Area Plays Up Quality-of-Life Issues
As Another Economic Development Tool

By Susan C. Thomson

The 2010 U.S. census was a reality check for Mt. Vernon and surrounding Jefferson County, in the middle of Southern Illinois. Results, released in early 2011, revealed population declines of 6 percent for the city and 3 percent for the county as a whole over the previous decade.

Ironically, the decade ending in 2010 had been one of substantial job growth. It was led by the town’s major employers, primarily a tire-maker whose successive expansions created jobs by the hundreds. Employment also grew steadily at a drug store chain’s distribution center and in the city’s vibrant health-care sector, made up of two hospitals and a number of off-site medical offices and clinics.

Obviously, people have been working in town but not living there, but why?

“We’re in a rural economy, and a rural economy means labor can come from 45 or more miles away,” says Jo David Cummins, president of Mt. Vernon’s Community First Bank. “People don’t move into town; they commute back and forth.”

With a limited housing stock, mostly from the mid-20th century, the town offers few compelling options. According to a study done for the city last year, just to keep up with the new jobs, the city needs in the coming five years at least 360 new homes, mostly priced under $175,000. Cummins speculates that a chicken-and-egg situation developed, with risk-averse builders

### Mt. Vernon/Jefferson County, Ill.
by the numbers

<table>
<thead>
<tr>
<th>CITY</th>
<th>COUNTY</th>
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<tbody>
<tr>
<td>Population</td>
<td>15,236</td>
</tr>
<tr>
<td>Labor Force</td>
<td>NA</td>
</tr>
<tr>
<td>Unemployment Rate</td>
<td>NA</td>
</tr>
<tr>
<td>Per Capita Personal Income</td>
<td>$33,747***</td>
</tr>
</tbody>
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* U.S. Census Bureau, 2011 estimate.
*** BEA/Haver, 2011.

### LARGEST EMPLOYERS

| CONTINENTAL TIRE THE AMERICAS | 3,200† |
| WAGGREENS DISTRIBUTION CENTER | 1,475† |
| GOOD SAMARITAN REGIONAL HEALTH CENTER | 1,165† |
| CROSSROADS COMMUNITY HOSPITAL | 315† |
| MT. VERNON CITY SCHOOLS | 257† |

† SOURCE: Jefferson County Development Corp.
†† Self-reported
were connected in 1974, creating beelines from Mt. Vernon north to Chicago, south to Memphis, west to St. Louis and east to Louisville. That same year, the plant of Continental Tire the Americas opened with 150 employees. Taking advantage of what had become a natural location for distribution centers, the drug store chain Walgreens began operations in Mt. Vernon in 1990 with 150 employees and gradually expanded. The distribution center now services 700 stores in 10 Southern and Midwestern states.

The crossroads have also given rise to 12 hotels, with more than 1,000 rooms altogether. Bonnie Jerdon, director of the Mt. Vernon Convention & Visitors Bureau, says room nights have increased steadily in recent years. Last year alone, they went up 5 percent. However, only about half of the visitors stay more than one night. Jerdon hopes that the new branding campaign will persuade more people to stay longer.

Mary Ellen Bechtel, executive director of the Jefferson County Development Corp., welcomes the new brand as a supplement to rather than a substitute for traditional economic development. The latter includes tax credits and training grants from the state and property tax abatement and sales tax waivers from local governments. All of these incentives have been used in various combinations to attract new businesses to the area and help existing ones grow, she says.

**Investing in Infrastructure**

A heavy emphasis has been put on infrastructure improvements, too. On the west side of town, near the I-57 interchange that opened in 2009, plans call for a new high school, a 600-acre planned-unit development, the area’s third industrial park and more medical-related facilities. The city and state are investing $9.5 million into public works in that area to make all the development possible.

“We use every tool we have in the economic toolbox” to encourage development and redevelopment, adds Mt. Vernon Mayor Mary Jane Chesley.

The city’s tools also include tax increment financing (TIF) districts, where tax increases above an initial, fixed amount are dedicated to district upgrades. Of the four the city has created over the past five years, results have been most striking in the downtown district, where commercial
buildings are up to a century old and many remain empty. Proceeds from the TIF have funded 40 building renovation projects, worth about $2.3 million, and have spurred another $5 million in private investment, the mayor says.

Little by little, a downtown master plan completed in 2006 is being realized. “It’s been slow, but we keep moving forward,” says Cyndy Mitchell, executive director of the Downtown Mt. Vernon Development Corp. “I think downtown is the heartbeat of a city,” says Chesley. As further signs of progress, she points to what she describes as the city’s ongoing “quality of life” enhancements, including street repairs, park improvements, new bike trails and an outdoor aquatic center that is due to open July 4. Abandoned housing and other unused buildings are being demolished, and rental housing is now being inspected.

Meanwhile, the year began with, by Bechtel’s calculation, up to 450 new jobs pending over the next three years. Of these, 350 are on tap at Continental Tire. The non-union plant, which makes Continental and General tires, has thrived as the company has closed unionized U.S. plants. In January, it announced its latest expansion. It will cost $129 million and lead to 100 new jobs.

**New Plant for Magnum**

The remaining 50 to 100 new jobs are in the offering at Magnum Steel Works, a fabricating and machining shop specializing in repair of industrial equipment. Magnum started in 2005 with a handful of employees. In January, the company began moving its 56-person workforce from an outgrown 33,000-square-foot building into a new $16 million, 128,000-square-foot facility. President Jim Czerwinski says Mt. Vernon is an ideal location for his company, which counts the tire company and Southern Illinois’ coal mining companies among its major clients.

**New Hospital Facilities**

Also in January, Mt. Vernon continued evolving into what Cummins perceives as “a health mecca.” Good Samaritan Regional Health Center moved to a new, five-story, 142-bed, $237 million facility near the new interchange, almost double the size of its previous home. The extra space allowed for a large number of improvements. With the move, the hospital also created 100 jobs, says President Michael Warren. The opening came just months after Crossroads Community Hospital, also on the west side of town, completed its $23 million renovation and expansion.

A developer has bought Good Samaritan’s former site and is tentatively planning to build housing there. City Manager Ron Neibert says the city is in preliminary conversations with two other potential developers who have other home-building projects in mind.

“We think we’re on the right track,” Bechtel says. “We think we can correct the decline in population, but it’s going to take some time. We probably won’t know until the next census.”

Susan C. Thomson is a freelance writer and photographer.