

PLANNING ISSUES—ECONOMIC AND WORKFORCE DEVELOPMENT

Objectives



1. To continue expanding Kane County's diverse economy and maintaining a competitive position in the regional, national, and global marketplace.
2. To provide employment opportunities for all residents in the job market.
3. To implement land use and transportation policies providing a range of housing options to meet the need of a diverse workforce and providing better transit and pedestrian access to employment centers.
4. To support efforts strengthening job training and educational programs ensuring a competitive workforce for the 21st century.
5. To maintain and strengthen the long-term economic viability of Randall Road.

Chapter Focus

Kane County will prosper during the next 20 years because of its history as a business and government leader and because of its location within the robust Chicago metropolitan market. The challenge for Kane County is to maintain and strengthen its economic edge in light of demographic changes, workforce development, technology, and the rapidly changing global economy.

This chapter examines:

- Kane County Economy
- Workforce Development
- Randall Road Corridor
- Telecommunications

Kane County Economy



The Chicago metropolitan region has grown in population four times faster in the 1990s than in the previous two decades combined, increasing its population by nearly 11.4% between 1990 and 2000. The Chicago region gained more than 200,000 jobs, an increase of more than 7% from 1990 and 1998. During the 1990s the greatest relative increase in the number of new jobs occurred in McHenry, Will, and Kane counties, respectively. By the year 2020, 1.2 million new jobs will be created in the Chicago region.

Kane County currently has more workers than jobs. More resident workers are engaged in manufacturing, services, and transportation, communications and public utilities than available jobs in these sectors in Kane County. More jobs in Kane County in the wholesale and retail trade sectors exist than residents working in these sectors. A rough balance exists between the number of workers and jobs in the finance, real estate and insurance sector.

Since 1993, Kane County has experienced a relatively high employment growth rate. Fast growing sectors include services, construction and wholesale trade. The largest source of jobs (service industries) grew from 30% to 33% of Kane County's employment base. Manufacturing (27% of total employment) and retail trade (20% of total employment) are the next largest source of jobs, yet are growing at slower rates.

Overall countywide sales between 1993 and 1998 increased 14% from about \$3.2 billion to \$3.7 billion, adjusted for inflation. Automotive-related, general merchandise, food, drugs, and other retail sales, comprise about 69% of the county's total retail tax base. The highest growth categories were drugs and other retail (that is, jewelry and antiques, computer and office equipment, sporting goods, gifts, camera supplies, florists, etc.), automotive and furniture and household, followed by building materials, eating and drinking places and general merchandise. The forecast growth in population, per capita income, and sales are good indicators for a continued strong economy in Kane County.

PLANNING ISSUES—ECONOMIC AND WORKFORCE DEVELOPMENT

Workforce Development

The county's economic position within the Chicago region is greatly dependent on maintaining a competitive and diverse workforce for the region's businesses and industries. There are three critical components to workforce development in Kane County: workforce training, improving the jobs/housing balance, and reducing commuter travel time.



In June 2003, Kane County compiled an inventory of technical training programs in Kane County. The inventory identified 184 programs with a high school and adult enrollment of 7,255. Gruen Gruen + Associates examined the inventory compared to the workforce needs in Kane County. While it was determined that the training programs available were more than adequate, not all workforce training needs were being met. The Gruen Gruen + Associates report stated that there is a need to increase collaboration with businesses and other educational entities to reduce potential duplication, making more efficient use of resources and providing more relevant training and preparation services, including certified occupational and workplace skills.



Kane County is fortunate to have two community colleges within its borders (Elgin and Waubensee). Both of these offer various occupational programs as well as direct support to business and industry through customized training programs. They would serve as excellent catalysts for this concept.

The emerging information economy requires computer literacy as a basic skill standard of workforce training. It is estimated that almost all U.S. workers use some type of information technology in their jobs. The most desirable and high-paying jobs require competency in information technology. Efforts by Kane County public schools, private training organizations, corporations, colleges and universities must include, information technology as a necessary job skill component, accelerate employers and employees access to the digital network infrastructure, and increase information technology to create unlimited potential for business, industry, and innovation.

A balance between the number of jobs and the availability of housing is essential to a healthy workforce. According to Kane County's *Commuter Pattern Study*, Kane County employers hire approximately 66% of their workers from within Kane County, while 34% are coming from surrounding counties. The lack of affordable housing is contributing significantly to labor not being able to reside in Kane County.

Housing in Kane County is stable yet dominated by the single-family detached housing product. Availability of a variety of housing types for a community is critical to the county's ability to attract and retain a broad workforce. Each community should continually evaluate its residential housing stock to determine whether it is meeting the full spectrum of needs with its existing and new housing stock.

Chicago Metropolis in *The Metropolis Plan: Choices for the Chicago Region* states:

“When there is a mix of housing choices near employment centers, workers can find moderately priced housing within a reasonable distance from home. Less of a household's budget—in terms of both money and time—must be spent on a long commute. Firms that have more attractive housing options for prospective employees gain a recruiting edge over their competitors.”

Almost half of all Kane County residents leave the county daily to their place of work. According to *A Commuter Pattern Study*, prepared for Kane County, the number of residents commuting outside of the county each day for work has grown from 29% in

PLANNING ISSUES—ECONOMIC AND WORKFORCE DEVELOPMENT

1980 and 40% in 1990 to over 49% in 2001. Without further policy changes, the jobs-to-household ratio is forecasted to decline as the proportion of Kane County residents working outside the county increases. Secondly, the lack of mid-level to high-end employment increases out-commuting of this talent level. These workers, predominantly engineers, managers, salespersons/marketers, and skilled manufacturers, are widely experienced, well educated and well trained. Approximately 72% of out-commuters would take a comparable job in Kane County, if available, as an alternative to commuting 30 to 60 minutes daily by car.

Expanding and diversifying the economic base can reduce the number of residents working outside of the county. Strategies for this goal vary depending on location. For example the Aurora Area Planning Partnership area and the Greater Elgin Partnership Area could focus on addressing the loss of jobs in the manufacturing, services, transportation, communications and public utilities sectors. These partnerships can also work to provide a higher proportion of executive, managerial and professional employment opportunities.

Randall Road Corridor

Randall Road is a major economic growth engine for Kane County and continues to experience considerable commercial development. Concerns exist that some development may not be competitive in the long run, compatible with existing community character, and not pedestrian oriented or well integrated with adjoining properties. Based on these concerns the County contracted with Gruen Gruen + Associates for a white paper titled, “Anticipating the Future: Revolutionary Changes and Policy Recommendations For Enhancing The Randall Road Corridor”. The paper examined the shifting demographics and the income make-up of Kane County and reviewed key retail supply trends nationally. One of the major trends discussed was a shift from single-use to mixed-use development.

The policy recommendations from the paper suggest the desirability of encouraging the integration of a mix of retail, restaurant, entertainment, service, cultural, and office uses, as well as housing uses in compact areas. The recommendations also include encouraging a smaller number of dense, mixed-use community centers and discouraging independent retail centers. A mix of retail, service, public (that is, post office, library, etc.) office, and housing uses that allow pedestrian traffic between compatible uses reduces the amount of non-commute trips. The commute trips are increasingly becoming time consuming and travel intensive for many family households. Given the already heavy traffic on Randall Road, encouraging pedestrian-oriented, mixed-use environments will become progressively more important. Randall Road municipalities will do well to plan mixed-use environments that will dovetail well with the development of bigger and better regional shopping centers.

Specific recommendations from the white paper include:

1. Not adopting regulations limiting retail additions or restricting the growth of retail supply merely to protect existing retailers/shopping centers.
2. Use planning policies to avoid uses imposing externalities and opportunity costs and to encourage synergistic uses.
3. Discourage the stand-alone regional mall or power center.
4. Keep pace with the demographic make-up and consumer preferences in the primary market.
5. Use the information from the demographic and survey analysis to answer the question, “Why will consumers want to take the time and trouble to come to the development or shopping area?”



PLANNING ISSUES—ECONOMIC AND WORKFORCE DEVELOPMENT

The paper concludes by stating that Kane County is transitioning to a future filled with opportunities and challenges for both communities and their businesses and citizens. Those communities that wisely choose the future and whose government, business and resident stakeholders work together to accomplish it, will realize an increased quality of life and standard of living.

Telecommunications **T**elecommunication technologies consist of a diverse group of industries, including cable television, long distance and mobile telephone, internet providers, and local operating companies. These industries are offering a variety of options for voice, data, and video services to the consumer. Competition in this industry has become fierce as the ability and number of options to communicate between locations has become critical to our society.

Initially, telecommunication services were delivered primarily by copper wire and coaxial cable buried below ground. Now, fiber optic, satellite and wireless technologies are part of the mainstream industry and have helped to broaden and continue to change the definition of technology infrastructure.

Kane County municipalities should work to retain some level of local regulatory control over telecommunications infrastructure whether it is in the right-of-way or on public or private property, and for towers, antennas and related equipment facilities and structures. Telecommunication infrastructure has a visual, physical, and cultural impact on the county's landscape, as its location moves from below ground to above grade (Refer to Figure 31).

As the telecommunications technology advances there are more opportunities for cooperative partnerships between government, private industry, institutions and other non-profit organizations. Some municipalities are starting to look at integrated cable, television, and broadband Internet. Municipalities owning their own electric company have the advantage of using existing infrastructure and right of ways. This would enable communities to connect classrooms, city agencies, utilities, homes and businesses.

The growing application of the Internet will have implications on our land use patterns that have yet to be determined. Recent residential floor plans for new construction show exterior access for home food delivery ordered via the Internet. The Internet may also ultimately affect the amount and location of retail use required. Advances in technology allow the divisions between home and work to blur, which will undoubtedly affect travel and transportation patterns, as well as land-use decisions.

Touch screen kiosks strategically placed in grocery stores, malls and libraries offer another way to connect citizens with local government and other services. In nearby DuPage County, the county government, Ameritech, SBC global network, United Way of West DuPage County, the Daily Herald, and a private communications firm created "C.R.I.S." a Community Resource Information System, which offers data on health and social service local providers, as well as entertainment.

Telecommuting applications begin to address issues of updating the concept of universal access, bringing a phone to virtually every home in the U.S. To meet future social and economic needs, universal service will eventually include at least access to high-speed data and video transmissions in publicly accessible locations.

PLANNING ISSUES—ECONOMIC AND WORKFORCE DEVELOPMENT

Policies

1. Foster a stronger Kane County economy through workforce training and development.
2. Continue monitoring workforce training needs and programs.
3. Achieve a more equal balance between the number of workers and jobs residing in Kane County.
4. Continue monitoring jobs opportunities and employment growth by sector in Kane County.
5. Encourage Kane County municipalities and the county to develop a mix of attractive workforce housing with a range of prices near employment centers.
6. Encourage and adopt commercial and mixed-use development along Randall Road compatible with community character, integrated with adjoining properties, promoting pedestrian accessibility, providing housing opportunities and supporting long-term economic viability of the county.
7. Monitor telecommunications conditions to enhance the future economic and quality of life for Kane County citizens.

Figure 29

Employer Assisted Housing

The City of St. Charles is the first municipality in Kane County that has made a commitment to Employer Assisted Housing. The program seeks to assist employees in purchasing an affordable home closer to work, while improving the city's employee retention and training costs. Qualified, full-time municipal employees with two years of work experience are offered a \$5,000 loan for the purchase of a new or existing home. The loan is forgiven so long as the employee remains employed by the City of St. Charles for five years and maintains ownership of the home purchased. St. Charles, in cooperation with the Joseph Corporation also provides homeownership counseling to those employees that do not qualify for the program but wish to improve their financial situation.

Source: City of St. Charles, Employer Assisted Housing Program, 2003.

Figure 30

Transit-Oriented Development Bolsters Local Economy

Three characteristics define transit-oriented development: moderate and higher density housing, a mix of land use (complementing public uses, jobs, retail and services), and transit accessibility all within walking distance of a regional transit station.

Public and private investment linked with public transportation is forward thinking policy that can provide long-term economic gain. Transit-oriented development can help improve a struggling downtown core or bypassed neighborhood. A newly constructed commuter rail station can be used as the catalyst to create a well planned village. Building around a transit station not only supports the system itself, but helps in land appreciation (residences and commercial properties near train stations significantly increase in value). Local government benefits from the property tax increases typically realized in these locations. Transit accessibility also helps attract and retain a diverse workforce.

Figure 31

High Speed Wireless Technology

High-speed wireless technology creates an unprecedented, portable fusion of work, entertainment and communication. Being stuck in traffic or an airport no longer limits connectivity, if a laptop or some type of portable communication device is available. One implementation strategy for this emerging technology routes data from shoebox-size radio transceivers mounted on streetlights and utility poles to wired access points. The success of this system requires a region to be blanketed using existing infrastructure in the right of way.

Figure 32

Critical Skills Shortages Initiative

As part of a statewide undertaking to strengthen Illinois' system of workforce and economic development, the Governor's Office and the Department of Economic Opportunity have announced the need for local participation in the Critical Skill Shortages Initiative. The Critical Skills Shortages Initiative is designed to align regional workforce strategies with economic development to provide qualified workers for critical skill shortage occupations, and will include:

- Identification of skill shortage occupations that provide good wages and benefits in key sectors;
- Examination of both root causes and on-the-job factors that lead to shortages;
- Redirection of existing resources implementation of strategies to address these issues.

Source: The Workforce Boards of Metropolitan Chicago, 2004.