

COMPREHENSIVE
ECONOMIC
DEVELOPMENT
STRATEGY

2009-2014

A detailed map of Rockford, Illinois, featuring a red pushpin in the center. The map shows major roads, including Interstate 55 and Interstate 20, and various neighborhoods like Roscoe, Machesney Park, and Cherry Valley. The text 'WINNEBAGO COUNTY' is written vertically on the left side of the map.

WINNEBAGO COUNTY

ROCKFORD

SPECIAL THANKS TO THE FOLLOWING:

ROCKFORD METROPOLITAN AGENCY FOR PLANNING FOR PROVIDING FUNDING TO BEGIN CEDS DEVELOPMENT,

STRATEGY COMMITTEE MEMBERS FOR YOUR CONTINUAL PARTICIPATION AND SUPPORT,

GINNY GREGORY, COMMUNITY DEVELOPMENT DEPARTMENT OF THE CITY OF ROCKFORD FOR YOUR ATTENTION TO DETAIL AND ALL OF YOUR WORK BEHIND THE SCENES,

THE STAFF OF BI-STATE REGIONAL COMMISSION AND BLACKHAWK HILLS RESOURCE CONSERVATION AND DEVELOPMENT FOR THEIR GUIDANCE,

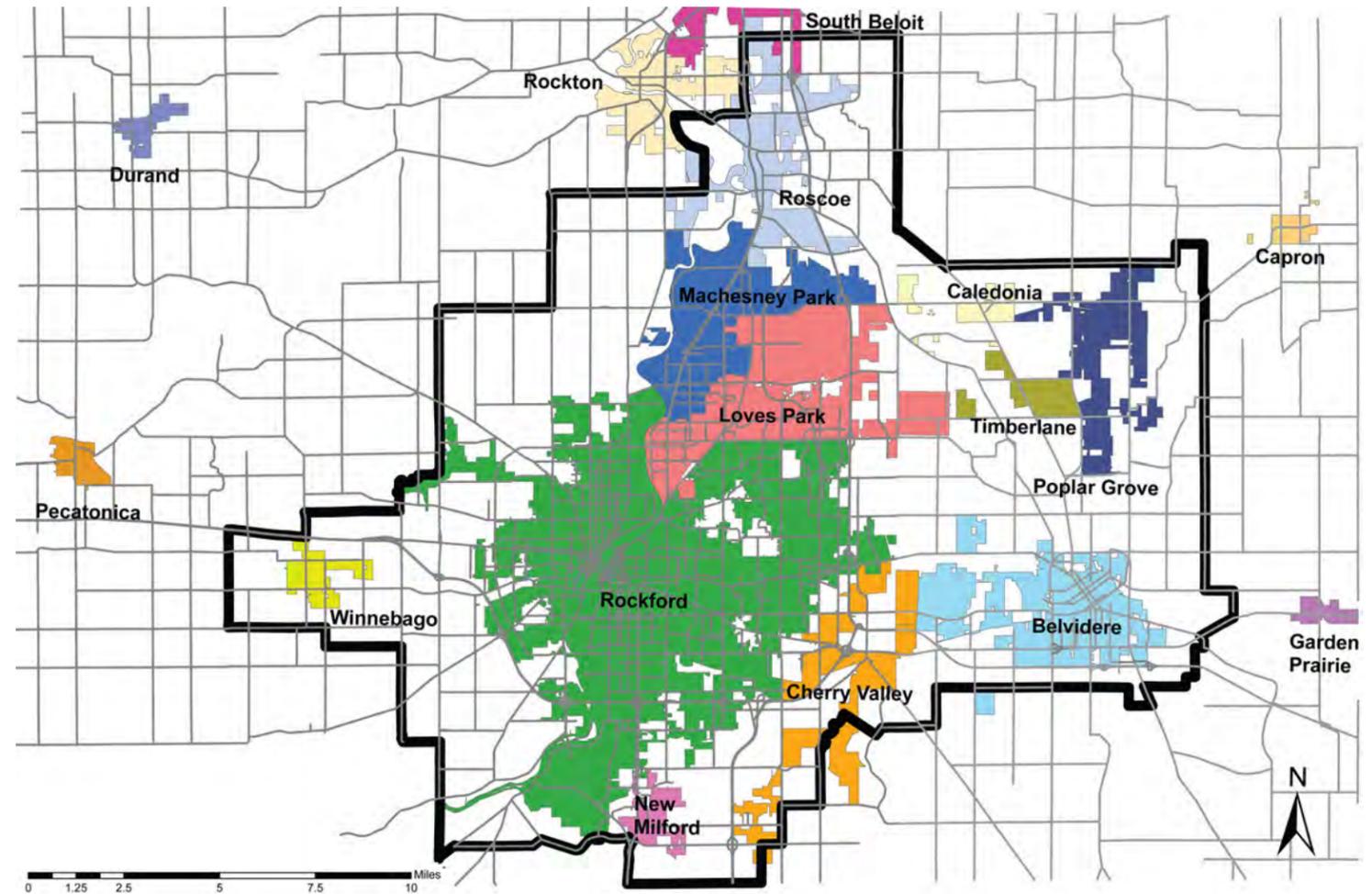
AND ECONOMIC DEVELOPMENT ADMINISTRATION STAFF FOR SERVING AS EXCELLENT RESOURCES AND PROVIDING ADVICE AND GUIDANCE IN DEVELOPING THIS DOCUMENT.

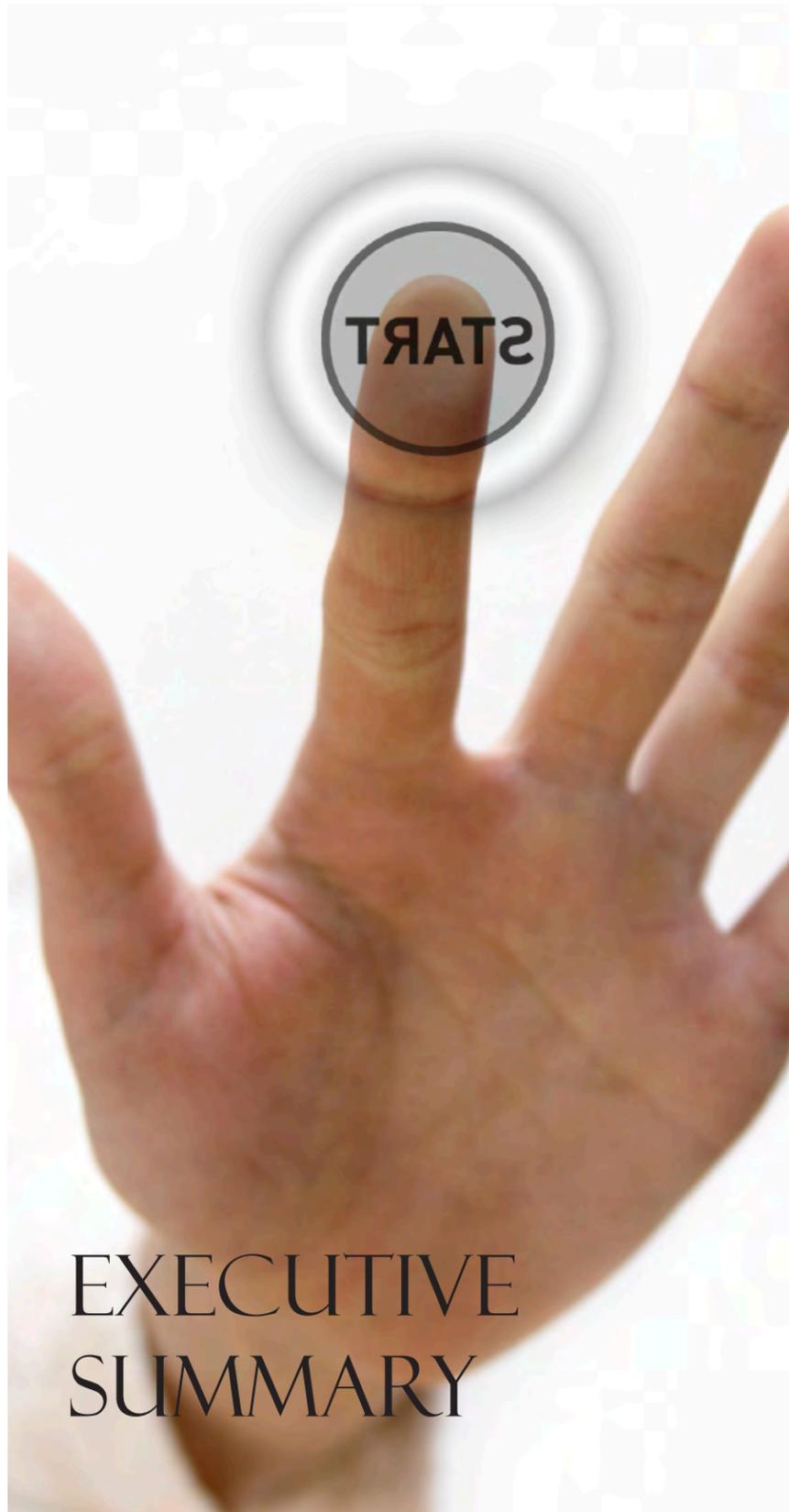
TABLE OF CONTENTS

EXECUTIVE SUMMARY	6
OVERVIEW	7
PREPARING THE CEDS	8
Basic Steps – The CEDS Technical Committee and Staff	9
The CEDS Strategy Committee	9
Summary of CEDS Meetings	10
Citizen Participation - SWOT Analysis	10
BACKGROUND AND REGIONAL PROFILE	14
The Regional Economy	14
Population Characteristics	15
Attraction and Retention of Educated Talent	16
Personal Income, Earnings, and Benefits	17
NATURAL SYSTEMS AND RESOURCES	20
Climate and Air Quality	20
Geology	20
Prairies, Forests, Wetlands and River Corridors	20
Surface & Groundwater Health	20
Flooding	21
TRANSPORTATION AND UTILITY SYSTEMS	22
Roadway Network	22
Public Transit	22
Freight Rail Service	22
Passenger Rail Service	22
Air Service	23
Water Systems	23
Electrical Systems	23
Natural Gas Systems	23
Telecommunication	23
Solid Waste Disposal	23
ANALYSIS OF ECONOMIC DEVELOPMENT	24
Trends of the Rockford Regional Economy	24
Employment Trends	24
Comparison with Other Metropolitan Areas	24
Unemployment Trends	26
Industry Concentration	27
Composition of Employment	27
Location Quotients	27
Competitive Share	30

Entrepreneurship	31
Small Business Growth and Decline	32
Business Start-ups and Closures	33
Leading Employers	33
Competitiveness of Region	35
Wage Comparisons	35
Age of Workforce	35
TARGETED INDUSTRIES	36
PLANNING INITIATIVES	36
INCENTIVES	38
Tax Incentives	38
Direct Financial Assistance	38
Infrastructure Improvements	38
Brownfields	38
Incentives for Expansion	38
Incentives for Recruitment	40
Incentives for Startup	40
ECONOMIC DEVELOPMENT PRIORITIES	41
Vision, Goals, and Strategies	41
PROJECT PRIORITIZATION	44
Rating The Projects	44
Project Categories	44
PROJECT PRE-TEST FOR STRATEGIC FIT	46
PROJECT POST-TEST FOR TECHNICAL READINESS	47
VITAL PROJECTS	48
IMPORTANT PROJECTS	49
FUTURE PROJECTS	54
IMPLEMENTATION OF THE CEDS	58
Strategic Projects, Programs, & Activities	58
MEASURING PROGRESS	69
CONCLUSION	60

BOONE AND WINNEBAGO COUNTIES





EXECUTIVE SUMMARY

The Rockford Metropolitan Area consists of Boone and Winnebago Counties. In the fall of 2008 key leaders from the Boone and Winnebago Counties, City of Rockford, Growth Dimensions for Belvidere-Boone County, the Rockford Area Economic Development Council, and the Rockford Metropolitan Agency for Planning convened to begin discussions about creating the first Comprehensive Economic Development Strategy for the Rockford MSA (Boone and Winnebago Counties). The following document is the result of these discussions, and signifies a significant step forward for the Region in aligning economic development efforts.

The Rockford MSA has traditionally had a large manufacturing economic base. As a result, the Region has experienced larger than national average unemployment rates during the largest economic downturns in the last century. This recession is no different. At 13.5% unemployment, 30 companies have closed in Boone and Winnebago Counties with over 2,400 employees losing their jobs since 2006. In addition, over 3,250 jobs were lost due to layoffs. Currently the Rockford MSA meets all three Economic Development criteria to qualify as having "economic distress".

Furthermore, the very nature of industry is changing. Manufacturing is going from blue collar to green. Production is evolving as companies are going high-tech, and the workforce is needing more and more new skills every day. The Rockford Region's economy is at the epicenter of this transformation.

We must change with the times. The 2009-2014 window is an excellent opportunity to restructure and further diversify the economy of the Area. This Comprehensive Economic Development Strategy is the foundation to align Area economic development efforts. It is laying the groundwork for the economic wellbeing of the Region for the next century and beyond.

TEN INDUSTRIES TARGETED FOR 2009-2014

1. Aerospace Production, Research, and Development
2. Logistics
3. Industrial Machine Manufacturing
4. Metals Manufacturing
5. Customer Service Centers
6. Chemical Manufacturing
7. Food Processing and Ag-Tech
8. On and Off Road Transportation Equipment Manufacturing
9. Green Industries and Alternative Energy
10. Health care

OUR GOALS

To make this vision a reality, the Region will pursue the following Goals:

1. Create a regional comprehensive economic development plan and marketing strategy emphasizing collaboration within the Rockford MSA.
2. Foster efficient business development, expansion, diversification, job growth, and entrepreneurial activity throughout the region.
3. Ensure the future availability of a skilled and flexible workforce prepared to meet the needs of both existing and emerging industries and technologies.
4. Meet the full range of business' infrastructure needs with emphasis on transportation, utilities and communications.
5. Redeploy existing underused commercial and industrial properties, and protect natural amenities and resources for economic development purposes.
6. Obtain a higher quality of life by supporting and enhancing the region's sense of community identity, community health, cultural and recreational amenities, and creative industries.

TOP PRIORITIES FOR ECONOMIC WELLBEING

ECONOMIC ADJUSTMENT

Estimated Jobs Created or Retained: 2,000
Local Goals Addressed: I, II, III, V

Boone and Winnebago Counties
Parties Responsible: Growth Dimensions for Belvidere-Boone County, RMAP, RAEDC

REGIONAL SUSTAINABILITY INDICATORS

Estimated Jobs Created or Retained: 500
Local Goals Addressed: I, II, IV, VI

Boone and Winnebago Counties
Parties Responsible: Growth Dimensions for Belvidere-Boone County, RMAP, RAEDC

HEALTH CARE

Estimated Jobs Created and Retained: 250
Local Goals Addressed: I, II, III, VI

Rockford MSA
Parties Responsible: Rockford Health System (Three Rockford Hospitals)

This economic development strategy provides a framework for long-term planning efforts in the two-county area of Boone and Winnebago counties in northern Illinois. Its contents, and the process used to generate them, are based on requirements of the Economic Development Administration.

The Economic Development Administration (EDA) is a Federal agency that provides grants to economically-distressed communities to generate new employment, retain existing jobs and stimulate industrial and commercial growth. EDA assistance is available to rural and urban areas experiencing high unemployment, low income, or other severe economic distress. The stated mission is to "lead the federal economic development agenda by promoting innovation and competitiveness, preparing American regions for growth and success in the worldwide economy."

WHAT IS A COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY (CEDS)?

As its name implies, a CEDS lays out a regional strategy for economic development with the ultimate goal being a stronger, more diverse regional economy. While the CEDS' most critical function is to provide a regional economic development framework, it also serves as a required vehicle through which some federal agencies (especially the EDA) evaluate requests for grant assistance. Without having a CEDS approved by the EDA, no one in the Region is eligible to receive Economic Development Assistance Grants, including 2009 Stimulus Funds for economic development. Having a CEDS in place has become more important than ever.

A CEDS FOR THE ROCKFORD REGION

The Rockford Region began developing its first CEDS, a five-year strategic economic development plan, in early 2009 for Boone and Winnebago Counties. Stakeholders in the Region are looking to this plan to help align our economic development goals and priorities in addition to be able to qualify to apply for EDA grant opportunities. The Rockford Area Economic Development Council is concurrently applying to become an Economic Development District on behalf of the Region

Early in the process, a flow chart was developed to convey to the community and all CEDS project stakeholders what the flow of activities would be and the path for decision making. The flow chart is included on page 11.

CEDS DEVELOPMENT PARTNERS FOR THE REGION

Financing for this project is from the Rockford Metropolitan Agency for Planning (RMAP). The CEDS planning process and creation of the CEDS report was guided and managed by these development partners:

ROCKFORD AREA ECONOMIC DEVELOPMENT COUNCIL (RAEDC)
Formed in 1980 by a partnership of private and public sector leaders, RAEDC's mission is "helping employers create and retain quality jobs" in sustaining and strengthening the economic health of the Rockford Region. They are a one-stop economic development assistance facility that helps clients conduct site analysis based on their unique requirements, lead them to the right incentive programs, create and conduct business educational programs to identify and help develop future markets.



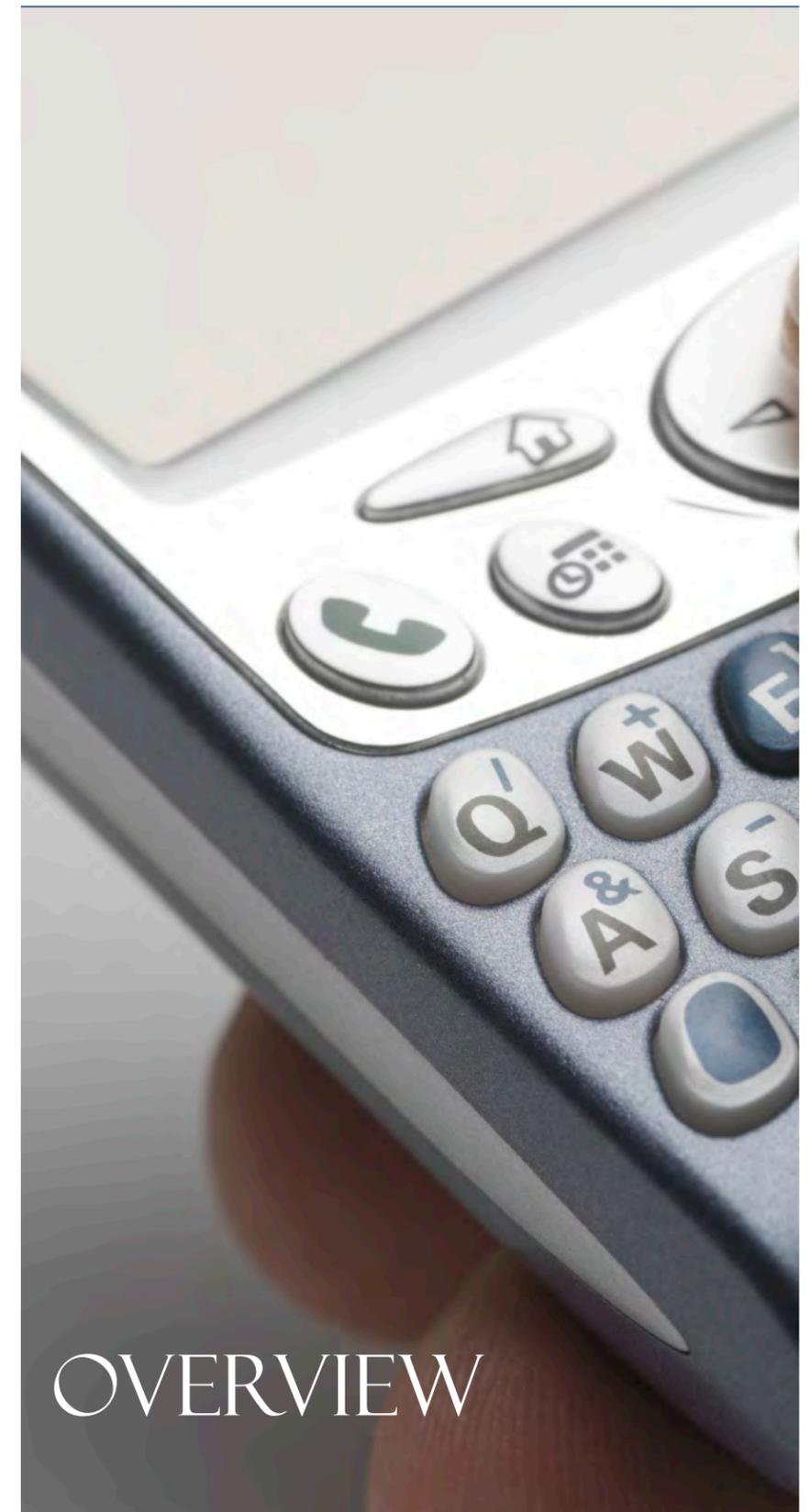
GROWTH DIMENSIONS FOR BELVIDERE-BOONE COUNTY
Growth Dimensions for Belvidere-Boone County of Belvidere and Boone County, Inc. is a public-private corporation for economic development. It coordinates and manages the strategic initiative projects that are identified in the Belvidere-Boone County Economic Development Strategic Plan. Growth Dimensions for Belvidere-Boone County also serves as an advocate with developers to troubleshoot issues that might impact their development plans. Growth Dimensions for Belvidere-Boone County is also the lead liaison for manufacturing companies in Boone County.



ROCKFORD METROPOLITAN AGENCY FOR PLANNING (RMAP)
RMAP is the officially designated MPO (Metropolitan Planning Organization) for the Rockford MSA. As such, its primary mission is to perform and carry out a continuing, cooperative, comprehensive transportation planning process for the Rockford Urbanized Area in accordance with Federal laws, policies and procedures, and with the cooperation and assistance of its members and the U.S. and Illinois Departments of Transportation.



NORTHERN ILLINOIS UNIVERSITY CENTER FOR GOVERNMENTAL STUDIES (CGS)
The Center is a public service, applied research, and public policy development unit within NIU Outreach. It functions as a "think and do" tank applying the intellectual resources of NIU to public issues facing communities, the region, the state, and the nation.



PARTICIPANTS AND THE PROCESS

The Comprehensive Economic Development Strategy (CEDS) process, required by the Economic Development Administration (EDA) to qualify for funding, helps community leaders examine strengths and obstacles in the region and devise a development strategy that will maximize wealth and employment over time. Typically, the CEDS is a multi-county effort to generate a regional strategy for economic development with the ultimate goal of a stronger, more diverse regional economy. While the CEDS' most important purpose is to provide a regional economic development framework, it is also a vehicle through which federal agencies (including the Economic Development Administration) evaluate requests for grant assistance.

The EDA emphasizes the CEDS is a planning process, not only a report to be produced every five years to meet funding requirements. The key to an effective CEDS is an ongoing, participatory planning process with input and direction from CEDS Strategy Committee members and stakeholders. The CEDS Strategy Committee is composed of major economic interests within the Region as determined by the sponsoring agencies. The Rockford Area Economic Development Council (RAEDC), Growth Dimensions for Belvidere-Boone County, and Rockford Metropolitan Agency for Planning (RMAP) invited diverse social and economic contributors within the region, including a majority of for-profit private sector representatives, to participate in the process. Each participant was chosen to represent its professional knowledge base as well as the ability to incorporate the larger picture in mind. Economic development and planning organizations, employment and training groups, business organizations, agricultural groups and community organizations have been assembled to promote the development of the regional CEDS. The CEDS Strategy Committee members provide overall leadership, lend credibility to the process, and encourage participation by other agencies and groups as needed.

The planning process is usually led by an Economic Development District (EDD) recognized by the EDA. Boone and Winnebago counties are currently pursuing applying for this status. In the meantime, staff of the Rockford Area Economic Development Council, Growth Dimensions for Belvidere-Boone County of Belvidere and Boone County, Inc., and Rockford Metropolitan Agency for Planning have taken on the responsibilities involved in overseeing the scope of work of an EDD.

While Winnebago County prepared Overall Economic Development Plans (OEDP) in 1977, 1980 and 1983, this is the first CEDS for Boone and Winnebago counties combined. It features a collective vision, comprehensive economic development goals, and a scope of work to implement these goals over the next five years. The CEDS vision will be revised at least once every five years, and CEDS performance reports will be produced annually. The performance reports will track the implementation of the CEDS and update information where needed — in essence, making the CEDS a “living” document. Through this process, collaborative efforts for both

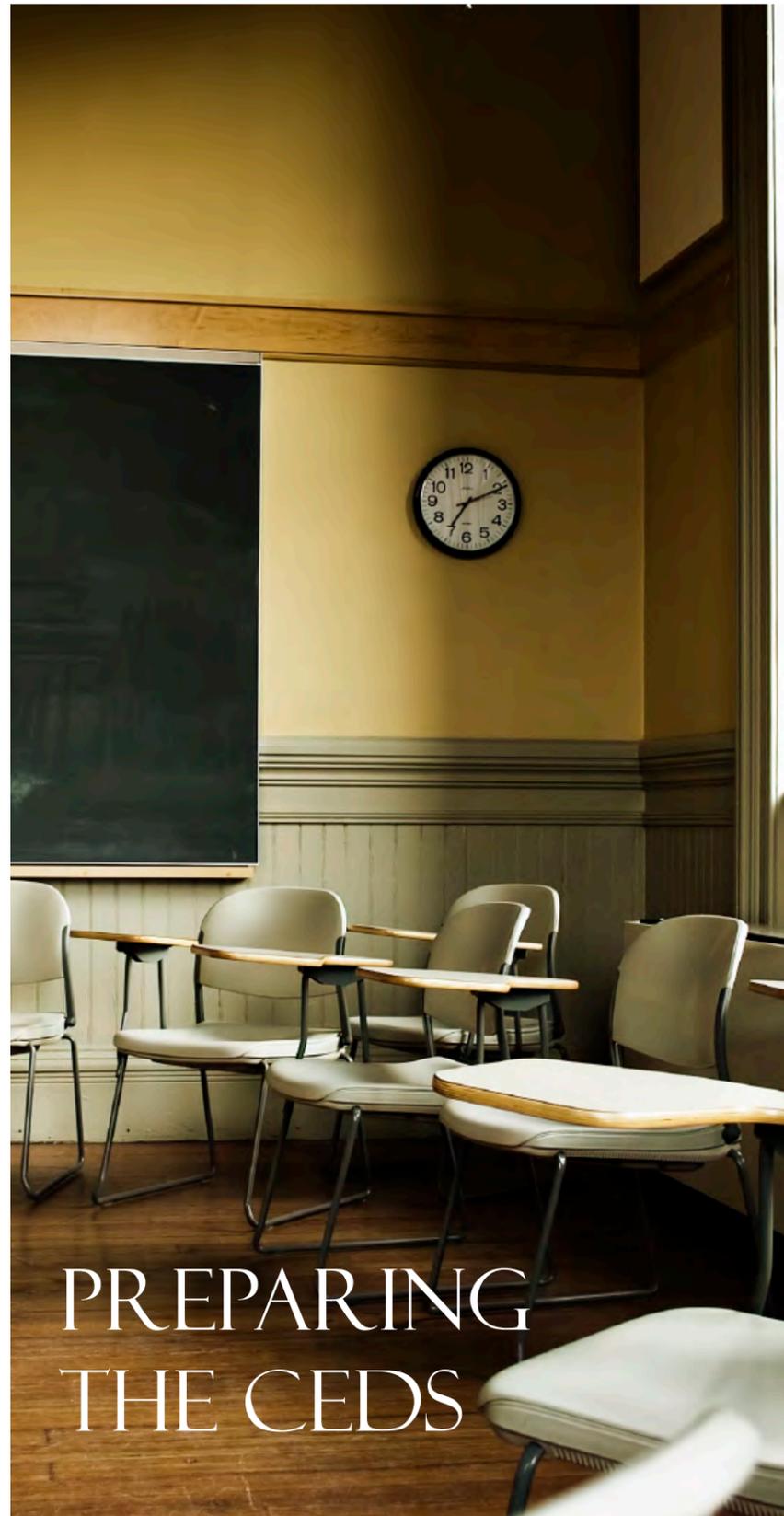
REGIONAL COMMUNITIES

BOONE COUNTY

CITY OF BELVIDERE
 VILLAGE OF CALEDONIA
 VILLAGE OF CAPRON
 VILLAGE OF CHERRY VALLEY (EAST QUARTER)
 VILLAGE OF GARDEN PRAIRIE
 CITY OF LOVES PARK (EASTERN EDGE)
 VILLAGE OF POPLAR GROVE
 VILLAGE OF TIMBERLANE

WINNEBAGO COUNTY

VILLAGE OF CHERRY VALLEY
 CITY OF LOVES PARK
 VILLAGE OF MACHESNEY PARK
 VILLAGE OF NEW MILFORD
 VILLAGE OF PECATONICA
 CITY OF ROCKFORD
 VILLAGE OF ROCKTON
 VILLAGE OF ROSCOE
 CITY OF SOUTH BELOIT
 VILLAGE OF WINNEBAGO



PREPARING
 THE CEDS

ongoing and potential new projects will be highlighted and key economic development themes critical to the enhancement of the regional economy will be included.

The primary regional planning agency, RMAP, concentrates mainly on transportation planning as it is an MPO, not a regional planning commission. In addition, the Region currently has two Economic Development Councils – Growth Dimensions for Belvidere-Boone County of Belvidere and Boone County, Inc. and Winnebago County’s Rockford Area Economic Development Council. These two organizations work closely together, but with the staffing constraints of Growth Dimensions for Belvidere-Boone County and RMAP, the process for creating this CEDS report was managed mainly by the RAEDC. A CEDS Technical Committee was formed consisting of representatives from RMAP, RAEDC, Growth Dimensions for Belvidere-Boone County, Boone and Winnebago counties, NIU and the City of Rockford (central city of the MSA) to steer and oversee the formation and progress of the CEDS Strategy Committee, and ultimately design the CEDS document. RMAP contracted with the Center for Governmental Studies at Northern Illinois University (NIU-CGS) to prepare the data sections of the document and to facilitate public meetings related to its preparation.

BASIC STEPS IN THE CEDS PLANNING PROCESS

- The CEDS Technical Committee formed a CEDS Strategy Committee with a majority (53%, 20 of 38 members) of for-profit private sector representatives to spearhead and manage the CEDS process.
- CEDS Staff, comprised of members from RAEDC and NIU-CGS, compiled and reviewed existing data analyses about the region for economic development implications, potential, and limitations. Additional data tabulations and analyses using standard economic analytical techniques were conducted as needed. This work was completed in collaboration with city and county agencies in both counties.
- CEDS staff reviewed current economic development related materials, including industry target studies, cluster analyses, and other relevant materials available in the Region. This review involved contacting businesses and government agencies in the two counties requesting copies of plans, goals, strategies, etc. and included both domestic and international work completed for the Region.
- CEDS staff compiled, evaluated and updated existing economic development goals and strategies available from previous projects within the Region. These materials were collected from participating economic development groups.
- RAEDC staff contacted business leaders (by survey, focus groups, and other media) to obtain input into the appropriateness and/or viability of the goals and strategies identified in previous work. The CEDS Strategy Committee then determined whether the goal/strategies reflected the current sentiments in the Region sufficiently to be used in preparing the CEDS.
- Local participants and agencies submitted information on pending or proposed projects within the Region. These materials were reviewed and organized by the staff and returned to the CEDS Strategy Committee. The CGS staff facilitated group decision-making processes to categorize projects as either Vital or Important based on the goals and strategies identified above, and by the readiness of the projects.
- A scope of work was formulated to meet the stated goals and strategies using the prioritized projects. When completed, it was submitted to the CEDS Strategy Committee for review and approval. Staff worked with the CEDS Strategy Committee to

compile a set of agreed-upon targets and performance measures that will be used to monitor progress toward meeting the stated goals and strategies of the CEDS.

THE CEDS TECHNICAL COMMITTEE AND STAFF

The CEDS Technical Committee and support staff were formed to help supplement and support the work of the CEDS Strategy Committee. They met regularly starting in January 2009 to begin laying the groundwork for the input gathering process and reviewing the data for the CEDS document. Throughout the process, they provided ongoing guidance for creating the CEDS.

Staff also met regularly one-on-one with leaders in the private, public, and non-profit sectors to further discuss the CEDS process, existing conditions, and economic development prospects for the Region. They also worked closely with municipalities and counties in the Region to ensure that the CEDS vision aligned with current comprehensive plans and economic development programs and initiatives within the Region. Finally, they worked to help prioritize potential projects in the Region directly or peripherally affecting the economic well-being of the Region.

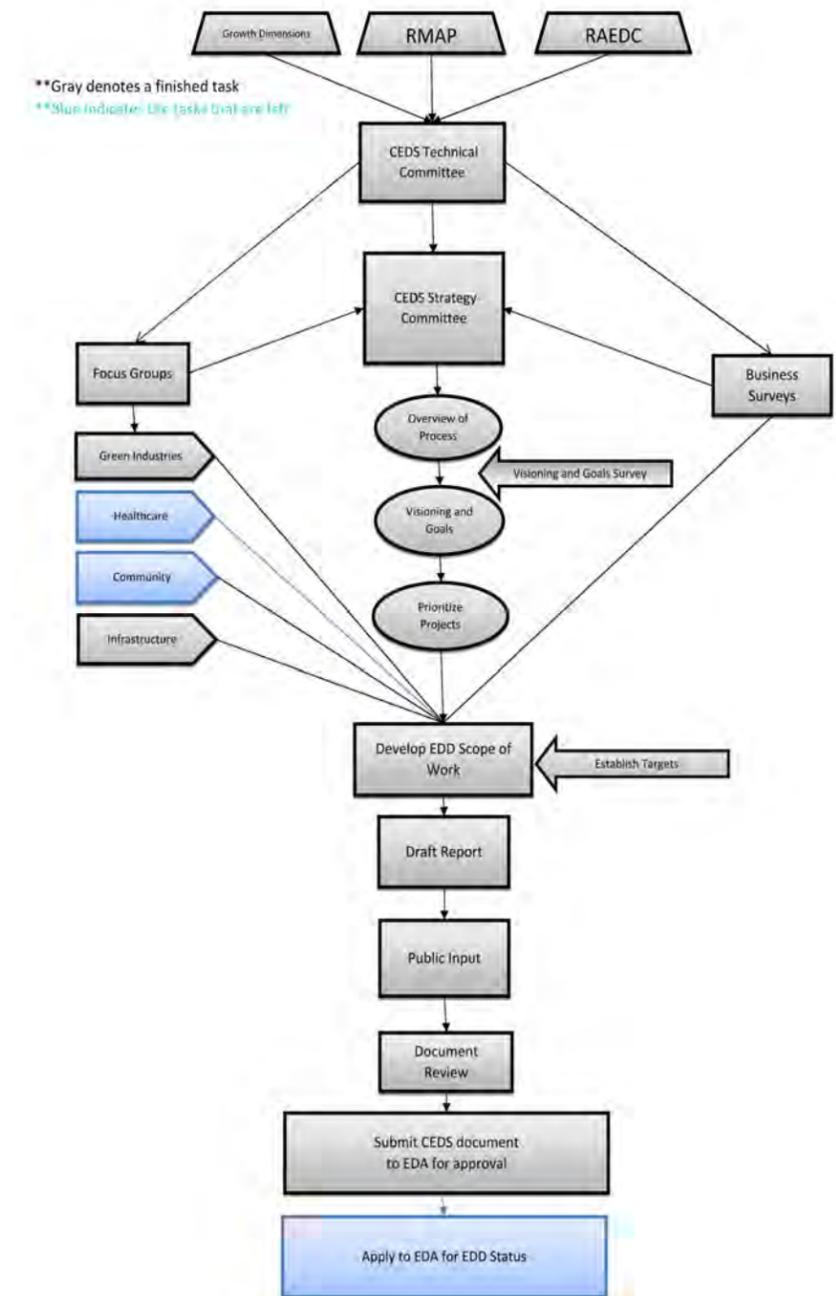
CEDS TECHNICAL COMMITTEE

- Judy Barnard, Winnebago County Regional Planning
- Genevieve Borich, Rockford Area Economic Development Council
- Stephen K. Ernst, Rockford Metropolitan Agency for Planning
- Janyce Fadden, Rockford Area Economic Development Council
- Rebecca Fetter, Rockford Area Economic Development Council
- Ginny Gregory, City of Rockford
- Melissa Henriksen, Northern Illinois University
- Reid Montgomery, City of Rockford
- Sue Mroz, Winnebago County Regional Planning
- Norman Walzer, Northern Illinois University
- C. Mark Williams, Growth Dimensions for Belvidere-Boone County of Belvidere and Boone County, Inc.

CEDS SUPPORT STAFF

- Genevieve Borich, Rockford Area Economic Development Council
- Rebecca Fetter, Rockford Area Economic Development Council
- Ginny Gregory, City of Rockford
- Brian Harger, Northern Illinois University
- Melissa Henriksen, Northern Illinois University
- Htun Soe, Northern Illinois University
- Norman Walzer, Northern Illinois University

OUR CEDS PLANNING PROCESS



THE CEDS STRATEGY COMMITTEE

The CEDS Technical Committee invited members of organizations representing diverse economic interests within the two counties to serve on the CEDS Strategy Committee. Special care was taken to ensure for-profit business interests – including financial, manufacturing, retail, service, agriculture, and other types, both large and small – constituted a majority of the Strategy Committee. In addition, organizations regularly working with labor issues, disadvantaged populations, and other social services were invited. Finally, representatives from municipal and county governments were included, ensuring the representation of a diversity of needs in the Region. The following individuals serve on the CEDS Strategy Committee:

Private Representation (20)

- Richard Van Evera (CHAIR), Partner, Barrick, Switzer, Long, Balsley & Van Evera (Rockford)
- Teresa Beach-Shelow, Owner, Superior Joining Technologies, Inc. (Machesney Park)
- R. Neil Buck, RDC General Manager, Lowe's Companies, Inc. (Rockford)
- Christopher T. Budde, Vice President and General Manager, Thermo Fisher Scientific (Rockford)
- John Chadwick, Vice President & General Manager, WREX-TV (Rockford)
- Ron Clewer, Director of Residential Real Estate Development, William Charles Ltd. (Rockford)
- Barbara R. Hemme, Corporate Secretary/Controller, Youngberg Industries, Inc. (Belvidere)
- Brent B. Johnson, President & CEO, Ringland-Johnson, Inc. (Cherry Valley)
- Chris Kelson, President & CEO, BioVantage Fuels, LLC (Belvidere)
- Stuart M. Kemp, Vice President, Hanson Professional Services, Inc. (Rockford)
- Jeffrey D. Lee, Director of Operations, Thermo Fisher Scientific (Rockford)
- Tim Morris, President, Hamilton Sundstrand (Rockford)
- Paul Nicolosi, President & CEO, The Buckley Companies (Rockford)
- Mark Peterson, General Manager, CherryVale Mall / CBL & Associates Properties (Rockford)
- D. Kraig Pierceson, President & CEO, Larson & Darby Group (Rockford)
- Peter Provenzano, President & CEO, SupplyCore, Inc. (Rockford)
- Bill Roop, President & CEO, Alpine Bank (Rockford)
- Daniel Ross, Chief Operating Officer, Williams-Manny, Inc. (Rockford)
- Joel Sjostrom, President & CEO, Sjostrom & Sons, Inc. (Rockford)
- Don Thayer, Director of Business Development, Suby, VonHaden & Associates (Rockford)

Public and Non-Profit Representation (18)

- Mayor Fred Brereton, RMAP Policy Committee Chair, City of Belvidere
- Darcy Bucholz, Executive Director, Workforce Investment Board (Rockford)
- Clinton Cole, Assistant Executive Director, Winnebago County Housing Authority (Rockford)
- William R. Dilts, Vice President-Campus Dev. & Government Relations, Rockford Health System (Rockford)
- Janet Ellis, Executive Director, Northwestern Illinois Area Agency on Aging (Rockford)
- Stephen K. Ernst, Executive Director, Rockford Metropolitan Agency for Planning (Rockford)
- Janyce Fadden, President, Rockford Area Economic Development Council (Rockford)
- Darrin Golden, IBEW Business Manager, IBEW / NECA (Rockford)
- Steve Graceffa, District Director, Rock River Water Reclamation District (Rockford)
- Daniel G. Jacobson, Public Works & Community Development Director, City of Loves Park
- Kerry Knodle, Executive Director & CEO, Comprehensive Community Solutions, Inc. (Rockford)
- Karen Lemmons, Director of Community Development, Village of Machesney Park
- Reid Montgomery, Director, Dept of Community and Economic Development, City of Rockford
- Sue Mroz, Director of Regional Planning, Winnebago County
- Sam Overton, Vice President of Administrative Services, Rock Valley College (Rockford)
- Frank Wehrstein, President, Dickerson & Nieman Realtors (Rockford)
- C. Mark Williams, Executive Director, Growth Dimensions for Belvidere-Boone County Belvidere/Boone County (Belvidere)
- Earl H. Williams, Jr., President, Winnebago County Farm Bureau (Cherry Valley)

SUMMARY OF CEDS MEETINGS

The CEDS Strategy Committee held numerous meetings between January and July 2009. The following is a summary of the process used by this Committee and the staff to develop the first CEDS plan for the Rockford Region.

ORIENTATION

The Strategy Committee was introduced to the CEDS process, member responsibilities, the time commitment involved, and given an opportunity for questions.

VISIONING

The Strategy Committee reviewed visions, goals, and strategies compiled from previous regional and local plans for inclusion in the current CEDS. A goals and visioning survey was used to collect the current thinking of CEDS Committee members about future directions for the Region that focused on a general SWOT-like analysis. The questionnaire explored the strengths, weaknesses, opportunities for economic growth, and the threats or barriers to reaching the regional vision and goals. These responses portrayed the basic views of the vision and goals for Boone and Winnebago Counties. The information was incorporated into a regional vision, goals, and strategies. The Committee then prioritized strategies within each goal. The group also reviewed the results of a broad survey of the business community in the Region as well as the results of focus groups.

CEDS PROJECT EVALUATION WITH EDA GOALS

Committee members and jurisdictions not directly represented on the Committee were asked to submit projects they felt would meet the proposed vision and goals for inclusion in the CEDS. Between meetings, staff met with the primary point of contact to more thoroughly evaluate each one to determine technical readiness. CEDS Strategy Committee members met to reassess whether the projects being reviewed by the local CEDS staff and Strategy Committee were aligned with EDA and local goals and funding priorities. A majority of projects first conceived were discovered to be more aligned with Department of Transportation or Environmental Protection Agency grant programs than the Economic Development Administration. The Strategy Committee members then asked staff to develop a more refined process for project evaluation.

PROJECT PRIORITIZATION

As a preliminary step, communities representing each project interested in applying for EDA grant funding were given the opportunity to make a presentation to the Strategy Committee explaining the merits of their projects. Each project spokesperson was encouraged to give a short presentation about what the project was about, how it aligned with EDA funding goals, how it met local economic development priorities, and how "shovel ready" it was. This also gave Strategy Committee members the opportunity to question the primary point of contact about each project. Staff discussed with Strategy Committee members a proposed methodology for project prioritization through a preliminary scoring system evaluating each project on strategic fit to EDA and local goals and on technical readiness. Between this meeting and the next, Strategy Committee members worked with staff to refine the initial project vetting scoring pre- and post-tests. The pre-test was developed to determine strategic fit

(or importance) to EDA and local economic development goals while the post-test identified the technical readiness (or performance) of a project. Once completed, results were then inserted into a Boston Consulting Chart (BCG) Chart, which weighs all the projects and then ranks them among each other.

Strategy Committee members met again to discuss the presentations, as well as review the preliminary scoring completed by staff. They then divided into small groups to weigh projects against the overall economic well-being of the Region. A list of Important and Vital projects was then compiled to review with the EDA as prioritized goals for the 2009-2010 Fiscal Year.

The CEDS staff then met with EDA staff in Chicago to review the projects deemed most strategic to the future of the Rockford MSA economy in the near future. Next, the Strategy Committee reconvened to reassess the Region's economic goals with consideration of the types of projects the Economic Development Administration will fund within the next fiscal year. Based on input from the EDA staff, and on internal review of proposed projects, the Strategy Committee decided which projects to include within the CEDS document as either "Vital" or "Important."

CITIZEN PARTICIPATION – SWOT ANALYSIS

In addition to the CEDS Committee "visioning" meetings, it was important to gain input from the community as a whole on issues to be addressed in the CEDS. As the process started, the CEDS Technical Committee members were asked to complete a questionnaire that was aimed at deriving a common vision, as well as, the strengths, weaknesses, and opportunities of the Region. The following 8 questions were posed to the group through an on-line survey, and their responses helped to shape the vision, goals, strategies, and overall CEDS process.

1. *What will be the three most important industries or economic activities in the Rockford MSA five years from today? (List in order of importance.)*
2. *Which are the three most important economic actors or agents that can move the Rockford MSA to accomplish the outcomes in Question 1?*
3. *What are the three most important specific activities that these economic development groups in the Rockford MSA need to accomplish in the next five years?*
4. *What are the three most important barriers to reaching the outcomes identified in Question 3?*
5. *What are the three strongest resources or assets that the Rockford MSA can build on to accomplish the vision stated in Question 1?*
6. *What is unique about the Rockford MSA that will position it especially well for economic changes in the next five years?*
7. *At bare minimum, what must be accomplished in the next 12 months?*
8. *What is the first action that Rockford Area development agencies must take to strengthen the economic future?*

The SWOT analysis was used as a baseline to begin discussions about

the Region's vision, goals strategies, and potential for future economic growth. The analyses were also cross-referenced with the established goals and strategies to make sure that the CEDS process was accomplishing what community and business members thought was important regarding the Region's strengths weaknesses, and opportunities.

The detailed results of the SWOT analysis portion of the survey are shown in Appendix A. The charts show the frequency of each answer from the survey, which helps to emphasize its relative importance to the respondents and the region. It then shows the answer, followed by which goal(s) and strategy(ies) to which the answer is aligned. Results of this SWOT analysis can be summarized as follows:

- *Strengths – The most frequently mentioned assets for the Area were its location in the central US at the junction of major highways, rail and air with proximity to Chicago, Madison and Milwaukee; and quality of life assets such as affordable housing and real estate, the low cost of living, parks, rivers and green space.*
- *Weaknesses – Topping the list was the lack of local, state and federal governmental interaction for the common good; geographical and social-economic provincialism; poor infrastructure; and lack of respect for education.*
- *Opportunities – Respondents were asked to list the three most important industries in the Rockford MSA five years from now. Manufacturing led the first most important group, edging out aerospace, transportation and logistics. Industries falling under the heading of second most important were health care, followed by manufacturing, then logistics/distribution and transportation and warehousing. The third most important industries of the future identified by survey respondents were green/environmental and alternative energy were mentioned most frequently, followed by health care, education, and distribution/logistics.*

BUSINESS SURVEY

The second method in which citizen participation entered into the CEDS process was an on-line business survey conducted by the Rockford Area Economic Development Council in Spring 2009 focusing on business leaders in the community. This vital step allowed businesses the opportunity to express their thoughts and add unique perspectives to the process and the overall economic development plans for the region. Nearly 140 of the roughly 1,000 businesses (14%) responded. This survey included questions about their business' economic well-being given the recent economic downturn, and questions covering what additional support and growth the community needs in terms of incentives and policies. Respondents shared insights on how their business was doing in the current economic climate, and how they felt the region should restructure economic development priorities in the future. The survey results were reviewed by the CEDS Strategy Committee and are included below.

Respondents were mainly from the manufacturing sector, followed by the service, government and non-profit, professional and business services, and retail and wholesale sectors. This report analyzes three crucial

aspects of the survey responses: (1) respondents' subjective assessment of their organizations' responses to the economic downturn; (2) strategic tools that the organizations use to cope with the economic conditions, and (3) the respondents' attitudes toward the government and its role in mitigating the adverse effects of the current recessionary economy.

Detailed responses are shown in Appendix A. In general, businesses answered they are not weathering the economic downturn very well. Not unexpectedly, service-oriented businesses feel the most negatively about the economy as many of whom rely on their customers' disposable income, a commodity that is in short supply at this time. These negative perceptions extend well into the 12- and 24-month forecasts. Many respondents have taken actions that are typical of businesses suffering through a recession including: budget reductions, layoffs, and diversification. These responses reflect how businesses see their companies prospering in both the near future, and a couple of years out. Given hard economic times, it is also predictable that few firms chose to add staff or even maintain the status quo. The manufacturing sector in particular has had to use budget cuts more than any of the other four sectors, and since manufacturing is currently the backbone of Boone and Winnebago counties, it is vital to understand their outlook about the recession, their actions to reduce or stop the its negative effects of it, and their projection for the future, which will tell of their possible future investment, or departure, from the region.

FOCUS GROUPS

Another form of citizen participation involved hosting focus groups on two specific topics – the green economy and infrastructure needs of the Region. The objective of each was to obtain local input from various interests in the community regarding how to grow the region's economy. These group discussions provided insights that would be less accessible without interaction within the group. Focus groups also provide an opportunity for people with similar concerns, cares and comments to come together for the common good.

It was also important to the CEDS process to have direct interaction with the public to gain indigenous knowledge. The focus group setting allows moderators to pick up on both verbal and non-verbal cues from the audience, something that a survey cannot necessarily convey.

Participants in the focus groups were selected based on their known familiarity with the topic and their ability to contribute constructively to the discussion. In order to ensure a sufficient turnout, RAEDC sent out invitations the week before the focus groups met, and tried to establish meeting times that would not conflict with existing community activities or work schedules. Initially, the hope was to garner around 7 to 10 participants, but the response was so overwhelming, it resulted in a much larger group

at each of the two sessions.

The focus groups accomplished the following:

- *allowed community and business members to have a voice on particular topics/issues;*
- *gave greater insight into certain opinions in the community;*
- *helped improve the planning and design of potential projects and emerging industries; and*
- *produced insights for developing projects, strategies, and action plans in light of the emerging economic needs and opportunities in the Rockford MSA.*

Nearly 40 people attended the green economy focus group. These attendees were invited based on their relationship to green industries, education, and entrepreneurship. Attendees were asked to identify emerging green industries, the infrastructure needed to grow these emerging industries, and the resources needed to make this growth happen. Major points formulated include, but are not limited to:

- *manufacturing solar panels;*
- *retrofitting existing homes, business and infrastructure to be energy efficient;*
- *implementation into city ordinances;*
- *energy farmers, in addition to food farmers;*
- *cradle-to-cradle: moving housing industry in this direction;*
- *harnessing Rock River for hydroelectric power;*
- *more organic farming and growing local;*
- *ecotourism and capacity of community colleges to help build green workforce;*
- *existing industries with capacity for green technology; and*
- *various uses of: nanotechnology; solar thermal and geothermal integration; bio-mass.*

Approximately 22 people attended the infrastructure session. They brainstormed types of infrastructure needed for the Region to compete in the changing and distressed economic conditions. The discussion covered general needs, as well as specific projects, that were a high priority to the regional community. The group ended the discussion by addressing what these improvements/changes could do to improve the economy of the Rockford MSA. Major ideas formulated include, but are not limited to:

- *development of a Regional Center for Information Technology;*
- *rail connection development;*
- *laws to support economic development goals (i.e., recycling);*
- *fiber optic ring to help improve aerospace and health care industries;*
- *improved highway system to meet the needs of bigger manufacturing (including wind turbines);*
- *improved parking, restaurants, entertainment in downtown; and*
- *fringe development of sewer/water versus redeveloping core problem sources are a challenge: Boone and Winnebago aquifers face different dilemmas.*

The CEDS staff and Strategy Committee intend on hosting several focus groups on an annual basis to gauge local insights on specific key topics as they arise. In addition to the focus group discussions, a community wide entrepreneurship group meets regularly and the minutes of this group were reviewed and included in the Technical Committee discussions.

PUBLIC FORUMS

Finally, two public forums were held in May and July to solicit feedback from residents. Those invited included the general public, the media, and public officials, as well as other regional stakeholders who would benefit from information presented at the forum and whose feedback could aid in the development of the current strategy. The forum in May introduced what the local CEDS process entailed, including introducing the Vision, Goals, and Strategies developed by the CEDS Strategy Committee. The second public forum in July introduced project priorities, the scope of work for the EDD for its first year, and an introduction to the draft of the CEDS document. Comments from both sessions' feedback were incorporated into improving the local CEDS development process and report.



THE REGIONAL ECONOMY

HISTORICAL COMPARISONS FOR REGION TO PRIOR ECONOMIC DOWNTURNS

The Rockford Region's economy generally fares very poorly during major economic downturns. This is just as evident now as it was during the 1980s. Per capita income, in constant dollars, has shrunk continuously within the Region for the past decade. Less than one in five people in the Rockford Region today are college graduates. Many of the area's historically local industries have lost local control. During past setbacks, the Rockford MSA has been one of the first places to be hit by layoffs and business restructuring, forcing it to adapt and innovate sooner than other regions in the world. This CEDS aims to pull the Region's current state much farther ahead than ever attempted.

In years leading up to the 1980s, more than half of earnings in Winnebago County came from manufacturing and the population of the City of Rockford declined for the first time since the Great Depression. By 1983, Rockford led the nation in unemployment with a rate of 25.5%. This led to a concerted effort to diversify the local economy and to launch new cooperative economic development initiatives involving public-private partnerships. These included establishment of the Council of 100 (which has since evolved into the Rockford Area Economic Development Council) and the Rockford Local Development Corporation, or RLDC. The latter served as developer of a new industrial park near the Chicago Rockford International Airport (the Greater Rockford Industrial Park, or GRIP) and administers a small business loan program yet today. Local manufacturers exported goods and found new markets. The Region gained from new services and job diversification, becoming less dependent on its manufacturing sectors. However, all of these changes were insufficient to shield the Region from sustaining a major negative impact of the current economic downturn.

CURRENT ECONOMIC CLIMATE

The Rockford Area's growing demographic and economic integration with the greater Chicago Region presents new opportunities and new challenges. Based on data compiled by the U.S. Census Bureau in 2006, approximately 11,500 workers living in Cook or the 'Collar Counties' are employed in the Rockford MSA, while 29,735 workers living in Boone or Winnebago counties commute to jobs in the Chicago metro area. Although this emergent integration with the greater Chicago region can encourage the location of new businesses and the migration of existing businesses to take advantage of a growing and diversifying labor and consumer market, it also creates new potential vulnerabilities beyond the loss of local identity. The greatest threat is any downturn in the economy of the Chicago metro area will negatively impact both the economic and

population growth of the Rockford Region. Just as past economic growth in the Chicago Area has fueled population growth in outlying metro areas such as Rockford, economic contraction may have almost the opposite effect. Although the Chicago area has enjoyed considerable prosperity during the past two decades, the current recession is focused on the three sectors (banking, finance and insurance) that have been especially instrumental in the Region's recent growth. If the economic crisis deepens or continues for a prolonged period, it will likely lead to a significant migration of dislocated workers out of the Chicago Area to other regions of the country. This scenario would, without doubt, have a negative impact on the Rockford MSA. Residents that once commuted to jobs in the Chicago area would have few options for securing a comparable job in the Rockford Region because the local economy's ability to generate endogenous employment opportunities has been greatly diminished over the past several decades.

The future growth of the Region also faces threats from economic events from nearby communities, especially the Janesville-Beloit Area. More than 3,400 workers residing within the Rockford MSA commute to Rock County. In the past year, more than 15 plants have permanently closed in Rock County, causing significant unemployment rates within the Rockford MSA labor shed.

In addition, the strong presence of the automobile manufacturing and machine tool industries and related suppliers (General Motors assembly plant in Janesville, Wisconsin and the Chrysler plant in Belvidere) has had immediate, serious impacts on the Rockford Region. Recently Chrysler announced the permanent layoff of its second shift at the Belvidere Assembly Plant which directly will cause the layoffs of the second shift workers at its six supplier plants located in Belvidere. This follows Chrysler's decision last year to close the third shift.

Overall, this chain of events will result in loss of an estimated 2,700 automotive jobs related to Chrysler. This does not include the number of workers laid off in the Region from supporting supply chain and assembly companies. The most recent figures indicate the City of Belvidere's unemployment rate at 18.1% pushing the larger Rockford MSA unemployment rate to 13.5%. A recent economic impact analysis performed by Northern Illinois University shows the layoffs are expected to result in a reduction in tax revenue for Boone and Winnebago counties along with an estimated economic wealth impact.

QUALIFICATION FOR EDA ECONOMIC DISTRESS

The Rockford MSA currently qualifies under all three of the criteria used to designate an area for economic distress with

1. an unemployment rate that is, for the most recent 24-month period for which the data are available, at least one percentage point greater than the national average unemployment rate (Rockford MSA is 2.94 percentage points higher than the national rate over the last 24 months);

2. per capita income that is for the most recent period for which data are available 80% or less than the national per capita income (Rockford MSA is at 78.97% of the national average); and
3. a "Special Need" (Rockford MSA has had a similar number of plant closures and permanent layoffs in the last year as nearby Janesville, Wisconsin; and the US Department of Housing and Urban Development shows the City of Rockford with a foreclosure rate of 7.2% at the time its Neighborhood Stabilization Program was created in late 2008, a figure exceeded only by the City of Cicero in Illinois).

POPULATION CHARACTERISTICS

As seen in Figure 1, the total population of the Rockford MSA was estimated at 357,567 in 2009 by Woods & Poole Economics, Inc. Between 1990 and 2000, the population in the region grew 12.9% (36,482 people) for an average annual growth rate of 1.3%. Boone County experienced an increase in population during that time frame of 35.6%, or 10,980 people, while Winnebago County increased 10.1%, adding another 25,502 people.

Despite sluggish economic growth, the Region's population increased 11.7% (or 1.2% per year) from 2000 through 2009, compared to a state-wide growth rate of 4.4%. Historically, the Rockford Area maintained an identity distinct from the larger urban centers around it (especially the Chicago Area), based solely on the strength of endogenous economic growth. In recent decades, the situation reversed as transportation linkages improved and the local economy struggled with effects of global competition. Population growth in the region is now driven by exogenous economic growth and migration from the Chicago Metropolitan Area.

Boone County's contribution to the MSA's growth has increased during the past two decades. During the 1990s, and most of the current decade, Boone County was one of the fastest growing counties in Illinois, outside of the Chicago metro area. Most of this new residential growth has occurred in and around the City of Belvidere, the largest city in Boone County. However, several outlying communities have also experienced a significant influx of residents. Between 1990 and 2007, the population in Belvidere increased nearly 64%, adding another 10,198 residents. Recent auto industry cutbacks in the Region, and a national recession, will adversely affect those trends.

The City of Rockford is the largest city in the MSA with a population of 150,115 (2000 Census), comprising more than 47% of the metropolitan area population at that time. The balance of metro area residents live in suburban communities and unincorporated areas that extend north of the City of Rockford to the Wisconsin state line, west to the Village of Winnebago and east to Belvidere in Boone County. Unlike many older metropolitan areas, both the central city (Rockford) and the suburban communities have experienced significant population growth. For example, between 1990 and 2000, the City of Rockford increased 10,689 residents representing 29.3% of the metro area total population growth and 41.9% of the population growth in Winnebago County.

POPULATION MIGRATION

In-migration was the primary cause of population growth in the Region. Between 2000 and 2008, migration represented nearly one-half (48%) of the population growth in the Rockford MSA. Much of this growth (27.5%) resulted from domestic or internal migration, with the balance coming from foreign migration. Natural increase (births minus deaths) accounted for 46% of the Region's growth. (Figure 2)

Within the MSA, the source of population growth differs markedly between Boone and Winnebago Counties. In Winnebago County, natural increase was the primary growth component, representing 57.9% of the total population change from 2000 to 2008. In addition, foreign migration accounted for 85.1% of total net migration. This follows a traditional model of population growth in areas dominated by older industrial communities where domestic migration is modest, or more often, is negative.

By contrast, Boone County exhibits almost the opposite pattern with the majority of growth coming from migration, which accounted for 76.2% of total population change between 2000 and 2008. Nearly 90% of this increase was attributable to domestic migration, underscoring the impact of the residential development that has taken place in Boone County during the past two decades.

The components of population growth in the Rockford MSA contrast significantly with those of the State of Illinois. Statewide, population increased 3.5% between 2000 and 2008 (Rockford MSA grew 10.0%), but this was because of a relatively strong natural increase (664,967) and foreign migration (425,893). In terms of net domestic migration, the State lost 585,075 residents.

The Rockford Area also compares favorably with many of its peers. Population growth in these communities, if any, was attributable mostly to natural increase. Domestic migration also accounts for another important difference in that the Rockford MSA has exhibited a significant positive increase while many other industrial communities in the region experienced substantial domestic out-migration (e.g. Decatur, Peoria, Flint, Ft. Wayne and the Quad Cities) or modest increases (e.g. Janesville-Beloit, Wisconsin).

POPULATION PROJECTIONS

Population projections by Woods & Poole Economics, Inc. for 2000 through 2040, as seen in Figure 3, suggest the Rockford MSA will grow more rapidly than the state of Illinois. However, these projections were made prior to the recent recession which may substantially alter the figures. While the statewide population is expected to grow nearly 18.1% by 2040 (about 0.6% per year), the Rockford MSA was projected to grow 24.5%, with the highest growth rate in Boone County (42.5%). This continues a trend that

Regional Population Trends

Area Name	Total Population			Percent Change	
	1990	2000	2009	1990-2000	2000-2009
City of Belvidere	15,958	20,820	24,937	30.5	19.8
City of Rockford	139,426	150,115	147,893	7.7	-1.5
Boone County	30,806	41,786	55,036	35.6	31.7
Winnebago County	252,916	278,418	302,531	10.1	8.7
Rockford MSA	283,722	320,204	357,567	12.9	11.7

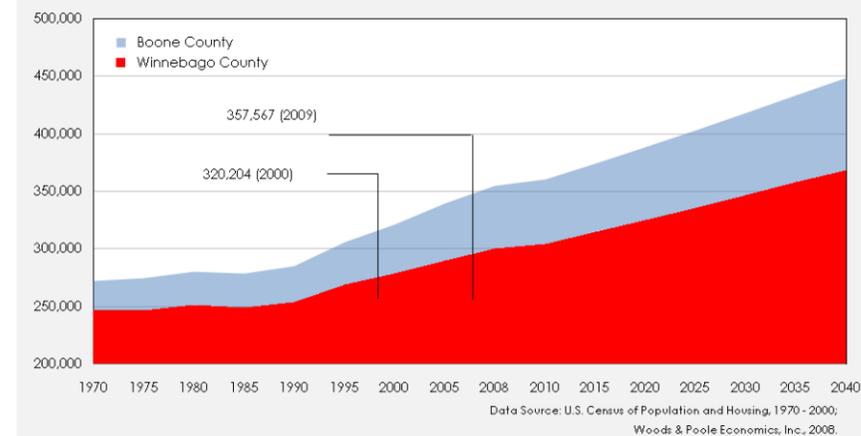
Data Source: U.S. Census of Population and Housing, 1990, 2000; EASI Analytics, Inc., 2008.

Components of Regional Population Change (2000-2008)

Area Name	Natural Increase			Net Migration			Total Population Change
	Births	Deaths	Increase/Decrease	Domestic	Foreign	Total Net Migration	
Rockford, IL MSA	39,083	23,363	15,720	9,411	6,873	16,284	34,188
Boone County	5,744	2,657	3,087	8,387	1,027	9,414	12,358
Winnebago County	33,339	20,706	12,633	1,024	5,846	6,870	21,830
Bloomington-Normal, IL MSA	17,909	8,466	9,443	4,181	1,978	6,159	14,865
Davenport-Rock Island-Moline, IL-IA MSA	41,220	28,503	12,717	-13,846	3,849	-9,997	1,574
Decatur, IL MSA	11,698	9,738	1,960	-8,329	362	-7,967	-6,378
Peoria, IL MSA	40,765	30,202	10,563	-5,592	2,190	-3,402	5,609
Flint, MI MSA	51,044	32,333	18,711	-24,989	1,210	-23,779	-7,358
Fort Wayne, IN MSA	50,298	26,153	24,145	-6,891	5,705	-1,186	20,998
Janesville-Beloit, WI MSA	17,122	10,913	6,209	534	1,951	2,485	7,906
State of Illinois	1,505,709	860,742	644,967	-585,075	425,893	-159,182	481,903

Data Source: U.S. Census Bureau, 2009.

Population Trends Rockford, Illinois MSA

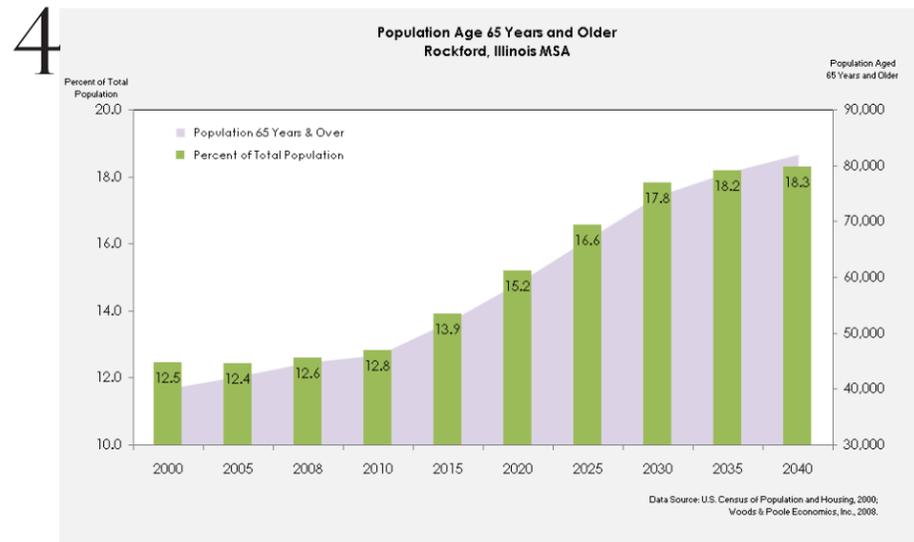


Data Source: U.S. Census of Population and Housing, 1970-2000; Woods & Poole Economics, Inc., 2008.

1

2

3



began in the early 1990s as residential and commercial development in the northwest suburbs started spreading out along the I-90 corridor. The Rockford Area's transportation linkages and relatively low real estate costs are expected to remain the principal drivers of regional population growth in the foreseeable future.

Age patterns in the Region are generally similar to those of the State and the nation. One in five people in the Rockford MSA is of school age (5-19 years old) and 62% is of working age (18-64 years old). The Region has a slightly smaller percentage of pre-school age children (6.8% versus 6.9% for the State of Illinois), and a slightly higher percentage of population older than age 65 (12.7% versus 12.2% for the State).

Population projections also indicate the retirement age population (65 years of age and older) in the Rockford Area will increase by 41,999 people (105.1%) from 2000 to 2040, similar to both state and national trends for this age group. See Figure 4. The rapid expansion of this age cohort will present challenges during the next several decades as the 'baby boom' generation moves into its senior years. This will precipitate dramatic shifts in consumer spending patterns and the demand for health care, housing, transportation and leisure.

The proportion of school age population in the Rockford MSA is projected to decline 16.0% between 2010 and 2040. Working-age population is projected to peak at 62.8% in 2010, and then drop to 58.5% in the region (Figure 5). This decline will be particularly acute in the younger "Gen Y" or "Millennial" age cohorts (ages 18-34 years), while the older working-age groups will experience modest declines or no growth. Because of the relatively small size of the generations following the retiring 'baby boomers', competition among communities, states and regions for working-aged adults will be keen and the ability to attract, train, and retain this group be the deciding factor in economic competitiveness.

GENDER, RACE AND ETHNICITY

The Region is growing in diversity, but somewhat less so than the State of Illinois. However, the minority population has increased proportionally at a much faster pace in the Rockford MSA than in the State, as well as most of its regional peers (Figure 6). The growth and vitality of ethnic minorities (non-white) and immigrant communities has been cited as a key factor in levels of entrepreneurship and the overall quality of life in a region. Minorities in the Rockford MSA accounted for 24.5% of the total population in 2008, an increase from the 2000 Census (19.3%). In the same period, minority populations in Illinois grew at a slower pace, increasing from 31.5% of the total population in 2000 to 35.1% in 2008.

Patterns of ethnic diversity within the Region vary considerably with the City of Rockford being the most diverse (the white non-Hispanic population is 65.5% versus 75.5% for the MSA). Most of the suburban communities tend to be much less heterogeneous (minority residents account for 10%

or less of the population of most of the suburban communities in Winnebago County). Boone County, in general, and the City of Belvidere in particular, have until recently followed the historic pattern of Rockford's suburban communities. However, one prominent feature of the surge in residential development in the past two decades has been the influx of Hispanic residents, both of foreign and domestic origin. Currently, Hispanics represent 22.9% of the population of the City of Belvidere, an increase of 37.1% from 2000.

During the same period, the Hispanic population of Boone County increased 100.2% and now represents 18.8% of the county residents. Projections indicate that the Hispanic population in the Rockford Area will continue to be the fastest growing ethnic group, increasing by nearly 200% between 2008 and 2040. By 2040, Hispanics will account for 28.5% of the Rockford MSA's residents.

The Rockford Area's African-American residents are concentrated mostly within the City of Rockford, where they make up 16.9% of the population. The African-American population in the Rockford MSA is roughly equal in size to the Hispanic population, but it is projected to grow a far slower rate. Between 2008 and 2040, the African-American population of the Region is to increase 41.2%. By 2040, African-American residents will be 11.2% of the population of the Rockford MSA.

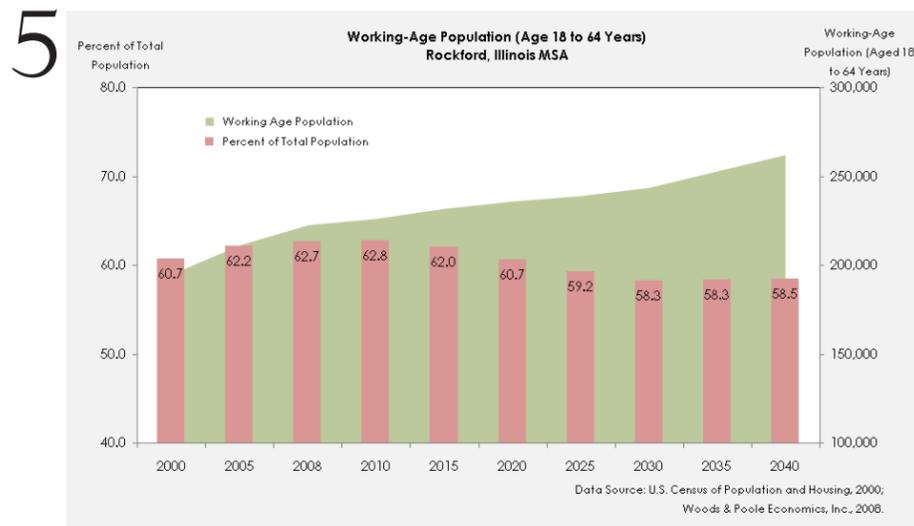
ATTRACTION AND RETENTION OF EDUCATED TALENT

EDUCATIONAL ATTAINMENT

A knowledgeable, skilled and creative workforce drives progress. The education, training, and employment options available to high school graduates depend on their academic preparation in preschool, elementary, and secondary classrooms, as well as the affordability and proximity of postsecondary opportunities. Ideally, education and training programs respond to the labor market and the current and future needs of local employers. Recent employment projections show that jobs in the future increasingly advanced technical training or require a college degree and future workforce shortages are expected in some specialized fields requiring higher levels of education because of this.

EDUCATION CHARACTERISTICS

Along with the expected decline in the working-age population, the education of workers will be more important as competition for skilled work-



6

Population by Race/Ethnicity as a Percent of Total Population, 2008

Area Name	Non-Hispanic*				Hispanic or Latino (any race)*	Percent Change 2000-2008	
	White	Black/African American	Native American	Asian, Pacific Islander		White	Minority
Rockford, IL MSA	75.5	10.0	0.3	2.1	12.1	3.4	40.4
Boone County	77.7	1.8	0.3	1.4	18.8	17.1	100.2
Winnebago County	75.1	11.5	0.3	2.2	10.8	1.2	33.9
Bloomington-Normal, IL MSA	85.7	7.3	0.2	3.3	3.5	6.6	37.1
Davenport-Rock Island-Moline, IL MSA	84.7	6.4	0.3	1.7	7.0	-2.3	17.2
Decatur, IL MSA	81.6	15.7	0.2	1.1	1.3	-7.6	6.4
Peoria, IL MSA	86.2	9.6	0.3	1.7	2.2	-1.1	19.6
Flint, MI MSA	75.0	20.6	0.7	1.1	2.6	-0.6	-0.3
Fort Wayne, IN MSA	81.7	10.5	0.3	1.9	5.5	2.2	23.9
Janesville-Beloit, WI MSA	87.5	4.6	0.3	1.2	6.3	2.3	30.3
State of Illinois	64.9	14.9	0.2	4.5	15.4	-1.6	15.7

Data Source: U.S. Census Bureau, 2009.

ers becomes a critical factor in determining the future economic growth prospect of communities and regions. As part of its industrial legacy, the Rockford Area has historically had a below average proportion of residents with high school diplomas or with limited formal education and training beyond high school.

Through the 1960s, well paid, low-skilled or semi-skilled jobs were plentiful in local industries, many of which did not require a high school diploma. At the same time, the Rockford Area had limited demand, outside of health care and medical services and aerospace firms such as Sundstrand, for large numbers of professional, technical, or managerial jobs. This situation limited the number of college or university graduates attracted to the Region.

Even as the local and national economy transitioned away from lower-skilled manufacturing jobs to more technical and professional jobs requiring higher levels of training or education, the proportion of the working-age population in the Region with college degrees remains relatively low. According to American Community Survey (ACS) data (Figure 7), the proportion of Rockford MSA residents with either a baccalaureate or graduate degree was estimated at 19.9% in 2007, compared to 30.0% for the state of Illinois and 27.0% nationally. The proportion of Rockford MSA residents enrolled in a college or university (20.7 %) was also significantly lower than either the state average of 27.0%, or national average of 26.1%. In 2005, about 17.1% of the U.S. population held bachelor's degrees, compared with 13.2% in Rockford. The combination of all of these facts spotlights a major between what has been needed in the past, what is needed today, and what will be the needs of the future in the Region.

ACS data show that males and females have comparable educational attainment, including a bachelor's degree or higher. This suggests that the lower educational attainment of the MSA is not gender bias; rather, the entire working age population is below the state and national average in educational attainment. The Rockford MSA has room for improvement and a chance to retrain the workforce for the new economy to be developed.

Richard Florida, in Rise of the Creative Class, points out that advances in information technology, automation, and robotics continually revolutionize the distribution of manual labor between people and machines. This steadily reduces the number of routine and repetitive manual work jobs. These changes in the nature of work affect every sector of the Region's economy.

The Rockford MSA has seen steady decreases in number of manufacturing jobs, many of which were high-paying. Advances in materials science, biochemistry, nanoscience, and other fields of knowledge, are causing an explosion in new products and services that will be major industries in the future. The new manufacturing industries will require higher levels of educational attainment and will be an important focus for Boone and Winnebago counties.

RECRUITING AND RETAINING TALENT

Boone and Winnebago Counties have identified a skilled and available workforce as one of their most important goals. One strategy is to increase the educational attainment of current residents and attract residents with specialized talents rather than exporting talented residents to jobs elsewhere. Regions that thrive find ways to leverage their technology and talent assets to create new patterns of two-way trade in the global economy. However, the City of Rockford, is losing its share of educated young professionals.

A study by NextGeneration Consulting (NGC) examined the recruitment and retention of talent in the Rockford Area. In an October 2006 survey, NGC found that in Boone and Winnebago Counties, 197 employers indicated a need for 8,021 employees in the next 2-3 years. More than half of these jobs (4,581) would be created through retirement and attrition.

The current national recession has changed many projections of job need, and more residents will be available to fill these positions as unemployment rates increase. The retiring work force is addressed in greater detail in following sections, but attracting and retaining talent becomes even more critical as the baby boomers retire and a smaller generation replaces them. The recession may force some potential retirees to remain in the workforce due to losses in retirement funds, however, attraction and retention of talent are still important to workforce development.

The remaining 3,440 are new jobs that employers responding to the NGC survey expected to create to meet their organization's goals. Sixty-four percent of respondents said they actively recruit young talent to meet their planning goals, however, these figures obviously represent a pre-economic downturn era when companies were expanding. However, the survey results show a need for skilled workers, and emphasize that a well-educated, younger workforce will be needed in the future.

PERSONAL INCOME, EARNINGS, AND BENEFITS

According to Woods & Poole Economics, Inc., median household income in the Rockford MSA fell by 9.4% in constant (2004) dollars between 2000 and 2008 (Figure 9). Part of the decrease resulted from the decline in manufacturing employment, which typically is associated with high wages. One might expect to see a further deterioration over the next several years because of the higher unemployment, as well as layoffs and plant closures in the auto industry.

Even at a time when the economies of the State of Illinois and the nation were generally prosperous, the Rockford Region struggled with issues of income disparity and poverty. This is most apparent in the decline in per capita income (-5.1%) between 2000 and 2008 as the state and national

Educational Attainment, Rockford MSA, 2005-07

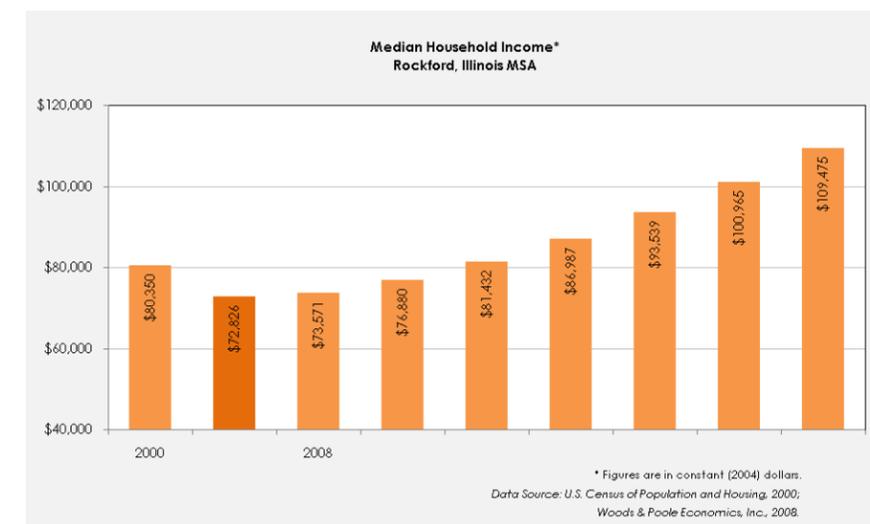
Population Age 25 Years and Older	Rockford MSA	
	Number	Percent
Not a High School Graduate	35,676	15.8%
High School Graduate	81,393	36.0
Some College, No Degree	46,667	20.7
Associate Degree	17,366	7.7
Baccalaureate Degree	29,786	13.2
Graduate Degree	15,058	6.7

Data Source: American Community Survey, 2005-2007, 3-year estimates

Educational Enrollment, Rockford MSA, 2005-07

SCHOOL ENROLLMENT		
	Number	Percent
Population 3 years and over enrolled in school	90,787	100%
Nursery school, preschool	6,842	7.5%
Kindergarten	4,885	5.4
Elementary school (grades 1-8)	39,430	43.4
High school (grades 9-12)	20,853	23.0
College or graduate school	18,777	20.7

Data Source: American Community Survey, 2005-2007, 3-year estimates

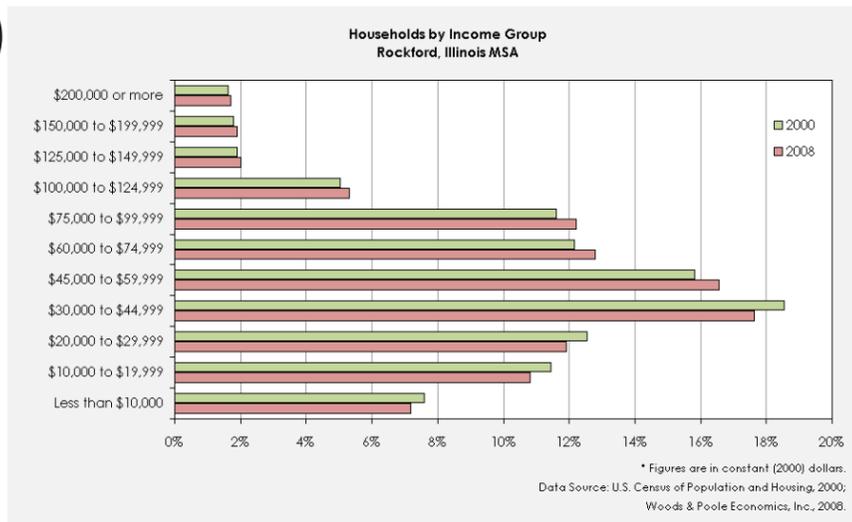


7

8

9

10



indicators increased by equal or greater proportions. Although the Region maintained relative parity with the State and the nation through the 1970s, per capita income grew at a much slower rate in the 1980s as the effects of the national recession impacted the Rockford MSA more harshly because of the downturn in the Region’s manufacturing sector. Per capita income growth recovered briefly in the early 1990s but increased by less than half the state and national averages between 1995 and 2000 .

The mean household income is also lower than state and national averages. Even so, the middle and upper household income groups in the Rockford MSA grew substantially between 2000 and 2008. The largest group of households fell in the \$30,000 to \$44,999 income category (17.6% of all households in 2008), followed by the \$45,000 to \$59,999 group (16.5% of all households in 2008). See Figure 10. A cursory examination of the income distribution shows double-digit increases of the mean household income classes for wealthier cohorts between 2000 and 2008. For example, all of the income classes of \$30,000 to \$44,999 and below experienced increases of 7.2% to 7.8% during this period, while the households with \$45,000 annual income or more experienced increases of 18.7% to 20.1%. In other words, in 2000, 50.1% of the MSA households had incomes below \$45,000 per year, but by 2008 that percentage had decreased to 47.5%, reflecting the general increase in real income. The mean household income is affected by several factors including: number of members in the household, age or employment of head of household, and wages or salaries received.

Another dimension of income within a community is the proportion of residents at or below the poverty level (Figures 11 and 12). The Rockford Area, like many other urban areas in the U.S., has had to cope with rising poverty rates as low-skilled industrial jobs that once offered a pathway to a middle class lifestyle have disappeared over the past four decades. Despite a generally favorable economy both locally and nationally, the proportion of residents in poverty in Boone and Winnebago Counties increased substantially between 2000 and 2007. Boone County, smaller in terms of population and relatively more affluent, has experienced poverty rates that are well below the state and national average. However, between 2000 and 2007, the proportion of Boone County residents in poverty grew from 6.5% to 9.8% with the poverty rate among those under the age of 18 increasing from 9.2% to 14.9%.

Winnebago County, with its relatively larger share of urban population, has historically experienced higher poverty levels either at or above the state and national averages. Despite the generally favorable economic conditions throughout most of the decade, the proportion of Winnebago County residents in poverty increased from 10.0% to 13.8% between 2000 and 2007, with the poverty rate among those under the age of 18 increasing from 14.7% to 21.2%.

Changes in poverty concentration can result from several factors including in-migration of residents who have not yet become part of the economic mainstream and not yet found steady and/or high paying

jobs. These residents may need support from the community, such as special educational programs to help prepare them for the job market. The Rockford Area, as noted previously, has experienced in-migration of minority populations which may explain the relatively high percentages of residents in poverty. However, the high unemployment in 2009 and beyond is likely to limit the employment opportunities for this segment of the population and could lead to higher poverty rates in the future.

It is important in an economic development strategy to find balanced employment, i.e. jobs that can be held by residents with various skills and abilities. Thus, in designing an economic development strategy, it is important to understand the types of skills available in the community and then determine the types of jobs or job training needed to allow all residents to participate in the economic mainstream.

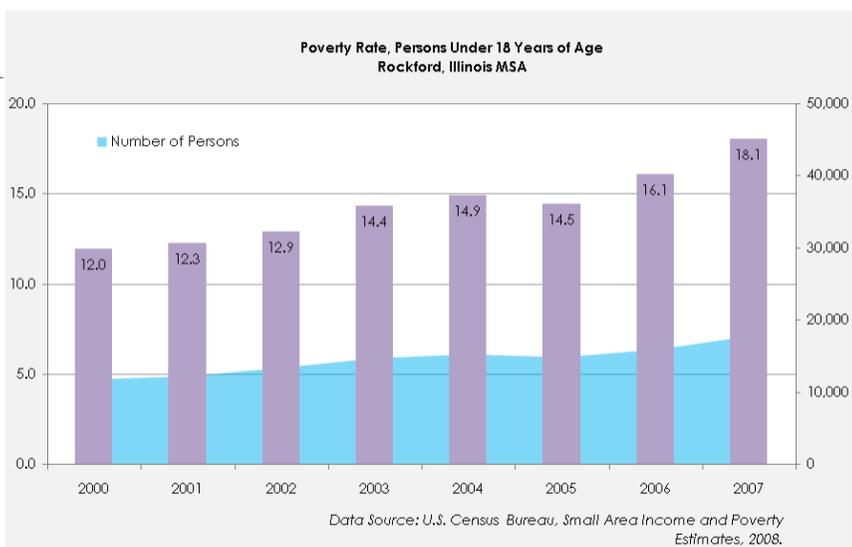
SOURCES OF PERSONAL INCOME IN ROCKFORD MSA

Another useful measure to examine the prosperity of a region is the total personal income generated. In 2000, the Rockford MSA generated a total of \$8.29 billion of personal income with the vast majority (\$5.98 billion) in Winnebago (72.1%) and the remaining \$1.03 billion (27.9%) in Boone County. During the 1990s, total personal income had increased 32.1% in Boone County, far outstripping both Winnebago County (14.3%) and the State of Illinois (11.2%). See Figure 13 for supporting information.

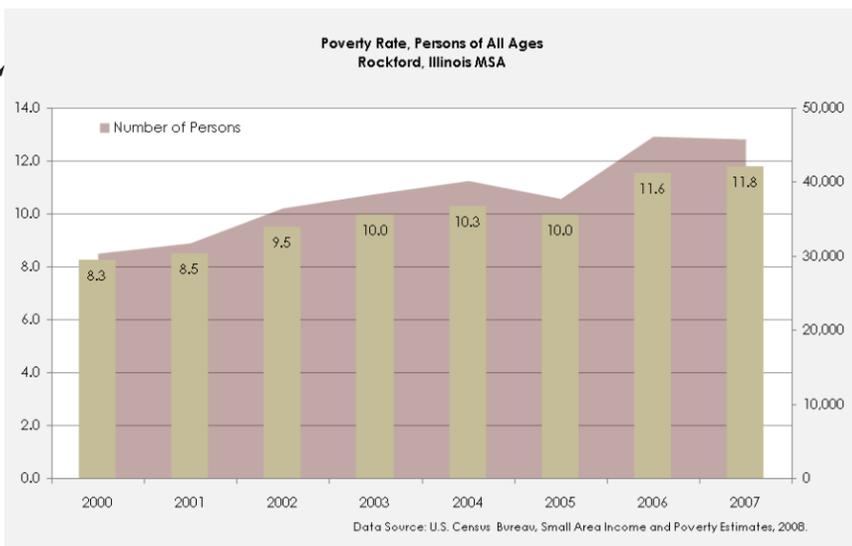
By 2008, the total personal income in the MSA had increased to an estimated \$9.45 billion, 14.0% higher than in 2000. The growth was relatively more in Boone County where the \$1.28 billion in personal income represented 31.1% increase in income. In fact, income in Boone County increased 24.3% between 2000 and 2008, compared with an increase of 10.5% in Winnebago County. Unfortunately, much of the personal income growth in Boone County is likely to be explained by increases in incomes generated by expansions in the auto plant in Belvidere, as well as construction activities in Boone County. Reducing work at the auto plant from three shifts to one over the past year, combined with the closing of some companies that were suppliers to the auto plant, will undoubtedly have the opposite effect on income levels in both counties, but especially Boone County.

The main source (54.5% in 2008) of personal income in the Rockford MSA was from wages and salaries followed by government transfer payments to individuals (15.2%). In 2004 dollars, the \$4.5 billion in wages and salaries in 1990 increased to \$5.94 billion in 2008, a 30.8% increase. However, the bulk of this increase came in the ‘90s when wages and salaries grew by 28.4% compared with just 1.8% in the 2000s. Proprietors’ income is of special interest for economic development purposes since much attention is paid to business ownership and finding ways to stimulate business entrepreneurship. During the 1990s, proprietors’ income declined slightly (1.3%) in the Rockford MSA, but rebounded nicely in the 2000s, increasing

11



12



10.6%. The reasons for this switch are not immediately clear, but should be explored further in subsequent analyses. Not surprisingly, the greatest variability has been with dividends, interest and rental income. While this category increased by 31.8% during the '90s, it dropped by 20.5% in the 2000s, showing an overall increase of 4.7% between 1990 and 2008. A possible indicator of concern for the future lies in the final category in the table below – government transfer payments to individuals. This amount virtually doubled since 1990, going from 10.3% of these sources of personal income in 1990 to 15.2% in 2008. This figure bears watching in the near future and analysis of the particular types of government payments being made.

Historically, the Rockford Area labor market has been relatively self-contained in that the vast majority of residents worked within a short distance of their homes with only a small number working in nearby communities, such as Beloit or Freeport. While this is still true to a large degree, the Region has a growing number of residents commuting outside its boundaries to work, as well as an increasing number who live outside the area and commute to work within the MSA. During the past three decades, improvements in the transportation system (particularly the interstate highway system) and the growth in private automobile ownership, as well as the willingness on the part of more workers to travel longer distances to work have facilitated the flow of working commuters between the Rockford MSA and adjacent employment centers, particularly in the Chicago area. This is shown by changes in several important indicators including travel time to work and the number of workers that commute into or out of the metro area.

The information suggests that the majority of workers living in the Rockford Area are employed in Boone or Winnebago Counties, given the high proportion of workers that travel less than 30 minutes to their place of employment. However, the number of Rockford Area residents traveling 30 minutes or more to their jobs has increased 145.9% since 1980, currently accounting for nearly one-fourth of all employed persons 16 years of age and older. Although some of the increase in travel time may be attributed to traffic congestion and a widening geographic dispersion of employment centers within the MSA, it also indicates that a growing number of Rockford Area workers commute to jobs outside the area. Also significant, is the relatively small but growing proportion of those that work at home. The number of employed persons working at home more than doubled between 1980 and 2008, increasing from 1.8% in 1980 to 3.0% in 2008. This group includes the self-employed and 'telecommuters.'

In addition to analyzing worker commuting times, the U.S. Census Bureau has compiled data on employed persons based on place of residence, as well as place of employment. See Figure 14. The top six employment destinations of the Region's residents are shown to the right. Although 75% of workers living in the Rockford MSA in 2006 worked within the metro area, this proportion had declined from 77% in 2002. At the same time, the share of the Rockford Area's residents commuting to the Chicago metro area – Cook, DeKalb, DuPage, Kane and McHenry Counties in particular – grew from 8.05% in 2002 to 9.5% in 2006. Between 2002 and 2006, the

number commuting to jobs in Rock County, Wisconsin increased from 3,604 to 4,184 increasing its share from 2.5% to 2.9%. Those commuting to other areas remained relatively stable.

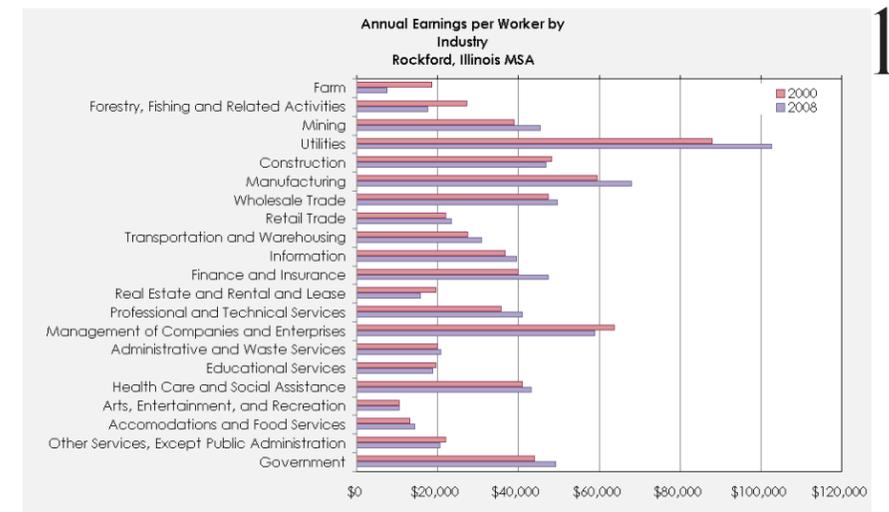
Most MSA residents live in Winnebago County, so the increased commuting outside the MSA can have relatively negative effects on purchasing patterns within the MSA. An economic development strategy that focuses on increasing the number of job opportunities within the metro area could help retain more workers.

The largest proportion of people working in the Rockford MSA also lives in the MSA. This proportion has also declined during the current decade (from 71.6% in 2002 to 68.7% in 2006). This trend could relate partly to declines in certain types of employment opportunities in the Rockford Area (especially manufacturing jobs), as well as the desire and ability on the part of many workers to commute longer distances in exchange for the (real or perceived) lower costs and better quality of life offered by the surrounding suburban communities and rural areas. The counties that make the Chicago metropolitan area account for the majority of workers commuting into the Rockford Area. Cook County alone accounted for 9.1% of the workers employed in the Rockford metro area.

Although a significant number of workers living in the Rockford MSA commute to jobs outside the area, many more workers living in surrounding counties commute into the metro area to work. In 2006, the number of workers employed in the Rockford MSA but living outside the metro area exceeded the number living in the Rockford MSA and commuting to jobs elsewhere by 13,180. This imbalance of commuting workers in the Rockford MSA's favor increased by 20.1% between 2002 and 2006. Much of the increase can be attributed to the growing interdependence between the Rockford and Chicago labor markets and is one of the most tangible indicators of the Rockford Area's increasing integration with the larger Chicago regional economy.

The interaction between the Rockford labor market and its neighbor's (particularly the Chicago area) offers rewards as well as risks. On the positive side, the Chicago area's relatively more robust economy during the past three decades has helped to buffer the local economy by providing employment opportunities for displaced Rockford Area workers by providing employment opportunities as the Rockford struggled. In addition, the Rockford Area's lower living costs attracted many Chicago area workers which helped support the Rockford Area's housing, construction, and retail sectors. On the negative side, the greater integration of the Rockford economy with that of the greater Chicago region makes the Rockford Area more vulnerable to downturns in the latter.

It would be worthwhile to further study the nature and impacts of workers commuting between the Rockford Area and the surrounding areas. A better understanding of the level of education, occupations, wages, and industries in which these workers are employed could equip local economic development officials to adjust business recruitment and retention strategies to take advantage of a larger and potentially more diverse labor market.



13

Travel Time to Work Rockford, Illinois MSA

Employed Persons 16 Years of Age and Older	1980		1990		2000		2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Work at Home	2,263	1.8	3,580	2.6	4,088	2.6	5,400	3.0
Less than 15 minutes	50,323	39.8	54,029	39.1	52,756	34.0	54,066	30.4
15 to 29 minutes	56,566	44.7	58,674	42.5	65,899	42.5	75,347	42.4
30 to 59 minutes	15,349	12.1	17,610	12.7	23,509	15.1	30,342	17.1
60 minutes or more	2,038	1.6	4,305	3.1	8,974	5.8	12,413	7.0
Mean travel time to work	16.8 min.		18.0 min.		20.8 min.		23.6 min. *	

* 2007 American Community Survey estimate.
Data Source: U.S. Census of Population and Housing 1980, 1990, 2000; U.S. Census Bureau, American Community Survey, 2007; EASI Analytics, Inc., 2008.

14



CLIMATE AND AIR QUALITY

Due to its location in the Midwest, the Rockford MSA's climate contains four clearly defined seasons. June is Rockford's wettest month, receiving an average total of 4.03 inches of precipitation. July is the hottest month, averaging 74°F, and January the coldest, averaging 25.4°F (SOURCE: National Weather Service 2005-2008).

GEOLOGY

Geology is a significant consideration for land use planning in the Region, according to the Illinois State Geological Survey, 2000. The dolomite and sandstone bedrock formations are important groundwater resources throughout northern Illinois. Land use decisions should be made with consideration for the protection of groundwater resources from potential contamination as it serves as the source for public water supply in the Region. In addition to groundwater resources, dolomite formations near the land surface are current or potential rock product resources.

In northwest Winnebago County, there is little difference between the land surface and bedrock surface in the uplands; a 16-foot thick veneer of glacial till and/or loess overlying near-surface bedrock generally characterizes these areas. In contrast, the bedrock surface is more than 328 feet below the land surface in deep bedrock valleys. The Rock, Troy, and Pecatonica valleys were incised prior to glaciation in the region and are now filled with glaciofluvial sediments, primarily sand and gravel. Although the Rock and Pecatonica bedrock valleys now contain rivers bearing the same names, The Troy bedrock valley has no expression at the land surface today. Unconsolidated Quaternary deposits are generally thicker toward the east, resulting in very few bedrock exposures in Boone County. The area has much prime farm land.

PRAIRIES, FORESTS, WETLANDS, & RIVER CORRIDORS

In addition to numerous restored natural areas, there are six designated Illinois Nature Preserves within the Winnebago County forest preserves – Sugar River Alder, Colored Sands, Pecatonica Bottoms, Hartley Memorial, Laona Heights, and Severson Dells. Other nature preserves in Winnebago County include Searles Prairie, Harlem Hills, and Colman Dells. Boone County contains three – Flora Prairie, Ispen Prairie and Kinnikinnick Creek. These dedicated nature preserves are areas of land or water in public or private ownership that are formally dedicated for the protection and

preservation of their natural character.

The Region includes landscapes categorized as “Critical & Sensitive Areas” in the Boone and Winnebago Regional Greenways Plan adopted in 2005, based on the presence of natural features that support native ecosystems and species. Criteria for inclusion in this category include quality wetland, high quality or remnant prairie, native woodland, sensitive floodplain area, or areas containing state endangered flora and/or fauna species.

The Rock River flows southwest through Wisconsin and receives the Pecatonica River 5 miles south of Wisconsin. Flowing south through adjoining Rockford MSA communities, the Rock River passes Loves Park, Machesney Park, Rockford, South Beloit and the villages of Winnebago, Roscoe, and Rockton. The Kishwaukee River flows from eastern Boone County through Belvidere and points west to its confluence with the Rock River at the Chicago Rockford International Airport.

University of Illinois at Urbana-Champaign's 2007 study on natural resources rated Piskasaw, Raccoon and Kinnikinnick Creeks and portions of the Sugar, Rock and Kishwaukee Rivers as some of the most biologically significant streams in Illinois. The Kishwaukee and Sugar Rivers are two of the few Grade “A” streams in the state. Other rivers and streams in the Area are on the IEPA's list of most polluted waters in the State.

SURFACE & GROUNDWATER HEALTH

The Rock River Valley has an abundant supply of drinking water, but the well water in our region is vulnerable to contamination because of our porous soils and shallow bedrock. Iron, manganese and hardness are persistent nuisance compounds that significantly degrade the quality of water being delivered to the area's water consumers.

Most waterways are degraded by excessive nutrients, silt and sediments washed from farms, lawns and construction sites. The nutrients rob oxygen from the water, silt and sediments smother spawning areas for fish and mussels. Volatile Organic Chemicals (VOCs) have been confirmed in varying concentration levels in locations throughout Boone and Winnebago counties in the past two decades. However, the public water supply is tested regularly for these chemicals, and water that does not meet USEPA public water supply standards is not distributed to the public so the public water supply is safe.

The scope of remedial actions have included Rockton's installation of carbon treatment units in homes of the Blackhawk Acres Subdivision, and Boone County Health Department's well drilling code restrictions which require drillers to go below the aquifer where contamination was found when installing private wells in the Beaver Valley Road area.

Southeast Rockford was placed on the National Priorities List (NPL), a register of the nation's most hazardous sites that are eligible for investigation, in 1989. Industrial solvents from unknown sources were found in private drinking water wells and one public well in the area. Corrective work included the connection of over 800 homes and businesses to the Rockford Public Water Supply, ongoing treatment of Public Well No. 35 and ongoing groundwater monitoring. In 1995, the IEPA suggested that groundwater in this area will continue to endure contaminants within the next 70 years.

The largest single remedial action regarding the area's public water supply is the City of Rockford's 5-year, \$75 million water system improvement project designed to completely revamp its water supply system. The project includes such things as a new pumping station, Rockford's first two water filtration plants, and water main construction. With the start-up of the new filtration facilities, Rockford will be pumping filtered, low-iron water into its system for the first time.

The groundwater protection program in Winnebago County provides services to protect the quality and quantity of groundwater in the respective counties. The program has specific emphasis on aquifer protection and protection of water quality from community, non-community and private wells.

FLOODING

Flooding has always been a concern in many of the Region's communities, but it has become a major issue in the last few years.

In recent years Rockford has recorded its worst flooding since 1952, experiencing two 100-year floods in as many years along Keith Creek. Twenty homes were destroyed, and hundreds damaged in massive rainfall on September 4, 2006. Just one year later on August 7, 2007, 5.15 inches of rain flooded major thoroughfares, and eroded the Alpine Dam at Aldeen Park in Rockford. Debris removal, law enforcement, damage assessment, and other duties were offered by the governor. As a result of these floods, FEMA included Winnebago County in its disaster declarations in June 2008.

The City of Rockford has taken several actions in response to these floods and other storm water issues in the community. These include work on a comprehensive storm water management plan (in progress), working with the Corps of Engineers and various State of Illinois departments on repairing and upgrading Alpine Dam, and instituting a buyout program in the Churchill Park area which experienced the worst of the flooding in both 2006 and 2007. The last has resulted thus far in acquisition of nearly 100 homes with demolition planned in the near future. This area will become part of a long-planned Keith Creek Greenway extending from the Rock River to Alpine Dam.

The City of Rockford, Winnebago County, the Rockford Park District and the Rock River Water Reclamation District have teamed up to perform maintenance work along sections of streams throughout the City of Rockford. The goal of these efforts is to reduce potential obstructions to flow at key locations along local waterways.

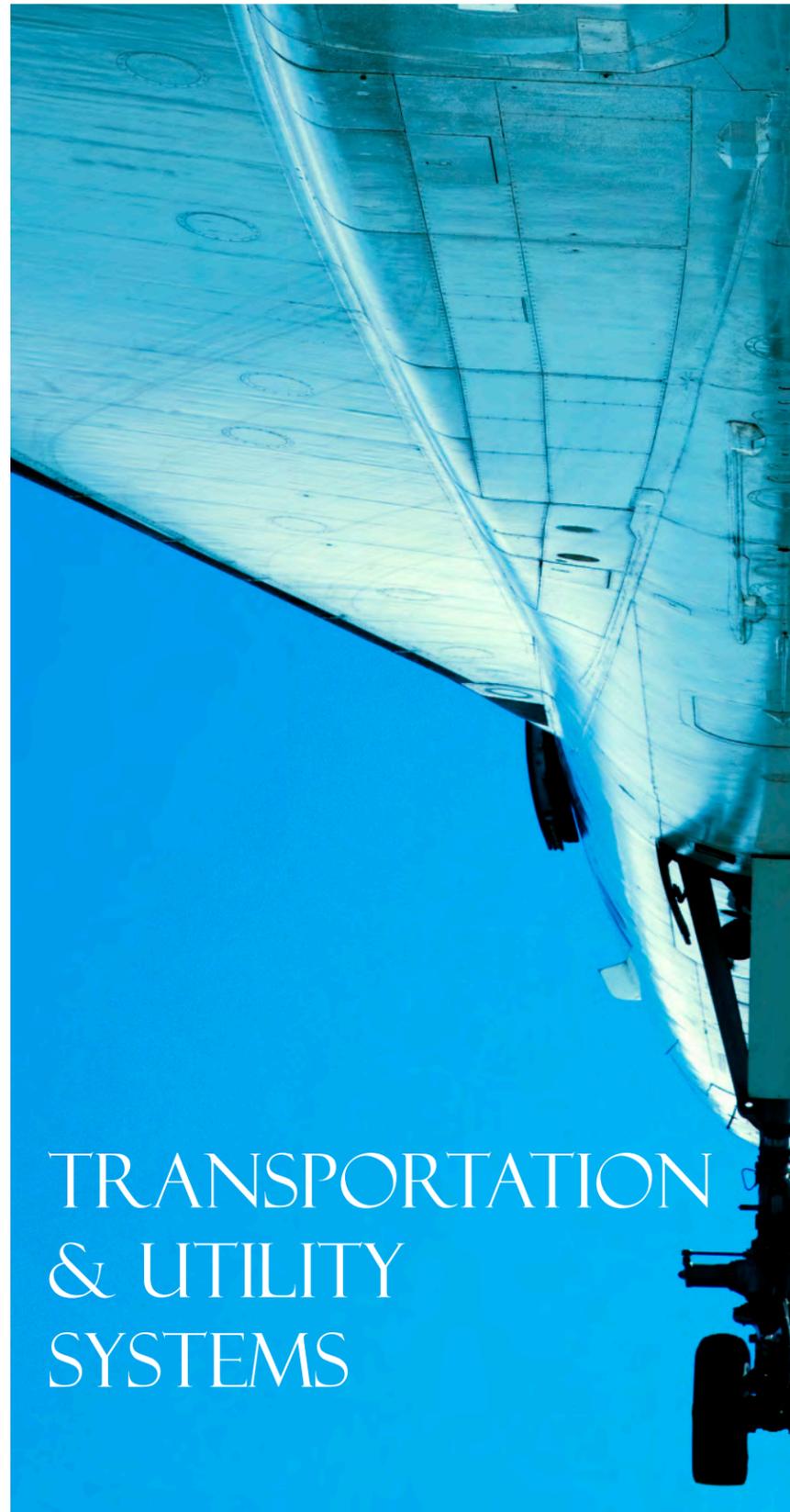
The Village of Machesney Park has experienced numerous flood events dating back decades due to flooding from the Rock River affecting hundreds of homes located within the river's floodplain. Homes adjacent to the river that are prone to flooding were generally constructed in the 1950s, well before any regulations governing first floor elevations, and prior to Machesney Park's incorporation as a village in 1981. The tributary drainage area of the river is approximately 6,500 square miles; therefore, when flooding events occur, it takes considerable time for the river to reach its crest and recede back within its banks. In addition, there are many homes adjacent to the river that are still serviced by private septic systems that become inundated in flooding events.

In the past 18 months, the Village has had three separate flooding events occurring in February, April, and June 2008. The June flood affected 600 homes in the Village and caused the displacement of approximately 200 households. The flood caused nearly \$30 million in damages and cleanup costs, and resulted in Winnebago County's being declared a Federal Disaster Area (1771) by FEMA.

In response to the recent flood events, the Village of Machesney Park has applied for Hazard Mitigation and Pre-Disaster Mitigation Grants from FEMA totaling nearly \$10 million to acquire and demolish 60 homes in the floodplain. The Village is also seeking state and other grant opportunities to purchase additional structures and offset the cost of matching fund grants.

Over the years, the Village has been working with various state agencies to address the frequent flood events, and alternate solutions to solve the flooding problems have not presented themselves. Due to the rather large tributary area of the Rock River upstream of Machesney Park, it is very unlikely that a low-cost engineering solution exists to prevent homes from being flooded. The preferred solution is to remove structures that are within the floodplain of the Rock River and to reclaim the floodplain for open space.

Therefore, the long-term plan of the Village is to return the area into green space, wetlands, and natural habitat. Removing the homes will facilitate the storage of water during flood events and further protect surrounding facilities. In addition, it will create park space to enhance the quality of life and offer recreational opportunities for area residents.



TRANSPORTATION & UTILITY SYSTEMS

The Rockford Area is located strategically with respect to regional and national markets. The City of Rockford is 136 miles from Bloomington-Normal; 89 miles from Chicago; 75 miles from Madison; 89 miles from Milwaukee; 295 miles from St. Louis; and 123 miles from the Quad Cities. To take full advantage of this location requires a multimodal transportation system. The Region has a good basic network of highways as well as multiple rail lines, a successful airport, public transit, and a growing system of pathways. Its most significant gap in service lies with passenger and/or commuter rail – there is none in the Region at this point.

Communities in the Region recognize the importance of a quality transportation system to the Region's economic vitality and livability. However, they all face the ongoing issues of deteriorating infrastructure with funding that does not keep pace with the needs of the system. While American Recovery and Reinvestment Act of 2009 (ARRA) has provided some help in that regard, failure of the state of Illinois to adopt a capital plan for the last nine years, and falling tax revenues at all levels, have combined to worsen the situation. The following pages provide some insight into basic components of the Rockford Region's transportation system.

ROADWAY NETWORK

The regional roadway network consists of one US highway, several State highways and two interstates, as well as local facilities. US 20 traverses the region from east to west, carrying 36,350 cars and 3,875 trucks per day, and Business US 20 travels through both Belvidere and Rockford. The two interstate highways within the Region are I-39 and I-90. I-39 carries roughly 45,000 vehicles a day locally, running from the Wisconsin state line south to its terminus at Bloomington-Normal. I-90, a part of the Illinois Toll Highway system, connects Chicago to Wisconsin by way of Belvidere, Rockford, Loves Park, Machesney Park, Roscoe and South Beloit. Two additional interstate highways lie short distances outside the Rockford MSA. In Wisconsin, I-43 provides easy access to Milwaukee while to the south, I-88 provides access east towards Chicago and westward to Iowa. State roadways include Illinois Routes 2, 70, 75, 76, and 173. In addition to passenger vehicles, 40 motor freight carriers serve our area, and 37 local terminals.

PUBLIC TRANSIT

The Rockford Mass Transit District (RMTD) provides fixed route and para-transit service to the cities of Rockford and Loves Park and the Village of Machesney Park. The 39 fixed route buses operate over 17 day-time routes from Monday thru Saturday, six night routes and five routes on Sundays. The Boone County Council on Aging offers public transportation service, equipped with wheel-chair lifts, to all residents of Boone County, regard-

less of age.

FREIGHT RAIL SERVICE

Carriers serving the Rockford MSA include Illinois Railnet; Canadian Pacific; Canadian National (CN); and Union Pacific (UP) rail lines. Switching service is continuous and intermodal service is available in Rochelle, 25 miles to our south along I-39 at Global Intermodal III, the UP's largest intermodal hub; and at over 20 other locations within the Chicago area just 60 miles away.

The Region is also served by major rail lines allowing businesses to handle freight at competitive rates. The rail lines are so important to the Region that in 2003, the City of Rockford, the MSA's largest city, commissioned the Chicago engineering firm of Wilbur Smith and Associates to do an assessment and make recommendations for the consolidation and improvement of railroad infrastructure in the Metropolitan Area. The study had several recommendations for the Region, mainly to relocate most of the current freight storage yard, rail freight interchange and rail-truck transfer operations from the "Rockford Yards" area on the southwest edge of downtown Rockford to an area of southeast Rockford, east of Alpine and west of Perryville Road, between the current Union Pacific and Canadian National/Illinois Central rights of way.

The relocation of these operations will allow the City of Rockford to move forward with plans to redevelop the "Rockford Yards" area in a manner more compatible with the commercial and residential uses in the surrounding area, as well as to reduce the amount of truck and service vehicle traffic through the inner city area generated by the current truck-rail transfer operations. The relocation will also provide easier access for truck traffic to I-39 and I-90 interchanges, thereby reducing congestion on local streets. The southeast would also provide opportunities for the rail-related industrial and warehousing development on the adjacent tracts of undeveloped land between Mulford and Perryville Roads. The estimated costs to construct the storage yard track between Alpine and Mulford Roads in 2003 was \$920,000.

PASSENGER RAIL SERVICE

Restoration of passenger rail service to the Rockford Region is very close to becoming a reality. Several resources have aligned to make a complete funding package a real possibility in the next six months. First, the ARRA has created, for the first time, a dedicated federal funding source for inter-city passenger rail capital needs as well as Amtrak's internal capital needs for rolling stock. Funding applications from the states are due on June 15, 2009 and the state of Illinois is well positioned to receive grant awards. Awards are expected by October 15, 2009. The project window

would then be roughly two years for the capital upgrades to rail infrastructure and refurbishing of rolling stock. Regional leaders have suggested the date of November 11, 2011, as the inaugural date of the Chicago to Dubuque inter-city passenger service. The local commitments are passenger train stations, platforms and parking lots. Second, the Illinois General Assembly has crafted a major capital program that contains \$550 million for passenger rail needs statewide. The Governor will hopefully be signing the bill for the new capital program by July 1, 2009. The combination of the ARRA and the new capital program in Illinois provides all of the necessary capital and operating funds for train service to be restored.

The commuter rail project being spearheaded by the Northern Illinois Commuter Transportation Initiative (NICTI) is also advancing at a rapid pace. President Obama and the US Congress are aggressively making significant changes to the "New Starts" program that make the NICTI project a more favorable candidate for future funding from the Federal Transit Administration. While the NICTI project to bring commuter rail to the Rockford Region is a much longer process than inter-city passenger rail, the funding streams will complement and leverage each other to bring the total passenger rail package to reality sooner than anticipated. It is hoped that commuter rail could have initial train service two years after inter-city service is restored.

AIR SERVICE

Up to 31 passenger flights depart from the Rockford MSA each week at Chicago Rockford International Airport (RFD). Currently, Allegiant Air offers non-stop flights to Orlando/Sanford, Las Vegas, Clearwater/St. Pete (Tampa Bay Area), and Phoenix/Mesa. Apple Vacations offers seasonal service to Cancun and Direct Air offers seasonal service to the Ft. Myers Area/Punta Gorda. Perhaps more importantly from an economic development standpoint, RFD is the 24th largest cargo airport in the United States and includes the largest regional parcel-sorting facility in the UPS system. It serves as a US Customs Port of Entry and is home to Foreign Trade Zone #176. RFD has progressively evolved from a general aviation facility to a commercial service airport.

WATER SYSTEMS

As discussed earlier, public water in Boone and Winnebago Counties is obtained from 47 drilled wells. There are 37 ground storage reservoirs and 5 elevated tanks. Annual production is 10.35 billion gallons. Average consumption is approximately 29.55 million gallons per day. There are several public water systems, the largest being that of the City of Rockford. Others include those serving Belvidere, Loves Park, Machesney Park, Cherry

Valley, Roscoe, Rockton, and the Village of Winnebago.

ELECTRICAL SYSTEMS

ComEd is the Region's primary power supplier. Its service territory covers 11,411 square miles in northern Illinois, serving 70% of the population in Illinois. ComEd's transmission and distribution systems are extensive, with more than 5,300 miles of overhead transmission lines and approximately 36,000 miles of overhead distribution lines and 29,000 miles of underground distribution lines. Electricity consumption in Illinois is an ongoing concern and ComEd plans to reduce total consumption by 2% by 2015 with efficient motor, lighting, and climate control technologies. The City of South Beloit is served by Rock County Co-Op.

NATURAL GAS SYSTEMS

Nicor Gas provides gas service to 641 communities in the northern third of Illinois, excluding the City of Chicago. The City of South Beloit is served by Rock County Co-Op.

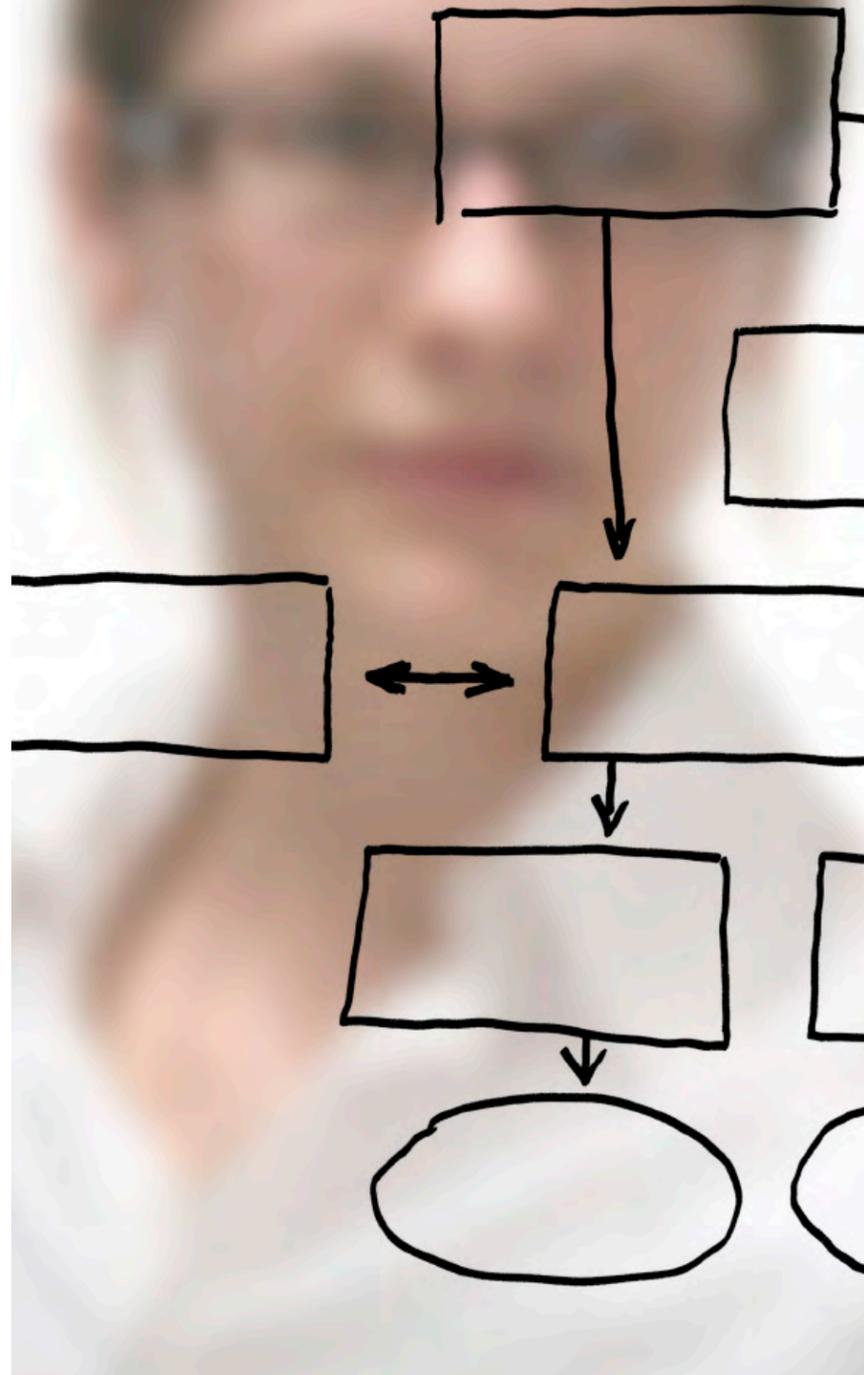
TELECOMMUNICATIONS

Telecommunications is assuming as large a role in the infrastructure requirements of business as the more conventional components of roadways and sewers. As we move into the future, planning for these services will continue to take a larger role in our planning efforts. Service providers include AT&T, Comcast, One Communications, Rock River Internet, TDS, Cricket and Verizon.

SOLID WASTE DISPOSAL

In 1989 and 1990, the Illinois EPA and U.S. Environmental Protection Agency (USEPA), in two separate actions, removed approximately 155,000 gallons of leachate from the MIG/DeWane landfill in Boone County. In April 1999, elevated levels of landfill gas were detected in the soil and in a few homes in Wycliffe Estates directly west of the landfill. An active landfill-gas interception system was installed along the western boundary of the landfill. An inventory and analysis of solid waste disposal and landfill operations is not available for the region at this time.

ANALYSIS OF LOCAL ECONOMY



This section examines recent trends and the current state of the economy in the Rockford MSA to provide insights into opportunities for investment and policies and/or actions that local developers can take to make the region better suited for development in the future.

TRENDS OF THE ROCKFORD REGIONAL ECONOMY

The Rockford MSA serves a large market in Illinois and beyond with a diverse set of businesses and industries. In 2006, the most recent year for which Gross Domestic Product is available, the MSA generated \$11,500 million in goods and services, up from \$9,633 million in 2001 (a 19.4% increase in current dollars). On a per capita basis, the average of \$29,727 per person produced in 2001 increased to \$30,086 (in constant dollars). Thus, during the first half of the past decade, the economy increased although by less than the U.S. economy.

Exports are important to the Region's economy, representing 9.1% of the GDP in the Rockford MSA. MSAs in Illinois differ widely depending on industrial base. Decatur, for instance, had 90% of its GDP associated with exports in 2005, while Peoria was 56%. The high ratios are related to Caterpillar, Archer Daniels Midland, and similar industries that market globally.

The Rockford MSA, on the other hand, is more comparable to Danville and Champaign-Urbana. While a lower ratio than in some other MSAs, exports are, nevertheless, vital to the future of the Rockford Area and should continue to be part of an aggressive economic development strategy. Especially interesting is that Rockford exported to a diversity of countries with the highest exports in 2007 to the Free Trade Areas of the Americas and the European Union. In 2007, for instance, Rockford MSA exported \$525,000,646 to E.U. countries, \$526,299,663 to the FTAA Region (IFA), and \$403,489,547 to NAFTA countries. See Figure 15.

Like many regional centers, the Rockford MSA has long had a heavy manufacturing base. The reductions in manufacturing left a skilled labor force not always suited for production techniques needed by replacement industries. Until recently, there has been a major concentration in the auto industry in Belvidere and neighboring Janesville, Wisconsin. These plants have suffered significant setbacks in the current recession. GM's Janesville plant closed in December of 2008, nearly a year ahead of even the planned closing date due to the severity of the recession, displacing 1,200 workers. While the Chrysler plant in Belvidere remains open, it has cut back from three shifts to just one and some other related businesses, such as Android Industries, have closed.

While the Janesville plant is not physically located in the Rockford MSA, Rock County, Wisconsin is within the Rockford MSA labor shed. Other non-residents from outside the Area may also seek jobs, education, housing, and other public services in Winnebago and Boone Counties.

The Rockford MSA also has many older buildings and sites formerly used in manufacturing that now are classified as brownfields. These not only represent a significant cost to rehabilitate and make useful again, they also present major challenges for the neighborhoods around them to remain viable. In some instances, the buildings are obsolete in design needed for current and future manufacturing, (e.g. ceilings that are too low or other inappropriate construction). While some may be candidates for redevelopment for other uses, the need to assess and remediate any environmental issues can be a significant stumbling block to anything ever moving forward. Because of this, redeployment of not only brownfields but also greyfields (under used or vacant commercial properties) are a major goal of this CEDS.

Manufacturing industries in the past have paid high wages, so there is local interest in finding replacement manufacturing jobs. However, in the current economic climate, with competition from foreign countries and Right to Work states, this goal will be difficult to accomplish and must be supplemented by other approaches such as focusing on small business start-ups through an entrepreneurial local climate and techniques.

EMPLOYMENT TRENDS

Next, employment trends by industry during the past two decades (1990 to 2008) will be overviewed as background for later discussions of industry concentration and competitive analyses. It starts with a brief description of four comparable metropolitan areas (Flint, MI; Fort Wayne, IN; Bloomington-Normal, IL; and Peoria, IL), selected on the basis of population size and an employment emphasis in the auto or heavy vehicle industries to compare how the Rockford Area fared in employment and other characteristics. See Figure 16 for detailed information.

COMPARISONS WITH OTHER MSAs

BLOOMINGTON-NORMAL MSA, ILLINOIS

Located in central Illinois, approximately 120 miles southwest of Rockford at the intersection of I-39, I-74, and I-55, the City of Bloomington is the county seat of McLean County, the largest county in Illinois in terms of area. According to ACS data, the Bloomington-Normal MSA had a population estimated at 154,176 in 2007, which is up from 2005 estimates of 146,894. Although the MSA has had historically low unemployment rates over the past decade, recent cuts at Mitsubishi Motors manufacturing plant in Normal, Illinois, have affected the economy in a negative way. In 2008, Mitsubishi Motors North America (MMNA) originally reduced employees at the plant to 1,950, a significant decrease from the 3,150 individuals

GREATER ROCKFORD METROPOLITAN AREA

previously working at the facility. To prevent closing the plant, Union Auto workers of America (UAW) negotiated a wage and benefit decrease. The current (2009) employee count is at 1,264, and Mitsubishi has agreed to keep the plant operational until 2012. But, with lower salaries and benefits, the economic affect will be felt way beyond the nearly 2,000 employees that have already been laid off.

Much of the stability in the unemployment rate is due to the two institutions of higher education in this region – Illinois State University and Illinois Wesleyan University, as well as several other large companies including: State Farm Insurance and Country Insurance & Financial Services.

FLINT, MICHIGAN

Located about 60 miles northwest of Detroit, Flint is the fifth largest city in Michigan. Flint's population in 1998 was 131,000; in 2000 it had a population of 124,943, a decline of nearly 5%. By 2007 the population had declined even further to 114,662. The out-migration was directly related to the high unemployment rates and the downward trend in the Flint economy. The median household income in 2007 was \$27,560, well below Michigan's MHI of \$48,642. The Flint MSA had an estimated 2008 population of 434,382, which was also a slight decline from the MSA population of 436,131 in 2000. In 2007, Flint had an unemployment rate of 10.3%, which is less than the 2000 estimates of 11.3%, and nowhere near the rates in the late '80s and early '90s. However, the Bureau of Labor Statistics shows that the MSA's unemployment rate has risen again, reaching 14.2% in April 2009.

Flint was a major contributor of tanks and other war material during World War II due to its heavy manufacturing facilities. It was a highly publicized example of the effects of the 1970s collapse of the US auto industry on surrounding communities. In the past decade, local efforts to counter deindustrialization centered around diversifying the economy, either by attracting small parts manufacturers with vacant industrial space and tax incentives, or steering the city toward a more commercially driven economy. Its recovery efforts and economic restructuring may help the Rockford MSA deal with its current economic downturn.

PEORIA, ILLINOIS

Peoria is midway between Chicago and St. Louis, 138 miles southwest of Rockford. The Peoria MSA had an estimated population of 371,932 in 2008, making it the third largest MSA in Illinois, after Chicago Area and the Metro-East portion of the St. Louis Metro Area. Peoria's population was virtually unchanged between 2000 (112,936) and 2007 (113,546), making it the sixth largest city in Illinois. The unemployment rate was 9.6% in April of 2009, 8.2% in 2007, and 7.0% in 2000. The median household income was

\$42,260 according to the three-year ACS average (2005-07). It is the world headquarters of Caterpillar, Inc., and other businesses distributing products and services globally.

In January of 2009, Caterpillar announced layoffs of 20,000 workers, nearly 20% of its global workforce. Peoria was seemingly coping with the recession before the layoffs with only a slight increase in unemployment, from 4.5% to 6.2%, between November 2007 and November 2008. However, in a community of this size, the magnitude of the job losses from the city's largest employer are enormous. The last time Caterpillar faced a job elimination of this scale was in the early 1980s, when the company had to deal with the combination of a recession and loss of market share to Japanese competitors.

FORT WAYNE, INDIANA

Located in northeastern Indiana, with a population of 251,247, Fort Wayne is the second largest city in Indiana after Indianapolis. In 2008, the estimated population of the Fort Wayne MSA was 411,677. Unemployment in the MSA reached 9.8% in April 2009, up from 2007 when it was 7.2%, and nearly double the rate of 5.8% in 2000. The economic downturn during the early portion of 2000 hit the northeast Indiana employment base hard. The Fort Wayne MSA lost jobs at a rate approximately twice that of the State of Indiana from the point of peak employment in March 2000 through September 2004. According to the Bureau of Labor Statistics, the MSA lost 6% (16,750 jobs) of its employment base, compared with a 3.3% drop in employment across Indiana.

The local economy is based primarily on manufacturing, insurance, and health care. Not surprisingly, the vast majority of jobs lost were in the manufacturing sector—both statewide and in northeast Indiana. Between February 2000 and September 2004, manufacturing employment in the Fort Wayne MSA was down by 15,740 jobs, which represented a 21% decline in the industrial sector.

HOW THE ROCKFORD MSA COMPARES

Employment in the Rockford MSA fluctuated with the national economy during the past 20 years with approximately 160,000 employed in the total non-farm sector in 2008. In comparing the Rockford Area with the four other MSAs described above, we used 1990 as a base year. Total non-farm employment increased 14% between 1990 and 2008 in the Rockford MSA compared with an increase of 39% in Bloomington-Normal and 22% in Peoria. However, as a large former auto manufacturing economy, Flint actually declined 17% during this period and Fort Wayne increased only 11%. This comparison suggests that the Rockford MSA outperformed two of the other MSAs in overall employment change.

Rockford MSA Exports by Destination

Destination *	Export Value (in millions)		
	2005	2006	2007
APEC	\$534.84	\$657.39	\$689.94
FTAA	\$432.68	\$533.01	\$526.30
European Union	\$331.69	\$370.90	\$525.00
NAFTA	\$362.74	\$440.81	\$403.49
Asia	\$148.06	\$194.64	\$257.78
South America	\$65.20	\$88.02	\$112.79
ASEAN	\$30.96	\$44.91	\$76.85
OPEC	\$17.33	\$18.34	\$20.18
Africa	\$16.30	\$22.55	\$19.02
DR-CAFTA	\$3.12	\$3.12	\$6.99

Source: U.S. Department of Commerce.

GDP and Exports by Illinois and Comparison MSAs

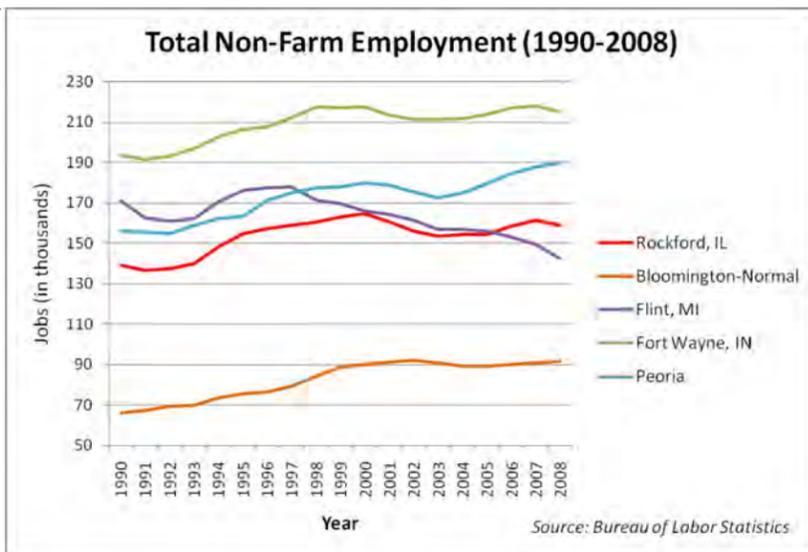
MSA	GDP and Exports in 2005 (millions, current \$)			GDP and Exports in 2006 (millions, current \$)		
	GDP	Export	% of GDP	GDP	Export	% of GDP
Decatur	4693	4219.4	90%	4680	NA	NA
Peoria	14347	8070.0	.56	15633	9624.6	62%
Quad Cities	14739	3144.0	.21	15490	3407.5	.22
Flint, MI	11983	1203.1	.10	12092	1129.1	.9
Rockford	10840	992.0	.9	11500	1186.5	10
Ft. Wayne, IN	15404	1311.3	.9	16015	727.6	.5
Bloomington-Normal	6887	122.2	.2	7276	187.0	.3

Source:
GDP data source Source: Bureau of Economic Analysis, U.S. Department of Commerce
<http://www.bea.gov/regional/gdpmetro/>
Export Data source U.S. Department of Commerce,
http://www.ita.doc.gov/td/industry/ateo/metro/Reports/2007/mv_valuea.html

15

16

17



Because it represents the lion's share of employment, the private sector closely follows the total non-farm sector. Substantial shifts occurred within the private service-providing sector, however, with employment rising from approximately 75,000 employees in 1990 to more than 100,000 in 2008, a 40% increase. During the same period, employment in goods-producing industries declined from approximately 55,000 to slightly more than 40,000, a 25% drop. Manufacturing declined even more (32%) and the trend in unemployment reflects these job losses.

Not only did unemployment rise with a decline in manufacturing jobs, but the average wages also declined as employment shifted from manufacturing to services. This trend occurred even though services such as medical doctors and technicians are paid well above other service workers and the Rockford Area has a strong contingent (13,842 jobs in 2001) of people employed in medical services.

Employment trends in the Rockford Area are somewhat similar to those in the four comparison metro areas similar in size and dependence on manufacturing. Rockford performed more poorly in total non-farm employment following the recession in the early 2000s, however, than did Peoria. One explanation could be the fact that exports are more important in Peoria as well as the concentrated attempts to focus on small business start-ups and health care in anticipation of the pending employment reductions by Caterpillar. Nevertheless, compared with an area such as Flint, also heavily dependent on the auto industry, the Rockford Area has done relatively well. See Figure 17.

In Peoria, manufacturing ended the period with fewer employees (10% decline) than in 1990. While it was hit hard in 2003, Peoria has been able to rebound continuously since that time, while the Rockford Area responded several years later and at a slower rate. Fort Wayne was comparable to the Rockford Area in the late 1990s but exhibited more stability because of differences in industrial structure. See Figure 18.

In comparing Rockford with other MSAs in Illinois, a similar profile of trends in total non-farm employment shows that the Rockford MSA (16% increase) was higher than Decatur (2% increase) and approximately the same as the Quad-Cities (15% increase) but exhibited much more volatility than some of the other MSAs in Illinois. Bloomington-Normal, for example, exhibited relatively little volatility and has had a steadier growth rate (39% increase). Much of this trend is due to the high proportion of white-collar industries including insurance and the universities. See Figure 19.

ing employment it had in 1990; in comparison, Peoria and the Quad Cities each declined only 10% during this period. By comparison, Bloomington-Normal lost 27% of manufacturing, partly because of recent cutbacks in the auto industry.

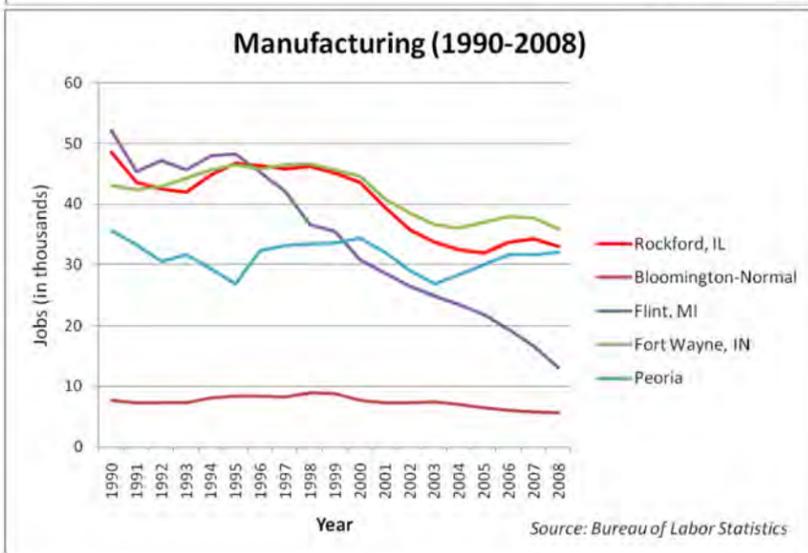
The Peoria Area rebounded much better after the 2001-2002 recession than did the Rockford Area. However, Peoria also underwent a downturn in the early 2000s similar to Rockford but the variations in manufacturing employment were less severe. One explanation may be the high dependence on exports in the Peoria Area as noted previously. Demand in other countries remained more stable which provided stronger markets for Caterpillar's products. These differences in economies within the same state suggest that statewide trends and factors are not the important determinants; rather, differences in industry structure and the types of markets served explain the differences. The downward trend in manufacturing employment shows the vulnerability of the Rockford Area economy to recessions and the long-term cutbacks in manufacturing employment.

More explanation of these trends will be provided later in a detailed comparison of employment trends considering the local industry mix and whether these industries grew more rapidly than their national counterparts. That analysis can shed light on the importance of local conditions that might be useful in designing economic development approaches.

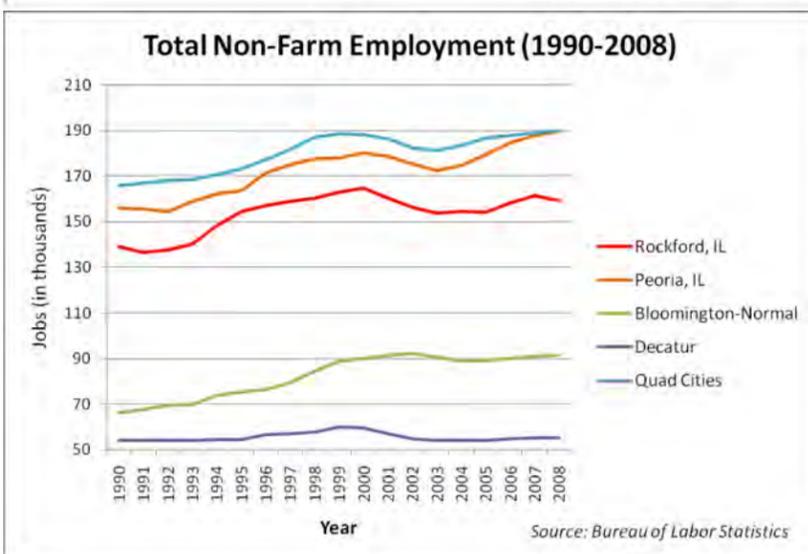
Changes in manufacturing are shown more clearly in Figure 21 where Rockford went from 35% of its employment in manufacturing in 1990 to approximately 21% in 2008. Decatur, on the other hand, was able to recover some lost manufacturing employment and went from 25% to 22% during this period. Bloomington-Normal, home to Mitsubishi Motor Works, lost half its manufacturing share of employment but manufacturing was only 12% of the employment base in 1990. The Quad-Cities also maintained a relatively stable manufacturing base during this period.

Even a cursory review of the trends illustrates the significant declines in manufacturing employment in Illinois during the past 20 years. Automation combined with competition from other auto companies has replaced manufacturing jobs with service jobs that often pay substantially less. The Rockford Area is not alone in this trend, but it is equally clear that an aggressive effort will be needed to replace many of these jobs.

18



19



MANUFACTURING INDUSTRIES IN MIDWEST COMMUNITIES

An even closer examination, seen in Figure 20, of manufacturing employment in the five Illinois metro areas demonstrates substantial differences in performance between the Peoria and the Rockford Area economies. All of the Illinois MSAs lost manufacturing employment in the past 20 years, but the Rockford MSA experienced the largest decline (percentage-wise) during this period. In 2008, the Rockford MSA had 68% of the manufactur-

UNEMPLOYMENT TRENDS

While employment trends by type of industry help understand how a region has changed in the past, equally important is an understanding of employment stability or instability. A comparison of the five MSAs and Illinois as a state shows the volatility of the economies in relation to the national and state recessions over the past 18 years.

Several differences stand out. First, Decatur has traditionally had the

highest monthly unemployment rate except for the late 2000s when it was surpassed by Rockford for several years including 2007, 2008 and 2009. Second, the Rockford MSA has had wide swings in unemployment from the early 1990s to 2003 when it hit 8.1%. Most recently, the Rockford MSA has the highest unemployment rate of the five Illinois MSAs; individually these two counties are the top two in Illinois in unemployment. Currently the unemployment rate for the MSA is at 12.1%.

Third, Bloomington-Normal has had a much more stable economy. During the past decade, the economy went from approximately 3% to 5% unemployment. Cutbacks in Mitsubishi Motor Works explain much of this experience even with a high percentage of employment in white-collar industries. Nevertheless, Bloomington-Normal has continued to stay well below the statewide unemployment rate.

Several observations are in order at this time. First, Peoria, with an increased effort to diversify the economy focusing on small business growth, health care, bio-tech and similar industries, is undergoing a transformation into a new economy and, in fact, seems to hold its own in terms of unemployment. Second, Bloomington-Normal, with a more diversified economy, including white collar industries, is an example of how the presence of auto manufacturing can add more volatile economic conditions. Decatur, an older manufacturing center continually struggles with unemployment. These examples of sister MSAs in Illinois may offer suggestions for local developers in the Rockford MSA as they work through the CEDS process. Namely, economic diversification, expansion of small businesses, and recruitment of white-collar jobs could add stability to the local economy.

INDUSTRY CONCENTRATION

Trends in industries in the Rockford MSA are presented at two levels. (See Figure 22.) First, 2007 data from the Bureau of Labor Statistics (BLS) compiled from the Quarterly Census of Employment and Wages are used in calculating the Location Quotients to show the specialization of industries. Detailed data cannot be disclosed in sectors with fewer than three business establishments. These situations limit a full understanding of the importance of specific industries in the region, even large businesses. For instance, employment by a major employer such as the Chrysler plant in Boone County cannot be disclosed since it is the only establishment in a specific category.

The County Business Patterns (CBP) compiled by the Department of Commerce, an alternative data source, has the same limitations; however, the Center for Governmental Studies at NIU has a program to reliably estimate data for establishments when disclosure is an issue. Both sets of data are used in this report.

COMPOSITION OF EMPLOYMENT

The Rockford MSA gained in total employment between 2002 and 2007, from 134,832 to 138,107 (2.4%). The main increase was in Boone County, which grew from 10,937 to 14,749 during this period, while Winnebago County declined from 123,895 to 123,358. Expansions in the auto industry drove much of the growth, which will aggravate the employment situation in the coming years because of the heavy dependence on a cyclical industry. This may be especially true in this case since the Chrysler plant in Belvidere was operating three shifts in 2007.

While detailed information is not available on auto manufacturing specifically using the BLS data, the growing importance of manufacturing in general is obvious. In 2002, manufacturing represented 26.3% of the MSA's employment, 36.9% of the Boone County employment and approximately 25.4% in Winnebago. These figures compare with an average of 14.1% of the U.S. employment overall.

By 2007, the percentages had changed substantially. The 33,821 employed in manufacturing represented 24.5% of MSA employment while manufacturing (6,394) was 43.4% of the employment in Boone County. Interestingly, while manufacturing employment increased its share in Boone, it dropped slightly in Winnebago to 22.2% by 2007. This may be explained at least in part by Chrysler's working three shifts in 2007.

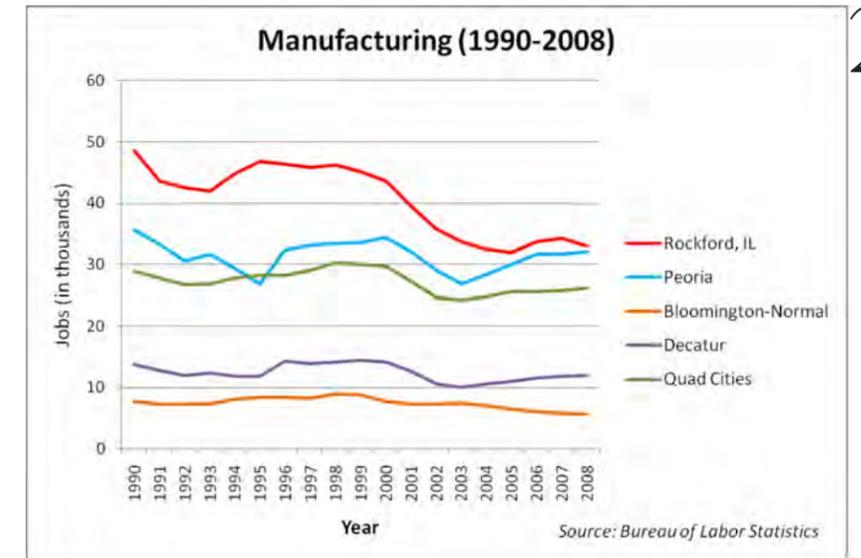
The North American Industry Classification System (NAICS) grouping of trade, transportation, and utilities, another relatively large employer, represented 21.9% of MSA employment in 2007, up slightly from 20.8% five years earlier. It increased from 19% to 20.2% in Boone County and from 20.9% to 22.1% in Winnebago County.

Other 3-digit industries, with a substantial number of employees and for which data are available, include machinery manufacturing (8,977 employed in 2007:Q1), fabricated metal product manufacturing (8,060), transportation equipment manufacturing (7,861), specialty trade contractors (4,472), and building construction (1,370). Retail and/or wholesale trade also have relatively large employment (23,913).

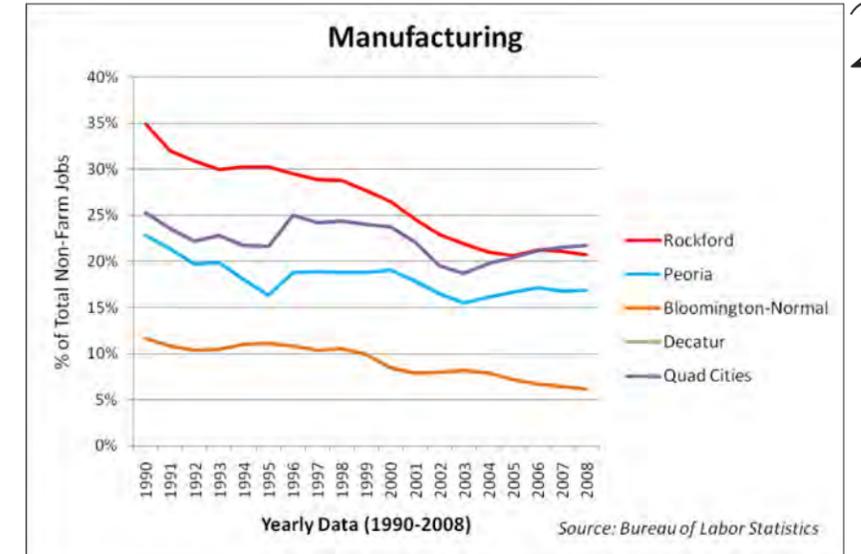
The MSA economy is relatively concentrated with 59% of its employment in three industries: manufacturing; trade, transportation and utilities; and business services. The importance of these specific industries and their relative changes compared to national trends are described next.

LOCATION QUOTIENTS

Industries vary in response to business cycles making the concentration of specific industries in a region important to understand in designing development strategies. Industry concentration also sets the stage for possible



20



21

Industry	Boone County			Winnebago County			Rockford, IL MSA		
	2002	2007	% Change	2002	2007	% Change	2002	2007	% Change
Base Industry: Total, all industries	10,937	14,749	34.9%	123,895	123,358	0.43%	134,832	138,107	2.4%
Natural Resources and Mining	211	198	-6.2	144	124	13.9	355	322	-9.3%
Construction	1,727	1,893	9.6	6,078	5,880	-3.3	7,805	7,772	-0.42%
Manufacturing	4,034	6,394	58.5	31,456	27,427	-12.8	35,490	33,821	-4.7%
Trade, Transportation, and Utilities	2,075	2,974	43.3	25,916	27,303	5.4	27,991	30,277	8.2%
Information	86	126	46.5	2,054	2,055	0.05	2,140	2,181	1.9%
Financial Activities	410	305	-25.6	6,763	6,213	-8.1	7,173	6,518	-9.1%
Professional and Business Services	504	591	17.3	15,396	16,885	9.7	15,900	17,475	9.9%
Education and Health Services	659	713	8.2	19,724	20,926	6.1	20,384	21,639	6.2%
Leisure and Hospitality	747	949	27.0	11,245	11,535	2.6	11,992	12,485	4.1%
Other Services	481	592	23.1	5,096	4,957	-1.7	5,576	5,549	-0.48%
Unclassified	10,937	13	-99.9	22	53	140.9	27	66	144.4%

22

23

Industry Sector	Rockford MSA				Rockford MSA vs. National		
	Employment		Employment Change		Location Quotient		Change
	2000	2009	Number	Percent	2000	2009	1990-2005
Total Employment	195,495	201,876	6,381	3.3%	1.0	1.0	0.0
Resource Production and Construction							
Farm	1,709	1,549	-160	-9.4%	0.5	0.5	0.0
Forestry, Fishing and Related Activities	225	204	-21	-9.3	0.2	0.2	0.0
Mining	240	135	-105	-43.8	0.2	0.1	-0.1
Utilities	1,481	1,597	116	7.8	2.0	2.5	0.5
Construction	10,161	12,839	2,678	26.4	0.9	1.0	0.1
Goods Production and Distribution							
Manufacturing	44,334	33,958	-10,376	-23.4	2.1	2.1	0.0
Wholesale Trade	7,166	7,418	252	3.5	1.0	1.0	0.1
Retail Trade	22,911	21,645	-1,266	-5.5	1.1	1.0	-0.1
Transportation and Warehousing	6,047	6,039	-8	-0.1	0.9	0.9	0.0
Business Services							
Information	2,785	2,664	-121	-4.3	0.6	0.7	0.1
Finance and Insurance	8,457	8,506	49	0.6	0.9	0.9	0.0
Real Estate and Rental and Lease	4,678	6,479	1,801	38.5	0.7	0.7	0.0
Professional and Technical Services	7,110	8,270	1,160	16.3	0.6	0.6	0.0
Management of Companies and Enterprises	387	300	-87	-22.5	0.2	0.1	0.0
Administrative and Waste Services	12,941	17,506	4,565	35.3	1.2	1.4	0.3
Human Services and Government							
Educational Services	2,151	2,783	632	29.4	0.6	0.6	0.0
Health Care and Social Assistance	20,766	24,269	3,503	16.9	1.2	1.2	0.0
Arts, Entertainment, and Recreation	2,424	2,905	481	19.8	0.6	0.7	0.1
Accommodations and Food Services	11,693	12,183	490	4.2	0.9	0.9	0.0
Other Services, Except Public Administration	11,190	13,259	2,069	18.5	1.1	1.1	0.1
Government	1,349	1,158	-191	-14.2	0.1	0.0	0.0

Source: Woods and Poole Economics, Inc., 2008.

24

Industry Sector - Sort by 2006 Employment	Rockford MSA			
	Employment		Employment Change	
	2002	2006	Number	Percent
Total Employment	137,321	138,134	813	0.6%
561/// Administrative and Support Services	8,310	10,902	2,592	31.2%
722/// Food Services and Drinking Places	9,376	10,504	1,128	12.0%
332/// Fabricated Metal Product Manufacturing	10,227	8,377	-1,850	-18.1%
336/// Transportation Equipment Manufacturing	7,273	7,842	569	7.8%
23/// Construction	6,394	6,974	580	9.1%
333/// Machinery Manufacturing	9,861	6,965	-2,896	-29.4%
622/// Hospitals	6,664	6,740	76	1.1%
621/// Ambulatory Health Care Services	5,582	6,238	656	11.8%
813/// Religious, Grantmaking, Civic, Professional, and Similar Organizations	5,928	6,156	228	3.8%
42/// Wholesale trade	6,813	5,624	-1,189	-17.5%
52/// Finance and insurance	5,718	4,745	-973	-17.0%
541/// Professional, Scientific, and Technical Services	4,031	4,388	357	8.9%
452/// General Merchandise Stores	3,510	4,256	746	21.3%
623/// Nursing and Residential Care Facilities	3,726	4,188	462	12.4%
445/// Food and Beverage Stores	3,716	3,154	-562	-15.1%
624/// Social Assistance	2,621	2,651	30	1.1%
51/// Publishing, communications and information services	3,214	2,578	-636	-19.8%
311/// Food Manufacturing	2,014	2,138	124	6.2%
441/// Motor Vehicle and Parts Dealers	2,543	1,983	-560	-22.0%
811/// Repair and Maintenance	1,830	1,948	118	6.4%
444/// Building Material and Garden Equipment and Supplies Dealers	1,558	1,862	304	19.5%
492/// Couriers and Messengers	193	1,815	1,622	840.4%
484/// Truck Transportation	1,670	1,728	58	3.5%
611/// Educational Services	1,369	1,703	334	24.4%
812/// Personal and Laundry Services	1,758	1,571	-187	-10.6%
448/// Clothing and Clothing Accessories Stores	1,223	1,488	265	21.7%
325/// Chemical Manufacturing	918	1,333	415	45.2%
551/// Management of Companies and Enterprises	1,893	1,310	-583	-30.8%
446/// Health and Personal Care Stores	1,056	1,185	129	12.2%
447/// Gasoline Stations	991	1,144	153	15.4%
531/// Real Estate	934	1,035	101	10.8%
713/// Amusement, Gambling, and Recreation Industries	1,064	1,028	-36	-3.4%
453/// Miscellaneous Store Retailers	937	918	-19	-2.0%
221/// Utilities	946	869	-77	-8.1%
327/// Nonmetallic Mineral Product Manufacturing	621	777	156	25.1%
721/// Accommodation	824	777	-47	-5.7%
488/// Support Activities for Transportation	529	771	242	45.7%
451/// Sporting Goods, Hobby, Book, and Music Stores	869	735	-134	-15.4%
326/// Plastics and Rubber Products Manufacturing	688	719	31	4.5%
335/// Electrical Equipment, Appliance, and Component Manufacturing	603	688	85	14.1%
443/// Electronics and Appliance Stores	617	614	-3	-0.5%
442/// Furniture and Home Furnishings Stores	505	568	63	12.5%
454/// Nonstore Retailers	343	479	136	39.7%
532/// Rental and Leasing Services	518	468	-50	-9.7%
321/// Wood Product Manufacturing	476	464	-12	-2.5%
493/// Warehousing and Storage	64	395	331	517.2%
331/// Primary Metal Manufacturing	425	378	-47	-11.1%
485/// Transit and Ground Passenger Transportation	330	357	27	8.2%
323/// Printing and Related Support Activities	510	356	-154	-30.2%
339/// Miscellaneous Manufacturing	480	308	-172	-35.8%
337/// Furniture and Related Product Manufacturing	480	284	-196	-40.8%
322/// Paper Manufacturing	451	282	-169	-37.5%
334/// Computer and Electronic Product Manufacturing	781	247	-534	-68.4%
481/// Air Transportation	124	240	116	93.5%
712/// Museums, Historical Sites, and Similar Institutions	152	196	44	28.9%
562/// Waste Management and Remediation Services	238	180	-58	-24.4%
314/// Textile Product Mills	127	156	29	22.8%
711/// Performing Arts, Spectator Sports, and Related Industries	131	125	-6	-4.6%

clusters in a region. A commonly used measure of industry specialization in a region is a Location Quotient (LQ), the ratio of the percent an industry represents in a specific region compared to a base region such as the U.S. The LQ is either more than, equal to, or less than 1.0 which suggests that the region either exports, meets only local demand, or imports products.

While a LQ is a fairly indirect measure of economic activity, it can provide insights into the strengths of a region for economic development in two ways. First, industries with high LQs already serve markets beyond the MSA so they have an especially marketable product(s). Likewise, they may also purchase inputs outside the region that could, instead, be produced in the Rockford MSA. Thus, focusing on industries with a high LQ and those with an increasing LQ can suggest opportunities to develop business clusters. While industrial specialization offers advantages for a region, it also may mean vulnerability if, and when, that industry experiences a prolonged downturn.

Second, examining industries with a low LQ can offer insights about business opportunities to produce goods locally that are currently purchased outside the region. Import substitution is often an attractive economic development strategy since sometimes products are imported simply because other businesses do not realize the opportunities for production (Gap). In other cases, the product may already exist in the region but businesses still import it because they do not know that it exists locally (Disconnect). However, low LQs often reflect factors that limited the concentration of these industries in the region in the past.

For simplicity in presentation, the main industries in the MSA have been grouped and compared in four business categories: resource production and construction; goods production and distribution; business services; and human services and government. Categorizing businesses into this format is arbitrary, but can be insightful.

While the first three categories are typically considered wealth-generating, the last category, human services and government, is often considered a local service because it relies on a population base. In the case of the Rockford MSA, however, medical services are a major export to other areas and, specialized medical treatment especially can be viewed more as an export industry as well as a specific local service. This sector is a major employer and exports services. Specialized services draw patients in the same way that other businesses sell products or services.

In the resource production and construction business grouping, only utilities have a LQ of more than 1.0 indicating that it exports from the region. In practice, a LQ simply compares the concentration of an industry in a region with a base region, in this case the U.S. In practice, however, a LQ of less than 1.0 can occur for an industry that exports much or most of its products. For instance, farmers produce corn and soybeans most of which is processed elsewhere. However, it is entirely possible that Boone and Winnebago counties do not have a higher proportion of employment in farming or agriculture than the U.S.

Figure 23 to the left shows the employment changes in each business category between 2000 and 2009. By far, the largest change is the decline in mining employment. While the decline (43.8%) seems large, it nevertheless represents a relatively small number of workers (105). Employment in extractive industries has declined in many areas for years so this is no surprise.

Employment in construction increased 26.4% during the past decade to a significant extent because of the housing construction but also due to construction of business buildings during the economic expansion. Construction now has cut back substantially and will not represent as much employment in the near future.

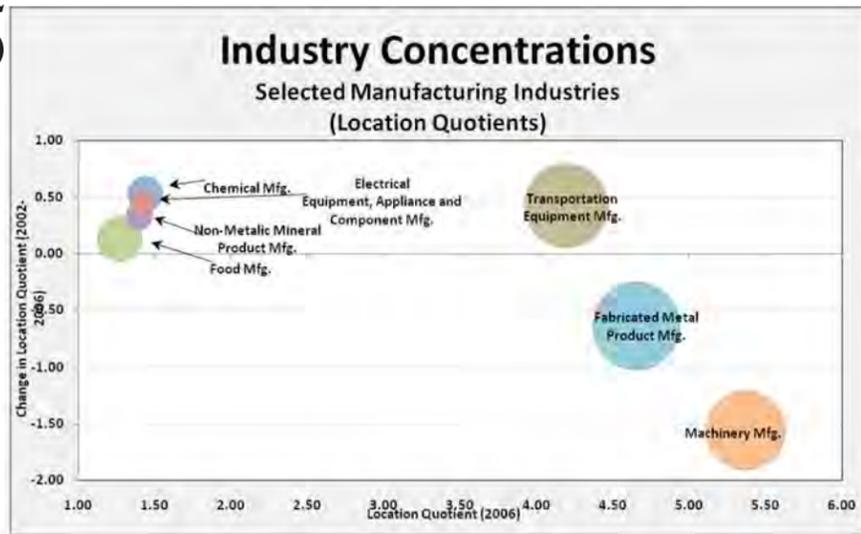
The second category, goods production and distribution, contains industries that are actively involved in exporting. For instance, the proportion of employment in manufacturing in the Rockford MSA is more than twice the concentration nationally. While this high proportion partly reflects the auto industry, it also includes many small manufacturing companies that market nationally and internationally (see previous discussion about exports). The unfortunate aspect is that the immediate future for auto production and suppliers is not very positive. The bright side is that some of these workers could be suited for entrepreneurial activities outside the automobile producing sector.

While manufacturing is a major exporting industry in the Rockford Area, it also lost significant employment (10,376 jobs) in the past decade. The employment declines in manufacturing reflect the state and national experiences and result from higher competition from regions with lower wages. In addition, however, the number of employees needed to produce at past levels has decreased with more capital intensive industries. In this case, employment declines can still be associated with higher productivity levels and in some instances with higher pay for a smaller number of workers with more sophisticated skills which places greater emphasis on education and training. This issue has come up several times in discussions with business leaders.

Likewise, the LQ for manufacturing did not change during the past decade, indicating that the employment distribution in the Rockford MSA changed at approximately the same rate as the nation. An examination of manufacturing sectors at the 3-digit NAICS industry level illustrates the extent of the erosion of industries that were once the mainstays of the Rockford Area economy (automobiles, aircraft components and machine tools). The two industry sectors with the greatest decline in employment (in terms of absolute numbers) were machinery manufacturing, which lost 2,896 jobs between 2002 and 2006 and fabricated metal products, which shed 1,850 jobs. Although the transportation equipment manufacturing sector showed a net increase in employment, the current recession, combined with the recent troubles in the domestic auto industry will likely wipe out those gains over the next several years. See Figure 24.

The concentration of wholesale and retail trade activities in the Rockford MSA are at comparable levels as the nation as reflected by a LQ of 1.0. As

25



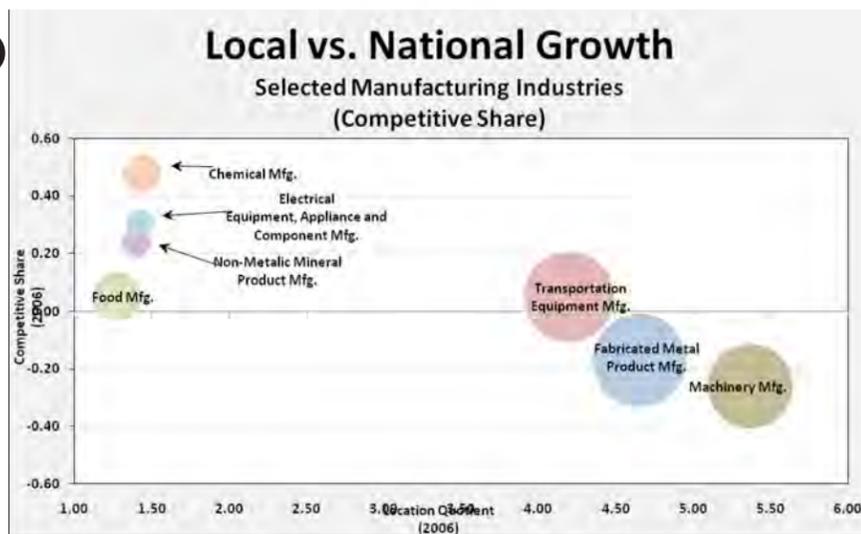
with manufacturing, the concentration of Trade compared with the U.S. did not change during the past decade.

The business services sector depends highly on economic opportunity, so while it performed well during the expansion of the 2000s, it is likely to take a cutback during the current recession. In fact, even during the expansion, the number of employees in management of companies and enterprises declined 22.5% in the MSA. This can reflect a closing of headquarters and offices.

On the other hand, employment in the administrative and waste services increased 35.3% which is at a more rapid rate than the U.S. as a whole. This may be an area to examine in more detail in the future since many of the services may be exported.

Within the human services and government sector, health care and social assistance increased 16.9% between 2000 and 2006 and exhibits the highest LQ suggesting possible exports. Hospitals and medical services are similar to private businesses in marketing services outside the region.

26



The largest growth (29.4%) in the human services and government group was in educational services, especially elementary and secondary education, mainly a local service industry. However, Rockford does contain several institutions of higher education which export services (serve students from other areas) and bring income into the region.

A more detailed profile of experiences with manufacturing sub-industries for which data are available paints a mixed picture (refer to Figure 25). In comparing these sectors, two measures are important. First, the LQ which shows the concentration within the region should be high indicating that the industry is an important employer. Second, industries that are growing in importance had an increasing LQ from 2002 to 2006. Thus the industries offering the most promise for the MSA in the future are in the NE quadrant, i.e. high LQ in 2006 and increasing LQ from 2002 to 2006.

Seven of the largest manufacturing sub-sector based County Business Patterns data are shown to the right. These data provide more detailed estimates but are available only for 2006, rather than 2007, as was the BLS data. In the figure to the left, the size of the balloon reflects employment in the sector. Transportation equipment manufacturing shows high promise because it has increased during this period and has a high concentration in the region suggesting that it exports from the region.

Other possibilities include food manufacturing, nonmetallic mineral product manufacturing; electrical equipment, appliance and component manufacturing, and chemical manufacturing. Some of these sectors do not employ many people, but a sector such as chemical manufacturing shows signs of a growing importance in the MSA. See Figure 26.

On the other side, Machinery Manufacturing is a relatively large sector showing strong signs of exports, but appears to be losing its relative share

within the MSA (the change in LQ is negative). The same is true for fabricated metal product manufacturing. However, a snapshot of one year can be affected by business conditions and how the economy affects that specific industry. Nevertheless, these two business sectors bear watching as possible opportunities to increase exports from the region.

COMPETITIVE SHARE

A second approach to examining economic performance is to allocate past employment changes into three distinct types — national growth, industry mix, and competitive shift. The national growth effect reflects the fact that changes in the national economy affects all regions. Thus, the economic growth in the early to middle 2000s should help explain some of the growth in employment at the regional level. Refer to Figure 27.

The second effect, industrial mix, tries to identify the past employment changes that occurred because some of the local industries are either fast growing or declining industries nationwide. The higher proportion of rapidly growing industries in the region, the more rapid the local growth should be and the reverse with industries that are declining nationwide.

Once the national growth and the industry mix effects have been removed, the remaining employment change should reflect local conditions. This part of the growth experience is labeled competitive share. For instance, if an industry is growing more rapidly than its counterparts nationally, the region must have an environment that is especially conducive to this specific industry. Identifying which industrial sectors have positive competitive share effects can help determine factors contributing to this environment and how they could be stimulated to encourage stronger industrial growth in the future. Likewise, if a set of fast growing industries can be identified, it is possible to examine their growth potential nationwide and then work with them to attract their suppliers to the Rockford MSA, or nearby, to lower production costs.

The employment changes attributable to each of the three factors demonstrate the wide differences among industries. The industrial mix and competitive share components will be discussed next. Several findings are especially worth noting.

First, manufacturing is a slow-growing or declining industry nationally and the MSA may have lost 12,719 manufacturing jobs because of its heavy dependence on manufacturing during the past decade. Second, construction did well nationally and the industry mix component indicates that a gain of 1,136 can be attributed to the presence of this industry. Comparable experiences exist with real estate, rental, and lease businesses (1,849). Finally, health care and social assistance as a sector grew rapidly during this period and 2,076 jobs can be attributed to a concentration of this industry in the MSA.

More interesting, however, is the fact that businesses in the MSA either out- or under-performed their national counterparts. In other words, removing the national growth effect and the industry mix effect assigns the remaining employment changes to local effects (competitive share).

Several key findings should be noted. First, manufacturing in the Rockford MSA under-performed manufacturing nationally and 2,469 jobs can be attributed to this effect as of 2006. The cutbacks because of the 2007-2008 recession and the especially hard-hit auto manufacturing industries will make these losses higher when 2008 and 2009 data are available.

Retail trade in the MSA also under-performed compared with stores nationally. This is partly explained because when manufacturing, with relatively high-paying jobs, cuts back, the income declines are almost immediately reflected in retail and wholesale trade and retail more directly. Clearly, the recent employment declines will aggravate this situation in the next several years.

On a more positive note, construction in the Rockford MSA out-performed its national counterparts and added 439 jobs as a result. The biggest contributor to employment growth, however, was administrative and waste services where 2,250 jobs can be attributed to the fact that local businesses grew more rapidly than their national counterparts. Most of the remaining sectors did not perform as well as the same sectors nationally.

ENTREPRENEURSHIP

The Rockford Region understands the importance of fostering a robust entrepreneurial support network. It is imperative for our region to create more sustainable, growth-oriented businesses as a significant part of our overall development strategy. Currently, we have the following infrastructure in place to support entrepreneurship:

Counseling, Training & Mentoring currently available to support Entrepreneurs & Small Businesses

- City of Rockford Economic Development Division
- Rock Valley College's Illinois Small Business Development Center
- NIU School of Business
- Rockford Area Ventures
- Rockford College's Center for Ethics and Entrepreneurship
- Rockford Local Development Corporation
- SCORE
- Stateline Angels
- SBA lenders offering 7a's etc.
- U.S. Commercial Services (International/exporting)

	Industry Sector	National Growth Component		Industrial Mix Component		Competitive Share Component	
		Percent	Jobs	Percent	Jobs	Percent	Jobs
	Total Employment	10.9%	21,220				
Resource Production and Construction	Farm	10.9%	186	-18.1%	-309	-2.2%	-37
	Forestry, Fishing and Related Activities	10.9	24	-6.7	-15	-13.5	-30
	Mining	10.9	26	-3.3	-8	-51.3	-123
	Utilities	10.9	161	-16.7	-247	13.6	202
	Construction	10.9	1,103	11.2	1,136	4.3	439
Goods Production and Distribution	Manufacturing	10.9	4,812	-28.7	12,719	-5.6	2,469
	Wholesale Trade	10.9	778	-5.5	-393	-1.9	-133
	Retail Trade	10.9	2,487	-4.0	-925	-12.3	2,828
	Transportation and Warehousing	10.9	656	-2.8	-168	-8.2	-497
Business Services	Information	10.9	302	-19.4	-541	4.2	118
	Finance and Insurance	10.9	918	2.8	241	-13.1	1,110
	Real Estate and Rental and Lease	10.9	508	39.5	1,849	-11.9	-556
	Professional and Technical Services	10.9	772	7.9	565	-2.5	-177
	Management of Companies and Enterprises	10.9	42	0.4	1	-33.7	-130
	Administrative and Waste Services	10.9	1,405	7.0	910	17.4	2,250
Human Services and Government	Educational Services	10.9	233	21.1	454	-2.6	-55
	Health Care and Social Assistance	10.9	2,254	10.0	2,076	-4.0	-827
	Arts, Entertainment, and Recreation	10.9	263	7.7	186	1.3	32
	Accommodations and Food Services	10.9	1,269	5.7	662	-12.3	1,442
	Other Services, Except Public Administration	10.9	1,215	8.9	991	-1.2	-137
	Government	10.9	146	-3.8	-51	-21.2	-286

28

Growth in Establishments and Jobs Rockford MSA from 2000 - 2007									
Establishments	2000	2007	Change	%	Jobs	2000	2007	Change	%
Total	13,847	16,631	2,784	20.1%	Total	179,669	171,519	-8,150	-4.5%
Noncommercial	950	1,106	156	16.4	Noncommercial	21,431	22,868	1,437	6.7
Nonresident	1,129	998	-131	-11.6	Nonresident	57,152	43,357	-13,795	-24.1
Resident	11,768	14,527	2,759	23.4	Resident	101,086	105,294	4,208	4.2
Stage 1 (1-9)	9,900	12,649	2,749	27.8	Stage 1 (1-9)	27,345	31,144	3,799	13.9
Stage 2 (10-99)	1,740	1,757	17	0.99	Stage 2 (10-99)	42,029	41,913	-116	-0.23
Stage 3 (100-499)	118	112	-6	-5.1	Stage 3 (100-499)	19,684	18,623	-1,061	-5.4
Stage 4 (500+)	10	9	-1	-10.0	Stage 4 (500+)	12,028	13,614	1,586	13.2

Growth in Establishments and Jobs Boone County from 2000 - 2007									
Establishments	2000	2007	Change	%	Jobs	2000	2007	Change	%
Total	1,591	1,891	300	18.9%	Total	16,823	15,812	-1,011	-6.0%
Noncommercial	113	136	23	20.4	Noncommercial	1,594	1,763	169	10.6
Nonresident	71	71	0	0.00%	Nonresident	5,821	5,213	-608	-10.4
Resident	1,407	1,684	277	19.7	Resident	9,408	8,836	-572	-6.1
Stage 1 (1-9)	1,262	1,530	268	21.2	Stage 1 (1-9)	3,094	3,453	359	11.6
Stage 2 (10-99)	133	146	13	9.8	Stage 2 (10-99)	3,274	3,686	412	12.6
Stage 3 (100-499)	10	7	-3	-30.0	Stage 3 (100-499)	1,320	897	-423	-32.0
Stage 4 (500+)	2	1	-1	-50.0	Stage 4 (500+)	1,720	800	-920	-53.5

Growth in Establishments and Jobs Winnebago County from 2000 - 2007									
Establishments	2000	2007	Change	%	Jobs	2000	2007	Change	%
Total	12,256	14,740	2,484	20.3%	Total	162,846	155,707	-7,139	-4.4%
Noncommercial	837	970	133	15.9	Noncommercial	19,837	21,105	1,268	6.4
Nonresident	1,058	927	-131	-12.4	Nonresident	51,331	38,144	-13,187	-25.7
Resident	10,361	12,843	2,482	24.0	Resident	91,678	96,458	4,780	5.2
Stage 1 (1-9)	8,638	11,119	2,481	28.7	Stage 1 (1-9)	24,251	27,691	3,440	14.2
Stage 2 (10-99)	1,607	1,611	4	0.20	Stage 2 (10-99)	38,755	38,227	-528	-1.4
Stage 3 (100-499)	108	105	-3	-2.8	Stage 3 (100-499)	18,364	17,726	-638	-3.5
Stage 4 (500+)	8	8	0	0.00	Stage 4 (500+)	10,308	12,814	2,506	24.3

29

Startup Activity (%): Jan-07 to Jan-08				
	Rockford MSA	Boone County	Winnebago County	Illinois Average
Agriculture	3.2%	2.6%	3.8%	2.1%
Mine	16.7	0.00	33.3	4.8
Construction	6.5	6.4	6.7	8.4
Mfg	3.1	1.3	4.9	5.5
T-C-U	17.9	19.4	16.4	13.4
Wholesale	9.5	12.8	6.1	8.0
Retail	9.0	10.2	7.8	7.4
Fire Ins Red	10.1	14.0	6.2	9.2
Service	7.5	7.0	8.0	8.3
Total	7.4	7.4	7.4	7.8

Source: Bizminer, Brandow Company 2009

Counseling, Training and/or Mentoring services currently available to support Entrepreneurs & Small Businesses as defined, but generally only if they are existing businesses and have reached appx. 30 employees or more:

- Rock Valley College's BPI - Outreach
- Rock Valley College's Continuing Education Center
- Illinois Manufacturing Extension Center
- Rock Valley College's Procurement & Technical Assistance Program
- Techworks
- Boone & Winnebago Counties Workforce Investment Board

K-12 programs currently available to teach Entrepreneurship:

- Rock Valley College's K-12 program
- Junior Achievement

Current Initiatives to Support Entrepreneurship:

- Inventors Club (Venture Club)
- FastPitch Competition
- Innovate Illinois Competition
- Business Expo
- Entrepreneurship in the Rock River Valley Area Conference

RAEDC's International Seminar

SMALL BUSINESS GROWTH AND DECLINES

Local economic development practitioners have shifted focus in recent years with more emphasis on entrepreneurship and small business start-ups as the number of large companies seeking to relocate has decreased. The National Employment Time Series (NETS) compiles data on both the number of establishments and number of jobs by year for both counties and MSAs. This data base uses Duns Marketing Information (DMI) files, among others, which contain more than 34 million businesses nationwide.

In 2000, the Rockford MSA had 13,847 establishments and by 2007 this number had increased to 16,631 (a 20.1% increase). The growth rate is consistent across the MSA with 18.9% in Boone County and 20.3% in Winnebago. While the number of establishments increased, the number of jobs represented by these companies decreased 4.5% (8,150 jobs). The decline in the number of jobs was higher, percentage-wise, in Boone County (6.0%) than in Winnebago (4.4%). These trends suggest that smaller companies replaced larger establishments as noted to the left in Figure 28.

On closer examination, the number of non-commercial establishments

(nonprofits, etc.) increased 16.4% in the MSA and the number of jobs increased 6.7%. This category includes many types of establishments which often pay lower wages than for-profit businesses but not always.

The establishments are further subdivided into those owned or headquartered in the MSA (resident) versus those owned or headquartered elsewhere (non-resident). Between 2000 and 2007, the number of non-resident establishments declined 11.6% with a loss of 131 establishments all of which are located in Winnebago. These may be mainly franchise operations or branch operations of larger companies. An important finding is that this decline represented a loss of 13,795 jobs in the MSA, again the vast majority in Winnebago County. The fact that no non-resident businesses were lost in Boone County does not necessarily mean the same number of jobs. Instead, 608 jobs were lost in Boone County, a decline of 10.4% during this period. Winnebago County lost 13,187 jobs in non-resident establishments.

The more positive news is that the number of resident establishments increased 2,759 (23.4%) in the MSA with 2,482 (24.0%) in Winnebago and 277 in Boone County (19.7%). This is a positive sign for several reasons but especially because it likely represents an investment by local interests which can bring more stability in making business decisions.

The counties differ, however, regarding job changes in resident establishments. While these establishments brought an increase of 4,208 jobs in the MSA, all of them are in Winnebago County. In fact, Boone County lost 572 jobs in resident establishments between 2000 and 2007. The declines in the number of jobs in resident establishments occurred in large businesses—those with 100 or more employees. In fact, a loss of 920 jobs was reported in businesses with 500 employees or more in Boone County. The reverse situation was reported in Winnebago County with an increase of 2,506 jobs in Stage 4 resident companies (24.3%) during this period. Thus, the MSA as a whole has had decided growth in employment in the largest businesses but at the cost of small to mid-size establishments especially in Winnebago County.

BUSINESS START-UPS AND CLOSURES

More direct information on entrepreneurial trends and activities in the Rockford MSA results from an analysis of business start-ups and closures. The latest information, compiled by the Brandow Company, includes start-ups between January 2007 and January 2008. Overall, there was an increase of 7.8% in businesses in the State of Illinois but the Rockford MSA rate was slightly lower at 7.4% with very little difference between Boone and Winnebago Counties. See Figure 29.

Percentage-wise, the main growth was in mining. Because of the small numbers involved, these changes do not significantly affect employment

in the counties. More important is the growth in transportation, communication and utilities (17.9%) which surpassed the state average of 13.4%. Both counties exceeded the state percentage growth.

On the downside, however, manufacturing in the MSA increased only 3.1% compared with a statewide average of 5.5%. The limiting factor here is Boone County which reported an increase of only 1.3% compared with 4.9% in Winnebago. These trends further substantiate the concerns expressed earlier about manufacturing losses in the MSA. Increases in wholesale and retail trade in the MSA both surpassed the statewide average in start-ups but services were slightly below the statewide average.

Equally important are business closures and these data for a three-year period. See Figure 30 for a snapshot of the closure events in the area. Closures can occur for several reasons, not all of them representing business failures. For instance, retirements or death can close financially healthy establishments. Likewise, business owners may encounter a change in lifestyle or move away and are unable, or not interested, in selling the business.

The Rockford MSA experienced a lower closure rate than the State of Illinois—13.2% compared with 15.0% statewide. The counties differ considerably, however, with Winnebago (14.4%) markedly higher than Boone County (11.9%). While transportation, communications, and utilities reported the highest start-up rates, they also reported the highest closure rates at 17.4%. While closures are never desirable, a certain amount of “churning” — i.e. starts and closures — shows that the economy is active. The hope, however, is that the number of starts exceeds the number of closures over several years.

Significant turnover was also reported in construction businesses (14.5%) and this occurred evenly in both counties. A substantial difference was reported between the counties in finance, insurance, and real estate with Winnebago reporting a closure rate of 13.4% compared with 3.9% in Boone County. Firms in this sector, however, are likely to serve both counties but may be headquartered in Rockford which could account for a higher turnover.

Perhaps the most important finding involves a comparison of the business starts with closures. The State of Illinois had a total closure rate of 15.0% compared with a start-up rate of 7.8%. The Rockford MSA, by comparison had a closure rate of 13.2% compared with a start-up rate 7.4%. By this comparison, the MSA fared better than the State.

LEADING EMPLOYERS

It is important to understand the employment distribution and leading employers in the region as a backdrop for later discussions of potential investment strategies. A list of the largest employers in the Rockford MSA

Closings and Layoffs Since 2006

	Year	Type	Company	# Affected	# Affected
1	2008	closed	ABA of America		40
2	2009	closed	AMCORE Mortgage		116
3	2006	closed	Amerock Corporation		60
4	2009	closed	Apria		90
5	2006	closed	Beaver Creek Nursery, Inc.		58
6	2006	closed	Bergners Department Store		93
7	2006	closed	Century Tool and Manufacturing		15
8	2006	closed	Cub Foods East		60
9	2010	closed	Gates Corporation		135
10	2008	closed	Greenlee Textron		112
11	2006	closed	Hamilton Sundstrand Division		159
12	2008	closed	Hamilton-Sundstrand Division		65
13	2009	closed	Jeld-Wen Millwork Masters		43
14	2006	closed	K's Merchandise Mart, Inc		100
15	2009	closed	MAG Automation and Control		70
16	2006	closed	Media Play		45
17	2009	closed	Modern Metal Products Co		151
18	2009	closed	Monogram Systems		77
19	2008	closed	Northern Illinois Hospital Services		86
			Pacific-Scientific Motion Control/Danaher		180
21	2008	closed	Pentair, Inc		60
22	2008	closed	Sonoco Paper Mill		44
23	2007	closed	The Mill		105
24	2008	closed	Tote-Cart Company		109
25	2009	closed	Unison Industries		127
26	2009	closed	Warner Electric		94
27	2009	closed	Linens and Things		20
28	2009	closed	Circuit City		30
1	2006	layoff	Acument Global Technologies, Inc	160	
2	2007	layoff	AMCORE Mortgage	49	
3	2006	layoff	Amerock Corporation	450	
3	2008	layoff	Anderson Packaging	167	
4	2009	layoff	ArvinMeritor OE, LLC	61	
5	2007	layoff	Android Industries	45	
6	2007	layoff	ArvinMeritor OE, LLC	51	
7	2008	layoff	Bergstrom	25	
8	2009	layoff	Chrysler Motors Corporation	992	
9	2008	layoff	Chrysler Motors Corporation	1096	
10	2009	layoff	Controls Group Inc.	25	
11	2009	layoff	DHL	15	
12	2007	layoff	Estwing	37	
13	2008	layoff	Grupo Antolin	30	
14	2008	layoff	Haldex	12	
15	2009	layoff	Hamilton Sundstrand	36	
16	2009	layoff	Honeywell	40	
17	2009	layoff	Johnson Group	14	
18	2009	layoff	Metz Baking Company	60	
19	2008	layoff	Oakley Industries	16	
20	2009	layoff	Oldham Graphic Supply	9	
21	2007	layoff	Rockford Products	75	
22	2008	layoff	Rockford Register Star	38	
23	2009	layoff	Syncreon-TDS Automotive	15	
24	2007	layoff	Syncreon-TDS Automotive	183	
25	2007	layoff	TAC LLC	140	
26	2008	layoff	Tri Core Mold And Die	24	
27	2008	layoff	Ventra Belvidere	29	
28	2009	layoff	Woodward	60	
29	2009	layoff	Gerdau Ameristeel	88	
30	2009	layoff	Ipsen Industries	78	
31	2009	layoff	Belvedere USA	70	
32	2009	layoff	Dean Foods	44	
			TOTAL	4234	2344

30

documents the importance of educational and health care institutions. For instance, the Rockford School District employed 3,720 people in 2008, followed by Rockford Health System with 2,600 people, SwedishAmerican Health System at 2,500 people, and the OSF Health care System at 2,100 people. Combined, these three health care institutions employed a total of 7,200 people. These employers document the importance of health care as an industry in the MSA. Since health care continues to be a growth industry, these businesses may offer opportunities for investment in the future. Related businesses such as Anderson Packaging, which does contract packaging for the pharmaceutical and health care industries, employed 1,050 in 2008.

In terms of top employers, Rockford Public Schools, health care (Rockford Health Systems, Swedish American Health Systems, and OSF St. Anthony Medical Center), automotive (Chrysler and its suppliers), aerospace

(Hamilton Sundstrand and Woodward Governor), metals manufacturing (Greenlee Textron), packaging sorting (UPS), and local government (Cities of Rockford and Belvidere and Boone and Winnebago Counties) have had the largest number of positions in the last three years.

Of equal or even more importance is to understand recent changes. Information is available on both expansions or new facilities and downsizings in the past two to three years. The Rockford MSA experienced considerable growth in employment in 2005-2009 in businesses either new to the Area or expanded with 100 or more employees. Employers experiencing large expansions in employment include NCO Group, Chemtool, General Mills, and Lowes Home Improvement. Refer to Figure 31 below.

Counting changes in numbers of jobs does not present a complete profile of how the economy is shifting because the pay levels differ widely. Even within one company, adding a position in a high management position

has a very different effect on the economy than hiring someone at the beginning level of operation. Also, the recent economic downturn has reduced the usefulness of past trends and their implications for the future.

A cursory snapshot of the early impact of the current recession is already available. Since 2007, for instance, Chrysler Corporation reported layoffs of about 2,100 employees. Numerous suppliers to Chrysler reported layoffs as well. Syncreon, Android Industries, ArvinMeritor OE, and Grupo Antolin Illinois combined had a reduction of over 800 employees since the Chrysler downsizings began.

Since 2005, the top 83 employers in the Rockford MSA employed nearly 70,000 at their peak operations. Currently they employ only about 52,000. This represents a loss of nearly 15,000 jobs since 2005. These cutbacks, of course, are only the direct effects. The reductions mean that people will spend less in the community, or in some instances, may move away in

31 TOP EMPLOYERS IN ROCKFORD MSA

*Numbers below represent most current information available. If a company listed has more accurate figures, contact us and we will update the information in the annual CEDS update.

Company	Product/Service	Peak Employment Since 2005	Most Recent Employment Figure (2008-2009)
1 Rockford Public Schools	Education	4,500	3,730
2 Rockford Health Systems	Health Care	4,400	2,972
3 Chrysler Motors	Automotive	3,600	1,600
4 Hamilton Sundstrand Corporation	Aircraft Components	3,000	2,165
5 Swedish American Health Systems	Health Care	2,913	2,373
6 Wal-Mart Stores	Retail	2,750	2,750
7 OSF St. Anthony Medical Center	Health Care	2,061	1,807
8 United Parcel Service	Packaging/Sorting Hub	2,000	1,600
9 Winnebago County	Government	1,842	1,839
10 Rockford Park District	Park Systems	1,750	1,739
11 Woodward Governor	Aircraft Components	1,500	1,325
12 Ingersoll Milling Machine Company	Machine Tools	1,300	N/A
13 NCO Group	Call Center	1,300	1,300
14 William Charles LTD	Infrastructure Services	1,300	1,300
15 City of Rockford	Government	1,201	1,122
16 Anderson Packaging	Pharmaceutical Contract Packaging	1,200	883
17 Harlem School District	Education	1,099	1,099
18 Highlander Food Stores	Food Stores	1,067	1,067
19 Belvidere School District 100	Education	1,050	1,050
20 Amerock Corporation	Cabinet, Furniture, Window, Hardware	1,000	0
21 Textron Fastening Systems	Precision Metal Components	1,000	0
22 Invensys/TAC LLC	Environmental Controls	1,000	500
23 R&D Thiel	Construction	1,000	350
24 Amcore Bank	Banking	900	700
25 Carpenter Contractors of America	Framing Contractors, Truss, Millwork	800	800
26 William Charles Construction	Construction	800	800
27 Lowes	Distribution Center	787	787
28 Logli's/Schnuck Markets	Food Stores	732	732
29 US Post Office	Government	698	698
30 Syncreon	Automotive	680	450
31 Rock Valley College	Education	645	645
32 Carrier Commercial	Food Product Machinery	627	627
33 Taylor Co	Food Products-Machinery	620	550
34 Milestone, Inc.	Social Services	580	580
35 Cadbury Adams	Chewing Gum	550	550
36 General Mills Inc	Frozen Food Processors	550	750
37 Walgreens	Retail	550	550
38 YMCA	Community Center	550	550
39 University of Illinois College of Medicine	Education	535	535
40 Android Industries LLC	Motor Vehicle Metal Stamping	500	150
41 Aramark Services	Uniforms	500	320
42 Ingersoll Cutting Tools	Machine Tools	500	450
43 Pacific Scientific Co/Donaher	Electrical Measuring & Testing Instruments	500	0
44 Rockford Blacktop Construction	Highway, Street & Bridge	450	450
45 Woods Equipment	Attachment Equipment	442	300
46 Bergstrom Inc	Motor Vehicle Electrical & Electronic	425	400
47 Acument Global Technologies/Camcar	Bolt, Rivet Screw, Rivet & Washer	420	100
48 Haldex	Hydraulics	418	357
49 Rockford Products	Metal Manufacturer	400	400
50 SPX Corp	Fluid Power Pump & Motor Equipment	400	400
51 Estwing Manufacturing Co Inc	Hand & Edge Tool Mfg	370	323
52 Road Ranger LLC	Gas Station	350	350
53 Rockford Newspapers Inc	Newspaper Publishers	350	312
54 Zenith Cutter Co	Knives-Machine	350	350
55 Ingersoll Machine Tools Inc	Metal Cutting Machine Tools	340	330
56 J L Clark Inc	Metal Can	325	300
57 Gleason Cutting Tools	Honing Machines & Equipment	310	310
58 Modern Metal Products Co	Motor Vehicle Metal Stamping	310	0
59 Ecolab Inc	Polish & Other Sanitation Good Mfg	300	300
60 First Rockford Group	Real Estate Holdings	300	300
61 Greenlee Textron	Precision Metal Components	300	0
62 Pepsi-Cola of Rockford	Bottler	300	300
63 Tapfite Products	Bolt, Rivet Screw, Rivet & Washer	300	300
64 US Filler	Commercial & Service Industry Machinery	280	280
65 Boone County	Government	275	275
66 Ipsen Industries	Heat Treating Furnaces	264	142
67 ComEd	Utility	250	250
68 Danfoss	Engine Components	250	500
69 GKN Rockford	Speed Changers	250	200
70 Gunite Corp	Foundries-Steel	250	250
71 Warner Electric	Automotive	220	0
72 Chemtool	Lubricant Manufacturer	200	200
73 Northwest Pallet	Pallet	200	200
74 GE Aerospace	Aerospace	180	180
75 ArvinMeritor	Automotive	170	70
76 AMCORE Mortgage	Banking	159	0
77 Gates Corporation	Automotive	150	0
78 Ventra Plastics	Automotive	150	50
79 Unison Industries	Aircraft Components	127	0
80 Grupo Antolin	Automotive	113	83
81 The Mill	Social Services	109	0
82 Tofo-Cart	Manufacturing	105	0
83 Product Action	Automotive	100	100
TOTAL		67,999	52,457

search of better employment opportunities which also adversely affects the local economy. These trends suggest that within the next year or so when the national recession bottoms out and the economy starts to recover, creating an entrepreneurial environment within the Rockford MSA will be important to foster new business development.

COMPETITIVENESS OF THE REGION

Knowing the competitiveness of the Rockford MSA for industrial attraction helps lay the groundwork for a local development strategy. The results of an annual survey of Corporate Consultants by Area Development Magazine were analyzed to provide a useful strategy for identifying characteristics to consider in a competitive analysis. However, it is important to have a reference for comparing the economic development potential of an area in terms of how business organizations see the region. The main factors considered important in selecting sites for location are briefly described next.

Highway accessibility ranked most important in the 2008 national survey of corporate consultants with 95.4% of the respondents rating it as important or very important. Fortunately, the Rockford Area has excellent access to modern highways north, south, and east into the Chicago Metro Area. Long-term plans are underway to expand US 20 as a four-lane highway westward to Dubuque, IA.

Second most important were labor costs as indicated by 91.4% of respondents. Third was occupancy and construction costs which were rated as important or very important by 90.4%. This factor increased in importance from 5th in the 2007 ranking (88.2%). Next most important are tax exemptions (88.6%) followed by energy availability and costs (87.9%). Availability of skilled labor (87.7%) and state and local incentives (87.2%) are also important in industrial location decisions.

Quality of life factors are also important considerations, although sometimes rated lower and/or by fewer respondents, in the annual survey. Factors such as low crime rate (78.2%), health care facilities (77.6%), and housing costs (67.1%) are especially important to potential businesses.

WAGE COMPARISONS

Labor costs involve two factors: wages or salaries, and productivity of workers. Higher wages can be paid to workers where productivity is high. A comparison of labor costs depends on specific industries and occupations. Detailed information on hourly wages is available from the Illinois Department of Employment Service (IDES) and the Bureau of Labor Statistics by occupation and county or MSA. A brief comparison of Rockford and other MSAs in Illinois on selected occupational titles common in Rockford provides insights into the competitiveness of the Rockford MSA.

An average of the hourly wages is provided without an adjustment for relative cost of living or productivity. A simple review shows of the 54 occupations listed in Figure 32, the Rockford MSA is below the average of the other MSAs in 21 cases, and is higher in the remaining 33 instances. This is a gross comparison because in some instances there is virtually no difference in the average wages. A more sophisticated, and more accurate, comparison is by level of experience, e.g. starting wage, mid-level, etc., and these comparisons can be made in subsequent studies of the region.

At the very least, the Rockford Area is competitive for the 54 occupational titles listed. This assumes that productivity differences are not large and that the employee benefits are similar as well.

AGE OF THE WORK FORCE

In addition to being competitive in wages, it is also important to anticipate potential retirements and a potential shortage of certain skills. While detailed information by age of worker is not readily available by occupation, a special tabulation by the Illinois Department of Employment Security is available by broad industry classification. The percentage of employees in pre-retirement years (55-64) is compared with the percentage 65 years and older but still employed. The 2007 national recession has released a sufficient number of workers with marketable skills so that impending shortages may not be as serious an issue during the next several years as previously thought. Depending on the pace of the recovery, however, the issue could resurface in the future.

In 2007, there were 5,478 workers between the ages of 55 and 64 years employed in manufacturing in the Rockford MSA. See Figure 33. This number includes all workers and is not limited to those actively involved in the production process which limits the usefulness of the information for understanding possible shortages of technical skills. Nevertheless, it appears that 16.3% of the workers could conceivably retire in the next 5 to 10 years. Another 913 workers in manufacturing are 65 or older.

Health care and social services is another main employment category in the Rockford MSA. The age distribution is relatively similar to manufacturing with 15.1% in the pre-retirement years and 3.6% of those currently employed are 65 years or older. In the case of health care, and medical services especially, technical skills may be involved which will take substantial training initiatives to replace retiring workers. The fact that 725 employees in this business group are of age 65 or older, coupled with another 3,071 within 10 years of retirement age may be cause for some concern both from the perspective of service delivery but also because health care is such an important industry in the Rockford MSA. This could represent a potential employment growth area in the future. The pending shortage of health care workers across Illinois is widely recognized. The Rockford MSA contains several highly respected training programs for these workers which should be considered an asset for development in the future as well.

SOC Occupational Title	Danville	Quad Cities	Decatur	Kankakee	Rockford	Average
Total all occupations	14.13	15.21	16.39	14.40	15.49	15.03
Management Occupations	32.14	36.74	40.90	35.28	37.69	36.27
General and Operations Managers	36.13	36.49	32.30	36.02	39.64	35.24
Marketing Managers	29.74	40.26	49.43	41.41	44.78	40.21
Sales Managers	32.73	31.66	48.69	43.44	44.80	39.13
Human Resources Managers, All Other	33.26	43.81	47.88	39.28	36.74	41.06
Industrial Production Managers	40.45	44.37	32.27	40.71	38.57	39.45
Business and Financial Operations Occupations	23.62	30.61	32.14	25.28	24.06	27.91
Management Analysts	31.77	34.54	35.74	31.33	41.50	33.35
Business Operations Specialists, All Other	28.29	31.05	37.57	24.89	21.51	30.45
Accountants and Auditors	25.38	27.21	27.58	24.29	27.60	26.12
Computer and Mathematical Occupations	20.57	31.50	34.63	24.77	27.26	27.87
Computer Software Engineers, Applications	25.15	37.78	38.22	38.55	34.74	34.93
Architecture and Engineering Occupations	25.76	32.95	38.45	30.10	29.62	31.82
Electrical Engineers	37.20	33.70	34.10	45.74	31.72	37.69
Mechanical Engineers	29.60	32.07	27.14	31.25	32.65	30.02
Market Research Analysts	14.83	26.09	26.96	22.74	29.84	22.66
Arts, Design, Entertainment, Sports, and Media Occupations	9.34	13.51	13.90	12.89	15.20	12.41
Graphic Designers	13.36	16.35	12.93	16.17	19.96	14.70
Public Relations Specialists	22.63	23.77	28.78	22.08	18.43	24.32
Healthcare Practitioners and Technical Occ	25.67	20.10	22.42	24.69	26.55	23.22
Dietitians and Nutritionists	23.02	23.62	21.27	21.59	20.97	22.38
Pharmacists	48.13	48.47	54.00	46.03	51.30	49.16
Registered Nurses	29.26	20.64	22.81	29.15	27.96	25.47
Occupational Therapists	34.88	32.22	33.53	34.96	36.52	33.90
Dental Hygienists	26.82	32.05	27.87	32.14	34.05	29.72
Healthcare Support Occupations	12.71	11.23	11.56	11.68	11.41	11.80
Home Health Aides	8.89	10.98	10.26	10.94	9.94	10.27
Physical Therapist Assistants	25.23	19.24	22.24	25.88	22.65	23.15
Police and Sheriff's Patrol Officers	19.06	19.61	25.36	28.11	30.13	23.04
Food Preparation and Serving-Related Occupations	7.96	7.77	7.92	8.06	8.12	7.93
Building and Grounds Cleaning and Maintenance Occupations	12.39	9.82	9.23	11.11	10.31	10.64

32

Age of the Workforce, Rockford MSA-2007

Rockford MSA	55-64	% 55-64	65 Plus	% 65+	Employment	All
Total	19,485	13.2%	5,463	3.7%	147,125	
31-33 Manufacturing	5,478	16.3	913	2.7	33,607	
42 Wholesale Trade	897	13.4	309	4.6	6,678	
44-45 Retail Trade	1,969	12.0	823	5.0	16,447	
51 Information	309	12.3	90	3.6	2,520	
52 Finance & Insurance	694	14.4	157	3.3	4,818	
53 Real Estate, Rental and Leasing	220	18.2	109	9.0	1,207	
54 Professional, Scientific & Technical Services	619	14.6	175	4.1	4,226	
55 Management of Companies and Enterprises	37	18.1	14	6.9	204	
56 Administration & Support of Waste Management & Remediation Services	1,246	8.6	446	3.1	14,510	
61 Educational Services	1,005	17.7	236	4.2	5,664	
62 Health Care & Social Services	3,071	15.1	725	3.6	20,370	
71 Arts, Entertainment & Recreation	327	11.8	222	8.0	2,763	
72 Accommodations & Food Services	542	5.0	326	3.0	10,748	
81 Other Services	657	12.4	305	5.7	5,310	

Source: Illinois Department of Employment Security, LEHD Quarterly Workforce Indicators, Quarter 1, 2008

33

LOCAL, REGIONAL, NATIONAL PLANNING INITIATIVES

LOCAL INITIATIVES

The intention behind preparing this CEDS for the Rockford MSA is to create a document that builds on existing plans, policies and programs for a comprehensive development strategy that all parties in the MSA can agree on and pursue. As part of that effort, we reviewed the planning documents listed below, concentrating on those that are truly local. These served as the source for an initial listing of goals for the CEDS.

- *City of Loves Park Comprehensive Plan, prepared by Teska Associates, Inc., adopted August 18, 1997.*
- *Village of Machesney Park Village Plan '94; prepared by Trkla, Pettigrew, Allen & Payne, Inc.*
- *Village of Machesney Park Comprehensive Plan [Draft], prepared by Houseal Lavigne Associates, December 3, 2008.*
- *City of Rockford 2020 Plan: Entering the 21st Century, adopted September 13, 2004; amended May 5, 2008.*
- *Boone County Comprehensive Plan, prepared by Vandewalle & Associates, adopted November 10, 1999.*
- *Growth Dimensions for Belvidere-Boone County 2008 Annual Report.*
- *Winnebago County Principles of Balanced Growth, prepared by Teska Associates, Inc. and Metropolitan Planning Council.*
- *Winnebago County Findings Memo, Phase 1: Comprehensive Land Use Plan Update & Unified Development Ordinance Creation; prepared by Camiros, Ltd. And Nicolosi & Associates LLC; January 2007.*
- *Winnebago County 2030 Comprehensive Land Use Plan; prepared by Camiros, Ltd. And Nicolosi & Associates, January 2009 draft.*
- *Rockford Area Transportation Study (now RMAP, or Rockford Metropolitan Agency for Planning), Year 2035 Long-Range Transportation Plan; prepared by RATS with T. Y. Lin International and The al-Chalabi Group, Ltd.; adopted July 28, 2005.*
- *NICTI (Northern Illinois Commuter Transportation Initiative), Alternative Analysis – Second Level Screening Report (draft), prepared by TranSystems, April 2008.*
- *Regional Vision for Community Excellence, covers five counties (Boone, Ogle, Stephenson and Winnebago in Illinois; Rock in Wisconsin), August 15, 2002.*
- *Opportunity Returns – Northern Stateline Region, IL Department of Commerce and Economic Opportunity, October 2003.*

In addition to reviewing planning documents for goals and objectives, we went one step further and examined economic development initiatives that are in place at various levels (local, regional, statewide). Reviewing these documents shows that the region's economic difficulties have not arisen from a lack of local effort.

The ten industries listed below seem especially well suited for targeting in the Rockford MSA. This conclusion is based on the results of the SWOT analysis, a Targeted Industry Cluster Study by Carter-Burgess in 2006 (now Jacobs Engineering), studying existing plans from the region, and the results of the focus groups conducted with industries identified as key areas for the Rockford Region.

There are multiple reasons for concluding that these ten industries represent the region's best opportunity for developing a stronger economy in the near future. The Area lies in the heart of the Midwest. Its central time zone location allows companies to reach its customers from coast to coast during normal business hours. The 45 institutions of higher learning within a 75-mile radius of Rockford provide a skilled and readily available work force. The Rockford Region's low cost of living and competitive wage rates benefit both employers and employees.

The Strategy Committee intends, if an adjustment grant is obtained from the EDA, to conduct a more thorough analysis to restructure and diversify the economy. Specifically, this will include an investigation into what industries are best suited to restructure the economy as well as updating the labor shed analysis to match these industries. The manufacturing and automotive industries are evolving (the two largest employing sectors in the area), there is a crucial opportunity and need to understand how existing industries can emerge and evolve as the green economy grows.

INDUSTRIES TARGETED

1. AEROSPACE PRODUCTION, RESEARCH, AND DEVELOPMENT
2. LOGISTICS
3. INDUSTRIAL MACHINE MANUFACTURING
4. METALS MANUFACTURING
5. CUSTOMER SERVICE CENTERS
6. CHEMICAL MANUFACTURING
7. FOOD PROCESSING AND AG-TECH
8. ON AND OFF ROAD TRANSPORTATION EQUIPMENT MANUFACTURING
9. GREEN INDUSTRIES AND ALTERNATIVE ENERGY
10. HEALTH CARE



TARGETED
INDUSTRIES

REGIONAL INITIATIVES

- *Tri-State Alliance: Effort between Northern Illinois, South Wisconsin, and East Iowa to create economic development opportunities through job creation and infrastructure improvement.*
- *Midwest High-Speed Rail Coalition: To bring high speed rail corridors through the Northern Illinois region.*
- *I-39 Logistics Corridor Association: To foster economic development from Beloit to DeKalb along Interstate I-39.*
- *Foreign Trade Zone #176: Grantee (administrator) is the Greater Rockford Airport Authority located at RFD (Chicago Rockford International Airport) within the Rockford Port of Entry of the US Customs and Border Protection. The Zone was established in 1991 as a general purpose zone (GPZ) serving multiple users. FTZ #176 currently includes 22 partners including GPZ sites and subzones for single user plants (often manufacturing or distribution centers).*
- *The American Assembly: A two-day event to discuss the economic wellbeing of the Tri-State Alliance region.*
- *Rockford Local Development Corporation (RLDC): Operates a direct loan fund for businesses in Rockford and manages regional loan programs for the Northern Illinois CDC and the US Small Business Administration 504 Program.*
- *Illinois Community Service Block Grant Program (CSBG): Administered jointly by IL DCEO and the City of Rockford Human Services Department; provides long-term, fixed-rate financing to new or expanding businesses in exchange for job creation and employment of low-income individuals in the Rockford MSA.*
- *nicti (Northern Illinois Commuter Transportation Initiative): Goal is to identify a local preferred alternative for public transportation providing an efficient, affordable and attractive link between the Rockford MSA and the Chicago region.*

STATE OF ILLINOIS INITIATIVES

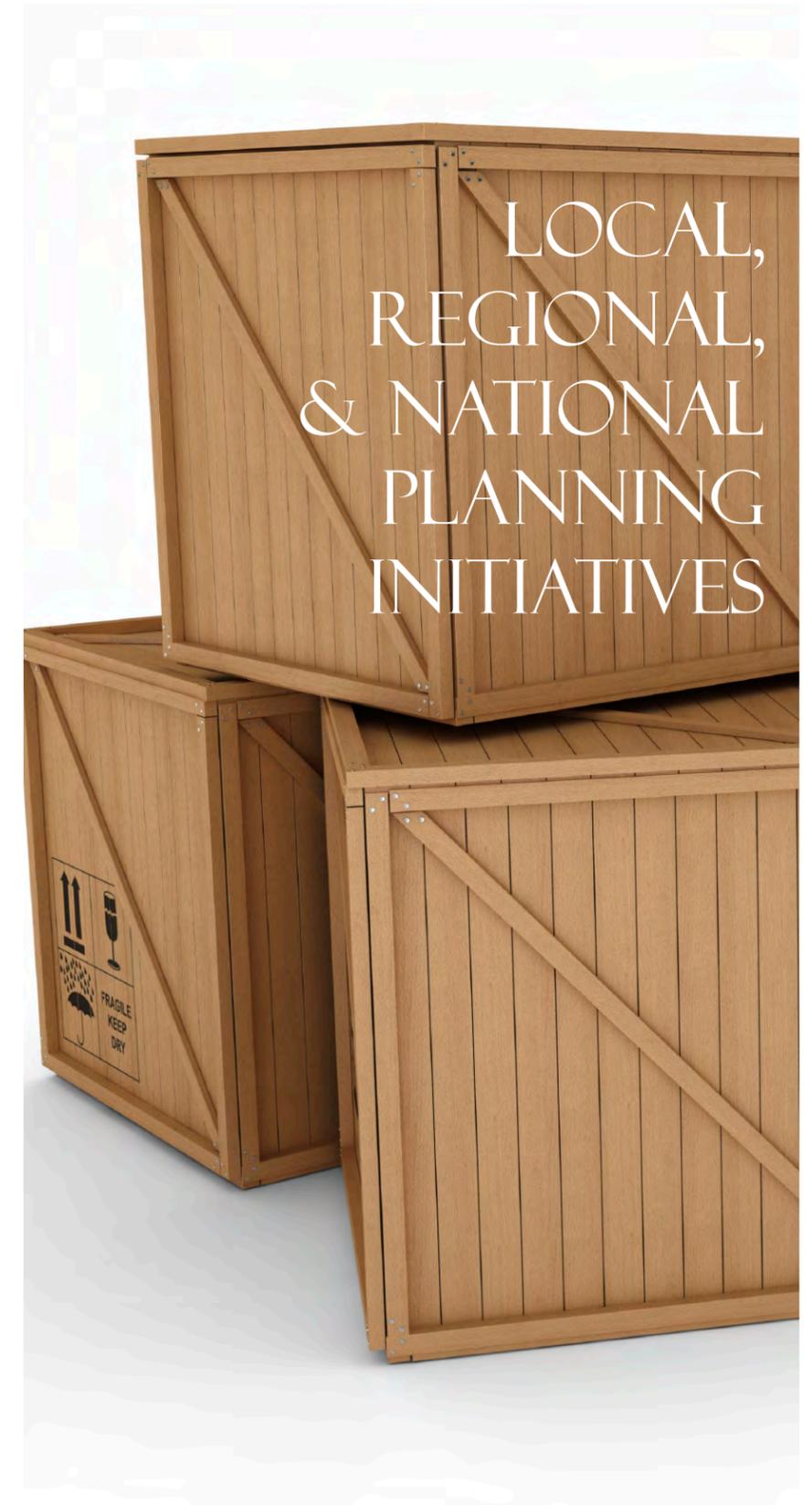
- *Illinois Small Business Development Center at Rock Valley College: Offers business counseling services to help entrepreneurs expand existing businesses or start up new ones at no cost. Counseling is one on one and can cover accounting, legal issues, loan proposals, marketing, advertising and promotion. Located at EIGERlab.*
- *Illinois Procurement Technical Assistance Center at Rock Valley College: Provides information and assistance to those who want to find out how to do business with federal, state or local governments. Also works closely with other business assistance programs to provide such services as trade/export assistance through international trade centers, access to financial and energy management assistance, and job training help. Located at EIGERlab.*
- *Dislocated Worker Program: Serves residents of the Rockford MSA who have been laid off or terminated from their jobs, who have worked for a company that has recently closed or moved out of state or out of the country. Services are provided by Rock Valley College through funding from Boone and Winnebago County WIB, the Rock River Training Corporation, the IL DCEO, and US Department of Labor. Located in downtown Rockford.*
- *Rock River Valley Entrepreneurship Center: Regional hub for coordinating small business and entrepreneurship training and development activity. Service area includes the Rockford MSA plus Ogle and Stephenson Counties. Operated by Rock Valley College; located at EIGERlab.*
- *IL Manufacturing Extension Center (IMEC): Provides assessment to improve performance, benchmarking, project manager to ensure satisfaction; located at NIU's Rockford campus.*
- *IL DCEO provides the LocationOne Information System (LOIS) as a means of conducting searches for available commercial and industrial sites and building*

locations throughout Illinois. Maintained in partnership with communities across the state, LocationOne is designed to address the specific site selection data requirements of businesses and their consultants. Within the Rockford MSA region, LOIS is hosted on the websites of the Rockford Area Economic Development Council, Winnebago County and Growth Dimensions for Belvidere-Boone County.

- *IL DCEO is launching a pilot project to explore ways to expand the role and scale of social enterprises in increasing employment opportunities for low-income, disadvantaged individuals in IL, especially in depressed economic areas and communities. DCEO will be awarding planning grants for developing or expanding social enterprises in several targeted industries.*
- *IL DCEO is working with state agency partners in conducting pilot projects to expand access to high-demand health care career opportunities. Projects will be funded with industry organizations, local WIAs, community colleges and nonprofit organizations that address how to train and place more skilled workers in these targeted specialty areas with documented shortages.*
- *IL DCEO is working with state agency partners to conduct similar pilot projects to implement the recommendations of the Manufacturing Task Force of the Illinois WIB.*
- *IL DCEO is working with state agency partners to provide grants to regional economic development and/or industry organizations to develop and implement workforce development solutions to critical workforce shortages in skilled, high-wage occupations in key economic sectors of the state and a region within the state.*

NATIONAL INITIATIVES

- *Economic Stimulus Package (ARRA): EDA grant program making funds available for local economic development initiatives.*
- *Community Development Block Grant/HOME/ESG: Federal funds used by the City of Rockford for a variety of housing and economic development programs.*
- *Neighborhood Stabilization Program (NSP): New funding allocated to the City of Rockford by the federal government to deal with foreclosure and related issues. City has received roughly \$2.2 million.*
- *SBA 504 Loan Program: Provides long-term, fixed-rate financing to small businesses to acquire real estate, machinery or equipment. It is administered in the Rockford MSA by Rockford Local Development Corporation.*
- *SBA 7(a) Guaranteed Loan Program: Generally used for business start-ups and to meet various short- and long-term needs of existing businesses, 7(a) loans are available through commercial banks.*
- *HUD Section 108 Loan Guarantee Program: Provides CDBG entitlement communities, such as Rockford, with a source of financing for economic development, housing rehab, public facilities and large-scale physical development projects. The 108 Program allows them to transform a small portion of their CDBG funds into federally guaranteed loans large enough to pursue large-scale economic development projects.*
- *Federal historic preservation income tax credits: City of Rockford economic development staff works extensively with local property owners to encourage use of this incentive.*
- *Economic Development Initiative (EDI): Available through HUD; provides grants to local governments to enhance both the security of loans guaranteed through the Section 108 Loan Program and the feasibility of economic development and revitalization projects they finance.*
- *Brownfields Economic Development Initiative (BEDI): Also available through HUD; BEDI is a competitive grant program designed to stimulate and promote economic and community development. Designed to assist cities with redevelopment of abandoned, idled or underused industrial and commercial facilities where expansion and redevelopment is burdened by real or potential environmental contamination.*





INCENTIVES

It is vital that local economic development agencies be competitive in the types of fiscal incentives they can provide to current and prospective businesses. Detailed information on specific incentives is always difficult to obtain and compare among governments because even the same types of incentives are often administered on a case-by-case basis according to the different needs of prospective businesses. Thus, it is not only important to know the types of incentives available but also to know how often they are provided and how aggressively they are marketed.

A more detailed examination of the incentives provided in the Rockford MSA will be undertaken in the future when Economic Development District status is achieved. First, information for the Rockford Area Economic Development Council is provided. These incentives are available on the RAEDC website so they can be clearly seen by prospective businesses. The information is available in sufficient detail so that business leaders can undertake a preliminary analysis of the impact on their cost.

The RAEDC incentives are categorized into three categories – incentives mainly for recruiting business; mainly for recruitment as well as expansion; and then for expansion and start-ups. Each group is described briefly below.

TAX INCENTIVES

Incentives are from a variety of sources (local, state and federal) and provide a wide range of options, including the following:

- *Enterprise zones – available in specified area of the City of Rockford and in Belvidere-Boone County.*
- *River Edge Redevelopment Zone – offers basically the same incentives as the enterprise zone; only available in the specified River Edge zone in the City of Rockford.*
- *Winnebago County property tax abatements – available for jobs meeting specified criteria on the County portion of the property tax bill.*
- *New Markets Tax Credits – available in specified census tracts in Rockford.*
- *Federal historic preservation 20% income tax credits – available for approved rehabilitation of properties listed on the National Register of Historic Places, regardless of location.*

DIRECT FINANCIAL ASSISTANCE

- *Tax increment financing – TIF districts are a common vehicle for providing direct assistance to development projects using local resources. TIF districts exist in Belvidere, Loves Park, Machesney Park and Rockford.*
- *Small business loan programs – both Rockford and Winnebago County offer these, although the City's program is administered by the Rockford Local Development Corporation (RLDC).*

INFRASTRUCTURE IMPROVEMENTS

These are usually handled on a case-by-case basis through a development agreement between the municipality and the developer. Such agreements are most commonly found in association with a TIF district or as part of an annexation agreement.

BROWNFIELDS

- *City of Loves Park received funding from US EPA for brownfield assessments, and the City has established a Brownfields Redevelopment Advisory Committee to aid them in their redevelopment efforts.*
- *Village of Machesney Park has one brownfield site funded through IEPA. Phase I and II assessments have been completed and the Village is ready to prepare a remediation action plan.*
- *City of Rockford maintains an active program of brownfield assessments and, when funds are available, remediation. Rockford has made extensive use of both US EPA and IEPA funds to do this.*

In addition to these local initiatives, the following regional, statewide and national incentives are available in the Rockford MSA.

INCENTIVES FOR EXPANSION

These incentives include a variety of low cost loans or below-market interest rates for businesses undertaking specific types of projects allowed under the programs. Since many of these programs are either state or federal, the Rockford Area can only have an advantage if it markets the incentives more aggressively. However, two incentives listed—Industrial Revenue Bonds and Winnebago County Tax Abatement and Loan Program—are locally administered and represent ways in which the Rockford MSA can be especially attractive to businesses. The industrial revenue bond program provides long-term financing (usually more than \$1.5 million) for loans as structured by local banks. The rates typically are below prime and are aimed at companies that produce a tangible product.

The Winnebago County Tax Abatement and Local Programs offer abatements of county taxes on a specific project and provide low interest rates for up to \$15,000 for each new job created in the first 2-3 years. The average loan is \$100,000 with a term not to exceed 10 years. The focus of these incentives is on creating jobs in the County.

PROGRAMS FOR EXPANSION AND RECRUITMENT						
Program	Benefits	Current Rate/Term	Formula	Requirements	Program Contact	Links
Opportunity Illinois	Below market rate loan - consumer or development	up to max of 5 years then conventional loan	Up to \$10M per project	Must provide community services or a building with historic landmark status	Patrick Conlon 312-814-1244	http://www.treasurer.il.gov/OpportunityIllinois/Default.aspx
Employ Illinois	Below market rate loan	up to max of 5 years then conventional loan	value of the combined projected annual payroll of the new jobs created not to exceed value of the loan	Must be business owner, child care provider or TV/Movie maker or co. experiencing hardship	State Treasurer's Office 312-814-8953	http://www.treasurer.il.gov/EmployIllinois/Default.aspx
Large Business Development Program - LBDP	Incentive funding to encourage large out of state co's to locate in IL or encourage existing IL com's to undertake major job expansion/retention projects within IL	funding limited; usually part of an incentive package put together by the State's marketing department		Businesses must have 500 or more employees; project must be an extraordinary economic development opportunity; creation/retention of 300 or more jobs	Dennis Gorss 217-524-8449	www.commerce.state.il.us/business/grants_bus_large.htm
Business Development Public Infrastructure Program	Fixed low or no-interest rate loan to local government for infrastructure improvement	Not to exceed 10 years	one private sector job must be created or retained for every \$10,000 awarded	Project must lead directly to expansion or retention	Mark Gauss 217-785-6193	www.illinoisbiz.biz/com/bd Bip.html
Employer Training Investment Program (ETIP)	Grant funds to assist with employee training; single company or multi-company training projects. Large Company and small-mid company components	Reimbursement of up to 50% of total training costs of approved training programs	Large Company Component (ETIP/LLC--formerly ITP); companies must have 250 or more full-time employees;	Employees must be permanent, full time. Project must meet eligibility requirements	Employer Training Investment Program LLC: 217-785-6284 small/mid:312-814-2700	www.commerce.state.il.us/business/employ_ind_training.html
Export Import Bank of the U.S.	Provides financing for qualified exporters in terms of export loans, insurance, and working capital guarantees	3.5, or 7-year Treasury Rate + 1%	The total level of Ex-Im Bank support will be the lesser of 85% of the value of all eligible goods and services in the U.S. supply contract or 100% of the U.S. content in all eligible goods and services in the U.S. supply contract.	Goods eligible for financing must meet Ex-Im Bank's foreign content requirements and must be shipped from the United States to an international buyer. Military or defense items are generally not eligible nor are sales to military buyers	Midwest Regional Office Chicago 312-353-8081	www.exim.gov/index.cfm
Industrial Revenue Bond Program	Long-term financing at interest rates lower than conventional financing; Fixed or variable rate financing; Financing of up to 100% of project cost	Term structured by participating bank (usually below Prime)	Generally >\$1.5M	\$1,500 non-refundable application fee; Closing fee equal to 75 basis points on the par amount of the bonds; Projects include facilities which are primarily used to manufacture or process tangible products;	Townsend Albright 312-627-1434	www.idfa.com/bondindustrev.htm
High Impact Business Program	Tax incentives for companies making substantial capital investment and creating above average number of jobs	Businesses may qualify for: investment tax credits, a state sales tax exemption on building materials, an exemption from state sales tax on utilities, a state sales tax exemption on manufacturing equipment purchases, repair and replacement parts.	The project must involve a minimum of \$12 million investment causing the creation of 500 full-time jobs or an investment of \$30 million causing the retention of 1500 full-time jobs.	The investment must take place at a designated location in Illinois outside of an Enterprise Zone.	Illinois Department of Commerce and Economic Opportunity Bureau of Business Development 620 East Adams, Springfield, Illinois 62701 Tel 217-785-6145	http://www.commerce.state.il.us/dceo/Bureaus/Business_Development/Tax+Assistance/HIB.htm
Winnebago County Tax Abatement Winnebago County Loan Program	Tax abatement on county portion of tax bill Low interest rate loan of up to \$15,000 for each new job created in first 2-3 yrs.	Average abatement of 100% for 3 yrs.; term may vary with project, not to exceed 10 years or \$4M Rate varies with need & ranges between 3-6%; max. loan generally \$100K; Amount may vary with project size and fund availability	Generally 1/3 bank participation, 1/3 client, 1/3 County; may go as high as 1/2 County	Business must be located in Winn. Co.; job creation and/or retention required Based on job creation	Winnebago County Regional Planning & Economic Development 815-987-2524	www.co.winnebago.il.us/County_Administration/Planning_Economic_Dev.htm

INCENTIVES FOR RECRUITMENT

The Rockford MSA participates in the usual statewide programs such as Enterprise Zone, Tax Increment Financing, Economic Development for a Growing Economy, and the State Treasurer’s Recovery Loan Program. These programs provide a variety of tax abatements and low cost loans to businesses that locate in specific areas of the county or city. The EZ and TIF districts are defined programs aimed at revitalizing a dilapidated part of a jurisdiction that meets established criteria.

As noted previously, it is important that the Rockford Area participate in these programs so that it is competitive with other locations. However, equally important is the level to which the programs are marketed to prospective companies. Even a cursory review, however, indicates that the RAEDC is competitive with the state sponsored programs .

PROGRAMS PRIMARILY FOR RECRUITMENT						
Program	Benefits	Current Rate/Term	Formula	Requirements	Program Contact	Links
Enterprise Zone	\$10,000 - \$750,000 loan; property tax abatement; sales tax exemption; job tax credit; pollution control facilities exemption; utilities tax exemption	Prime minus 2% for variable; fixed and adjustable determined at time of loan commitment. Rate never lower than 3%. Tax abatement for 3 yrs.	Must employ <500; Business must be located in the EZ	No debt refinancing or contingency; potential to create & retain jobs.	815-987-5632	http://www.illinoisbiz.biz/com/ez_zone.html
Tax Increment Financing - TIF	Bonds issued to finance private investment in blighted and depressed areas for activities such as property acquisition, site preparation, demolition, or renovation.	Bonds issued for 20 years - District can last for 23 years	Overall TIF funding is 0.27% of net state sales tax revenues, allocated quarterly to eligible TIF municipalities	Districts cover only "blighted" or "conservation" areas where development would not occur "but for" the presence of the district. Only municipalities have authority to set up TIF.	IL Department of Commerce and Economic Opportunity (DCEO)	www.illinois-tif.com www.revenue.state.il.us/businesses/other/increment.htm
EDGE - Economic Development for a Growing Economy	Tax credit based upon the personal income tax collected on salaries paid to employees holding the new jobs created	Non-refundable tax credit against corporate state income tax over a period not to exceed 10 years		\$5 million investment and creation of 25 jobs; "but for" the inducement, the project would not occur in Illinois	877-221-4403	www.commerce.state.il.us/bus/tax/tax_relief_edge.htm
State Treasurer's Economic Recovery Loan Program (ER)	Below market rate loans to companies bringing good-paying jobs with benefits to IL; primary emphasis on mfg.	below market rate, up to 5 years.	For each job created, Treasurer can deposit up to \$50,000 into borrower's financial institution for loan	Out of state company bringing good-paying jobs with benefits to IL	State Treasurer's Office Economic Development Loan Programs 100 West Randolph St, Suite 15-600 Chicago, IL 60601 312-814-1788	http://www.state.il.us/treas/P/programs/ER.htm

INCENTIVES FOR START-UPS

A third set of programs is intended to help businesses starting in the area. The programs listed are partly state or federal programs such as through the Small Business Administration or the Illinois Department of Commerce and Economic Opportunity but are administered locally. The incentive programs offer fixed rate loans for start-ups, expansions, and modernization. The various programs vary with respect to interest rate subsidies as well as the size of the loan that can be provided. In some instances, the programs are targeted by business size. In other programs specific owner characteristics are used to provide assistance to minorities or other groups.

Initiatives actually in use in the Rockford MSA generally focus on incentives in one of three forms – tax incentives, direct financial assistance, or providing needed infrastructure for a project – or on dealing with brownfields in one way or another.

PROGRAMS FOR EXPANSION OR START-UP						
Program	Benefits	Current Rate/Term	Formula	Requirements	Program Contact	Links
Rockford Local Development Corp. Northern IL Community Development Corp Small Business Administration 504 Program	Fixed rate loans for business start-up, expansion, modernization, etc. Fixed rate loans for business start-up, expansion, modernization, etc. Fixed rate loans for business start-up, expansion, modernization, etc.	Up to 25% of project cost but not less than \$25,000 or more than \$100,000 Up to 25% of project cost but not less than \$10,000 or more than \$100,000 Up to 40% of project cost but not less than \$50,000 or more than \$1.3M	Flexible Flexible \$35,000 per job to be created unless exception made for public policy reasons	For-profit businesses located in City of Rockford For-profit businesses located in Winnebago or Boone Counties SBA eligible for-profit businesses; Fixed assets only	John Phelps 815-987-8675	www.sba.gov/financing/fdc/dcs_04.html
Manufacturing Modernization Loan Program	Sub-prime rate loans to manufacturers for financing upgrading and modernization of equipment and operations	Sub-prime rates, max term 10 years. Fee of 1-2% of loan amount	Min. \$10,000; max \$750,000 or 25% of total project, whichever is less.	Existing IL mfg co's. that employ less than 500 full-time employees and are retooling, upgrading their equipment, or expanding business	Illinois Department of Commerce and Economic Opportunity 217-782-3891	http://www.commerce.state.il.us/dceo/Bureaus/Business_Development/Loan+Programs/mmlp.htm
Participation Loan Program	Help given to small businesses or small businesses that are 51 percent owned and managed by persons who are minorities, women, or disabled. Through lending institutions to obtain financing for business start-up, expansion, modernization and competitiveness improvement.	Subordinated small business loans provided for up to 25% of total project, but not less than \$10,000 or more than \$750,000; for minority, disabled and/or women business up to \$50,000 or 50%	Available to any for-profit small business with less than 500 full time employees or a business which is at least 51 percent owned by one or more minority, woman or disabled persons and the management and daily operations of the business are controlled by one or more of the minority, women or disabled persons who own it	Cannot be used for debt refinancing or contingency funding.	DCEO Business Finance Division 620 E. Adams Springfield IL 62701 Tel: 217-782-3891 revised 1-15-08	http://www.commerce.state.il.us/dceo/Bureaus/Business_Development/Loan+Programs/plp.htm

By combining extensive knowledge of the local economic situation and the results of a SWOT analysis with a review of the economic development goals and objectives found in existing local planning documents, members of the Rockford MSA CEDS Strategy Committee agreed on a vision statement for the Region. From this, they were able to develop goals and strategies as well.

OUR VISION

In 2015 the Rockford MSA will be a world-class, sustainable community with an entrepreneurial culture and a diverse economic base outperforming peer MSAs in job creation and retention, capital investment, and personal income growth. Prosperity and a high quality of life will result from investments in alternative energy, infrastructure, information technologies, quality health care, a strong talent base, educational achievement, and enhancement of cultural and natural amenities and industries.

OUR GOALS

To make this vision a reality, the Region will pursue the following Goals:

1. CREATE A REGIONAL COMPREHENSIVE ECONOMIC DEVELOPMENT PLAN AND MARKETING STRATEGY EMPHASIZING COLLABORATION WITHIN THE ROCKFORD MSA.
2. FOSTER EFFICIENT BUSINESS DEVELOPMENT, EXPANSION, DIVERSIFICATION, JOB GROWTH, AND ENTREPRENEURIAL ACTIVITY THROUGHOUT THE REGION.
3. ENSURE THE FUTURE AVAILABILITY OF A SKILLED AND FLEXIBLE WORKFORCE PREPARED TO MEET THE NEEDS OF BOTH EXISTING AND EMERGING INDUSTRIES AND TECHNOLOGIES.
4. MEET THE FULL RANGE OF BUSINESS' INFRASTRUCTURE NEEDS WITH EMPHASIS ON TRANSPORTATION, UTILITIES AND COMMUNICATIONS.
5. REDEPLOY EXISTING UNDERUSED COMMERCIAL AND INDUSTRIAL PROPERTIES, AND PROTECT NATURAL AMENITIES AND RESOURCES FOR ECONOMIC DEVELOPMENT PURPOSES.
6. OBTAIN A HIGHER QUALITY OF LIFE BY SUPPORTING AND ENHANCING THE REGION'S SENSE OF COMMUNITY IDENTITY, COMMUNITY HEALTH, CULTURAL AND RECREATIONAL AMENITIES, AND CREATIVE INDUSTRIES.

Achieving these goals in the next five years will require a substantial and coordinated effort. To do this, we will pursue the following strategies for these six goals.

GOAL I

Create a regional comprehensive economic development plan, including a marketing strategy emphasizing collaboration within the Rockford MSA.

Strategies:

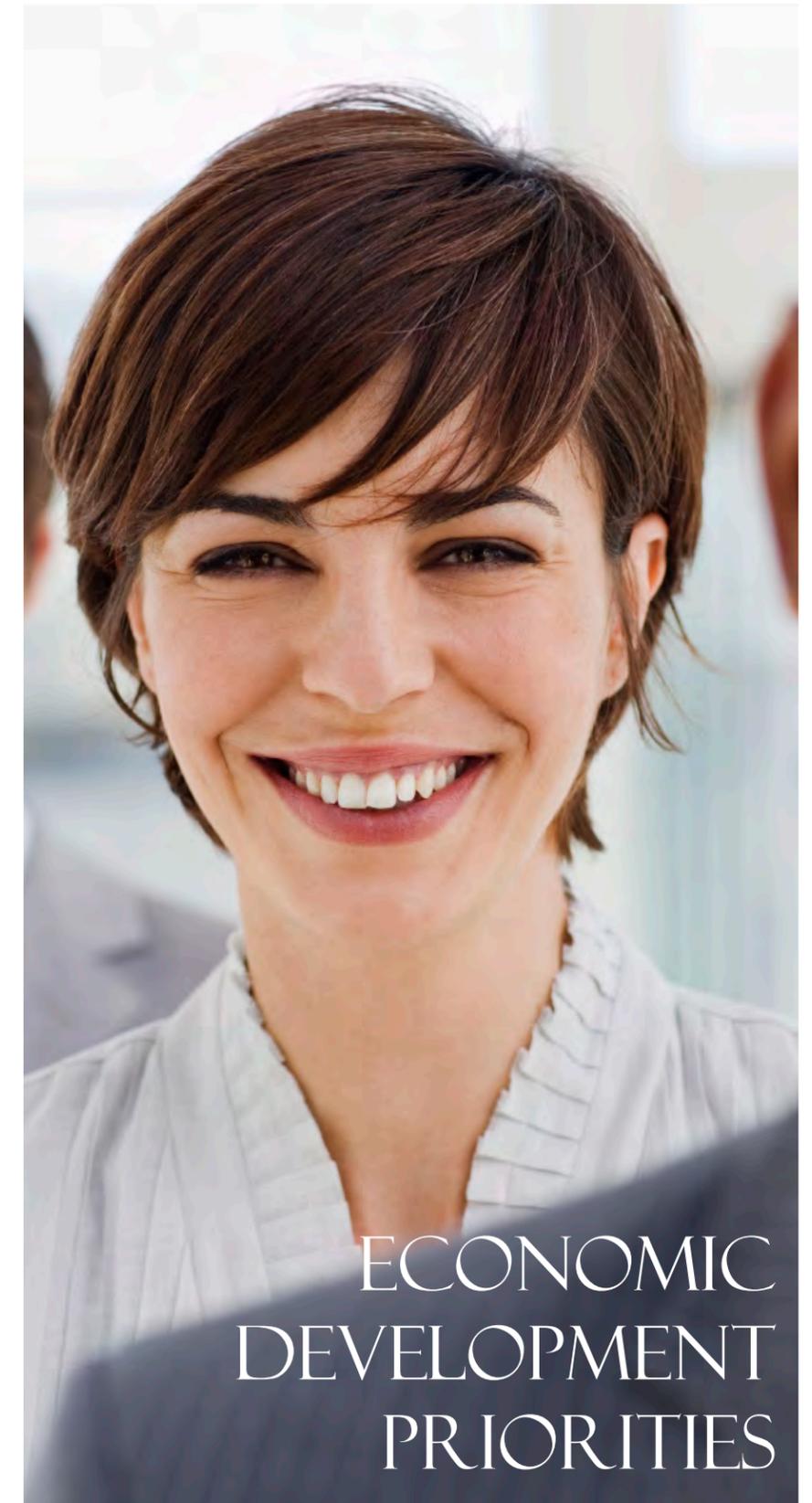
1. Acknowledge the need for a regional strategy for economic development and act on it expeditiously.
2. Create an EDA-approved Economic Development District (EDD) for Boone and Winnebago Counties to function as the regional economic development planning body and oversee the ongoing CEDS scope of work. This will include ensuring measurement and accountability of regional economic development indicators and statistics, complying with the Economic Development Administration's CEDS planning requirements, and maintaining an operational budget.
3. Establish a marketing strategy for the Rockford MSA, including networking events and a regional website.
4. Identify and engage stakeholders within the region through the activities of the EDD.
5. Host a regular Regional Economic Development Summit.
6. Collaborate with surrounding counties on economic development goals and activities (e.g., Rock County, Wisconsin).

GOAL II

Foster efficient business development, expansion, diversification, job growth, and entrepreneurial creativity throughout the region.

Strategies:

1. Retain and expand existing businesses in the region, while recruiting new businesses and industries placing special emphasis on high-wage clusters.
2. Nurture entrepreneurial activity that focuses on innovative uses for the region's agricultural products.



3. *Diversify the region's economy by fostering the development of emerging and evolving industry sectors.*
4. *Identify, create, and promote programs, activities and policies fostering innovation in emerging and existing businesses, aiding them in the creation of viable business operation and economic development practices.*
5. *Promote and reward a culture of entrepreneurial and innovative business development.*
6. *Grow and improve the region's competitiveness by assessing and leveraging industry clusters.*
7. *Make use of government incentives to further business development in the region.*

GOAL III

Ensure the future availability of a skilled and flexible workforce prepared to meet the needs of both existing and emerging industries and technologies.

Strategies:

1. *Improve the perception and performance of the region's K-12 public schools.*
2. *Provide training to workers of all ages and economic strata to ensure they are current in existing and emerging skills and knowledge.*
3. *Implement workforce development strategies to strengthen competitiveness for targeted and emerging industry sectors, including green industries.*
4. *Prioritize economic development projects focusing regionally to improve the Area's workforce. Establish regional workforce development as a critical part of the regional development framework and CEDS.*
5. *Develop a scholarship fund for post-secondary students.*
6. *Improve access to higher education degrees and programs within the region.*
7. *Create a plan to attract and retain college students after they graduate.*
8. *Provide additional entrepreneurial training through establishment of an expanded regional incubator.*

GOAL IV

Meet the full range of business' infrastructure needs with emphasis on transportation, utilities and communications.

Strategies:

1. *Work with RMAP to plan for, develop and maintain the capacity of the region's transportation system. This will aid in the attraction and retention of businesses, provide greater access to a high quality work force, and ease access to key retail and services by:*
 - *Continuing to upgrade/repair existing roadways and bridges;*
 - *Improving highway access to the region;*
 - *Bolstering existing public transit services;*
 - *Bringing commuter and passenger rail service to Belvidere and Rockford, linking the region to wider markets;*
 - *Working with the Chicago Rockford International Airport to continue to expand air cargo and passenger service to the region.*
 - *Expand utility and transportation links to serve areas where they are needed for job creation.*
2. *Develop a reliable data infrastructure using both wireless and high speed fiber optic networks. These will give businesses access to multiple venues to meet their current and future data needs.*
3. *Create a unified vision of regional growth and development needs by coordinating the planning of all components of infrastructure within the Area.*
4. *Seek additional funding from the State of Illinois for infrastructure to support economic development in the region.*
5. *Meet the energy needs of the region's business community by maximum use of green technologies and alternative energies where possible.*

GOAL V

Redeploy existing underused commercial and industrial properties and sites (greyfields and brownfields), protect natural amenities and resources, and restructure land use patterns for more sustainable economic development.

Strategies:

1. *Ensure that building and development codes and plans within the region promote and facilitate the redevelopment of existing struc-*

tures and infill development, leveling the playing field with requirements for new construction in greenfields.

2. Where redevelopment of existing structures on greyfield or brown-field sites is not feasible, clear any unusable structures for either permanent open space or future development.
3. Continue to assess, remediate and redevelop brownfield sites throughout the region, taking full advantage of federal and state funding opportunities, both for environmental purposes and for historic preservation of significant properties.
4. Fast track local processes for rebuilding on cleared brownfield and greyfields sites to the extent possible.
5. Help local workers build capacity to renew properties in the most efficient and environmentally-friendly way.
6. Increase collaboration and communication at the regional level about land use and transportation planning as it relates to economic development.
7. Recognize the link between smart growth practices and economic development for the Region incorporating sustainability principles into relevant plans, policies and codes at the municipal and county levels within the Region.
8. Develop incentives, programs and policies to encourage widespread use of LEED building and rehabilitation standards.
9. Take necessary steps to ensure ongoing improvement and/or maintenance of healthy air, soil and water quality.
10. Establish agriculture's key role as a part of the regional economy by protecting prime farmland from encroachment of incompatible development.
11. Work to increase the number of key, viable businesses and institutions in the downtown districts of our communities.
12. Redevelop and protect urban waterways and waterfronts, placing special emphases on the continued revitalization of our downtowns in terms of urban design improvements, commercial and residential growth, and cultural events.

ment complexes, arts and cultural centers, non-profit organizations, and other large employers.

2. Support and promote to residents and external markets the Region's cultural and natural amenities.
3. Increase the support of Rockford Area Sister City, historical, ethnic and cultural programs.
4. Develop the connection between the creative industries and economic development.
5. Develop programs and services to restructure local food systems as an industry drawing upon the agricultural strengths of our Region.
6. Maintain and increase health care accessibility and quality for area residents.
7. Ensure that the Region offers a strong and diverse mix of housing opportunities for all income and age levels, including the availability of affordable housing.

GOAL VI

Obtain a higher quality of life by supporting and enhancing the region's sense of community identity, community health, natural features, cultural and recreational amenities, and creative industries.

Strategies

1. Build development strategies on the strengths of anchor institutions such as universities, hospitals, foundations, sports and entertain-



After project proposals were submitted to the CEDS Strategy Committee, they were vetted by the following process for inclusion in the CEDS document and, potentially, for funding assistance from the EDA.

1. Each project is initially vetted by CEDS Staff to determine overall general eligibility for EDA application.
2. Each project is then vetted by two "tests" (a pre and post-test) developed by CEDS Staff and the Strategy Committee to preliminarily more thoroughly evaluate how:
 - Important the project is strategically for the Rockford Region (hereafter termed the Pretest), and
 - The project performs in terms of technical readiness to implement according to the EDA's standards.
3. Projects deemed eligible then are asked to present to the CEDS Strategy Committee and participate in general Q&A.
4. The CEDS Strategy Committee then discusses which projects are a best strategic fit and are technically ready to apply for EDA or other sources of funding.
5. Projects are then introduced to the EDA staff as a litmus test of sorts to determine likelihood of funding.
6. Projects fitting both local and EDA goals are then aided to apply to the EDA for funding with the help of CEDS Staff.

Project identification is an ongoing process occurring both during the annual CEDS revision process and as important projects arise throughout the year. Within the CEDS, key economic development projects – both infrastructure and non-infrastructure based – are listed. Not all of these projects are eligible for financial support from the EDA, but they are included within the CEDS because the Rockford MSA is looking to have one solidified Regional economic development strategy. Many of these "other" projects may be eligible for funding under various other private, local, state, or federal programs. Because the CEDS is widely distributed to various public and private organizations and agencies, there is significant value in accounting all significant economic development projects in the Region.

Pages 46-47 illustrate the scoring system used to set priorities among all the projects submitted for consideration as part of this CEDS.

RATING THE PROJECTS

A chart was developed by the CEDS Staff to show which projects are "most ready" to apply for EDA funds for this fiscal year. This chart represents the preliminary scoring of the projects only. An example of the chart is shown to the right.

Three things are shown in the accompanying graph — the scores from the pre- and post-tests, and the amount of the request to the EDA. The left side is the axis showing the pre-test score (importance and strategic fit for the Rockford Region's economy), and the bottom axis of the chart is the score for the post-test (performance and technical readiness). White bubbles indicate infrastructure based projects, black represents planning projects, and gray have elements of both. The size of the bubble indicates

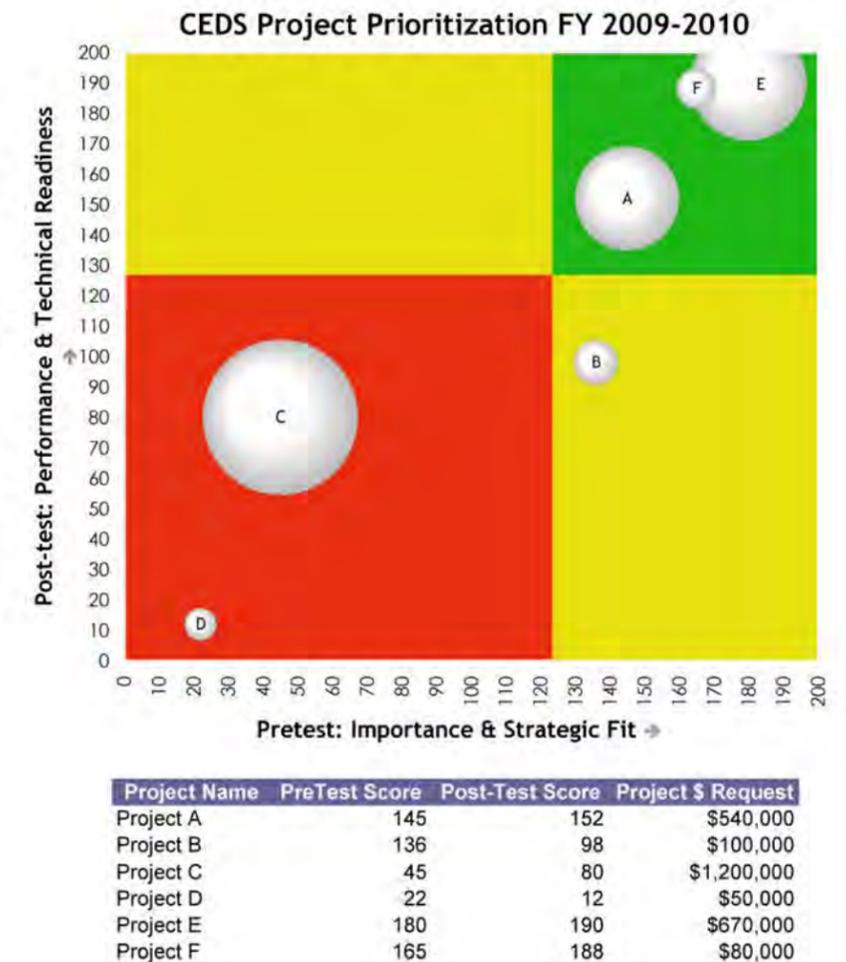
the proposed amount requested from the EDA.

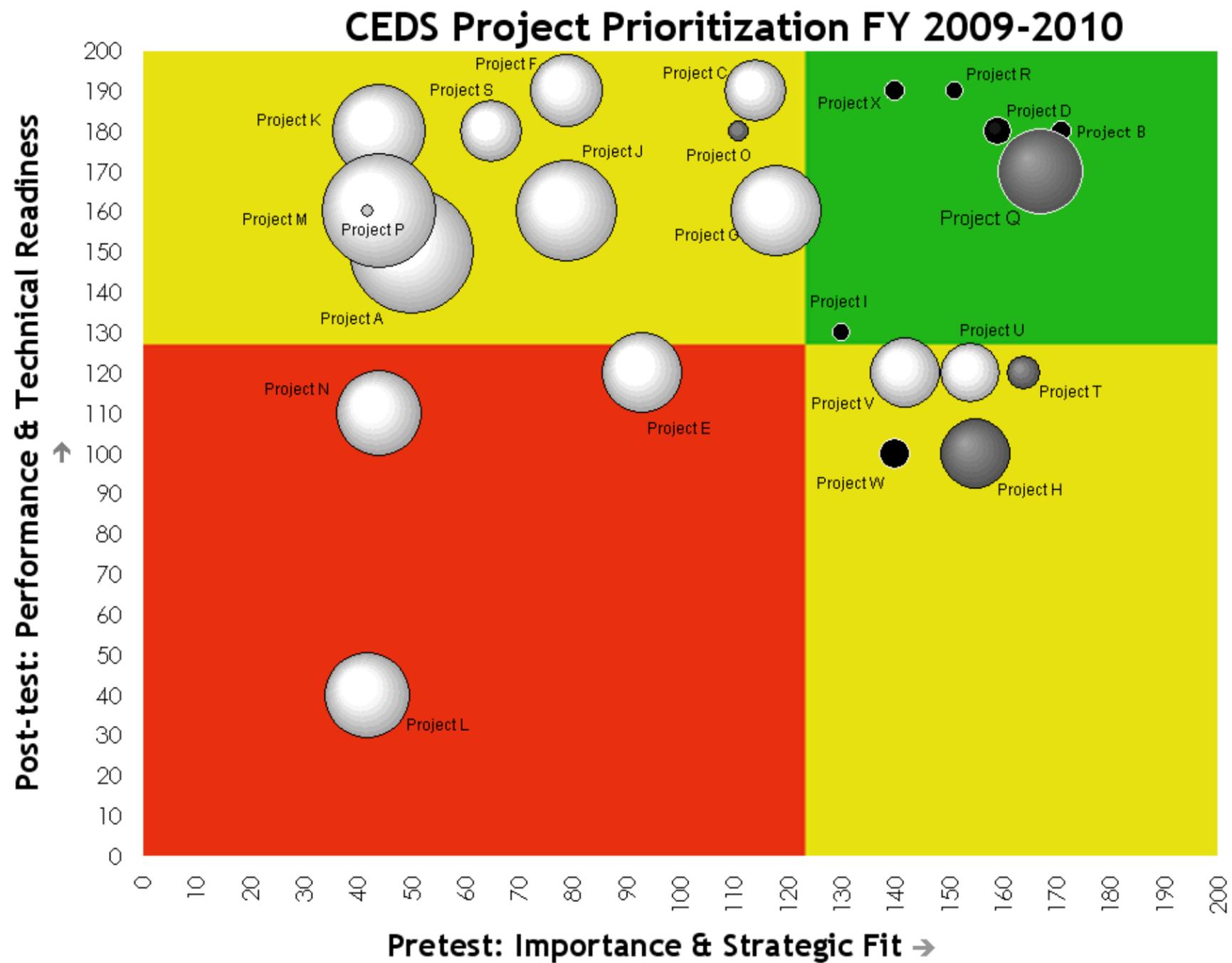
- The red "zone" indicates projects are largely not ready to be a good strategic fit for the Region and are not technically ready to implement.
- The yellow "zones" indicate projects scoring high on one test, but not so well on the other.
- The green "zone" indicates the projects best suited for EDA application for the Rockford Region, also shown by the larger the bubble the better suited the project.

PROJECT CATEGORIES

Projects identified as economic development opportunities for the Region have been divided into the following three groups:

- **VITAL:** top prioritized projects strategically fitting the Region's and EDA's goals as well as being technically ready to implement.
- **IMPORTANT:** projects that are deemed important but are either not quite aligned with the Region's or EDA's strategies for economic development, or aren't technically ready to implement.
- **FUTURE:** projects on the horizon that may become more strategically or technically ready within the next five years for economic development in the Rockford Region.







PRE-TEST FOR STRATEGIC FIT

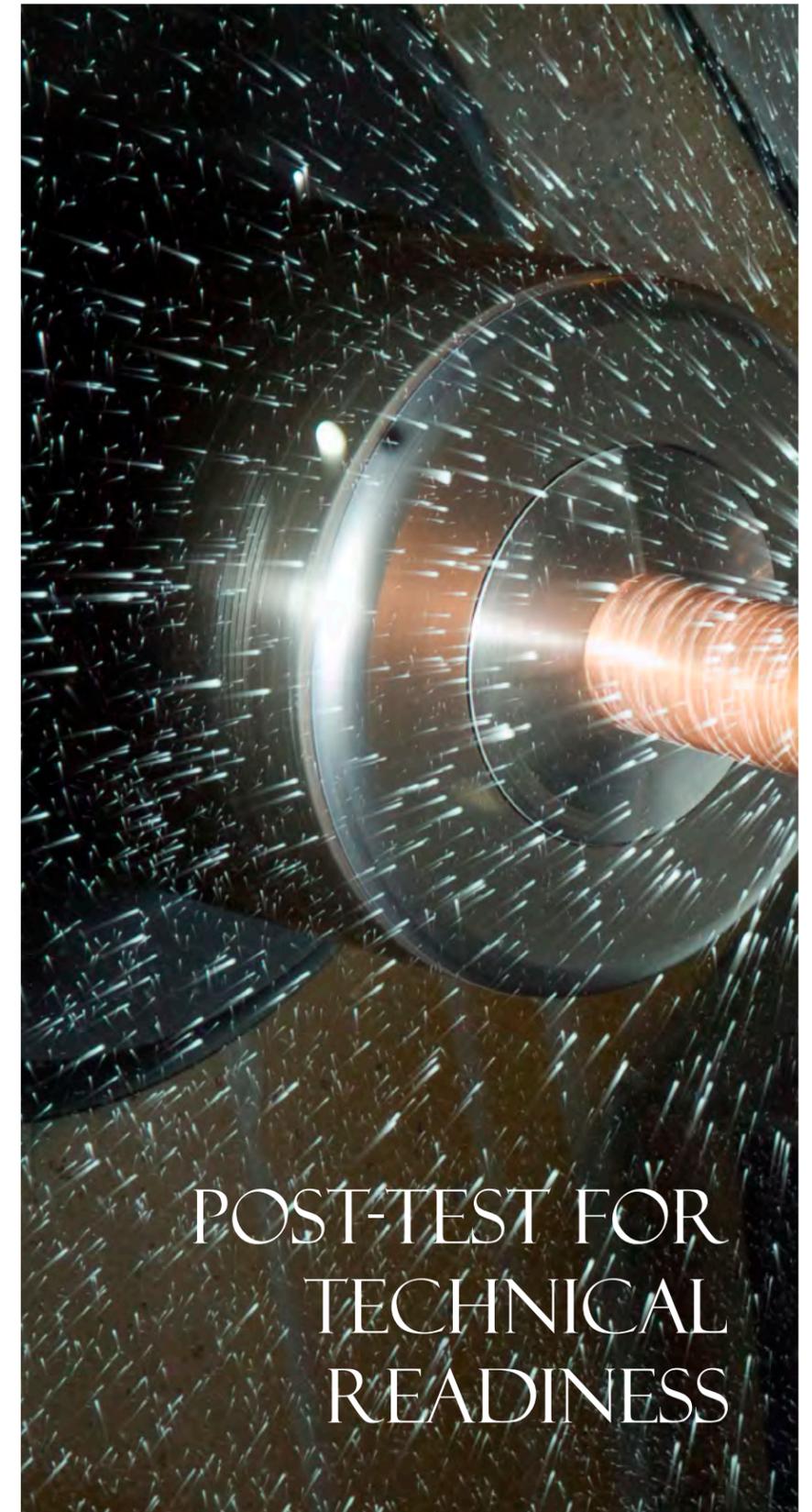
CEDS PRE-TEST	: Importance	Possible Points	Instructions for Each Measurement
Goal I	Create a regional comprehensive economic development plan and marketing strategy emphasizing collaboration within the Rockford MSA.	0-5	Goal one as determined by the CEDS Strategy Committee for the region's economic development wellbeing, zero being no applicability and 5 being high.
Goal II	Foster efficient business development, expansion, diversification, job growth, and entrepreneurial creativity throughout the region.	0-5	Goal two as determined by the CEDS Strategy Committee for the region's economic development wellbeing, zero being no applicability and 5 being high.
Goal III	Ensure the future availability of a skilled and flexible workforce prepared to meet the needs of both existing and emerging industries and technologies.	0-5	Goal three as determined by the CEDS Strategy Committee for the region's economic development wellbeing, zero being no applicability and 5 being high.
Goal IV	Meet the full range of business' infrastructure needs with emphasis on transportation, utilities, and communications.	0-5	Goal four as determined by the CEDS Strategy Committee for the region's economic development wellbeing, zero being no applicability and 5 being high.
Goal V	Redeploy existing underused properties and protect natural amenities and resources for economic development purposes.	0-5	Goal five as determined by the CEDS Strategy Committee for the region's economic development wellbeing, zero being no applicability and 5 being high.
Goal VI	Obtain a higher quality of life by supporting and enhancing the region's sense of community identity, community health, cultural and recreational amenities, and creative industries.	0-5	Goal six as determined by the CEDS Strategy Committee for the region's economic development wellbeing, zero being no applicability and 5 being high.
	Income Level of Jobs	0, 5, 10, 15	The EDA prioritizes higher-paying jobs over low-wage jobs. Rate the level of income of the jobs generated or retained, zero being no applicability and 15 being high.
	Increased Tax Revenue	0-5	Rate the relative amount each project increases tax revenue for the region, zero being no applicability and 5 being high.
	Incorporates Entrepreneurship	0-5	Rate how entrepreneurship is focused on in the basic premise of the project, zero being no applicability and 5 being high.
	Incorporates Innovation	0-5	Rate how innovation is focused on in the basic premise of the project, zero being no applicability and 5 being high.
	Increases Global Position	0-5	Rate how Rockford MSA's global position is increased in the basic premise of the project, zero being no applicability and 5 being high.
	Responds to Severe Economic Dislocation	0-5	Rate how much the project directly addresses an economic situation resulting from severe economic dislocation, zero being no applicability and 5 being high. (i.e. the GM plant closing in Janesville or another example where the local economy needs to move in an entirely different direction)
	Links Historical Preservation to Economic Development	0-5	Rate how the project incorporates historic preservation, zero being no applicability and 5 being high.
	Promotes Revitalization in Brownfields	0-5	Rate how the project deals with revitalizing a empty lot needing remediation, zero being no applicability and 5 being high.
	Level of Regional Benefit	0-5	Rate how the project helps the region as a whole in terms of economic development, zero being no applicability and 5 being high.
	Level of Private Benefit	0-5	Rate how little the project will directly benefit a single or a few private entities as opposed to benefiting the public good, zero being no applicability and 5 impacting no single private beneficiary directly to a great amount.
	# of Jobs Created	0, 10, 20, 30	Rate how the project creates jobs, zero being no applicability and 30 being high.
	# of Jobs Retained	0, 5, 10	Rate how the project retains jobs, zero being no applicability and 10 being high.
	Fill Knowledge and Information Gaps	0, 20, 25, 30	Rate how the project fills a gap in knowledge and/or information for the area that we currently do not have or have the means to obtain to attract or retain jobs, zero being no applicability and 30 being high.
	Amount of Private Sector Investment and Leverage	0-5	Rate the relative amount of dollars to be invested in the community by the private sector because of the project, zero being no applicability and 5 being high.
	Amount of Public Sector Investment and Leverage	0-5	Rate the relative amount of dollars to be invested in the community by the public sector because of the project, zero being no applicability and 5 being high.
	Restructure Economy	0, 5, 10, 15	Rate how the project deals with restructuring the local economy of the Rockford Region, zero being no applicability and 15 being high.
	Targeted Industry Area	0, 5, 10, 15	Rate how the project focuses on one of the area's targeted industries, zero being no applicability and 15 being high. Targeted Industries: alternative energy/energy efficiency, aerospace, customer service centers, metals manufacturing, food processing and local food systems, logistics, industrial machine manufacturing, chemical manufacturing, on and off road transportation equipment manufacturing, healthcare, and ag-tech.
TOTAL POINTS POSSIBLE FOR EACH PROJECT		0-200	

INFRASTRUCTURE PROJECTS

CEDS POST-TEST	: Technical Readiness	Possible Points	Instructions for Each Measurement
	Match Ready	0, 10, 20, 30	Rate how well the project has the EDA required local match ready to go, zero being no applicability and 30 being high. Projects having "cash" match on hand, not pending commitments from funding sources, and using the most federal match amount (requiring less local match) will be rated highest.
	EDA Match Requested	0, 10, 20, 30	Rate how much the project needs from the Economic Development Administration, zero being no applicability and 30 being high. Projects needing less money will be rated higher.
	City or County Ownership or Easement	0, 10, 20, 30	Rate how well the project has the necessary ownership or easement of any property or buildings directly involved in improvements or rehabilitation, zero being no applicability and 30 being high.
	Engineering Analysis Done	0, 10, 20, 30	Rate how well the project has in hand the engineering analysis done, zero being no applicability and 30 being it's complete.
	Environmental Analysis Done	0, 10, 20, 30	Rate how well the project has in hand the environmental analysis done, zero being no applicability and 30 being it's complete.
	Commitment Letters	0, 10, 20, 30	Rate how well the project has in hand necessary commitment letters from all parties involved, zero being no applicability and 30 being it's complete.
	Timeline/Project Readiness	0, 10, 20	Rate how soon the project can be implemented as well as the readiness of the sponsoring party to see it to fruition, zero being no applicability and 30 being it's ready to go.
	TOTAL POINTS	0-200	

NON-INFRASTRUCTURE PROJECTS

CEDS POST-TEST	: Technical Readiness	Possible Points	Instructions for Each Measurement
	Match Ready	0, 20, 30, 40	Rate how well the project has the EDA required local match ready to go, zero being no applicability and 30 being high. Projects having "cash" match on hand, not pending commitments from funding sources, and using the most federal match amount (requiring less local match) will be rated highest.
	EDA Match Requested	0, 20, 30, 40	Rate how much the project is needing from the Economic Development Administration, zero being no applicability and 30 being high. Projects needing less money will be rated higher.
	Fill Knowledge and Information Gaps	0, 20, 30, 40	Rate how the project fills a gap in knowledge and/or information for the area that we currently do not have or have the means to obtain to attract or retain jobs, zero being no applicability and 30 being high.
	Commitment Letters	0, 20, 30, 40	Rate how well the project has in hand necessary commitment letters from all parties involved, zero being no applicability and 30 being it's complete.
	Timeline/Project Readiness	0, 20, 30, 40	Rate how soon the project can be implemented as well as the readiness of the sponsoring party to see it to fruition, zero being no applicability and 30 being it's ready to go.
	TOTAL POINTS	0-200	



POST-TEST FOR
TECHNICAL
READINESS

VITAL PROJECTS



ECONOMIC ADJUSTMENT

ESTIMATED JOBS CREATED OR RETAINED: 2,000
LOCAL GOALS ADDRESSED: I, II, III, V

Boone and Winnebago Counties
Party Responsible: Growth Dimensions for Belvidere-Boone County, RMAP, RAEDC

With the third shift at the Belvidere Chrysler plant being laid off and the Rockford MSA having 13.5% unemployment, this is a perfect time to help restructure and diversify our local economy. A high priority is focusing on how the Region can adjust its economy and develop its strengths within the green economy. Specifically, alternative energy and energy efficiency appear to be key clusters the Rockford Area already has strength in. Traditionally the Rockford Region has largely relied on the manufacturing industry. However, as the manufacturing sector uses higher technology, it also requires higher-skilled employees. Furthermore, the industry is evolving as new technologies become greener and more efficient. As such, the Rockford Area is poised to benefit from a fundamental adjustment to its economy.

REGIONAL SUSTAINABILITY INDICATORS

ESTIMATED JOBS CREATED OR RETAINED: 500
LOCAL GOALS ADDRESSED: I, II, IV, VI

Boone and Winnebago Counties
Party Responsible: Growth Dimensions for Belvidere-Boone County, RMAP, RAEDC

The Northern Illinois DATA Project ("DATA" is an acronym for Data, Alignment, Transparency, and Accountability) is a public private partnership that measures regional sustainability. Using the DATA Project, the Rockford MSA will then understand how its well-being is affected by many different individuals and organizations, large and small. The community will be able to gauge how well various agencies are working together on the Region's broader goals while providing a means for them to see the importance of regional action and collaboration. Based on the success of the Boston Indicators Project, this proposal will research, organize, and interpret a continuous stream of data relating to Illinois' third largest MSA. Civic vitality, cultural life, economy, education, environment, housing, health, public safety, technology and transportation will be the main indicators focused upon. Results will be made public through GIS online. Community-wide agencies and businesses will then be able to align programs of work with goals. This will help the Region better gauge various key peripheral industries, such as tourism and education, directly impact the ability of the community to sustain economic growth and wellbeing.

HEALTH CARE

ESTIMATED JOBS CREATED AND RETAINED: 250
LOCAL GOALS ADDRESSED: I, II, III, VI

Rockford MSA
Party Responsible: Rockford Health System (Three Rockford Hospitals)

Expansion of the on-line registered nurse training program incorporated innovation. This program is called the Northern Illinois On-line Initiative in Nursing (NIOIN), which is the only program of its type in Illinois and one of a very few in the entire country. Another collaborative initiative addresses the core problem of an insufficient number of qualified nursing faculty instructors. The Workforce Investment Board (WIB) will be directly involved in the administration and implementation of this project.

CROSSLINK INCUBATOR BUILDING

ESTIMATED JOBS CREATED OR RETAINED: 75
LOCAL GOALS ADDRESSED: II, III, IV, V

City of Belvidere
Party Responsible: Sjostrom & Sons, Inc

The Crosslink Incubator Building provides modern high bay industrial flex space for agriculture related and other industrial new uses commercialization applications. It will have the support of the Growth Dimensions for Belvidere-Boone County Ag-Tech Initiative and qualifying users will have the ability to apply for commercialization funding from the Ag-Tech Department of Energy grant.

WASHINGTON ELEMENTARY SCHOOL GEOTHERMAL PROJECT

ESTIMATED JOBS CREATED OR RETAINED: 70
LOCAL GOALS ADDRESSED: IV, V, VI

City of Belvidere
Party Responsible: Belvidere Community Unit School District #100

Complete geothermal HVAC installation at the Belvidere School District's administrative support offices. This system can piggy back on to the geothermal wells drilled for the Washington School project and provide an energy efficient replacement for the current 35 year old HVAC system. The immediate impact would be local construction jobs. The long term impact would be lower operating costs for the school district. Lower real estate taxes should result and leave more disposable income to circulate through the community.

THE GLEN AT BELVIDERE ASSISTED LIVING FACILITY

ESTIMATED JOBS CREATED OR RETAINED: 50
LOCAL GOALS ADDRESSED: III, VI

Boone County
Party Responsible: City of Belvidere

The Glen at Belvidere, a new supportive living facility, will be constructed East of Maple Crest Nursing Home on Squaw Prairie Road in Belvidere, cre-

ating a 120-unit housing facility. The project will create housing for elderly persons who may be at the low to moderate income level. The primary types of employment in Belvidere include manufacturing and a larger service industry. To address the need for living wage jobs and increasing overall employment opportunities in the Belvidere community, the project hopes to establish at least forty-five new jobs.

MACHESNEY PARK MALL REVITALIZATION PROJECT

ESTIMATED JOBS CREATED OR RETAINED: 500
LOCAL GOALS ADDRESSED: II, III, IV, V, VI

Party Responsible: Village of Machesney Park

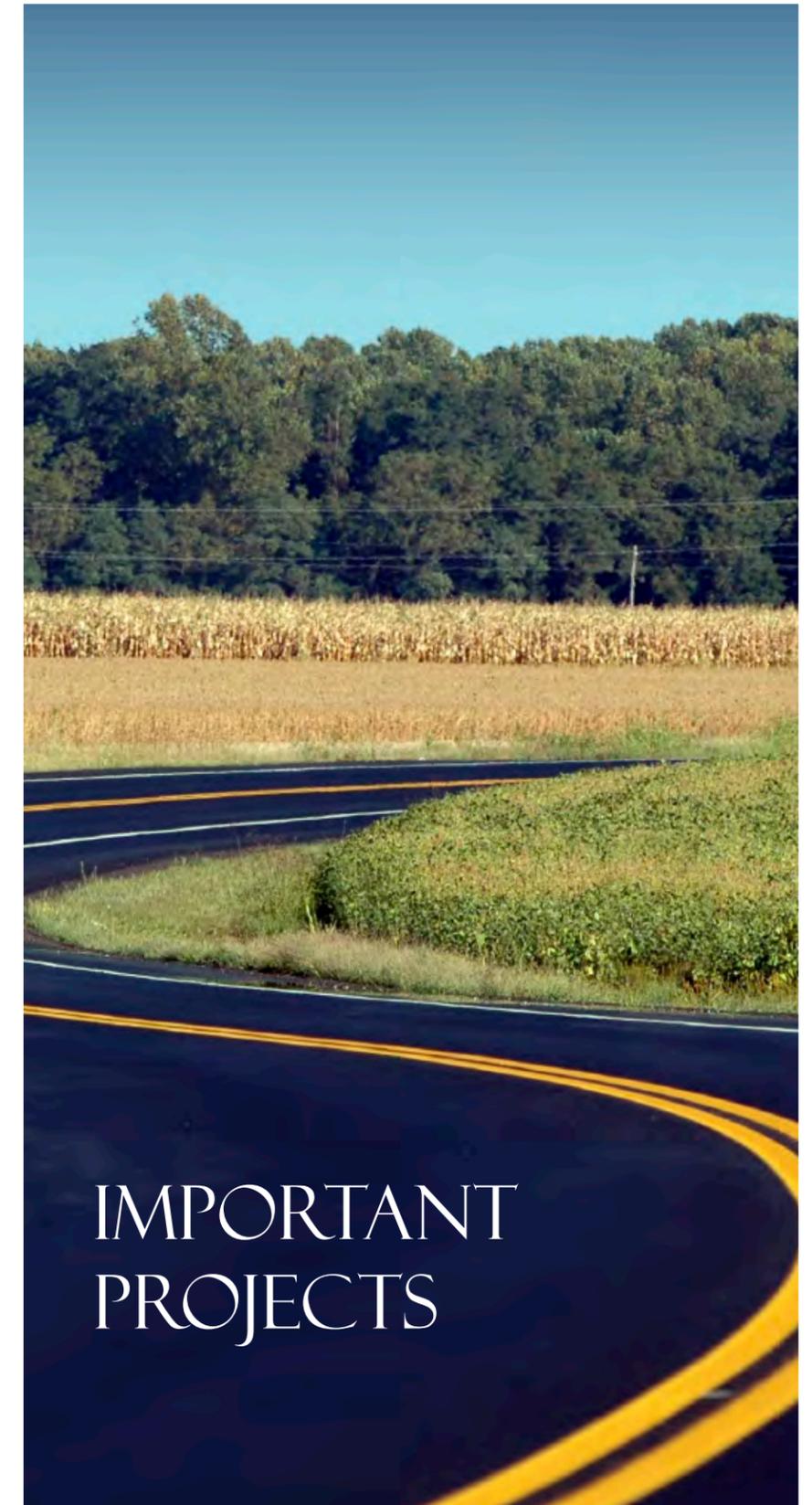
Redevelopment and revitalization of 61-acre site of Machesney Park Mall into a mixed-use center including new retail, office space, restaurants, assisted living, and park space with the potential of substantial job creation. New public infrastructure includes new access along IL 251, new traffic signals, new recreation path, and new public ring road. Machesney Park Mall was the foundation on which the Village of Machesney Park was incorporated. The redevelopment of the Mall will create a "downtown" pedestrian-friendly atmosphere, providing high quality of life amenities while providing sales tax generation and job creation and retention.

REGIONAL ECONOMIC DEVELOPMENT MARKETING CAMPAIGN

ESTIMATED JOBS CREATED OR RETAINED: N/A - PLANNING PROJECT
LOCAL GOALS ADDRESSED: I, II, IV, VI

Boone and Winnebago Counties; Cities of Rockford and Belvidere
Party Responsible: Growth Dimensions for Belvidere-Boone County, RMAP, RAEDC

Develop and oversee the planning and implementation of a marketing campaign. One of the primary goals the CEDS Strategy Committee has identified is the need for a cohesive marketing campaign for the Rockford Region. With the economy evolving it is crucial for the region to have one story, focusing on the labor shed instead of piecemeal efforts.



LOCAL FOOD SYSTEMS

ESTIMATED JOBS CREATED OR RETAINED: 300

LOCAL GOALS ADDRESSED: I, II, III, IV, V, VI

Boone and Winnebago Counties

Party Responsible: Growth Dimensions for Belvidere-Boone County, RMAP, RAEDC, Extension Services

Food systems are increasingly important as a cultural and functional component to a Region's ability to be sustainable. This project proposes developing a feasibility study and program developing the following components to restructure how local food systems operate. Agriculture is a traditional backbone on Northwest Illinois. With the average piece of food travelling 1,700 miles within the US and gas prices expected to continue to rise, it is in the best interests of the Rockford Area to capitalize on this asset and restructure how it approaches local food systems. A key component of sustainability, local food systems can lower crime, increase health rates, and provide a higher quality of life. Workforce development can occur through developing jobs in urban farming local greenhouses and vacant lots, culinary program and working at a commercial kitchen, community supported agriculture farms, a regional food market, and expanding food production for local distribution in local farms for food processing companies in the Region.

RAIL STATIONS FOR ROCKFORD AND BELVIDERE

ESTIMATED JOBS CREATED OR RETAINED: 2,000

LOCAL GOALS ADDRESSED: II, III, IV, V, VI

Boone and Winnebago Counties

Party Responsible: Cities of Rockford and Belvidere

Connecting the Rockford MSA to both Dubuque and the Chicago Metro is crucial for the creation and retention for commuter jobs in the future. Gas prices are rising, and relocating workers with the high unemployment rates is becoming increasingly difficult. If rail is brought to the Rockford Region, access to additional jobs will increase and it will become easier to bring professional services to the area while connecting to the HUB of Chicago. Currently the goal is to bring Amtrak to the Rockford Area by 2011 and commuter service to the Chicago Metro by 2014. One of the largest components missing from bringing rail service to the area to fruition is funding for rail stations in Rockford and Belvidere is absent.

REGIONAL SCOUT LEADERSHIP DEVELOPMENT CENTER

ESTIMATED JOBS CREATED OR RETAINED: 12

LOCAL GOALS ADDRESSED: III, V, VI

Village of Cherry Valley

Party Responsible: Rock River Valley Council and the Blackhawk Area Council - Boy Scouts of America | United for Youth

The Scout Center will be built on 6.35 acres of donated land located adjacent to Swanson Park East on Vandiver Road in Cherry Valley, Illinois. The property is visible from the highway and adjacent to the Perryville Bike Path. The building will be 24,000 square feet of office and program space designed to take optimal advantage of the property, preserving green space and existing trees. The facility will house the Boy Scout Store (an affiliate of the national store), and the Girl Scout Store. The facility will serve as a regional hub for approximately 50,000 Boy Scout and Girl Scout families in 15 counties with Winnebago County as the epicenter. As the facility will be located within a few hundred yards from the region's busiest shopping mall, Cherryvale, it is anticipated that the Scout Center will bring families to the area for shopping and area activities, along with their Scout activities.

ROCK RIVER DEVELOPMENT PARTNERSHIP STUDY

ESTIMATED JOBS CREATED OR RETAINED: N/A - PLANNING

LOCAL GOALS ADDRESSED: I, II, III, IV, V, VI

Party Responsible: City of Rockford

Half of the cost of a study to be conducted by Live Work Learn Play LLP to align previous studies, conduct a strategic mixed-use development assessment, and develop an implementation strategy. Study phases include: Inventory and introductory assessment, commercial development assessment, and development of a mixed-use implementation strategy. This study focuses on actual implementation to promote investment, create a commercial marketing and branding strategy, and develop commercial leasing strategies. The study promotes the regional economic development goals of increasing jobs and investment. It also recognizes that Downtown Rockford is currently a major employment, cultural, educational, and entertainment center. Downtown Rockford also has the potential to become an even more important economic development asset in the future. Downtown Rockford offers a number of assets to build upon including historic buildings, niche industries (legal, financial, advertising, public relations, marketing, art, design, etc.), unique small businesses, the Rock River, and a growing residential community. Downtown Rockford also possesses the characteristics that are attractive for young professionals to live, work, learn, and play.

INTERSTATE BOULEVARD ROADWAY IMPROVEMENTS

ESTIMATED JOBS CREATED OR RETAINED: 400
LOCAL GOALS ADDRESSED: II, III, VI

Party Responsible: City of Loves Park

This project will create an extension of Interstate Boulevard north approximately 3400 linear feet from its current terminus adjacent to Road Ranger Baseball Stadium. This includes the construction of bridge infrastructure to cross the floodplain and creek. Supporting a 425,000 sq. ft. regional outlet mall scheduled to start construction in April of 2010, this project also supports a 365,000 sq. ft. traditional commercial center scheduled to start construction in the fall of 2010, approximately 125,000 sq. ft. of office space, a 400-acre planned community, Road Ranger Stadium, the Park District's Sportscore II complex, and more.

ROCKAERO PARK INTERSECTION DEVELOPMENT

ESTIMATED JOBS CREATED OR RETAINED: 500
LOCAL GOALS ADDRESSED: II, III, IV, V, VI

City of Rockford
Party Responsible: RockAero Park developer

Work includes widening existing four-lane pavement on IL Route 2 to six lanes, dual left- and right-turn lanes at the proposed new intersection, traffic signals at the proposed new intersection, reconfiguration of the eastbound off-ramp from US 20, and miscellaneous drainage work. It helps meet the region's infrastructure needs and facilitates the reduction of the region's excessive unemployment rate through the creation of full-time permanent jobs in a new industrial park.

SOUTH MAIN & HARRISON

ESTIMATED JOBS CREATED OR RETAINED: 75
LOCAL GOALS ADDRESSED: I, II, IV, V, VI

Party Responsible: City of Rockford

Public infrastructure construction will support a \$28.9 million mixed-use development project with a total of 144,900 sq. ft. in approximately 9 buildings. This project serves to create at least 76 full-time equivalent jobs. Many of these jobs will employ low and moderate income persons. This development will serve as a catalyst to the West Side of Rockford where investment, jobs, and retail businesses have been lacking.

ROCKFORD RENAISSANCE

ESTIMATED JOBS CREATED: 150
LOCAL GOALS ADDRESSED: I, II, III, IV, V, VI

Party Responsible: City of Rockford

Demolition and public infrastructure construction to support a \$65 million mixed-use development project with a total of 275,164 sq. ft. in approximately 19 building. Project also includes expansion of the City-owned fire training center into a Regional Fire Training Center, which will serve as a regional resource for education and training in fire fighting, emergency medicine, disaster preparedness, and other related subjects. The project serves to create 150 full-time equivalent jobs. Many of these jobs will employ low and moderate income persons. This development will serve as a catalyst to the West Side of Rockford where investment, jobs, and retail businesses have been lacking.

BUSINESS INCUBATOR

ESTIMATED JOBS CREATED: 150
LOCAL GOALS ADDRESSED: I, II, III, IV, V

City of Rockford
Party Responsible: Growth Dimensions for Belvidere-Boone County, RMAP, RAEDC

One point-of-service will provide supportive programming and resources, as well as specific programs to help foster entrepreneurial innovation and, ultimately, create jobs in emerging industries ("green," etc).

MIXED USE AND GREEN INDUSTRIES DEVELOPMENT POLICY STRATEGY

ESTIMATED JOBS CREATED: N/A - PLANNING
LOCAL GOALS ADDRESSED: I, IV, V, VI

Kishwaukee Street Corridor
Party Responsible: City of Rockford

To develop an economic and community revitalization strategy for the Kishwaukee Corridor that will provide a unique opportunity to incorporate Smart Growth Principles in the context of expanding green industrial development in an economically disadvantaged area of Rockford while integrating the area's mixture of land uses into a sustainable pattern that will produce a healthy jobs/housing balance. The Corridor includes nu-

merous brownfield sites, intermixed with older residential and marginal commercial uses. Left in its current state, it will continue to deteriorate; undoubtedly impacting surrounding areas and leading industries who remain in the heart of the corridor to eventually abandon it.

BROWNFIELDS JOB TRAINING

ESTIMATED JOBS CREATED OR RETAINED: 200
LOCAL GOALS ADDRESSED: I, II, III, VI

City of Rockford

Party Responsible: Comprehensive Community Solutions

This project would result in job training in the following environmental fields: 1) environmental site assessment technical field work and 2) hazardous substance removal, specifically, asbestos, lead and mold. The 40-hour HAZWOPER Training is a prerequisite to either program. Graduates of these programs would be hired by local environmental contractors and engineering firms as well as CCS. The City has or will in the near future, apply for extensive amounts of funding for brownfield assessment work and cleanup work. There is a shortage of local firms and workers that can perform the basic environmental work needed to resolve these brownfields. Such training will help close that gap.

ROCKTON WATER AND SEWER IMPROVEMENTS PROJECT

ESTIMATED JOBS CREATED OR RETAINED: 1,000
LOCAL GOALS ADDRESSED: II, III, IV, V

Party Responsible: Village of Rockton

Construction of necessary water, sewer, road and storm water detention improvements to prepare the site for Chemtool and other manufacturers anticipated to relocate to the site, including Canadian manufacturer. These improvements are necessary to prepare the site for construction and induce the users to bring their operations to the site. As evident by a study by NIU, the relocation of the Chemtool to the site will generate \$360 million in economic activity each year. This project will also bring at least one, if not two or three, multi-national corporations and their world headquarters to Winnebago County.

FREEDOM FIELD RENEWABLE ENERGY, INC.

ESTIMATED JOBS CREATED OR RETAINED: 75
LOCAL GOALS ADDRESSED: I, II, III, IV, V, VI

Party Responsible: Winnebago County

Install solar-thermal heating and cooling system at the Rock River Water Reclamation District Co-generation Facility and the site of Freedom Field Renewable Energy, Inc. The system converts energy from the sun for heating and cooling building space. The solar thermal system encompasses integrated sensors that will be used to monitor and collect system operating data in support of research and education objectives. The project facilitates an organic approach to "green" industry development and supports several of the strategic goals outlined by the CEDS Committee.

EDSON-FRIDAY ROADS RECONSTRUCTION

ESTIMATED JOBS CREATED OR RETAINED: 5,000
LOCAL GOALS ADDRESSED: II, IV, V, VI

Winnebago County

Party Responsible: Winnebago County Highway Department

Project will reconstruct Edson and Friday Roads to provide a widened roadway that will be structurally able to accommodate 120,000 pound loads. The Rockford Area has one of the highest unemployment rates in the state of Illinois (13.7 % compared to 7.9 %-see below). One of the hardest hit sectors in terms of employment losses is the industrial type jobs. These are generally some of the highest paying jobs and their loss is especially hard on the local community. Therefore it is important to attract industries to the Rockford Area that would provide this type of job which would in turn also promote further economic development. A good infrastructure is necessary to promote the area for industrial development because of shipping needs. This area is already served by a railroad from which sidings could be added and the Rockford Airport which is in the top 20 cargo airports in the country. The railroad provides a rail link to the large intermodal facility in Rochelle about 17 miles to the south, so it is ideally situated both from the aspect of the shipping of manufactured products as well that of a distribution center/ warehousing operation. What is needed to complete a good infrastructure is a roadway with the capability of accommodating large and heavy loads. The proposed roadway project would provide that missing part of the infrastructure. Another sector experiencing significant job losses is in the building and construction trades. Construction projects will add jobs and income to the area. This project will produce immediate jobs

GREATER ROCKFORD METROPOLITAN AREA

because of the construction; but, as a result of new access that will encourage manufacturers to locate in the area there is the expectation of new permanent industrial and warehousing type jobs.

BELL SCHOOL ROAD WIDENING & INTERSECTION

Winnebago County

Party Responsible: Winnebago County Highway Department

IMPROVEMENTS WALLINGFORD WAY TO SPRING CREEK ROAD

ESTIMATED JOBS CREATED OR RETAINED: 1,700

LOCAL GOALS ADDRESSED: II, IV, V, VI

Project will widen an existing two-lane road to three and four lanes and provide a median for turning lanes. The project will also include new access for a proposed development. This project is needed to support the development that will be attracted to the area provided there is infrastructure to support it. Developers have committed to a large office park on the basis of roadway improvements including those along Bell School Road that are necessary to accommodate the traffic that would be generated. The planning of one large development that will include business offices is underway and is predicated upon the improvements to Bell School Road as well as a new interchange on I-90 that will be funded separately. The Rockford Area has one of the highest unemployment rates in the state of Illinois. (13.7 % compared to 7.9 % - see below) Many of the jobs lost have been in the building trades. Construction projects will add jobs and income to the area. This project will produce immediate jobs because of the roadway construction; but, will also, as a result, particularly with the construction of new office space lead to opportunities for new permanent jobs in those sectors.

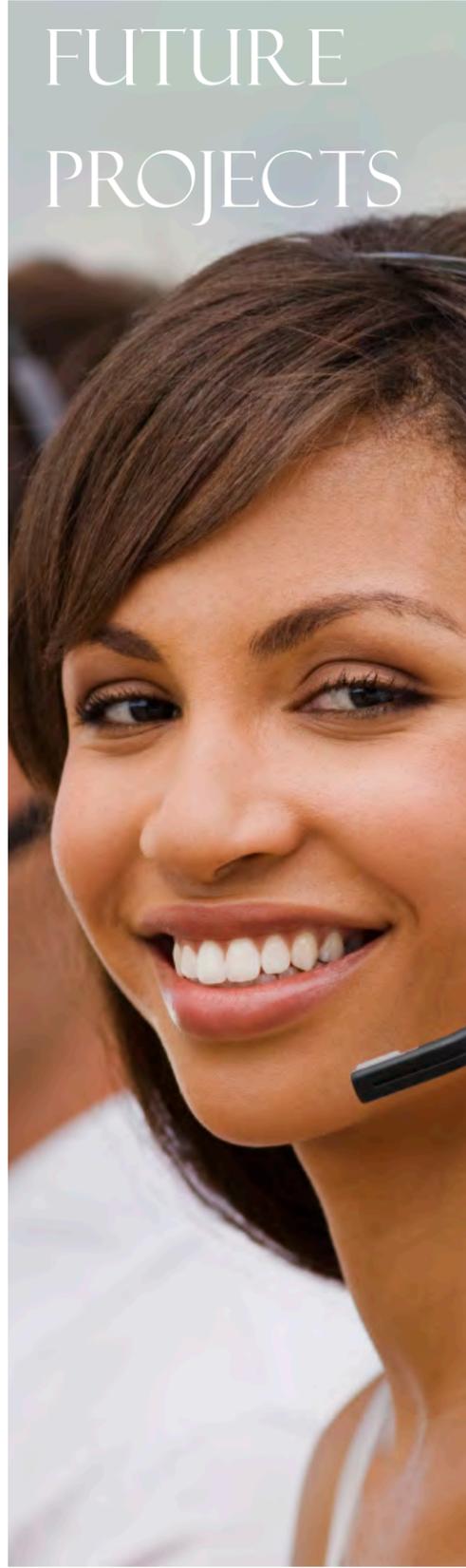
WIDENING NEWBURG ROAD TO MILL ROAD

ESTIMATED JOBS CREATED OR RETAINED: 1,700

LOCAL GOALS ADDRESSED: II, IV, V, VI

Project will widen an existing 2-lane road to 4- lanes and provide a median for turning lanes. This project will benefit the City of Rockford, the Village of Cherry Valley as well Winnebago County and the western portion of Boone County. There is already a development underway because of the planned roadway project that is needed to support the project. The expanded roadway will provide the capacity to allow a smooth flow of traffic and make the development more accessible and provide a safer

more efficient route to the development. This development includes retail, office space and residential development. Other developments are anticipated to be attracted to the areas adjacent to Bell School Road because of the improved roadway and its access features. The Rockford Area has one of the highest unemployment rates in the state of Illinois. (13.7 % compared to 7.9 %-see below) Many of the jobs lost have been in industry as well as in the building trades. Construction projects will add jobs and income to the area. This project will produce immediate jobs because of the construction; but, will also, as a result, particularly with the construction of new retail and office space lead to opportunities for new permanent jobs in those sectors. 40% of the jobs in the Rockford Area are related to those sectors. With many current retailers closing in the Rockford Area, this should help restore some of those types of jobs. This project will improve the infrastructure of the area which is important to the movement of goods and services.



FUTURE PROJECTS

Project Name	Project Description	Time Frame	Total Cost	Source of Local Funding Match	# Jobs Created or Retained	Key Stakeholders	Performance Measures	Relates to EDD Goals
Regional Fiber Ring	Extension of the Northern Illinois Technology Triangle fiber along the Strategic Regional Extra System, starting from the Chicago Rockford International Airport corridor, to new technology packages, and connection to schools and other public buildings.		\$7,150,000			All Municipal Governments, County Governments and the Airport	Job creation, retention, # of businesses using	I, II, III, IV, V, VI
Prairie Fields Sports Park Soccer Football Parking Lot Addition	Construction of additional spaces of asphalt and permeable pavers with curb and gutter, signs, lighting, irrigation and landscaping.		\$826			Belvidere Park District	Quality of Life	IV, VI
Prairie Fields Sports Park Baseball Softball Parking Lot	Construction of new parking lot including curb and gutter, sidewalks, lights, signs, storm sewer and landscaping.		\$1,302			Belvidere Park District	Quality of Life	IV, VI
Prairie Fields Sports Park Concession Building	New construction of a 4077 sq. ft. building containing concessions, restrooms, mechanical room, equipment storage, office, first aid, referee lounge, related site work and utilities		\$947,000			Belvidere Park District	Quality of Life	IV, VI
Glen at Belvidere	provide sewer and water to new development	2009	\$1,000,000	local and private	40	Boone County	Infrastructure, Job retention, creation, new business development	II, IV
Boone County Courthouse Remodel	additional courtroom and administration space	2009-2010	\$4,000,000	Bonds		Boone County		II, VI
Public Safety 911 building expansion	add police, sheriff, 911 space	2010-2012	\$13,500,000	bonds	10	Boone County		II, IV
Poplar Grove road bridge over Kishwaukee river	rebuild bridge	2010-2012	\$2,000,000	bonds		Boone County	Infrastructure, Job retention, creation, new business development	II, IV
Orth Road	County Line Road to 2.0 miles west in Boone County. Project includes a HMA overlay and aggregate shoulders.		\$300,000			Boone Township Road District	Infrastructure, Job retention, creation, new business development	II, IV
Orth Road	Galloway Lane, to Pony Lane, 1.5 miles in Boone County. Project includes a HMA overlay and aggregate shoulders.		\$250,000			Caledonia Township Road District	Infrastructure, Job retention, creation, new business development	II, IV
Education, Research and Development Facility (ERD)	Infrastructure, Job retention, creation, new business development and sustainability design features for this new education facility at the Chicago Rockford International Airport campus.		\$15,000,000			Chicago Rockford International Airport (IFD)	Workforce Training	II, III
Main Street Bridge Overlay	The project will include the replacement of the deteriorated concrete wearing surface of the bridge.		\$85,000			City of Belvidere	Infrastructure, Job retention, creation, new business development	II, IV
North State Street Concrete Repair	Fairgrounds Road to Highline Dr. Repair of highly deteriorated concrete pavement and joints. Length = 0.75 miles.		\$150,000			City of Belvidere	Infrastructure, Job retention, creation, new business development	II, IV
East Belvidere Trunk Sewer and Lift Station	Installation of 18,000 feet of trunk sanitary sewer and a regional lift station.		\$3,200,000			City of Belvidere	Infrastructure, Job retention, creation, new business development	II, IV
Columbia Avenue & Aspen Court Trunk Sewer Upgrade	Upgrade of 2,330 feet of trunk sanitary sewer.		\$1,340,000			City of Belvidere	Infrastructure, Job retention, creation, new business development	II, IV
Orth Road Water Main Extension	Extension of a 12 inch water main from the YMCA at Orth Road and County Hwy 5 to Avshire Lane (liveness subdivision entrance). The extension of the 12-inch water main will be on the north side of Orth Road, approximately 4,700 feet. This includes crossing two intersections, Orth Road and County Hwy 5 and Orth Road and Argyle Road	Summer 2010, start	\$1,000,000	Local		City of Loves Park	Infrastructure, Job retention, creation, new business development	II, IV
Garden Plain Avenue Bridge Reconstruction	Reconstruction of vehicular bridge located on Loves Park Drive, between North Second Street and Dale Avenue.	2010-2015	\$500,000	MFT		City of Loves Park	Infrastructure, Job retention, creation, new business development	II, IV
Merrill Avenue Bridge Reconstruction	Reconstruction of vehicular bridge located on Merrill Avenue, between North Second Street and Dale Avenue.	2010-2015	\$500,000	MFT		City of Loves Park	Infrastructure, Job retention, creation, new business development	II, IV
Grand Avenue Bridge Reconstruction	Reconstruction of vehicular bridge located on Grand Avenue, between North Second Street and Dale Avenue.	2010-2015	\$500,000	MFT		City of Loves Park	Infrastructure, Job retention, creation, new business development	II, IV
Riverside Boulevard Bridge	Rehabilitation and widening of bridge over creek.		\$1,200,000			City of Loves Park	Infrastructure, Job retention, creation, new business development	II, IV
Orth Road	Interstate Blvd. To Olson Road Reconstruct, turn lanes, intersection improvements.		\$10,000,000			City of Loves Park	Infrastructure, Job retention, creation, new business development	II, IV
Bell School Road	Riverside Blvd. To Harlem Road Reconstruct, turn lanes, intersection improvements.		\$10,000,000			City of Loves Park	Infrastructure, Job retention, creation, new business development	II, IV
Orth Road Water main	Interstate Blvd. To Olson Road		\$5,000,000			City of Loves Park	Infrastructure, Job retention, creation, new business development	II, IV
Broadband connection	Airport to downtown via Kishwaukee Street					City of Rockford Road	Infrastructure, Job retention, creation, new business development	II, IV
Amtrak service	Passenger service to Chicago	2 years	\$200,000			City of Rockford Road	Job creation, retention, quality of life	I, II, III, IV, VI
Commuter rail service	Commuter service to Chicago	4 years				City of Rockford Road	Job creation, retention, quality of life	I, II, III, IV, VI
Rock River Partnership	Master plan & river redevelopment	1 year				City of Rockford Road	Regional Collaboration and Marketing	I, V, VI
Industrial weatherization program	Provide incentives for making industrial buildings energy efficient					City of Rockford Road		V
Whitewater Park	Whitewater facility beneath the Farham Dam which could serve as an event site for the 2016 Olympics.	5 years				City of Rockford Road	Quality of Life	V, VI
Relocate Cellusuede						City of Rockford Road	Job retention	II, V
Rick's Place Restaurant	Guitar museum, hotel & restaurant	2 years	\$13,500,000	Bank loans & equity	108	City of Rockford Road	Job creation	II, VI
Revolving Loan Fund						City of Rockford Road	Business Development	II
Gunite	Assist in relocating part of their operation from IN to Rockford Road	1 year	\$8,000,000	company equity	85	City of Rockford Road	Job creation	II
MetroCentre	Rebuild HVAC system					City of Rockford Road	Quality of Life	VI
UICOM/R - Pharmacy School	Provide assistance needed to get it operational					City of Rockford Road	Workforce Training	II, III
Riverfront Museum Park						City of Rockford Road	Quality of Life	VI
Rail consolidation						City of Rockford Road	Infrastructure, Job retention, creation, new business development	IV

Project Name	Project Description	Time Frame	Total Cost	Source of Local Funding Match	# Jobs Created or Retained	Key Stakeholders	Performance Measures	Relates to EDD Goals?
Create service road connecting 18th Ave to Peoples Ave						City of Rockford Road	Infrastructure, Job retention, creation, new business development	II, IV
Repair/rebuild Seminary St north of Harrison Ave to Gunite						City of Rockford Road	Infrastructure, Job retention, creation, new business development	II, IV
Rebuild Roxbury from State St to Straffmoor						City of Rockford Road	Infrastructure, Job retention, creation, new business development	II, IV
Extend Logistics Pkwy						City of Rockford Road	Infrastructure, Job retention, creation, new business development	II, IV
Rebuild Falcon Road from Bell Line Road to Airport Dr						City of Rockford Road	Infrastructure, Job retention, creation, new business development	II, IV
Reconfigure and build Cedar/Chestnut/Wyman						City of Rockford Road	Infrastructure, Job retention, creation, new business development	II, IV
Develop macro stormwater detention behind Forest Plaza						City of Rockford Road	Infrastructure, Job retention, creation, new business development	II, IV
Sanitary sewer to Thermo Fisher	Pay for engineering under/through the Kern Creek dam					City of Rockford Road	Infrastructure, Job retention, creation, new business development	II, IV
Kishwaukee St neighborhood improvements	Demolish abandoned properties					City of Rockford Road	Infrastructure, Job retention, creation, new business development	VI
Wind turbines, Phase I	Feasibility study					City of Rockford Road	Infrastructure, Job retention, creation, new business development	II
Wind turbines, Phase II	Implement					City of Rockford Road	Infrastructure, Job retention, creation, new business development	II
Barber-Colman	Carry out site prep as part of a development agreement					City of Rockford Road	Infrastructure, Job retention, creation, new business development	V
Airport Solar Farm	Establishment of 100-acre solar farm for generation of alternative energy and long-term investment in energy savings.		\$1,500,000			City of Rockford Road	Infrastructure, Job retention, creation, new business development	IV
Municipal Wind Farm	Renewable energy project to offset costs of waters system, street light system, public buildings and municipal parking facility.		\$3,500,000			City of Rockford Road	Infrastructure, Job retention, creation, new business development	IV
Neighborhood Alternative Energy Plant and Recreation Facility			\$6,700,000			City of Rockford Road	Infrastructure, Job retention, creation, new business development	IV
20th Street Resurfacing / Repairs (Broadway to Charles)	This is a main retail and residential arterial with an average daily traffic (ADT) of 10,200. The project consists of bituminous surface removal, partial C & G repair and replacement, and new bituminous surface.		\$350,000			City of Rockford Road	Infrastructure, Job retention, creation, new business development	II, IV
Alpine Road Rehabilitation (Gullford Road to Morsay Dr.)	This is a main retail and residential arterial with an average annual daily traffic (ADT) of 28,900. The project consists of bituminous surface removal, partial C & G repair and replacement, and new bituminous surface.		\$1,000,000			City of Rockford Road	Infrastructure, Job retention, creation, new business development	II, IV
Broadway Resurfacing (9th Street to 20th Street)	This is a main retail and residential arterial to the south with an average daily traffic (ADT) of 14,500. The project consists of bituminous surface removal, partial C & G repair and replacement, and new bituminous surface.		\$800,000			City of Rockford Road	Infrastructure, Job retention, creation, new business development	II, IV
Newburg Road (Alpine Road to Mulford Road)	This project consists of concrete patching, surface removal, asphalt resurfacing and other related work. ADT: 25,600		\$2,000,000			City of Rockford Road	Infrastructure, Job retention, creation, new business development	II, IV
Riverside Blvd Resurfacing (Main Street to Rock River)	A main retail / commercial arterial that needs resurfacing and some reconstruction. The project consists of bituminous surface removal, partial C & G repair and replacement, and new bituminous surface. ADT: 29,000-33,000		\$450,000			City of Rockford Road	Infrastructure, Job retention, creation, new business development	II, IV
Sandy Hollow Road Repairs (11th Street to Kishwaukee Street)	A main retail / commercial arterial that needs resurfacing and some reconstruction. The project consists of bituminous surface removal, partial C & G repair and replacement, and new bituminous surface. ADT: 14,000		\$1,050,000			City of Rockford Road	Infrastructure, Job retention, creation, new business development	II, IV
Commercial / Industrial Resurfacing, Repair & Reconstruction	Due to limited local funding many of the City's Commercial & Industrial streets have suffered delayed pavement. Many of these streets are located within the City's several industrial parks. This project would allow these streets to be resurfaced and placed into the core of the City's manufacturing district.		\$4,770,000			City of Rockford Road	Infrastructure, Job retention, creation, new business development	II, IV
Center Street and Hartman Street	These are 2 streets forming an "L" in an industrial area. They need to be reconstructed with a pavement section suitable for industrial areas. Storm sewer must be added to solve the drainage problems along Center St where the street abuts other paved areas.		\$420,000			City of Rockford Road	Infrastructure, Job retention, creation, new business development	II, IV
Magnolia Street (18th Ave. to South End)	Magnolia is a one block dead end very densely populated with businesses. There have been repetitive requests throughout the years to improve the situation. ROW needs to be acquired for a cul-de-sac or through street to allow reasonable movement and the street needs to be totally reconstructed.		\$420,000			City of Rockford Road	Infrastructure, Job retention, creation, new business development	II, IV
Falund Street	Falund is a long dead end servicing ComEd's operations. With only one (but large) business, this road has been long-neglected. It needs to be reconstructed with a pavement section suitable for industrial areas.		\$336,000			City of Rockford Road	Infrastructure, Job retention, creation, new business development	II, IV
Manfield Street and Heppburn Street	These are 2 streets in an industrial area off of Kishwaukee St. Just south of Sandy Hollow. They need to be reconstructed with a pavement section suitable for industrial areas. Some probability of ditches and storm sewer are necessary to alleviate drainage problems.		\$492,000			City of Rockford Road	Infrastructure, Job retention, creation, new business development	II, IV
Kishwaukee Street Reconstruction	Harrison Ave. to Sandy Hollow Road Reconstruct, turn lanes, intersection improvements.		\$6,540,000			City of Rockford Road	Infrastructure, Job retention, creation, new business development	II, IV
Morgan Street Bridge	Complete replacement of this 1916 bridge over the Rock River. Major bridge funds have been committed and ICC funding is pending.		\$20,000,000			City of Rockford Road	Infrastructure, Job retention, creation, new business development	II, IV
Morgan Street & Central Avenue Reconstruction	Reconstruct, turn lanes, intersection improvements.		\$8,000,000			City of Rockford Road	Infrastructure, Job retention, creation, new business development	II, IV
Main Street Downtown Mall Removal	Remove Mall and replace with new roadway.		\$3,500,000			City of Rockford Road	Business Development, Quality of Life, Infrastructure, Job retention, creation, new business development	II, IV, VI
Downtown Rockford Road Riverwalk	Completion of missing gap in the Grand Illinois Trail with sea wall, new multi-use path and links to other path systems.		\$2,650,000			City of Rockford Road	Quality of Life	VI
Davis Park Festival Park Upgrades	Modernization of existing park.		\$2,000,000			City of Rockford Road	Quality of Life	VI
Paulson Road Expansion	New 18,000 feet of water main.		\$4,100,000			City of Rockford Road	Infrastructure, Job retention, creation, new business development	II, IV

Project Name	Project Description	Time Frame	Total Cost	Source of Local Funding Match	# Jobs Created or Retained	Key Stakeholders	Performance Measures	Relates to EDD Goals?
Downtown Rockford Road Convention Center and Hotel	New convention center/hotel facility.		\$20,000,000			City of Rockford Road	Business Development, Quality of Life, Infrastructure, Job retention, creation, new business development	II, IV, VI
Demolition of Barber Coleman Industrial Buildings	Demolition of City-owned industrial complex to allow for future economic development projects within the site.		\$300,000			City of Rockford Road	Infrastructure, Job retention, creation, new business development, Brownfield	IV, V
Airport Drive	IL 2 to IL 251. Reconstruct and widen to 4 lanes.		\$4,600,000			City of Rockford Road, Chicago Rockford International Airport	Infrastructure, Job retention, creation, new business development	II, IV
Logistics Parkway	Samuelson Road to Blackhawk Road		\$3,000,000			City of Rockford Road, Chicago Rockford International Airport	Infrastructure, Job retention, creation, new business development	II, IV
Business US 20 Pedestrian Bridge at I-90	The City's Hotel / Motel Campus is located at the junction of US Business 20 and I-90. The development of a pedestrian bridge will link the Campus more effectively and provide pedestrian movement that will not bring patrons of the Campus area in conflict with traffic.		\$2,125,000			City of Rockford Road, Illinois Toll Highway Authority	Infrastructure, Job retention, creation, new business development	II, IV
Airspace Project	Catalytic Artscentric mixed-use housing development key to downtown redevelopment and serves as an anchor to the proposed cultural overlay district	2010-2012	\$10,000,000	Community Block Grants, TIF, Private equity, Tax Credits	Estimated 45 arts based sole proprietors	City of Rockford Road, The ELEMENT, The River District	Project occupancy rate	II, III, VI
Wastewater Treatment Plant	Total reconstruction of existing facility.		\$18,000,000			City of South Beloit	Infrastructure, Job retention, creation, new business development	II, IV
Wastewater Treatment Plant	Improve Technical Capabilities	2012 - 2013	\$10,000,000	Bonds	2500	City/Chrysler/Suppliers	Infrastructure, Job retention, creation, new business development	II, IV
Substation Relocation	Relocating ComEd's Substation B19	2010 - 2011	\$4,000,000	Bonds	10	City/ComEd/Amitak	Infrastructure, Job retention, creation, new business development	II, IV
Irene Road/Morieim Dr	Industrial Park Access	2010 - 2012	\$4,000,000	Street Reconstruction	5,000	City/County/Chrysler	Infrastructure, Job retention, creation, new business development	II, IV
Kishwaukee River	Public Street Construction	2010 - 2012	\$2,000,000	Street Reconstruction	50	City/Health Care	Infrastructure, Job retention, creation, new business development	II, IV
IL 2 - Church Street	John Street to Cedar Street in the west side downtown core of Rockford Road. Adjacent to the new \$45 million Federal Courthouse and the renovated MetroCentre (local investment of \$21 million). IDOT has programmed \$600,000 in the TIP.		\$1,500,000			Illinois DOT	Infrastructure, Job retention, creation, new business development	II, IV
IL 2 - South Main Street	Palley Road to US 20 Interchange just north of the Chicago-Rockford Road International Airport. Includes 100,000 sq ft of prime industrial property in the Rockford Road Global TradePark. Jobs recovery TIF.		\$4,000,000			Illinois DOT	Infrastructure, Job retention, creation, new business development	II, IV
Business US 20 - Jefferson Street	Walnut Street to Avon Street in the west side downtown core of Rockford Road in the most economically depressed area of the region.		\$4,250,000			Illinois DOT	Infrastructure, Job retention, creation, new business development	II, IV
IL 251 - Kishwaukee Street	10th Ave. to 1st Ave. in the eastside edge of the downtown Rockford Road core. Certain sections of this primary gateway from the Chicago Rockford International Airport to downtown Rockford Road has seen recent investment. IDOT has programmed \$720,000 in the TIP.		\$1,000,000			Illinois DOT	Infrastructure, Job retention, creation, new business development	II, IV
IL 2 - North Main Street	Auburn Street to Riverside Blvd. A strategic arterial that provides a downtown entry, this corridor has lacked investment for decades.		\$3,500,000			Illinois DOT	Infrastructure, Job retention, creation, new business development	II, IV
IL 251 - North 2nd Street	Whitman Interchange to Jefferson Street immediately north of the downtown Rockford Road core. Poor riding quality and need for median replacement.		\$1,000,000			Illinois DOT	Infrastructure, Job retention, creation, new business development	II, IV
US 20 BUS	E State Street to Mulberry Street in Rockford Road		\$1,225,000			Illinois DOT	Infrastructure, Job retention, creation, new business development	II, IV
IL 2	NB Salem Street to Cedar Street in Rockford Road		\$900,000			Illinois DOT	Infrastructure, Job retention, creation, new business development	II, IV
US 20	East of Farmington Way in Belvidere to McHenry Co. Line		\$3,150,000			Illinois DOT	Infrastructure, Job retention, creation, new business development	II, IV
IL 251	Windsor Road to N. of Roosevelt Road in Loves Park		\$1,070,000			Illinois DOT	Infrastructure, Job retention, creation, new business development	II, IV
IL 251	SB Whitman St to Walnut St in Rockford Road		\$470,000			Illinois DOT	Infrastructure, Job retention, creation, new business development	II, IV
IL 251	NB Walnut St to Whitman St in Rockford Road		\$420,000			Illinois DOT	Infrastructure, Job retention, creation, new business development	II, IV
IL 2 - South Main Street	Bellline Road to Cedar Street		\$17,446,000			Illinois DOT	Infrastructure, Job retention, creation, new business development	II, IV
IL 173	IL 251 to Interstate 90/39		\$58,900,000			Illinois DOT	Infrastructure, Job retention, creation, new business development	II, IV
Business US 20 - West State Street	Rock River to Meridian Road		\$20,700,000			Illinois DOT	Infrastructure, Job retention, creation, new business development	II, IV
IL 2 - North Main Street	Auburn Street to Riverside Blvd. Includes modern roundabout at IL 2 and Auburn Street		\$63,385,000			Illinois DOT	Infrastructure, Job retention, creation, new business development	II, IV
IL 2 - North Main Street	Elmwood Road to Latham Road. Includes new intersection at IL 2 and Latham Road due to severe safety problem.		\$32,210,000			Illinois DOT	Infrastructure, Job retention, creation, new business development	II, IV
Business US 20	Shaw Road to Doc Wolfe Dr. Widening of state highway from 2-lane to 4-lane.		\$10,000,000			Illinois DOT	Infrastructure, Job retention, creation, new business development	II, IV
Business US 20	Anderson Drive Intersection. Widening and installation of turn lanes.		\$1,000,000			Illinois DOT	Infrastructure, Job retention, creation, new business development	II, IV
IL 251	Harlem Road to Roosevelt Road		\$650,000			Illinois DOT	Infrastructure, Job retention, creation, new business development	II, IV
Business US 20 (East State Street) & Bell School Road Intersection	The intersection is 0.25 miles west of the I-90/39 interchange with Business US 20 and operates at an inadequate level of service. The intersection has a high accident rate and has experienced two pedestrian fatalities. Joint project with Illinois DOT, City of Rockford Road and Winnebago County.		\$2,650,000			Illinois DOT, City of Rockford Road, Winnebago County	Infrastructure, Job retention, creation, new business development	II, IV

Project Name	Project Description	Time Frame	Total Cost	Source of Local Funding Match	# Jobs Created or Retained	Key Stakeholders	Performance Measures	Relates to EDD Goals?
Irene Road / Tollway Interchange	Right-of-way purchase and construction of new tollway interchange to serve the Belvidere Chrysler facility and the needs of Boone County and the City of Belvidere.		\$50,000,000			Illinois Tollway, Belvidere and Boone County	Infrastructure, Job retention, creation, new business development	II, IV
Passenger Rail Track Upgrades Phase 1	Mill post 17.0 to 40.3		\$111,044,000			METRA	Job creation, retention, quality of life	I, II, III, IV, VI
Passenger Rail Track Upgrades Phase 2	UP RR milepost 82.0 Tollway Station Point, 500 car parking		\$26,987,000			NICTD	Job creation, retention, quality of life	I, II, III, IV, VI
Passenger Rail Vehicles Phase 2	Locomotive, Reconditioned Amtrak F40PH, 4 Each		\$49,340,000			NICTD	Job creation, retention, quality of life	I, II, III, IV, VI
Brownfield Redevelopment				Fund		Provider	Brownfield	V
RMTD Business Replacement	3 Replacement Buses		\$1,200,000			RMTD	Business Development, Quality of Life, Infrastructure, Job retention, creation, new business development	II, IV, VI
New Transfer Center	Construction of New Transfer Center on East Side.		\$5,000,000			RMTD	Business Development, Quality of Life, Infrastructure, Job retention, creation, new business development	II, IV, VI
Kent Creek Trunk Extension	Northwest Rockford Road Trunk sewer extension to Pierce Chemical.		\$3,000,000			Rock River Water Reclamation District	Infrastructure, Job retention, creation, new business development	II, IV
The ELEMENT Community School for the Arts - PHASE 1	Community based NFP educational institution with open access to an Arts curriculum	2009-2010	\$150,000	Community Block Grants, TIF, Private equity	Estimated 20 degree faculty	The ELEMENT, Rock Valley Community College	Enrollment and curriculum	III
The ELEMENT Community School for the Arts - PHASE 2	Permanent facility for the Community based NFP educational institution with open access to an Arts curriculum	2010-2012	\$3,000,000	Community Block Grants, TIF, Private equity, Tax Credits	Estimated 20 degree faculty	The ELEMENT, Rock Valley Community College	Enrollment and curriculum	III
Arts and Economic Impact Study	Measurement of region's arts and cultural organizations economic impact and quality of life influences	2010-2011	\$30,000	Private Equity, Organizational Grants, Community Block Grants		The ELEMENT, Rockford Area Arts Council	Study as a benchmark of current conditions and future opportunities	I, II, III, VI
National Center For Rural Health Professions Addition	Addition of 58,000 SF and remodeling of 20,000 SF at the U of I College of Medicine. Project leverages State and private funding.		\$31,200,000			University of Illinois	Workforce Training	III
Regional Detention Pond Improvements	Stabilize Madigan Creek, dredge lower pond, repair dam structure	One year	\$946,000	General Funds	20	Village of Cherry Valley	Job retention, creation, new business development	II, IV
Reconstruction of CV Public Works Facility	reconstruction / expansion of existing maintenance building, construct rail storage facility	Approx 8 months	\$2,500,000	General Funds	10	Village of Cherry Valley	Infrastructure, Job retention, creation, new business development	II, IV
Water Tower	Construction of 750,000 gallon water tower in NE portion of Village	Approx 1 year	\$1,500,000	Water Fund	25 - 200	Village of Cherry Valley	Infrastructure, Job retention, creation, new business development	II, IV
Rotary Road	IL 251 to Village limits.		\$185,000			Village of New Milford	Infrastructure, Job retention, creation, new business development	II, IV
Main Street	Rock River Bridge to Center Street		\$571,000			Village of Rockton	Infrastructure, Job retention, creation, new business development	II, IV
Rockton Road Sewer	Sewer needed before commercial development can start	ASAP	\$200,000	Bond	50	Village of Roscoe	Infrastructure, Job retention, creation, new business development	II, IV
McCurry/Willowbrook	Sewer needed before commercial development can start	ASAP	\$900,000		100	Village of Roscoe	Infrastructure, Job retention, creation, new business development	II, IV
Edith Lane	Sewer needed before commercial development can start	1 year	\$300,000		25	Village of Roscoe	Infrastructure, Job retention, creation, new business development	II, IV
Warner Building	Sewer needed before commercial development can start	2 year	\$300,000		200	Village of Roscoe	Infrastructure, Job retention, creation, new business development	II, IV
Wastewater Treatment Plant	Expand existing facility.		\$8,000,000			Village of Winnebago	Infrastructure, Job retention, creation, new business development	II, IV
McDonald Creek Trunk Sewer	Extend sewer from approx. Mitchell Road east to I90 allow for industrial, commercial development of about 1,000 acres		\$3,000,000	private		Machesney Park, VMP, RRWRD	Infrastructure, Job retention, creation, new business development	II, IV
Freedom Field	Renewable energy project to expedite energy technologies into applications consisting of solar, biomass, biogas, wind, geothermal, and hydrogen.		\$3,300,000			Winnebago County	Infrastructure, Job retention, creation, new business development	II, IV
Revolving Loan Fund for Brownfield remediation	provideRLF for local clean up	2011	\$2,000,000			Winnebago County	Infrastructure, Job retention, creation, new business development	II, IV
Intermodal facility for rail and truck	freight on/off loading near GRAA/RFD	2010	10000000	bonds		Winnebago County	Infrastructure, Job retention, creation, new business development	II, IV
Willow Brook Road	Elevator Road to McCury Road Widen & Resurface.		\$250,000			Winnebago County	Infrastructure, Job retention, creation, new business development	II, IV
Prairie Hill Road	IL 251 to Boone County Line. Widen, change grade, and resurface.		\$2,000,000			Winnebago County	Infrastructure, Job retention, creation, new business development	II, IV
Perryville Road	Harrison Ave. to East State Street Reconstruct shoulders.		\$650,000			Winnebago County	Infrastructure, Job retention, creation, new business development	II, IV
Perryville Road	Over South Branch of Kishwaukee River. Rehabilitate bridge.		\$500,000			Winnebago County	Infrastructure, Job retention, creation, new business development	II, IV
Bell School Road	Newburg Road to Spring Creek Road. Reconstruct, add lanes, and intersection improvements.		\$15,000,000			Winnebago County	Infrastructure, Job retention, creation, new business development	II, IV
Roscoe Road	IL 2 to IL 251. Widen to 4 lanes including River bridge.		\$16,000,000			Winnebago County	Infrastructure, Job retention, creation, new business development	II, IV
Latham / Raisin Road	IL 2 to IL 251. Widen to 4 lanes including River bridge.		\$17,000,000			Winnebago County	Infrastructure, Job retention, creation, new business development	II, IV
Perryville Road	Swanson Road to Belvidere Road New Roadway.		\$5,000,000			Winnebago County	Infrastructure, Job retention, creation, new business development	II, IV
Perryville Road	Anjali Way to Swanson Road Widen to 4 lanes.		\$2,000,000			Winnebago County	Infrastructure, Job retention, creation, new business development	II, IV
Elmwood / Owen Center Road	IL 2 to Riverside Blvd. Widen to 4 lanes.		\$14,000,000			Winnebago County	Infrastructure, Job retention, creation, new business development	II, IV
Rockton Road	Willow Brook Road to IL 251. Widen to 5 lanes.		\$3,500,000			Winnebago County	Infrastructure, Job retention, creation, new business development	II, IV
East Side Connector (CH 5)	Bell School Road to Riverside Blvd. and Orth Road to IL 173		\$47,000,000			Winnebago County	Infrastructure, Job retention, creation, new business development	II, IV
Edson Road	IL 251 to Rothwell Road Reconstruct for 120,000 lb. loads.		\$6,000,000			Winnebago County	Infrastructure, Job retention, creation, new business development	II, IV
Hononegah Road	IL 2 to Checkerberry Lane. Reconstruct and widen to 3 lanes.		\$2,500,000			Winnebago County	Infrastructure, Job retention, creation, new business development	II, IV
Illinois Rainnet Upgrades	Rockford Road to Flag Center-rail freight upgrades		\$30,000,000			Winnebago County	Infrastructure, Job retention, creation, new business development	II, IV
Raisin Road & Blue Bonnet Drive Intersection	Add turn lanes and install permanent signals.		\$600,000			Winnebago County	Infrastructure, Job retention, creation, new business development	II, IV
Baxter Road / IL 251 Intersection	Intersection improvement at southern gateway to the Chicago Rockford International Airport.		\$1,000,000			Winnebago County	Infrastructure, Job retention, creation, new business development	II, IV

Development, etc.)

- Administrative

TACTIC IV. A local agency will pursue becoming designated as the Economic Development District by the end of 2009. This will include identifying local match for EDA planning assistance. EDD staff will undertake the following in 2009-2010:

- Once funded as an EDD develop a detailed Tactical Plan and Plan of Action on an annual basis.
- Assist qualified eligible governments and nonprofits with EDA grant applications.
- Provide ongoing technical assistance to area governments and nonprofits to align economic development goals and priorities from an intra-MSA area to the Tri-State Region.
- Provide technical assistance to local governments on economic development initiatives.
- Grant/loan research, writing and administration
- Development of graphic materials such as maps, fact sheets and local government promotional information
- Provide data tracking and reporting services including demographic and economic research.
- Assist CEDS Strategy Committee to develop several key sub-committees they have expressed specific interest in, namely:
 - Green Economy
 - Health care
 - Aerospace
 - Restructuring Local Food Systems
- Maintain ongoing relationships. Ongoing public and private relationships are crucial to the CEDS process. These relationships are centered on meetings and recurring projects such as:
 - Belvidere and Boone County Chamber of Commerce
 - Rockford Area Convention and Visitors Bureau
 - Rockford Chamber of Commerce
 - Rockford Metropolitan Agency for Planning (Policy, Technical, and Mobility)
 - Rockford Area Economic Development Council
 - Growth Dimensions for Belvidere-Boone County
 - Rockford Area Ventures
 - Tri-State Alliance
 - I-39 Logistics Corridor Association
 - Workforce Investment Board
 - Local Educational Institutions
- Maintain Comprehensive Economic Development Strategy (CEDS) for the Region
- Annually in the spring update goals, strategies, project prioritization, and EDD scope of work

Work towards the goals and objectives of the 2009 CEDS will occur in several stages.

TACTIC I. Annually, the Strategy Committee will review the goals and strategies outlined in the Vision, Goals and Strategies section of this document. Achieving these priorities will advance the Rockford Region's vision for a more balanced economic wellbeing and improve the capability of the Area to attract and retain employment. The Strategy Committee will meet as needed on a regular basis to evaluate how well the goals and strategies are being met, and to determine whether or not conditions have changed sufficiently to warrant revision of the goals and strategies.

TACTIC II. Eligible applicants (local governments and nonprofits) will pursue the most vital, key economic development projects to fruition (see list above). Again, these projects best strategically fit the local region and EDA's goals as well as being highly technically ready to implement. Multiple funding sources will be pursued for these projects including private, local, state, and federal avenues. At any point in time, projects may become more strategically fit or technically ready due to a myriad of factors. CEDS Staff will continually work on maintaining relationships with area public and private economic development leaders to stay aware of potential upcoming projects that could qualify for EDA funding. If a project is deemed more "ready" by the CEDS Strategy Committee, CEDS Staff will work with local applicants to apply to the EDA. At the same time, CEDS Staff will track any changes in EDA priorities or funding opportunities. Currently the most vital projects for the next fiscal year (2009-2010) are:

- Economic Adjustment Grant
- Regional Indicators
- Health care

TACTIC III. Apply for an Economic Development Adjustment Grant to help restructure the local economy due to the widespread layoffs experienced in 2008 and 2009 in manufacturing and the automotive industries. Preliminarily the grant would include the following:

- Cluster Study of Evolving, Emerging, Alternative Energy Industries Including Workforce Training Plan
- Labor Shed Analysis
- Strategic Real Estate Development and Reuse Implementation Plan
- Implementation (Incentives, Marketing, Workforce Retraining, Website



The following performance measures are designed to provide an objective way to measure the degree to which the Rockford MSA achieves the goals laid out in this CEDS document. While they incorporate the five measures listed in the Economic Development Administration's regulatory requirements for a CEDS, they go beyond to include ways to measure our success for each of the six goals included in this plan. Maintained on an ongoing basis, the following indicators will help the Region understand its progress in terms of economic well-being. These measures will be reviewed on an annual basis in the spring within a CEDS progress report for the Rockford Region.

REGIONAL COLLABORATION & MARKETING

1. Increase the number of regional collaborative projects
2. Increase the pool of funds for regional action
3. Increase public and private sector dollars invested in a coordinated region-wide economic development marketing program
4. Establish an as a recognized leader for regional economic development
5. Ability to form dynamic new strategic relationships and partnerships with local, regional and state resources to help the Rockford MSA achieve its goals

BUSINESS DEVELOPMENT

1. Number of jobs created
2. Number of jobs retained
3. Number and types of investments undertaken in the region
4. Amount of private sector investment in the region
5. Lower unemployment rate (close the gap between that of the MSA and that of Illinois as a whole)
6. Number of firms created (industrial/tech)
7. Increased use by firms of existing economic development incentives such as TIF, Enterprise Zone and River Edge Redevelopment Zone

WORKFORCE AVAILABILITY & DEVELOPMENT

1. Per capita income as percentage of US and Illinois per capita income
2. Unemployment rate – close the gap between that of the MSA and that of IL

3. New partnerships formed to advance the connection between workforce development, education and economic development
4. Lower dropout rates
5. Increase percentage of high school graduates
6. Increase percentage of residents with bachelor's degree
7. Increase population of 25-40 year-olds with 2 years plus of education beyond high school

INFRASTRUCTURE

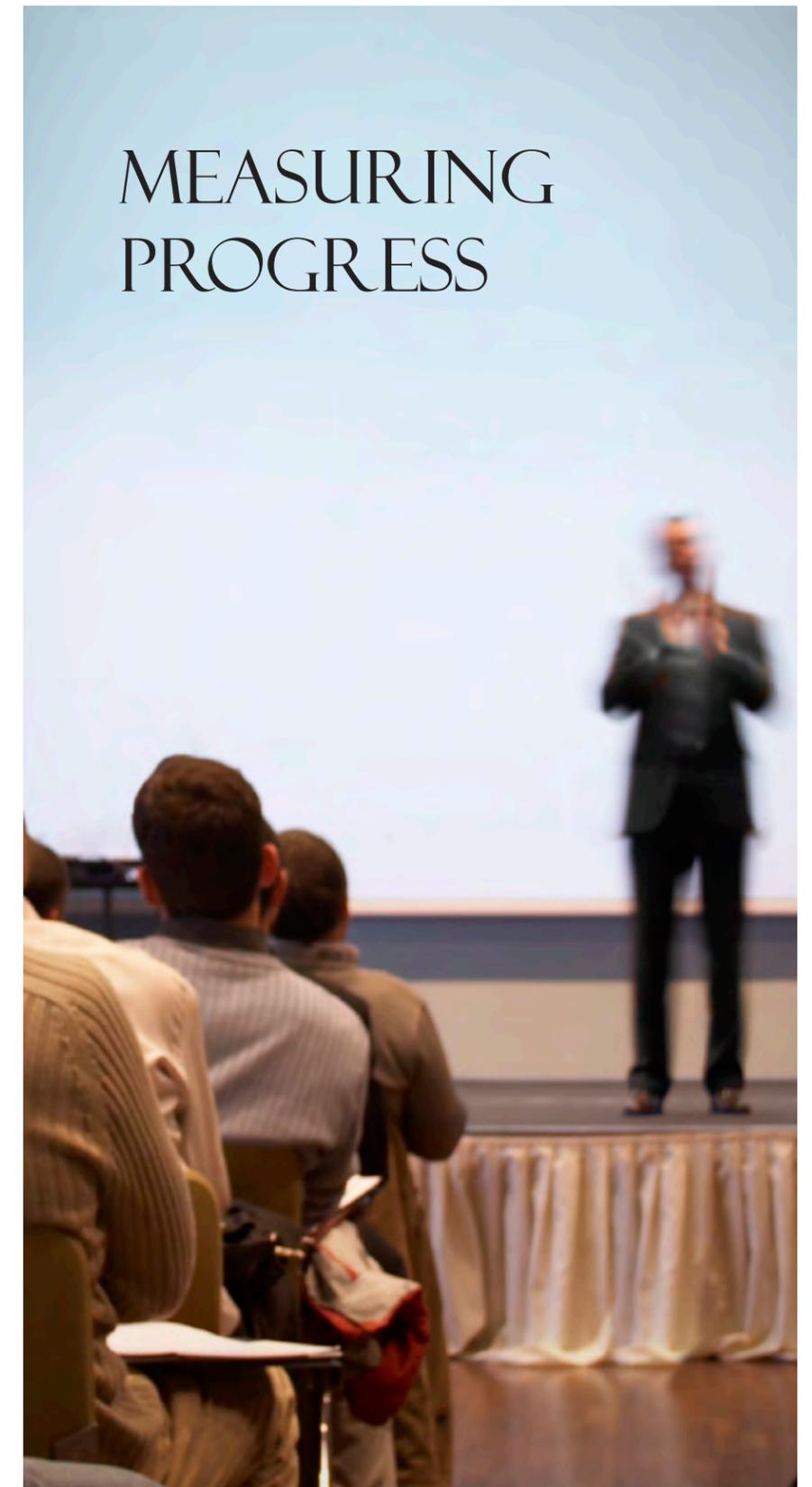
1. Prioritized investment in roads, the airport, transit and local technology infrastructure
2. State and federal dollars attracted to the region for infrastructure projects
3. Number of existing and new businesses helped by infrastructure improvements
4. Steps taken to coordinate planning of all infrastructure components regionally

REDEPLOY BROWNFIELD, GREYFIELD SITES & BUILDINGS

1. Phase I and Phase II Environmental Assessments completed
2. Remediation projects completed
3. Brownfield or greyfield sites/buildings redeveloped
4. Brownfield or greyfield properties cleared
5. Building and development codes modified to encourage redevelopment of existing structures and infill development

QUALITY OF LIFE

1. Increased attendance at entertainment and sports venues and museums
2. Increased arts, entertainment and sports programming
3. Increased amount of public green space, pathways, access to riverfronts
4. Increased level of affordable health care
5. Balanced integration of affordable housing within Region
6. Improved air and water quality





The Rockford Metropolitan Area has, with the vision, goals and strategies set forth in this plan, enormous opportunity to ensure its economic wellbeing within the next five years. In order for the priorities set forth herein to come to fruition the Region must keep the momentum going. Continued attention to alignment of individual organizations and agencies scopes of work will determine the level of success the Rockford Region experiences between 2009-2014 and beyond.

KEY CONCLUSIONS FOR THE ECONOMIC WELLBEING OF THE ROCKFORD REGION

1. The Rockford Metropolitan Area has numerous valuable economic development assets it can build upon including transportation infrastructure, one and a half times the national average of engineers, and key industrial clusters already established.
2. The Rockford MSA must continue to diversify its economic base building from the already established strong technology base.
3. The American industrial base, of midwest towns in particular, is rapidly changing due to technology and production processes evolving. The Rockford Region must proactively invest in infrastructure that meets these evolving needs.
4. Key "green" industries are poised to explode in the next decade. The opportunity for the Rockford Area is to leverage current industry clusters in the Region that can serve as the foundation for catalytic change in sustainability and clean energy.
5. Rockford MSA's workforce is at crossroads as the industry and business require higher educated employees. Educating, attracting, and retaining young, educated talent is paramount.
6. Successful economic development is key to the continued growth of the Region and is changing to include quality of life, education, and crime. The Rockford MSA needs a cohesive sustainability plan that includes these areas.
7. Economic development will become more effective by partnering with planning organizations in the Region through increased regional planning. This will occur through more targeted research and marketing opportunities.
8. The Rockford Region's ability to attract and retain employers is best achieved through regional work and cooperation. Employers view the Rockford MSA through its labor shed.
9. In order to attract and retain key industries (in particular health care, aerospace, and green energy) economic development in the Region must listen to employers to better understand their needs (i.e. infrastructure, incentives, legislative initiatives, and new collaborations).
10. The Region has been historically a strong contributor to the success of the Country. It is incumbent on the CEDS Strategy Committee to recognize the industrial ability of the Rockford MSA and continue in this tradition to help the Tri-State Region, the Nation, and the world.

FOR MORE INFORMATION CONTACT:

ROCKFORD AREA ECONOMIC DEVELOPMENT
815.987.8118
WWW.ROCKFORDIL.COM

GROWTH DIMENSIONS FOR BELVIDERE-BOONE COUNTY
815.547.4252
WWW.GROWTHDIMENSIONS.ORG

ROCKFORD METROPOLITAN AGENCY FOR PLANNING
815.964.RMAP
WWW.RMAPIL.ORG

APPENDIX A SURVEY RESULTS

SWOT Analysis

Strengths List the three strongest economic development RESOURCES or ASSETS the Rockford MSA can build upon within the next five years?

Source: RAEDC Business Survey

Weaknesses List the three most important economic development BARRIERS the area faces within the next five years?

Source: RAEDC Business Survey

Opportunities In one sentence each, list the three most important INDUSTRIES in the Rockford MSA (Boone and Winnebago Counties) five years from today? List in order of importance.

Source: RAEDC Business Survey

Freq. of Answers (#)	Answer	Goal and Strategy Alignment
11	Location, location, location: Located in central U.S. at the junction of major roads, rail, and air with proximity to Chicago/Madison/Milwaukee	Goal I, Strategy c
6	Quality of life assets: affordable housing and real estate, low cost of living, water resources, parks, rivers, and green space	Goal VI, All Strategies
4	Transportation (i.e. airport, freight or cargo, roads, trains)	Goal IV, Strategy a
4	Available and trainable work force with transferable skills	Goal III, All Strategies
3	People: hard-working, honest people with strong work ethic	Goal III, Strategy b, c
6	Many buildings and infrastructure that are readily available for companies moving into the Region, as well as availability of land	Goal I, Strategy c Goal IV, Strategy a
3	Rockford Airport	Goal IV, Strategy a
3	Diversity of industry: agriculture, defense contractors, small business, healthcare, tourism, etc	Goal II, Strategy a, c
2	RAEDC and Chamber leadership and staff which have been, and are working in cooperative initiatives	Goal I, Strategy a, d, e Goal IV, Strategy d
2	Strong existing industries tying into new technologies	Goal II, Strategy a, d, e
1	Friendliness to developers or potential customers	
1	Development of the river as a destination	Goal V, Strategy I Goal VI, Strategy b
1	The increasing cooperation of the mayors and county chairs on key economic and social issues creating great regional economic development partnerships	Goal I, Strategy a, d, e Goal IV, Strategy c
1	Foster and financially back entrepreneurial endeavors	Goal II, Strategies b, c, d, g

Freq. of Answer (#)	1 st Most Important	Goal and Strategy Alignment
3	Manufacturing	Goal II, Strategy a, c Goal III, Strategy c, b Goal IV, All Strategies
3	Aerospace	Goal II, Strategy a, c Goal III, Strategy c, b Goal IV, All Strategies
2	Transportation & Logistics	Goal II, Strategy a, c, d Goal III, Strategy c, b Goal IV Strategy a, b
2	Anything related to airline industry, aviation clusters	Goal II, Strategy a, c Goal III, Strategy c, b Goal IV, All Strategies
1	Education	Goal III, Strategy a, b, c, h
1	Healthcare	Goal II, Strategy a, d, e Goal VI, Strategy a
1	Small manufacturing - technology related	Goal II, Strategy a, c Goal III, Strategy c, b Goal IV, All Strategies
1	Wind Turbines in Boone County (around Capron)	Goal II, Strategy c, d Goal V, Strategy a, e
1	Easy access to Chicago to spur ongoing growth	Goal IV, Strategy e
1	Energy	Goal II, Strategy a Goal IV, Strategy a
1		Goal II, Strategy c, d Goal IV, Strategy e Goal VI, Strategy f

CEDS Business Survey

Three critical aspects of the survey responses were analyzed in this report.

1. The respondents' subjective assessment of their organizations' responses to the economic downturn;
2. Strategic tools that the organizations use to cope with economic conditions; and
3. Attitudes toward the government and its role in mitigating the adverse effects of the current recessionary economy.

For the purposes of this analysis, the respondents were grouped into the following five categories:

- **Manufacturing** – aerospace, food processing and manufacturing.
- **Government and Research** – non-profit organizations, research, government, advocacy and public policy, and labor or trade organizations.
- **Professional and Business Services** – marketing or design services; financial, banking or tax services; human resources; management; logistics and import/export assistance; freight and distribution services.
- **Retail and Wholesale** – retail and wholesale trade.
- **Services** – legal services; communications or media; construction; real estate; utilities; inbound customer service center; accommodations or hotels; architecture, engineering or planning services; customer service center; entertainment or quality of life; hospitals or health services; media, public relations or marketing; restaurant or food services; and telecommunications.

Freq. of Answers (#)	Answer	Goal and Strategy Alignment
8	Failure of local, state, federal governmental interaction and cooperation for the common good, governmental organizations maintaining boundaries: geographical, social-economic, provincialism	Goal I, Strategy a, b, d Goal IV, Strategy c
6	Lack of federal & state resources for economic development including rail, air, roads & bridges – poor infrastructure in general	Goal IV, All Strategies
6	Lack of respect for education, uncompetitive public schools, and need to encourage youth to go to college, instead of blue and pink collar positions	Goal III, Strategy a, e, f, g
3	Culture of negativism symbolized by the C.A.V.E. philosophy (i.e. this is how it always has been, with too much focus on the past)	Goal I, Strategy a, b, d
3	Unemployment, quality of education of the workforce. Difficult to recruit companies for staffing purposes	Goal III, Strategy a, b, c, h
3	Difficulty in recruiting college graduate professionals to the region because lack of next-generation friendly urban core	Goal III, Strategy g Goal VI, All Strategies
3	Current declining state of the economy, including the State of Illinois in serious debt	All Goals
3	Need to improve image of poor quality of education and high crime	Goal III, Strategy a, g Goal VI, All Strategies
1	Silo mentality	Goal I, Strategy a, b, d, f Goal IV, Strategy c
1	Lack of support on the basis of the private business sector (too skeptical of past programs that did not work)	Goal II, Strategy a, c, d, e, f, g Goal IV, Strategy b, c, d
1	Lack of transition/perpetuation planning for existing small businesses	Goal II, Strategy c, d, e, g
1	Too many tax and legal barriers to growth	Goal II, Strategy c, d, f
1	Continued underperformance of the Rockford School District	Goal III, Strategy a, b, c, h
1	Mindset that government must save us; bailouts; "safety nets"	Goal I, All Strategies
1	Entitlement thought process - must educate people that hard work and positive attitude are the keys to success	Goal III, Strategy b, c
1	Lack of funds for cash incentives and loans	Goal II, Strategy f
1	Frequently parochial, short-term perspectives of many City Council and County Board officials in area	Goal I, Strategy a, b, d, f Goal IV, Strategy c
1	Lack of Home Rule	
1	Lack of openness between government, workers & companies; workers need to understand concept of profitability of companies	Goal I, Strategy a, b, d, f Goal II, Strategy d, e, g
1	High cost of utilities - electric, natural gas, gasoline, diesel	Goal IV, Strategy b, c, e

Freq. of Answer (#)	3 rd Most Important	Goal and Strategy Alignment
4	Green/Environmental, Energy - "alternative" energy sources	Goal II, Strategy c, d Goal IV, Strategy e
2	Healthcare	Goal II, Strategy a, d, e Goal VI, Strategy a
2	Education	Goal III, Strategy a, b, c, e, f, h
1	Construction	Goal II, Strategy a, c Goal III, Strategy c, b Goal IV Strategy b, c, e, f Goal V, All Strategies
1	Tourism	Goal I, Strategy c Goal VI, All Strategies
2	Distribution & Logistics - airport, industrial parks, Rochelle	Goal II, Strategy a, c, d Goal III, Strategy c, b Goal IV Strategy a, b
1	Machine parts	Goal II, Strategy a, c, d Goal III, Strategy c, b Goal IV Strategy a, b
1	Industrial (around Capron)-straight shot to Chicago & Milwaukee	Goal II, Strategy a, c, d Goal III, Strategy c, b Goal IV Strategy a, b
1	Automotive / transportation	Goal II, Strategy a, c, d Goal III, Strategy c, b Goal IV Strategy a, b
1	Tool machining and the agricultural industries	Goal II, Strategy b, c, e Goal III, Strategy b, c Goal V, Strategy j

Freq. of Answer (#)	2 nd Most Important	Goal and Strategy Alignment
5	Healthcare - large direct and indirect employment	Goal II, Strategy a, d, e Goal VI, Strategy a
4	Manufacturing	Goal II, Strategy a, c Goal III, Strategy c, b Goal IV, All Strategies
3	Logistics/Distribution	Goal II, Strategy a, c, d Goal III, Strategy c, b Goal IV, Strategy a, b
3	Transportation and warehousing especially related to trucking, rail and air freight	Goal II, Strategy a, c, d Goal III, Strategy c, b Goal IV, Strategy a, b
1	Automotive	Goal II, All Strategies
1	Aerospace	Goal II, Strategy a, c Goal III, Strategy b, c Goal IV, All Strategies
1	Creative Industries-engineers, architects, artists, etc.	Goal II, Strategy b, c Goal III, Strategy h Goal VI, All Strategies

How Well are Companies Coping?

First, the questionnaire asked respondents to describe the extent to which their respective organizations have coped with the current economic conditions. Four responses were possible: significantly positive, moderately positive, moderately negative, and significantly negative. The responses have been organized into two categories-- positive and negative. The percentages reporting positive responses are shown in Table 1 along with the number of businesses in each business category.

Only 21% of manufacturing businesses reported positively in terms of response to the downturn. This is not surprising given the gravity of the recession and its disparate impact on the auto industry (Table 1). However, aerospace industrial sectors, although a part of the manufacturing category, when looked at separately reported a more positive attitude toward their business strategies (41%). Important to note is that respondents from businesses such as construction, utilities, and freight and distribution shared a relatively negative view of the economy and their organizational responses. The same view was reported by respondents in the service sector (i.e., inbound customer service, human resources, accommodations or hotels, customer service center).

Table 1. Businesses That Are Positively Weathering the Current Recession

Weathering (positively)	Percentage	No. of Businesses
Services	31%	39
Govt., Non-profit, Education, Research, Advocacy and Labor	29	24
Professional and Business Services	27	22
Manufacturing (Mfg, Aerospace, Food Processing)	21	80
Retail and Wholesale	0	8

* The percentage denotes the number of respondents that effectively weather the economic downturn.

**The number at the bottom of each cell denotes the total number of respondents in each industry.

Source: NIJ/CEDS Survey 2009

The questionnaire included an open-ended question asking respondents to identify and describe the most important obstacles in the current economy that challenge their organization. The first concern is the on-going crisis in the banking sector affecting their credit stream, cash flow, and access to capital.

Second, respondents see the economic downturn as a crisis of confidence that significantly reduces customers' propensity to consume, thereby affecting the firms' profitability. The decrease in customer purchasing power is especially acute in real estate, manufacturing, retail, and wholesale businesses because these businesses rely heavily on consumption patterns that are vulnerable to market cycles.

Third, respondents acknowledged the increasing market competition from outside the usual geographical boundaries. This response may involve internet and other mass-marketing approaches as well as efforts by businesses in neighboring areas to enter or market to the Rockford Region. In this highly competitive environment, partly because of the recession, companies must look for additional markets as well as to increased productivity with lower production costs while still maintaining quality standards. Two competing factors are definitely at play with revenue cutbacks from lower sales combined with pressures to reduce operating costs.

Actions Taken

The survey then asked about the types of actions taken by the respondents' firms. Many respondents reported budget reductions (73%), increasing productivity (57%), diversifying products (54%), and layoffs (48%) as main strategies (Table 2). In general, these strategies are associated with companies that had a relatively negative view of how well they are weathering the current recession. For instance, of the 48% of respondents who said they had used layoffs, only 9% of them reported a positive outlook for their company. In general, then, the survey responses reflect business' perceptions about the ability of their company to prosper.

Table 2. Actions Taken to Address the Economic Recession

Approach Used	Percentage	Number
Cut Budget	73%	120
Improve Productivity	57	93
Diversify Product/Service Offering	54	89
Impose Layoffs	48	79
Expand International Presence	13	21
Increase Exports	8	13
Increase Hiring	5	8
Status quo	4	7

* The percentage denotes the number of respondents that reported taking each action.

**The accompanying number denotes the total number of respondents that selected each strategic action.

Source: NIJ/CEDS Survey 2009

Few firms chose to add staff (5%) or even maintain the status quo (4%). In both cases, however, more than half of these firms were also positive about how their company was responding during the recession. All sectors reported that budget cuts have been necessary, as well as a strong need for productivity improvements which go hand in hand in terms of strategies (Table 3). The manufacturing sector in particular has cut budgets more than any of the other four sectors (76%), but they have also used productivity improvements (77%) as well as diversification (61%). With manufacturing playing such a large role in both Boone and Winnebago counties, it is also important to note that of all the sectors surveyed, only manufacturing businesses were seriously looking to expand their international presence in an attempt to address the economic downturn. It seems that most other businesses, no matter their sector, are more inward looking in their strategies (layoffs, budget cuts, etc).

Table 3. Actions taken to address the economic downturn (by Industry)

	N	Diversify	Increase Exports	Expand Int'l Presence	Productivity Improvements	Layoffs	Budget Cuts	Increase Hiring	Status Quo
Govt., Non-profit, Education Research, Advocacy and Labor	22	27%	5%	5%	36%	9%	68%	0%	9%
Manufacturing (Mfg, Aerospace, Food Processing)	79	61	14	24	77	63	76	4	1
Professional and Business Services	21	52	5	5	57	43	62	0	10
Services	36	61	0	0	42	39	72	11	6
Retail and Wholesale	7	71	0	0	43	57	57	14	0

Source: NIJ/CEDS Survey 2009

To supplement the above analysis, the questionnaire included an open-ended question asking about specific business strategies. Responses are grouped into three types of strategy categories: marketing strategy, financial strategy, and organizational management strategy. In the marketing category group, respondents generally had a positive attitude toward increased

advertising, increased geographic marketing, and diversifying products and services. These strategies require personnel, thereby requiring companies to maintain workforce or hire more staff.

On the contrary, few respondents who were positive about their company's ability to weather the recession also adopted strategies such as reductions in staff, salaries, and working hours. Instead, these respondents took a more positive view of organizational management strategies such as training programs, strict inventory control, and reallocation of resources. These companies saw recessionary times as opportunities to improve internal organizational management.

Role of Government

Respondents were asked the extent to which local governments and economic development organizations can assist in the next year (Tables 4 and 4a). The most common response was additional information on the federal stimulus funds as reported by 67% of respondents. Presumably, these respondents represent companies in a position to access these funds.

The second most common response was resource collaboration (38%). This group presumably is interested in having local governments and/or development agencies assist in identifying potential suppliers (more local), arranging for inputs and other needs, or possibly helping with local policies that make business operations more effective and/or smoother.

Table 4. How can local government and economic development organizations assist in the coming year?

	N = 140	Percent (%)
Information on Federal Stimulus Funds		67%
More Networking		38
Resource Collaboration		38
Workforce Access/Training		25
Financial Consultation/Sources		19
Targeted Lean Educational Opportunities		16
Business Consultation		12

Source: NIU/CEDS Survey 2009

Table 4a. How can local government and economic development organizations assist in the coming year? (by industry)

	N	More Net-working	Targeted Lean Educational Opportunities	Financial Consultation/Sources	Workforce Access/Training	Business Consultation	Resource Collaboration	Info on Federal Stimulus Funds
Govt., Non-profit, Education, Research, Advocacy and Labor	19	37	26	32	26	11	68	42
Manufacturing (Mfg, Aerospace, Food Processing)	68	32	19	22	31	12	32	75
Professional and Business Services	19	32	5	11	16	21	37	63
Services	31	58	10	16	16	19	39	68
Retail and Wholesale	4	50	0	50	0	50	25	75

Source: NIU/CEDS Survey 2009

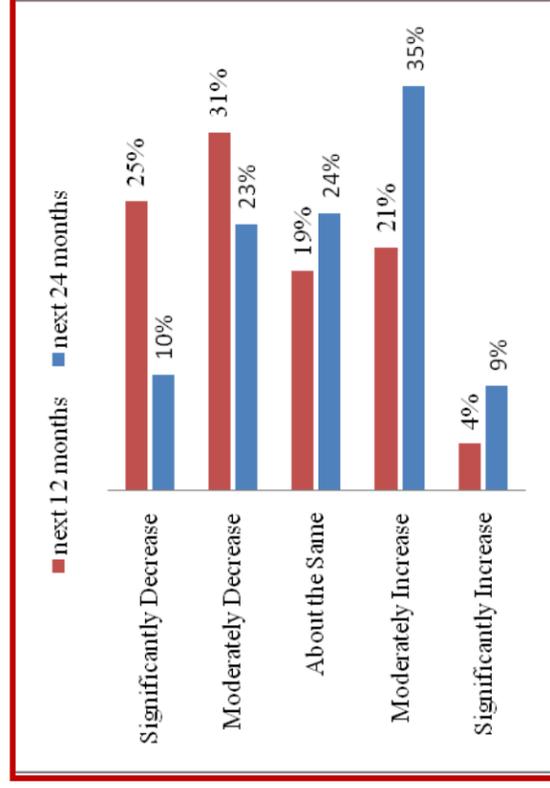
The other categories, including networking (38%), workforce access/training (25%), targeted lean educational opportunities (16%), and financial consultation (19%) had relatively small responses. Despite the small percentage of respondents that chose business assistance (12%), they were mostly positive about their ability to weather the recession (67%). These companies include financial institutions, architectural firms, and planning agencies among others. The consultation assistance would help them function more effectively in a competitive market environment. Respondents favor strategies such as increased advertising, expanded geographic marketing, and product diversification. These activities require information on the business environment, customer preferences, market niches, and geographical location and distribution of potential consumers. Government assistance that emphasizes business capacity-building, helps firms identify potential customers and serve them will more effectively, thereby helping these firms to weather future economic downturns.

12- and 24-Month Forecasts for Sales

Overall, respondents were relatively pessimistic about near-term sales. For instance, 25% reported a significant decrease in expected sales over the next 12 months, with an additional 32% expecting a moderate decrease (57% total). Roughly one in five respondents (22%) reported expecting a moderate increase within the next year. This response is expected given the nature and severity of the current recession (Figure 1).

Perhaps more important are the attitudes of respondents for the next 24 months which should include a bottoming of the cycle and, hopefully, the beginning of the recovery. The differences in attitudes between the two time periods are obvious. While 24% of respondents expected a significant decrease in the next 12 months, only 10% see that happening over 24 months. Likewise, while 32% of respondents expect a moderate decrease in the next 12 months, that percentage drops to 23% over the next two years again indicating some expected economic recovery during that period.

Figure 1. Current Forecasts for Total Sales in the Next 12 Months



On a positive note, more than one-third (35%) expect a moderate increase over 24 months, and 9% expect a significant increase. While these responses are based on impressions, it is important to note the decided shift in optimism. While the 12-month forecast is decidedly negative with the number expecting a significant decrease in total sales almost 6 times the percentage expecting an increase, the percentages are almost even for the 24-month period. The percentage expecting a moderate increase slightly surpasses the number expecting a moderate decrease. Not unexpectedly, the more positively the business felt it was weathering the economic downturn, the more positive the 12- and 24-month sales forecasts, and vice versa.

Adequacy of funds

Respondents were asked about the adequacy of funds for short-term operational needs since a fairly common issue during a recession is that lower sales can force businesses into a situation where they have to borrow to continue. This, obviously, raises operating costs and in the current climate might pose financing difficulties. Fortunately, 61% of respondents reported that they have sufficient funds. However, more than one in five reported that they do not have adequate funding. These businesses are mainly in the retail and wholesale and business and service sectors, and are relatively small to medium businesses, with an employee size of 1 to less than 100.

Critical Suppliers

Success of a business depends not only on the market for its products, but also on its ability to obtain inputs from suppliers at reasonable costs. The recession affects the suppliers as much as it does the business. If a supplier closes, forcing the business to purchase inputs from a longer distance, the costs may be higher, and the business could lose its competitive edge and/or profitability. Modern businesses, especially businesses affecting the Rockford Region (i.e. automobile manufacturing) can have suppliers and supply chains that stretch globally, opening them to anything from natural disasters to terrorist attacks.

The questionnaire asked businesses whether any of their critical suppliers were at risk. Fortunately, only 14% of respondents replied affirmatively. These companies are mainly manufacturing and service businesses and represent less than 500 employees. Perhaps of as much concern is the fact that 42% of respondents said that they did not know whether suppliers are at risk. This group also mainly consists of respondents in the manufacturing and services sectors and is made up of small businesses. Knowing the suppliers that are at risk can help these businesses to lower their costs, which, in the current economy, could be the difference between success and failure.

Customer Risks

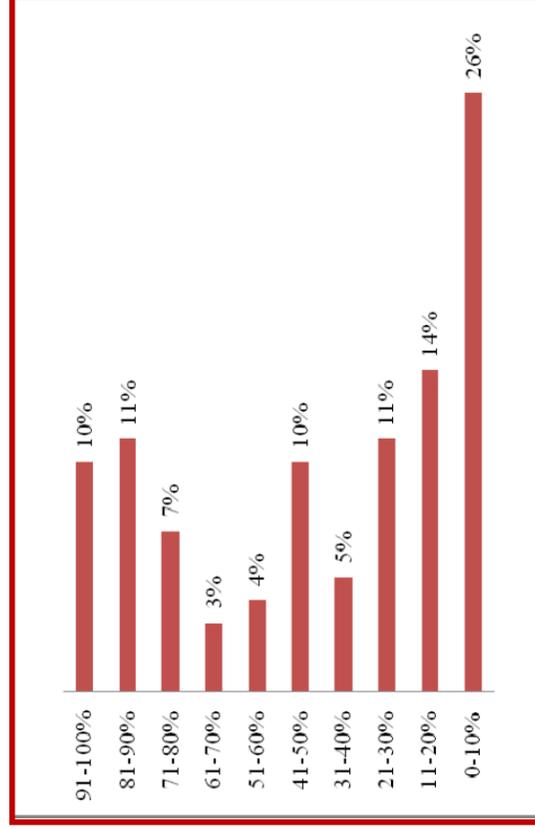
The most obvious way for the recession to affect businesses is loss of purchasing power through customer base erosion. Businesses that rely on a small number of customers may be more at risk than those with a diverse market base. The questionnaire asked whether any clients responsible for more than 10% of the revenue base are at risk. The responses could be of some concern because, while 54% reported no, 24% reported affirmatively, and 22% did not know. It may be worth helping these companies obtain a better estimate of the viability of some of their larger customers to plan for contingencies.

Non-Labor Inputs Purchased Locally

The impact of a business on the economy relates directly to the inputs purchased locally. The questionnaire asked respondents what percentage of their non-labor inputs are purchased in the MSA (Figure 2). Several observations are worth noting.

First, more than one-quarter (28%) of the respondents purchase 71% or more of their inputs in the Region. More than one-third of the companies purchase 51% or more locally. Although this finding is encouraging, it is unfortunate that we do not know the percentage of total expenditures that non-labor inputs represent.

Figure 2. Percentage of Non-Labor Inputs Purchased in Boone/Winnebago Counties



Second, 41% reported purchasing 11-40% of their non-labor inputs locally and more than one-quarter reported purchasing less than 10% of their inputs locally. Firms in the latter group are in the service sectors and are small in size (1-20 employees). It may well be that the inputs needed cannot be produced in the area because of lack of resources or simply because there is insufficient demand. Especially in the case of branch plants and/or chain stores, the decision about where to purchase may be made by a central headquarters outside of the region. Grocery stores and discount stores are excellent examples because most of their merchandise comes from a central warehouse.

It may be that these inputs could be produced locally either by an existing company adding to its product line or possibly through a new business that could be started in the region to meet an unfilled demand. Contacting the businesses purchasing outside the region to further explore opportunities to purchase locally might be a useful development strategy.

