



UNITED STATES' EXPERIENCE

TITLE: Initiative to design and build industrial infrastructure through public-private partnerships with the purpose of creating a competitive environment to attract 21st Century Industrial Development



Country: United States

Institution: Greater Rochelle Economic Development Corporation/City of Rochelle

Type of Institution: Mixed

Other institutions involved: Provider: Greater Rochelle Economic Development Corporation (GREDCO)/City of Rochelle

Donors: Economic Development Administration of the U.S. Department of Commerce, Office of Illinois Governor Pat Quinn, State of Illinois Department of Commerce and Economic Opportunity, Illinois Department of Transportation – Bureau of Railroads and Division of Local Roads, Rockford Area Economic Development Council, Northern Illinois University, City of Rochelle, Lee County Enterprise Zone, Kishwaukee College, the Office of the Speaker of the U.S. House of Representatives – J. Dennis Hastert, Congressman Don Manzullo, GREDCO, Anderson Japanese Gardens, Rochelle Municipal Utilities, NICOR Gas, and TEAM ROCHELLE a consortium of Federal, State and Local units of government, agencies and elected officials.

Recipient: Nippon Sharyo, Sumitomo Chicago Metra, Prologis, Kajima Corporation, Fehr-Graham Environmental & Engineering, Ryder Corporation, Lee & Associates, Burlington Junction Railways, Allstate Insurance Company, U.S. Silica, Illinois River Energy, City of Rochelle and multiple units of the construction trades all used to build all of the infrastructure and facilities.

Other countries involved:

Provider: United States of America

Recipient: Japan/Canada/Mexico

Donor: United States

Date: January 2007 to July 2012 (ongoing)

Webpage: www.cityofrochelle.net

Context

For more than two decades our region was losing thousands of jobs a year as the manufacturing sector fell behind in its ability to compete with foreign entities. Infrastructure that supported manufacturing began to deteriorate. GREDCO and the City of Rochelle saw an opportunity to reinvigorate the manufacturing sector by building the infrastructure to support 21st Century industries. Located at the edge of the Chicago Metropolitan region, at the intersection of interstate highways connecting Canada to Mexico and ocean ports in New York and California, along with access to multiple Class I railroads, our community prepared to bring manufacturing back to the region. We built access to large parcels of affordable land with road, rail and bridge infrastructure that could handle heavy industrial development. We built a robust system of utility infrastructure with power, water, sewer, wastewater treatment and fiber optic broadband connections designed to handle large demand from new industrial customers. Through the technical and financial support of the EDA along with the public and private groups as listed above under item 5, GREDCO and the City of Rochelle built the needed infrastructure that would stimulate new industrial development.

Objectives

The objective is to build the infrastructure that supports the development of businesses related with: manufacturing, technology, renewable energy, logistics, agriculture and food packaging/ processing. The infrastructure built to date includes the following:

- Constructing a shortline rail system with dual connections to 2 Mainline Railroads.
- Build rail yards to store and switch larger volumes of rail cars.
- Expand the utilization of the Global III Intermodal Railpark
- Construct 16" water main
- Construct 21" sewer line and upgrade lift station capacities.
- Build a fiber optic "Ring" with redundancy for high speed broadband service
- Construct 6" and 8" gas lines to increase volume and pressure for natural gas service.
- Upgrade electrical substations and power lines to handle larger load factors and build dual electrical feed systems.
- Build 80,000# truck routes to industrial sites
- Build grade separations (bridges) over rail crossings to improve safety
- Expansion of the airport allows for larger jets to land and take off
- Build stormwater detention facilities to reduce/eliminate flooding

Relevance

Through the efforts of Public-Private Partnerships we built the infrastructure to support 21st Century Industrial Development and we have been able to leverage our location to promote competitiveness and productivity. We are located at the crossroads of North America at the center of the United States of America. Through the design and construction of the local rail and road systems we can provide superior access to multiple transit opportunities i.e. manifest rail, unit trains (through multiple railroads), intermodal rail, and interstate systems that create north-south/east-west corridors to major markets from Canada to Mexico and coast to coast. Multiple choices for transportation and access to multiple rail options allows for competition which creates an environment for lower costs to the customer. Through the construction of at-grade separations (bridges over rail crossings) trucks can access multiple interstate "on-ramps" without delay. This saves time and increases safety and productivity.

The utility infrastructure built through these Public-Private Partnerships has given our region a competitive edge in that we can promote multiple "ready to build industrial sites" where companies can

save time and money in identifying industrial sites that meet their needs.

Implementation

The Greater Rochelle Economic Development Corporation (GREDCO) and the City of Rochelle collaborated with Fehr-Graham Environmental & Engineering (FG) to study the limitations and capacities of the existing road, rail, and airport systems along with the water, sewer, power and fiber optic capacities within industrial development zones. Next, we looked at the environmental and safety issues that could arise with increasing the industrial base. Thirdly, we made a list of infrastructure projects that needed to be built and prioritized the list. Fourth, we held a “Transportation Summit” in Rochelle and invited our Local, State and Federally elected officials along with agencies who fund infrastructure projects. We presented our list of projects to this group and explained the environmental, safety and economic development impact each project would have on the region. Fifth, with FG’s help, we developed engineering estimates for the projects we wanted to build and began to look for funding sources. FG pointed us to programs through the Economic Development Administration, Illinois Department of Transportation, Illinois Department of Commerce and Economic Opportunity and several private sources. GREDCO with the help of FG began submitting applications for grants and as the funds became available we built the infrastructure.

Distribution of tasks

We formed what is called “TEAM ROCHELLE” (TR). This is a consortium of public–private groups who have a vested interest in the economic growth of our region. Monthly we meet to update projects. It is in these meetings where we prioritize tasks and develop consensus on who is responsible for specific actions with time-lines. To break it down: When necessary, GREDCO will provide financial resources for studies or preliminary engineering before applications for funding can be submitted. TR includes the Rochelle Municipal Utility Group (RMU) which collaborates with FG to design and build the utility infrastructure. TR also has developers and brokers who collaborate efforts to address road access, stormwater issues, and land use. Our elected officials are a key part to what we do as there are issues that come up from time to time that need legislation passed to allow for changes in zoning or building codes that need to be addressed if a project is to move forward. We also, stay in regular contact with every agency who funds the projects we are building with updates and if necessary, change orders to the projects. Jason Anderson, the Economic Development Director heads up TR meetings.

Achievements and results

Since the initiative began \$1.5 Billion has been invested in industrial capital and more than 2000 jobs created in this community of 9,754 people. Major projects include:

- Construction of Nippon Sharyo’s two passenger railcar manufacturing facilities creating over 500 manufacturing jobs with an investment of over \$100 million
- Construction of \$200 million bio-fuels plant
- Construction of 1 million sq. ft. food packaging/warehouse distribution center
- Construction of \$35 million fract sand processing plant
- A 100,000 sq ft expansion of a steel fabrication plant
- An addition of 200,000 sq ft. to a cold storage distribution center
- Development of a Business and Technology Park (BTP) with redundant power and fiber
- Construction of 3 Data Centers in the BTP - \$350 million investment
- Expansion of a meat packaging plant adding more than 75,000 sq. ft.
- 50,000 sq ft expansion of a lumber distribution center

Unexpected achievements

It was the rail, road and utility infrastructure that allowed us to attract the Nippon Sharyo project. This project has put our region in the national and international spotlight as we have recently met with groups from Korea, Japan, and Turkey. The expansion of our rail system is drawing more industries to our industrial park, who want to build here because of our location and we have the infrastructure to add more industries. We are also receiving media attention and the result is that communities throughout the Midwest are asking for *TEAM ROCHELLE* to meet with their leaders to learn how we are expanding our industrial base. Revenues from the rail and all of the utilities are increasing beyond our expectations and we now need to broaden our plans for future expansion of our utility infrastructure.

Experience and sustainable results

Yes, we have put in to motion plans to build on our current infrastructure foundation. GREDCO owns 28 acres of railroad right of way to expand the Rochelle Shortline Railroad which will open another 3000 acres for rail served industries to build. RMU is building redundant water supplies to both the north and south sides of town. The wastewater plant is only being utilized at 40% of the current capacity with a plan to expand upon demand. Road improvements are being planned to create by-passes so industrial traffic does not impact the community. Multiple transportation agencies are meeting with *TEAM ROCHELLE* to prioritize these projects and determine funding and timing. It is sustainable because we have built relationships with agencies who fund infrastructure projects and we have delivered projects that have created good jobs every time funds come to our region for infrastructure.

Capacity to replicate and potential for exchange of this experience

30 years ago when the U.S. economy was in recession, GREDCO took the risk and acquired an old industrial building from the City and refurbished it. The sale of that building provided the capital to purchase land to start a small industrial development called GREDCO Park in 1984. The park was subdivided and lots were sold which generated capital for infrastructure. In 1986 the EDA provided a grant for infrastructure which GREDCO matched from the sale of the land and a small industrial park began to develop. In 1987 a cold storage warehouse wanted to locate in GREDCO Park and needed rail service. GREDCO went to the two local Class I railroads for donations of rail materials to build the rail connections. GREDCO purchased the right of way for the railroad and the IDOT provided a grant to install the track and the Rochelle Shortline Railroad was born. Over the next 26 years the GREDCO Park lots were sold and the money was used to buy land for rail development, industrial lots and the start up of the Rochelle Business and Technology Park. All done through public-private partnerships who had the vision to make new economic developments possible.

Modalities to replicate the exchange

Information sharing

Human, operational and institutional capacities

The Greater Rochelle Economic Development Corporation (GREDCO) and the City of Rochelle would gladly host foreign governments and RIAC members to visit our region and to learn about our initiative to design and build the type of infrastructure that has attracted 21st Century Industrial Developments. Jason Anderson, Executive Director of GREDCO, has made many presentations to regional economic development groups as well as businesses and industries in Japan. We have also produced a short video that highlights our journey to build the infrastructure entitled "A Decade of Success" that we would be willing to share with RIAC members.

Good practices and concrete lessons

Many lessons are being learned. First, it requires “teamwork” to accomplish great things. TEAM ROCHELLE has been the driving force behind the collaboration of bringing public and private individuals and groups together to form common goals. Secondly, it takes commitment to accomplish the goals. Everyone looks at situations differently. TEAM ROCHELLE found that if we dialogue and share ideas we can form a common purpose which, with a commitment from the whole group, allows us to achieve our goals. Thirdly, if your ideas have real merit you can find someone to fund the project i.e. the creation of the Rochelle Shortline Railroad system. Through funding from multiple government agencies and private sources we were able to build this shortline railroad. This project has attracted 14 industries to locate here and it connects to competing Class I railroads. This saves industries money and these industries get superior rail switching services from local providers. Lastly, it takes vision and courage to take initiatives that no one has ever done. In a community of less than 10,000 people we built and operate our own utility company, railroad, business and technology park, data center, energy center (landfill), and airport (sky diving center).

Experiences and subjects to learn from other RIAC members

It would be interesting to know how private businesses and industries collaborate/interface with Local, State and Federal units of government in countries outside of the USA. How infrastructure is funded and how the infrastructure projects are prioritized among the many states/municipalities. A second topic of interest is if/how other countries/units of government create economic incentives to attract and maintain businesses and industries? What types of incentives are made available and the terms in which these incentives are offered? Thirdly, I would like to know how foreign governments tax their people, businesses and industries. Lastly, I would like to know how unions influence the development of businesses and industries outside of the United States.

Key persons involved in the design, implementation, and evaluation

Jason T Anderson Executive Director of the Greater Rochelle Economic Development Corporation
janderson@rochelleil.us / 815-562-7595

Michael W Gronewold Chairman of the Board of Directors of Fehr Graham Environmental & Engineering
mgronewold@fehr-graham.com / 815-562-9087

Author of this story

Jason T Anderson
Executive Director of the Greater Rochelle Economic Development Corporation/City of Rochelle
Economic Development Corporation and Municipality
United States of America
janderson@rochelleil.us