



Membership meeting:

Wednesday May 11th, 2011

11:30am - 1:30pm

Hosted by the Rockford Area Economic Development Council
Northern Illinois University, 8500 East State Street in Rockford

Focus topic is marketing for upcoming events and updates on projects in the corridor.

Please make your reservation for the May 19th membership meeting with [Leilani Hillis](mailto:Leilani.Hillis@rockfordil.com) at lhillis@rockfordil.com.

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 has had two articles in Heartland Real Estate Business and Illinois Real Estate Journals already this year with a third yet to be published in Northwest Quarterly. I also thank you for helping our intern update the database of activity. 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 AIRE 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*

I-39 Corridor: The Midwest's Hidden Gem

The I-39 Corridor continues to shine as a beacon for national transportation opportunities.

by Amy Bigley as featured in the February 2011 Heartland Real Estate Business

Heartland Real Estate Business

Stretching north and south from Madison, Wisconsin, to Bloomington Normal, Illinois, and east to west from Sycamore, Illinois, to Rock Falls, Illinois, the I-39 Corridor in Illinois and Wisconsin is a hub of transamerican logistic services and transportation.

Organized in 2004, the I-39 Logistics Corridor Association is a collaboration between private and public companies, cities and developers for the purpose of promoting and marketing the Interstate 39 Corridor as a logistics development region.

"The association is primarily a marketing tool for the local EDCs, cities, businesses and developers," explains Janyce Fadden, executive director of I-39 Logistics Corridor Association. "By showing the larger asset as the strength of the corridor, the association has been able to accelerate the attention site selectors give to projects that could benefit from locating near Interstate 39."

Despite the economic downturn, the I-39 Corridor is still a viable region for development and company expansions and relocations. The cities and submarkets that create the corridor are largely pro-business, especially pro-industrial business development. The combination of prime employment zones and supporting residential zones, makes the corridor a successful location for companies that are dependent on cross-country transportation access.

The corridor runs north-south from the Interstate 90 and Interstate 94 interchange to the I-39, Interstate 74 and Interstate 55 interchange. The I-39 corridor also includes the Interstate 80 interchange, the Interstate 88 interchange, the Interstate 90 interchange and the Interstate 43 interchange.

Regardless of the slow economy, development has continued in the I-39 Corridor, albeit at a slower pace. Lincolnshire, Illinois-based Venture One Real Estate is currently under way with a 450,000-square-foot expansion for 3M Corporation at the company's Park 88 in DeKalb. "I think [the 3M expansion] is the largest project going on in the corridor," says Mark Goode, principle of Venture One Real Estate. "This is our fourth project with 3M and their fourth expansion in DeKalb. The obvious benefit from our perspective is seeing 3M expand again in Park 88 and its commitment to the region."

Many developers have seen the advantage of the I-39 Corridor and the region is now scattered with industrial, office and mixed-use business parks. MLG Commercial has a 750-acre mixed-use project in Beloit, Wisconsin. Andy Bruce, executive vice president and principle with MLG Commercial, explains that although the company does not have speculative development under way, Gateway Business Park has the needed infrastructure in place and offers sites from 2 to 200 acres. Companies continue to break into the market, including Italvibras and Empire Acoustical Systems Inc., which recently entered the Princeton, Illinois, market. Additionally, Spring Valley, Illinois, welcomed a new Keystone metal distribution warehouse, just off Interstate 80.

Additional projects in the area include a 60,000-square-foot solar panel facility in Rockford, Illinois, and Nippon Shayro's \$40 million rail plant in Rochelle, Illinois, which will employ 300 residents. Also, Chrysler has announced a \$600 million, 500,000-square-foot expansion at its plant in Belvidere, Illinois.

The continued development of the I-39 Corridor would not be possible without support from local cities and economic regions. The area's overall pro-business and pro-industrial business mindset has propelled the region forward with little challenges beyond economic shifts in the market.

Large companies want the communities they enter to want their business, explains Goode. "All along the I-30 Corridor cities are pro-development. They're looking forward to the jobs," he notes.

The area's employment base, which is skilled for industry, and its history with industrial development and growth, is a proven combination to attract businesses and development. "Princeton is fielding an increase in inquiries for existing buildings and green sites," says Pete

Nelson, planning and zoning administrator with the City of Princeton. "The location of Princeton and Bureau County, Illinois, is deep in the national transportation corridor. It is likely that as the economy thaws, this area will be on many radar screens for development."

The future of the I-39 Corridor is bright and will continue to shine in the Midwest. As the market and commercial real estate picks up, local investors expect to see an uptick in interest and development in the area.

"We think in 2011 corporations are going to make an investment on the capital side and do build-to-suits on a fairly national basis," says Goode. "I think a lot of major corporations are sitting on a lot of capital."

For development to occur, especially build-to-suits, companies have to make a long-term commitment to spend capital for the improvement of its logistics, construction, development or manufacturing capabilities, and with the lack of confidence in the market, companies have been shying away from such commitments in the recent years.

However, confidence in the I-39 Corridor is up and continues to rise throughout the recession and recovery. With the association's work to promote and market the region, the I-39 Corridor is an established player in the commercial real estate market, especially for investors, companies and developers interested in national transportation capabilities. The area expects development to continue as companies seek the most cost-effective, efficient way to reach their customers, notes Fadden.

Additionally, the I-39 Corridor has room to grow. Located on the western edge of the I-39 Corridor, Princeton is in prime position for the corridor's westward expansion.

"The sizes of buildings and parks may vary, but the tools for development and demand for efficiency, with good return-on-investment, all can be found in this unique and vast embryonic territory," notes Nelson. "Our success will depend on our individual skills to find the needs and meet them completely."

I-39 Corridor Featured in March Edition of Real Estate Journal

I-39 Corridor prepares for industrial sector expansion
by Mark Thornton as featured in the March 15, 2011 Illinois Real Estate Journals

<http://www.rejournals.com/2011/03/15/i-39-corridor-prepares-for-industrial-sector-expansion/>

Portions of the I-39 Corridor in North Central Illinois may technically be considered part of the Greater Chicago Metropolitan Area, but proponents of the burgeoning economic area tout its distance from the mega Midwestern city as one of its strongest selling points.

In 2002 Mark Goode, principal of [Venture One Real Estate](#), began purchasing land in the DeKalb area. The idea was to find land suitable for distribution firms that allowed them to bypass the heavy congestion in the Chicago area and have easy access to "free highways" throughout the Midwest. I-39, roughly 80 miles west of Chicago, was the key to achieving this goal.

"I-39 runs all the way from Madison (Wis.) to Bloomington (Ill.) and it intersects with all major East-West expressways in the Midwest," says Goode. "It allows you to bypass the congestion in Chicago completely."

While the benefits may have been clear to Goode, convincing potential tenants, and, more importantly, Chicago-area brokers, took some time.

"When we got involved in 2002, not a lot of brokers knew about the corridor," he says. To help solve this problem, Goode spearheaded the initiative to establish the [I-39 Logistics Corridor Association](#), a group of municipalities and commercial real estate firms that now

consists of 50 members. The group pooled together to fund logistic and economic studies regarding the corridor. The association helped legitimize the area as a business destination for major distribution operations. As the real estate market went through a boom in the past decade, major deals began to take place.

“Prior to the recession we had over 7 million square feet of space brought to the corridor,” says Janice McFadden, executive director of the I-39 Logistics Corridor Association. McFadden says that activity in the corridor slowed down considerably during the recession, not only because economic activity was hurting, but also because projects in the corridor are generally completed on a built-to-suit basis. There is not much second-generation or speculative space available for lease.

“Firms that move here have to want new construction,” says McFadden. “But if you need to serve Wisconsin, Minnesota, and Missouri, our corridor is very enticing.”

Venture One's Park 88, a 450-acre industrial park outside of Dekalb, has been very successful in luring big firms for ground-up construction. Retailer Target Corp. developed a 1-million-square-foot facility and Minneapolis-based 3M has a 401,000-square-foot facility as well. Of the original 450 acres, 285 remain available.

The biggest news to come out of the corridor in 2010 was 3M's development of its second facility at Park 88. The firm broke ground in August, with [Clayco](#) acting as the general contractor, on a 650,000-square-foot distribution center. The firm will have the option to expand the property to 1-million-square-feet if needed. The corporate conglomerate, which specializes in medical products, electrical products, and laminates, among others, also has 500,000-square-foot facility in a nearby location in DeKalb.

Another large deal to emerge in the corridor recently is the 250,000-square-foot built-to-suit facility for the Japanese company Nippon Shayro. The firm will break ground this summer in Rochelle, Ill. Nippon Sharyo is a major supplier of commuter rail cars and will serve clients like Metra and the City of Chicago from this new assembly facility, says McFadden.

While the market may not be labeled as robust, it has improved in recent months, making Venture One's Goode optimistic for the next 12 months.

“It's been slow for the last couple of years, but now it is rather active,” says Goode. “We need the larger companies to build new facilities and expand. I think they have to if they want to be competitive. 3M is evidence that firms are willing to expand.”

As the market improves Goode likes his position. Land is available along some portions of the I-80 corridor in the Chicago metropolitan area, but sites for new industrial product have become scarce otherwise, and, not to mention costly when compared to land prices along the I-39 corridor.

“There are very few land sites available for industrial development east of the Fox River,” says Goode. “It is hard to find a 50-acre land site. If you can't build east of Fox River, where can you build? Firms need infrastructure and a large four-way intersection. The I-39 corridor is the next logical step.”

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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