

Illinois Route 3 Corridor - A Valuable Segment in Heavy Industrial Real Estate Ecosystem of Bi-State Region

SHILOH, IL (June 11, 2021)

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Once regarded by developers as unsightly, dirty, nasty and contaminated, Illinois Route 3 today is being actively redeveloped, promising site selectors and end users an abundance of locations girded by roads, bridges, ports, rail systems and more.

BARBERMURPHY Principal and industrial broker Steve Zuber, who has worked the Route 3 multimodal logistics corridor from Alton south to Dupo – some 60 miles – for 15 years now says what's been accomplished in the past 10 years is nothing short of phenomenal.

“Many have considered this area in the past as unsightly, dirty, nasty, contaminated and unsafe and have thumbed their nose in our direction,” said Zuber. “I’ve always seen it as a diamond in the rough. As I look at the landscape of Illinois Route 3 today, I see the majority of these legacy properties have either been demolished, repurposed or redeveloped, and the corridor is really starting to sparkle.”

Gone are many dilapidated, vacant industrial buildings, their sites being remediated and redeveloped. Thanks to the Terminal Railroad Association's purchase of portions of the former 650-acre National City Stockyards site in (YEAR), vacant industrial buildings – the Armour meat-packing plant in Fairmont City – have been demolished and ground is being redeveloped for new users. The Illinois Dept. of Transportation is injecting more than \$200 million into sections of the Route 3 corridor over the next several years.

Mike Patton, general manager at U.S. Steel Corp. in Granite City, says the manufacturer's 1,700 employees make two million tons of flat-rolled steel annually, relying heavily on Route 3 as a conduit to the river, rail, runway and road systems bringing raw materials to the plant – just one-half mile from the corridor – and moving finished goods toward their destinations.

“Having this transportation corridor has been a huge advantage for us and is one of the reasons we're still here,” said Patton, noting that Granite City Steel has been in the city since 1895.

Granite City Mayor Mike Parkinson says the city's industrial capacity is its greatest economic asset. “We have efficient, multimodal transportation that can't be replicated,” Parkinson said. “Six Class I railroads, direct port access to the river for barges and extensive interstate access, too. Granite City's assets also extend to the city's workforce and to its treatment capacities with respect to our wastewater treatment plant.”

Parkinson, who took office in April, points to the Route 3 corridor as his city's biggest growth corridor and its industrial focus over the next three to five years. "We're going through the process now to make sure this corridor is development ready," he said. "We're performing a concentrated assessment of utilities, incentives and are working with all property owners to establish viable sites for development." Parkinson points to mechanical contractor icon Mechanical's near-completion of its 40,000-square-foot office building in downtown as evidence of Granite City's partnership with private-sector firms and the immediate community to make development happen. The location had been a mix of heavy industrial and residential, requiring residential acquisition, road vacating and other site logistics to make way for re-use of the site and expanded industry.

Although the Route 3 corridor is home to more than 6,000 businesses from Alton south to Dupo, it has the capacity to accommodate many more, according to Doug Rasmussen, president and CEO of Steadfast City Economic & Community Partners.

"The economic impact of the Illinois Route 3 corridor in Southwestern Illinois is \$10 billion in earnings and \$16.7 billion in direct revenue," Rasmussen said. "The 60-mile corridor supports approximately 220,000 jobs in manufacturing, transportation and warehousing."

Favorable zoning ordinances in the communities through which the north-south, four-lane arterial route travels, according to Zuber, welcome heavy manufacturing. "These communities, located within the three Southwestern Illinois counties of Madison, St. Clair and Monroe, lay claim to a skilled, available labor pool," said Zuber. "Many of these communities along Route 3 don't have a lot of red tape for developers to overcome."

The next several years will likely spell continued industrial redevelopment, he says, as the Terminal Railroad Association of St. Louis makes ground in East St. Louis, Venice and Madison, Illinois available for development and further studies how to best utilize these assets to drive their own rail business.

"We're seeing many sites that have been sitting idle and overgrown for years now being cleared and prepped for industrial purposes," Zuber said. "As the development creep continues westward, we're sitting on an abundance of available land, and I think we're primed for some real improvements in the next few years along this corridor. We've definitely noticed an increase in calls from people looking for industrial sites along Route 3."

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