



# ENTERPRISE ZONE

*River Edge Redevelopment Zone and High Impact  
Business Tax Incentives*

ANNUAL REPORT 2016



**Illinois**  
**Department of Commerce  
& Economic Opportunity**  
Bruce Rauner, Governor

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## Illinois Department of Commerce & Economic Opportunity

Bruce Rauner, Governor

November 3, 2017

Dear Members of the General Assembly:

The enclosed information fulfills the statutory directive that the Department of Commerce and Economic Opportunity ("DCEO") report annually to the members of the Illinois General Assembly an evaluation of the effectiveness of the Illinois Enterprise Zone program. This report provides the most up-to-date and accurate information available to DCEO and DOR and thus provides a comprehensive evaluation of the Enterprise Zone Program.

The purpose of the Enterprise Zone Program is to stimulate business and industrial growth, retention in depressed areas and neighborhood revitalization in such areas at the local level through state and local tax incentives, regulatory relief and improved government services. Pursuant to recent changes to the Illinois Enterprise Zone Act, this is the fourth annual program report to include data collected by the Illinois Department of Revenue.

Enterprise Zone designation is an important determinant of a business' decision to locate or expand in Illinois. This report demonstrates the Enterprise Zone program continues to be one of the State's successful investment and job creation tools. The Department continues to work with the Department of Revenue and various stakeholders to improve the reporting procedures for Enterprise Zones to improve the quality of the metrics demonstrating the efficacy of this program.

Sincerely,

A handwritten signature in black ink that reads "Sean McCarthy".

Sean McCarthy  
Sean McCarthy, Acting Director

# Description of the Enterprise Zone Program

## OVERVIEW

The Illinois Enterprise Zone Act, 20 ILCS 655/1, *et seq.* (the "Act"), was signed into law December 7, 1982. The purpose of the Act is to stimulate economic growth and neighborhood revitalization at the local level. This is accomplished through state and local tax incentives, regulatory relief, and improved government services. In accordance with the Act, the Department of Commerce and Economic Opportunity ("DCEO" or the "Department") is authorized to designate a total of 97 enterprise zones statewide. Pursuant to the most recent amendments to the Act, applicants must satisfy certain statutory criteria as part of the application process. DCEO reviews the application based on the scoring system set forth in the Act, and then submits its recommendations to the Enterprise Zone Board to review and either approve or deny such applications. The Department certifies zones, based on the review and approval of the Enterprise Zone Board.

## 2016 HIGHLIGHTS

During 2016, the Enterprise Zone Board convened under the Act in order to review and approve or deny applicants for enterprise zone designation. DCEO received 12 applications for designation in the 2016 round, of which 6 were approved for designation by the Board on or about September 4, 2016. DCEO certified these zone in 2016 to become effective on January 1, 2017, which were designated for an initial fifteen (15) years, with the possibility of a ten (10) year extension based on the Enterprise Zone Board's determination. DCEO received twelve (12) applications for the six (6) zones potentially available for designation in 2017 by December 31, 2016.

## THE REPORT

The following report identifies the guidelines, accomplishments and statistical information of the Illinois Enterprise Zone program, including information reported to the Department of Revenue by businesses located within existing enterprise zones.

# Benefits of the Enterprise Zone Program

## STATE INCENTIVES

The Illinois Enterprise Zone program offers numerous state incentives to encourage companies to locate or expand in enterprise zones. Currently, the following incentives are available:

### TAX CREDITS

- **Enterprise Zone Investment Tax Credit** – A state investment tax credit of one-half percent (0.5%) is allowed a taxpayer who invests in Qualified Property in a zone. Qualified Property includes machinery, equipment and buildings. The credit may be carried forward for up to five (5) years. This credit is in addition to the regular one-half percent (0.5%) investment tax credit which is available throughout the State as well as a one-half percent (0.5%) credit for businesses that increase their employment in Illinois by one percent (1.0%) over the preceding year.

### TAX INCENTIVES

- **Sales Tax Exemption** – A six-and-one-quarter percent (6.25%) state sales tax exemption is permitted on building materials to be incorporated into real estate located within an enterprise zone established by a county or municipality under the Act. Receipts for materials used for remodeling, rehabilitation or new construction may be deducted from such sales when calculating the tax imposed. For purposes of this exemption, "qualified sale" means a sale of building materials that will be incorporated into real estate as part of a building project for which a Certificate of Eligibility for Sales Tax Exemption has been issued by the administrator of the enterprise zone in which the building project is located. To document the exemption allowed, the retailer must obtain from the purchaser a copy of the Certificate of Eligibility for Sales Tax Exemption issued by the administrator of the enterprise zone into which the building materials will be incorporated.
- **Enterprise Zone Utility Tax Exemption** – A state utility tax exemption on gas, electricity and the Illinois Commerce Commission's administrative charge and telecommunication excise tax is available to businesses located in enterprise zones. Eligibility for this exemption is contingent upon one of the following scenarios: (a) a business making a \$5 million minimum investment that causes the creation of not less than 200 full-time equivalent jobs in Illinois, (b) a minimum investment of \$175 million that causes the creation of not less than 150 new full-time equivalent jobs in Illinois, or (c) a minimum investment of \$20 million that causes the retention of not less than 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 make application to and be certified by the Department in order to receive the state utility tax exemption. The Department also has the authority to determine the term of the exemption. Local units of government may further exempt their public utility taxes on gas, electricity and water for eligible businesses.

- **Enterprise Zone Machinery and Equipment/Pollution Control Facilities Sales Tax Exemption** – A six-and-one-quarter percent (6.25%) state sales tax exemption is available on 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 one of the following scenarios: (a) a business making a \$5 million minimum investment that causes the creation of not less than 200 full-time equivalent jobs in Illinois, (b) a minimum investment of \$40 million that causes the retention of not less than 2,000 full-time jobs in Illinois, or (c) a minimum investment of \$40 million that causes the retention of at least 90% of the jobs in place on the date on which the exemption is granted for the duration of the exemption. The majority of the jobs created or retained must be located in the enterprise zone in which the investment occurs. A business must make application to and be certified by the Department in order to receive this exemption. The Department also has the authority to determine the length of the exemption. This exemption shall not be allowed beyond the term of the certified enterprise zone.

The exemption applies 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;
- Coolants, adhesives, solvents or cleaning compounds used to maintain, repair or operate machinery and equipment;
- Manufacturing fuels;
- Protective clothing and safety equipment; and
- Fuels, chemicals and catalysts used in the operation of pollution control facilities.

## LOCAL INCENTIVES

Local governments may provide a variety of local incentives to further encourage economic growth and investment in enterprise zones. The incentives offered are determined by the local governments. The following list is not inclusive, but serves as an example of the most common local enterprise zone incentives offered:

- Abatement of property taxes on new improvements;
- Homesteading and Shopsteading programs;
- Waiver of business licensing and permit fees;
- Streamlined building code and zoning requirements; and
- Special local financing programs and other resources.





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CONSTANCE BEARD  
Director

BRUCE RAUNER  
Governor

August 1, 2017

Sean McCarthy, Director  
Illinois Department of Commerce and  
Economic Opportunity  
James R. Thompson Center  
100 W. Randolph Street, Suite 3-400  
Chicago, IL 60601

Dear Director McCarthy:

In accordance with section 8.1(d) of the Illinois Enterprise Zone Act, *20 ILCS 655/8.1(d)*, I am enclosing the Illinois Department of Revenue's (IDOR) 2017 Report on Enterprise Zone, River Edge Redevelopment Zone (RERZ) and High Impact Business Tax Incentives. The report details the tax incentives, job creation and capital investment data for calendar year 2016, disclosed to IDOR by those receiving the tax incentives, along with additional reports submitted by purchasers of building materials for eligible projects and by utility service providers.

**Methodology**

The data in this report was gathered from several sources statutorily required to provide information to IDOR.

Section 8.1(a) of the Illinois Enterprise Zone Act requires businesses that "receive[d] tax incentives due to [their] location within an Enterprise Zone," and entities designated as High Impact Businesses by the Department of Commerce and Economic Opportunity, to detail the tax incentives they received in 2016 and provide certain job creation and capital investment data. *20 ILCS 655/8.1(a)*. Six hundred sixty-four businesses located in an Enterprise Zone, and seven High Impact Businesses, filed reports. Each report disclosed "the total Enterprise Zone or High Impact Business tax benefits received by the business broken down by incentive category and enterprise zone."<sup>1</sup> *Id.* Each report also disclosed "job creation, retention and capital investment numbers within the zone." *20 ILCS 655/8.1(c)*.

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<sup>1</sup> The incentive categories include: sales tax, see *35 ILCS 120/5k, 5(l) (2012), 35 ILCS 120/1(e), 1(j) (2012)*; utility tax, *35 ILCS 173/5-50 (2012), 220 ILCS 5/9-222, 9-222.1 (2012)*; income tax, *35 ILCS 5/201(f) (2012)*, and property tax, *35 ILCS 200/18-170 (2012)*.

Section 10-10.2(a) and 10-10.2(c) of the River Edge Redevelopment Zone Act, *65 ILCS 115/10-10.2(a), 10-10.2(c)*, requires identical reports from those businesses receiving tax incentives because of their location in a RERZ. Eleven businesses filed RERZ reports.

Section 8.1(a-5) of the Illinois Enterprise Zone Act requires any “contractor or other entity that has been issued an Enterprise Zone Building Materials Exemption Certificate” to report the total value of tax exempt building materials purchased using the certificate. Section 10-10.2(a-5) of the River Edge Redevelopment Zone Act requires identical reports from contractors issued an RERZ exemption certificate. The statutory amendment requiring reporting from holders of building materials exemption certificates took effect in 2013. This report reflects exempt building material purchases which were separately reported by the purchasers under section 8.1(a-5). The Department received 2,723 reports last year. In 2017, the Department received reports from 2,755 holders of building material exemption certificates. This increase in reporting reflects our efforts to communicate with exemption certificate holders about the consequences of non-compliance with the law.

Businesses located in an Enterprise Zone, and High Impact Businesses, are exempt from the Illinois Gas Revenue Tax, Electricity Excise Tax, and the Telecommunications Excise Tax. *220 ILCS 5/9-222, 5/9-222.1A*. Section 8.1(b) of the Illinois Enterprise Zone Act requires providers of utility services to “itemize the amount of the deduction taken under [each utility tax] act due to the location of a business in an Enterprise Zone or its designation as a High Impact Business.” *20 ILCS 655/8.1(b)*. Section 10-10.2(b) of the River Edge Redevelopment Zone Act requires utility providers to report the same data for businesses located in any of the State’s five RERZs. *65 ILCS 115/10-10.2(b)*. IDOR received eighteen reports from providers of utility services.

In summary, the data in this report was derived from the mandatory business reports submitted under section 8.1(a) and 8.1(a-5) of the Enterprise Zone Act and 10-10.2(a) and 10.2(a-5) of the River Edge Redevelopment Zone Act. IDOR staff checked this data against other available sources of information, including reports submitted by utilities and purchasers of building materials for eligible projects. Reports were submitted electronically February through June of 2017. Data was requested for the 2016 calendar year.

### **Limitations**

This 2017 report is the fifth provided under the 2012 amendments to the Enterprise Zone Act. Some of the data submitted to IDOR – such as the identity of those purchasing building materials, the value of tax-exempt building materials, the value of property tax abatements in Enterprise Zones, and the value of the Gas Use Tax exemptions – was not available previously from any source. Some of the self-reported data could not be reliably confirmed through independent investigation. Consequently, IDOR could not confirm the completeness or accuracy of all of the tax expenditures reported.

IDOR expects compliance levels and verification procedures to improve going forward as more businesses and administrators learn of the reporting requirements, create internal compliance procedures, and seek to avoid penalties for noncompliance. *20 ILCS 655/8.1(a); 65 ILCS 115/10-10.2(a)*. Similarly, the State’s ability to secure accurate data will improve because of comparisons to historic reporting, the development of new procedures to improve the quality of submissions, and the State’s ability to verify those submissions.



## Summary of Data

This report details the costs to the State of the tax incentives provided to High Impact Businesses and businesses located in Enterprise Zones and River Edge Redevelopment Zones. It also includes property tax abatement data reported by recipients of such abatements that are located either in an Enterprise Zone or are a High Impact Business. This report does not calculate the value of exemptions from local sales tax or the local portion of State sales tax because local costs vary based on factors specific to each local taxing jurisdiction.

In 2016, Enterprise Zone, High Impact Business, and River Edge Redevelopment Zone tax incentives resulted in the State foregoing approximately \$112.3 million in tax revenue. The two largest components of these tax expenditures were the exemption from sales tax on the purchase of production-related tangible personal property (expanded machinery and equipment), and the sales tax exemption on building materials, accounting for approximately 53.59% of the total State tax expenditures. The value of the building materials exemption in lost sales tax to the State was approximately \$45.87 million, while the reported value of lost sales tax for the expanded machinery and equipment exemption was \$14.3 million.

In the aggregate, businesses receiving tax incentives reported a net job gain of 967 while investing approximately \$1.02 billion in 2016. However, one year or several year's data does not tell the story of success or failure of any individual Enterprise Zone. Zones have a 15 year life and should not be evaluated based on a one year snapshot of activity.

The value of all exemptions, broken down by exemption category and by Enterprise Zone is included on the table contained in this report. Investment and jobs data reported to IDOR also is provided in the attached tables, broken down by Enterprise Zone. Exemption and job creation data for High Impact Businesses are reported in the aggregate to comply with the requirements of section 8.1(d) of the Illinois Enterprise Zone Act. The report also includes charts breaking down the total tax expenditures by category and by geographic region.

## Conclusion

The submission of this report fulfills IDOR's duty under section 8.1(d) of the Illinois Enterprise Zone Act, *20 ILCS 655/8.1(d) (2012)*. Reporting on 2017 tax incentives, job creation and investment will begin in January 2018. A report will be produced and provided to DCEO no later than August 1, 2018.

Sincerely,



Connie Beard, Director  
Illinois Department of Revenue

## Enterprise Zone Incentive Reporting 2016 - Tax Expenditures (all \$ in thousands)

Zone Name	Sales Tax				Utility Tax			Income Tax	Total State Tax Expenditures	Net Property Taxes
	Building Materials	M&E Manufact.	Pollution Control	Other Sales Tax	Telecom	Natural Gas	Electricity	Invest. Credit		
<b>Total</b>	<b>40,995</b>	<b>14,315</b>	<b>2,813</b>	<b>84</b>	<b>3,375</b>	<b>6,858</b>	<b>18,775</b>	<b>18,348</b>	<b>102,863</b>	<b>18,144</b>
Alexander/Pulaski County	0	0	0	0	0	0	0	0	0	0
Altamont	92	0	0	0	0	0	0	0	0	81
American Bottoms	888	0	0	0	0	0	0	28	0	0
Bartonville/Bellevue/Peoria County	37	0	0	0	0	0	0	2	1,367	0
Beardstown	0	0	0	0	0	0	0	0	0	0
Bedford Park	84	0	0	0	0	0	0	305	390	0
Belleville	97	0	0	0	0	0	0	8	0	0
Belvidere/Boone County	929	0	0	0	0	0	0	123	1,274	0
Bensenville	0	0	0	0	0	0	0	0	0	0
Benton/Franklin County	2	0	0	0	0	0	0	0	0	2,322
Bloomington/Normal/McLean County	296	0	0	0	0	0	0	0	378	0
Bureau/Putnam County	188	0	0	0	0	0	0	142	552	0
Cairo/Alexander County	0	0	0	0	0	0	0	0	0	0
Cal-Sag	189	0	0	0	0	0	0	23	216	0
Calumet Region	5	0	0	0	0	0	0	10	495	0
Canton/Fulton County	0	0	0	0	0	0	0	0	147	0
Carmi/White County	327	0	0	0	0	0	0	38	418	0
Centralia Area	60	0	0	0	0	0	0	5	0	45
Champaign/Champaign County	418	0	0	0	0	0	0	286	1,148	0
Chicago Heights	0	0	0	0	0	0	0	87	1,080	0
Chicago I	2,183	371	0	0	0	0	0	522	3,077	0
Chicago II	632	0	0	0	0	0	0	101	1,320	0
Chicago III	6	0	0	0	0	0	0	805	2,913	0
Chicago IV	5,546	550	0	0	0	0	0	272	6,908	0
Chicago V	305	0	0	0	0	0	0	226	650	0
Chicago VI	250	0	0	0	0	0	0	47	360	0
Cicero	5	0	0	0	0	0	0	124	129	0
Clark County	277	0	0	0	0	0	0	8	0	3
Clinton County	44	0	0	0	0	0	0	0	312	0
Coles County	14	0	0	0	0	0	0	14	0	0
Danville/Tilton/Vermilion County	13	0	0	0	0	0	0	17	257	0
Decatur/Macon County	574	0	0	0	0	0	0	1,189	6,866	0
DeKalb County	59	0	0	0	0	0	0	17	76	0
Des Plaines River Valley	493	0	0	0	0	0	0	1,775	3,740	0
Diamond	0	0	0	0	0	0	0	0	0	0
East Peoria	49	0	0	0	0	0	0	9	58	0
East St. Louis Area	0	0	0	0	0	0	0	0	0	0
Edgar County/Paris	0	0	0	0	0	0	0	0	415	0
Effingham/Effingham County	316	0	0	0	0	0	0	419	747	0
Elgin	0	0	0	0	0	0	0	14	14	0
Fairfield/Wayne County	20	0	0	0	0	0	0	33	53	0
Fairmont City/Caseyville	39	0	0	0	0	0	0	0	42	0
Fairview Heights	0	0	0	0	0	0	0	0	12	0
Flora/Clay County	86	0	0	0	0	0	0	9	113	0
Ford Heights/Sauk Village	165	0	0	0	0	0	0	0	170	0
Franklin Park	2,150	0	0	0	0	0	0	0	0	0
Freeport/Stephenson County	364	0	0	0	0	0	0	177	729	0
Galesburg	28	0	0	0	0	0	0	68	109	33
Gateway Commerce Center	1,997	0	0	0	0	0	0	0	0	5,409
Greenville/Smithboro	17	0	0	0	0	0	0	0	0	0
Harvard/Woodstock	22	0	0	0	0	0	0	0	24	0
Harvey/Phoenix/Hazel Crest	3	0	0	0	0	0	0	22	24	0
Hodgkins/McCook	404	0	0	0	0	0	0	303	708	0
Hoffman Estates	98	0	0	0	0	0	0	0	1,469	0
Illinois Valley	236	0	0	0	0	0	0	16	252	0
Jackson County	1,290	0	0	0	0	0	0	284	0	84
Jacksonville/Morgan County	117	0	0	0	0	0	0	0	588	0
Jo-Carroll	0	0	0	0	0	0	0	0	0	50
Joliet Arsenal	3,559	0	0	0	0	0	0	815	5,281	0
Kankakee County	140	0	0	0	0	0	0	0	148	0
Kankakee River Valley	385	0	0	0	0	0	0	271	1,063	0
Kewanee	22	0	0	0	0	0	0	2	24	0
Lawrenceville/Lawrence County	155	0	0	0	0	0	0	7	0	0
Lee County/Ogle County	1,760	0	0	0	0	0	0	1,282	4,271	0
Lincoln/Elkhart/Logan Co.	103	0	0	0	0	0	0	6	109	26
Loves Park/Machesney Park	16	0	0	0	0	0	0	0	16	0
Macomb/Bushnell	28	0	0	0	0	0	0	0	55	415
Macoupin County	0	0	0	0	0	0	0	0	0	0
Madison County/Discovery	82	0	0	0	0	0	0	0	120	0
Marshall County/Stark County	0	0	0	0	0	0	0	0	0	0
Massac County	408	0	0	0	0	0	0	5	414	0
Maywood	0	0	0	0	0	0	0	6	6	0
McLeansboro/Hamilton County	94	0	0	0	0	0	0	0	0	0
Mendota/Lasalle County	0	0	0	0	0	0	0	2	2	0
MidAmerica St. Clair County	1,157	0	0	0	0	0	0	0	0	0
Monmouth/Warren County	93	0	0	0	0	0	0	31	905	0
Montgomery County	256	0	0	0	0	0	0	105	361	0

## Enterprise Zone Incentive Reporting 2016 - Tax Expenditures (all \$ in thousands)

Zone Name:	Sales Tax				Utility Taxes			Income Tax	Total State Tax Expenditures <sup>1</sup>	Net Property Taxes
	Building Materials	M&E Manufact.	Pollution Control	Other Sales Tax <sup>2</sup>	Telecom	Natural Gas <sup>3</sup>	Electricity	Invest. Credit		
<b>Total</b>	<b>40,095</b>	<b>14,315</b>	<b>2,813</b>	<b>84</b>	<b>3,375</b>	<b>6,858</b>	<b>18,775</b>	<b>16,348</b>	<b>102,663</b>	<b>18,144</b>
Morton	30	0	0	0	0	0	0	0	51	0
Mound City/Pulaski City/Mounds	0	0	0	0	0	0	0	0	0	0
Mt. Carmel/Wabash County	0	0	0	0	0	0	0	0	0	0
Mt. Vernon/Waltonville	403	0	0	0	0	0	0	9	413	0
Nashville/Washington County	1,432	117	0	0	0	0	0	24	3,373	0
Northern Tazewell County	304	0	0	0	0	0	0	239	2,251	0
Olney/Newton/Jasper County/Richland County	278	0	0	0	0	0	0	39	317	0
Ottawa/Lasalle County/Grundy Co.	413	0	0	0	0	0	0	117	0	0
Peoria Urban	414	454	0	0	0	412	1,161	1,006	4,111	224
Perry	60	0	0	0	0	0	0	13	0	0
Quad Cities	700	0	0	0	0	0	0	393	2,203	0
Quincy/Adams/Brown County	525	0	0	0	0	0	0	116	1,598	0
Rantoul	77	0	0	0	0	0	0	2	78	0
Riverbend	378	0	0	0	0	0	0	602	10,201	0
Robinson/Crawford County	49	0	0	0	0	0	0	723	4,784	0
Rock Island	70	0	0	0	0	0	0	74	0	0
Rockford	129	0	0	0	0	0	0	146	284	0
Rockford I-90	0	0	0	0	0	0	0	0	0	0
Salem/Marion County	24	0	0	0	0	0	0	0	0	0
Saline County	123	0	0	0	0	0	0	130	0	11
South										
Beloit/Rockton/Winnebago County	0	0	0	0	0	0	0	0	0	0
Southern Tazewell County	1,301	0	0	0	0	0	0	85	1,944	0
Southwest Madison County	127	0	0	0	0	0	0	136	1,102	0
Springfield/Sangamon County	152	0	0	0	0	0	0	29	181	0
Streator Area	65	0	0	0	0	0	0	13	78	857
Summit/Bedford Park	16	0	0	0	0	0	0	40	363	0
Taylorville/Christian County	0	0	0	0	0	0	0	0	187	0
Upper Illinois River Valley Development Authority	0	0	0	0	0	0	0	0	0	0
Urbana	54	0	0	0	0	0	0	7	233	0
Vandalia/Fayette County/Brownstown	7	0	0	0	0	0	0	3	0	0
Washington	9	0	0	0	0	0	0	79	0	0
Waukegan/North Chicago	246	0	0	0	0	0	0	29	0	0
West Frankfort	0	0	0	0	0	0	0	2	2	0
Western Illinois Economic Development Authority	2	0	0	0	0	0	0	0	7	0
Whiteside County/Carroll County	305	0	0	0	0	0	0	121	2,303	0
Will/Cook County	1,793	0	0	0	0	0	0	314	0	0
Williamson County	161	0	0	0	0	0	0	14	196	157
<b>Total</b>	<b>40,095</b>	<b>14,315</b>	<b>2,813</b>	<b>84</b>	<b>3,375</b>	<b>6,858</b>	<b>18,775</b>	<b>16,348</b>	<b>102,663</b>	<b>18,144</b>

- Information withheld to protect taxpayer confidentiality as the number of taxpayers is below our disclosure threshold.
  - Total State Tax Expenditures quantify the reduction in tax revenue that would otherwise accrue to the state.
  - Net Property Tax is the property tax abatement received by a business from local governments, net of any payments made in lieu of taxation to local governments.
  - The Illinois Enterprise Zone Map, and contact information for the administrator of each zone, can be found on the Illinois Department of Commerce and Economic Opportunity (DCEO) website at: <http://www.illinois.gov/dceo/ExpandRelocate/Incentives/taxassistance/Pages/EnterpriseZone.aspx>
  - Other Sales Tax incentives include exemptions for High Impact Service Facilities, High Impact Service Facility Jet Fuel, Aircraft Maintenance Facility Expanded Machinery and Equipment, Graphic Arts Expanded Machinery and Equipment, and Aircraft Maintenance Facility Designated Tangible Personal Property
- \* The natural gas exemption includes the value of the exemptions from the Natural Gas Revenue Tax and the Natural Gas Use Tax.

	Building Materials	M&E Manuf.	Pollution Control	Other Sales Tax <sup>2</sup>	Telecom	Natural Gas <sup>3</sup>	Electricity	Investment Credit	Total State Tax Expend <sup>4</sup>	Net Property Tax <sup>5</sup>	Jobs Created/ Lost	Jobs Retained	Capital Investment
2016	40,095	14,315	2,813	84	3,375	6,858	18,775	16,348	102,663	18,144	2,131	44,794	990,909
2015	38,607	18,151	2,000	120	3,679	9,379	16,353	12,466	100,754	9,101	(3,342)	52,406	939,231
2014	18,789	22,158	2,324	10	3,669	17,998	17,830	16,656	99,434	20,155	485	60,700	1,881,288
2013	18,753	25,208	2,563	167	3,819	17,301	22,957	21,260	112,054	15,093	4,973	84,217	4,012,708
2012	23,782	18,608	2,250	1	3,643	13,929	23,573	17,307	103,093	8,426	4,671	54,401	3,225,149
					2016	2015	2014	2013	2012				
Number of Businesses Reporting					664	639	969	676	526				
Number of BMEC Holders Reporting:					2755	2,723	1,359	1,138	n/a				

**Enterprise Zone Incentives Reporting 2016 - Jobs and Investment (all \$ in thousands)**

Zone Name <sup>1</sup>	Total State Tax Expenditures <sup>4</sup>	2016 Employments	Jobs Created/Lost	Jobs Retained <sup>7</sup>	Capital Investments
<b>Total</b>	<b>102,663</b>	<b>93,033</b>	<b>2,131</b>	<b>44,794</b>	<b>990,909</b>
Alexander/Pulaski County	*	0	0	0	0
Altamont	*	0	0	0	0
American Bottoms	*	188	67	0	1,161
Bartonville/Bellevue/Peoria County	1,367	0	0	0	0
Beardstown	*	0	0	0	0
Bedford Park	390	704	296	0	170
Belleville	*	169	0	66	7
Belvidere/Boone County	1,274	309	19	27	5,956
Bensenville	*	9	-1	0	4
Benton/Franklin County	*	424	1	377	0
Bloomington/Normal/McLean County	378	311	-194	6	2,364
Bureau/Putnam County	552	1,102	57	0	6,887
Cairo/Alexander County	*	0	0	0	0
Cal-Sag	216	501	379	52	320
Calumet Region	495	667	-14	458	65,963
Canton/Fulton County	147	6	-1	6	0
Carmi/White County	418	50	-277	5	407
Centralia Area	*	368	172	196	5,383
Champaign/Champaign County	1,148	1,256	160	200	21,720
Chicago Heights	1,080	1,781	-309	1,762	762
Chicago I	3,077	363	66	178	9,661
Chicago II	1,320	619	130	65	3,114
Chicago III	2,913	5,884	776	4,615	3,310
Chicago IV	6,908	4,846	117	2,714	15,484
Chicago V	650	906	295	385	4,694
Chicago VI	360	550	24	106	84
Cicero	129	739	357	41	588
Clark County	*	169	10	2	1,445
Clinton County	312	173	159	14	10
Coles County	*	766	47	93	181
Danville/Tilton/Vermilion County	257	319	-8	216	2,567
Decatur/Macon County	6,866	7,618	21	6,813	4,659
DeKalb County	76	351	336	0	3,315
Des Plaines River Valley	3,740	1,151	188	815	19,897
Diamond	0	0	0	0	0
East Peoria	58	66	8	58	26
East St. Louis Area	*	0	0	0	0
Edgar County/Paris	415	166	166	0	14
Effingham/Effingham County	747	1,277	-77	735	2,622
Elgin	14	0	0	0	0
Fairfield/Wayne County	53	148	-1	0	272
Fairmont City/Caseville	42	5	4	1	250
Fairview Heights	12	101	0	101	31
Flora/Clay County	113	267	3	129	0
Ford Heights/Sauk Village	170	0	0	0	0
Franklin Park	*	10	-1	0	1,270
Freeport/Stephenson County	729	722	87	306	33,213
Galesburg	109	106	-11	43	362
Gateway Commerce Center	*	409	35	253	0
Greenville/Smithboro	*	0	0	0	0
Harvard/Woodstock	24	436	407	0	248
Harvey/Phoenix/Hazel Crest	24	0	0	0	335
Hodgkins/McCook	708	717	-15	0	14,626
Hoffman Estates	1,469	4,361	-752	3,730	0
Illinois Valley	252	496	14	141	36,434
Jackson County	*	600	221	85	21,164
Jacksonville/Morgan County	588	1,124	34	1,020	7,720
Jo-Carroll	*	5	0	1	0
Joliet Arsenal	5,281	1,680	-115	0	2,073
Kankakee County	148	25	-1	0	10
Kankakee River Valley	1,063	2,424	176	1,463	64,894
Kewanee	24	293	5	62	5,238
Lawrenceville/Lawrence County	*	159	144	4	1,689

## Enterprise Zone Incentives Reporting 2016 - Jobs and Investment (all \$ in thousands)

Zone Name <sup>1</sup>	Total State Tax Expenditures <sup>4</sup>	2016 Employments	Jobs Created/Lost	Jobs Retained <sup>7</sup>	Capital Investments
<b>Total</b>	<b>102,663</b>	<b>93,033</b>	<b>2,131</b>	<b>44,794</b>	<b>990,909</b>
Lee County/Ogle County	4,271	746	-87	347	7,816
Lincoln/Elkhart/Logan Co.	109	351	10	90	180
Loves Park/Machesney Park	16	8	-4	0	11
Macomb/Bushnell	55	0	0	0	0
Macoupin County	0	0	0	0	0
Madison County Discovery	120	305	259	34	435
Marshall County/Stark County	*	0	0	0	0
Massac County	414	0	0	0	0
Maywood	6	8	1	7	0
McLeansboro/Hamilton County	*	0	0	0	0
Mendota/Lasalle County	2	5	1	0	10
MidAmerica St. Clair County	*	0	0	0	0
Monmouth/Warren County	905	1,925	61	1,857	3,697
Montgomery County	361	347	-142	44	768
Morton	51	113	20	65	3,340
Mound City/Pulaski City/Mounds	0	0	0	0	0
Mt. Carmel/Wabash County	0	0	0	0	0
Mt. Vernon/Waltonville	413	365	12	49	118
Nashville/Washington County	3,373	2,834	-290	36	54,911
Northern Tazewell County	2,251	3,883	-721	2,606	690
Olney/Newton/Jasper	317	1,057	226	12	2,134
County/Richland County	*	769	-7	219	124,156
Ottawa/Lasalle County/Grundy Co.	4,111	6,501	-497	4,865	11,882
Peoria Urban	*	168	1	0	0
Perry	2,203	7,128	430	3	8
Quad Cities	1,598	4,524	314	2,718	9,011
Quincy/Adams/Brown County	78	52	-5	0	0
Rantoul	10,201	1,095	6	1,087	148,554
Riverbend	4,784	2,431	-54	206	36,319
Robinson/Crawford County	*	13	3	10	18
Rock Island	284	2,069	-2	22	17
Rockford	*	0	0	0	0
Rockford I-90	*	0	0	0	0
Salem/Marion County	*	355	64	35	13,965
Saline County	0	0	0	0	0
South Beloit/Rockton/Winnebago County	1,944	1,780	-88	1,774	141,390
Southern Tazewell County	1,102	947	-1,469	714	2,724
Southwest Madison County	181	443	344	8	411
Springfield/Sangamon County	78	217	12	74	5,147
Streator Area	363	561	6	208	19,149
Summit/Bedford Park	187	0	0	0	0
Taylorville/Christian County	0	0	0	0	0
Upper Illinois River Valley Dev. Authority	233	363	11	0	369
Urbana	*	505	94	7	152
Vandalia/Fayette County/Brownstown	*	83	9	62	0
Washington	*	149	0	64	91
Waukegan/North Chicago	2	27	8	19	523
West Frankfort	7	0	0	0	0
Western IL Economic Development Authority	2,303	2,513	37	160	22,272
Whiteside County/Carroll County	*	354	342	0	5,860
Will/Cook County	196	143	22	48	2,180
Williamson County	*	*	*	*	*
<b>Total</b>	<b>102,663</b>	<b>93,033</b>	<b>2,131</b>	<b>44,794</b>	<b>990,909</b>

1. The Illinois Enterprise Zone Map, and contact information for the administrator of each zone, can be found on the Illinois Department of Commerce and Economic Opportunity (DCEO) website at: <http://www.illinois.gov/dceo/ExpandRelocate/Incentives/taxassistance/Pages/EnterpriseZone.aspx>

4. Total State Tax Expenditures quantify the reduction in tax revenue that would otherwise accrue to the state.

6. 2016 employment was calculated by taking all hours worked by all persons during the year and dividing by 1,820 hours.

7. A "retained job" is a "job preserved at a specific facility or site, the continuance of which is threatened by a specific and demonstrable threat." 20 ILCS 655/3(j) (2012).

8. Businesses were required to report new capital investment put into service during calendar year 2016.

\* Information withheld to protect taxpayer confidentiality as the number of taxpayers is below our disclosure threshold.

## ENTERPRISE ZONE STATISTICAL SUMMARY

Enterprise Zone	Population Of Enterprise			Per Capita Income Of Enterprise			Unemployment Rate Of Enterprise		
	Calendar Year		%	Calendar Year		%	Calendar Year		Net
	2015	2016	Of Change	2014	2015	Of Change	2015	2016	Change
Alexander/Pulaski County	12,448	12,097	-2.9%	\$ 31,584	\$ 32,492	2.8%	9.0%	9.0%	0.1%
Altamont	34,396	34,386	0.0%	\$ 43,960	\$ 42,657	-3.1%	4.8%	4.7%	-0.1%
American Bottoms	21,801	21,717	-0.4%	\$ 36,408	\$ 35,244	-3.3%	5.8%	5.8%	0.0%
Beardstown	12,869	12,676	-1.5%	\$ 37,682	\$ 37,483	-0.5%	5.6%	5.6%	0.0%
Bedford Park	5,224,823	5,203,499	-0.4%	\$ 52,380	\$ 54,714	4.3%	6.2%	6.2%	0.0%
Belleville	21,801	21,717	-0.4%	\$ 36,408	\$ 35,244	-3.3%	5.8%	5.8%	0.0%
Belvidere/Boone County	53,490	53,503	0.0%	\$ 39,807	\$ 41,376	3.8%	6.5%	6.3%	-0.2%
Bensenville	6,156,642	6,132,867	-0.4%	\$ 56,655	\$ 59,386	4.6%	5.5%	5.5%	0.1%
Benton/Franklin County	39,427	39,156	-0.7%	\$ 32,906	\$ 33,417	1.5%	8.0%	8.1%	0.1%
Bloomington-Normal	28,478	28,233	-0.9%	\$ 41,399	\$ 41,605	0.5%	6.3%	6.3%	-0.1%
Bureau Putnam Area	39,107	38,970	-0.4%	\$ 43,463	\$ 45,490	4.5%	6.3%	5.9%	-0.4%
Cairo/Alexander County	6,776	6,478	-4.6%	\$ 30,021	\$ 31,012	3.2%	9.1%	9.2%	0.1%
Cal Sag	5,224,823	5,203,499	-0.4%	\$ 52,380	\$ 54,714	4.3%	6.2%	6.2%	0.0%
Calumet Region	5,224,823	5,203,499	-0.4%	\$ 52,380	\$ 54,714	4.3%	6.2%	6.2%	0.0%
Canton/Fulton County	35,750	35,536	-0.6%	\$ 33,332	\$ 33,461	0.4%	7.5%	7.4%	-0.1%
Carmi/White County	14,349	14,292	-0.4%	\$ 44,809	\$ 43,014	-4.2%	5.7%	6.6%	0.9%
Champaign/Champaign County	207,734	208,419	0.3%	\$ 41,276	\$ 42,243	2.3%	5.1%	5.1%	0.0%
Chicago Heights	5,224,823	5,203,499	-0.4%	\$ 52,380	\$ 54,714	4.3%	6.2%	6.2%	0.0%
Chicago I	5,224,823	5,203,499	-0.4%	\$ 52,380	\$ 54,714	4.3%	6.2%	6.2%	0.0%
Chicago II	5,224,823	5,203,499	-0.4%	\$ 52,380	\$ 54,714	4.3%	6.2%	6.2%	0.0%
Chicago III	5,224,823	5,203,499	-0.4%	\$ 52,380	\$ 54,714	4.3%	6.2%	6.2%	0.0%
Chicago IV	5,224,823	5,203,499	-0.4%	\$ 52,380	\$ 54,714	4.3%	6.2%	6.2%	0.0%
Chicago V	5,224,823	5,203,499	-0.4%	\$ 52,380	\$ 54,714	4.3%	6.2%	6.2%	0.0%
Chicago VI	5,224,823	5,203,499	-0.4%	\$ 52,380	\$ 54,714	4.3%	6.2%	6.2%	0.0%
Cicero	5,224,823	5,203,499	-0.4%	\$ 52,380	\$ 54,714	4.3%	6.2%	6.2%	0.0%
Clark County	15,943	15,938	0.0%	\$ 37,950	\$ 37,098	-2.3%	6.2%	5.9%	-0.3%
Clinton County	37,809	37,729	-0.2%	\$ 41,693	\$ 41,300	-1.0%	4.5%	4.5%	0.0%
Coles County	52,563	52,343	-0.4%	\$ 35,579	\$ 36,325	2.1%	6.0%	5.9%	-0.1%
Danville/Tilton/Vermillion County	78,990	78,111	-1.1%	\$ 35,423	\$ 35,630	0.6%	7.0%	7.2%	0.2%
Decatur/Macon County	29,540	29,527	0.0%	\$ 34,327	\$ 33,746	-1.7%	5.4%	5.3%	-0.1%
DeKalb County	104,541	104,528	0.0%	\$ 34,680	\$ 35,970	3.6%	5.5%	5.4%	-0.1%
Des Plaines River Valley	686,687	689,529	0.4%	\$ 44,659	\$ 46,823	4.6%	6.2%	6.1%	-0.1%
Diamond	737,186	739,966	0.4%	\$ 47,772	\$ 47,377	-0.8%	6.6%	6.5%	-0.1%
Edgar County/Paris	17,644	17,566	-0.4%	\$ 37,829	\$ 37,330	-1.3%	6.2%	6.0%	-0.2%
Effingham/Effingham County	56,197	56,103	-0.2%	\$ 40,184	\$ 38,950	-3.2%	5.3%	5.3%	-0.1%
Fairfield/Wayne County	16,427	16,396	-0.2%	\$ 38,897	\$ 37,484	-3.8%	6.8%	8.6%	1.8%
Faimont City/Caseyville/Brooklyn/St. Clair County	51,341	51,244	-0.2%	\$ 35,368	\$ 34,495	-2.5%	5.6%	5.6%	-0.1%
Fairview Heights	21,801	21,717	-0.4%	\$ 36,408	\$ 35,244	-3.3%	5.8%	5.8%	0.0%
Flora/Clay County	13,378	13,300	-0.6%	\$ 35,053	\$ 34,341	-2.1%	7.0%	6.8%	-0.2%
Franklin Park	5,224,823	5,203,499	-0.4%	\$ 52,380	\$ 54,714	4.3%	6.2%	6.2%	0.0%
Freeport/Stephenson County	67,825	67,394	-0.6%	\$ 41,608	\$ 42,423	1.9%	6.0%	5.6%	-0.4%
Galesburg	51,416	50,938	-0.9%	\$ 36,857	\$ 37,748	2.4%	6.0%	6.1%	0.1%
Gateway Commerce Center	29,540	29,527	0.0%	\$ 34,327	\$ 33,746	-1.7%	5.4%	5.3%	-0.1%
Greater Centralia Area	67,349	67,256	-0.1%	\$ 38,010	\$ 37,523	-1.3%	5.0%	4.9%	-0.1%
Greenville/Smithboro	16,924	16,824	-0.6%	\$ 33,487	\$ 33,534	0.1%	5.2%	5.1%	-0.1%
Harvard/Woodstock	14,752	14,658	-0.6%	\$ 33,784	\$ 34,828	3.0%	7.2%	7.0%	-0.2%
Harvey/Phoenix/Hazel Crest	5,224,823	5,203,499	-0.4%	\$ 52,380	\$ 54,714	4.3%	6.2%	6.2%	0.0%
Hodgkins/McCook	5,224,823	5,203,499	-0.4%	\$ 52,380	\$ 54,714	4.3%	6.2%	6.2%	0.0%
Hoffman Estates	5,224,823	5,203,499	-0.4%	\$ 52,380	\$ 54,714	4.3%	6.2%	6.2%	0.0%
Illinois Valley	111,304	110,842	-0.6%	\$ 38,526	\$ 39,582	2.7%	6.9%	6.7%	-0.2%
Jackson County	59,220	58,870	-0.6%	\$ 32,393	\$ 33,363	2.9%	5.5%	5.4%	-0.1%
Jacksonville/Morgan County	34,605	34,277	-1.0%	\$ 36,067	\$ 35,757	-0.9%	5.0%	4.9%	-0.1%
Jo-Carroll	36,662	36,309	-1.0%	\$ 42,810	\$ 43,646	1.9%	5.4%	5.6%	0.2%
Joliet Arsenal	686,687	689,529	0.4%	\$ 44,659	\$ 46,823	4.6%	6.2%	6.1%	-0.1%
Kankakee County	110,795	110,008	-0.7%	\$ 35,750	\$ 37,049	3.5%	6.7%	6.4%	-0.3%
Kankakee River Valley	110,795	110,008	-0.7%	\$ 35,750	\$ 37,049	3.5%	6.7%	6.4%	-0.3%
Kewanee	49,459	49,280	-0.4%	\$ 41,936	\$ 42,010	0.2%	6.1%	6.1%	0.0%
Lawrenceville/Lawrence County	16,513	16,377	-0.8%	\$ 37,422	\$ 36,249	-3.2%	7.0%	7.5%	0.5%
Lee/Ogle	86,084	85,524	-0.7%	\$ 38,620	\$ 39,296	1.7%	5.7%	5.5%	-0.2%
Lincoln & 394 Corridor	5,224,823	5,203,499	-0.4%	\$ 52,380	\$ 54,714	4.3%	6.2%	6.2%	0.0%
Lincoln/Logan County	244,296	243,252	-0.4%	\$ 39,693	\$ 39,681	0.0%	5.3%	5.3%	0.0%
Loves Park/Machesney Park	287,168	285,873	-0.5%	\$ 37,709	\$ 39,357	4.2%	6.9%	6.6%	-0.3%
Macomb/Bushnell/McDonough County	14,752	14,658	-0.6%	\$ 33,784	\$ 34,828	3.0%	7.2%	7.0%	-0.2%
Macoupin County	29,540	29,527	0.0%	\$ 34,327	\$ 33,746	-1.7%	5.4%	5.3%	-0.1%



## ENTERPRISE ZONE STATISTICAL SUMMARY

Enterprise Zone	Population Of Enterprise			Per Capita Income Of Enterprise			Unemployment Rate Of Enterprise		
	Calendar Year		%	Calendar Year		%	Calendar Year		Net
	2015	2016	Of Change	2014	2015	Of Change	2015	2016	Change
Madison County/Discovery	29,540	29,527	0.0%	\$ 34,327	\$ 33,746	-1.7%	5.4%	5.3%	-0.1%
Marshall County/Stark County	35,304	35,303	0.0%	\$ 35,717	\$ 34,465	-3.6%	6.0%	6.3%	0.3%
Massac County	14,752	14,658	-0.6%	\$ 33,784	\$ 34,828	3.0%	7.2%	7.0%	-0.2%
Maywood	5,224,823	5,203,499	-0.4%	\$ 52,380	\$ 54,714	4.3%	6.2%	6.2%	0.0%
McLeansboro/Hamilton County	8,198	8,061	-1.7%	\$ 40,916	\$ 39,959	-2.4%	5.4%	6.3%	0.9%
Mendota	111,304	110,642	-0.6%	\$ 38,526	\$ 39,582	2.7%	6.9%	6.7%	-0.2%
Monmouth/Warren County	17,507	17,378	-0.7%	\$ 35,191	\$ 34,228	-2.8%	5.2%	5.3%	0.1%
Montgomery County	29,196	28,952	-0.8%	\$ 34,264	\$ 33,254	-3.0%	7.5%	7.1%	-0.4%
Morton	134,735	134,385	-0.3%	\$ 41,986	\$ 42,719	1.7%	6.2%	6.3%	0.1%
Mt. Carmel/Wabash County	11,554	11,492	-0.5%	\$ 41,427	\$ 40,897	-1.3%	5.6%	6.4%	0.8%
Mt. Vernon/Waltonville	38,390	38,460	0.2%	\$ 35,929	\$ 36,493	1.5%	6.7%	6.5%	-0.2%
Nashville/Washington County	14,246	14,154	-0.6%	\$ 48,672	\$ 47,808	-1.8%	3.7%	3.8%	0.1%
Northern Tazewell County	173,893	173,525	-0.2%	\$ 44,387	\$ 44,915	1.2%	5.6%	5.9%	0.3%
Olney/Richland/Newton/Jasper	25,634	25,466	-0.7%	\$ 39,761	\$ 37,895	-4.9%	6.0%	6.2%	0.2%
Ottawa Area	50,499	50,437	-0.1%	\$ 47,930	\$ 43,756	-9.5%	6.9%	6.8%	-0.2%
Peoria Rural	186,315	185,006	-0.7%	\$ 45,961	\$ 47,076	2.4%	6.8%	6.8%	0.0%
Peoria Urban	186,315	185,006	-0.7%	\$ 45,961	\$ 47,076	2.4%	6.8%	6.8%	0.0%
Perry County	21,458	21,357	-0.5%	\$ 35,532	\$ 34,243	-3.8%	7.1%	7.1%	0.0%
Quad Cities	145,958	144,784	-0.8%	\$ 39,429	\$ 40,332	2.2%	6.3%	5.3%	-1.0%
Quincy/Adams County/Brown County	6,821	6,762	-0.9%	\$ 27,161	\$ 26,990	-0.6%	3.6%	3.4%	-0.2%
Rantoul	207,734	208,419	0.3%	\$ 41,276	\$ 42,243	2.3%	5.1%	5.1%	0.0%
Riverbend	29,540	29,527	0.0%	\$ 34,327	\$ 33,746	-1.7%	5.4%	5.3%	-0.1%
Robinson/Crawford County	19,413	19,308	-0.5%	\$ 43,405	\$ 41,872	-3.7%	5.9%	6.2%	0.3%
Rock Island	145,958	144,784	-0.8%	\$ 39,429	\$ 40,332	2.2%	6.3%	6.3%	0.0%
Rockford EZ 1	287,168	285,873	-0.5%	\$ 37,709	\$ 39,357	4.2%	6.9%	6.6%	-0.3%
Rockford I-90	287,168	285,873	-0.5%	\$ 37,709	\$ 39,357	4.2%	6.9%	6.6%	-0.3%
Salem/Marion County	29,540	29,527	0.0%	\$ 34,327	\$ 33,746	-1.7%	5.4%	5.3%	-0.1%
Saline County	24,574	24,307	-1.1%	\$ 36,761	\$ 36,633	-0.4%	7.7%	8.6%	0.9%
Southern Tazewell County	134,735	134,385	-0.3%	\$ 41,986	\$ 42,719	1.7%	6.2%	6.3%	0.1%
Springfield/Sangamon County	198,496	197,499	-0.5%	\$ 38,505	\$ 38,778	0.7%	5.3%	5.1%	-0.2%
St. Clair County MidAmerica	21,801	21,717	-0.4%	\$ 36,408	\$ 35,244	-3.3%	5.8%	5.8%	0.0%
Streator Area Summit/Bedford	148,053	147,168	-0.6%	\$ 39,873	\$ 39,746	-0.3%	6.1%	6.1%	0.0%
Park	5,224,823	5,203,499	-0.4%	\$ 52,380	\$ 54,714	4.3%	6.2%	6.2%	0.0%
SW Madison County	530,150	528,518	-0.3%	\$ 39,771	\$ 41,340	3.8%	6.2%	6.0%	-0.2%
Taylorville/Christian County	33,546	33,309	-0.7%	\$ 36,822	\$ 36,363	-1.3%	6.5%	6.3%	-0.2%
Urbana/Champaign County	207,734	208,419	0.3%	\$ 41,276	\$ 42,243	2.3%	5.1%	5.1%	0.0%
Vandalia/Fayette County	22,059	21,789	-1.2%	\$ 29,598	\$ 29,446	-0.5%	6.5%	6.7%	0.2%
Washington	134,735	134,385	-0.3%	\$ 41,986	\$ 42,719	1.7%	6.2%	6.3%	0.1%
Waukegan/North Chicago	703,413	703,047	-0.1%	\$ 67,466	\$ 69,827	3.4%	5.3%	5.2%	-0.1%
West Frankfort	13,726	13,575	-1.1%	\$ 49,013	\$ 48,382	-1.3%	5.4%	5.5%	0.1%
Western Illinois Economic Development Authority	15,981	15,950	-0.2%	\$ 36,702	\$ 34,702	-5.8%	5.4%	5.4%	-0.1%
Whiteside County/Carroll County	71,591	71,075	-0.7%	\$ 39,853	\$ 40,348	1.2%	5.8%	5.8%	0.0%
Will County/Cook County	5,224,823	5,203,499	-0.4%	\$ 48,519	\$ 50,769	4.4%	6.2%	6.2%	-0.1%
Williamson County	67,589	67,560	0.0%	\$ 39,381	\$ 40,359	2.4%	6.1%	6.2%	0.1%
<b>State of Illinois</b>	<b>12,839,047</b>	<b>12,801,539</b>	<b>-0.3%</b>	<b>\$ 48,508</b>	<b>\$ 50,295</b>	<b>3.8%</b>	<b>5.9%</b>	<b>5.9%</b>	<b>0.0%</b>

SOURCE: Population - United States Census Bureau, Population Estimates Program.

Per Capita Income - United States Department of Commerce, Bureau of Economic Analysis, Local Area Personal Income, Population, Per Capita Income. Unemployment - Illinois Department of Employment Security, Economic Information and Analysis, Local Area Unemployment Statistics (LAUS)

NOTE: Every year the Census Bureau, the Bureau of Economic Analysis and the Illinois Department of Employment Security prepare statistics. When new statistics are calculated the agencies also revise estimated statistics from prior years. Therefore the numbers in this report from the prior year may not match the prior year numbers from last year's report.

# River Edge Redevelopment Zone Program

## OVERVIEW

The River Edge Redevelopment Zone Act, 65 ILCS 115/10-1, et seq., is an innovative program designed to help revitalize riverfront areas by providing local developers and businesses with the critical tools to revive and redevelop blighted, abandoned or contaminated properties that will stimulate investment opportunities and create Illinois jobs. The River Edge Redevelopment Initiative includes the designation of redevelopment zones that are eligible to receive tax credits and exemptions and grant funding to support environmental remediation and redevelopment efforts that will lead to economic revitalization in these areas. This initiative combines resources across state agencies and is administered primarily by the Department and the Illinois Environmental Protection Agency ("IEPA").

## IMPLEMENTATION STATUS

The Department has designated River Edge Redevelopment Zones in the cities of Aurora, East St. Louis, Elgin, Peoria and Rockford.

### AURORA ZONE

The City of Aurora River Edge Redevelopment Zone, which began on March 21, 2007 and will continue until December 31, 2037, consists of former industrial land lining its east and west riverfronts of the Fox River. This area has important economic development potential, but the costs of redevelopment have made attracting investment difficult. The construction of a regional festival park is the center-piece of the City's economic development master plan.

The City's website states the following in regards to the new River Edge Park: "The 30-acre park was designed in a way that would serve many purposes. From the canoe/kayak launch and natural landscaping to the VIP Rooftop Deck and 10-acre music venue, this is the new recreation and entertainment destination of the suburbs. Bring your kids and fly a kite. Enjoy a local band in the music pavilion with friends. Spread out a blanket and watch fireworks with the family on the 4th of July. River Edge Park is your backyard away from home."

### EAST ST. LOUIS ZONE

The City of East St. Louis River Edge Redevelopment Zone encompasses a majority of the city with adjacent territory to the Mississippi River for a total of just under twelve (12) square miles. Its zone began December 31, 2007 and will continue until December 31, 2037. The East St. Louis Riverfront is a distinctive area because of its unparalleled location directly across the river from the Gateway Arch.

The City supports an ongoing development project within the zone located at the proposed future Port of East St. Louis. On August 14, 2014, groundbreaking steps were taken towards the creation of a 200-acre former industrial site along the Mississippi into a multi-modal facility for the City of East St. Louis and the greater St. Louis area.

## **ELGIN ZONE**

In the City of Elgin, River Edge provides a critical tool to further the redevelopment of the City's downtown and create new economic opportunities along the Fox River. This zone began on December 16, 2009 and expires on December 31, 2039. In 2014, the City completed the construction of the \$10.5 million Riverside Drive Promenade within the zone. According to the City's website, "constructing Riverside Drive Promenade, along the Fox River, is a critical component of Elgin's master plan to revitalize the riverfront by encouraging more redevelopment, public space and transportation projects. Riverside Drive Promenade involves the complete redevelopment of the Riverside Drive right-of-way and the adjacent parking deck into an urban riverfront plaza connected to Elgin's Festival Park."

## **PEORIA ZONE**

The City of Peoria applied for and received River Edge Redevelopment Zone designation on December 1, 2013 which continues until December 31, 2043. The zone, known as the Warehouse District, is approximately one-half square mile in the downtown area. The City's goals include promoting development of the Old Peoria Distillery and the Peoria Design Center, and protecting buildings that contribute to the character of the Warehouse District.

## **ROCKFORD ZONE**

In Rockford, River Edge will allow for multiple redevelopment projects using abandoned industrial and commercial sites along the Rock River. Rockford River Edge Redevelopment Zone began August 10, 2007 and continues until December 31, 2037. The City was granted \$8 million for a variety of projects along the riverfront to address blight and spur economic development. The projects include the Outdoor City Market and Indoor City Market, Ingersoll Building renovation, Davis Festival Park improvements, and streetscape improvements.

## **EFFECTIVENESS**

The Illinois Department of Revenue reported 2,131 jobs created, 44,764 job retained, and a capital investment of \$990,909 for the Enterprise Zone Program during 2016 (as detailed in the tables contained on page 8 of this report). The Illinois Department of Commerce and Economic Opportunity will continue to monitor the effectiveness of the Enterprise Zone Program in future reporting periods.

## **PROPOSED NEW LEGISLATION**

The Department is currently evaluating potential legislative proposals.

**River Edge Redevelopment Zone Reporting 2016 - Tax Expenditures** (all \$ in thousands)

Zone Name	--Sales Tax--		-----Income Tax-----		Total State Tax Expenditures <sup>4</sup>	Net Property Tax <sup>5</sup>
	Building Materials	Investment Credit	Other	Income Tax <sup>6</sup>		
AURORA	•	0	0	•	•	0
EAST ST. LOUIS	•	0	0	•	•	0
ELGIN	0	0	0	0	0	0
PEORIA	540	•	0	•	•	0
ROCKFORD	221	•	0	•	•	0
<b>Total</b>	<b>829</b>	<b>30</b>	<b>0</b>	<b>0</b>	<b>859</b>	<b>0</b>

<sup>4</sup> Total State Tax Expenditures quantify the reduction in tax revenue that would otherwise accrue to the state.

<sup>5</sup> Net Property Tax is the property tax abatement received by a business from local governments, net of any payments made in lieu of taxation to local governments.

<sup>6</sup> Includes the River Edge Environmental Remediation Credit, the River Edge Historic Preservation Credit, the Job Tax Credit, the Dividend Deduction, Special Credits, 1016, and Conservation Credits, 1021.

<sup>7</sup> Information withheld to protect taxpayer confidentiality as the number of taxpayers is below our disclosure threshold.

**River Edge Redevelopment Zone Reporting 2016 - Jobs and Investment** (all \$ in thousands)

Zone Name	Total State Tax Expenditures <sup>4</sup>	2016 Employment <sup>5</sup>	Jobs Created/Lost	Jobs Retained <sup>7</sup>	Capital Investment <sup>6</sup>
AURORA	•	9	1	0	0
EAST ST. LOUIS	•	0	0	0	0
ELGIN	0	0	0	0	0
PEORIA	•	17	17	0	400
ROCKFORD	•	15	3	4	6,344
<b>Total</b>	<b>859</b>	<b>41</b>	<b>21</b>	<b>4</b>	<b>6,744</b>

<sup>4</sup> Total State Tax Expenditures quantify the reduction in tax revenue that would otherwise accrue to the state.

<sup>5</sup> 2016 employment was calculated by totaling hours worked by all persons during the year and dividing by 1,820 hours.

<sup>6</sup> A retained job is a job preserved in a specific facility or site, the continuance of which is determined by a specific and determinable event (20 ILCS 635.301 (2012)).

<sup>7</sup> Businesses were required to report new capital investment put into service during calendar year 2016.

<sup>8</sup> Information withheld to protect taxpayer confidentiality as the number of taxpayers is below our disclosure threshold.

# High Impact Business Program

The High Impact Business (“HIB”) program, 20 ILCS 655/5.5, is designed to encourage large scale economic development activities, by providing tax incentives (similar to those offered within an enterprise zone) to companies that propose to make a substantial capital investment in operations and will create or retain above average number of jobs. Businesses may qualify for: investment tax credits, a state sales tax exemption on building materials, an exemption from state sales tax on utilities, and a state sales tax exemption on purchases of personal property used or consumed in the manufacturing process. The qualifying project must result in a minimum of \$12 million investment causing the creation of not less than 500 full-time jobs, or a minimum investment of \$30 million causing the retention of not less than 1,500 full-time jobs. The investment must take place at a designated location in Illinois outside of a designated enterprise zone.

The program was expanded to include qualified (a) new electric generating facilities, (b) a new gasification facility, (c) production operations at a new coal mine, re-establish production at a closed coal mine, or expand operations at an existing coal mine that supports the creation of not less than 150 Illinois coal-mining jobs as a “Coal/Energy High Impact Businesses,” or (d) a new or upgraded transmission facility. In 2009, the program was further expanded to include wind energy facilities. The designation as a wind energy HIB is contingent on the business constructing a new electric generation facility or expanding an existing wind power facility. “New wind power facility” means a newly constructed electric generation facility, or a newly constructed expansion of an existing electric generation facility, placed in service on or after July 1, 2009, that generates electricity using wind energy devices. “New wind energy device” means any device, with a nameplate capacity of at least 0.5 megawatts, that is used in the process of converting kinetic energy from the wind to generate electricity. A wind energy HIB only qualifies for the sales tax exemption on building materials.

A designated High Impact Business located in a foreign trade zone or sub-zone is eligible for additional incentives including, an exemption from the telecommunications excise tax.

## **MORE INFORMATION**

For information on the Illinois Enterprise Zone Program, contact:  
Illinois Department of Commerce and Economic Opportunity  
Enterprise Zone Program  
500 East Monroe, 4th Floor  
Springfield, Illinois 62701  
(217)524-0165; TDD: (800)785-6055

**High Impact Business Incentive Reporting 2016 - Tax Expenditures** (all \$ in thousands)

	Sales Tax		Utility Taxes			Income Tax		Total State Tax Expenditures <sup>4</sup>
	Building Materials	Expanded Manufacturing M&E	Expanded Graphic Arts M&E	Telecom	Natural Gas <sup>3</sup>	Electricity	Investment Credit	
High Impact Businesses	4,947	*	*	*	*	*	*	8,788

<sup>4</sup> Total State Tax Expenditures quantify the reduction in tax revenue that would otherwise accrue to the state.

<sup>5</sup> Net Property Tax is the property tax abatement received by a business from local governments, net of any payments made in lieu of taxation to local governments.

\* Information withheld to protect taxpayer confidentiality as the number of taxpayers is below our disclosure threshold.

**High Impact Business Reporting 2016 - Jobs and Investment** (all \$ in thousands)

	Total State Tax Expenditures <sup>4</sup>	2016 Employment <sup>6</sup>	Jobs Created/Lost	Jobs Retained <sup>7</sup>	Capital Investment <sup>8</sup>
High Impact Businesses	8,788	10,652	(1,185)	7,269	23,92

<sup>4</sup> Total State Tax Expenditures quantify the reduction in tax revenue that would otherwise accrue to the state.

<sup>6</sup> 2016 employment was calculated by taking all hours worked by all persons during the year and dividing by 1,820 hours.

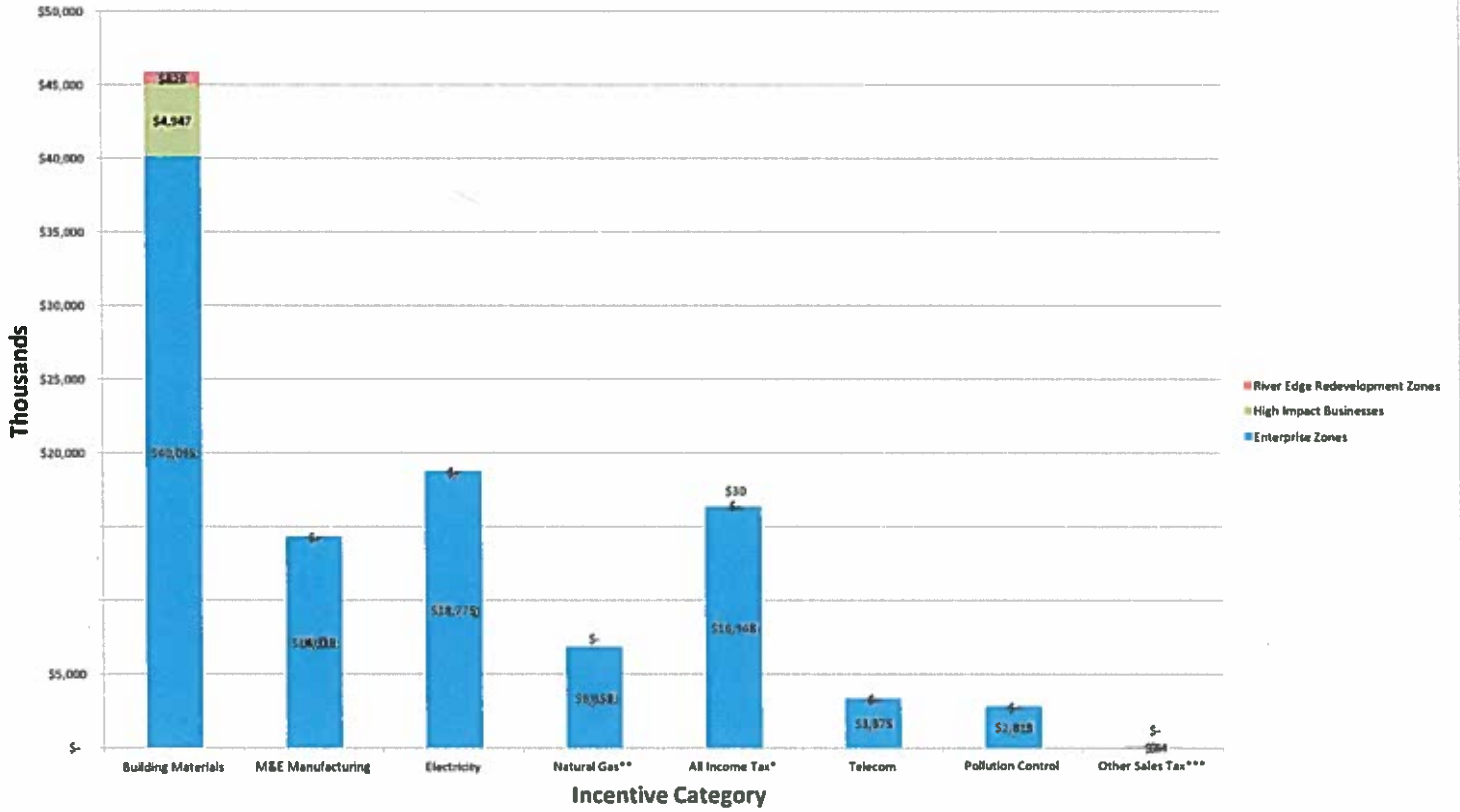
<sup>7</sup> A "retained job" is a "job preserved at a specific facility or site, the continuance of which is threatened by a specific and demonstrable threat." 20 ILCS 655/3(j) (2012).

<sup>8</sup> Businesses were required to report new capital investment put into service during calendar year 2016.

\* Information withheld to protect taxpayer confidentiality as the number of taxpayers is below our disclosure threshold



### 2016 Tax Expenditure Totals By Incentive Category



\*Includes the Enterprise Zone Investment Credit, River Edge Redevelopment Zone Investment Credit, River Edge Environmental Remediation Credit, the River Edge Historic Preservation Credit, the Job Tax Credit, the Dividend Deduction, Interest Deduction, Contribution Deduction, and High Impact Business Investment Credit

\*\*Natural Gas Exemption includes exemptions from the Natural Gas Revenue Tax and the Natural Gas Use Tax

\*\*\*Other Sales Tax Incentives include exemptions for High Impact Service Facilities, High Impact Service Facility Jet Fuel, Aircraft Maintenance Facility, Expanded Machinery and Equipment, Graphic Arts Expanded Machinery and Equipment, and Aircraft Maintenance Facility Designated Tangible Personal Property

# 2016 Enterprise Zone Tax Expenditures by Geographic Region

