



Life at the Top

Chicago captures the Top Metro crown for the third straight year.

The City of Big Shoulders carried a big load in 2007. By recording 236 corporate facility projects, Chicago easily captured its third consecutive No. 1 spot in *Site Selection's* annual Top Metropolitan Areas ranking.

Chicago's victory — its third consecutive win and sixth in the last seven years — was so dominant that its project count more than doubled runner-up metro Cincinnati and accounted for the vast majority of Illinois' 362 facility announcements statewide.

In fact, a case could be made that Chicago propped up a Midwestern economy that was hit with automotive plant closings and job layoffs in many traditional manufacturing centers.

While some of those shut-downs and pink slips fell upon Chicagoans, new plant activity and expansions more than made up for them, according to economists who track economic growth.

"Chicago is definitely trending upward," says Dr. William Fruth, founder and owner of POLICOM, an independent research firm based in Palm City, Fla. "They are having very good growth in the quality of their economy. Their standard of living is growing. Per capita income is increasing and is now very high. Plus, there has been a significant improvement in job quality. The nature of the jobs being created in Chicago is higher-wage employment."

Fruth tracks 28 different measurements to gauge the relative and long-term health of

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a metro area's economy, and he does it for every metro and micropolitan area in the United States. Since 2004, Chicago's economy has consistently improved, rising from its 39th-place ranking four years ago to 21st by 2007, according to the latest POLICOM rating.

Fruth says one good indicator of Chicago's economic vitality is the fact that growth in per capita welfare the last five years has been very slow in Chicago. "My study shows that they have one of the slowest growth rates in the country in terms of welfare rates. In fact, they have shown an actual decline in per capita welfare over the past five years," he notes.

Industrial Jobs, Plants Multiply

As quality jobs increase the overall size and health of the area's economy, those jobs become more widespread throughout the metro region of Chicago-Naperville-Joliet in Illinois, Indiana and Wisconsin.

Evidence of that spread is the new **IKEA** distribution center in Joliet, Ill., where the Swedish retail giant is building a 650,000-sq.-ft. (60,385-sq.-m.) warehouse and creating 150 jobs as part of a \$111-million capital investment.

Slated to open in spring 2009, the warehouse will be the firm's fifth in the nation and will supply product to five IKEA stores in the Midwest, including two in Greater Chicago's Will County. IKEA has outlets in both Bolingbrook and Schaumburg.

If needed, the warehouse site

HOME FURNISHINGS SUPERSTORE CALLS CHICAGO HOME:

Pernille Spiers-Lopez, as president of IKEA North America, has overseen a rapid expansion of the Swedish retail giant across North America. Today, the chain operates 33 stores in the U.S. and will next year open its fifth U.S. distribution center — in Joliet just south of Chicago.



can be expanded to a phase two that would add 770,000 sq. ft. (71,533 sq. m.), according to a company release. The site is on 72 acres (29 hectares) in the Laraway Crossings Business Park south of Chicago.

"We are thrilled about the opportunity to locate our Midwestern Distribution Center in Joliet," said Keith Keller, IKEA North America's Distribution Services president. "This location's proximity to a rail line offers the long-term capacity, infrastructure and geography

that we were seeking to complement our distribution presence in North America, and to ensure our stores can continue to offer well-designed and functional home furnishings at affordable prices."

Worldwide, the firm plans to open between 10 and 20 stores every year to keep up with demand.

Joseph Roth, corporate spokesman at IKEA North America headquarters in Conshohocken, Pa., says the site selection process was driven by the need to find a central location in the Midwest

with proximity to all five company stores in the region.

"We needed to find a site of 50 to 100 acres [20 to 40 hectares] zoned for distribution and that allowed a height requirement of 100 feet [30.5 m.]," says Roth. "We also needed a rail line nearby. When we considered all the important factors, it became clear that the Greater Chicago area was a good choice. Plus, we liked the industrial vision of the city of Joliet."

The vision of Joliet meshes well with the vision of World Business Chicago, the economic development organization that represents the entire metro area.

"Our primary asset is our location," says Rita Athas, the new executive director of WBC. "Our location in the center of the country gives us a huge advantage. We are the only dual hub in North America with our airports. We have an intermodal container port. As a result, over 50 percent of all freight that's transported across the U.S. passes through Chicago."

Lighting Up the Night Sky

There's perhaps no better evidence of Chicago's dominance than a new study co-written by Richard Florida, author of *The Rise of the Creative Class* and director of the Prosperity Institute in the Rotman School of Management at the University of Toronto.

Titled "The Rise of the Mega-Region," the study uses a global dataset of nighttime light emissions, combined with population data and published estimates of national GDP, to produce "rough but useful estimates of the economic activity of each region" on the planet. The resulting research identifies 40 mega-regions with economic output of more than \$100 billion each across the globe.

The Chicago-to-Pittsburgh mega-region, according to this methodology, ranks No. 3 in the world in terms of its total economic impact, behind only No. 1 Greater Tokyo and No. 2 Boston-to-Washington.

Tracey Hyatt Bosman, associate director of strategic consulting for Grubb & Ellis in Chicago, says that what's happening in Joliet is spreading throughout the metro area. "We are seeing a lot of distribution and warehousing projects these days," she says. "With the rail lines serving this market and the consumer



2007 Top Metros by Number of Projects

Metros with population over 1 million

Rank	Metro	State(s)	Count
1	Chicago-Naperville-Joliet	Ill./Ind./Wis.	236
2	Cincinnati-Middletown	Ohio/Ky./Ind.	111
3	St. Louis	Mo./Ill.	95
4	Houston-Baytown-Sugar Land	Texas	75
5	Minneapolis-St. Paul-Bloomington	Minn./Wis.	74
T6	Nashville-Davidson-Murfreesboro	Tenn.	73
T6	Dallas-Fort Worth-Arlington	Texas	73
8	New York-Newark-Edison	N.Y./N.J./Pa.	72
9	Detroit-Warren-Livonia	Mich.	67
10	Virginia Beach-Norfolk-Newport News	Va.	62

Metros with population 200,000 to 1 million

Rank	Metro	State(s)	Count
1	Greensboro-High Point	N.C.	30
T2	Omaha-Council Bluffs	Neb./Iowa	29
T2	Akron	Ohio	29
T4	Wichita	Kan.	27
T4	Dayton	Ohio	27
T6	Syracuse	N.Y.	25
T6	Raleigh-Cary	N.C.	25
8	Grand Rapids-Wyoming	Mich.	24
9	Tulsa	Okla.	23
T10	Lexington-Fayette	Ky.	22
T10	Knoxville	Tenn.	22

Metros with population less than 200,000

Rank	Metro	State(s)	Count
1	Sioux City	Iowa/Neb./S.D.	23
2	Morristown	Tenn.	15
3	Valdosta	Ga.	13
T4	Jackson	Mich.	10
T4	Johnson City	Tenn.	10
T6	Waterloo-Cedar Falls	Iowa	9
T6	Bowling Green	Ky.	9
T6	Rocky Mount	N.C.	9
T9	Auburn-Opelika	Ala.	8
T9	Decatur	Ala.	8
T9	Kingston	N.Y.	8

Source: Conway Data, Inc.'s New Plant Database

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base in the area, there is a lot of industrial activity both in the downtown and in the suburbs. It is really spread out.”

Bosman, who has done site consulting work for Fortune 500 companies around the U.S., says there is “no one factor that Chicago really excels in. It doesn’t have the lowest labor rates in the country. It doesn’t have the most direct flights to

London. But when you total up all the site selection factors, Chicago measures up very well and scores highly. It appeals to a wide range of industries, and that is very healthy for the economy. The city has a lot of things to offer a lot of industries.”

Bosman points to another factor in Chicago’s favor: nature. “A lot of empha-

sis is being placed these days on business continuity,” she says. “Clients are shying away from areas that have a lot of hurricanes, earthquakes, tornadoes, etc. While other locations drop out, Chicagoland stays in the running for projects.”

In 2007, Chicagoland did more than stay in the running. It ran past all other metro areas to grab first place. **SITE**

Burning Passion Ignites North Carolina Metro

Fire in the Belly tells the story of two men who were laid off from their technology jobs in 1991 in Greensboro, N.C. They responded to their pink slips by launching **RF Micro Devices**, an ambitious startup with lots of dreams but not a lot of money.

Seventeen years later, RFMD produces the power amplifiers contained in more than half of the cell phones made worldwide, and “Fire in the Belly” could double as the anthem of high-tech entrepreneurs throughout the Piedmont Triad region.

For the second year in a row, the metropolitan area of Greensboro-High Point secured more corporate facility projects than any other metro of comparable size in the nation. In the population category of 200,000 to 1 million, Greensboro-High Point led all metropolitan statistical areas in 2007 with 30 deals that qualified for inclusion in the Conway New Plant Database.

Among the largest deals last year was RFMD’s announced \$103-million expansion at its corporate headquarters in Greensboro, where the firm will create up to 150 high-wage jobs.

“RFMD was offered opportunities in several states and international locations, including Singapore and the U.K.,” says company spokeswoman Irma Swain, but state and local officials sealed the deal by granting two performance-based incentives — \$1.2 million from the city of Greensboro and \$4.5 million from the state.

“We wanted to be close to many of our other fabrication facilities,” Swain says of the company that produces compound semiconductors for wireless communications. As a result, the company is building its new plant in Enterprise Park on Brigham Road in Greensboro, the anchor community of an MSA that’s attracting blue-chip, high-tech talent like Tobacco Road attracts basketball stars.

In 2007, Greensboro won \$260 million in capital investment, 1,500 jobs and 841,000 sq. ft. (78,129 sq. m.) of industrial space. Big deals came from **Honda Aircraft** (300 jobs and \$105 million in investment); **Lenovo** (163 jobs and \$10.5 million); and **Zink Imaging** (60 jobs and 350,000 sq. ft., or 32,515 sq. m.).

Dan Lynch, president of the Greensboro Economic Development Alliance, says the area’s growth will take off even more

next year with the opening of the \$350-million FedEx Mid-Atlantic hub at the Piedmont Triad International Airport.

“That will be a huge attraction for other companies,” Lynch says. “They will have highly sophisticated sorting equipment. This is a project that has been 10 years in the making. When it opens, it will add 1,500 jobs.”

Nearby High Point did more than its share to propel the MSA to No. 1. “North Carolina’s International City” produced nine corporate facility projects, including the metro area’s largest jobs generator.

TransTech Pharma and **PharmaCore** announced Dec. 20

that they would expand in High Point by investing \$23 million and creating 205 jobs that pay an average annual wage of \$96,000.

After being aggressively courted by neighboring states, the two

sister homegrown biotech companies decided to stay home.

“Both TransTech Pharma and PharmaCore have been successfully growing their respective businesses in North Carolina since their inception in 1998,” said Dr. Adnan Mjalli, founder and chairman of both companies. “After several months of exploring different site locations and growth opportunities, we are pleased to announce that we will continue the expansion of TransTech and PharmaCore in High Point.”

Other big projects in High Point last year came from **Advanced Home Care** (\$4 million and 130 jobs); **Larco Construction** (\$4 million); and **Graphic Printing Services Inc.** (\$4 million).

Loren Hill, president of the High Point Economic Development Corp., says the key to the city’s recent success has been economic diversification. “You think of High Point as being the furniture capital of the world, but when you look at our annual report, we have many other things going on,” he says.

“The Greensboro-High Point metro area offers a unique combination of physical infrastructure and talent,” says Don Kirkman, president and CEO of the Piedmont Triad Partnership. “There are six four-year colleges and universities and three community colleges in the three-county MSA that provide significant research and training support for companies that choose to locate in the region.” — Ron Starner



RF Micro Devices is expanding its Greensboro headquarters by \$103 million and up to 150 high-wage jobs.

Sioux City Reaps Harvest of Decade-Old Plan

Could 2008 top what became a banner year for Sioux City, Iowa? It will if the second largest capital investment in U.S. history decides to call the tri-state metro area home.

Coming off a record-setting year in which Sioux City led all small metros with 23 corporate facility project announcements, greater Sioux City is poised to take its biggest leap of all if the proposed **Hyperion Energy**



Beef Products Inc. announced a \$400-million expansion in South Sioux City, Neb., in late 2006 and a \$30-million expansion in 2007.

Center becomes a reality in Union County, S.D.

Part of a metro area that includes communities in Iowa, Nebraska and South Dakota, Union County is the only confirmed finalist site for the planned \$10-billion oil refinery. In December, Dallas-based Hyperion Resources filed a massive application to rezone 3,882 acres (1,572 hectares) from agricultural use to a proposed Energy Center Planned Development District.

Code-named "Project Gorilla," the plant would refine 400,000 barrels of Canadian crude oil per day into gasoline and diesel fuel. Hyperion officials say the plant would create 1,800 permanent jobs, 4,500 construction jobs and an estimated annual economic impact of \$13.7 billion on the area economy.

"This would be the second largest infrastructure project in U.S. history behind the Big Dig in Boston," says Chris McGowan, executive vice president of the Siouxland Initiative, the economic development arm of the Siouxland Chamber of Commerce. "The project would be an environmentally friendly, green, state-of-the-art, energy technology center which would refine oil."

Debi Durham, president of both the chamber and the Siouxland Initiative, says it's no accident that the Sioux City area is being considered by major corporations. "You have to go back to a decade ago when the Siouxland Initiative stepped forward with a strategic plan for intermodal transportation, education, health care, quality of life and building our infrastructure," she says. "We worked on getting many industrial sites in our broader region certified. The fruit of that effort is the number one ranking in *Site Selection*."

The industrial projects announced in the area in 2007 represent sectors including ethanol, food processing, customer service, logistics and solar energy. The largest deal came from **Prime BioSolutions**: an \$85-million ethanol plant in Dakota County, Neb. Other big deals came from **Beef Products Inc.** (\$30 million in South Sioux City, Neb.); and **Specialty Protein Producers** (\$30 million in South Sioux City).

— Ron Starner

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