



opportunityreturns

Creating more jobs for today and tomorrow

OFFICE OF THE GOVERNOR

Rod R. Blagojevich – Governor

news

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GOVERNOR ANNOUNCES FUNDING TO BRING NEW DISTRIBUTION CENTER TO GLOBAL III INTERMODAL FACILITY

Toy Manufacturer's Relocation to Rochelle Brings New Jobs to Northern Stateline Region

SPRINGFIELD - Governor Rod Blagojevich today announced the awarding of more than **\$1.1 million** in state funding that will help a major toy manufacturer open a new distribution center in the Northern Stateline region. RC2 Corporation will open the 400,000 square foot center in Rochelle, strategically located next to the Union Pacific's Global III Intermodal Facility, allowing the Company to significantly reduce its shipping costs and greatly improve its business efficiency. RC2's new distribution center will create a total of **42** new jobs and retain **eight**.

"The new Global III Intermodal Facility in Rochelle is a state of the art terminal that has the potential to act as the linchpin of major economic growth in the Northern Stateline region and throughout Northern Illinois. By providing this targeted support, we took a key first step to realizing its vast potential. By helping RC2 Corporation relocate one of its distribution centers to the area, we will see the first tangible economic benefits in the form of job creation and business development. This is a great example of how state resources, partnered with business ingenuity, can act as a dynamic force of growth for the local economy," Governor Blagojevich said.

The assistance package of grants and financing will come from the Illinois Department of Commerce and Economic Opportunity (DCEO) as a part of the Governor's *Opportunity Returns* plan, the regional economic development strategy designed to spur growth and create jobs for the Rock River Valley region. Among the 30 specific action items included in that plan was a strategic initiative to provide marketing support to the Global III Intermodal Facility, an area that regional civic and business leaders deemed ripe for tremendous growth due to its capacity to expedite the operations of over 25 trains and 3,000 containers each day and serve as a critical interchange hub. That commitment, designed to impact both the Northwest and Northern Stateline regions which each house critical areas running along the Interstate 88 corridor, will provide **\$100,000** to the Greater Sterling Economic Development Committee to fund an economic impact study to identify new job growth opportunities and devise a marketing strategy for the Intermodal Facility. The decision by RC2 Corporation to locate one of its distribution centers in close proximity to the Intermodal Facility is an early indicator of the plan's success and an indication of greater economic growth in the future, as more industries look to locate their warehouse and distribution facilities nearby.

DCEO will make available up to **\$750,000** in Community Development Assistance Program (CDAP) funds in the form of a grant to the City of Rochelle to construct a sanitary sewer extension and a water main to the site to

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accommodate RC2 Corporation's business expansion; at least **\$400,000** through Economic Development for a Growing Economy (EDGE) corporate income tax credits over the next ten years based on creating and retaining 50 jobs within the initial two years of the project; and **\$26,000** in Employer Training Investment Program (ETIP) job training funds that will help enhance the skills of its workforce.

RC2 recently acquired toymaker Learning Curve International, Inc. for approximately \$110 million. The merger was seen by both companies as a means of propelling them to a new level and also rewarding their investors.

"We are excited to expand our operations to Rochelle and within the State of Illinois. The assistance of the local and state governments has created a win-win opportunity which allows for the development of a global intermodal logistics facility for our Company and many more companies who will likely follow us to Rochelle," said Curt Stoelting, Chief Executive Officer of RC2 Corporation.

"RC2's recent acquisition of Learning Curve International has enabled the toy company to broaden its product line and expand its distribution channels, giving it the ability to tap into a number of new markets and pursue whole new levels of growth. But the merger also made the timely support of the state and our agency that much more important to ensuring that the Company could grow into its new role without any drop off. This new distribution center will give it that additional capacity. Moreover, it demonstrates that the Intermodal Facility holds great appeal to businesses from near and far and should act as a real springboard for economic growth in the Northern Stateline region and beyond," Illinois Department of Commerce and Economic Opportunity Director (DCEO) Jack Lavin said.

RC2 (www.rc2corp.com) is a leading designer, producer and marketer of high-quality, innovative collectibles and toys targeted at adult collectors and children, as measured by sales and brand recognition. The Company's diverse product offerings include automotive, high performance and racing vehicle replicas; agricultural, construction and outdoor sports vehicle replicas; traditional children's toys; sports trading cards, apparel and souvenirs; and collectible figures. These products are sold under the Company's market-focused brand names, including Racing Champions®, Ertl®, Ertl Collectibles®, Learning Curve®, American Muscle™, AMT®, W. Britain®, Press Pass®, Eden®, Feltkids®, JoyRide® and JoyRide Studios®. The Company supports its brands and enhances the authenticity of its products by linking them with highly recognized licensed properties from John Deere, Harley-Davidson, HIT Entertainment, Lamaze, Case New Holland, Polaris, Honda, Caterpillar, Ford, GM, DaimlerChrysler, NASCAR, NHRA, Texaco, Universal Studios, Warner Brothers, DIC Entertainment, Discovery Channel and Microsoft, among others. The Company's products are marketed through multiple channels of distribution, including chain retailers, specialty and hobby wholesalers and retailers, dealer networks for original equipment manufacturers (OEMs) such as the John Deere dealer network, corporate accounts for promotional purposes and direct to consumers. The Company sells through more than 25,000 retail outlets located in North America, Europe, Australia and Asia Pacific.

Governor Blagojevich's *Opportunity Returns* regional economic development plan is the most aggressive, comprehensive approach to creating jobs in Illinois' history. Since a one-size-fits-all approach to economic development just doesn't work, the Governor has divided the state into 10 regions – finding areas with common economic strengths and needs, and developing a plan with specific actions for each region. This grassroots effort for the Northern Stateline region is a product of significant outreach over several months with business, civic and labor leaders, and elected officials. The 30 specific projects that the Governor announced in October for the Rock River Valley are designed to be flexible and effective. This plan is tailored to deliver real results that local businesses will see, feel, and, hopefully, profit from.

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