



News Release

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Mayor McNamara Calls for State to Be Stronger Partner

ROCKFORD, III. – Mayor Tom McNamara is calling on Illinois Governor Bruce Rauner and the State of Illinois to be stronger partners with municipalities on several issues. At a news conference today, the mayor outlined the City's concerns:

- **Local Government Distributive Fund** - The Local Government Distributive Fund (LGDF) is where the local government portion of State Income Tax collections are deposited and then disbursed. In the State's 2018 budget, a provision reduced the amount of Income Tax revenue to be deposited into the LGDF for distribution to municipalities by 10 percent. That resulted in a loss of \$1.5 million for the City. The cut was only intended to last for one year, but Governor Rauner has proposed extending the cut another year in his 2019 budget proposal. Mayor McNamara will join representatives from other municipalities in not supporting any 2019 budget that reduces those funds.
- **Opportunity Zone designations** - Opportunity Zones are a new community development program established by Congress in the Tax Cuts and Jobs Act of 2017 to encourage long-term investments in low-income urban and rural communities nationwide. The Opportunity Zones program provides a tax incentive for investors to re-invest their unrealized capital gains into Opportunity Funds that are dedicated to investing into Opportunity Zones designated by the governors of every U.S. state. City of Rockford officials submitted a prioritized list of top 20 qualified Census Tracts areas to be considered. The City was only awarded five – none were at the top of the list and some weren't even areas submitted for consideration. This is a lost opportunity to align local redevelopment efforts and investment with State and Federal regulations to redevelop our community.

- **Delay in construction for the next phase of the West State Street reconstruction** - The State has informed the City that the Illinois Department of Transportation-led project for Phase II of the West State Street reconstruction is being delayed to a proposed construction start in 2021. The City has budgeted its local match for the construction of the project beginning in 2018. Phase II of the project is estimated to cost \$16 million. The City's portion is estimated at \$3.1 million, the State share at \$3.9 million and federal share at \$9.2 million. At the same time, the State is announcing other public improvement projects across the State to bolster growth and economic development.

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