

NESS

Tim Landis

 Business Editor
 tim.landis@sj-r.com
 788-1536

DJIA

12,883.95

5.75

NASDAQ

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11.78

S&P 500

1,349.96

2.91

AMEX

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5.32

NYSE

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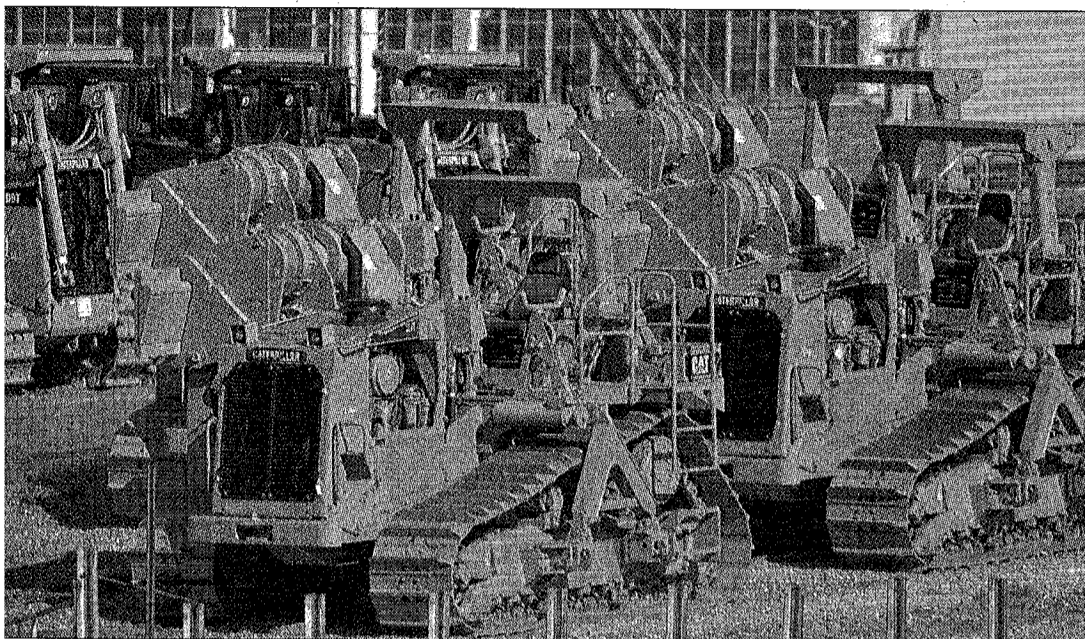
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EXPANSION PLANS

CAT says no to Illinois

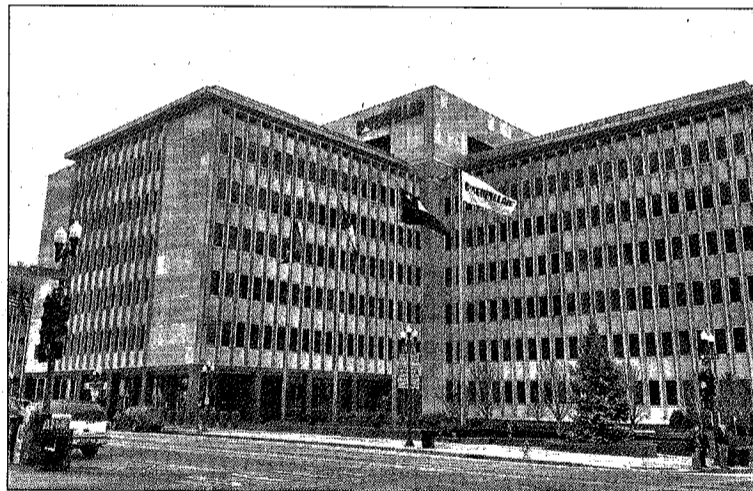


Caterpillar Inc. tractor parts sit ready for shipment at the rail yard in East Peoria. **BELOW:** Caterpillar, headquartered in Peoria, told local leaders Tuesday that it will not be building its new North American plant anywhere in the state of Illinois. FILE/GATEHOUSE NEWS SERVICE

Peoria-based company says state's fiscal health, business climate prevent plant move

DAVID MERCER
 ASSOCIATED PRESS

UPLAND, Calif. — Caterpillar has ruled Illinois out of its plans to relocate a factory and 1,000 jobs from Japan, citing logistical problems with moving the plant in its home state and ongoing concerns about the business climate. Caterpillar laid out its decision Tuesday in an email to elected officials in Peoria County, saying it considered factors such as access to ports and local labor markets, as well as proximity to the company's building and construction products division headquarters in Cary, N.C. In the email, signed only by Peoria-based company's North American Facility Site Selection Team, says Caterpillar's longstanding complaints about Illinois' state budget deficit were a major concern. "Please understand that even if our community had the right incentives for this project, Caterpillar's previously documented concerns about the business climate and overall fiscal health of the state of Illinois still would have made it unpractical for us to expect your community for this project," the email, a copy of which was obtained by The Associated Press, says. Caterpillar CEO Doug Oberhelman last year complained to Gov. Pat Quinn about the state's poor business climate after Illinois raised income taxes. Oberhelman said that Caterpillar is regularly lobbied by other states trying to



ERIC BEHRENS/GATEHOUSE NEWS SERVICE

lure away the company's headquarters, though he later said the company has no plans to leave.

While declining to address the email, Caterpillar spokesman Jim Dugan said Wednesday that many of those concerns persist.

"It remains our desire to work collaboratively, but we're not going to be shy about expressing our concerns about the state of the state," Dugan said. "It needs bipartisanship, and it needs not just the governor, but the legislature and the governor's office to make some long-term decisions that will put the state on good fiscal footing."

After Caterpillar's initial complaints, Quinn last year also signed into law changes in the state's workers' compensation system intended to cut employers' costs.

The governor signed off on the tax increase last January to try to help cut a multibillion-dollar

state government budget deficit. The personal income tax increased from 3 percent to 5 percent and the corporate rate rose from 4.8 percent to 7 percent.

On Wednesday, a spokesman for Quinn said the governor hopes to work on some of Caterpillar's concerns this year.

"That includes both major Medicaid and pension reforms in the next year," spokeswoman Brooke Anderson said. She declined to provide details, saying Quinn would cover those in his budget address on Feb. 22.

Peoria was one of just under a dozen Illinois locations bidding for the plant Caterpillar plans to build, Dugan said. He declined to name them but officials in Galesburg have acknowledged their push to attract the plant, too.

Peoria County board member Allen Mayer said he wasn't surprised by the decision.

TRANSPORTATION

Downtown hub gains steam

Group backs proposal for 'multi-modal' center for trains, buses, taxis and bike trails

BY TIM LANDIS
 BUSINESS EDITOR
 tim.landis@sj-r.com

Conceptual drawings of a single public transportation hub in downtown Springfield are catching on, even though there is no money for construction and it isn't clear just yet where the facility would be.

Downtown Springfield Inc. is the latest to get behind the proposal for a "multi-modal" center that would combine trains, buses, taxis, shuttle services and bikeways at the heart of a larger retail-commercial development.

"Nothing is premature," said DSI executive director Victoria Ringer. "It's almost like being shovel-ready."

DSI hosted a public presentation of the plan Wednesday at Abraham Lincoln's National Museum of Surveying on the north side of the Old Capitol Plaza.

The Springfield-Sangamon County Regional Planning Commission came up with the plan after studying alternative locations downtown. The commission settled on a tract along the 10th Street rail line between Jefferson and Washington streets.

In addition to the transportation hub, the plan envisions green spaces, sky bridges, retail shops and playgrounds, as well as a visitors center, police station, hotel and a day care. The entire complex also would be linked to the Prairie Capital Convention Center across Ninth Street from the proposed site.

The site also fits into a city and county push to move trains from Third Street to 10th Street, as freight and passenger traffic increases with the coming of high-speed Amtrak service.

"When you pull together your transportation in a city in a single location, the entire area around it benefits from development," Ringer said. "It's why we are fighting for 10th Street."

Surveying museum treasurer Bob Church said Amtrak already is a source of visitors for the facility, which opened in the fall of 2010. He said he believes a downtown transportation hub would benefit the entire historic district.

Planning commission executive director Norm Sims said the plans could be adjusted, depending on the outcome of the rail consolidation issue.

"We know we need to keep the area for tracks flexible," Sims said. "We keep getting ideas, and other cities are doing this, and we're learning from what they do, too."

On the Web

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