



Membership meeting:

Wednesday, August 17, 2011

11:30.am. - 1:30 p.m.

Hosted by the DeKalb County Economic Development Corporation
Northern Illinois University Convocation Center, in DeKalb

Focus topic is participation in upcoming AIRE events and updates on projects in the corridor

Discuss interest in Coop Advertising program and 2012 plans

Please make your reservation for the August 17th membership meeting by responding to hoyle@dcedc.org

Welcome to CATALYST!

The I-39 Logistics Corridor Association is pleased to present this issue of CATALYST, the e-newsletter designed to establish "Superior Transportation Infrastructure in the I-39 Logistics Corridor and the Chicago Region". This e-newsletter contains information that helps corridor members stay informed and assisting the association further its goals. We welcome your feedback to the CATALYST and to our group's work, and encourage you to pass this newsletter on to those you may know who would benefit from becoming involved in I-39 Logistics Corridor Association as well.



The corridor was featured in three articles in the first quarter and once again in the second quarter of this year, this time in the Rockford Register Star. Over the past two years in a slower market we still had over 2M sq. ft. of additional space added to our corridor!

Our plans this year include sponsoring the October AIRE luncheon, participating in the September 15th AIRE Trade Show & Developers Showcase, seeking more article opportunities, listings in directories and an advertising program. You can learn more about our plans at the upcoming meeting.

We are also always open to more members and would be pleased if you passed this newsletter onto people who may prosper from being a part of the I39 Logistics Corridor Association.

Sincerely,
Janyce Fadden
*Executive Director,
I-39 Logistics Corridor Association*

SIOR Fall Conference (*October 20-22 in Chicago*)

How can you as I-39 Logistics Corridor Association Members Participate in the SIOR Fall

Conference? Here are answers to some questions you may have.

Can a SIOR non-member advertise in the Attendee Program Book given out to all attendees at the fall conference?

Yes. Here are the rates:

\$2,300 Full-page black-and-white ad
\$1,495 Half-page black-and-white ad
\$ 805 ¼-Page black-and-white ad

The book size is 8.5" x 11"

Deadline for ads is the first part of September (*final date to be determined*)

What is a SIOR non-member's registration fee, assuming the non-member is not an exhibitor?

The non-member registration fee is \$1,250 per person. It include full access to programs and a ticket to the Opening Cocktail Party, but excludes optional events (*you can attend these events, but there is an additional cost*) and access to "invitation only" events.

Can a SIOR non-member have a booth at the conference?

Yes. Booth fees are as follows:

\$4,500 For booth in standard location (*they place you*)
\$5,000 For booth in premium location (*you get to choose the best available spots*)

Booth cost includes 2 exhibitor registrations. Additional persons (*you can have as many as you want*) helping at the booth must pay a registration fee of about \$500.

All booth registrations include the Opening Cocktail Party and access to all sessions (*except optional events*).

All booth spaces are 10' wide by 8' deep and include a 6' table and two chairs (*electrical outlets are additional*)

For additional information, visit <http://www.siordata.com/chicago/registration.html>

Corridor Successes Featured Regional Newspaper

Deal renews push for local manufacturing

Global forces reshape production

as featured in the June 19, 2011 Rockford Register Star

ROCKFORD REGISTER STAR

With plants in Denmark, China and Loves Park, Danfoss Drives had choices where to expand manufacturing.

That it picked Loves Park for a 100,000-square-foot facility to make air-conditioning controls might be an economic harbinger of factories to come.

The Danfoss site on Interstate 39 was once seen as land fit for distribution centers, like the massive 1.45 million square foot warehouse Lowe's opened in southwest Rockford in 2007.

Now the region's real estate brokers and economic development officials are bullish on manufacturing's prospects.

Global forces are reshaping where products are made. After years of factory flight to low wage countries, skilled labor is trumping labor cost, which bodes well for northern Illinois.

I-39 logistics group to court manufactures
by Brian Leaf as featured in the June 19, 2011 Rockford Register Star

RRSTAR.COM

LOVES PARK — Mark B. Goode is a founder of the I-39 Logistics Corridor Association. He's known for warehouses and distribution centers.

But it was manufacturing that made headlines last week with the announcement that Goode's company would build and lease a 100,000-square-foot building to Danfoss Drives.

The site in the Loves Park Corporate Center near Interstates 90/39 is at an on-ramp to the Midwest. And if consumer products companies were expanding, it would be a great fit for the distribution companies the association has been trying to lure here for seven years.

But they aren't. Manufacturing, however, may once again be the region's rising economic star. And local real estate brokers and economic development agencies who belong to the corridor association want to ride the trend by rebranding themselves into the I-39 Industrial Corridor Association.

"We're at the beginning stages of all this," said Goode, principal of Venture One Real Estate LLC in Lincolnshire. "Everything goes in cycles, and the cycle now is for employment in manufacturing."

Thousands of business park acres are near I-39, which runs like a spine from central Illinois into Wisconsin. Interstates 80, 88, 43, 90, 94, 74 and 55 cross it like supply chain ribs, leading to the Midwest's major cities. Pre-recession, when consumer spending drove the economy and manufacturers sent production offshore, site selectors sought land for large buildings on well-connected interstates where products could be stored and trucked to destinations within a day.

The association formed in 2004 to market land in and around I-39 to these logistics companies.

"Everybody was sending operations to China, Mexico and around the world, and (finished) things were coming back to the U.S." Goode said. "Consumer companies needed distribution facilities to keep products in the pipeline."

Huge buildings like the 1.45 million-square-foot Lowe's facility in Rockford were built near the corridor to hold products until they were needed on the shelves of a growing roster of Midwestern stores. Distribution centers for 3M, Wal-Mart, Staples and Target followed.

So did recession. Consumers spent less. Retail growth stalled.

Shopping center development hit a 40-year low in 2010, according to the CoStar Group, a Washington commercial real estate information company. CoStar says just 12 million square feet of new retail space was developed nationally last year compared with a 40-year annual average of 132 million square feet.

Recession brought to Rockford double-digit employment, now at 29 months and counting. Employers cut hiring, production and expansions, accelerating a decades-long erosion in manufacturing jobs.

But global economic forces may be changing manufacturing's prospects.

"We are thinking about expanding," said Kelly Schwenk, general manager of Pyramid Plastics in Rockford.

Pyramid makes molded parts for automotive, hardware and consumer products. It has operations around the world, including China.

But two big Pyramid customers, Rockford automotive supplier Bergstrom Inc. and food equipment maker Taylor Co., in Rockton, need more parts. They want them delivered as needed. Their proximity to Pyramid's facility near U.S. 20 in southeast Rockford is why the company

would like to expand its 40,000-square-foot factory by 20,000 to 25,000 square feet.

"It's a business philosophy: We need to partner more with our customers," Schwenk said.

If you take labor costs out of the equation, he said, "no one can compete with the U.S. in manufacturing."

Labor costs may soon reach an equilibrium with offshore markets. Labor costs in China are rising 15 percent to 20 percent a year as companies there compete for skilled labor, according to The Boston Consulting Group. Fuel prices, currency swings and logistics costs are mounting at overseas factories. Many of these costs weren't considered when plants expanded offshore.

"We expect net labor costs for manufacturing in China and the U.S. to converge by around 2015," said Boston Consulting's Harold L. Sirkin in an analysis this spring on global manufacturing.

"As a result of the changing economics, you're going to see a lot more products 'Made in the USA' in the next five years," according to Sirkin's report.

I-39 corridor members are preparing for that economic blessing.

In 2009 and 2010, the association says brokers completed 18 deals to build manufacturing space along the corridor, totaling 1.4 million square feet. The figures include 3M's 650,000-square-foot warehouse expansion in DeKalb, Chrysler's 500,000-square-foot addition in Belvidere and Nippon Sharyo's 250,000-square-foot train factory in Rochelle.

The train plant, which will make cars for Chicago's METRA commuter rail system, and other projects in the region, are build-to-suit facilities — manufacturing space designed specifically for their needs. Brokers are unwilling to risk building spec space — space built without a client who has signed to buy or lease space — because high vacancy rates mean it could sit empty for years.

And as the corridor tweaks its image, that spec space deficit could be a disadvantage.

"Any community that doesn't have an availability of 100,000-square-feet can expect half the prospect flow coming out of recession," said Dennis J. Donovan, principal with Wadley-Donovan-Gutshaw Consulting, a Bridgewater, N.J., corporate-site selection firm.

It may be offset by geography and infrastructure in Illinois, he said.

"More regional production facilities are going to expand to reduce supply-chain cost and risk," he said. "Illinois sits perfectly for that."

Janyce Fadden, executive director of the Rockford Area Economic Development Council, also leads the I-39 corridor group. She says the group will begin rebranding later this year.

"We'll roll things out in the fall to help developers and site selectors understand our manufacturing capabilities and our logistics capabilities," she said.

New Resource for the Corridor - International Trade Center

Export made easy: Rockford International Trade Center
By Yulia Sopina, RAEDC National Business Development Assistant



One of the top strategies for modern businesses is to be open to new international markets.

The Illinois SBDC International Trade Center (ITC) was established to help companies on the I-39 logistic corridor increase the total value of goods exported from our region. The ITC offers publically funded services to Illinois companies, guiding them through the process of establishing and growing an export program.

Companies that compete in the global marketplace are both more profitable and sustainable. For the Rockford region to grow, international exports must represent an increasing portion of our GMP. Over 12 percent of our region's wealth can be attributed to exporting, and this statistic is growing at 22% annually, translating into \$1.5 Billion of potential wealth by 2012.

Services available through the ITC to companies include:

- Assessing export readiness
- Assisting in foreign market entry
- Cross-cultural communication
- Education and networking forums
- Export business planning
- Export document training
- Identifying potential export markets
- Identifying potential foreign buyers
- International marketing strategies
- International partnerships
- Navigating customs regulations
- Risk management
- Trade finance

To learn more about the International Trade Center or to take advantage of its services, contact Yulia Sopina, National Business Development Assistant at 815-969-4267 or ysopina@rockfordil.com. Also visit www.rockfordil.com/international.

The Illinois SBDC International Trade Center of the Rockford Area (ITC) is funded by the U.S. Small Business Administration in partnership with the Illinois Department of Commerce and Economic Opportunity, the Rockford Area Economic Development Council and Rock Valley College.

I-39 / U.S. 20 Improvement Projects



The Illinois Department of Transportation (IDOT) has initiated a Phase I preliminary engineering study to evaluate alternatives for improvements to I-39 / US 20 / US 51 from the I-39 / US 20 Interchange to the Harrison Avenue Interchange ([Project Map](http://www.dot.state.il.us/US20-I39/project_location.html): http://www.dot.state.il.us/US20-I39/project_location.html). The study includes alternatives for:

- reconstructing the I-39 and U.S. 20 interchange,
- reconstructing the U.S. 20 and Harrison Avenue interchange, and
- constructing additional lanes on U.S. 20 between the interchanges

Project Description

The total project length on I-39 is approximately 3 miles.

The project is located in Winnebago County, southeast of Rockford, IL with portions of the project within the limits of the Village of Cherry Valley, IL. The project is about 12 miles south of the Illinois/Wisconsin state line and lies in the northeast portion of Illinois Department of Transportation (IDOT), District 2. The U.S. 20 interchange is approximately at I-39 milepost 119; Harrison Avenue is at milepost 122; and I-90 is at Milepost 123.

The west project limit of the U.S. 20 improvement project is the west ramp terminals of the I-39 and U.S. 20 interchange. The south limit of the I-39 improvement is the south ramp terminals of the I-39 and U.S. 20 interchange. The north project limit is the south ramp terminal of the I-39 and I-90 interchange. The improvement limits along Harrison Avenue are from South Mall Drive on the west to the Kishwaukee River Bridges on the east.

The Illinois State Toll Highway Authority (ISTHA) is currently in the process of planning design and construction improvements to the I-39 and I-90 interchange. This is a separate project located immediately north of the I-39 / U.S 20 Improvement Project.

The project will also improve lane balance and simplify traffic maintenance during future construction projects by providing two lanes in each direction on I-39 through the I-39 and U.S. 20 interchange. I-39 through traffic is restricted to one lane in each direction at the I-39/U.S.20 interchange. I-39 through traffic also goes through standard exit and entrance ramp terminals. Both of these items are contrary to current design policy.

Membership Benefits and Dues

Participating in the I-39 Logistics Corridor Association offers an array of benefits.

2011 Membership Benefits Include the Following:

- Listing of property information on our website, www.i-39logisticscorridor.com
- Direct marketing advertising exposure ([click here for schedule](#))
- Opportunity to have banner advertisement(s) featured on the website, www.i-39logisticscorridor.com
- Participation in our membership meetings
- Receive our newsletter, the I-39 CATALYST
- Opportunity to participate in our annual networking events and display your information at our booth at selected trade shows, including the AIRE tradeshow in September.

If you would like to become a member and are interested in finding out more, please visit www.i-39logisticscorridor.com/membership.html for more information, including a downloadable membership form.

Call To Action

Help the Association increase participation:

Please forward a copy of this newsletter to a colleague that you know that may be interested in being a part of marketing the corridor.



For More Information Contact:

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