

Who is driving Rock County's economic recovery bus?

By [JIM LEUTE](#) ([Contact](#)) Sunday, Jan. 17, 2010

JANESVILLE — While indications are that 2010 could be just as challenging as 2009, other signs point to the eventual economic recovery for Rock County and its residents.

The Promised Land, however, won't magically appear on the horizon. Most agree it will be reached only with a concerted community effort. If that's the case, who is driving Rock County's recovery bus?

The answer is two-fold, and it's based on whether the bus is headed toward an economic recovery or one that helps the thousands of workers left in the wake of the turbulent economy.

Economic development

For the most part, the individuals leading economic development belong to the Rock County Development Alliance, which is an economic development partnership formed in 2001 between the cities of Janesville and Beloit, Forward Janesville, Rock County and Alliant Energy.

The alliance picked up help late last year with the formation of Rock County 5.0, a public-private initiative designed to foster collaboration, communication and economic development connections for the benefit of all county communities.

"I think we all realized that you can make a lot more impact by combining resources than competing with each other," said Mary Willmer-Sheedy, market president of M&I Bank in Janesville and co-chair of Rock County 5.0's advisory council.

"That's not to say there isn't a time and place for specific focuses within each community, such as in downtown Janesville or the city's west side. In this case, we've taken a more regional, macro approach."

Rock County 5.0 is focusing on business retention and expansion, new business attraction, small business and entrepreneurship, real estate positioning and workforce profiling.

The goals and strategies are not new to the alliance. Rock County 5.0, however, brings funding and guidance that haven't been available to the five specialists who represent each of the alliance partners.

Nearly three months after its formation, Rock County 5.0 is approaching its goal to raise \$1 million for a five-year economic development budget.

In contrast, the alliance spent about \$10,000 a year the last nine years marketing and promoting Rock County.

Economic development involves a variety of moving pieces, and Rock County 5.0 supplies the financial grease to keep things in motion, said James Otterstein, the county's economic development manager and alliance member.

One example is a pilot project to position the county for new development and investment opportunities. It involves researching and profiling companies that hold potential.

"Simply stated, it's matching assets with opportunities based upon specific criteria," Otterstein said.

It's a complicated process that takes time and money, both of which were restricted before the formation of Rock County 5.0, he said.

The group hired a company to do the heavy lifting, and the early results are encouraging, Otterstein said.

"We're currently in contact with nearly a half dozen pre-qualified opportunities that didn't previously exist," he said.

The challenge, he said, is to convert possibilities into realities for Rock County.

"We could buy lists, and we could make hundreds of phone calls to find one or two warm leads," Willmer-Sheedy said. "But we've hired this professional, they've made the calls, they've found the warm leads and now we're only spending our time talking to the warm leads.

"People have to understand that—especially in this national and global economic environment—these things take time. It's not something that just happens in one or two months; sometimes it can take two or more years."

Dealing with the aftermath

While the local auto industry dislocated more than 3,000 workers, the area's economic downturn affected nearly three times that many, said Bob Borremans, executive director of the Southwest Wisconsin Workforce Development Board.

So far, about one-third of them have sought a variety of social and educational services, many of which emanate from agencies housed at the Rock County Job Center in Janesville.

And as employment benefits continue to expire, more are expected at the center.

"I think we're just seeing the tip of the iceberg," Borremans said.

Coordinating the socioeconomic service of the area's dislocated workers is the goal of Collaborative Organizations Responding to Dislocations, an initiative launched in late 2008 as a response to auto industry layoffs.

CORD represents a variety of groups and agencies that traditionally serve dislocated workers and their families.

"CORD was formed to pull all these organizations together so we can avoid unnecessary duplication," Borremans said. "It's a broad-based group that recognizes that the economic development folks are doing their own thing, but there are other services that need to be provided."

"With the scale of the problem in Rock County, no one group had the capacity or money to deal with the volume of the needs. So many of these agencies have a niche purpose, and you can't possibly know what each group does and whether it has the capacity to serve everyone."

While member agencies focus on a variety of human services issues, CORD has centered on three:

- Foreclosure and credit issues facing dislocated workers.
- The merger of the United Way of North Rock County's First Call referral problem into the job center.
- Transitional job opportunities in both the not-for-profit and private sectors.

"We've been successful with all three," Borremans said.

The job program, for example, allows employers to use new employees who are paid with federal monies. The employees gain new skills that might lead to permanent employment, he said.

CORD also serves as a clearinghouse for resources and tools for dislocated workers and their families.

Similar to economic development initiatives, human services cost money, and Borremans worries about continued funding.

The area has a \$3 million commitment that will expire in 2011. Most of the money has come from the U.S. Department of Labor, a federal stimulus package and a National Emergency Grant.

Most of the money has been committed, and, contrary to some public opinion, it hasn't all been spent on displaced General Motors' employees. In fact, Borremans said, the vast majority has been used to help displaced employees at GM suppliers and other companies with no ties to the automaker.

In part, that's because GM workers generally have enjoyed better benefits than other employees and haven't yet asked for help, he said.

"Unless we get additional funding, we estimate that we can only serve half the people who are currently enrolled to get help," Borremans said.

Up to 200 people are now on waiting lists for services, he said.

Still, Borremans is optimistic the area will get more federal funding. While the end of second-shift production at GM in July 2008 triggered a large portion of the funding, more money should be available because of the ultimate end of production in December 2008.

"The impact of the auto sector collapse triggered this, but what's going on here is symbolic of what's gone on in the Midwest."

"We got caught up in it like a lot of other communities, and we'll get out of it just like other communities."

Larry Molnar has traveled to dozens of communities devastated by automotive plant closures, and he's impressed with the work going on in Janesville and Rock County.

"The Janesville/Rock County group is the most proactive, organized and forward thinking of any community we've worked with," Molnar said.

Molar is lead investigator for the Community Economic Adjustment Program funded in part by the U.S. Department of Commerce Economic Development Administration. It is a partner with the Center for Automotive Research and the University of Michigan in Ann Arbor.

In Rock County, Molnar has worked with Collaborative Organizations Responding to Dislocations, a group formed in 2008 to pull together agencies and avoid duplication of services for the area's dislocated workers. CORD also has tried to chart a course for socioeconomic recovery.

"The group is extremely responsive and has come up with ideas that have the potential to really help mitigate the adverse impact of the closure," he said.

Molnar's program helps communities recognize their strengths and identify resources to revitalize their economies.

It works to link communities with federal, state and regional resources and to give community leaders management tools.

Now in its fourth year, the Community Economic Adjustment Program has worked with more than 50 such communities in a six-state region of the upper Midwest.

Molnar and CORD are putting together a detailed proposal for federal officials that, if approved and funded, would make Janesville a demonstration model for other communities.

"Foreclosure is a problem for dislocated workers," he said in describing the project. "The banks and lenders have come up with all sorts of programs to try and help. For example, they'll cut a mortgage payment in half.

"But if you've got no income, you can't even make that payment."

The pilot project planned for Janesville would provide mortgage assistance tied a work requirement, he said. Dislocated workers would work on retrofitting and weatherizing houses, which is a priority of the Obama administration.

Molnar and CORD are trying to bring Ed Montgomery, a member of the Presidential Task Force on the Auto Industry and director of recovery for Auto Communities and Workers, to Janesville to hear the proposal.

"We'll show him how this will help the area and how it involves the departments of Energy, Housing and Urban Development and Labor," Molnar said. "It will become a demonstration project for other communities."

Rock County is a natural for such a project, he said.

"One reason is Janesville has such a proactive group," he said. "But Janesville is different and unique because it's so isolated that you can measure the results of what you're doing."

"In a lot of the areas affected by plant closings, you can't tell what difference you're making because everything seems to fold into the much larger metro area."

Molnar said CORD is a collection of people willing to think outside the box. Good ideas, such as the demonstration project, are coming out of Rock County, he said.

"Of all the communities I've worked in, I've taken a personal interest in and adopted Janesville," he said. "There's a great group of people there."