



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Economic Development Division

m e m o r a n d u m

TO: Mayor Diane Wolfe Marlin and City Council

FROM: Sheila Dodd, Interim Community Development Services Director
Stepheny McMahon, Economic Development Supervisor

DATE: October 14, 2021

SUBJECT: **A RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION OF AN ECONOMIC DEVELOPMENT AGREEMENT (Champaign County Economic Development Corporation, FY2021-22)**

Introduction

Pursuant to the City Council's inclusion of funding for the Champaign County Economic Development Corporation (EDC) in the planned City Budget for Fiscal Year 2021-2022, staff has prepared a renewed agreement for the provision of regional economic development services by the EDC for the benefit of the City and the regional economy. The proposed agreement follows the same format as last year's agreement with the only change being the dollar amount of the contribution to match what was included in the approved budget.

The City Council is asked to consider a resolution adopting an Economic Development Agreement for funding EDC. (This proposed agreement covers activities in this Fiscal Year, from July 1, 2021 to June 30, 2022, and a contribution by the City of Urbana of \$38,763. The amount represents approximately 10% of their total core budget.

EDC has brought together community leaders to support economic development in Champaign County since its founding in 2001. During this time, the organization has sought to undertake activities and form public-private partnerships that benefit Champaign County businesses and the local economy. EDC's activities have included direct technical support to local businesses by operating the Illinois Small Business Development Center (SBDC) and International Trade Center (ITC), promoting local manufacturers through the Made In Champaign County program, highlighting regional creative talent by organizing the annual Innovation Celebration, supporting the growth of the regional airport with the #iFlyCU campaign and work on air service development, and promoting the region as a home of creative talent to young professionals with the You're Welcome CU marketing initiative, one of their many talent efforts.

EDC and SBDC staff provide a number of direct services that support Urbana's overarching economic development goals. These services include business visits with major employers, business counseling, confidential consultation with City staff, developer/business lead generation, coordination with state agencies, and regional public-private coordination.

The EDC took on additional leadership responsibilities during the pandemic by coordinating reoccurring meetings with regional leadership to work together, an effort that resulted in Champaign County Safe. They provided marketing and support to the community and businesses on how to operate safely by such means as distribution of posters and flyers, and media posts and announcements on the importance of wearing masks and adopting safe work practices to combat the spread of COVID-19. The EDC has been and continues to be proactive in sharing information on state and federal financial resources through numerous webinars and online posts, applying for and assisting communities in applying for funds, and guiding businesses in need throughout the county on how to apply for essential funding.

Recently, the Champaign County EDC approved by the State of Illinois to become a Community Navigator which will come with funding to assist small, and minority owned businesses in finding resources to overcome the economic hardship caused by the pandemic. The Community Navigator program is a hub-and-spoke model, whereby regional partners (“hubs”) partner with sub-grantees that are community-based organizations (“spokes”) located in low- and moderate-income (LMI) census tracts. Community navigators will perform intensive outreach to ensure that small and hard-to-reach businesses are aware of economic relief funds available. Additionally, navigators will provide one-on-one technical assistance to support businesses in understanding how to access relief.

Discussion

The proposed agreement includes reporting requirements to staff and City Council including submittal of the most recent strategic plan: Engage 2020-2023 (**Exhibit A: EDC Engage 2020-2023 Strategic Plan**) and annual EDC Budget (**Exhibit B: EDC FY22 Core Budget**). The agreement would require EDC to make an annual presentation to the Mayor and City Council, and provide the City with the updated aforementioned documents.

Urbana’s Senior Advisor for Integrated Strategy Development, Andrea Ruedi, serves as the City’s representative on the EDC Board.

Fiscal Impacts

The \$38,763 sponsorship for fiscal year 2021-22 is included in the approved City budget from the General Fund.

Options

The City Council has the following options with respect to this proposed agreement:

1. To participate regionally and receive the economic benefits provided by the EDC, approve the resolution authorizing the Mayor to execute the proposed agreement.
2. To withdraw from participation in regional economic development strategy and benefits, deny the resolution.

Recommendation

Staff recommends that the City Council approve the resolution authorizing the Mayor to execute the proposed agreement and place this item on the consent agenda

Exhibits:

- A – EDC 2020-2023 ENGAGE Strategic Plan
- B – EDC FY22 Core Budget
- C – 2020 SBDC Annual Report
- D – CU Cluster Report Analysis – Executive Summary

As Authorized by City of Urbana Resolution No. _____

ECONOMIC DEVELOPMENT AGREEMENT

This Economic Development Agreement (hereinafter, "Agreement") is entered into by and between the City of Urbana (hereinafter, the "City") and the Champaign County Economic Partnership DBA Champaign County Economic Development Corporation (hereinafter, "EDC") (collectively, the "Parties").

WHEREAS, the City is a home rule unit of local government pursuant to Section 6 of Article VII of the State of Illinois Constitution of 1970; and

WHEREAS, EDC is an Illinois not-for-profit corporation which has been granted tax-exempt status by the Internal Revenue Service pursuant to Section 501(c)(6) of the Internal Revenue Code (26 U.S.C. § *et seq.*) and which is certified by the Illinois Department of Commerce and Economic Opportunity as both the Illinois Small Business Development Center (hereinafter, "SBDC") and the International Trade Center (hereinafter, "ITC") for Champaign County; and

WHEREAS, the City seeks to provide financial support for ongoing economic development, business development and workforce development activities in the City of Urbana and Champaign County, as conducted by the EDC; and

WHEREAS, EDC seeks to promote Champaign County as an epicenter of entrepreneurship, innovation, and talent in Central Illinois and the Midwest; and

WHEREAS, EDC is experienced in the development of relationships between governments, businesses, employers and educational/research institutions in Champaign County to promote new business startups and business growth; retention and expansion of existing employers; improvements in the available workforce by working with schools, Parkland College, the University of Illinois, and employers; and promoting the economic and physical growth of the Champaign County; and

WHEREAS, EDC is also experienced in the marketing and promotion of Champaign County to geographic areas and populations outside of Champaign County by utilizing existing communication tools, such as the YourWelcomeCU website, specifically designed marketing campaigns and initiatives, such as the IFLYCU.com Willard Airport marketing program, and experienced in developing awareness campaigns within Champaign County such as "Made in Champaign County", recurring programs such as Tech Mix and annual celebrations such as Innovation Celebration; and

WHEREAS, EDC is experienced in coordinating and disseminating site selection RFPs and inquiries to local real estate developers and brokers, and managing real estate regional and site data to provide information to the public and professionals about development opportunities in Champaign County and to perform regional analysis that will inform decision makers and businesses about growth, employment and development options; and

WHEREAS, EDC is host to and manages the Small Business Development Center and International Trade Center supported by grants from the federal SBA and state DCEO to provide small business advising, promote start up and growth of small businesses in the county and promote and support the creation of businesses with international sales capabilities; and

WHEREAS, EDC is recognized as the regional point of contact for economic development in Champaign County; and

WHEREAS, the City and EDC seek to form a mutually beneficial arrangement whereby EDC undertakes the foregoing economic development activities for the benefit of Urbana as a key part of the county economy and coordinates such activity with the other municipalities, villages and county government as well as the University of Illinois to expand the regional marketplace for jobs and commerce and strengthen the economy of the City and Champaign County.

NOW for good, valuable and mutual consideration which each Party acknowledges as having in hand received and for the mutual exchange of the covenants, terms and conditions contained in this Agreement, the Parties agree as follows:

A. CITY OBLIGATIONS TO EDC:

1. City Funding and In-Kind Services to EDC:

a. City Monetary Funding to EDC: The City shall provide EDC with certain funding which EDC may use to operate its business and also perform its duties as the SBDC and ITC for Champaign County. The amount of funding which the City shall provide to EDC for such purpose in each of the following City fiscal years, each of which shall commence of July 1 and end on June 30 (hereinafter, “City FY” or “City FYs”) shall be:

FY 2021-2022: \$38,763

b. City In-Kind Services to EDC: Separate and apart from the funding provided for in Sub-Paragraph A(1)(a) of this Agreement, the City may at its discretion provide in-kind services at no cost to EDC, but is under no obligation to provide any such in-kind services. The City shall value any in-kind services which it provides to, for, or for the benefit of EDC based on the rates which the City customarily charges for the provision of the same or similar services in connection with special public events held within the City’s corporate limits as described in Section 10.2 of the City of Urbana Policy & Procedure Manual.

c. Collective City Funding: Unless the context of any Paragraph or Sub-Paragraph in this Agreement provides or suggests otherwise, reference to “City Funding” or “City Funds” shall mean and include the monetary funding and any in-kind services provided for in Sub-Paragraphs (A)(1)(a) and (A)(1)(b) of this Agreement.

2. Disbursement of Funds: The Parties recognize and agree that it shall be a goal of EDC that, during the term of this Agreement, EDC shall undertake efforts within its own operations, marketing and other activities, as provided for in Sub-Paragraphs B(1) through B(5), to grow its membership of businesses and institutions as well as to increase expand its services to businesses. Thus, the Parties intend that EDC's receipt of City Funding shall be based in whole or in part on EDC's performance during the term of this Agreement. However, nothing herein shall be deemed or construed as barring the Parties from entering into one or more other written agreements for other EDC services, which benefit the City and/or its business community and the City from compensating EDC on covenants, terms and/or conditions separate and apart from those provided for in this Agreement. To this end, EDC shall submit invoices to the City on a quarterly basis on or about July 1st, October 1st, January 2nd and April 1st with each invoice representing one-fourth (1/4th) of the City Funds due in the City FY. The City shall disburse City Funds to EDC within thirty (30) days of the City's receipt of an invoice from EDC within the term of this Agreement.

Notwithstanding anything to the contrary provided for in Sub-Paragraphs A(1) of this Agreement, EDC shall not use or expend any City Funds, whether as staff funding and/or operational funding, for political purposes and activities including, but not necessarily limited to, funding of any political action committee, funding any organization's, candidate's, or public office-holder's political campaign, lobbying activities, or other activities which are or may be contrary to EDC's IRS Section 501(c)(6) tax-exempt status. Nothing herein shall be deemed, construed or interpreted as prohibiting EDC from engaging in any of the aforesaid political activities or lobbying activities where such activities are clearly and plainly intended to benefit the City or Champaign County as whole rather than any particular political constituency.

3. Limits on City Funding: Nothing in this Sub-Paragraph shall be deemed, construed or interpreted as limiting the amount of additional funding, if any, which the City may, in its sole discretion, provide to EDC for any purpose, whether specific or general in nature and whether or not pursuant to one or more separate agreements entered into and executed by and between the Parties.

B. EDC'S OBLIGATIONS TO THE CITY:

1. Promotional, Marketing, and Sponsoring Activities: EDC shall undertake such efforts as reasonably possible and within the limits of funding provided by the City to promote and market the City as a vital part of the Champaign County economy and to coordinate and plan specific activities, events and materials that promote the City as a unique destination in Champaign County in concert with Urbana businesses and city staff. Such activities shall include but shall not be limited to: support of and participation in City and Urbana business events, promotion and support of businesses located within the City, planning and attending visits to employers identified by the City, holding promotional activities in Urbana businesses, planning and attending business openings or receptions, and including City programs, incentives and events on the EDC website, emails, social media posts and printed promotional pieces. Such efforts shall also be complimentary to and consistent with EDC's regional efforts to promote all of Champaign County and improve the region's businesses, institutions and industries as a whole.

Notwithstanding anything to the contrary contained in this Sub-Paragraph B(1), all EDC promotional, marketing, staging, or sponsorship activities shall be undertaken in a manner which

- a. presents the City, its officials, and its business community in a favorable light;
- b. is presented in good taste and in such manner as to avoid offending the overall City residential and business community;
- c. does not promote any particular religious or political positions or persuasions;
- d. is presented or conducted in a manner so as not to endanger human life, health or safety.

EDC shall comply with all federal, state and City laws, rules and regulations in connection with any and all EDC activities.

2. Board Representation: The City shall designate one person and one alternate to sit on the EDC Board of Directors with full voting authority during the term of this Agreement as is consistent with the EDC bylaws.

3. EDC Work Plan: EDC shall develop a work plan for each of the City FYs provided for in Sub-Paragraph A(1)(a) of this Agreement and shall submit each said work plan to the City before June 1st preceding the start of the respective City FY, upon approval by EDC Board of Directors, or upon the effective date of this Agreement, whichever is latest. EDC's work plan submitted to the City for any given City FY shall include the following: (i) provide an overview of EDC's programmatic and organizational goals for the year; (ii) list specific activities and measurable objectives that EDC intends to complete over the course of the year; and, (iii) describe how such activities and objectives benefit the City and other communities being served. In the event, after presentation of each said work plan to the City, the EDC Board of Director's amends the work plan, EDC shall provide the City with any and all such amendments within seven (7) days after the EDC Board of Directors' adoption of any such plan amendment or amendments.

4. EDC Budget: EDC shall submit to the City an annual budget approved by the EDC Board of Directors and said budget shall be submitted at the same time EDC submits the work plan provided for in Sub-Paragraph B(3) of this Agreement. In the event EDC amends the aforesaid budget, EDC shall provide a copy of each such budget amendment to the City along with a statement of the reason therefor within seven (7) days of when EDC's Board of Directors approval of such amendment.

5. EDC Reports to City Council: EDC shall submit to the City, within ninety (90) days following the close of the City FY, its written annual partnership report which shall (i) describe the activities which EDC has undertaken for, on behalf of and/or for the benefit of the City, of businesses located within the City, and of events located within the City during the immediate past City FY; (ii) provide a summarized accounting of all funds received by EDC during

the aforesaid City FY, including but not limited to the City Funds provided for in Sub-Paragraph A(1) of this Agreement; and (iii) provide a summarized accounting of all expenditures and disbursements made by EDC during the aforesaid City FY.

EDC shall annually provide a representative of EDC to present the aforesaid annual partnership report to and address questions from the City Council at such time as the City may direct. All reports and accountings provided in this Sub-Paragraph B(5) shall be in writing and shall appear on the letterhead of EDC.

6. Dissolution of EDC: In the event that EDC should dissolve or elect to cease operations for any reason after any payment provided for in Sub-Paragraphs A(1)(a) and A(1)(b) of this Agreement has been made for a City FY not then completed, then EDC shall notify the City at least ninety (90) calendar days before ceasing operations and work in good faith with the City on a written plan for dissolution of the EDC. Such a plan shall be mutually agreed to by the Parties in writing and shall account for the payment of all just debts and obligation of the EDC including any refund to the City as may be agreed to by the Parties.

If within at least sixty (60) calendar days after ceasing operations the Parties do not mutually agree on such a written plan for dissolution as herein described, then EDC, after its payment of all just debts and obligations, shall refund to the City so much of the amount which the City provided to EDC in the City FY when it dissolves computed as a percentage of days within said City FY which have passed expressed as a fraction or percentage of the total number of days in the said City FY – i.e., 365 or 366 depending on whether the year of dissolution is a “leap-year.” For example and by way of example only, in the event that the City provided EDC with \$10,000 in the City FY 2019-2020 and EDC elects to dissolve on February 29, 2019, then the amount refunded to the City shall be computed as follows: $(\$10,000) \times (244 \div 366) = \$6,666.67$. However, EDC shall be relieved of its obligation to tender such refund should it be determined that state and/or federal law, rules or regulations bar the making of such refund. Separate and apart from the refund provided for in this Sub-Paragraph, in the event that EDC announces its intent to dissolve or cease operations, the City may, at its sole election and discretion cease to provide additional funds to EDC.

C. MISCELLANEOUS TERMS:

1. Term of Agreement: This Agreement shall commence on July 1, 2021 and shall expire at 11:59 p.m. on June 30, 2022.

2. Default and Opportunity to Cure: In the event that either Party believes that the other Party has defaulted on any covenant, term or condition contained in this Agreement, the non-defaulting Party shall provide written notice to the other Party of such default. The aforesaid written notice shall state or describe the nature of the default, whether by act or omission, and the Paragraph and/or Sub-Paragraph, as the case may be, which governs the obligation which is alleged to be in default. Within ten (10) calendar days of the effective date of such notice of default (as defined by Sub-Paragraph C(6) below), the recipient of such notice shall (i) cure the default and provide documented evidence of the nature and/or manner of such cure; (ii) respond in writing to such notice which writing shall advise that the recipient reasonably believes that it is not in

default and which describes the reasons for such belief; or (iii) provides a written plan of cure in those instances where cure of a default cannot be completed within the aforesaid ten (10) calendar day period.

3. Dispute Resolution: In the event that the Parties cannot resolve any dispute between them, they shall submit to mediation in an effort to resolve any such dispute. The Parties shall agree on the selection of the mediator and that mediator's rules and/or procedures shall govern any such mediation. The Parties shall share equally in the cost of the mediation. In the event that the Parties fail to resolve their dispute through mediation, then either or both Parties shall be free to initiate and maintain an action to construe, interpret and/or enforce this Agreement in the Circuit Court for the Sixth Judicial Circuit, Champaign County, Illinois.

4. Termination:

a. This Agreement may be terminated by the City immediately and without written notice if EDC –

(i) defaults on this Agreement without reasonable cure as provided for in Sub-Paragraph C(2) and which default/dispute is not resolved through mediation;

(ii) files a petition or is the subject of an involuntary petition for bankruptcy filed in a United States Bankruptcy Court;

(iii) files a notice of intent or other paper with the Secretary of State for the State of Illinois which evidences an intent to liquidate or dissolve;

(iv) loses its IRS 501(c)(6) status as a tax-exempt business league by reason of any act or omission on the part of EDC;

(v) loses its Illinois Department of Commerce and Economic Opportunity certification as either the SBDC or the ITC for Champaign County;

(vi) becomes involuntarily dissolved for any reason by the Secretary of State of the State of Illinois and where EDC fails to apply for reinstatement within ten (10) business days of notice of such involuntary dissolution;

(vii) enters into any arrangement with creditors which could reasonably be deemed, construed, or interpreted as a common law composition with creditors;

(viii) is placed in receivership by a lawful court order;

(ix.) acts or fails to act in such a manner as would injure or likely injure the City in any way, or cast the City or any business located within the City in a negative light unless, in the case of a business, such negative light is reasonably

supported by evidence (e.g., an announcement that a business has closed or moved from the City when in fact such business has moved or closed); and/or

(x) acts or fails to act in a manner which threatens or which may reasonably threaten human life, health or safety.

In the event that the City elects to terminate this Agreement for any one or more of the reasons provided in this Sub-Paragraph, the City's obligation to provide funding to EDC shall automatically cease and become wholly null and void. In addition to any other remedy which the City may have as a matter of law or right, the City shall be entitled to seek, obtain and recover a refund from EDC in an amount calculated as if EDC elected to dissolve as provided in Sub-Paragraph B(6) of this Agreement.

b. This Agreement may be terminated by either Party by giving written notice to the other Party of its intent to terminate and such termination shall be deemed effective thirty (30) days after the effective date of such written notice (as defined by Sub-Paragraph C(7) below). Any Party providing such notice of termination shall offer the other Party an opportunity to meet and discuss such termination prior to the effective date hereunder. In the event of such termination, EDC shall refund to the City so much of those funds which the City has provided to EDC in the fiscal year in which the termination occurs computed in the manner provided for in Sub-Paragraph B(6) of this Agreement.

5. Refund of Funds: If any event arises which triggers EDC's obligation to refund any moneys to the City as provided elsewhere in this Agreement, EDC shall tender to the City such refund in the amount provided for in this Agreement within sixty (60) calendar days of when the aforesaid event occurred. In the event EDC fails to tender such refund to the City within the timeframe provided herein, the City shall be entitled to interest on the said refund at the rate of nine percent (9%) per annum with interest commencing to run on the date when the City was first entitled to said refund.

6. Indemnification: EDC agrees to and will indemnify, defend and hold harmless the City, its elected and appointed officials, employees, agents, and assigns from and against any and all claims, suits, actions, causes of action, judgments, decrees, orders, liabilities, and defenses which arise or which may arise out of or which are or may be the direct or proximate result of any unlawful intentional, willful, wanton, grossly negligent, or negligent act or omission by EDC and/or any of its directors, officers, employees, agents, contractors, or representatives. Nothing herein shall require EDC to indemnify, defend and hold harmless the City, its elected and appointed officials, employees, agents, and assigns from and against any and all claims, suits, actions, causes of action, judgments, decrees, orders, liabilities, and defenses which arise or may arise out of or which are or may be the direct or proximate result of any intentional, willful, wanton, grossly negligent, or negligent act or omission by the City or any of its elected or appointed officials, employees, agents, or assigns.

7. Notices: All notices required to be given shall be in writing, and such notices shall be deemed proper and effective as hereinafter provided:

a. If by First Class U.S. Mail: All such notices shall be sent by registered or certified mail with a return receipt requested. If any such notice is placed in an envelope properly addressed to the intended recipient and bearing proper postage, such notice shall be deemed effective four (4) days from the date of placement with the United States Postal Service.

b. If by facsimile: All such notices shall be deemed effective if transmitted to the intended recipient's facsimile machine and the same shall be deemed effective on the next business day following transmission if the sender's facsimile machine provides a printed receipt that the facsimile was received by the intended recipient's facsimile machine. If no such printed receipt is provided, then the notice shall be deemed effective four (4) days after its transmission.

c. If by overnight courier: All such notices shall be deemed effective if placed in a properly addressed overnight courier envelope properly addressed to the intended recipient with delivery charges to be paid by the sender of such notice, and such notice shall be deemed effective the next business day following delivery of such notice.

d. If by personal delivery: All such notices shall be deemed effective if hand delivered by an employee of the sender to an employee of the intended recipient, and such notice shall be deemed effective on the next business day following delivery of such notice.

e. No other form of notice, including e-mail notice, shall be deemed effective whether or not such notice was in fact received by the intended recipient.

Notices shall be delivered to the following locations unless a Party informs the other Party in writing of a different location to where notices should be directed:

TO THE CITY:
Stephany McMahan
Economic Development Supervisor
City of Urbana
400 S. Vine St.
Urbana, IL 61801

TO EDC:
Carly McCrory-McKay
Champaign County Economic
Development Corporation
1817 South Neil Street
Champaign, IL 61820

8. Waiver: The failure of any Party to enforce any covenant, term or condition contained in this Agreement or to take action to enforce the same shall not be deemed to constitute a waiver of that Party's right to enforce or take action to enforce such covenant, term or condition. Notwithstanding the foregoing, if a Party fails to enforce or undertake any action to enforce any covenant, term or condition contained in this Agreement and knows that the other Party has relied on such forbearance to its financial detriment, then such knowledge shall constitute a waiver by the Party which has or had the right to enforce or initiate an action to enforce such covenant, term or condition.

9. Assignment: Neither Party shall have the right to assign or otherwise transfer to any third person the Party's obligation to perform or the right to receive performance of any covenant, term or condition in this Agreement without the written consent of the non-assigning Party. If either Party consents to allow the other Party to assign or otherwise transfer its obligation to perform any covenant, term or condition contained in this Agreement or the right to receive the benefit of performance of any covenant, term or condition contained in this Agreement to or from a third person, then this Agreement shall be binding upon such third person as if such third person was a signatory to this Agreement, and such third person shall be deemed a "Party" as referred to in this Agreement.

10. Human Rights: EDC, in all respects, shall comply with the City's Human Rights Ordinance and, if requested in writing by the City, EDC shall provide such hiring information as requested by the City as if requested pursuant to the City's Equal Opportunity in Purchasing Ordinance.

11. Representations and Warranties: Each Party represents and warrants that the individual executing this Agreement is duly authorized to do so.

12. Sole Agreement of the Parties: This Agreement shall supersede and replace any and all agreements respecting the subject matter of this Agreement, whether oral or in writing, entered into by and between the Parties heretofore.

[END OF AGREEMENT, SIGNATURES FOLLOW.]

FOR THE CITY:

FOR EDC:

Diane Wolfe Marlin, Mayor

Carly McCrory-McKay, Executive Director

ATTEST:

ATTEST:

Phyllis D. Clark, City Clerk

Stephanie Stuart, Board of Directors Chair

RESOLUTION NO. _____

**A RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION OF AN
ECONOMIC DEVELOPMENT AGREEMENT**

(Champaign County Economic Development Corporation, FY 2021-2022)

WHEREAS, the City of Urbana (“City”) is a home rule unit of local government pursuant to Section 6 of Article VII of the State of Illinois Constitution of 1970; and

WHEREAS, the City of Urbana has determined that supporting regional economic development coordination and initiatives across Champaign County provides a benefit to the City; and

WHEREAS, the Champaign County Economic Partnership DBA Champaign County Economic Development Corporation (“EDC”) is well positioned to provide those regional economic development services for the City and the Champaign County region; and

WHEREAS, the City and the EDC have previously held a relationship related to regional economic development services; and

WHEREAS, the City and EDC believe that it would be mutually beneficial to the City and EDC to renew their agreement whereby EDC would provide regional economic development services for and on behalf of the City and the City would reasonably compensate EDC for such services.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE
CITY OF URBANA, ILLINOIS**, as follows:

Section 1.

An Economic Development Agreement by and between the City of Urbana, a Municipal Corporation, and the Champaign County Economic Partnership DBA Champaign County Economic Development Corporation, a 501c.6 Not-For-Profit Corporation, in substantially the form of the copy of said Agreement attached hereto and hereby incorporated by reference, be and the same is hereby authorized and approved.

Section 2.

The Mayor of the City of Urbana, Illinois, be and the same is hereby authorized to execute and deliver and the City Clerk of the City of Urbana, Illinois, be and the same is hereby authorized to attest to said execution of said Agreement as so authorized and approved for and on behalf of the City of Urbana, Illinois.

PASSED BY THE CITY COUNCIL this ____ day of _____, _____.

AYES:

NAYS:

ABSTAINED:

Phyllis D. Clark, City Clerk

APPROVED BY THE MAYOR this ____ day of _____, _____.

Diane Wolfe Marlin, Mayor

ENGAGE

2020-2023

Champaign County Economic Development Corporation **STRATEGIC PLAN**



OUR MISSION

The Champaign County Economic Development Corporation:

- is a public-private partnership dedicated to fostering a cooperative, county-wide approach to economic development,
- works to improve the economic well-being of all Champaign County through efforts that entail job creation, job retention, tax base enhancements, small business development, and promotion of quality of life, and
- brings together community partners to support economic development by aligning interests through productive relationships, open dialogue, and advocacy efforts.

The Champaign County Economic Development Corporation accomplishes its mission with the following principles in mind:

- Listen, engage, and adapt.
- Communicate and connect.
- Be trustworthy and transparent.
- Provide excellent customer service.



2020-2023 STRATEGIC OBJECTIVES

- Business Outreach & Industry Engagement
- Workforce Development
- Regional Promotion & Talent Attraction
- Transportation & Logistics
- Small Business Development
- Regional Collaboration
- Economic Development in Minority Communities



BUSINESS OUTREACH & INDUSTRY ENGAGEMENT STRATEGIES

- Conduct business outreach visits with local employers
 - Visit non-retail companies annually to identify opportunities, challenges and workforce needs; involve other partners as requested and strategically appropriate
 - Connect company leadership to local service partners, business opportunities
 - Increase awareness of opportunities available through Workforce Innovation and Opportunity Act (WIOA)
- Conduct industry roundtables that create peer-to-peer relationships and dialogue leading to collaborative efforts
 - Host roundtables annually, based on geographical locations and/or industry needs
 - Be intentional about identifying and including minority-owned businesses
- Assist businesses in accessing public and private financial assistance and local, state, and federal grants
- Provide technical assistance to navigate regulatory processes and enter new markets
- Help new businesses find sites and recruit workers
 - Identify and pursue companies each year that would fill gaps in our supply chain
 - Identify and pursue companies each year that would benefit from our transportation logistics
 - Promote the county as a great place to work in multiple industries
 - Identify job skills needed for company's workforce and collaborate with partners to recruit workers and provide necessary training
- Compile, update, and advertise sites and buildings in Champaign County; build quick, flexible data presentation capabilities to differentiate our advantage in the site selection process
 - Incorporate geographical information systems (GIS) into the database management process
 - Create a bi-weekly reporting system for local brokers and property owners
 - Host a bi-monthly meeting for local brokers and property owners to stay engaged with properties and projects, create opportunity for communication and collaboration
 - Lead county responses to inquiries regarding site selection criteria and expansion opportunities for local businesses



A diverse economy is not just a lofty goal, but a must-have for ongoing regional prosperity.

BUSINESS OUTREACH & INDUSTRY ENGAGEMENT STRATEGIES CONTINUED

- Identify local industry clusters, local challenges to business growth, attraction opportunities, and talent development in the identified growth sectors of AgTech, MedTech, FinTech, Defense, Data Sciences, and Manufacturing
- Host public and private job fairs as necessary with regional partners to meet the needs of companies and promote the hiring of a diverse local workforce
- Work closely with municipalities to identify best practices and benchmark Champaign County for the creation and management of economic development incentives at the local level
- Identify shared skill needs to prepare joint workforce development and training programs to serve industry clusters, including technical talent recruitment and mid-level management needs
- Be the go-to source for workforce data and reports, including industry and occupation data related to jobs, growth, earnings, demographics, and more
 - On a quarterly basis, publish the following reports, available to investors and community stakeholders: Economy Overview, Highest Ranked Occupations, Gross Regional Product, and Job Posting Analytics
 - Publish the Top Employers Directory on an annual basis
 - Benchmark Champaign County on an annual basis using available tools and industry feedback, including demographic, social, industry, and occupation data
- Identify and work with partners to secure grant funding to support infrastructure, site development, workforce training, and other community/business assets
- Serve as the one-stop office for coordination of economic development projects in Champaign County
- Through the Economic Development Council, host quarterly meetings to share updates on economic development projects, including community partners of the EDC, and hear presentations from businesses, industry, and workforce development partners in Champaign County
- Create a **Business Outreach & Industry Engagement Task Force** that meets quarterly to share ideas, make connections, and hear updates on key programs from one another
- Programs / events / engagement:
 - National Manufacturing Day / Illinois Manufacturing Month
 - CATALYZE, A Professional Networking Event
 - University of Illinois – Chancellor’s Economic Development Advisory Council

WORKFORCE DEVELOPMENT STRATEGIES

Access to a skilled workforce is the most important factor cited by businesses when making a decision on where to locate or expand.

- Work in conjunction with community partners to support a robust, diverse and resilient talent pool for existing and future businesses
- Engage with businesses to know their current and future talent demand as well as local and national trends; work with educational institutions to turn that information into training programs
 - Identify the most critical job needs in the region and appropriate learning pathways for those jobs, communicate those opportunities with students, parents, educators, and community organizations
 - Explore the implementation of a soft skills certificate program that is recognized as a standard in the county
 - Partner with agencies to increase minority employment in full-time jobs with benefits
- Partner with workforce agencies to develop policies that support businesses and workers alike
- Work with the Chancellor's ED Group Coding Bootcamp Work Team to develop a local coding academy to address the hiring needs of technical talent locally
- Create copy and materials that clearly identify career pathways through educational and workforce programs that exist in Champaign County
- Work closely with partners like the New American Welcome Center and Champaign County Black Chamber of Commerce to ensure that Champaign County is a place where newcomers, immigrants and minority-owned enterprises can thrive and flourish
 - Launch and build upon the Welcoming Economies Technical Assistance Pilot
- Create a Workforce Development Task Force that meets quarterly to share ideas, make connections, and hear updates on key programs from one another
- Programs / events / engagement:
 - #CTEInIL
 - Early College & Career Academy
 - ICATT Apprenticeship Program
 - New American Welcome Center
 - Workforce Innovation Board of East Central Illinois



REGIONAL PROMOTION & TALENT ATTRACTION STRATEGIES

- Develop and execute marketing and attraction strategies and campaigns to market Champaign County to existing and potential businesses and talent
- Explore collaboration opportunities with Parkland College and the University of Illinois to attract alumni back to the community, as well as retention opportunities while students are on campus
- Promote assets and programs/policies of Champaign County for the improvement of the county's image locally, national, and internationally
- Create a new suite of open source digital materials, including videos, to showcase the more traditional economic development assets of Champaign County as a tool for business retention and attraction
- Expand Chambana Proud program in partnership with Visit Champaign County (VCC) - and other appropriate community organizations - to include additional community promotional items to build community pride, create a newcomer program for newly-established community residents and remote workers, and continue to build the Champaign County Recruiters network of local HR professionals
 - In partnership with VCC, create and publish the Community Checklist on a quarterly basis for the Champaign County Recruiters network, which is geared towards new hires
 - Host roundtables and events for the Champaign County Recruiters network
 - Create a Welcome to Champaign County orientation session as part of the newcomer program, to take place twice per year
- Work with municipalities and other interested parties to create a unique incentive program to retain college graduates and attract new talent to the community
- Attend economic development and industry trade shows and conferences to build relationships and market Champaign County for business attraction
- Create a marketing strategy to promote Champaign to Decatur as the I-72 AgTech Corridor, highlighting our ag assets as a region; identify how we can work together more closely to not only collaborate with the existing resources we have, but increase opportunities for workforce training, business and talent attraction, and a general awareness of what's possible here through marketing and branding strategies



Marketing our region and attracting top talent is essential in fostering long-term employment growth.

REGIONAL PROMOTION & TALENT ATTRACTION STRATEGIES CONTINUED

- Support activities for individual and business recognition and celebration
- Create a Regional Promotion & Talent Attraction Task Force that meets quarterly to share ideas, make connections, and hear updates on key programs from one another
- Programs / events / engagement:
 - Innovation Celebration
 - TechMix
 - Made in Champaign County
 - You're Welcome CU
 - Chambana Proud
 - Champaign-Urbana AgTech Week



FAQs

What is Economic Development?

Economic development is defined by the International Economic Development Council as the intentional practice of improving a community's economic well-being and quality of life. It includes a broad-range of activities to attract, create, and retain jobs, and to foster a resilient, pro-growth tax base and an inclusive economy. The practice of economic development is comprised of a collaborative effort involving industry, government and myriad community stakeholders.

Why invest in Economic Development in Champaign County?

Economic development is the core of well-being and quality of life for communities across the United States. It encompasses policies, programs, and activities that seek to create and retain jobs and ultimately facilitate economic growth. The Champaign County EDC works diligently every day to make our county's economic future as bright as it can be through robust, resilient, and inclusive actions that strengthen our local economy and quality of life.

TRANSPORTATION & LOGISTIC STRATEGIES

Enhance regional assets that move people and freight to make our region more competitive.

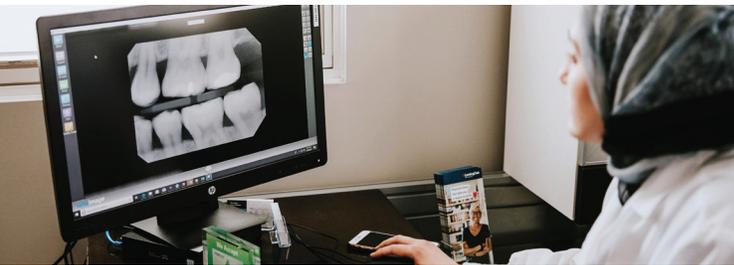
- Create an infrastructure network map to assist businesses needing to locate main transportation routes, fiber optic cable lines, electricity grids, and more
- Identify and support business opportunities as a result of the new port of entry located at Flightstar
- Work closely with Willard Airport staff, University of Illinois leadership, and community businesses to attract new air service development and enhance the visitor experience inside the airport terminal; grow community support of Willard Airport through local pledge campaign
- Focus on addressing challenges and taking advantage of opportunities identified in the Champaign County RPC's Champaign-Urbana Region Freight Plan, including the need for increased rail access, signage for freight routes across the county, and solutions for short-and long-term freight parking
- Support efforts to position Champaign County as a leader in autonomous vehicle research and development
- Continue work with regional partners to address passenger rail challenges of on-time performance, keep a focus of increased daily service routes
- Explore opportunities to enhance the airline industry resources that exist in Champaign County
- Programs / events / engagement:
 - Willard Airport – Executive Committee, Advisory Committee, Marketing Committee
 - Long Range Transportation Plan Steering Committee (Champaign County RPC)
 - Champaign County First



SMALL BUSINESS DEVELOPMENT STRATEGIES

More than half of Americans either own or work for a small business, and they create about two out of every three new jobs in the U.S. each year.

- Host and work to expand the Illinois Small Business Development Center, including the International Trade Center; continue relationship with Bradley University to offer PTAC services
- Assist businesses in accessing public and private financial assistance and local, state, and federal grants
- Work closely with municipalities and community partners to develop, manage, and provide resources to small business programs that support women and minority entrepreneurs



- Advocate for the state of Illinois to implement a matching grant program for SBIR and STTR grants, and other programs that would support the growth of small businesses in our region
- Develop training and workshops around small business needs locally, as well as state and national trends
- Work with partner agencies to develop more opportunities for access to capital for small business owners
- Expand access to SBDC advisors, implement technology solutions to better accommodate schedules and client sessions
- Transition the First Friday Group into a One Million Cups chapter in partnership with community partners engaged in entrepreneurship
- Create a Small Business Task Force (with SBDC Advisory Board) that meets quarterly to share ideas, make connections, and hear updates on key programs from one another
- Programs / events / engagement:
 - Illinois Small Business Development Center at Champaign County EDC
 - National Small Business Week
 - Small Business Saturday
 - First Friday
 - Bridge, Champaign County's Virtual Incubator

REGIONAL COLLABORATION STRATEGIES

Economic development is a team sport.

- Restructure and launch Illini Angels (previously the Urbana-Champaign Angel Network); mobilize network of angel investors, including alumni, who engage regularly and listen to presentations from local companies seeking investment
- Create a regional trailing partner (+1) program with regional EDO partners to assist talent in locating in our region and support employers who have a large regional presence



- Work with regional partners to enhance and expand broadband access in order to support business development, job growth, and economic opportunity
- Advocate for policies and programs through the state of Illinois that better align with workforce needs and business retention and attraction challenges and opportunities in order to better compete against other states for talent and projects
- Collect, strategize, and report the top five economic development priority projects from each municipality on an annual basis in order to be prepared for funding opportunities at the state and federal level
- Work with regional EDO partners to host foreign delegations to highlight our region's business strengths and opportunities for investment
- Champaign County First - Champaign County First is a united countywide effort to identify projects and/or initiatives that, when successfully completed, will greatly benefit the citizens of Champaign County; spur economic development; and improve the quality of life in Champaign County. Champaign County First partners are committed to advocating on behalf of the identified projects at the local, state and/or federal level with one voice in order to transform Champaign County.
- Programs / events / engagement:
 - Illinois Department of Commerce & Economic Opportunity
 - Regional EDO Group
 - Intersect Illinois
 - Cost of Living Index

ECONOMIC DEVELOPMENT IN MINORITY COMMUNITIES

Champaign County's economy is most successful when it benefits all members of our community. As such, we will be intentional in ensuring that community members who may not have benefited in the past are incorporated and supported in our collective efforts to grow the regional economy.

- In the Strategic Objective areas of Business Outreach and Industry Engagement, Workforce Development, Small Business Development Strategies, and Regional Promotion and Talent Attraction, promote and support intentional efforts for minority participation and inclusion through communication, collaboration and engagement with high growth business and industry sectors
- Encourage and support minority entrepreneurship, with a focus on high growth sectors, through collaborations and engagement with entities such as the U of I Research Park to gain exposure, identify mentors, secure internships, develop workshops, and facilitate access and engagement with the entrepreneur startup ecosystem in Champaign County



- Partner with local and regional financial institutions and governmental agencies to host and co-sponsor activities to increase access to startup capital, working capital and work to overcome barriers minority businesses experience in gaining access to capital for growth and expansion
- Advocate for and support the development of programs to promote procurement of goods and services based on separate goals for minority, women and veteran's business enterprises in the public sector
- Collaborate with the twenty largest private sector employers in Champaign County to plan and co-host a semi-annual minority-majority business-to-business match-making procurement event. Ensure all categories of operational and capital spending are eligible

Champaign County Economic Development Corporation

www.champaigncountyedc.org

(217) 359-6261

1817 S. Neil Street, Suite 100, Champaign, Illinois 61820



FY22 EDC Core Budget

EDC REVENUE

	<u>FY22</u>
PUBLIC INVESTMENT	\$286,263.00
PRIVATE INVESTMENT	\$55,000.00
EVENTS & PROGRAM INCOME	
Innovation Celebration	\$15,000.00
You're Welcome CU	\$2,500.00
Chambana Welcome Crew	\$5,000.00
Seminars and Roundtables	\$500.00
Made in Champaign County	\$2,000.00
Other	\$2,500.00
CITY OF CHAMPAIGN PROGRAMS	
Bridge Virtual Incubator	\$0.00
MACON COUNTY EDC - SBDC/ITC	
In-Kind Donations	\$0.00
Reimbursements - Cash	\$15,000.00
RESERVES INTEREST INCOME	\$15.00
CHECKING A/C INTEREST INCOME	\$5.00
MISCELLANEOUS INCOME	\$1,000.00
ITEC REVOLVING	\$0.00
COMMUNITY NAVIGATOR GRANT	\$296,299.30
Illini Angels	
Sponsors	\$0.00
Angels	\$0.00
	\$681,082.30

EDC EXPENSES

	<u>FY22</u>
SALARIES	\$190,000.00
BENEFITS	
Retirement	\$13,500.00
Health/Insurance	\$25,500.00
Life Insurance	\$2,500.00
PAYROLL TAXES/UNEMPLOYMENT	\$13,000.00
INSURANCE - BUSINESS	\$4,800.00
OCCUPANCY/LEASE	\$56,000.00
DEPRECIATION	\$250.00
ADVERTISING & PROMOTION	\$7,500.00
EDC GOVERNANCE	\$500.00
DUES/SUBSCRIPTIONS	\$18,500.00
FURNITURE & EQUIPMENT	
Equipment Lease/Maintenance	\$3,000.00
Equipment/Furniture	\$2,000.00

CONFERENCES, CONVENTIONS & MEETINGS (NON-EDC HOSTED)	\$4,500.00
INFORMATION TECHNOLOGY	\$6,250.00
RECRUITING (DIRECTOR & STAFF)	\$0.00
OFFICE EXPENSES	
Postage/Shipping	\$200.00
Printing	\$1,800.00
Supplies	\$3,000.00
Telephone	\$5,500.00
Cleaning/Repair	\$2,500.00
FEES FOR SERVICES	
ITEC	\$0.00
Accounting Services	\$13,000.00
Audit	\$3,600.00
Other	\$3,500.00
WILLARD AIRPORT	\$10,000.00
PROFESSIONAL DEVELOPMENT	\$4,000.00
BUSINESS EXPENSE	\$2,500.00
TRAVEL	\$2,500.00
CITY OF CHAMPAIGN PROGRAMS	
Hosting & Maintenance (Bridge)	\$600.00
Marketing (Bridge)	\$0.00
MACON COUNTY EDC PROGRAMS	
Rent/Occupancy (non-EDC)	\$0.00
HR oversight (non-EDC)	\$0.00
Additional Spending (non-EDC)	\$0.00
Marketing (non-EDC)	\$12,500.00
Travel (non-EDC)	\$2,500.00
EVENTS & PROGRAM EXPENSES	
Innovation Celebration	\$15,000.00
You're Welcome CU	\$2,500.00
TechMix	\$0.00
CATALYZE	\$1,250.00
Seminars and Roundtables	\$2,400.00
First Friday/1 Million Cups	\$0.00
Made in Champaign County	\$3,000.00
ED Council Meetings	\$250.00
PTAC Services	\$1,000.00
Chambana Proud	\$1,500.00
Chambana Welcome Crew	\$7,500.00
Champaign County Safe	\$1,500.00
Other	\$250.00
UCAN / Illini Angels	
Coordinator / Due Diligence	\$0.00
Postage/Shipping	\$0.00
Printing	\$0.00
Supplies	\$0.00

Events	\$0.00
Dues/Subscriptions	\$250.00
CHAMPAIGN COUNTY FIRST	\$1,500.00
COMMUNITY NAVIGATOR GRANT	\$227,682.30
	681,082.30

NET INCOME **\$0.00**

SBDC 2020 REPORT

(JANUARY–DECEMBER)
ILLINOIS SMALL BUSINESS DEVELOPMENT CENTER
AT CHAMPAIGN COUNTY EDC

458 Jobs Created or Retained

1,136 Advising Hours

2,085 Jobs Supported for clients who received COVID-19 advising

388 Clients Advised (235 New Clients)

222 Training Sessions (1,673 Attendees)

\$7.56 MILLION of Capital Infusion

48 Business Starts

The Best of Africa's Food Store

(Urbana, IL)

2020 SBA's Illinois Family-Owned Small Business of the Year



BEST OF AFRICA'S FOOD STORE



Mariel Huasanga

International Trade Center Director

2020 Presidential "E" Award for Export Service

(The highest recognition any U.S. entity can receive for making a significant contribution to the expansion of U.S. exports)



INTERNATIONAL

TRADE CENTER

26 Training Sessions

421 Jobs Retained

81 Clients Advised (55 New Clients)

\$3.84 MILLION Capital Funding (COVID-19 Relief)

\$42,925,786 Export Sales



Champaign-Urbana Industry Cluster Assessment and Strategy EXECUTIVE SUMMARY

January 22, 2021

Champaign County Economic Development Corporation
University of Illinois Research Park
Office of Corporate Relations, University of Illinois Urbana-Champaign



BCD

**BUSINESS CLUSTER
DEVELOPMENT**

Targeting and growing industry clusters is an economic development strategy designed to leverage the strengths present in a community in order to support new business formation, business retention and attraction, and grow the local economy. In 2014, Business Cluster Development (BCD) was hired by the University of Illinois Urbana-Champaign (UIUC) to assess and identify clusters that would capitalize upon its research strengths and expertise and strengthen the local economy. For this current report, the Office of Corporate Relations at UIUC, the University of Illinois Research Park (UIRP), and the Champaign County Economic Development Corporation (CCEDC) partnered to request that BCD conduct a broader view of the clusters that exist in Champaign-Urbana. The goal is the identification and targeting of clusters that would contribute to the vitality of the local economy.

Clusters and Economic Development

A cluster is defined as “a geographic concentration of related companies, organizations, and institutions in a particular field that can be present in a region, state or nation. Clusters arise because they raise a company’s productivity, which is influenced by local assets and the presence of like firms, institutions, and infrastructure that surround it.”¹

The agglomeration that occurs within clusters stimulates and enables innovation, as well as facilitates commercialization and new business formation. The linkages and interconnectedness within clusters distinguishes them from industries. Cluster-based economic development initiatives strive to leverage community strengths and opportunities and work towards resolving the barriers or weaknesses that may restrict cluster growth.

The process for the selection and targeting of clusters first involves an assessment of cluster viability, measured by five factors: collaboration, capital, talent, innovation and firm activity within the cluster. The second step is determining, among the viable clusters, the ones that represent the most actionable economic development targets with respect to startup, growth and retention of companies and other economic development goals.

Champaign-Urbana Landscape

The landscape in Champaign-Urbana that supports cluster development features several positive developments since the assessment in the 2014 report, and a few important challenges that persist. Champaign-Urbana continues to be viewed universally by its residents as a livable community and great place to raise a family. The level of collaboration between the UIUC and the cities of

¹ “What are clusters?”, U.S. Cluster Mapping Project, Institute for Strategy & Competitiveness, Harvard Business School, <https://www.isc.hbs.edu/competitiveness-economic-development/frameworks-and-key-concepts/Pages/clusters.aspx>.

Champaign and Urbana has improved; the Chancellor's Economic Development Council and several industry-focused working groups have organized; and collaboration as a whole has increased as COVID-19 brought the community together. COVID has also greatly increased the community's experience with remote work and virtual companies, which may help to retain engineering or research and development teams at UIRP or in office space in Champaign-Urbana (while more difficult to fill management positions are located elsewhere). Innovation continues to be a core competency, with UIUC as a key innovation asset that spurs technology commercialization and new company startup. EnterpriseWorks provides a supportive ecosystem for startups with intellectual property from UIUC. The Small Business Development Center (SBDC) at CCEDC, Bridge Virtual Incubator and Champaign County Chamber of Commerce provide assistance and support to startups and small businesses in the community. CCEDC is collaborating with UIUC to reorganize the local angel group as the Illini Angels to not only capitalize upon the Illini brand but also to recruit alumni angels as members and seasoned management. The opening of the Carle Illinois College of Medicine as a collaboration between Carle Foundation Hospital and UIUC holds promise for future innovation and commercialization activities. UIRP continues to attract the innovation centers of leading corporations. Furthermore, the advent of the Discovery Partners Institute between the University of Illinois System and several Chicago-based institutions opens the door to mutually beneficial relationships.

Still, insufficient equity capital for early stage and growth companies persists, and gaps in the local talent pool (and difficulty in attracting highly skilled management as well as senior engineers) continue to have a negative impact on company growth and retention. Workforce readiness results in some types of positions being difficult to fill. Specialized, professional expertise in intellectual property protection and regulatory affairs is more limited. Transportation access, via air and rail, continue to challenge access in and out of Champaign-Urbana.

Recommended Clusters

Underlying most all technology clusters, both current and future, in Champaign-Urbana is the platform of **data science and analytics and computing**. UIUC is a leader in this field, with significant research, innovation and commercialized technology, and its faculty and students constitute a significant talent pool with expertise. This platform enables opportunities in a number of clusters, including the ones recommended in this report: AgTech, MedTech and Manufacturing.

AgTech

AgTech combines UIUC's technical expertise and talent in agriculture, engineering and data analytics with Champaign County as a prime growing region for corn and soybeans. Access to farmers as customers and farms as testbeds are important advantages for early-stage companies and the cluster.

The viability of the cluster is demonstrated in a number of other ways. A concentration of leading agriculture firms such as John Deere and Caterpillar are located at UIRP and AgTech spinouts from UIUC intellectual property operate out of EnterpriseWorks. Recently, the Illinois AgTech Accelerator kicked off its first cohort of five startups. The accelerator is backed by Agri-Fab, Fox Development, GEM Realty Capital, Serra Ventures, UIRP, UIUC and CCEDC, and partnered with Wisconsin-based gener8tor. The newly opened Greenhouse at UIUC will become an important asset for indoor agriculture. Grassroots collaboration among the business community and university occurs through the AgTech Working Group. The annual AgTech Innovation Summit at UIRP and now, AgTech Week co-hosted with CCED and You're Welcome CU promotes Champaign-Urbana as a hub for AgTech. Parkland College, and its Midwest Center for Precision Agriculture, provide skill-building and educational opportunities. The AgTech cluster is the more developed of the three recommended clusters.

Yet, challenges to the growth of the AgTech sector exist. Early-stage capital for AgTech is available locally but sufficient capital for growth is more limited. The talent issues identified in the landscape assessment may hamper the growth of companies in this cluster. Nevertheless, all of these elements identified here indicate that AgTech provides the most near and long-term opportunities for company retention and cluster growth.

MedTech

Medical technology, or “MedTech”, encompasses a wide range of healthcare products used to diagnose, monitor and treat diseases and medical conditions affecting humans; it includes health technology and medical devices. The emerging MedTech cluster in Champaign-Urbana capitalizes upon a relatively new and significant innovation asset, Carle Illinois, combined with UIUC engineering and bioscience expertise and research. The curriculum at Carle Illinois is designed for physician innovators, and therefore, can help to drive the invention and commercialization of emerging medical technologies. Ultimately, the cluster will benefit from the marriage of scientific and engineering expertise at UIUC with medical expertise that is being developed at Carle Illinois.

A number of other important innovation collaborations occur within MedTech, such as the Jump Applied Research through Community Health (ARCHES) partnership between the Jump Simulation and Education Center at OSF Healthcare and the Health Care Engineering Systems Center in the Grainger College of Engineering; and the Mayo Clinic and University of Illinois Alliance, which is administered by Interdisciplinary Health Sciences Institute. Additional innovation assets include the Cancer Center (which may receive a National Cancer Institute designation) and OSF Innovation. Both Carle Foundation Hospital and OSF are testbeds for patient care and rural health improvements.

Developing a response to the COVID pandemic led to widespread collaboration among UIUC, Carle Illinois, Carle Hospital, the cities of Champaign and Urbana, the Champaign-Urbana Public Health District, Parkland College, CCEDC, the United Way, the Champaign County Chamber of Commerce, Visit Champaign County and various businesses and organizations within the community. It also spurred innovation: nine UIUC faculty collaborated to develop a saliva based COVID test that provides fast results at low cost and high accuracy. Nationally recognized, SHIELD Illinois includes not only the test but also a strategy that allowed the safe return of UIUC students back to campus in Fall 2020. It has been deployed successfully at corporations and institutions across the U.S.

Yet, the MedTech cluster faces challenges that include insufficient capital, as noted in the landscape assessment, talent, and other support. In particular, the majority of venture capital firms with funds for MedTech and life science are located on the coasts, and companies in this sector may have more significant capital needs. Meeting talent demands are more complicated in MedTech due to Champaign-Urbana's relatively early entrance into this space and strong centers in Boston, San Diego and the San Francisco Bay Area.

Carle Illinois is still early in its development. To achieve the vision for Carle Illinois will require significant fundraising by UIUC to hire medical faculty; a commitment has already been made. A clear structure and points of contact at Carle for innovators and startups would help to facilitate innovation and commercialization. Improved coordination among UIUC, Carle and OSF would also help to strengthen the sector.

Remote hires for key executive and managerial positions (with retention of R&D teams in Champaign-Urbana) may also help to retain MedTech startups, especially as virtual companies in the life science become more commonplace. Finally, corporate relationships with pharmaceutical and life science companies will require further development by UIUC to support research and commercialization in the cluster. Targeting the MedTech cluster will require a long-term commitment to long-term results.

Manufacturing

Manufacturing, especially at a small scale, continues to be an important industry for Champaign-Urbana and an economic development priority. Generally, manufacturers in Champaign-Urbana make products that are non-standardized, have a more limited market size, or require customization. A number develop prototypes for entrepreneurs and businesses, including assistance with refining their product designs before scale-up. Local manufacturers, many of whom have operated in Champaign-Urbana for decades, have informal relationships that yield business development opportunities.

Workforce is, by far, the most challenging issue for manufacturers and presents the greatest challenge for the cluster growth. Like many manufacturers across the U.S., manufacturers in Champaign-Urbana face two primary challenges: a limited labor pool of skilled workers and workforce readiness. In general, the workforce issues are a result of the lack of a career path to manufacturing, a common issue in the U.S. Fewer high school students choose careers in manufacturing. Parkland College offers technical courses and is a resource for workforce development, but often the firms must recruit and train new employees. The issue must begin addressed at the middle and high school levels. On the positive side, the Industry Consortium for Advanced Technical Training (ICATT) Apprenticeship Program is currently deployed at two manufacturers in Champaign-Urbana, in partnership with Parkland College. It enables a high school student to attend Parkland and work at a participating company, simultaneously earning a degree and receiving skills training. The Illinois Manufacturers' Association has supported the ICATT and is also a resource for local manufacturers. IMEC, which is part of the NIST MEP National Network, is an additional resource for leadership, strategy, customer engagement, operations and workforce improvements.

Moreover, several specialty instrumentation and hardware firms with commercialized research from UIUC have either established manufacturing operations or are considering making the transition. They will require support to facilitate successful transitions that would create jobs in the community. Targeting manufacturing provides the opportunity to support and retain manufacturers, including small scale, hardware and others, in Champaign-Urbana.

Recommended Strategies

BCD recommends the following strategies to grow the three targeted clusters:

Landscape Strategies:

A. Capital:

- (1) Create an active angel group that adopts best practices and regularly invests in local companies. The relaunch of UCAN as Illini Angels, in collaboration with UIUC, would build upon the Illini brand, attract professional management, and utilize industry best practices. Collaborate with other Big Ten universities.
- (2) Continue to organize visits and events (including virtual) for out-of-town angels and VC firms and encourage startups to travel to Chicago and other regions to meet with angels and VC firms.
- (3) Seek support from the State of Illinois on the creation of a program that provides early-stage funding to growth companies in order to be competitive, as well as establishing a matching grant program for SBIR/STTR awards to companies.

B. Talent:

- (1) Create a coordinated strategy among stakeholders to market Champaign-Urbana as a great place to live and spend your career. Promote career, versus single job, opportunities.

- (2) Launch an effort to attract UIUC alumni and former residents back to Champaign-Urbana. Leverage existing recruitment and promotion activities such as Chambama Proud and the job board.
- (3) Assist companies with virtual company models when management and senior engineering talent cannot be attracted, and retain the R&D function and teams in physical space in Champaign-Urbana.

AgTech Cluster Strategies:

- (1) Facilitate more formalized collaborations with growers to enhance Champaign-Urbana as the place to start and grow AgTech businesses.

MedTech Cluster Strategies:

- (1) Realize the vision for Carle Illinois School of Medicine in order to build this significant asset for the MedTech cluster. Raise the funding necessary to make faculty hires.
- (2) Develop and promote a more collaborative approach between Carle, innovators and startups, and establish a clear point of contact and process that will lead to increased commercialization of technology.
- (3) Convene conversations among Carle, UIUC and OSF to work towards collaboration and coordination that would facilitate increased proof-of-concept, testing and commercialization of innovations from all three institutions as well as entrepreneurs developing MedTech innovations.
- (4) Enhance corporate relationships at UIUC that will benefit the MedTech sector and attract more life science companies to UIRP, in order to provide gateways for entrepreneurs seeking corporate collaborations and funding.

Manufacturing Cluster Strategies:

- (1) Work towards solving workforce readiness and labor pool challenges through a collaborative effort among manufacturers, educational institutions (Champaign Community School District 4, Parkland College, UIUC), the Workforce Innovation Board, CCEDC, and Champaign and Urbana to address the issue at the middle and high school levels.
- (2) Scale-up the ICATT Apprenticeship Program to include more manufacturing firms as participants and apprentices from local high schools.
- (3) Provide guidance and resources to specialty scientific instrumentation and hardware firms seeking to transition from research and development to manufacturing in Champaign-Urbana, with the goal of increasing the number of manufacturing firms in the community.