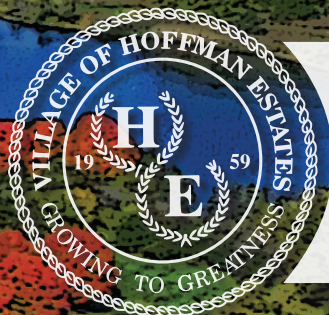




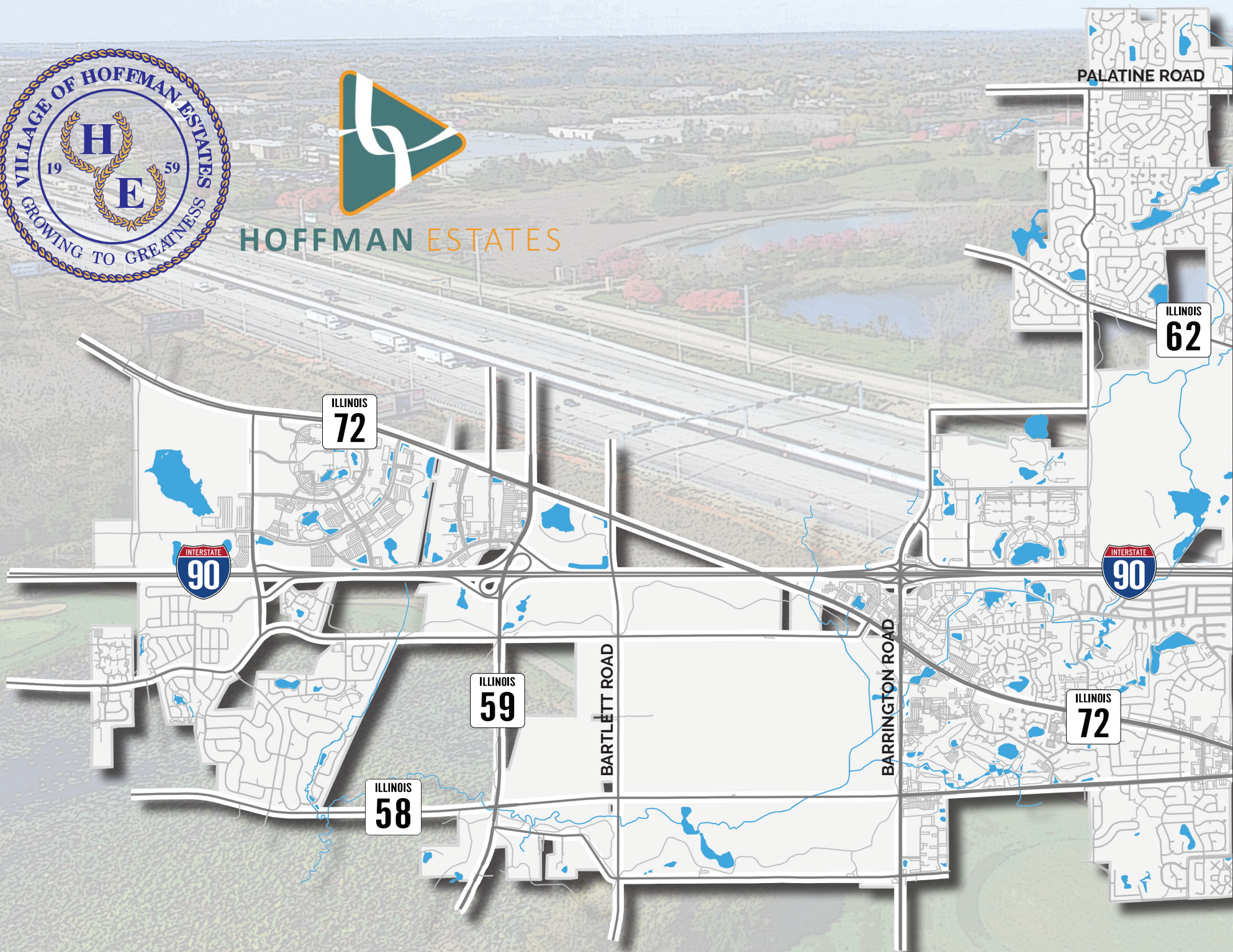
HOFFMAN ESTATES



VILLAGE OF HOFFMAN ESTATES ECONOMIC DEVELOPMENT STRATEGIC PLAN



HOFFMAN ESTATES



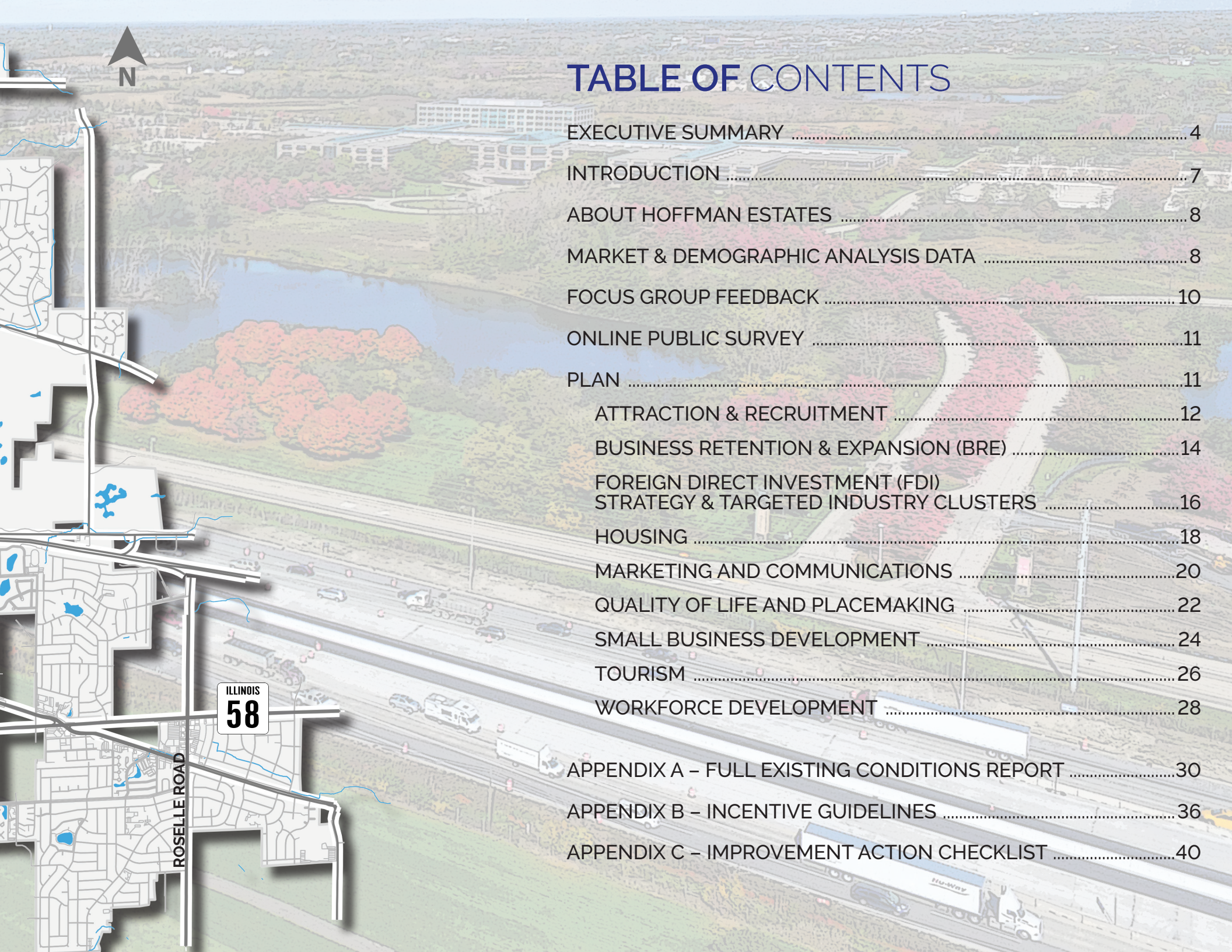


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EXECUTIVE SUMMARY

The Village of Hoffman Estates has a diverse landscape of commercial land uses from corporate office to light industrial to retail and restaurants. While the economy remains strong coming out of a global pandemic, national and regional trends suggest a need for strategic planning about the future of economic development within the community. The Villages' economic development efforts help to shape the place, skills, and resources that influence business attraction, retention, expansion, and overall quality of life.

The economic development **mission** of the Village is to: *create an environment for the business community to succeed and prosper which in-turn improves the quality of life and the identity of the community while growing the Village's tax base to ensure long-term financial sustainability.*

BACKGROUND DATA

In order to establish a clear path forward for the Hoffman Estates economy, it is important to evaluate current conditions. In the fall of 2021, the Village's Economic Development Division conducted a three-pronged effort to collect data to analyze the existing conditions of the local economy. Those three prongs included:



THE PLAN

Using the background data, stakeholder input, and standard economic development practices, nine strategies are identified to guide Village efforts in the coming years. These initiatives address how the Economic Development Division and the Village can engage with businesses, developers, site selectors, brokers, residents, and visitors in a proactive and customer-centric manner. The goal of each strategy is to encourage forward-thinking approaches to development and to improve the overall business climate of the Village. Each section specifies the **GOAL, OPPORTUNITIES AND CHALLENGES** related to the strategy, **IMPROVEMENT ACTIONS, OUTCOMES** and **KEY PARTNERS** involved in executing the strategy. The strategies all have importance and efforts should be made to carry them out equally.





1. ATTRACTION & RECRUITMENT

Goal: Attract new investment to the community, which will grow and diversify the tax base to improve the economy and quality of life for all businesses and residents. Focus attraction efforts on businesses that provide living-wage jobs or align with the skills of the residents within a 30-minute drive of the Village.



2. BUSINESS RETENTION & EXPANSION (BRE)

Goal: Build and maintain an effective BRE program that incorporates formal annual visits to larger employers and property tax generators as well as informal check-ins with owners, presidents and managers of all businesses. In order to provide an effective BRE program, it is required that communication is consistent, confidentiality is maintained, customer service is a priority, and business needs are addressed in a timely manner.



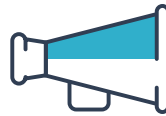
3. FOREIGN DIRECT INVESTMENT (FDI) STRATEGY & TARGETED INDUSTRY CLUSTERS

Goal: Grow the economic tax base through new international investment and improve services to the existing industry clusters in order to attract more businesses within the same cluster.



4. HOUSING

Goal: Increase the diversity and supply of attainable, desirable housing for all.



5. MARKETING AND COMMUNICATIONS

Goal: Effectively market the Village to increase awareness of strengths and attract new growth while communicating pertinent information to the existing businesses and residents.



6. QUALITY OF LIFE AND PLACEMAKING

Goal: Enhance the health and well-being of people and businesses, as well as the natural and built environment by facilitating connections, providing spaces to prosper, nurturing community engagement, and fostering a greater sense of commonality.



7. SMALL BUSINESS DEVELOPMENT

Goal: Foster an environment for small business growth to enhance the diversity and competitiveness of the local economy. This can be done by improving communication to small businesses, increasing services and incentives for growth, assisting with marketing and promotions, and by targeting new sectors to broaden business diversity.



8. TOURISM

Goal: Promote regional tourism through the creation of specialty programs and strengthening relationships with the hospitality industry.



9. WORKFORCE DEVELOPMENT

Goal: Create economic prosperity for individuals and businesses by fostering a culture of workforce development, focusing on integrated programs and long-term goals with development of human capabilities at the center.

Several unifying objectives underpin each strategy so those objectives are interwoven into the improvement actions, including improving transportation into and around the village, encouraging sustainability, and utilizing innovative technologies.

With a continued attitude of growth and development towards improving the economy while coming out of a global pandemic, this plan aims to guide the Village's economic development efforts for the next 5-7 years. It is meant to be a living document that is updated annually over that time with minor changes to the improvement actions and strategies based on new trends and demographic insights.



INTRODUCTION

The Village of Hoffman Estates has a diverse landscape of commercial land uses from corporate office to light industrial to retail and restaurants. While the economy remains strong coming out of a global pandemic, national and regional trends suggest a need for strategic planning about the future of economic development within the community. A core function of the Economic Development Division in Hoffman Estates is to support business growth that will result in increased jobs, revenue, and investment for the community. The Villages' economic development efforts help to shape the place, skills, and resources that influence business attraction, retention, expansion, and overall quality of life.

Strategic planning for economic development provides a living vehicle for elected officials, community leaders and staff to:

1. **THINK STRATEGICALLY;**
2. **MAKE SOUND DECISIONS IN AN EVER-CHANGING ECONOMIC LANDSCAPE;**
3. **FOCUS DEVELOPMENT EFFORTS AND;**
4. **DEVELOP CONSENSUS FOR COLLABORATIVELY SOLVING PROBLEMS.**

Consequently, remaining stagnant with an informal economic development strategy from 2005 that was applicable prior to the great recession and the COVID-19 pandemic, would stray behind the current innovation and collaboration occurring in the community. With a continued attitude of growth and development towards improving the economy while coming out of a global pandemic, this plan aims to guide the Village's economic development efforts for the next 5-7 years.

GOAL AND MISSION OF THE PLAN:

A long term goal of the Village Board is to create a thriving and vital local economy with a strong blend of retail, clean-industrial, commercial, and residential properties. Additionally, the Board approved two key sub-area plans in July 2021; the Western Area plan and the I-90/Barrington Road Sub-Area plan. These thoughtful and focused plans were taken into consideration while drafting this strategic plan.

The economic development **MISSION** of the Village is to:

create an environment for the business community to succeed and prosper which in-turn improves the quality of life and the identity of the community while growing the Village's tax base to ensure long-term financial sustainability.

This plan is meant to be a living document that is updated annually over the next five years with minor changes to the improvement actions and strategies based on new trends and demographic insights. Bearing this in mind, the **GOAL** of the Village's Economic Development Strategic Plan is to

establish a framework by which the Village can accomplish its economic development mission.



ABOUT HOFFMAN ESTATES

In order to establish a clear path forward for the Hoffman Estates economy, it is important to evaluate current conditions. In the fall of 2021, the Village's Economic Development Division conducted a three-pronged effort to collect data to analyze the existing conditions of the local economy, as seen below:

MARKET & DEMOGRAPHIC ANALYSIS DATA

Comprehensive and objective information was compiled using the U.S. Census Bureau, the U.S. Bureau of Labor Statistics, and the CoStar Group data. The demographic and market analysis (**Appendix A**) covers everything from the population, ethnicity and educational breakdowns to analyzing the housing market, consumer spending patterns, overall business statistics, and why peer communities were chosen for benchmarking.

DEMOGRAPHIC ANALYSIS

As of the 2020 census, the Village of Hoffman Estates has a population size of 52,530 with a median age of 38.6. While Hoffman Estates is similar in population size to peer benchmark communities such as Urbandale, IA and Dublin, OH, the ethnic breakdown is quite different. Although all three communities have a high percentage of those who are White, Hoffman Estates has much

higher percentages of Asian and Hispanic or Latino descent. Even more so, Hoffman Estates has a higher level of educational attainment compared to peer communities, with nearly 48% of residents holding a bachelor's degree or higher.

QUALITY OF LIFE AND PLACE

As of 2019, there are over 18,500 total housing units with a median value of \$283,000 in the Village, nearly 13,500 of which are owner-occupied, with the other 5,000 units being rental properties or vacancies. Of those occupied, the median household income in Hoffman Estates is almost \$92,000 compared to the median household income in Illinois of almost \$66,000. Households with children have access to some of the top school districts in the state as the Village is served by six different school districts, each with its own unique amenities.

In addition, the Village is home to 735 acres of park land, two community centers, three golf courses, a state-of-the-art fitness center, two ice arenas, a family aquatic center, and 72 parks; all of which are operated by the Hoffman Estates Park District. Another 4,000 acres of forest preserve, owned by the Cook County Forest Preserve District, is located within Hoffman Estates. These preserves offer more than 20 miles of bike and pedestrian paths. The Village is also home to the St. Alexius Medical Center campus. As part of the Ascension Health Hospital umbrella, St. Alexius Medical Center is a 318-bed state-of-the-art facility offering surgical services, a Level III NICU, a Level II ER, access to top doctors, and a 141-bed behavioral health facility. The wide variety of amenities and facilities in and around the Village provide extensive and diverse opportunities for events, recreation, and cultural activities.

BUSINESS ANALYSIS

Industries – Hoffman Estates has a robust business community with over 1,400 companies ranging from machine tool manufacturers to office services, hotels to healthcare, and retail to restaurants. In fact, the service industry in Hoffman Estates, including health, legal and other services, makes up 47.2% of the business sector and 37.1% of the employee population within the area. Retail comprises nearly one-fifth (18.6%) of the business sector in the Village.

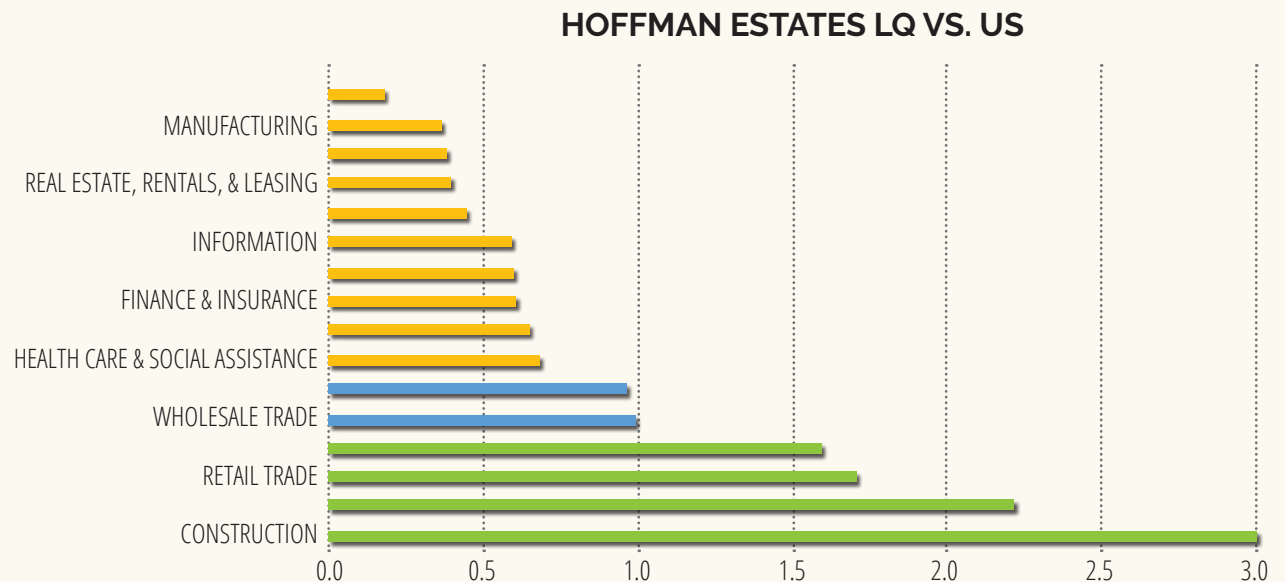
Employment – Hoffman Estates has three key business clusters, including machine tool manufacturers, food sciences, and a medical cluster near the hospital. Even though manufacturing represents many of the Village's top employers, it only completes 5.6% of the employee population with a total of 2,200 employees. This speaks to the high number of small businesses and concentration of entrepreneurs within the community. Still, nearly 18% of the businesses in Hoffman Estates employ just over 7,100 people, so there are many larger employers in town as well.

As many residents went on unemployment in April 2020 at the start of the pandemic, the unemployment rate spiked to 15%. When the economy began to recover, many employees did not return to work and businesses were faced with a labor shortage that continues as of the writing of this report. The unemployment rate has declined to 3.4% as of February 2022.

Location – When it comes to domestic and international travel, the Village has the advantage of being close to three airports. Hoffman Estates is 20 minutes from O'Hare International Airport, 45 minutes from Rockford International Airport, and 60 minutes from Midway Airport. Considering Hoffman Estates is home to many international companies, it is convenient to be so close in proximity to these significant international airports.

Location Quotient – Location quotient (LQ) is a statistical technique used to identify areas of competitive advantage within a community. LQ for a given industry is calculated as a ratio of employment in the community compared to the state and national levels. Furthermore, the measurement gauges relative business sector concentration, identifies underrepresented sectors, and indicates potential growth in specific sectors. An LQ greater than 1.000 suggests a local competitive advantage in that sector, whereas an LQ below 1.000 indicates a lower industry specialization as compared to the larger region. An LQ of approximately 1.000 implies the community is on par with the greater region for the specified business sector.

Hoffman Estates has a strong retail sector, as demonstrated by its above-average LQ of 2.249 compared to the State and 1.706 compared to the nation. Moreover, Hoffman Estates has a higher LQ for construction and mining compared to Illinois (4.326) due to the work from Leopardo Construction and Plote Construction, the



latter also operating a mining quarry. The high concentration of construction business is also due to the many smaller, mom-and-pop-type mechanical, electrical, construction, and handyman companies in town. Additionally, health care and social assistance LQs are slightly above 1.000 compared to the State, with a wealth of medical care businesses surrounding St. Alexius Medical Center. Lastly, the professional, scientific and tech services sector is often a clear indicator of community economic health as it includes many types of jobs, but specifically the growing tech category. Hoffman Estates has an LQ of 0.807 within this sector when compared to Illinois, but an LQ of only 0.598 when compared to the country.

REAL ESTATE AND LABOR ANALYSIS

Office – As of the third quarter of 2021, the Village of Hoffman Estates has 7.4 million square feet of office inventory. Office vacancy rates are unusually high, likely due to the impacts of the COVID-19 pandemic increasing the number of those who now work remotely. Consequently, businesses have not renewed leases or expanded coming back from the pandemic. Vacancy rates throughout Chicagoland remain around 14.5% compared to a typical historic rate of around 12%. However, in the Schaumburg Area Office Market, the vacancy rate is up to 24.9%, and in Hoffman Estates alone, it is at 34.3%. The higher vacancy rates in Hoffman Estates are due in large part to the majority of the Bell Works Chicagoland project having more than 1.5 million square feet of space still available and the former Sears Campus, now owned by Transformco, having all 2.4 million square feet on the market.

Retail – The Village has 18 retail shopping centers and several more small retail strip buildings. As of the third quarter in 2021, there were 55 retail properties with some or complete vacancies out of 134 total properties with retail space. Those 134 properties total 2.6 million square feet of inventory with an 8.1% vacancy rate compared to the greater Chicago metro area, which has a vacancy rate of 6.2%. Several of the shopping centers are grocery-anchored by Mariano's, Jewel-Osco, and Valli Produce, while others are anchored by large retailers such as Target.

Industrial – Most of the 21 industrial properties, containing 1.5 million square feet, are older and do not have the higher ceiling clear heights most industrial and manufacturing users desire from a space today. Still, there is only a 0.9% vacancy rate in those industrial buildings. As of the third quarter of 2021, 250,000 square feet of new speculative industrial space was under construction, which represented the first new spec industrial construction in the Village since the late 1970s. Accelerated by the COVID-19 pandemic, industrial is the hottest real estate sector across the country, especially in the Chicagoland area. Of the 1.1 billion square feet of industrial in the Chicago metro area, only 5.1% is vacant, and another 18.7 million square feet is under construction.

FOCUS GROUP FEEDBACK

With the help of a consultant, the Village gathered feedback from 27 key parties through focus group and one-on-one interviews to help inform an updated economic development strategy. Despite some key challenges, including the lack of a cohesive identity and town center, Hoffman Estates is seen as having many assets and opportunities - from location and infrastructure to its staff and elected officials – which the Village can continue to build upon to strengthen the community identity and economic success. Many commented on the idea of a live/work/play environment to attract and retain people and businesses in the Village. Using community feedback, a well-defined economic development strategy and vision can be created to help the Village leverage its many strengths and address its weaknesses.

SUMMARY OF STAKEHOLDER INPUT AND RECOMMENDATIONS

STRENGTHS/STRONGEST ASSETS	CHALLENGES/AREAS FOR IMPROVEMENT*
Location	Review/approval processes can be lengthy
Interstate access	Lack of sufficient good hotel/dining options within the Village
Proximity to O'Hare airport	Lack of a cohesive vision/identity as a whole for the Village partly due to lack of a town center
Close to different labor markets	Challenges/limitation of Pace access and last mile commute (sidewalks, bus shelters)
Pro-development/pro-business	Some roads need maintenance and improvements
Economic development and planning staff	Power outages have been a concern for a few businesses
Village Board	
Availability of sites/space	
Diversity of businesses	
Natural/recreational resources	
Community-minded	
Affordable place to live	
Generally well-kept and attractive	

* Many of the areas identified for improvement have seen progress for the better over the years since the initial economic development strategic plan in 2005. The comments are subjective feedback and were reviewed as such when creating the plan of action.

ONLINE PUBLIC SURVEY

In October 2021, staff conducted an online public survey seeking input on the perception of the Village, ways the local economy should develop, and top economic development priorities with additional optional demographic questions. 165 respondents, mostly Hoffman Estates residents, gave a wide variety of answers where the following trends and themes emerged:

- More than 70% of respondents felt the Village was **"Very or Somewhat Business Friendly."**
- The top-ranked economic development priorities included: 1. Business Retention and Expansion; 2. Business Attraction; 3. Small Business Development; and 4. Workforce Development and Real Estate Development.
- The main goal for how the local economy develops was to focus on increasing Village revenues, with a majority believing that an improved quality of life also has importance.
- When asked to describe where the Village is located, 42% of respondents said the **"Northwest Suburbs of Chicago,"** 13% stated it was **"Near Schaumburg,"** and an additional 13% said it was **"Near O'Hare."**
- As it relates to the future of the Village, 21% of respondents were optimistic about new business development and attraction efforts, 11% were optimistic about the leadership, and 9% were optimistic about the Bell Works Chicagoland project. Conversely, 16% were concerned about crime, 10% about rising residential taxes, and another 10% were concerned over the amount of vacant retail and office space.
- When asked what differentiates Hoffman Estates from neighboring communities or makes Hoffman Estates unique, the terms **AFFORDABLE, SPREAD OUT, DIVERSE,** and **NOW ARENA** were the top answers.



- Finally, when asked if there were any businesses they would like to see in town the most popular answers were **"common grocery stores"** as opposed to high-end, "smaller businesses," and smaller owned restaurants".

These three data sources assisted in drafting the following plan and path forward for economic development efforts in the Village of Hoffman Estates.

PLAN

Using the background data, stakeholder input, and standard economic development practices, nine strategies are identified to guide Village efforts in the coming years. These initiatives address how the Economic Development Division and the Village can engage with businesses, developers, site selectors, brokers, residents, and visitors in a proactive and customer-centric manner. The goal of each strategy is to encourage forward-thinking approaches to development and to improve the overall business climate of the Village. Each section specifies the **GOAL, OPPORTUNITIES AND CHALLENGES** related to the strategy, **IMPROVEMENT ACTIONS, OUTCOMES** and **KEY PARTNERS** involved in executing the strategy. The strategies all have importance and efforts should be made to carry them out equally:

1. **ATTRACTION & RECRUITMENT**
2. **BUSINESS RETENTION & EXPANSION (BRE)**
3. **FOREIGN DIRECT INVESTMENT (FDI) STRATEGY & TARGETED INDUSTRY CLUSTERS**
4. **HOUSING**
5. **MARKETING AND COMMUNICATIONS**
6. **QUALITY OF LIFE AND PLACEMAKING**
7. **SMALL BUSINESS DEVELOPMENT**
8. **TOURISM**
9. **WORKFORCE DEVELOPMENT**

Several unifying objectives underpin each strategy and rather than creating a separate strategy those objectives are interwoven into the improvement actions, they include improving transportation into and around the village, encouraging sustainability, and utilizing innovative technologies.

In addition to the nine strategies, this plan includes **Appendix B**, which addresses incentive guidelines for the Village to participate in development to bring about a public good.

1. ATTRACTION AND RECRUITMENT



Attracting and recruiting new investments to the community should supplement both the Business Retention and Expansion (BRE) and marketing and communication strategies by diversifying the tax base and complementing the existing businesses and residents. The focus should be on relationship building, effective marketing, superior customer service, and the timely response to brokers and site selectors assisting in corporate location decisions.

GOAL: *Attract new investment to the community, which will grow and diversify the tax base to improve the economy and quality of life for all businesses and residents. Focus attraction efforts on businesses that provide living-wage jobs or align with the skills of the residents within a 30-minute drive of the Village.*

EMERGING OPPORTUNITIES & CHALLENGES

OPPORTUNITIES

- **In-Person Events** – Coming out of the COVID-19 pandemic, in-person events are happening again whereby relationships with brokers, site selectors, and company executives can be established and/or fostered to attract new investment.
- **Location** – As is often stated, location matters, and the public survey confirmed that many people associate Hoffman Estates with being near O'Hare Airport and in the northwest suburbs of Chicago along I-90. Additionally, a Pace bus rapid transit Park-n-Ride facility was built at I-90 and Barrington Road with improved accessibility to this station.
- **Affordability** – Hoffman Estates is relatively affordable with an average cost of living index and a diverse range of housing options for all employees in a company. While affordable, residents have access to great services and a high quality of life.

CHALLENGES

- **Lack of Identity** – Both the focus groups and the public survey identified a lack of identity as Hoffman Estates is a fairly large community and very spread out. Finding ways to unify the businesses and residents as one Village is a challenge.
- **Perceptions** – There is a perception that Hoffman Estates is far away from the business activity of Chicago, taxes are constantly rising, crime is an issue, or that the development process takes longer time other communities. Perceptions are not always reality but are important to address.





IMPROVEMENT ACTION

- 1a Market the nearly 900 acres of available vacant land by updating available property websites hosted by the Village, Costar, and the state of Illinois.
- 1b Develop and manage branding and marketing materials that appeal to targeted prospects.
- 1c Work as the liaison to companies and investors coming to town and assist in navigating the entitlement and approval process.
- 1d Target remote workers to build the resident and employment base.
- 1e Attend industry trade shows and events such as Innovating Commerce, Serving Communities (ICSC) shows, Association of Industrial Real Estate (AIRE) luncheons, and Site Selectors conferences to promote the Village and meet with potential investors.
- 1f Target specific companies which residents and other businesses have asked to bring to town and/or will generate desirable benefits, including new revenues for the community.
- 1g Develop a Foreign Direct Investment (FDI) strategy to attract international businesses.
- 1h Manage incentives to effectively attract businesses that align with the Village’s strategic goals while being a responsible steward of the public tax dollars. Publicize the attached Incentive Guidelines to clearly state what would be considered for approval.

TACTIC: For larger projects considering incentives, consider hiring outside consultation

- 1i Utilize Public Private Partnerships to leverage private sector investments into more unique public places for the community.
- 1j Work with partner agencies to maintain and improve the transportation infrastructure as a key attractor for business investment. Analyze various sites for higher densities of automobile and truck traffic to ensure a proper placement of use and site.
- 1k Push to explore and use innovative technologies when attracting new businesses and investors to Hoffman Estates. Create a separate economic

development webpage with information readily available for site selectors and companies looking to invest in the Village. Update this page regularly with demographic data, promotional videos, virtual site tours, and news of activity in town.

TACTIC: Add GIS StoryMaps on the website to explain large development projects, TIF districts, and potential development sites.

- 1l Seek out a variety of land uses not prevalent in the Village to develop on greenfield or redevelopment sites so as to diversify the tax base and provide a more fiscally sustainable economy. Those uses could include but are not limited to speculative/flexible industrial buildings, data centers, multi-story warehouses, micro-distribution centers, modern multi-family, and mixed-use.

OUTCOMES

- Raise and diversify the tax base to support the community.
- Increase the number of small and privately owned businesses, grocery stores, entertainment, dining and hospitality, professional and medical offices, and industrial spaces (technology, food and beverage, medical, life sciences).
- New, living-wage jobs aligned to the skills of the community.
- Create unique public places which give identity to the community.

KEY TEAM & EXTERNAL PARTNERS

- Village Team Members: Village Board, Communications Manager
- Illinois Department of Commerce and Economic Opportunity
- Cook County
- Hoffman Estates Chamber of Commerce
- Commercial real estate brokers
- Trade Industry Organizations (ICSC, AIRE, RBA, Lambda Alpha)
- Site Selectors

2. BUSINESS RETENTION AND EXPANSION (BRE)



BRE is an essential action needed to retain businesses in the community and provide assistance for businesses to expand. An effective BRE program will identify hurdles and challenges for businesses and provide assistance to help a business increase competitiveness, add jobs, remain in the community, connect to new networks and survive economic difficulties in an ever-changing economy. Considering the current economic environment with high unemployment rates and labor shortages, BRE is a critical component of the Village Economic Development efforts.

GOAL: *Build and maintain an effective BRE program that incorporates formal annual visits to larger employers and property tax generators as well as informal check-ins with owners, presidents and managers of all businesses. In order to provide an effective BRE program, it is required that communication is consistent, confidentiality is maintained, customer service is a priority, and business needs are addressed in a timely manner.*

EMERGING OPPORTUNITIES & CHALLENGES

OPPORTUNITIES

- **Economic Development Commission (EDC), Elected Officials and Staff as a BRE Team** – One duty of the Economic Development Commission is to assist with BRE visits. This is an opportunity to bring specific commissioners onto the BRE team, train them and stress the importance of confidentiality during the process. Building the team could free Village staff resources for other important work.
- **Technology** – Despite the challenges brought about by the pandemic, the acceptance of using technology such as video conferences provides the Village with more efficient ways to help stay connected and conduct business visits when in-person visits may not be feasible.

CHALLENGES

- **Consistency** – The Village has had some form of a BRE program since the mid-2000s. However, keeping the program consistent has been difficult with limited staff time devoted to economic development efforts as the outreach, meetings, and follow-ups demand several hours per formal visit or call.
- **COVID-19** – The pandemic has created several challenges to on-site business visits and informal networking events. Creative ways were found to maintain the BRE program but not at a meaningful level.
- **Meeting with Decision Makers** – As many of the larger businesses in the Village are national or international companies, they do not all have the CEO, owner or key decision maker on site. As such, visits are often with the site manager or a mid-level management position who is still subject to higher authority when it comes to business location and investment decisions.

IMPROVEMENT ACTION

- 2a Reestablish the formal BRE visit program by consistently meeting with larger and more prominent employers on a scheduled, triennial basis.
- 2b Periodically survey businesses to track common trends impacting their operations in order to better inform potential program and policy changes.
- 2c Promote multicultural business incubation for companies from other countries to access U.S. markets.
- 2d Implement strategies for businesses to retain and attract skilled workers.

- 2e Annually host networking opportunities/events for community business leaders to promote effective, informal communication.

TACTIC: Schedule CEO Roundtables, Business Appreciation Happy Hours, and other such events

- 2f Continue to participate in and support the Chamber and its events to connect with small and medium-sized businesses.
- 2g Identify stage two companies who have grown past the startup phase but have not yet grown to maturity that may be poised for growth and assist in bringing them to the next level.
- 2h Continually communicate to the business community through various mediums like social media, direct email, letters and live events, especially to share important Village news and events.
- 2i Improve the transportation connections throughout the community and to surrounding areas to assist efficient employee access to employment centers.
- 2j Promote the C-PACE program through Cook County to finance sustainable building improvements.

OUTCOMES

- Create and retain jobs
- Identify red flags and at-risk companies
- Establish and build ongoing relationships with community businesses
- Benchmark industry data for future survey and/or marketing
- Increase investment from existing businesses

KEY TEAM & EXTERNAL PARTNERS

- Village Team Members: Village Board, Economic Development Commission, Village Manager
- Illinois Department of Commerce and Economic Opportunity



- Cook County Bureau of Economic Development
- Hoffman Estates Chamber of Commerce
- ComEd
- Nicor
- School Districts
- Community Colleges (Harper & ECC)
- Greater Chicagoland Advanced Manufacturing Partnership (GCAMP)
- Next Level Northwest (NLNW)
- Chicago Cook Workforce Board
- C-PACE Lenders

3. FDI STRATEGY & TARGETED INDUSTRY CLUSTERS



Foreign Direct Investment (FDI) is the process of foreign capital flowing into a community. Creating and executing an FDI strategy will grow the economic base, broaden the local employment opportunities, and create a more resilient community. There are several ways to attract foreign investment/companies. The most common is to focus on companies already planning to enter the U.S. market or continue U.S. investment by locating another North American facility in the community. In conjunction, focusing on companies that are part of a cluster of firms with related business activities, customers, suppliers or competing businesses in the same sector is another way to attract foreign investment/companies.

GOAL: *Grow the economic tax base through new international investment and improve services to the existing industry clusters in order to attract more businesses within the same cluster.*

EMERGING OPPORTUNITIES & CHALLENGES

OPPORTUNITIES

- **State Trade Missions** – Intersect Illinois, the state’s business attraction arm, travels to several foreign countries each year on trade missions. The Village always has the opportunity to attend those if they align with similar targeted industries and foreign countries who have already invested in Hoffman Estates.
- **Midwest Consul Generals** – Nearly all of the Midwest offices of foreign consul generals are located in the Chicago area. This allows the Village to build relationships with the governments and business promotion advocates of other countries.
- **Existing Clusters** – According to the background data collected, the Village has business clusters of advanced tool manufacturing, food & life sciences, and health and legal services. There are great opportunities to build on these sectors.

CHALLENGES

- **Labor Market** – There is a limited labor pool in the area so when adding competing businesses within a cluster, the existing businesses feel a tightening of the job market available to them.
- **Available Resources** – With limited available time and money, it is difficult to travel abroad on several trade missions. Therefore, thoughtfully partnering with other organizations to maximize those missions is critical.





IMPROVEMENT ACTION

- 3a Create and implement a marketing plan to promote the existing clusters and attract clients and customers of the vertical supply chain for those clusters.
- 3b Work with transportation agencies to improve connections, via I-90, public transportation and hotel shuttles, to O'Hare International Airport as a key connector to other countries.
- 3c Meet bi-annually with the existing clusters as a group to improve services and connectivity.
- 3d Enter into sister city relationships with cities in Japan, German, Switzerland, Korea and/or the UK as a number of companies within Hoffman Estates are headquartered in those countries.

TACTIC: Go on one or two trade missions to these countries.

- 3e Meet with foreign consul generals annually to promote Hoffman Estates as a great place for businesses from their countries to invest.

OUTCOMES

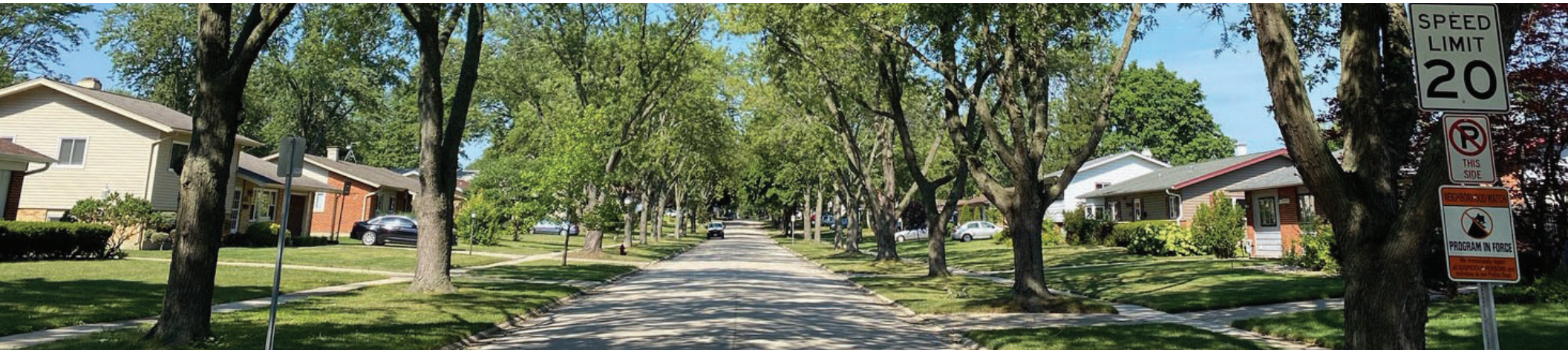
- Attract new jobs, businesses and revenues in targeted industries
- Increase communication and visibility with industry clusters
- Increase investment from foreign-owned companies

KEY TEAM & EXTERNAL PARTNERS

- Village Team Members: Village Board, Communications Manager, Planning and Transportation Division
- Intersect Illinois
- Illinois Department of Commerce and Economic Opportunity
- GCAMP
- Illinois Manufacturing Excellence Center
- SelectUSA
- SelectChicago
- Hotel Owners and GMs



4. HOUSING



Hoffman Estates has its history as a bedroom community to Chicago dating back to the mid 1950's, post WWII. As the community builds out to be self-supporting with more jobs, recreation and industry the housing continued to develop with a majority of subdivisions focused on single-family detached homes. Some multi-family complexes or condo projects were built in the 70s and 80s but in large part the development from the 90s through the 2010s were traditional suburban subdivisions with varying price points. It's time to encourage new products with new amenities that appeal to a new generation of residents. This is because it's important not only for residents but for potential tourists as well as employers who rely upon a quality, diversified workforce living nearby.

GOAL: *Increase the diversity and supply of attainable, desirable housing for all.*

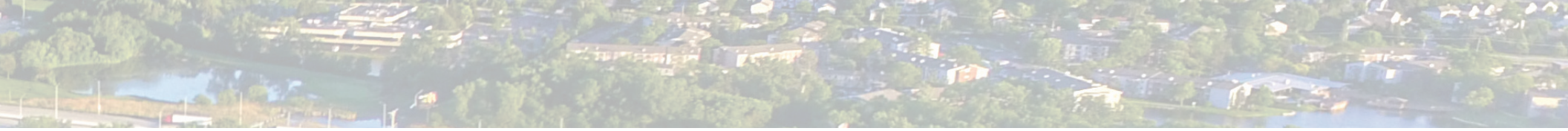
EMERGING OPPORTUNITIES & CHALLENGES

OPPORTUNITIES

- **Prime Infill Sites** – Owners of sites near I-90 and Barrington Road are open to converting outdated space to new multi-family or townhome products. This includes Bell Works, Barrington Square Town Center, and other sites along Hassell Road. These sites are all within close proximity to Pace Park-n-Ride bus rapid transit station to improve transportation connection in and around the community.
- **1,000 Acres of Greenfield** – The Village still has nearly 1,000 acres of vacant property to be developed. This is a great opportunity to diversify the housing stock.

CHALLENGES

- **Housing Availability** – The current residential housing market is very active. Home prices on average, as of the end of 2021, are selling over asking price and in less than 15 days on the market. Therefore, if someone is looking to move to the area it's very difficult to find any homes, much less the home they desire.
- **Multifamily Hole in the Donut** – Hoffman Estates has not had new multifamily housing built in over 30 years whereas neighboring communities have welcomed new units. As such, employees of companies cannot always find a place to live that meets their needs if they want to rent a modern housing unit. Additionally, the multifamily vacancy rate in Hoffman Estates is only 2.9% meaning there are few available units for someone looking to move into the community as a renter.



IMPROVEMENT ACTION

- 4a Seek out new residential developments, especially rental multifamily and townhomes, which will help diversify the existing housing market to provide for a wider range of housing needs.

TACTIC: Work with developers and the special needs community to develop a housing option for those adults looking to live on their own in their community.

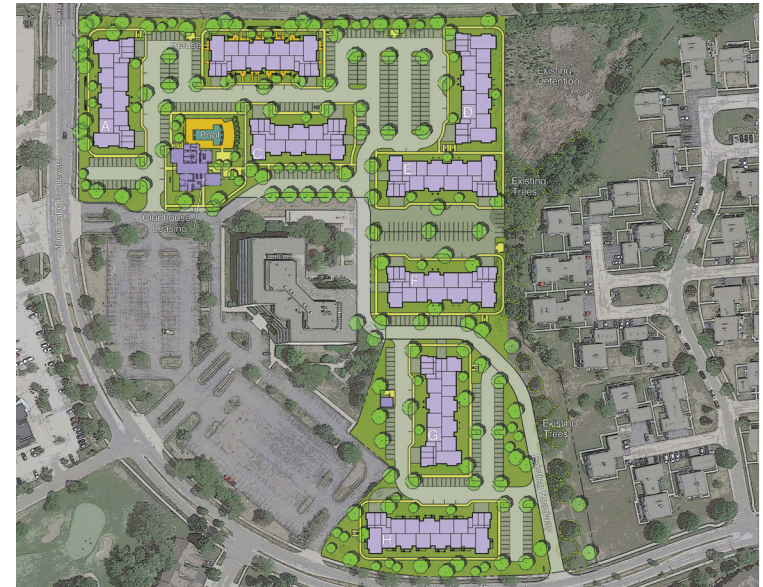
- 4b Work with Village Planning and Code Enforcement staff to ensure thoughtful development patterns continue and the community has safe and well-maintained buildings and properties.
- 4c Work with Planning and Transportation staff to ensure all residents have safe, adequate transportation access to major hubs, attractions and employers.
- 4d Continue to take inventory of and improve the services the Village provides to residents and businesses (police, fire, health and human services, public works, and engineering).

OUTCOMES

- A wider housing availability (conditions, cost and choice)
- Newer multi-family product

KEY TEAM & EXTERNAL PARTNERS

- Village Team Members: Planning Division, Code Division
- Residential and Commercial Developers



5. MARKETING AND COMMUNICATIONS



Effective forms of communication and marketing are primary aspects of developing a growing community. Communication allows for the private and public sectors to collaborate and bring about growth in the local economy. Superior marketing, when performed effectively, reaches the desired audience and achieves desired results.

GOAL: *Effectively market the Village to increase awareness of strengths and attract new growth while communicating pertinent information to the existing businesses and residents.*

EMERGING OPPORTUNITIES & CHALLENGES

OPPORTUNITIES

- **Vacancies** – Having vacancies gives Hoffman Estates opportunities to market that will catch consumers’ attention to possibly establish business in the community.
- **Communications Manager** – The Village recently created a Communications Manager position to implement strategies for the branding, social media usage, and overall communications and marketing of Hoffman Estates.
- **TIF Districts** – The Village has several TIF districts with a positive fund balance to use for marketing of current projects and development-ready sites.

CHALLENGES

- **Lack of a vision/identity** – Rather than having an identifiable area, the community is divided geographically into three areas by a highway and many acres of open space. This fact, combined with a large number of overlapping taxing bodies, makes defining exactly where and what Hoffman Estates is as a community a challenge. When a community lacks an identity it often makes it difficult for effective marketing and branding to occur.
- **Audience** – The Village has several audiences but cannot target all with one campaign. There are also potential audiences that the Village does not yet know, such as which business types would best improve the Village’s EAV. A successful marketing plan requires the identification and prioritization of target audiences.
- **Funding** – Effective marketing campaigns often come with a high price tag. While the Village has positive fund balances in its TIF district accounts, these funds are earmarked for specific use. The Village may identify marketing needs that fall outside of this funding.

- **Measuring Return on Investment (ROI)** – ROI is the traditional means of measuring the success of a marketing campaign in the private sector. Because the Village’s “product” is Hoffman Estates as a location and community, there is not a tried and true way to measure how advertising dollars return to the Village. Determining which metrics to use for measuring success will be a challenge.

IMPROVEMENT ACTION

- 5a Create and update an annual marketing plan by determining the audiences, messages, budget, and the most effective tactics to reach the desired audience(s).
- 5b Plan events connecting the Village Board, businesses, and the Hoffman Estates Economic Development Division with one another.
- 5c Refine the brand identity of Hoffman Estates Economic Development to showcase the Village.
- 5d Schedule regular social media and other content to stay relevant and “on the newsfeeds.”

TACTIC: Consider the use of targeted advertising on social media, where appropriate

- 5e Publish and promote a quarterly economic development eNewsletter.
- 5f Collaborate with partners to reach desired audiences and communicate Village offerings and advantages.

- 5g Plan and budget funds to be prepared for unanticipated new technology opportunities that may arise during any given year. Do not hesitate to implement pilot or try programs with new technology as a cost-effective way to make advancements.

TACTIC: Utilize drones for site tours, 3D imaging photography, virtual meeting software, new social media tools, video production, and other new ideas to promote, connect, and collaborate with community patrons and future investors.

OUTCOMES

- Increase awareness of programs, initiatives and development news.
- Increase number of informed businesses who engage with the local community through participation at events, sharing on their social media or positively promote the community.

KEY TEAM & EXTERNAL PARTNERS

- Village Team Members: Communications Manager, Multimedia Production Manager
- Illinois Department of Commerce and Economic Opportunity (DCEO)
- Hoffman Estates Chamber of Commerce
- Daily Herald beat writer
- Trade associations (ICSC, AIRE, GCAMP, etc.)
- Trade publications (Bisnow, REJournals, France Media, Site Selectors Magazine, etc.)
- Outside Consultants
- Local businesses



6. QUALITY OF LIFE AND PLACEMAKING



Quality of life encompasses many intangible aspects of economic development but are needed to have a vibrant, inclusive, desirable community; these characteristics of a community make it distinctive from other places and attractive as an area to live, work and visit. Through the interviews, focus groups, and public survey process, Hoffman Estates was able to determine a key concern: a lack of a unifying place and hometown community. Proper placemaking includes enhancing the look, feel and function of the community on a day-to-day basis for the employees and residents. Additionally, aspects of a desirable community include a strong education system, a variety of modern housing options, a well-planned and maintained physical environment, reliable public services, transportation access, safe neighborhoods, a variety of arts and cultural opportunities, affordable personal tax conditions, top-level medical facilities and services, and a diversity of recreational facilities and opportunities. These characteristics are important not only for residents but for potential tourists as well as employers who rely upon a quality workforce located nearby.

GOAL: *Enhance the health and well-being of people and businesses, as well as the natural and built environment by facilitating connections, providing spaces to prosper, nurturing community engagement, and fostering a greater sense of commonality.*

EMERGING OPPORTUNITIES & CHALLENGES

OPPORTUNITIES

- **Diversity** – With a higher than average ethnically diverse population as seen Exhibit B, the Village has many cultures and ethnicities present. To celebrate this, events can be created which recognize and celebrate all cultures and races.
- **Aging Commercial Developments** – As many properties are reaching an age when the original buildings may no longer be the highest and best use of the land, opportunities are created for redevelopment plans that can enhance the community with modern and more desirable land uses.
- **Culture/Arts/Entertainment** – In addition to having a diverse array of assets within the community, being located in the Northwest Suburbs along the I-90 corridor, just 45 minutes west of downtown Chicago, allows easy access to many entertainment venues, cultural locations, museums, a wide variety of arts and other amenities in the region. The Village should

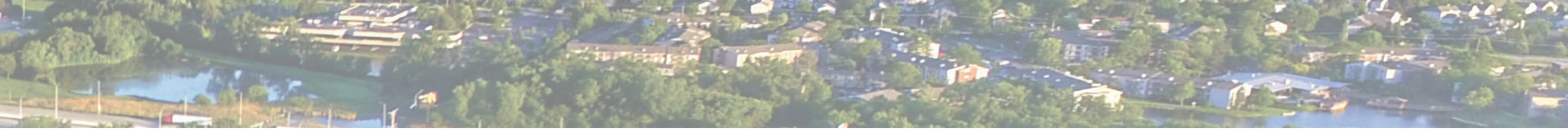
continue to tout availability of local as well as regional assets as part of efforts to communicate to prospective businesses.

- **TIF Districts** – The Village has 5 TIFs which can be leveraged to fund key placemaking projects.
- **Recent Area Planning Efforts** – The recently approved Western Area and Barrington Road I-90 Sub Area Plans offer land use change and redevelopment scenarios that can be used as a guide to direct redevelopment and public investment in a way that promotes placemaking.

CHALLENGES

- **Taxes** – Personal taxes, ranging from income and property tax to sales or food and beverage tax, are perceived to be high and raise the cost of living. While very little can be done at the State or County level to change tax rates, efforts can be made to improve the quality of life so the cost of living is rewarded.

- **Financial Constraints** – Revenues dropped during the pandemic for both public and private sectors and inflation is on the rise. Due to this, some entities may be reluctant to spend money creating spaces which don't have a direct Return on Investment (ROI) or impact to the fiscal bottom line.
- **Economic Uncertainty** – Current and near-term supply chain issues, as well as uncertainty in several areas of the economy present challenges both for investment and construction of new projects.
- **Midwest Weather** – Chicago is consistently in the middle or near the bottom of the list for US cities with the most days of sunshine. Seasonal temperature and precipitation fluctuations can present a variety of uncomfortable weather periods. As the weather can effect one's mood, this has an impact on the quality of life. One way to differentiate from many sunnier climates is to celebrate all four seasons experienced in Hoffman Estates.



IMPROVEMENT ACTION

- 6a Work with the NOW Arena staff on the existing events that celebrate cultures and offer a variety of entertainment options to maximize their outreach and attendance.
- 6b Connect with other governing entities to create inclusive community festivals that engage existing businesses and their employees.

TACTIC: Create a Japanese Festival or Indian Festival

- 6c Work with Village Planning and Code Enforcement staff to ensure thoughtful development patterns continue and the community has safe and well-maintained buildings and properties.
- 6d Support operations and relationship of St. Alexius Medical Center as a health provider to the community and an attractor of more medical offices and jobs.
- 6e Continue to take inventory of and improve the services the Village provides to residents and businesses (police, fire, health and human services, public works, and engineering).
- 6f Promote and support the Park District and Forest Preserve amenities and activities.
- 6g Work to implement the economic development recommendations of the Sustainability Plan.

TACTIC: Promote the Green Business Recognition Program and get 10 companies a year to apply.

- 6h Work with retail owners to create a walkable and inviting retail experience that includes public gathering spaces.
- 6i Seek public/private projects which mix uses to create great public spaces that impact quality of life.

TACTIC: Redevelop the Poplar Creek branch between I-90 to Higgins Road into an open creek asset with amenities for neighboring properties.

- 6j Explore micro-grant opportunities to encourage individuals, private developers and community organizations to create placemaking projects.
- 6k Modernize older, functionally-obsolete buildings that can engage in recreational and cultural projects.
- 6l Work with developers of all land uses to foster construction of well-connected projects for residents, employees, visitors.

OUTCOMES

- A better place to live, according to residents.
- Improve the cost of living
- Raise the quality of life for residents and employees.
- Decrease office, retail and industrial vacancies.
- Create an identity for Hoffman Estates or the various sections of town.

KEY TEAM & EXTERNAL PARTNERS

- Village Team Members: Communications Manager, Tourism Director, Planning & Transportation Division, Code Division, Village Event Commissions
- Hoffman Estates Chamber of Commerce
- Hoffman Estates Park District
- All School Districts within Hoffman Estates
- Cook County Forest Preserve District
- NOW Arena Staff
- Ascension St. Alexius Medical Center
- Private Developers



7. SMALL BUSINESS DEVELOPMENT



Small businesses comprise nearly half of the business economy within the United States and nearly all of the 1,400+ businesses in the Village are smaller and privately-owned, according to the Small Business Administration's definition. Their business category hires the most employees of the more than 39,000 daytime population within the Village and are almost always local, with owners investing in and growing the community. A recent public survey of residents shows the desire to focus on small business development in order to have a more diverse business culture. The survey also revealed a desire for more local jobs and a deeper sense of community, both of which can be developed with a robust small business environment.

GOAL: *Foster an environment for small business growth to enhance the diversity and competitiveness of the local economy. This can be done by improving communication to small businesses, increasing services and incentives for growth, assisting with marketing and promotions, and by targeting new sectors to broaden business diversity.*

EMERGING OPPORTUNITIES & CHALLENGES

OPPORTUNITIES

- **Vacancies** – Although vacancies may be detrimental to communities, it also opens opportunities for newer businesses to take the space. Hoffman Estates has many vacancies in both retail, office, and on occasion, restaurants. This is a great opportunity as it is a lower barrier of entry to a new small business entrepreneur.
- **Diverse Population** – While attempting to attract a diverse business sector, the diversity of population assists to serve them as customers, employees, and entrepreneurs with new ideas.
- **Existing Accelerator** – Hoffman Estates is part of the Next Level Northwest business accelerator which is designed to assist stage 2 companies with free, one-on-one coaching to create growth plans.

CHALLENGES

- **Working on the Business, Not Just in the Business** – Small business owners often have trouble with overall operations. Thus creating a challenge to find owners who are willing to put the time and effort in to improve the overall operations (policies, procedures, administration, payroll, HR, etc.) of businesses.
- **Governmental Relationships** – Small business owners who are of different cultures where there is a lack of government assistance, are often hesitant to believe in the government's ability to promote business growth. Overcoming this barrier will result in new opportunities for smaller privately-owned corporations.
- **Labor Shortage** – The labor shortage has made it difficult for smaller businesses to attract and retain workers considering they are not able to provide as many benefits, flexibility, and higher compensation compared to larger corporations.



IMPROVEMENT ACTION

- 7a Continue to support Next Level Northwest as an option for small business growth. Encourage companies to apply.
- 7b Utilize TIFs and other tools to create strategic incentives that will encourage private sector investment into new small businesses.

TACTIC: Within TIF Districts, create matching façade and business improvement grants or revolving loan funds.

- 7c Investigate use of CDBG funds for economic development purposes.
- 7d Encourage and work with shopping center owners to create temporary pop-up spaces in vacancies for new entrepreneurs.
- 7e Create a pro-entrepreneur market by exploring the establishment of a business incubator, especially reaching out to those recently retired who may be looking to start a second career.
- 7f Meet with external team members to build relationships and understand their resources for the small business community.
- 7g Promote and distribute small business resources in formats that effectively reach their target audiences. Serve as a local clearinghouse to bring together varied resources and provide direct access for to Village businesses.



OUTCOMES

- Net positive small business creation
- Individual small business growth and expansion
- Increase diversity of small business industries
- Heighten the level of partnerships and resources for small businesses

KEY TEAM & EXTERNAL PARTNERS

- Village Team Members: Village Clerk, Village Manager, Communications Manager
- Hoffman Estates Chamber of Commerce
- Next Level Northwest
- Small Business Development Centers
- Small Business Administration – Local Representatives
- Local Banks & Financial Institutions
- Commercial Brokers



8. TOURISM



While tourism is not always a traditional part of economic development, it remains an important part of the Hoffman Estates' economy with the Village being one of the only municipalities in Illinois with a dedicated Tourism Office that's not part of a Convention and Visitors Bureau (CVB). In 2019 (pre-pandemic), Illinois was in its 8th year of record tourism rates. When travel stopped due to COVID, hotels, restaurants and attractions were forced to pivot to find new sources of revenue. As of Q1 2022, while the leisure traveler has come back to a large degree, the corporate traveler has not.

During 2008, the Village created a Tourism Office to maximize revenue opportunities from demand generators. The NOW Arena has grown to become the largest producer of hotel stays, generating occupancy to the area hotels. The importance of tourism is demonstrated by the considerable tax revenues generated from the 9 Hotels with 1,300 rooms, 80+ restaurants, multiple banquet facilities, entertainment venues, and more in Hoffman Estates.

***GOAL:** Promote regional tourism through the creation of specialty programs and strengthening relationships with the hospitality industry.*

EMERGING OPPORTUNITIES & CHALLENGES

OPPORTUNITIES

- **NOW Arena** – The Village owns the NOW Arena, an 11,000 seat venue, which can host anything from sporting competitions to concerts and family shows, as well as a variety of custom gatherings/events. This is the biggest demand driver of room nights within Village hotels. The Arena has also developed an outdoor amenity, The Hideaway Brew Garden that offers a unique venue featuring locations suitable for weddings and corporate gatherings as well as hosting weekend events featuring live entertainment.
- **Travel Options** – Three international airports are within 60 minutes from Hoffman Estates and the Village is bisected by I-90 and several regional State/County roads. The recently added Pace express bus Kiss-n-Ride brings guests quickly and affordably to/from O'Hare Airport and downtown Chicago. Travel options such as these make the area ideal for Midwest regional conferences, tournaments, and events that will bring in many new visitors.

- **Youth Sports** – Youth sports has been a growing tourist sector for a decade. The NOW Arena has become a welcome location for youth, collegiate and Olympic level sports competitions. The Tourism Office, acting as a complimentary housing authority, gives Hoffman Estates an advantage by providing a one call effort to book and plan these types of events. Given the access and central location within the country, event planners appreciate the hospitality and affordability we can provide.

CHALLENGES

- **Corporate Travelers** – In 2022, COVID restrictions continue to impact local and international business travel such that the corporate traveler has relied on digital visits rather than in-person site visits. Therefore, solely relying on this traveler mid-week may no longer work for hotels and restaurants. Continued promotion of the local hotel amenities and “duty of care” of their guests will be critical to their bounce back from the recession.

- **Competitive Market** – While Hoffman Estates has 1,300 rooms, the market has 30,000 rooms between the Schaumburg, Elgin, Rockford and O'Hare markets. Because of this, hotels need to be dynamic and aggressive with sales efforts as the corporate and leisure events alike have many options within a 60 minute drive.
- **Hotel Turnover** – The hotel industry was hit the hardest during COVID-19 and has been the slowest to recover. As a result of many factors, turnover in the ownership and management of individual hotels is higher than usual. Professional hotel staff was furloughed during the pandemic. Hotels continue to struggle with lower occupancy resulting in lower revenues available to rehire key positions.

IMPROVEMENT ACTION

- 8a Continue to bring new event opportunities that will yield occupancy to the NOW Arena and area attractions such as Bell Works. Then assist

as a complimentary housing authority for these events and work with local hoteliers to ensure they capture those room nights.

- 8b Maintain relationships with regional and adjacent CVBs (MEET Chicago NW and Elgin/Fox Valley CVB) to keep NOW Arena top of mind as an active option. Collaborate on drawing regional event opportunities.
- 8c Monthly visits to all hotel GM and Sales Leaders to educate them on Hoffman Estates market changes and ensure they are capturing as many leads from local events.
- 8d Maintain the VisitHoffman.com tourism website.

TACTIC: This is a static site now but it could be energized with a professional redesign then promoted on google and social media.

- 8e Support local events and encourage festivals which span multiple days, possibly focused on youth sports, food, local small businesses or manufacturers, and the Bell Works Chicagoland campus.
- 8f Work closely with HE Park District to identify Tournament opportunities and create sponsorship opportunities to help offset tournament costs by negotiating hotel rebates when the event controls lodging.
- 8g Work closely with area park districts and banquet facilities to draw social group room blocks such as wedding and cultural events.



OUTCOMES

- Increase hotel, food & beverage, entertainment, and other tax revenue
- Increase average hotel occupancy rate
- Improve online reviews and tourist feedback

KEY TEAM & EXTERNAL PARTNERS

- Village Team Members: Tourism Division, Communications Manager
- NOW Arena Staff
- Hotel owners and GMs
- Hoffman Estates Park District
- Bell Works Chicagoland
- Nearby regional CVBs



9. WORKFORCE DEVELOPMENT



Workforce development is a people-first approach to upskilling workers for long-term success. A decade ago the term “Workforce Development” was a whisper primarily in the manufacturing sector as their employees were retiring and there was no pipeline of young workers ready and skilled to take their place. Five years ago the term was a battle cry in that industry. Now, since the start of the pandemic, with unemployment rates in the United States fluctuating, the term is relevant to every sector as a labor shortage threatens the growth and vitality of many businesses. Some of the shortage is due to COVID-19, but also to employees desiring a career change or retiring early as a greater emphasis is being placed on personal quality of life factors versus being dedicated to a career. Communities and businesses have struggled more than ever to find ways to hire and retain qualified laborers. Support and facilitation to promote workforce training and access, especially for the manufacturing sector was seen as critical by many stakeholders interviewed. Alongside businesses, the Village can assist the community with the proper tools to grow and foster an environment of gainful employment, meaningful educational opportunities, and quality of life and place.

GOAL: *Create economic prosperity for individuals and businesses by fostering a culture of workforce development, focusing on integrated programs and long-term goals with development of human capabilities at the center.*

EMERGING OPPORTUNITIES & CHALLENGES

OPPORTUNITIES

- **Adaptable Education System** – The primary and secondary education districts have shown adaptability to work with private sector businesses to create curriculum around cultivating capabilities needed for gainful employment. Harper College has also created programs and apprenticeships in response to the private sector employment gap. This system, with the higher levels of education by residents, opens the opportunity to upskill the current labor market.
- **Robust Support System** – The Chicago area has a strong workforce training support system for businesses and potential employees. From GCAMP to the local workforce board and the education system to availability of grant funding a structure is in place to facilitate and improve workforce development efforts.

CHALLENGES

- **Early Retirement** – The pandemic caused two groups of people to contribute to a workforce shortage: meaningful career seekers and early retirees. Many who were close to retirement decided they could leave the workforce early and retired. Others, who were working jobs where they did not feel fulfilled, quit those jobs in search of something more meaningful or a career that fit their new, pandemic lifestyle. As such, many employers were left with holes in their labor force without a solution to close the gap.
- **Declining Population** – While the population in Hoffman Estates slightly increased following the 2020 census, it's difficult to improve the workforce development issue when the area has more out-migration, which has



occurred in the Chicago metro area over the past three years. During COVID-19 employees began to switch their careers due to either pay or wanting something different. Either way those who are looking for jobs are demanding to be paid a certain wage that some businesses cannot afford compared to their competitors.

IMPROVEMENT ACTION

- 9a Engage with external partners to strengthen and promote workforce programs.
- 9b Connect businesses with workforce hiring and training resources and partner organizations.

Consider hosting a jobs board powered by a third party, like Getro, for all jobs within the Village or partner with surrounding communities to promote jobs in the northwest suburbs.

- 9c Support educational system initiatives, especially at the community college level, that connect student and business needs.
- 9d Explore possibility of using CDBG funds for economic development/ workforce programs.
- 9e Leverage industry expertise by working with established industry experts in the community.
- 9f Enter into intergovernmental agreements with neighboring communities to support workforce development efforts that may be sector specific.
- 9g Support programs which encourage training and learning in the flow of employment.
- 9h Encourage alternative modes of transportation amongst business owners and work with Planning and Transportation staff to ensure safe routes are in place equitably across the community to improve access for the workforce.

OUTCOMES

- Lower Employment Rate
- Lower Underemployment Rate

- Improve labor environment as measured by BRE visits
- Improve partnerships with partner agencies
- Increase awareness by residents of opportunities to work in the community

KEY TEAM & EXTERNAL PARTNERS

- Village Team Members: Village Board, Planning & Transportation Division
- Chicago-Cook Workforce Board
- GCAMP
- Harper and Elgin Community Colleges
- High School Districts within Hoffman Estates
- Illinois DCEO



EXHIBIT A

FULL EXISTING CONDITIONS REPORT

DEMOGRAPHIC AND MARKET ANALYSIS

In order to successfully plan for the future, it is important to have a thorough understanding of the current economic conditions in Hoffman Estates, as well as a general knowledge of the past path of the community. The following demographic and market analysis covers everything from population, ethnicity and educational breakdowns to a look at the housing market, consumer spending patterns in town and overall business statistics. Additionally, importance is placed upon knowing where Hoffman Estates compares to other similar communities so as to set goals for further economic and community growth. Two communities, Urbandale, IA and Dublin, OH, were chosen based on their similar population size, proximity to an urban core, their location within the Midwest having similar climates and a similar business environment.

The Village of Hoffman Estates has a population size of 52,530 with a median age of 38.6¹ with 51.22% being female and 48.78% being males.² Compared to Urbandale, Iowa and Dublin, Ohio who have populations of 43,441 and 49,037 a median ages of 38.3 and 40.1 and a median age of respectively.³

HOFFMAN ESTATES ⁴	
Ethnicity	Percentage
White	56.49%
Asian	24.21%
Hispanic or Latino	18.64%
Black or African American	4.71%
Other Race	10.73%
American Indian	0.53%

URBANDALE ⁵	
Ethnicity	Percentage
White	88.76%
Asian	4.49%
Hispanic or Latino	3.70%
Black or African American	4.00%
Other Race	0.73%
American Indian	0.15%
Native Hawaiian or Pacific Islander	0.19%



While Hoffman Estates is similar in population size, the ethnic breakdown is quite different. All three communities have a high percentage of those who are white, however Hoffman Estates has much higher percentages of residents who are of Asian and Hispanic and Latino descent.⁶

HOFFMAN ESTATES ⁷	
Educational Attainment (25+)	Percentage
Less than 9th Grade	4.42%
9th-12 Grade With No Diploma	3.80%
High School Graduate	18.44%
Some College or Associate Degree	25.53%
Bachelor's Degree	30.78%
Master's Degree or Higher	17.02%

URBANDALE ⁸	
Ethnicity	Percentage
Less than 9th Grade	2.13%
9th-12 Grade With No Diploma	2.32%
High School Graduate	16.81%
Some College or Associates Degree	29.82%
Bachelor's Degree	34.19%
Master's Degree or Higher	14.72%



When comparing education attainment, the percentages for higher education are quite similar. This could be due to each community being within close proximity to colleges and universities. For instance, Hoffman Estates has two community colleges — Harper College and Elgin Community College and Ambria College of Nursing within its boundary. Additionally, there are more than 30 universities, colleges and technical schools within the Chicago metro area.

1 (Compare Demographics, 2021)
2 (Compare Demographics, 2021)
3 (Compare Demographics, 2021) (Ranking by Median Age, 2021)

4 (Compare Demographics, 2021)
5 (Compare Demographics, 2021)
6 (Compare Demographics, 2021)

7 (Compare Education, 2021)
8 (Compare Education, 2021)

HOUSING AND INCOME ANALYSIS

As of 2019, there are 18,563 total housing units, 13,412 of which are owner occupied in Hoffman Estates with the other 5,151 units being rental properties or vacant. The median house is valued at \$283,300. Of those occupied households, the median household income is \$94,017 with a per capita income of \$42,238.⁹ Comparing Hoffman Estates to the rest of Illinois, who has a median household income of \$68,663, the Village is significantly above the state median.¹⁰

This table represents the average consumer spending within Hoffman Estates.¹¹

CONSUMER SPENDING	AVERAGE SPENT
Personal Care Products & Services	\$1,130.48
Vehicle Maintenance and Repairs	\$1,332.24
Education	\$2,379.98
Apparel and Services	\$2,676.68
HH Furnishings & Equipment	\$2,838.99
Support Payments/Cash Contributions/Gifts in Kind	\$2,881.64
Travel	\$3,293.91
Entertainment/Recreation	\$3,976.31
Food Away from Home	\$4,789.29
Food at Home	\$6,695.95
Health Care	\$7,409.38
Shelter	\$26,034.04



The tables shown below represent the percent of housing cost and rent cost based off of Household Income in 2021.¹² In the first table it is shown the housing costs of households based off Household Income and the amount of people. The second table represents rent as of Household Income and the amount of residents.

HOUSEHOLD INCOME	AMOUNT	PERCENTAGE
Less than \$10,000	556	3.14%
\$10,000 to \$14,999	189	1.07%
\$15,000 to \$24,999	793	4.48%
\$25,000 to \$34,999	865	4.88%
\$35,000 to \$49,999	1,838	10.37%
\$50,000 to \$74,999	2,636	14.88%
\$75,000 to \$99,999	2,712	15.31%
\$100,000 to \$149,999	4,067	22.96%
\$150,000 to \$199,999	2,066	11.66%
\$200,000 or more	1,995	11.26%
Median HHI (dollars)	\$91,917	
Mean HHI (dollars)	\$109,634	

HOUSING COSTS % OF HHI	AMOUNT	PERCENTAGE
Less than 20.0%	3,819	40.31%
20.0% - 24.9%	1,521	16.05%
25.0% - 29.9%	1,389	14.66%
30.0% - 34.9%	705	7.44%
35.0% or more	2,041	21.54%
Not computed	0	0%

RENT AS % OF HHI	AMOUNT	PERCENTAGE
Less than 15%	544	12.64%
15.0% - 19.9%	663	15.40%
20.0% - 24.9%	578	13.43%
25.0% - 29.9%	438	10.17%
30.0% - 34.9%	453	10.52%
35.0% or more	1,385	32.17%
Not computed	244	5.67%

⁹ (esri, 2021)

¹⁰ (esri, 2021)

¹¹ (esri, 2021)

¹² (Compare Housing, 2021)



QUALITY OF PLACE AND LIFE

Hoffman Estates residents are part of some of the top school districts in the state as the Village is served by six different school districts each with their own unique features: The Community Consolidated School District 15 is the second largest elementary district within Illinois;¹³ Illinois School District u-46 has its own Dual Language program which allows students to learn a second language;¹⁴ The Community Consolidated School District 54 is ranked in the top 2% of districts nationwide in student growth;¹⁵ The Village is also home to Township High School District 211, Barrington Community Unit School District 220, and Community Unit School District 300.¹⁶

St. Alexius Medical Center Campus, part of the Ascension Health Hospital umbrella, is a 318-bed state-of-the-art facility offering surgical services, a Level III NICU, a Level II ER, access to top doctors in heart and vascular care, cancer care, women's health and more, and a 141-bed behavioral health facility. The hospital has been a staple in Hoffman Estates for more than 40 years and works closely with the business community to promote healthy living among employees and residents alike.¹⁷

With so much diversity in and around Hoffman Estates, the community is teaming with various cultural activities, events and recreational opportunities. The Village hosts a Celtic, German, and Hispanic festival each year with other commissions focused on cultural awareness, and generational groups such as senior citizens and the youth. Additionally, the community is near 16 different accredited museums celebrating all cultures.¹⁸ Even more so, the Village is home to 735 acres of park land, two community centers, three golf courses, state-of-the-art fitness center, two ice arenas, a family aquatic center, and 72 parks, all operated by the Hoffman Estates Park District. Another 4,000 acres of forest preserve, owned by the Cook County Forest Preserve District, is located within Hoffman Estates hosting more than 20 miles of bike and pedestrian paths.¹⁹

BUSINESSES

There is a robust business community within Hoffman Estates from machine tool manufacturers to office services, hotels to healthcare, and retail to restaurants. Hoffman Estates, has many services such as hotels, entertainment, and education to provide their residents and visitors. In fact, the service businesses in Hoffman Estates such as financial services, accountants, lawyers and more, make up 37.1% of the industries within the area.²⁰ Despite the labor shortage in 2021, there were 375 employees working in the 9 hotels containing 1,300 rooms, 658 people employed in entertainment, and even 1,629 people working in the food industry throughout the 86 restaurants and 5 grocery stores in Hoffman Estates.²¹

Retail accommodates nearly one third of the business sector in the Village with it being 30.4% of the total business percentage. In fact, Retail Trade has

12,036 employees out of the total 39,550 employees in the Village.

Even more so, Hoffman Estates has three key business clusters including machine tool manufacturers, food sciences, and a medical cluster around the hospital. Great manufacturing companies FANUC America, DMG Mori, Big Kaiser, NSK America, Bosch Rexroth, TRUMPF, Siemens Healthineers, and Bystronic make up the machine tool cluster while Silesia Flavors, Sensient Flavors and Tate & Lyle make up the food science cluster. Other companies such as CDK Global, Claire's Accessories, Leopardo Construction, Vistex, Omron, Planmeca, High Voltage Software, Clinical Computer Systems and WT Engineering are some top employers in town. Even though manufacturing represents many of the Village's top employers, it only completes 5.6% of the employee population with a total of 2,208 employees which speaks to

the high number of small businesses and concentration of entrepreneurs within the community.²²

When it comes to domestic and international travel, the Village has an advantage being close to three airports. Hoffman Estates is 20 minutes from O'Hare International Airport, 45 minutes from Rockford International Airport, and 60 minutes from Midway Airport.²³ Considering Hoffman Estates is home to many international companies, it is convenient to be so close in proximity to Airports with multiple flights around the world each day.

Industries– Hoffman Estates has a robust business community with over 1,400 companies ranging from machine tool manufacturers to office services, hotels to healthcare, and retail to restaurants. In fact, the service industry in Hoffman Estates, including health, legal and other

services, makes up 47.2% of the business sector and 37.1% of the employee population within the area. Retail comprises nearly one-fifth (18.6%) of the business sector in the Village.

Employment – Hoffman Estates has three key business clusters, including machine tool manufacturers, food sciences, and a medical cluster near the hospital. Even though manufacturing represents many of the Village's top employers, it only completes 5.6% of the employee population with a total of 2,200 employees. This speaks to the high number of small businesses and concentration of entrepreneurs within the community. Still, nearly 18% of the businesses in Hoffman Estates employ just over 7,100 people so there are many larger employers in town as well.

As many residents went on unemployment in April 2020 at the

13 (Our District, n.d.)
14 (About School District U46, n.d.)
15 (School District 54, n.d.)
16 (Schools, 2021)

17 (Ascension Health St. Alexius Medical Center Hoffman Estates, 2021) <https://healthcare.ascension.org/locations/illinois/ilchi/hoffman-estates-ascension-saint-alexius>

18 (Compare Arts-Culture, 2021)
19 (About the Park District, 2021)
20 (esri, Business Summary, 2021)
21 (esri, Business Summary, 2021)

22 (Top Employers, 2021) (esri, Business Summary, 2021)
23 (Google, 2021)

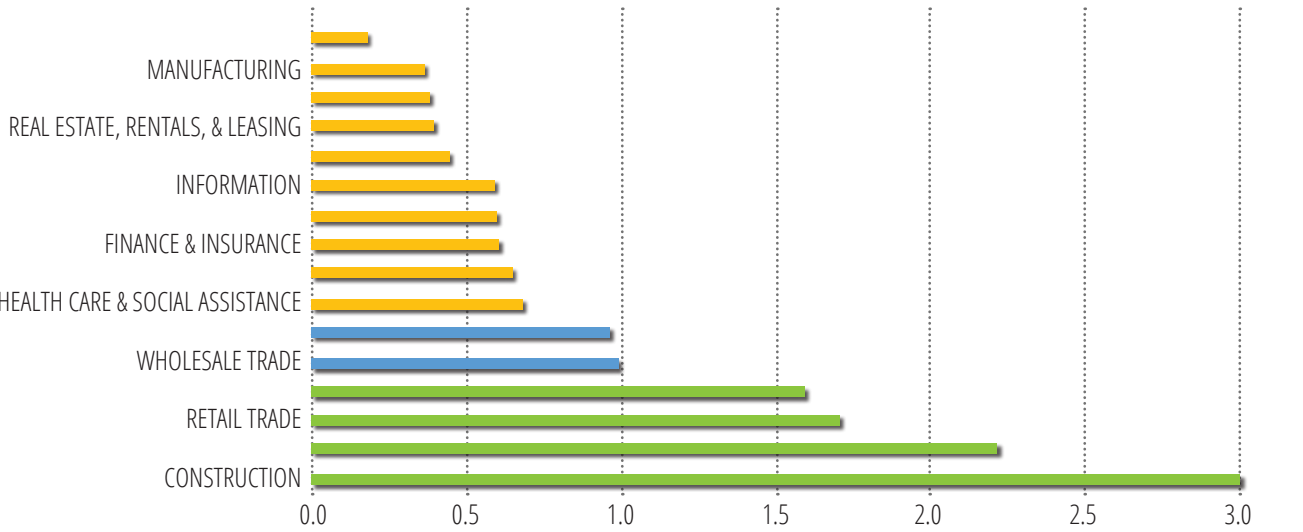
start of the pandemic, the unemployment rate spiked to 15%. When the economy began to recover, many employees did not return to work and businesses were faced with a labor shortage that continues as of the writing of this report. The unemployment rate has declined to 3.4% as of February 2022.

Location – When it comes to domestic and international travel, the Village has the advantage of being close to three airports. Hoffman Estates is 20 minutes from O’Hare International Airport, 45 minutes from Rockford International Airport, and 60 minutes from Midway Airport. Considering Hoffman Estates is home to many international companies, it is convenient to be so close in proximity to these significant international airports.

Location Quotient – Location quotient (LQ) is a statistical technique used to identify areas of competitive advantage within a community. LQ for a given industry is calculated as a ratio of employment in the community compared to the state and national levels. Furthermore, the measurement gauges relative business sector concentration, identifies underrepresented sectors, and indicates potential growth in specific sectors. An LQ greater than 1.000 suggests a local competitive advantage in that sector, whereas an LQ below 1.000 indicates a lower industry specialization as compared to the larger region. An LQ of approximately 1.000 implies the community is on par with the greater region for the specified business sector.

Hoffman Estates has a strong retail sector, as demonstrated by its above-average LQ of 2.249 compared to the State and 1.706 compared to the nation. Moreover, Hoffman Estates has a higher LQ for construction and mining compared to Illinois (4.326) due to the work from Leopardo Construction and Plote Construction, the latter also operating a mining quarry. The high concentration of construction business is also due to the many smaller, mom-and-pop-type mechanical, electrical, construction, and handyman companies in town. Additionally, health care and social assistance LQs are slightly above 1.000 compared to the State, with a wealth of medical care businesses surrounding St. Alexius Medical Center. Lastly, the professional, scientific and tech services sector is often a clear indicator of community economic health as it includes many types of jobs, but specifically the growing tech category. Hoffman Estates has an LQ of 0.807 within this sector when compared to Illinois, but an LQ of only 0.598 when compared to the country.

HOFFMAN ESTATES LQ VS. US



COMPARED TO STATE OF ILLINOIS (NAICS Codes)

CATEGORY	LQ
Construction	4.326
Mining	2.560
Retail Trade	2.249
Information	1.270
Health Care & Social Assistance	1.216
Unclassified Establishments	1.010
Professional, Scientific & Tech Services	0.807
Accommodation & Food Services	0.632
Manufacturing	0.625
Arts, Entertainment, & Recreation	0.621
Wholesale Trade	0.588
Educational Services	0.566
Public Administration	0.484
Other Services (except Public Administration)	0.384
Administrative & Support & Waste Management & Remediation	0.352
Agriculture, Forestry, Fishing & Hunting	0.264
Real Estate, Rental& Leasing	0.254
Finance & Insurance	0.206
Transportation & Warehousing	0.199

COMPARED TO STATE OF ILLINOIS (SIC Codes)

CATEGORY	LQ
Construction	3.081
Administrative & Support & Waste Management & Remediation	2.215
Retail Trade	1.706
Educational Services	1.592
Wholesale Trade	0.990
Mining, Quarrying, and Oil and Gas Extraction	0.963
Health Care & Social Assistance	0.680
Arts, Entertainment, & Recreation	0.647
Finance & Insurance	0.604
Professional, Scientific & Tech Services	0.598
Information	0.590
Other Services (except Public Administration)	0.444
Real Estate, Rental& Leasing	0.394
Accommodation & Food Services	0.380
Manufacturing	0.363
Transportation & Warehousing	0.178



REAL ESTATE AND LABOR

Office – As of Q3 2021, the Village of Hoffman Estates has 7.4 million square feet of office inventory. Office vacancy rates are unusually high due to COVID sending most people to work from home. Consequently, businesses have not renewed leases or expanded coming back from the pandemic and vacancy rates throughout Chicagoland remain around 14.5% whereas they typically sit around 12%. However, in the Schaumburg Area Office Market the vacancy rate is up to 24.9% and in Hoffman Estates alone it is at 34.3%. The higher vacancy rates in Hoffman Estates are due in large part to the majority of the Bell Works Chicagoland project having more than 1.5 million square feet of space available and the former Sears Campus, now owned by Transformco, has all 2.4 million square feet on the market. Other office parks and buildings, such as Greenspoint, Medcoa and Northwest Corporate Centre have made improvements in the past two years to increase occupancy and retain tenants.

Retail – The Village has 18 retail shopping centers and several more small retail strip buildings yet As of Q3 2021, there were 134 properties with retail space and 55 had some or complete vacancy. Those 134 properties total 2.6 million square feet of inventory with an 8.1% vacancy rate. This compares to the greater metro Chicago area which has a 6.2% vacancy rate. Several of the shopping centers are grocery-anchored by Mariano's, Jewel-Osco and Valli Produce while others are anchored by Target and still more have no large anchored and act as more of a neighborhood center.

CONSUMER SPENDING	AVERAGE SPENT IN 2021
Apparel and Services	\$2,676.68
Education	\$2,379.98
Entertainment/Recreation	\$3,976.31
Food at Home	\$6,695.95
Food Away from Home	\$4,789.29
Health Care	\$7,409.38
HH Furnishings & Equipment	\$2,838.99
Personal Care Products & Services	\$1,130.48
Shelter	\$26,034.04
Support Payments/Cash Contributions/Gifts in Kind	\$2,881.64
Travel	\$3,293.91
Vehicle Maintenance and Repairs	\$1,332.24

Industrial – Most of the 21 industrial properties, containing 1.5 million square feet, are older and do not have the higher ceiling clear heights most industrial and manufacturing users desire from a space today. Still, there is only a 0.9% vacancy rate in those industrial buildings. As of Q3 2021, 250,000 square feet of new speculative industrial was under construction. This represented the first new spec industrial construction in Hoffman Estates since the late 1970s. Accelerated by the COVID pandemic, industrial is the hottest real estate market across the country, especially in the Chicagoland area. Of the 1.1 billion square feet of industrial in the metro Chicago area, only 5.1% is vacant and another 18.7 million square feet is under construction.

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EXHIBIT B

ECONOMIC DEVELOPMENT INCENTIVES GUIDELINES

EXECUTIVE SUMMARY

The Village of Hoffman Estates, through the establishment of the Economic Development Strategic Plan (EDSP), provides economic incentives for business development within the Village where such incentives result in a desired public benefit and align with the goals of the Village Board of Trustees. Public benefits include, but are not limited to, the generation of revenue to the Village, including sales, food and beverage, entertainment, utility, property or other taxes; growing the tax base through redevelopment of underperforming properties; increase to surrounding property values; living wage job creation; and achieving community needs.

Economic incentives provided by the Village may include sales tax rebates, tax-increment financing (TIF) funding as allowed by state statute, support of Cook County special assessment incentives, other creative financial mechanisms, as well as non-financial benefits. These guidelines are adopted as part of the EDSP.

For purposes of these guidelines, a public benefit may be determined where the incentive achieves one or more of the following goals:

- Helps protect or increase the revenue and tax base of the Village
- Improves the physical environment and promotes further development
- Provides additional amenities and services to residents
- Enhances the Village's image
- Strengthens the economically viable of the Village and competitiveness with surrounding communities.

Any economic incentive provided shall be determined on a case-by-case basis, but shall be subject to an evaluation assessing the cost versus benefit of the specific incentive request related to the project. The nature, terms, and amount of the incentive shall reflect the level of public benefit generated by the business development.

INTRODUCTION

The Economic Development Incentive Guidelines are meant to outline parameters for which the Village may provide assistance to achieve its economic development goals. These guidelines do not approve any incentive request or guarantee approval of a request.

The intent of these guidelines are as follows:

1. To develop and implement a strategy for providing incentives.
2. To transparently outline to the private sector the position of the Village related to incentives.
3. To foster a climate of support for desired new and existing development in the Village.

TYPES OF INCENTIVES

The following is not an exhaustive list of the types of incentives the Village would consider but only a list of what has been approved or considered in the past.

1. Tax Rebates

- This would include sales tax, amusement tax, food & beverage tax, utility tax rebates.
- To qualify for a rebate, the projected tax revenues should be above a threshold of approximately \$300,000 annually.

2. Tax Increment Financing (TIF) District – Establishment of a new TIF

3. Tax Increment Financing (TIF) District Programs (within an existing TIF District subject to availability of funding)

- A zero interest loan program, for a new business that is looking to open and operate in a Hoffman Estates TIF or a business within a TIF that is looking to make a significant investment to improve their property and the property taxes generated. The idea is to incentivize newer businesses so that employment is created, vacancies are reduced, and to grow the business climate. Businesses that are eligible are those that are “for-profit” owners or property owners who are interested in furthering improvement for their corporation in the village. The zero interest loan covers 50% or up to \$100,000 for project costs for a maximum of 5 years. Eligible costs for the loan are:

- i. “Start-up or relocation into a Hoffman Estates property”
- ii. “Expansion within current location”
- iii. “Interior build-out”
- iv. “Purchase of machinery or equipment”
- v. “Energy efficiency improvements”
- vi. “Upgrades to technology”
- vii. “Other improvements as may be approved by the Village that enhance occupancy rates, employment figures, and/or tax revenue”

- A façade matching grant with a maximum of \$10,000
- A rehabilitation matching grant with a maximum of \$25,000.
- Redevelopment Agreements within a TIF could grant land, stormwater credits or other incentives to cause a project to occur.

4. Redevelopment Agreements

- Incentives associated with capital improvements which also generate a substantial amount of tax. These are often done within TIF districts but could be completed elsewhere in the Village.

5. Cook County Property Tax Special Assessment support

- An example of this would be the 6B, 7C or other property tax classification made available by Cook County.

6. Enterprise Zone benefits

- The Western Hoffman Estates Enterprise Zone has several approved incentives which only need to be qualified and applied for to receive. These requests are non-discretionary and exempt from the other evaluation and approval criteria identified later in this document. That being said, the incentives still provide monetary value to the applicant and may be considered as part of the total incentive package granted.

7. Workforce/Job Training Grants

- Funds can be provided for maintenance of career pathways, on-the-job training programs and partnerships with local schools. This could also include bonuses for local hires. The source of this grant typically comes from a TIF fund, federal or state funding, or, in very rare occasions, the Village General Fund, such as workforce funding supporting the Greater Chicagoland Advanced Manufacturing Partnership (GCAMP) or similar organizations.

8. In-Kind Incentives: These incentives identify activities that the Village would undertake to advance a new occupancy or construction project, but may not result in a direct financial contribution to the project. These include, but are not limited to:

- Facilitating meetings with elected officials
- Timely review of plans to achieve entitlements and building permits
- Special public meetings could be scheduled to reduce approval time

9. Fee Waivers

- The village does not typically waive permit or development fees, but such fees may be considered as part of the overall pro-forma of the project costs that can be used as a basis for an incentive.

10. Technical Assistance

- On certain projects the Village may lend technical assistance from qualified staff members in a limited capacity.
- The Village may participate in discussions with other governmental agencies to help navigate processes or advocate for permitting approvals (such as IDOT, Cook County Highway, MWRD, etc.)

11. Special Service Areas (SSA)

- The Village is able to work with property owners to create an SSA for financing certain infrastructure improvements and future maintenance which would be paid back through property taxes over a longer period of years.

12. Business Development Districts (BDDs)

- Local governments in Illinois are able to set forth a BDD where an extra 1% sales and hotel tax may be imposed within the district. This tax may be used for development or can be rebated to a business or developer for business enhancement within the district as well.

13. Grants

- Grants could be created in certain areas or districts, depending on the funding mechanism. These grants would most likely be for structural improvements which would enhance the value of the property.

CRITERIA FOR APPROVING INCENTIVES

The Village of Hoffman Estates hereby establishes the following criteria and guidelines for considering specific development incentives and assistance to private entities locating, expanding, or relocating in the Village.

1. Incentives will be utilized to assist and leverage private development projects only where a public benefit is determined to result and evidence demonstrates that such development will not proceed without such public funding (“but for”).
2. Applicant must demonstrate that the proposed project will result in a public benefit. A project can result in a public benefit where it helps to increase the revenue and tax base of the Village, improves the physical environment and promotes further development, provides additional goods and services to residents, enhances the Village’s image, is consistent with Village strategic goals, or otherwise results in the Village remaining economically viable and competitive with surrounding communities. A public benefit (beyond revenue generation) will be considered.
3. The amount of public incentive and assistance granted for any project shall be determined on a case by-case basis and be the minimum required to make the project financially feasible. The nature, terms, and amount of the incentive shall reflect the level of public benefit generated by the project.
4. Village incentives are intended to induce substantial private investment or reinvestment. Evidence must, therefore, be provided to show sufficient experience of past successful performance, along with private financing and equity to complete the project if public incentives are granted.
5. A project must generate a positive net revenue benefit in relationship to any required Village incentive. Taxes or revenues historically received by the Village will not be reduced below the base year of any incentive, as established by the individual redevelopment plans, after an incentive is approved.
6. Preference will be given to “invest” incentive dollars in site or infrastructure that will outlast proposed tenant/use.
7. As business retention is a goal of the Village, consideration will be given to those existing businesses looking to expand and needing a financial incentive to cover the gap in financing. One past example of this being used is when a car dealer is seeking to expand, grow and redevelop a site. Reference point #5 above as it relates to revenues already being generated by an existing business in the Village.
8. Preference will be given to an investment in an underperforming property that results in an improvement that a subsequent owner/tenant will benefit from the incentive paid for improvement/infrastructure.
9. To receive Village assistance, a project must comply with the Village’s Comprehensive Plan, approved area plan, current zoning requirements, subdivision code, property maintenance code (or otherwise obtain Village zoning relief), and obtain site plan, special use, and other required approvals.

10. Incentives shall be structured to limit risk to the Village. In general, a “pay as you go” approach is preferable.
11. Incentives will typically be capped, either by term (number of years) or dollar amount, or both (whichever comes first), as the incentive should cover a gap in the proforma.
12. Incentive terms will typically be in a five to ten year range.
13. The Village will not actively engage in poaching from adjacent municipalities. The Village may be willing to consider incentives for relocations precipitated by site constraints at current locations in neighboring municipalities.
14. Incentives must be performance based with benchmarks and thresholds to trigger payment and ensure accountability. Benchmarks can judge incremental progress or absolute progress.
15. In general, if an incentive is approved, it shall remain with the owner so if the property or project is sold, the incentive must transfer to the new investor within the Village.
16. All those receiving incentives will be required to support the local business community via contributions to groups like GCAMP, Next Level Northwest, the Hoffman Estates Chamber of Commerce or others. Further, those receiving incentives are strongly encouraged to use local resources, contractors, materials, etc.
17. These guidelines should be reviewed on a semi-regular basis in conjunction with analyzing existing incentives in place to ensure appropriateness and effectiveness.

INCENTIVE FEES

As all incentives require staff and consultant time to review and process. Specifically these efforts may include negotiation of an agreement, time to obtain enterprise zone building material exemption certificates, creation of a property tax supporting ordinance, etc. As a result there are nominal fees for each formally requested incentive. That fee schedule is listed here and may be amended from time to time by the Village Board.

- Cook County Property Tax Abatement Application review and Supporting Ordinance – \$1,000.
- Tax Rebate Agreement – Varying
 - \$500 if the request is less than \$10,000
 - \$1,000 if the request is between \$10,000-\$50,000
 - \$1,500 if the request is between \$50,000-\$100,000
 - \$2,000 if the request is over \$100,000
- Enterprise Zone Sales Tax Exemption Certificates for 2 years - \$500
- Creation of a special district (TIF, BID, SSA) - \$7,500 retainer deposit
- Any other incentive not listed here such as fee waivers, infrastructure improvements, recapture ordinances or other - \$2,500 retainer deposit

PROCESS FOR EVALUATING PROPOSALS

1. Interested parties seeking Village assistance should submit a written request to the Economic Development Director with items 1-6 in the section below.
2. Upon submittal of required information, Village staff will review and analyze the proposed project. Depending on the nature of the project, a preliminary meeting may be scheduled and/or additional information may be requested by the Village in order to complete this review. The Mayor and/or a Trustee may be invited to participate or provide input at this stage.
3. If the project is unique or distinctive in some way, a formal presentation of the proposed project and request for Village assistance will be made to the Planning, Building and Zoning Committee of the Village Board. If deemed a viable and beneficial project in accordance with established guidelines, the Committee will recommend the project, including level and type of assistance deemed appropriate to the Village Board. At such time the Board would direct staff/corporation counsel to draft an incentive agreement, or if in a TIF, a redevelopment agreement, incorporating any Village Board directives. Staff will analyze, or hire a consultant at applicant's expense, to perform more complex costs and benefits analysis, including the “but for” assumptions.
4. If the project is not distinctive nor controversial, after receiving favorable feedback in Step 2, Staff shall work with Corporate Counsel and the developer/private party to negotiate the terms of the deal and a formal agreement.
5. The incentive/redevelopment agreement shall be presented to the Village Board for consideration and potential approval.
6. Projects requiring a zoning change or other zoning relief must be considered by the Village's Planning and Zoning Commission, and subsequently approved by the Village Board. This approval would come at the same time as any incentive request.
7. Requests will be scheduled for consideration by the Village Board's Planning, Building and Zoning Committee and then to the Village Board for approval in conjunction with final site plan approval or zoning change or any other formal board action.

INFORMATION REQUIRED FOR AGREEMENT NEGOTIATIONS*

1. Narrative description of the project
2. Statement of project benefits
3. Amount of Village assistance requested and statement as to its need
4. Relevant data: lot size, building size, number of parking spaces, proposed site amenities/features, proposed building materials, other relevant data
5. Preliminary site plan and typical floor plan
6. Project timetable
7. Marketing plan for project
8. Development contingencies, if any, including financing, equity raising, anchor tenant leases, etc.

9. Project Costs

- a. Detailed construction cost estimates with breakout for land cost, building construction, parking/on-site improvements, and any off-site improvements
- b. Detailed sources and uses of funds statement, with hard and soft cost breakout
- c. Project pro forma for at least the period for which incentive is sought, identifying any project phasing
- d. Financial viability of major tenant(s)/end user(s)
- e. Market rents and expense breakout (if leased space)
- f. Source of funds for operating deficits or shortfall

10. Owner/Developer/Borrower Information

- a. Identify structure of ownership (partnership, corporation, etc.)
- b. Identify background and experience of owner(s)/developer.
- c. List experience with other similar projects.
- d. Identify source of equity and proposed pay-in periods (timing).
- e. Identify any and all interrelated entities (non-arms length third parties) proposed to receive fees, contracts, compensation, or other consideration from the project.

11. Private Financing

- a. Identify lender and/or equity sources.
- b. Identify amount, terms, and form of commitment.
- c. Identify general lender information.

MISCELLANEOUS

1. Staff may ask for a formal economic impact survey to be completed. This document is in the form of an excel spreadsheet to quantify much of the information shared above.

** Only items 1-6 are required for an initial review by the Village. Depending on the nature of the project and the favorability to achieve an approved agreement, the full list will be required, along with additional information.*



EXHIBIT C

ECONOMIC DEVELOPMENT STRATEGIC PLAN – IMPROVEMENT ACTIONS

ACTION ITEM		PRIORITY	STATUS/NOTES
 1. ATTRACTION & RECRUITMENT			
a	Market the nearly 900 acres of available vacant land by updating available properties websites hosted by the Village, Costar, and the state of Illinois.		
b	Develop and manage branding and marketing materials that appeal to targeted prospects.		
c	Work as the liaison to companies and investors coming to town and assist in navigating the entitlement and approval process.		
d	Target remote workers to build the resident and employment base.		
e	Attend industry trade shows and events such as Innovating Commerce, Serving Communities (ICSC) shows, Association of Industrial Real Estate (AIRE) luncheons, and Site Selectors conferences to promote the Village and meet with potential investors.		
f	Target specific companies which residents and other businesses have asked to bring to town and/or will generate desirable benefits, including new revenues for the community.		
g	Develop a Foreign Direct Investment (FDI) strategy to attract international businesses.		
h	Manage incentives to effectively attract businesses that align with the Village's strategic goals while being a responsible steward of the public tax dollars. Publicize the attached Incentive Guidelines to clearly state what would be considered for approval.		TACTIC: For larger projects considering incentives, consider hiring outside consultation
i	Utilize Public Private Partnerships to leverage private sector investments into more unique public places for the community.		
j	Work with partner agencies to maintain and improve the transportation infrastructure as a key attractor for business investment. Analyze various sites for higher densities of automobile and truck traffic to ensure a proper placement of use and site.		
k	Push to explore and use innovative technologies when attracting new businesses and investors to Hoffman Estates. Create a separate economic development webpage with information readily available for site selectors and companies looking to invest in the Village. Update this page regularly with demographic data, promotional videos, virtual site tours, and news of activity in town.		TACTIC: Add GIS StoryMaps on the website to explain large development projects, TIF districts, and potential development sites.
l	Seek out a variety of land uses not prevalent in the Village to develop on greenfield or redevelopment sites so as to diversify the tax base and provide a more fiscally sustainable economy. Those uses could include but are not limited to speculative/flexible industrial buildings, data centers, multi-story warehouses, micro-distribution centers, modern multi-family, and mixed-use.		
 2. BUSINESS RETENTION & EXPANSION (BRE)			
a	Reestablish the formal BRE visit program by consistently meeting with larger and more prominent employers on a scheduled, triennial basis.		
b	Periodically survey businesses to track common trends impacting their operations in order to better inform potential program and policy changes.		
c	Annually host networking opportunities/events for community business leaders to promote effective, informal communication.		TACTIC: Schedule CEO Roundtables, Business Appreciation Happy Hours, and other such events.

d	Promote multicultural business incubation for companies from other countries to access U.S. markets.		
e	Implement strategies for businesses to retain and attract skilled workers.		
f	Continue to participate in and support the Chamber and its events to connect with small and medium-sized businesses.		
g	Identify stage two companies who have grown past the startup phase but have not yet grown to maturity that may be poised for growth and assist in bringing them to the next level.		
h	Continually communicate to the business community through various mediums, especially to share important Village news and events.		
i	Improve the transportation connections throughout the community and to surrounding areas to assist efficient employee access to employment centers.		
j	Promote the C-PACE program through Cook County to finance sustainable building improvements.		



3. FDI STRATEGY & TRAGETING INDUSTRY CLUSTERS

a	Create and implement a marketing plan to promote the existing clusters and attract clients and customers of the vertical supply chain for those clusters.		
b	Work with transportation agencies to improve connections, via I-90, public transportation and hotel shuttles, to O'Hare International Airport as a key connector to other countries.		
c	Meet bi-annually with the existing clusters as a group to improve services and connectivity.		
d	Enter into sister city relationships with cities in Japan, German, Switzerland, Korea and/or the UK as a number of companies within Hoffman Estates are headquartered in those countries.		TACTIC: Go on one or two trade missions to these countries.
e	Meet with foreign consul generals annually to promote Hoffman Estates as a great place for businesses from their countries to invest.		



4. HOUSING

a	Seek out new residential developments, especially rental multifamily and townhomes, which will help diversify the existing housing market to provide for a wider range of housing needs.		TACTIC: Work with developers and the special needs community to develop a housing option for those adults looking to live on their own in community.
b	Work with Village Planning and Code Enforcement staff to ensure thoughtful development patterns continue and the community has safe and well-maintained buildings and properties.		
c	Work with Planning and Transportation staff to ensure all residents have safe, adequate transportation access to major hubs, attractions and employers.		
d	Continue to take inventory of and improve the services the Village provides to residents and businesses (police, fire, health and human services, public works, and engineering).		



5. MARKETING & COMMUNICATIONS

a	Create and update an annual marketing plan by determining the audiences, messages, budget, and the most effective tactics to reach the desired audience(s).		
b	Plan events connecting the Village Board, businesses, and the Hoffman Estates Economic Development Division with one another.		
c	Refine the brand identity of Hoffman Estates Economic Development to showcase the Village.		
d	Schedule regular social media and other content to stay relevant and "on the newsfeeds."		TACTIC: Consider the use of targeted advertising on social media, where appropriate.

e	Publish and promote a quarterly economic development eNewsletter.		
f	Collaborate with partners to reach desired audiences and communicate Village offerings and advantages.		
g	Plan and budget funds to be prepared for unanticipated new technology opportunities that may arise during any given year. Do not hesitate to implement pilot or try programs with new technology as a cost-effective way to make advancements.		TACTIC: Utilize drones for site tours, 3D imaging photography, virtual meeting software, new social media tools, video production, and other new ideas to promote, connect, and collaborate with community patrons and future investors.



6. QUALITY OF LIFE & PLACEMAKING

a	Work with the NOW Arena staff to bring in events to celebrate all cultures or offer a variety of entertainment options.		
b	Connect with other governing entities to create inclusive community festivals that engage existing businesses and their employees.		TACTIC: Create a Japanese Festival or Indian Festival.
c	Work with Village Planning and Code Enforcement staff to ensure thoughtful development patterns continue and the community has safe and well-maintained buildings and properties.		
d	Support operations and relationship of St. Alexius Medical Center as a health provider to the community and an attractor of more medical offices and jobs.		
e	Continue to take inventory of and improve the services the Village provides to residents and businesses (police, fire, health and human services, public works, and engineering).		
f	Promote and support the Park District and Forest Preserve amenities and activities.		
g	Work to implement the economic development recommendations of the Sustainability Plan.		TACTIC: Promote the Green Business Recognition Program and get 10 companies a year to apply.
h	Work with retail owners to create a walkable and inviting retail experience that includes public gathering spaces.		
i	Seek public/private projects which mix uses to create great public spaces that impact quality of life.		TACTIC: Redevelop the Poplar Creek branch between I-90 to Higgins Road into an open creek asset with amenities for neighboring properties.
j	Explore micro-grant opportunities to encourage individuals, private developers and community organizations to create placemaking projects.		
k	Modernize older, functionally obsolete buildings that can engage in recreational and cultural projects.		
l	Work with developers of all land uses to foster construction of well-connected projects for residents, employees, visitors.		



7. SMALL BUSINESS DEVELOPMENT

a	Continue to support Next Level Northwest as an option for small business growth. Encourage companies to apply.		
b	Utilize TIFs and other tools to create strategic incentives that will encourage private sector investment into new small businesses.		TACTIC: Within TIF Districts, create matching façade and business improvement grants or revolving loan funds.
c	Investigate use of CDBG funds for economic development purposes.		
d	Encourage and work with shopping center owners to create temporary pop-up spaces in vacancies for new entrepreneurs.		

e	Create a pro-entrepreneur market by exploring the establishment of a business incubator, especially reaching out to those recently retired who may be looking to start a second career.		
f	Meet with external team members to build relationships and understand their resources for the small business community.		
g	Promote and distribute small business resources in formats that effectively reach their target audiences. Serve as a local clearinghouse to bring together varied resources and provide direct access for to Village businesses.		



8. TOURISM

a	Continue to bring new event opportunities that will yield occupancy to the NOW Arena and area attractions such as Bell Works. Then assist as a complimentary housing authority for these events and work with local hoteliers to ensure they capture those room nights.		
b	Maintain relationships with regional and adjacent CVBs (MEET Chicago NW and Elgin/Fox Valley CVB) to keep NOW Arena top of mind as an active option. Collaborate on drawing regional event opportunities.		
c	Monthly visits to all hotel GM and Sales Leaders to educate them on Hoffman Estates market changes and ensure they are capturing as many leads from local events.		
d	Maintain the VisitHoffman.com tourism website.		TACTIC: This is a static site now but it could be energized with a professional redesign then promoted on google and social media.
e	Support local events and encourage festivals which span multiple days, possibly focused on youth sports, food, local small businesses or manufacturers, and the Bell Works Chicagoland campus.		
f	Work closely with HE Park District to identify Tournament opportunities and create sponsorship opportunities to help offset tournament costs by negotiating hotel rebates when the event controls lodging.		
g	Work closely with area park districts and banquet facilities to draw social group room blocks such as wedding and cultural events.		



9. WORKFORCE DEVELOPMENT

a	Engage with external partners to strengthen and promote workforce programs.		
b	Connect businesses with workforce hiring and training resources and partner organizations.		TACTIC: Consider hosting a jobs board powered by a third party, like Getro, for all jobs within the Village or partner with surrounding communities to promote jobs in the northwest suburbs.
c	Support educational system initiatives, especially at the community college level, that connect student and business needs.		
d	Explore possibility of using CDBG funds for economic development/workforce programs.		
e	Leverage industry expertise by working with established industry experts in the community.		
f	Enter into intergovernmental agreements with neighboring communities to support workforce development efforts that may be sector specific.		
g	Support programs which encourage training and learning in the flow of employment.		
h	Encourage alternative modes of transportation amongst business owners and work with Planning and Transportation staff to ensure safe routes are in place equitably across the community to improve access for the workforce.		

