



October 1, 2009

Dear Members of the General Assembly:

The enclosed information fulfills the statutory directive that the Illinois Department of Commerce and Economic Opportunity (DCEO) report annually to the members of the Illinois General Assembly on the status of the Illinois River Edge Redevelopment Program.

DCEO has designated three cities – Aurora, East St. Louis and Rockford – as River Edge Redevelopment Zones. In 2009, Governor Pat Quinn signed legislation authorizing the City of Elgin to apply to DCEO for designation as a River Edge Redevelopment Zone.

The purpose of the River Edge Redevelopment Program is to revive and redevelop environmentally challenged properties adjacent to rivers in Illinois.

I trust that you will find this 2009 River Edge Redevelopment Zone Report useful.

Sincerely,

Warren Ribley
Director

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River Edge Redevelopment Zone Program 2009 Annual Report

The River Edge Redevelopment Zone is an innovative pilot program designed to help revitalize riverfront areas by providing local developers and businesses with the critical tools to revive and redevelop abandoned or contaminated properties that will stimulate economic development opportunities and create more Illinois jobs. The River Edge Redevelopment Initiative includes the designation of redevelopment zones that are eligible to receive tax credits, exemptions and new grant funding to support clean-up, remediation and redevelopment efforts that will lead to economic revitalization in these areas. This initiative combines resources across state agencies and is administered primarily by the Illinois Department of Commerce and Economic Opportunity (DCEO) and the Illinois Environmental Protection Agency (IEPA).

Implementation Status

DCEO has designated zones in the cities of Aurora, East St. Louis, and Rockford.

Aurora Zone

The City of Aurora River Edge Redevelopment Zone consists of former industrial land lining its east and west riverfronts that have tremendous economic development potential, but the costs of redevelopment have made attracting investment extremely difficult. The City of Aurora has been successful in using the IEPA Municipal Brownfield Grant program to begin work on public areas that will create a downtown park and public space that will support development and redevelopment.

East St. Louis Zone

The City of East St. Louis River Edge Redevelopment Zone is adjacent to the Mississippi River and consists of approximately 2.5 acres. The East St. Louis Riverfront is a unique area because of its unparalleled location directly across the river from the Gateway Arch. The IEPA and DCEO, in conjunction with City of East St. Louis officials, are continuing to work with private developers on potential redevelopment projects for the area. Due in part to the designation of this zone, grant funding is being provided to IEPA to do Lead Awareness in the East St. Louis area.

Rockford Zone

In Rockford, River Edge will allow for multiple redevelopments using abandoned industrial sites along the Rock River, creating both recreational and residential development spaces. There have been six Designated Zone Organization (DZO) certified by DCEO in City of Rockford. These DZOs are undertaking projects that will assist with both the physical redevelopment of the area as well as provide social services to the homeless and other low income residents.

Effectiveness

During Fiscal Year 2009, according to reports submitted by these three zones, investments of more than \$3.8 million in these designated zones will result in the projected creation and retention of 102 jobs. Although other factors are undoubtedly involved, RERZ designation is a highly important determinant of a business's decision to locate or expand. While it is too early to fully evaluate the impact of this new program, we believe that the River Edge Redevelopment Program will become one of the state's most successful economic development tools.

Proposed New Legislation

DCEO is not proposing any new legislation at this time.