



WHY KANE
business, jobs, community

Executive Summary

KANE COUNTY

Economic Development
Strategic Plan



KANE COUNTY, ILLINOIS

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EXECUTIVE SUMMARY

Kane County has naturally and successfully grown as part of the Chicago metropolitan area, as an agricultural center, bedroom communities and industrial hub. However, in the context of fundamental changes in the dynamics and drivers of the global economy, and of tensions that arise from continued growth along these previously natural trajectories, Kane County finds itself at an economic crossroads.

In the emerging economy,¹ “creative destruction” is disrupting industries, occupations and places; while new products, firms, industries and markets are rapidly arising, leading to enormous opportunities for new wealth creation. Success in this economy does not occur as “naturally:” rather, it requires deliberate investment in concentrations of complementary business, human capital and innovation assets, along with the physical and institutional infrastructure to translate assets into economic growth. Kane’s transition along with the global economy presents a key moment to identify the economic assets and opportunities that will guide its future growth and to develop deliberate strategies to succeed in the next economy.²

Seizing this opportunity begins with a market analysis exploring the County’s industries, human capital, innovation activities, built environment and institutions. Key market analysis findings include:

- **Manufacturing and TDL Strengths.** The County has many industry strengths, including particularly metals manufacturing; food and beverage manufacturing and packaging; and transportation, distribution and logistics. Building on these strengths, it is well positioned to substantially grow its industrial base and compete in major emerging industries. The COVID-19 pandemic fundamentally changed the global economy in ways that may present opportunities for Kane County; for instance, significant federal funding is encouraging reshoring (and Kane County manufacturers have the opportunity to fill local/regional supply chain gaps), and the rise of e-commerce and increasing integration of tech into logistics services presents opportunity for innovation in Kane County’s legacy Transportation, Distribution and Logistics sector to meet global demands.
- **Concentration of Business Services.** The County also houses high concentrations of both white collar and blue collar business services firms. These firms support other businesses and headquarters not just in Kane County but across the region. Many are BIPOC (Black, Indigenous, and people of color)-owned.
- **Agricultural Assets.** Reflecting the County’s unusually fertile soil, farming is still 50% of the County’s land use, although it is no longer the County’s main revenue-generator. Global trends are encouraging innovation in agricultural processes and diversification of crops.
- **Labor Market Gaps.** The County’s labor force is generally well suited for its economy, training workers in healthcare and manufacturing (for instance) but does not adequately address labor shortages, particularly those in high-growth sectors. While community colleges have increasing

¹ Often referred to as the “knowledge,” “innovation,” or “next” economy, or the Fourth Industrial Revolution.

² This process encompasses opportunities ranging from digitization trends reshaping industries and workforce to emerging industries such as climate centered growth (e.g., EVs, energy storage), to the massive federal investments driving US manufacturing reshoring and growth. The process also allows the County to reconcile tensions between its roles as a bedroom community, farming economy, and industrial economy.

BIPOC enrollment (particularly Hispanic enrollment), this is not enough to address the lower levels of BIPOC educational attainment and wages.³ Employers are not adequately driving change in labor market systems (e.g., identifying skills needed for future careers, developing on-the-job training programs, changing hiring practices to prioritize skills).

- **Gaps in Innovation and Entrepreneurship System.** With relatively little private-sector or institution-led innovation activity, the County is generally not the place where things are invented. While it currently lacks a substantial innovation ecosystem, some of the building blocks (e.g. Fermilab) are present, and innovation opportunities will expand as industrial activities grow. There is, however, significant start-up and small business activity, many of which are BIPOC (Black, Indigenous, and people of color)-owned. But, there is very limited specialized support and finance for entrepreneurs and early-stage businesses.
- **Unique land use and spatial connectivity considerations.** As Kane County grows its economy, it will be grappling with the balance between its industrial, agricultural and bedroom community functions. The resulting economic growth strategies will entail land use implications: presenting a need and opportunity to better align land use and zoning policy with economic growth goals. As development and land use planning proceed, attention also needs to be paid to improving connectivity to job centers – either by establishing new job centers, addressing traffic, or addressing last-mile public transit challenges.
- **Fragmentation.** Illinois ranks among the worst states in the nation with respect to both vertical and horizontal government fragmentation, and Kane is no exception. The County encompasses multiple municipalities, each with their own economic development goals and plans. Aside from the bureaucratic, cost and tax inefficiencies of multiple governments, there is a need for alignment – on overall economic development strategies, to execute larger-scale deals and deliver programs in priority industries. Continuously developing and executing on a County-wide vision for the economic future of Kane requires not just County-led coordination, but also greater private sector leadership in economic development.

The market analysis leads to a vision and series of strategic directions to address Kane County’s challenges and opportunities. Key to managing future growth will be continually refining a strong vision for the County’s future and developing the capacity to continually, collaboratively identify emerging opportunities, and decide upon and implement strategies. An initial vision has been proposed for the county:

VISION: Kane County will become a dynamic mix of traditional industries and emerging sectors – a center of innovation. The County’s industrial base will grow alongside leading-edge agricultural practices and quality of life for residents.

To execute this vision, a series of strategies are proposed:

- **Provide institutional capacity for economic development coordination.** Implementation of a broader vision for the county’s growth can be achieved with both County-led coordination and also greater private sector, cross-sector leadership in economic development. This requires a new development entity that is nimble and responsive, with the ability to impact a wide range of development sectors. An Economic Development Organization (EDO) is needed to direct resources to guide growth and to coordinate deals across municipalities in high-

³ For instance, 51% of the food and beverage manufacturing and packaging cluster are BIPOC, a sector with particularly low wages.

growth, tradeable sectors. An EDO can also improve employer engagement to better serve existing businesses and conduct more targeted, continuous analyses of market opportunities.

- **Improve support for manufacturers.** Kane County’s manufacturers are small firms and lack the networks or resources to address the tremendous opportunities to scale in the next economy. There is a need to support manufacturers by identifying new opportunities and markets, alongside the technical assistance to help manufacturers compete for these opportunities.
- **Improve start-up and scale-up support,** in particular for BIPOC-owned firms – for instance in manufacturing, business services, and logistics.
- **Create employer-driven workforce programs.** To improve labor market efficiency, there is a need for greater employer involvement in modernizing education, training, and hiring practices - in particular to drive creation of workforce programs, targeted to future skills demand in high-growth industries. There is tremendous opportunity to supply regional workforce gaps in industries disrupted by digitization/artificial intelligence (AI), decarbonization and electrification, for instance in clean tech manufacturing (e.g., electric vehicles [EVs], battery storage), digital logistics, and next-generation farming.
- **Support crop diversification,** or connect corn/soybean growers with new markets - in part to respond to climate change and associated changes in production/demand. In addition, improve connectivity between agriculture and food & beverage manufacturing and packaging.
- **Coordinate land use with economic development goals.** The County would benefit from a more coordinated and unified process for determining what land is made available for what types of new development, and for providing the necessary infrastructure for development.

Kane County’s diverse assets – its skilled workforce, industrial base, agricultural strength, good quality of life, natural beauty – provide tremendous opportunity for the county’s future economic growth. While the county has grown naturally over time, the next economy rewards deliberate, strategic growth planning. Launch of an EDO and focusing on these strategic directions will set Kane County on a path towards a vibrant, prosperous 21st century economy.

KANE COUNTY: ECONOMIC DEVELOPMENT STRATEGIC PLAN

Download the full version of the Kane County Economic Development Strategic Plan:
<http://rw-ventures.com/kane-county-economic-development-strategic-plan/>