# Illinois, Iowa Could Bid on Fertilizer Facility

DES MOINES, Iowa (AP) — Illinois and Iowa could get into a bidding war over the construction of a $1.2 billion fertilizer production facility.

According to Illinois officials, Iowa is offering Cronus Chemical LLC an estimated $35 million in taxpayer subsidies to build a plant in Mitchell County near the Minnesota border, the (Decatur) Herald & Review (http://bit.ly/10ZWCZ2 [1]) reported.

Illinois Rep. Adam Brown, R- Champaign, has sponsored legislation offering a series of tax breaks for the project.

"Project Cronus would be a huge boost to the local economy in terms of construction jobs and overall investment," he said. "But Illinois needs to step up its incentive package to bring this project to the state."

Under Brown's plan, the plant would be built near Tuscola in the east central part of the state. The proposal would qualify the plant for tax exemptions and investment tax credits. That includes exemption from state gas and electric taxes, and a state sales tax exemption on personal property. There also would be up to $12 million in property tax abatement.

The bill is pending in the Illinois House, the newspaper reported. It must get legislative approval because the proposed subsidies do not meet certain job creation thresholds.

"The General Assembly needs to pass this incentive package soon if we want to compete on a level playing field for Project Cronus," Brown said.

Mitchell County officials announced their efforts with the project Friday.

"Project Cronus indeed would bring hundreds of permanent, high-quality employment opportunities and a very large capital investment to north central Iowa," said Brenda Dryer, executive director for the Mitchell County Economic Development Commission. "At this time, I am not in a position to discuss further details of the project as negotiations are still under way."

The Delaware Secretary of State's Office said Cronus Chemical registered as a company last November. Its proposed facility for anhydrous ammonia and urea production would create 2,000 construction jobs and 150 full-time jobs, the newspaper reported.

The plant would serve farmers in three states and create transportation and maintenance jobs, Dryer said.

"This potential project would enhance our existing industries and have a far-reaching impact on agriculture throughout this region of the country," she said.

Iowa beat Illinois last year over the construction of a $1.4 billion fertilizer plant. Gov. Terry Branstad has been criticized over $100 million in state tax credits promised to Cairo-based Orascom for the plant in southeast Lee County.

Branstad defended the breaks and said they were necessary to bring jobs to a region with the state's highest unemployment rate.

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*Information from: Herald & Review,* http://www.herald-review.com *[2]*

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