



KENDALL COUNTY ECONOMIC DEVELOPMENT

Memorandum

To: Dan Koukol, Economic Development Committee Chairman; Economic Development Committee
CC: Jeff Wilkins, County Administrator
From: Andrez Beltran, Economic Development and Special Projects Coordinator
Subject: October 2016 Committee Report
Date: 10/28/16

Please find below the report for October 2016 on the items of Economic Development Committee.

Update: UIRVDA Enterprise Zone Project

Mr. Wilkins and Mr. Beltran attended an Upper Illinois River Valley Development Authority (UIRVDA) meeting on October 18. Andrew Hamilton, UIRVDA Executive Director, stated that it may be able to designate areas within its boundaries as Enterprise Zones. Currently they are looking at possible sites.

Revolving Fund Loans

- *Review: Monthly Statements*
The current Revolving Fund Loan Reports are from August 1, 2016 to September 31, 2016. All current payments are in for the month. Current available loan amount is approximately \$1.7 million.
- *Update: Pre-applications*
There are currently no new pre-applications. However, there has been some interest expressed in the program.

Review: Kendall Economic Forecast Breakfast: October 21

Kendall County Economic Development in partnership with the Kendall Economic Development Alliance (KEDA) hosted an Economic Forecast Breakfast on October 21 at Whitetail Ridge Golf Club. The keynote speaker was Rick Mattoon, Senior Economist of the Chicago Federal Reserve. His presentation was on the state of the economy and the structural shifts going forward. The total attendance for the event was 50. Attendance was from diverse professions such as construction to banking and geographically from every part of the County, and some outside.

KEDA is a cooperative alliance of Kendall County, Village of Oswego, Montgomery Economic Development Corporation, United City of Yorkville, Plano Economic Development Corporation, Sandwich Economic Development Corporation, Illinois Manufacturing Excellence Center and Waubensee Community College.



KENDALL COUNTY ECONOMIC DEVELOPMENT

Update: Business Retention & Expansion Seminar

Mr. Beltran traveled to Middleton, Wisconsin on October 13 and 14 to attend the Internal Economic Development Council seminar on Business Retention and Expansion. The seminar covered tactics on designing retention programs, building support in the community, business visit tactics, and involving the community. The course was the second of five needed to become a Certified Economic Development Professional.

Quarterly Reports

- *Update: Economic Indicator Dashboard*
The Economic Indicator Dashboard for 2016Q3 is located in the packet. The dashboard contains little significant change as the economy continues a slow recovery with unemployment hovering around 5%
- *Update: 2016Q3 Strategic Goals Action Items Report Card*
In 2016Q3, Kendall County Economic Development met the majority of the action items set out in the Strategic Plan. Some action items be continued into the next quarter.

KENDALL COUNTY ILLINOIS

Economic Development Committee

Meeting Minutes
Friday, August 26, 2016

Call to Order

The meeting was called to order by Chairman Dan Koukol at 8:34 a.m.

Roll Call

Committee Members Present: Chairman Dan Koukol, Matt Prochaska, Lynn Cullick, Scott Gryder

Committee Members Absent: Judy Gilmour

Staff Present: Andrez Beltran, Economic Development and Special Projects Coordinator; Jeff Wilkins, County Administrator

Members of the Public:

Approval of Agenda – Mr. Gryder made the motion to approve the agenda with that amendment. It was seconded by Mr. Prochaska. **Approved 4-0.**

Approval of Meeting Minutes – Ms. Cullick made a motion to approve the meeting minutes from the June 22, 2016 meeting. Seconded by Ms. Prochaska. **Approved 4-0.**

New Business

Kendall Economic Forecast Breakfast – October 21

Mr. Beltran stated that the Kendall Economic Development Alliance (KEDA) will be hosting an Economic Forecast Breakfast on October 21 at Whitetail Ridge Golf Club. The keynote speaker is Rick Mattoon, Senior Economist of the Chicago Federal Reserve. All Board members are invited to attend.

KEDA is a cooperative alliance of Kendall County, Village of Oswego, Montgomery Economic Development Corporation, United City of Yorkville, Plano Economic Development Corporation, Sandwich Economic Development Corporation, Illinois Manufacturing Excellence Center and Waubensee Community College.

Mr. Beltran also stated there were a sponsor and several reservations.

National Manufacturing Day: October 7

Chairman Koukol stated that in recognition of manufacturing's contribution to the County the Committee will see a resolution in September highlighting National Manufacturing Day on October 7 to be sent to the County Board.

Mr. Beltran stated that he was unaware of any other events going on for National Manufacturing Day but would keep the Committee informed.

KENDALL COUNTY ILLINOIS

Economic Development Committee

Discussion: Making Manufacturing Matters Dinner and Kendall Manufacturer of the Year Award

Mr. Gryder stated that Wrigley was honored to be the Manufacturer of the Year last year.

Mr. Wilkins added that at the recent KEDA meeting there were no nominations put forward; the primary concern was the \$5,000 for a table.

Mr. Prochaska stated that Grundy County Board Chairman Chris Balkema may have a contact in Caterpillar. Mr. Beltran said he would reach out to them.

The Committee also discussed possibly holding local business awards in conjunction with KEDA. Mr. Beltran stated he would discuss it with KEDA.

Old Business

Revolving Fund Loans

- *Review: Monthly Statements*

Mr. Beltran reviewed the current Revolving Fund Loan Reports from July 1, 2016 to July 31, 2016. All current payments are in for the month. Current available loan amount is approximately \$1.7 million.

- *Update: Revolving Fund Loan Pre-Applications*

Mr. Beltran stated that Kelly Browning of Arts on Fire is currently in discussion with Heartland Bank on the property she is looking to purchase. Until that is finalized, both parties thought it best to not turn in an application.

Business Retention & Expansion

Mr. Beltran stated Steve Schiera of Illinois Manufacturing Excellence Center (IMEC) invited him along on a visit to Alpha Precision in Yorkville. It is located on Route 126 behind Martin Plumbing. Alpha Precision manufactures glass sensors with precise configurations for industries like automotive and health care.

Chairman's Report

Chairman Koukol updated the Committee on new businesses opening in the County.

Ms. Cullick stated that Longhorn Steakhouse will be locating in Oswego.

Mr. Prochaska had no new updates for Bristol.

KENDALL COUNTY ILLINOIS

Economic Development Committee

Mr. Gryder stated that another banquet hall was looking at opening in the County. In addition, he inquired about the possibility of green energy production in the County.

Mr. Wilkins updated the Committee on the status of MetroNet fiber service in the County and the Yorkville comprehensive land use plan.

Public Comment – None

Executive Session - None

Adjournment

With no further business to discuss, Mr. Prochaska moved to adjourn. The motion was seconded by Ms. Cullick. There being no objection, the Economic Development Committee at 9:41 a.m., adjourned.

Respectfully Submitted,

Andrez P. Beltran
Economic Development and Special Projects Coordinator

Account Name	Note Date Mty Date	A		B		C		D		E	
		Principal Mnthly Payment	Interest	Total Overall Principal	Paid For Interest	Loan Balance Last Payment	Interest on Bank Accounts	Bank Balance			
Surplus - EDC BB #815-535									418,797.37	1,605,909.63	
Law Office Corporation MSB #150038 ** schedule includes the \$450.56	3/11/2015	450.56 120,000.00 579.05	1.50%	5,987.80	2,058.90	114,402.76	0.38	8,107.08			
CIVILIAN FORCE ARMS SBI# 3171	8/6/2015	90,000.00 1,613.19	2.90%	16,972.68	2,385.60	73,027.32	5.50	19,363.48			
Dearborn Café FNB #2920	8/9/2015	80,000.00 1,024.93	2.10%	10,721.97	1,577.19	69,278.03	3.30	12,302.46			
the Custard Cup YNB 405-582 CLOSED FNB 6601-520 8/24/10	5/17/2006 5/17/2016 addtl principle 9 PMTS	599.64 95,000.00 1,066.66 1,376.44	6.25%	88,715.09	33,813.59	6,284.90	1,774.18	124,313.42			
		385,390.55		122,397.54	39,835.28	262,993.01	420,560.73	1,769,996.07			AVAILABLE TO LOAN
Total Assets									2,032,989.08	BANK BALANCE PLUS LOAN BALANCE	

*new schedule 7/14/16 revised payments

A-B=D
 D+E+Total Assets

Column E	\$1,769,996.07
Tap 10 - _____	\$1,769,996.07
Gr. Admin.	0

Account Name	Note Date Mty Date	Principal Mnthly Payment	Interest	Total Overall Principal	Paid For Interest	Loan Balance Last Payment	Interest on Bank Accounts	Bank Balance
Surplus - EDC BB #815-535							419,120.75	1,606,233.01
Law Office Corporation MSB #150038 ** schedule includes the \$450.56	3/11/2015	450.56 120,000.00 579.05	1.50%	6,423.85	2,201.90	113,966.71	0.58	8,686.33
CIVILIAN FORCE ARMS SBI# 3171	8/6/2015	90,000.00 1,613.19	2.90%	18,409.39	2,562.08	71,590.61	6.35	20,977.52
Dearborn Café FNB #2920	8/9/2015	80,000.00 1,024.93	2.10%	11,625.66	1,698.43	68,374.34	3.84	13,327.93
the Custard Cup YNB 405-582 CLOSED FNB 6601-520 8/24/10	5/17/2006 5/17/2016 addtl principle 9 PMTS	599.64 95,000.00 1,066.66 1,376.44	6.25%	89,749.02	34,156.10	5,250.97	1,777.25	125,692.93
		385,380.55		126,207.92	40,618.51	259,182.63	420,908.77	1,774,917.72

*new schedule 7/14/16 revised payments
 AVAILABLE TO LOAN

Total Assets 2,034,100.35 BANK BALANCE PLUS LOAN BALANCE

A-B=D
 D+E+Total Assets

Column E	\$1,774,917.72
Tap 10 - _____	\$1,774,917.72
Gr. Admin.	0

Economic Development Strategic Report Card

2016 Quarter 3

Develop and Distribute Marketing Material

1. Identify Target Shows
 - a. With assistance from CMAP, Trade Association shows have been identified
2. Publish Economic Indicator Dashboard
 - a. Update Economic Dashboard
 - b. Review

Strengthen and Coordinate Regional Partnerships

1. Coordinate and Co-Host KEDA Events
 - a. KEDA Meetings
 - b. Economic Forecast Breakfast
 - i. Held October 21 at Whitetail Golf Club
2. Visit Municipalities Economic Development Meetings
 - a. Attend Sandwich EDC
 - i. Attending October 31
3. Strengthen Workforce Connections
 - a. Develop Work-Study Program
 - i. Currently creating an advisory committee
 - b. Target Partners
 - i. No new partners identified in Quarter 3
4. Participate in Regional Economic Initiatives
 - a. Regional Growth Initiative meeting
 - i. Attended on September 23 to discuss future
 - b. Bimonthly Steering Committee Meetings
 - i. Participated on August 18

Connect Businesses to Resources

1. Host Business Forums
 - a. Economic Forecast Breakfast held on October 21 with Speaker Rick Mattoon of the Federal Reserve Bank of Chicago
2. Distribute County Resources
 - a. Market to Businesses
 - i. Companies applying for a Revolving Fund Loan were also handed a copy of the Resources. In addition, non-county resources were also directed.
3. Business Retention Contacts
 - a. Business Retention Meeting
 - i. Mr. Beltran met with Alpha Precision to offer resources on August 23.
4. Work-Study Program
 - a. Develop program specifics
 - i. Currently the advisory committee is being formed.

Economic Development Strategic Report Card

2016 Quarter 3

- b. Develop partner relationships
 - i. Currently exploring possible partnerships

Establish Standardized Incentives

1. Streamline Incentive Process
 - a. Engage Partners
 - i. Not initiated
 - b. Document processes
 - i. Not initiated
2. Meet with partners to determine incentive goals
 - a. Not initiated

Research and Maintain Economic Data

1. Create and Maintain Industrial Business List
 - a. Obtain new info to update list
 - i. Companies that come in contact with Economic Development are added to the list
2. Update and Maintain Demographic Data
 - a. Analyze Data for Trends
 - i. Not initiated
3. Create and Maintain a Broker list
 - a. Develop Broker List
 - i. Staff is currently compiling a list of brokers in the area.
4. Research Economic Opportunities for South Route 47
 - a. Michael Goers, Planning, Building, and Zoning MPA Intern, has started to work on the initial phases of the project.



Kendall County – 3rd Quarter 2016 Update Economic Indicator Dashboard

Population	2016 Quarter 2	Previous Quarter	2010 Census	2000 Census
Total Population	123,355	121,350	114,736	54,544
Population 16 years and over	90,963	87,361	82,097	40,187
Labor Force Population	67,688	66,813	65,984	29,697

U.S. Census Bureau – American Fact Finder – <http://factfinder2.census.gov/faces/nav/jsf/pages/index.xhtml>

2012 American Community Survey; 2011 American Community Survey; 2010 Census; 2000 Census

U.S. Bureau of Labor Statistics – Local Area Unemployment Statistics – <http://bls.gov/lau/>

Business Outlook	2016 Qtr 2	Previous Quarter	Improved/ Declined	2015 Qtr 2	Improved/ Declined
Chicago Region Home Price Index	136.27	130.32	4.57%	133.36	2.18%
Chicago Business Barometer (<i>Seasonally Adjusted</i>)	56.8	53.6	5.97%	54.7	3.84%
Chicago Business Activity Index	93.7	97.2	-3.60%	93.3	0.43%
Consumer Price Index (Chicago-Gary-Kenosha, IL-IN-WI MSA)	230.341	227.778	1.13%	228.837	0.66%
Midwest Manufacturing Index ¹	N/A	N/A	N/A	N/A	N/A

Home Price Index – S&P – Case-Shiller Home Price Index, Standard and Poor - <http://us.spindices.com/indices/real-estate/sp-corelogic-case-shiller-chicago-home-price-nsa-index>

Chicago Business Barometer – ISM-Chicago – Institute for Supply Management - <https://www.ism-chicago.org/>

Chicago Business Activity Index – University of Illinois Regional Economics Application Laboratory - <http://www.real.illinois.edu/>

Consumer Price Index – Bureau of Labor & Statistics - http://www.bls.gov/regions/midwest/news-release/consumerpriceindex_chicago.htm

1 The Chicago Fed Midwest Manufacturing Index (CFMMI) is set to undergo a process of data and methodology revision in 2014. Beginning in December 2013, the monthly release of the CFMMI will be suspended pending the release of updated benchmark data from the U.S. Census Bureau and a period of model verification. Significant



Kendall County – 3rd Quarter 2016 Update Economic Indicator Dashboard

Jobs Report	2016 Qtr 2	Previous Quarter	Improved/ Declined	2015 Qtr 2	Improved/ Declined
Total Residents in Labor Force	67,688	66,813	1.3%	65,196	3.8%
Total Labor Force Employed	63,875	62,799	1.7%	61,596	3.7%
Total Labor Force Unemployed	3,813	4,014	-94	3,600	213
Unemployment Rate	5.6%	6.0%	-0.4%	5.5%	0.1%

U.S. Bureau of Labor Statistics – Local Area Unemployment Statistics – <http://bls.gov/lau/>

Area Unemployment Rates	2016 Qtr 2	Previous Quarter	Improved/ Declined	2015 Qtr 2	Improved/ Declined
Kendall	5.6%	6.0%	-0.4%	5.5%	0.1%
DeKalb	5.2%	6.4%	-1.2%	5.0%	0.2%
Kane	5.2%	6.9%	-1.7%	5.0%	0.2%
Will	6.4%	7.0%	-0.6%	6.4%	0.0%
Grundy	7.1%	8.3%	-1.2%	7.1%	0.0%
LaSalle	6.4%	8.3%	-1.9%	6.1%	0.3%
Chicago-Naperville-Joliet MSA ¹	6.2%	6.6%	-0.4%	6.3%	-0.1%
Illinois (Seasonally Adjusted)	6.5%	6.5%	0.0%	5.9%	0.6%
United States (Seasonally Adjusted)	4.9%	5.5%	-0.6%	5.3%	-0.4%

U.S. Bureau of Labor Statistics – Local Area Unemployment Statistics – <http://bls.gov/lau/>

¹ The Chicago-Naperville-Joliet Metropolitan Statistical Area consists of the counties of Cook, DeKalb, DuPage, Grundy, Kane, Kendall, McHenry, and Will



Kendall County – 3rd Quarter 2016 Update Economic Indicator Dashboard

Employment by Industry	2015 Qtr 4	Previous Quarter	Improved/ Declined	2014 Qtr 4	Improved/ Declined
Construction	1,402	1,428	-26	1,246	156
Manufacturing	3,142	3,155	-13	3,148	-6
Wholesale Trade	672	689	-17	762	-90
Retail Trade	4,771	4,577	194	4,592	179
Information	127	165	-38	175	-48
Finance & Insurance	640	634	6	650	-10
Real Estate & Rental & Leasing	144	141	3	131	13
Professional, Scientific & Technical Services	912	937	-25	988	-76
Management of Companies & Enterprises	19	25	-6	22	-3
Administrative & Support & Waste Mgmt.	880	979	-99	709	171
Educational Services	297	281	16	224	73
Health Care & Social Assistance	2,074	2,020	54	2,005	69
Arts, Entertainment & Recreation	181	521	-340	137	44
Accommodation & Food Services	3,508	3,351	157	3,131	377
Other Services/Unclassified	1,013	1,139	-126	1,036	-23
Total Private Sector Employment*	21,959	21,890	69	21,154	805

[Illinois Department of Employment Securities – Quarterly Census of Employment & Wages –
http://www.ides.illinois.gov/LMI/Pages/Quarterly_Census_of_Employment_and_Wages.aspx](http://www.ides.illinois.gov/LMI/Pages/Quarterly_Census_of_Employment_and_Wages.aspx)

*Total Private Sector Employment includes categories not listed

** Categories: Agriculture, Forestry, Fishing & Hunting; and Mining, Quarrying, & Oil and Gas Extraction eliminated in 2016Q3 due two years of no data



Kendall County – 3rd Quarter 2016 Update Economic Indicator Dashboard

Business Units by Industry	2015 Qtr 4	Previous Quarter	Improved/ Declined	2014 Qtr 4	Improved/ Declined
Construction	385	387	-2	416	-31
Manufacturing	95	95	0	98	-3
Wholesale Trade	100	101	-1	108	-8
Retail Trade	230	238	-8	236	-6
Information	16	17	-1	18	-2
Finance & Insurance	91	93	-2	94	-3
Real Estate & Rental & Leasing	70	74	-4	79	-9
Professional, Scientific & Technical Services	266	268	-2	277	-11
Management of Companies & Enterprises	5	6	-1	5	0
Administrative & Support & Waste Mgmt.	161	170	-9	173	-12
Educational Services	34	36	-2	33	1
Health Care & Social Assistance	180	182	-2	176	4
Arts, Entertainment & Recreation	39	43	-4	41	-2
Accommodation & Food Services	180	182	-2	174	6
Other Services/Unclassified	202	253	-51	200	2
Total Private Sector Businesses*	2,255	2,296	-41	2,407	-152

Illinois Department of Employment Securities – Quarterly Census of Employment & Wages –

http://www.ides.illinois.gov/LMI/Pages/Quarterly_Census_of_Employment_and_Wages.aspx

Department of Labor – Quarterly Census of Employment & Wages – <http://www.bls.gov/cew/>

*Total Private Sector Businesses includes categories not listed

** Categories: Agriculture, Forestry, Fishing & Hunting; and Mining, Quarrying, & Oil and Gas Extraction eliminated in 2016Q3 due two years of no data



Kendall County – 3rd Quarter 2016 Update Economic Indicator Dashboard

Wages by Industry	2015 Qtr 4 (\$1,000)	Previous Quarter (\$1,000)	Improved/ Declined	2014 Qtr 4 (\$1,000)	Improved/ Declined
Construction	\$21,905	\$20,134	\$1,772	\$20,742	\$1,163
Manufacturing	\$50,768	\$45,679	\$5,090	\$49,500	\$5,238
Wholesale Trade	\$11,927	\$9,977	\$1,950	\$13,043	-\$892
Retail Trade	\$28,458	\$27,387	\$1,071	\$25,605	\$799
Information	\$638	\$674	-\$36	\$946	-\$177
Finance & Insurance	\$7,964	\$7,511	\$452	\$7,838	\$1,201
Real Estate & Rental & Leasing	\$1,460	\$1,210	\$250	\$1,369	\$203
Professional, Scientific & Technical Services	\$15,268	\$11,791	\$3,477	\$14,181	\$1,191
Management of Companies & Enterprises	\$566	\$283	\$283	\$518	\$33
Administrative & Support & Waste Mgmt.	\$9,524	\$9,220	\$304	\$6,934	\$319
Educational Services	\$1,858	\$1,448	\$410	\$1,408	\$124
Health Care & Social Assistance	\$20,528	\$17,191	\$3,337	\$19,700	\$1,948
Arts, Entertainment & Recreation	\$1,000	\$1,659	-\$658	\$717	-\$100
Accommodation & Food Services	\$12,976	\$12,354	\$622	\$10,930	\$1,509
Other Services/Unclassified	\$7,614	\$6,703	\$911	\$7,707	-\$213
Total Private Sector Wages*	\$217,370	\$195,394	\$21,975	\$204,315	\$13,055

Illinois Department of Employment Securities – Quarterly Census of Employment & Wages –
http://www.ides.illinois.gov/LMI/Pages/Quarterly_Census_of_Employment_and_Wages.aspx

Department of Labor – Quarterly Census of Employment & Wages – <http://www.bls.gov/cew/>

*Total Private Sector Wages includes categories not listed

** Categories: Agriculture, Forestry, Fishing & Hunting; and Mining, Quarrying, & Oil and Gas Extraction eliminated in 2016Q3 due two years of no data



Kendall County – 3rd Quarter 2016 Update Economic Indicator Dashboard

Average Annual Pay	2015	2014	Improved/ Declined
All Private Industries	\$37,180	\$36,764	\$416

Average Weekly Wage	2016 Qtr 1	Previous Quarter	Improved/ Declined	2015 Qtr 1	Improved/ Declined
All Private Industries	\$739	\$762	-\$23	\$753	-\$14

Illinois Department of Employment Securities – Quarterly Census of Employment & Wages – http://www.ides.illinois.gov/LMI/Pages/Quarterly_Census_of_Employment_and_Wages.aspx
 Department of Labor – Quarterly Census of Employment & Wages – <http://www.bls.gov/cew/>

What is the Utility Tax Exemption?

The Public Utilities Act 220 ILCS 5/9-222.1, as amended and the Telecommunications Excise Tax Act 35 ILCS 630/2(a)(5), as amended allows a business enterprise that is certified by DCCA, as making an investment in a zone that either creates a minimum of 200 full-time equivalent jobs in Illinois or retains a minimum of 1,000 full-time jobs in Illinois, a 5 percent state tax exemption on gas, electricity and the Illinois Commerce Commission .1 percent administrative charge and excise taxes on the act or privilege of originating or receiving telecommunications. Local units of government may also exempt their taxes on gas, electricity and water.

How does a business become eligible for the Utility Tax Exemption?

To be eligible for this incentive, DCCA must certify that the business makes an investment of at least \$5 million in an enterprise zone and has created a minimum of 200 full-time equivalent jobs in Illinois or makes an investment of at least \$20 million in an enterprise zone and has retained a minimum of 1,000 full-time jobs in Illinois. A business must submit an application to DCCA documenting the eligible investment and that the job creation or job retention criteria has been met.

What is an eligible investment?

For purposes of this incentive, eligible investment may be either: 1) investments in qualified property as defined in the Enterprise Zone Investment Tax Credit (described on Page 2 of this publication); or, 2) non-capital and non-routine investments and associated service costs made for the basic construction, renovation or improvement of qualified property including productive capacity, efficiency, product quality or competitive position. Regular maintenance and routine expenditures are not included.

What is the sales tax deduction and what is the retailer's role?

Each retailer who makes a qualified sale of building materials to be incorporated into real estate in an enterprise zone established by a county or municipality under the Illinois Enterprise Zone Act by remodeling, rehabilitation or new construction, may deduct receipts from such sales when calculating the tax imposed by this Act. For purposes of this Section, "qualified sale" means a sale of building materials that will be incorporated in to 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 under this Section, 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. The Certificate of Eligibility for Sales Tax Exemption must contain: 1. a statement that the building project

identified in the Certificate meets all the requirements for the building material exemption contained in the enterprise zone ordinance of the jurisdiction in which the building project is located; 2. the location or address of the building project; and the signature of the administrator of the enterprise zone in which the building project is located. In addition, the retailer must obtain certification from the purchaser that contains: 3. a statement that the building materials are being purchased for incorporation into real estate located in an Illinois enterprise zone; the location or address of the real estate into which the building materials will be incorporated; 4. the name of the enterprise zone in which that real estate is located; a description of the building materials being purchased; and 5. the purchaser's signature and date of purchase. The ordinance that governs the enterprise zone into which the building materials will be incorporated may neither require nor prohibit the purchase of building materials from any retailer or class of retailers in order to qualify for the exemption.

How does the enterprise zone sales tax deduction effect the Regional Transit Authority Retailers' Occupation Tax (RTA ROT), the Metro-East ROT, the C

Once the gross receipts from sales of building materials are excluded from the Illinois Retailers' Occupation Tax base by virtue of exempted building materials, these receipts are also excluded from the RTA and the Metro-East ROT base.

Do all retailers offer a point of sale exemption?

No. Retailers are not required by law to participate. The purchaser must ask the retailer for cooperation on this incentive. Retailers have, however, demonstrated good cooperation throughout the history of this program, as this incentive permits them to give customers a "break" without cost to themselves.

What qualifies as "building materials" eligible for the sales tax deduction?

Building materials that are eligible for the enterprise zone sales tax deduction include items that are permanently affixed to real property such as lumber, mortar, glued-down carpets, paint, wallpaper and similar affixed items.