

LA SALLE COUNTY: Board authorizes bonds for Walsh automotive expansions

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Photo: Charles Stanley

Bill Walsh Jr. explains to the La Salle County Board how stimulus program bonds will be used to expand Bill Walsh automotive dealerships in Ottawa. To the left is County Board Chairman Jerry Hicks, D-Marseilles. To the right is Andrew Hamilton, executive director of the Upper Illinois River Valley Development Authority, the agency which reviewed and recommended the bond application.

A federal stimulus bond program will help finance the expansion of Bill Walsh automotive dealerships in Ottawa.

Thursday, the La Salle County Board authorized \$3.2 million in Recovery Zone Facility Bonds for the expansion of both Bill Walsh Honda — acquired in May — and Bill Walsh Ford, Lincoln, Mercury and Kia — acquired in December.

Recovery Zone Facility Bonds are part of the American Recovery and Reinvestment Act of 2009. Because the bonds are tax-exempt, they lower project costs. The bonds are not issued or backed by the county, but by private financing.

In the case of the Walsh projects, the bonds will be purchased by the First National Bank of Ottawa. Of the \$15 billion in total federal bond authorizations for the program, the county's share is \$10.5 million. The Walsh project is the first use of the bonds in La Salle County.

Bill Walsh Jr. — who outlined the project to the County Board — said it was Ottawa Mayor Bob Eschbach and Boyd Palmer, executive director of the Ottawa Area Chamber of Commerce and Industry, who brought the funding option to the Bill Walsh Group's attention.

"We just feel that it's a really good way for us to expand," said Walsh.

He said purchase of the Honda dealership came with the stipulation that a new showroom similar to the nearby 2008 Bill Walsh Toyota showroom would be built. Later, Ford, Lincoln, Mercury and Kia made a similar stipulation with the purchase of those dealerships.

"We're almost our own worst enemy in this," said Walsh.

"It's like being shot by friendly fire, because when one manufacturer sees a bright, shining building with all of the trappings of modern retail facilities, then they all want it."

The project was reviewed and approved by the Upper Illinois River Valley Development Authority, the county's agent for bond applications.

In its project report, the UIRVDA said Bill Walsh Honda will be purchasing additional property, demolishing any existing buildings, remodeling their current building, adding a new showroom, adding new customer areas and improving outside drainage and lighting.

For the Ford, Lincoln, Mercury and Kia dealerships they will be building a free-standing showroom, service writeup area and customer lounge for the Kia franchise as well as modernizing the existing dealership building to meet Ford specifications. The 6,000 square-foot Kia facility will be located to the south of the current 16,000 square-foot building.

Both projects are to be finished by the end of 2011, and Walsh said work will be done by local union labor with materials from local suppliers.

Walsh said to some the dealership acquisitions seem to fly in the face of prudent business sense, given the current economy. But he pointed out that the benefits included keeping sales tax in Ottawa as well as preserving and expanding jobs.

"We feel that it's the right thing to do for our company. We think it's the right thing to do for Ottawa. We feel great things are on the way for La Salle County as the growth starts to mushroom up."

Randy Freeman, R-Lostant, offered his congratulations.

"Exactly what our county needs is investment in business. If we're going to recover as an an economy it's going to be business-driven — it's not going to be government-driven."