



# Summary of Economic Development Programs and Incentives in Madison County, Illinois



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## OVERVIEW

Madison County, the State of Illinois, and regional economic development organizations offer a wide range of programs to help businesses cost-effectively locate and expand their operations within Madison County. These programs are designed to provide assistance in the form of tax incentives, business financing, infrastructure development, employee recruitment and training, and general technical assistance such as confidential site location services.

A network of economic development assistance organizations, staffed by experienced professionals at the state, regional, and local level, are linked together in Madison County to provide optimum assistance to businesses interested in development or expansion in the County. This network is ready to utilize all available resources to confidentially develop a comprehensive incentive proposal.

This document discusses six types of available assistance programs:

1. Tax incentives
2. Business financing
3. Infrastructure development
4. Employee recruitment and training
5. General technical assistance such as confidential site location services
6. Energy and recycling programs

Businesses wishing to pursue any of the following incentives or programs should contact Madison County Community Development's Economic Development staff.

James Arnold – Program Coordinator – 618 – 296 - 4247

# TAX INCENTIVES

Listed below are potential tax incentive programs that could be utilized by a business expanding or relocating in Madison County. Please note that some of these programs are only offered in certain areas within the County.

## Madison County Enterprise Zones

An enterprise zone is a specific area designated by the State of Illinois on cooperation with a local government to receive various tax incentives and other benefits to stimulate economic activity and neighborhood revitalization. The Gateway Commerce Center, Riverbend, Southwestern Madison County, and Madison County Discovery Enterprise Zones are specific areas that have been designated by the State of Illinois, Madison County, and participating municipalities to provide special tax incentives to encourage businesses to locate, expand, and retain their operations within the enterprise zones.

- **The Gateway Commerce Center Enterprise Zone**, which was designated through the assistance of the Southwestern Illinois Development Authority (SWIDA), is comprised of portions of the city of Edwardsville, Village of Pontoon Beach and unincorporated Madison County.
- **The Riverbend Enterprise Zone** is comprised of portions of the cities of Alton, Bethalto, East Alton, Hartford, Wood River, Roxana, South Roxana, and parts of unincorporated Madison County.
- **The Southwestern Madison County Enterprise Zone** is comprised of portions of Granite City, Madison, Venice, and parts of unincorporated Madison County.
- **The Madison County Discovery Enterprise Zone** is comprised of Collinsville, Glen Carbon, Highland, Maryville, Troy, St. Jacob, and parts of unincorporated Madison County. The Madison County Discovery Zone does not include property tax abatement.

### **The following incentives are available within the enterprise zones:**

**Property Tax Abatement:** Property owners that improve or renovate industrial, commercial, or manufacturing property within the zones (and not within Tax Increment Financing Districts) are eligible to receive property tax abatement on the assessed value of the improvements if that particular Enterprise Zone has established an abatement program (not every zone pursues abatement). To receive this abatement, property owners must obtain a building permit and complete a Project Information Form describing the project and submit the form to the local zoning administrator before beginning construction. (The Madison County Discovery Zone does not include property tax abatement.)

**Sales Tax Exemption:** A 6.25 percent State sales tax exemption for building materials used to improve or renovate real property within the Enterprise Zones is available to individuals or businesses that purchase their building materials from Illinois retailers or suppliers. To receive

this sales tax exemption, the individual or business must provide the participating retailer with a form called a "Purchaser Statement" that identifies their renovation or improvement project as being within the Enterprise Zone and a certification from the Zone Administrator that the project is located within the Enterprise Zone.

Investment Tax Credit: A state investment tax credit of .5 percent is allowed to a taxpayer that invests in qualified property in an enterprise zone. Qualified property includes machinery, equipment, and buildings. The credit may be carried forward for up to five years. This credit is in addition to the regular .5 percent investment tax credit that is available throughout the state as well as a .5 percent credit for taxpayers who increase their employment in Illinois by one percent over the preceding year.

Enterprise Zone Machinery and Equipment Exemption: A 6.25 percent state sales tax exemption is available for purchases of tangible personal property to be used or consumed in the manufacturing or assembly process or in the operation of a pollution control facility within an enterprise zone. Eligibility for this exemption is contingent upon a business making a \$5 million investment which causes the creation of 200 full-time equivalent jobs in Illinois, an investment of \$40 million for the retention of 2,000 full-time jobs in Illinois, or an investment of \$40 million and retaining 90 percent of the present jobs. The majority of the jobs created or retained must be located in the enterprise zone in which the investment occurs. A business must complete an application and be certified by the Illinois Department of Commerce and Economic Opportunity (DCEO) to be eligible for this incentive. This sales tax exemption is applicable to the following:

This sales tax exemption is applicable to the following:

- (Hand tools used to maintain, repair, or operate machinery and equipment
- Abrasives, acids, polishing compounds, or lubricants used or consumed in the manufacturing or assembly process
- Manufacturing fuels, coolants, adhesives, solvents, or cleaning compounds used to maintain, repair, or operate machinery and equipment
- Protective clothing and safety equipment
- Fuels, chemicals, and catalysts used in the operation of pollution control facilities

Utility Tax Exemption: A state utility tax exemption on gas, electricity, and the Illinois Commerce Commission's administrative charge is available to businesses located in enterprise zones. Eligibility for this exemption is contingent upon a business making a \$5 million investment which causes the creation of 200 full-time equivalent jobs in Illinois or an investment of \$20 million for the retention of 1,000 full-time jobs in Illinois. The majority of the jobs created or retained must be located in the enterprise zone in which the investment occurs.

A business must complete an application to and be certified by DCEO to be eligible for the state utility tax exemption.

## The Illinois EDGE Program

<http://www.illinois.gov/dceo/ExpandRelocate/Incentives/taxassistance/Pages/EDGE.aspx>

The development project must add to the export potential of Illinois; for example, manufacturing or services exported out of state would be acceptable, but not retail trade and personal services.

The project must be an expansion of an existing operation or a new location. Company relocations within Illinois are eligible for consideration only if there is a documented and substantiated business reason why their current location is inadequate.

Each project must commit to make a capital investment in the state of at least \$5 million and must create a minimum of 25 new jobs (excluding recalls, transfers, etc.); or companies with less than 100 employees must make a capital investment of at least \$1 million and must create a minimum of 5 new jobs, or the project must meet the investment and job creation, and/or retention requirements as set forth by DCEO.

The Applicant must demonstrate that if not for the Credit, the Project would not occur in Illinois by providing documentation evidencing that:

- has multi-state location options and could reasonably and efficiently locate outside of the state; or
- at least one other state is being considered for the project; or
- receipt of the Credit is a major factor in the Applicant's decision and that, without the Credit, the Applicant likely would not create and/or retain jobs in Illinois; or
- the Credit is essential to the Applicant's decision to create and/or retain jobs in the state.

The cost differential should be identified, using the best available data, in the projected costs for the Applicant's project compared to the projected costs in the competing state, including the impact of the competing state's incentive programs. The cost differential should, for example, demonstrate the following:

Applicants may qualify for additional benefits if their proposed projects meet certain business location efficiency standards. In order to qualify for increased EDGE benefits under the Business Location Efficiency Incentive Act, the applicant must submit a location efficiency report that:

- describes the existence of infrastructure at the project site and satisfies Business Location Efficiency Incentive Act's standards for affordable workforce housing or affordable and accessible mass transit; or
- if the Department determines from the location efficiency report that the applicant is seeking assistance in an area that is not location efficient, the Department may award an increase in EDGE assistance if an applicant submits, and the Department accepts, an employee housing and transportation remediation plan or creates jobs in a labor surplus area as defined by the Department of Employment Security.

## Illinois Tax Increment Financing Program (TIF)

<http://www.illinois-tif.com/>

Tax increment financing (TIF) is a planning and financing technique used by Illinois municipalities, including a number of Madison County municipalities, to carry out development activities on a local basis. This program allows a municipality to acquire and prepare property for development and make needed public improvements. TIF districts allow a municipality to capture the increase or growth in local property taxes resulting from a redevelopment project. This property tax increase or growth (the "tax increment") is captured and used by the municipality to help pay for the public costs associated with the redevelopment project.

Through TIF districts, the assessed valuation of real estate within a "blighted", "conservation" or "industrial park" project area is frozen. This base amount (taxes that are normally levied on real estate) continues to be disbursed to the taxing bodies serving the TIF area (e.g. county government, school district, and township). However, the growth in property tax revenues generated in the TIF, over and above the base amount, is diverted to a special tax allocation fund established by the municipality. The municipality can utilize the TIF funds for: demolition or rehabilitation of existing buildings; clearing and grading of land; construction costs of public infrastructure improvements and capital costs; bond financing costs incurred by the municipality; interest costs incurred by a redeveloper; planning, architectural, engineering, legal and other services; training costs of a business' employees within the redevelopment area; property assembly costs and occupant relocation costs; and staffing costs to implement and administer the redevelopment plan.

The municipality can continue to divert the tax increment until all costs related to the redevelopment project are paid, or for 23 years, whichever comes first. The municipality can use the tax increment revenue to pay for eligible project costs on a pay-as-received basis or to provide a basis for issuing tax-exempt bonds to pay for the costs.

Tax increment financing is locally initiated and administered. No Federal approval is required. Local units of government must: determine that the proposed TIF area is either "blighted", a "conservation" area, or an "industrial park conservation" area; develop a redevelopment plan for the area; structure a related financing plan for the redevelopment activities; conduct a public hearing on the proposed TIF designation of the area; establish a joint review board comprised of the various taxing bodies; formally enact an ordinance designating the redevelopment project area; approve a redevelopment plan and project; and adopt tax increment financing.

## **Foreign Trade Zone #31**

<http://www.americascentralport.com/trade-opportunities/foreign-trade-zone-31/>

The America's Central Port located at Granite City, Illinois is the grantee and license holder for General Purpose Foreign Trade Zone #31. A FTZ is an area within the geographic limits of the United States, but

is considered outside of US customs' territory. Foreign Trade Zones are sites within the United States where foreign and domestic merchandise is generally considered to be in international commerce. Foreign or domestic merchandise may enter this enclave without a formal customs entry or the payment of custom duties or government excise taxes. Merchandise entering a zone may be: stored; tested; sampled; labeled; repackaged; displayed; repaired; manipulated; mixed; cleaned; assembled; manufactured; salvaged; destroyed or processed.

If the final product is exported from the USA, no U.S. Customs duty or excise tax is levied. If, however, the final product is imported into the U.S., Custom duty and excise taxes are due only at the time of transfer from the foreign trade zone and formal entry into the U.S. The duty paid is the lower of that applicable to the product itself or its component parts. Thus, foreign trade zones provide opportunities to realize customs duty savings. In addition, foreign trade zone procedures provide one of the most flexible methods of handling domestic and imported merchandise.

Manufacturing businesses use foreign trade zones to maintain the cost competitiveness of their U.S. based operations as compared with their foreign-based competitors. For a business, foreign trade zone status provides an opportunity to reduce certain operating costs associated with a U.S. operation that are avoided when operating from a foreign site. Should a business determine that foreign trade zone designation would assist its location and operation in Madison County, the America's Central Port District will work with the company to facilitate its use of the foreign trade zone.

## **Illinois Replacement Tax Investment Credit Program**

<http://www.illinois.gov/dceo/ExpandRelocate/Incentives/taxassistance/Pages/incentives-advantages.aspx>

### **Personal Income Taxes**

Income earned in Illinois or received by Illinois residents is taxed at 3.75%. Partnerships and S-corporations pay a 1.5% personal property replacement tax and S-corporations' owners pay the 3.75% personal income tax on their share of the corporation's income.

#### **Advantages:**

- There are no local personal income taxes in Illinois
- Retirement income is not taxed in Illinois

### **Corporate Income Taxes**

Corporate income apportioned to Illinois is taxed at 7.0% which includes a 5.25% state income tax and a 2.5% personal property replacement tax (S-corporations pay 1.5%). A unitary group of corporations files a combined return in Illinois.

#### **Advantages:**

- The 2.5% replacement tax generates a credit equivalent to deducting the replacement tax before paying the regular corporate income tax.
- Income apportionment is based solely on in-state sales.

- Corporations with more than 80% of their payroll and property outside the U.S. are not included in combined returns. Corporations with unique apportionment formulas are not included in combined returns.
- Credits include a 0.5 percent credit for investment in mining, manufacturing or retailing, plus an additional 0.5% if employment increases over 1%; and an additional 0.5% investment tax credit plus a \$500 jobs tax credit in Illinois Enterprise Zones. The Illinois EDGE program provides a credit equal to 3% of the wages of a new or expanding business' added employees.
- Dividends paid by corporations operating in Illinois Enterprise Zones and interest on loans to Enterprise Zones businesses are deductible.
- There are no local corporate income taxes in Illinois.

### **Illinois Property Tax Abatement Program**

<http://www.ilga.gov/legislation/ilcs/ilcs4.asp?ActID=596&ChapterID=8&SeqStart=53700000&SeqEnd=55100000>

Any taxing district in Illinois, including Madison County, upon a majority vote of its governing authority, may, after the determination of the assessed valuation of its property, order the clerk of that county to abate any portion of its taxes on the following types of property:

The property of any commercial or industrial firm, including but not limited to the property of (i) any firm that is used for collecting, separating, storing, or processing recyclable materials, locating within the taxing district during the immediately preceding year from another state, territory, or country, or having been newly created within this State during the immediately preceding year, or expanding an existing facility, or (ii) any firm that is used for the generation and transmission of electricity locating within the taxing district during the immediately preceding year or expanding its presence within the taxing district during the immediately preceding year by construction of a new electric generating facility that uses natural gas as its fuel, or any firm that is used for production operations at a new, expanded, or reopened coal mine within the taxing district, that has been certified as a High Impact Business by the Illinois Department of Commerce and Economic Opportunity. The property of any firm used for the generation and transmission of electricity shall include all property of the firm used for transmission facilities as defined in Section 5.5 of the Illinois Enterprise Zone Act. The abatement shall not exceed a period of 10 years and the aggregate amount of abated taxes for all taxing districts combined shall not exceed \$4,000,000.

### **Illinois High Impact Business Program**

<http://www.illinois.gov/dceo/ExpandRelocate/Incentives/taxassistance/Pages/HIB.aspx>

The “Illinois Enterprise Zone Act” authorizes the Department of Commerce and Economic Opportunity to designate qualified businesses located outside of enterprise zones as “High Impact Businesses”. The “Illinois Income Tax Act”, “Retailers’ Occupation Tax Act”, and the “Public Utilities Act” make the High Impact Business eligible for an investment tax credit, an exemption from state utility taxes and a state sales tax exemption on the purchases of tangible personal property to be used or consumed in the manufacturing or assembly process or in the operation of a pollution control facility.

A designated High Impact Business located in a foreign trade zone or sub-zone is eligible for additional incentives including sales tax exemptions on building materials, an income tax credit for the creation of a minimum of five eligible jobs, an exemption from municipal tax on utilities, and an income tax deduction for financial institutions receiving interest from loans secured by property eligible for the High Impact Business Investment Tax Credit.

The designation as a High Impact Business is contingent on the business undertaking a “large scale investment and development project”. The project must be the result of a minimum of a \$12 million investment causing the creation of 500 full-time equivalent 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 investment must take place at a designated location in Illinois in which the High Impact Business is located.

## **Sales/Use Tax Exemptions**

<http://www.revenue.state.il.us/businesses/taxinformation/sales/rot.htm>

Illinois provides the following major exemptions from sales/use taxes:

1. Sales of tangible personal property to interstate carriers for hire used as rolling stock (e.g., semi-tractor trailers, railroad cars)
2. Sales of machinery and equipment that will be used primarily in
  - a. manufacturing or assembling of tangible personal property for wholesale or retail sale or lease, and
  - b. production agriculture
3. Qualified sales of building materials that will be incorporated into real estate as part of a project for which a Certificate of Eligibility for Sales Tax Exemption has been issued by the enterprise zone administrator
4. Qualifying purchases of tangible personal property used in a manufacturing or assembling process by businesses located in an enterprise zone and certified by the Department of Commerce and Economic Opportunity as qualifying to make these purchases because jobs will be created or retained

## **BUSINESS FINANCING**

Listed below are samples of the business financing programs, which Madison County and the State of Illinois could utilize to work with a business to enable it to cost-effectively locate and expand its operations within Madison County. These programs can potentially be blended

together with private funding to finance the company's proposed project. Each program described below is available throughout the entire Madison County.

## **Southwestern Illinois Development Authority (SWIDA)**

<http://www.swida.org/>

SWIDA was created by action of the Illinois General Assembly and the Governor in 1987. Tax-Exempt revenue bonds are available through SWIDA but are limited by federal law to selected purposes including not-for-profit organization objectives, pollution control, solid waste facilities, transportation and small issue manufacturing companies. Interest on tax-exempt bonds is exempt from federal income tax, and therefore attracts a much lower rate than conventional financing. In addition, SWIDA helps organizations receive credits under the New Market Tax Credit Program.

SWIDA can also issue taxable revenue bonds for commercial, industrial, and recreational projects that are not eligible for tax-exempt financing. Taxable bond rates generally run two to two and one-half points higher than tax-exempts. Proceeds can be used to purchase land, buildings and equipment, and to construct new or renovate existing facilities. Taxable bonds provide the ability to borrow money for a longer term and at a lower rate of interest than alternative forms of taxable financing.

Revenue bonds issuance through SWIDA provides the following benefits: (1) The advantage of longer and more flexible debt repayment periods and lower interest rates than conventional financing; (2) A moral obligation commitment of the State of Illinois (optional); (3) The availability of unlimited dollar amounts for project activities with no fixed minimum job creation or capital investment requirements; and (4) All SWIDA bonds are exempt from state taxation.

### Gap Financing

The Southwestern Illinois Community Development Corporation (SWICDC) provides gap financing to small businesses when conventional lenders are unwilling to assume 100% of the risk of lending or who do not meet county CDBG loan requirements for job creation. It concentrates on small to medium-sized businesses which require capital for modernization, physical rehabilitation of their facilities, or cash flow to make them more commercially viable. The SWICDC is an Illinois for-profit corporation. Its stockholders are comprised of commercial banks, SWIDA, and public utilities doing business in Madison and St. Clair Counties. Representatives of the two counties, the Illinois Department of Commerce and Economic Opportunity (DCEO), and the Small Business Development Centers at East St. Louis and Southern Illinois University at Edwardsville are ex-officio members. SWICDC exists for the public purpose of promoting economic development through the provision of financing that will directly benefit small businesses and create and retain jobs.

### Housing Activities

SWIDA holds interest in the creation and preservation of affordable housing for low and moderate income households within its jurisdiction. Alone, or with development partners, SWIDA has the ability to develop and own housing through funding allocations for Low Income Housing Tax Credits and other public or private resources to fund affordable housing projects. With an extensive history of supporting economic development activities within communities, SWIDA is committed to working with local officials to determine needs and the best practice for the construction and operations of rental or for sale housing developments.

## **Madison County's Economic Development - Job Creation Loan Program**

[http://www.co.madison.il.us/departments/community\\_development/economic\\_development\\_program.php](http://www.co.madison.il.us/departments/community_development/economic_development_program.php)

Madison County's Economic Development - Job Creation Loan Program provides direct financing to businesses at a below-market interest rate in cooperation with private sector lenders. The purpose of the program is to provide "gap" financing to expanding or new firms whose projects create permanent jobs for existing qualified low or moderate-income individuals within Madison County.

Under the Job Creation Loan Program, loans are typically made in the amount of \$100,000 or between 10-25% of the business' total project costs, whichever is less (in special cases where there is substantial job creation, a larger loan amount may be allowed contingent on County Board approval). The loan funds are normally provided at a rate of 3 percent interest for a five year term. The remaining 75 percent to 90 percent of the project costs must be provided by the business's participating lending institutions and its equity investment.

The program's loan funds can be used for:

1. Acquisition of real estate (land or buildings);
2. Construction, renovation and rehabilitation improvements;
3. Purchase or installation of machinery and equipment; and
4. Working capital.

The most significant priority of the Job Creation Loan Program is the creation of jobs for low and moderate-income individuals. Businesses that receive a low interest loan are required to certify that for every \$10,000 to \$15,000 of loan funds provided; at least one job will be created for a qualified low or moderate income individual.

## **U.S. Department of Agriculture Rural Development's Business and Industrial Loan Program**

<http://www.rd.usda.gov/programs-services/business-industry-loan-guarantees>

The Business and Industrial Loan Program is designed to assist eligible public and private organizations in rural areas to obtain quality loans for the purpose of improving, developing, or financing business, industry, and employment, as well as improving the economic climate in rural communities. Specifically, the program provides Rural Development's guaranties on loans to businesses in rural areas.

**What is the maximum amount of a loan guarantee?**

- 80% for loans of \$5 million or less
- 70% for loans between \$5 and \$10 million
- 60% for loans exceeding \$10 million , up to \$25 million maximum

**What are the loan terms?**

- Maximum term on real estate is 30 years
- Maximum term on machinery and equipment is useful life or 15 years, whichever is less
- Maximum term on working capital not to exceed 7 years
- Balloon payments are not permitted
- Reduced payments may be scheduled in the first 3 years

The guaranteed loan funds may be used for the following: finance business and industrial acquisition, construction, conversion, enlargement, repair, modernization, and development costs; purchase and development of land, easements, right-of-way, buildings, facilities, leases, and materials; purchase equipment, leasehold improvements, machinery, and supplies; pollution control and abatement; and working capital. Applications are accepted from lenders through the local USDA offices year round.

**Illinois Finance Authority Loan Programs**

<http://www.il-fa.com/programs/agriculture>

The Illinois Finance Authority (IFA) is a self-supporting state agency created to stimulate economic development and provide jobs for Illinois residents. Their loan programs include their revenue bond financing and participation lending programs.

**Benefits**

- Participation loans will finance the purchase of land or buildings, construction or renovation of buildings, and acquisition of machinery and equipment.
- Provides a lower blended interest rate to borrower.
- IFA will participate at a fixed rate of interest for up to five (5) years. The bank's portion of the loan can be fixed or variable.
- Interest rate for the IFA participation is the bank's interest rate less 100 basis points. The rate is set at the same time the bank sets its rate. Upon board approval, the rate is locked for a commitment period that is the lesser of 5 years or the bank's reset period. IFA will charge a rate lock fee to be negotiated based on the term of the lock. Upon expiration of the

commitment period, IFA may extend its commitment but will reset the rate at the bank's interest rate less 100 basis points.

- IFA will share in all collateral prorated on a first mortgage position (pari passu) with the bank.
- Mid- to long-term maturities, with a maximum term of 10 years.
- Single application process.

### **Type of Financing**

Participating banks will originate, underwrite and service all loans. IFA staff will review the bank's analysis to assure it meets IFA standards. If the maturity exceeds 10 years, IFA requires a balloon payment at the end of 10 years.

## **Illinois Department of Commerce and Economic Opportunity (DCEO) Small Business Development - Participation Loan Program**

<http://www.illinois.gov/dceo/SmallBizAssistance/Financing/AdvantageIllinois/Pages/ParticipationLoanProgram-.aspx>

- The Standard Participation Loan Program (PLP) - designed to enable small businesses to obtain medium to long-term financing, always will be in the form of term loans, to help them grow and expand their businesses. The Department of Commerce participation is subordinated to the lender and has a "below market" interest rate.
- Minority/Women/Disabled/Veteran-Owned Businesses- similar to the Standard PLP. However, the amount of financial support may range depending on loan term, MWDV majority control/ownership.
- Revolving Line of Credit (RLOC PLP)-similar to the Standard PLP except in the form of a revolving line of credit. Maximum term is two years and further support requires reapplication.
- PLP Support of Small Business Administration SBA-7A Activity - the Department of Commerce support will now be restricted to financing purposes other than those financed under the SBA-7A Guaranteed Loan. Thus the Department of Commerce will participate in up to 50% of "Companion Loans" provided by the Lender to the same Borrower, and documented with separate, unguaranteed Notes. The Department of Commerce's support is subordinated to both the lender's and SBA's respective positions.
- PLP Support of Small Business Administration SBA-504 Activity - the Department of Commerce support will now be restricted to financing purposes other than those financed under the SBA-504 Structure. Thus the Department of Commerce will participate in up to 50% of "Companion Loans" provided by the Lender to the same Borrower, and documented with separate Notes. The Department of Commerce's credit exposure will be subordinated to the Lender's, and when required, to the SBA's interests as well.

Funding from these programs can be used for many business purposes, including, but not limited to:

- start-up costs,
- working capital,
- business procurement,
- franchise fees,
- equipment,
- inventory,
- as well as the purchase, construction, renovation, or tenant improvements of an eligible place of business that is not for passive real estate investment purposes.

## **Enterprise Zone Financing Program**

<http://www.illinois.gov/dceo/ExpandRelocate/Incentives/taxassistance/Pages/EnterpriseZone.aspx>

The Illinois Enterprise Zone Program is designed to stimulate economic growth and neighborhood revitalization in economically depressed areas of the state. This is accomplished through state and local tax incentives, regulatory relief, and improved governmental services.

The Illinois Enterprise Zone Act was signed into law December 7, 1982. The purpose of the Act is to stimulate economic growth and neighborhood revitalization in economically depressed areas of the state. Businesses located (or those that choose to locate) in a designated enterprise zone can become eligible to obtain special state and local tax incentives, regulatory relief, and improved governmental services, thus providing an economic stimulus to an area that would otherwise be neglected.

Businesses located or expanding in an Illinois enterprise zone may be eligible for the following incentives: an exemption on the retailers' occupation tax paid on building materials, and an investment tax credit of .5 percent of qualified property. Additional exemptions, such as an expanded state sales tax exemption on purchases of personal property used or consumed in the manufacturing process or in the operation of a pollution control facility and an exemption on the state utility tax for electricity, natural gas and the Illinois Commerce Commission's administrative charge and telecommunication excise tax are available for companies that make the minimum statutory investment that either creates or retains the necessary number of jobs. These exemptions require a business to make application to, and be certified by, the Department. In addition to the state incentives, each zone offers distinctive local incentives to enhance business development projects. Each enterprise zone has a designated zone administrator who is responsible for zone compliance and is available to answer questions regarding the zone. To receive a Certificate of Eligibility for Sales Tax Exemption, you must contact the local zone administrator of the zone into which the purchased building material will be incorporated. More information regarding Illinois enterprise zones is available by clicking on the links below.

## **Capital Access Program:**

<http://www.illinois.gov/dceo/SmallBizAssistance/Financing/AdvantageIllinois/Pages/CapitalAccessProgram.aspx>

The Capital Access Program (CAP) may be accessed via participating banks. Through the program, financial institutions are encouraged to make capital financing loans to small and new businesses that do not qualify under conventional lending policies.

CAP uses small amounts of public resources to generate private bank financing. Funding from a CAP can be used for many business purposes, including, but not limited to:

- start-up costs,
- working capital,
- business procurement
- franchise fees
- equipment
- inventory
- and the purchase, construction, renovation, or tenant improvements of an eligible place of business that is not for passive real estate investment purposes.

Eligible Borrowers:

- CAP loans are available to most businesses located and legally authorized to do business in Illinois
- For small businesses with 500 or fewer employees
- Maximum loan size: \$1,000,000

## **SBA 7(a) Loan Program**

<https://www.sbaloanprogram.com/about-the-program/>

The United States' Small Business Administration 7(a) Loan Program is a guaranty loan program for small businesses. Through this program, the SBA guarantees a portion of a bank's loan to a small business. Loan proceeds can be used for a variety of business purposes including: working capital; inventory purchases; acquisition of machinery, furniture, fixtures and equipment; construction or remodeling of buildings; the acquisition of real estate; and in certain instances the refinancing of existing debt. Loan terms typically range is 10 years at market rates.

## **SBA 504 Loan Program**

<http://www.sbaonline.sba.gov/financing/sbaloan/cdc504.html>

Typically, small businesses encounter difficulties when looking for long-term financing at fixed interest rates. Recognizing this, the SBA created the 504-loan program, which offers small businesses a financing alternative. In Illinois, the Small Business Growth Corporation

administers the 504 program. Generally, any small business project that involves the purchase, construction or improvement of fixed assets is eligible.

To be considered for Certified Development Company (CDC)/504 loan, applicants must meet these eligibility requirements:

- Operate as a for-profit company
- Do business (or propose to) in the United States or its possessions
- Has a tangible net worth less than \$15 million and an average net income less than \$5.0 million after taxes for the preceding two years.
- Loans cannot be made to businesses engaged in speculation or investment in rental real estate.
- Be an eligible type of business. While the vast majority of businesses are eligible for financial assistance from the SBA, some are not. Check this list of eligible and ineligible types of businesses to see if your company qualifies.
- Under the 504 Program, Plan to use proceeds for an approved purpose. CDC/504 loan proceeds may be used for the financing of fixed assets like real estate or equipment. This list explains Eligible and Ineligible Use of Proceeds.
- Not have funds available from other sources. SBA does not extend financial assistance to businesses when the financial strength of the individual owners or the company itself is sufficient to provide all or part of the financing. Both business and personal financial resources are reviewed as part of the eligibility criteria. If these resources are found to be excessive, the business will be required to use those resources in lieu of part or all of the requested loan proceeds.
- Ability to repay the loan on time from the projected operating cash flow of the business
- Good character. SBA obtains a "Statement of Personal History" from the principals of each applicant firm to determine if they have historically shown the willingness and ability to pay their debts and whether they have abided by the laws of their community
- Relevant management expertise
- Feasible business plan

## **Justine PETERSEN**

[www.JustinePetersen.org](http://www.JustinePetersen.org)

Justine Petersen is a 501(c)(3) nonprofit organization that assists low- and moderate-income individuals to build assets through homeownership preparation and retention, credit building and financial education, small-business technical assistance and lending and a matched savings program. The organization was founded in honor of the late Justine Petersen in 1997 and has expanded to serve individuals and families across the St. Louis metropolitan area.

## **Justine PETERSEN Madison County Micro Loan Program**

A loan program that promotes economic development and was created by Madison County in partnership with Justine PETERSEN, a not-for-profit organization, to satisfy the overall need for capitalization for new and existing small, private-sector businesses in Madison County.

Justine PETERSEN is responsible for the overall administration of the Micro Loan Program by providing loans with substantial technical assistance.

Madison County serves as the program's financial sponsor as part of its commitment to the small business community.

### **Eligibility to Participate in the Micro Loan Program**

Individuals who may otherwise be unable to secure financing from traditional lenders and need assistance in accessing safe and affordable capital to expand or create a small business in Madison County.

### **How to Participate in the Micro Loan Program**

Justine PETERSEN approves the loans through an application process that includes creating and submitting a business plan. Counselors working with the program are available to assist applicants with the process.

### **Terms of the Loans**

A flexible loan package will be arranged to meet the individual business owner's specific needs. Borrowers are required to make affordable monthly payments for the term of the loan, which may not exceed six years.

### **Value of Loans**

Loan applications ranging from \$250 up to \$50,000 will be considered. Loan approval is based on the five "C's" of lending: Credit, Capacity, Collateral, Capital and Character. Loans may be used for: Equipment, Working Capital, and Inventory. Loans may not be used for: Refinancing Existing Debt, Leasehold Improvements, and Property Acquisition.

### **Fees Associated with the Loans**

Yes, the fee is 3-5% of the loan amount. A technical assistance fee of \$8.33 per month is also applicable once the loan is approved.

### **Loan Distribution**

Our program administrator, Justine PETERSEN, makes all checks payable directly to the third-party vendor. Borrowers must provide proof of purchase such as a written invoice verification

### **Additional Services Available to Micro Loan Participants**

Services provided include:

- One-on-one counseling and post-loan technical assistance
- Credit building strategies
- FDIC Money Smart Curriculum
- Business Planning

### **Of Justine PETERSEN's Assisted Businesses**

- 87% of Micro Loan recipients started and still operate a business after one year
- 92% of the businesses experienced an increase in business revenue
- 82% of the businesses have an increase in owner's draw

### **To Apply**

- STEP 1: Go online to [www.justinepetersen.org/small\\_business/loan\\_products/](http://www.justinepetersen.org/small_business/loan_products/)
- STEP 2: Download and complete a micro loan application and business plan questionnaire
- STEP 3: Schedule an appointment with one of Justine PETERSEN's counselors

### **Justine PETERSEN Contact:**

Galen Gondolfi  
Senior Loan Counselor  
Justine PETERSEN  
1324 Niedringhaus Ave., 2nd Fl  
Granite City, IL 62040  
Phone: 314.533.2411 x132  
E-mail: [ggondolfi@justinepetersen.org](mailto:ggondolfi@justinepetersen.org)

## **INFRASTRUCTURE SUPPORT**

The following is a sample of resources that can be utilized by Madison County and the State of Illinois to fund public infrastructure improvements to accommodate a business in Madison County.

### **Madison County's Infrastructure Loan Program**

[http://www.co.madison.il.us/departments/community\\_development/infrastructure\\_loan\\_program.php](http://www.co.madison.il.us/departments/community_development/infrastructure_loan_program.php)

The Madison County Infrastructure Loan Program is designed to help Madison County's local governments finance public infrastructure needed to support private sector economic development or address public health and safety concerns. Specifically, this program provides low-interest loans to local governments for infrastructure projects which: (1) lead directly to private sector investment activities that create or retain permanent jobs for Madison County residents; or (2) effectively address identifiable public health and safety issues in Madison County. The amount of funds that Madison County lends to a local government is based on the public benefits provided by the infrastructure project and the local government's needs and financial condition.

This program can be used for the following types of public improvements: local roads and streets, access roads, bridges, sidewalks, water and sewer line extensions, water distribution

facilities, rail improvements, gas and electric utility extensions, and the development or improvement of publicly owned industrial or commercial property.

Under the infrastructure loan program, Madison County Community Development generally loans the funds to local governments at a three percent to four percent interest rate for seven to 10 years with exact loan terms depend upon the fiscal capacity of the respective governmental body.

## **Illinois Business Development Public Infrastructure Program**

<http://www.illinois.gov/dceo/ExpandRelocate/Incentives/grants/Pages/bdPIP.aspx>

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.

The Business Development Public Infrastructure Program provides funds for infrastructure improvements in support of economic development in the Illinois.

The Business Development Public Infrastructure Program helps local governments finance public infrastructure needed to support economic development and private sector job creation and retention.

Funding is available only for infrastructure projects which lead directly to private sector expansion or retention activities. General infrastructure construction and renovation activities - those which lead only indirectly to job creation and retention -- are not eligible for consideration.

Administered by the Illinois Department of Commerce and Economic Opportunity, program funds may be used for a wide variety of public infrastructure improvements needed to induce job creation and retention. These include local roads and streets, access roads, bridges, sidewalks, waste disposal systems, water and sewer line extensions, water distribution and purification facilities, sewage treatment facilities, rail and air or water port improvements, gas and electric utility extensions, public transit systems, and the development and improvement of publicly owned industrial and commercial sites.

### **Eligible Applicants**

Any general purpose local government (as defined by Article 7, Section 1 of the Illinois Constitution) may apply to the department for funding under the Business Development Public Infrastructure Program.

### **Extent of Department Participation**

The Program helps to fund public infrastructure projects. There is no maximum amount of infrastructure funds which may be invested in any one project. However, the amounts must be commensurate with the number of jobs created or retained. For this program, at least one private sector job must be created or retained for every \$10,000 awarded by the department. Typically, the department will limit its assistance to \$500,000 or less.

Approved infrastructure projects for the most part will be financed as loans. Infrastructure project loans will be at a fixed, low or no-interest rate for a term not to exceed 10 years. In extenuating circumstances, a longer term, up to twenty years, will be considered. The loan term and amortization schedule will be flexible, according to the life expectancy of the proposed infrastructure improvement, and the repayment capacity of the local government. The principal and interest paid to the state will be used to establish an ongoing infrastructure revolving loan fund for future use by other Illinois communities.

### **Application Process and Pre-Application Discussions**

Potential local government applicants should carefully review the application package and program requirements and are encouraged to contact department staff to discuss project ideas and fund availability. These discussions can help in determining the appropriateness of this program and whether other public or private sources may better meet community needs.

Grants are available on a very limited basis under the Public Infrastructure Program. The department will provide program funds in the form of a grant only when it can be demonstrated that the applicant's financial capability will not generate the necessary revenues to pay the debt service on the cost of the infrastructure. Grants will also be authorized in those circumstances where the proposed infrastructure project is necessary to encourage large out-of-state firms to locate in Illinois or to encourage existing large companies to undertake job expansion or retention projects. Applicants are encouraged to discuss potential grant applications prior to submittal to the department.

### **Submission Information**

Under the Public Infrastructure Program, applications will be accepted on an ongoing basis. Interested local governments should submit an application to the Illinois Department of Commerce and Economic Opportunity. All information included with the original application will remain confidential consistent with the Public Infrastructure Program Act and the Illinois Freedom of Information Act.

## **Illinois Department of Transportation's (IDOT) Economic Development Program**

<http://www.idot.illinois.gov/transportation-system/local-transportation-partners/county-engineers-and-local-public-agencies/funding-opportunities/economic-development-program>

IDOT's economic development program makes funding available for highway improvements that will be a positive force in the location-selection process of existing or new industrial and commercial development. Priority consideration for program funding to communities includes:

the need for the highway improvement and the imminence of development; ability to leverage State construction dollars through participation of other sources; and jobs created or retained in Illinois.

### **Illinois Department of Transportation's Rail Freight Loan Program**

<http://www.idot.illinois.gov/transportation-system/local-transportation-partners/county-engineers-and-local-public-agencies/funding-opportunities/rail-freight-loan-program>

The purpose of the Rail Freight Loan Program is to provide capital assistance to communities, railroads and shippers to preserve and improve rail freight service in Illinois. The primary role of the program is to facilitate investments in rail service by serving as a link between interested parties and channeling government funds to projects that achieve statewide economic development.

The program generally provides low interest loans to finance rail improvements. Under special circumstances grants may be considered.

## **EMPLOYMENT AND RECRUITMENT PROGRAMS**

The State of Illinois and Madison County have extensive experience in assisting the development of comprehensive training programs to meet the needs of businesses locating or expanding their operations within the State of Illinois. Many of these employment and recruitment programs have included a combination of the various training programs discussed below. Madison County and the State of Illinois are committed to cooperatively working together to develop a comprehensive training package utilizing various training programs to encourage a business to locate its facility within the County.

### **Employer Training Investment Program (ETIP) - Competitive Component**

<http://www.illinois.gov/dceo/ExpandRelocate/Incentives/grants/Pages/ETIP.aspx>

The Employer Training Investment Program (ETIP) helps keep Illinois workers' skills in pace with new technologies and business practices, which, in turn, helps businesses increase productivity, reduce costs, improve quality and boost competitiveness. ETIP grants can reimburse new or expanding companies for up to 50 percent of the cost of training their employees. Trainees must be employed by the company prior to implementation of the training program. Instructors may be plant workers, public educators, private consultants, or others possessing the required expertise. Grants may be awarded to individual businesses, original equipment manufacturers sponsoring multi-company training for employees of their Illinois supplier companies, and to intermediary organizations operating multi-company training projects.

### **Employer Training Investment Program (ETIP) - Incentive Component**

<http://www.illinois.gov/dceo/ExpandRelocate/Incentives/grants/Pages/ETIP-IncentiveComponent.aspx>

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.

## **Workforce Investment Act (WIA)**

<http://www.illinois.gov/dceo/WorkforceDevelopment/ToolsResources/Grants/Pages/Grant-Opportunities.aspx>

In Illinois, the Department of Commerce and Economic Opportunity (DCEO) administers the federal Workforce Investment Action (WIA) program.

## **Rapid Response Services**

The Illinois Department of Commerce requests applications for demonstration projects providing Rapid Response services to businesses and workers impacted or at-risk of being impacted by company closures or layoffs. Grantees will facilitate or provide skill upgrade training to WIOA eligible dislocated workers or incumbent workers at-risk of losing their jobs. Applicants must have a direct connection to the industry and/or dislocation event. For more information please visit the program website at [https://www2.illinoisworknet.com/iltalent\\_rfa](https://www2.illinoisworknet.com/iltalent_rfa).

## **Statewide Innovation Grants**

The Illinois Department of Commerce requests applications for projects that address the priorities identified in the State of Illinois Workforce Plan for pilots that integrate workforce, education and economic development services; that break down barriers to accessing job-driven training resulting in employment opportunities; and, that assist in the effective and efficient implementation of WIOA regulations within Illinois' economic development regions. For more information please visit:

<https://www2.illinoisworknet.com/WIOA/RegPlanning/Pages/RegionalPlanning.aspx>

## **Illinois Employment and Training One Stop Centers**

[http://www.co.madison.il.us/departments/employment\\_and\\_training/madison-bond\\_workforce\\_development\\_board\\_\(wdb\)/one-stop\\_center\\_partners.php](http://www.co.madison.il.us/departments/employment_and_training/madison-bond_workforce_development_board_(wdb)/one-stop_center_partners.php)

Illinois's Employment and Training One Stop Centers are innovative, customer driver systems designed to provide employment and training services to employers of all sizes, job seekers and students. These one stop centers provide employers information on worker availability, current wage rates, and projected labor demand. They also offer specialized employer services such as staff recruitment for mass hiring, customized training and outplacement assistance for

businesses. The One Stop Centers are supported by the Illinois Department of Commerce and Economic Opportunity, Illinois Department of Employment Security and the WIA program administered by Madison County Employment and Training.

## **TECHNICAL ASSISTANCE PROGRAMS**

### **Site Location Assistance**

[http://www.co.madison.il.us/departments/community\\_development/economic\\_development.php](http://www.co.madison.il.us/departments/community_development/economic_development.php)

Madison County offers a wide range of developed and readily accessible business, industrial and research parks. A network of economic development professionals from both the private and public sector provides facility locators with a full range of confidential site selection services. These include: business site and buildings inventories; complete demographic profiles by city, county, zip code, or market area; labor market data; private sector investment and growth trends; business incentive and assistance program delivery; state and local tax comparisons; and other technical information that businesses may need in determining whether to retain, expand, or locate their operations in Madison County.

### **Small Business Development Centers**

<http://www.siue.edu/business/sbdc/>

Small Business Development Centers provide information and assistance to potential and existing small businesses through counseling and training sessions. Their services include: one-on-one business counseling and management assistance; assistance with the development of business plans; access to marketing information; help in identifying and applying for business financing; assistance with accounting, financial analysis and planning; and access to business education and training opportunities.

### **International Trade Centers**

<http://www.illinois.gov/dceo/SmallBizAssistance/BeginHere/Pages/ITC.aspx>

International Trade Centers provide information, counseling and training to existing, new-to-export Illinois companies interested in pursuing international trade opportunities. Their services include:

- Evaluation of company's readiness to export
- Access to foreign market information
- Documentation assistance

- Automated trade leads
- Linkages with trade representatives

## **Illinois Manufacturing Extension Center**

<http://www.imec.org>

The Illinois Manufacturing Extension Center is part of a state and national network that provides manufacturers with information, decision support and hands-on support to improve their productivity and competitiveness. Manufacturing specialists deliver cost effective assistance in everything from process improvement, to product innovation, quality improvement to lean manufacturing. The result for manufacturers is higher productivity, lower costs and increased profits.

## **Office of Economic and Regional Development (OERD)**

<http://econdev.siu.edu/>

The Office of Economic and Regional Development (OERD) at Southern Illinois University Carbondale is your regional gateway to a myriad of resources. The collective knowledge and resources herein are ready to assist businesses and start-up entrepreneurs with everything from creating a business plan to attracting equity investments. Many of the technical assistance programs in OERD are a part of the statewide Illinois Entrepreneurship Network.

## **ENERGY AND RECYCLING PROGRAMS**

### **Smart Energy Design Assistance Center**

<http://smartenergy.illinois.edu/energy-incentives.html>

Under Public Act 95-0481, DCEO, ComEd, and Ameren Illinois are required to develop a portfolio of energy efficiency programs to achieve certain annual energy savings goals. Over \$50 million was available for the Illinois Energy Efficiency Portfolio programs during the first year starting June 1, 2008. The portfolio program funding doubled during the second year and will triple in the third year.

### **The Department of Commerce & Economic Opportunity's Illinois Energy Now**

<http://www.illinois.gov/dceo/whyillinois/KeyIndustries/Energy/Pages/EnergyEfficiency.aspx>

Is a portfolio of electric and natural gas efficiency programs administered by the State that includes incentives and services for public sector equipment upgrades, low income housing improvements, and for market transformation technical assistance and education programs.

## **Illinois Energy Now Public Sector Standard and Custom Incentive Programs**

<http://www.illinois.gov/dceo/whyillinois/KeyIndustries/Energy/Pages/PublicSectorStandardandCustomIncentivePrograms.aspx>

The Standard Incentive Program provides set incentive levels for common retrofits for Lighting, HVAC, Variable Speed Drives for HVAC equipment, Demand-Controlled Ventilation, Water Heaters, LED Traffic Signals and Kitchen Equipment. The Custom Incentive Program provides incentives for approved energy efficiency improvements not listed in the Standard Incentive Program. The incentive level is \$0.12 per kWh reduced for electric savings and \$2.50 per therm reduced for natural gas savings. The Clean Water Incentive Program provides \$0.36 per kWh for high efficiency aeration systems at waste water treatment plants.

### **New Construction Program**

<http://www.illinois.gov/dceo/whyillinois/KeyIndustries/Energy/Pages/NewConstructionProgram.aspx>

Provides grants to public sector entities to encourage applicants to design new or rehabbed buildings to achieve the greatest level of energy efficiency. The program offers incentives for facility design improvements beyond code. Buildings seeking LEED certification will qualify for a design bonus on beyond code performance. Estimated energy savings must be documented by energy modeling and/or supporting calculations. This program is part of the Illinois Energy Efficiency Portfolio and is limited to Ameren Illinois, ComEd, Peoples, Nicor and North Shore utility service territories. The New Construction Program is managed by the Smart Energy Design Assistance Center (SEDAC).

### **Retro-commissioning Program**

<http://www.illinois.gov/dceo/whyillinois/KeyIndustries/Energy/Pages/RetroCommissioningProgram.aspx>

Provides funding to identify and implement low cost tune-ups and adjustments that improve the efficiency of existing public buildings' operating systems by returning them to intended operation or design specifications, with a focus on building controls and HVAC systems. Retro-commissioning services will be delivered through a network of commissioning providers that have been trained in program protocols and participation processes. This program is part of the Illinois Energy Efficiency Portfolio and is limited to ComEd and Ameren Illinois electric service territories. The Retro-commissioning Program is managed by the Smart Energy Design Assistance Center (SEDAC).

### **Illinois Lights for Learning Fundraiser**

<http://www.iira.org/rdr/illinois-lights-for-learning-fundraiser-ien/>

The Illinois Lights for Learning Fundraiser is a unique educational opportunity for Illinois students to earn money for their school or organization by selling money saving, energy efficient Compact Fluorescent Light bulbs (CFLs). Participating schools keep 50% of the proceeds, and presentations are provided to educate students and their community about the environmental and financial benefits of using CFLs. The program is administered for Illinois by the Midwest Energy Efficiency Alliance.

## **LOW INCOME ENERGY EFFICIENCY PROGRAMS**

### **Illinois Energy Now**

<http://www.illinois.gov/dceo/whyillinois/KeyIndustries/Energy/EEIAG/Pages/GeneralInformation.aspx>

Illinois Energy Now is an energy efficiency program administered by the State of Illinois that provides millions of dollars in rebates to public facilities that make large-scale equipment improvements to their electric and natural gas systems. More than \$70 million is available annually to help fund these projects.

DCEO funding is for Public Sector entities only, and is separate from funding provided through similar programs with utility companies for businesses, 501c3s and private schools. If you are not a public sector organization, please check with your utility provider to see what energy efficiency programs may be available for you.

### **Energy Performance Contracting Program (EPC)**

<http://www.illinois.gov/dceo/whyillinois/KeyIndustries/Energy/Pages/EnergyPerformanceContractingProgram.aspx>

Energy Performance Contracting (EPC) is an innovative arrangement for designing, installing and financing energy improvement projects where the savings achieved by the project are guaranteed to amortize the cost of the project over the term of the agreement (typically ten to twenty years). Because of its complexities, the Department provides technical assistance to public entities, such as state facilities, municipalities, public housing authorities, K-12 schools, colleges, universities and not-for-profit facilities to fully understand and navigate the EPC process. Services provided by the Department include: competitive procurement process, comparative evaluation methodology, technical review of project energy audits and scope, review and comment on basic contract documents, and advice on contract negotiations. To date, the state EPC program has helped implement a total of \$73.5 million in projects with annual utility savings of over \$9.6 million at facilities throughout Illinois.

## **EDUCATION AND TRAINING PROGRAMS**

## **Illinois Sustainable Education Project (ISTEP)**

[http://www.greeningschools.org/contacts/view\\_org.cfm?organization\\_id=9](http://www.greeningschools.org/contacts/view_org.cfm?organization_id=9)

The Illinois Bureau of Energy and Recycling has developed an integrated approach to energy and recycling education programs under one program -- the Illinois Sustainable Education Project (ISTEP).

This new integrated approach focuses on renewable energy, energy efficiency and the process of recycling as key learning examples of resource conservation and environmental stewardship. The program will continue to emphasize the link between energy, recycling, the economy, and the environment and will provide Illinois students and teachers with the necessary information to make informed decisions. ISTEP offers educational resources, including hands-on inquiry kits, bookmarks, and posters. ISTEP materials incorporate energy efficiency and recycling into a variety of subjects including literacy, math, social science, and fine art.

## **Home Performance with Energy Star Program (HPwES)**

<http://illinoishomeperformance.org/>

Illinois Home Performance with ENERGY STAR® (IHP), a program sponsored by the Illinois Department of Commerce and Economic Opportunity ([DCEO](#)), aims to help Illinois home and property owners decrease their energy costs and increase the comfort, safety, durability, and value of their homes.

Who is eligible?

- Single-family home, townhome, or individual condo in a building of 4 or less units with heating and/or cooling equipment specific to the individual unit\*
- A building of 4 or less units with shared heating and/or cooling equipment may also be eligible if the upgrade addresses the building as a whole\*
- The building's original construction must be completed prior to audit (that is, IHP is only applicable to existing homes, not new construction)
- Home must be located in Illinois, in an area of the state that is covered by a [Program Provider](#).

## **RENEWABLE ENERGY PROGRAMS**

### **Renewable Energy Resources Programs (RERP)**

<http://www.illinois.gov/dceo/whyillinois/KeyIndustries/Energy/Pages/RenewableEnergy.aspx>

Illinois boasts significant potential for renewable power and heating: wind, solar and biogas offer both economic and environmental benefits. DCEO administers the Renewable Energy

Resources Program (RERP) to foster the investment in and the development and use of renewable energy resources within the state of Illinois. These programs include: Solar & Wind Energy Rebate Program, Large Distributed Solar and Wind Grant Program, and Biogas and the Biomass to Energy Grant Program.

**Solar and Wind Energy Rebate Program**The focus of the Solar and Wind Energy Rebate Program, through the State's Renewable Energy Resources Program, is to encourage utilization of small-scale solar and wind energy systems in Illinois.

**Large Distributed Solar and Wind Grant Program**

The focus of the Large Distributed Solar and Wind Grant Program (previously called the Community Solar and Wind Grant Program) is to support the development and implementation of larger-scale distributed solar thermal, solar photovoltaic, and wind energy systems in Illinois.

**Biogas and Biomass to Energy Grant Program**

The focus of the Biogas and Biomass to Energy Grant Program, through the State's Renewable Energy Resources Program, is to encourage the use of biogas and biomass for on-site energy generation in Illinois.

## RECYCLING PROGRAMS

### Recycling Expansion and Modernization Program

<http://www.illinois.gov/dceo/SmallBizAssistance/BeginHere/Pages/RecyclingExpansionAndModernizationProgram.aspx>

#### Project Classifications

Market Expansion project: modernizes key functions in a business or organization that manufactures recycled-content products or uses recyclable commodities in providing a service. The purpose is to increase the use of recyclable commodities as feedstock in manufacturing, thereby expanding markets for these reclaimed materials.

- Waste Management Modernization project: improves a company's approach to solid waste management. Projects involve best practices in solid waste management including (a) source reduction activities that prevent the generation of solid waste, (b) waste reduction activities that recycle or reuse industrial or other solid waste materials, and/or c) improvements in product packaging.

#### Project Examples

- Market Expansion: The REM Program provided a matching grant to a manufacturer of recycled content plastic products. The purpose of the project was to modernize and expand the manufacturing capacity of the facility. Grant funds were used to offset the expense of the purchase of new equipment required to increase production volume. As a result of the project, the company increased its use of plastic recyclable material as feedstock, increased sales, and created new full time jobs.
- Waste Management Modernization: The REM Program provided a matching grant to an Illinois company to modernize the company's solid waste management methods. The project focused

on a problematic waste stream that previously had been discarded and landfilled. Grant funds were used to offset the expense of new equipment required to process the material into a value-added form that was then marketed and sold to external markets, for use as feedstock in a manufacturing firm. As a result of the project, the company recycled the previously-discarded material, reduced its waste management costs, added revenue from sales of the reclaimed material, and diverted the material from the landfill.

#### **Levels of Service**

- **Implementation Service:** provides funding assistance for capital equipment required for the implementation of new procedures or systems. Equipment must be advanced to the commercialization stage, and is available “off-the-shelf.” The proposed procedures or systems must facilitate the attainment of REM Program goals.
- **Demonstration Service:** provides funding for the demonstration of an innovative new technology, practice or product that supports REM Program goals. Projects may involve a technology, practice or product that has not been demonstrated in Illinois or in particular regions of the state. Projects will not involve widely commercialized technologies or practices that are considered standard industry practice.
- **Assessment Service:** provides funding for an organization to obtain valuable information that will be used to implement changes that support REM Program goals. Grant funds are used for contractual technical services and consultant fees. An assessment service reviews the feasibility and benefits of various improvement options, while analyzing and diagnosing problems, identifying opportunities, and recommending priority actions for improvement.

#### **Eligibility Criteria**

- **Eligible applicants:** for-profit businesses, governmental entities, colleges and universities, and not-for-profit organizations.
- **Eligible project types:** Market Expansion or Waste Management Modernization
- **Applicant investment (match) requirement:** 40% of total project cost, in cash.
- **Eligible materials:** municipal solid waste such as plastics, fiber (paper and cardboard), glass, wood, construction and demolition waste, and others (note: materials classified as hazardous or special are not eligible).
- **Eligible project expenses:** determined by the specific REM level of service, but may include capital equipment and/or consultant services.
- **Ineligible project expenses:** routine operating expenses; purchase, rental or remodeling of real property (land or buildings); rolling stock, and other items.

#### **Funding Parameters**

A maximum funding level is established for each Level of Service. DCEO reserves the right to determine the actual grant amount based upon the level of funding available, the Department’s priorities, and the merits of a specific application with regard to REM Program goals.

### **Illinois Zero Waste Schools Grant Program**

<http://www.iira.org/rdr/illinois-zero-waste-schools-grant-program/>

DCEO administers the IL Zero Waste Schools Grant Program for Illinois public and nonpublic schools to implement/expand recycling and waste reduction programs encouraging Illinois schools to achieve zero waste status. DCEO has expanded and improved the former Recycling and Waste Reduction Grant Program to encourage schools across Illinois to strive to become “waste-free,” where virtually all waste generated at the school is reduced, reused, or recycled.

## **Food Scrap Composting Revitalization & Advancement (F-SCRAP) Program**

<http://www.iira.org/rdrp/food-scrap-composting-revitalization-advancement-program-f-scrap/>

Supports projects that divert food scraps and other organic material, excluding yard waste, from IL landfills for composting. Anticipate projects will also create new jobs and other economic and environmental benefits and grow IL composting infrastructure