



Department of Commerce and Economic Opportunity

Rod R. Blagojevich, Governor / Jack Lavin, Director

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Gov. Blagojevich Announces Enterprise Zone Expansion To Spur Economic Growth And New Investment In Logan County



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GOV. BLAGOJEVICH ANNOUNCES ENTERPRISE ZONE EXPANSION TO SPUR ECONOMIC GROWTH AND NEW INVESTMENT IN LOGAN COUNTY

CHICAGO – In an aggressive move to stimulate business growth and job creation in central Illinois, Gov. Rod Blagojevich today announced the boundary expansion of the Lincoln/Logan County Enterprise Zone. The expansion of the enterprise zone, which lends critical income and job creation tax credits to companies located within its borders, will add two square miles to the zone and help trigger new development for at least one area corporation currently on the outskirts of its boundaries, resulting in the retention of 100 jobs and \$10 million in private investment. Formosa Plastics Corporation will immediately benefit as it intends to rebuild its facility to address the extensive structural damage caused

by a recent accident.

"In order to fuel greater economic growth and job creation in the Central region, we must continue to find innovative ways to stimulate business investment. Expanding the enterprise zone boundaries in Logan County will help retain 100 jobs and catalyze a tremendous amount of private investment in the area. This initiative is a key building block of a flourishing economy capable of generating more economic opportunity for the people of the Central region," Gov. Blagojevich said.

The new expanded enterprise zone will make its most immediate impact by extending its benefits to Formosa Plastics Corporation. Formosa plans to invest \$10 million in its rebuilding project and expects to retain 100 jobs.

Chief benefits of an enterprise zone include sales tax exemptions and tax credits for job creation. A 6.25 percent state sales tax exemption is permitted on building materials to be used in an enterprise zone, while the Enterprise Zone Jobs Tax Credit allows a business a \$500 credit on Illinois income taxes for each job created in the zone for which a certified eligible worker is hired. The credit may be carried forward for up to five years.

The Lincoln/Logan County enterprise zone was originally certified July 1, 1987. Since that time, the zone has reported total project investments of \$68,460,906, which have resulted in the creation of 1,750 jobs and the retention of 2,532 jobs. With the addition of two square miles, the total area of the enterprise zone will grow to just over six square miles. The new zone approval will also extend the enterprise zone's termination date by ten years, making its important benefits available until the year 2017.

A local enterprise zone may apply to the Illinois Department of Commerce and Economic Opportunity (DCEO) for boundary expansion if the proposed area to be added meets at least one of the tests for poverty, low income, unemployment or population loss; or the proposed area will provide an immediate substantial benefit to the zone.

(more)

"The Lincoln/Logan County Enterprise Zone is a tremendous asset to businesses development, allowing companies to reduce their total expenses and improve their bottom lines. By expanding the boundaries of this enterprise zone, we're catalyzing a whole new wave of business investment and growth in the Central region. Economic growth follows opportunity, and creating opportunity is what we're determined to continuing doing throughout Illinois," DCEO Director Jack Lavin said.

Another possible beneficiary of the enterprise zone boundary expansion is Corn Belt Energy Corporation. Corn Belt has plans to develop an electric generation plant that would create 25 full-time jobs and include significant investment into the local economy. Corn Belt is now trying to secure funding to proceed with these plans.

Gov. Blagojevich's *Opportunity Returns* regional economic development plan is the most aggressive, comprehensive approach to creating jobs in Illinois' history. Since a one-size-fits-all approach to economic development just doesn't work, the Governor has divided the state into 10 regions – finding areas with common economic strengths and needs, and developing a plan with specific actions for each region. Developed largely from the input of local business, labor and public sector leaders, *Opportunity Returns* contains tangible, specific actions to make each region more accessible, more marketable, more

entrepreneurial and more attractive to businesses.



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