



South Suburban Economic Growth Initiative

Phase 1 Report
Executive Summary

June 2017





OFFICE OF THE PRESIDENT
BOARD OF COMMISSIONERS OF COOK COUNTY

118 NORTH CLARK STREET
CHICAGO, ILLINOIS 60602
(312) 603-4600
TDD: (312) 603-5255

TONI PRECKWINKLE
PRESIDENT

May 2017

To the residents of Cook County,

I have made the economic health of Cook County's 132 municipalities a priority since I assumed office.

Municipalities are our partners in growing our region's economy. Some are job centers, while others provide recreational opportunities or serve as retail centers. Some face fiscal challenges and others do not. No matter: they are all part of the economic fabric of metropolitan Chicago.

A headline about problems in one of our communities should concern us all. We can only have success as a region if we ensure that everyone contributes to, and benefits from, our economic growth. Regions that capture the varied contributions from all municipal partners are the ones that thrive. Communities that turn their backs on their struggling neighbors will not. Since we know the economy is an integrated whole, we can't afford to waste any of its parts.

Cook County's South Suburbs are asset-rich with people, infrastructure, businesses and real estate critical to the health of the regional economy. However, in recent decades, parts of the South Suburbs have struggled as they have become increasingly disconnected from the regional economic trajectory. This growing exclusion heightens the social and economic challenges these communities face and undermines the long-term growth of the entire metropolitan region.

As a result, the Cook County Bureau of Economic Development, with significant assistance from the Chicago Metropolitan Agency for Planning, Civic Consulting Alliance, Mass Economics and RW Ventures, LLC, initiated the South Suburban Economic Growth Initiative. The Chicago Community Trust and the MacArthur Foundation have provided generous financial support and guidance for this initiative.

This report presents the findings from Phase 1 of the initiative – a preliminary, fact-gathering stage, with interviews with more than 70 stakeholders to develop a baseline understanding of the South Suburbs' core economic dynamics, current activities and leadership. It is important to recognize that this is a **preliminary phase**, mostly to get grounded, generate ideas, begin to engage potential partners and lay the foundation for a much more substantial Phase 2. Even this preliminary work, however, reveals major challenges and priority opportunities for the South Suburbs.

Building from the findings reflected in this report, we aspire in the next phase to engage a broad set of stakeholders and partners in developing a comprehensive set of initiatives that will build from current activities to restore the South Suburbs as key communities of choice and hubs of economic activity. The goal is to drive prosperity in the South Suburbs and the region, which deserve no less.

Sincerely,

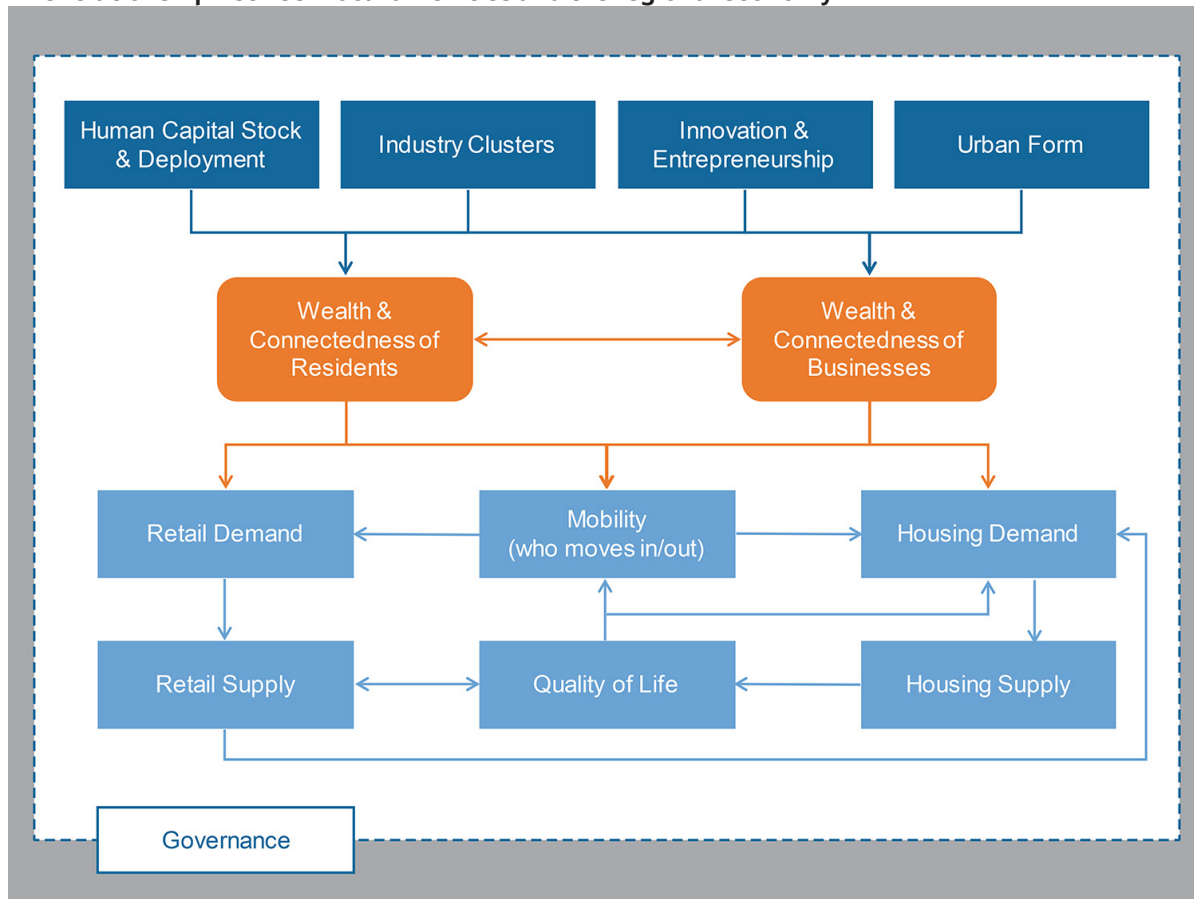
A handwritten signature in blue ink that reads "Toni Preckwinkle".

Toni Preckwinkle
President

What and why

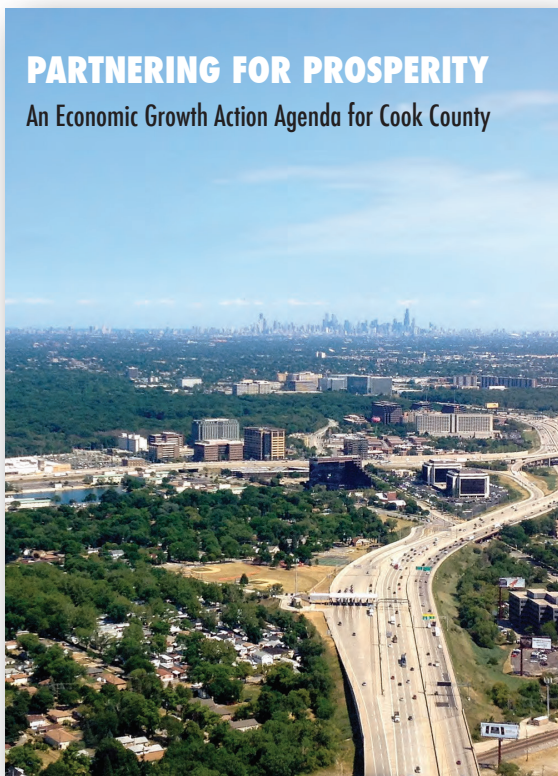
Neighborhoods do not have economies: they have people, business, real estate, and other assets that participate in larger markets, most often regional in scale. A healthy neighborhood develops and deploys its assets into the regional economy that, in turn, maximizes investment in all of its assets in order to sustainably grow. Neighborhoods and regions thus succeed, or fail, together by recognizing and leveraging their connections, from local workforce to regional labor markets, business to industrial supply chains, and so forth. In this time of global economic transformation (to the “knowledge” or “next” economy), neighborhoods and regions must find a linked path toward prosperity.

The relationship between local amenities and the regional economy



Source: RW Ventures, LLC

This principle lies at the heart of the South Suburban Economic Growth Initiative (SSEGI). Cook County's South Suburbs have historically been a key source of people and firms driving the regional economy. Today, they remain asset-rich, housing over 20 percent of suburban Cook County's population and nearly 15 percent of its businesses. However, parts of the South Suburbs are now struggling because they have become increasingly disconnected from the regional economy and its trajectory. This growing exclusion heightens the social, racial, fiscal, and other challenges these communities face, and undermines the long-term growth of the entire metropolitan region. As emphasized in the County's economic growth agenda, [Partnering for Prosperity](#), the region and its sub-parts need each other to succeed.



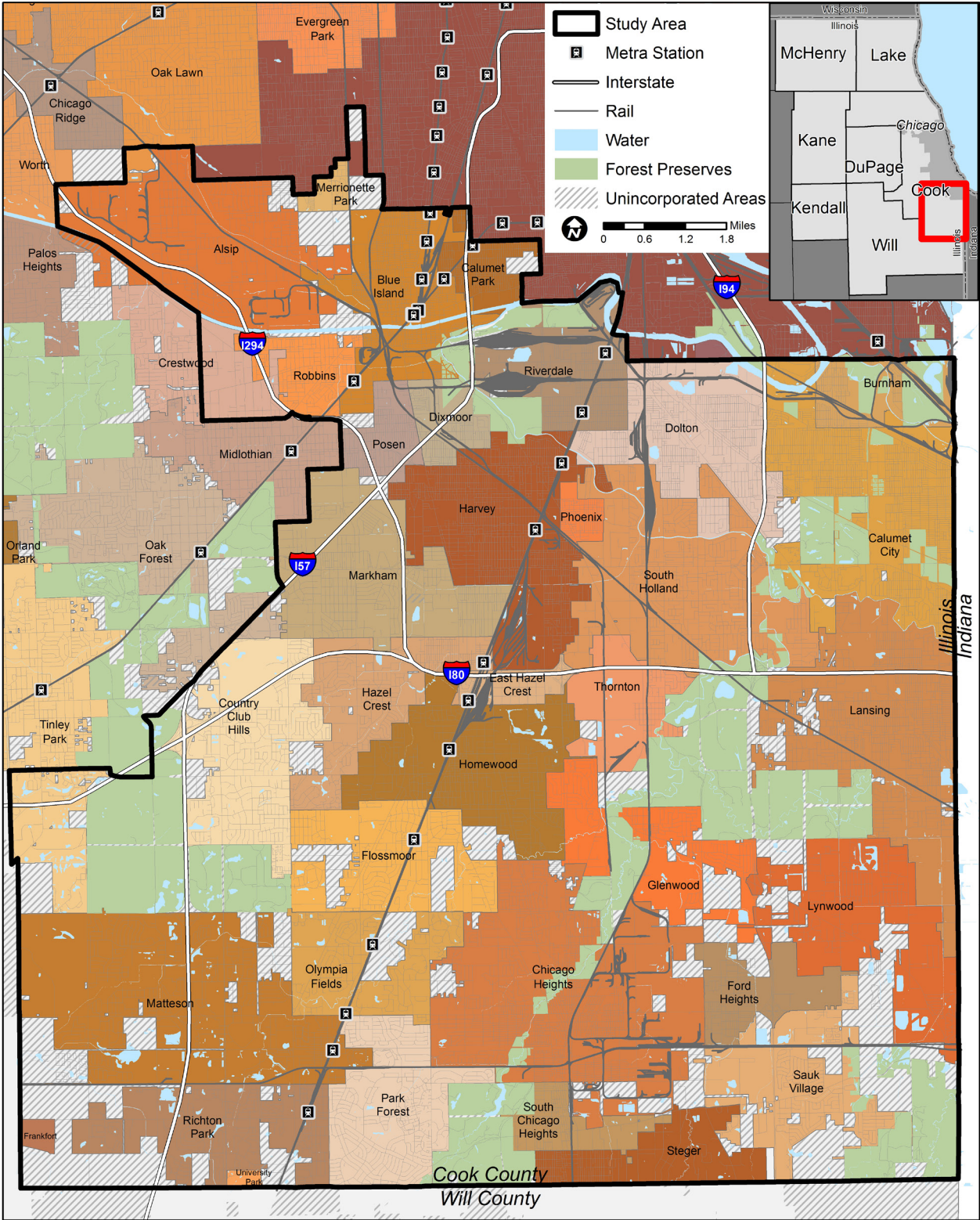
April 2013

Spearheaded by County Board President Preckwinkle, SSEGI aims to revive prosperity in the South Suburbs. The Cook County Bureau of Economic Development initiated the effort and assembled a project team made up of the Chicago Metropolitan Agency for Planning, Civic Consulting Alliance, Mass Economics, and RW Ventures, LLC. The Chicago Community Trust and the MacArthur Foundation provided generous financial support.

This document summarizes the findings from Phase 1 of SSEGI. Phase 1 undertook a preliminary scan of the economic and community characteristics of the South Suburbs, including review of existing plans and studies, initial quantitative market analysis, and interviews with more than 70 stakeholders to develop a baseline understanding of the South Suburbs' core economic dynamics. Phase 1 allowed the project team to establish a baseline understanding of the issues in the South Suburbs, generate ideas, begin to engage potential partners, and lay the foundation for a much more in-depth Phase 2. Even this preliminary work reveals major opportunities for the South Suburbs, including several potentially transformative strategies.

Phase 2 will build on this momentum with significantly deeper analytic work to inform program development, and much broader and more formal stakeholder engagement to refine the preliminary strategies; develop actionable programs, initiatives, and enterprises; establish a leadership and organizational structure to manage the work; and begin implementation.

SSEGI Phase 1 Study Area



Source: Chicago Metropolitan Agency for Planning



The South Suburbs' rich transportation infrastructure is an asset for future growth.

Key findings

No shortage of studies, reports, and plans delve into the issues and opportunities of the South Suburbs. Phase 1 confirmed many of the findings from previous work, including existing strengths in the region's transportation, distribution and logistics (TD&L) and metals clusters; the importance of transportation infrastructure and natural environmental resources to the sub-region's health; and the active network of organizations and individuals working on economic development.

It also highlighted the potential for enhancing innovation in priority clusters; strengthening capacity and participation of targeted local businesses in growing regional industries; upgrading residents' skills to better align with emerging job opportunities; and strategically enhancing housing and quality-of-life amenities in the area's diverse communities.

Successful communities play two critical roles in the regional economy. Communities of opportunity develop and connect local assets to regional markets. Communities of choice offer varied combinations of housing and amenities tailored to attract and retain different segments of the regional population.

The South Suburbs were once overwhelmingly successful in both roles. They flourished as hubs for several of the region’s key economic activities, including TD&L, and manufacturing of metals, food production, and chemical products. Their “crossroads” location and rich transportation infrastructure (road, rail, water, and air) underpinned their performance and supported the broader regional economy.

As communities of choice, the South Suburbs were an attractive residential destination for both blue-collar workers in local industries and white-collar, middle- and upper-class workers, often commuting to downtown Chicago, seeking more space and different amenities than those offered in Chicago neighborhoods.

Key economic clusters in the South Suburbs

-  Transportation, Distribution, and Logistics
-  Metal, Machinery, and Equipment Manufacturing
-  Chemicals and Related Materials Manufacturing
-  Food and Beverage Manufacturing and Packaging
-  Blue-Collar Business-to-Business Services (both on- and off-site)
-  Health Services
-  Tourism



The subregion has a particular strength in metals and machinery.
Source: LB Steel



Some neighborhoods in the South Suburbs remain attractive to working-, middle-, and upper-middle-class workers commuting to jobs elsewhere.

The economic and demographic changes reshaping the Chicago region – and urban areas nationwide – present both challenges and opportunities for the South Suburbs. They have lost a significant part of their legacy industrial base (particularly in metals, machinery, and equipment manufacturing), and are not yet fully participating in the emerging economic trajectory of the region. As industry supply chains restructure (e.g., in food manufacturing) and innovation dynamics change (e.g., toward more collaboration/“co-opetition,” often centered in small firms and entrepreneurs), South Suburban firms have opportunities to drive innovation in developing new products and processes, or to enter new supply chains and markets, both local and global. Considering the substantial presence of firms in several regional priority clusters and rich transportation infrastructure, many of the subregion’s businesses could better connect to and help drive relevant cluster activity elsewhere in the region. Stronger ties to innovation activity, cluster networks, and other resources could reposition these firms for enhanced growth.

Similarly, the subregion has a skilled, but underemployed workforce. Particularly as traditional middle-skill and manufacturing jobs decline in number and change in nature, many workers’ skills are not well aligned with emerging occupational opportunities, resulting in unemployment and under-employment. The subregion’s relatively skilled workforce could be strategically up-skilled to successfully compete for employment in growing and emerging occupations.

The characteristics of who calls the South Suburbs home are also changing. The South Suburbs continue to have many strong bedroom communities attractive to working-, middle-, and upper-middle-class workers, many of whom to jobs elsewhere. Many neighborhoods are increasingly communities of choice for African American and Latino populations. Overall, however, the subregion is losing middle-class households, while seeing gains at the lower end of the income spectrum, and no growth at the higher end. Some communities are in transition, with uneven consumer amenities and struggling local housing markets.

The genuine “communities” with common housing markets and amenities do not conform to suburban political boundaries, and, of course, influence each other, presenting common challenges and development opportunities across a newly emerging economic geography. The communities, overall, need to chart and collectively invest in a path for the future. What types of residents (e.g., starter-home families, young professionals, immigrants, etc.) will be retained and attracted to live where? What housing and amenities will attract them? Where they will work?

Much of the housing stock in the South Suburbs has “good bones,” and prices are affordable compared to many other parts of the region. Good highway access and, in some places, good transit access to downtown could attract residents seeking convenient access to the region’s largest job center. The subregion’s unique array of green and outdoor recreational amenities – forest preserves, trails, riverfront, etc. – are also an asset for existing and potential residents. These and other strengths suggest that the South Suburbs could successfully implement a set of coordinated strategies and investments to ensure stability and prosperity in its communities.

Many civic, educational, and business leaders and organizations in the subregion have created innovative local approaches to address specific economic, workforce, housing, and other development issues. These include, as illustrative examples (all cross-jurisdictional, and not generally including the many public institutions), organizations including the Calumet Green Manufacturing Partnership, Chicago Southland Economic Development Corporation, OAI, and the South Suburban Land Bank and Development Authority. These, and many other long-standing South Suburban institutions, provide a strong foundation upon which to build.

A key overall message emerged from Phase 1: It’s time to “go big or go home.”

The South Suburbs have enormous assets – in people, firms, communities, and institutions – and a lot of very promising targeted development activity underway. Yet the assets are often underdeveloped or underdeployed, and the activities could be better aligned, supplemented, and scaled. **The South Suburbs need a coherent, transformative, comprehensive, mutually reinforcing set of large-scale investments to transition to their rightful place driving prosperity for themselves and the region in the next economy.**

Preliminary strategies

Recognizing the South Suburbs' strong economic and community assets, Phase 1 began to surface strategies that leverage innovative local activities to capture new opportunities and attract investment. Collectively, they can revitalize and reconnect the South Suburbs, defining new roles for them in the regional economy and as communities of choice. Since Phase 1 was only a foundational market scan of the South Suburbs' challenges, opportunities, and existing activities, these seven preliminary strategies should be viewed as illustrative and non-exclusive.

Economic activities

Strengthen South Suburban Participation in Regional Cluster, Innovation, and Workforce Initiatives

- The region is deliberately investing in activities and industries to define Chicagoland's place in the next economy. The South Suburbs have strengths in many of these sectors, and a key first step is simply to engage South Suburban firms and workers in these existing regional economic growth initiatives (e.g., Chicago Metro Metals Consortium, Metro Chicago Exports, Chicagoland Food and Beverage Network, mHub, etc.).
- Tailor existing regional programs to the specific challenges and opportunities in the South Suburbs.

Drive Regional Innovation in Strong South Suburban Clusters

- The Chicago region has strong industrial assets, but is generally underperforming, particularly with respect to innovation. As it focuses on enhancing cluster-based innovation, the South Suburbs may be the logical home for several innovation centers, particularly in "smart intermodal logistics" and food packaging.
- Centers may focus on, e.g., pre-competitive R&D, technology integration and testing, expert consulting services to firms, worker training, etc.

Foster Synergies Among Small and Medium Enterprises (SMEs) in Priority Clusters

- Strengthening and reconnecting South Suburban firms in supply chains of key priority clusters might also be achieved through business or supplier parks that cultivate synergies based on co-location among groups of firms with common needs for facilities, infrastructure, employees, and other production inputs.

Establish the South Suburbs as the Region's "Green Playground"

- Shared vision and coordinated investments in recreational infrastructure and complementary amenities such as retail, restaurants, and lodging to position the South Suburbs as the region's destination for outdoor recreation.

Workforce

Promote Targeted, Cluster-Based, Employer-Driven Workforce Development

- Short-term, stacked credentials and clear career paths tailored to the workforce needs of the region's priority clusters.
- Managed through consortia of cluster firms.
- Tailored to the under-employed local workforce, incumbent workers, and high school students.

Community development

Enhance the South Suburbs as Communities of Choice

- Develop housing, consumer amenities, social services, and other elements to attract new residents and retain and improve the quality of life of existing residents.
- Amenities tailored to communities' specific challenges, opportunities, and target demographics.

Institutional capacity

Create the Institutional Infrastructure for Implementing Integrated Economic Growth Strategies

- An institution – “development authority” – designed, staffed, and resourced to manage long-term implementation of the recommendations of SSEGI.
- Capacities may include fundraising and project finance, land acquisition, “master developer” role, and coordination across many mutually reinforcing initiatives and partner organizations.
- Potentially the expansion of an existing organization, a combination of existing organizations, or a new organization.



Forest Preserves and waterways can help the South Suburbs become a regional destination for recreation.

Source: Forest Preserve District of Cook County



Public engagement will be a critical part of Phase 2.

Phase 2 - next steps

Phase 1 of SSEGI laid a solid foundation for embarking on comprehensive subregional growth planning and implementation for Cook County's South Suburbs. The next phase of work will go much deeper into the key challenges and opportunities that have surfaced in this scan, designing actionable initiatives and launching a first wave of activities. Phase 2 of SSEGI will revolve around three sets of activities.

- **Expansion of Stakeholder Engagement, Organizing, and Civics - Create the infrastructure to carry forward SSEGI's work in Phase 2 and beyond, including:**

- Cross-sector, cross-geography Steering Committee to provide overall guidance.
- Subject-focused Working Groups to explore opportunities, vet findings and advise on strategic direction in their respective areas of expertise.
- Stakeholder engagement, including community members, businesses, institutions, civic organizations, and others, to further inform the work.
- Development of the organizational infrastructure, governance, and capacities for long-term management and implementation of a South Suburban comprehensive growth plan.

- **Strategy Refinement and Initiative Design**

- Further tailor and target the seven preliminary strategies identified Phase 1.
- Explore additional strategy directions as they surface.
- Translate strategies into specific activities – programs, enterprises, etc. – that can be implemented by existing and new organizations and partners.

- **Implementation of First-Wave Initiatives**

- Begin implementing programs, enterprises, and investments that qualify as “low-hanging fruit:” quick to launch, high-impact, and relatively low cost.
- Examples include scaling up existing, successful activities.

Cook County's South Suburbs are at a critical moment of transition. They have the assets and opportunities necessary to craft a prosperous path forward in the next economy, making them once again communities of opportunity and choice. This is, however, no small task: it will require a deliberate, smart, sustained, coordinated vision and practical, staged investments. It will also require the active engagement, support, collaboration, and dedicated work of the many individuals, businesses, and organizations that have a stake in the subregion's success and vitality. **There is, however, no alternative: the residents and firms of the South Suburbs - and the region - need the South Suburbs to succeed.**



Cook County Bureau of Economic Development

69 West Washington Street, Suite 2900
Chicago, IL 60602

312-603-1070
www.cookcountyil.gov/economicdevelopment

Civic Consulting alliance

the engine
of public-private
collaboration

21 South Clark Street, Suite 4301
Chicago, IL 60603

312-853-9160
www.ccachicago.org



CMAP

233 South Wacker Drive, Suite 800
Chicago, IL 60606

312-454-0400
info@cmap.illinois.gov

www.cmap.illinois.gov

mass | economics

620 Massachusetts Avenue
Cambridge, MA 02139

646-354-0833
www.masseconomics.com



30 West Monroe Street, Suite 1025
Chicago, IL 60603

312-332-6295
www.rw-ventures.com

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