

ST. CLAIR COUNTY ECONOMIC DEVELOPMENT DEPARTMENT

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2017 EXECUTIVE SUMMARY*

Economic development activities and services provided in 2017 generally remained in these revised categories: 1) enterprise zone administration, 2) limited prospect handling and, 3) special projects. We terminated our long standing business loan program two years ago due to lack of staff coupled with the need to reallocate those federal funds for needed local infrastructure projects in income eligible neighborhoods and communities. And other more significant Federal and regional business financing products were available with fewer requirements and less bureaucracy. Since the inception of the now former business loan program 136 businesses located in 25 communities received 204 loans with more than \$14.4 million loaned under the program. Nearly 1,700 jobs were created. The program provided gap financing for fixed assets and equipment.

We (and most counties and cities in Southwestern Illinois) don't do traditional economic development 'marketing' since it is not cost effective in a large MSA (region) as site consultants prefer to reach out to regional hands-on economic development organizations such as the St. Louis Regional Chamber first for regional data and site information and then those consultants eventually will find us or a local community. We have never 'chased' retail, including big box retail, since it is the municipalities that offer TIF incentives. We continue to target non-retail due to the higher wages paid to workers in our targeted industries of transportation, logistics, warehousing, distribution, and manufacturing. Several cities in the County employ full-time economic development staff and the Director continues to assist them when requested. The Director also assists the County Board Chairman and the County's Director of Military Affairs on all relevant issues and initiatives involving Scott Air Force Base when requested. He also assists the MidAmerica Airport Director as requested.

A significant special project towards the end of 2017 was the Amazon HQ2 regional submission in cooperation with the St. Louis Economic Partnership. We were the Illinois representative on the St. Louis regional effort and were hands-on as we suggested the regional effort with the Partnership and developed the regional site strategy.

We continued to administer two of the six Illinois certified enterprise zones located in St. Clair County: 1) the *American Bottoms Enterprise Zone* which includes parts of Sauget, Cahokia, and Dupon and, 2) the *St. Clair County MidAmerica Enterprise Zone* which includes parts of O'Fallon, Shiloh, Mascoutah, Lebanon, and MidAmerica St. Louis airport. In 2017* staff assisted 5 businesses (same as last year) located in those communities by issuing the building materials sales tax exemption certificate. The Department collected \$5,213.30 in issuance fees for those projects (down significantly from \$77,223.10 last year). Due to lack of staff, the Community Development Group Coordinator at the County's Intergovernmental Grants Department manages our

Enterprise Zone activities. The Director also represented the County on most of the municipal Tax Increment Financing (TIF) Joint Review Boards.

In early November the Director was working closely with bond counsel and McKendree University on the probable refunding of a prior year(s) bond issue(s) in the amount of \$8.4 million. The County served as the 'conduit issuer' previously for McKendree in 1990 (\$11.7 million), 2004 (\$19 million), and 2012 (\$10 million) for their 501c3 tax exempt private activity bonds (or refunding bond issues). It is anticipated the Director will present the Resolution to the County Board's Economic Development Committee (and other County Board committees) in November for County Board approval on November 27, 2017. We anticipate McKendree would pay the Department an issuance fee of \$33,600 based on an \$8.4 million refunding.

A significant special project continuing this year was the River Bridge District along Front Street and environs in East St. Louis. The Department successfully applied for a \$3.5 million Federal EDA grant as part of that \$8 million project. The project is a public-private partnership with the financial support of Cargill, the Casino Queen, and Bunge-SCF Grain. Phase 1 was nearly 70% complete in early November.

The Director continued to handle leads/prospects and worked some prospects internally and others with the support of the Illinois Department of Commerce and occasionally with the St. Louis Regional Chamber. He continued to e-mail such leads/prospects to communities and commercial realtors in the County. He also continued to provide detailed, customized demographic data to commercial realtors, lenders and developers. And, he continued to make presentations to regional and local civic organizations in 2017.

In 2017* the Director provided direct technical assistance to 68 small business owners and startups seeking financing options (down from 127 in 2016). Staff referred many of those to both the Small Business Development Center at the SIU-E East St. Louis campus and the Justine Petersen organization for additional assistance. The Department continued to use social media (Facebook: St. Clair County Economic Development and Twitter: @SCCEconDev). Our sister agency is the St. Clair County Intergovernmental Grants Department.

The Director continued to participate actively in many peer organizations and trade associations including: the Association of Defense Communities (ADC), International Economic Development Council (IEDC), Illinois Enterprise Zone Association (IEZA), Southwestern Illinois Trade and Investment Council, MidAmerica Workforce Investment Board (MAWIB), Belle-Scott Committee, Regional Port Working Group, Kaskaskia-Cahokia Trail Coalition, Lower Kaskaskia Stakeholders, Illinois Workforce Partnership, and local chambers of commerce.

*as of November 6, 2017