6. ECONOMIC DEVELOPMENT

VISION
Bloomington will be thriving, with a diversified local economy and a culture of entrepreneurship and innovation. As a regional economic leader, it will attract and nurture a highly skilled workforce. The community’s high quality of life will bolster its economic competitiveness.
Bloomington has a long history of good fortune with economic development. The City began with the agricultural bounty of McLean County and contact with wider markets brought by the railroads in the 19th century. The 20th century brought a Fortune 500 company. The City has long been in the forefront of economic opportunity in central Illinois. Bloomington’s location at the crossroads of the state and the richness of its resources have provided decades of stability and economic consistency. During the recent recession Bloomington-Normal and McLean County were consistently less affected economically than other communities in Illinois. Events that had serious worldwide repercussions created hardship in Bloomington, but not to the extent that was seen in similar communities.

However, the economic crises of the last decade make clear that globalization continues to alter the workings of our economic system. Advanced telecommunications and data networks, containerized shipping and a shifting economic relationship with overseas manufacturing centers has continued the process begun over forty years ago, when heavy industry and manufacturing in the United States began to lose ground to foreign companies. Today the transfer of manufacturing capacity outside the country is largely regarded as a settled process, as is the growing dominance of service sector business.

What American steel producers learned in the 1970s is now true for small business and individuals; transactions once thought to be local now can be conducted directly in the global marketplace. This expanding access to the world economy poses several challenges for communities like Bloomington and the people who live and work here. Where once the purchase of basic goods meant a trip to a local retailer, today individual consumers have access to products found on the internet and delivered from their point of origin anywhere in the world direct to the buyer’s doorstep.

In a worrisome corollary, sales taxes once paid on local transactions are now avoided, reducing the resources local and state governments have at hand to address community needs. Similar impacts at the state level continue to frustrate efforts to resolve budget shortfalls in Illinois and have created greater difficulties for local governments now receiving reduced allocations from state revenues. While these economic stresses increase, Bloomington now competes for resources and opportunities not just with neighboring communities, but in a global marketplace.

To respond to this challenge, five regional agencies, including the Central Illinois Regional Airport Authority, the McLean County Chamber of Commerce, the Economic Development Council of the Bloomington-Normal Area, the Bloomington-Normal Area Convention and Visitors Bureau and the McLean County Regional Planning Commission, joined together to sponsor a study of current economic conditions and to formulate an economic development strategy for the area. The Bloomington and Normal councils and the County Board met jointly in May 2015 for a preliminary findings presentation by IO Inc., the consultant leading the Regional Economic And Market Development Strategy.

As outlined on page 85, the Bloomington area including the Town of Normal and McLean County has many economic advantages. However, the community complacency resulting from the historic advantage of relying on large employers who a created stable economic base is no longer an option. There is a need to create a range of jobs and diversify beyond the current major employers into a broader range of industries to sustain the local economy going forward.

The regional strategy reviewed and analyzed a number of qualitative and quantitative factors, including the area’s economic advantages, quality of life, regional and state economic growth, average wages, location quotients and fastest growing industries. This information was further screened to identify compatible sectors and industries for the region based on:

1. Primary industries with 10%...
### Demographics

- **About 1%**
  - Annual Projected Growth
- **32.2**
  - Median Age
- **49.3%**
  - Share of Working Age (25-64)
- **$62,089**
  - Median Household Income
- **$30,460**
  - Per Capita Income

Demographic strengths include low median age, above average income levels and a trend towards increasing household and per capita incomes.

### Workforce

- **49%**
  - Share of Working Age (25-64)
- **49.3%**
  - Share of Working Age (25-64)
- **49%**
  - With Associates Degree or Higher
- **6.4%**
  - Unemployment Rate (2014)
- **$62,089**
  - Median Household Income
- **$30,460**
  - Per Capita Income

Workforce strengths include high educational attainment with a large share of residents in management/financial occupations at competitive wages.

### Employment

- **23.1%**
  - Jobs Held by Age 29 or Younger
- **18.7%**
  - Jobs Held by Age 55 or Older
- **24.2%**
  - Earn Less Than $1,250/MO
- **44.0%**
  - Earn More Than $3,333/MO
- **165,900**
  - Total Jobs Projected by 2035 in the Metro Area

Employment strengths include above average long-term employment growth projections, and above average earnings profile for the resident workforce relative to comparable areas.

### Market Access

- **1**
  - Regional Airport with 9 Daily Departures and 8 Non-Stop Destinations
- **2**
  - Class One Rail Carriers
- **3**
  - Interstates

Market Access strengths include local access to multiple interstates and rail carriers; excellent connections to major freight centers in Chicago and St. Louis; and a regional airport with non-stop service to major destinations in the Midwest and Southeast.

### Real Estate

- **$13/SQFT**
  - Office/Business Park
- **$3.5/SQFT**
  - Industrial
- **16.5%**
  - Vacancy Rate for Office/Business Park
- **18.0%**
  - Vacancy Rate for Industrial

Real Estate strengths include a good inventory of for-lease space for smaller users, comparative office and industrial lease rates and lower construction costs relative to the Chicagoland area (Construction Index of Chicago Land Area is 117.2).

**Construction Cost Index (National Avg 100)**

Strengths include a good inventory of for-lease space for smaller users, comparative office and industrial lease rates and lower construction costs relative to the Chicagoland area (Construction Index of Chicago Land Area is 117.2).
The two subsets of this sector include Finance & Insurance and Shared Services & Back Office Centers.

**Finance and Insurance Services**: This sector builds on the existing industry base in the region with major employers such as State Farm and Country Financial. National projections for growth in employment and output for this sector are above average. Given the strong presence of this sector locally, there is a good base of skilled workers to support additional employers in this sector.

**Shared Services and Back Office Centers** are a way of organizing administrative functions to optimize cost effectiveness and reliability. They include administrative service centers, call centers, customer support and technical support centers. They can also include a range of professional services related to management, human resources, legal, marketing, security and accounting functions. This sector is typically attractive to communities such as Bloomington-Normal that offer lower operating costs and highly skilled workforce.

McLean County is the top agricultural production county in Illinois. The county produces over $500 million per year in agricultural products, primarily grain and livestock. Its connections in terms of interstates, highways and rail complement its position as the top ag producing county in the state.

The Department of Agriculture at Illinois State University (ISU), offering programs of study in a large number of specialty areas within agricultural sciences, provides strong support for this sector.

This sector includes grain crops and livestock that already have an established presence in the region. It also includes value-added food processing industries that are directly related to the types of commodities produced in the county such as meat and poultry processing, and other snack food that frequently uses corn products. The target industries within this sector include confectionery manufacturing, culinary arts and agri-tourism.

Many of these industries show strong historic employment growth in Illinois over the past five years.

The needs for entrepreneurs are varied, but communities that want to foster entrepreneurship must provide a supportive ecosystem that includes access to capital, favorable regulatory environments and professional support services.

The rate of entrepreneurship nationally tends to be highest among 30-39 year olds, followed by 40 to 49 year olds. However, there is a rising trend toward entrepreneurship among pre retirement baby boomers in the 55-64 year old range.

The age characteristics nationally bode well for Bloomington-Normal. The region could capitalize on the younger cohort of recent graduates as well as growing cohort of Boomers that are approaching retirement from large corporate environments and potentially seeking other opportunities for full or part time employment on their own terms. The level of entrepreneurship is also high among the less educated, driven primarily by economic necessity. Immigrants are twice as likely as native-born residents to start new business. Immigrant entrepreneurs are particularly successful in high tech fields such as biotech, software, semiconductors and medical devices.

Companies in the Information and Communication Technology (ICT) sector may be consultants, or they may be outsourced functions of larger companies.

Large companies within this industry have the advantage of offering a broader range of services and potentially serve a global market, while smaller firms can compete more effectively within specialized market niches. These smaller firms often specialize in particular industries such as insurance and financial services, health care or government.

This industry requires highly skilled labor and availability and quality are a constant challenge. Growth opportunities in this sector include:

- Increased threat of security breaches that will continue to create opportunities for IT firms.
- Increased use of wireless devices that will require companies to create mobile apps.
- E-Commerce has also increased the demand for IT services.
- Cloud computing technologies that will directly impact ICT sector.

This sector builds on the existing IT employment base in the region.

Figure 6-1. Target Sectors for Bloomington-Normal Metro Region; Source: Information on this page is summarized by MCRPC based on the research conducted by IO Inc for the Regional Economic Strategy.
or more employment growth in Illinois from 2008 to 2013, or a local growth rate from 2008 to 2013 that was greater than the national growth rate.

2. Positive projected national output and employment growth.

3. Average wages above $40,000.

4. Current statewide employment of at least 250.

Figures 6-1 and 6-2 identify the targeted sectors and their occupation requirements for those targeted sectors respectively. Some of these sectors already have a strong presence locally but show potential for expansion.

The leading direction from the strategy is the critical importance of a regional economic coalition working together to achieve and maintain a competitive position in attracting and retaining both employers and the workforce needed to sustain them. A final copy of the strategy will be available in August 2015.

This chapter of the comprehensive plan was informed by preliminary findings of the above mentioned strategy. The goals, objectives and action items focus on diversifying the economy and providing a broad range of employment opportunities for all residents.

They focus on maintaining and growing existing businesses through local and state level policies and incentives, as well as developing current data resources for use by City and regional economic development staff.

These efforts can be facilitated by the Bloomington Normal Economic Development Council, in concert with City staff. Attracting new business to the City and region involves promoting community assets as beneficial to new businesses and highlighting our standard of living and amenities to gain competitive advantages over other regions. A one stop shop website that highlights the competitive advantages of the region and makes information for business location and expansion needs easily accessible is very important. While such a website would be created and maintained at the regional level, the City needs to designate a contact person to ensure the information regarding Bloomington is current and accurate.

WORKFORCE

Attracting and nurturing a workforce that can support the existing and target sectors is key for economic development. Goals and objectives for the workforce are considered from the standpoint of identifying workforce needs, and making the community attractive and welcoming for new residents seeking economic opportunity.

ENTREPRENEURSHIP

Entrepreneurship as an economic driver is at the forefront of economic growth strategies in many communities throughout the United States. This phenomenon is not surprising given that small and mid sized businesses are the backbone of the American economy, accounting for nearly 40% of all new jobs created.

The needs of individual entrepreneurs are varied and highly contextual, but the base requirements of a strong entrepreneurial ecosystem are consistent including access to capital, favorable regulatory environments, access to finance, and a support system that fosters a culture of entrepreneurship.

The goals and objectives in this chapter aim towards developing a culture of entrepreneurship and providing resources to promote new and innovative businesses through public-private partnerships in Bloomington and Normal. Extending that concept, the plan objectives seek to position Bloomington as a business-friendly community. Of particular interest is an initiative to examine the City’s regulatory and permitting practices, and reduce barriers to business identified in development review and approval.

ECONOMIC DEVELOPMENT AND ITS RELATION TO OTHER CHAPTERS OF THE PLAN

As outlined in the Neighborhoods chapter and the Downtown section later in this chapter, the Regeneration Area,
Figure 6.3. Opportunities for Infill Development and Redevelopment

Vacant Property
- Residential
- Non-Residential

Gateways
- Downtown
- Primary

Corridor Enhancements
- Enterprise Zone
- Redevelopment Opportunities

Labeled with Potential Ideas for Redevelopment
Preservation Area and the Downtown have suffered years of disinvestment. The sustainability of this core area is key to the overall fiscal, social and economic health of the community. These areas should be prioritized for reinvestment of both public and private resources during the next 20 years. Jobs and employment should be a key component of any meaningful redevelopment efforts in these areas.

As shown in Figure 6-3, many opportunities for infill and redevelopment are identified within the established older areas of the City. These sites are just a beginning of what needs to be a continuous process of identifying opportunities for redevelopment. The redevelopment of sites in the Regeneration Area and the West Side in general should focus on bringing living wage jobs close to the people in that area.

The Education chapter highlights the interdependence of education and the economy. With nearly half of all residents in Bloomington-Normal with an associates degree or higher and nearly 44% of them with a bachelors degree or higher, the community is at an advantage to attract industries that need a high-caliber workforce. However, the community cannot lose sight of the need that still exists, particularly among minority groups and low skilled workers for jobs that pay a living wage.

Bloomington and the greater area is rich with cultural resources, but arts and culture related tourism is yet to be fully exploited. This plan strongly recommends expanding the cultural tourism efforts that will boost the local economy.

Throughout the outreach process, the respondents of the survey made it clear that they value local stores and restaurants over chains and big boxes. There are a number of well documented benefits when more members of the community buy local. “Make Your Money Mean More” is a local effort led by McLean County Chamber of Commerce to help promote local purchasing. All of these economic benefits apply directly to the local food and related policies listed in the Healthy Living chapter.

Public safety services, police, fire and EMS, make up over 50% of the City’s operating expenses. Coordinating development where public safety services can be efficiently provided is key to the long term economic sustainability of the City.

Construction and maintenance of Infrastructure involves huge public costs. Given the current economic realities at the federal, state and local levels and the funding challenges for infrastructure, the Future Growth and Land Use chapter recommends a tiered approach for future development which will effectively utilize streets, sewer, water and public safety infrastructure.

This plan strongly recommends prioritizing infill and contiguous development in Tiers 1 and 2, prior to investing resources to foster discontiguous or green field development in Tier 3. This prioritization applies to both residential and non-residential uses. If a development opportunity arises in the land designated as Tier 3 or as Future Use areas, the City should carefully evaluate the public costs and benefits of such a development.

Figure 6-4 illustrates that a higher percentage of land has been dedicated to the employment centers in Tiers 1 and 2. This is an acknowledgment that the need for residential neighborhoods will follow employment.

![Figure 6-4. Land Use Acreage by Tiers](chart.png)
ED-1. Ensure a broad range of employment opportunities for all residents.

**ED-1.1 Focus on retention and expansion of existing businesses.**

**METRICS**

- # of jobs
- # of jobs in small/mid-size firms
- Unemployment rate
- Database of small/local business resources

**EDC, ongoing**

**ED-1.1a** Continue to support the growth and expansion of community’s core economic sectors (financial services, information technology and health care). EDC, ongoing

**ED-1.1b** Maintain communication with major employers and stakeholders to identify and mitigate risks (where practical) to ensure local economic stability. EDC, ongoing

**ED-1.1c** Create and maintain a database of available resources for existing and new small and/or local businesses. EDC, short/ongoing

**ED-1.1d** Maintain the City’s economic development web page with up-to-date incentive information and other resources. City of Bloomington Office of Economic Development, short

**ED-1.1e** Provide technical assistance and support to existing businesses in the community. EDC & City of Bloomington Office of Economic Development, ongoing

**ED-1.1f** Explore state level policy initiatives to support local economic development. EDC, ongoing

**ED-1.1g** Offer incentives for retention and expansion of existing businesses, particularly those that help diversify the local economy, create jobs at or above the City’s median wages, are located in regeneration areas, or those that yield positive cost-benefit to the community. City of Bloomington Office of Economic Development, short-medium

**ED-1.1h** Promote collaborative marketing for business clusters. EDC, ongoing

**ED-1.1i** Create a local talent resource network. EDC, short

**PARTNER AGENCIES**

EDC, Chamber of Commerce, DBA, City of Bloomington, Town of Normal, McLean County, private businesses and Industry.
**ED-1.2 Leverage community assets in attracting business.**

**ED-1.2a** Continue to be an active partner in the regional economic development initiatives and diversify the local economy. *City of Bloomington, ongoing*

**ED-1.2b** Create a one-stop shop economic development web portal for Bloomington-Normal and McLean County, a unified external voice for Bloomington-Normal metro area’s strengths and economic development efforts. Include database of available resources for businesses and residents currently in the area. *EDC, short*

**ED-1.2c** Proactively market the relatively low lease rates, construction costs(particularly when compared to the Chicagoland Area) and other factors that demonstrate the competitive costs in the Bloomington metro area. *EDC, short*

**ED-1.2d** Market the area’s quality of life factors, such as good education, safety, range of housing options, reasonable cost of living, recreational and cultural opportunities, that attract a highly skilled labor force for potential businesses. *EDC, short*

**ED-1.2e** Leverage the region’s digital infrastructure and other assets to attract businesses in Information and Communication Technology (ICT’s) industry. *EDC, short*

**ED-1.2f** Leverage Bloomington-Normal’s multimodal access via rail, air and interstate to attract transportation, logistics, warehousing and distribution centers. *EDC, short*

**ED-1.2g** Work with the Central Illinois Regional Airport (CIRA) to attract businesses that can benefit from air transportation and surface transportation. *EDC, short*

**ED-1.2h** Promote regeneration area infill sites on the west side of Bloomington to take advantage of existing infrastructure and attract quality jobs closer to residents. *City of Bloomington, short*

**ED-1.2i** Offer financial incentives to attract new businesses that meet one or more of the following criteria

- a) businesses that diversify the local economy and create jobs at or above the City’s median wages.
- b) located in the Regeneration Area
- c) located on infill/redevelopment sites
- d) produce positive cost-benefit result.

*City of Bloomington, short-medium*
ED-2. Foster a culture of entrepreneurship.

**ED-2.1 Promote access to resources, funding and information.**

ED-2.1a Create and maintain a database of available entrepreneurship resources for Bloomington-Normal and McLean County. *EDC, short*

ED-2.1b Create a dedicated web page on the regional web portal featuring the aforementioned database, current events, articles and other entrepreneurial resources. *EDC, short*

ED-2.1c Create a regional Entrepreneurship Leadership Council (ELC) to serve both as a catalyst and a steward for existing and future entrepreneurship programs. *EDC, BN Tech Town, short*

ED-2.1d Identify and promote successful entrepreneurship efforts. *EDC, short*

ED-2.1e Host conferences and workshops to share state and national level expertise on entrepreneurship with area residents. *EDC & ELC, ongoing*

ED-2.1f Evaluate the feasibility for establishing an incubator in Bloomington’s Downtown through public-private partnerships. *EDC, ongoing*

ED-2.1g Explore the potential of a public-private partnership to attract one of the nations’ leading accelerators to the community. *City of Bloomington, short*

ED-2.1h Identify and remove barriers to establishing startup businesses within the City. Create a panel of local entrepreneurs and City staff to identify barriers in the licensing and permitting processes. *City of Bloomington, short-medium*

ED-2.1i Advocate at state and federal levels for legislation that support and foster entrepreneurship. *City of Bloomington, short*

ED-2.1j Facilitate funding for entrepreneurial efforts in the community. *EDC, ongoing*

**METRICS**

- Creation of countywide entrepreneur resource database and associated web page
- # of young firms (10 years or less) ↑
- # of jobs in young firms ↑
- $ in venture capital investment ↑
- % of job market share in young firms ↑

**PARTNER AGENCIES**

EDC, Chamber of Commerce, City of Bloomington, Town of Normal, McLean County, higher education institutions, local entrepreneurs and businesses, private sector
Innovation districts are geographic areas where leading-edge companies, research institutions, start-ups, and business incubators are located in dense proximity. These districts facilitate new connections and ideas, accelerate the commercialization of those ideas, and support metropolitan economies by growing jobs in ways that leverage their distinct economic position.

Innovation districts constitute the ultimate “mash-up” of entrepreneurs and educational institutions, start-ups and schools, mixed-use development and medical innovations, bike-sharing and bankable investments—all connected by transit, powered by clean energy, wired for digital technology, and fueled by caffeine.

Given the vast distinctions in regional economies, the form and function of innovation districts differ markedly across the United States. These districts adhere to one of three general models.

The “anchor plus” model, primarily found in the downtowns and mid-towns of central cities, is where large-scale mixed-use development is centered around major anchor institutions and a rich base of related firms, entrepreneurs and spin-off companies involved in the commercialization of innovation. “Anchor plus” is best exemplified by the Cortex district in St. Louis (flanked by Washington University, Saint Louis University, and Barnes Jewish Hospital).

The “re-imagined urban areas” model, often found near or along historic waterfronts, is where industrial or warehouse districts are undergoing a physical and economic transformation.

This change is powered, in part, by transit access, a historic building stock, and their proximity to downtowns in high rent cities, which is then supplemented with advanced research institutions and anchor companies. This model is best exemplified by the remarkable regeneration underway in Boston’s South Boston waterfront and Seattle’s South Lake Union area.

The third model, “urbanized science park,” commonly found in suburban and exurban areas, is where traditionally isolated, sprawling areas of innovation are urbanizing through increased density and an infusion of new activities (including retail and restaurants) that are mixed as opposed to separated. North Carolina’s Research Triangle Park is the strongest validation of this model.

Practitioners in leading-edge innovation districts offer five pieces of advice to build a vibrant innovation district:

1. **Build a collaborative leadership network**, a collection of leaders from key institutions, firms and sectors who regularly and formally cooperate on the design, delivery, marketing and governance of the district.

2. **Set a vision for growth** by providing actionable guidance for how an innovation district should grow and develop in the short-, medium- and long-term along economic, physical and social dimensions. Most practitioners cite the importance of developing a vision to leverage their unique strengths—distinct economic clusters, leading local and regional institutions and companies, physical location and design advantages and other cultural attributes.

3. **Pursue talent and technology** given that educated and skilled workers and sophisticated infrastructure and systems are the twin drivers of innovation. Pursuing talent requires attraction, retention and growth strategies; integrating technology requires a commitment to top notch fiber optics (and, in some places, specialized laboratory facilities) to create a high quality platform for innovative firms.

4. **Promote inclusive growth** by using the innovation district as a platform to regenerate adjoining distressed neighborhoods as well as creating educational, employment and other opportunities for low-income residents of the city. Strategies should focus on equipping workers with the skills they need to participate in the innovation economy or other secondary and tertiary jobs generated by innovative growth.

5. **Finally, enhance access to capital** to support basic science and applied research; the commercialization of innovation; entrepreneurial start-ups and expansion; urban residential, industrial and commercial real estate (including new collaborative spaces); place-based infrastructure (e.g., energy, utilities, broadband, and transportation); education and training facilities; and intermediaries to steward the innovation ecosystem. Districts in Cambridge, Detroit and St. Louis have successfully re-deployed local capital to meet these needs.
ED-3. Build and maintain a skilled and employable workforce to meet the needs of the current businesses.

**ED-3.1 Workforce availability and retention.**

**METRICS**
- Labor force participation rate ↑
- Labor force ↑
- Unemployment ↓
- “Boomers” labor force participation ↑
- Workers under age 24 labor force participation ↑
- Workforce needs assessment for target industries

**ED-3.1a** Monitor key indicators of healthy workforce such as unemployment, labor force and participation rates. Continue to report to the community every quarter. EDC, ongoing

**ED-3.1b** Identify the workforce and talent needs and gaps of current and targeted businesses and industries. EDC, ongoing

**ED-3.1c** Work collaboratively with the area higher education institutions to match the educational and training programs to fill any identified gaps. EDC, short

**ED-3.1d** Expand the entrepreneurial and job options for new college graduates to retain them in the community. EDC, medium-long

**ED-3.1e** Position Bloomington and the metro area as welcoming and conducive to Baby Boomers who want to start a new businesses. EDC, short

**PARTNER AGENCIES**
- Local higher educational institutions, entrepreneurial networks

**ED-2.2 Establish partnerships.**

**METRICS**
- # of established partnerships with reputed entrepreneurial networks ↑

**ED-2.2a** Establish partnerships with area higher education institutions such as ISU, IWU, Lincoln College and Heartland College to increase educational offerings and assistance in entrepreneurial education. EDC, ongoing

**ED-2.2b** Establish partnerships with state and national level entrepreneurial networks to market and promote Bloomington-Normal entrepreneurial activities. EDC, short

**PARTNER AGENCIES**
- Local higher educational institutions, entrepreneurial networks

**ED-3.2 Position Bloomington as a welcoming and conducive to Baby Boomers who want to start new businesses.**

**PARTNER AGENCIES**
- Local higher educational institutions, entrepreneurial networks

**METRICS**
- “Boomers” labor force participation ↑
- Workers under age 24 labor force participation ↑
- Workforce needs assessment for target industries
ED-4. Enhance the image of Bloomington as a business friendly community.

ED-4.1 Plan for a diversity of ready-to-build sites to meet the demand.

ED-4.1a Identify the site/building needs for targeted industries/ businesses. City of Bloomington, short

ED-4.1b Create a regional “site certification” program to market shovel ready sites with appropriate zoning and access to utilities. EDC, short

ED-4.1c Create a certified site selection database for the entire County. EDC, short

ED-4.1d Ensure availability of ready-to-build sites with sufficient support infrastructure and services needed to meet the demand for new commercial and industrial growth, such as those in the enterprise zone. City of Bloomington, ongoing

ED-4.2 Prioritize infill and redevelopment to spur growth and reinvestment in the City.

ED-4.2a Identify potential brownfield sites. City of Bloomington, ongoing

ED-4.2b Conduct phase 1 and phase 2 environmental evaluations, as applicable, to facilitate private investment. City of Bloomington, short-medium

ED-4.2c Catalog and maintain an up to date list of the City property. City of Bloomington, short

ED-4.2d Develop incentives to encourage private reinvestment in targeted neighborhoods, including funding resources and infrastructure to make private reinvestment feasible. City of Bloomington, short-medium

ED-4.2e Target efforts to improve areas identified in the redevelopment areas map, prioritizing as opportunities are presented. City of Bloomington, ongoing

ED-4.2f Improve the appearance of the City’s primary entrances. City of Bloomington, short-medium

PARTNER AGENCIES
City of Bloomington, Realtors association, property owners, MCRPC, Town of Normal, McLean County, EDC

METRICS
• Target industry needs identified
• # of CoB ready-to-build sites developed ↑
• Site certification program established
• Up to date regional site selection database

METRICS
• # of brownfield sites redeveloped ↑
• Current inventory of City-owned property
• Equalized assessed value (EAV) of the identified infill and redevelopment sites/areas ↑
• EAV along the key corridors identified for revitalization ↑
• Gateways enhanced

METRICS
• Target industry needs identified
• # of CoB ready-to-build sites developed ↑
• Site certification program established
• Up to date regional site selection database
ED-4.3 Facilitate and enhance pedestrian-friendly neighborhood centers to support mixed use developments.

**METRICS**
- # of mixed-use development projects
- # of mixed-use neighborhood oriented commercial developments
- EAV in Downtown, Regeneration and the Preservation Areas

ED-4.3a Explore land use opportunities for retail, office and neighborhood shopping in residential areas, at development intensities that are appropriate to the area. *City of Bloomington, short-medium*

ED-4.3b Allow mixed use as buffer between low density residential uses and high density industrial uses. Ex: Along the Constitution Trail corridor in the Preservation area. *City of Bloomington, short-medium*

**PARTNER AGENCIES**
EDC, realtors, developers

ED-4.4 Evaluate commercial land use needs in the context of changing economic trends.

**METRICS**
- EAV per acre on commercial parcels
- Airport Overlay Zone designation and zoning codes amendments

ED-4.4a Evaluate the existing commercial areas and sites for adaptive reuse, particularly in the context of changing demands. Ex: closed malls and expansive parking lots. *City of Bloomington, short*

ED-4.4b Designate land sufficient for commercial and industrial uses to provide for employment and other commercial needs in the City. *City of Bloomington, ongoing*

ED-4.4c Prevent the encroachment of incompatible land uses around CIRA thereby preserving the utility of the airport into the future. CIRA should work closely with the City to establish overlay district boundaries and amend the zoning ordinance to deter land uses incompatible with airport operations in that district. *City of Bloomington, short*

**PARTNER AGENCIES**
EDC, CIRA
**ECONOMIC DEVELOPMENT INCENTIVES TOOLKIT**

**Tax Increment Financing (TIF) districts** are created to fund economic development projects in blighted areas where development would not otherwise occur or in conservation areas that may become blighted. Property tax rates applied to increases in property value that occur after the district is established, or the "tax increment," are used to fund TIF district projects. The current version of the Tax Increment Allocation Redevelopment Act allows municipalities to designate TIF districts that meet criteria as a blighted area or a conservation area. Improved areas must meet at least five criteria to be considered blighted. For conservation areas, at least half of structures in improved areas must be at least 35 years old and the area must meet at least three of the criteria. Criteria include dilapidation, obsolescence, deterioration, presence of structures below minimum code standards, illegal use of individual structures, excessive vacancies, lack of ventilation, light or sanitary facilities, inadequate utilities, excessive land coverage and overcrowding of structures, deleterious land use or layout, lack of community planning, need for environmental remediation, and decline in property values. Vacant areas can qualify as blighted by meeting two of the following criteria: obsolete platting, diversity of ownership of parcels, tax delinquencies, deterioration of structures in neighboring areas, need for environmental remediation, and decline in property values. Alternatively, vacant land can qualify if it qualified as a blighted improved area before becoming vacant, is subject to chronic flooding, or has an unused quarry, mine, rail yard, railroad right-of-way, or disposal site.

**Sales Tax Rebates/Development Agreements** are used to attract or retain sales tax-generating developments like shopping centers, auto dealerships, supercenter/discount stores, and home improvement stores. This is a popular tool among Illinois municipalities as sales tax revenues often exceed the costs of serving these developments. Caution should be exercised as the fiscal benefits of these developments can create an intraregional competition among communities for sales tax-generating developments, which may not be in the best interest of the broader region.

**Property Tax Abatements:** Any district that extends a property tax can abate (or decrease) any portion of its taxes for certain properties. In McLean County there are well over 100 taxing districts. Implementation of property tax abatements requires municipalities and counties to solicit the participation of underlying districts, such as school districts and townships, if they wish to abate a substantial portion of the property taxes. Property tax abatements can be abated for projects that generate jobs such as commercial or industrial developments or projects that improve the quality of life in the community such as affordable or low income housing.

A **Business Improvement District ("BID")** is a special taxing district, authorized to undertake certain public improvements to be financed through the issuance of notes or bonds that are, in turn, retired by the levy of sales tax within the geographical boundaries of the District. If the municipality approves a business district development or redevelopment plan, they may impose a tax, at a rate not to exceed 1% of the gross receipts from the sales until all business district project costs have been paid.

The **New Markets Tax Credit (NMTC) Program** was enacted by Congress as part of the Community Renewal Tax Relief Act of 2000 to encourage private investment in low-income communities. Qualified Community Development Entities (CDE) will apply for an award of new markets tax credits. The CDE will then seek taxpayers to make Qualifying Equity Investments in the CDE. The CDE will in turn be required to use substantially all of the qualifying equity investments to make qualified low-income community investments in/to qualified active low-income businesses located in low-income neighborhoods/comunities. The taxpayer will be eligible to claim a tax credits for about 7 years and up to 39% total. These investments are expected to result in the creation of jobs and material improvement in the lives of residents of low-income communities. Examples of expected projects include financing small businesses, improving community facilities such as daycare centers, and increasing home ownership opportunities.

The **Low Income Housing Tax Credit (LIHTC)** program enacted by Congress as part of the Tax Reform Act of 1986 to provide the private market with an incentive to invest in affordable rental housing. Federal housing tax credits are awarded to developers of qualified projects. Developers then sell these credits to investors to raise capital (or equity) for their projects, which reduces the debt that the developer would otherwise have to borrow. Because the debt is lower, a tax credit property can in turn offer lower, more affordable rents.

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Illustration representing general concept of a TIF District
Source: Chicago Metropolitan Agency for Planning (CMAP), Examination of Local Economic Development Incentives in Northeastern Illinois, August 2013.
ED-4.5 Identify and reduce barriers for local growth and economic development.

ED-4.5a Identify barriers in the City’s development review process. Create a panel of local builders, developers, City staff and other interested parties to identify barriers in the regulatory procedures. City of Bloomington, ongoing

ED-4.5b Streamline development review and permitting process for speedier processing of applications. City of Bloomington, short

ED-4.5c Provide clear and objective standards for development reviews that provide for a quick and predictable approval process with reduced amount of uncertainty. City of Bloomington, short

ED-4.1d Consider adopting a local procurement policy that will give preference to local vendors, when all other factors are equal or relatively close. City of Bloomington, short

METRICS
- Cost of doing business as compared to other Illinois communities comparable to or competing with Bloomington
- Establishment of advisory panel to examine regulatory barriers

PARTNER AGENCIES
EDC; McLean County Chamber of Commerce

Make Your Money Mean More is an effort led by McLean County Chamber of commerce to encourage residents of Bloomington-Normal McLean County to buy local goods and services. There are many well documented studies that highlight the benefits of buying local for local economies. Throughout the BringItOn-Bloomington outreach process, residents expressed a desire to see more local buying and eating options over chains and big boxes. This plan encourages the City to foster creation of a stable economy with a strong presence of small and local businesses.
ED-5. Enhance tourism based-economic development.

ED-5.1 Expand tourism attractions and destinations.

ED-5.1a Continue to advance sports-based tourism. City of Bloomington Office of Economic Development, short-medium

ED-5.1b Facilitate the expansion of meeting spaces. City of Bloomington, medium

ED-5.1c Facilitate the expansion of multi use sports facility that accommodate soccer, lacrosse and cricket to attract regional sports tournaments. City of Bloomington, short-medium

ED-5.1d Improve the signage to various attractions in the community. City of Bloomington, ongoing

ED-5.1e Heritage and Cultural tourism (See Arts, Culture and History chapter for more details on this action item). City of Bloomington, short

ED-5.1f Develop and expand agritourism. City of Bloomington Office of Economic Development, short/ongoing

METRICS

- Hotel/motel tax revenue ↑
- # of sports events held annually ↑
- Multi-use sports facility
- # of cultural and arts events ↑
- Agri-tourism ↑

PARTNER AGENCIES

CVB, DBA, MCMH, DCEO; Land of Lincoln Regional Tourism Development Office; ISU Department of Agriculture

ECONOMIC DEVELOPMENT
DOWNTOWN

Once the center for community and economic activity, Downtown Bloomington, like downtowns across the country, suffered the loss of retail and other business activities to shopping centers and commercial strips along Veterans Parkway. The vitality of a city’s downtown is an important element in a community’s overall economic health.

In 2008-2009, the City retained the services of Farr Associates to create a redevelopment strategy for Downtown. That report concluded that Bloomington’s Downtown has immense potential that is yet to be realized. It also pointed out that revitalization of Downtown is threatened by failure of consensus on how to maintain, regulate, redevelop and generally manage this valuable and unique asset. The Downtown strategy report was officially adopted by the Council in 2014. While the City, in partnership with Downtown Bloomington Association and other key partners, is making inroads in Downtown redevelopment efforts, many recommended actions of that strategy are yet to be acted upon.

This section of the Economic Development chapter begins with an examination of the goals and objectives of the aforementioned Downtown Strategy, to avoid duplication of effort.

While efforts are currently underway by the Downtown Bloomington Association (DBA) and the City towards implementation of the adopted Downtown Strategy, many action items are yet to be addressed. This plan emphasizes the function of the Downtown as the core attraction for employment, specialty retail, innovative mixed uses, and cultural and entertainment should be preserved and expanded.

In addition, the outreach process made it clear that there is no clear understanding in the community about the boundaries of Downtown. Goals and Objectives to address this short fall include unified marketing and branding for the Downtown district, creation of signage and wayfinding installations promoting the brand, and support for cultural, entertainment and commercial ventures.

The Downtown district is particularly important as the core of historic Bloomington. The goals and objectives emphasize the need to maintain its historic features and character through careful preservation and thoughtful redevelopment where needed.

The support and expansion of attractions in the Downtown district is complemented by goals for furthering the public perception of Downtown as a safe and clean place while also instituting practices to ensure safety. Improving access and convenience is addressed through objectives for parking options, as well as car and bicycle sharing programs, and access to public transportation.

Downtown is a neighborhood as well as an economic center, and the plan guidance recognizes the interaction between these functions, and between the Downtown district and the adjacent neighborhoods. Developing and sustaining an active urban core that includes Downtown, Regeneration Area and the Preservation Area is vital to the longterm success of the community.

Figure 6-5. Downtown Bloomington Study Area and Warehouse District
D-1. Continue to build a healthy Downtown that offers a range of employment, retail, housing, cultural and entertainment opportunities for all.

D-1.1 Strengthen business recruitment and retention activities.

D-1.1a Identify and seek development and business opportunities appropriate for Downtown. City of Bloomington Economic Development staff, ongoing

D-1.1b Actively promote Downtown sites and buildings for business locations. DBA Economic Restructuring Committee, ongoing

D-1.1c Identify the needs of current and future employees to make Downtown attractive to employers. DBA, short

D-1.1d Create and maintain a current database of financial tools and other resources for existing, new and start-up businesses in Downtown. City of Bloomington Economic Development staff, short

D-1.1e Create and maintain a current database inventory, coordinated with the City of Bloomington’s proposed site certification program, of available sites and buildings in Downtown, as proposed in the Economic Development Strategy. DBA Economic Restructuring Committee, short/ongoing

D-1.1f Examine the feasibility of creating a small business incubator in Downtown. City of Bloomington Economic Development staff, short-medium

D-1.1g Prioritize mixed-use development/ redevelopment projects for the Downtown area. City of Bloomington, ongoing

D-1.1h Continue to develop, promote and provide incentives for property owners or developers to reinvest in Downtown. City of Bloomington Economic Development staff, ongoing

D-1.1i Create an economic development staff position focused on Downtown business retention and recruitment. City of Bloomington, short-medium

D-1.1j Leverage assets, such as the Constitution Trail, to encourage business retention and attraction. City of Bloomington, ongoing

METRICS

- # of businesses in Downtown district ↑
- # of jobs in Downtown district ↑
- Commercial vacancy rate ↓
- # of start-up companies in Downtown district ↑
- # of resources available for Downtown business ↑
- Database of financial tools for business available for use
- Inventory of Downtown sites and buildings added to site certification database
- # of incentives provided to Downtown businesses ↑

PARTNER AGENCIES

DBA Economic Restructuring committee; EDC, MCRPC, US Cellular Coliseum, MCMH, Bloomington Public Library
D-1.2 Pursue catalyst projects that can serve as additional Downtown anchors.

D-1.2a Amend Coliseum management contract to involve its management in economic development projects compatible with Coliseum operations. City of Bloomington, short

D-1.2b Consider other Downtown needs during the expansion of community facilities currently located in Downtown, such as the BCPA/Creativity Center and the Bloomington Public Library. City of Bloomington, short

D-1.2c Encourage other community anchors, such as the YMCA, to expand in Downtown. City of Bloomington, short-medium

D-1.2d Leverage Downtown assets, such as the Route 66 Visitors Center, to attract other catalyst projects. City of Bloomington, short-medium

D-1.3 Reinvent the Warehouse District.

D-1.3a Investigate designation of a special use district, such as an Art or Innovation district, to bring a renewed focus to the warehouse district. City of Bloomington, short

D-1.3b Introduce and promote incentives for investment for property owners or developers in the Warehouse District. City of Bloomington Economic Development staff, short-medium

D-1.3c Coordinate with local businesses and Constitution Trail advocates regarding trailside businesses development to boost economic development in the area. City of Bloomington Economic Development staff, short-medium

D-1.3d Encourage and enable alternative business operations, such as pop-up businesses, in the Warehouse District. City of Bloomington Economic Development staff, short-medium

METRICS

- $ public & private investment in Downtown †
- Downtown equalized assessed value †
- # of catalyst projects †
D-1.4 Develop a wide variety of Downtown housing options.

D-1.4a Encourage the inclusion of residential units in mixed-use redevelopment. City of Bloomington Economic Development staff, short

D-1.4b Investigate creating an Employer Assisted Housing zone in and around Downtown. City of Bloomington Economic Development staff, short-medium

D-1.4c Explore employer-based incentives for home ownership. City of Bloomington Economic Development staff, short-medium

D-1.4d Encourage and support business development that serves Downtown residents, such as neighborhood scale grocery. City of Bloomington Economic Development staff, ongoing

D-1.4e Improve parking access/facilities for Downtown residents. City of Bloomington Economic Development staff, short-medium

D-2. Market and promote the unique brand and image of Downtown Bloomington.

D-2.1 Identify and designate gateways to Downtown.

D-2.1a Use City of Bloomington land or street r-o-w to create gateway features such as landscaping, artwork, pocket parks, etc. City of Bloomington, short

D-2.1b Install gateway signage. City of Bloomington Economic Development staff, short-medium

D-2.1c Create and sustain consistent Downtown streetscape design, including gateway areas. City of Bloomington, short-medium
D-2.2 Expand the Downtown Bloomington Association’s marketing efforts.

D-2.2a City of Bloomington continue to support DBA. City of Bloomington, ongoing

D-2.2b Investigate regional and state funding sources. DBA, ongoing

D-2.2c Continue and expand the event programming activities. DBA Promotions Committee, ongoing

D-2.3 Improve wayfinding Downtown.

D-2.3a Install wayfinding signage for parking garages and attractions. City of Bloomington, short-medium

D-2.3b Develop consistent branding and iconography for gateway and wayfinding signage. DBA, ongoing

D-2.3c Solicit cooperation from Downtown businesses in adopting and promoting consistent branded wayfinding. City of Bloomington, short

D-2.4 Develop and adopt a Downtown signage code appropriate to the area.

D-2.3a Review existing code for suitability to Downtown character. City of Bloomington Economic Development staff, short

D-2.3b Adapt code to encourage signs visible to pedestrians and bicyclists as well as auto traffic. City of Bloomington, short

D-2.3c Adapt code to discourage sign placements and sizes that detract from the Downtown character, while offering options to businesses. City of Bloomington, short
D-2.5 Consolidate retail uses within the Downtown core.

D-2.5a Ensure codes and regulations facilitate use of the area for retail locations. City of Bloomington, short

D-2.5b Modify street configuration and short-term street parking to promote access to retail locations. City of Bloomington, short-medium

D-2.5c Encourage synergy in adjacent retail to promote multi-stop visits. DBA, ongoing

D-2.6 Encourage commercial and corporate uses along the U.S. 51 corridor surrounding the Downtown core.

D-2.6a Adopt access management policies on through routes in Downtown district. City of Bloomington, short

D-2.6b Coordinate parking deck access points and side street parking to support longer-term parking along couplet. City of Bloomington, short-medium

D-2.7 Continue support and coordination efforts for the Farmers Market.

D-2.7a Provide assistance to the Farmers Market to resolve issues and continue to support the market’s efforts in the future. DBA, ongoing

D-2.7b Make infrastructure changes or recommendations, including parking, streetscape, and signage. City of Bloomington, short-medium

D-2.7c Investigate Downtown site/venue/street facilities for Farmers Market to allow for expanded market hours and seasons. DBA Promotions Committee, short
D-3. Protect Downtown’s historic character and encourage appropriate new development.

D-3.1 Protect the scale and character of historic Downtown and provide appropriate parameters for new development that complements its historic character.

D-3.1a Implement the Downtown Bloomington Strategy recommendations for a zoning overlay ensuring that future developments are compatible with Downtown’s historic character. City of Bloomington, short

D-3.1b Target façade rehabilitations to concentrated areas of the Downtown. City of Bloomington, short-medium

D-3.1c Develop incentives for façade rehabilitation in mixed-use redevelopment projects. City of Bloomington, short-medium

D-3.1d Continue educating property owners regarding other funding sources or tax benefits of rehabilitation. DBA, ongoing

METRICS

- Adopt and implement Downtown Historic District zoning overlay
- # of façade improvements to Downtown properties ↑
- # of adaptive reuse projects ↑
- $ amount of public and private investment in historic properties ↑
- Equalized assessed value in Downtown district ↑

PARTNER AGENCIES

DBA, Historic Preservation Commission

D-4. A clean and safe Downtown.

D-4.1 Improve and promote Downtown as a clean and safe place.

D-4.1a Task Public Works department to develop a Downtown district trash removal and street cleaning program in cooperation with private service providers. City of Bloomington, short-medium

D-4.1b Streamline and standardize snow removal for Downtown district, in cooperation with businesses and private service providers, through Code revisions as needed. City of Bloomington, short-medium

D-4.1c Establish landscaping standards for parking to manage stormwater, provide shade and aesthetic benefits. City of Bloomington, short

D-4.1d Address infrastructure issues. City of Bloomington, ongoing

D-4.1e Work with the Bloomington Police Department to reduce crime and fear of crime in Downtown. City of Bloomington, ongoing

METRICS

- Adoption of Downtown district-wide trash/snow removal programs
- Adoption of code revisions as needed to implement trash/snow program
- # of crimes in Downtown ↓
- Infrastructure rating ↑

PARTNER AGENCIES

Bloomington Police Department, DBA
D-5. Continue to develop a multi-modal transportation network in Downtown.

D-5.1 Improve parking conditions and access and encourage shared public and private parking supplies.

D-5.1a Ensure that public parking is positioned for access to multiple destinations. City of Bloomington, ongoing

D-5.1b Evaluate parking ordinance standards and requirements. City of Bloomington, short

D-5.1c Investigate innovative parking solutions for effective parking management in Downtown. City of Bloomington, ongoing

D-5.1d Allow developments to pay in-lieu fees for public facilities instead of on-site private parking. City of Bloomington, short

D-5.1e Consider appropriately designed street parking in core retail are bounded by Center, East, Locust and Front Streets. City of Bloomington, short-medium

D-5.1f Adopt parking code revisions consistent with appropriate standards for Downtown district. City of Bloomington, short-medium

D-5.1g Require screening of parking facilities from street right-of-way using landscaping. City of Bloomington, short-medium

D-5.1h Encourage interior parking within building footprints. City of Bloomington, medium

D-5.1i Coordinate shared private parking arrangements. DBA, short-medium

D-5.1j Coordinate and manage shared parking, such as valet or parking broker, to serve multiple restaurants, stores, and drinking establishments. DBA, short-medium

D-5.1k Consider the installation of parking meters in designated locations. City of Bloomington, short-medium

METRICS

- Adoption of Downtown district-wide trash/snow removal programs
- Adoption of code revisions as needed to implement trash/snow program
- # of crimes in Downtown ↓
- Infrastructure rating ↑

PARTNER AGENCIES

DBA, Bloomington Public Works Department
D-5.2 Enhance the walkability and bikability within and to Downtown and facilitate access to car-sharing and bicycle sharing services in the Downtown district.

**METRICS**
- Implementation of shared parking policy
- Installation of parking meters in designated locations
- Downtown location selection for car/bicycle sharing program
- # of bicycle access routes to Downtown district installed
- # of bike/pedestrian wayfinding signs installed
- Bicycle LOS
- Sidewalk ratings (in PASER)
- Aggregate sidewalk length in Downtown district

**PARTNER AGENCIES**
- DBA, BikeBloNo, Friends of Constitution Trail, Connect Transit, City of Bloomington

**D-5.2a** Use wayfinding signage to identify walking and cycling routes and connections. *City of Bloomington, short/ongoing*

**D-5.2b** Continue to expand the bike connections to Downtown Bloomington. *City of Bloomington, ongoing*

**D-5.2c** Identify a Downtown location for transportation sharing services, including accessible office space and vehicle/bicycle parking. *DBA, short*

D-5.3 Enhance the public transit access to Downtown.

**METRICS**
- Completed Downtown public transit center
- Transit usage at Downtown transfer point

**PARTNER AGENCIES**
- City of Bloomington, MCRPC

**D-5.3a** Upgrade Front Street transfer location. *Connect Transit, short*

**D-5.3b** Include transit signage and transit stop information in wayfinding installations. *Connect Transit, short*
D-6. Reinforce the connections between Downtown and adjacent neighborhoods.

**D-6.1 Encourage development on sites that will link Downtown with surrounding neighborhoods.**

<table>
<thead>
<tr>
<th>METRICS</th>
<th>PARTNER AGENCIES</th>
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</thead>
</table>
| • Development along the edge of the Downtown district †  
  • Equalized assessed value in regeneration and preservation areas †  
  • # owner-occupied housing units in the Regeneration and Preservation Areas †  
  • Vacancy rates in Regeneration and Preservation Areas † | DBA, Local employers |

D-6.1a Encourage development on opportunity sites on the outskirts of the area, especially as prioritized in the Downtown Master Plan. *DBA, ongoing*

D-6.1b Condemn properties that are not maintained. *City of Bloomington, ongoing*

**D-6.2 Form organizational alliances between the DBA and organizations active in surrounding neighborhoods.**

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<tr>
<th>METRICS</th>
<th>PARTNER AGENCIES</th>
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<tbody>
<tr>
<td>• # of joint DBA neighborhood meetings and programs †</td>
<td>DBA, Neighborhood organizations</td>
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D-6.2a Establish and/or maintain close contact with organizations in surrounding neighborhoods. *DBA, ongoing*

D-6.2b Work with surrounding neighborhood organizations to help improve the surrounding area. *DBA, ongoing*

D-6.2c Explore opportunities for joint programs, particularly those that assist property owners with rehabilitation and development, and document projects developed. *DBA, ongoing*

**D-6.3 Pursue public-private development opportunities with major employers seeking employee housing near offices.**

<table>
<thead>
<tr>
<th>METRICS</th>
<th>PARTNER AGENCIES</th>
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| • # of employers participating in employer-assisted housing program †  
  • Employer-assisted housing zone established in Downtown Regeneration and Preservation areas | DBA, Local employers |

D-6.3a Identify major employers in and near Downtown Bloomington that desire improved and expanded housing options for their employees. *City of Bloomington, ongoing*

D-6.3b Establish employer-assisted housing zones in established and regeneration neighborhoods surrounding Downtown. *City of Bloomington, short-medium*