

Commentary

O’Fallon mayor shares questions businesses ask when deciding ‘why’

[EDITOR’S NOTE: Mayor Herb Roach recently shared a weekly column with the residents of O’Fallon, Ill., as part of a dialogue behind the “hows and whys” of a business’s decision to come to town, or not.

While he wrote his words to the residents of O’Fallon, his compiled list of business considerations ring true with any efforts to attract business and industry to town.

The words in his final paragraph have a universal ring as well. Residents should always be able to reach out to their elected officials, no matter where they live. Here’s what he wrote:]

Two of the most common questions I get are “What is being built at (fill in the blank)” and “why we don’t have this type of business, company or restaurant here in O’Fallon?”

Having been involved in locating 16 facilities around the U.S. and in 4 other countries during my business career, and having been involved in discussions with

firms that have looked at O’Fallon or that we would like to have in O’Fallon for the last 6 years, I can honestly state that there are quite a few reasons why certain companies come to our community, or don’t.

This is a short list of the decisions a company has to make before deciding whether or not to go into a community:

- Is my company or business ready to expand, relocate, or start up?
- Does my company want to have a location in the St. Louis region?
- Is the community a location that is attractive for my business?
- Is there competition for my product/business nearby?
- Can we provide all the services that the public wants or needs?
- How stable and efficient is the government and processes used for construction and permits?
- Are there business incentives that can help me locate my business to the area?

- Will we have to build a new building or is there existing building supply?
 - What is the safety record of the community?
 - What is the availability of a good workforce?
 - What are educational standards in the area?
 - What is the availability of training from local, regional, state or federal resources?
 - Does the community have the infrastructure that my business needs?
 - Is there a good customer base in and around the area?
 - Is the area centrally and logistically located to allow my business to serve our regional customers?
 - Can our suppliers easily get supplies to us in a timely manner?
- I could easily triple this list depending upon the type of business. But as you can see, it is not as easy as just picking up the phone and invit-

ing them to build in our community.

Our Economic Development staff is constantly looking at different businesses and talking to them about our City and Region. In some cases, they are just not interested in doing so for any of a variety of reasons or that the timing is not right. In those cases, we just try to stay in touch to let them know that when they are ready that we will work with them to make it a positive experience. And of course, there are some businesses that after we talk to them and check them out, that we do not pursue them.

As residents of O’Fallon, you should always be able to reach out to your elected officials and ask questions about what is happening in O’Fallon. Having open communications is important to me and something I care very deeply about. Thank you for reading, and please remember, my door is always open.

• Mayor Herb Roach has served the City of O’Fallon, Ill., as mayor since April 2017.

Illinois state revenue projections cut by \$800M after much weaker Tax Day

By JUSTIN CARLSON
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April 2023 Illinois state income tax collections came in \$1.8 billion lower than April 2022, leading state forecasters to make massive cuts in expected 2023 revenue.

State revenue projections were cut by more than \$800 million in new fiscal year 2023 estimates from the state legislature’s Commission on Government Forecasting and Accountability.

Illinois saw a massive \$1.76 billion drop in actual personal income tax collections during April 2023 compared to April 2022. Lower year-over-year revenues were expected as the effects of federal stimulus activity dissipated. State forecasters built that drop into their projections, but they were still way off – by \$986 million.

Revenue from corporate income, corporate franchise taxes and fees, sales, liquor, inheritance, and cannabis taxes were also down in April 2023 compared to April 2022.

While the most recent tax collection data has substantially altered projections for FY 2023 revenues, the state projections for fiscal year 2024 remain virtually unchanged because of tax disbursement changes made by the Illinois Department of Revenue for the upcoming fiscal year. Should revenues continue to falter, FY 2024 revenues could come in lower than expected even with these changes.

Just as the projections were off, so is

rhetoric from Gov. J.B. Pritzker about the state’s improved financial condition: the state’s fiscal future remains in jeopardy. In March 2023, Pritzker suggested the state’s strong revenue growth was stable, saying “...as we feel comfortable with these new revenues coming in and their stability; and I think we’re seeing a few years in a row now of the stability of that revenue – that we should be talking about whether there are tax cuts that we can implement.”

Just a month later, year over year revenues posted a massive decline. The April 2023 revenues offer a clear warning about the state’s fiscal future. Experts had been warning Illinois could potentially be among the states facing a fiscal cliff once federal pandemic relief funding ran out. Now, it should be clear the state should not simply expect revenues to keep climbing while avoiding any reforms to the budgeting process, pension costs, or the general financial management of the state.

Under Pritzker, no attempts have been made to address the structural problems the state has in its budget, forecasting or pension crisis. The only things truly keeping the state’s finances afloat have been the billions of dollars in temporary federal relief and a strong national economy buoyed by federal stimulus spending. As these effects begin to wane, Illinois will sink back into the fiscal abyss it had been trapped in because of decades of uncontrolled spending and failure to reform by leaders in Springfield.

The state’s budgeting process has earned poor marks from fiscal watchdog organizations such as The Volcker Alliance. Still, Pritzker and lawmakers failed to take advantage of rare revenue surges and one-time federal infusions to ease in tough changes to the state’s fiscal practices and to reform public pensions.

With signs the economy is slowing down and recession fears continuing to grow, it is imperative state leaders implement a responsible, sustainable long-term budget strategy in the upcoming FY 2024 budget.

If revenues continue to slide as they did in April and the economy takes a serious downturn, the state will likely slip right back

into financial turmoil. The state’s pension debt is still \$140 billion and began rising again in 2022 after a small decline in 2021.

The state has been losing record numbers of residents and wealth, along with major businesses, despite a strong national economy and stronger than usual fiscal situation. Should a downturn occur, Illinois will likely see those losses of residents, businesses and wealth worsen in the coming years. Recessions historically hit Illinois harder than other states.

But state leaders can change that. They just need to be willing to do so.

• Justin Carlson is a policy analyst with the Illinois Policy Institute.

(EDITOR’S NOTE: The opinions expressed in this publication on its Commentary page are those of their authors. They do not necessarily reflect the opinions or views of the Illinois Business Journal or its corporate family.)

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