

TrendLines:

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Information for this *TrendLines* was prepared by Ms. Jessica A. Weitzel, SSCRPC Planning Masters Intern, University of Texas at Austin.



THE TOPIC: Financial Resources for Local Economic Development

Given the current condition of the national, state, and local economies, many communities are looking to economic development as a means of bolstering their positions in local and regional markets. Economic development, however, is not a means to an end, but the end itself, as economic development is the product of community development and business development coming together in the presence of strong, effective local leadership. This being the case, economic development requires a substantial amount of planning on the part of the community.

The July 2012 issue of the SSCRPC's *Planning Matters: Thinking About Economic Development Planning, Programming and Assessment* (available on-line at www.sscrpc.com) outlines how communities might best approach the economic development planning process, including the need for a thorough understanding of the local economy and demographics, a vision of the most desired economic future for the community, and the development of strategies and tactics necessary to achieve that vision.

It is vital for smaller communities to be attentive to their economic futures, because with a majority of the world's population now living in urban areas, the drain on smaller communities and their economies has been profound. Creating and implementing economic development strategies has never been more important for the vitality, even the survival, of

these communities.

Not all economic development plans are grandiose in their designs; in fact, most successful economic development plans are the ones with obtainable goals given the current and expected capacities of the towns in which they are found.

For example, in 2006 and into 2007, the University of North Carolina's School of Government conducted case study research concerning economic development strategies in rural communities in the state of North Carolina and across the South and Midwest. While the study is now six years old, the results of their research nonetheless show that even municipalities with populations under 15,000 can have measurable economic development success in the face of adversity.

The primary message from that study is that community development is integral to economic development, especially on the scale of small towns, and that improving quality of life can be just as transformative as addressing traditional economic development factors.

But financial resources are often needed to implement



local economic development plans, and to that end the SSCRPC has compiled a list of potential funding opportunities through grant and loan programs provided through federal and state agencies, as well as local tools that can be used by the municipality to fund the implementation of economic development plans. They are summarized in this issue of *TrendLines*.

While this list is lengthy, it is by no means exhaustive. Communities in Sangamon County are encouraged to keep on the lookout for new funding opportunities and be creative in their approach to plan implementation and development finance.

Grant and Loan Programs: Consider the Conditions

Many state and federal agencies offer programs that provide financial assistance in support of local economic development projects. This assistance may come in the form of grants, meaning that the funds do not need to be repaid to the funding agency, but others come in the form of loans which must be repaid in whole or part. Often the funding is provided directly to the business that the community is seeking to retain, expand, or attract, but in other cases it may go directly to the municipality itself.

In reviewing the programs described in this issue of *TrendLines*, communities should pay particular attention to any special conditions placed on the use of the funds by the program. For example:



- **They may be limited by area.** For example, some programs require that the area in which the project is to be located meet certain “blight” requirements or contain households below a specified income threshold (e.g., be in a low income census tract).
- **They may be limited by who the project will benefit.** Many programs base assistance upon the number of new employees to be hired or the number who have low to moderate incomes prior to employment.
- **They may be limited by the nature of the business.** Very often state and federal programs give preference to manufacturing, and some even make a distinction between what the program might consider “high-tech” versus “low-tech” jobs.
- **They may be limited by the size of the project.** In deciding the amount of funding to be provided, economic development assistance programs often take into account the number of jobs to be created/retained and/or the total amount of the capital investment the company intends to make. As one might guess, the larger the job number and greater the capital investment, the larger the state and federal funding available.
- **They may be limited by how the jobs involved are categorized.** For example, state and federal programs often provide more funding to projects that create new jobs than to those that are simply retaining jobs. The programs may even include a formula that weights both jobs retained and created.

- **They may be limited by a demonstration of competition.** Some state programs, for example, require that the company demonstrate that it is considering a move out of the state before the funds can be made available.
- **They may require local matching funds.** It is becoming more-and-more common for grant programs to require that some local funds cover a portion of the project’s cost. The amount will differ by program. On occasion this may be in the form of “in-kind”, sometimes called “soft”, match, but most often a “hard” match, actual dollars, is required.

It is also important to note that grant and loan programs are available cyclically. Some programs listed below may not be available at all times throughout the calendar year.

None of the conditions noted above mean that a community should not consider seeking state and federal assistance, but that it will need to be knowledgeable about the programs and creative in structuring its strategies to make use of this assistance.

Types of Federal Grants & Programs Available for Economic Development

Many federal agencies offer assistance with the creation and implementation of economic development plans. These include: the Departments of Transportation, Agriculture, Housing and Urban Development, and Commerce; the Environmental Protection Agency; the Small Business Administration; and even the National Endowment for the Arts. All of these agencies provide grant or loan programs which can be used to implement portions of an economic development plan. It is important to note, however, that many of these grants have multiple applications.

Application: Supporting & Expanding Business

Rural Business Enterprise Grant Program (RBEG)

Agency: United State Department of Agriculture

The Program: The RBEG program provides grants for rural projects that finance and facilitate development of small and emerging rural businesses to help fund distance learning networks, as well as employment-related adult education programs.

Source: http://www.rurdev.usda.gov/BCP_rbeg.html

Rural Business Opportunity Grants (RBOG)

Agency: United State Department of Agriculture

The Program: The RBOG program promotes sustainable economic development in rural communities with exceptional needs through the provision of training and technical assistance for business development, entrepreneurs, and economic development officials and to assist with economic development planning.

Source: http://www.rurdev.usda.gov/BCP_RBOG.html

Rural Economic Development Loan and Grant (REDLG)

Agency: United State Department of Agriculture

The Program: The USDA provides grant funds to local utility organizations which use the funding to establish revolving loan funds. Loans are made from the revolving loan fund to projects that will create or retain rural jobs. Among other uses, funds can be used for community development assistance to non-profits and public bodies (particularly job creation or enhancement) and facilities and equipment for education and training for rural residents to facilitate economic development.

Source: http://www.rurdev.usda.gov/BCP_redlg.html

The Make it in America Challenge

Agency: United States Department of Commerce, Economic Development Administration

The Program: The Make it in America Challenge will provide up to \$40 million in competitive grant funding through the DOC's EDA and NIST Manufacturing Extension Partnership (NIST MEP), DOL's ETA, and the DRA. This collaboration allows applicants to submit one application to leverage complementary Federal funding sources to support the development and implementation of a regionally driven economic development strategy that accelerates job creation by encouraging re-shoring of productive activity by U.S. firms, fostering increased Foreign Direct Investment, encouraging U.S. companies to keep or expand their businesses—and jobs—in the United States, and training local workers to meet the needs of those businesses.

Source: <http://www.grants.gov/search/search.do?mode=VIEW&opId=227375>



Funding in action*:

Beginning in 2000, Tryon, NC (population 1,646, 2010 Census) decided to boost the local economy by providing local businesses and residents with new community-wide, fiber-optic internet infrastructure.

Application: Supporting & Expanding Business (continued)

Funding in action:

Big Stone Gap, VA, (population 5,614, 2010 Census) used eco-tourism to boost their local economy beginning in the late 1990s. Supporting local entrepreneurs is a strategic economic development priority for the community.

Small Business Innovation Research (SBIR) Program

Agency: Small Business Administration

The Program: SBIR funds the critical startup and development stages of small businesses. It targets the entrepreneurial sector where most innovation and innovators thrive. It also encourages the commercialization of the technology, product, or service, which, in turn, stimulates the U.S. economy.

Source: <http://www.sba.gov/content/small-business-innovation-research-program-sbir-0>

Application: “Greening Measures”

Brownfields Assessment Grant Program & Brownfield Economic Development Initiative (BEDI)

Agency: United State Environmental Protection Agency

The Program(s): Funding for planning/assessing brownfield redevelopment, conducting planning and community involvement, and site cleanup as well as competitive funding program to spur redevelopment of brownfield sites to productive economic use. The Brownfield Assessment Grant Program must be used in conjunction with a Section 108 loan.

Source: http://www.epa.gov/brownfields/assessment_grants.htm & <http://www.hud.gov/offices/adm/grants/nofa10/grpbedi.cfm>

Sustainable Communities Research Grant Program

Agency: United States Department of Housing and Urban Development

The Program: Research grants to support cutting-edge research on issues related to sustainability, including affordable housing development and preservation, transportation-related issues, economic development and job creation, land use planning and urban design, etc.

Source: <http://www.hud.gov/offices/adm/grants/nofa10/grpnopi-scrgp24a.cfm>

Application: Improving Infrastructure

Transportation Investments Generating Economic Recovery (TIGER)

Agency: United States Department of Transportation

The Program: Competitive grant program funding infrastructure projects that promote economic competitiveness, improve energy efficiency, reduce greenhouse gas emissions and improve safety, quality-of-life and working environments in communities.

Source: <http://www.dot.gov/tiger>



Community Development Block Grant: Small Cities Program

Agency: United States Department of Housing and Urban Development

The Program: Formula grants for local governments to carry out community and economic development activities.

Source: http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/communitydevelopment/programs

This will be addressed again below as the state's CDAP program.

MAP-21 Formula Grants [Previously known as SAFTEA-LU]**Agency:** United States Department of Transportation

The Program: These programs provide funding to support cooperative, continuous, and comprehensive planning for making transportation investment decisions in metropolitan areas and statewide. Funds are available for planning activities that (A) support the economic vitality of the metropolitan area, especially by enabling global competitiveness, productivity, and efficiency; (B) increase the safety of the transportation system for motorized and non-motorized users; (C) increase the security of the transportation system for motorized and non-motorized users; (D) increase the accessibility and mobility of people and for freight; (E) protect and enhance the environment, promote energy conservation, improve the quality of life, and promote consistency between transportation improvements and State and local planned growth and economic development patterns; (F) enhance the integration and connectivity of the transportation system, across and between modes, for people and freight; (G) promote efficient system management and operation; and (H) emphasize the preservation of the existing transportation system.

Source: http://www.fta.dot.gov/grants/13093_3563.html**Community Facility Grants****Agency:** United State Department of Agriculture

The Program: Community Programs provides grants to assist in the development of essential community facilities in rural areas and towns of up to 20,000 in population. Grant funds may be used to assist in the development of essential community facilities. Grant funds can be used to construct, enlarge, or improve community facilities for health care, public safety, and community and public services.

Source: http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/grants/nofa11/grpcf**Smart Growth Implementation Assistance (SGIA) Program****Agency:** United State Environmental Protection Agency

The Program: The SGIA program focuses on complex or cutting-edge issues, such as storm water management, code revision, transit-oriented development (TOD), affordable housing, infill development, corridor planning, green building, and climate change. Applicants can submit proposals under 4 categories: community resilience to disasters, job creation, the role of manufactured homes in sustainable neighborhood design or medical and social service facilities siting.

Source: <http://epa.gov/smartgrowth/sgia.htm>**Fund for Financing Water and Wastewater Projects****Agency:** Dept. of Agriculture, Rural Utilities Service

The Program: Grant funds may be used to establish and maintain a revolving loan fund to provide private, non-profit organizations (including municipalities) with the financing necessary for the pre-development costs associated with proposed water and wastewater projects or with existing water and wastewater systems. Will also cover short-term costs incurred for replacement equipment, small-scale service extension, or other small capital projects that are not part of the regular operations and maintenance activities of existing water and wastewater systems.

Source: http://www.rurdev.usda.gov/UWEP_HomePage.html**Funding in action:**

Despite its size, Davidson, NC (population 10,944) engaged Smart Growth principles in its planning and economic development strategies, opening the door for new business and industrial growth in their jurisdiction.

Application: Improving Infrastructure (continued)



Funding in action:

With a population of only 113 (2010 Census), volunteers in Chimney Rock, NC appropriated grant funding to build a river walk through their downtown which in turn, has reinvigorated tourism and businesses in area.

Economic Development Initiative Grant

Agency: United States Department of Housing and Urban Development

The Program: Provide local governments with additional security for the Section 108 loan, thereby reducing the exposure of its CDBG funds in the event of a default in loans made locally with the 108 funds. Or, make the project more feasible by paying some of the project costs with grant funds or by reducing the interest rate to be paid from a revolving loan fund.

Source: <http://www.grants.gov/search/search.do;jsessionid=hOpGTTJCKRB3Lwz5hvjkrmJ752YhP2pnYKb2RL1yZ3vBX6VPz2g2!2057934305?oppld=47214&mode=VIEW>

Safe Route to School

Agency: United States Department of Transportation

The Program: Funding to improve sidewalks, crosswalks, bicycle infrastructure, and street improvements near elementary and middle schools to make student usage more reliable and safe.

Source: http://www.fhwa.dot.gov/environment/safe_routes_to_school/

This program will be addressed again, below, under state programs.

Construction Grants for Wastewater Treatment Works

Agency: Environmental Protection Agency

The Program: Serve as an incentive in construction of municipal wastewater treatment works required to meet state and/or federal water quality standards and improve water quality.

Source: <http://epa.gov/owm/cwfinance/index.htm>

Application: Improving Quality of Life

Recreational Trails Program

Agency: United States Department of Transportation

The Program: Funding for maintenance and new construction of recreational trails and related facilities. Funds are provided to the States by legislative formula; at that point, applicants apply through State RTP Administrators for funding.

Source: http://www.fhwa.dot.gov/environment/recreational_trails/index.cfm

Sustainable Communities Community Challenge Grants

Agency: United States Department of Housing and Urban Development

The Program: Support plans, codes and ordinances that incentivize mixed-use development, affordable housing, re-use of existing buildings and other sustainability goals.

Source: http://portal.hud.gov/hudportal/HUD?src=/program_offices/sustainable_housing_communities/HUD-DOT_Community_Challenge_Grants

Affordable Housing Development in Main Street Rejuvenation Projects

Agency: Dept. of Housing and Urban Development

The Program: Assists small communities with populations of 50,000 or less and 100 Public Housing units or less in the rejuvenation of historic or traditional central business districts or "Main Street Areas" by replacing unused commercial space in buildings with affordable housing units.

Source: <http://www.hud.gov/mainstreet>

Our Town Initiative

Agency: National Endowment for the Arts

The Program: Our Town grants support creative placemaking that strategically shape the physical and social character of a neighborhood, town, tribe, city, or region around arts and cultural activities. Our Town will invest in creative and innovative projects in which communities, together with their arts and design organizations and artists, seek to: improve quality of life; encourage greater creative activity; foster stronger community identity and a sense of place; and revitalize economic development.

Source: <http://arts.gov/news/news12/Our-Town-announcement.html>

Application: Planning Funding

Planning and Local Technical Assistance Programs

Agency: United States Department of Commerce, Economic Development Administration

The Program: These programs will help communities develop the planning and technical expertise to support communities and regions in their comprehensive, entrepreneurial, and innovation-based economic development efforts. Under the Planning Program, EDA provides assistance to eligible recipients to create regional economic development plans in order to stimulate and guide the economic development efforts of a community or region.

Source: <http://www.grants.gov/search/search.do;jsessionid=kDW2PsLT1zdv3HLW1Bpwx3yQvQbpJPt1XnmTfyM1yGJpBP99tt2gl-757993493?oppld=58876&mode=VIEW>

Strong Cities, Strong Communities Visioning Challenge (SC2)

Agency: United States Department of Commerce, Economic Development Administration

The Program: Funding will support the development and implementation of comprehensive economic development strategic plans. Grant recipients run a local Challenge Competition, inviting multidisciplinary teams to submit proposals for comprehensive economic development strategic plans establishing and promoting a vision and approach to stimulate local economic development.

Source: <http://www.gpo.gov/fdsys/pkg/FR-2011-07-11/pdf/2011-17319.pdf>

Smart Growth Technical Assistance Grants

Agency: United State Environmental Protection Agency

The Program: Annual, competitive solicitation open to state, local, regional, and tribal governments (and non-profits that have partnered with a governmental entity) that want to incorporate smart growth techniques into their future development.

Source: <http://www.epa.gov/dced/sgia.htm>

Sustainable Communities Regional Planning Grants

Agency: United States Department of Housing and Urban Development

The Program: Supports metropolitan and multijurisdictional planning efforts that integrate housing, land use, economic and workforce development, transportation, and infrastructure investments in a manner that empowers jurisdictions to consider the interdependent challenges of: (1) economic competitiveness and revitalization; (2) social equity, inclusion, and access to opportunity; (3) energy use and climate change; and (4) public health and environmental impact in regional plans.

Source: http://portal.hud.gov/hudportal/HUD?src=/program_offices/sustainable_housing_communities/sustainable_communities_regional_planning_grants

Funding in action:

In the early 2000s, Nelsonville, OH (population 5,228, 2010 Census) revitalized their downtown by renovating a turn-of-the-century opera house, which spurred new growth and created what the town considers an “artists’ refuge.” Subsidized creative space is made available to local artists to improve quality of life and create cultural capital.





Funding in action:

Through joint economic development strategies, the towns of Bakersville and Hayesville, NC (combined population 1,056, 2010 Census) were able to expand civic infrastructure and build joint capacity to spur local economic and community development. The two towns also coordinate festival and tourism efforts to maximize local returns.

Types of State Grants & Programs Available for Business & Community Development

The State of Illinois also has various agencies which provide financial assistance for the creation and implementation of economic development plans, most notably the Illinois Department of Commerce and Economic Opportunity (DCEO).

DCEO Programs Supporting Local Development

Advantage Illinois

The Program: As the umbrella program for Illinois' Department of Commerce and Economic Opportunity, this program includes the Capital Access Program (banking institutions are encouraged via use of public resources to provide financing loans to small and new businesses which do not meet traditional lending policies); the Participation Loan Program (five loan programs which include lending to minority/women/disabled/veteran-owned businesses, providing revolving lines of credit, and support the Small Business Administration); the Collateral Support Program (supplements loan collateral to small business and entrepreneurs to increase equity and or loan collateral levels); and the Invest Illinois Venture Fund (a venture capital program designed with the intent to support innovative and creative start-ups that have a high potential for future growth).

Source: <http://www.ildceo.net/dceo/Bureaus/Advantage+Illinois/>

Business Development Public Infrastructure Program (BDPIP)

The Program: 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.

Source: http://www.ilbiz.biz/dceo/Bureaus/Business_Development/Grants/bdPIP.htm

Community Development Assistance Program

The Program: The Community Development Assistance Program (CDAP) is a grant program funded through the U.S. Department of Housing and Urban Development (Community Development Block Grants, or CDBG, at the federal level) that assists Illinois communities by providing grants to local governments to help them in financing economic development projects, public facilities and housing rehabilitation. The program is targeted to assist low-to-moderate income persons by creating job opportunities and improving the quality of their living environment.

Source: http://www.illinoisbiz.biz/dceo/Bureaus/Community_Development/Grants/CDAP.htm

Community Development Assistance Program for Economic Development

The Program: The CDAP- ED program is a federally funded program that is designed to provide grants to units of local government for economic development activities related to business retention and or expansion opportunities. The program is targeted to assist low-to-moderate income people by creating job opportunities and improving the quality of their living environment. Local governments qualifying to receive grant funds can then make these funds available in the form of loans to businesses locating or expanding in their community. A local government may request grant funds of up to \$750,000. Funds may

be used for machinery and equipment, working capital, and building construction and renovation. The local government may also use the grant funds for improvements to public infrastructure that directly support a specific economic development project. Applications may be submitted at any time. Local government entities located in heavily populated metropolitan areas of the state (50,000 or more in population) may receive funding directly from the federal government and therefore, are ineligible for participation through this program.

Source: http://www.illinoisbiz.biz/dceo/Bureaus/Business_Development/Grants/

Community Development Fund

The Program: Part of the state's Neighborhood Recovery Initiative, these funds are available only until depleted. DCEO is partnering with financial institutions with strong small business lending backgrounds to distribute \$5 million in micro loans to start-ups and existing small businesses through the Community Development Fund. **Source:** http://www.illinoisbiz.biz/dceo/Bureaus/Business_Development/Loan+Programs/2-Communitydevelopmentfund.htm

Enterprise Zone Participation Loan Program

The Program: 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.

Source: http://www.ilbiz.biz/dceo/Bureaus/Business_Development/Tax+Assistance/Enterprise-Zone.htm

The state's Enterprise Zone program will be addressed again, below, under Local Programs

DCEO Managed Programs Directly Assisting Businesses

Economic Development for a Growing Economy (EDGE)

The Program: Managed by DCEO, the EDGE program is designed to offer a special tax incentive to encourage companies to locate or expand operations in Illinois when there is active consideration of a competing location in another state. The program can provide tax credits to qualifying companies equal to the amount of state income taxes withheld from the salaries of employees in the newly created jobs. These non-refundable credits can be used against corporate income taxes paid over a period not to exceed 10 years. The project must be an expansion of an existing operation or a new location.

Source: <http://www.illinoisbiz.biz>

High Impact Business Program (HIB)

The Program: This DCEO program is designed to encourage large-scale economic development activities by providing tax incentives. The incentives include both tax exemptions and tax credits for eligible materials to businesses involved in large scale development activities as defined.

Source: <http://www.illinoisbiz.biz>

Funding in action:

Colquitt, GA (population 2,371, 2010 Census) leverages a popular local event to reinvest in the community. Via the local arts council, proceeds from the town's annual *Swamp Gravy* play goes toward the revitalization of the downtown and the renovation of a local mall which features arts, crafts, and antiques vendors to sustain the local tourism economy.

DCEO Programs Directly Supporting Business (Continued)

Funding in action:

Ord, NE (population 2,112, 2010 Census) found success recruiting industrial enterprise through a program of youth outreach, entrepreneurship, leadership development, and philanthropy. According to Nebraska Governor Dave Heineman, Ord exhibited amazing effort to market the community to large business, highlighting the city's four-part approach.

Large Business Development Program (LBDP)

The Program: The LBDP is designed to provide grants to businesses undertaking a major expansion or relocation project that will result in substantial private investment and the creation and/or retention of a large number of jobs in Illinois. Grant eligibility and amounts are determined by the amount of private investment and job creation and/or retention involved. The funds available through the program may be used by large businesses for bondable activities, including the financing of the purchase of land or buildings, building construction or renovation, and certain types of machinery and equipment.

Source: <http://www.illinoisbiz.biz>

Small Business Job Creation tax Credit

The Program: The Illinois Small Business Job Creation Tax Credit Act has been amended to provide tax credits to businesses expanding employment. Small businesses – those with 50 or fewer employees – that hire participants from the “Put Illinois to Work” Program may qualify for the credit.

Source: <http://www.illinoisbiz.biz>

Employer Training Investment Program (ETIP)

The Program: ETIP is a competitive application program for Illinois based manufacturers and service companies to facilitate upgrading the skills of their workers in order to remain current in new technologies and business practices. Participation in the program will enable companies to remain competitive, expand into new markets and introduce more efficient technologies into their operations. ETIP grants may reimburse Illinois companies for up to 50 percent of the eligible cost of training their employees. Grants may be awarded to individual businesses, intermediary organizations operating multi-company training projects and original equipment manufacturers sponsoring multi-company training projects for employees of their Illinois supplier companies. This program has three components. The Competitive Component allows for grants to be awarded to individual companies, as well as to intermediary organizations offering training to meet the common training needs of multiple companies. The Single Company Training Grants allow for individual companies undertaking customized on-site training programs to apply if they are: expanding the business enterprise in Illinois, expanding into new markets, introducing more efficient technologies/continuous improvement systems, expanding exports from Illinois, and providing additional training to employees who will be threatened with layoff. The Multi-Company Training Grants may be provided to interested and qualified intermediary organizations to implement eligible training programs on behalf of

companies participating in the project. The intermediary organization conducts or sponsors the employee training programs, coordinates all grant administrative and training evaluation reporting functions on behalf of the companies in the project. Multi Company applicants can include all of the following: Illinois based business and industry associations, institutions of secondary and higher education, strategic business partnerships, large manufacturers for supplier network companies and labor organizations.

Source: http://www.ildceo.net/dceo/Bureaus/Business_Development/Grants/ETIP.htm



Other Illinois Programs Supporting Local Development

INFRASTRUCTURE

Public Water Supply Loan Program (PWSLP)

The Program: The Public Water Supply Loan Program (PWSLP) provides low interest loans to eligible recipients, primarily local government units, for the construction of community water supply facilities and other facilities that fulfill federal State Revolving Fund (SRF) requirements for a Green Project Reserve. The loan program is managed by the Illinois Environmental Protection Agency and capitalized annually with federal grants and state matching funds. These amounts are supplemented by program repayments that now exceed \$20 million on an annual basis. Loans carry a maximum 20-year term, with interest rates set annually at one-half the bond market rate, and funds are awarded competitively with an annual pre-application deadline of March 31.

Source: <http://www.epa.state.il.us/water/financial-assistance/drinking-water/>

TRANSPORTATION

Illinois Transportation Alternatives Program (ITAP)

The Program: ITAP, which is administered by the Illinois Department of Transportation, provides funding for community based projects that expand travel choices and enhance the transportation experience by improving the cultural, historic, aesthetic and environmental aspects of our transportation infrastructure.

Source: <http://www.dot.state.il.us/opp/itep.html>

Transportation Economic Development Program

The Program: There are several programs provided by the Illinois Department of Transportation that provide state assistance to finance highway, truck access route and rail improvements for new or expanding industrial, distribution or tourism developments. The improvements must be related to the provision of direct access to economic development projects.

Source: <http://www.dot.state.il.us>

Illinois Safe Route to School Program (SRTS)

The Program: The Illinois Safe Routes to School Program (SRTS) is a federally funded program administered by the Illinois Department of Transportation. The Illinois Safe Routes to School (SRTS) Program supports projects and programs that enable and encourage walking and bicycling to and from school. The program applies to schools serving grades Kindergarten through 8th grade.

Source: <http://www.dot.il.gov/saferoutes/SafeRoutesHome.aspx>

QUALITY OF LIFE

Illinois Main Street Program

The Program: The Illinois Main Street program is administered by the Department of Commerce and Economic Opportunity, the Illinois Historic Preservation Agency provides design services, and Lt Governor Sheila Simon serves as ambassador. With this partnership, the Office of Regional Economic Development at DCEO serves as Illinois' state coordinating program and works with Illinois Main Street communities. DCEO staff provides organization, promotion, and economic restructuring services to the local Main Street programs, while IHPA provides design training and support services.

Source: <http://www2.illinois.gov/dceo/mainstreet/Pages/default.aspx>



Funding in action:

Ayden, NC (population 4,862, 2010 Census) has found success revitalizing their downtown. By organizing existing redevelopment efforts, conducting a downtown market survey, and improving street-scapes, the community has seen new business and investment bring their downtown back to life.

Other Illinois Programs Supporting Local Development (Continued)

Funding in action:

Part of the program which generated such success in Branson, MO (population 10,520, 2010 Census) during the late 1990s and early 2000s was a mix of local and state TIF dollars with bond financing. The city recognized the need to expand and diversify the local economy around its tourism assets.

Open Space and Land Acquisition/Development Program (OSLAD)

The Program: The OSLAD Program is a state-financed grant program that provides funding assistance to local government agencies for acquisition and/or development of land for public parks and open space. The federal Land & Water Conservation Fund program (known as both LWCF and LAWCON) is a similar program with similar objectives. Both are managed in Illinois by the Department of Natural Resources with concurrent application due dates, equal grant maximums and similar general rules. Projects vary from small neighborhood parks or tot lots to large community and county parks and nature areas. The state program is financed by a percentage of the state's Real Estate Transfer Tax. The federal program is financed nationally by revenue from OSOD leases. Under both programs, funding assistance up to 50% of approved project costs can be obtained. Grant awards up to \$750,000 are available for acquisition projects, while development/renovation projects are limited to a \$400,000 grant maximum.

Source: <http://www.dnr.state.il.us/ocd/newoslad1.htm>

CAPITAL FINANCING

Illinois Finance Authority (IFA)

The Program: IFA can providing financing through both taxable and tax-exempt bonds, making loans and investing capital for businesses, non-profit corporations, agriculture and local units of government statewide. Financing is done through Industrial Revenue Bonds, a Participation Loan Program, a Rural Development Loan Program, and a State Guarantee Program for agri-industries.

Source: www.il-fa.com

Central Illinois Economic Development Authority (CIEDA)

The Program: Like the other nine regional economic development authorities in the state, it provides a development financing tool as it is authorized — with the written approval of the Governor — to issue up to \$250 million in taxable and tax-exempt bonds for the purpose of developing, constructing, acquiring or improving properties of facilities for businesses, and some other public and not-for-profit entities locating or expanding within the territorial jurisdiction of the Authority. CIEDA covers an 11 county area which includes Sangamon County.

Source: <http://cieda.vainstudios.com> and <http://www.cieda.biz/>

Local Development Tools Available to Municipalities

Aside from Federal and State funding opportunities, communities also have a toolbox of financing tools they may choose to deploy to finance economic development project as well. The application of these tools can range from providing matching grants to improve private buildings and infrastructure to loans for development or redevelopment and everything in between.

Tax Increment Financing

The Tool: As a State-sanctioned program, TIF provides for improvements or development in a designated area from future increases in property taxes based on the improvements/development made. TIF funds can be used in support of new development or the rehabilitation of existing buildings, including: land acquisition; site preparation; building rehabilitation; public improvements; interest subsidies; workforce training; affordable housing; daycare facilities and operation.

Source: <http://www.illinoisbiz.biz> or www.itia.com

Enterprise Zones

The Tool: An Enterprise Zone is a specific geographic area in a municipality or county designated by the State of Illinois to receive tax incentives and other benefits in order to stimulate economic activity and revitalize the area. Along with any property tax benefits that the relevant local taxing bodies might provide, qualified businesses located in an Enterprise Zone and meeting certain development thresholds may be eligible to receive various state incentives, including Investment Tax Credits, Jobs Tax Credits, a Building Materials Sales tax exemption, a Machinery and Equipment/Pollution Control Facilities Sales Tax exemption, exemption from the state tax on gas and electricity as well as administrative charges, exemption from the real estate transfer tax, and low interest loans.

Source: <http://www.illinoisbiz.biz>

Business Improvement Districts (BID)

The Tool: BID programs provide funding for a wide range of area improvements from the addition of small tax increases to existing sales (or hotel, in some cases) taxes. A BID is a special taxing district, established by a municipality, that is authorized to undertake certain public improvements which are to be financed through the issuance of notes or bonds that are retired by the levy of a sales tax within the geographic boundary of the district. This increased sales tax is limited to no more than 1%, but may be established in lesser quarter percent increments.

Source: <http://www.illinoisbiz.biz>



Special Service Areas (SSA)

The Tool: An SSA is a financing mechanism to establish and support a variety of services, physical improvements, and other activities within a specific geographic area of a municipality. SSAs provide for an additional assessment on properties in a designated area to help finance their improvement or maintenance. As it is an assessment on property, the SSA's boundary must consist of contiguous properties that benefit from the expanded services and improvements. This tool also allows a municipality to provide public services to a portion of its jurisdiction without burdening the entire community with increased debt or operating taxes. SSA is frequently used in support of retail or mixed-use development, or to provide for infrastructure improvements in an area planned for development. Common examples of the types of activities SSAs support include: infrastructure improvements, such as roads, sewers, water lines, streetscape, and parks; public service improvements, such as street maintenance, snow/trash removal, marketing and special events, and leasing support; and, land and building improvements, such as redevelopment, façade improvements, interior rehabilitation, and build-out assistance.

Source: <http://www.illinoisbiz.biz>

*All funding examples drawn from survey conducted by the University of North Carolina, Chapel Hill School of Government, 2006, *Small Towns, Big Ideas: Case Studies in Small Town Community Economic Development*, NC Rural Economic Development Center: Raleigh.

Important Components in Preparing to Apply for Economic Development Financing

As in any situation where an entity is applying for grant funding or loan program financing, there are a number of items that are helpful to have prepared and well-thought out prior to beginning of this process. The first of which is that it is always best to have existing comprehensive or strategic plans in place which show local commitment to the organized and structured development of your community. Typically, economic development plans are housed within community master plans or comprehensive plans, and proof of these documents is often required when it comes to receiving financing for their implementation.



The second issue to keep in mind is that many, if not most, government grants and loan programs are allotted a specific amount of funding. As such, the application process is open to a large pool of applicants and there are strict deadlines to be met if your proposal is to be considered. Relatedly, and as noted previously, many of these programs are available on a cyclical basis; if the application closes before a community is prepared to submit a thorough application, most likely the application will open again within 9-12 months.

Crafting a Solid Grant Proposal

Some applications may include more than a standard form or compilation of documents; grant writing is a tool that many agencies – public or private – can benefit from learning to do well. Here are the basic components of a complete written grant proposal.

First, make sure that you establish credibility in the introduction. Include information that paints a complete picture of the entity you are representing: for municipalities, this could include historical and current information about the community, unique aspects of your community, significant accomplishments, the mission statement or purpose of the economic development plan (or from the communities' comprehensive plan), and so forth. In the current economic climate many municipalities and agencies are applying for the same funding, so it is imperative that your proposal be one that stands out.

Credibility files, which include endorsements from other governmental agencies, private firms, important community figures, or elected officials, are also helpful to have on hand when it comes to writing grant proposals.

The second portion of your grant proposal should outline the reason why you are applying for the funding in the first place. This may be considered a problem statement or a needs assessment. Describe specifically the problem which is the basis for your need. Using facts and statistics can be helpful as well, as they provide tangible support for your request. Avoid adding any data that does not clearly and powerfully support your statement of purpose or need.

The next portion of a grant proposal typically includes the goals and objectives you have for

funding once received. This answers the funder's question about how well their money will be spent by your community. Goals are the end result your community wishes to achieve, while objectives are specifically how those goals will be met.

This segues into the inclusion of your communities methods for achieving those objectives and therefore your overall goals. The methods portion of your grant proposal should be detailed, realistic, and achievable; this shows the funder that you are prepared and have fully considered the problem your community faces and how best to address that problem. Demonstrate your knowledge and research of your community's problem by outlining what methods have been used in the past and what those results were. In terms of language, use purposeful language such as "will" or "shall," while avoiding more ambiguous terms like "might," "if," "could," "should," or "would."

At this point in your grant proposal, a timeline of the project and how the funding will be allocated within your project scope should be included. Include the task, the activities required to accomplish the task, when the task should be completed, and how much completing that task may cost. This assures the funder, again, that your proposal and your approach to solving your communities problem is well-formed and worth funding.

The next section of your grant proposal is the way in which you will evaluate the success of whatever program you are proposing. Funding agencies want their money to be well spent and culminate in successful projects; this is your opportunity to show that your community will have an evaluation tool in place to continually support the success of your proposal. In terms of implementing economic development plans, this should be a rather straightforward portion of your proposal; for example, if your community needs \$1million for infrastructure improvements, the evaluation component would focus around the successful, on-time, on-budget completion of the improvement in question.

Sometimes the most daunting part of crafting a grant proposal is creating and outlining the budget for your project. Be sure to be thorough, note all expenditures, the total budget, and specifically the request being made from the funding agency for that specific budget item. Make sure that your budget is truly reflective of your goals and objectives as well as the methods and timeline you are using to achieve them. Take into account any volunteer time or donations that will affect your projects' bottom line.

Finally, be sure to create a clear, concise, and specific summary statement. As this section is read first by many agencies, it is imperative that this section include all the basic information the funding agency needs and wants to know. Be sure to have: who you are; your problem; your methods, concisely; your timeline; your location; the total cost of the project and the total amount you are requesting; and finally, how much time and money you have already invested in the project and intend to invest. This is not only a clear summary of everything you have already said in your proposal, but must also stand alone in terms of content.

In sum, be thorough, creative, and concise with your grant proposal. This is your community's chance to sell yourself the best you can and convince a funder that they should choose to engage your project. Make sure to research the program and funding agency completely and tailor your grant proposal accordingly. Prove that you have done all your homework and are the best candidate for the grant monies.



Springfield-Sangamon County
Regional Planning Commission
Room 212
200 South 9th Street
Springfield, Illinois 62701-1629

Phone: 217-535-3110
Fax: 217-535-3111
E-mail: sscrpc@co.sangamon.il.us



Regularly Scheduled Events:

- The Springfield-Sangamon County Regional Planning Commission meets in the Sangamon County Board Chamber at 9:30 AM on the third Wednesday of each month unless otherwise posted.
- The Springfield Area Transportation Study Technical Committee meets in Room 212 of the County Building at 8:30 AM on the first Thursday of each month, with the Policy Committee meeting at noon on the following Thursday, unless otherwise posted.
- The Sangamon County Historic Preservation Commission will meet in Room 212 of the County Building at 4:00PM on the first Wednesday of every month unless otherwise posted.

A complete schedule of SSCRPC events is maintained on the Commission's website.

ANY SSCRPC DOCUMENTS NOTED IN THIS *TrendLines*, AS WELL AS OTHER ANALYTIC WORK ON CURRENT TOPICS OF INTEREST, ARE AVAILABLE ON THE COMMISSION'S WEBSITE.



About the Springfield-Sangamon County Regional Planning Commission

The Springfield-Sangamon County Regional Planning Commission (SSCRPC) is the joint planning body for the City of Springfield and Sangamon County. Along with its on-going responsibility to these two bodies, the Commission works with many other municipalities, public agencies, public-private entities and not-for-profits throughout the region to promote orderly growth and development.

The Commission that oversees this work is made up of 17 members, including representatives from the Sangamon County Board, Springfield City Council, various special units of government, and six citizens appointed by the City of Springfield and the County.

Through the work of its professional staff, the Commission provides overall planning services related to land use, housing, recreation, transportation, economic development and redevelopment, and the environment, as well as special projects of local and regional interest. In carrying out these tasks, the SSCRPC conducts numerous research studies, analytic reviews and planning projects each year, all of which are made available on its website.

The SSCRPC also prepares area-wide planning documents and assists the County, cities, and villages, as well as special districts, with planning activities. In addition, the staff reviews all proposed subdivisions, makes recommendations on all Springfield and County zoning and

variance requests, and serves as the Floodplain Administrator.

As it's name implies, it acts in many regional capacities. For example serving as the Metropolitan Planning Organization for transportation planning, directing the development of the Sangamon Regional Comprehensive Plan, providing assistance to the Citizens Efficiency Commission established by county-wide referendum in 2010, and serving as the A-95 review clearinghouse for the region.

The Commission's Executive Director is appointed by the Executive Policy Board of the Commission and confirmed by the Sangamon County board. He also serves as County Plats Officer and oversees the County's Department of Zoning.