

Breaking Ground

COMMERCIAL REAL ESTATE TRENDS

December 2002

Construction Starts on Galena, Illinois Senior Housing Development



\$5.6 Million Prestwick Senior Community to be Developed by Perry Group, Ltd.

Construction has started on *Prestwick Senior Community*, a senior citizen independent-living development located in the far North-West Illinois community of Galena, according to Joseph Perry, President and CEO of Perry Group, Ltd, and the project's owner and developer.

The 40 unit complex will consist of 2 twenty unit mid-rise facilities and will include a community center. Residency will be limited to persons 62 years or older. Construction completion is anticipated in late 2003.

Galena, Illinois, located on the Iowa border just East of DuBuque and approximately 60 miles West of Rockford, has become one of the Midwest's fastest growing tourist and weekend getaway destinations. The community is known for being the birthplace of U.S. General Ulysses S. Grant.

The project is financed through IRS Section 42 affordable housing tax credits, debt provided by the Illinois Housing Development Authority, and developer equity. Total project cost is \$5.6 million.

Joseph Nugent of Perry Group, Ltd. was project coordinator. The general contractor is Piggush-Simoneau, Inc., the architect is Scott Seaton/ADEP Group and the consulting engineer is Tyson Engineering, all based in Kankakee, Illinois.



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COMMERCIAL REAL ESTATE & DEVELOPMENT

Ambassador Steel Purchases Bourbonnais Plant

Ambassador Steel Corporation, an Auburn, Indiana based steel firm has purchased the former Global Steel Trading plant located in Bourbonnais, Il.

The 110,000 square foot plant had been vacant since shortly following the bankruptcy of Global Steel Trading Corp. in early 2001.

Ambassador Steel Corporation is a fabricator and distributor of concrete reinforcing bar and related products. Founded in 1974, the corporation has grown to become the largest fabricator and distributor of reinforcing bar product in the Midwestern United States with fourteen production facilities located in 8 states. Total employment throughout all facilities is approximately 500 with approximately 40 jobs to be located at the Bourbonnais plant.

According to Joseph Perry, the project impacts the Village of Bourbonnais in many ways. In addition to the general economic development, investment and employment aspects of the development, the Village of Bourbonnais will receive its original investment into the Global Steel Trading project back in its entirety.

In 1997, the Village of Bourbonnais invested \$315,000 in the form of a low interest loan to the former owner of the plant. Ambassador's purchase will allow the Village to recapture the entire principal balance of the loan made to the original plant's owner, which is approximately \$190,000. An additional investment into the original Global project in the amount of \$350,000 by the Illinois Department of Transportation to construct a railroad to service the facility which had defaulted as a result of the bankruptcy of Global will also be repaid in full through Ambassador's purchase.

Joe Perry, Chris Curtis and Wes Andrews of Perry Group, Ltd. represented the Trustee handling the bankruptcy on the sale of the property in addition to negotiating the full repayment to the Village of Bourbonnais and the State of Illinois of their earlier investments.

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