



Champaign Economic Development Strategic Plan

(Adopted August 2012)

Introduction:

Champaign Illinois, the 11th largest city in the state experienced population and economic growth in the period between 1988 and 2008. This growth generally matched the national economic growth trends in housing, retail, industry and investment by corporations and banks. The growth trends of the City changed dramatically in the national economic downturn of 2007/08, again matching many of the changes felt in the national and state economies. Single family and condominium construction literally dried up and retail, office and industrial expansion slowed dramatically, except in a few niche markets Champaign enjoys - Campustown, University Research Park and food and entertainment for example. Against this backdrop of economic change and uncertainty, the Economic Development Strategic Plan (ED Strategic Plan) will outline the challenges facing the City and proposed strategies to meet those challenges in the future.

Context:

The ED Strategic Plan will provide direction for the City in concert with other plans and initiatives. The goals and strategies in the ED Strategic Plan carry out many of the more general provisions of the Comprehensive Plan for the City as well as the Capital Improvement Plan, Council Goals and Downtown Plan. The ED Strategic Plan will be carried out by utilizing existing programs such as TIF Districts where possible, by expanding or modifying existing programs such as the Infill Program or Industrial Development Incentive Program and by creating new programs to respond to future development opportunities. Specific strategies and projects in the plan will be included in City Departmental Goals and in the Individual Service Plans of staff responsible for their completion.

Council Goals:

The Champaign City Council adopts goals every two years following municipal elections (two year updates, with a major goal setting session every four years). The 2011-13 Vision and Goals approved by Council in February 2012 (a major goal setting) included strategic initiatives and key projects to advance economic development. The complete Council Goals are include in the Appendix, the strategic initiatives and key projects related to economic development are repeated in each of the Focus Areas in the ED Strategic Plan.

Economic Development Focus Areas:

These economic development focus areas have been distilled from the Council Goals, information about economic performance and trends developed by City staff, outside publications and a SWOT (Strengths, Weaknesses, Opportunities and Threats) exercise. This information is provided as background in the appendix of this document. Each focus area has a general description, overall goals, the stated objective, strategies to carry out the goal and projects for 2012 as well as key staff and departments responsible for them

Economic Development Focus Area #1: Maintain and Enhance The City's Position as a Regional Retail Destination.

Beginning in the 70s with the construction of Market Place Shopping Center, and since the 90s with the development of North Prospect Avenue, Champaign has developed as the regional retail hub that serves a market of over 300,000 people. This role as a regional market has supported residential and commercial growth by improving the quality of life in Champaign. It has also generated growth in sales tax revenue, creating a reliance on sales tax growth as the proportion of sales tax to other revenues increases (approximately 40% of total revenues).

Goals:

1. Maintain the City's positive business environment (an initiative of Council Goal 4)
2. Preserve vitality and regional draw of existing shopping areas
3. Grow new retail opportunities when market forces and resources allow, (e.g. Curtis Road / I-57)
4. Respond proactively to changes in retail purchasing preferences and retail business evolution
5. Retain and expand City auto dealerships and develop new ones to expand the sales tax base

Objective: Champaign can no longer afford to be uninvolved in retail markets – the City must keep retail a strong component of City revenues, respond to changes in retail business and consumer preferences and promote new retail business by establishing business relationships, actively pursuing new retail and keeping abreast of changes in consumer preferences and markets.

Strategies to achieve the goals:

- Meet quarterly with managers and active brokers in retail destinations (Market Place, Campus / Center City, North Prospect Ave:
- Make one or more (as needed) contacts with key retail businesses (Best Buy, Urban Outfitters, Market Place – with priority given to those that are market definers, are considering changes to their businesses, or major producers of sales tax.
- Create "Round Table" groups in the retail areas to discuss common goals, challenges or pending changes in retail markets - meet initially and set periodic Round Table discussions (e.g. six months).
- Meet annually with owners of existing auto dealerships to discuss the local business climate and any potential for expansion.
- Initiate discussions among North Prospect businesses about the creation of a Business Improvement

District

- Investigate the options for a business registry to maintain contact with business owners
- Develop incentives or City requirements to reduce potential for the “abandoned box store” and “obsolete shopping center” land use problems
- Create a marketing campaign to promote local shopping that supports businesses in the community

Projects for 2012:

Carriage Center Development Agreement. An agreement is currently in negotiation (and will be presented to Council in 2012) to relocate the Ford Dealership business in Champaign from its current location in Carriage Center on South Neil to a new site north of I-74 and locate future new or expanded dealerships to the same location. The agreement will provide future incentives on the Carriage Center site (current location of Ford dealership) for a commercial infill project. Key staff: Deputy City Manager for Development and EDT representatives from the Planning, Finance and Legal departments.

Economic Development Focus Area #2: Promote Events and Plan Facilities to Attract Visitors to the Community.

The City currently attracts visitors to sporting events, concerts, art exhibits, conventions, the Illinois Marathon and bike races. In addition to these events, the City is host to many visitors from nearby communities for dining and social experiences. These events provide a large economic benefit to both the City and University; money spent on lodging, food, entertainment, fuel, goods and services supports local business and provides tax revenue. Growth of these businesses adds to the economic base and makes the community more attractive for residential growth, which in turn, adds to the ability to attract more visitors.

Goals:

1. Market the City as a tourism destination (an initiative of Council Goal 4)
2. Brand the City as a micro-urban community (an initiative of Council Goal 4)
3. Create a vibrant downtown (an initiative of Council Goal 4)
4. Attract larger conferences to the community
5. Bring more events and activities to the community that utilize and support University facilities (examples: conferences at the iHotel, Research Park events)

Objective: Tourism and events that attract visitors benefit the local economy - the City must expand the facilities and venues that attract visitors, work with the University and local business to increase capacity and actively market the community as a destination with unique qualities.

Strategies to achieve goals:

- Continue funding and support of the Convention and Visitor’s Bureau to provide marketing for

Tourism.

- Provide City support for the Corvette Show event, scheduled to be held June 2013
- Develop a plan with the University to jointly promote the City as a destination for University of Illinois Alumni as visitors and, potentially, as residents seeking a quality retirement destination.
- Engage with the University to carry out the branding of the Community as micro-urban and identify the roles of the City and University (a detailed strategy will evolve).
- Expand capability and capacity of outdoor entertainment venues (Boneyard Basin, Downtown, Campustown).
- Continue and expand business development programs in Downtown and Campustown and create new opportunities in Mid Town.
- Utilize incentives for Hotel expansions that support visitor activities and / or have conference space
- Continue to Support the Champaign Center Partnership to market the core areas to their best advantage

Projects for 2012:

Funding Formula for Convention and Visitors Bureau. City staff are developing a funding model and governance structure for the CVB in conjunction with the CVB Board and stakeholders. Following Urbana's withdrawal from the CVB, changes to the funding formula became necessary to balance the budget and retain funding from the State of Illinois. This matter must be resolved in order to avoid significant budget shortfalls. Key Staff: Economic Development Manager and City Manager, with assistance from the Legal Department if necessary.

Economic Development Focus Area #3: Expand Programs for Job Creation and Attract and Retain Workforce Talent in the Community.

Since the downturn in the national economy in 2008, unemployment has risen at the national, state and local levels and many employers have frozen or reduced employment. Although Champaign has experienced only one major plant closure, AC Humko, many employers have cut back, including the University of Illinois, the area's largest employer. In addition to the potential for reduction of the existing work force, the prospects for new plant location to the area have diminished and become more competitive between cities and states. Because the City does not create jobs, companies and businesses do, the approach to job creation must be twofold: to attract more companies and jobs to the community and to train or educate local residents for jobs at existing and new companies.

Goals:

1. Expand programs for job creation and employment growth (an initiative of Council Goal 4)
2. Attract and retain workforce talent in the community (an initiative of Council Goal 4)
3. Expand existing industrial and commercial employers (related to an initiative of Council Goal 4)

4. Recruit and retain innovative green business and industry (an initiative of Council Goal 5)
5. Attract new employers and keep plant or business expansions in the community
6. Create new jobs at all economic levels in the community

Objective: Changes in the economy require a different approach to job creation and development – *the City must compete more aggressively for plant location and expansion opportunities, must be actively involved in the growth and capability of the workforce and find ways for displaced and low / moderate income employees to enter or become more competitive in the job market.*

Strategies to achieve the goals:

- Visit top 25 industrial, commercial and technology employers in Champaign to develop relationships, understand their employment needs and expansion plans (in conjunction with EDC retention program where applicable)
- Replace budget cuts of employment-targeted Industrial Development Incentive Program (IDIP)
- Expand IDIP program to include lower-level job incentives, focusing incentives on training or re-training of employees for new jobs in expanding or new industries
- Develop, with Parkland College, local industry and state employment agencies, a program for employment education and training that directly feeds into the job market (using specific educational attainment, skill development and readiness criteria that meet the employers needs)
- Support the Small Business Development Center (SBDC) activities recently undertaken by the EDC, find ways to measure successful small business growth and development and create a portal for business contacts
- Develop a connectivity strategy as part of the UC2B project to expand fiber access to business and industry
- Pursue creation of 2nd Tier incubator facilities as a location for businesses that leave Enterprise Works in the University Research Park
- Develop a plan to identify and support expansion of business and industry clusters currently located in the community, such as warehouse/distribution, medical and high technology (related to the IDIP Program revision) – use incentives where possible to foster cluster growth

Projects for 2012:

Economic Development Incentive Funding Plan. Develop specific incentive programs for new employment that address both low-moderate income jobs and high paying jobs; beginning with expansion of the IDIP and High Technology Incentive programs and work with City Council to restore incentive funding in the City budget (a Key Project of Council Goal 4). Key Staff: Deputy City Manager for Development and the Economic Development Team.

Employment Development and Training Program. Convene an initial meeting of Parkland College, Champaign Consortium and Industry HR representatives to understand the job availability and training shortcomings in the community and develop programs and measurable goals for job training and education initiatives that meet the needs of local and prospective employers (a Key Project of Council Goal 4). Key Staff: Deputy City Manager for Development as coordinator for the City, programs will be managed by other agencies or as collaborative effort.

Summer Youth Employment Program. In collaboration with Unit 4 School District, pursue funding and management of the program to build on the success of the 2011 and 2012 results. Key Staff: Deputy City Manager for Community Relations and Unit 4 administrators.

Economic Development Focus Area #4: Support the University of Illinois to Enhance the Economic Success and Growth of the City.

As the largest employer in the community and the reason why 40,000 students from around the world study, live, and play here, the University is the single biggest component of the Champaign economy. As the University has struggled with the economic downturn, it is increasingly challenging for the University to maintain its high quality academic leadership and economic development efforts. The City has the ability to support the University as we develop and grow and have resources in common, such as Campustown, the iHotel, the Research Park and University employees that live and work in the community.

Goals:

1. Support the University to maintain its flagship campus at C-U (an initiative of Council Goal 1)
2. Continue development of Campustown, expanding business and entertainment opportunities
3. Grow and expand high technology business at the Research Park
4. Develop the Mid Town area as a connection between Campus and Downtown
5. Improve University District (campus) infrastructure
6. Develop new business opportunities in Campustown (focus on hotel, high quality commercial and residential development)
7. Ensure continued and expanded high quality jet service to the University and community

Objective: The University and City gain directly by supporting joint economic development projects as the economy grows - the City and University must plan and complete projects that maximize this beneficial relationship, so that the University enjoys an environment for its students, employees and faculty that enhances its world class reputation and prestige and the City benefits from the attraction of new research, entertainment and business vitality to the University.

Strategies to achieve the goals:

- Solicit developers for the Lot “J” site on campus to attract a high quality mixed use project
- Construct the South 4th Street extension (St. Mary’s Rd to Windsor Rd)

- Plan new entertainment opportunities on campus and in the Second Street Basin (new art and music related events in 2012 and subsequent years)
- Engage with the Enterprise Works staff to support and expand businesses in the incubator – work directly with companies that progress to ensure that they have the opportunity to locate in the community
- Work with the University Administration on the transition of Willard Airport governance to a community-based organization that will promote and market the airport
- Follow through on the planning and funding of the Green Street infrastructure and streetscape project between Fourth and Neil Streets (2 phases)
- Assist the University with the renovation of the Assembly Hall to provide community entertainment and convention/show capabilities as well as a sports venue for the University

Projects for 2012:

Construct the South 4th Street project. City engineering and planning staff have worked to plan and begin construction of the 4th Street extension and related amenities to support the future growth of the University Research Park and provide improved access to the University. Construction will continue into 2013. Key Staff: City Engineer and project engineer with support from Public Works, Planning and City Manager’s Office Staff as required and coordinated with other departments through EDT.

Economic Development Focus Area #5: Encourage and Support Infill Commercial and Residential Development in the City.

The City has grown outward over the past two decades, annexing new territory, building infrastructure and allowing development to follow the least-cost growth pattern. This approach has generated new commercial and residential developments that provide revenue and shopping and living choices for residents, but also unsustainable City expenses to keep up with the cost of development (such as arterial streets and in some areas, sanitary sewer extension). The City has a large inventory of residential lots and houses to be built and sold and a large supply of vacant office space that must be filled or redeveloped before additional office expansion is economically feasible. Commercial property, while not overbuilt to the same extent as residential and office, will require programs to address problems with obsolescence, environmental cleanup and owner inaction in redeveloping existing commercial space in the City.

Goals:

1. Promote a compact growth pattern to deliver City services efficiently (an initiative of Council Goal 3)
2. Adopt forward-thinking growth and development policies (an initiative of Council Goal 4)

3. Reduce economic barriers to redevelopment of commercial properties located in the core of the City
4. Target problem properties for infill redevelopment
5. Use infill redevelopment as an economic catalyst in redevelopment areas
6. Include commercial infill projects in neighborhood revitalization plans

Objective: Past development patterns are not financially sustainable - the City must find ways to provide incentives for infill redevelopment by using a progressive process of encouragement, financial incentives and enforcement of property maintenance codes to motivate property owners to redevelop or sell property that has infill potential.

Strategies to achieve the goals:

- Implement the Infill Develop Strategic Plan (a Key Project of Council Goal 4)
- Implement the recommendations of the Champaign Tomorrow Comprehensive Plan
- Issue RFPs on City owned properties: Parking Lot "J", Burnham sites, Downtown lots on Main and Hill Streets.
- Expand the existing Infill Development Program to include smaller projects and address infill challenges in redevelopment areas
- Schedule meetings with owners of underperforming, vacant or obsolete properties to discuss redevelopment, and based on the results of those discussions, develop a strategy and schedule for each property (based on the importance of its redevelopment, barriers to redevelopment or market conditions)
- Conduct a review of existing neighborhood plans (example, Beardsley Park) to see how infill policies, RFPs or other approaches to commercial infill can be tailored to meet the goals of the plan and generate commercial economic development
- Advance strategies to benefit low-income neighborhoods after review of neighborhood plans (an initiative of Council Goal 4)
- Identify problem properties and develop a plan for their redevelopment (Country Fair Shopping Center, CS Johnson, and Gateway property, as examples)

Projects for 2012:

Lot "J" RFP. An RFP was issued and Council will approve a developer of record in August or September 2012. The developer of record and City staff will negotiate a development agreement for Council approval for a mixed use project on City parking Lot "J" that brings quality hotel, residential, commercial development to campus and replaces and expands City parking presently located on Lot "J". Key Staff: Planning Director with support from the Planning, Finance, Public Works Departments and City Manager's Office.

Downtown Hotel Project. Council approved an agreement with the developer of a downtown hotel project at the corner of Neil and Church Streets utilizing tax rebate incentives. The project will be a 146 room Hyatt Place hotel with 3 floors of parking and it is anticipated that construction will begin in September of 2012 and completion in mid 2013. Key Staff: Deputy City Manager for Development, Planning Director, Finance Director, City Engineer and other staff as needed.

Economic Strategy Focus Area #6: Build and Maintain City infrastructure to support economic growth of the community and ensure a high quality of life for City residents.

The City has, in the past, successfully managed a Capital Improvement Plan that expanded streets (Bradley Ave and Duncan Road, for example) solved major drainage problems and responded to business growth and transportation demands. The Capital Improvement Fund budget has been reduced along with other City budgets in response to the slower economy. In addition to challenges posed by the current economy, the City has a backlog of Major Arterial Street improvements (estimated at more than \$60 million). In addition to typical infrastructure, the City's investment in technology infrastructure, such as fiber and communications systems, will advance the City economic development efforts by attracting companies and residents.

Goals:

1. Aggressively address aging infrastructure (an initiative of Council Goal 2)
2. Continue to build complete streets (an initiative of Council Goal 2)
3. Provide high quality infrastructure for residents and businesses in the community
4. Maintain short commute times as the community grows
5. Provide all residents and businesses with high speed computer access

Objective: In order to keep pace with community and business growth in the future and provide City residents with quality infrastructure – *the City must restore the Capital Improvements Budget, seek additional revenues to plan and build needed capital improvement projects including grant and outside funding sources.*

Strategies to achieve the goals:

- Adopt a dedicated funding source for road maintenance and improvement – a 4 cent Local Option Motor Fuel Tax was adopted by Council in 2012 for this purpose (a Key Project of Council Goal 3)
- Develop a funding plan for arterial street construction
- Adopt a dedicated funding source for storm water improvements (a Key Project of Council Goal 3)
- Advance plans for complete streets and alternative means of transportation
- Implement the Urbana-Champaign Big Broadband (UC2B) project (a Key Project of Council Goal 4)

Projects for 2012:

First Phase of UC2B. Build the first phase of the UC2B project, connecting anchor institutions and providing fiber to the home with the available grant resources by Spring of 2013. Key Staff: Economic Development Manager, with support from Finance, Legal and City Manager's Office – Council members on Policy Board to provide leadership.

Stormwater Utility Fee. Work with Council to adopt the Stormwater Utility Fee in 2012 (first bills in 2013). Key Staff: Public Works Director and staff, with support from Finance, Legal and City Manager's Office (business and industry contacts).

Economic Development Focus Area #7: Provide efficient transportation systems to attract and retain local business and industry and promote community growth.

In addition to local roads and other infrastructure, access to quality air, rail and highway services and an effective local transit system are essential elements of economic growth and quality of life. Champaign is currently served by interstate highways, location on the main Amtrak line, jet air service and a progressive mass transit system. Success in the future will require expansion of these assets and adoption of new systems as they become available.

Goals:

1. Provide jet service with excellent connections to area residents, businesses and the University
2. Utilize interstate access as a new business attraction and local quality of life asset
3. Support growth of the mass transit system
4. Position our City to capitalize on high speed rail as it becomes available
5. Expand existing passenger rail service to Chicago
6. Complete Olympian Drive

Objective: In order to remain competitive and develop a reputation as a progressive community – the City must preserve and expand existing transportation assets and adopt new forms of transportation as they evolve by maintaining excellent working relationships with the operating entities, looking for new opportunities for collaboration and support and maintaining good communication with local legislators.

Strategies to achieve goals:

- Work directly with EDC, the University and local business to plan for governance and operation of Willard Airport (may be an interim step of operation by CCRPC or CU MTD until permanent governance solution is adopted)
- Make contact with Amtrak and IDOT to determine process and feasibility of adding passenger rail connections to Chicago
- Continue plans with MTD for improvements in Campus and Mid Town (White Street corridor)
- Follow through with City obligations on the Olympian Drive project

Projects for 2012:

Develop strategy for Willard Airport governance transfer and marketing plan. Utilizing the information contained in the Willard Airport Study conducted by Sixel, (October, 2011) and the EDC committee that commissioned and oversaw development of the report, a working group was assembled to plan transfer of the airport governance. Although not a City project directly, Champaign has a large stake in the ongoing operation of the airport and continued jet service. A taxing authority may be the best long-term method of governance and operation, but an interim solution will likely be necessary – operation of the airport by an existing organization such as the MTD until a taxing authority is approved (a period of 2 or 3 years, for example). Key Staff: Deputy City Manager for Development will work with EDC (as a board member), the University and RPC and utilize staff in the Finance and Legal Departments as needed.

Next Steps:

The goals, action statement, objectives and projects described for each strategic issue outline a strategy to address the issue. Following adoption of the strategic plan, more detailed work plans in the form of individual service plans for staff, departmental goals and creation of metrics to measure the outcome of the strategies will be developed. This is a working document, it will be updated regularly as needs and issues change and will be supplemented by discussions with Council about funding and, eventually, programs and budget allocations adopted by Council. This strategic plan will be used as the guide for making sure that policy, planning, and budget actions take the City in the desired direction of economic growth.

Appendix:**Background / Economic Trends Information**

Organizational Assessment

Council Goals

Background / Economic Trends Information:

One of the few things that most economists and many business and government leaders agree on is that the future will be very different from the past. It is also a common opinion that whatever shapes the economic recovery and future trends will also take some time to evolve - based on conversations with local leaders and real estate professionals, as long as five to ten years. Although lack of development opportunities and municipal state budget problems may continue during this period, the ED Strategic Plan is intended to provide a decision making framework for taking actions that will improve the City economy now and in the future and for responding to or creating opportunity for development.

The “New Normal” will be shaped by changes in the national and state economy and the way business and industry respond to them. It will also be determined by changes in consumer buying habits, environmental consciousness, fuel costs and other as-yet-undetermined societal forces. The general consensus among planners and authors studying this evolution is that the country will be greener, more transportation efficient and that sectors of the economy such as housing will grow more slowly. Some, such as Richard Florida in *The Great Reset*, also believe that urban areas will recover and grow more quickly than suburban or rural areas and that consumer preferences in where and how people live will amount to sweeping changes in our society.

Irrespective of which vision of the future is likely, there are some realities that need to be recognized and incorporated into the Champaign ED Strategic Plan. Including:

- The Illinois economy has a large effect on City revenues and is in worse shape than many states
- The University of Illinois (and its fiscal condition) is a significant part of the Champaign economy
- Champaign has a large surplus of residential lots and homes that will take considerable time to absorb into the market - some estimate as much as a 15 year supply
- Champaign has a high vacancy rate in office space
- Significant new revenues are unlikely in the near future

These factors and the pace of the national and state recovery indicate that the ED Strategic Plan will need to address several periods of change. First, a strategy to survive in the slow and evolving economy without losing market share or existing assets; second, a plan to capitalize on economic or development opportunities as they present themselves; and third, a strategy for the future that places Champaign in a competitive position.

Background:

A detailed history of Champaign is beyond the purpose of this Strategic Plan, but an understanding of how the City has evolved and what has worked in the past is important to planning the future. Also important is an understanding of the City's strengths, weaknesses, opportunities and threats (SWOT) – not only from the staff perspective, but also according to business leaders, elected officials and citizens.

Historical Context: Champaign has realized a level of economic growth and financial stability that makes the City unique among downstate communities in Illinois. These include:

- Regional Shopping Destination for a population of over 300,000 people in central Illinois
- A Downtown that has grown new food and entertainment businesses and new urban housing choices as well as maintaining its employment base.
- Campustown redevelopment that brought in many new national restaurant and retail destinations and dramatically improved the environment for students and visitors.
- Technology growth in business and in the University Research Park.
- Ability to create or respond to economic opportunities by private developers (M2, iHotel, Burnham 310, Hilton Garden Inn, for example).
- Ability to plan and complete large capital development projects that support development or improve quality of life (Boneyard Creek, Olympian Drive, for example)
- Housing choices that encourage population growth

This level of growth and financial stability has been the result of many business and community factors, but the government role has created an environment for success in the past by:

- City Council Providing stable leadership by setting goals, providing financial resources and maintaining a “pro business” approach to growth
- Planning and budgeting for infrastructure that supports private sector growth and development as well as citizen needs
- Limiting economic incentives to leverage private investment without risking City resources (outcome based incentives)
- Long range financial planning and management
- Partnering with business, the University and developers to get things done
- Comprehensive Planning to establish a community vision and area plans to carry out that vision

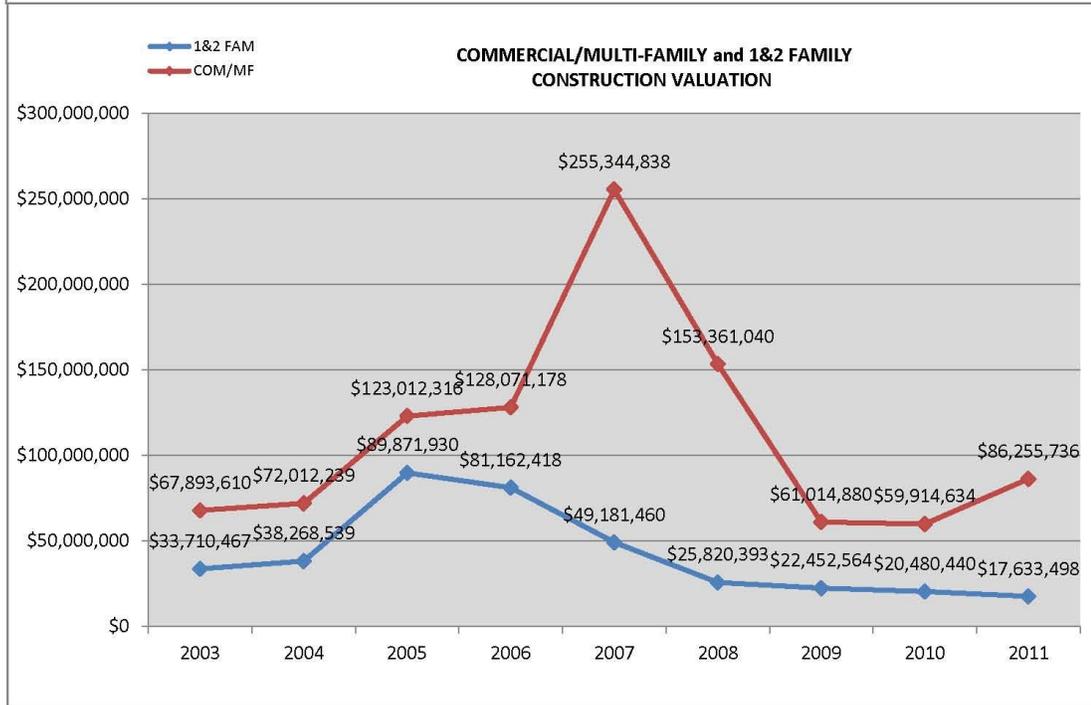
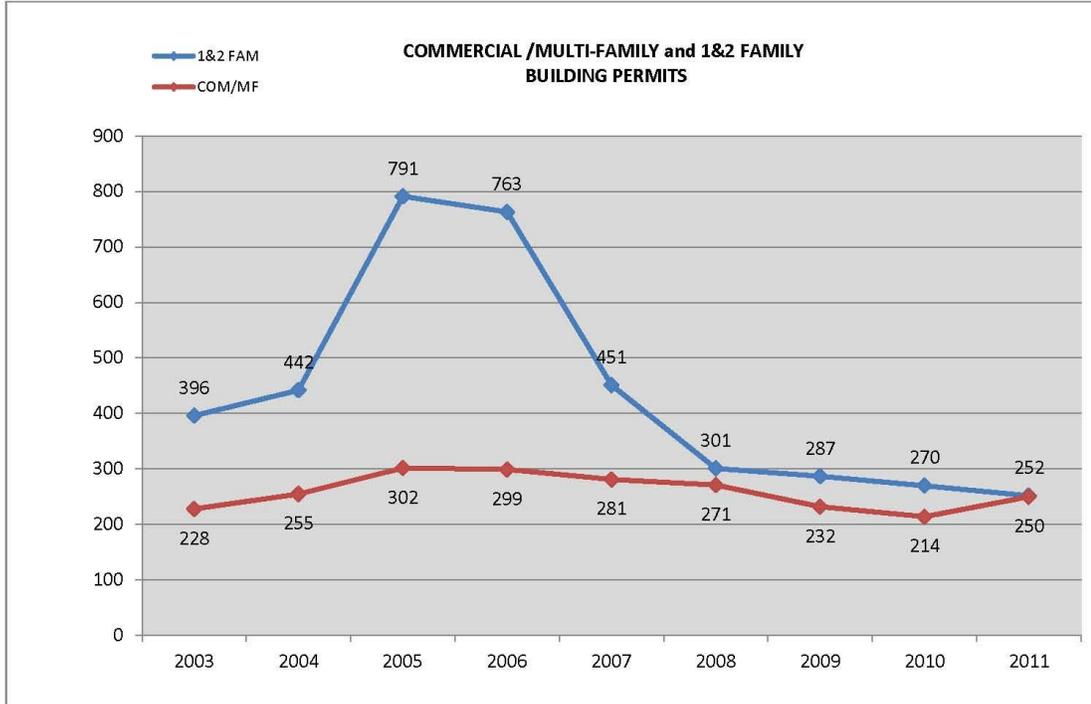
Some of the Threats facing Champaign are beyond the City's control. The national economy, state budget cuts, or the decision of an air carrier to withdraw from our market, all have an effect on our local economy, but local action or programs have little effect on their outcome. On the other hand, weaknesses in the local business mix, housing market, employment opportunities or infrastructure are within the City's control and affect the local economy. These are the economic strategic issues that must be addressed by developing strategies, policies and programs that capitalize, whenever possible, on the City's strengths and opportunities.

Economic Trends

As part of the Council Goal setting process in 2009, City staff assembled economic and demographic information, the 2009 Champaign City Council Goal Setting Fact Pack. A part of that document was a section called “Section C: Issues on the Horizon”. This section was developed by City Departments and identifies “Citywide Trends and Anticipated Impacts”. Several of these trends and impacts are directly related to economic development, and include:

- Development has slowed significantly in the past fiscal year; it is unlikely we will reach previous levels of activity for five or more years.
- Tightening of Credit Standards: Creditworthy people have had difficulty obtaining private capital for commercial development, residential development, real estate transactions and property improvements.
- Long term reduction in consumer spending has serious implications for the City budget because sales tax is the City’s primary revenue for general operations.
- The backlog for funding infrastructure and major capital needs is growing without an obvious funding source to address it. Additional resources are also needed for infrastructure operations and maintenance due to City growth.
- Changes in citizen needs will result in demand for new development patterns – more density, smaller homes, increased desire for small scale commercial development close to housing vs, scattered large scale commercial developments.
- Aging population – current housing stock may not meet resident needs into the future (i.e. accessibility and affordability); increased demand for health care / medical transport services; increased need for social service and community support.
- Growing further out at lower densities stretches City services and requires the costly extension of infrastructure such as streets, sewers, fire, police, public works, etc.
- Champaign has approximately 10-15 years of residential development growth approved, but not yet built on the fringe. With the changing economy, it is unlikely that some of the developments approved, but not built, will eventually be constructed as originally planned.
- Increased demand for urban development – Redevelopment interest in the campus area and along Green Street remains in high demand, even in difficult economic times.
- How can the City foster more infill development that will provide a variety of housing choice and price?
- To help achieve fiscal sustainability, the City will need to find additional revenue sources to share the costs of development. This will require an answer to the question of “who should pay for new growth”?

Building permit and Construction Valuation 2003 - 2011



Organizational Assessment.

Staff sought SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis input from Council, Executive Management Team and the Developer's Forum participants. This process will continue and be updated periodically.

Strengths:

- University of Illinois
- Parkland College
- Retail regional destination
- Access to rail and interstate highways
- Willard Airport (commercial jet service)
- High standard of living/cost of living ratio
- Short commute times
- Downtown

Weaknesses:

- Lack of diverse housing choices
- Reliance on sales tax for City revenues
- Lack of trails and other amenities (reliance on automobile travel)
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Opportunities:

- Research Park and technology development
- Urban center growth in Campustown and Downtown
- Medical Expansion (and related businesses)
- Mid Town economic growth
- Green and environmental orientation
- High Speed Rail

Threats:

- University of Illinois budget cuts
- Potential loss of commercial air carriers at Willard Airport
- State economy
- Capital improvement deterioration (infrastructure)
- Federal Budget (and budget cuts of existing programs)

2011-2013 Council Goals

City Council Vision

Champaign is an inclusive community that welcomes all.

City residents enjoy a great quality of life, first class educational opportunities and easy mobility.

Champaign is a vibrant community with an active center city and healthy neighborhoods.

The City is designed for quality and sustainability, and has a growing economy.

Goal 1: Our City Fosters Quality of Life for All Citizens

Strategic Initiatives

Encourage development of affordable housing

Strengthen community service partnerships

Promote an inclusive, open-minded and progressive community

Expand the arts and amateur sports

Increase parks, trails, and open space amenities

Support the University of Illinois to maintain its flagship campus at Champaign-Urbana

Enhance family-friendly events, facilities, and services

Support community partners to strengthen educational opportunities

Key Projects

1. Partner with Unit 4 to identify a core city location for the new Central High School.
2. Coordinate the Community Coalition to implement initiatives for at-risk youth.
3. Complete the North Fourth Street extension project.
4. Complete a Comprehensive Affordable Housing Strategy and long-term funding plan.

Goal 2: Our City Provides First-Rate Services

Strategic Initiatives

Assure a safe community and protect the rights of citizens

Strengthen police-community relations

Aggressively address aging infrastructure

Continue to build complete streets

Support and respond to neighborhood needs

Maintain fire department responsiveness

Key Projects

1. Finish the John Street storm water project.
2. Finish Phase 2 of the Washington Street West storm water project.
3. Initiate phase 3 of Boneyard storm water improvements.

Goal 3: Our City is Fiscally Responsible

Strategic Initiatives

Maintain a healthy and balanced City budget

Ensure fair City tax rates and fees

Maintain a financial model that balances short and long term needs

Be a leader in intergovernmental and interagency cooperation

Apply strategies to reduce the cost of providing City services

Allocate the cost of services to citizens who benefit

Promote a compact growth pattern to deliver City services efficiently

Key Projects

1. Adopt a dedicated funding source for storm water improvements.
2. Adopt a dedicated funding source for road maintenance and improvements.

Goal 4: Our City Promotes Economic Opportunity

Strategic Initiatives

Market the City as a tourism destination

Brand the City as a micro-urban community

Expand programs for job creation and employment growth

Attract and retain workforce talent in the community

Promote opportunities for upward mobility for all citizens

Advance strategies to benefit low-income neighborhoods

Adopt forward-thinking growth and development policies

Create a vibrant downtown

Maintain the City's positive business environment

Increase minority and women-owned business opportunities

Key Projects

1. Provide economic incentives to attract and retain businesses.
2. Develop workforce development partnerships.
3. Implement the Urbana-Champaign Big Broadband (UC2B) project.
4. Implement the Infill Development Strategic Plan.
5. Expand public-private partnerships to continue the Summer Youth Employment Program.
6. Develop a program to increase minority and female participation in City contracts.

Goal 5: Our City is a Model for Environmental Sustainability

Strategic Initiatives

Promote Champaign as a green community

Encourage the use of alternative modes of transportation

Recruit and retain innovative green business and industry

Adopt incentives and regulations to encourage environmental responsibility

Reduce energy consumed by our City government

Preserve the Mahomet aquifer as a long-term healthy water supply

Key Projects

1. Reduce electric power costs by pursuing electric aggregation
2. Expand recycling opportunities

Goal 6: Our City is Committed to Honest, Transparent Government

Strategic Initiatives

Engage the community in City government

Provide timely and accurate information about City services

Openly share information about City actions and decisions

Improve public access to City information

Key Projects

1. Continue to Implement the Public Communication Plan.
2. Improve citizen access to information on the City's website and through social media.