

New & Updated State Initiatives for Businesses



March 30, 2023

- Sean Pritchard – DCEO Office of Business Development
- Kala Lambert – DCEO Office of Regional Economic Development
- Courtney Yockey – Effingham Regional Growth Alliance


1

Business Navigator Alliance of Southcentral and Southeastern Illinois

- Regional collaboration for the Community Navigator Program
- Purpose: provide professional outreach and technical assistance for local, state, and federal economic relief programs
- Mission: to ensure that small businesses in our region are competitive in applying for necessary resources
- Goal: position local businesses for success by acceleration business recovery and growth



2



BUSINESS NAVIGATOR ALLIANCE
OF SOUTHCENTRAL & SOUTHEASTERN ILLINOIS

Webinars
Outreach Events
Virtual Office Hours
Offer 1-on-1 Technical Assistance

www.ILBusinessNavigators.com

3



Illinois
Department of Commerce
 & Economic Opportunity
OFFICE OF BUSINESS DEVELOPMENT
 JB Pritzker, Governor



Advantage Illinois

4

Advantage Illinois

Is a Participation Loan Program (PLP) that helps Illinois businesses get term loan financing at lower rates.

Consists of purchasing a portion of the loan, lowering the risk for the lenders.

The goal is to help businesses grow, expand, and create new jobs in Illinois at a faster rate.

5

Advantage Illinois

Fills the gaps that prevent businesses from obtaining financing

Collateral and/or equity shortfalls	Lack of historical cash flow (Start-up)	Low credit score	Negative net worth
-------------------------------------	---	------------------	--------------------


The loan can be used for:

Real estate (must be 51% or more occupied by the business)	Inventory	Working Capital	Refinancing is allowed <ul style="list-style-type: none"> • Unrelated lender • New financing must be included • New jobs must be created or retained
Equipment	Leasehold Improvements	Accounts receivable	

6

Advantage Illinois

Benefits

 Businesses <ul style="list-style-type: none"> • Access to financing • Lower rates 	 Lenders <ul style="list-style-type: none"> • More loan volume • Less risk 	 Advantage Illinois <ul style="list-style-type: none"> • Economy growth • Job creation and retention
---	---	---

Important Information

Advantage Illinois' participation is subordinate to the bank.	There are NO Advantage Illinois term loan fees for the borrower or lender. *Lenders can still charge their normal fees.	Documentation and application process is short and simple
No application for Advantage Illinois	Advantage Illinois uses lender's write-up/loan presentation	ITR-1 is only form required

7

Advantage Illinois

Not eligible

Non-Profits	Cannabis (other programs available)	Investment real estate	Tobacco
Goodwill related to change in ownership	Adult entertainment / Gambling	Bankruptcy, Judgement or Lien in the past 5 years	

8

Advantage Illinois

Types

	STANDARD	FAME <small>(Fund for the Advancement of Minority Enterprises) Minority Enterprises include Minorities, Women, Veteran & Disabled owned businesses</small>
Maximum participation	The lesser of: <ul style="list-style-type: none"> • 25% of the project (all sources of funding) • 50% of the loan • \$1.5 million 	The lesser of: <ul style="list-style-type: none"> • 50% of the project (all sources of funding) • 50% of the loan • \$400,000
Maximum term	10 years	7 years
Amortization	Yes	Yes
Rate	Fixed at 2% below lender rate with a floor of 2%	Rate fixed at 2%
Job creation or retention	Each \$50,000 participated: One full time job should be created or retained in the next 2 years	Each \$65,000 participated: One full time job should be created or retained in the next 2 years

9

Advantage Illinois

Updates

SSBCI- American Rescue Plan Act of 2021

- DCEO is to implement another Participation Loan Program, like Advantage Illinois, using Federal Money
- DCEO is to implement a Loan Guarantee Program
- DCEO is to implement a Venture Capital Program

Staffing

-The Advantage Illinois Team is growing! We recently welcomed two new members to our Program, Duane Walker and Robert (Bob) Owens. Additionally, more staff is on the way that will be based out of our Chicago Office.

Projects

-We continue to grow and have success with this Program. In Calendar Year 2021, we approved and processed a total of 51 loans (43 Qualified FAME Applicants) and for Calendar Year 2022, we approved and processed a total of 95 loans (67 Qualified FAME Applicants).

10

THE ILLINOIS DEPARTMENT OF COMMERCE WANTS TO PARTNER WITH YOU

Sean Pritchard
Assistant Deputy Director
Office of Business Development

Mark Schultz
Advantage Illinois Team
Office of Business Development

Robert Owens
Advantage Illinois Team
Office of Business Development

Duane Walker
Advantage Illinois Team
Office of Business Development

 CEO.AdvantageIllinois@Illinois.gov



11

DCEO Business Development Updates

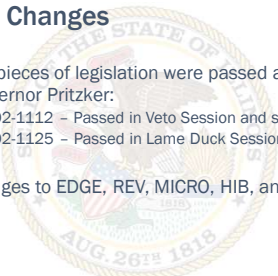

March 30th, 2023



12

Legislative Changes

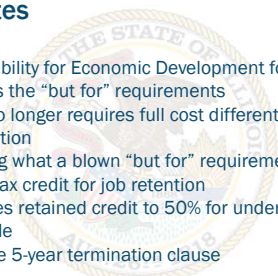

- Two different pieces of legislation were passed and have been signed by Governor Pritzker:
 - Public Act 102-1112 – Passed in Veto Session and signed on 12/21/22
 - Public Act 102-1125 – Passed in Lane Duck Session and signed on 2/3/23
- Provided changes to EDGE, REV, MICRO, HIB, and Enterprise Zones

13

EDGE Updates



- Increases flexibility for Economic Development for a Growing Economy
 - Modernizes the “but for” requirements
 - EDGE no longer requires full cost differential analysis of out of state option
 - Updating what a blown “but for” requirements include
 - Increases tax credit for job retention
 - Increases retained credit to 50% for underserved and 25% statewide
 - Clarifies the 5-year termination clause

14

Reimagining Electric Vehicles to Reimagining Energy and Vehicles (Still REV)

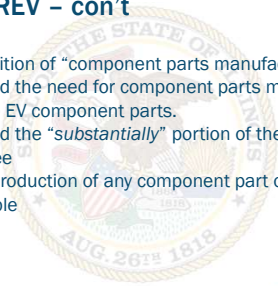
- Make Illinois more competitive on the road to clean energy
 - Reimagining Electric Vehicles Act is now the Reimagining Energy and Vehicles Act
 - Lowers the minimum threshold for REV Tier 1 to \$2.5M in capital investment and minimum threshold of 50 new jobs (or 10% wwe)
 - Expands targeted business population by allowing manufacturers of solar, renewables, and energy storage components to be eligible

15

Updates to REV – con’t

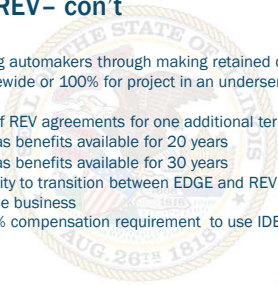
- Updated definition of “component parts manufacturers”
 - Removed the need for component parts manufacturer to *primarily* produce EV component parts.
 - Removed the “*substantially*” portion of the definition of retained employee
 - Allows production of any component part of an electric vehicle to be eligible



16

Updates to REV– con’t

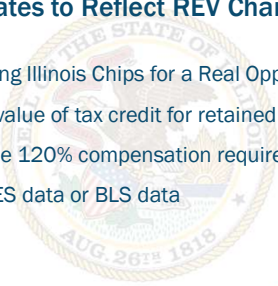
- Supports existing automakers through making retained credit equal to new jobs credit (75% statewide or 100% for project in an underserved or Energy Transition area).
- Allows renewal of REV agreements for one additional term
 - Tier 1 now has benefits available for 20 years
 - Tier 2 now has benefits available for 30 years
- Provides the ability to transition between EDGE and REV based on the program that works best for the business
- Update the 120% compensation requirement to use IDES data or BLS data



17

MICRO Updates to Reflect REV Changes

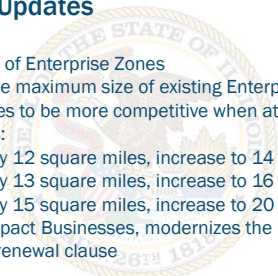

- Manufacturing Illinois Chips for a Real Opportunity (MICRO)
 - Increase value of tax credit for retained employees
 - Update the 120% compensation requirement to use IDES data or BLS data



18

EZ and HIB Updates

- Increases size of Enterprise Zones
 - Increase the maximum size of existing Enterprise Zones to allow communities to be more competitive when attracting and retaining businesses:
 - Currently 12 square miles, increase to 14 square miles
 - Currently 13 square miles, increase to 16 square miles
 - Currently 15 square miles, increase to 20 square miles
- Under High Impact Businesses, modernizes the “but for” requirements and enacts a renewal clause

19

Questions?

Kala Lambert
Southeast Region Manager, RED
Kala.Lambert@illinois.gov

Sean Pritchard
Assistant Deputy Director BD
Sean.Pritchard@illinois.gov




20

Back to Business (B2B) Grants Restaurants, Hotels, & Creative Arts

March 30, 2023

- Restaurant Employment and Stabilization Grant
- Hotel Jobs Recovery Grant
- Creative Recovery Grant



21

Applications Open
April 5th

- B2B Overview
- Program Design
- B2B Restaurants
- B2B Hotels
- B2B Arts



Illinois
Department of Commerce
& Economic Opportunity
JB Pritzker, Governor



22

B2B Overview

In support of ongoing recovery efforts in industries hardest-hit by the pandemic

\$175M for restaurants, hotels, and creative arts businesses

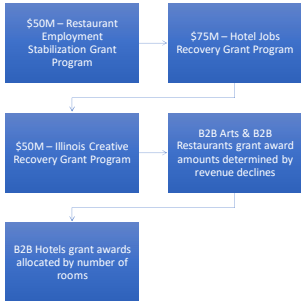
Offset losses and support job retention

All eligible applicants will receive a grant

Program design based on legislation

23

Program Design



```

graph TD
    A["$50M - Restaurant Employment Stabilization Grant Program"] --- B["$75M - Hotel Jobs Recovery Grant Program"]
    A --- C["$50M - Illinois Creative Recovery Grant Program"]
    B --- D["B2B Arts & B2B Restaurants grant award amounts determined by revenue declines"]
    C --- E["B2B Hotels grant awards allocated by number of rooms"]
    
```

24

B2B Restaurants

- Grant awards between \$5,000-\$50,000
- Independently owned & operated
- Established business by 3/12/2020
- Experienced a loss of at least \$5,000
- 50 or fewer employees
- Open to restaurants, taverns, bars, caterers, breweries, wineries, and food trucks
- Ineligible if received prior state relief funding or more than \$10K in local funding

25

B2B Hotels

- Grant awards up to \$1,500 per room
- Independently owned & operated
- Established business by 3/12/2020
- Amount of state or local grants received deducted from overall award
- 80% - payroll costs & 20% broad business expenses
- Open to hotels, motels, inns, lodging sites
- Vacation or short-term rentals are not eligible

26

B2B Arts

- Grant awards between \$5,000-\$250,000
- Independently owned & operated
- Established business by 3/12/2020
- Independent live venue operators
- Performing or presenting arts
- Arts education or museum
- Cultural heritage organization
- Eligible if received prior State relief funding

27

Statewide Information Sessions

Thursday, March 30th
 English-Language Webinar: 10:00am
 Spanish-Language Webinar: 11:00am

Thursday, April 6th at 2:00pm

<https://dceo.illinois.gov/smallbizassistance/b2b.html>

28

Thank you!

BUSINESS NAVIGATOR ALLIANCE
OF ECONOMIC DEVELOPMENT & COMMUNITY ASSISTANCE

www.ILBusinessNavigators.com

COLES Together
CHAMBER & ECONOMIC DEVELOPMENT

SULLIVAN ILLINOIS
CHAMBER & ECONOMIC DEVELOPMENT

CCDA
Crawford County Development Association

MARSHALL AREA CHAMBER OF COMMERCE

PEDCO

The Alliance
for Economic Development

Coles County Contact:
 Angela Griffin
 217-258-5627
 angela@colesntogether.com

Moultrie County Contact:
 Laurie Minor
 217-728-4223
 director@sullivanchamber.com

Crawford County Contact:
 Resa Shaner
 618-546-1412
 rshaner@crawfordcountyll.com

Clark County Contact:
 Nora Swalls
 217-826-2034
 nswalls@marshall-il.com

Edgar County Contact:
 Bob Colvin
 217-465-5306

Effingham County Contact:
 Courtney Yockey
 217-342-4214
 cyockey@groweffinghamcountyll.com

29
