

**Federal Reserve Bank of Chicago**  
**Fourth Annual Summit on Regional Competitiveness**  
**November 17, 2016**

**Keynote Speaker: Toni Preckwinkle**

DAVE RYAN: Thank you, Kelly, and good morning everyone. I'm going to say this one time, GO CUBBIES. In today's *Sun-Times* the Cubs have reached out to Steve Bartman. Now this is a turnaround for everybody and probably why there's such a euphoria in the City of Chicago today, and that's coming from a White Sox fan, please.

I was honored last year to be appointed to the Alliance for Regional Development, Board of Directors. It is a pleasure to be here today at the Fourth Annual Summit on Regional Competitiveness.

As one of the founders of this organization, Kelly asked a group of attendees at the first summit for ideas, and I asked from a budget standpoint that her organization be lean and mean. And she has managed to keep her organization very streamlined.

What I did not intend for her to do is to hire my ace administrative assistant out from under us at the Lakeshore Chamber. But she has an eye for talent and that's how Shalora Jasper came here today, and Shalora greeted you

today as you signed in. By the way, attendee messaging, I used to call Shalora. I would call her and say, "Shalora, how do we do this?" So I'm not using it today until I find Shalora.

We've got a full agenda for today, so let's get started. Alliance Chairman Paul Jones was to introduce our first keynote speaker. Unfortunately, Paul's wife has been hospitalized and he is unable to be here today. I know he's disappointed, but we certainly keep his family in our prayers.

Standing in for Paul is Alliance Vice Chairman Greg Hummel. Greg is a partner at Bryan Cave Law and he concentrates his practice on public-private partnership matters. Ladies and gentlemen, Greg Hummel.

GREGORY HUMMEL: Good morning. Thank you, Dave. I'm happy to be here at the Fourth Summit. As many of you know I'm a strong advocate for regional collaboration, and I'm proud to be part of the leadership of the Alliance since its formation. Many of you in the room went with a number of us to Paris. The Alliance was created to bring stakeholders together to review the recommendations of the OECD-based organization in Paris. That was a 300-page

document. It is still a critical document that remains instructive for us today.

The Alliance is a neutral convener, and our working teams are dedicated to projects and initiatives that will grow the regional economy. Going back to when the OECD's policies team was first visiting, Toni Preckwinkle was involved. She has instinctively understood the benefits of collaboration and has actively advanced partnerships with her counterparts outside of Cook County.

President Preckwinkle has been a dedicated community leader for over two decades. She has worked with the Cook County Board of Commissioners, elected officials, county employees to implement major reform and reshape county government through fiscal responsibility, innovative leadership, transparency and accountability, and improved services.

Since taking office in December 2010, President Preckwinkle has rebuilt the credibility of county government solving for over \$1.4 billion in budget deficits and cutting \$465 million in expenditures. She established the county's first Performance Management Initiative to demand more accountability from county operations and employees.

President Preckwinkle has developed a broad policy agenda focusing on critical public safety reform, working to strengthen the county's healthcare system, and increasing the capacity and capability of economic development projects. She is repeatedly quoted as saying things like, "The whole is greater than the sum of the parts" and "The economy is regional, and we need to approach it with a regional perspective."

I, of course, couldn't agree more. President Preckwinkle, we are thankful to have you here with us today. As Vice Chairman of the Alliance, I would like our staff and my fellow board members to get even more engaged with you and your team to assist with your Chicagoland efforts, and then scale them to Wisconsin and Indiana. I sincerely hope we can better support each other and advance our mutual missions.

Ladies and gentlemen, Cook County Board President Toni Preckwinkle.

TONI PRECKWINKLE: Good morning everybody. Before I begin, I should acknowledge a few people, Mike Jasso from our Bureau of Economic Development. Do you want to stand, Mike? We're grateful to his team and their hard work. I think there are folks here from the Chicago Cook Workforce

Partnership as well. Would you stand? Where did they go? And last but not least, I want to acknowledge Liz Gorman who is a former commissioner in Cook County and now has gone on to be a staff person at PricewaterhouseCoopers. Liz?

So thank you for that kind introduction. I appreciate it. Shortly after I was elected President of the County, I created a Council of Economic Advisors. Sort of a funny story here. My chief of staff at the time, Kurt Summers, who's now treasurer of the City of Chicago, came in one day and he said, "You know, the President of the United States has a Council of Economic Advisors and we ought to have one too."

So on Kurt's advice we put together our own Council of Economic Advisors consisting of business and civic leaders to help me understand better not only our economy, but how we could work in the County to improve it. They produced a report in April of 2013 and their findings are encapsulated in three key principles.

First, the economy is changing and changing rapidly. Those of us of a certain age, I guess a certain amount of gray hair, recall a post-World War II economy that was much different from today's challenging global economy. The new

economy is based on innovation and knowledge. Education and training become the bedrock of economic growth. Regions are not defined simply by city or county lines or state lines, but they're the new competitive landscape in the global economy.

It's abundantly clear that inclusive growth fuels the region's economic growth. The regions that can deploy their entire human and business assets do better because they perform better, generate greater productivity, and reduce the costs of poverty. Leaving parts of the region behind or simply ignoring them does not work. Actually, the regions that are most successful are the ones that have the least inequality.

Second, because the economy is now different, our approach to economic development has to be different. Gone are the days when it was enough to advertise a great airport, great universities or tax breaks. The economy is regional and we need to approach it from a regional perspective. Less than 1 percent, 1 percent of net new jobs created in any given year are the result of business relocation.

New jobs are overwhelmingly created by existing businesses that grow and by the creation of new businesses.

A business that moves from Schaumburg, a suburb of Chicago, to downtown Chicago is not economic development. No new jobs are created, and the only real winners are the companies that move.

And third, our Council of Economic Advisors keeps reminding me that despite our considerable assets, our region is struggling. Most of you have probably seen the recent headlines, "Chicago Sees the Greatest Population Loss of Any Major U.S. City in 2015." Slow population growth or population declines usually means that we're not creating enough jobs to support our population.

The unemployment rate in our region was 6.6 percent. That's the highest rate among the 10 largest metropolitan areas in the country. I offer these figures not to discourage you but to suggest that we have been doing things in the past that may not be working now. It's time to rethink what we're doing about our shared economy.

With these three points as a framework, let me tell you what Cook County and our counterparts in the collar counties have been doing to breakdown long-standing barriers. Now let me just say, we have a collaborative that's the City of Chicago, Cook County and then all of the

collar counties, so Lake, DuPage, Kane, Kendall, McHenry and Will.

We first met here in December of 2013, right here in this room. It was a small group of elected officials and business leaders from the region. We heard from officials at the bank about the state of our economy, and we pledged to work together to see if we could collectively grow. Since then we've continued to meet twice a year and we've created four separate cooperative initiatives.

One of the first things we tackled was how to rationalize the byzantine truck permitting system in our region for overweight and oversized trucks. I found it hard to believe, but it's true: A truck needs a separate permit for each jurisdiction it crosses, every city, town, village, township. Every one requires a separate permit. So that's one challenge, truck permitting.

Our second initiative is Metro Chicago Exports. Only 6 percent of small businesses export, and the Metro Chicago Exports has helped small and medium-sized businesses go global. One of the hallmark programs of MCE is the Export Grant Program. In the first year MCE provided 54 grants and approximately \$225,000 to manufacturers across the



region to reduce the costs of going global. Currently Metro Chicago Exports is accepting applications for 2016.

The Illinois Chamber of Commerce, in conjunction with the Illinois Economic Development Association, recently awarded MCE one of its Edie Awards in recognition of companies and organizations that imagine, design, invest and build in Illinois, and by doing so bring jobs, growth and prosperity to our communities.

Our third initiative is Chicago Metro Metal Consortium. It's also up and running. It has leveraged \$36 million in new resources to support manufacturing. One hundred and seventy-three firms in metals and machinery have reported a combined \$279 million in aggregate impact -- that is sales increases, investment and cost savings, including the creation of 400 jobs and the retention of 1,100 jobs.

It's fostered more than 400 connections for businesses to increase sales through regional matchmaking events. The Chicago Metro Metal Consortium will continue to offer metal and machinery manufacturers services and resources to grow their businesses through collaboration and networking, increased market intelligence, and the promotion of the

region as the nation's leading center for production technology.

Finally, we're working foreign direct investment. As I mentioned, we live in a global economy. As you may have noticed, foreign-owned businesses play an increasingly important role in our region. Research shows that these businesses often pay higher wages, invest more in research and development, and ultimately export more. We've just begun the process in partnership with the Brookings Institution to develop a plan to attract and leverage foreign direct investment in the region.

We're all proud of what we've done so far. We've gotten to know and trust each other. We accept the fact that we're all in this together. This is an entirely voluntary approach to regional work, and it's been successful. For the most part we've managed to do more with our existing staff and resources.

However, our efforts have also been made possible by external resources. While all seven counties and the City of Chicago have made valuable financial and staff contributions, we have been fortunate to receive the support of the McArthur Foundation, Chase Bank, CMAP -- thank you, Joe -- the U.S. Economic Development

Association, Commonwealth Edison, and the trucking industry.

I'm glad to be here with so many people committed to regional economic development, and I thank the Alliance for Regional Economic Development for providing this forum for a multistate approach to facilitate sharing ideas and learning from each other.

Unfortunately, I can't stay for the rest of the conference but Mike, who I introduced earlier, will be here along with other staff members and will be available if you have questions or ideas to share.

Again, thank you very much for inviting me.

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