

Study Shows Joliet-Area Intermodal Site Will be Major Economic Engine for Will County

CenterPoint Intermodal Center-Joliet to Yield More Than 6,900 Jobs and \$765 million in annual economic output

OAK BROOK, IL (June 19, 2008) – The operation of a proposed intermodal rail and industrial park in Joliet will create as much as \$765 million in annual economic output for Will County and 6,900 to 7,400 new full-time jobs, according to a study by the research firm Cambridge Systematics, Inc. released today. In addition to these gains from annual operations, construction activity alone will generate another \$1.2 billion in economic output.

Direct construction employment, and the resulting economic boost to surrounding businesses, is expected to result in \$1.2 billion of additional economic output, with \$542 million in labor income and \$682 million value added, according to the Cambridge report. Annual labor income generated by the completed facility is expected to be between \$290 million and \$344 million.

Wages should also rise in Will County with the construction of the intermodal park: estimated annual wage within the park is expected to be \$49,000 in 2006 dollars and indirect wages – jobs created by increased economic activity - are pegged at \$46,000, Cambridge estimated. According to Census data, the 2005 average wage in Joliet was \$45,590.

“Freight transportation facilities are crucial to the economic growth of the Chicago area,” Erik Cempel of Cambridge Systematics writes in the report. “The Chicago region has more freight tonnage passing through it than any other port in the United States... the vast majority is transferred via train or truck.”

The intermodal rail and industrial park plan will be presented at the Will County Center for Economic Development Board meeting Friday. The Cambridge study was released to civic, business and local government leaders in advance of the meeting.

CenterPoint Properties commissioned Cambridge Systematics, Inc., a nationally-recognized company that specializes in the planning and assessment of transportation investments, to conduct an independent analysis of the benefits of CenterPoint Intermodal Center-Joliet (CIC-Joliet).

“The study’s findings reinforce our experience that the responsible development of intermodal rail and industrial parks benefits customers, boosts economies and enhances the quality of life in the communities where we’re located,” said CenterPoint Properties CEO Michael M. Mullen.

The new CenterPoint Intermodal Center in Joliet will join the existing intermodal anchored industrial park developed by CenterPoint in nearby Elwood, Illinois. According to Cambridge, the current facility in Elwood has already created at least 2,300 jobs for Will County-based workers, who have earned as much as \$120 million in wages, with as much as \$158 million in added value for the county. It has created as many as 870 indirect or induced jobs in the County. The Village of Elwood’s revenues have increased by almost nine times between 2000 and 2007.

A Joliet intermodal center with a state-of-the-art integrated logistics park surrounding it will also ensure that the host community has access to an expanded tax base. Creating taxable facilities where none currently exist will increase government revenues, the Cambridge study says. Additionally, the study notes that expenditures on public facilities follows that trend.

A previously released study by Kane McKenna and Associates, Inc. found that over the first 21 years, the intermodal facility will generate more than \$305 million in cumulative property taxes; at year 31 the facility will have generated more than \$550 million in cumulative property taxes. Intermodal facilities typically generate property taxes within an adjacent logistics park at a much faster rate than traditional industrial-only developments, and the Joliet facility will be no different, the Kane McKenna study said. Additionally, CIC-Joliet will generate significant new tax revenue for area schools without adding the costs associated with new students as is often the case with residential development.

For example, 21 years into the development, Joliet Township High School will be receiving an estimated \$7 million of annual property taxes from CIC-Joliet, versus approximately \$5 million a traditional industrial development would generate. This is the difference of more than \$40 million for JTHS alone in the first 21 years of CIC-Joliet. Other schools in Will County would see a boost too. Laraway Elementary Schools would receive an additional \$2.4 million a year by the 21st year of the project, and Joliet Junior College would receive an additional \$200,000 annually.

“An intermodal center in Joliet is just what our area needs to build an even stronger community and provide our residents with good jobs and a good education,” said Tom White of Three Rivers Alliance of labor leaders. “This study only makes the case stronger. Joliet specifically, and Will County more broadly, are lucky to be in position to benefit from these kinds of investments. As the economy changes in the years ahead, we will be positioned to lead Illinois’ growth.”

According to the Cambridge researchers, the development and expansion of the Joliet facility will likely bring major investments and support to the freight and highway infrastructures, additional employment opportunities for residents and increased economic output through added business for suppliers and through benefits to local services. The transportation infrastructure alone at these facilities fuels regional economic growth by decreasing travel time and costs, increasing reliability and enhancing accessibility, the study said. For instance, each freight train car takes 3.87 semi-trucks off the road, it said.

Regional manufacturing and supply chain experts also laud the project for the reach and growth and related benefits an intermodal facility in Joliet will bring to Will County.

"As a native of Joliet and an expert in supply chain management, I can affirm the positive impacts of this project are far and wide," said Donald Maier, a professor of supply chain management at the University of St. Francis. "Joliet will become a critical hub in the global supply chain and make the area stronger for manufacturing, jobs and growth. Additionally, the 'greening' of the supply chain through intermodal will make CenterPoint Joliet a model for other projects."

These benefits in turn will reduce area congestion and increase productivity, labor and market access, and help integrate supply chains, which has a positive implication for regional manufacturing.

“This project will help our region attract new investment, new businesses and new jobs” said John Greuling, President and CEO of the Will County Center of Economic Development. “It will open up an important industrial district for new development that would not occur without a new intermodal facility. Projects like this insure that Will County and Joliet will successfully compete in the new global economy.”

The intermodal center will also play an important role sustaining Illinois agriculture and the State’s economy. After California, Illinois is the second largest U.S. exporter of agricultural commodities, up from third place in the 1990s. More than 44 percent of Illinois grain is sold for export. Access to transportation is essential for Illinois farmers to get their products to market quickly and efficiently.

“A Joliet intermodal center will replace many of the grain distribution centers lost over recent years,” said Mark Schneidewind, Manager of the Will County Farm Bureau. “This is our opportunity to improve the economic well-being of Will County and the region and enrich farming life by providing direct access to global markets.”

About CenterPoint Properties

CenterPoint Properties is focused on the development, ownership and intensive management of industrial real estate and related rail, road and port infrastructure. We add value to our customers through forward-thinking solutions aimed at enhancing supply chain and operating efficiencies. We seek long term relationships with customers, public and private business partners, internal colleagues and the communities where we invest and operate.

CenterPoint Properties is owned by the CalPERS, the California Public Employees Retirement System, which provides retirement, health, and related financial programs and benefits to 1.5 million public employees, retirees, and their families and more than 2,500 public employers.

About Cambridge Systematics

Cambridge Systematics is recognized nationally for its work with Federal, state, and local agencies to plan and manage transportation systems in a way that supports broader economic goals. Cambridge applies its core skills in consensus-building, strategic planning, market research, and decision support to help establish state and regional economic development strategies. The firm specializes in transportation policy, planning, and management, and is dedicated to ensuring that transportation investments deliver the best possible results.

Using proven methodology, the Cambridge study utilized the IMPLAN software tool to develop an economic input/output model that examines production and consumption by industry type, and estimates the effects of introducing increased investment and employment within particular industry sectors. Will County-specific data and actual impacts in Elwood were used as inputs.

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