



# ECONOMIC DEVELOPMENT STRATEGIES

Prepared for:

**Montgomery Economic Development Corporation**

Prepared by:

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**MEDC**

MONTGOMERY ECONOMIC DEVELOPMENT CORPORATION

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## **I. INTRODUCTION**

## INTRODUCTION

- ▶ The Montgomery Economic Development Corporation (MEDC) is a newly formed public-private partnership charged with maintaining and building upon the Village of Montgomery's economic base. This organization retained the services of Prager Company to help chart its course for the future and recommend actions for achieving its stated mission.
- ▶ Like much of the Western Suburbs, Montgomery is a small yet rapidly growing locale. While it has an array of assets attractive to prospective investors, it operates in the shadow of Aurora and is adjacent to Oswego, both formidable competitors for new investment. Further, Montgomery is in a region known more for its sprawl and mass than for any defining location characteristic.
- ▶ Although the Village is home to some of the Western Suburbs' larger employers, it has no particular business identity. Whereas other communities strive to reverse a negative image or leverage a positive one, Montgomery's challenge is to create awareness of a community that few know at all. This must be an important responsibility of the MEDC.
- ▶ As an evolving organization with no track record, the MEDC must commence meaningful economic development activities while simultaneously attracting members and financial support. This is a Catch-22 in that, until both are at an advanced stage, each will be hamstrung. With limited financial resources and a support network still in formation, the MEDC cannot reasonably expect to implement but a handful of key activities. But with minimal economic development efforts and limited successes to highlight, attracting members and financial support is a difficult proposition. This is why economic development organizations are most fragile in their early, formative years. The MEDC is no different.
- ▶ The inclination of newly forming EDCs is to avoid the early "distraction" of establishing organizational building blocks, with the assumption that they will be forged later when time permits. The reality is that this available time rarely comes. Now is the time for the MEDC to complete its processes, alliances, databases and tools, and to establish goals and objectives and metrics for measuring them.
- ▶ This document is a series of recommendations designed to help solidify the MEDC as a strong, effective and properly leveraged organization for years to come. It includes insight from more than 40 local employer surveys, observations on the assets most marketable, advice on organizational building blocks, suggested goals and objectives, thoughts on leveraging allies and tools, and recommended economic development strategies.

## **II. LOCATION ASSESSMENT**

## **A. Economic Observations**

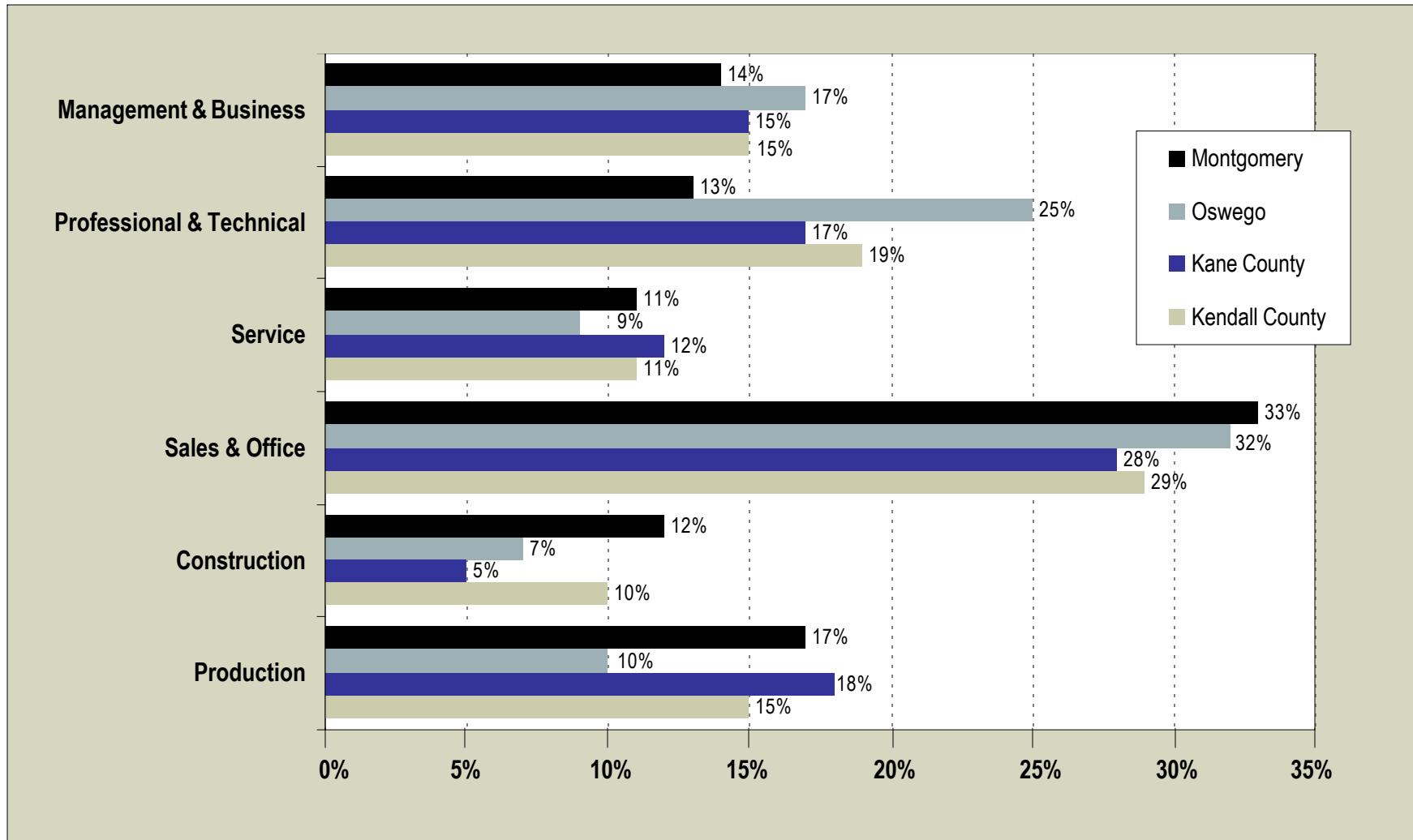
## OVERVIEW OF ECONOMIC OBSERVATIONS

- ▶ Montgomery is a rapidly growing residential community with an employment base far in excess of its population. The community takes pride in its casual, working class heritage. Census statistics show a relatively large percentage of residents employed in Production and Construction fields, as compared to its relatively small contingent of Management, Professional and Technical workers. Based on employer surveys, over half of Montgomery's manufacturers have called the Village home for more than 10 years as compared to roughly one-third of its retailers and restaurants.
- ▶ The percentage of Manufacturing establishments in Montgomery far exceeds that typically found in the region. And, according to rough MEDC estimates, as much as 70% of Montgomery employees work in the Manufacturing Sector. But this dominance may be starting to erode. In the past year, several prominent Montgomery manufacturers have either closed their doors or significantly downsized. Still, employer surveys indicate the vast majority of Montgomery manufacturers consider their status to be stable, at least over the past twelve months. Furthermore, several are contemplating facility expansion in the next few years.
- ▶ Perhaps surprisingly, Retail accounts for a larger share of Village establishments than that found elsewhere, including retail-rich Oswego. But this is simply a statement of retail mass and not quality or diversity. The Village has a disproportionately high percentage of Motor Vehicle Parts & Dealers, Basic Food & Beverage Stores, Gas Stations, and Building & Garden Materials Establishments. However, its percentage of perhaps "sought-after" retail -- such as Furniture and Home Furnishings, Health & Personal Care and Clothing Shops -- is quite low.
- ▶ An examination of non-Manufacturing (Retail, Service and other activities) projections in Kane and Kendall Counties reveals continued growth of virtually all of the dominant retail found in Montgomery, but also growth in other attractive industries. These include Business Services, Eating & Drinking Places, and Engineering & Management Services. Many of these industries are simply following the region's population growth and westward business migration.

## OVERVIEW OF ECONOMIC OBSERVATIONS (Continued)

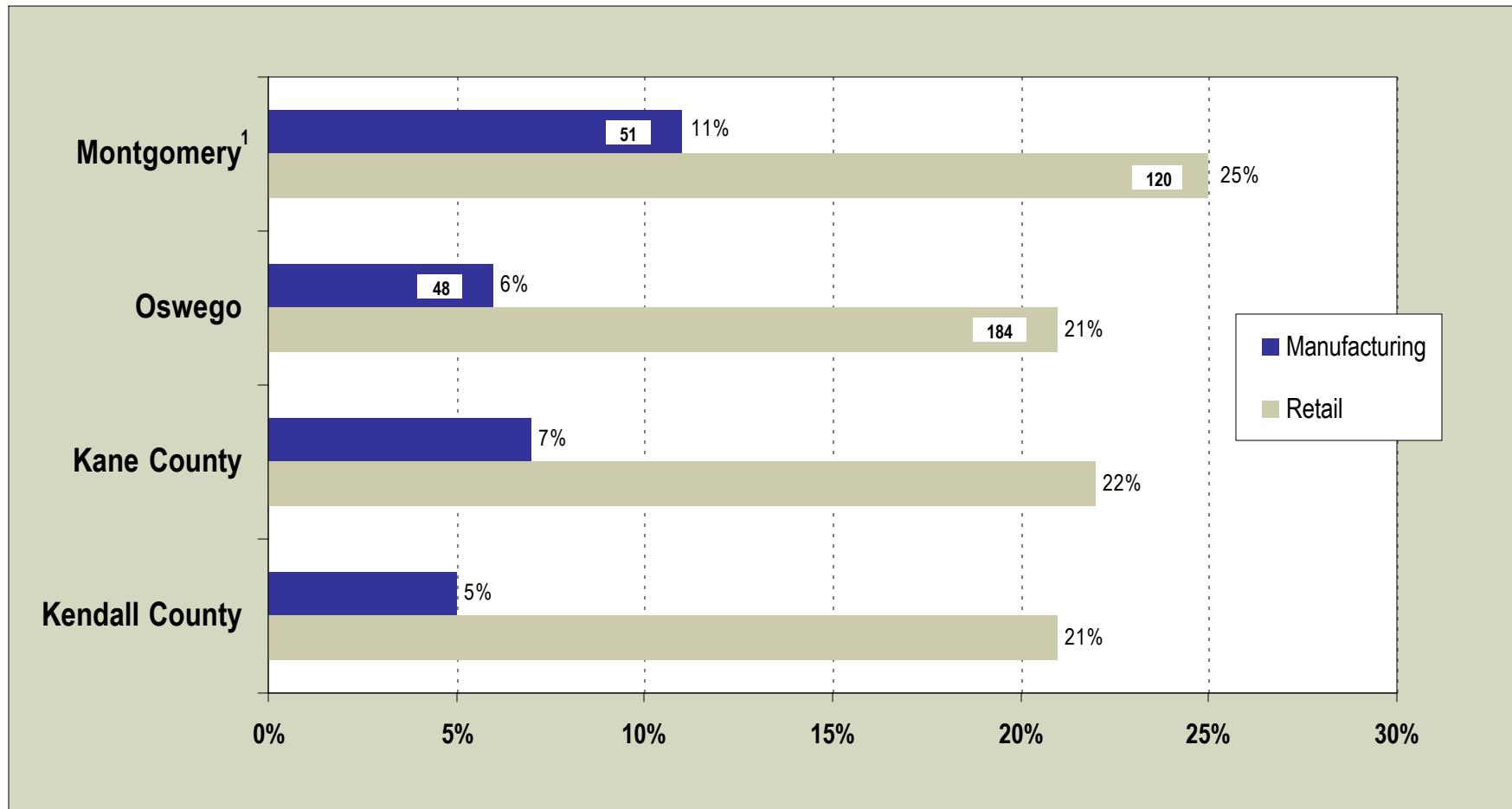
- ▶ The greatest Manufacturing presence in Montgomery (based on number of establishments) is in the traditionally heavy industry operations of Industrial Machinery & Equipment, Primary Metals and Fabricated Metals. Operations often labeled "more advanced," such as Electronics and Instruments, are far less prominent in the Village. Several of these industries are expected to continue to grow in the Western Suburbs, but so are manufacturers that traditionally trail a growing marketplace, such as Trucking & Warehousing, Building Materials and Printing & Publishing.
- ▶ Property ownership versus facility leasing is split about evenly within both Manufacturing and Retail/Restaurants. But more than two-thirds of those who lease their facilities claim their leases will expire by 2006. Prior to this time, they will decide whether to renew these leases at their present locations or perhaps move elsewhere.
- ▶ Whereas other communities may house only a handful of manufacturers primarily of the smaller variety, Montgomery is home to many extremely large facilities (mostly within the Kane County portion of the Village). With an average of 68 employees and more than 100,000 square feet per facility, the typical Montgomery firm dwarfs that of Kane County overall. This demonstrates an ability on the part of the Village to support large, labor-intensive ventures. Expecting more of the same may be a mistake given that, in Kane County, new manufacturing facilities have been averaging only 20 employees and under 15,000 square feet per facility. This also means that the closure or relocation of any large Montgomery manufacturer could take years to replace.
- ▶ Only about 10% of Montgomery manufacturing establishments are owned by Village residents (though most reside within the Western Suburbs), and fewer than 1/3 of retail/restaurant customers reside within Montgomery. With significant absentee ownership and a dispersed customer base, long-term commitment to Montgomery cannot be taken for granted.

## PRIMARY RESIDENT OCCUPATIONS



Source: U.S. Census of Population

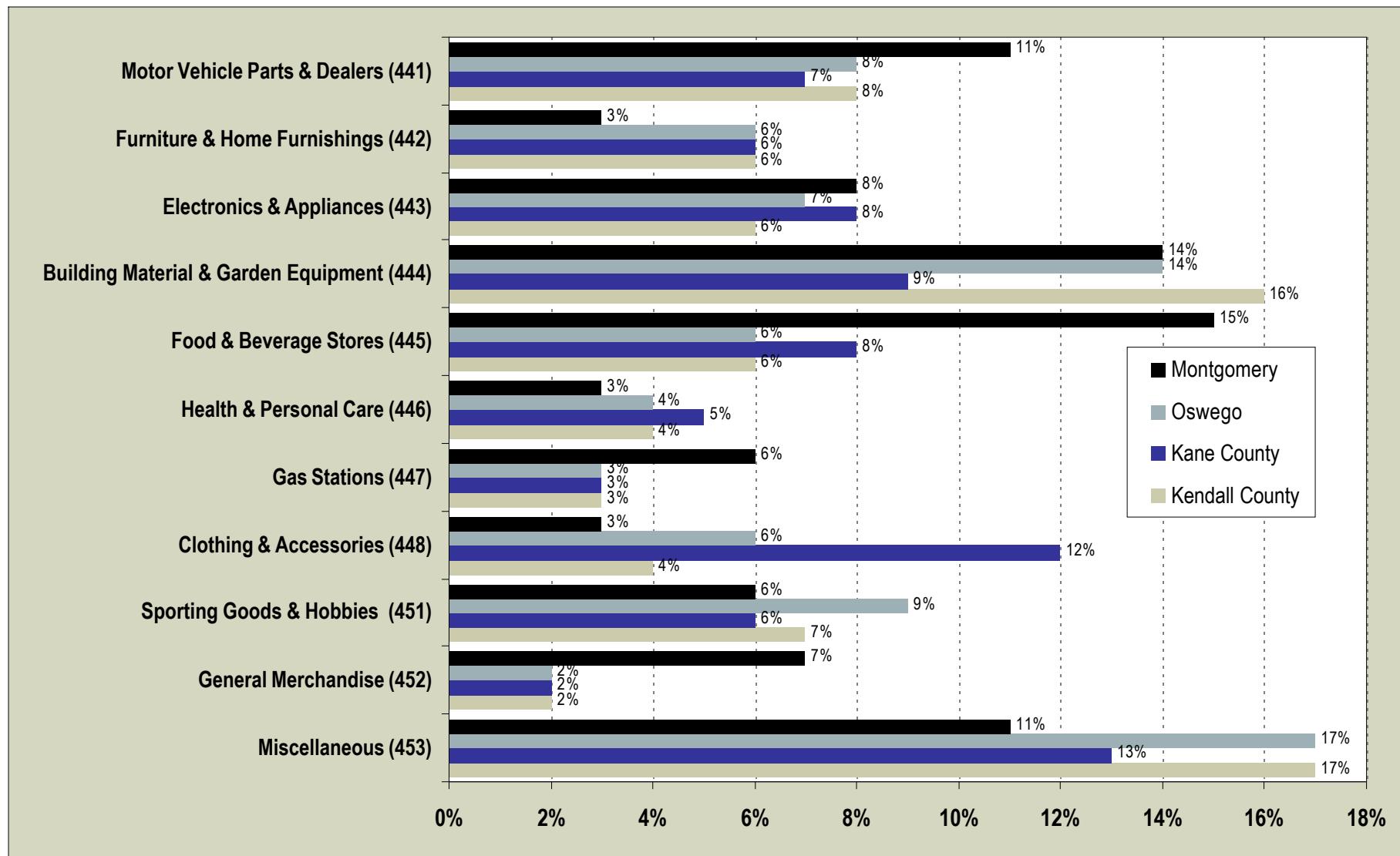
## PERCENTAGE OF LOCAL MANUFACTURING AND RETAIL ESTABLISHMENTS



1 Manufacturing employment is estimated by the MEDC as 70% of total employment

Source: Reference U.S.A.

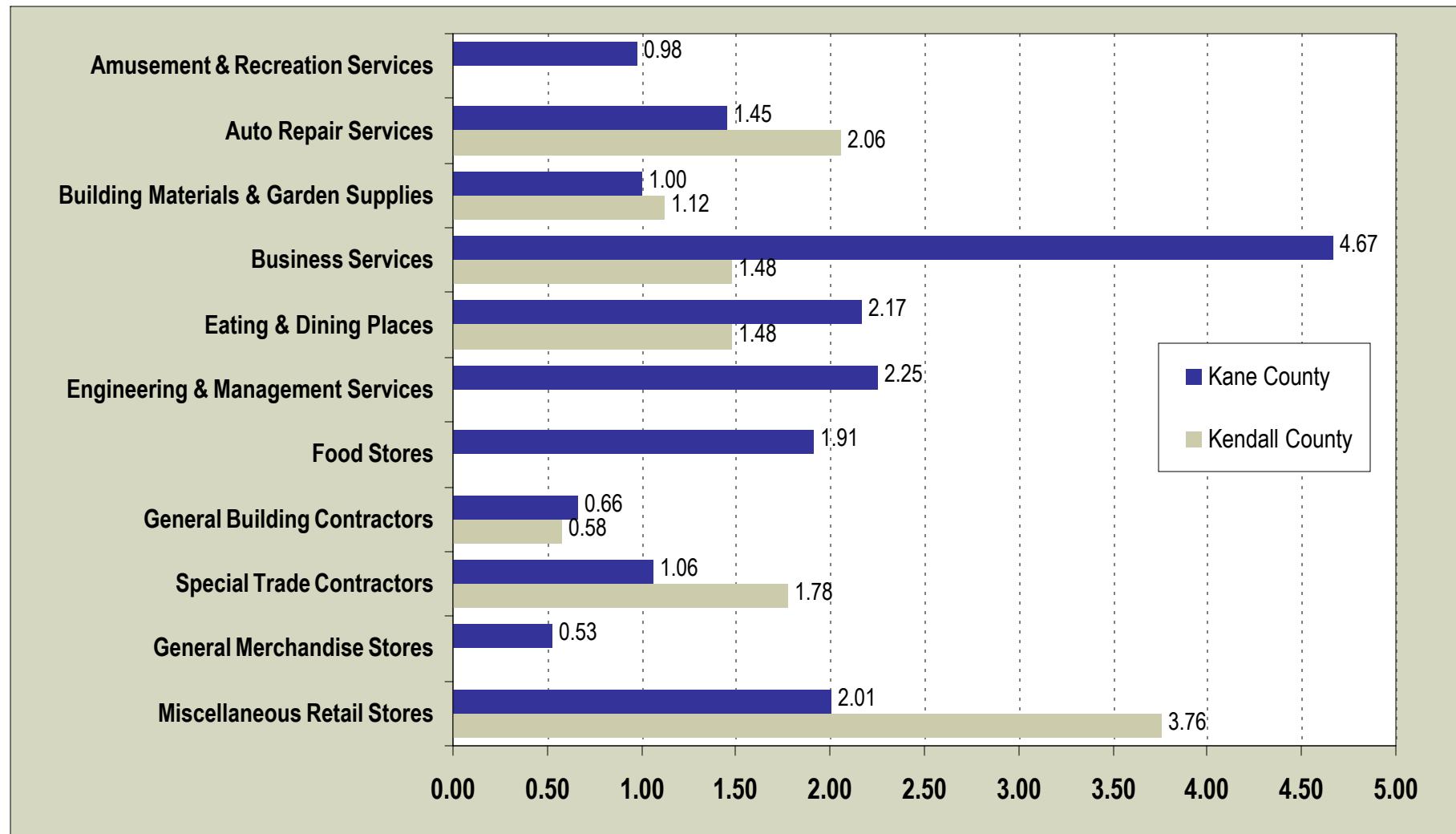
## LOCAL RETAIL ESTABLISHMENT MIX<sup>1</sup>



1 Some overlap of categories

Source: Reference U.S.A. (NAICS)

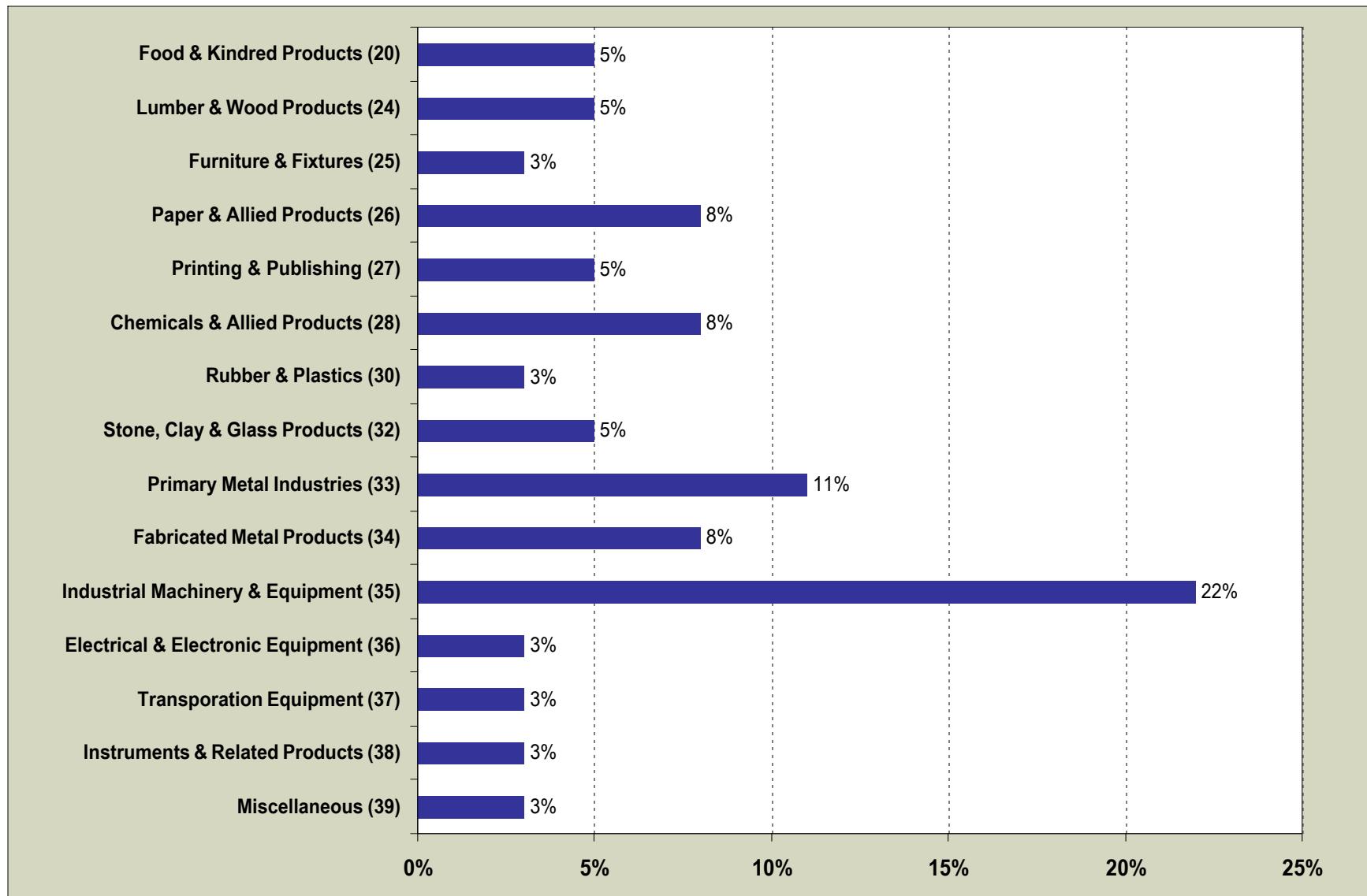
## PROJECTED ANNUAL NON-MANUFACTURING GROWTH IN KANE AND KENDALL COUNTIES<sup>1</sup> (2000-2010)



Source: IDES

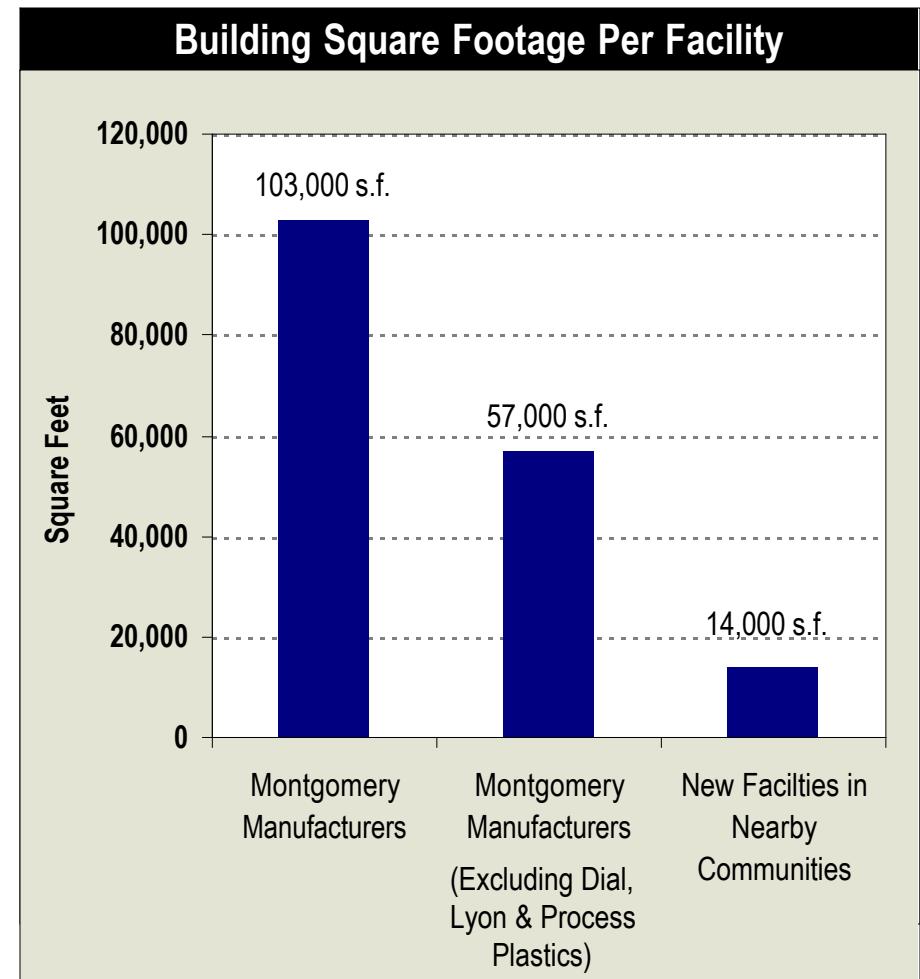
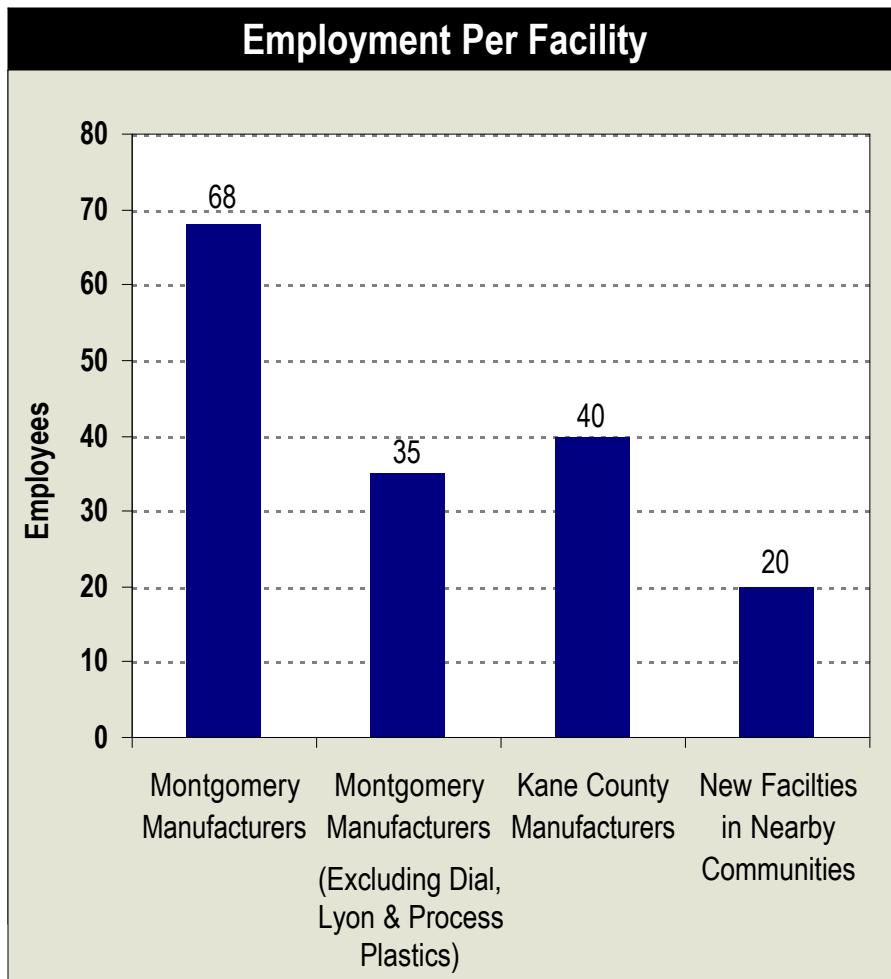
1 Includes only industries with sizable County employment (2,000 in Kane, 200 in Kendall) and projected annual growth of 0.50 or more

## MONTGOMERY MANUFACTURING ESTABLISHMENT MIX



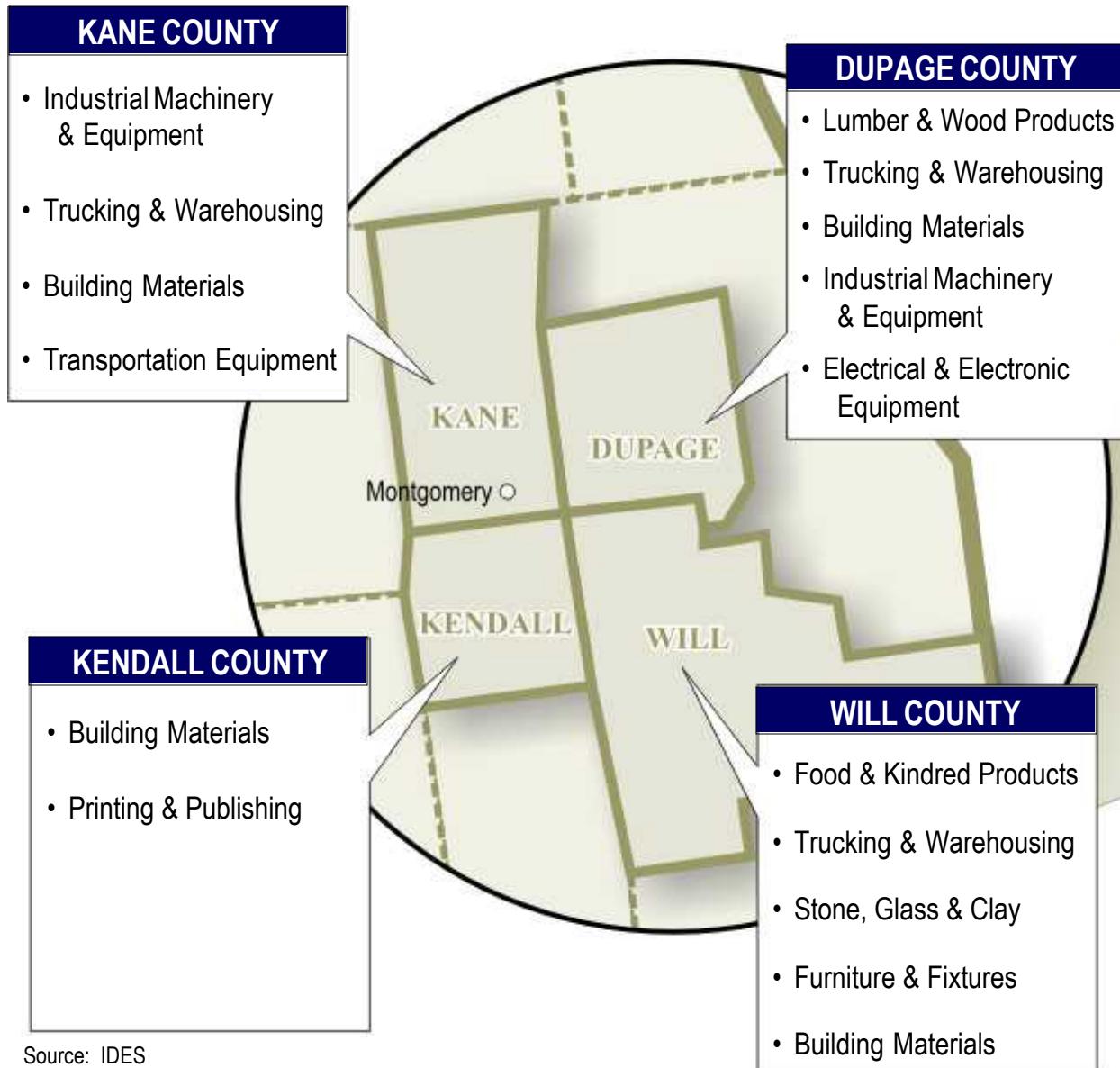
Source: Reference USA (SIC)

## “TYPICAL” MANUFACTURING EMPLOYMENT AND BUILDING SQUARE FOOTAGE



Sources: Community, Reference USA and Manufacturing News, Inc.

## GROWTH-ORIENTED MANUFACTURING IN WESTERN & SOUTHWESTERN SUBURBS (2000-2010)



## RECORDED FACILITY INVESTMENT IN NEARBY COMMUNITIES (1993-2002)

| Industry Type           | Aurora | Batavia | Elburn | Hinckley | Montgomery | North Aurora | Oswego | Plainfield | Plano | Sugar Grove | Yorkville |
|-------------------------|--------|---------|--------|----------|------------|--------------|--------|------------|-------|-------------|-----------|
| Food                    |        |         |        |          |            |              |        |            |       |             | 1         |
| Wood Products           | 1      | 1       |        | 1        | 2          |              |        | 1          |       |             |           |
| Paper                   | 1      | 1       |        |          |            |              |        |            |       |             |           |
| Printing                | 3      |         |        |          |            |              |        | 1          |       | 1           |           |
| Chemicals               | 1      |         |        |          |            |              |        |            |       |             |           |
| Plastics & Rubber       | 2      |         | 1      |          | 2          |              |        |            |       | 1           | 1         |
| Stone, Glass & Clay     |        |         |        |          |            |              |        |            |       | 1           |           |
| Primary Metals          | 1      |         |        |          |            | 1            |        |            |       |             |           |
| Fabricated Metals       | 4      | 1       |        |          | 1          |              | 1      | 3          |       |             |           |
| Machinery               | 1      | 1       | 1      |          |            | 1            |        |            |       | 1           |           |
| Computers & Electronics | 1      | 2       |        |          | 1          | 2            | 1      | 1          |       |             |           |
| Electrical Equipment    | 1      |         |        |          |            |              |        |            |       |             |           |
| Signs                   |        |         | 1      |          |            |              |        |            |       | 1           |           |
| Furniture & Fixtures    |        |         |        |          |            |              |        | 1          | 1     |             |           |
| Misc. Manufacturing     |        | 1       |        |          |            |              |        |            |       |             |           |

Source: Manufacturing News, Inc.

## **B. Business Climate Competitiveness**

## SITE SELECTION PROCESS AND OVERVIEW OF BUSINESS CLIMATE COMPETITIVENESS

- ▶▶ Site seekers today consider a wide variety of factors and geographies to achieve their facility investment objectives. For communities to succeed in this highly competitive marketplace, they must possess (or have immediate access to) the right bundle of assets, not simply one or two compelling advantages.
- ▶▶ Multiple forces are at work as companies seek to determine which locations and sites are the most beneficial and, therefore, warrant their coveted investment. Location investment objectives may include better market penetration, cost control or reduction, quality improvement, and enhanced product delivery. Understanding these decision-making objectives will go a long way in successfully attracting or retaining business investment.
- ▶▶ When selecting a location, investment decision-makers seek to minimize business operating risk while maximizing opportunities for long-term success. Although some site seekers may be blinded by large incentive packages or other enticements, most look more holistically at the operating climate and market, and their potential to meet their needs for the long haul. The site selection process typically consists of three stages that lead them to the optimal location:
  - Definition of the macro search area (often many communities or regions)
  - Sequential screening and elimination of locations that do not meet core project parameters
  - In-depth comparison of, and head-to-head competition between, finalist locations and sites to maximize return on investment
- ▶▶ Albeit sometimes difficult to measure, the perceived level of government receptivity toward business can weigh heavily at the early stages of site selection. Similarly, the degree to which existing firms are satisfied with the local business climate rightly receives much attention.

## SITE SELECTION PROCESS AND OVERVIEW OF BUSINESS CLIMATE COMPETITIVENESS (Continued)

- ▶▶ While manufacturers and retailers apply similar location decision-making processes, they apply vastly different decision metrics. The former is far more macro in its analyses, stressing factors such as transportation connectivity, labor from a large drawing area, available job training institutions, and proximity to suppliers and consumers. But eventually their decisions come down to the most cost effective and appropriately equipped community and site. Conversely, retail site selection is a micro phenomenon, with greatest emphasis (even early on) given to the consumer market within easy reach, traffic patterns and store access, intervening competition, and site configuration, cost and visibility. General demographics and quality of life can be important to both Manufacturing and Retail, though for different reasons.
- ▶▶ Montgomery has a number of advantages for the attraction of Manufacturing, perhaps the greatest one being its long history of serving a large and demanding Manufacturing community. Other marketable assets include:
  - Available manufacturing skills from a reasonable commute radius, especially including Aurora
  - Vocational and technical job training resources within close proximity
  - An abundance of large parcels of industrially zoned and rail served property, albeit lacking comprehensive utility service
  - Freight rail service to major industrial properties
  - Both large and small industrial buildings available for occupancy
  - Relatively inexpensive industrial property costs, low property taxes and steadily appreciating land
  - A safe living and working environment
  - A newly formed economic development organization charged with supporting existing businesses, including Manufacturing

## SITE SELECTION PROCESS AND OVERVIEW OF BUSINESS CLIMATE COMPETITIVENESS (Continued)

- ▶ Montgomery also has a number of advantages for the attraction of Retail. But, in this case, intervening opportunities in neighboring towns and the aggressive nature of the competition often stand in the way of Montgomery's success. Among Montgomery's most salient assets for Retail are:
  - A rapidly growing population within the community, and accelerated growth from contiguous towns
  - A daytime population bigger than most municipalities its size thanks to a large and labor-intensive Manufacturing base
  - Ever-increasing disposable income among the general population
  - Generally affordable property costs relative to the competition
  - Appreciating property, making the community a good long-term investment
  - A safe environment to live and work
- ▶ Montgomery manufacturers and retailers/restaurateurs consider worsening roadway congestion an issue that (if unabated) will increasingly discourage business investment from their respective sectors. Additionally, manufacturers and retailers/restaurateurs voice concern over rising property costs, though they refrain from calling prices noncompetitive. Manufacturers also see Montgomery's general lack of business image as a serious obstacle, and retailers cite a shortage of prime, visible sites as a noticeable hindrance to investment.
- ▶ From a site selection and investment standpoint, the Village is a moving target. The Montgomery of tomorrow will look vastly different than the community today. Contributing to this is hyper-population growth, pending roadway expansion, a Comprehensive Plan calling for downtown transformation, likely incentives in the form of Tax Increment Financing, new industrial and commercial development, and possibly (with successful lobbying) a new Metra commuter rail station. The MEDC's challenge is to enlighten prospective investors as to the future vision of Montgomery, not simply that which it offers today.

# BUSINESS CLIMATE COMPETITIVENESS

|                                   |  | General Rating   | Comments |
|-----------------------------------|--|--|----------|
| <b>Market and Demographics</b>    |  |  |          |
| Population Size                   |  | Small population sandwiched between commercial hubs -- Aurora and Oswego                         |          |
| Population Growth                 |  | But hyper-population growth experienced and projected into the future                            |          |
| Per Capita Income                 |  | Limited local buying power within community, albeit with growing disposable income               |          |
| Population Diversity              |  | Significant minority population appeals to racially diverse firms                                |          |
| <b>Labor and Higher Education</b> |  |  |          |
| Manufacturing Skills              |  | Critical mass of manufacturing skills, particularly with latest rash of layoffs and closures     |          |
| Educational Attainment            |  | Relatively low percentage of local population with Bachelors degrees                             |          |
| Labor Costs                       |  | River Valley workforce area has similar wage and salary rates throughout. Thus an average rating |          |
| College & Vo-Tech Resources       |  | Waubonsee Community College offers basic education and training                                  |          |
| <b>Transportation</b>             |  |  |          |
| Interchange Access                |  | Five miles to I-88 interchange (along congested roads) a moderate liability                      |          |
| Roadway Capacity                  |  | Delays along main business thoroughfare, but improvements targeted for 2007                      |          |
| Air Service                       |  | Distance to O'Hare about par, but air service at Sugar Grove's Aurora Airport helps              |          |
| Freight Rail Service              |  | Freight service to large properties bodes well for renewed rail interest among manufacturers     |          |
| Commuter Rail Service             |  | No commuter rail service in Montgomery, but lobbying efforts for Metra continue                  |          |
| <b>Real Estate</b>                |  |  |          |
| Industrial Land Availability      |  | Considerable industrial sites – rail access, adjacent to compatible uses, but not fully served   |          |
| Industrial Building Availability  |  | Extensive buildings availability for users ranging from 6,000 sf to over 600,000 sf              |          |
| Office Space Availability         |  | Scant supply of office buildings hurts efforts to attract time-sensitive office investors        |          |
| Prime Retail Space Availability   |  | Limited prime space in suitable, visible locations   |          |
| General Property Costs            |  | Somewhat lower property costs than competition   |          |
| Change in Property Values         |  | Rapid property appreciation connotes value for those purchasing real estate                      |          |

KEY

Strength Moderate Weakness

# BUSINESS CLIMATE COMPETITIVENESS (Continued)

|                                  |  | General Rating  | Comments   |
|----------------------------------|--|---|--|
| <b>Taxes &amp; Incentives</b>    |  |   |  |
| Property Tax                     | Kane  | Kendall  | Relatively low property tax, especially in Kane County   |
| Sales Tax                        |       |   | Generally on par with the competition  |
| Transportation Impact Fees       | Kane  | Kendall  | Hefty Kane County Transportation Impact Fees vs. those outside Kane County & DuPage County. No such fees in Kendall County |
| Local Incentives                 |       |   | Limited incentives with the exception of sales tax abatement. Also no incentive policy                                     |
| Tax Increment Financing          |       |   | Presently no TIF district, though one under consideration for eastern Montgomery   |
| <b>Quality of Life</b>           |  |   |  |
| Housing Availability             |       |   | Rapid development at high end, but limited availability of working class housing   |
| Housing Costs                    |       |   | Escalating property values/appreciation, but still lower cost on average than competition                                  |
| Public Education (K-12)          |       |   | Strong educational system with ISAT scores about average, ACT scores somewhat lower  |
| Public Safety                    |      |   | Low crime rates relative to competitors, but heightened local concern  |
| Restaurants & Retail             |     |   | Few restaurants or retail in Montgomery proper, but access via Aurora and Oswego   |
| Recreation/Parkland              |     |   | Considerable parkland/open space. Scenic village location on the banks of the Fox River                                    |
| General Livability               |     |   | Well planned, comfortable small town atmosphere. Minutes from urban amenities  |
| <b>Miscellaneous</b>             |  |   |  |
| Gov't Responsiveness to Business |     |   | Open government staff committed to economic development. Still forming business response approach                          |
| General Business Image           |     |   | A relative unknown in business investment circles, absent any real business identity                                       |

KEY      Strength       Moderate       Weakness 

### **III. STRATEGIC DIRECTION**

## **A. Goals, Objectives and Strategies**

## OVERVIEW OF GOALS, OBJECTIVES AND STRATEGIES

- ▶▶ The Montgomery Economic Development Corporation was formed to help stabilize and advance the economy of the Village. This is a lofty and admirable goal, but one that is difficult to comprehend for all but those most familiar with economic development. The diverse nature and challenges of business attraction, retention and expansion require that economic development be a team sport, involving full-time staff and volunteers best equipped to lend support.
- ▶▶ To garner the right level of participation, the intent of the economic development program must resonate with those most critical to its success. In Montgomery, this means government, business and residents must all understand what the MEDC is about and how it will benefit the community and them directly. This is the only way they will embrace and truly support its actions. To follow is an attempt at answering the question “Why the MEDC?”
  - Professional and focused representation of a Village poorly understood by the outside site selection community
  - A bridge to State, regional and private programs, resources and influence for important economic development matters
  - Packaging of multiple funding sources and incentives for greater cost effectiveness
  - A vehicle for business involvement and a voice for business in the economic development process
  - Nexus for collaborative service delivery in important areas such as workforce, transportation and real estate development
  - Contract procurement support matching suppliers and consumers, and linking firms to potential government contracts
  - Facilitation of business-to-business mentoring, connecting companies in need with their private sector counterparts
  - Help navigating business investors through permitting and regulatory processes
  - Channeling of investment to dormant or under-utilized Village properties
  - Furthering the use of economic data and market intelligence in support of sound local planning and fiscal decision-making
  - Elevation of community pride by demonstrating accomplishments to those within and outside Village boundaries
  - Identification and resolution of specific business issues, thus lessening outmigration and promoting local business expansion
  - Attraction of new investment translating into enhanced livability and tangible benefits for residents – jobs, retail, recreation and added revenue for Village services
  - Commercial and industrial diversification which adds stability and vitality to the local economy
  - Securing the Village’s rightful place as a destination of choice for desirable business investment

## MEDC ECONOMIC DEVELOPMENT GOALS AND OBJECTIVES

- ▶ From a strategic planning standpoint, effective economic development organizations must implement strategies that align with tangible objectives and agreed upon goals. Thus, all efforts performed by the MEDC must work toward achieving specific desired results (i.e. its goals and objectives). Provided are the recommended goals and related objectives for the MEDC. These objectives are then translated into many specific strategies throughout this section.

| Goals  | Objectives   |
|--|--|
| <b>Economic Stability</b>                    | <ul style="list-style-type: none"> <li>→ To stem the outmigration of Montgomery establishments (i.e. business retention)</li> <li>→ To attract new and infill-oriented industry, and diversify the economy</li> </ul>  |
| <b>Tax Revenue Generation</b>                | <ul style="list-style-type: none"> <li>→ To create awareness of Montgomery's retail opportunities</li> <li>→ To expand and diversify the retail base</li> </ul>  |
| <b>Business Climate Enhancement</b>          | <ul style="list-style-type: none"> <li>→ To add efficiency and cost effectiveness to the business operating environment</li> <li>→ To create a positive business image for the Village</li> <li>→ To serve as a repository of economic development research and tools</li> </ul> |
| <b>Visitation-Based Economic Development</b> | <ul style="list-style-type: none"> <li>→ To cultivate a local tourism and visitation industry</li> <li>→ To develop riverfront recreational opportunities</li> </ul>   |

## GOAL: ECONOMIC STABILITY

| Objectives   | Recommended Action  |
|--|---|
| <b>Stop<br/>Outmigration of<br/>Establishments<br/>(Retention)</b> | <ul style="list-style-type: none"> <li>→ Implement a business outreach program to uncover local problems and opportunities in time to respond. Use <i>Synchronist</i> as the analytical tool for direct business visits performed by economic development professionals and business volunteers (combine with direct visitation)</li> <li>→ Identify business “Red Flags” via Chamber monitoring of members, utility information and general vigilance. Red Flags include company acquisition, employment decline, utility fluctuation, reduced work shifts, etc.</li> <li>→ Formalize public-private “Rapid Response” teams of experts in workforce, finance, facility modernization and so on. Tap these individuals to address problems that arise as part of a larger business retention and expansion team</li> <li>→ Establish a program of business-to-business mentoring and support. Assign companies with specific needs to those experienced in such matters</li> <li>→ Regularly host focus groups and speaker series for joint business-government discussions. Topics to include real estate development, transportation improvements, regulation and permitting, and government contract procurement</li> <li>→ Alert businesses to County and State government procurement opportunities and facilitate these relationships as appropriate</li> <li>→ Attempt to link local suppliers and consumers (“Buy Locally” initiative) via connections with County Government, regional chambers of commerce, business associations and others</li> <li>→ Promote existing Business Retention &amp; Expansion services via local media and civic groups. Profile major activities and outcome in the media</li> </ul> |

## GOAL: ECONOMIC STABILITY (Continued)

| Objectives                                      | Recommended Action  |
|---|---|
| <b>Attract New and Infill-Oriented Industry</b> | <ul style="list-style-type: none"> <li>→ For industrial attraction, form a Regional Alliance with like-minded Kane County communities – consider Sugar Grove and North Aurora (possibly called the “Greater Aurora Crescent”). The Alliance would jointly perform out-of-town missions, select industry mailings and periodic advertising</li> <li>→ Leverage locally committed organizations to assist with Village promotion. For instance, pursue testimonials from business and advertising from real estate brokers</li> <li>→ Customize marketing messages to specific target industries. Differentiate Montgomery using the key assets stated previously. Also, convey Montgomery’s little-known attributes -- such as its sizable share of Kane County manufacturing employment and rail served property. Leverage the marketing relationship via the BNSF Route 34 Corridor Committee</li> <li>→ Attend industry-specific trade shows sparingly, preferably those co-sponsored by County, State, rail and utility allies</li> <li>→ Encourage local business leaders to attend “closed” trade shows on Montgomery’s behalf (i.e., those where only the industry’s businesses are welcome)</li> <li>→ Jointly host community tours of site seekers and property brokers. Synchronize tours with pre-scheduled festivals and events to improve turnout. Collaborate on tours with members of the Regional Alliance (North Aurora and Sugar Grove) and possibly the BNSF Route 34 Corridor Committee</li> <li>→ Track growth-oriented Midwest manufacturers via electronic data sources. Or, funds permitting, retain a private consulting firm to pre-screen and identify business leads</li> <li>→ Perform direct mailing, telemarketing follow-up and business visits to pre-screened firms. Visits should include economic development professionals and, if necessary, appropriate business leaders and the Mayor</li> </ul> |

# GOAL: TAX REVENUE GENERATION

| Objectives   | Recommended Action  |
|--|---|
| <b>Create Awareness of Montgomery's Retail Opportunities</b> | <ul style="list-style-type: none"> <li>→ Document attributes of Montgomery's properties and targeted retail areas. Include new investment, property characteristics and adjacent uses, ingress/egress, traffic counts, daytime population, growing disposable income, property appreciation and projected growth</li> <li>→ Quantify community costs and cost-savings (with and without incentives) relative to the competition</li> <li>→ Use Village GIS to show property market dynamics, such as traffic patterns, synergistic retail and area buying power</li> <li>→ Research the Montgomery area's retail gaps to demonstrate voids (opportunities) to investment-minded retailers. Examine typical trade areas for specific retail and proximity to (or distance from) these establishments</li> </ul>  |
| <b>Expand and Diversify the Local Retail Base</b>            | <ul style="list-style-type: none"> <li>→ Identify the types of retail opportunities (i.e. potential target markets) synergistic with existing and pending local uses, such as book/CD stores near schools, office supply stores near offices, etc.</li> <li>→ Fortify Montgomery real estate owners, developers and brokers with site selection data to support their marketing efforts</li> <li>→ Encourage brokers and developers to elicit MEDC support on all notable business attraction efforts. This includes lead referral, data response to opportunities and joint presentations</li> <li>→ Continue attendance at ICSC, but defer to allies to attend other retail shows unless costs are subsidized</li> <li>→ Tap small business and retail associations, as well as franchise associations to uncover investment opportunities</li> <li>→ Selectively target retailers with applicable merchandise and familiarity with the suburban marketplace. Stress those with a known connection to the region. Target national chains only sparingly (i.e. those where preliminary location decisions are often made from afar)</li> </ul> |

## GOAL: BUSINESS CLIMATE ENHANCEMENT

| Objectives  | Recommended Action  |
|---|---|
| <b>Add Business Operating Efficiency and Cost Effectiveness</b> | <ul style="list-style-type: none"> <li>→ Establish an incentive policy based on sales tax and other benefits sought by the Village, specific properties targeted for development, and “but-for” clauses. Apply agreed-upon metrics when deciding whether to incent businesses</li> <li>→ Consider use of a recognized economic impact model to weigh costs versus benefits. Also put in place “clawback” provisions to safeguard against business non-compliance</li> <li>→ Aggressively promote the Revolving Loan Fund for local business expansion and facility modernization</li> <li>→ Expand discretionary incentive offerings (including TIF) and appropriate assistance routinely provided by competitors. To do so, regularly track incentive types, amounts and actual uses by competitors</li> <li>→ Establish and maintain relationships with State Transportation Authorities and decision-makers. Provide economic justification (i.e. generate support) for a Metra Station, Route 30 expansion and possibly a Dedicated Truck Route for the Village’s industrial areas. Coordinate with Village on lobbying efforts</li> <li>→ Strengthen relationships with State and Metro Area authorities in support of grants, incentives and other economic development assistance</li> <li>→ Where appropriate, support efforts to relocate and cluster Montgomery manufacturers to add operational efficiency and separate potentially incompatible uses</li> <li>→ Pursue incubator creation, perhaps in a historic downtown structure, as a means to stimulate small business growth. Consult the National Business Incubator Association for development standards and sources of financial support</li> </ul> |

## GOAL: BUSINESS CLIMATE ENHANCEMENT (Continued)

| Objectives                              | Recommended Action  |
|---|---|
| <b>Create a Positive Business Image</b> | <ul style="list-style-type: none"><li>→ Arrive at one compelling business identity and “brand” the Village marketing efforts accordingly. Assess depictions of Montgomery used by others. This includes ally web sites, promotional documents, collaborative advertising, maps and printed characterization by others. Provide them with corrections and updates as appropriate, including DCEO, Kane County, Kendall County, realtors, utilities and others. As Montgomery marketing material updates are needed, apply one common format with consistent data and uniform messages</li><li>→ Develop a consistent signage policy for the Village and place signs and posters in visible locations. Lobby for enhanced roadway and railway signage that identify the Village’s location and promote its major properties</li><li>→ Encourage MEDC leadership and other businesses to promote Montgomery in appropriate settings. This should include associations and civic organizations</li><li>→ Regularly announce business attraction and expansion successes via media placement. Place “tombstone” ads in local newspapers. Draft and submit articles on the area’s rapid growth for publication by others</li><li>→ Consider MEDC sponsorship of major site selection conferences in exchange for added exposure. Conference organizations include CoreNet Global and the Urban Land Institute</li></ul> |

## GOAL: BUSINESS CLIMATE ENHANCEMENT (Continued)

| Objectives                          | Recommended Action  |
|-------------------------------------|---|
| <b>Serve as Research Repository</b> | <ul style="list-style-type: none"> <li>→ Develop and maintain a data repository on business climate conditions and costs (see site seeker list)</li> <li>→ Track general economic conditions, business characteristics and change, (new investment, business decline, etc.) using Village permit and related data</li> <li>→ Link MEDC data to Village's GIS for mapping Village attributes and promoting sites. Consider purchase of business list and retail databases for incorporation into GIS</li> <li>→ Establish mechanisms where government and private sector (especially realtors) automatically submit current property data</li> <li>→ Revisit all MEDC Village, County, State and other materials and databases to ensure consistency (DCEO community profiles, County promotional materials, ComEd's CoStar, highway maps, etc.)</li> <li>→ Develop two promotional brochures: 1) Manufacturing and 2) Retail</li> <li>→ Expand the buildings and sites database with salient marketing information (include preferred uses, usable acreage and/or square footage, transportation linkages, zoning, approximate lease or purchase terms, incentives, map and/or aerial photo, and property contact information). Continue LOIS usage</li> <li>→ Develop property promotional sheets for the most marketable sites and buildings (i.e. brochure inserts)</li> <li>→ Create a business reference guide for new company entrance and expansion. Include permitting and regulatory processes, approximate timing, general costs and key contacts</li> <li>→ Link the MEDC web site to common search engines accessible with obvious keywords. Incorporate a drop-down site seeker menu and messages compatible with Montgomery's pending collateral materials</li> <li>→ Incorporate employer testimonials into promotional materials and the MEDC web site</li> </ul> |

## GOAL: BUSINESS CLIMATE ENHANCEMENT (Continued)

| Objectives                              | Recommended Action   |
|---|--|
| <b>Serve as<br/>Tool<br/>Repository</b> | <ul style="list-style-type: none"> <li>→ Develop an e-mail or telephone network to notify allies, and for rapid response to opportunities and challenges</li> <li>→ Link MEDC's <i>ACT!</i> contact management tool to the Village for seamless project tracking and reporting</li> <li>→ Use the <i>Synchronist</i> surveying tool via ComEd for ongoing outreach to Montgomery manufacturers and retailers</li> <li>→ Consider an economic impact model to help determine when/if incentives should be applied (see Georgia Tech's <i>LOCI</i> model)</li> <li>→ Bolster the Village's GIS system as a tool for MEDC research and marketing</li> <li>→ Garner grantwriting support from Waubonsee Community College or others</li> <li>→ Research available economic development grants through sources including <a href="http://www.fdncenter.org">www.fdncenter.org</a>, <a href="http://www.donorsforum.org">www.donorsforum.org</a>, <a href="http://www.100.state.il.us/fedclear">www.100.state.il.us/fedclear</a> and <a href="http://www.firstgov.gov">www.firstgov.gov</a></li> <li>→ Explore State grants for relevant development, such as the IDOT Transportation Corridor Grant for Route 30 and the DCEO Tourism Development Grant</li> <li>→ Research and leverage Brownfield Programs and other EPA assistance for re-use of contaminated properties</li> <li>→ Explore economic development-oriented philanthropic organizations including: MacArthur Foundation, ComEd Transformation Grant, Grand Victoria Foundation, SBC Foundation and others</li> </ul> |

## GOAL: BUSINESS CLIMATE ENHANCEMENT (Continued)

| Primary Site Selection Information Needs   |  |   |
|--|--|---|
| Demographics   | Education and Training   | Taxes and Related Costs   |
| <ul style="list-style-type: none"> <li>• Population</li> <li>• Age Cohorts</li> <li>• Education Levels</li> <li>• Income Levels, Buying Power, Spending</li> <li>• Racial Composition</li> </ul>             | <ul style="list-style-type: none"> <li>• Institutions &amp; their Specialization</li> <li>• Student Enrollment</li> <li>• Academic Achievement</li> <li>• Screening, Recruitment, Training Services</li> </ul>   | <ul style="list-style-type: none"> <li>• All State/Local Taxes &amp; Rates</li> <li>• Workers Compensation Costs</li> <li>• Unemployment Insurance Costs</li> <li>• Related Legislative Initiatives</li> </ul>  |
| Business Composition   | Transportation   | Incentives and Other Programs   |
| <ul style="list-style-type: none"> <li>• Number &amp; Growth of Firms</li> <li>• New Business Start-Ups &amp; Successes</li> <li>• New Business Entrants, Business Closures &amp; Outmigration</li> </ul>    | <ul style="list-style-type: none"> <li>• Market/Property Access &amp; Proximity</li> <li>• Traffic Counts</li> <li>• Freight Rail Service</li> <li>• Trucking Service</li> <li>• Air Cargo/Passenger Service</li> <li>• Active &amp; Planned Improvements</li> </ul>     | <ul style="list-style-type: none"> <li>• Tax &amp; Financial Programs (State/Local)</li> <li>• Workforce Programs (State/Local)</li> <li>• Private Sector Incentives</li> <li>• Other Relevant Programs</li> </ul>  |
| Labor Force  | Utilities  | Environmental and Regulatory Issues   |
| <ul style="list-style-type: none"> <li>• Area Employment &amp; Unemployment</li> <li>• Occupation/Skill Levels &amp; Availability</li> <li>• Sector/Industry Employment</li> <li>• Wage Structure</li> </ul> | <ul style="list-style-type: none"> <li>• Electricity Providers, Costs &amp; Reliability</li> <li>• Natural Gas Providers &amp; Costs</li> <li>• Water &amp; Waste Water Capacity</li> <li>• Telecom Capabilities</li> <li>• Active &amp; Planned Improvements</li> </ul> | <ul style="list-style-type: none"> <li>• Environmental Attainment Restrictions</li> <li>• Zoning Regulations &amp; Processes</li> <li>• Building/Fire Codes &amp; Requirements</li> <li>• Building Construction &amp; Occupancy Permits, Processes &amp; Costs</li> </ul> |
| Livability   |  |   |
| <ul style="list-style-type: none"> <li>• Housing Availability &amp; Costs</li> <li>• Crime Statistics</li> <li>• Cultural &amp; Recreational Amenities</li> <li>• Health Care Amenities</li> </ul>           |  |   |

## GOAL: VISITATION-BASED ECONOMIC DEVELOPMENT

| Objectives   | Recommended Action  |
|--|---|
| <b>Cultivate a Local Tourism and Visitation Industry</b> | <ul style="list-style-type: none"> <li>→ Combine the mission of the MEDC with recommendations of the Montgomery Comprehensive Plan and Downtown Reinvestment Study into one strategy for appropriate riverfront development</li> <li>→ Lead efforts to procure funding for a Tourism Feasibility Study and possible riverbank developments to spur tourism and visitation. Consider DCEO tourism grants, Kane County funds for land use planning, IDNR financial support, the Grand Victoria Foundation and others</li> <li>→ Parlay riverfront access, festivals and pending canoe livery into riverbank visitation. Align these efforts with festivals held by neighboring towns, Fox River Valley bike trips and paddling expeditions</li> <li>→ Work with IDNR, DCEO, IDOT and others to procure funds for a possible canoe shoot at the Fox River dam and pedestrian bridge</li> <li>→ Consider hosting water-bourne activities, such as kayak trails and other amateur sporting events, moonlight paddling, etc.</li> </ul> |
| <b>Develop Riverfront Recreational Opportunities</b>     | <ul style="list-style-type: none"> <li>→ Generate interest from outdoor and recreation associations and enthusiasts, sponsorship from sporting good stores, etc.</li> <li>→ Align MEDC riverfront efforts with the proposed plans for a public arts display, music and possible Riverview Park resurrection. Also, connect riverfront recreation and visitation efforts to Montgomery's historic past – civil war, stockyards, etc.</li> <li>→ Generate additional support from others, including Waubonsee Community College (in the form of riverfront education), the Convention and Visitors Bureau, NIPC's Open Lands Project, and upstream and downstream communities</li> </ul>  |

## **B. Organizational Building Blocks**

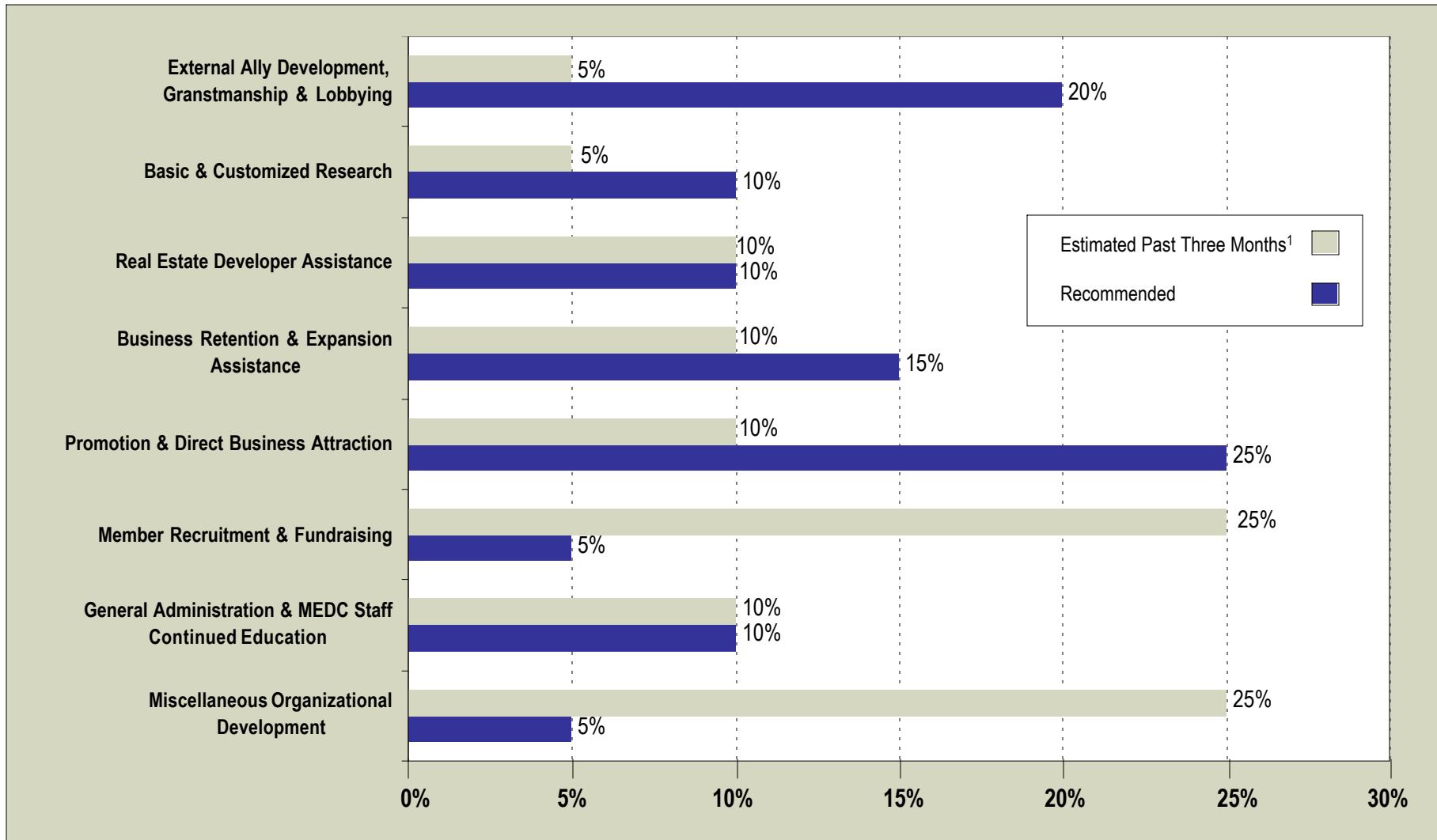
## OVERVIEW OF ORGANIZATIONAL BUILDING BLOCKS

- ▶ Montgomery leadership realizes the best way to promote economic development is through a public-private economic development corporation – the MEDC. The theory behind the organization's formation is that business, government and the non-for-profit sectors working in concert are far more effective than if acting alone. But, to succeed, the right organizations must commit their time and effort, supplemental financial and in-kind resources must flow, and professional staff must be properly deployed.
- ▶ The need to literally build the organization from the ground up has taken MEDC staff away from direct economic development service. Up to now, this has been a necessity. But the time has come for staff to leverage the partners now in place, to shed unnecessary administrative responsibilities, and to focus on that which matters most – the attraction, retention and expansion of desirable investment, and the enhancement of the business operating environment.
- ▶ Returning to the economic development business for which the organization was formed will require a reduction of staff time in the areas of Member Recruitment, Fundraising, and Basic Organizational Development. The available time should then be re-allocated to the areas of External Ally Development, Grantsmanship & Lobbying, Basic & Customized Research, Business Retention & Expansion, and Promotion & Business Attraction.
- ▶ To best leverage staff expertise and re-deploy resources appropriately, the MEDC must meld its partners into a volunteer structure that channels support to key issues. It is recommended that four MEDC committees be either bolstered or formed, comprised of individuals from government, business and the not-for-profit sector. These committees should include, but not be limited to, existing MEDC Board Members. The recommended committees are:
  - Membership and Fundraising Committee
  - Business Climate Enhancement and Visitation Committee
  - Business Retention and Expansion Committee
  - Marketing Committee

## OVERVIEW OF ORGANIZATIONAL BUILDING BLOCKS (Continued)

- ▶▶ The MEDC now has a solid nucleus for its Board of Directors. As with the organization's staff, these Board Members should accept specific responsibilities throughout their term. Activities need not be time-consuming, but should work toward advancing the organization, conveying its value to the outside world, and keeping it on a prudent fiscal course.
- ▶▶ For a small organization with a lofty mission, leveraging in-kind support is essential. Numerous organizations can be invaluable contributors to an EDC's efforts, often at no or minimal cost to them. As the MEDC staff prepares for aggressive service delivery, it should seek out organizations best equipped to lend support. Procurement of in-kind assistance (and crediting those who provide it) should be no different than that applied to direct financial contributions.

# ALLOCATION OF MEDC STAFF TIME

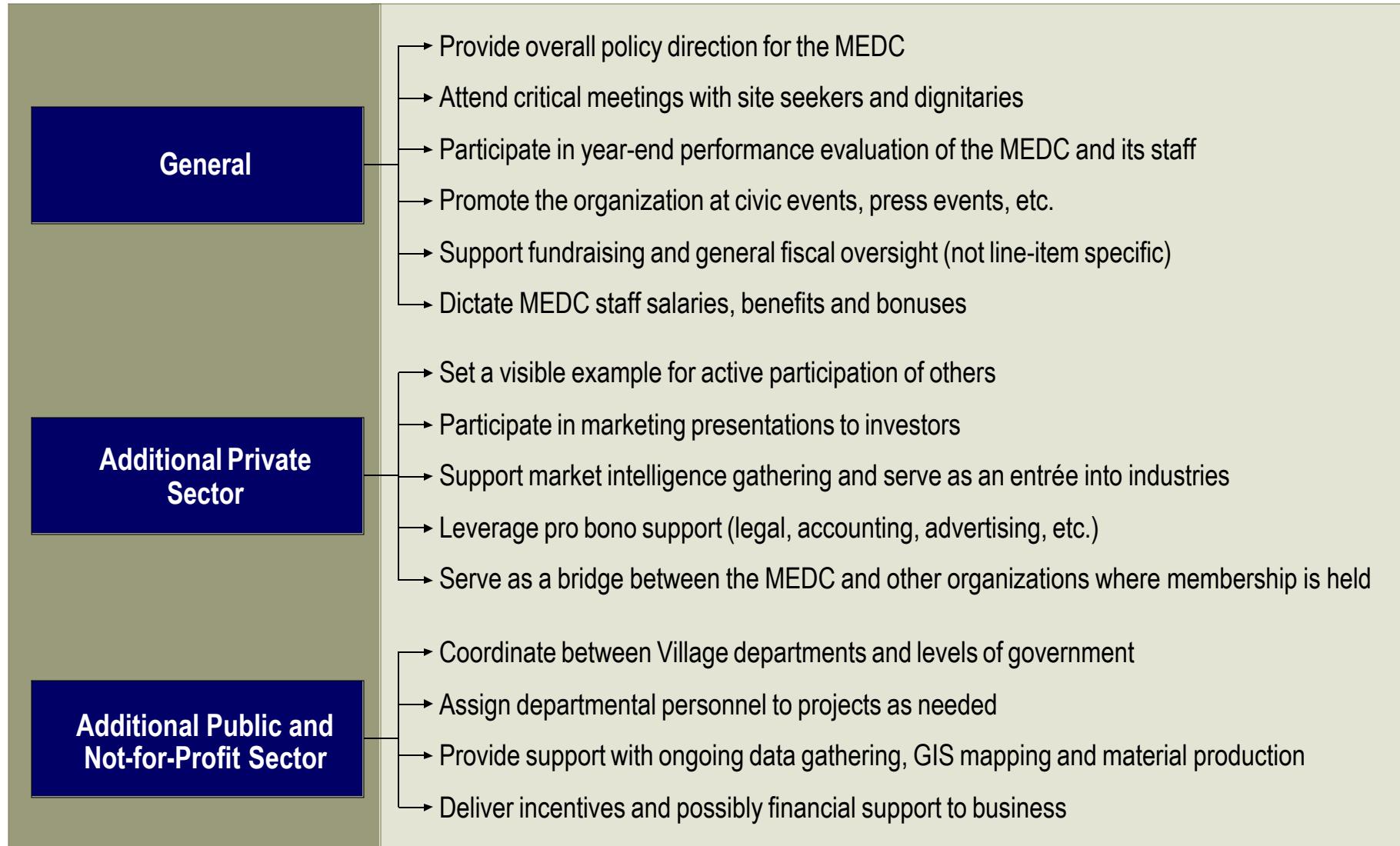


1 Estimated by MEDC

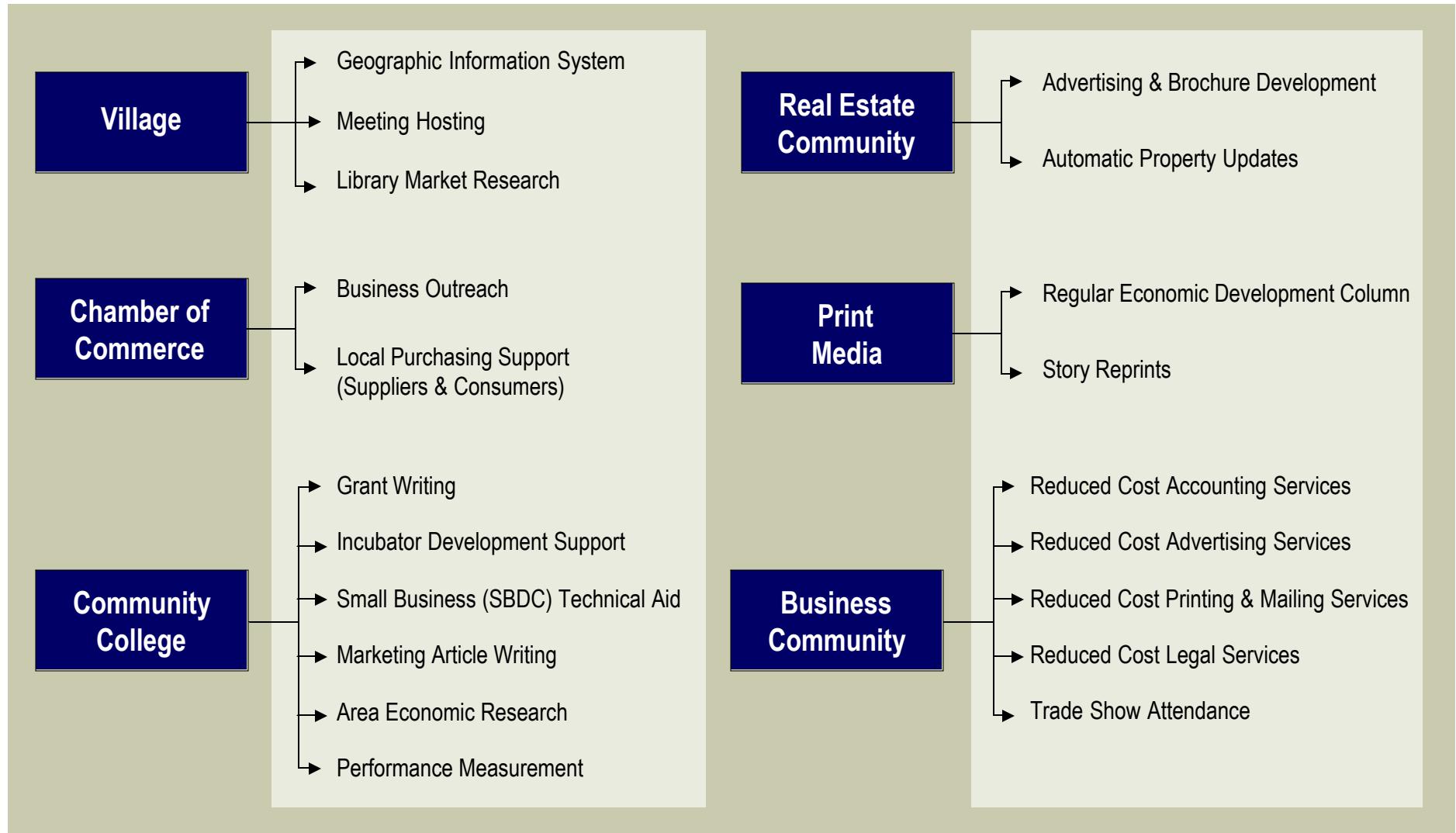
## SUGGESTED VOLUNTEER COMMITTEE STRUCTURE

| Committees   | Responsibilities  |
|--|---|
| <b>Membership and Fundraising</b>                  | Generate members, help respond to member issues, and secure funding from members, foundations and so on   |
| <b>Business Climate Enhancement and Visitation</b> | Public and private technical expertise dedicated to specific issues such as property development, incentive enhancement and tourism             |
| <b>Business Retention and Expansion</b>            | Support business outreach, examine business operating issues and mobilize assistance as needed  |
| <b>Marketing</b>                                   | Support image enhancement efforts, media-based awareness building, promotional material development, employer testimonials and direct marketing |

## SUGGESTED BOARD OF DIRECTORS INVOLVEMENT



## POTENTIAL IN-KIND SUPPORT OF THE MEDC



## **C. Action Checklist**

# ACTION CHECKLIST

|   |   |                                     |
|---|---|-------------------------------------|
| <b>Goals, Objectives<br/>and Organizational<br/>Building Blocks</b> | → Agree upon Succinct Goals .....   | <input checked="" type="checkbox"/> |
|   | → Translate Goals into Measurable Objectives .....  | <input type="checkbox"/>            |
|   | → Arrive at, and Distribute, Talking Points for Promotion and Funding of MEDC .....       | <input checked="" type="checkbox"/> |
|   | → Form MEDC Working Committees .....  | <input checked="" type="checkbox"/> |
|   | → Craft Responsibilities for MEDC Board of Directors .....                                | <input type="checkbox"/>            |
|   | → Re-Distribute Certain Fundraising, Membership and Administrative Responsibilities ..... | <input type="checkbox"/>            |
|   | → Procure and Publicize In-Kind Support for MEDC .....                                    | <input checked="" type="checkbox"/> |
| <b>Tools, Research<br/>and Material<br/>Development</b>             | → Create Email and Voice Mail Networks .....  | <input type="checkbox"/>            |
|   | → Establish and Link Contact Management Software to Village .....                         | <input checked="" type="checkbox"/> |
|   | → Procure Business Retention Surveying Tool .....   | <input checked="" type="checkbox"/> |
|   | → Leverage Village GIS for Economic Development .....                                     | <input checked="" type="checkbox"/> |
|   | → Garner Grantwriting Support and Pursue Grants .....                                     | <input type="checkbox"/>            |
|   | → Develop Site Selection and Research Repository .....                                    | <input checked="" type="checkbox"/> |
|   | → Develop Buildings and Sites Inventory .....   | <input checked="" type="checkbox"/> |
|   | → Establish Process for Researching Industry/Company Opportunities .....                  | <input type="checkbox"/>            |
|   | → Create Marketing Brochures .....  | <input checked="" type="checkbox"/> |
|   | → Create Property Inserts for Marketing .....   | <input type="checkbox"/>            |
|   | → Develop Materials on Regulatory Processes and Business Support .....                    | <input type="checkbox"/>            |
|   | → Prepare Quarterly Newsletter and Annual Report .....                                    | <input checked="" type="checkbox"/> |
|   | → Update Ally Materials Referencing Montgomery .....                                      | <input type="checkbox"/>            |
|   | → Enhance Web Site for Business Decision-Maker Usage .....                                | <input checked="" type="checkbox"/> |

Sufficient  Initial Stage or Pending

## ACTION CHECKLIST (Continued)

### Business Retention and Expansion

- Implement Outreach Program to Montgomery Establishments .....
- Recruit Allies to Detect Local Business "Red Flags" .....
- Formalize a Rapid Response Team of Business Assistance Experts .....
- Establish Business-to-Business Mentoring Program .....
- Establish Business Focus Groups and Regular Speaker Series .....
- Promote Business Assistance Efforts via Media and Local Groups .....

### Business Attraction and Tourism/Visitation

- Form Regional Marketing Alliance with Nearby Kane County Municipalities .....
- Generate Testimonials and Direct Marketing Support from Local Establishments .....
- Customize Marketing Messages for Retail and Rail Manufacturing Attraction .....
- Fortify Developers and Property Owners with Salient Marketing Information .....
- Attend Trade Shows Sparingly and Support the Attendance by Others .....
- Jointly Host Broker and Site Seeker Tours of Community .....
- Develop Joint, Selective Advertising and Article Writing Campaign .....
- Perform Direct Mail Campaign Followed by Telemarketing .....
- Secure Funding and Perform Riverfront/Tourism Feasibility Study .....
- Meld Riverfront Access, Festivals, Recreational Enthusiasm into a Formal Strategy .....

Sufficient Initial Stage or Pending 

## ACTION CHECKLIST (Continued)

| Business Climate Enhancement | → Establish an Incentive Policy and Advance Incentive (TIF) Creation .....                      | <input checked="" type="checkbox"/> |
|------------------------------|---|-------------------------------------|
|                              | → Promote Revolving Loan Fund and State Incentives for Business .....                           | <input checked="" type="checkbox"/> |
|                              | → Secure Economic Impact Model to Help Incentive Decision-Making .....                          | <input type="checkbox"/>            |
|                              | → Lobby (in concert with Village) on Behalf of Transportation Improvements .....                | <input checked="" type="checkbox"/> |
|                              | → Pursue Creation of Business Incubator for Small Business Advancement .....                    | <input type="checkbox"/>            |
|                              | → Establish Signage Policy and Expand Signage for Awareness Building .....                      | <input type="checkbox"/>            |
|                              | → Establish and Maintain Relationships with External Resource Providers and Policy Makers ..... | <input checked="" type="checkbox"/> |

Sufficient  Initial Stage or Pending