Toni Preckwinkle, President
Cook County Board of Commissioners
Herman Brewer, Bureau Chief
Bureau of Economic Development

Cook County Industrial Development Revenue Bond (IRB) Program

BACKGROUND

Cook County Bureau of Economic Development (CCBED) has the ability to issue tax-exempt Industrial Development Revenue Bonds (IRB's) on the behalf of manufacturing companies located or planning to locate in Suburban Cook County. The IRB's can be used by manufacturing companies to finance qualified capital expenditures. The intent of the CCBED IRB program is to support job creation and retention activities as it relates to manufacturing companies in Suburban Cook County.

ELIGIBILITY

The Cook County IRB program can be used to finance qualified facilities that are involved in the manufacturing and processing of tangible goods. The program is available to manufacturing companies that have not incurred more than $10 million of capital expenditures for a period of three years prior and three years after bond closing (6 year period). Additionally, the manufacturer cannot have outstanding tax-exempt debt of more than $40 million anywhere in the United States. The final determination of the project eligibility is subject to the legal opinion provided by qualified municipal bond counsel.

USES

Acquisition, construction/rehabilitation, machinery and equipment acquisition.
IRB's can be used to finance 100% of the project costs (subject to the bank underwriting standards).

FINANCING

The recommended minimum IRB amount is $1,500,000. Bonds issued for less than $1,500,000 are typically not cost effective due to the issuance and closing cost associated with IRBs. The maximum IRB amount is $10,000,000. Interest rates on IRBs can be fixed or variable. Typical interest rates on IRBs are significantly lower than conventional financing interest rates. The term of the IRBs can vary from five to 30 years matching the life of the assets. Bank participation is required due to lender determining the credit worthiness of the project, the structure of the loan, along with setting the collateral requirements for the bonds issued. An irrevocable, direct pay, letter of credit is normally required for bond issuance.

APPLICATION PROCESS

Applications may be obtained by contacting the CCBED for an initial project assessment. IRB applications should include a completed loan application and all supporting documents. Staff will review the submitted application for underwriting. After underwriting, applications will be submitted to the Economic Development Advisory Committee (EDAC) for consideration and approval. Following EDAC approval, the Cook County Board of Commissioners has to approve an inducement ordinance.

INQUIRIES

Please submit all inquiries to Courtney Pogue, Deputy Director of Economic Development, at 312-603-0310
courtney.pogue@cookcountyil.gov