

TITLE 14: COMMERCE
SUBTITLE C: ECONOMIC DEVELOPMENT
CHAPTER I: DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY

PART 645
GROCERY STORE INITIATIVE GRANT PROGRAM

8	Section	
9	645.10	Purpose
10	645.20	Definitions
11	645.30	Eligible Applicants and Projects
12	645.40	Administrative Requirements

14 AUTHORITY: Implementing and authorized by the Grocery Initiative Act [20 ILCS 750] and
15 Section 605-55 of the Department of Commerce and Economic Opportunity Law [20 ILCS 605].

17 SOURCE: Adopted at 48 Ill. Reg. _____, effective _____.

19 **Section 645.10 Purpose**

21 The Department shall provide grants and other forms of financial assistance to eligible applicants
22 for the purpose of expanding access to healthy foods in food deserts. Following a Grocery
23 Initiative Study that examines food insecurity, examines food deserts, and identifies areas at risk
24 of becoming food deserts in Illinois, the Department shall also provide grants and other forms of
25 financial assistance to eligible applicants for the purpose of expanding access to healthy foods in
26 areas at risk of becoming food deserts.

28 **Section 645.20 Definitions**

30 The following definitions are applicable to this Part.

32 "Act" means the Grocery Initiative Act [20 ILCS 750].

34 "Agreement" means a grant agreement between an applicant and the Department
35 pursuant to Section 645.70.

37 "Applicant" means a unit of local government, co-operative, not-for-profit
38 corporation, or for-profit entity.

40 "*Co-operative*" means an organization that is organized according to the co-
41 operative Act 805 ILCS 310.

43 "Department" means the Department of Commerce and Economic Opportunity.

44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86

"Energy efficient" means reducing the amount of energy needed to achieve a given end use or uses, or reducing the amount of electricity or natural gas needed to achieve that end use or uses.

"Food desert" means a census tract that:

meets one of the following poverty standards:

the census tract has a poverty rate of at least 20%; or

the census tract is not located within a metropolitan statistical area and has a median family income that is less than or equal to 80% of the statewide median household income; or

the census tract is located within a metropolitan statistical area and has a median family income that is less than or equal to 80% of the greater of:

the statewide median household income; or

the metropolitan area median family income; and

meets one of the following population density and food accessibility standards:

the census tract is a rural tract, and at least 33% of the population of the tract or at least 500 residents in the tract reside more than 10 miles from the nearest grocery store; or

the census tract is an urban tract, and at least 33% of the population of the tract or at least 500 residents in the tract reside more than one-half mile from the nearest grocery store.

The Department may also designate an area that does not meet the standards set forth in this Section as a food desert if the designation is made using data such as poverty metrics and access to existing stores.

"Grocery store" means an existing or planned retail establishment that:

has or will have a primary business of selling a variety of grocery products, including fresh produce;

87 *derives or will derive no more than 30% of its revenue from sales of*
88 *tobacco and alcohol in any given year;*

89
90 *is or will be classified as a supermarket or other grocery retailer in the*
91 *2022 North American Industry Classification System under code 445110,*
92 *a meat retailer under code 44524, a fruit and vegetable retailer under code*
93 *44523, or a fish and seafood retailer under 44525;*

94
95 *accepts or will accept Supplemental Nutrition Assistance Program*
96 *benefits and Special Supplemental Nutrition Program for Women, Infants,*
97 *and Children benefits; and*

98
99 *provides or will contribute to the greater availability of a substantial*
100 *variety of perishable foods, including fresh or frozen dairy products, fresh*
101 *produce, and fresh meats, poultry, and fish.*

102
103 "Independently owned" means an applicant that owns no more than 4 grocery
104 stores in the State of Illinois.

105
106 "Local ownership" means that primary ownership is located within the State of
107 Illinois.

108
109 *"Local governmental unit" means any county, municipality, township, special*
110 *district, or unit that is designated as a unit of local government by law and*
111 *exercises limited governmental powers or powers in respect to limited*
112 *governmental subjects. "Local governmental unit" also includes any school*
113 *district or community college district.*

114
115 *"Not-for-profit corporation" means an organization or institution that is*
116 *organized and conducted on a not-for-profit basis with no personal profit inuring*
117 *to anyone as a result of the operation and that is organized according to the*
118 *General Not For Profit Corporation Act of 1986.*

119
120 "Project Labor Agreement" has the same meaning as used in the Project Labor
121 Agreements Act [30 ILCS 571].

122
123 *"Rural tract" means a census tract that is not an urban tract.*

124
125 *"Urban tract" means a census tract having its geographic centroid in an urban*
126 *area, as defined by the Bureau of the Census for the most recent year in which all*
127 *relevant data to identify food deserts is available. [20 ILCS 750/5]*

128
129 **Section 645.30 Eligible Applicants and Projects**

130
131
132
133
134
135
136
137
138
139
140
141
142
143
144
145
146
147
148
149
150
151
152
153
154
155
156
157
158
159
160
161
162
163
164
165
166
167
168
169
170
171
172

- a) An applicant shall own and operate a grocery store, seek to acquire a grocery store, or establish a grocery store.

- b) *The Department may award grants or provide loans to an applicant establishing a new grocery store in a food desert for any one or more of the following:*
 - 1) *market and site feasibility studies, promotional materials, and marketing;*
 - 2) *salaries and benefits for workers;*
 - 3) *rent or a down payment to acquire a facility;*
 - 4) *purchase of ownership of a grocery store as part of establishing a new grocery store;*
 - 5) *capital improvements, planning, renovations, land acquisition, demolition, durable and non-durable equipment purchases; or*
 - 6) *other costs as determined eligible by the Department, including, but not limited to, insurance and utility cost. Costs unrelated to the provision of food, such as acquisition of video poker machines or equipment for lottery sales, are excluded. [20 ILCS 750/15]*

- c) In addition to the eligible uses listed in subsection (b), the Department may award a grant to an applicant that is a co-operative, non-for-profit corporation, or for-profit corporation for *equipment upgrades focused on providing access to equipment that is energy efficient. The Department shall use no more than 20% of total program funding for this purpose. [20 ILCS 750/15(b)]*

Section 645.40 Administrative Requirements

Grant opportunities and awards will be administered in a manner that complies with all State requirements applicable to each funding opportunity, including, but not limited to, GATA and all applicable State laws. Applicants and grant recipients shall review all application materials and grant award documents which will include the specific applicable requirements for the grant opportunity. The Department reserves the right to suspend or terminate a grant agreement or withhold any future year funding for non-compliance with these provisions.

- a) Application Process
 - 1) The Department will post one or more NOFO on the GATA Grantee Portal seeking applications contingent upon available funds. Applicants

173 shall submit their application materials by the deadlines set forth by
174 DCEO in the Notice of Funding Opportunitites (NOFO) which will be at
175 least 30 days after posting the NOFO.
176

177 2) Applicants are required to submit the following:
178

179 A) the name of the applicant;
180

181 B) whether the applicant is a unit of local government, independently
182 owned for-profit grocery store, co-operative grocery store, or not-
183 for-profit grocery store;
184

185 C) the operating name of the grocery store;
186

187 D) the location of the grocery store;
188

189 E) a detailed explanation of how the grocery store proposes to use any
190 award;
191

192 F) two or more letters in support of the application from entities that
193 represent the relevant community, with at least one such letter
194 coming from a local elected official;
195

196 G) for an applicant seeking a grant or other financial assistance for
197 equipment upgrades for an independently owned for-profit grocery
198 store, co-operative grocery store, or not-for-profit grocery store, as
199 described in Section 645.30(c), the applicant must submit the
200 following detailed financial information:
201

202 i) Documentation of the amount and sources of outside
203 investment in the grocery store; and
204

205 ii) Documentation of the grocery store's long-term assets and
206 debts; and
207

208 H) for an applicant seeking a grant or other financial assistance to
209 establish a new store in a food desert for an independently owned
210 for-profit grocery store, co-operative grocery store, not-for-profit
211 grocery store or municipality-owned grocery store as described in
212 Section 645.30(c), a detailed financial plan that includes:
213

214 i) The grocery store's projected costs, revenues, and profits;
215

- 216 ii) The amount and sources of other investments in the
- 217 planned grocery store;
- 218
- 219 iii) The long-term assets, including but not limited to real
- 220 property and equipment, that the grocery store has already
- 221 secured or still needs; and
- 222
- 223 iv) The projected number of employees of the grocery store;
- 224 and.
- 225
- 226 D) for an independently owned for-profit grocery store, co-operative
- 227 grocery store, municipally owned grocery store, or not-for-profit
- 228 grocery store, a detailed explanation of the ownership and operation
- 229 structure, including the location of all primary owners.
- 230

231 b) Grant Award Selection

- 232
- 233 1) Grants will be awarded by DCEO to grantees following a merit review by
- 234 DCEO pursuant to GATA requirements (44 Ill. Adm. Code 7000.350). In
- 235 evaluating applications, the Department will consider all requirements as
- 236 set forth in this Part.
- 237
- 238 2) In reviewing applications, the Department will prioritize applicants that:
- 239
- 240 A) are units of local government;
- 241
- 242 B) are seeking to establish, or have already established and are
- 243 operating, grocery stores with local ownership;
- 244
- 245 C) are seeking to establish, or have already established and are
- 246 operating, grocery stores with less than \$5 million in annual
- 247 revenue;
- 248
- 249 3) In addition, the Department may prioritize applications by geography,
- 250 where applications involving areas of higher poverty, lower income, or
- 251 greater geographic distance from the nearest grocery store receive greater
- 252 consideration.
- 253

254 c) Grant Disbursements

255 Disbursement of grant funds from the Department will be made in accordance
256 with a schedule included in the grant agreement. The Department will disburse
257 funds based on the outcomes outlined in the grant agreement.
258

- 259 d) Grant Performance, Monitoring and Reporting Requirements
260 Grant recipient shall comply with all GATA and Department requirements for
261 grant performance, administration, monitoring and reporting, including
262 monitoring any subrecipients.
263
- 264 e) Grant Extensions
265 Contingent upon the availability of funds and consistent with GATA as
266 applicable, the Department may negotiate grant extensions and add funds for
267 grant projects that were originally competitively awarded and performed
268 successfully.
269
- 270 f) Records Retention
271 A grant recipient shall maintain, for the period of time set forth in the GATA rules
272 (44 Ill. Adm. Code 430(a) and (b)), adequate books, all financial records and
273 supporting documents, statistical records, and all other records pertinent to the
274 program. If any litigation, claim, or audit is started before the expiration of the
275 retention period, the records must be retained until all litigation, claims or audit
276 exceptions involving the records have been resolved and final action taken. Grant
277 recipients shall be responsible for ensuring that contractors and subrecipients
278 comply with the retention requirements.
279
- 280 g) Project Labor Agreement
281 Pursuant to the Project Labor Agreements Act [30 ILCS 571] and Executive
282 Order 02-19, the Department will evaluate each application to determine if a
283 project labor agreement would advance the State's interests of cost, efficiency,
284 quality, safety, timeliness, skilled labor force, labor stability, or the State's policy
285 to advance minority-owned and women-owned businesses and minority and
286 female employment. If a project labor agreement would advance those interests,
287 then the Department may require one as part of the agreement.