



OFFICE OF THE GOVERNOR

NEWS

ROD R. BLAGOJEVICH – GOVERNOR

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Gov. Blagojevich announces \$5.3 million financing to help Chicago company expand operations, retain jobs

Long-standing Chicago Gear company to build in Kinzie Industrial Corridor; project is supported by Illinois Finance Authority

CHICAGO-- As part of his commitment to expand Illinois business and industry, Governor Rod R. Blagojevich today announced support for Chicago Gear – D.O. James Corporation’s expansion plans, which will result in the retention of 110 jobs and the creation of 15 new jobs.

The Chicago-based company will expand its operations in Chicago, supporting economic development in the City’s Kinzie Industrial Corridor. As part of this investment, Chicago Gear will purchase land, renovate existing facilities, build an addition and purchase machinery and equipment to expand operations located on Fulton, Walnut and Francisco Streets. The project is supported by \$5.3 million in industrial revenue bonds issued by the Illinois Finance Authority (IFA).

“Chicago Gear’s decision to expand its operations in Chicago will help secure good paying jobs, create new jobs and spur development for the Kinzie Industrial Corridor. I want to thank Chicago Gear for their commitment to Chicago and Illinois, and the Illinois Finance Authority for their support of this project,” said Gov. Blagojevich.

The project includes a 10,000 sq.-ft. addition to the existing manufacturing facility located at 2823 W. Fulton Street. The company will also acquire land to provide parking and room for growth and upgrade its high tolerance milling and machining equipment.

The project will enable Chicago Gear to remain in the location where it has operated since before 1920. The site is in City of Chicago designated economic development districts: Kinzie Industrial Corridor, West Side Empowerment Zone, and Enterprise Zone #4.

Chicago Gear – D.O. James Corporation produces gears ranging from one inch in diameter up to over twelve feet in diameter, and enclosed gear box assemblies weighing over forty thousand pounds. Their units power the new ‘Mission: SPACE’ ride at Walt Disney World Epcot Center, NASA ground rocket shuttles, multiple bridges and dams throughout the U.S. including the Michigan Avenue street bridge in downtown Chicago, and the moveable roof at SAFECO Field in Seattle. Chicago Gear designs drive systems for all major industries, including steel, metal working, chemical, paper, cement, rubber, mining and material handling. In addition to engineering and design services, Chicago Gear offers jobsite service calls, breakdown service, and gearbox rebuilding or upgrading.

The financing plan includes \$5.3 million of Industrial Revenue Bonds (IRBs), issued by the IFA on behalf of Chicago Gear – D.O. James Corporation. The transaction provides the mid-to-long term low interest rates that helped make the project financially feasible.

“IFA has been charged by Gov. Blagojevich to be proactive, using our bond authority to foster economic development in every region, and to address the specific needs of local industries and governments. This project clearly does this job. By assisting Chicago Gear – D.O. James Corp., we are retaining 110 jobs, creating 15 new jobs and building the economic base of a critical Chicago neighborhood,” said IFA Executive Director Kym M. Hubbard.

The State of Illinois provided \$5.3 million of state Volume Cap to support the project. The financial responsibility for the payment of the Series 2007 Bonds lies with Chicago Gear – D.O. James Corporation.

“I thank the Governor for showing the vision to help grow small business in Chicago and around the state,” said State Senator Ricky R. Hendon (D-Chicago). “This financing to help Chicago Gear expand its manufacturing facilities proves he has his finger on the pulse of what the business community in Illinois needs to grow.”

“Gov. Blagojevich and I agree – families and communities are stronger when good jobs are available in the neighborhood. Thank you for supporting the continuing growth of an anchor employer in the East Garfield Park neighborhood,” said State Representative Annazette R. Collins (D-Chicago).

“This project is due to the vision of Wayne Wellman, our CEO and his commitment to stay, grow and thrive in the city. We are proud to be part of the resurgence of the East Garfield Park neighborhood on the West Side of Chicago,” said Chicago Gear – D. O. James Corporation President Frank Romans.

Chicago Gear – D.O. James Corporation is a full service manufacturer of gear and gearbox products with a rich tradition. The D.O. James Corporation has designed and produced gear boxes since 1888 and was one of the founding fathers of the American Gear Manufacturing Association. Chicago Gear began around the time of World War I and was known as a supplier of large diameter, coarse pitch gears. The two names were joined under the current owners in 1985 and the company now operates as an independent corporation. They are a custom engineering and design shop that works with customers to develop solutions.