



## Illinois Department of Commerce & Economic Opportunity

JB Pritzker, Governor

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### **GOVERNOR PRITZKER ANNOUNCES FIRST \$1.3 MILLION AWARDED TO DOWNSTATE AND RURAL COMMUNITIES AS PART OF SMALL BUSINESS STABILIZATION FUND**

*State awards 65 grants in partnership with local government to support small businesses downstate and in rural areas; Additional grants to come*

SPRINGFIELD—Governor JB Pritzker and the Illinois Department of Commerce and Economic Opportunity (DCEO) today announced the first round of grants awarded as part of the new Downstate Small Business Stabilization Program, just over a month after the program was launched. The fund was created to support small businesses in downstate and rural counties across Illinois that have experienced a negative impact due to the ongoing COVID-19 pandemic.

“As businesses across Illinois grapple with the devastating financial impact of COVID-19, my administration continues to look for ways to help provide relief that will allow small businesses, the backbone of our economy, rebuild and thrive,” said Governor JB Pritzker. “The Downstate Small Business Stabilization fund will help respond to the needs of our rural and downstate communities and address the impact COVID-19 has had across Illinois so that together we can start to rebuild our economy.”

The first \$1.3 million in grants have been allocated to 65 businesses spanning 28 downstate communities. To support small businesses in downstate and rural counties across Illinois, DCEO repurposed \$20 million in Community Development Block Grant (CDBG) funds to create the Downstate Small Business Stabilization Program. Through the program, small businesses of up to 50 employees can partner with their local governments to obtain grants of up to \$25,000 in working capital.

“While COVID-19 has been extremely challenging for many businesses around our state, the Downstate Small Business Stabilization program specifically targets business in downstate and rural communities who are in need a life-line,” said Michael Negron, Acting Director of DCEO. “This program, like many other COVID-19 relief initiatives, recognizes the burden facing our small businesses, and puts much-needed capital into the hands of small business owners so that they can continue making payroll and meeting other urgent operational needs in order to protect their workers and their livelihood.”

Grantees include restaurants and cafes, salons, furniture stores, florists, pet stores and other specialty retail stores. Many of the grantees are multi-generation family-owned and operated proprietors. For a full list of grant recipients, visit DCEO's website.

"Word that we received the grant was a huge relief as it allows us to pay overhead costs, utilities and payroll," said Pam Shanley, co-owner of Clarks Run Antiques of North Utica. "I truly believe there will be a positive effect within the community as employees can be paid, we can order to restock merchandise, resume marketing, and defer rent for our committed antique dealers who lease their space in the building. All were impacted by the closures."

Grants will be offered on an on-going basis, with funding made available to small businesses with operations impacted by COVID-19 and where the business has a demonstrated financial need, a commitment to retaining employees, and an analysis of how working capital can support short- and long-term liabilities. All funds must be used exclusively for working capital costs - including but not limited to salaries, wages, rent, utilities and other overhead costs associated with running the business.

"We were excited to get the award as it will help close the gap on paying our fixed expenses such as insurance, property taxes and utilities," said Dan Russell, fifth generation owner of Russell Furniture and Floor Coverings, which opened in 1872. Staunton is a small town and being able to open and support our employees will benefit the local community and economy. Now we are looking forward to moving on beyond the pandemic and staying open for generations to come."

The Downstate fund represents a creative solution for addressing the distinct needs of smaller downstate communities, who do not receive a direct allocation of CDBG funds. All funding will be prioritized for businesses in small rural communities, including those forced to temporarily close or adapt operations significantly due to the ongoing pandemic. While funding will directly benefit small businesses, applications must be submitted by a unit of local government, such as cities, villages, and counties.

"Illinois Main Street businesses have been severely impacted by the pandemic, and, even with the ability to safely reopen, the financial challenges for downtown mom and pop shops will continue," said Kelly Humrichouser, Manager of Education & Illinois Coordinating Program at the National Main Street Center. "The Downstate Small Business Stabilization program provides a much-needed lifeline to support businesses. And, ultimately, keeping downtown businesses open keeps our Main Street districts thriving."

Based on criteria including demonstration of project need, financial feasibility, and job retention, DCEO awards grants to the applying local government who then administer the grants to businesses. Specifically, Coles County has submitted applications on behalf of 21 businesses which employ 213 people in the county.

"All states receive CDBG funds from the federal Department of Housing and Urban Development, but not all states have made those funds available to businesses struggling in the wake of the COVID-19 pandemic" said Angela Griffin, President of Coles Together, the county's economic development organization. "We appreciate the foresight and leadership at the state level to help downstate communities like ours withstand the economic downturn by introducing the Downstate Revitalization Grant Program."

Upon execution of the grant, DCEO will release 25 percent of the funding to the business. DCEO estimates businesses will receive money within 10 days of their application being approved. Businesses are required to apply to DCEO to receive the remainder of the funds.

“We are an organizational fundraising company that supports schools, clubs, sports teams, and community organizations. When the pandemic became reality and schools and businesses closed, we literally lost every single customer we had in one day, said Scott Westhaus, owner of V.W. Fundraising in Quincy. “I wasn’t sure if we would ever be able to reopen. When I learned we received the grant, it was a huge sense of relief knowing I don’t have to worry about how to come up with money to bridge the gap from our time closed. It was a blessing.”

Since the beginning of the COVID-19 pandemic, the Pritzker administration has put in place a menu of new programming and policies geared toward residents and communities hit hardest by the virus – including small businesses. Over the past several weeks, the administration has launched nearly \$100 million in small business relief and assistance programs - including the Downstate Small Business Stabilization Program, the Emergency Small Business Loan Fund, the Emergency Hospitality Grant Program, and more.

The application for the downstate small business fund remains open. For more on how to apply for the grants, please visit DCEO’s page at: <https://bit.ly/2QLY8MH>

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