**Department of Commerce and Economic Opportunity (DCEO)**9

9 www.commerce.state.il.us

**(1) Grants**

* ***Illinois Department of Agriculture AgriFIRST Grant Program.*** The AgriFIRST program is designed to provide grants to persons and agribusinesses in Illinois for the purpose of developing projects that enhance the value of agricultural products or expand agribusiness in Illinois.
* ***Business Development Public Infrastructure Program (BDPIPP).*** The BDPIP program is designed to provide grants to units of local government for public improvements on behalf of businesses undertaking a major expansion or relocation project that will result in substantial private investment and the creation and/or retention of a large amount of Illinois jobs. The infrastructure improvements must be made for public benefit and on public property and must directly result in the creation or retention of private sector jobs. The local government must demonstrate clear need for financial assistance to undertake the improvements. Grant eligibility and amounts are determined by the amount of investment and job creation or retention involved.
* ***Illinois Department of Transportation (IDOT).*** IDOT has several programs that provide state assistance in improving highway and rail access improvements to new or expanding industrial, distribution or tourism developments. The focus of these programs is the retention and creation of Illinois jobs. Funding may be available for transportation improvement projects related to facilities that provide direct access to economic development projects. Projects providing access to retail establishments, office parks, government facilities or school/universities are not eligible. To view IDOT programs please click on the links below.
* ***Community Development Assistance Program for Economic Development (CDAP-ED).*** The CDAP-ED program is a federally funded program that is designed to provide grants to units of local government for economic development activities related to business retention and/or expansion opportunities. The program is targeted to assist low-to-moderate income people by creating job opportunities and improving the quality of their living environment. Local governments qualifying to receive grant funds can then make these funds available in the form of loans to businesses locating or expanding in their community. A local government may request grant funds of up to $750,000. Funds may be used for machinery and equipment, working capital, and building construction and renovation. The local government may also use the grant funds for improvements to public infrastructure that directly support a specific economic development project. Applications may be submitted at any time. Local government entities located in heavily populated metropolitan areas of the state may receive funding directly from the federal government and therefore, are ineligible for participation through this program.
* ***Employer Training Investment Program (ETIP) – Competitive Component.*** The Employer Training Investment Program (ETIP) is a competitive application program for Illinois based manufacture and service companies to facilitate upgrading the skills of their workers in order to remain current in new technologies and business practices. Participation in the program will enable companies to remain competitive, expand into new markets and introduce more efficient technologies into their operations. ETIP grants may reimburse Illinois companies for up to 50 percent of the eligible cost of training their employees. Grants may be awarded to individual businesses, intermediary organizations operating multi-company training projects and original equipment manufacturers sponsoring multi-company training projects for employees of their Illinois supplier companies.
* ***Employer Training Investment Program (ETIP) – Incentive Component.*** The ETIP Incentive Program is eligible to pre-qualified Illinois businesses applying for training funds as part of an Economic Development Incentive Project. Companies located in Illinois who are expanding, relocating, or are in jeopardy of closing may be eligible for pre-qualification in the program.

Participation requires companies to meet certain capital investment and job creation/retention goals and provide a dollar for dollar match of the grant award.
* ***Large Business Development Program (LDBP).*** The LDBP program is designed to provide grants to businesses undertaking a major expansion or relocation project that will result in substantial private investment and the creation and/or retention of a large number of Illinois jobs. Funds available through the program may be used by large businesses for bondable business activities, including financing the purchase of land or buildings, building construction or renovation, and certain types of machinery and equipment. Grant eligibility and amounts are determined by the amount of investment and job creation or retention involved.

**(2) Loan Programs**

* ***Advantage Illinois.*** The Advantage Illinois program is designed to provide Illinois businesses and entrepreneurs with access to the capital they need to start new companies and expand existing business. The program is comprised of multiple programs to spur institutional lending, including Capital Access Program, Participation Loan Program, which includes a component for Minority/Women/Disabled/Veteran-Owned businesses, and Collateral Support Program; and the Invest Illinois Venture Fund, which leverages private investments in start-ups and high-growth businesses.
* ***DCEO’s Community Development Fund.*** Part of Governor Quinn’s Neighborhood Recovery Initiative, starting in November and available until funds are depleted, DCEO is partnering with financial institutions with strong small business lending backgrounds to distribute $5 million in micro loans to start-ups and existing small businesses through the Community Development Fund. More than 300 loans will likely be made to start-up and existing small businesses, which will lead to more than 800 jobs being created or retained over the next two years.
* ***Community Service Block Grant (CSBG) Loan Program*.** The CSBG Loan Program is administered jointly by the Illinois Department of Commerce and Economic Opportunity (DCEO), statewide Community Action Agencies (CAA’s) and Illinois Ventures for Community Action (IVCA). The Program provides long-term, fixed-rate financing to new or expanding small businesses in exchange for job creation and employment for low-income individuals. CSBG funds usually make up between 20-49% of the entire loan project and have a low interest rate of 5% to 7.5%.
* ***The Illinois Finance Authority (IFA).*** The Illinois Finance Authority (IFA) is a self-financed, state authority principally engaged in issuing taxable and tax-exempt bonds, making loans, and investing capital for businesses, nonprofit corporations, agriculture and local government units statewide. IFA finances about $3 billion each year, helping generate economic growth and job creation.
* ***The Illinois State Treasurer’s Office.*** The Illinois State Treasurer’s Office offers programs that are designed to assist the Illinois business community by providing access to capital and financing at affordable rates in order to promote economic development activities that create and retain jobs within the state.
* ***Manufacturing Modernization Loan Program.*** The Manufacturing Modernization Loan Program is designed to provide manufacturers with access to adequate and affordable financing for upgrading and modernizing their manufacturing equipment and operations.

**(3) Tax Assistance**

* ***Illinois Angel Investment Credit Program.*** The Illinois Angel Investment Credit Program is designed to offer a tax credit to interested firms or natural person(s) who make an investment in one of Illinois’ Innovative, qualified new business ventures. The investment will encourage job growth and expand capital investment in Illinois. The program can offer a tax credit to qualifying firms in an amount equal to 25% of their investment made directly in a qualified new business venture. The maximum amount of an investment that may be used as the basis for a credit under this section of $2,000,000 for each investment directly in a qualified new business venture. An awarded tax credit may not be sold or otherwise transferred to another person or entity. Businesses desiring to be registered as a qualified new business venture shall submit a registration form in each taxable year for which the business desires registration. The registration will attest to the fact that the business is principally engaged in innovation, their business headquarters is located in Illinois and their business has the potential for increasing jobs and capital investment in Illinois. Interested firms or natural person(s) desiring a tax credit based on their investment in a qualified new business venture must submit an application to the

Department which attests to the fact that an investment has been made and remains in the qualified new business venture for no less than 3 years.

* ***High Impact Business (HIB).*** The HIB Program is designed to encourage large-scale economic development activities, by providing tax incentives (similar to those offered within an enterprise zone) to companies that propose to make a substantial capital investment in operations and will create or retain above average number of jobs. Businesses may qualify for: investment tax credits, a state sales tax exemption on building materials, an exemption from state sales tax on utilities, a state sales tax exemption on purchases or personal property used or consumed in the manufacturing process or in the operation of a pollution control facility. The project must involve a minimum of $12 million investment causing the creation of 500 full-time jobs or an investment of $30 million causing the retention of 1500 full-time jobs. The investment must take place at a designated location in Illinois outside of an Enterprise Zone. The program has been expanded to include qualified new electric generating facility, production operations at a new coal mine or, a new or upgraded transmission facility that supports the creation of 150 Illinois coal-mining jobs, or a newly constructed gasification facility as a “Coal/Energy High Impact Businesses.” In 2009, the program was further expanded to include wind energy facilities. The designation as a Wind Energy/High Impact Business is contingent on the business constructing a new electric generation facility or expanding an existing wind power facility. “New wind power facility” means a newly constructed electric generation facility, or a newly constructed expansion of an existing electric generation facility, placed in service on or after July 1, 2009, that generates electricity using wind energy devices. “New wind energy device” means any device, with a nameplate capacity of at least 0.5 megawatts, that is used in the process of converting kinetic energy from the wind to generate electricity.
* ***Illinois Historic Preservation Tax Credit Program.*** The Illinois Historic Preservation Tax Credit Program provides a state income-tax credit equal to 25% of a project’s qualified expenditures to owners of certified historic structures located within River Edge Redevelopment Zones (Aurora, East St. Louis, Elgin, and Rockford) who undertake certified rehabilitations during the taxable year. The substantial rehabilitation investments will create jobs in Illinois, stimulate the economies of River Edge communities, and revitalize historic structures and neighborhoods. An awarded tax credit may not be sold or otherwise transferred to another person or entity. The Illinois Historic Preservation Tax Credit Program runs from January 1, 2012 to December 31, 2016.
* ***New Markets Development Program.*** The Illinois New Markets Development Program provides supplemental funding for investment entities that have been approved for the Federal New Markets Tax Credit (NMTC) program. This program will support small and developing businesses by making capital funds more easily available and will make Illinois more attractive to possible investors. The NMTC program provides state and federal tax credits to investors that make investments into approved funds, which will make investments in eligible projects located in low income census tracks throughout Illinois. This program provides non-refundable tax credits to investors in qualifying Community Development Entities (CDE’s) worth 39% of the equity investment made into the CDE over a 7 year credit allowance period.

**(4) Workforce Development**

The Office of Employment & Training is committed to encouraging statewide economic development by cultivating a well-trained workforce. To accomplish this goal, the Office identifies youth, adults and dislocated workers who are eligible for assistance under the Workforce Investment Act (WIA), assesses their employability skills and provides training as appropriate for identified sectors of growing employment demand. Ideally, this will lead to the placement of these individuals in self-sufficient employment. The Office also provides follow-up services leading to employment retention in high-wage and high-skilled jobs. These services are provided statewide while maintaining focus on the economic needs of each region.

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