



BOMA/CHICAGO ECONOMIC IMPACT SERIES

WHY CHICAGO? A STUDY OF CHICAGO'S STRENGTHS AND OPPORTUNITIES

ABOUT BOMA/CHICAGO

BOMA/Chicago is a trade association that has represented the interests of the Chicago office building industry since 1902. Membership includes 238 commercial office, institutional and public buildings and 175 companies that provide commercial building services to support operational excellence. BOMA/Chicago members constitute approximately 80 percent of all rentable office space and more than 98 percent of rentable space in Class A buildings downtown.

BOMA/Chicago has played a vital role in advocating on behalf of our members for over a century and continues to be a leader in drafting new building codes, advancing fire and life safety measures, negotiating mutually beneficial labor agreements and enhancing energy efficiency and sustainability practices.

We provide valuable resources that help our members advance Chicago's commercial real estate industry each and every day through continuing education and strategic partnerships that equip our members with the tools and information necessary to confront the challenges and opportunities of our ever-changing industry.

Our members also play a vital role in ensuring the economic viability of downtown Chicago. Member buildings support over 34,000 jobs, house more than 412,000 tenant employees and over 12,000 local, national and international companies. By protecting the interests of the owners and managers of these buildings, BOMA/Chicago also supports the businesses that are housed in them — businesses that require quality office space and quality service. BOMA/Chicago buildings support local schools and public services through more than \$1 billion in annual property taxes.



BOMA/CHICAGO ECONOMIC IMPACT SERIES: WHY CHICAGO?

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TALENT, TRANSIT, CULTURE: THE STRENGTHS OF CHICAGO

INTRODUCTION

Chicago is unquestionably one of the world's most dynamic cities, and one of the most attractive locations for business. As home to over 291,000 companies¹, the city is a center of commerce, globally recognized for its talent, transit and culture. This report will highlight these key attributes and the many reasons that companies continue to choose Chicago as a base of their operations. It will provide direct feedback from dozens of surveyed companies and comparative evidence showing that Chicago outperforms many peer cities in several key criteria. Finally, this report will call out opportunities for improvement in the city, including certain investments and upgrades that could lead Chicago to an even brighter future.

It is well known that Chicago is a magnet for young professionals and for companies seeking top talent. BOMA/Chicago's most recent [2017 Economic Impact Study](#) provided significant detail on the growth of Chicago's economy and the corresponding health of the commercial real estate market. However, few studies have explored the topic of Chicago's appeal in detail. 42 major companies moved to Chicago since 2011, according to World Business Chicago. Several questions have remained during this recent cycle of activity: What is really driving so many companies to relocate to Chicago? What are the strengths of the city, from the perspective of employers and investors? Also, what is not working well in the city, and what has driven some companies to consider other locations in their site selection?

METHODOLOGY

In order to answer these key questions, BOMA/Chicago partnered with the research team at JLL to reach out directly and to interview key companies in the region. Through a series of surveys, phone conversations, and in-person discussions, the team gathered both quantitative and qualitative data on trends that are driving corporate migration patterns in Chicago and which could have implications for other cities around the world.

In total, a set of 37 companies participated in the in-depth study and their feedback was combined with extensive secondary research to determine the underlying themes of Chicago's attraction for businesses and professionals. The companies that were interviewed range from mid-sized corporations and technology firms, to the largest publicly traded entities in the country. The distribution of the firms' industries was intentionally diverse and it covers everything from financial services and law, to technology and manufacturing.

Broadly, the survey questions focused on corporate location strategy and how companies decide where to establish the base of their operations. Companies were asked about the most influential factors in their location decisions, and what they were seeking in various cities and submarkets across the country. While many of the companies that were interviewed are based in Chicago, special effort was made to interview a set of companies that have chosen to locate in other cities as well. All companies were asked about their greatest concerns with Chicago and their opinion on where the city should focus its efforts for improvement.

Based on the survey and interview discussions, two key themes emerged as factors which were attracting companies to Chicago. These themes of talent and transit stood out among many other factors in their frequency and stated importance for Chicago.

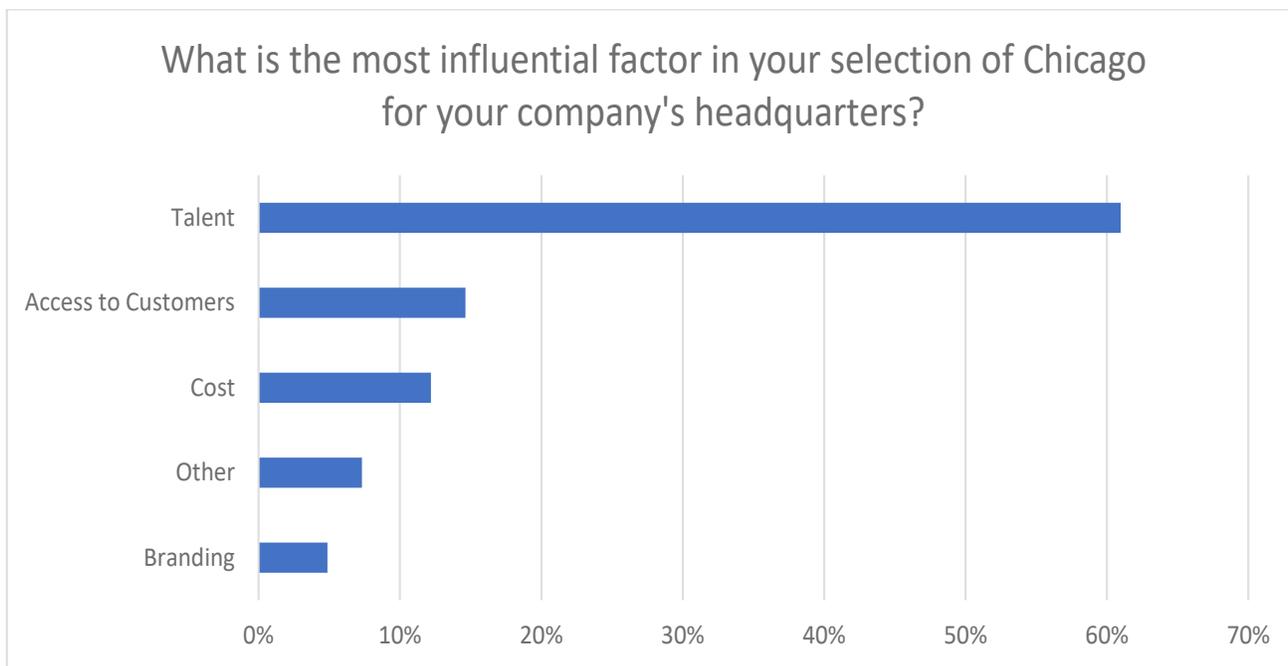


LOCATION STRATEGY: IT'S ALL ABOUT TALENT

WHY CHOOSE CHICAGO

The first question asked of all participating companies was related to their most important considerations for choosing Chicago, including talent, access to customers, cost, branding, and other factors. Costs include occupancy and workplace build-outs, and property taxes, which were examined in detail in BOMA/Chicago's [2017 Economic Impact Study](#). In addition, branding considers how the location boosts a company's visibility and image. Building signage and regional advertising are examples of this factor.

The results revealed a focus on attracting and retaining talent as the most important factor in choosing Chicago, by a significant margin. Far behind talent, considerations such as customer and client locations and cost arose as second and third, respectively. In an era of national unemployment near 4.0%, according to the Bureau of Labor Statistics,² this should not be a surprise, but the gap between the factor of talent and any other consideration is truly noteworthy.

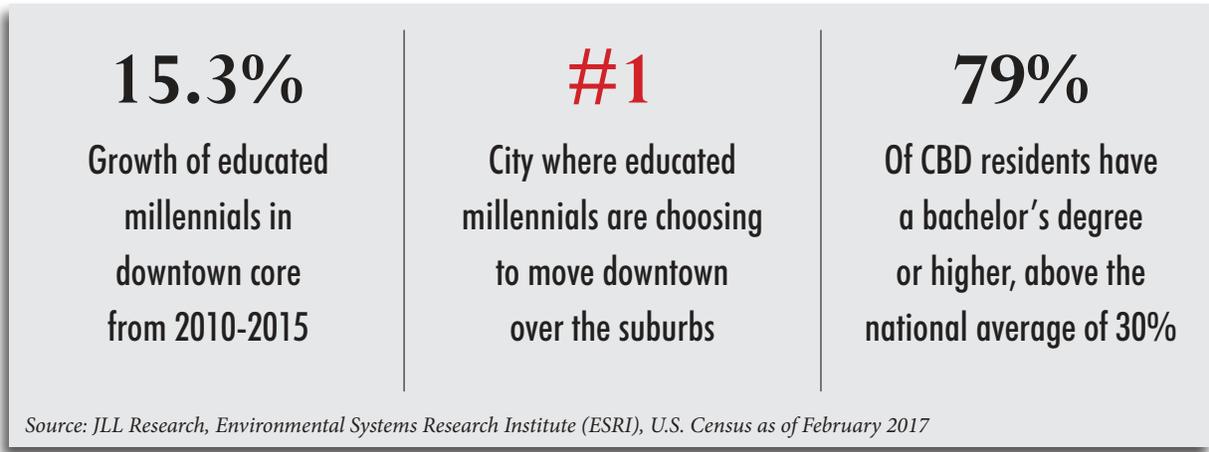


Survey question: Please identify the factor that was most influential in your selection of Chicago for your organization's headquarters: i. talent, people, ii. access to customers, iii. educational facilities, iv. branding, image, v. taxes, costs, incentives, vi. other, please explain

*"Other" includes Geographic Diversity, Existing Workforce

ACCESS TO EDUCATED TALENT

In the view of many companies, Chicago provides unrivaled access to educated talent. In fact, Chicago has one of the highest concentrations of educated professionals in the United States, and the city has been getting younger, wealthier, and better educated for several years. As shown in the following graph, the Central Business District (CBD) is growing at the fastest pace in recent history, and the influx of new residents is highly educated. In addition, Chicago is the best educated big city in the country, according U.S. census figures cited in a *Crain's Chicago Business* article as of October 2017.³



After talent was identified as such a key component to today's businesses, our interviews then probed deeper into the types of talent that were in highest demand. There was little debate in the matter. The need for tech-savvy talent with technological capabilities was evident and consistent across all industries and companies.

FOCUS ON TECHNOLOGY TALENT

It is important to note that Chicago is now ranked by KPMG as one of the leading technology innovation hubs across the world.⁴ Modis, a global IT and engineering staffing firm, ranked Chicago as the number one future global technology hot spot.⁵ These rankings highlight the shift in Chicago's business landscape over the past several years.

Technology is the fastest growing sector in Chicago's diverse economy. Nationally, of the top metropolitan areas for tech employment, Chicago continues to boast the lowest tech wages. Chicago's reasonable cost of living, in contrast with many of its peer cities, continues to attract talent. The combination of lower tech wages and abundance of talent is a major boon for employers.

In order to understand Chicago's standing among major technology hubs across the United States, JLL combined data on the average technology wages and 2017 year-end average office leasing rates by city multiplied by 200 square feet per person. Chicago ranked the lowest for average annual wages for computational and mathematical occupations in 2016, when compared to New York, Silicon Valley, Seattle, Washington D.C., Boston, and Los Angeles.⁶ The combined costs per person, of wages and total leased space, were then ranked to understand how much an average technology company would have to spend to hire and house an employee in a given city. As illustrated in the following chart, Chicago ranks very well in overall costs relative to many peer cities.

In fact, operating a technology office in Chicago as opposed to Silicon Valley can save a company over \$46,000 per person per year, when both wage and real estate costs are considered. This cost benefit not only makes Chicago competitive, but truly compelling.



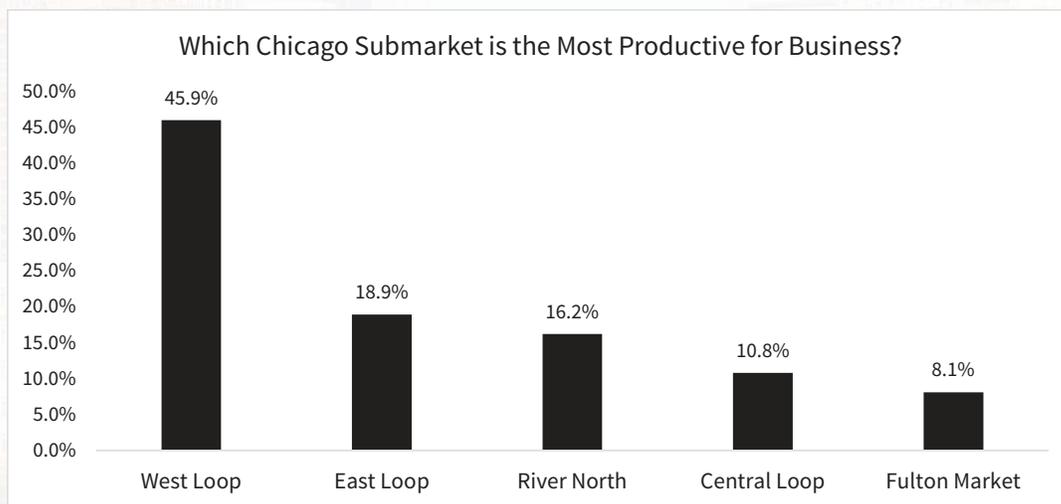
Source: JLL Research, Bureau of Labor Statistics, 2017

According to Pew Research, 56 million millennials are working or looking for work. Their generation is now the largest in the labor force. Pew and the U.S. Census Bureau project that the total number of millennials in the labor force can reach 75 million by 2060.⁷ Chicago has the benefit of being located in a central location among some of the top research universities in the nation, such as University of Chicago, Northwestern University, and University of Illinois at Chicago.

TOP LOCATIONS WITHIN CHICAGO FOR BUSINESS

While Chicago is widely recognized as an attractive location for businesses and professional services, we wanted to get more specific in our research to determine which submarkets in the city were considered the most attractive by today's leading employers. In order to do so, participating companies were asked about the submarkets they find most compelling for their needs.

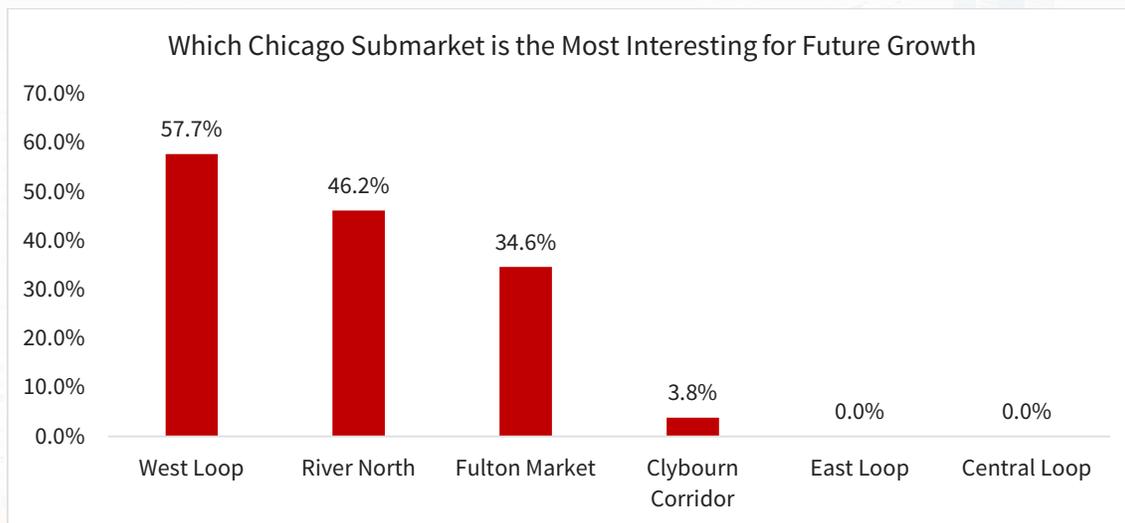
As indicated in the following graph, the West Loop dominated the discussions, with the greatest percentage of respondents indicating that the submarket is the optimal location for their business. This view aligns directly with the transit-oriented nature of the submarket and the direct access to both the Metra and CTA lines, as well as immediate highway access. It also corresponds to the proportion of Class A product in the market, with the West Loop providing over 37 million square feet of Class A office space. The submarket accounts for nearly half of all Class A product in the CBD and over a third of total office space in the CBD.



Survey question: Within Chicago, please identify the neighborhoods or submarkets that you find most productive for your business.

In addition to understanding the submarkets that are currently leading in terms of tenant demand, we also wanted to understand if companies were expecting a shift in their geographic preferences within the city over time. To determine this, we asked which submarkets appeared the most interesting in terms of future growth.

In this case, the West Loop remained the most compelling submarket. However, the live-work-play areas of River North and Fulton Market showed dramatic increases in their perceived potential. Based on our survey, and an analysis of the results by industry, it appears that many traditional companies are currently focused on their traditional submarkets of the West Loop or Central Loop, but they are closely observing the behavior of early adopter firms, such as technology and design firms, that have embraced River North and Fulton Market as their location of choice. This corresponds to the focus on amenities and entertainment that these newer submarkets provide, and the desire among companies and employees to focus on their overall workplace and neighborhood experience.

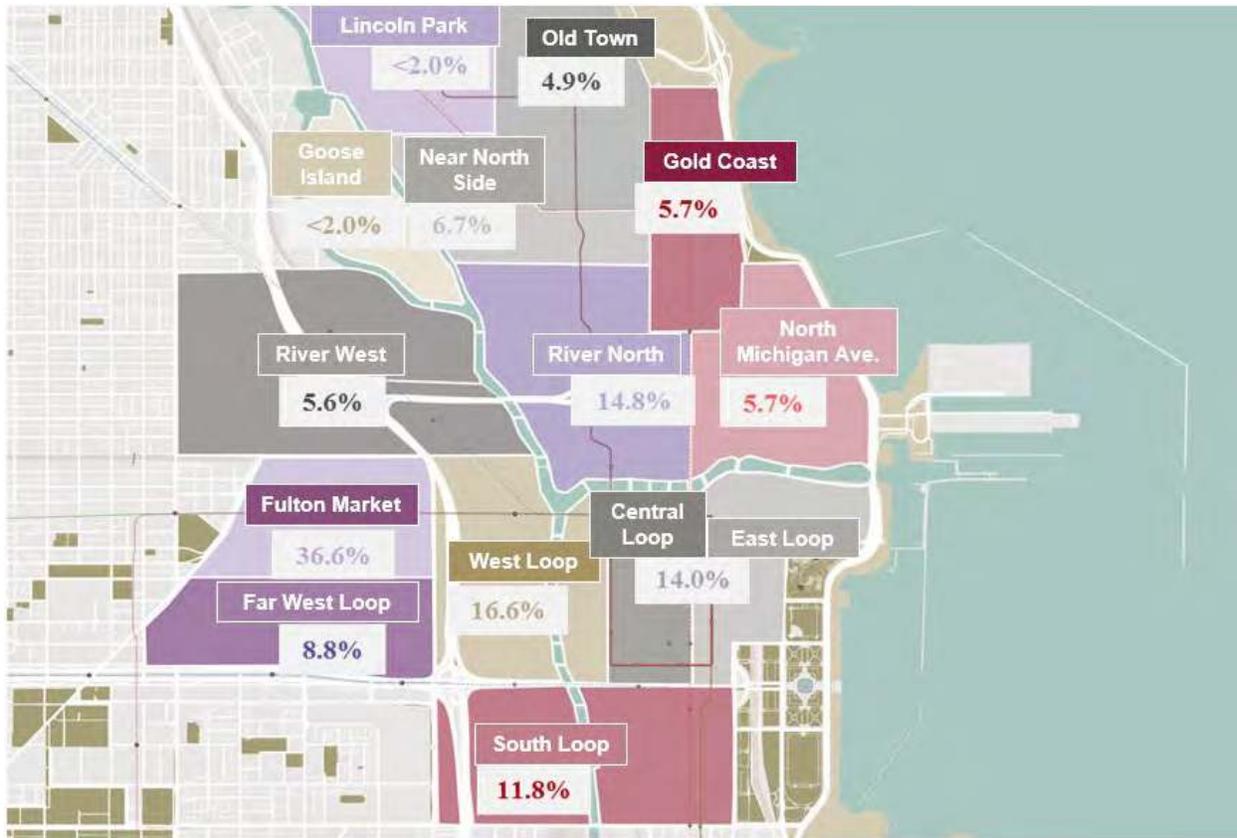


Survey question: Are there certain neighborhoods or submarkets that you view as the most interesting for future growth or development?

SHIFTING NEIGHBORHOOD POPULATIONS

This shift in neighborhood potential is also reflected in recent population statistics. While much has been written about Chicago's overall population decline, its CBD remains a key component for growth. While outlying neighborhoods have recorded declines in population, downtown submarkets keep attracting professionals and new residents. The urban core of Chicago has seen incredible growth in multifamily housing and professional residents over the past two to three years. As shown in the map below, several emerging submarkets in Chicago have experienced double-digit percentage gains in their local populations. These gains have coincided with the development of over 7,000 new multifamily housing units in the CBD and the expansion of entertainment and cultural districts in former warehousing and office-focused neighborhoods.

Population growth in Chicago CBD by submarket, 2010-2016



Source: JLL Research, ESRI

EXPANSION OF CHICAGO'S CULTURAL CACHE

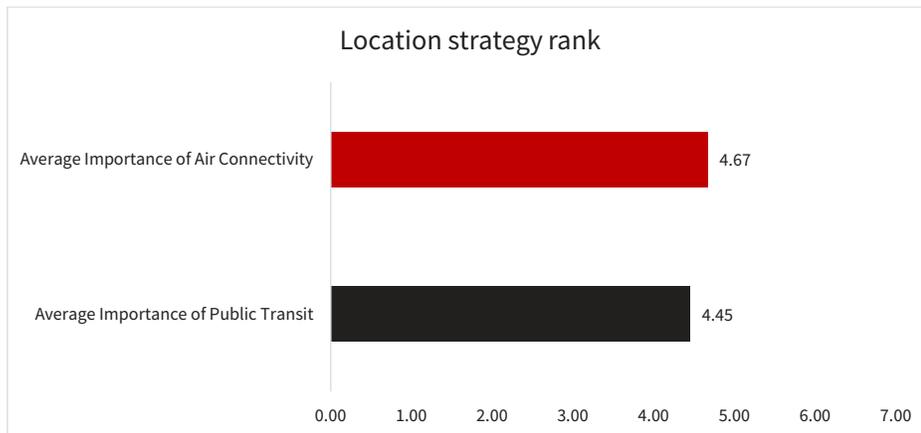
Also related to this growth in population and business activity is the significant expansion of Chicago's cultural cache on a global scale. While the elements of dining, entertainment, and culture may have formerly been considered less important as a factor in business operations, our executive interviews indicated that culture and amenities are one of the key reasons that companies choose to locate in Chicago as opposed to the suburbs or other markets.

Reinforcing this point, *Time Out* magazine recently ranked Chicago as the "world's best city for having it all."⁸ For the second time in a row, Chicago was ranked as the best city in the world by the metrics of the City Life Index, which ranks categories such as culture, dining, neighborhoods, affordability, happiness and employment.

As it turns out, companies now make location decisions based on talent. Young professionals make their location decisions based on amenities and entertainment. Therefore cities with options for culture and entertainment are well positioned for the future, and Chicago is a clear leader in this environment.

IMPACT OF PUBLIC TRANSIT

The 37 respondents to the survey were asked to rank importance on a scale from one (low importance) to seven (high importance).



Survey question: Please identify the importance of public transit for your employees and your business (1-7 scale).

EVEN BETTER DAYS AHEAD FOR TRANSPORTATION?

While Chicago already ranks favorably compared to many peer cities in terms of public transportation and global connectivity, there remains significant room for improvement. In its most recent Infrastructure Report Card, the American Society of Civil Engineers awarded Illinois a grade of C-, which is slightly better than the national average of D+, but clearly falls short of exceeding expectations.⁹ Some of the drivers accounting for this low grade includes poor road and public transit conditions caused by costly traffic delays, increased fuel consumption, and unmaintained equipment. These forms of infrastructure require substantial maintenance and repair and adequate funding. Fortunately, there are several new proposals under consideration to improve transportation access to Chicago and within Chicago in the future.

- A massive approved expansion of O'Hare International Airport focuses on the passenger areas. Under the enhancement, the total terminal square footage would increase from 5.5 million to 8.9 million square feet, more than 60 percent. O'Hare is expected to serve nearly 100 million passengers annually by 2026, compared to 80 million currently. Potential investment could exceed \$8.5 billion.
- An express train link is also on the drawing board, with Elon Musk's Boring Company selected to build and operate an express rail system from downtown directly to O'Hare International Airport. The proposed rail system would transport riders from the Loop to ORD in 12 minutes, as opposed to the current trip that takes 45-50 minutes.
- Commuter rail in Chicago may be poised for improvement, with over \$1 billion in potential investment planned for Union Station, with a mix of public and private financing. Plans were recently revealed for a mixed-use redevelopment around the Union Station, and the latest federal infrastructure plan includes the station in a list of prospective renovation projects.



AIR CONNECTIVITY

A modern and globally connected airport is a prerequisite for any competitive city. However, while the number of flights and the quality of a city's airport are critical factors, the component of local accessibility is sometimes overlooked. It appears that for many employees and employers across the country, just getting to their local airport can be a significant challenge. The following figure illustrates that some city airports have many flights per year and excellent global reach, but may have difficult local access for their users.

In order to determine which city truly has the best connectivity for its companies and residents, JLL has created an index that evaluates both airport flight count, and local airport access. A top-ranked city must have a competitive air hub, but that hub must also be easily reached by car and by mass transit.

As shown below, Chicago O'Hare ranks ninth in this analysis and has very favorable flight counts and local transit. Both Midway and O'Hare airports can be easily accessed from the Loop. This places Chicago well above many peer cities, and is a positive indicator for its potential as a center for corporate headquarters.

Cities ranked by air connectivity

| CITY | AIRPORT | TOTAL FLIGHTS (2017) | DRIVE TIME FROM CBD (MIN) | PUBLIC TRANSIT FROM CBD (MIN) | OVERALL RANK |
|---------------|---------|----------------------|---------------------------|-------------------------------|--------------|
| Atlanta | ATL | 879,498 | 25 | 30 | 1 |
| Boston | BOS | 405,822 | 20 | 30 | 2 |
| Charlotte | CLT | 553,817 | 30 | 40 | 3 |
| Washington | * | 593,426 | 28 | 47 | 4 |
| Las Vegas | LAS | 542,994 | 30 | 50 | 5 |
| San Diego | SAN | 204,618 | 25 | 30 | 6 |
| Phoenix | PHX | 430,968 | 25 | 55 | 7 |
| Minneapolis | MSP | 415,703 | 35 | 30 | 8 |
| Chicago | ** | 1,111,630 | 50 | 40 | 9 |
| Philadelphia | PHL | 365,356 | 30 | 50 | 10 |
| San Francisco | *** | 657,607 | 48 | 53 | 11 |
| Seattle | SEA | 416,124 | 40 | 50 | 12 |
| New York | **** | 1,263,002 | 55 | 68 | 13 |
| Baltimore | BWI | 261,702 | 30 | 60 | 14 |
| Miami | MIA | 413,287 | 35 | 65 | 15 |
| Dallas | DFW | 654,344 | 40 | 95 | 16 |
| Los Angeles | LAX | 700,362 | 50 | 75 | 17 |
| Austin | AUS | 196,739 | 40 | 40 | 18 |
| Orlando | MCO | 338,270 | 35 | 65 | 19 |
| Nashville | BNA | 205,794 | 30 | 70 | 20 |
| Houston | IAH | 450,323 | 40 | 85 | 21 |
| Denver | DEN | 582,486 | 50 | 90 | 22 |
| Raleigh | RDU | 199,837 | 35 | 70 | 23 |

To rank airport transportation across major cities, the number of total annual flights, the drive time, and the public transit time from the city's CBD were all compiled. Drive and transit times were calculated by averaging multiple times during morning and evening business traffic hours. The overall rank is an average of each city's rank on the three measures.

* Washington DC rankings combine DCA and IAD; ** Chicago rankings combine ORD and MDW;

*** New York Rankings combined EWR, LGA, JFK; **** San Francisco rankings combine SFO and OAK; Overall rank is non-weighted

Source: JLL Research, *FiveThirtyEight, Flight Data*



RIDE-SHARING ACCELERATES IN CHICAGO

The sharing economy is taking off in cities across the United States, including Chicago. The nature of this phenomenon offers direct access to private assets such as apartments and cars for public use. A substantial component of this phenomenon is ride-sharing. Millions of people around the country use ride-sharing apps, such as Uber and Lyft, to arrive at their final destination. In March of 2015, there were 15,078 registered ride-sharing vehicles that made at least four trips per month in Chicago. In December 2017, this number reached 68,832, an increase of 356 percent, according to the *Chicago Tribune* citing data from the Department of Business Affairs and Consumer Protection. In that same period, total registered ride-sharing vehicles increased from 26,803 to 117,557, an increase of 439 percent.

A service that yields that much demand over a short period of time signals that this is beneficial to consumers and ride-share drivers. However, the explosive growth of ride sharing has led to a significant increase in traffic in the CBD. More shared rides imply more cars on the road — and potentially fewer users of public transit. Increased congestion has the potential to impact the environment, traffic, accidents, and overall quality of life in the city. Looking forward, cities across the country may need to strike a balance between the open market solutions of the sharing economy and the regulation of shared vehicle providers.

EDGE IS BACK

The State of Illinois offers a competitive range of incentive programs for companies that locate and invest in the state. The program with the most impact on companies that are in the process of evaluating their headquarters location strategy is the Economic Development for a Growing Economy Tax Credit Program, or EDGE.

The EDGE program provides an incentive to businesses to support job creation and capital investment. The non-refundable corporate income tax credit is calculated as a percentage of the expected income tax withholdings of new jobs created in the state (not to exceed 100 percent). After a period of uncertainty, EDGE tax credits were reinstated, extending the program through June 30, 2022.

EDGE tax credits are available to qualifying companies, equal to a portion of the state income taxes withheld from the salaries of employees in newly created jobs. These non-refundable credits can be used against corporate income taxes to be paid.

Chicago also offers an array of incentives for new construction, building rehabilitation, and adaptive reuse. Some of these incentives include reduced real estate tax assessments for industrial and commercial projects. The city also provides tax-exempt Industrial Development Revenue Bonds to help companies finance development projects, including new construction or renovation.

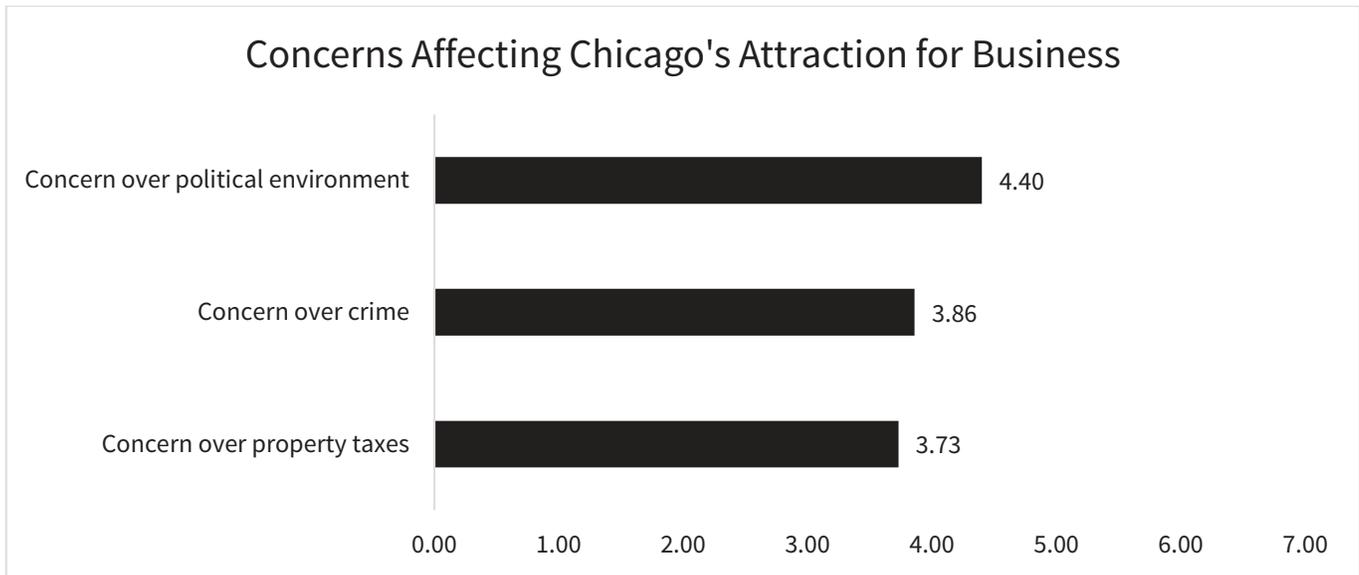


CURRENT CHALLENGES AND OPPORTUNITIES

While Chicago is a global city that has attracted some of the largest companies in the world to establish headquarters and offices, seven of the respondents in our survey did not choose to locate in Chicago. While three of the seven respondents pointed to higher costs as their main concern, other primary concerns included access to existing workforce in surrounding offices and concerns about the city's political environment.

Notwithstanding attraction of talent pool, transportation and other cultural amenities, the overall group of respondents expressed concerns regarding the challenges posed by budget, politics, and crime. However, our study supports the idea that Chicago's reputation may be worse than the reality. By and large, our survey respondents indicated that Chicago is an ideal city for their business operations, but that there are a few key areas that could make the city more attractive to employers.

Our analysis sought to determine which improvements could have the most impact for attracting companies to the city. Based on our analysis, the top opportunities for improvement in Chicago are related to issues of politics, finance, and safety. Respondents to the JLL survey provided answers on a scale from one (low importance) to seven (high importance).



Survey questions: A. How much of a concern does the political environment in the city/state pose for your organization (1-7 scale)? B. How much of a concern are rising property taxes for your organization (1-7 scale)? C. How much of a concern does the issue of crime in Chicago pose for your organization (1-7 scale)?



POLITICAL ENVIRONMENT

Interestingly, the leading cause of concern among companies that have chosen to locate in other cities is the political environment. Chicago and Illinois both have a history of political discord, partly influenced by the gap between urban Chicago’s Democratic majority, and the Republican majority in the more rural areas of the state. This polarizing environment drives a wedge between elected officials and disrupts compromise needed to pass fiscally-sound budgets. Polarization in the City of Chicago precedes party lines as concerns over development, corruption, and education persist among aldermen.

Compounding this situation, the State of Illinois has more units of government – public entities that offer services and levy taxes – than any other state in the nation. Illinois has nearly 7,000 governmental organizations, ranging from cities and counties, to school districts and park districts, many of which have identical or overlapping mandates, according to *Governing Magazine*.¹¹ Illinois has over 2,000 more governmental bodies than the next two runners-up states, which are Texas and California, despite the fact that both have larger populations and geographic areas.

Beyond the issue of bureaucratic overlap, there are several core issues of disagreement that appear to concern some companies that were interviewed. Illinois voters are sharply divided on many key issues impacting the future, such as healthcare, public assistance, farm subsidies, union regulations, and taxation. While some states have greater uniformity in direction, Illinois has many factions from Chicago and downstate that hold strong and opposing views.

FISCAL CONDITIONS

It is no secret that Chicago has historically been challenged by revenue pressures and rising expenses. The City of Chicago currently operates on an annual budget of approximately \$8.6 billion and forecasts a \$114.2 million budget deficit in 2018, the smallest since 2007.¹² While the budget reflects current spending, and has been improving for a decade, the greatest challenge facing the city and state is that of long-term obligations.

Truth in Accounting’s (TIA) report, “Financial State of the Cities 2016,” published in January 2018, ranks the 75 most populous cities in the United States by their financial health.¹³ Chicago ranks No. 74 of 75, earning it an “F” on TIA’s grading scale.

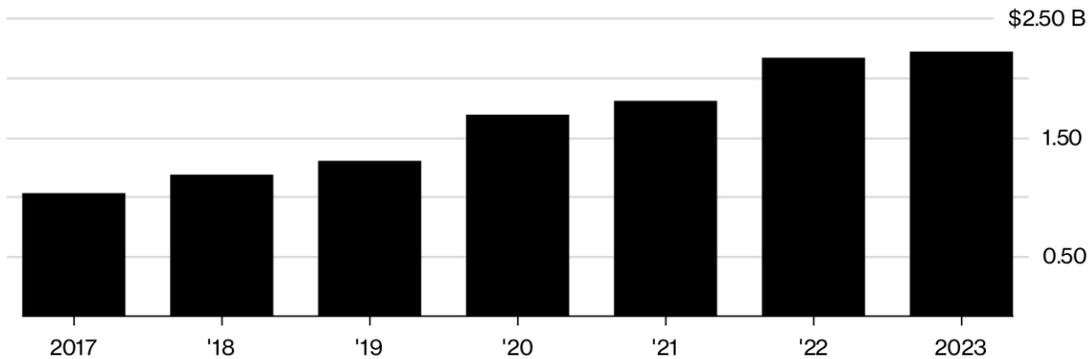
Chicago has a long-term debt burden of \$40.5 billion, and growing, according to TIA’s analysis of its financial filings. That burden equates to \$45,200 for every Chicago taxpayer, and the largest portion of this burden is due to pension obligations. As noted in the following *Bloomberg* analysis, Chicago’s pension obligations are massive and set to soar higher in the coming years. The pension issue has significant implications on both the state and local levels. Essentially, the state needs to find the money to make larger contributions to unfunded pension liabilities. Delays in significant contributions will accumulate more debt and place a larger burden on the state’s finances. This means that either taxpayers will have to pay more in taxes to increase revenue or accept lower pension benefits from the state. Any long-term solution to the crisis will require significant political capital and compromise from both sides of the aisle.

To make matters worse, TIA’s report “Financial State of the States,” released in September 2018, provides a similar assessment of financial health for each state.¹⁴ Illinois ranks 48 out of 50, earning an “F” on TIA’s grading scale. The study goes on to list Illinois as one of the top five “Sinkhole States” noting the state’s \$216.1 billion shortfall, equivalent to \$50,800 in individual taxpayer burden.

Chicago Pension Payment Projections

Chicago is boosting payments to keep retirement funds from running out of money

■ Chicago's projected pension contributions



Source: City of Chicago 2017 Annual Financial Analysis

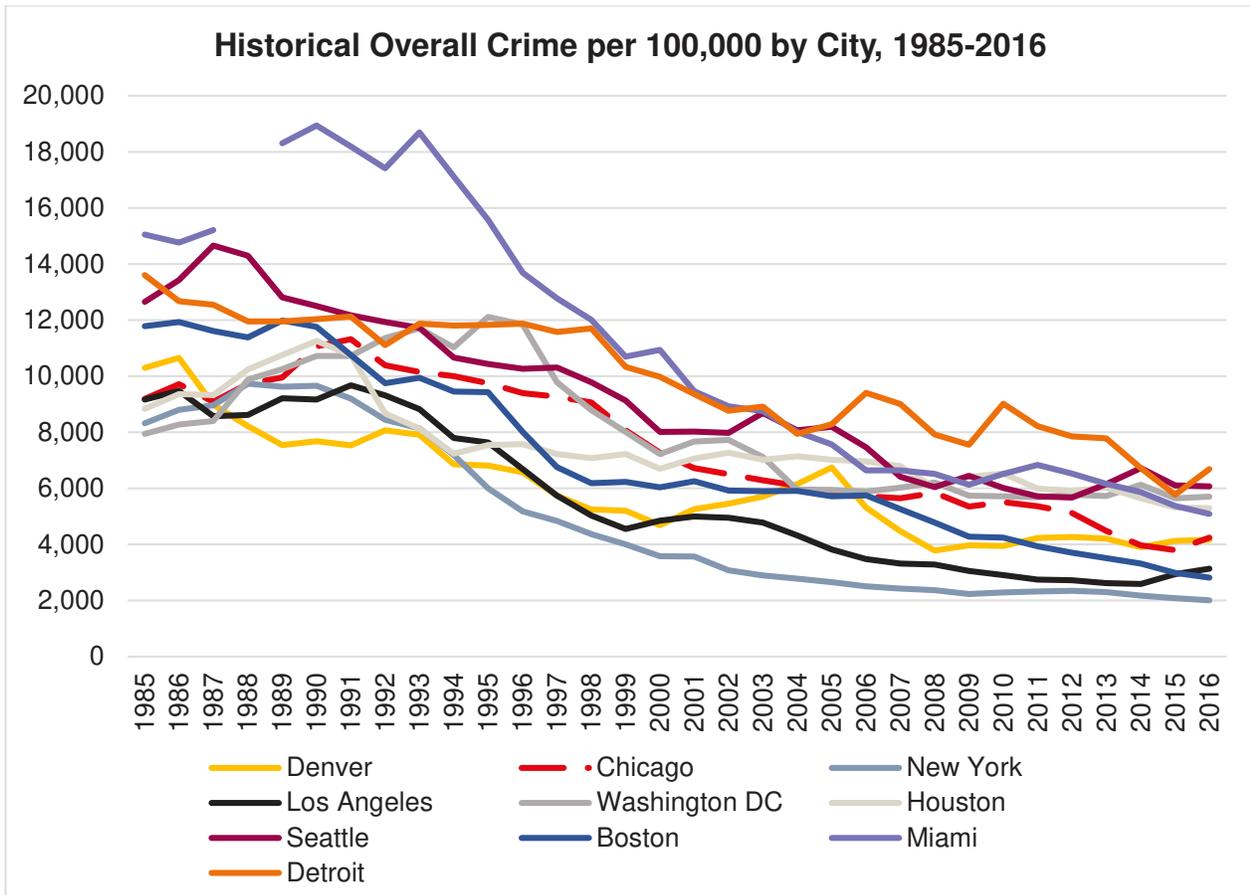
Bloomberg

It is important to note that Chicago is not alone in its financial challenges. According to Truth in Accounting's Financial State of the Cities 2016 Report, 64 of the 75 largest cities in America do not have sufficient funds to cover their obligations. New York City is the only city that ranks worse than Chicago in terms of overall fiscal health. Dallas, San Francisco, and Philadelphia all have growing pension obligations of a similar scale. While the condition is not acceptable, this may explain why finances rank lower than politics as companies see other cities experiencing similar challenges.

CRIME AND SAFETY

Chicago's overall crime rate has gradually diminished over the last twenty years, albeit a recent rise in the last couple years as experienced in some other major cities. Despite the overall reduction in crime, Chicago has an unfortunate reputation among many as a center of violent crime. In particular, the rate of gun violence makes national headlines, and Chicago is often reported to have some of the worst crime in the country. In reality, while the situation is far from resolved, Chicago is today much safer than it has been in the past, and has seen improving crime statistics for the past several years. Moreover, Chicago has lower overall crime rates than many comparable cities, as indicated in the next chart.

While the next chart displays historical crime trends among different cities, there are many factors that affect crime reporting at the local level. These include population density, economic conditions, modes of transportation, law enforcement strength, and more. The historical crime rates, alone, do not reflect the effectiveness of local law enforcement agencies.



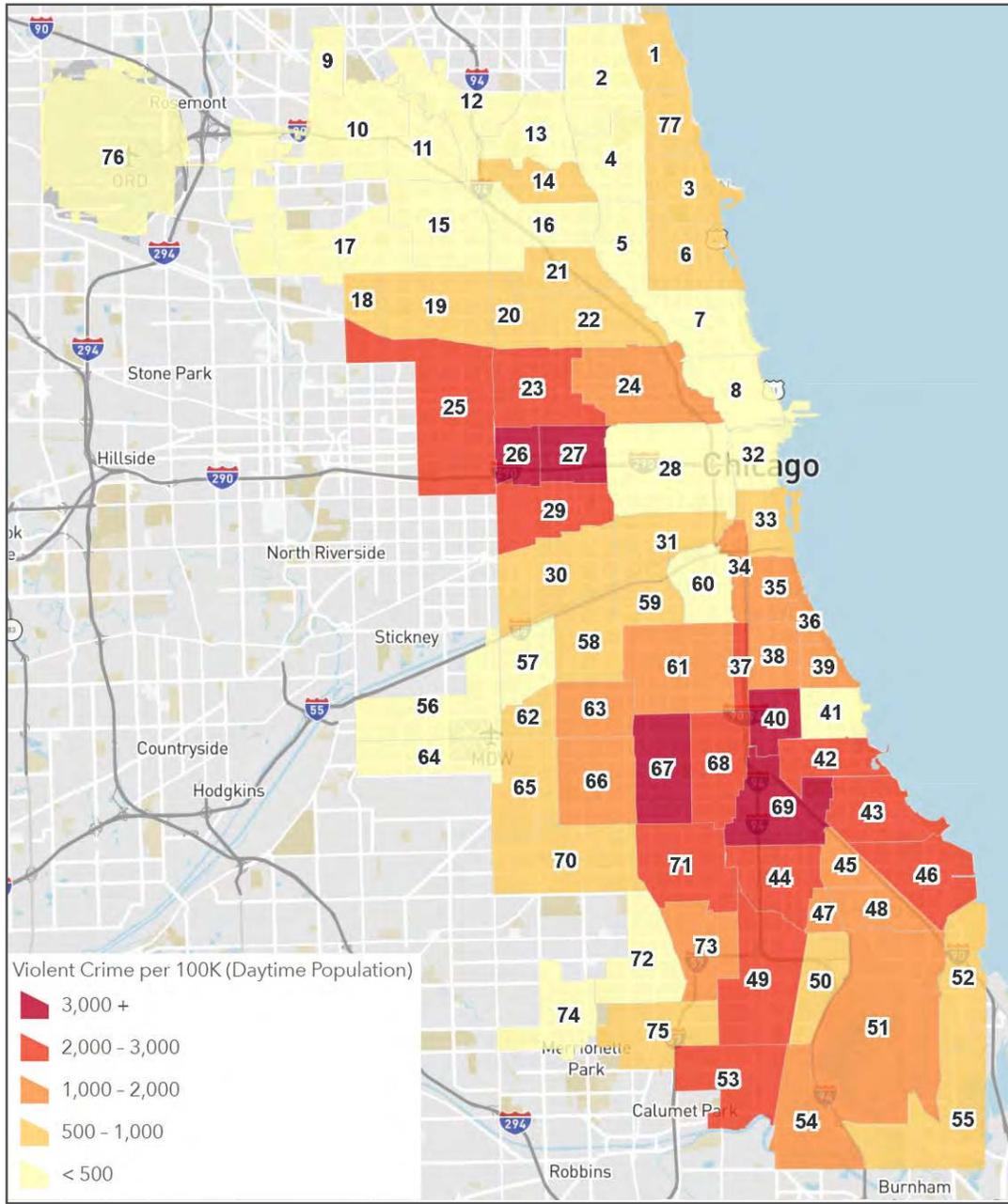
Source: FBI Uniform Crime Report, Offenses Known to Law Enforcement

Perceptions and reputations take time to change. While overall crime has been steadily declining, a recent uptick in violent crime certainly does not improve the city’s reputation and image. Chicago needs to not only reduce the incidents of crime that are impacting many of the neighborhoods on the South and West sides of the city, but also needs to communicate the improvements that have been made, focusing on high-impact and high-visibility solutions that incorporate community feedback.

While Chicago has clear need for improvement, it also has the issue of crime concentration in specific neighborhoods outside the CBD. Crime in Chicago is not evenly distributed, but rather it is concentrated in a subset of community areas. As shown on the following chart, violent crime based on daytime population is particularly acute in communities in the south and west sides of the city. This is in stark contrast to the CBD, which has a lower violent crime rate.¹⁵ This disparity may be partially responsible for the difference in the headlines and the reality experienced by many business tenants in the Loop.

When looking at the combination of crime, political dysfunction, and financial health, it is easy to see that Chicago has room for improvement and needs long-term solutions to help improve the well-being of local businesses and residents alike. Despite these challenges, Chicago attracts professionals and companies from around the globe while boasting of its top universities, entrepreneurship, and technology. If Chicago can effectively harness and leverage its strengths to address and solve its enduring issues, it will dramatically improve its global standing as a world-class city.

Violent Crime Rates by Community Area, September 2017-September 2018



Source: Chicago Police Department, ClearMap, ESRI

- | | | | | | |
|-------------------|-----------------------|-----------------------|--------------------|-------------------|-------------------------|
| 1 Rogers Park | 14 Albany Park | 27 East Garfield Park | 40 Washington Park | 53 West Pullman | 66 Chicago Lawn |
| 2 West Ridge | 15 Portage Park | 28 Near West Side | 41 Hyde Park | 54 Riverdale | 67 West Englewood |
| 3 Uptown | 16 Irving Park | 29 North Lawndale | 42 Woodlawn | 55 Hegewisch | 68 Englewood |
| 4 Lincoln Square | 17 Dunning | 30 South Lawndale | 43 South Shore | 56 Garfield Ridge | 69 Greater Grand Crssng |
| 5 North Center | 18 Montclare | 31 Lower West Side | 44 Chatham | 57 Archer Heights | 70 Ashburn |
| 6 Lake View | 19 Belmont Cragin | 32 Loop | 45 Avalon Park | 58 Brighton Park | 71 Auburn Gresham |
| 7 Lincoln Park | 20 Hermosa | 33 Near South Side | 46 South Chicago | 59 McKinley Park | 72 Beverly |
| 8 Near North Side | 21 Avondale | 34 Armour Square | 47 Burnside | 60 Bridgeport | 73 Washington Heights |
| 9 Edison Park | 22 Logan Square | 35 Douglas | 48 Calumet Heights | 61 New City | 74 Mount Greenwood |
| 10 Norwood Park | 23 Humboldt Park | 36 Oakland | 49 Roseland | 62 West Elsdon | 75 Morgan Park |
| 11 Jefferson Park | 24 West Town | 37 Fuller Park | 50 Pullman | 63 Gage Park | 76 O'Hare |
| 12 Forest Glen | 25 Austin | 38 Grand Boulevard | 51 South Deering | 64 Clearing | 77 Edgewater |
| 13 North Park | 26 West Garfield Park | 39 Kenwood | 52 East Side | 65 West Lawn | |

CONCLUSION

In the recipe for corporate success, Chicago has all of the necessary ingredients. It boasts an incredibly deep and diverse talent base, supported by world-class cultural amenities and an established transit network to make them accessible. However, some companies and employees remain justifiably concerned about the political environment, the fiscal conditions, and the elements of violent crime that plague certain areas of the city. With a true focus – at all levels of government - on crime reduction, a sensible and balanced budget, and political cooperation over partisan fighting, Chicago could rise to a level of unrivaled success in attracting corporations.

BOMA/Chicago is proud to partner with the city and its community of building owners and investors to help ensure a brighter future for all of Chicago's businesses and residents.

APPENDIX

COMPANY SURVEY QUESTIONS

1. Introductory, Demographic Questions

- a. Company name
- b. Primary industry
- c. Number of employees
 - i. Total, global
 - ii. In local headquarters

2. Location Strategy Questions:

- a. Please identify the factor that was most influential in your selection of Chicago for your organization's headquarters:
 - i. Talent, people
 - ii. Access to customers
 - iii. Educational facilities
 - iv. Branding, image
 - v. Taxes, costs, incentives
 - vi. Other, please explain
- b. Within Chicago, please identify the neighborhoods or submarkets that you find most productive for your business.
- c. Are there certain neighborhoods or submarkets that you view as the most interesting for future growth or development?
- d. For those companies that did not select Chicago for their location (or those considering relocation from Chicago):
 - i. Please identify the factors that influenced (or may influence) your decision:
 1. Property taxes
 2. Corporate or personal taxes
 3. Other operating expenses
 4. Crime or violence
 5. Housing or other costs
 6. Political environment
 7. Other, please explain

3. Please identify the importance of public transit for your employees and your business.

4. How much of a concern does the political environment in the city/state pose for your organization (1-7 scale)?

5. How much of a concern are rising property taxes for your organization (1-7 scale)?

6. How much of a concern does the issue of crime in Chicago pose for your organization (1-7 scale)?

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For more information:

Building Owners and Managers Association of Chicago
115 South LaSalle Street, Suite 2300
Chicago, IL 60603-3801
www.bomachicago.org
(312) 870-9600
info@bomachicago.org

