

Monroe-Randolph joint enterprise zone starts generating jobs

The recently designated Monroe-Randolph County Enterprise Zone has produced its first two success stories, Administrator Edie Koch says.

DeRossett Investments LLC broke ground this month on a three-story, 35,000-square-foot building that will consolidate and relocate its medical canvassing companies to a site on Old Bluff Road in Monroe County, creating more than 130 full-time permanent jobs.

Steve DeRossett, president of DeRossett Investments LLC, said, “We had other location options in Missouri and Florida, but state and local benefits brought to the table, that included the enterprise zone building materials sales tax exemption and the investment tax credit, made the site in Columbia, Ill., the best option.”

In Randolph County, Next Level Metal, an artisanal metal fabricator experiencing rapid growth, has decided to invest in a building and property in an enterprise zone site in Evansville, Ill., bringing more than a dozen jobs.

The Monroe - Randolph County Enterprise Zone was established on Jan. 1, 2020, to attract new industry and revitalize existing business. The zone provides financial incentives, reducing operating and construction costs, that promote job creation and business investment.

Bob Elmore, chairman of the Monroe-Randolph County Enterprise Zone Management Organization, and Monroe County Board of Commissioners chairman, stated, “The decision to pursue an Enterprise Zone designation for the Monroe-Randolph county area came out of a need and desire to make our region more competitive and successful in attracting and expanding commercial and industrial businesses in the two-county area.”

Dave Holder, chairman of the Randolph County Board of Commissioners added, “The award of the Zone designation was a significant accomplishment for

our two-county area. Local government leaders in Monroe and Randolph counties, Evansville, Chester, Columbia, Red Bud, Sparta, Valmeyer, and Waterloo, worked diligently behind the scenes for a year to attain state approval.”

Illinois Enterprise Zones have a proven record of success in stimulating the overall growth of an economy. According to annual state reporting, in 2018 nearly 5,500 jobs were created, 41,000 jobs retained, and \$1.1 billion in capital investment occurred from businesses that received tax incentives through an Illinois Enterprise Zone.

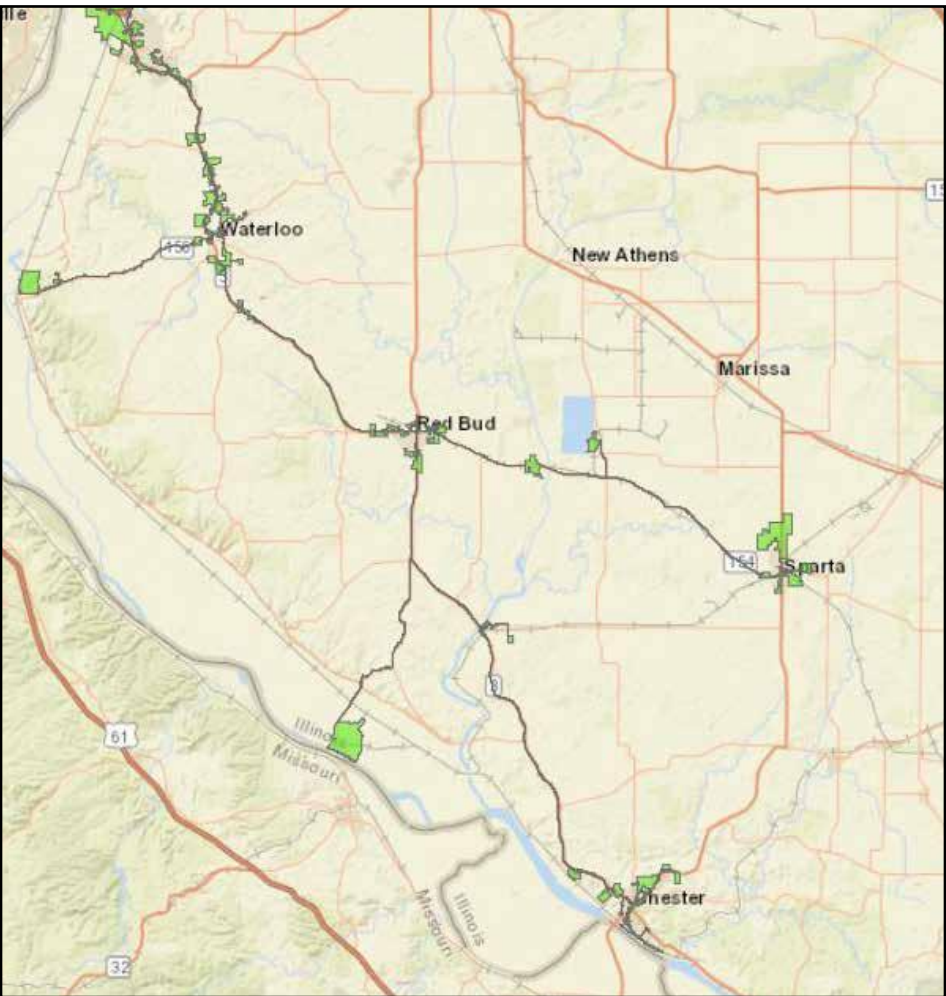
Businesses already within a zone, or that agree to move into one, can qualify for the following tax incentives:

- Exemption on retailers’ occupation tax paid on building materials.
- A 0.5 percent investment tax credit against state income tax.
- Expanded state sales tax exemptions on purchases of personal property used or consumed in the manufacturing process or operation of a pollution control facility for projects that meet certain job and investment requirements.
- An exemption on the state utility tax for electricity/natural gas and the Illinois Commerce Commission’s admin charge and telecommunication excise tax for projects that meet certain job and investment requirements.

Businesses that have development projects and desire more information on the Monroe-Randolph County Enterprise Zone and/or how to access its economic development incentives, should contact the appropriate municipality , or if in an unincorporated area, the appropriate county, for assistance.

About Monroe-Randolph County Enterprise Zone

A contiguous, approximately 15-mile, area in portions of unincorporated Monroe and Randolph counties, and the municipalities of Chester, Evansville,



The new enterprise zone is represented by the dark lines connecting the towns and adjacent tracts from Columbia to the north to Chester to the south, with nine local governments in all.

Sparta, Red Bud, Valmeyer, Waterloo and Columbia. The Monroe-Randolph county designation became effective on Jan. 1, 2020, for an initial period of 15 years with the possibility of a 10-year extension. Businesses already in the zone area, or interested in locating there, are eligible for certain enterprise zone incentives. A map of the zone can be found at Interactive Monroe-Randolph Enterprise Zone Map.

About the Monroe-Randolph County Enterprise Zone Management Organization

This is the governing body for the

zone. Chief elected officials (or their appointed representatives) of the nine participating local governments of the Monroe-Randolph Enterprise Zone make up this organization. Their authority covers amendments to the enterprise zone map, changes to the intergovernmental agreement, the addition of additional zone incentives, and the appointment of the enterprise zone administrator. Day-to-day decision making on how the zone is administered is the responsibility of the enterprise zone administrator, ekoch@mciledc.com.

Region’s freight worthiness appealing even in COVID-19 era, CEO says

COVID-19 trends are factoring into industrial user site selection, and the Midwest looks strong, according to Doug Rasmussen, who spoke this spring to



Rasmussen

members of the St. Louis Regional Freightway. Rasmussen, the president and CEO of Steadfast City Economic & Community Partners, recently conducted a series of interviews with more than a dozen major companies in the manufacturing, logistics and distribution sector in the St. Louis region to get their thoughts regarding the bi-state St. Louis area and its appeal for site selectors, as well as their evaluation of the region’s workforce and manufacturing and logistics markets. While each employer interviewed had a different story to tell, some common themes and trends emerged.

Rasmussen said the first trend is how global companies are seeing a complete disaggregation of the need to locate their headquarters near a hub airport. Where the common thinking previously was that St. Louis might be at a disadvantage because it is more of a spoke, as opposed to a hub, that no longer seems to be the case. Travel constraints due to the COVID-19 pandemic and perceived risks of exposure to the coronavirus will continue to impact business travel, reducing the necessity to be near a hub airport. Rasmussen said that trend was evolving even before the

COVID-19 pandemic started.

“One of the things that Bunge told us about the move of its headquarters from New York to St. Louis was that increasingly they were starting to see some parity in travel prices relative to flights from New York versus St. Louis,” Rasmussen said. “So even with the added travel time of connecting from a spoke to a hub, they were getting parity.”

He added that without being close to a hub airport, a deeper level of analysis also occurred around whether travel is really necessary, and that resulted in the realization they could do a lot of their business via teleconference and by traveling less.

“That really helps us because, not only do we have a good airport that can plug into some of these global hubs whenever international travel is necessary, but it also increasingly focuses site selection for headquarters on some of our other strengths, which are plentiful and, I think, advantageous, in a post-COVID-19 environment,” said Rasmussen.

With COVID-19 expected to continue to fuel a natural aversion to getting on an airplane and the need to continue to conduct some business in person, Rasmussen called attention to some of the St. Louis region’s other advantages, including its location in the central part of the country. He noted that other regional cities like Kansas City and Indianapolis are just a four-hour drive away, Chicago less than five hours and even somewhere as far southeast as Atlanta, Georgia, can be reached by car in under 10 hours. He also pointed out that the St. Louis region is also historically a strong market for telecommunications infrastructure

in general, a benefit as the shift to teleconferencing continues. The fact the St. Louis region is also in the central time zone positions the area as a place where companies can extend their workdays and handle more business calls from around the world and North America.

Mary Lamie, vice president of Multi Modal Enterprises for Bi-State Development and head of its St. Louis Regional Freightway enterprise, conducted the video interview with Rasmussen. She noted how the region’s transportation system supports its central location, with four interstates that provide easy access to all four quadrants of the United States, and she highlighted how the region continues to invest in that crucial infrastructure.

“In the last 24 months, this region has invested nearly a billion dollars in roadways, and it’s a multimodal investment that also includes rail, barge terminals and airports,” said Lamie.

Asked about how the St. Louis region is positioned in terms of quality of life and talent pool, Rasmussen said many of the companies he interviewed shared an appreciation for the region’s affordable, high quality of life, and qualified labor and talent pool. He said Bunge mentioned the labor savings for some of its white collar employees, but that was just part of the equation; another part of it is the high quality talent pipeline from local and regional Universities feeding St. Louis and the ability to find various and deep skills for all aspects of their business throughout the Bi-State region. For executives relocating from out of the country, Bunge noted that initial concerns around image or unfamiliarity with the Midwest

changed once they arrived in the St. Louis area, especially for many of them moving from much more expensive markets.

“They realized they had a very robust neighborhood setting, cultural arts setting, and a robust food scene,” said Rasmussen. “Once they got here, it was hard to get them to leave.”

The second trend that emerged from Rasmussen’s interviews with more than a dozen major companies with operations across the St. Louis region is focused on risk management. Risk management has always been a big part of any site selection project as companies strive to take risk out of the equation.

“Now, more than ever, companies are really going to want to have a great handle on where their people and where their assets are, and also, where their future pipeline of talent exists, and generally just being more compact and more focused geographically,” Rasmussen said. “Supply chains are going to shorten, and the areas that are going to do well are the ones that really can effectively serve the world from one location.”

He believes that bodes well for the St. Louis region and its tremendously diverse ecosystem, where a global company can literally have its headquarters in one part of the region and then 20 to 30 miles away, their factory and/or distribution center. Rasmussen said Bunge again is a perfect example of being able to service various aspects of the supply chain all from one metro area. Its new headquarters is located in Chesterfield, Missouri, a research and development center is located in St. Charles County, and its barge loading/grain facility is located in Fairmont City, Illinois.