

Rockforward! Year One and Counting...

Rockford Area Economic Development Council **Annual Report 2008**



Rockford
ILLINOIS  USA

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Dear Rockford Area Economic Development Council Investors,

Today's challenging economy has led to dramatic changes in employment, market value, and the overall economic outlook for the world, our nation, and the Rockford Region. Our current economic situation is not unlike what we faced nearly 30 years ago.

As you may recall, the Rockford Area Economic Development Council was formed in 1980 by an energetic partnership of leaders from the private and public sectors to address a recession when Rockford led the nation in unemployment. Founded as the Council of 100, the new public/private partnership was focused on diversification of industries and increasing the size of the "economic pie." Once again, decisive action is required to market the area and help employers retain and create quality jobs.

Now, more than ever, we must align our strategies, pool our resources, and work together to sustain and strengthen the economic health of our region.

We know that a rapidly changing global marketplace requires a focused, targeted, and regional approach to job creation, international trade, and entrepreneurial development. To meet this need, a new five-year economic development strategy was established. Called *Rockforward!*, this RAEDC strategic plan for 2008 through 2012 is designed to generate new wealth for the Rockford Region by focusing economic development efforts on five primary initiatives, each designed to answer specific challenges that we face in further developing our economy.

I am pleased to report that because of your leadership and collaboration, these strategies are producing results! A strong collaborative spirit is evident in our board meetings, in the work of our solutions teams and committees, and amongst our staff. Collaboration also exists between the RAEDC, private sector leaders, and regional governments. We know it's not about individual accolades or success, and we're not concerned about who gets credit for our economic transformation. We simply want to work together to help build our region's prosperity. For our region to survive - even prosper - in this tough, global economy, collaboration is indeed the key.

This Annual Report, the first since the launch of *Rockforward!*, profiles investments made in 2008 by existing and new employers in the Rockford Region; provides specific results from each of the five primary strategies of *Rockforward!*; and recognizes the private and public sector organizations that drive the work of the RAEDC through investment and volunteer leadership.

Now more than ever, we need your continued support. We need your energy and your ideas. Through the RAEDC, you are directly involved in shaping the region's economic future.

Thank you for your ongoing support of the work of the Rockford Area Economic Development Council. I look forward to serving again in 2009 as Chairman of the Board.

Sincerely,



John Chadwick
Chairman of the Board, RAEDC
Vice President & General Manager, WREX-TV

President Janyce Fadden
Chairman of the Board John Chadwick



Dear Investors and Stakeholders,

I am honored to serve as President of the Rockford Area Economic Development Council for the past four years. Together, we have engaged over 200 investors in the work of economic development and have developed a sophisticated, targeted approach to wealth creation for the Rockford Region. As Chairman of the Board John Chadwick stated, unprecedented third and fourth quarter financial markets led to dramatic changes for the world, nation, and our region.

In these difficult economic times, you can count on the RAEDC to focus your resources. Recessions are an opportunity for us to adjust to a new economy. It is my belief that our community's strong foundation - built on public/private collaboration—will allow us to emerge a stronger and more competitive region.

The history books for the Rockford Region tell us that we are impacted early, yet we recover faster. In this latest economic downturn, we know that we have improved our position by launching *Rockforward!*, our new five-year strategic plan designed to increase wealth in the Rockford Metropolitan Statistical Area (MSA – which is Boone and Winnebago counties) by \$2.8 Billion. The goal by 2012 is to assist businesses with creating over 10,000 additional jobs in our community. **In today's economic climate, reaching this goal will take deliberate work on all of our parts.**

During the fundraising campaign for *Rockforward!*, we met with over 300 companies, organizations, and municipalities. Our investors - recognized in this report - represent public and private companies from large to small and are our economy of today. *Rockforward!* was the first major redesign of the RAEDC since its start in 1980. The Board of Directors unanimously supported this change, and the results are impressive, with over \$9 Million raised to fund the work of the RAEDC over the five years of the strategic plan. The staff and I are grateful and humbled by your support.

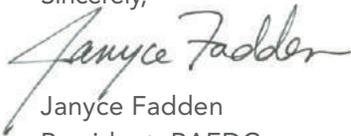
In addition to carrying out the primary strategies of *Rockforward!*, it is important to focus our collaborative efforts on three specific initiatives that will have meaningful impact on our region's wealth:

- **We must embrace and grow our international connections.** Over 18 percent of our region's wealth can be attributed to exporting, and this statistic is growing at 22 percent per year, translating into \$1.5 Billion of potential wealth by 2012. Over 80 percent of exports in the Rockford Region are from our manufacturing companies, and Foreign Direct Investment will continue to grow.
- **We must build a strong, sustainable region.** The condition of our environment plays an integral role in our economic future. We can embrace "green" as a way to build on our strengths and diversify our industries. Having leading technologies attracts the attention of inventors and investors. It improves our competitiveness and will gain the attention of our young people.
- **We must improve our educational system.** Our region's wealth - in large part - is built in the knowledge of the people who hold jobs. Since most employers seek employees locally, they look to the output of our education system as the foundation for their workforce pipeline. Unfortunately, the Rockford Region is 25 percent below the national average for four-year college degrees. This statistic has a direct impact on our region's wealth. Case in point: A recent study for the Federal Reserve Bank stated that if we were at the national average for four-year degrees, the Rockford MSA would have over \$2 Billion more in Gross Metropolitan Product (GMP), which equals 15 percent more wealth annually.

These three calls to action already have strong seeds in our community. Given the global economy, we can take action to assure that we move forward, faster. Many of you are already a part of this change. The collaborations that are ongoing in our community energize the staff and me. I ask for your renewed resolve to keep our work moving forward together so that our strong public/private partnership continues to deliver superior results.

Together, we can create the future we want now. Together, we can *Rockforward!*

Sincerely,



Janyce Fadden
President, RAEDC

2008 welcomed several significant investments in the Rockford Region in the areas of Global Trade/Innovation, Distribution/Logistics, and Education/Workforce. These investments in jobs, land, buildings, and/or equipment generate new wealth for our community, as most are made by primary employers whose goods and services are exported out of the region and new wealth is imported into the region. These commitments also serve as glowing examples of local companies that are able to compete on a global level because of the talents and resources that our region has to offer.

When local companies win, the region - as a whole - wins. Join us in celebrating the following regional success stories for 2008.

GLOBAL TRADE/INNOVATION

The Rockford Area has two times the nation's average in manufacturing companies, and the following five expansions in 2008 strengthen our region's capabilities.

Woodward is one of the world's leading providers of energy control and optimization solutions for engines, aircraft and industrial turbines, and electrical power system equipment. To support its strong business growth, the company is investing in a \$50 Million expansion of their Loves Park facility.

The centerpiece of the expansion will be a state-of-the-art 45,000 sq. ft. test facility to design and test new products and systems. Construction will begin in spring of 2009. Meanwhile, a new "cafetorium" was completed in January of 2009 and serves as both a cafeteria and an auditorium.

In 2008, Woodward added approximately 100 employees, growing their local workforce to more than 1,300 and remaining one of Winnebago County's top ten employers.



Greg Navarra, Maintenance Supervisor for Woodward, by part of the aerospace company's \$50 Million expansion.

Danfoss, one of Denmark's largest industrial companies, embarked on a 129,000 sq. ft. expansion of its Danfoss Drives plant in Loves Park. The addition will double the size of the existing facility and its workforce, adding 250 technical jobs over the next four years.

Company officials said that increased demand from domestic and global customers for the Danfoss variable-frequency drives designed and manufactured in Loves Park requires more space and personnel.

The addition will consist of a state-of-the-art training center plus more production and office space. The entire facility will be LEED-certified (Leadership in Energy and Environment Design). This rating system promotes sustainability in design and construction practices in order to increase operating efficiency.



Leaders from Danfoss and the local community at the groundbreaking ceremony for the company's 129,000 sq. ft. expansion.

Acument Global Technologies may be a new name to the Rockford Area, but they knew of Rockford's reputation and skills as the "fastener capitol of the world" and made it their world headquarters for Acument Aerospace. The new business division that designs and manufactures aerospace fasteners consists of Camcar Aerospace, established here in March of 2008, and Saturn Fasteners of Burbank, California, acquired soon thereafter. Saturn will remain in Burbank.

In less than 18 months, Camcar has grown to approximately 60 employees, and the company projects that their workforce may double in 2009. This is due to the booming global aerospace industry, as airplanes are being redesigned to be more fuel-efficient. Since launching new planes takes about 10 years, the industry tends not to be affected significantly by the economy. Acument Aerospace is housed in two buildings totaling about 60,000 square feet at 500 18th Avenue in Rockford.

Another company that ships locally made products all over the world is **Parker Hannifin** of Machesney Park. The manufacturer of hydraulic accumulators that are used at Hoover Dam, on oil rigs, and on construction equipment worldwide expanded its plant with a 30,000 sq. ft., \$4 Million addition. The expansion enables the company to provide customers with more capabilities in power generation, active suspension systems, alternative energy solutions, and more.

The Global Accumulator Division of Parker Hannifin is headquartered in Machesney Park and also has plants in the United Kingdom, Brazil, China, and California. Accumulators are devices that store energy for hydraulic systems and are used by the entertainment, construction, agriculture, industrial, and other industries.

Liebovich Steel & Aluminum Company, founded in 1939, broke ground in October to add a new 80,000 sq. ft. warehouse and manufacturing facility in Rockford. The City of Rockford created the Preston and Central TIF Redevelopment Area to facilitate the expansion and stimulate further growth in the area that contains a brownfield site. Liebovich, a division of Reliance Steel & Aluminum Co., plans to add 10 new jobs as a result of the expansion.



Henry Villarreal, Grinder Operator for Camcar Aerospace, helps supply fasteners to global aerospace industry.



Jacquelyn M. DeThorne, General Manager of the Global Accumulator Division, Hydraulics Group, Parker Hannifin Corporation. The division invested in a \$4 Million expansion.



L-R Rockford Mayor Morrissey and Liebovich Steel & Aluminum Company Vice President Mike Tulley at a groundbreaking that will result in a new manufacturing facility and ten new jobs.

DISTRIBUTION/LOGISTICS

The Rockford Area is part of the third largest economic corridor in the United States, and three attractions/expansions make this region more desirable to businesses.

Tandem Development Group of Hoffman Estates broke ground this summer on a \$40 Million air cargo center next to RFD. The four-phase 400,000 sq. ft. **Chicago Rockford International Cargo Center** in Rockford will have runway access at RFD, 20 truck docks, and low operational costs - about a third of the price of O'Hare International Airport.

"As the air freight industry consolidates to cut costs, we can help them do that," said Paul Ahern, Principal of Tandem. He continued, "RFD is a proven performer in air cargo, and they are the 18th largest cargo airport in the country." He added that it has all the benefits of O'Hare, but none of the drawbacks of congestion and high costs.

UPS is already using the ramps of the first-phase 72,000 sq. ft. spec building that became operational in January of 2009.

Con-way Freight, Inc., a \$2.8 Billion freight trucking company with operations throughout North America, built a new 50,000 sq. ft. service center facility in Rockford's newest commercial business center, the Rock 39 Industrial Park. The new facility, with 110 dock-doors for freight operations, more than doubles Con-way's capacity in the region and represents a major expansion of Con-way Freight in the Rockford Area. It is just 10 minutes north of Union Pacific's Global III Intermodal terminal and is in the I-39 Logistics Corridor.

Grainger, the leading North American supplier of facilities maintenance products serving businesses and institutions, relocated its Rockford facility to a larger, more convenient location at 5862 Harrison Avenue. The new 20,000 sq. ft. facility provides business customers access to more than 22,000 products needed to maintain, repair, and operate their facilities in the Rockford Area, including heating, ventilation, and air conditioning equipment, lighting, and motors, as well as electrical and safety supplies. The company reports a strong increase in traffic and business due to the new location.



Paul Ahern, Principal of Tandem Development Group, stands by their \$40 Million air cargo center near the Chicago Rockford International Airport.



Dan Flynn, Driver Salesman for Con-way Freight, in front of their new 50,000 sq. ft. facility.



Cindy Benson, Customer Service Associate for Grainger, among the maintenance products available at their new 20,000 sq. ft. facility.

EDUCATION / WORKFORCE

The competition for a good workforce continues, as more communities recognize the importance of recruiting employees. A top goal of the region is to increase the number of college-educated adults. To that end, three institutions expanded or introduced a Rockford Area location in 2008.

Upper Iowa University established a new center in the Rockford Area within sight of Interstate 90 with a \$2.5 Million, 13,000 sq. ft. facility. UIU is a private, four-year, not-for-profit university that offers a Bachelor of Science degree in 12 majors in Rockford. UIU-Rockford anticipates growth to 200 students by the end of 2010.

UIU has a partnership with Rock Valley College to facilitate transfers to UIU; they work closely with Rockford Career College, formerly Rockford Business College.

In addition, the institution plans to create 15-20 new jobs in the next two years, primarily instructors, as well as office staff and recruiters.

Embry-Riddle Aeronautical University, the world's oldest and most prestigious aviation and aerospace university, began offering classes at RFD in Rockford this July. Their undergraduate and graduate classes will help supply a trained workforce for the growing aerospace industry here.

They currently have 15 students in Organizational Behavior, Project Management in Aviation Operations, and Air Transportation Systems. "We hope to make the Rockford campus our largest civilian center in our worldwide network of campuses, with 1,200 enrollments per year," said Melissa Aust-Barbee, Director of Academic support. Until a new aerospace education facility is built at RFD, Embry-Riddle's classes are held at RFD's administration building.

Established in 1862 as Rockford Business College, the institution changed its name to **Rockford Career College** in 2008. It also invested \$1 Million into a 34,000 sq. ft. location at Colonial Village Mall in Rockford when it consolidated its two facilities. The college offers Associate degrees in Business Administration, Information Technology, Massage Therapy, Medical Assisting, Paralegal, Pharmacy Technician, and Veterinary Technician.

The new facility will allow the college to offer additional classes to meet growing demand, particularly in the medical assistant, veterinary technician, and paralegal fields. The current student enrollment of 600 is expected to grow to 900 in the new, larger space.



Upper Iowa University, a four-year institution, offers a Bachelor of Science degree in 12 majors at its new campus in Rockford.



The region's growing aerospace industry will benefit from the workforce now being trained in Rockford by Embry-Riddle Aeronautical University, the oldest and most prestigious aviation aerospace university in the world.



Rockford Career College's investment in a new campus can accommodate 300 more students.

ROCKFORWARD! STRATEGIES & RESULTS

Rockforward!’s five powerful strategies focus the RAEDC to change in areas that take advantage of our strengths, overcome our weaknesses, and invest in opportunities while mitigating threats. Creating a thriving business climate and implementing targeted marketing and recruitment are the first two strategies that drive the sales and marketing efforts of the organization. Building a world-class business infrastructure and developing a productive workforce are the next two strategies that improve our competitive position and our ability to retain and grow investments. The fifth strategy - the Emerging Opportunities Fund - brings us to a leading, competitive position, as less than five percent of economic development councils across the country take on a strategy to convene leaders, placing a fund at their disposal for investment in their chosen initiatives.

The fundamental goal of *Rockforward!* is to create \$2.8 Billion of new wealth in the Rockford Region by 2012. The plan’s Economic Impact Model centers on

*creating 5,000 new primary jobs by 2012,
which would spin off an additional 5,636 secondary jobs,
as well as 340 new businesses,
nearly \$84 Million in local government revenues,
over \$231 Million in commercial real estate,
over \$594 Million in housing,
and nearly \$934 Million in employee income from new jobs.*



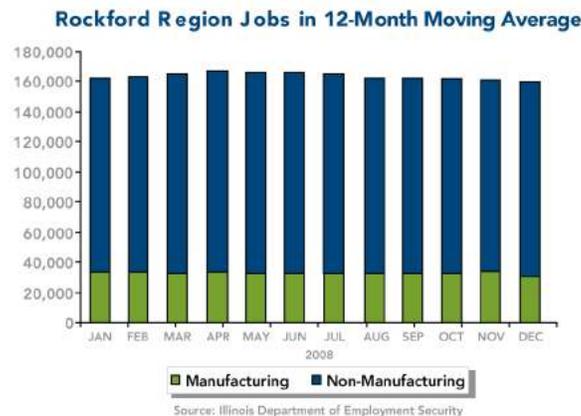
MEASURING THE SUCCESS OF ROCKFORWARD!

The goals of *Rockforward!* are methodically tracked through many metrics, which we have highlighted in this report, including: net new primary jobs and jobs recruited; per capita income; international exports; GMP increase (including RAEDC's impact on GMP); population growth; economic development exposure; development-ready land parcels; and numerous internal measurements to evaluate the effectiveness of the RAEDC's marketing and recruitment activities. The RAEDC utilizes a wide array of statistical resources to produce these metrics, including the Illinois Department of Employment Security, the U.S. Department of Commerce, the U.S. Census Bureau, the U.S. Conference of Mayors, Northern Illinois University, and our own Voice of the Customer Reports.

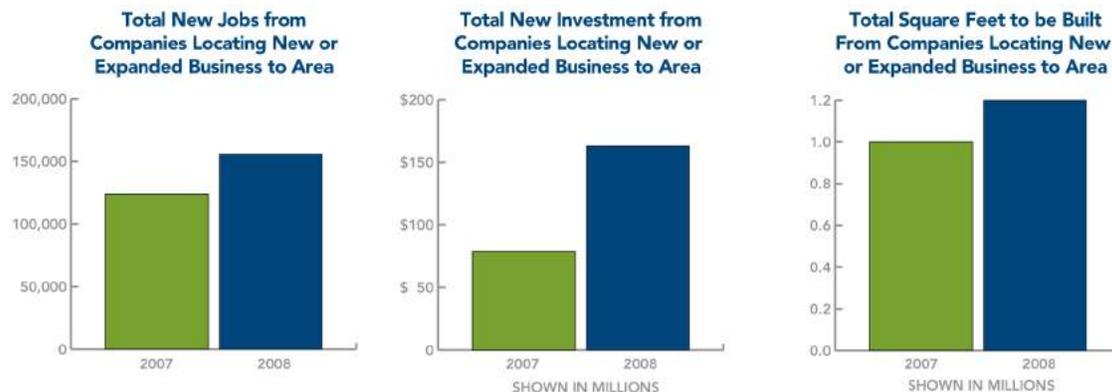
Evaluating 2008 Results

As 2008 draws to a close, we must accept the recent severe economic downturn and adjust our models accordingly. An annual fixed rate of growth may no longer apply. With this said, we are able to make two observations regarding *Rockforward!*'s primary metrics.

First, jobs remained relatively constant in most major industries through the first 10 months of 2008, using a 12-month moving average statistic, with an anticipated decline in the last two months, which is consistent with regional and national trends.



Second, since statistics from the U.S. Conference of Mayors are produced 24 months in arrears, we are unable to determine the exact impact of the current economic situation on our region's GMP. We can, however, point to results from 2008 client projects managed by the RAEDC and our regional partners, which indicate that we were on track to achieve an increase in GMP consistent with our goals prior to the unprecedented economic downturn.



1,559 new jobs were created in the Rockford Region by existing and new employers in 2008, compared to 1,240 new jobs in 2007 - a 26 percent increase. Nearly \$163 Million of capital investment was made in 2008, compared to \$78.5 Million in 2007 - a 108 percent increase. And, over 1.2 Million square feet of space was added or renovated in 2008, compared to 1 Million square feet in 2007 - a 21 percent increase.

ROCKFORWARD! STRATEGY: CREATING A THRIVING BUSINESS CLIMATE

The RAEDC is an innovative public/private partnership, working aggressively to assist local businesses. The work of the RAEDC is geared towards identifying the region's fastest-growing companies and also those most at risk, thereby focusing business retention resources where they can have the greatest impact. This strategy has proven successful in helping companies grow and, in down cycles, served to prevent or mitigate layoffs.

Most economic development experts agree that up to 80 percent of new jobs are created by employers that already invest in the community. Armed with information and advocacy, the RAEDC has the tools and determination to help local businesses expand.

Expanding International Trade

Companies that compete in the global marketplace are both more profitable and sustainable. For the Rockford Region to grow, international exports must represent an increasing portion of our GMP. That is why international outreach efforts will continue to play a pivotal role in the RAEDC's economic development strategy. We will continue to conduct events such as "Go Global or Get Left Behind," wherein global trade specialists conducted focused seminars in 2008 to over 75 participants on how local businesses can increase results through exporting and importing.

International Exports from the Rockford MSA totaled \$1.4 Billion in 2007, which is a 22 percent increase from the previous year (source: U.S. Department of Commerce).



Sweden Trade Mission

Companies that expand their export markets grow faster and are more sustainable in the long-term. The Sweden Trade Mission is an example of how a thriving business climate can be cultivated in the Rockford Region by developing global partnerships for local companies. In September of 2008, the RAEDC led a delegation to participate in the Swedish-American Chambers of Commerce Entrepreneurial Days in Stockholm, Sweden. The highlight of the trade mission was the signing of a joint venture agreement between Rockford-based Leading Edge Hydraulics and Lidköping-based Jimec AB.



L-R Rockford Mayor Morrissey, Sweden's Jimec President Jann Blom, and Rockford's Leading Edge Hydraulic Vice President Russ Dennis at the joint venture signing in Stockholm between the two companies.

Cultivating an Entrepreneurial Environment

To produce lasting economic growth for the Rockford Region, we must cultivate and grow more businesses of our own. The RAEDC is working to understand the barriers preventing a robust entrepreneurial environment and is working to identify potential solutions. An increased level of successful entrepreneurial activity is vital, not only for start-up companies, but also for promoting growth of existing small businesses.



"The pages of Rockford's history are filled with great inventors. I believe that the future of Rockford rests on developing the next generation of entrepreneurs. Towards that goal, the RAEDC is helping to develop a climate in which the seeds of innovation can grow and prosper."

Tom Green, Chair, Audit Committee

Improving the Business Climate through Research

Through a concerted, continuous refinement of the Voice of the Customer Survey, the RAEDC is learning what employers need to be more successful. The surveys also serve to identify opportunities for improvement of each business' respective environment, as well as evaluating community strengths.

The survey and process have been enhanced to solicit more qualitative information, enabling the interviewer to drill into key issues. Survey after survey, the RAEDC obtains valuable new information that is used to advocate for change and improve the business development strategies of Rockforward!

72 new Voice of the Customer surveys were conducted with Rockford Area employers in 2008 (source: RAEDC).



The Work of the Business Retention & Expansion Solutions Team

The role of the Business Retention & Expansion Solutions Team (BRE) is to learn of opportunities for improvement from existing employers, strengthen the workforce pipeline, and increase awareness and participation in continuous improvement programs. Additionally, the BRE team is working to develop and foster a supportive entrepreneurial environment.



"The Voice of the Customer surveys provide face-to-face meetings with Rockford Area employers. The RAEDC learns about key issues that are affecting businesses, opportunities where the RAEDC can provide assistance, community strengths on which to build, and barriers that prevent us from achieving economic success."

Gary Marzorati, Chair, Business Retention & Expansion Solutions Team

ROCKFORWARD! STRATEGY: TARGETED MARKETING AND RECRUITMENT

Focusing limited resources in key areas that hold the highest potential for job creation drives our choices for marketing and recruitment efforts.

Producing Targeted Research and Messaging

In order to effectively position the region's competitive advantages in the marketplace, the RAEDC has made a significant investment in targeted research, public and media relations, and marketing capacity. *Rockforward!* provides the dedicated resources necessary to effectively promote the Rockford Region to target industries.

The RAEDC hosted 11 trade delegations in 2008, furthering efforts with China and Sweden. We also facilitated 57 familiarization tours in 2008, which is an 11 percent increase from the previous year (source: RAEDC).



In September, the RAEDC visited China to market the Rockford Region and solicit Foreign Direct Investment. Over the course of the 16-day tour, meetings were held with over 40 contacts, companies, and government officials. The trip served to establish and strengthen relationships with companies headquartered in China. The trip also laid the foundation for designation of the Chicago Rockford International Airport (RFD) as a potential hub for Chinese air cargo airlines.

Marketing to Target Audiences

Attracting investment to the Rockford Area requires proactive and consistent marketing efforts on the part of economic development professionals. The RAEDC is doing the heavy lifting necessary to keep the region top of mind and relevant to site selectors. In 2008, the RAEDC published quarterly Developments newsletters, which were mailed to over 4,000 contacts; quarterly *Rising Star* e-newsletters, which were sent to over 2,000 site selectors and real estate professionals; the *Hälsningar* e-newsletter, which was sent to over 1,000 Swedish contacts; and over 50 articles for business publications. The RAEDC also published a quarterly *Rockforward!* results report for investors.

38 companies committed to expanding or relocating to the Rockford Region in 2008, which is a 47 percent increase from the previous year (source: RAEDC).



Developing Focused Media Relations

Another valuable role the RAEDC plays is serving as a resource for regional economic development information. Regional news and media outlets look to us as a trusted resource for information relative to economic development issues and events. The result is that the RAEDC is able to help position the Rockford Region in the best possible light.

The RAEDC's media exposure increased 40 percent in 2008 over the previous year (source: RAEDC).



Maintaining a Website that Performs

Ninety percent of site location research is performed online, typically before any direct community contact is made. The RAEDC strives to maintain a Website that is the utmost in aesthetic, content, and functionality performance as compared to other communities. Based on a Web diagnostic report produced by a consultant specializing in technology use by economic development organizations, several upgrades were made to the site, including maps, graphics, and content.

Visits to the RAEDC Website increased by nearly 14 percent in 2008, which is in parallel to the increase in client visits to the region (source: Google Analytics).



The Work of the Business Attraction Solutions Team

The work of the Business Attraction Solutions Team (BA) is primarily focused on developing international business relationships, with a special focus on Sweden and China. By building stronger international associations, the RAEDC can help businesses establish partnerships and joint-ventures, obtain licensing, and open the door to new markets. The BA team is also focused on increasing the amount of business park property in the region and is working to extend regional partnerships, including the Tri-State Alliance, I-39 Logistics Corridor Association, and the Illinois Development Council.



"RAEDC investors understand that we're competing in a global economy. Our vigorous work in the China and European markets demonstrates how we can help our region increase both exports and Foreign Direct Investment."

Frank Walter, Chair, Business Attraction Solutions Team

ROCKFORWARD! STRATEGY: WORLD-CLASS BUSINESS INFRASTRUCTURE

By working together with regional partners, we are working to improve our infrastructure planning, our inventory of construction-ready sites for business, and our incentive and regulatory environment.

Planning for Growth

In 2008, the RAEDC collaborated with local municipalities and organizations such as the Rockford Metropolitan Agency for Planning and the Tri-State Alliance towards comprehensive infrastructure planning. With an unprecedented federal economic stimulus/capital improvement bill in the works, it is imperative - now more than ever - for the region to continue to work in concert to leverage infrastructure capital to the best possible advantage for the region.

The Tri-State Alliance summit in 2008, facilitated by the RAEDC, united over 200 private and public sector leaders from Illinois, Wisconsin, and Iowa to discuss regional infrastructure needs and to align agendas (source: RAEDC).



Developing Competitive Commercial and Industrial Properties

Development of new industrial properties is an important step towards creating a World-Class Business Infrastructure. Much of our existing industrial property is insufficient for meeting the needs of next generation manufacturing practices due to deficiencies in egress, ceiling height, mechanicals, and energy efficiency. That is why the RAEDC is working closely with local governments, developers, and real estate professionals to provide property choices combined with infrastructure to meet business' needs.

The Rockford Region has benefited from an 83 percent increase in 2008 over the previous year in land that is ready for commercial and/or industrial development (source: LocationOne Information System).



Linking our Infrastructure to Chicago and the World

The success of the Rockford Area's economy is inextricably tied to our infrastructure connections to the region's economic hub - Chicago. For this reason, the RAEDC assumed management of the I-39 Logistics Corridor Association and is engaged with the Northern Illinois Commuter Transportation Initiative. In addition to investments in roads, studies show that commuter rail can serve as a catalyst for development.



"Considering that infrastructure investment will likely be the centerpiece of new federal stimulus programs, it is reassuring to know that we have a public/private partnership that is working in concert with local governments to leverage these resources."

Ed Munguia, Chair, Nominating Committee

ROCKFORWARD! STRATEGY: WORKFORCE DEVELOPMENT

The RAEDC and our partners are working to pursue a proactive, strategic, and collaborative approach to train, attract, and retain a talented workforce.

Rebuilding the Workforce Pipeline

The RAEDC is working to foster collaboration, education, and training partnerships among business, government, education, and nonprofit sectors to ensure that our workers have competitive skills. We're working with local companies to improve customized training services for area businesses, and we're engaging the public/private partnership to work towards improved performance in K-12 and secondary education.

Total jobs in the Rockford MSA held steady at around 160,000 in 2008 (source: Illinois Department of Employment Security).



The Work of the Education Committee

The RAEDC formed an Education Committee in 2008 comprised of education leaders and private-sector executives with the role to connect Rockford Area businesses with our educational system.



"Through the creation of a dedicated Education Committee, the RAEDC is mobilizing the business community to help improve the workforce pipeline in our area. We recognize that leadership from all sectors in our community must work together towards meaningful change in our educational system."

Mike Ellis, Chair, Education Committee

Enhancing Rockford as an Urban Destination

Talented, young workers are attracted by urban lifestyles and access to a wide range of amenities. These workers are also mobile and entrepreneurial. That is why the RAEDC continues to champion efforts like the Attracting & Retaining Talent to the Rockford Area Steering Committee, which is working to implement recommendations from Rebecca Ryan's 2007 report on "Becoming a Cool Community." Specific efforts include events like Live Big Weekend and the Jobapalooza Professional Career Fair.

Over 550 attendees and 43 companies participated in the 2008 Jobapalooza Professional Career Fair (source: Rockford Area Society of Human Resource Management).



ROCKFORWARD! STRATEGY: EMERGING OPPORTUNITIES FUND

The old adage that "opportunity only knocks once" is especially true relative to economic development. The competition between regions for economic opportunities is fierce. Emerging opportunities require a quick and decisive response.

In order to aggressively and expeditiously take advantage of these opportunities, *Rockforward!* convened a Leadership Council of top-tier public and private-sector investors to respond to opportunities at a macro level, placing an Emerging Opportunities Fund of \$175,000 annually at their disposal for investment in mutually-agreed-upon, forward-thinking initiatives to leverage positive change for economic development of the region.

Emerging Opportunities Fund investment strategies include projects to move and shape public opinion on sensitive issues relating to the region's capacity to grow, focused efforts to remove stubborn or difficult barriers to growth, and large-scale projects that capture the community's imagination and enhance quality of life for the entire region.

RAEDC Investors contributing \$10,000 or more per year become members of the *Rockforward!* Leadership Council. The Leadership Council met four times in 2008 and invested seed money in three new initiatives: \$75,000 for the Higher Education Alliance of the Rock River Region (HEARRR) to launch the Rockford Area Career Clearinghouse; \$50,000 for the Rockford Charter School Initiative; and \$50,000 in the Freedom Field Renewable Energy Project.

The Work of the *Rockforward!* Leadership Council

All three projects supported by Leadership Council in 2008 are well underway. The Rockford Area Career Clearinghouse, which is housed at the RAEDC offices, has hired a full-time director and is beginning its work to connect regional employers to college students; three Charter Public School proposals have been brought before the Rockford School Board, two of which have been approved at the time of writing this report; and a new site has been selected for the Freedom Field Renewable Energy Project.



"The power of the public/private partnership is alive and well in the Rockford Area. Through the RAEDC, business and civic leaders are collaborating to develop innovative solutions to the complex challenges that face our region."

Dr. Bill Gorski, Chair, *Rockforward!* Leadership Council

The Work of the *Rockforward!* President's Circle

The role of the *Rockforward!* President's Circle is to serve as a "kitchen cabinet" to the public/private partnership on primary economic development priorities and strategies. RAEDC Investors contributing \$25,000 or more per year become members of the *Rockforward!* President's Circle. The President's Circle met four times in 2008, and outcomes included the creation of the RAEDC Education Committee.



Leaders from all over the community convene in RAEDC committees to pool resources and align strategies for overall improvement of the region. The best and the brightest are bringing their ideas to the table. A shared vision for the economic future of the Rockford Region is taking shape, and it's exciting to be a part of it."

John Chadwick, Chair, *Rockforward!* President's Circle

The Work of the Business & Community Relations Solutions Team

The role of the Business & Community Relations Solutions Team (BCR) is to actively promote the RAEDC to both current and prospective investors. The BCR team oversees outward marketing of *Rockforward!* strategies and economic development messages to regional employers, community leaders, and citizens. BCR also works to communicate developments to investors and stakeholders through individual, group, and public meetings; produces quarterly events, including the Annual Meeting, and oversees the publication of communications tools, including the quarterly results report to investors and this Annual Report.



*"RAEDC investors recognize the importance of a strong economic development program. The five strategies of *Rockforward!* adhere to the mission and vision of the organization and build on the values of our founders."*

Linda Gerber, Chair, Business & Community Relations Solutions Team

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Dr. William Gorski

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Tucker Kennedy

Illinois Manufacturing Extension Center

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Tim Morris, Hamilton Sundstrand

Ed Munguia, Stillman Bank

Brian A. Nelson

Haldex Hydraulics Corporation

Mark Peterson

CherryVale Mall / CBL & Associates Properties

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Sunil Puri, First Rockford Group

Joel Sjostrom, Sjostrom & Sons, Inc.

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Glen Turpoff, Northern Illinois Building
Contractors Association

Teresa Faidley, AMCORE Bank

Dave Whitmore

IronWorkers Local Union 498

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Dick Goff, Rockford Chamber of Commerce

Steve Graceffa

Rock River Water Reclamation

Kris Kieper, Next Rockford

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Greater Rockford Airport Authority

David Preece

Rockford Area Convention & Visitors Bureau

Mayor Linda Vaughn

Village of Machesney Park

Village of Roscoe

Ex-Officio Members (non-voting)

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Rockford Chamber of Commerce

Cheryl Kneubuehl

Northwest Illinois Development Alliance

Reid Montgomery, City of Rockford

Sue Mroz

Winnebago County Regional Planning

John Phelps

Rockford Local Development Corporation

C. Mark Williams

Growth Dimensions of Belvidere &

Boone County

City of Rockford Liaisons

Alderman Frank Beach

Alderman Carl R. Wasco

Winnebago County Liaisons

County Board Member Karen Hoffman

County Board Member John F. Sweeney

2008 Rockforward! Investors

President's Circle Investors

(\$25,000+)

Alpine Bank

AMCORE Bank

City of Rockford

Comcast

ComEd

First Rockford Group

Greater Rockford Airport Authority

IBEW / NECA

IronWorkers Local Union 498

JP Morgan Chase

Maverick Media

Northern Illinois Building Contractors
Association

OSF Saint Anthony Medical Center

Rockford Area Association of REALTORS

Rockford Health System

Rockford Register Star

SwedishAmerican Health System

Village of Machesney Park

WIFR-TV

Winnebago County

Woodward

WQRF TV / WTVO TV

WREX-TV

Leadership Council Investors

(\$10,000+)

Anderson Packaging, Inc.

Aqua-Aerobic Systems, Inc.

Area Erectors, Inc.

Associated Bank

AT&T

City of Loves Park

Cliffbreakers Riverside Resort

Eclipse, Inc.

First Northern Credit Union

GE Aviation

Hamilton Sundstrand

Ingenium Technologies Corp.

Joseph Behr & Sons, Inc.

Larson & Darby Group

National City Bank

Norstar Heating and Cooling

Northern Illinois University

Plumbers & Pipefitters UA Local 23

Project First Rate

Riverside Community Bank

Rock River Water Reclamation District

Rockford Area Convention & Visitors Bureau

Rockford Chamber of Commerce

Rockford Park District
Rockford Public Schools
RSM McGladrey, Inc.
Sjostrom & Sons, Inc.
Stenstrom Companies, Ltd.
SupplyCore, Inc.
The Buckley Companies
Thermo Fisher Scientific
Title Underwriters Agency
United Way of Rock River Valley
UPS
Village of Rockton
Village of Roscoe
WATT
workplace

Investors (\$2,000+)

Alpha Controls & Services LLC
Arnold Lundgren Associates
Auxxi & Associates, Inc.
Ballard Properties
Barrick, Switzer, Long, Balsley & Van Evera
Benefit Planning Services, Inc.
Bergstrom Inc.
Blackhawk Bank
Cadbury Adams USA LLC
CherryVale Mall / CBL &
Associates Properties
Chicagoland Roofing Council /
United Union of Roofers
Chrysler Corporation
Clinkenbeard & Associates, Inc.
Clock Tower Resort & Conference Center
Comprehensive Community Solutions, Inc.
Contry Homes of Illinois
Cord Construction Company
Crawford, Murphy & Tilly, Inc.
Crusaders Central Clinic Association
Danfoss Drives
Datacraft, Inc.
DCEO Opportunity Returns
Dickerson & Nieman Realtors
Doyle, Woodhouse & Moore Inc. Realtors
Embry-Riddle Aeronautical University
Emery Air, Inc.
Employers' Coalition on Health (ECOH)
Energy Dynamics, Inc.
Fehr-Graham & Associates
Forest City Gear Co., Inc.
Fridh Construction Services
Gambino Realtors
Gary W. Anderson & Associates, Inc.
Giovanni's Restaurant & Convention Center
Global Enterprise Technologies, Inc.
GrahamSpencer Advertising/Design
Greenlee - A Textron Company
Greg Tuite & Associates
Gypsum Supply Co.
Haldex Hydraulics Corporation
Hampton Properties

Hanson Professional Services, Inc.
Helen Hill Communication
Hendricks Development Group
Hinshaw & Culbertson LLP
Holmstrom & Kennedy, P.C.
Homer L. Chastain and Associates, LLP
Illinois Manufacturing Extension Center
Interstate Graphics
Iowa, Chicago, & Eastern Railroad
Irish Rose
J & M Plating Inc.
Kaney Aerospace
Kuma's Asian Bistro
Laborers' Local #32
Leading Edge Hydraulics
Lee & Associates
Leydig, Voit & Mayer, Ltd.
Liebovich Steel & Aluminum Co.
Lindgren, Callihan, Van Osdol & Co.
Lobdell & Hall, Inc.
Lou Bachrodt Family Automotive Group
Lowe's Companies, Inc.
McGreevy Williams P.C.
Mechanical Inc.
Members Alliance Credit Union
Mid-City Office Products
Midwest Community Bank
Minarik Drives
Monogram Systems - Rockford Division
NCO Group
Next Rockford
Nicor Gas
Nordic Investments
North American Tool Corporation
Northwest Bank
Northwestern Illinois Building &
Construction Trades Council
Olsson Roofing Company, Inc.
Orput Companies, Inc.
Parker Hannifin Corporation
Per Mar Security Services
Picha, Salisbury & McCumber, LLC
Pierce Box & Paper Corporation
Rasmussen College
Ringland-Johnson, Inc.
Rock River Valley Blood Center
Rock Valley College
Rockford Anesthesiologists Associated, LLC
Rockford Ball Screw
Rockford Bank & Trust
Rockford Career College
Rockford College
Rockford Drop Forge Company
Rockford Forms & Graphics
Rockford MetroCentre
Rockford Orthopedic Associates
Rockford Toolcraft, Inc.
Savant Capital Management, Inc.
Schmeling Construction Co.
Senator Dave Syverson
Sheet Metal Workers Local #219 / SMACNA
SIDCOR, Marketplace of Rockford
Sikich

SPX Hydraulic Technologies
Stewart & Associates Inc.
Stillman Bank
Superior Joining Technologies, Inc.
TAC
Testing Service Corporation
The BankCentre
The Bon Ton Stores, Inc.
The Furst Companies
The Morrissey Family Businesses
U of I College of Medicine
Upper Iowa University-Rockford Center
US Bank
Venture One Real Estate/Rock 39 Industrial
Park/Loves Park Corporate Center
Village of Cherry Valley
Village of Davis Junction
Village of Winnebago
Walter Wayne
Whitehead Inc. Realtors
William Charles Ltd.
Williams-Manny, Inc.
WilliamsMcCarthy, LLP
Wilson Electric Co.
Winnebago County Housing Authority
Workforce Investment Board

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Tonya Lamia
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Eric Voyles
Vice President of National
Business Development

Carrie Zethmayr
Client Solutions Coordinator

ROCKFORWARD! COMMITMENT FORM

2009 will undoubtedly present both challenges and opportunities. Much work remains to be done. We must continue to help local companies trade globally. We must work to solicit inward investment by embracing and growing our international connections. We must enhance our regional competitiveness through green technology. And, perhaps above all, we must continue to strive for excellence in our educational system. We have invested to build the capacity to outperform the market when the economy rebounds - and it will rebound. Our region will be positioned to create jobs and participate fully in the economic recovery ahead.

Won't you become an investor today? Please complete and submit the commitment form below. Together, we can build a better, stronger, more sustainable economy. Together, we can create the future we want now.

Intended Commitment*	Amount (Minimum \$2,000 per Year)	Month/Year to Month/Year
Year 1	\$ _____	_____
Year 2	\$ _____	_____
Year 3	\$ _____	_____
Year 4	\$ _____	_____
Year 5	\$ _____	_____

Total Five-Year Intended Investment \$ _____

Payment Plan Information _____

Name _____

Organization _____

Title _____

Address _____

City _____ State _____ Zip _____

Phone _____ Fax _____

Email _____

Signature _____ Date _____

To submit, mail signed form to: RAEDC, 100 Park Avenue, Suite 100 Rockford, IL 61101

Or submit via fax to: 815.987.8129

*This investment is subject to annual review.

Investments are not deductible as charitable contributions, but may be deductible as a business expense.

The RAEDC is a federal tax code 501(c)(6) nonprofit organization.

The primary role of the Rockford Area Economic Development Council is to enhance wealth creation in the Rockford Region by marketing the area and helping employers retain and create quality jobs. The RAEDC works closely with many partners to serve as a one-stop resource for clients, to improve the competitiveness of the region, and to engage the community in the work of economic development.

Rockford
I L L I N O I S  U S A

ROCKFORD AREA ECONOMIC DEVELOPMENT COUNCIL