



OFFICE OF THE GOVERNOR

# NEWS

ROD R. BLAGOJEVICH – GOVERNOR

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## **Gov. Blagojevich announces business expansion that will create, keep jobs in Chicago's Pilsen neighborhood**

*Illinois Finance Authority supports John Hofmeister & Son, Inc. with \$3 million in tax-exempt bond financing to expand meat processing plant, retain 60 jobs and create 15 new jobs*

**CHICAGO**– As part of his commitment to helping small businesses grow and create more jobs, Governor Rod R. Blagojevich announced today the completion of a \$3 million industrial revenue bond financing on behalf of John Hofmeister & Son, Inc., a processor of fine hams and ham products. Headquartered in the Pilsen neighborhood of Chicago, the company is a small family-owned business that employs 60. With this expansion, the company expects to add to its product line and hire an additional fifteen employees over the next two years.

“An investment in John Hofmeister & Son is an investment in Pilsen and in Illinois. Small businesses employ nearly half of our state’s non-farm employees. It’s important to help them succeed and providing access to capital for expansions is one way we can do that. With this project, we will expand and improve a growing business, we’ll put more people to work in the Pilsen neighborhood, and we’ll bring additional federal business to Illinois,” said Gov. Blagojevich.

John Hofmeister & Son, Inc. is a certified Hub Zone company. Companies doing business in a historically underutilized business area can achieve this status by meeting goals such as the percent of employees residing close to the plant, and ownership requirements as set by the U.S. Small Business Administration. Achieving Hub Zone status allows Hofmeister to compete for contracts at the Federal level, opening new avenues for growth.

“My father started this business in 1947 when the Stock Yards in this area were still going strong. He built the company based on his own special recipe for fine ham. Today, we provide hams nationwide under many brands and we’re proud to still be at our original site. I want to

thank Governor Blagojevich for his support of this financing. It will allow us to add to our product line, go after new business, and grow in Pilsen,” President Ed Hofmeister said.

John Hofmeister & Son, Inc. will use bond proceeds to expand products, adding sliced ham to its line of whole hams, and to expand its processing plant. The project includes: the acquisition of an approximately 10,000 square-foot building and site located at the 2300 block of South Winchester in Chicago, construction that expands the company’s current location at 2386 S. Blue Island Ave., and equipment purchases and installation. Construction is expected to take six months. The additional space will allow Hofmeister to further develop its sliced ham business including participation in the federal school lunch program and development of Meal Ready-to-Eat (MRE) market offerings.

“The Illinois Finance Authority (IFA) helps businesses, like John Hofmeister & Son, Inc. obtain affordable financing for expansions and growth. This project, which used industrial revenue bonds, will create jobs and opportunity in the Pilsen neighborhood. Spurring business growth and job creation is the mission Governor Blagojevich has given us to accomplish, and that is what we are doing,” IFA Executive Director Kym M. Hubbard said.

Industrial revenue bonds (IRBs) are available to qualifying small to mid-sized manufacturers to finance construction, renovation and equipment purchases. Because income earned on the bonds is exempt from federal income tax, the borrower can obtain a lower interest rate on the debt. The State of Illinois provided \$3 million of the state’s IRB volume cap to support the project.

The financial responsibility for the payment of the Series 2007 Bonds lies solely with John Hofmeister & Son, Inc. and not with the State of Illinois.