

OFFICE OF THE MAYOR CITY OF CHICAGO

FOR IMMEDIATE RELEASE

June 26, 2013

Mayor's Press Office (312) 744-3334

Chicago Department of Aviation Media Relations (773) 686-3700

CITY COUNCIL APPROVES AGREEMENT TO DEVELOP A PERISHABLE CARGO CENTER AT O'HARE INTERNATIONAL AIRPORT

The Chicago City Council today approved an agreement with Chicago Perishable Center, Inc. for the development of a perishable cargo center at O'Hare International Airport. Under the agreement, Chicago Perishable Center, Inc. will operate an on-airport center to take delivery of and process time-sensitive perishables such as flowers, food and medicine.

The center will be the first of its kind in Chicago, and is expected to substantially increase the speed, availability, variety and freshness of perishable goods delivered to the Chicago region and through O'Hare to Asia, Europe and the rest of the world.

"A perishable cargo center at O'Hare represents a tremendous opportunity to bring new commerce, economic activity and jobs to the Chicago region and beyond," said Mayor Rahm Emanuel. "O'Hare is a global gateway that will provide the most direct connection to markets across the world. The center will position Chicago to grow as a marketplace for a diverse array of goods, such as fresh flowers and food, from around the world."

Chicago Perishable Center, Inc. is a consortium of local business interests based in the Chicago area. It will operate in 27,000-square-feet of an existing cargo building at O'Hare just east of International Terminal 5. The company will pay for and provide all dedicated infrastructure for the development and operation of the perishable cargo center, including cooler space to store products; on-site fumigation to prepare product for sale in accordance with federal customs procedures; and office space to accommodate customs agencies and industry distributors. The building provides direct airside ramp access to the airfield for planes as well as convenient highway access to I-190 and I-294 to the east, and I-90 to the north. The term of the agreement is seven years, with three, one-year extensions.

The center, which will open in 2014, is anticipated to grow into an international exchange for perishable goods, including eventually bringing to Chicago new nonstop cargo traffic from South America and Europe. Miami International Airport, with its ties to the Latin American food and flower producer market, has historically served as the nation's port of entry for the majority of perishable air cargo imports. The Midwest provides a large market for these products, but primarily receives them after long truck trips from Miami, instead of rapid, direct delivery by air.

The CDA issued a Request for Qualifications (RFQ) to operate a perishable center on August 1, 2012. Two entities responded to the RFQ. The RFQ submissions were reviewed and rated by an evaluation committee based on overall quality of the concept to develop and to manage the center.

The evaluation process considered how well the concept realized benefits including additional commerce to the region, job creation, sustainability and rent income over the course of the term. The respondents' background and experience, financial plan and abilities, as well as the proposal's facility design, operation and compliance to City regulations, were also factors in the selection.

O'Hare is the sixth-largest international cargo hub in the U.S., with approximately 1.5 million tons of imports and exports shipped through Chicago last year, representing over \$100 billion in trade. This includes commercial and industrial products such as machinery, electronics and textiles.

#