



# Chicago's Business Growth Profile

New and Expanded Companies, 2012



WORLD  
BUSINESS  
CHICAGO



# Year in Review

Chicago enjoyed strong economic growth in 2012, reaching pre-recession levels in many measures. In September, the city added nearly 45,000 employed residents over the previous year, ranking it first among all cities nationally for employment growth; this was **Chicago's largest annual gain since April 2000, and it contributed to a 2.5 percentage point drop in the city unemployment rate, the largest annual reduction since January 1995.** Additionally, Chicago ranked among the top three cities nationwide for employment growth and unemployment declines for most months of 2012. The region experienced similar growth, led by large gains in the professional and business services, leisure and hospitality, and manufacturing industries.

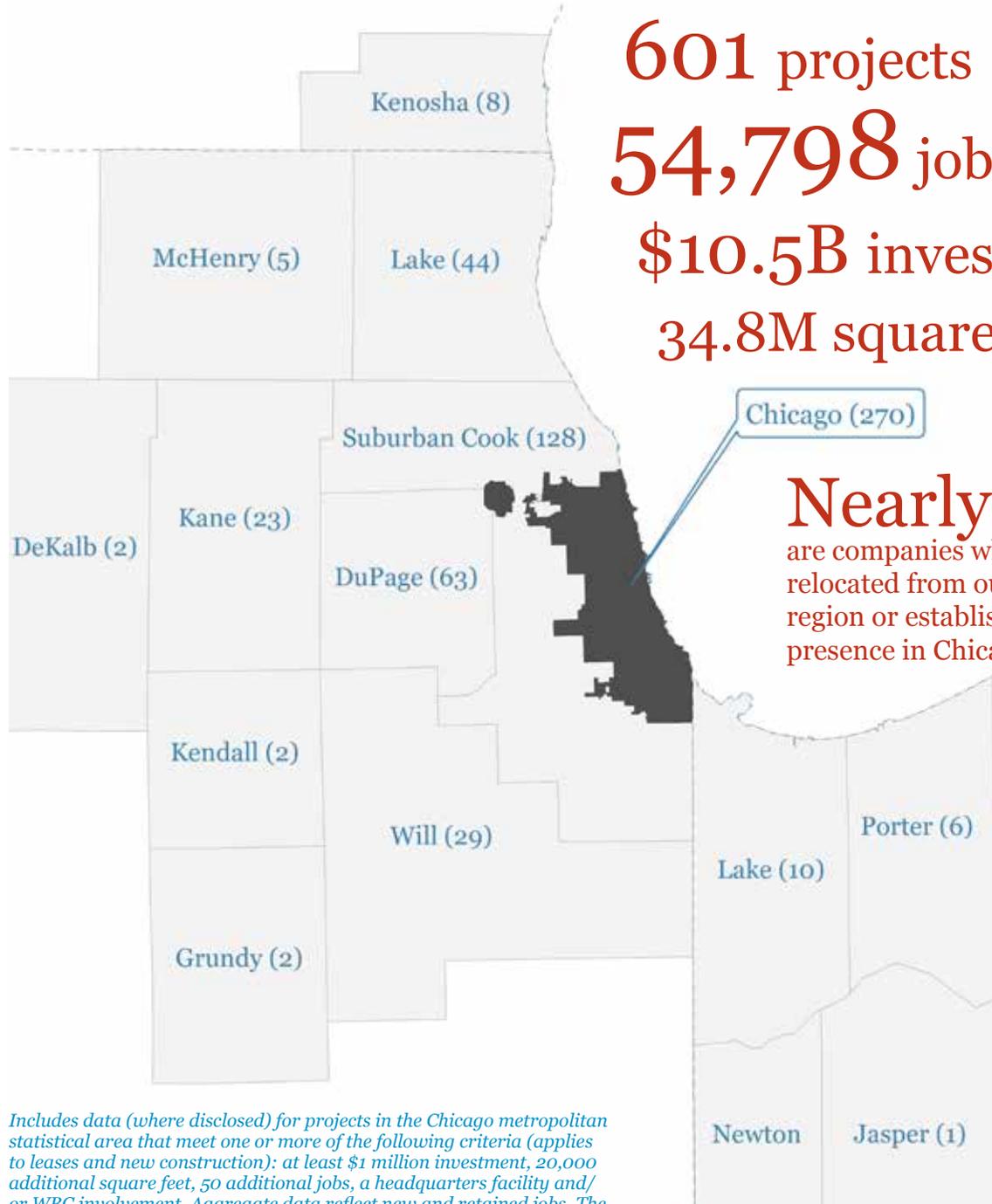
The central city has been especially dynamic, adding more residents than any other downtown in the nation from 2000-2010, according to the U.S. Census Bureau. Over the same period, Loop residents with at least a bachelor's degree increased by 36 percent, while city educational facilities added a combined 1.3 million square feet in 2012 alone. There was a 21.5 percent increase in commercial real estate lease activity downtown, and the Central Loop outperformed all other Chicago submarkets in the last quarter of 2012 in terms of net absorption and reduction in direct vacancy, according to MBRE.

**In addition to ranking among the top two regions in the U.S. for corporate investment nearly every year since 1999, Chicago was recognized as a leader across several measures in 2012,** with accolades including ranking among 10 "Global Leaders" in the City of London 2012 Global Financial Centres Index and as the #7 Global City in the 2012 A.T. Kearney Global Cities Index.

By working directly with 129 new and expanding companies in 2012, World Business Chicago (WBC) witnessed these upward trends firsthand, contributing to 34.8 million square feet in expansions, \$10.5 billion in investment, and 54,798 jobs throughout the region.

The following report summarizes business activity in 2012, including 12 notable "WBC Project Highlights" showcased on the sidebars.

# Regional By the Numbers



**601** projects  
**54,798** jobs  
**\$10.5B** investment  
**34.8M** square feet

**Nearly 2/3**  
are companies who have  
relocated from outside the  
region or established a new  
presence in Chicago.

*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 square feet, 50 additional jobs, a headquarters facility and/or WBC involvement. Aggregate data reflect new and retained jobs. The quality of each record is limited to the availability of data at the time of input as well as resources to confirm information and sources.*

# Projects By Industry

## Manufacturing



S C  
114 36

13,506

new & retained jobs confirmed regionwide

## Professional, Scientific & Technical Services



S C  
17 60

10,620

new & retained jobs confirmed regionwide

## Retail



S C  
33 18

8,180

new & retained jobs confirmed regionwide

## Transportation & Warehousing



S C  
38 11

5,745

new & retained jobs confirmed regionwide

## Finance, Insurance & Real Estate



S C  
12 31

5,438

new & retained jobs confirmed regionwide

## Information



S C  
9 23

3,873

new & retained jobs confirmed regionwide

## Wholesale



S C  
57 14

2,380

new & retained jobs confirmed regionwide

## Administrative, Support & Other Services



S C  
23 20

1,603

new & retained jobs confirmed regionwide

## Education



S C  
7 21

1,163

new & retained jobs confirmed regionwide

## Other\*



S C  
8 8

1,092

new & retained jobs confirmed regionwide

## Healthcare & Social Assistance



S C  
7 12

693

new & retained jobs confirmed regionwide

## Arts, Entertainment, Accommodation & Food Services



S C  
6 15

505

new & retained jobs confirmed regionwide

**S:** Suburban Chicago **C:** Chicago (city)

\*Includes construction & utilities (8), agriculture & mining (5), management of companies (2), public administration (1)

## WBC Project Highlights



**Motorola Mobility**  
Chicago  
HQ relocation  
\$300 million investment  
600,000 sq ft total  
2,000+ jobs retained



**Abe's Market**  
Chicago  
HQ relocation from  
Minneapolis, MN  
25 new jobs



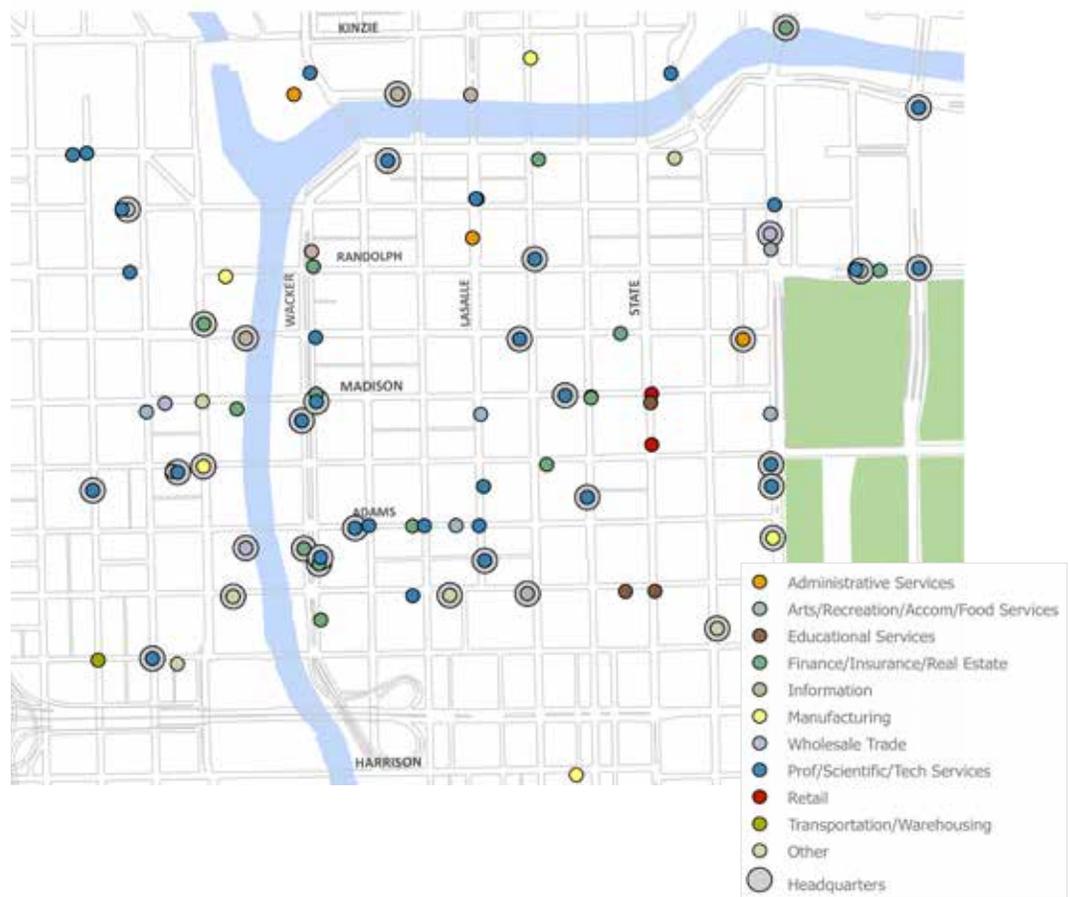
**West Monroe Partners**  
Chicago  
HQ expansion  
26,000 sq ft added  
43,300 sq ft total  
90 new jobs  
200 jobs retained

# City Focus

## City Development Notes

- Of the 601 total projects across the region that WBC tracked, at least 270 were in the city, comprising 10.1 million square feet of added space (nearly 30% of the region's total), 33,667 new and retained jobs and \$8.3 billion in investment. Of these, 64 were headquarters, 10 were suburb-to-city moves, and 159 projects were specific to downtown (map below).
- Beyond downtown, O'Hare Airport and the South Side Back of the Yards and South Deering neighborhoods attracted the most new and expanding companies in 2012.
- Mayor Rahm Emanuel made announcements entailing more than 12,000 new jobs in 2012 at companies in consumer products, energy, professional and financial services, healthcare, manufacturing, technology, and transportation & logistics sectors.

The following map illustrates expansions by industry in the CBD.



# International Reach

## Foreign Direct Investment

The number of international companies new to or expanding in Chicago increased from 50 in 2011 to 80 in 2012. Half of the region's international investments were made within the city. The following table summarizes major international projects by country and industry sector.

Country	Projects	Jobs	Sectors
UK	18	1,721	Industrial machinery, concrete product, flavoring concentrate, & elec. appliance mfg; furniture wholesale; airport operations; hotels; religious organizations; employment placement; insurance; accounting; marketing research; mngmt consulting; computer sys. design; software publishers
France	10	769	Advertising; banking; telecomm.; computer programming; software publishers; advertising; industrial machinery & cement mfg; logistics; call centers
Germany	10	298	Plumbing & heating equip. & elec. equip. wholesale; sign, food product machinery, steel, & plastics mfg; non-auto metal stamping; kidney dialysis; courier services; pharmaceuticals
Japan	9	306	Automobile, pipe & tube, & farm equipment mfg; banking; business support services; precious metal & industrial supplies wholesale; logistics
Canada	4	80	Fertilizer mfg; electrical equipment wholesale; computer programming; public relations
Finland	3	2,650	Software publishers; telephone apparatus mfg
Netherlands	3	530	Food product machinery & plastics & resin mfg; clothing wholesale
Denmark	3	188	Fluid power pump & motor mfg; machinery mfg
Italy	3	108	Hardware & construction & mining equipment wholesale (excl. oil wells); commercial bldg lessors
Switzerland	2	850	Insurance carriers; electromedical apparatus mfg
Other	15	536	Singapore (2 projects), Australia (2), Luxembourg (2), Sweden (2), Belgium (1), Malaysia (1), Israel (1), Brazil (1), China (1), South Korea (1), Taiwan (1)

## Increasing Exports

Chicago Sister Cities International (CSCI) combined resources with WBC to expand Chicago's international economic development and promote trade. The agencies identified country-specific export opportunities to support Mayor Emanuel's initiative to double exports by small businesses over the next five years. WBC also announced it will launch a "Trade Accelerator" to help businesses develop export plans, find funding, receive support, and access resources.

## WBC Project Highlights



**ThyssenKrupp**  
Chicago  
New North American HQ  
40,000 sq ft total  
125 new jobs



**V.ar.vit**  
Aurora  
New manufacturing facility  
55,000 sq ft total  
10 new jobs



**Hainan Airlines**  
Chicago  
New nonstop service announced between Beijing and Chicago O'Hare

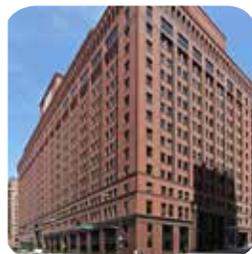
## WBC Project Highlights



**Nokia**  
Chicago  
Relocation and expansion  
100 new jobs  
1,350 jobs retained  
350,000 sq ft total



**Salesforce**  
Chicago  
\$5 million invested  
400+ new jobs  
200 jobs retained  
110,000 sq ft total



**Braintree**  
Chicago  
HQ expansion  
150 new jobs  
60 jobs retained

# WBC on the Ground

## WBC Business Development Observations

WBC worked on 129 expansion and relocation projects and successfully closed 40 projects that added and retained 16,290 jobs across the Chicago region in 2012. Trends noted by WBC staff include:

### City Center Migration

The suburbs-to-city migration trend continued to make headlines, with at least 10 suburban companies choosing to relocate or open downtown branches, bringing more than 9,000 employees to the city. Nearly 80 percent of 12,000 area professionals surveyed last year believe this trend will continue (Ernst & Young, October 2012). From Abe's Market bringing 25 jobs to Motorola's 2,000 jobs and everything in between, Chicago's urban center is a major attractor of companies and talent. (A growing share of companies WBC worked with – 22.2% in 2012 vs. 19.5% in 2011 – cited "workforce" as a primary factor in their decision to expand in Chicago).

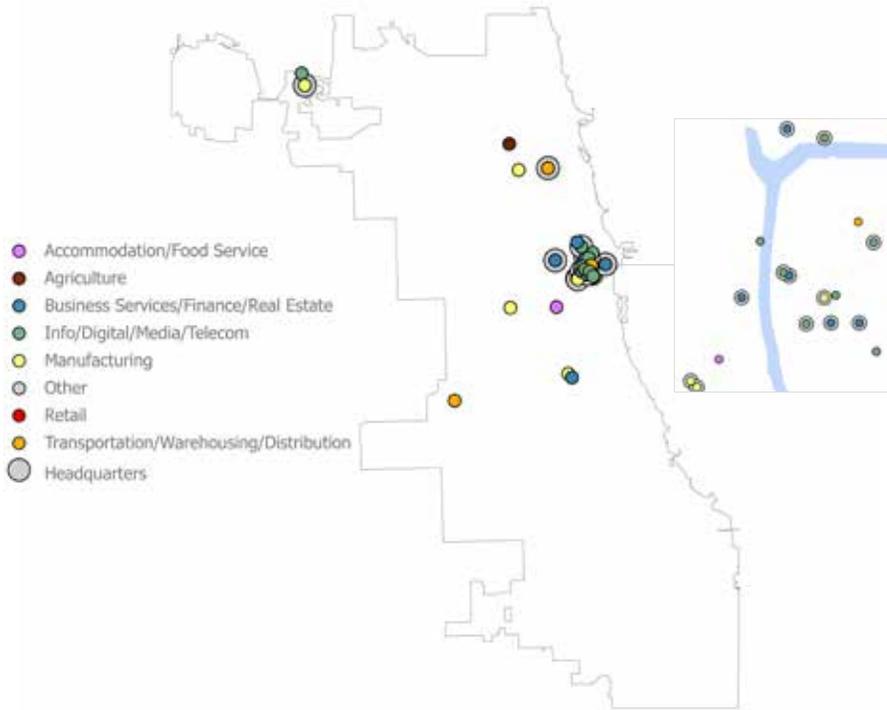
### Growing Tech Corridor Concentration

When deciding where to locate, new tech companies often ask WBC where other startups are concentrated, emphasizing the need for collaboration and the free exchange of ideas. Tech clusters in River North and the West Loop have been thriving for years, but recent announcements and initiatives have increased Chicago's visibility and helped densify tech corridors throughout the city. Specific successes include the launch of 1871, a collaborative workspace for digital startups; ChicagoNEXT, a tech council initiated by Mayor Rahm Emanuel and led by WBC; and announcements of more than 6,000 new jobs at city tech companies. Infotech occupations including web developers, computer systems analysts, software engineers, and programmers were consistently among the top demanded across companies in the city in 2012.

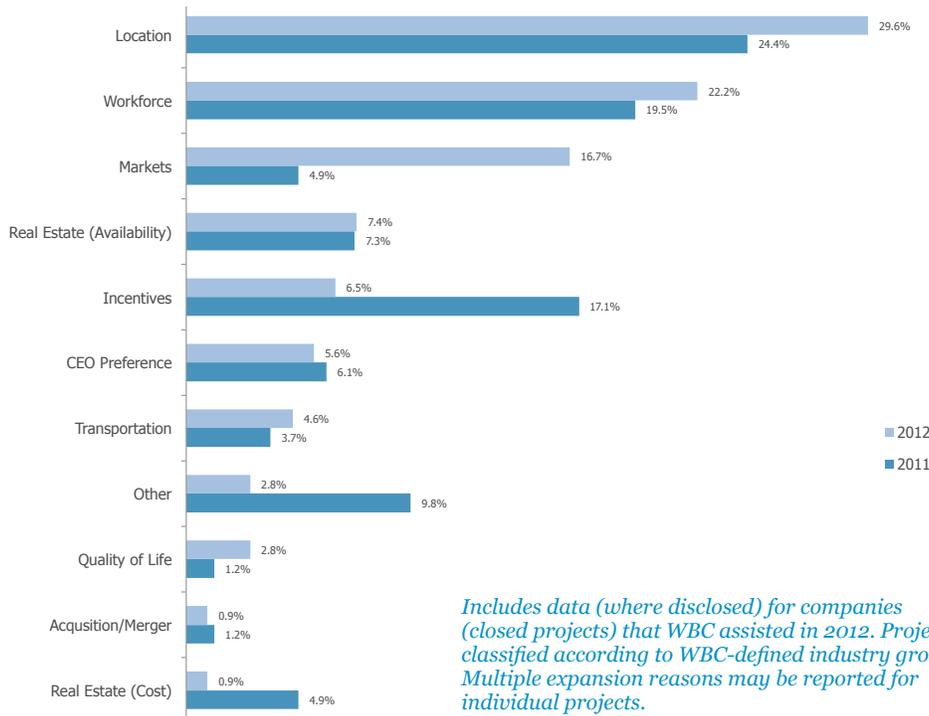
### Transportation & Logistics

As more companies seek to expand distribution through the most efficient channels, Chicago's central location and leadership in logistics and freight support services – between a quarter and a third of all freight tonnage in the U.S. originates, terminates, or passes through Chicago – continue to make it an attractive place for companies to locate and expand. In fact, two of the fastest growing logistics companies in the U.S., Echo Global Logistics and Coyote Logistics, were founded in Chicago and have helped reposition the industry through leading innovative software and customer network solutions.

# WBC-Assisted Projects



## Reasons for Locating in Chicago



*Includes data (where disclosed) for companies (closed projects) that WBC assisted in 2012. Projects classified according to WBC-defined industry groups. Multiple expansion reasons may be reported for individual projects.*

## WBC Project Highlights



**Hillshire Brands**  
Chicago  
New HQ  
\$30 million investment  
600 jobs retained  
221,000 sq ft total



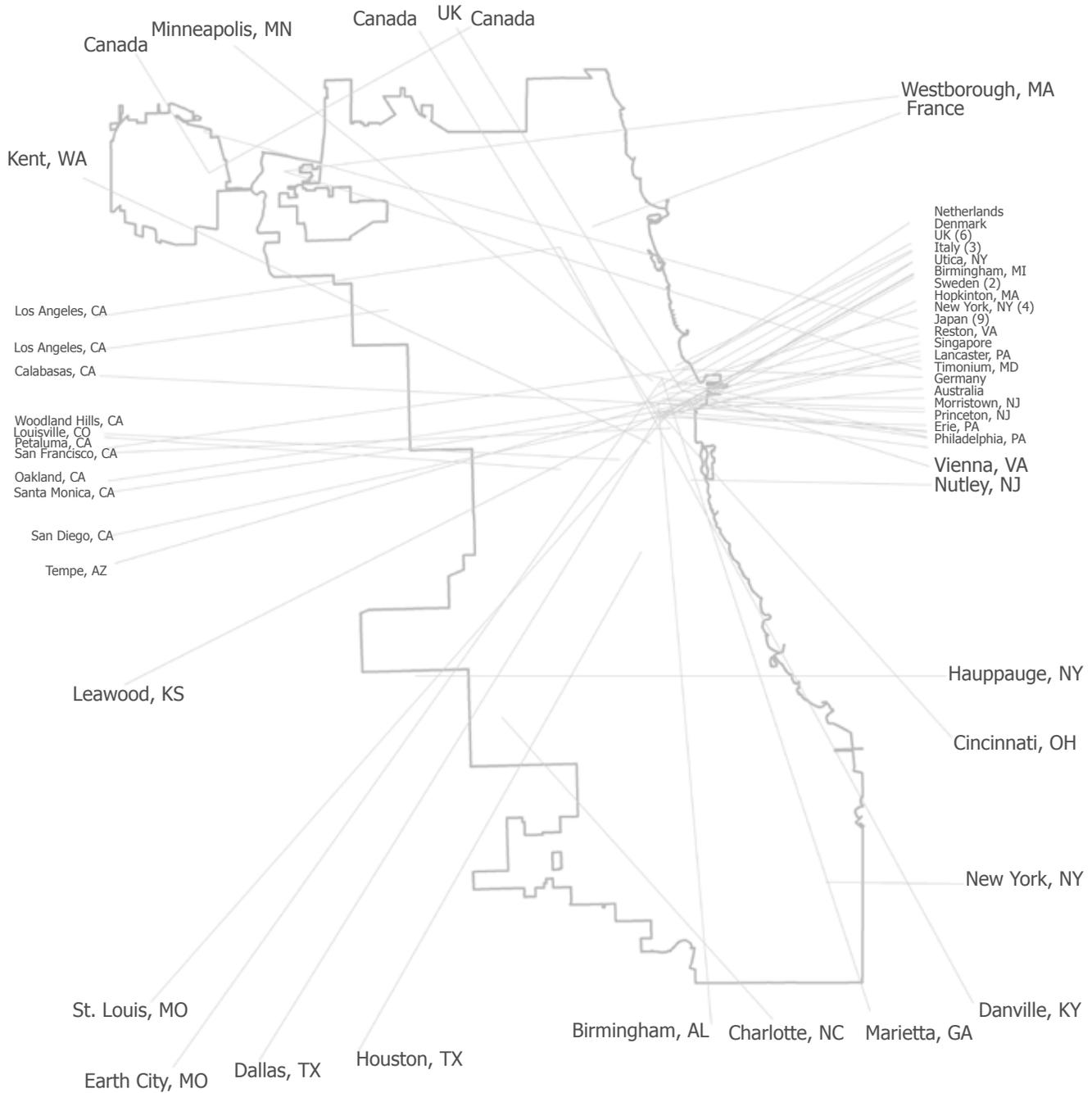
**Lagunitas Brewing**  
Chicago  
New adaptive reuse  
manufacturing facility  
\$15 million investment  
100 new jobs  
150,000 sq ft total



**Vosges Haut-Chocolat**  
Chicago  
Manufacturing facility  
expansion  
\$7.7 million investment  
35 new jobs  
42,400 sq ft total

# Global Business Hub

Nearly two-thirds of projects (63%) are companies who have either relocated from outside the region or established a new presence in Chicago.



# For More Information

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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.

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## Sources

This brief was compiled from the following sources: media outlets including ACN Newswire, Area Development Online, AutomatedTrader.net, BetaBeat, BizJournals, Bluewolf, BusinessWire, ChiBoulevards, Chicago Department of Aviation, Chicago Sun-Times, Chicago Tribune, City of Chicago, City of Wauconda, ClaimsJournal, Consulting Magazine, CoStar, Crain's, Crain's Construction Pipeline/Bid Clerk, Daily Herald, Datamonitor, fDi Markets, GlobeNewswire, GlobeST, Greener Ideal, GrubStreet, Hines, IL Department of Commerce and Economic Opportunity, Inside Indiana Business, Journal Topics, JSONline, Legends of Basketball, MarketWatch, NAIOP, NW Indiana Times, Pace Harmon, Pittsburgh Live, PR Newswire, PRWeb, ReJournals, SacBee, Site Selection Impact Report, The Business Journal, The Tennessean, Village of Bedford Park; company press releases, websites, and annual reports; real estate market reports from companies including CBRE, Colliers International, Grubb & Ellis, Jones Lang LaSalle, MBRE, NAI Hiffman and Paine/Wetzel; and World Business Chicago internal reporting and interviews with companies.

## Photographs

Cover: Braintree: CoStar | Motorola Mobility: CoStar | Abe's Market: CoStar | West Monroe Partners: CoStar | ThyssenKrupp: CoStar | V.ar.vit: CoStar | Hainan Airlines: Chicago Department of Aviation | Nokia: CoStar | Salesforce: CoStar | Braintree: CoStar | Vosges Haut-Chocolate: LoopNet | Lagunitas: Cinespace Studios | Hillshire Brands: Sterling Bay Companies



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