

Pike County
Economic Development Corporation
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2017-2018

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VOLUME 7, ISSUE 1—WINTER 2018

Welcome to the Winter 2018 edition of *Development Matters*, a newsletter of the Pike County Economic Development Corporation. As a valued member and supporter of PCEDC, you will receive this newsletter to help keep you informed of our activities and possible opportunities for businesses and area organizations. We hope that you will find the information useful and beneficial.

PCEDC is dedicated to our mission to support and expand business and employment by improving the quality of life, utilizing our human and natural resources, and by promoting communication and partnerships throughout Pike County.



EXECUTIVE DIRECTOR'S CORNER



Brenda Middendorf
Interim Exec. Director

We at Pike County Economic Development Corporation are honored to serve you as you serve your communities and customers.

Serving as Interim Executive Director affords me the opportunity of working closely with many champions of Pike County. These include the PCEDC Board members, PCEDC Committee members, Pike County Board, mayors, other Economic Development Directors, educators, Chamber of Commerce and many of our business owners. Working with all these individuals gives me hope. Hope that in this challenging time for economic development there are people working hard with PCEDC that gives us all hope for a vibrant

future.

According to scientists, the bumblebee's body is too heavy and its wingspan too small. Aerodynamically, the bumblebee cannot fly. But the bumblebee doesn't know that and it keeps flying.

That's what working with all these groups represent to me. Hundreds of bumblebees changing the world for the better, completely unaware of your limitations. So as we begin yet another year together, here are my words to you—KEEP ON FLYING!

And, as always, thank you for your continued support of PCEDC and Pike County.



2017 WORKSHOPS

In the interest of providing educational opportunities to help our business owners and communities be successful, PCEDC has conducted several very successful workshops this past year.

These included:

Business Education Roundtables— held quarterly between local business owners and educators

Cyber Security Workshop —24 attendees

Resume Workshops —16 attendees

Employer Workshop —23 attendees

Job Fair - 23 employers/110 job seekers; 73 resumes accepted; 3 interviews conducted; 12 job offers extended; 44 estimated hires from this job fair within the year;



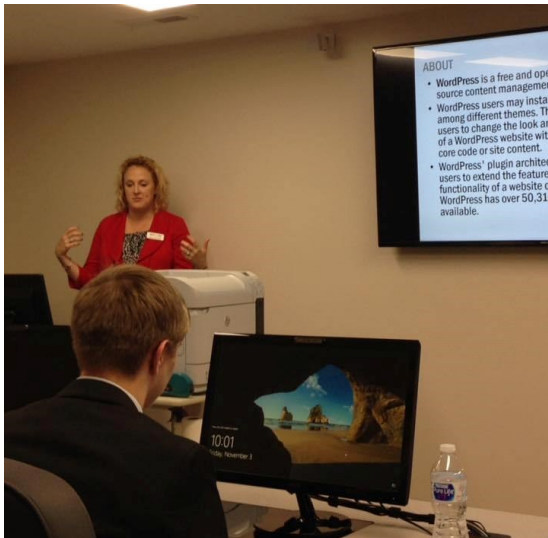
Job Seekers Meet at Job Fair

Understanding Your Financials

Elected Officials Meeting

Energy Innovation Workshop—48 attendees

Small Business Institute—75 attendees with 15 different business courses offered



ETC presents information on Word Press at SBI

Our workshop partners included John Wood Community College, Illinois Department of Employment Security, and Small Business Development Center.

PCEDC Members are given preferential treatment with regards to workshop registration.

TIRE COLLECTION HUGE SUCCESS

Pike County's tire collection was one of the largest tire collections conducted by Earth Services this year. The used tire removal is part of the Illinois EPA's efforts to assist units of local government in providing and maintaining a healthy environment by removing used tires from public and abandoned properties and properly disposing of the waste tires..

In total, more than 150 tons, which is the equivalent of 13,000 used passenger tires, were collected in Pike County. The tire collection area was located at the Western Illinois Fairgrounds and all cities, villages and local units of government were encouraged to bring in the used tires. Over 15 local units of government participated. "Dumped tires can contaminate air, land and water and serve as habitats for disease-carrying insects, particularly mosquitoes. Though we are entering the winter months, removal of tires before spring rains arrive will further reduce the threat of mosquito-borne diseases.

Through the Used Tire Program, used tires are properly disposed of at a registered, commercial used tire processing facility in Illinois. Some tires are retreaded and reused, and others are recycled into a variety of products and uses; but most are shredded into a high-energy fuel supplement known as tire-derived fuel and are burned in power plants, industrial boilers or cement kilns for energy recovery. The Illinois EPA's Used Tire Program is funded by a \$2.50 per tire fee that consumers pay when purchasing tires at retail.



Government Grants for Small Business—Think you Qualify? (Printed in part from SBA.gov)

Looking for “free money” from the government to start your small business? Then you’ve come to the right place, because I’m here to tell you that – for the most part – there isn’t any. Despite what you might have heard to the contrary, government grants are rarely available to small businesses. But why is that?

Well, government grants are funded by your tax dollars. Any grants must be appropriated through Congress and The White House and are tied closely to specific agency agendas, such as the Department of Energy or the Department of Agriculture. To further complicate matters, the government has very stringent rules about who it provides grants to and what those funds can be used for.

That being said, certain businesses – particularly those in high tech/R&D fields – may qualify for government small business grants. To explain more, [HERE](#) are answers to the most frequently asked questions about small business grants. I’ll also introduce other, more readily-available, government-backed financing options specifically designed for small businesses.

Can I get a government grant to start and grow my small business?

Let’s dig a little deeper into what government grants are available for business purposes and what aren’t. Despite what you might hear on TV infomercials or online, the government (federal or state) does not provide grants for any of the following activities:

- Starting a business
- Paying off debt
- Covering operational expenses

However, as mentioned above, there are exceptions. Grants are available to specific industries and targeted causes identified by the federal government, such as scientific and medical research, conservation efforts, etc. This leads to our next question:

What if I’m involved in R&D? Can I get a grant?

Possibly. The federal government does provide grants to small business engaged in scientific research and development (R&D) under the Small Business Innovation Research (SBIR) Program. The program is overseen by the SBA (with participation from lots of agencies) and awards grants to stimulate high-tech innovations.

Doesn’t the SBA offer small business financing?

While the SBA doesn’t give money to small businesses to in the form of grants, here’s the good news – it does administer loan programs that make it easier for small businesses to get the capital they need to start up and grow, export, recover from a disaster, and many other use cases. The SBA provides a guarantee to banks and lenders for the money they lend to small businesses owners. This guarantee protects the lenders interests by promising to pay a portion of the loan back if the business owner defaults on the loan. So when a business applies for an SBA loan, it is actually applying for a commercial loan through a bank or authorized SBA lender, structured according to SBA requirements with an SBA guarantee.

The bottom line

If you need capital, don’t waste your time pursuing “free money.” Chances are you won’t find it. Consider a small business loan or line of credit instead. Credit unions and community banks are especially friendly to small business borrowers and can frequently offer lower interest rates than traditional banks. Don’t forget you can always talk to your local SBA office or Small Business Development Center about which financing options may be right for your business or contact the Pike County Economic Development Corporation Office for information on county revolving loan options.

PCEDC MEMBERS EXPAND



Harpole's Heartland Lodge

Harpole's Heartland Lodge in Pike County, Illinois is adding four new cabins.

Owner of the lodge, Gary Harpole, said the four cabins will add an estimated 2,200 new tourists to Pike County and the surrounding area. Visitors will be encouraged to shop at local restaurants, grocery stores and other shops in the county.

Harpole said each cabin will have its own theme. Harpole said more jobs will be added at the Lodge, along with additional revenue to the county from added tourism. Harpole estimates over \$1 million dollars will be added to the local economy through these cabins.

The cabins are expected to be completed by Spring of 2018 and reservations have already been made!!

Bradshaw's Open New Pig Barn—

The Matt Bradshaw family hosted an open house at their new pig barn facility near Griggsville in November. Modern pig barns include numerous advancements in technology. The pigs will have feed and water access all hours of the day, thanks to automatic feed systems located in each pen. Ventilation is controlled throughout the barn keeping pigs cool and comfortable through the warm months and, alternatively, warm in the winter. Layers of air filters and "cool cell pads" act of air conditioning during the summer. The new hog farm will produce more than 700,000 pork chops and 10 million slices of bacon per year. Manure from the hog farm will fertilize nearby corn and soybean fields in an environmentally sound and sustainable manner.

The new barn will also add to the local tax base by contributing taxes to the county and local roads, school district and other local taxing districts. The construction and operation created economic development for local businesses and provided job opportunities. Annually, the pigs will consume approximately 90,000 bushels of corn and approximately 20,000 bushels of soybeans. All feed will be delivered from Western Illinois Feed in Pleasant Hill supporting local jobs and local farmers.



From left: John McIntire, Pike Pigs; Matt Bradshaw, Melody Brite, Lori Bradshaw, and Nic Anderson of ILDG cut the ribbon at the Bradshaw's new 5,000 head wean-to-finish pig barn outside of Griggsville, IL.

EXPANSIONS- CONTINUED



McDonald's Restaurant

A new McDonald's will be built in Pittsfield, north of the existing McDonalds on Highway 54. The existing store will be demolished once the new store is in place.

McDonald's also added mobile ordering. Get what you want, wherever you are. Download the McDonald's App and try mobile ordering today!

Pat Cooney, (center) owner of McDonalds, recently hosted the CEO Class and talked about their operation and upcoming expansion.

Beard Implement

Beard Implement recently held their Grand Opening at the new facility west of Pittsfield, IL. Beard Implement has been honored as a Blue Ribbon Excellence dealer by New Holland. This designation is earned by New Holland Agriculture and New Holland Construction dealers who demonstrate excellence in business practices and meet stringent standards for customer satisfaction.



NOT A MEMBER OF PCEDC...JOIN US TODAY!

It is because of the generosity of business and community partners that we are able to fulfill our mission to enhance the economic future and quality of life in Pike County by expanding employment opportunities through promoting the expansion and retention of business and industry, coordinating local and state resources to existing businesses, and by uniting Pike County community by coordinating economic development activities and cultivating partnerships. We are fortunate to have many great partnerships in the area that have helped us to promote economic development. If you are not part of our growing



Individual / Company Name: _____

Contact Person: _____ Title: _____

Mailing Address: _____

Phone: _____ Fax: _____ Email: _____

Website (if applicable): _____

Membership Level:

Individual Contributor (\$1-\$99) Associate Member (\$100-\$499)

Voting Member (\$500-\$999) Municipal Member (\$1 per capita: _____)

Sustaining Member (\$1000-\$1999) Premier Member (\$2000+)

Reciprocal (with approval) _____

More information on membership benefits is available by visiting www.pikecdc.org

A Few Reminders!!

Don't forget to tune in to 97.5FM WBBA Radio on the second Monday of every month at 9am to hear PCEDC on the Spotlight Show!

Find us on Facebook !

DISASTER PREPAREDNESS

Two Rivers Regional Council of Public Officials is responsible for submitting a Comprehensive Economic Development Strategic Plan for our region. A new component of the CEDS Plan is a disaster preparedness plan for the region. Each county will also be responsible for making this plan specific to their county.

One of the components of the plan will be an emergency notification system. Disasters often occur with little notice, so it's important to have multiple ways to receive critical information 24/7, such as through NOAA all-hazards weather alert radios, Wireless Emergency Alerts enabled on most smartphones, mobile device apps, TV, radio and the Internet.

Why is this important? All businesses are at risk to be impacted by disaster. Tornadoes, floods, fires, blizzard, earthquakes and other disasters can pose significant threats to small business survival. Here are some staggering statistics:

- 1 in 3 small business owners report having been personally affected by a storm or severe weather
- 1 in 4 businesses closed due to a major storm will not re-open
- Following a disaster, 90% of smaller companies fail within a year unless they can resume operations within 5 days.

Preparing your business for a disaster situation can help save lives, merchandise and money. Consider adding the following to your emergency business plan:

Personnel Resilience

Communication with personnel

Establish a communication “tree” and redundant contacts through which personnel can obtain up dates and information regarding business status and operations

Safety & quality of life for event impacted personnel and family

Establish safe zones within facility

Establish relationships with regional health, housing and other agencies to identify how to access their services, should it be necessary.

Cross training

More than one person in each group should have the knowledge and capability to perform critical tasks of other workers.

Think in terms of job functions, not individuals,

Supply chain resilience:

Avoid surprises by monitoring weather & other types of events in or near location of key suppliers;

An extended pool of suppliers for key inputs or services will reduce the chance that one or more will be impacted by slowed production or business closures stemming from disaster or other events;

Business equipment and facilities:

Identify other businesses with similar product equipment and processes. Suggest “mutual aid” arrangements.

Customer Service:

Identify customers in close proximity to business. These accounts may experience problems similar to those facing your business.

Identify customers with “just-in-time” supply chain needs that might be negatively impacted by disaster-related delays from your business;

Operational Issues:

Cash Flow

If possible, withdraw sufficient funds to cover extended cash needs prior to the event;

In many instances, it may take a few days for the business interruption policy's loss of business payments to start flowing.

Power outages, damaged buildings and standing water may interfere with a business' financial institution. If the business is operating, and has significant cash on-hand, arrange with local law enforcement for security when transporting bank deposits to other banking locations.

PCEDC will be working with the local Emergency Preparedness Community Partners group to create this plan.

PIKE COUNTY RETAIL TRADE SUMMARY



Retail Trade Summary for
Pike County, Illinois

Created: 10/19/2017



Table 1. Retail Sales, 2002-2016

Calendar Year	Total Retail	Retail Sales Growth	Number of Sales Tax Paying Firms	Sales per Firm	Pike County, Illinois	
					Per Capita Sales	Pull Factor
2002	\$109,317,573	—	821	\$133,152	\$6,436	0.63
2003	\$112,023,907	2.5%	866	\$129,358	\$6,672	0.63
2004	\$114,431,706	2.1%	825	\$138,705	\$6,813	0.61
2005	\$119,231,384	4.2%	865	\$137,840	\$7,131	0.60
2006	\$133,004,947	11.6%	854	\$155,744	\$8,080	0.65
2007	\$136,049,222	2.3%	868	\$156,739	\$8,208	0.65
2008	\$135,681,383	-0.3%	760	\$178,528	\$8,278	0.65
2009	\$124,084,607	-8.5%	698	\$177,772	\$7,625	0.65
2010	\$135,534,982	9.2%	709	\$191,164	\$8,249	0.68
2011	\$132,145,959	-2.5%	732	\$180,527	\$8,059	0.64
2012	\$135,904,705	2.8%	793	\$171,380	\$8,334	0.65
2013	\$140,815,447	3.6%	800	\$176,019	\$8,719	0.68
2014	\$144,242,973	2.4%	845	\$170,702	\$9,003	0.69
2015	\$145,729,835	1.0%	852	\$171,044	\$9,114	0.71
2016	\$139,561,886	-4.2%	910	\$153,365	\$8,750	0.68

Retail sales are calculated from the Illinois Department of Revenue's Standard Industrial Classification (SIC) Code Reporting, available at <https://www.revenue.state.il.us/app/kob/index.jsp>. The following is a brief description of the measures used.

Between 2002 and 2016, total retail sales in Pike County increased 27.7 percent. During the same time period, the Illinois' total retail sales increased by 32.9 percent and downstate Illinois increased by 28.7 percent. Downstate sales figures include all incorporated and unincorporated areas except those in Cook, DuPage, Kane, Lake, McHenry, and Will counties. These counties are affected by Chicago economy.*

Changes in sales are partially determined by the number of businesses in operation. In Pike County, businesses increased 10.8 percent compared to the 5.0 percent decline for the state of Illinois, between 2002 and 2016. Per capita sales (sales divided by local population according to Census Bureau's estimates) in Pike County were \$8,750 compared with \$14,106 for Illinois in 2016.

The drawing power of a city or county is reflected by a Pull Factor calculated as the ratio of local per capita retail sales divided by downstate (or collar) per capita retail sales. A Pull Factor greater than one reflects the strength of the local retail sector; the area is selling more per capita than comparable areas. A pull factor less than one indicates the residents are shopping elsewhere.

As noted earlier, Pike County had per capita retail sales of \$8,750 in 2016. Downstate's per capita retail sales was \$12,814 in 2016. This resulted in a weak pull factor of 0.69, indicating that Pike County has lost sales to competing communities when compared with other areas. Table 2 shows Pull Factors by specific category. More detail on types of business by category is available at www.revenue.state.il.us/app/kob/terms.jsp.

Table 2. Taxable Retail Sales by Category, 2002 and 2016**

Category	2000			2016		
	Actual Sales	Percent of Total Sales	Pull Factor	Actual Sales	Percent of Total Sales	Pull Factor
General Merchandise	\$17,371,780	15.9%	0.63	—	—	—
Food	\$15,975,927	14.6%	0.68	\$21,098,441	15.1%	0.75
Drinking and Eating Places	\$9,037,403	8.3%	0.58	\$10,508,110	7.5%	0.49
Apparel	\$308,097	0.3%	0.11	\$73,734	0.1%	0.02
Furniture, Household, and Radio	\$1,664,640	1.5%	0.24	\$959,201	0.7%	0.16
Lumber, Building, and Hardware	\$6,640,287	6.1%	0.59	\$11,462,540	8.2%	0.88
Automotive and Filling Stations	\$31,968,709	29.2%	0.78	\$37,470,880	26.8%	0.76
Drugs and Miscellaneous Retail	\$8,929,202	8.2%	0.49	\$21,733,984	15.6%	0.82
Manufacturers	\$1,622,621	1.5%	0.40	\$573,531	0.4%	0.12
Agriculture and All Other	\$15,798,907	14.5%	0.73	\$16,803,313	12.0%	0.79

*When a community is located in multiple counties, if one of the counties is considered a Chicago collar region county, then the community is assigned the collar region coding.

**Blank categories have less than four taxpayers; therefore no data is shown to protect the confidentiality of individual taxpayers. The total listed in Table 1 includes censored data. Businesses may not report themselves in the same category from year to year, resulting in some fluctuation of sales by category.

Retail Trade Summary: Pike County, Illinois

Table 3. Inflation Adjusted Retail Sales by Category, 2016=100 Pike County, Illinois

Category	Real Dollars		Real Change 2006-2016	Downstate Real Retail Sales Growth	
	2002	2016		Real Retail Sales Growth	Real Retail Sales Growth
Total Retail Sales	\$145,842,039	\$139,561,886	-\$6,280,153	-4.3%	-3.6%
General Merchandise	\$23,175,924	--	#VALUE!	--	-13.1%
Food	\$21,313,698	\$21,098,441	-\$215,257	-1.0%	-1.9%
Drinking and Eating Places	\$12,056,920	\$10,508,110	-\$1,548,810	-12.8%	13.8%
Apparel	\$411,036	\$73,734	-\$337,302	-82.1%	3.8%
Furniture, Household, and Radio	\$2,220,819	\$959,201	-\$1,261,618	-56.8%	-31.0%
Lumber, Building, and Hardware	\$8,858,898	\$11,462,540	\$2,603,644	29.4%	-4.9%
Automotive and Filling Stations	\$42,649,883	\$37,470,880	-\$5,179,003	-12.1%	-2.6%
Drugs and Miscellaneous Retail	\$11,912,568	\$21,733,984	\$9,821,416	82.4%	18.2%
Manufacturers	\$2,164,760	\$573,531	-\$1,591,229	-73.5%	-7.1%
Agriculture and All Other	\$21,077,533	\$16,803,313	-\$4,274,220	-20.3%	-19.0%
Consumer Price Index (CPI)	75.0	100.0	33.4%	--	--

Table 3 illustrates the effects of inflation on retail sales. Based on the Consumer Price Index, published by the Bureau of Labor Statistics, U.S. Department of Labor, it cost \$74.96 in 2002 to purchase the same goods and services that cost \$100 in 2016. When the effects of inflation are taken into consideration, total retail sales for Pike County declined by 4.3 percent over the time period examined. The comparable downstate Illinois change was a 2.7 percent decline in inflation-adjusted dollars. The different categories of sales vary according to the real change.

Caution should be used when comparing category items over the years, since businesses may not report themselves in the same category from year to year, which results in some fluctuation of sales by category. Table 3 does not take into consideration population changes or technology changes that effect industrial efficiencies. Blank categories have less than four taxpayers, therefore no data is shown to protect the confidentiality of individual taxpayers. Total retail sales amount includes the information censored from the category breakdown.

Table 4. Surplus or Leakages from Retail Trade, 2002-2016 Pike County, Illinois

Calendar Year	Potential Sales	Actual Sales	Surplus or Leakage	Surplus or Leakage as % of Potential	Potential sales are an estimate of the sales level that a local area should achieve, based on average downstate (or collar region) sales. Comparing potential sales to actual sales allows a measurement of retail surplus (positive number) or leakage (negative number).
2002	\$142,190,000	\$109,317,573	-\$32,872,427	-23.0%	
2003	\$147,150,000	\$112,023,907	-\$35,126,093	-24.0%	
2004	\$154,560,000	\$114,431,706	-\$40,128,294	-26.0%	
2005	\$162,360,000	\$119,231,384	-\$43,128,616	-27.0%	
2006	\$167,260,000	\$133,004,947	-\$34,255,053	-20.0%	
2007	\$171,530,000	\$136,049,222	-\$35,480,778	-21.0%	
2009	\$172,310,000	\$135,681,383	-\$36,628,617	-21.0%	
2010	\$169,120,000	\$124,084,607	-\$45,035,393	-27.0%	
2011	\$165,000,000	\$135,534,982	-\$29,465,018	-18.0%	
2012	\$169,180,000	\$132,145,959	-\$37,034,041	-22.0%	
2013	\$170,510,000	\$135,904,705	-\$34,605,295	-20.0%	
2014	\$175,550,000	\$140,815,447	-\$34,734,553	-20.0%	
2015	\$179,450,000	\$144,242,973	-\$35,207,027	-20.0%	
2016	\$165,880,000	\$145,729,835	-\$20,150,165	-12.0%	

Potential sales are a product of downstate per capita sales, local population, and the index of income being multiplied together. The index of income is a ratio of local to downstate per capita income. The index of income attempts to measure the relative wealth of the local area compared to the downstate region. The index of income for Pike County is 0.82, which indicates that the local per capita income* is below the downstate average by 18.0 percent. In 2016, potential sales were \$168,040,000 and actual sales were \$139,561,886, resulting in a leakage of \$28,478,114. A leakage indicates that the local area has lost customers to the surrounding area.

*Starting in 2009 calculations, local personal income data from the American Community Survey from the U.S. Census Bureau was used. Between 2000 and 2008.