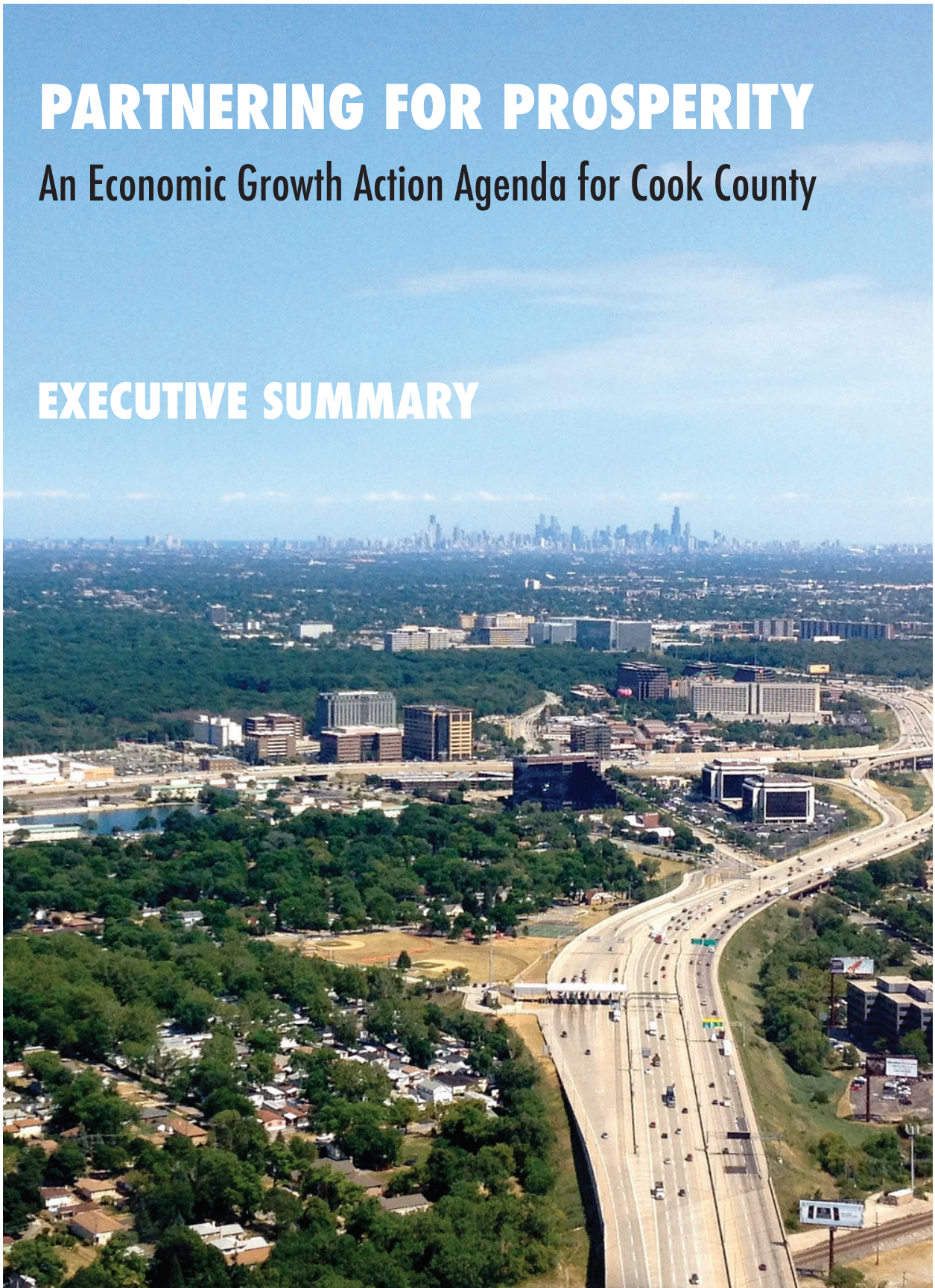


PARTNERING FOR PROSPERITY

An Economic Growth Action Agenda for Cook County

EXECUTIVE SUMMARY



April 2013



To the Residents of Cook County:

Cook County is at the heart of a great metropolitan region, where we make up more than half of its population, jobs, and businesses. Although our assets are plentiful, our economy has been slipping. This is impacting millions of decisions made each day by families, businesses, and investors in this region. Governments, including Cook County government, don't control this activity, but we do have a role to play. I'm convinced that we can create an environment where the economy can thrive.

When we provide first-class public services and infrastructure, we help the economy grow. When we create accountable, transparent and responsive government, we help the economy grow. These are roles that County government can—and should—play. We have an obligation to ensure that our programs, policies and investments support a thriving private sector.

We also have a responsibility to find ways we can partner with other governments and civic institutions to align our efforts. We are one region. Together, we can compete on a global stage. Separately, we are at risk of competing with each other in a short-sighted, zero-sum game.

To help County government address our role in the region's economy, I appointed a Council of Economic Advisors, chaired by Bill Osborn and John Rogers. I gave the Council a difficult but critical task: to find practical, effective ways that County government can support economic growth.

"Partnering for Prosperity" is the Council's response to that challenge. Building on a strong foundation of research and analysis, it offers nine strategies for improving the business environment, encouraging productivity, and supporting the people, places, and actions that can help the economy grow.

This document is a starting point for things to come. With the continued advice and assistance of the Council of Economic Advisors, initiatives will be developed to implement these strategies.

We cannot do it alone. But other regional and local partners already have thoughtful plans and our strategies are designed to align with them. We are working closely to support the Chicago Metropolitan Agency for Planning "GO TO 2040" plan, the World Business Chicago "Plan for Economic Growth and Jobs," and the Chicagoland Chamber of Commerce's new Tri-State Alliance for Regional Development. I look forward to the future opportunities this document will foster, creating prosperity for the residents of Cook County and the entire region.

Sincerely,

A handwritten signature in blue ink that reads "Toni Preckwinkle". The signature is fluid and cursive, written in a professional style.

Toni Preckwinkle,
President

COOK COUNTY COUNCIL OF ECONOMIC ADVISORS

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Bill Osborn

Chairman of the Board, Northwestern University
Chairman, Northern Trust Corporation (Retired)

John Rogers

Chairman, CEO & CIO, Ariel Investments

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Chancellor, UIC

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President & Founder, New Management Ltd

Michael Sacks

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Vice-Chairman, Tang Industries
CEO, National Material

Kevin Willer

President & CEO, Chicagoland Entrepreneurial Center

Dear President Preckwinkle:

The Cook County Council of Economic Advisors is pleased to present for your consideration the following Economic Growth Action Agenda for Cook County.

For the last decade, our metropolitan economy has grown more slowly than the nation's and those in other metropolitan areas. Cook County plays a large role in this slipping economy. We have some of its greatest assets, including robust industries, a national transportation hub, world-class universities, and a high percentage of college-educated residents.

But we also face some of its biggest challenges—a declining number of middle-skill production jobs and a greater percentage of people with low educational attainment. Cook County has multiple communities where residents are isolated by poverty, and its government is constrained by fiscal problems.

We face these challenges as the global economy is shifting dramatically. It is now more knowledge-based, more centered in metropolitan regions, and more dynamic. As we look for ways to bolster our region's economy, we will need to take these changes into account.

In the past, Cook County government has not had a strategic agenda for supporting our economy. It is our hope that this Action Agenda will guide the County as it reshapes its economic role in the region. The Agenda includes nine strategies for economic growth that should shape County policy, and inform its partnerships and actions. Like any good plan, it is intended to be a living document that will be adjusted as initiatives are developed to implement the strategies and as new strategic opportunities arise.

We have called this Action Agenda "Partnering for Prosperity" to reflect the many partnerships Cook County must engage in to support economic growth. Our intent is to avoid duplication, promote cooperation, and ensure that the County's assets are well-deployed to support growth in the region's economy. All this should be done in alignment with other regional plans and initiatives.

We want to thank Metropolis Strategies and RW Ventures for their work in research, analysis, and document development. Thanks also go to the staff of the President's Office and the Bureau of Economic Development, to the members of the Council of Economic Advisors, and to the Chicago Community Trust, which provided financial support for part of this effort.

Most of all, thank you for this opportunity to support your leadership in making Cook County an effective partner in regional economic growth. We look forward to continuing to work with you.

Bill Osborn

Co-Chair, Council of Economic Advisors

Chairman of the Board, Northwestern University
Chairman, Northern Trust Corporation (Retired)

John Rogers

Co-Chair, Council of Economic Advisors

Chairman, CEO & CIO, Ariel Investments

Foreword

The Chicago region enjoys many economic advantages. It is a national transportation hub and a leading center for industry and business. It has a well-educated population, a civic-minded business community, and an impressive network of public and private research institutions.

Despite these strong assets, the region is underperforming. Its public and private sectors need to take action, committing to a new kind of economic development that will produce results in today's global economy.

The region's businesses, civic organizations, and local governments are beginning to respond to this call, and Cook County disproportionately contains—and drives—the region's economy, with more than half of its population, jobs, businesses, and income. It also grapples with acute instances of the region's overall economic challenges: heavily congested transportation infrastructure, concentrated poverty, and a workforce that is poorly matched to hiring needs and poorly connected to job centers.

Under the leadership of President Toni Preckwinkle and with the guidance of her new Council of Economic Advisors, the County has committed itself to a clear focus on economic growth, aiming to ensure that its programs, policies, and investments are aligned to support a thriving private sector.

The public release of "Partnering for Prosperity" is the first step in this ongoing process. This Economic Growth Action Agenda outlines nine realizable, effective strategies the County can pursue in order to promote economic growth in the region. The Council is already prioritizing the report's highest-potential strategies, and investigating routes to implementation. As initiatives develop and momentum builds, the Action Agenda will continue to evolve, responding to new economic opportunities and to new prospects for creating regional partnerships. It is in these partnerships that the County and the region will find their strongest tools for growth.

This document is a brief introduction to the most important points in the Economic Growth Action Agenda, including its recommended strategies. Readers can download a PDF of the full report at:

<http://blog.cookcountyil.gov/economicdevelopment/growth-strategies>

GROWTH IN A NEW GLOBAL ECONOMY

Over the past 18 months, several well-regarded plans for the region have been developed.¹ These reveal troubling trends in the metropolitan economy—which, despite strong economic assets, has underperformed the nation and its peers in terms of output, employment, and productivity.

The region's underperformance reflects in part its failure to understand and respond to a changing global economy. Cook County's Economic Growth Action Agenda has been crafted to respond to these new conditions.

KNOWLEDGE FUELS THE WORLD'S ECONOMIES

Knowledge-based products and processes are proliferating across all industries, and entirely new sectors are emerging. Continuous innovation, assisted by flexible, responsive networks, has become the hallmark of economic growth in the new global economy.

METROPOLITAN REGIONS ARE KEY

Metropolitan regions concentrate assets, including human, business, real-estate, and institutional assets, and allow them to interact continually to create economic value. As a result, metropolitan regions are now the global economy's primary competitive units.

There are no "one-size-fits-all" solutions for helping regional economies grow. Each region has unique assets and will require specially tailored strategies. Growth strategies need to be integrated, not fragmented—a regional economy's whole is greater than the sum of its parts, and each piece (such as workforce training, infrastructure, and business development) succeeds or fails in context of the others.

INCLUSIVENESS IS GOOD FOR GROWTH

All parts of the region's economy are inextricably linked. Regions that develop and deploy more of their human, real estate, and business assets do better in the long run because they create greater efficiency and productivity, and reduce the costs of poverty.

REGIONAL STRATEGIES PAY OFF

In the past, underperforming regions tended to "catch up" with their higher-performing peers over time. This dynamic has changed. High-performing regions tend to continue pulling ahead of their competitors. In this context, small changes in strategy can make a big difference.

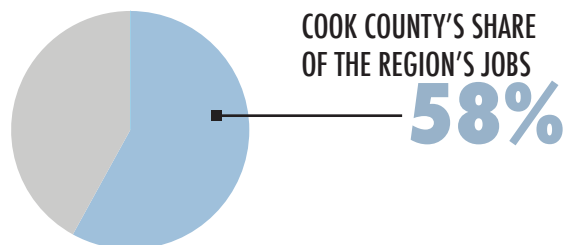
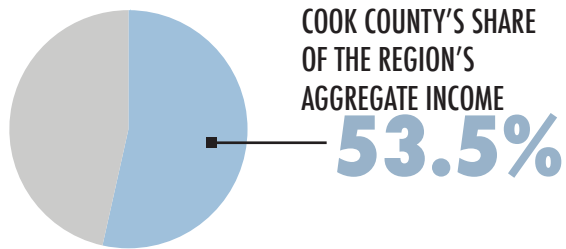
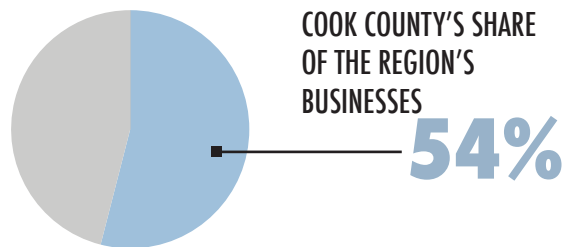
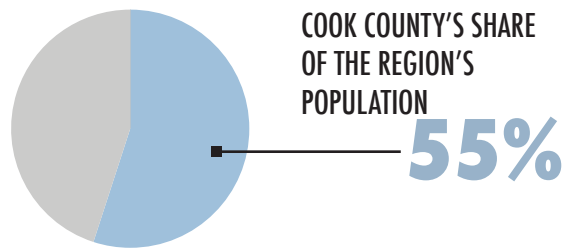
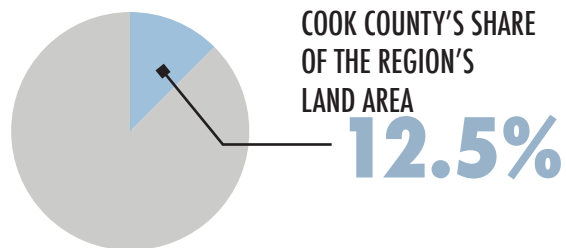
¹ See Chicago Metropolitan Agency for Planning, "GO TO 2040" (October 2011); World Business Chicago, "A Plan for Economic Growth and Jobs" (March 2012); and Organization for Economic Cooperation and Development, "OECD Territorial Review: The Chicago Tri-State Metropolitan Area" (September 2012).

A KEY PART OF THE CHICAGO REGION

Cook County is the core of the region's population, jobs, businesses, and productivity (see charts at right). These assets exert outsized influence on the regional economy and, as global economic trends continue to favor dense, connected areas, they are likely to become an even more significant driver of the regional economy over time.

The County also has a disproportionate share of certain economic challenges. The County's unemployment rate, for example, is one point higher than the rest of the region's¹⁸ and its poverty rate is nearly double that of its neighbors.

Both its assets and challenges are closely linked to the region's economy. Like the region, Cook County has underperformed economically and needs to repond with fact-based strategic economic growth planning.



■ COOK COUNTY
■ CHICAGO MSA WITHOUT COOK

A PROCESS FOR FINDING OPPORTUNITIES

To identify appropriate, high-impact economic growth strategies for Cook County, the Economic Growth Action Agenda analyzed three essential factors. The Action Agenda's strategies focus on the point where these three factors intersect because this is where the County's best opportunities occur.

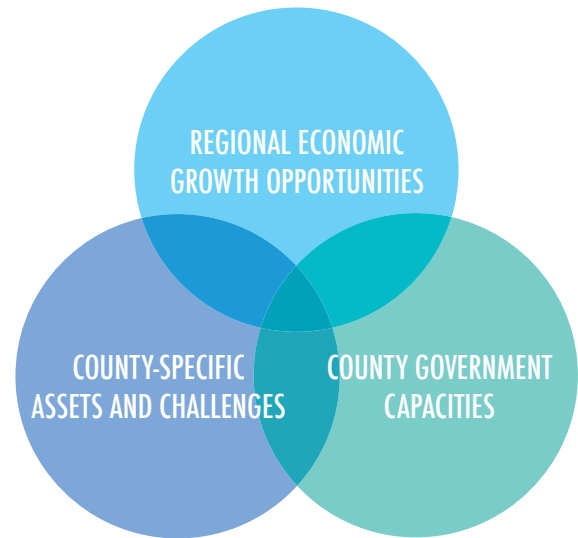
REGIONAL ECONOMIC GROWTH OPPORTUNITIES

Since regions are the global economy's primary competitive units, metropolitan Chicago's growth strategies must be grounded in its unique regional characteristics. The Economic Growth Action Agenda builds on existing regional studies that highlight the size and diversity of metro Chicago's economy, analyze its rich economic assets, and identify opportunities and strategies for moving forward.

COUNTY-SPECIFIC ASSETS AND CHALLENGES

Not all regional opportunities are equally centered in Cook County or relevant to its people, firms, and communities. The County's assets and challenges define which opportunities are most relevant and most susceptible to its influence.

The Economic Growth Action Agenda is based on a rigorous market analysis of the County's performance in five key areas: performance of regional clusters; human capital; innovation and entrepreneurship; spatial efficiency; and institutional environment.



COUNTY GOVERNMENT CAPACITIES

Cook County government's particular economic growth capacities and core competencies determine which County-centered regional opportunities it can best impact. Its capacities to influence economic growth fall into three categories: its inherent governmental capacities (taxation, regulation, and the provision of public goods) shape and enable market activity; its various offices, bureaus, and departments administer economic development funds or tools (such as property tax abatements); and its position as a major employer, purchaser, and property owner can be leveraged to improve workforce quality, local business growth, and efficient urban development.

STRATEGIES FOR PROMOTING GROWTH

From the Action Agenda’s detailed market analysis, nine priority growth strategies emerged. These are intended to align with other recently developed regional strategies, and will be implemented in partnership with World Business Chicago, CMAP, the Chicagoland Chamber of Commerce, and others.

The following list of nine is a beginning. The work that follows to develop initiatives will be a next step, and other strategies may emerge as the County builds its capacity to support economic growth. The strategies fall into three general categories: governance, production, and support.

GOVERNANCE STRATEGIES

Businesses will invest in regions with effective institutions, and regional collaboration is essential to successful economic growth strategies.

1

COOK COUNTY GOVERNMENT 3.0
 Increase Cook County government’s transparency, efficiency, and accountability

<div style="border: 1px solid black; background-color: #00838f; color: white; padding: 5px; text-align: center; width: 40px; height: 30px; margin-bottom: 10px;">WHY</div>	<p>Businesses look for a good tax-value proposition, which in part rests on effective, efficient government</p>
<div style="border: 1px solid black; background-color: #00838f; color: white; padding: 5px; text-align: center; width: 40px; height: 30px;">WHAT</div>	<p>Initiatives to implement this strategy should include:</p> <ul style="list-style-type: none"> Open, transparent flexible, adaptive, efficient government that includes technology-enabled policies and processes. Close engagement with citizens and with the civic and private sectors. Expanded collaboration across the County’s elected offices and with municipalities.

REGIONAL PLAN ALIGNMENTS WBC Plan for Economic Growth and Jobs (Strategy 10); CMAP GOTO 2040 (Efficient Governance); OECD Territorial Review (27)

2

INTERGOVERNMENTAL EFFICIENCIES

Increase suburban government efficiency through shared services and centralized capacities

WHY Cook County contains 121 municipalities of different sizes, with a wide range of capacities. Duplication of services imposes costs on businesses and residents.

WHAT Initiatives to implement this strategy should include:
Resources to identify and help implement service-sharing opportunities among interested suburbs.
Technical expertise made available to suburbs that have limited government capacities.

REGIONAL PLAN ALIGNMENTS

WBC Plan for Economic Growth and Jobs (Strategy 10); CMAP GOTO 2040 (Pursue Coordinated Investments); OECD Territorial Review (28)

3

STRONG STRATEGIC CAPACITY

Increase the region's capacity for strategic, coordinated economic growth initiatives

WHY Local economic development tends to focus on "zero-sum" intra-regional competition for firms, and many suburbs have limited economic development capacities.

WHAT Initiatives to implement this strategy should include:
Capacity for detailed economic analyses and business planning that can support new economic growth initiatives.
Shared initiatives across municipalities within Cook County and, ultimately, across County borders.

REGIONAL PLAN ALIGNMENTS

WBC Plan for Economic Growth and Jobs (Implementation approach); CMAP GO TO 2040 (Pursue Coordinated Investments); OECD Territorial Review (28)

PRODUCTION STRATEGIES

The production sectors of the regional economy—not retail or real estate—are its primary drivers of growth.

4

MANUFACTURING PRODUCTIVITY

Increase the productivity of Cook County’s manufacturing clusters

WHY

Manufacturing in Cook County and the region is strong and positioned to grow. In particular, Fabricated Metals and Food Processing employment are 20 percent more concentrated in Cook than in the nation.

WHAT

Initiatives to implement this strategy should include:
Assistance for manufacturing firms that need cutting-edge technologies and workers to operate them.

REGIONAL PLAN
ALIGNMENTS

WBC Plan for Economic Growth and Jobs (Strategy 1);
CMAP GOTO 2040 (Support Economic Innovation); OECD
Territorial Review (29)

5

SUPPLIER COMPETITIVENESS

Increase competitiveness of anchor institution suppliers

WHY

Cook County spends \$1 billion annually on goods and services. Improving the productivity and competitiveness of its suppliers, especially SWMBEs, would be good for County government and for regional growth

WHAT

Initiatives to implement this strategy should include:
Small business productivity services tailored for this group.
NOT a “buy local” or set-aside strategy.

REGIONAL PLAN
ALIGNMENTS

WBC Plan for Economic Growth and Jobs (Strategies 2 and 9)

6

LOGISTICS PRODUCTIVITY

Increase the productivity and efficiency of the Transportation and Logistics cluster

WHY

Transportation and logistics employs over 140,000 people in the region, 54 percent of whom work in Cook. Trucking is particularly strong in the the County.

WHAT

Initiatives to implement this strategy should include:
Support for existing and planned logistics strategies.
Assistance for small trucking companies that need to update their technologies.

REGIONAL PLAN ALIGNMENTS

WBC Plan for Economic Growth and Jobs (Strategy 3); CMAP GOTO 2040 (Support Economic Innovation)

SUPPORT STRATEGIES

Certain key areas “support” economic growth and enable markets. Keeping these healthy creates an environment where businesses can thrive.

7

STRONG PHYSICAL INFRASTRUCTURE

Improve the quality and efficiency of the region’s transportation infrastructure

WHY

Businesses rely on the efficient movement of people, goods, and ideas, but the region is now the nation’s third most congested—at a cost of \$6.2 billion annually.

WHAT

Initiatives to implement this strategy should include:
Improved regional public transit.
Congestion management.

REGIONAL PLAN ALIGNMENTS

WBC Plan for Economic Growth and Jobs (Strategies 3 and 8); CMAP GOTO 2040 (Regional Mobility); OECD Territorial Review (27)

8

COMMUNITIES THAT CONNECT

Support the emergence of dense, mixed-use, well-connected communities

WHY

The region has an acute jobs-housing mismatch, and its poorest areas—many of them located in Cook County—are isolated from economic opportunity.

WHAT

Initiatives to implement this strategy should include:

- Mixed-use, high-density development.
- Affordable housing near job centers and transit.
- Broadband expansion.

REGIONAL PLAN ALIGNMENTS

WBC Plan for Economic Growth and Jobs (Strategy 9); CMAP GO TO 2040 (Achieve greater livability through land use and housing); OECD Territorial Review (18)

9

DEMAND-DRIVEN WORKFORCE

Improve the alignment of Cook County residents' skills with employer demand

WHY

In Cook County, higher-skilled occupations are growing much faster than jobs for lower-skilled workers. At the same time, 42 percent of residents have a high school education or less. Cook is home to two-thirds of the region's immigrants, but immigrants in Cook are less likely to speak fluent English or have a college degree.

WHAT

Initiatives to implement this strategy should include:

- Employer-driven, targeted training aimed at priority sectors.
- Tailored workforce training and jobs-matching for the County's immigrant population.

REGIONAL PLAN ALIGNMENTS

WBC Plan for Economic Growth and Jobs (Strategy 6); CMAP GO TO 2040 (Improve Education and Workforce Development); OECD Territorial Review (18)

COOK COUNTY'S NEXT STEPS

This Economic Growth Action Agenda sets the stage for new partnerships, policies, actions, and investments for Cook County. Implementation of the agenda will require the following:

1. FULLY ENGAGE COUNTY GOVERNMENT AND PARTNERS IN IMPLEMENTATION

Acting on these strategies requires the engagement of all levels of County government and multiple outside partners. The County must:

- Engage people throughout the County's departments, agencies, and elected offices (as well as municipalities, other governments, and civic groups) by informing them about the Action Agenda and its alignments with other regional economic growth plans.
- Align the County's day-to-day work and programs with the strategies. This will start with detailed review by County department and agency heads to determine how they can adjust guidelines, criteria, regulatory practices, investments, and priorities to support the strategies.
- Establish an implementation team with the skills, resources, and time needed to work across departments supporting alignment with the strategies. The team should also be able to measure and monitor progress, and work effectively with other governments and civic institutions leading initiatives that are part of the County's agenda.

2. IDENTIFY INITIATIVES THAT SUPPORT EACH OF THE STRATEGIES

The nine recommended strategies set a direction for the County. Each must be implemented through the adoption of specific initiatives. The range of possible initiatives is wide: some may be modest and require few resources, and others may be more ambitious and require time, resources, and the development of new partnerships.

A first step in this process is to identify existing initiatives and programs consistent with the recommended strategies, and determine what role the County government and the Council of Economic Advisers might play in supporting them. Where there is no existing initiative, the County and the Council will have to play a leadership role in defining a course of action to move the strategy forward.

3. SET PRIORITIES AND SELECT INITIATIVES FOR ACTION

The County and the Council will evaluate the inventory of initiatives and select those that they have the capacity to lead or support. A business plan will be required for those initiatives that the County will lead. For initiatives that others are leading, the County will develop specific work plans to identify the resources to be devoted to the activity, and the value that will be realized as a result of their commitments.

ACKNOWLEDGEMENTS

Cook County wishes to thank its Council of Economic Advisors for their leadership, and Metropolis Strategies and RW Ventures for their work in research, analysis, and document development for "Partnering for Prosperity." Thanks also go to the staff of the President's Office and the Bureau of Economic Development, and to The Chicago Community Trust. PDFs of "Partnering for Prosperity: An Economic Growth Action Agenda" and its accompanying Executive Summary can be downloaded at:

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