

DCEO: RESOURCES FOR OPPORTUNITIES

Office of Regional Economic
Development June 12, 2019



Illinois
Department of Commerce
& Economic Opportunity

JB Pritzker, Governor

- ❖ Regional team members serve as liaisons for connecting customers (*businesses, communities and other stakeholders*) with state resources that may provide for needed financial and technical assistance.
- ❖ We seek out collaborative participation with local partnerships in support of economic wellness initiatives for our communities and regions.
- ❖ We proactively serve as communication conduits for the sharing of timely information and feedback between our customers and the state.

MISSION: REGIONAL ASSISTANCE



Illinois Department of Commerce Economic Development Regions



Business Support Regions

- ★ **Statewide Offices**
- **Central**
- **East Central**
- **North Central**
- **Northeast**
- **Northern Stateline**
- **Northwest**
- **Southeast**
- **Southern**
- **Southwest**
- **West Central**

visit us at illinois.gov/dceo

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The Department of Commerce is Your One-Stop Resource

- Site Selection
- Customized Workforce Training
- Regional & Local Collaboration
- Expedited Permitting, Licensing & Other Approvals
- Connection to Key Stakeholders and Civic & Business Partners
- Potential Financial Support
- And More!

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5 Areas-40+ Programs

- ❖ Community Development
 - ❖ Infrastructure Programs
 - ❖ Housing
- ❖ Workforce Development
 - ❖ LWIA
 - ❖ Apprenticeship
- ❖ Economic Development
 - ❖ EDGE
 - ❖ Enterprise Zone
 - ❖ CORE BRE
 - ❖ Minority Business Program
 - ❖ Advantage IL
- ❖ Film
- ❖ Tourism-Main Street
 - ❖ Marketing
 - ❖ TAP

WORKFORCE TRAINING- APPRENTICESHIP GRANTS

- ❖ Federal funding may be available for the classroom and/or on-the-job training components of Registered Apprenticeships.
- ❖ The workforce system can also cover a range of supportive services – including pre-apprenticeship training, assistance in recruiting and placing apprentices, and tools, books, and other individual supplies for apprentices.

COMMUNITY DEVELOPMENT- CBDG ECONOMIC DEVELOPMENT GRANT

- ❖ The program assists Illinois communities that do not receive a HUD direct entitlement allocation.
- ❖ Only projects that create and/or retain permanent full-time jobs in the industrial and commercial sectors and demonstrate financial feasibility and benefit to low-to-moderate income persons will be funded.
- ❖ Funding is limited to \$1 million (\$25,000 for every full-time job created and \$10,000 for every full-time job retained)

CBDG ECONOMIC DEVELOPMENT GRANT EXAMPLES

- ❖ The City of Marion will receive \$1.6 million in RLF Closeout Program funds for an economic development grant to construct Halfway Road to serve the Pepsi MidAmerica Facility. The construction of the new road will facilitate the company's \$2.0 million capital expansion and create 50 new jobs.
- ❖ DCEO provided the Village of Valmeyer a \$400,000 economic development grant. The Village will use this grant in their Rock City Cave complex to stabilize the roof over the new parking area required to accommodate the creation of 40 new jobs as part of the operational expansion of Sun Basket, Inc.

ECONOMIC DEVELOPMENT FOR A GROWING ECONOMY (EDGE)

- ❖ 10 years of tax certificates, with 5 year tax carry-forward.
- ❖ Certificates only claimed against income taxes; not transferable or salable.
- ❖ 2 years to make investment and job creation commitments without reducing the 10 years of benefits; investment and job creation commitments can be extended to 5 years but will lose one year's worth of benefits for each year extend beyond the second year of the agreement.
- ❖ Maintains “but for” and out-of-state option provisions - cannot be compromised prior to approval.
- ❖ EDGE tax credit legislation expires on 12/31/2022.

ECONOMIC DEVELOPMENT FOR A GROWING ECONOMY (EDGE)

- ❖ ***New Job Creation & Project Investment-Base Credits*** 50% of Illinois payroll withholding of newly created full-time jobs at the project.
- ❖ ***Job Training*** 10% of eligible training costs of new full-time employees positions at the project.
- ❖ ***New Job Creation Credits & Project Investment-Companies in “Underserved Areas”*** For projects located in an “underserved area”, an additional 25% of Illinois payroll withholding of newly created full-time jobs is available if any one of the established criteria can be met.
- ❖ *There are specific program requirements to meet.

RECENT PROJECT USING A DCEO LOAN PROGRAM

- ❖ Lebanon has a population of 5,500 and does not currently have a grocery store, with the nearest stores located in O'Fallon and Trenton. The store is a part of the city's redevelopment plan.
- ❖ The project consists of funding the ground up construction and startup costs of a new IGA grocery store in Lebanon IL.
- ❖ The total project investment is \$3,066,000 with an Advantage IL participation of \$705,673.
- ❖ Within two years, the store is expected to have created 25 full time and 15 part time jobs.

ILLINOIS “BUILT IN INCENTIVES”

- ❖ *Single Sales Tax Apportionment- reduces corporate tax of corporations which produces goods in a state but sell most of them outside the state where production occurs.*
- ❖ *No Personal Property Taxes- All property other than real estate, including machinery, equipment, inventories and intangibles, are exempt from property tax*
- ❖ *R&D Tax Credit- 6.5% of qualifying research performed in Illinois*
- ❖ *Deregulated Energy Savings- purchase gas electricity from any supplier you choose at the price and terms you find most beneficial*

THANK YOU

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Southern Region

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