

Economic Transitions in 2023

Federal and State Programs That Are Driving or Addressing Change

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Presentation to Illinois Financial Forecast Forum
January 20, 2022



Illinois
Department of Commerce
& Economic Opportunity

JB Pritzker, Governor

Three Economic Transitions

1. The Clean Energy and Energy Efficiency Economy
2. Re-shoring and Revitalizing American Manufacturing
3. Retail and Office Space and the Pandemic



Clean Energy and Energy Efficiency Economy



We are seeing an explosion of investment and innovation in the clean energy and energy efficiency sector.

That means:

- More manufacturing plants in EVs, battery, solar, and more
- Solar and wind developments
- Grid improvements and transmission lines
- New R&D



Clean Energy and Energy Efficiency Economy

FEDERAL PROGRAMS

- **Inflation Reduction Act (IRA), Infrastructure Investment and Jobs Act (IIJA), and CHIPS+** poured hundreds of billions in tax credits, grants, and loan guarantees for individuals, corporations, governments, and research orgs to support production and purchase of energy efficiency devices and improvements, EVs, alternative energy and fuels, and more



Clean Energy and Energy Efficiency Economy

STATE PROGRAMS

- **Climate and Equitable Jobs Act (CEJA)** – Many programs, including:
 - Energy Transition Community Grants
 - Community Solar Sovereignty Grant Program
 - Clean Jobs Workforce Hubs Network
- **REV Illinois** – Recent amendments allowed for these incentives to apply to any clean-energy manufacturer making a significant investment



CEJA Overview

OVERALL GOAL

Transition to carbon-free power generation (and much of transportation) in Illinois by 2045

HOW DO WE GET THERE?

Requirements for utilities and generators; provide significant investments and credits to support renewable and nuclear generation, improved grid, adoption of electric vehicles, and more.

HOW DO WE GET THERE *EQUITABLY*?

Large expansion of **targeted workforce development and entrepreneurial services** for opportunities in growing clean energy sectors

Support for economic and workforce development in communities impacted by fossil fuel plant and coal mine closures



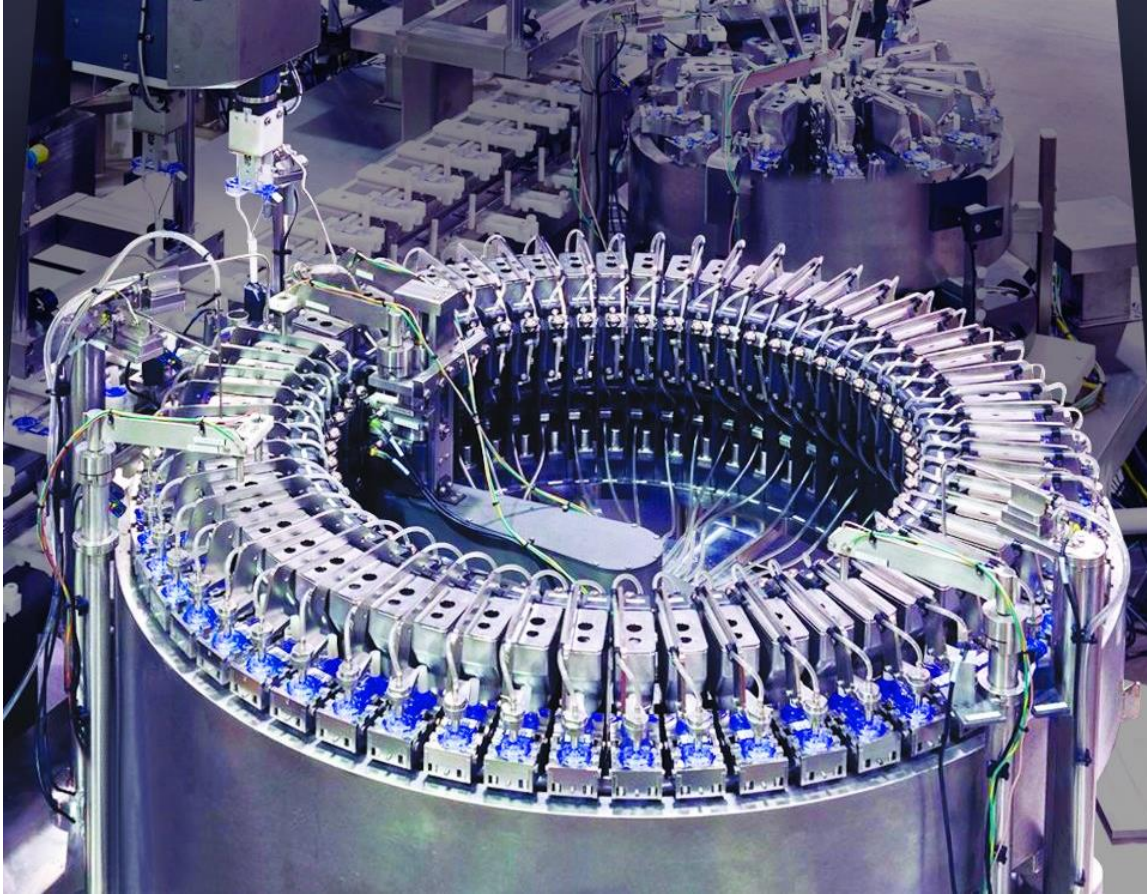
Clean Energy and Energy Efficiency Economy

What could local governments do?

- Stay on top of CEJA programming by signing up for newsletter at DCEO website
- Identify key businesses, organizations, and educational institutions that play a role in the clean energy or energy efficiency sector, and support collaboration and access to federal/state resources
- Prepare for increased permitting for rooftop solar, energy efficiency improvements, and other forms of renewable energy development



Re-shoring and Revitalizing Manufacturing



- Interest in a more predictable and stable supply chain is leading to reshoring and “friend-shoring”
- Particular focus on microchips
- Continuous adoption of AI and robotics technology in advanced manufacturing
- Shift in global networks and international trade



Re-shoring and Revitalizing Manufacturing

FEDERAL PROGRAMS

- **CHIPS for America Fund** – Over \$40 billion in incentives to build, expand, or modernize domestic chip manufacturing (CHIPS+)
- **Regional Tech Hubs, Manufacturing USA Institutes, National Semiconductor Technology Center, Regional Innovation Engines and associated grants, Microelectronics Science Research Center, and much more in CHIPS+**
- **NSF Directorate for Technology, Innovation, and Partnerships (TIP) (CHIPS+)**
- **Investment in facilities and capacity at ports (ARPA)**



Re-shoring and Revitalizing Manufacturing

STATE PROGRAMS

- **REV Illinois/MICRO**
- **Enterprise Zones** (areas recently expanded)
- **SBIR/STTR Matching Grants**
- **Made in Illinois Grants** (coming soon)
- **Federal Matching Grants** (coming soon)
- **Illinois Innovation Vouchers** (coming soon)
- **Meat and Poultry Supply Chain Grants**
- **Rebuild Capital grants**
 - **Manufacturing Training Academies**
 - **Rebuild Illinois Regional Economic Development**
 - **Large Industrial Site Development Program**
(coming soon)



Re-shoring and Revitalizing Manufacturing

What could local governments do?

- Encourage partnerships between community colleges and manufacturers to develop talent
- Work with economic development organizations and planners on business retention for major employers and suppliers, as well as available industrial sites/how to get sites ready for future investment
- Get sites submitted to Intersect's site database and on Intersect's distribution list for site selection RFIs
- For very large projects (billion-dollar investments in battery, microchip manufacturing), companies expect timely response, a ready site, and substantial property tax abatement



Retail and Office Space and the Pandemic



- Apparent permanence of remote/hybrid work arrangements are impacting use of office space
- Arts/entertainment/travel/in-person retail continue to be impacted by change in consumer patterns and workforce during pandemic



Retail and Office Space and the Pandemic

FEDERAL PROGRAMS

- **ARPA/CARES Act funds** provided (and continue to provide) relief to local governments, small businesses, and workers
- Support for **broadband infrastructure** through State Digital Equity Planning/Capacity Grant programs; Broadband Equity, Access, and Deployment Program (BEAD) (IIJA)



Retail and Office Space and the Pandemic

STATE PROGRAMS

- **Business Interruption Grants (BIG) / Back to Business Grants (B2B)** have thus far deployed over \$1 billion to small businesses in IL most impacted by the pandemic
 - **3 more B2B programs** coming shortly, focused on **restaurants, hotels, and the arts**, respectively
- **Rebuild Illinois Downtowns and Main Streets**
- **SBDCs/PTACs** provide small business support services
- **RISE COVID Recovery Planning Grants** (future phase will fund initiatives/investments from recovery plans)
- **State Recovery Planning** (EDA grant)



Retail and Office Space and the Pandemic

What could local governments do?

- Identify opportunities for federal planning grants for broadband, infrastructure, recovery from COVID, and general comprehensive plans; DCEO Broadband Office can provide information
- Identify strategic partnerships between government, chambers, EDOs, and major institutions like universities or hospitals for commercial corridor revitalization
- Sign up for DCEO newsletter sharing updates on latest programs for small businesses, capital grants, and more

