is about 80% of the Illinois average income. Farm income remains important in Ford, Iroquois, and Piatt counties, but has little influence in counties with better developed service, manufacturing, and trade sectors.⁴

⁴ Ford, Nancy, Curry, Patrick, and Silvis, Anne. 2000. *The Regional Plan for the Central Illinois Region*. Springfield, IL. Institute for Public Affairs on behalf of the Illinois Department of Commerce and Community Affairs, pp. 10-21.

REGIONAL VISION AND PRIORITIES

REGIONAL VISION

In the spring of 2000, a summit meeting was held in the East Central Illinois Region to develop a vision for the region, assess its strengths and weaknesses, identify opportunities and threats relative to the region, and identify the key economic development issues facing the region. As a result of this session, 91 participants identified a vision for the region to help focus its economic development planning efforts over the next several years. The vision statement developed by the participants is presented below.

East Central Illinois Region Vision Statement

The East Central Illinois Region Area will be a place that is characterized by employers who offer solid benefit packages to recruit and retain employees and training programs to empower workers to bring needed skills to the workplace; a quality of life that attracts former residents back to the region; an integrated economy that includes the “low tech” workforce; and an educated workforce that includes those with basic skills, technical skills, and college educations; and local school districts that are less reliant on property taxes. The area will have an equitable distribution of benefits geographically and socially; a workforce that is prepared and ready, through job training in place (basic job skills, life skills), just-in-time training, and continuing education; an infrastructure that includes transportation, technology, and communications across the region, moving workers to jobs and providing connections to metro areas; value added manufacturing and development opportunities resulting from public/private partnerships; a diversified local economy that blends the “old economy” with the “new economy; and institutions and government entities that are responsive to economic development opportunities. It will also have a regional (multi-county) approach to promoting business opportunities and the quality of the life of the area; a modern, high quality infrastructure in the counties outside of Champaign County, particularly as to technology, energy, communications, and transportation; and incentives for businesses to adopt new technologies. Finally, the East Central Region will have low crime and public safety; a strong public transportation system; involved and informed citizens; a high quality of life that includes diversity, accessibility, the arts, restaurants, services, education, transportation, parks, and recreational activities; managed and planned growth, an equitable local tax base that supports both retention of existing businesses and attracts new and balanced growth; accessible and affordable housing with a high prevalence of home ownership; and preserved prime farmland and communities that are stewards of the environment.

REGIONAL DEVELOPMENT PRIORITIES

With the complete set of regional economic and labor statistics data, an awareness of the region’s strengths, weaknesses, opportunities, and threats, participants at the May 3, 2000 meeting also developed a list of the principal issues that must be addressed within the region. A summary of the identified issues and priorities that were accepted by participants follows:

Encourage New Venture Formation: Business formation and entrepreneurial assistance are keys to new business development. The topic of preparedness came up in response to the ideas generally described as the “new economy.” While no one can anticipate exactly what changes will become reality, change will occur. The region must become flexible, more economically diverse, and more knowledgeable to flourish in the new economy. For instance, many small business ventures should be supported, with the idea that some will prosper in the new economy and some will not.

Business Development: Business development, recruitment of new business, and support for existing business is crucial. Technology is one way to enhance business performance and is a recruitment strategy. Several strengths of the region are important for business development, including the institutions that provide workforce training; new technology development; youthful talent prepared for high-tech work; and an economic base for the region.

Enhance Civic Organizational Capacity: Participants agreed that the complexity of economic development necessitates work through organizations. But they also found that civic organizations are not fully aware of or prepared for this fundamental role. Counties in the region could benefit by working together better. Cooperation among the various levels of government, the institutions of higher learning (the University, Colleges and Community Colleges), and the rural and urban areas would create more efficiency in developing and implementing economic development initiatives. Participants enjoyed the networking afforded by the strategic planning meeting, and saw great potential for continued opportunities to work together. Cooperation and collaboration would enhance the business environment, promote citizen involvement in community decisions, and allow for more effective economic development that would serve regional objectives.

Invest in Physical Infrastructure: Infrastructure systems remain a critical component of the region’s ability to support products and people and in the ability of the region to retain current businesses and attract new ones. Participants determined that the East Central Illinois Region will be well served by investments in technology. Technology incorporates concepts of access (higher bandwidth, and greater coverage), skill development to use technology, retaining firms, which require and/or develop technology products, and the investment in technology producers such as the University of Illinois. Rural communities see technology as a way to bridge the distance between populated and less-populated areas within the region. Economic development could be based on an infrastructure that enables the use of technology.

Promote Sustainable Development: While business development and economic growth were considered to be desirable for the region, these goals were tempered by the awareness that all decisions must be made within a framework of the residents’ quality of life. The trade-offs between growth and development and community livability and environmental quality must be considered. In the future, communities in the region must offer a high quality of life to attract and retain employers and employees. Participants decided that the region must continue to support its quality of life through investments in the arts, culture, education, and the environment; and decisions which are holistic.

REGIONAL DEVELOPMENT OPPORTUNITIES

During the spring of 2001, planning efforts were directed to furthering the collaborative regional planning process by actively engaging local leaders in discussing regional conditions, addressing regional issues, setting objectives, and proposing actions for implementation. A highlight of this year's process was the continued involvement of many of the representatives of local government, private sector businesses, and educational institutions who were involved in last year's process. About 70% of the participants were also participants last year. Their continued involvement demonstrates the importance of this regional economic development effort.

Across the four foundation areas the participants determined that those that are listed below should be statewide and/or regional level priorities and actions. Those selected as priorities are identified below as "priority actions" or "priority continuation actions."

At all three meetings held within the region, participants also expressed a need for financial support for many of the regional priorities.

MARKET FOUNDATIONS

Invest in the Skills of the Workforce (Human Capital/Workforce Development): In the new knowledge-based economy, human resources and a skilled workforce will be of paramount concern. Participants supported enhancing educational opportunities in the region by establishing partnership efforts that would better prepare K-12 students for work entry, enhance the current workforce, and support leadership development. Participants identified two priority objectives and actions.

Priority Actions:

Policy Objective #1: Provide training/retraining for employment. Action items are to:

- Promote opportunities for a diverse (not just high-tech) workforce; and
- Invest in retraining.

Policy Objective #2: Improve the career counseling that students receive.

- DCCA should develop public/private alliances composed of local business, high schools, and community colleges so that students and educators know what job skills are necessary and can anticipate what present and future needs of the local job market.

Invest in the Material Resources of the New Economy: Participants believed it to be critical that Illinois invest in programs that vigorously encourage and support research and development—the raw materials of an innovation-based economy, and that it support the creation and commercialization of new ideas. To these ends, participants saw the following as a priority:

Priority Actions:

Policy Objective: Provide support for technology park initiatives. An action item is to:

- Strengthen the partnership between local business/industry /local government and the University of Illinois research park to create an environment for more business locations in central Illinois.

BUSINESS DEVELOPMENT FOUNDATIONS

Encourage New Venture Formation: Illinois must adopt policies and programs that directly support innovations, start-up businesses, and entrepreneurs who are forming new companies or growing existing ones.

Priority Action:

Policy Objective: Nurture new ventures and startups. An action item is to:

- Develop and build incubators in the region and ensure support services for opening a new business are available, including resources and funding.

Business Retention and Expansion: Think about the private sector in terms of its need to remain competitive. Participants believed that the region must become sensitive and responsive to businesses and entrepreneurial development needs. Efforts must be undertaken to assist small businesses, existing businesses, and new businesses. To do this participants wanted the following actions to be taken within the region:

Priority Actions:

Policy Objective #1: Provide one stop-support for businesses. An action item is to:

- Develop/create a one-stop location for business to use support services.

Policy Objective #2: To provide incentives and technical assistance to attract new businesses and retain current ones. Actions items are to:

- Provide data to help with business development–DCCA and the University of Illinois should make demographic data available to smaller towns that have a critical need for accessibility of demographic data for business development plans;
- Provide incentives for regional development and marketing;
- Create a locally-based retention/expansion training program;
- Expand the Enterprise Zone Program (increase the number);
- Market and fund an International Trade Center (expansion needed);
- Create more coordinated access to DCCA programs such as:
 - o High Impact Business Program;
 - o Small Business Environmental Assistance Program;
 - o On-Site Safety and Health Consultation Program;
 - o Illinois Small Business Development Center Network;
 - o Manufacturing Extension Partnership of Illinois; and
 - o Recycling Industry Modernization Program.
- Inventory best practices for incentives and structure new programs based upon best practices;
- Develop a strong retention program that provides services to existing businesses to help them compete; and
- Develop a regional marketing plan that will educate businesses on current resources available to them in the region (to enhance productivity).

Encourage Demand Through Export Trade Promotion: One of the ways to support an area's economy is to increase the income of an area. Regions can take advantage of market demand and market opportunities and sell to a wider range of institutional and international markets.

Priority Actions:

Policy Objective: Promote and export regional resources. Action items are to:

- Make the regional export business a high-profile activity (speakers, information fairs, newspaper articles, etc.); and
- Use the international resources and students on the university campuses.

PUBLIC SECTOR FOUNDATIONS

Business Climate: A favorable business climate is a fundamental requirement for a healthy economy. Firms require a consistent, equitable marketplace to transaction commerce. Firms need assistance from government to help rather than hinder business. The regulatory environment can have a direct positive influence as well.

Priority Actions:

Policy Objective #1: Ensure the regulatory framework is supportive of businesses. Action items are to:

- Make the regulatory environment less cumbersome.
- Simplify regulations and tax structures to make Illinois competitive for small business;
- Allow self-insurance programs;
- Level the playing field, regarding labor regulation, to compete with adjacent states; and
- Focus on changing legislation (for example, liberalize TIF districts).

Re-engineer Government: Participants agreed that government entities must be adaptive, customer-oriented, and performance driven, and that they must deliver services efficiently and effectively. To make government more responsive and efficient, the participants indicated that the state and the region should encourage intergovernmental cooperation and consolidation, more government and private sector cooperation, active citizen and local government official involvement, and reduce unnecessary red-tape and bureaucracy.

Priority Actions:

Policy Objective #1: Improve the government and private sector interface. Action items are to:

- Assess/inventory what local governments are doing regarding e-government;
- Create regional forums to pool resources and coordinate activities; and
- Provide funds to local government to improve e-government initiatives and fund leadership programs.

Policy Objective #2: Improve the various grant programs that support regional economic development. Action items are:

- Fund university and community college economic development efforts;
- Have state programs reflect regional differences for spending state grant monies;
- Coordinate with agencies in addition to DCCA;
- Re-evaluate DCCA programs and set new priorities for funding;
- Focus on changing legislation; for example, liberalize TIF districts;
- Consolidate funding opportunities (one grant, one project); and
- Better coordinate efforts for federal dollars (one grant, one project).

Invest in Physical Infrastructure: A region's ability to move products and people depends a great deal on its infrastructure systems, both transportation and communications. The quality of the infrastructure systems can influence a company to move into a region or to stay. The infrastructure also affects the standard of living and quality of life of a region's residents, influencing them to move to a region or to relocate to another area.

Priority Actions:

Policy Objective #1: Develop the infrastructure to take advantage of the new economy. Action items are to:

- Facilitate the demand for high bandwidth for rural communities and explore wireless;
- Develop private infrastructure to support and promote businesses in the region, including telecommunications; and
- Determine if there are unnecessary restrictions on telecommunications and eliminate those.

Policy Objective #2: Maintain and improve the transportation physical infrastructure: Action items are to:

- Work with IDOT to develop a regional transportation network;
- Support efforts to increase train and air service; and

Develop the private infrastructure to support and promote businesses in the region, including airports.

COMMUNITY BETTERMENT FOUNDATIONS

Enhance Civic Organizational Capacity: The complexity of economic development requires the cooperative work of organizations and individuals. Efforts must be focused in East Central Illinois on improving the abilities of individuals within government, civic organizations, and the community to participate in planning and implementation activities.

Priority Actions:

Policy Objective #1: Enable leaders and citizens to effectively participate in economic development planning and implementation. Action items are to:

- Develop a regional strategy for the six counties by:
 - Using the six-county region as a base to develop broader multi-regional initiatives (or using the district EDA organization for regional development);

- o Providing incentives and direction to use a regional model of development;
- o Reporting on or conducting an assessment of needs and resources for the region and for other counties;
- o Building a community-based incubator with ties to the University of Illinois and community colleges;
- o Institutionalizing the University of Illinois' economic development efforts.

Policy Objective #2: Getting a broader base of inter-government and citizen involvement in economic development efforts. Action items are to:

- Get smaller counties in the region involved. There must be some incentives for smaller counties and communities to provide leadership;
- Set up a network of informal activities for county board members, economic development directors and others to share information and common problems, with the result of increased cooperation and efficiency; and
- Get the Illinois State Board of Education, community colleges, Head Start, and DHS to have a regional summit to share information on the region's educational and human services needs.

Promote Sustainable Development: While Illinois is blessed with an abundance of resources, the resources are not infinite. Efforts need to be undertaken to promote efficient resource management activities. Additionally, many regions are experiencing business and residential expansion activities that change land use practices. Efforts must be undertaken to coordinate growth management policy so that regions can balance residential, commercial, and community interests.

Priority Actions:

Policy Objective: Because agriculture still drives the regional economy, the state and region should implement programs that preserve agricultural land and choice natural resources. Action items are:

- The University of Illinois should organize workshops to help each county plan for preserving agricultural lands;
- Implement land-use zoning regulations on drainage, development of easements, residential development, and property rights; and
- Outline requirements or guidelines for small communities.

Support Area Redevelopment: The location and placement of public and private investments is important to local governments, residents, and firms. Efforts must be made to make use of underutilized resources that preserve and strengthen the tax base of particular communities and to preserve the character of an area.

Priority Actions:

Policy Objective: Enhance and promote the region's destination sites, build tourism, and enhance recreational and cultural amenities for residents in the region. An action item is:

- For IDNR to make recreation a priority for state parks.

Economic Opportunity: A community betterment effort must focus on the broad spectrum of social supports needed to maximize the economic opportunity of residents of a region. Issues such as housing, day care, health care, and employment adjustment must be addressed. Childcare was a concern of the East Central Illinois Region.

Priority Actions:

Policy Objective #1: Ensure that adequate social services exist within the region to support working families and provide working families with access to information about what resources are available. An action item is to:

- Expand child care services and operate child care facilities like an industry by doing the following:
 - o Develop satellite child care sites connected to larger child care centers;
 - o Share information about licenses with sites across the region to fill needs; and
 - o Use the community colleges to coordinate this effort.

NEXT STEPS: Implementation

To accomplish the implementation of regional priorities, mechanisms must be identified to ensure broad involvement of individuals within the region, discussions of major groups in the region must occur, and financial assistance must be provided to ensure that many of the proposed actions can be carried out.

This *Regional Development Strategy* provides a blueprint for building the economic environment for the region to the benefit of small business and other private industry and the residents of the area. The regional development strategy is an initiative designed for the region itself: regional goals, objectives and strategies produced by and implemented by the organizations in the area. Regional organizations and institutions are essential for success, both for generating recommendations and for *implementing* the regions' chosen economic development strategies.

STARTING POINT: THE REGION'S RECOMMENDED ACTIONS

The spring summits provided a forum for active participation by business, government, chambers of commerce, educational agencies, community-based organizations, and economic development organizations. Consequently, regional participants developed implementation ideas and suggestions to more effectively address the long-range economic development needs of the region

Using a facilitated group decision making process, a general consensus was reached regarding the preferred efforts (laid out in previous sections) that can and should be undertaken regionally to move the agenda forward. Defining these courses of actions or strategies involved confirmation of key issues, regional objective setting, and brainstorming. This session satisfies the statutory mandate that the strategy recommend specific legislative, administrative, and programmatic action at both the state and area level for promoting sustained economic growth at or above national rates of economic growth. Because of this consensus, the strategies serve as the basis for implementation.

CLARIFICATION OF COURSES OF ACTION

Because these ideas and suggestions differ in specificity, ranging from broad objectives to specific programmatic, legislative or administrative actions, the initial implementation step is to **define each recommended course action and reach agreement with regard to the objectives** of the course of action and the ways and means to achieve those objectives.

While some suggestions came from the regional summits, not all were expressed or written in a way that presented a clear, workable course of action. To be considered 'workable' a suggestion must clearly spell out the features, the advantages and the benefits. Additionally, projects should pass four tests: a *suitability* test establishes if it is reasonable to act; the feasibility test gauges an organization's capability to act (the tools, talent and skills are available); the *acceptability* test is used to determine if there is a will to act; and an identifiable and *beneficial* effect of the action is possible in 9-12 months (expectation for success).

The outcome should be a '**short** list' of high priority project recommendations or strategies **that recognize the resources and economic factors indigenous to the area.** This short list of strategies is expected to foster and promote economic growth in the region and be readily transferable to other regions, but also is expected *to provide significant impact given the constraints of cost, time, and technique.*

LOCAL LEADERSHIP

What happens regionally will be largely determined by the efforts and cooperation of the organizations participating in the summit and those not able to attend but who maintain an organizational interest in community development. Implementation of the state and regional development plan process rests with both regional-level and state-level agencies. Even the best strategy will suffer without an organization that embraces the strategy and sees it to completion.

LOCATING THE RESOURCES

The University and the Department of Commerce and Community Affairs are committed to moving forward on key actions identified in this year's summit session. During the course of the next year, the university will work with both local groups and external organizational sponsors and secure their commitment to carry out the initiatives identified as top regional priorities.

- For a number of the recommendations, each region and its organizations must take responsibility for implementing its strategies. Regional development organizations are an appropriate sponsor, especially for those actions that are unique to the region
- The state's agencies are a fitting sponsor for those strategies that provide benefits beyond the scope of a single region. This is especially appropriate for those recommendations on economic foundation or public infrastructure issues outside the boundary of development agencies.

EVALUATE THE RESULTS

During FY03, efforts will be directed toward monitoring the progress of improving the state's economic development capacity. This is the responsibility of all the state agencies. Because this is a five-year strategy development process, progress reports, performance measurement and impact analyses will be conducted. The strategic plan will be modified and adjusted as needed over the five-year period. Outcomes may include modified strategies at the state or regional level, regional implementation plans, interagency coordination initiatives and the direction of limited resources to where the greatest benefit can be realized.