

CHAPTER 6 Economic Development

Section 6.1 Introduction

This section of the Comprehensive Plan summarizes the Village of Franklin Grove's existing economic activity and conditions, and looks to what future conditions might be desirable. Economic development, which can be defined as the type and level of business activity within an area, is often based on a combination of market forces, regulation, and the extent of local government encouragement. This element concludes with goals, objectives, and policies to promote the stabilization, retention, or expansion of the economic base. County and State economic development information is included to help the Village identify potential opportunities that could be used to pursue appropriate economic development activities.

Section 6.2 Economic Base Characteristics

A. Labor Force Analysis

1. Educational Attainment

Paragraph C of Section 1.4 (Demographic Trends) of the Issues and Opportunities Chapter (Chapter 1) details educational attainment for the Village of Franklin Grove adults.

2. Earnings and Income

Wages are not the only form of income that residents receive. "Total income" is defined by the US Census as the sum of the amounts reported separately for wages, salary, commissions, bonuses, or tips; self-employment income from non-farm or farm businesses, including proprietorships and partnerships; interest, dividends, net rental income, royalty income, or income from estates and trusts; Social Security or Railroad Retirement income; Supplemental Security Income (SSI); any public assistance or welfare payments from the state or local welfare office; retirement, survivor, or disability pensions; and any other sources of income received regularly such as Veterans' (VA) payments, unemployment compensation, child support, or alimony.

According to the 2000 Census, 260 (70.8%) of 367 Franklin Grove households sampled were classified as households with earnings; 148 (40.37%) were households with social security income; 25 (6.8%) were households with supplemental security income; 81 (22.1%) were households that received retirement income; 4 (1.1%) households received public assistance, and 2 households (0.5%) had other types of income. In order to better understand the existing wage-earning realities within the Village of Franklin Grove, "earnings" data was considered to be more informative. "Earnings" are defined by the US Census Bureau as the algebraic sum of wage or salary income and net income from self-employment, representing the amount of income received regularly before deductions for personal income taxes, Social Security, bond purchases, union dues, Medicare deductions, etc.

Table 6.1 compares income for households and individuals for the Village of Franklin Grove with Lee County as a whole. Earnings are not included due to lack of historical data. The Village of Franklin Grove has increased median household income at a greater rate than Lee County overall; however, the increase in per capita income for the Village of Franklin Grove is lower than Lee County overall.

Table 6.1
Comparison of Household and Per Capita Income
Village of Franklin Grove and Lee County

	Median Income Per Household			Per Capita Income		
	1989	1999	Change	1989	1999	Change
Village of Franklin Grove	\$26,437	\$41,181	55.8%	\$10,721	\$15,427	43.9%
Lee County	\$28,284	\$40,967	44.8%	\$12,050	\$18,650	54.8%

Source: U.S. Bureau of the Census

Table 1.6 of the Issues and Opportunities Chapter details changes in household income over the last 10 years.

3. Percent in Labor Force and Unemployment

Table 6.2 below shows the number of residents 16 years and above living in the Village of Franklin Grove, Lee County and the State of Illinois. Age sixteen is considered to be the lower threshold for being eligible for employment. The Village of Franklin Grove has a lower percentage of residents in the labor force (56.6%) compared to Lee County (60.7%) and the State (65.1%). According to the 2000 Census information, the Village had an unemployment rate of 2.7%, slightly lower than the Lee County unemployment rate of 3.2%, and significantly lower than the State of Illinois unemployment rate (6.0%).

Table 6.2
Employment Status of Population 16 Years and Above (2000 Census)

	Village of Franklin Grove	Lee County	State of Illinois
Population 16 yrs. and over	829	28,407	9,530,946
In Civilian Labor Force <i>% in Civilian Labor Force</i>	469 56.6	17,243 60.7	6,208,597 65.1
Employed <i>% Employed</i>	447 53.9	16,325 57.5	5,833,185 94.0
Unemployed <i>% Unemployed</i>	22 2.7	915 3.2	375,412 6.0
Not in Labor Force <i>% Not in Labor Force</i>	360 43.4	11,164 39.3	3,300,329 34.6

Source: U.S. Bureau of the Census

4. Type of Employment for Village Residents

Table 6.3 below provides information regarding the type of occupation that Village of Franklin Grove residents are employed in. Table 1.9 of the Issues and Opportunities Chapter summarizes resident employment by industry for the last two Census years. Information for both these tables represents what type of occupation/industry the working residents of the Village were employed in, and is not a listing of the employment opportunities currently located in the Village.

**Table 6.3
Franklin Grove Resident Employment by Occupation**

	Number	Percentage
Occupation Employed civilian population >16 yrs.	447	100.0%*
Management, professional, and related occupations	82	18.3%
Service occupations	93	20.8%
Sales and office occupations	107	23.9%
Farming, fishing and forestry occupations	0	0.0%
Construction, extraction, and maintenance occupations	48	10.7%
Production, transportation, and material moving occupations	117	26.2%

Source: U.S. Bureau of the Census
*May not total 100% due to rounding.

5. Commuting

The mean travel time to work for Franklin Grove residents is higher than the County mean travel time, but lower than the State mean travel time.

**Table 6.4
Mean Travel Time to Work**

Village of Franklin Grove	23.3 minutes
Lee County	21.8 minutes
State of Illinois	28.0 minutes

Source: U.S. Bureau of the Census

B. Economic Base Analysis

Businesses and industries in the Village of Franklin Grove and immediate area include:

Restaurants and Taverns:

- Lincolnway Café

Hair Care, Beauty and Personal Care Shops:

- Appearances by Wanda (Beauty and barber services with related products; licensed and certified tanning specialists; Beanie Babies, Holy Bears, Attic Treasures)
- Eve's Naturals (Handcrafted, chemical-free soap, creams, and lotions for healthy skin)

Automotive, Equipment and/or Electronics Sales, Repair, Maintenance:

- Ed Floto TV & Appliance (Satellite and television antenna sales and service)
- Franklin Grove Technology Center (PC repair and sales; internet café; interactive software training; gourmet coffee and tea)
- L&K Electronics (FM 2-way radio sales and service; telephone and telephone systems sales and repairs)
- Schafer's Shop (Tractors and farm implement sales and service)

Gas Stations:

- Casey's General Store (Gasoline, convenience store, pizza)

Professional Services:

- Bradford Mutual Insurance Co. (Homeowner and farm owner insurance)
- Kirchofer Agency (Complete insurance and real estate services)
- Northern Illinois Inspection Service
- Jim's Locksmith (Duplicate keys; multiple locks keyed the same; house and car emergency unlock service)

Financial:

- Franklin Grove Bank (Complete banking services)

Medical/Nursing Care:

- Franklin Grove Nursing Center (Nursing home facility)
- Kirkland Family Chiropractic Center (Chiropractic services)

Senior Services:

- The Meadows (Independent senior housing)

Services:

- Pfoutz Electric, Heating & Plumbing Service (Heating, electrical, plumbing, digging and trenching; 24-hour emergency services)
- Pfitzer & Sons Excavating (Excavating and trucking)
- Unique Embroidery (Embroidery for sports, businesses, organizations; special orders for all occasions)

Retail Sales & Services:

- Blackhawk Cleaning Equipment (Sales of ALKOTA pressure cleaning systems; parts inventory and service on most American washing equipment; brooms, brushes, cleaning supplies for cars and trucks)
- Franklin Grove Fresh Market (Grocery, fresh meats and breads)
- Lincolnway Services (Mini-storage; car and truck wash; laundromat; video rentals; soft-serve ice cream)
- T&J Pool Supply (Full line of pools, hot tubs and chemicals)

Other:

- Beaird’s Bonanza (Australian Shepherds, Stud Service, Puppies)
- H.I. Lincoln Store (Lincoln Highway Association National Headquarters and Dry Goods Store)
- United States Postal Service

Section 6.3 Community Assessment: Strengths and Weaknesses Analysis

It is necessary for Franklin Grove to look at the factors that influence their economy. The Village is predominantly comprised of single family residential development, several small industrial sites, a downtown central business district and other commercial sites. However, it’s potential to expand is unconstrained. Franklin Grove is located near urban areas that offer quick commute to a variety of employment opportunities, higher education institutions (Sauk Valley Community College, Rockford College, Northern Illinois University), entertainment, medical facilities, and with numerous other urban amenities. The Village provides municipal sewer and water service. Fire and ambulance service is provided by the Franklin Grove Fire Protection District. The following section reflects responses from the Competitive Communities Initiative strategic planning process conducted by the Village, and discussions held by the Village Plan Commission on the types of businesses that would be a good fit for Franklin Grove’s particular situation.

A. Categories or types of new businesses and/or industries that are desired by the community:

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B. Community strengths for attracting/retaining businesses and industry:

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C. Community weaknesses for attracting/retaining businesses and industry:

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Section 6.4 Economic Development Programs

This section contains a brief description of the Village of Franklin Grove development actions and various programs that could potentially assist the Village’s businesses with loans and grants.

A. Lee County

I. Lee County Economic Development Corporation

The Lee County Economic Development Corporation provides confidential development services to businesses considering expansion or a location in Lee County. The Economic Development Corporation provides a variety of services including but not limited to: site selection, labor market analysis, financial packaging services, liaison between governments and businesses and researching federal and state programs to leverage private dollars on economic development projects.

B. Regional

Blackhawk Hills Economic Development District (EDD)

The mission of the Blackhawk Hills EDD is to develop and implement a regional Comprehensive Economic Development Strategy that will enhance job opportunities and improve the quality of life for local communities. The focus that the Council has adopted for economic development issues is to:

- Promote the importance of the planning process to facilitate positive and desirable economic growth within the individual communities of the EDD;
- Assemble and implement a regional plan based on the needs of the communities within the region;
- Provide technical assistance to the communities in the EDD by connecting local people, with specific projects, to the appropriate local, state, and federal offices;
- Provide assistance in grant or loan applications; and
- Provide support for communities in the form of statistical, demographic, and economic data.

C. State

The Illinois Department of Commerce and Economic Opportunity (DCEO)

DCEO has a broad range of financial assistance programs to help communities with economic development. DCEO offers a number of innovative programs to augment conventional sources of financing and help with business locations, relocations, and expansions:

Participation Loan Program

The program works through banks and other conventional lenders to generally provide subordinated financial assistance to small businesses that will employ Illinois workers. The state will participate in loans up to 25 percent of the total amount of a project, but not less than \$10,000 nor more than \$750,000.

Minority, Women and Disabled Participation Loan Program

This program is similar to the Participation Loan Program, except that participation may not exceed 50 percent of the project, subject to a maximum of \$50,000.

Enterprise Zone Financing Program

Similar to the Participation Loan Program, except that DCEO will generally provide favorable interest rates to businesses either locating in or expanding in one of the 93 certified enterprise zones located throughout the state.

Development Corporation Participation Loan Program

This program provides financial assistance through a Development Corporation to small businesses that provide jobs to workers in the region served by the Development Corporation. The state will participate in loans up to 25 percent of the total amount of a project, but not less than \$10,000 nor more than \$750,000.

Capital Access Program (CAP)

The Capital Access Program is designed to encourage financial institutions to make loans to new and small businesses that do not qualify for conventional financing. A reserve fund is established at the lending bank and is available to draw upon should any of the bank's CAP loans default. There is a maximum loan amount of \$100,000.

The Technology Venture Investment Program (TVIP)

The Technology Venture Investment Program was created to provide seed and early stage capital, in the form of a qualified security investment, to Illinois entrepreneurs that are developing an advanced technological device or process commercially exploitable by Illinois businesses. DCEO may invest up to \$500,000, but no more than 50 percent of the equity financing of the project. A qualified co-investor(s) with expertise in the related field of technology must assume at least 50 percent of the additional equity contribution.

Surety Bond Guaranty Program

The program is designed to assist Illinois' small, minority and women contractors with technical assistance; help them receive experience in the industry; and assist in obtaining bid, performance and payment funds for government, public utility and private contracts.

Business Development Public Infrastructure Program

The Business Development Public Infrastructure Program provides low-interest financing to units of local government for public improvements on behalf of businesses undertaking expansion or relocation projects that meet the program criteria and demonstrate great potential for creating and retaining jobs. The infrastructure improvements must be made on public property and must directly result in the creation or retention of private-sector jobs. The local government must demonstrate clear need for the financial assistance to undertake the improvements.

Affordable Financing of Public Infrastructure Program

This program provides financial assistance to, or on behalf of local governments, public entities, medical facilities and public health clinics for the purpose of making affordable the financing of public infrastructure improvements needed to insure health, safety and economic development in a community.

Community Development Assistance Program (CDAP)

CDAP is a federally funded program that assists smaller Illinois local governments in financing public facilities, housing rehabilitation projects or economic development needs. Grants are made to units of local government and may be loaned to businesses for projects that will create or retain jobs in the community. Grant funds may also be used by the local government for improvements to public infrastructure that directly support economic development. The program is limited to communities with populations under 50,000 that are not located within one of the eight large urban counties that receive funds directly from the federal government. Funds are targeted toward projects that primarily benefit low- and moderate-income people.

Community Services Block Grant Loan Program (CSBG)

This program provides long-term, fixed-rate financing to new or expanding businesses that create jobs and employment opportunities for low-income individuals. The program links federal, state and private financing by using CSBG funds at low interest rates in combination with bank funds and equity.

Large Business Development Program

The Illinois Large Business Development Program (LBDP) provides incentive financing to encourage large out-of-state companies to locate in Illinois or existing large companies to undertake substantial job expansion or retention projects. Funds available through the program can be used by large businesses (500 or more employees) for typical business activities, including financing the purchase of land and buildings,

construction or renovation of fixed assets, site preparation and purchase of machinery and equipment. LBBDP funds are targeted to extraordinary economic development opportunities; that is, projects that will result in substantial private investment and the creation and/or retention of 300 or more jobs.

Employer Training Investment Program (ETIP)

This state-funded program assists Illinois companies in training new workers or upgrading the skills of their existing workers. ETIP grants may be awarded to individual companies, multi-company efforts and intermediary organizations offering multi-company training.

Technology Challenge Grant Program

The Technology Challenge Grant Program provides grants to fund science and technology projects, partnerships between universities and industry, high-tech commercialization projects, transfer projects and infrastructure improvements.

Illinois Technology Enterprise Center (ITEC) Program

The ITEC program provides operational support for regional centers that serve technology entrepreneurs, innovators and small businesses and provide investments to or on behalf of young or growing companies in cooperation with private sector investments. Centers assist entrepreneurs to locate critical pre-seed and early stage financing, help entrepreneurs in high growth, high technology fields to further their technical and/or managerial skills, and assist with new product development and marketing in support of new venture formation within Illinois.

Illinois Technology Enterprise Development and Investment Program

Provides investment, loans or qualified security investments to or on behalf of young or growing businesses in cooperation with private investment companies, private investors or conventional lending institutions. Investors assume a portion of the investment loan or financing for a business project. New or emerging businesses also are eligible through financial intermediaries as they commercialize advanced technology projects.

Recycling Industry Modernization (RIM) Program

The Recycling Industry Modernization Program provides grants to manufacturers to encourage them to modernize their operations and divert materials from the solid waste stream. RIM projects require the use of recycled materials and/or solid waste reduction activities. Grants of \$30,000 are available for modernization assessments, with grants up to \$150,000 available for modernization implementation projects. Grants require an applicant investment.

Recycling Market Development Program

Provides grants to encourage private-sector investment in the manufacture, marketing and procurement/demonstration of products containing recycled commodities. These funds may be used for capital equipment, certain marketing expenses, and to offset costs to procure and demonstrate the use of recycled-content products. The Recycling Market Development Program provides grants up to \$250,000. Grants require an applicant investment.

Section 6.5 Economic Development Issues/Conclusions

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Section 6.6 Economic Development Goals, Objectives, Policies

A. Goal

Promote the stabilization and expansion of the current economic base, while fostering an environment of high aesthetic appeal for existing and new commercial establishments.

B. Objectives

1. Maintain, enhance and improve the appearance and quality of existing commercial businesses and industry in the community.
2. Identify and prioritize the needs of the business community.
3. Encourage commercial and industrial development in areas that are compatible with and accessible to existing utility services and commercial or industrial activities.
4. Promote the availability of land for orderly commercial and industrial development that supports a healthy economy through redevelopment, retention and attraction.
5. Capitalize on economic development programs available from the local, regional and state level.
6. Develop a community atmosphere and educational system that retains and attracts a quality labor force that is paid livable wages.

C. Policies

1. Utilize development review requirements to maintain a high level of aesthetic quality for Franklin Grove commercial and industrial development.
2. There should be no expansion of industrial uses beyond areas identified for such use by this Comprehensive Plan.
3. Overhead power/utility/cable tv wires should be buried underground within the Village whenever possible or appropriate, as a part of roadway reconstruction projects or site development or redevelopment.