



Board of Commissioners of Cook County

118 North Clark Street
Chicago, IL

Legislation Text

File #: 18-5783, **Version:** 1

BUILT COOK LOAN PROGRAM (HUD SECTION 108 LOAN GUARANTEE PROGRAM)

Department: Planning And Development

Municipality: Village of Alsip, Illinois

Request: Approval of the project and authority to execute documents for a Broadening Urban Investment to Leverage Transportation (BUILT) in Cook project loan.

Purpose: The HUD Section 108 funds will replace approximately \$3,000,000.00 of short-term financing initially provided by Corrugated Supplies Company (majority shareholder) that was used for property acquisition and equipment purchases in order to renovate and convert the plant into a fully-operational containerboard mill.

Township: Worth

District: District 6

Location: 13101 South Pulaski Road, Alsip, Illinois 60803

Loan Amount: \$3,000,000.00

Loan Term: 7 year loan

Loan Amortization: 10 year Amortization

Interest Rate: 4.25%

Application Fee: \$1,000

Commitment Fee: 2% origination fee

Estimated Total Project Costs: \$75,176,969

Estimated Jobs Created: 85 full-time jobs

Estimated Jobs Retained: None

Other Approvals: EDAC Subcommittee

Fiscal Impact: Not applicable

Account(s): Deposit Account, Repayment Account

Summary: The Alsip Mini Mill manufacturing facility's use of HUD Section 108 funds will assist in the generation of

approximately \$70 million in private capital investment and the creation of 85 jobs related to the acquisition and conversion of a formerly shuttered paper mill facility that has been closed since 2014 due to economic reasons as the coated paper industry has been on a decline for several years due to consumers moving from print to electronic media consumption. The closure has negatively impacted local community residents and commerce in the Village of Alsip and the surrounding area in southern Cook County. Thus, the HUD Section 108 loan program will serve as a key economic development tool within Cook County economic development portfolio to support projects such as Alsip Mini Mill to significantly grow jobs at a faster rate for residents in the southern suburbs of the County.