

DeKalb County Leads Region in Industrial Development

2010 and 2011 were remarkable years for DeKalb County economic development! Business retention visits documented in the **2009 DCEDC Voice of Industry Report** indicated that 59% of the companies surveyed planned to expand in the near future. True to these results, significant expansion and new industrial construction was initiated in 2010 and 2011. **3M's** newest distribution center was completed in DeKalb's **Park 88**. Headquarters/manufacturing plants for **SK Hand Tool** and **Smart Motion Robotics** have been completed in the **Sycamore Prairie Business Park**. Several other manufacturers completed or initiated expansions.

With **812,000** square feet under construction, **DeKalb County accounted for 28% of all industrial construction in the Metro Chicago Market during 2010**. Total new industrial construction was 2.9 million square feet during 2010. DeKalb County was one of the hottest industrial markets in the region accommodating 28% of all industrial construction in a county with 1.3% of the regional population (106,000 / 8,150,000). As a result of these construction projects, as well as several leases, expansions and acquisitions; **industrial absorption in DeKalb County exceeded 1,000,000 square feet for the first time since 2006**.

The **3M Regional Distribution Center** in DeKalb's Park 88 was selected as the Industrial Build-to-Suit Project of the Year by the Chicago Chapter of the National Association of Industrial and Office Parks (NAIOP). The award recognizes the significance of the \$25 million project in the Metro Chicago market. This is 3M's fifth expansion in DeKalb. The 650,000 square foot building is expandable to 1,000,000 square feet and was constructed on a 49 acre site. The 3M build-to-suit is a joint development of Clayco Realty Group and Venture One Development Services. The project team includes Heitman Architects and Jacob & Hefner engineers. Park 88 was represented by Venture One and Milner & Associates.

3M will retain 300 positions in DeKalb. Outstanding efforts by the City of DeKalb to expedite project review and permitting were instrumental in accommodating the accelerated timetable required by 3M. The project was completed in April, 2011. This project was made possible by a new 5-Year Intergovernmental Tax Abatement Agreement. Individual resolutions of support were approved by DeKalb taxing bodies including the City of DeKalb, DeKalb School District #428, DeKalb Library District, DeKalb Sanitary District and DeKalb Township and DeKalb Park District. Kishwaukee College and the DeKalb County Board also approved abatement resolutions in support of the project. The importance of this cooperation cannot be overstated. The project could not have commenced without the support of these taxing bodies.

The award reinforces the importance of DeKalb and Park 88 in the Metro Chicago real estate market. The Venture One / Clayco Realty Group team was recognized by their peers - the top developers in the region - as the most significant industrial build-to-suit project in 2010. 3M is a diversified technology company serving customers and communities with innovative products and services. 3M has a worldwide presence in the following markets:

- consumer and office products,
- display and graphics,
- electronics and communications,
- health care,
- industrial and transportation, and
- safety, security and protection services.

The 3M DeKalb Distribution Center Campus is the primary location for the storage and shipment of domestic and international consumer and industrial products worldwide. Total employment at the four DeKalb facilities is 609 making 3M the largest private, for-profit employer in DeKalb County.

Manufacturing is the largest generator of gross domestic product (GDP) in DeKalb County, according to the NIU Center for Governmental Studies. In addition, the manufacturing sector is the largest source of jobs that pay above average wages in the county. **DeKalb County has a significantly higher concentration of employment in several distinct manufacturing business sectors than the average for counties when adjusted for population**. The sectors exhibiting particularly high concentration include primary metals, fabricated metal products, machinery, computer and electronic products, plastics and rubber products. Some of the larger DeKalb County manufacturers include; IDEAL INDUSTRIES, INC., Tegrant Corporation, DeKalb Forge Company, SK Express, Auto Meter Products, The Suter Company, Sycamore Systems and Tate & Lyle. **More DeKalb County residents are employed in manufacturing than any other private sector industry**. In addition, 40% of these manufacturing-skilled residents are employed outside the county, implying that new manufacturers could tap into local sources of labor if they located in DeKalb County.

Several manufacturers have expanded during the past two years. **IDEAL INDUSTRIES INC.** acquired three hand tool-manufacturing companies: **SK Hand Tool**, **Pratt Read** and **Western Forge**. **Tegant, Tate & Lyle, Elgiloy and SK Express** expanded onsite and **Algus** acquired a nearby building. Additional expansions are planned. The attributes that contribute to the success of local manufacturers are attracting new companies to DeKalb County. ***All new manufacturing buildings in Metro Chicago during 2010 - SK Hand Tool and Smart Motion Robotics - were built in the Sycamore Prairie Business Park.***

This trend continued into 2011 as two additional manufacturing facilities were constructed in DeKalb County. **H. A. Phillips** built a new building in DeKalb and **Precision Enterprises** began construction in Somonauk. ***In all - four new manufacturing facilities have been completed or were under construction during the last 24 months in DeKalb County.*** In addition, another firm, **Production Cutting Services** established operations in an existing building in Waterman.

A new 130,000 square foot corporate headquarters and production facility for **SK Hand Tool** was completed for IDEAL INDUSTRIES by Krusinski Construction Company in an unprecedented 12 weeks. This was made possible by excellent design work done by Kwasek Architects and engineering provided by Missman Stanley. IDEAL acquired the bankrupt SK Hand Tools in late August of 2010 and needed to be operational as soon as possible in order to regain the confidence of customers. After a thorough search for suitable rental sites in the surrounding area, the only option that emerged was new construction.

IDEAL's knowledge of Sycamore and what it offered made it the logical choice. The City of Sycamore's ability to embrace the scope and schedule of this project was crucial. The close cooperation of all parties at every step along the way allowed SK to begin shipping the following spring. The project was awarded on August 28th. Design was approved and permits were issued in 4 weeks. Construction began on September 24th and precast and steel erection began on October 19th. By November 23rd, the structure was complete. Occupancy of the manufacturing space occurred on December 17th (after 12 weeks) and the office occupancy by January 21st, 2011 (after only 16 weeks).

The project represents a significant investment in and commitment to Sycamore and DeKalb County. It expands the county's solid manufacturing base, increases employment and expands the tax base to the benefit of schools, public services and residents. This facility could have been located in any number of places. IDEAL's decision demonstrates that there is no better place to do business than DeKalb County. All the resources are present for businesses to succeed. The company expected to hire 35-40 workers initially. Increased employment is anticipated as the operation becomes established.

Smart Motion Robotics completed its new 32,000 square foot, \$2 million headquarters in the Sycamore Prairie Business Park. The facility houses 18 full-time workers engaged in the design, assembly, programming and testing of robotic solutions for domestic and international manufacturing and packaging clients. The building was designed by Kashekash Associates, Ltd. General Contractor Jim Lackowski served as Project Manager for the construction. The building is designed to accommodate the company's projected growth with employment increasing to 30 workers in the near future.

It is no accident that Smart Motion chose Sycamore to produce cutting-edge robotics systems. The City is a strong advocate for business and strives to maintain a competitive and friendly environment for production operations. The project was supported by tax abatement agreements with the City of Sycamore, Sycamore School District, DeKalb County Board, Sycamore Park District, Sycamore Public Library, Kishwaukee College and Cortland Township. Robotic automation is intended to help businesses reduce costs, create efficiencies and improve product quality. One of Smart Motion's most notable systems is *SmartPacker*, the egg industry's leading robotic egg packing solution. The *SmartPacker* was the first automation system to succeed in transforming the egg industry packing process.

In 2011, **H.A. Phillips** completed construction of a new manufacturing facility on a 2 acre site in DeKalb's Airport North Industrial Park. H. A. Phillips, a manufacturer and supplier of control solutions for industrial refrigeration systems, constructed a 22,800 square foot building with tall ceilings and a bridge crane to better accommodate fabrication of refrigeration vessels has equipment. The new building will allow H.A. Phillips to increase production and expand their extensive line of refrigeration control equipment. The site and building are designed to accommodate expansion to 33,500 square feet. The company invested approximately \$2 million in this project.

H.A. Phillips products include float valves, electronic and pressure regulating valves, pressure vessels, recirculation systems and accessories. The company also distributes Danfoss industrial refrigeration valves and systems. The firm contacted DCEDC upon referral from their builder, Schramm Construction, who was familiar with the personnel and organization. The City of DeKalb was aggressive in addressing the company's needs including committing to timely design review and permit processing.

Precision Enterprises is completing a new Engineering Campus in Somonauk, Illinois. The new 8,000 square foot facility is located on Somonauk Road north of Route 34 in southern DeKalb County. Precision Enterprises is an aluminum production casting foundry and machine shop with four locations in the Chicago area. The firm provides a full range of design, pattern making, casting and machining servicing to customers worldwide. When finished, the building will house a state-of-the-art Engineering Computer Center. From this location product CAD files will be documented, checked for accuracy and given final approval before starting production. All foundry and machine shop tooling design will be coordinated from this new location. Precision Enterprises has generated double-digit growth for the past 15 years due to leadership, acquisitions and dedication to their customers. Total investment is projected to be approximately \$500,000

Production Cutting Services (PCS) expanded from their base in Moline, IL by leasing 65,000 square feet of space in the Vision Pickling Building in Waterman, located on Route 30 and Route 23 in southern DeKalb County. PCS does business with Vision Pickling's own QC Pickling operation in Moline and they intend to expand that relationship by servicing the Waterman facility and other northern Illinois manufacturers. PCS provides metal parts and fabrication services to large equipment manufacturers and metal distribution centers.

Tegant/Alloyd Brands has consolidated operations from Pennsylvania and Arlington Heights to their headquarters, research and production facility on Pleasant Street in DeKalb. Tegant has invested over \$5 million in remodeling the 110 year old facility since their acquisition of the Alloyd Company in 1991. Tegant Corporation markets and produces engineered packaging solutions through their three business units:

- Alloyd Brands makes retail packaging material and machines;
- Thermosafe Brands creates temperature sensitive medical packaging for the pharmaceutical, biotech and food industries; and
- Protexic Brands manufactures protective packaging products including molded and fabricated foams.

The company employees 370 workers in DeKalb.

Algus acquired the former D. B. Hess building on Peace Road and Route 38. Algus designs and manufacturers sealing machines and provides thermalformed packaging and full-service contract packaging products and services. They are headquartered in DeKalb and purchased a 90,000 square foot manufacturing facility located on Peace Road and Route 38 in the City of DeKalb. The new building will house Algus' machinery builders.

The Suter Company has completed an office expansion and new exterior façade improvement for their headquarters and manufacturing facility in Sycamore. The addition provides much-needed training, conference and office space to support this growing and innovative food products company. The Suter Company offers an extensive line of refrigerated salads, dips & spreads, snack & lunch kits, deviled eggs, canned salads and other prepared foods.

SK Express has leased an additional 11,000 square feet of space in the Sycamore Industrial Park. The company manufactures wire harness systems and cable assemblies for heavy equipment manufacturers and assembly plants throughout the world. Production for Caterpillar has increased dramatically in recent months increasing SK's employment to over 250 workers. Working with transport partners, SK provides just-in-time delivery to heavy equipment assembly plants anywhere in the world.

Elgiloy Specialty Metals has leased an additional 30,000 square feet of space in the Sycamore Industrial Park since their initial 52,800 square foot lease in 2007. The Sycamore operation produces safety equipment for the offshore oil and gas industry. The Specialty Metals Division manufactures drawn round wire in nickel, nickel-cobalt, titanium and stainless steel alloys. Elgiloy serves the aerospace, medical device and petrochemical industries.

DeKalb Forge has completed a major expansion of its plant on Pleasant Street. New metal forging equipment will enable the growing manufacturer to increase its production capacity. DeKalb Forge supplies closed die forgings to the aerospace, railroad, mining, oil and gas, truck, heavy equipment, recreational vehicle, automotive, firearms, motorcycle, agriculture and shipbuilding industries.