

ECIEDD Developments

Quarterly Newsletter for the East Central Illinois Economic Development District



EDA Regional Conference Offers Fresh Ideas

Our region has some new ideas and perspectives to kick around courtesy of the Economic Development Administration's (EDA) Chicago-Denver Regional Conference held November 15-17 in St. Louis.

We learned that as an Economic Development District, we do a pretty good job of providing research, data and analysis compared to other areas. We also learned that we fall short in bringing resources to our region. The conference gave us some great examples of projects and initiatives we can replicate here:

- A Planning Commission in northern Wisconsin developed a **network of rural incubators** that have created 325 jobs, \$30 million in sales, and \$25 million in private investment. They financed this \$7.5 million project with grant funds, owner equity, bank financing, and contributions from local communities.
- The St. Louis area has had major job losses due to Ford and Chrysler closing their plants. A **redevelopment strategy** was created with a \$1.57 million EDA regional planning grant.
- In central Iowa, nine counties came together for a **Regional Innovation Summit** after the Maytag plant closed. With 1900 jobs lost, they identified their strengths and weaknesses as a global competitor, came up with solutions, and identified key leaders from their social networking efforts to serve on their Board. Their collaboration has resulted in a new model of innovation and collaboration that replaces the old model of competition across political borders. Success so far can be seen in over 1200 new jobs.

It became clearer through the conference proceedings that **economic development is becoming more about networks, regionalism, collaboration instead of competition, local investment in ideas and funding, and innovation.**

Our six-county region has great strengths that can be capitalized when we work together. Moving forward, we will take a closer look at the ideas from this conference and other parts of the country, unite them with our own knowledge, environment, and perspectives, and make significant strides toward improving our area economy.

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December 2010



ECIEDD Counties

**Champaign
Douglas
Ford
Iroquois
Piatt
Vermilion**

EDA Funding Opportunities At a Glance

The following funding opportunities are available through EDA. Applicants must meet threshold distressed criteria and pay for half of the project costs with non-Federal match or in-kind contributions. EDA or ECIEDD staff can tell you if your community or project area qualifies for the distressed criteria.

Public Works and Economic Development

Supports the construction, expansion or upgrade of essential public infrastructure and facilities. (CFDA No. 11.300)

Economic Adjustment Assistance (EAA)

Provides a wide range of technical, planning, and public works and infrastructure assistance in regions experiencing adverse economic changes that may occur suddenly or over time (e.g., strategy development, infrastructure construction, revolving loan fund capitalization). (CFDA No. 11.307)

Planning

Assists local and regional organizations (District Organizations, Indian Tribes, and other eligible entities) with their short and long term planning efforts. (CFDA No. 11.302)

Technical Assistance

Focused assistance provided to public and nonprofit leaders to help in economic development decision making (e.g., project planning, impact analyses, feasibility studies); also includes the University Center Economic Development Program, which makes the resources of universities available to the economic development community. (CFDA No. 11.303)

Our District has gone 10 years without receiving EDA funding for several reasons. Communities find it difficult to find the matching funds for a project. EDA's previous application process often resulted in a six month or more turnaround response. Many smaller communities are not aware of EDA as a potential funding source or the other sources that can help serve as a local match.

But now is a good time to turn this around. There are many local, regional, and state funding sources that can help provide the local match. EDA has a new grant process that shortens initial response time down to 30 days. ECIEDD staff is here to help guide all counties, municipalities, and economic development interests through the process of finding funding, writing the application, and working as your liaison with EDA.

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Spotlight on Success: Is that the wind, or is there an Eco in Ford County?

Mayor Confident that Eco Will Continue EPA Application

Reported on 12/01/10 by Jean Noellsch, Paxton Record correspondent

GIBSON CITY - Mayor Dan Dickey is confident that Eco Manufacturing is continuing efforts that will lead to an Illinois EPA site application for a plasma gasification plant on Gibson City's west side.

"Their intentions are still to come here," he said. "They are not looking anywhere else."

Dickey said he spoke to Eco's vice-president Garrett Gates as recently as Monday and expects him to visit Gibson City again within two to three weeks. He said the firm is seeking an outside "property impact statement" that will assess potential property value changes to surrounding landowners.

Dickey also believes a recent update of the Solid Waste Management Plan by the Ford County Board completed another necessary step for the company's plans to move forward.

Even though Eco withdrew its site application in June and in August requested and received a refund of the \$15,737 balance remaining from its \$20,000 application fee, Dickey always has said he was confident the firm would reapply.

Prior to the firm's withdrawal of its original application, an adjacent landowner objected to the proposed ECO plant site on Gibson City's west side. The landowner raised various issues they saw as gaps in the EPA application, including questions of future property values, traffic safety and environmental concerns. Dickey said he looks forward to council members being able to decide the merits of the company's planned waste treatment facility on "facts, not rumor or gossip," when they deliberate following the required formal legal public hearing that will be part of the official application process.

Excitement Brewing as Pioneer Trail Wind Farm Moves Forward

Reported on 11/24/10 in the Paxton Record

PAXTON - Paxton Mayor Bill Ingold could have a very merry Christmas if a long-awaited wind farm near the Ford County seat gets the go-ahead next month.

A special-use permit application for the Pioneer Trail Wind Farm will be up for a vote by the Ford County Board on Dec. 13 and by the Iroquois County Board on Dec. 14, following public hearings in both counties next week.

Local officials have been anxiously awaiting the project since it was announced more than two years ago. They are especially excited about the economic benefits that would result from the construction of the wind farm's 111 skyscraping turbines.

"We're really looking forward to them," Ingold said about the 400-foot-tall structures, adding that they would bring jobs to the city and tax revenue to its schools.

The 150-megawatt Pioneer Trail Wind Farm could be under construction as early as May, said Matt Tulis, development manager for E.On Climate & Renewables, a German-based company with offices in Chicago, which is developing the wind farm on farmland east and northeast of Paxton.

During construction, which usually takes six months to a year, the wind farm is expected to bolster the Paxton area's struggling economy through the creation of 200 temporary construction jobs. Ten full-time permanent operations-and-maintenance jobs would also be created to service the turbines for the duration of their decades-long lifespans, Tulis said, adding that his firm would look to hire locally.

But the most significant long-term benefit would be the influx of \$1.66 million per year in property tax revenue to local taxing bodies, including \$1.2 million to the Paxton-Buckley-Loda school district, according to E.On's special-use permit application, based on 2009 property tax rates. The area's assessed value would see an increase of \$19 million, according to the permit.

PBL Superintendent Cliff McClure said the new tax revenue would provide a more reliable source of revenue than payments from the

state, which have been routinely late in recent years. However, he said it would probably not mean any extra money for the school district, noting that it will just help "fill the gap" because "we're not getting all of our state money right now." McClure also noted the district would receive less state aid if it receives more property tax revenue.

"But it's always nice to have that additional revenue (source), because costs are increasing, and we're not receiving as much from the state," McClure said. "It will help us continue to run our school district and hopefully avoid some of the cuts that other districts have had to make."

Ford County Board Chairman Rick Bowen said the cash-strapped county is also anxiously awaiting the estimated \$193,000 it would receive annually in taxes through the 94 turbines proposed in Patton and Button townships in Ford County. Neighboring Iroquois County, where 17 turbines are expected to be built in Loda and Pigeon Grove townships, would also receive tax revenue, although much less - \$50,000, according to E.On Climate & Renewables.

"We're anxiously waiting and looking forward to working with E.On and numerous other companies that are looking at Ford County (to build wind farms)," said Bowen, whose county has seen interest from 16 wind-farm developers in recent years, three of which have applied for special-use permits.

Besides tax revenue and jobs, Ford County would bring in nearly \$500,000 through construction permit fees of \$5,000 per turbine for the Pioneer Trails Wind Farm. The county also recently received a check from E.On Climate & Renewables totaling \$9,400 for the special-use permit application, which requires a \$100 fee be paid per turbine proposed in the county. Iroquois County can expect revenue from those two permits, too.

There are also typically thousands of dollars in annual payments to farmers who lease their land to wind-farm developers for construction and operation of a wind farm.

Another benefit is that Ford and Iroquois counties can expect the "benefit of having a couple-million-dollar investment with not a huge impact on the resources of the county," Tulis said.

ECIEDD Benefits - Available to all communities in the six-county area

- ✓ **Free labor hours:** Each ECIEDD county has been allocated 60 free labor hours per fiscal year (October 1 through September 30). Municipalities and agencies within the counties can petition their County Board chair for use of the hours. These hours can be used for grant research, grant writing, data acquisition and analysis, and creating marketing materials, among other activities.
- ✓ **EDA grant application research and writing:** ECIEDD staff will research whether a potential project qualifies for Economic Development Administration funding, write the application, and maintain communications with EDA about the project at no charge to the community. This benefit is in addition to the 60 free labor hours.
- ✓ **Revolving loan fund for six-county area:** Champaign County Regional Planning Commission CCRPC) recently provided a \$250,000 match to a \$750,000 USDA loan that allows for up to \$1 million in business and municipal loans in the six-county District for those areas with 25,000 or fewer population. Low interest loans may be awarded, depending on the project.
- ✓ **Economic Impact Model:** If your community has a potential development project, ECIEDD staff can model the economic and fiscal impact of construction and operations at the county, regional, and state levels. Potential developers and the community alike want to know how the project can impact the area.
- ✓ **Comprehensive Economic Development Strategy:** this federally mandated document details our region's economic goals and needs; thereby enabling opportunities for funding projects, and allowing for continued planning grant funds from EDA. Projects cannot receive EDA funding in our District unless they are listed in the CEDS.
- ✓ **Educational and Information Sharing Opportunities:** In 2009, ECIEDD staff held a Wind Energy forum with speakers from Midwest Energy and Illinois Wind Working Group. Staff collected 18 county ordinances for sharing with participants in anticipation of the forum. In 2010, staff coordinated a Business Retention Workshop with presenter Eric Canada, which was well received by 20 economic development professionals from the six-county area. More workshops and educational opportunities will be offered in the future.
- ✓ **Employer data for the six-county area:** ECIEDD staff have worked with the Champaign County Economic Development Corporation to acquire employer data for the six county area that is available to economic development professionals in the ECIEDD. At this time, it is anticipated that the data will be updated annually.



ECIEDD benefits are available to counties, municipalities and economic development agencies in the District.

Economic Development Strategies Coming to Ford, Iroquois and Piatt Counties

All municipalities will be asked to participate in creating strategies with their counties

ECIEDD staff will help three counties in the region create Economic Development Strategies. The strategies will help municipalities and counties identify what their strengths and weaknesses are, what they want to achieve in economic development in their communities, identify action items and responsible parties for reaching those goals, and a list of projects that will further their economic development goals.

ECIEDD staff will facilitate workshops in Ford, Iroquois and Piatt Counties in the first half of 2011. With the

input from the workshops, ECIEDD staff will create the strategies and offer advice on how to proceed and succeed at implementing them.

The planning process to create the strategies will not only deliver a document. The process will help participants identify hidden champions of economic development in their communities and offer educational awareness of how economic development can and must be spearheaded by grassroots efforts to make it successful.



ECIEDD Board 2011

Champaign County

- Chris Kaler, Rantoul Chamber of Commerce
- Seamus Reilly, Parkland College
- Ron Bensyl, County Board

Douglas County

- Rachael Crane, Arcola Chamber of Commerce
- Brian Moody, Tuscola Economic Development
- Lloyd Murphy, Tuscola National Bank

Ford County

- Rick Bowen, County Board
- Randy Ferguson, County Board
- Diane Johnson, Gibson City Chamber

Iroquois County

- Ken Barragree, Iroquois Development Assoc.
- Roger Dittrich, T & D Metal Products
- Jim McCray, County Board

Piatt County

- Steve Gaines, Village of Mansfield
- Joe Streit, Parkland College Business Training
- Mike Wileaver, County Board

Vermilion County

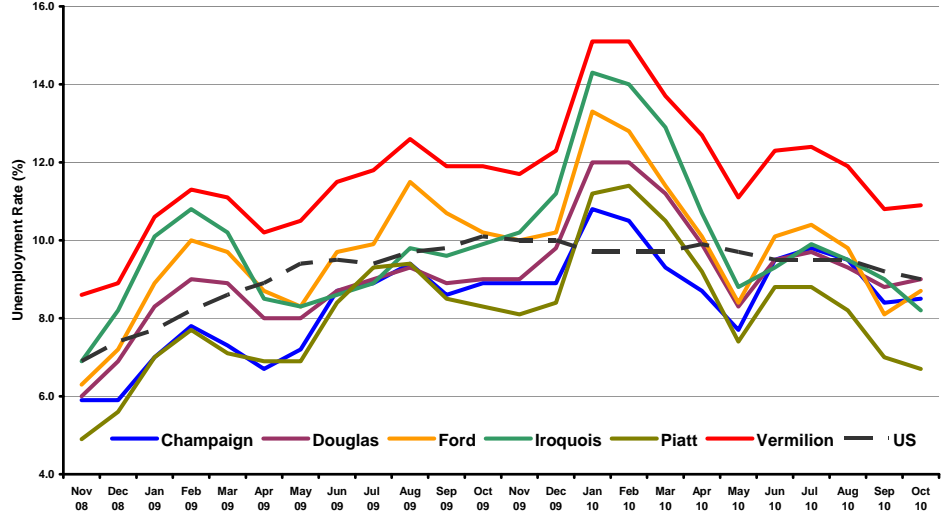
- Bill Donahue, Vermilion County
- Vicki Haugen, Vermilion Advantage
- Jim McMahon, County Board

District Unemployment Steadies

U.S. unemployment steadily decreased between August and October 2010, the most recent time period for which data is available. Champaign, Iroquois, and Piatt followed this trend, whereas Douglas, Ford, Vermilion levels increased in October after decreasing in September. Long term trends suggest continued but leveling improvement in unemployment rates for the region.

| | Aug-10 | Sep-10 | Oct-10 |
|------------------|--------|--------|--------|
| Champaign County | 9.5 | 8.4 | 8.5 |
| Douglas County | 9.3 | 8.8 | 9.0 |
| Ford County | 9.8 | 8.1 | 8.7 |
| Iroquois County | 9.5 | 9.0 | 8.2 |
| Piatt County | 8.2 | 7.0 | 6.7 |
| Vermilion County | 11.9 | 10.8 | 10.9 |
| DISTRICT | 9.7 | 8.7 | 8.7 |
| US | 9.5 | 9.2 | 9.0 |

24-month Unemployment Rates: Nov 08 - Oct 10



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