Partnering with your DCEO Regional Manager
Team RED’s Mission

Bureau of Regional Economic Development (RED)

Mission: To Promote Economic Development in the State of Illinois through Attraction, Retention and Expansion Programs

Objective: Team RED lives and works in the communities they serve and are charged with facilitating economic development efforts in their regions, in addition to providing communities with front-line access to state programs and services.

North Central Region Contact:
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What We Do

- Regional Business Briefings & Meetings
- External Stakeholder Engagement Meetings
- Statewide Stakeholder Feedback Reporting on Economic Development, Policy Issues, DCEO Conflicts/Red Flags
- RED/Business Development/Retention Site Visits
- Governor Videos/ FDI Project Visits w/ Intersect
- Regional Tours
- Ribbon Cuttings/Groundbreaking Event Coordination & Support
- Staffing Director/ Governor at RED Events
Business Development, External Stakeholder Outreach, Technical Assistance, & Customer Service

As DCEO’s primary frontline Bureau, Team RED has both internal (10 bureaus) & external customers.
Overview

Business Development
• EDGE
• Enterprise Zone
• High Impact Business (HIB)
• Advantage IL
• Fund for Advancement of Minority Enterprises (FAME)
• Data Center Incentive
• Apprenticeship Educational Expense Program
• Research and Development
• Blue Collar Jobs Act

Entrepreneurship, Innovation, and Technology
• Small Business Development Centers
• Procurement Technical Assistance Centers
• Angel Tax Incentive Program
• New Markets Program

Trade and Investment
• Services and Global Network
• ISTEP Program
• Virtual Trade Missions
Small Business Resources

**Illinois Small Business Development Centers** are located throughout the state and provide information, confidential business guidance, training and other resources to start-up and existing small businesses.

- These state-funded community centers help connect small businesses with information and assistance in applying for various funding opportunities, including over $500 million in small business assistance programs launched by DCEO since March 2020.

Businesses can contact the **First Stop Business Information Center** for questions on reopening guidelines, mitigations, and grant programs.

- Toll free helpline 800.252.2923 or email us at ceo.firststop@illinois.gov
Advantage Illinois

Advantage Illinois is a program to enhance capital for Illinois businesses. By working with the state’s banking community and venture capitalists, we’ll help entrepreneurs and small businesses start-up, expand, and create new jobs. Eligible loans can be used to finance the following: equipment, real estate (must be 51% or more occupied by the business), working capital, inventory, leasehold improvements and A/R.

**Advantage Illinois:**
- Maximum participation is the lesser of:
  - 25% of the project (all sources of funding)
- 50% of the loan
- $1.5 million
- Maximum term 10 years
- Rate fixed at 2% below lender rate
- Each $50,000 participated, one full time job should be created or retained in the next 2 years

**FAME (Fund for the Advancement of Minority Enterprises)**
- Maximum participation is the lesser of:
  - 50% of the project (all sources of funding)
- 50% of the loan
- $400,000
- Maximum term is 7 years
- Rate fixed at 2% flat
- Each $65,000 participated, one full time job should be created or retained in the next 2 years

Participating lenders in the Advantage Illinois program can accept business applications on a rolling basis and use their own underwriting standards and loan processes.
Community Navigators +
Statewide Coverage

Businesses and Communities receive:

• 1-on-1 technical assistance
• Services in 30 different languages
• Referrals to SBDCs, DCEO, and other business support opportunities
• Documentation review and preparation
• Additional business assistance
Community Development Block Grant (CDBG)

- CDBG programs through DCEO are available to counties/communities who do NOT receive direct entitlements.
- CDBG funded by the U.S. Dept. of Housing & Urban Development.
  - $30.3 million in 2020
  - $29.1 million in 2019

Projects must meet 1 of 3 national objectives
- Benefit low-to-moderate income persons
- Aid in the prevention of slum and blight
- Meet other community development needs that pose a serious and immediate threat to the health and welfare of the community
- Only units of local government (cities, villages, counties, townships) may apply/receive a CDBG grant
Economic Development for a Growing Economy (EDGE) Program

• Available to for-profit companies looking to expand in, or relocate to, Illinois with potential out-of-state options for projects.
  • Excludes retail, retail food, health or professional services

• Eligibility criteria:
  • Over 100 world-wide employees: company must invest at least $2.5 million and create the lesser of 50 new jobs or the equivalent of 10% of global workforce; or
  • 100 or fewer world-wide employees: no minimum investment and company must create the lesser of 50 new jobs or the equivalent of 5% of global workforce.
Economic Development for a Growing Economy (EDGE) Program (cont’d)

• Eligible for 10 years of credits after a two-year ramp up period.
• Annual credit equal to:
  • Standard: 50% of withholding taxes and 10% of eligible training costs for new employees
  • Project located in underserved area: 75% of withholding taxes and 10% of eligible training costs for new employees
    • 25% of withholding taxes for retained employees if the project is located in an underserved area if certain statutorily-required evidentiary showing is made
  • Credit is capped by amount of investment and income tax liability, but credit may be carried forward for up to 5 years.
Enterprise Zone (EZ) Program

• Currently 97 standard zones across the State, and several special districts and zones created by regional development authorities.

• Zones awarded competitively based on applications from counties and municipalities scored by DCEO and approved by the Enterprise Zone Board.

• Zone designations carry 15-year terms, with the possibility of a ten-year extension upon approval by the Enterprise Zone Board.
Enterprise Zone (EZ) Program (cont’d)

Designed to encourage investment and job creation in underserved communities through different tax incentives:

- Investment Tax Credit (ITC): 0.5% credit for investments in qualified property;
- Building Materials Exemption Certificate (BMEC): exemption from State sales taxes on building and construction materials;
- Performance-based credits for large scale projects includes State sales tax exemption on purchases of utilities and items consumed during the manufacturing process; and
- Additional incentives available to companies located in foreign trade zone.

Local communities also provide a variety of incentives including property tax abatement, sales tax exemptions and building permit fee waivers.
Office of Minority Economic Empowerment

Committed to providing minority-, women-, persons with disabilities and veteran-owned small businesses and entrepreneurs across the state with equitable access to opportunities and resources.

Through dynamic partnerships, targeted outreach, and tailored programs and initiatives, OMEE aims to create an inclusive business ecosystem for communities that have traditionally faced systemic barriers to entry and growth.

https://www2.illinois.gov/dceo/OMEE/Pages/default.aspx
OMEE-led Initiatives

- **Business Collectives**: coalitions of business-serving community organizations that support the Black/Latinx/Women’s business ecosystems and help develop priorities that fill systemic gaps.

- “**Online with OMEE**”: biweekly sessions hosted by OMEE team to share best practices, updates on business programs and opportunities available, and answers questions from businesses directly.

- **Advancement of Minority Entrepreneurs (ADME)**: Workshop series in partnership with the Illinois Small Business Development Center (SBDC) network to offer a dynamic discussion on a specific business topic.

- **Meet & Greets**: Monthly opportunity to connect with DCEO’s Regional Economic Development and OMEE teams and learn about upcoming opportunities that are specific to your region.

- **Cultural and Historic Celebrations**: Opportunity to celebrate communities and tailor programming.

- **Technical Assistance**: Team available to provide individualized support to businesses and connect to resources.

- **OMEE Capital Grants** *(limited to funding availability)*: Grants for minority-owned businesses for capital and infrastructure projects to grow their business.
ARPA NEU Funds

• Through the American Rescue Plan Act of 2021 (ARPA), Illinois received an allocation of $742 million in Coronavirus Local Fiscal Recovery Funds ("CLFR") to distribute to more than 1,250 non-entitlement units (NEUs) with populations under 50,000.

• The ARPA State & Fiscal Recovery Fund (‘SLFRF’) Final Rule was issued by the U.S. Treasury on January 6, 2022.

• The Final Rule is effective as of on April 1, 2022.

• The Final Rule provides broader flexibility and greater simplicity in the program based on feedback from participants.

• The Overview of the Final Rule provides a summary of major provisions of the final rule for informational purposes and is intended as a brief, simplified user guide to the final rule provisions.
Proposed uses of ARPA NEU in IL communities:

- Non-profit capital grant program
- Cybersecurity
- Façade improvement program
- Childcare assistance
- Job training for unemployed persons
- Commercial rent reduction program
- Grants for small business growth, expansion, and product development
- Starting a Health Equity Fund
- Small business Revolving Loan Fund
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