



Press contact: Bridget Croke, 802.338.0368/bridget@closedloopfund.com

**Lakeshore Recycling Systems proves that recycling is an economic opportunity in Chicagoland**  
*Lakeshore's "pure-play" business model maximizes opportunities to divert waste from landfill and grow revenues at its new Heartland material recovery facility (MRF)*

December 7, 2016 – Closed Loop Fund is proud to share the early results from a loan in its portfolio: **Lakeshore Recycling Systems' new Heartland single-stream facility, is generating a profit within its first 6 months of opening and is poised to divert more than 1 million tons of material from landfill by 2025.** The company has also already created 100 jobs and processed more than 25,000 tons (equivalent to material generated by 200,000 households).

Lakeshore CEO Alan Handley says, "Recycling is core to our business. The success of the Heartland MRF illustrates our ability to increase both profitability and environmental impact as we scale."

**More Results:**

- By 2025, Heartland will divert more than 100,000 tons of recyclable material annually, avoiding more than 300,000 metric tons of greenhouse gas emissions each year (like taking more than 63,000 cars off the road).
- With an \$8.5 million investment, Lakeshore has turned what was once a \$20-50/ton in tip fees cost of doing business to nearly \$100/ton in revenues.

According to Closed Loop Partners' managing director Rob Kaplan, "Lakeshore is a best-in-class operator that is proving recycling makes economic sense. Their model is clearly creating a competitive advantage over the status quo in the industry."

**Why the model works:**

- **Established success with pure play model:** Lakeshore's model is predicated on not having a landfill, and is therefore not "conflicted" over inexpensive disposal costs. The company has successfully managed other MRFs in the area prior to the Heartland facility.
- **Integrated operations:** Lakeshore operates residential and commercial hauling services, MRFs, C&D recycling, and an organics program, creating leverage across businesses and greater opportunity for diversion. Heartland is co-located with the C&D operation, providing additional leverage.
- **Significant market share:** Lakeshore controls nearly one-third of the region's material, ensuring sufficient volumes.
- **"Good Neighbor" to local operators:** Lakeshore attributes its success, in part, to its ability to maintain excellent working relationships with local private operators and municipalities alike; most are located within 20 miles of its facility.

Another important factor is Lakeshore's leadership team, which is setting an example for recycling businesses across the US. According to Patrick Snow, Vice President, Environmental Services



Department, Comerica Bank, "Lakeshore has a very strong management team. Everything starts at the top. Anyone in the industry knows that operationally they're great, with a very motivated, very smart team." Comerica Bank, a leading financial institution with 100 Environmental Services clients across the United States, has partnered with Lakeshore since 2012, and is a co-investor with Closed Loop Fund in the Heartland facility.

Following the release of its first public process report (LINK) last month, Closed Loop Fund has published a case study featuring Lakeshore Recycling Systems of Morton Grove, Illinois. The first in a series from Closed Loop Fund's portfolio, the Lakeshore case study (LINK) details the success factors from Lakeshore's best-in-class operations, financial results, materials processed, and replicability.

With the Lakeshore case, Closed Loop Fund hopes to catalyze investment in more best-in-class operators and scale recycling infrastructure nationwide. "We want to share what we're seeing and encourage others to apply what we've learned," says Kaplan. "There is opportunity – for investors, municipalities, and operators – to take recycling to the next level, just as Lakeshore is doing in Chicago."

### **About Lakeshore Recycling Systems**

Serving Chicagoland for over 17 years, [Lakeshore Recycling Systems](#) (LRS) specializes in recycling and waste diversion programs, affordable roll-off container services and comprehensive waste removal to Chicagoland businesses and residential homeowners. LRS owns and operates six [Material Recovery Facilities](#) (MRFs), a fleet of fuel-efficient natural gas-powered trucks and is run by over 600 committed full-time employees. LRS is a recipient of Chicago Public Schools' coveted Best Partnership Award, is ranked #35 on Waste360's 2016 Top 100 Waste and Recycling Companies in North America and is a 2016 multi-Stevie award winning company with honors including Company of the Year, Most Innovative Company of the Year and Fastest Growing Company of the Year. Controlling over 2.2 million tons-per-year, LRS does not own a landfill and is committed to raising awareness for a more environmentally sustainable and scalable business model that fuels the circular economy. To learn more, visit [www.LRSrecycles.com](http://www.LRSrecycles.com).

### **About Closed Loop Fund**

Founded in 2014, Closed Loop Fund is an investment fund that provides cities access to the capital required to build comprehensive recycling programs. Closed Loop Fund aims to invest \$100 million by 2020 with the goal to create economic value for cities by increasing recycling rates in communities across America. Closed Loop Fund brings together the world's largest consumer product, retail, and financial companies committed to finding a national solution to divert waste from landfills into the recycling stream in order to be used in the manufacturing supply chain. Key supporters include 3M, Coca-Cola, Colgate-Palmolive, Goldman Sachs, Johnson & Johnson Family of Consumer Companies, Keurig Green Mountain, PepsiCo and the PepsiCo Foundation, Procter & Gamble, Unilever, Walmart and the Walmart Foundation. For more information, visit [www.closedloopfund.com](http://www.closedloopfund.com)

###