

## East Central Regional E-letter

### Regional News, Events, and Program Highlights

June 22, 2006

### \$550,000 IN HOMELAND SECURITY PRODUCT DEVELOPMENT GRANTS TO HELP FOUR TECH-BASED, CHAMPAIGN COMPANIES EXPAND

*Innovative Product Grants Will Help Create 75 New Jobs in Illinois' Advanced Technology and Biotechnology Sectors*

CHAMPAIGN – June 20th— The Governor announced \$550,000 in *Opportunity Returns* support to four Champaign-based companies to commercialize new biotechnology products that can be used to enhance homeland security. The grants will help the companies create 75 new jobs over the next two years and retain 62 jobs. Illinois Department of Commerce and Economic Opportunity (DCEO) Assistant Director Roxanne Nava announced the grants at an event held at the [University of Illinois](#) at Urbana-Champaign (UIUC) Research Park, which is home to all four grant recipients. The funding is being provided through the Innovative Product Grant (IPG) Program administered by DCEO's Homeland Security Market Development (HSMD) bureau. IPG is the nation's first state-funded grant program focused on developing products to meet homeland security needs.

"The global economy of today and tomorrow centers on innovation and advancing new technologies that will create a safer, cleaner, healthier and more efficient world. With world-class research conducted everyday in areas such as biotechnology, Illinois clearly is a leader in innovation. These four companies are excellent examples of taking creative ideas and turning them into new businesses and marketable products. By investing in emerging companies that are investing in Illinois, we are helping them meet the ongoing challenges in the homeland security industry and create high-paying, high-tech Illinois jobs," Gov. Blagojevich said.

The announcement was held at the [EnterpriseWorks](#) building, a 43,000 square foot, start-up business incubator in the UIUC [Research Park](#), which has been the launching pad for more than [30 start-up companies](#), including the four grantees. Other speakers included State Representative Naomi Jakobsson (D-Urbana) and David Chicoine, UIUC Vice President for Technology and Economic Development. The following companies are receiving grants:

**Caviton**, a research and development firm working on the next generation of micro-sensors and analytical equipment, will use the \$100,000 IPG grant to commercialize a micro-discharge based analyzer/detection system that will screen for toxins, trace metals and chemical/biological warfare agents. The device, which has military and general environmental health applications, is designed to be portable, easy to use and able to detect chemical warfare agents and toxic industrial chemicals as effectively as the best, while remaining smaller and less expensive. Clients include the United States Air Force, the Environmental Protection Agency, Marine Corps, De-

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### Links for you

Dept. of Commerce and Economic Opportunity:

<http://illinoisbiz.biz/dceo/>

DCEO Business Development:

[http://illinoisbiz.biz/dceo/Bureaus/Business\\_Development](http://illinoisbiz.biz/dceo/Bureaus/Business_Development)

Illinois Business Portal:

<http://business.illinois.gov>

Illinois Entrepreneurship Network:

<http://ienconnect.com>

Buy Illinois Network:

<http://buwillinois.net>

Il Treasurer - Programs and Services:

<http://state.il.us/treas/Programs/programs.htm>

Federal Business Opportunities:

<http://fbo.gov/>

fense Advanced Research Projects Administration, Department of Energy, and Honeywell International. The company will create 13 new jobs over the next two years. For more information on the company visit [www.cavinton.com](http://www.cavinton.com) - David Kellner - 217/337.6445.

iCYT, an innovative, bioscience company, which has developed a number of products for improving flow cytometry applications, will use the \$150,000 IPG grant to design, prototype, test/validate, patent and obtain regulatory approval for a bio-safe version of its high-throughput flow cytometry and cell sorting system. The bio-safe cytometer, which can screen and sort particles at a higher rate than any commercially available cell sorting system, has applications in both biological warfare agent detection and commercial agriculture. The bio-safe cell sorter system has attracted interest from several laboratories and academic institutions. The company will create 20 new jobs over the next two years. For more information on the company visit [www.i-cyt.com](http://www.i-cyt.com) - Timothy Hoerr - 217/328.9396.

Kim Labs, a biotech company specializing in the detection of biological contaminants in food, water, and health care facilities, will use the \$150,000 IPG grant to support the initial manufacturing of its ValidCheck™ system through the hiring of protein biochemists and instrument production technicians. The ValidCheck™ system performs point-of-inspection field testing for food (e.g. cafeterias and water), bio-terror contaminants, and pathogens (e.g. anthrax, botulism) and can complete its test in 30 minutes with easy to understand Yes/No results. The Company launched its ValidCheck™ product at BIO 2006 held in Chicago in April. The company will create 28 new jobs over the next two years. For more information on the company, visit [www.kimlaboratories.com](http://www.kimlaboratories.com) - Myung Kim - 217/337.6666.

**SmartSpark Energy Systems**, an energy middleware provider and developer founded by faculty at UIUC's Engineering school, will use the \$150,000 IPG grant to develop, test and commercialize a homeland security version of its "ForeverPower™" product. ForeverPower is a remote, long-term power supply that can provide electricity to unattended equipment with zero maintenance for a period of more than 4 years. The product uses a combination of solar and stored power to provide energy to applications that can include wireless networks, electronically-controlled motors, and security systems. The company will create 14 new jobs over the next two years. For more information on the company visit [www.smartsparkenergy.com](http://www.smartsparkenergy.com) - Patrick Chapman - 217/344.6044.

"This region of the state is a hotbed for new and innovative scientific discoveries, and these four companies are terrific examples of turning technology into successful products in the marketplace. We are committed to making the kinds of investments that will support the advancement of technologies and services that help make us secure and create more good jobs," State Rep Naomi Jakobsson (D-Urbana) said.

DCEO's Innovative Product Grant (IPG) Program was created to accelerate the commercialization, improvement, and production of goods and services with an application in homeland security and other sectors. IPG funds are intended to help create jobs and increase economic activity in Illinois.

Biotechnology was recently showcased in Illinois during BIO 2006, the world's most prestigious conference of researchers, major corporations and investors, which was

**USDA Rural Development:**  
<http://rurdev.usda.gov/>

**Location One:**  
<http://locationone.com>

**The Foundation Directory:**  
<http://fconline.fdncenter.org>

**Illinois Clean Energy Foundation:**  
<http://illinoiscleanenergy.org/>

**Federal Regulatory Alerts Webpage:**  
[http://sba.gov/advo/laws/law\\_regalerts.html](http://sba.gov/advo/laws/law_regalerts.html)

**Illinois State Fair Site:**  
<http://www.agr.state.il.us/isf/index.php>

held for the first time in the Midwest. The event drew record attendance with almost 20,000 people from more than 60 different countries. *Business Facilities Magazine* named Illinois, which is home to nearly 60,000 employees at more than 1,100 biotech firms, the top state for biotech growth in 2005.

“The key to advancing Illinois in the global economy is to encourage innovation through investment. With these grants to four exemplarily, high-growth tech-based companies, Gov. Blagojevich and I are helping to ensure our companies within the biotech field and the homeland security industry have the support they need to develop more effective products and advance technologies that contribute to improving our national security and creating good jobs,” DCEO Director Jack Lavin said.

DCEO’s Homeland Security Market Development bureau is focused on supporting businesses engaged in the homeland security industry, and the bureau offers a variety of investment tools designed to help existing Illinois companies expand operations and utilize available state and federal programs and services. For more information on HSMD, visit [www.hsmd.illinois.gov](http://www.hsmd.illinois.gov).

Gov. Blagojevich’s *Opportunity Returns* regional economic development strategy is the most aggressive, comprehensive approach to creating jobs in Illinois’ history. Since a one-size-fits-all approach to economic development just doesn’t work, the Governor has divided the state into 10 regions – each with a regional team that is empowered and expected to rapidly respond to opportunities and challenges. *Opportunity Returns* is about tangible, specific actions to make each region more accessible, more marketable, more entrepreneurial and more attractive to businesses. It is about upgrading the skills of the local workforce, increasing the access to capital, opening new markets, improving infrastructure, and creating and retaining jobs. It’s about successfully partnering with companies and communities, large and small, to help Illinois reach its economic potential.

## **Announcement: Largest 3 Month Consecutive Job Gain in 7 Years**

*Nearly 45,000 New Jobs Indicate Economic Development and Job Creation Strategies are Working for Illinois*

The Illinois Department of Employment Security (IDES) announced that the state added 23,100 new jobs in April, which is the largest one-month increase in nine months. The Federal Bureau of Labor Statistics also shows that 43,600 new jobs were created over the past three consecutive months, which hasn’t happened since 1999. This job creation is a good indication that Gov. Blagojevich’s economic development initiatives and workforce investments are paying important dividends for the state. Several key legislative initiatives also will make the state’s business climate even more attractive to companies looking to expand or to relocate and spark more growth.

## **TRANSPORTATION ENHANCEMENT PROGRAM**

The Illinois Transportation Enhancement Program (ITEP) is a reimbursable program that is funded by a 10 percent set aside of the Federal Surface Transportation Program. The ITEP provides funding for community based projects that expand travel choices and enhance the transportation experience by improving the cultural, historic, aesthetic and environmental aspects of our transportation infrastructure. Each state has the flexibility to create a program that best suits its needs, within the limits of federal and state law. Project sponsors may receive up to 80 percent reimbursement for project costs. The remaining 20 percent is the responsibility of the project sponsor. In order to qualify for funding, a project must qualify as one of the 12 eligible activities listed below and it must relate to surface transportation.

- Pedestrian and bicycle facilities
- Historic preservation
- Rehabilitation of historic transportation facilities
- Landscaping and scenic beautification
- Scenic and historic highways scenic easements
- Transportation museums

- Outdoor advertising control
- Safety education for pedestrians and bicyclists
- Rails-to-trails corridor preservation
- Archeological planning and research
- Mitigation for roadway runoff and wildlife connectivity
- Scenic or historic highway programs

Transportation Enhancement funding is provided under the current federal transportation legislation, Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU). The program includes transportation-related activities that contribute to the quality of life for communities, promote the quality of our environment and enhance the aesthetics of our roadways.

Any unit of local/state government with taxing authority is eligible to apply for and sponsor a Transportation Enhancement project. To review the application and instructions click here, [application with instructions](#) and for the guidelines click here, [program guidelines](#). Although there may be modifications to the application and guidelines for the next round of enhancement projects, it is not anticipated there will be any major revisions. *To download the file click "open" when prompted. Next click "browse" and select the destination on your computer where you would like to save the file. Next click "unzip". Open the unzipped file.*

For additional information: <http://www.dot.state.il.us/opp/itep.html>

## Illinois Transportation Enhancement Program - approved project list

Governor Rod Blagojevich has announced more than \$60 million in projects for the Illinois Transportation Enhancement Program (ITEP). Statewide, 107 projects have been chosen to receive funding. During this round the Illinois Department of Transportation reviewed 376 applications requesting more than \$349 million in federal funds. ITEP provides federal funds for alternative transportation and preserving visual and cultural resources. Any local or state government with taxing authority is eligible to apply; local matching funds are required. The following is a listing of projects selected in the latest round of the Illinois Transportation Enhancement Program: [Approved Projects List](#)

## Register today for Governor Blagojevich's All Kids Training Tour

*Learn what healthcare programs are available for your community—together we can keep Illinois healthy.*

Come learn about:

- **All Kids** low cost or free comprehensive
- healthcare coverage for children,
- regardless of family income
- **FamilyCare** provides access to affordable
- healthcare for parents of children ages
- 18 and younger in Illinois
- **Illinois Cares Rx** helps seniors save
- money on prescription drugs
- The **Illinois Rx Buying Club** helps save
- up to 20% on brand name drugs
- **I-Save Rx** helps save up to 80% on prescription drugs through drug importation from Canada and the UK

For more information and to register to attend the All Kids Training Tour go to: <http://www.allkidscovered.com/aktraining/>

## River Edge Redevelopment Initiative

This is an innovative new pilot program designed to help revitalize riverfront areas by providing Aurora, East St. Louis and Rockford 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 will be eligible to receive tax credits, exemptions and potentially new grant funding to support clean-up, remediation and redevelopment efforts that will lead to economic revitalization in these areas.

For more information: <http://www.illinoisbiz.biz/dceo/News/pr05032006-1.htm>

## **Bank Financing and High-Growth Firms**

Few fast growing businesses obtain financing from banks. This conventional claim receives strong support in the latest edition of Price Waterhouse Coopers Barometer survey of "Trendsetter" companies (312 private firms who are among the fastest growing in the US. The survey finds that only 12% of fast-growing firms obtained bank financing in the first quarter of 2006. This proportion has dropped from last year, but it has remained fairly consistent (in the range of 10-13%) over the past few years. Lines of credit and self-financing are more commonly used financing tools. In addition, surveyed firms are showing a growing interest in pursuing alternative financing options such as angel investors or private placements. Analysts expect these trends to continue as interest rates continue to climb.

View the latest Trendsetter Barometer Survey <http://www.barometersurveys.com/production/barsurv.nsf/vwAllNewsByDocID/64D9655A0462380C8525717A005B978C> from Price Waterhouse Coopers. (This notice is from the National Dialogue on Entrepreneurship <http://www.publicforuminstitute.org/nde>.)

## **Negotiation Strategies for Entrepreneurs**

Negotiation skills – an increasingly important part of virtually every aspect of business and life – are especially valuable to entrepreneurs engaged in growing their companies. This month, Kauffman eVenturing features new articles to help emerging business owners become better negotiators in their daily and longer term business dealings. The articles include "Negotiation for Mutual Gain" by William Ury, distinguished global expert and co-founder of Harvard Law School's program on negotiation. Ury explains how to enable both sides in a negotiation to gain by expanding (rather than dividing) the economic pie.

Read this month's collection on Kauffman eVenturing <http://www.eventuring.org/> .(This notice is from the National Dialogue on Entrepreneurship <http://www.publicforuminstitute.org/nde>.)

## **Smart Energy Design Assistance Center June 2006 Newsletter**

The Smart Energy Design Assistance Center (SEDAC) is pleased to announce that the June 2006 newsletter is now available at [http://www.sedac.org/pdf/newsletter2\\_5.pdf](http://www.sedac.org/pdf/newsletter2_5.pdf)

In this issue, you will find articles about:

- How to build better buildings with SEDAC Design Assistance
- How energy efficiency can save money and jobs
- Information On How You Can Request A Free Energy Audit
- Links to Information On How Your Business Can Rebuild After a Natural Disaster.

For more information about the Small Business Smart Energy Program (SB\$E), please contact SEDAC at 1-800-214-7954, email [info@sedac.org](mailto:info@sedac.org) or visit our website at <http://www.sedac.org>

## **The Illinois Entrepreneurship Network**

The IEN Web site, <http://www.ienconnect.com>, features a free business needs assessment and a referral within 24 hours for personalized, face-to-face assistance. Entrepreneurs, who call toll-free to the IEN information cen-

ter (1-800-252-2923), can also connect with service representatives who will assess their business concerns and direct them to the local resources that best meets their needs.

## **Web Portal Consolidates Entrepreneurship Research**

The Ewing Marion Kauffman Foundation, a major sponsor of research on entrepreneurship, has announced a new release of its Entrepreneurship Research Portal – a clearinghouse for understanding entrepreneurship across disciplines.

The portal provides research, as well as listings of events and data sets targeted to the entrepreneurship research and policy community. With more than 2,000 existing records, and hundreds of new records added each month by its content partners at the University of Illinois, Urbana-Champaign and the Social Science Research Network (SSRN), the Entrepreneurship Research Portal is quickly becoming the most complete online resource for cross-disciplinary research on entrepreneurship.

The new release offers many enhancements including: email and RSS options for notification of new research and events; more information on data sets used for the study of entrepreneurship; an expanded Research Database that includes research submitted through the Entrepreneurship Research and Policy Network (ERPN), a new scholarly network that is part of SSRN; and, the capability to browse research by author, institution, or subject. The portal also allows users to submit research, events or calls for papers to be included on the site.

Visit the Entrepreneurship Research Portal: <http://www.kauffman.org/research>.

## **Capitol Development Board—Procurement Opportunity Information Web Page**

The Capital Development Board has replaced the Bid Information Newsletter with a user-friendly website page that is continuously available to CDB partners in the design and construction industries. Everyone with an interest in CDB procurement opportunities will still receive updated periodic e-mail notifications.

To view this new page, please [www.http://cdb.state.il.us/procurement.shtml](http://www.cdb.state.il.us/procurement.shtml)

## **“Buy Illinois Network” Online Service to Promote Illinois Companies**

The Illinois Department of Commerce and Economic Opportunity (DCEO) developed the Web site, which is free of charge for registering companies, to market Illinois goods and services by linking potential purchasers with producers who are located across the state.

The Buy Illinois Web <http://buyillinois.net> site replaced the *buyillinoisproducts.com* Web site, formerly operated by the Illinois Department of Agriculture (IDOA). Those food processors and producers are encouraged to register free of charge with the new Web site. [More Information...](#)

## **Legislative Updates**

### **Proposed rule to impact service providers of Dept. of Aging clients:**

*(who provide homemaker services)*

The Department on Aging adopted emergency amendments to “Community Care Programs” (89 Ill. Adm. Code 240) effective 6/1/06 for a maximum of 150 days, to require that service providers prove that they expend at least 77% of the total revenues they receive from the Department on direct homemaker service worker personnel costs. The remaining 23% of the total revenues received may be spent at the service provider’s discretion on administrative or program support costs. An identical proposed rulemaking appears in the June 2 issue of the Illinois Register.

Amendments are being proposed so the financial reporting requirements relating to homemaker service providers under the Community Care Program will reflect a new split between administrative and employee wages and bene-

fits in conformity with statutory changes.

For questions or comments, contact George Sisk at (217) 785-3346.

## **Proposed Regulation will impact Small Highway Contractors**

The Department of Transportation proposed amendments to "Prequalification of Contractors and Issuance of Plans and Proposals" (44 Ill. Adm. Code 650). The rulemaking clarifies the application cut-off dates for initial and renewal applicants for a Certificate of Eligibility to do business with the Department. Also, a renewal applicant's prequalification rating determination and approval will not be applicable if renewal information is received after the project's bid cut-off date announced in the Transportation Bulletin published by the Department. Website addresses for the Department are added, and 2 new specified grounds for denial or revocation of prequalification status are suspension or debarment under the Procurement of Domestic Products Act and statutory suspension or debarment under the Illinois Procurement Code. The rulemaking alters 2 standards by which a contractor may achieve the "unaudited" financial status category for the financial responsibility component of prequalification: a balance sheet prepared and submitted by an applicant limits the applicant's financial rating to no more than \$.5 million, and the applicant is limited to no more than \$1.5 million when a review and compiled balance sheet is prepared by an accountant.

The amendments also eliminate the restriction that specifies unaudited applicants no more than \$600,000 in transportation contracts, including local agency motor fuel tax contracts, during any 12-month period. Balance sheet appraisals using the fair market value of equipment shall be the value of that equipment discounted by 20% when evaluating balance sheet items submitted by applicants. Also, a criterion is added to measure quality control and quality assurance in evaluating a contractor or subcontractor in the performance factor element of prequalification assessment. In addition, the rulemaking eliminates the actual possession of leased equipment requirements for work ratings, instead requiring only that leased equipment be "available". In the appendix that lists available work categories, polyurea pavement marking is added.

The Department is proposing to revise and update provisions to reflect current practice regarding bidder's responsibilities on competitive bid contracts, address poor contractor performance, to increase competition and to potentially increase the number of prequalified small businesses. For questions or comments, contact Ms. Christine Caronna-Beard at (217) 782-3215.

## **Grant Opportunities**

### **Innovative Products Grant Program**

The Homeland Security Market Development Bureau announces a new Program to generate employment growth in Illinois by accelerating production or improvement of "ready-to-go" products or services with an application in homeland security.

The grant applications will be accepted and reviewed on a continual basis through FY2006. For questions Contact Michael Brody at [mbrody@ildceo.net](mailto:mbrody@ildceo.net) or visit <http://hsmd.illinois.gov>

### **Tourism Cares for Tomorrow Announces 2006 Worldwide Grant Program**

*Deadlines: June 30, and November 1, 2006 (Letters of Inquiry)*

Tourism Cares for Tomorrow exists to preserve, conserve, and promote the responsible use of our world's natural, cultural, and historic treasures and to support education and research to help secure the positive future of travel and tourism world wide.

Tourism Cares for Tomorrow distributes charitable grants to worthy tourism-related non-profit organizations worldwide for either capital improvements or

Visit the Tourism Cares for Tomorrow Website for complete program information and application procedures:

<http://www.tourismcares.org/TourismCares/What+We+Do/Grants/Worldwide+Grant+Program/>

## **Events and Training**

### **Camp CEO Scholarships Available July 9th-16<sup>th</sup>**

Camp CEO has scholarship openings for high school youth for the July 9th through July 16th camp. Camp CEO is an award winning experiential camp for young entrepreneurs held on the beautiful campus of Southern Illinois University Carbondale. Campers will experience a hands-on week of lessons, activities, and interaction with IEN clients and business leaders as they develop their own business plan. The camp welcomes youth from all across Illinois to participate. If you know of a young entrepreneur that would like to participate there are a few scholarship opportunities still available. To view all of the details about the camp visit <http://www.campceo.biz>

Please call 618-453-3805 for more information.

### **Red Cross Health and Safety Training for Employees**

American Red Cross health and safety training is the complete emergency preparedness solution that's smart for your employees and your bottom line. In fact, studies show a \$4 to \$6 return for every dollar invested in health and safety training, with improvements in the cost associated with absenteeism, workers' compensation claims and productivity. With comprehensive, flexible programs, Red Cross training helps employees stay prepared for virtually any life-threatening situation. Red Cross courses address a variety of learning styles by combining visual, auditory and "hands-on" training. User-friendly training materials make concepts easy to understand and apply.

Call your local chapter of the American Red Cross about workplace safety needs.

### **Regulatory Fairness Hearing – Springfield - September 28, 2006**

If you or any business you know of has had problems with federal agencies, or with unfair or excessive federal enforcement issues, make sure you plan to attend the Small Business Administration's Regulatory Fairness Hearing on September 28th in Springfield.

The purpose of this hearing is to assist small businesses with unfair and excessive federal regulatory enforcement, such as repetitive audits or investigations, excessive fines, penalties, retaliation or other unfair regulatory enforcement action taken by a federal agency.

The National Ombudsman receives complaints and comments from small business concerns and acts as a "trouble shooter" between them and federal agencies. Small business comments are forwarded to federal agencies for high level review and federal agencies are requested to consider the fairness of their action.

Written testimony will also be accepted in lieu of attendance. The meeting location and time has yet to be determined. For questions or more information, contact Katy Khayyat at (217) 785-8020.