



# Chicago's Business Growth Profile

New and Expanded Companies, 2011



WORLD  
BUSINESS  
CHICAGO

# Year in Review

Chicago's economy continued to show signs of recovery in 2011. Employment rebounded in education, healthcare, and professional/business services; regional output grew by 3.2 percent; and exports increased by 2 percent over 2010 (chemicals and industrial machinery exports grew by more than 25% each). Commercial space and development site sales throughout the Chicago region were 83 percent higher in 2011 (\$10.8 billion compared to \$5.9 billion in 2010), led by industrial sales which improved from \$800 million in 2010 to \$2.8 billion in 2011. Last year was particularly notable for Chicago area startups, which raised more venture capital than in any year since 2001, according to the National Venture Capital Association.

World Business Chicago (WBC) experienced this upward trend firsthand. In 2011, WBC directly assisted 106 companies with relocation and expansion, 15 of which are showcased under "WBC Project Highlights" in the following pages.

Continuing a decade-long trend of being among the top metros for expansion, **Chicago was ranked Top Metro in the U.S. for business expansions**, according to Site Selection magazine. Additional accolades from 2011 include:

- *Top 10 Global Leader in Finance* in the City of London's 2011 Global Financial Centres report
- *#4 Most Economically Powerful City in the World* in the Richard Florida/Martin Prosperity Institute Global Economic Power Index
- *Top tier in transportation and infrastructure, digital economy, ease of doing business, R&D, entrepreneurial environment, financial and business services, low cost of living, and mass transit* in The Partnership for New York City's Cities of Opportunity report, an assessment of 65 global cities
- *America's Best Downtown* in Forbes, cited for incomparable architectural views, shopping, restaurants and recreational opportunities

These attributes, combined with Chicago's strong workforce, business support services, location and leisure amenities, have attracted and fostered more than 18 million sq ft in expansions and \$2.6 billion in investment, summarized in the following Business Growth Profile. (Selected projects meet one or more of the following criteria: at least \$1 million investment, 20,000 additional sq ft, 50 additional jobs, a headquarters facility and/or WBC involvement).

## WBC Project Highlights



### **Excelerate Labs**

Chicago  
Expanded tech incubator  
20 companies created w/  
\$22M raised  
100+ jobs created



### **Wellspring Worldwide**

Chicago  
HQ relocation from  
Pittsburgh, PA  
15+ jobs created  
5,000 sq ft



### **DBT USA**

Chicago  
French manufacturer of  
electric vehicle charging  
stations  
3 jobs created

## Trend Highlight

**Leading tech sector** - It was another banner year for Chicago's tech ecosystem, opening with Red Sea Group's announcement to build a multi-million dollar, 500,000-sq-ft data and advanced trading center in downtown Chicago.

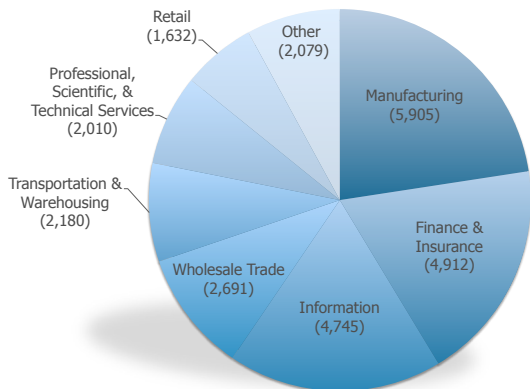
Chicago area companies raised \$689 million in venture capital, according to the National Venture Capital Association; this is more than any year since 2001. Built in Chicago, an online community for digital entrepreneurs and innovators, reported that 128 digital startups launched in 2011, (a 56 percent increase over 2010) and 16 exited (company issued IPO or was acquired). Additionally, 75 Chicago digital technology companies collectively raised \$1,452 million in 2011, compared to 41 companies that raised \$273 million in 2010 (+431 percent). Chicago welcomed venture investment and local expansions from growth-stage tech leaders such as BrainTree, BrightTag, MuSigma, Narrative Science, SAVO Group, SitterCity, Sprout Social and many others.

The rapid expansion of Chicago's tech community is evident in the numbers: from 2010-2011, employment and output in IT-producing industries grew by approximately twice as much as total employment and output in the Chicago region. According to data provided by the Chicago Workforce Investment Council, web developers and computer systems analysts were consistently among the top job occupations in demand in the Chicago area in 2011.

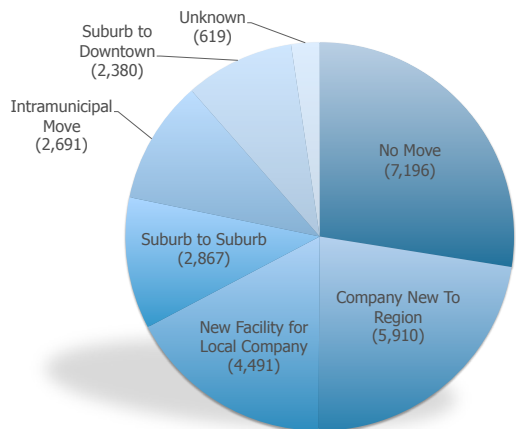
In an effort to help analyze and benchmark entrepreneurship and innovation, the Chicagoland Chamber of Commerce, Chicago Metropolitan Agency for Planning, Illinois Science & Technology Coalition, and World Business Chicago collaborated to launch the Illinois Innovation Index in 2011. The monthly Index is designed to engage a broad community of businesses, investors, researchers, policymakers and educators around analysis of and news on topics such as new business starts, funding and R&D.

# Regional Growth Summary<sup>1</sup>

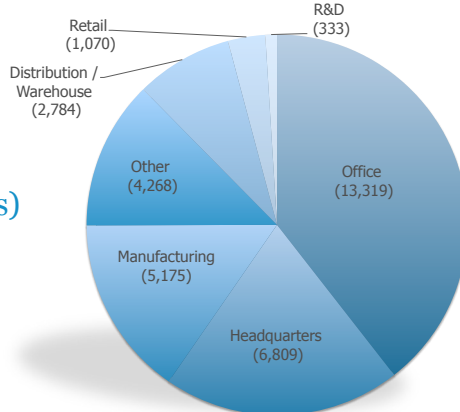
## Regional By Industry (Jobs)



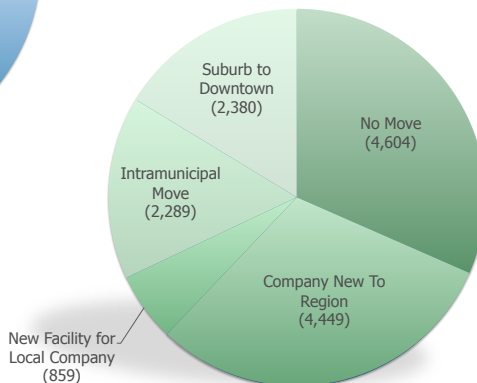
## Regional By Move Type (Jobs)



## Regional By Facility Type (Jobs)



## City by Move Type (Jobs)



<sup>1</sup>Includes data (where disclosed) for projects in the Chicago metropolitan statistical area that meet one or more of the following criteria (applies to leases and new construction): at least \$1 million investment, 20,000 additional sq ft, 50 additional jobs, a headquarters facility and/or WBC involvement. Data reflects jobs added and retained.

Projects classified according to NAICS.

## Net Migration Effect



Restructuring in the wake of the recession resulted in intensified efforts to retain and attract companies. An analysis of company moves into and out of the Chicago area based on Dun & Bradstreet data reveals that **Chicago experienced a net employment gain in 2011** from company in- and out-migration (more employees came with companies relocating to the Chicago area than left).

The majority of new employees came from businesses originating in Washington, Oregon, and New York, while the largest deficit resulted from companies that shifted to Indiana, Kentucky, and Texas. Growth was concentrated in machinery, metal and chemical manufacturing, and professional, scientific and technical services.



## WBC Project Highlights



**Cinespace**  
Chicago  
1,000+ jobs created  
450,000 sq ft total

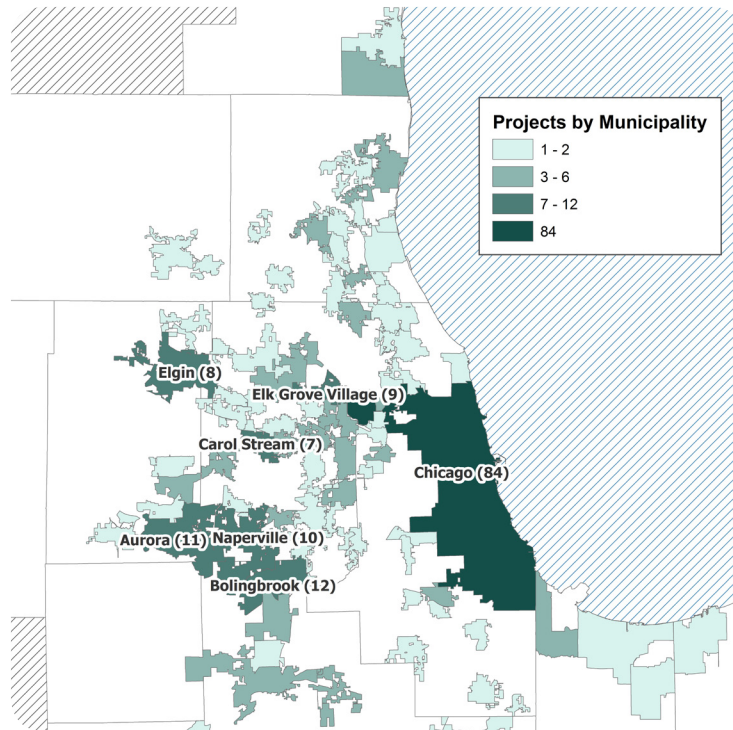


**Lawson Products**  
Chicago  
HQ relocation  
400 jobs created  
86,300 sq ft total



**Nalco**  
Naperville  
HQ relocation and expansion  
100 jobs created  
1,000 jobs retained

## Chicago Region

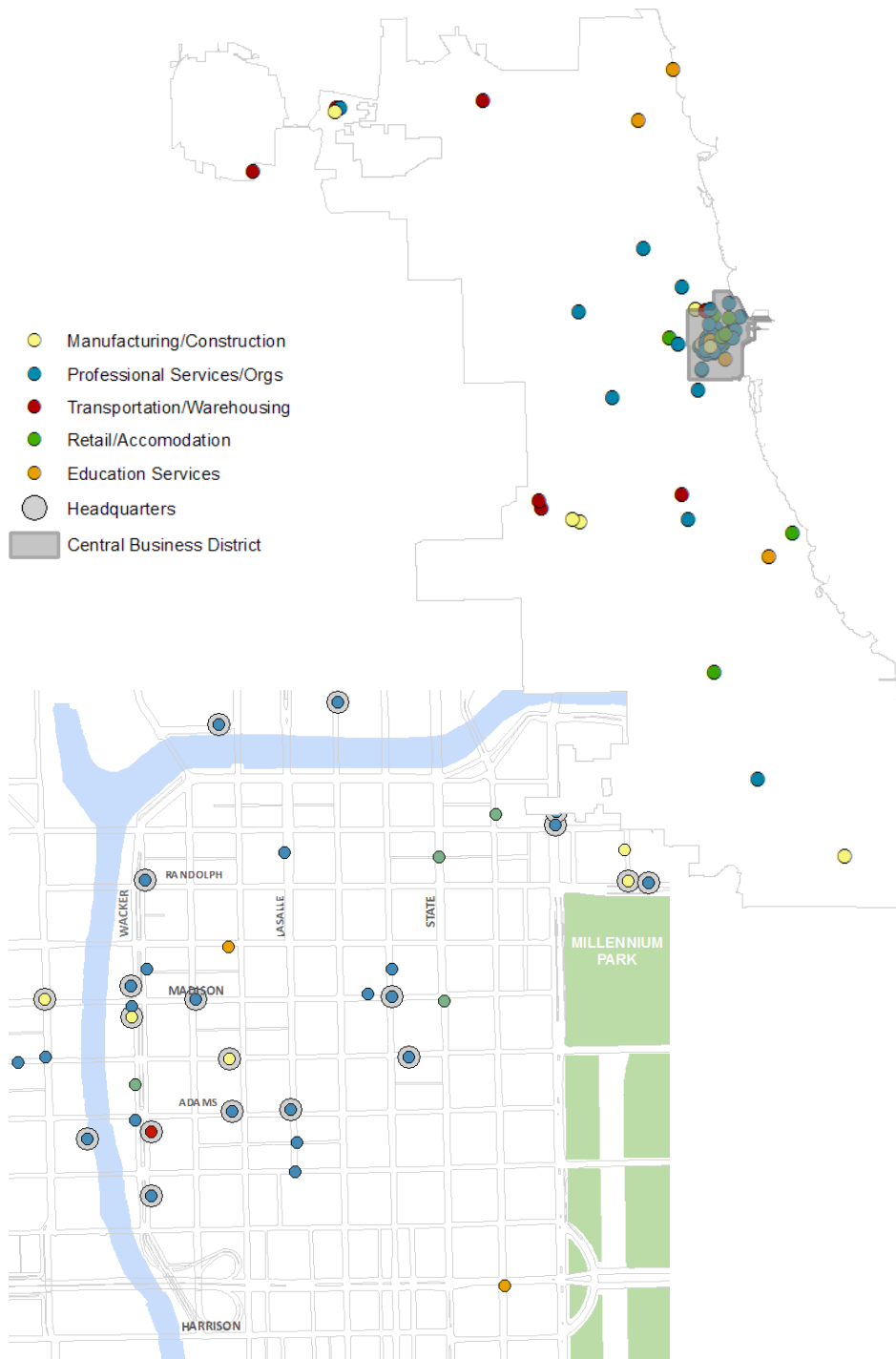


## Development Notes

- According to *Inc.* magazine, 212 of the "Fastest Growing Companies" in the U.S. are in the Chicago metro area
- Advocate Health Care, Deloitte, JPMorgan Chase, Allegis Group, Sears, IBM, Kforce, Walgreens, Staples and Accenture were among major hiring employers in the Chicago metro area (based on the number of job postings)
- WBC tracked more than 18.4 million sq ft of added space, 26,000 new and retained jobs and \$2.6 billion in investment across the region
- **The city accounted for 3.5 million sq ft of added space, nearly 14,000 new and retained jobs and more than \$1.4 billion in investment (included in regional numbers), summarized in the maps on the following page**

# City / Downtown

The following maps illustrate expansions by industry in the City of Chicago and downtown.



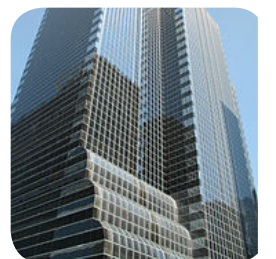
## WBC Project Highlights



**Mars, Inc.**  
Chicago  
50 jobs created  
240 jobs retained  
\$29M investment



**JMC Steel**  
Chicago  
New HQ from Ohio  
75 jobs created  
300+ jobs retained



**LKQ Corp.**  
Chicago  
HQ expansion and relocation  
30+ jobs created  
37 jobs retained  
18,700 sq ft total

## WBC Project Highlights



**Taphandles**  
Bedford Park  
New manufacturing facility  
\$2.3M investment  
70 jobs created



**Goldwind USA**  
Chicago  
New US Headquarters  
20 jobs created



**China Telecom Americas**  
Chicago  
New Midwest regional office  
2,300 sq ft added  
3 jobs created

# On the Ground

## WBC Business Development Observations

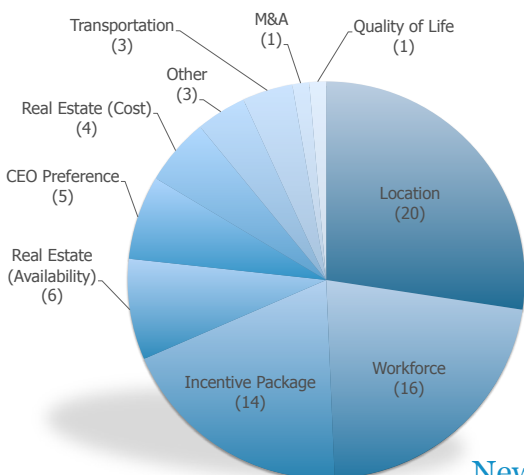
**Suburbs to Downtown** - In 2011, suburban companies continued to migrate downtown, choosing to relocate or open downtown branches, and bringing more than 2,000 employees and \$36 million of investment to the city. Major relocations included Bel Brands, Lawson Products Inc., and RHR International. The main reasons companies gave WBC for moving included lower real estate prices, restructuring/consolidating operations, and human capital (both in terms of access to the workforce, and the urban setting as a desirable place for employees). Chicago's workforce is one of the most cited reasons companies choose to locate in the city; approximately 40,000 students earn a bachelor's degree or higher from colleges and universities in the city every year.

**Manufacturing Growth** - WBC noted an increase in inquiries from manufacturing companies, whose outlook could be described as improving from "cautious" to "cautiously optimistic" in 2011. Companies engaged in more long term planning to meet future production capacity and pursued new plant, equipment and employee investments as part of recession-based restructuring.

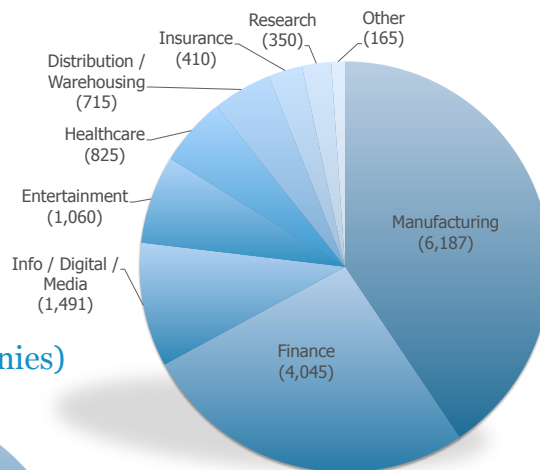
**Foreign Direct Investment (FDI)** - Chicago is becoming increasingly attractive to foreign markets, especially Western European countries, as a headquarters location that allows central access to customers and suppliers. At least 46 internationally-based companies relocated or expanded in the Chicago region in 2011, bringing nearly 1,700 jobs and more than \$500 million of foreign direct investment. Major projects included China Telecom Americas, Copa Air (connecting Chicago to Panama) VivaAerobus (connecting Chicago to Monterrey, Mexico), Silliker Inc. and Goldwind USA, which moved into their permanent U.S. headquarters in downtown Chicago. WBC noted increased activity by Chinese companies, progressing from building knowledge about the U.S. markets and legal environment to early stage investments.

# WBC-Assisted Projects<sup>1</sup>

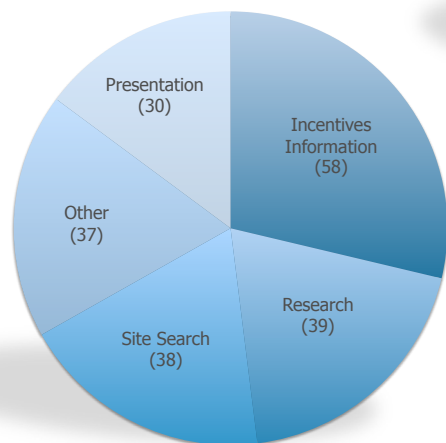
## New & Expanded By Reason (Companies)



## New & Expanded By Industry (Jobs)



## How We Helped (Companies)



<sup>1</sup>Includes data (where disclosed) for companies (closed projects) in the Chicago metropolitan statistical area that WBC assisted in 2011. Data reflects jobs added and retained. Multiple expansion reasons and help categories may be reported for individual projects.

Projects classified according to WBC-defined categories.

## New in 2011



## Site Selector App

WBC launched a web-based mapping tool:

[SiteSelectorApp.com](http://SiteSelectorApp.com)

Site Selector illustrates location options for companies looking for space in Chicago. The app allows users to toggle map layers to find locations that best meet their business' needs and highlights:

- Commercial Real Estate
- Incentive Programs
- Industrial Corridors
- City-Owned Property & Other City of Chicago Data
- Universities
- Quality of Life Amenities



## WBC Project Highlights



**Red Sea Group**  
Chicago  
Data & trading center  
\$200 million initial investment  
100 jobs created  
468,000 sq ft (Phase 3)



**Silliker**  
Crete  
New R&D testing lab  
\$10M investment  
50 jobs created  
150 jobs retained



**Grub Hub**  
Chicago  
HQ expansion  
150 jobs created  
25,000 sq ft total

# Targeting Job Growth

Mayor Rahm Emanuel announced more than 10,000 new jobs in 2011 in sectors including healthcare, manufacturing, technology, finance and banking, professional services, health IT, and aviation (summarized in the table below), supporting his ongoing pledge to create thousands of new jobs in Chicago.

Company	# of Jobs	Sector
Accenture	500	Prof services
Allscripts	300	Health IT
Dow Chemical	400	Prof services
EMC Corp.	200	IT
Ernst & Young	500	Prof services
Ford	1,200	Manufacturing
GE Capital	1,000	Finance
J.P. Morgan Chase	800	Banking
Lawson Products	400	Manufacturing
Merge Healthcare	200	Health IT
Motorola Solutions	400	Technology
Northwestern Memorial Hospital	1,600	Healthcare
Sara Lee	500	Manufacturing
SeatonCorp	400	HR Services
United	1,300	Aviation
Walgreens	600	Health IT/ Retail

These jobs have a broader economic impact, generating thousands of additional jobs and spending as a result of increased demand for products and services. One study estimated that a worker in the Chicago Loop spends, on average, \$3,394 annually on downtown shopping and restaurants, circulating money through the economy and supporting local businesses and jobs.

# For More Information

World Business Chicago  
177 N State St  
Chicago, IL 60601  
312.553.0500  
WorldBusinessChicago.com

Liz Jellema, Director of Research  
Karley Sweet, Public Relations Consultant

Founded in 1999, World Business Chicago (WBC) is a public/private partnership that serves as a conduit between the business and civic communities, coordinating business retention, attraction and expansion efforts in order to spur and accelerate economic growth.

## Sources

This brief was compiled from the following sources: media outlets including AreaDevelopment.com, Beacon-News, BuildingWorx, BusinessWire, Chicago Sun-Times, Chicago Tribune, Crain's Chicago Business, Gazette Chicago, Globe St., Lake County News-Sun, Midwest Real Estate News, Northwest Indiana Times, REBUSINESS.com, REJournals.com and WHIR; Chicago Workforce Investment Council, CoStar, DowJones Illinois Department of Commerce & Economic Opportunity, fDi Intelligence, Help Wanted Online, Hoover's, Illinois Board of Higher Education, Loopnet.com, Manufacturers' News, Inc., National Venture Capital Association, Real Capital Analytics Inc., Village of Buffalo Grove and WISERTrade; company press releases, websites, and annual reports; real estate market reports from companies including CBRE, Colliers International, Grubb & Ellis, Jones Lang LaSalle, NAI Hiffman and Paine/Wetzel; and World Business Chicago internal reporting and interviews with companies.

## Photographs

Cinespace: Markee Magazine | Excelerate Labs: Marc Realty | Wellspring Worldwide: Alliance Real Estate Advisors | DBT USA: All Cell Technologies | Lawson Products: Barsan Global Logistics | Nalco: Nalco | Mars, Inc.: Flickr user Zol87 | JMC Steel: Wikimedia Commons | LKQ Corp.: Wikimedia Commons | Taphandles: Cobalt Capital Partners | Goldwind USA: Flickr user Zol87 | China Telecom Americas: Midwest Real Estate News | Red Sea Group: Server Farm Realty | Silliker: Apex Consulting Engineers | Grub Hub: Loop Net | Net Migration Effect: "Roosevelt University Vertical Campus" image CC Flickr user wjcordier



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177 North State Street, Suite 500  
Chicago, IL 60601

[WorldBusinessChicago.com](http://WorldBusinessChicago.com)