

THE TIMES

business

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Trying to stand on 'big shoulders'

Chicago metro leads nation in business investments, but Ind. near bottom of Midwest in economic development

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Businesses are choosing to invest in the Chicago metro area more than anywhere else in the United States.

Last year, the Chicago metropolitan area led the nation in new facilities and expansions, according to Site Selection magazine. The metro area includes nine Illinois counties, one Wisconsin county, and Lake, Porter, Jasper and Newton counties in Indiana.

With 373 major projects last year, the Chicago-Naperville-Elgin metro topped the pack of the 48 metro areas that have more than 1 million residents, according to Site Selection magazine, a 60-year-old Atlanta-based trade publication that reaches nearly 50,000 corporate executives. New and expanded offices, warehouses and factories were counted, editor-in-chief Mark Arend said.

After narrowly finishing second behind Houston in 2012, Chicago had far and away more large expansions and new facilities than any other metro area in the country last year, surpassing second-place Houston by 118 projects. The magazine looked at major projects that involved more than \$1 million in investment, 20,000 square feet or 50 jobs.

Businesses gravitate to places where executives think they can make the biggest profit, said Tony Sindone, an assistant professor of economics at Purdue North Central University. The Chicago metro fares well because of factors like its talented workforce, central location, access to markets, and world-class transportation system.

"Location is huge in these things," he said. "The metro area is crisscrossed with rail lines and intermodal facilities that make it a crucial part of the supply chain. You've got international ports like the Port of Indiana-Burns Harbor."

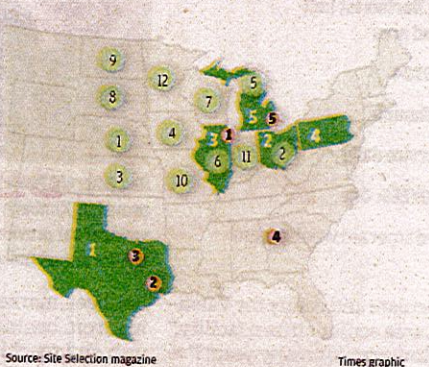
Illinois ranked third nationally among states with 383 projects, all



JOHN LUKE, FILE, THE TIMES
A worker stacks rubber tracks in October in the new ITR America facility in Hobart's North Wind Crossing business park. The company recently invested in a \$6.2 million expansion.

Top metros by projects		Top states by projects	
1. Chicago	373	1. Texas	657
2. Houston	255	2. Ohio	480
3. Dallas	178	3. Illinois	383
4. Atlanta	164	4. Pennsylvania	348
5. Detroit	129	5. Michigan	312

Midwestern states projects per capita	
1. Nebraska	58.5
2. Ohio	41.4
3. Kansas	36.6
4. Iowa	33.7
5. Michigan	31.5
6. Illinois	29.6
7. Wisconsin	26.8
8. South Dakota	26.3
9. North Dakota	22.1
10. Missouri	20.7
11. Indiana	15.7
12. Minnesota	15.4



Source: Site Selection magazine
Times graphic

but 10 of which were in the Chicago metro area. Indiana came in dead last among surrounding states in total facilities or expansions per capita with 15.7 projects per million residents, and was second to last after only Minnesota in the 12 U.S. Census Bureau-designated Midwestern states.

Indiana often gets high ranks from Site Selection Magazine for its business climate, but trailed all of its neighboring states by a wide

margin when it came to actual economic development. Ohio, Michigan, Kentucky and Illinois all had at least twice as many significant new facilities or expansions per capita last year.

On a per capita basis, Ohio, Michigan, Kentucky and Illinois all finished in the top 10 nationally, while Indiana ranked 28th, according to the Site Selection data.

See PROJECTS, Page F3

Top metros by projects

1. Chicago 373
2. Houston 255
3. Dallas 178
4. Atlanta 164
5. Detroit 129

SOURCE: SITE SELECTION MAGAZINE

Top states by projects

1. Texas 657
2. Ohio 480
3. Illinois 383
4. Pennsylvania 348
5. Michigan 312

SOURCE: SITE SELECTION MAGAZINE

Midwestern states projects per capita

1. Nebraska 58.5
2. Ohio 41.4
3. Kansas 36.6
4. Iowa 33.7
5. Michigan 31.5
6. Illinois 29.6
7. Wisconsin 26.8
8. South Dakota 26.3
9. North Dakota 22.1
10. Missouri 20.7
11. Indiana 15.7
12. Minnesota 15.4

SOURCE: SITE SELECTION MAGAZINE

CONTINUED FROM PAGE F1

Projects

Midwestern states are likely experiencing such high rates of economic growth because it is manufacturing is prevalent, and the manufacturing industry has been coming back, said Morton Marcus, a Times columnist and economist.

"The Midwest is doing fairly well since the economy has been rebounding," he said. "It's not a surprise that Chicago is doing so well because it's really only competing with Los Angeles, New York and other big metropolitan areas. Because of the size, if you look at the raw number of jobs and not the percent, smaller cities like Des Moines don't compare." At the state level,

Indiana has not lured as many big projects as its Midwestern neighbors because it does not have as educated a workforce nor much population density to speak of outside of Northwest Indiana and

Indianapolis, Marcus said. Indiana's economic development campaign also focuses largely on low taxes and little regulation, but that sales pitch appeals most to a narrow field of sectors, Marcus said.