

**IN MY OPINION****Caroline Porter****GREDA not only economic development show in town**

Even though the Galesburg Regional Economic Development Association

(GREDA) plays an important role in local economic development, contrary to what their board contends, they are not the only players in the game. The State of Illinois provides the main impetus and resources for development.

I was one county board member who suggested the county cut its contribution

to GREDA this year because of budget constraints. We had whittled the contribution from \$30 to \$15 thousand until the board finance committee proposed to take the full amount from the landfill account, which I supported as a temporary solution. I know the county and city have responsibilities for economic development, but taxpayers already contribute a great deal of money to state programs providing funds for local

development.

Now GREDA asked for and received \$25,000 from the city of Galesburg, which also has major budget problems, for application costs to include the Galesburg logistics park in a Peoria foreign trade zone. What hasn't been made clear is the logistics park is owned by the city and the city has to apply for the FTZ. According to Greg Mangieri, president of GREDA, the \$25,000 is to be paid to the company operating the Peoria FTZ because it is a complicated process.

GREDA has spent a good deal of time and money communicating with delegations and representatives from the Peoples Republic of China in order to find business for the logistics park located between Galesburg and Knoxville on I-74. I have several issues with GREDA — being so dependent on governmental bodies for financing and their dealings with China.

1. The organization is a public/private organization, so the public is not privy to all of its activity and financial information.

2. If businesses and individuals in Knox County think the organization is important enough, they will provide more financial support

3. Even though we have an excellent local company owned by a family from China, I disapprove of conducting business with a brutal dictatorship that stomps on human rights.

4. Most of the resources for local economic development come from the State of Illinois and are administered by the City of Galesburg or other entities besides GREDA.

Hawthorne Centre on North Seminary Street was developed only after the former Research hospital was given to Galesburg by the State of Illinois for a dollar, then the state gave Galesburg \$3.5 million to demolish buildings, upgrade the infrastructure and provide grants for non-profit industries. The money was also used to improve the swimming pool and gymnasium already there. It was then that GREDA's forerunner signed an agreement with the city to market the property. It has been developed successfully.

The City of Galesburg actively utilizes the revolving loan fund called CDAP, Community Development Assistance Program, which is funded by the state. As of October of 2005, the city had given out 66 loans at 3 percent interest to local businesses expanding or locating in the area. Roy Parkin, Galesburg Community Development Director, is, without doubt, the most important individual in the county's economic development program. He says these loans are paid back to the city, and if the company leaves, the money provided by the state stays with the city. Between 1984 and fall of 2005, a total of \$5,992,341 was loaned and the program shows no loss.

The Illinois Finance Authority was created by Governor Rod Blagojevich following the consolidation of seven existing state authorities into the new organization. It is a self-funded body politic and corporation and does not receive funding for operations from the state. Strategy is guided by a non-paid board appointed by the governor. Its mission is to foster economic development to public and private institutions that create and retain jobs and improve the quality of life in Illinois by providing access to capital. Galesburg Castings, Inc., for example, received \$70,000 from the city's revolving fund, \$60,000 from the Illinois Finance Authority, plus loans from a local bank and the former owner of Galesburg Division of Iowa Malleable Iron to reestablish their business.

In 1995, Maytag Refrigeration received a nearly \$10 million dollar incentive package to stay in Galesburg. The union members made

sacrifices. The Galesburg City Council placed a sales tax on city residents, contributing \$2,825,000. Maytag had already been relieved of property taxes from 1988 through 1994 and a million dollars was guaranteed in future property tax abatements because Maytag was in an Enterprise Zone. The state of Illinois, through its department of Commerce and Community Affairs (DCCA) pledged \$5,890,000.

The Illinois Department of Commerce and Economic Opportunity (formerly DCCA) is divided into ten regions so development can be planned and administered locally. The local administrators for our region are Tom Carper, former Mayor of Macomb and Sal Garza, with offices in Galesburg. It provides 16 programs to aid in economic development, including an Office of Trade and Investment. The DCEO is underwriting the building of the new armory on Linwood Road, through the Capital Development Board. It is the state that funds the local Entrepreneurship Center in Galesburg and the Galesburg Transitional Center, which directs Workforce Investment Funds towards retraining the county's laid off workers.

The Illinois Department of Transportation (IDOT) will provide 100 percent funding for a new intersection and road needed to the entrance of the logistics park because it is on a state highway, and will provide 50 percent for the road inside the park. The Environmental Protection agency (IEPA) is contributing funding to begin a comprehensive overhaul of Galesburg's failing infrastructure; including upgrades to water, sewers, streets, electric systems and repairs to Galesburg Sanitary District Equipment. The DCEO will assist Knoxville in upgrading their treatment facility. The Galesburg Sanitary District expects a million dollars from the state for upgrading the treatment plant, enlarging a force main on Knox Street and replacing old pipes.

Carl Sandburg Community College has utilized existing buildings downtown in its expansion. Among private local institutions benefiting from state and local revolving funds are The Kensington retirement community and the Orpheum Theater.

Private institutions and investors have contributed mightily to Knox County's economic development, such as Knox College, Seminary Street Commercial District, Seminary Estates and Galesburg Antique Mall. For nine years private citizens worked for the establishment of a National Railroad Hall of Fame, when reaching fruition, promises to initially bring 100,000 visitors to the community.

Galesburg and Knox County must be a healthy, active, diverse community for people to want to live and work here. We aren't likely to get new manufacturing plants that employ 3,000 people. The direction of our efforts has to change. But when the large picture of economic development is viewed, the role of GREDA is not the major role. It is the State of Illinois and the City of Galesburg and development efforts made by other communities in the county.

GREDA is important in bringing together various entities to promote business retention and expansion, but its role should not be exaggerated. Clearly, taxpayers already contribute substantially to local economic development efforts and should not be asked to do more. For city and county government to be fiscally sound and provide adequate services does the most good for a community, guaranteeing a sound government base for economic and social development.

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