



VILLAGE OF SCHAUMBURG

PROGRESS THROUGH THOUGHTFUL PLANNING

TO: FLAGG Committee

FROM: Matt Wilson, Management Analyst

RE: Business Retention & Expansion (BR&E) Program Update

DATE: January 20, 2025

Introduction

As part of the Village's ongoing Business Retention and Expansion (BR&E) program, the Economic Development Department conducted 40 retention meetings with Schaumburg businesses in 2024. These efforts focused on gathering feedback from a diverse range of small businesses, office users, industrial companies, retailers, and restaurants.

Discussion

In 2024, village staff continued its efforts to retain existing businesses through its BR&E program. In recent years, staff has focused on office and industrial users and their tactics for keeping employees coming to the workplace. This year's visits targeted a broad spectrum of industries to gain insights into economic trends, hiring challenges, and future growth plans.

Altogether, staff completed 40 retention visits in 2024, which consisted of 7 office users, 9 retailers, 13 manufacturing companies, 1 hotel, 7 warehouse companies, and 3 other industrial users. A full list of the companies interviewed can be found in [Exhibit A](#).

Summary of BR&E Visits

The data obtained from the retention visit interviews varied by industry. The most common topic of discussion continued to be recruitment and staffing challenges, as this issue persevered from last year into this year. The workforce challenges are not specific to one industry, as many employers looking for specific skills or levels of education are difficult to find. However, most of the businesses visited seemed to be doing well in terms of sales and growth, where most see further growth into 2025. Staff assisted nearly 70% of the businesses visited with questions and follow-up items pertaining to permits, code enforcement, grants and incentive opportunities, creating connections, referrals, and engagement within the community.

Most companies expressed a strong intention to continue operating in Schaumburg. When incentives and resources were mentioned, several businesses indicated they were unaware of the opportunities available to them and showed an interest in those resources. Many businesses also conveyed that they wanted to become more involved in the business community. These businesses specifically mentioned a desire to collaborate with not-for-profit organizations such as local school districts and the Schaumburg Business Association. In response, staff added some of these businesses to the Economic Development Department's newsletters and connected them with various local civic organizations for referrals and connecting them with resources.

BR&E Results by Industry

The data obtained from each of those interviewed this year was recorded and examined by staff. The sections below highlight the major conclusions taken from each industry sector:

Office: Last year, many office users stated the main interruption to their business was changing market demands for remote working arrangements. This year, we see many companies operating in a hybrid model, while hiring efforts have been tough for these employers. Much like last year, many directors and managers who were interviewed support employees returning to the office. Recently, Schaumburg has achieved significant success in the office market, with several large companies reversing past trends and signing major leases. Some notable examples include Wheels, Inc., ADP, Mizkan America, and Comcast. Additionally, a couple of office buildings are in the process of being redeveloped from office to residential apartment units (1699 E. Woodfield Road and 1301 E. Algonquin Road). Some of the office users visited were back to pre-pandemic levels or a five-day office work week, however, their employment levels are notably lower than years prior. Companies using the remote-hybrid model include: Builtech, Road Ranger, Proceed Innovative, and Kaga FEI America. Staff notes that the remaining number of empty buildings and unoccupied floors are still prevalent, as conducting these office visits showed several vacant buildings with no employees (ex. Perdoceo Education at 1750 E. Golf Road). Currently, the office vacancy rate remains around 30%.

Retail: Most of the retailers that staff met with reported that they have been able to meet or exceed sales goals in 2024. Many of the retailers visited experience swings in sales, depending on the season. There are a couple of outliers that are experiencing sales that are below stable or declining, which is to be expected in the retail sector. This year, staff targeted the four anchors of Woodfield Mall: Primark, Macy's, JCPenney, and Nordstrom. The four stores were very similar in successes and challenges in 2024; all reported good sales, though they have not met pre-pandemic figures yet. All stores also stated that their employment was stable, but also noted that when the holiday season starts, they will ramp up their temporary hiring efforts. All anchors have had positive experiences with Schaumburg Police and Fire Departments as well, where they have been very helpful and have been major partners in asset protection. Smaller retailers and businesses mostly asked about opportunities for funding and grants and marketing assistance. Staff appropriately sent them resources to assist them in those ventures. Staff offers retailers advice on marketing, promotions, and paths to engage in the community to promote their businesses while also providing information on eligible grants.

Industrial: Aligning with the industrial market's low vacancy rate, most buildings in the Centex Industrial Park and the northern industrial park are currently filled and fully occupied. In 2024, staff saw new expansions and major renovations from many industrial businesses in Schaumburg. For example, Hydac, who is currently in Glendale Heights, is expecting to be moving into their new building at 2050 Mitchell Drive in Q1 of 2025. Estimated construction value for the renovations and additions in their new location is valued at approximately \$4 million. Another example is CLOOS Robotics at 500 Commerce Lane. The company has invested over \$5.6 million in a new showroom for product demonstrations, updated office spaces, and an improved warehouse and production space that features two 10- and 5-ton gantry cranes. Many of the businesses visited in the Centex Industrial Park were to educate of the new TIF district in the area and the potential opportunities for assistance. Those businesses include PM Mold, NA Favia Builders, Olympic Steel, EMJ Metals, and Hydac. This continued the conversations from last year, which concerned many of the buildings' aesthetic value and potential new incentive programs.

Following the trend from 2023, companies visited expressed some difficulties with the Community Development Department, specifically with issues of permitting, inspection, and the parking challenges. A continued complaint from those in Centex is the speeding of cars from the autobody shops located in this area. Additionally, staff met with some 6B applicants who were of concern with their 6B commitments. What came out of those discussions

were disruptions in investment into their buildings due to company financial struggles, not reporting figures in bi-annual reports correctly and efficiently, and difficulties in hiring qualified and skilled employees. Staff appropriately assisted the applicants by guiding them through the reporting process, giving resources for hiring and employment, and coordinated with these companies when financial situations can be alleviated.

Successes

Once again, businesses spoke very highly of Schaumburg as a good place to do business, as many noted that they are looking to stay in Schaumburg. Specific reasons include Schaumburg's central location, access to customers and distributors, amenities, and having a business-friendly community. When discussing municipal services, most businesses interviewed reported that they have historically had good working relationships with public safety, planning, and public works. Several businesses also highlighted the community's overall beautification and variety of shops and dining options as major assets for doing business in Schaumburg.

Challenges

The workforce issue is still a factor across all industries. Many of the businesses expressed difficulty in hiring skilled and qualified candidates to fill their vacant positions. In general, manufacturers and industrial businesses are concerned about the future needs for employment in the industry because many of Schaumburg's smaller manufacturing companies are family-based and that younger generations are not applying for those types of jobs. Additionally, some businesses explained that because everyone wants to work remotely or in a hybrid model, which makes it difficult to hire and bring employees back in the office. Schaumburg's current office vacancy rate confirms this challenge.

However, workforce wasn't the first thing that was on the minds of business owners. Much like last year, some businesses expressed that the hybrid and remote model has made the hiring process of new employees easier. Nevertheless, another issue businesses are experiencing is the marketing and getting their business's name out into the community. Some businesses have little to no marketing experience, which can affect their sales greatly. Though staff has recommended some resources to help with their marketing efforts, some businesses have noted that they are still not experiencing any success with their efforts.

Staff has noted that many businesses voiced frustration or offered suggestions for the Community Development Department, most notably the Building and Inspection Divisions. Some of the complaints include timing for projects, response times, inconsistent inspections, and permit reviews taking too long. Other complaints involve parking enforcement not being fair and equitable. Majority of businesses that recently opened stated that their anticipated opening date was delayed and took longer than anticipated, primarily due to permitting.

Community Engagement Data

Throughout 2024, the Economic Development staff distributed 18 regular e-newsletters to the business community. These included six issues each of the *Industrial Insider*, *Real Estate Roundup*, and *Small Business Source*. The newsletters were shared with various community stakeholders, including real estate professionals, small businesses, community leaders, political representatives, and industrial businesses. Currently, 6,320 email addresses are subscribed to these newsletters. Additionally, the department distributed three special edition e-newsletters to promote grants and surveys, bringing the total number of sends for the year to 21.

The three regular departmental e-newsletters experienced an average open rate of 50.2% and an average click rate of 2.8%. The trio of e-newsletters are well above the industry average of the open rate and click rate, which are at 42.7% and 2.1%, respectively. Special edition e-newsletters were also well above industry averages, averaging 50.2% and 1.4%, respectively. These industry figures are according to Constant Contact as of December 2024.

Strategy Going Forward

Economic Development staff has discussed how the feedback pertains to the Economic Development Department's goals and overall mission. The department will continue to keep a current inventory of small business resources for all businesses to take advantage of funding opportunities. Such opportunities include the village's grant programs, Next Level Northwest, Cook County Grants, and DCEO programs. Staff will also remain engaged with businesses to evaluate the impact of staffing struggles in the coming months.

Additionally, staff will continue to follow up with the companies interviewed to resolve any outstanding issues and ensure they receive the support needed to be successful. Outreach efforts will remain a priority, with a focus on strengthening communication channels and fostering connections within Schaumburg's business community. The department's three e-newsletters—*Industrial Insider*, *Real Estate Roundup*, and *Small Business Source*—will continue to play a vital role in engaging real estate professionals, small businesses, and industrial companies. Moving forward, staff will incorporate feedback from businesses, highlight success stories, and share updates on new programs and resources to further support Schaumburg's economic growth.

Recommendation

Informational only

Exhibit A

Company Name	Address	Industry Sector	Description	Date of Visit
Microgreens Spa	1056 S. Roselle Road, Schaumburg, IL 60193	Retail	Health Food	1/10/2024
Infinity Dance	534 W. Wise Road, Schaumburg, IL 60193	Retail	Dance Studio	1/11/2024
K&M Printing	1410 N. Meacham Road, Schaumburg, IL 60173	Industrial	Publishing	1/15/2024
Builttech	425 N. Martingale, Schaumburg, IL 60193	Office	Construction/Consulting	1/15/2024
Brooklyn Imports	851 State Parkway, Schaumburg, IL 60173	Industrial	Warehouse/Wholesale	1/22/2024
Rapyta Robotics	935 National Parkway, Schaumburg, IL 60173	Industrial	Manufacturing	1/29/2024
Tribalance	1158 S Roselle Road, Schaumburg, IL 60193	Retail	Health	1/31/2024
Hydac	2050 Mitchell Blvd, Schaumburg, IL 60193	Industrial	Manufacturing	2/13/2024
Lucid Star	125 Commerce Drive, Schaumburg, IL 60173	Industrial	Warehouse/Wholesale	2/13/2024
Alpha Circuits	1651 Mitchell Blvd, Schaumburg, IL 60193	Industrial	Manufacturing	2/29/2024
Purple Me Green	5 Woodfield Mall, Schaumburg, IL 60173	Retail	Educational	3/14/2024
Road Ranger	1501 Woodfield Road, Schaumburg, IL 60173	Office	Corporate Office	3/21/2024
Illinois Sinus Center	1375 Woodfield Road, Suite 120, Schaumburg, IL 60173	Office	Health	3/25/2024
European Sports	830 E. Golf Road, Schaumburg, IL 60173	Retail	Sports	4/3/2024
Hyatt Regency Schaumburg	1800 E. Golf Road, Schaumburg, IL 60173	Hotel	Accommodation	4/12/2024
CLOOS Robotic Welding Inc.	500 Commerce Lane, Schaumburg, IL 60173	Industrial	Manufacturing	5/6/2024
Sonic Trans, Inc.	1301 Tower Road, Schaumburg, IL 60173	Industrial	Transportation/Logistics	5/20/2024
Nordstrom	6 Woodfield Mall, Schaumburg, IL 60173	Retail	Clothing Store	5/28/2024
CraftedWild Cabinetry	907 Lunt Avenue, Schaumburg, IL 60173	Industrial	Manufacturing	6/3/2024
Growing Strands Advanced Hair Therapy	1900 E. Golf Road, Suite 950, Schaumburg, IL 60173	Office	Medical	6/3/2024
JCPenny	3 Woodfield Mall, Schaumburg, IL 60173	Retail	Clothing Store	6/5/2024
Primark	5 Woodfield Mall, Schaumburg, IL 60173	Retail	Clothing Store	6/17/2024
Macy's	1 Woodfield Mall, Schaumburg, IL 60173	Retail	Clothing Store	6/19/2024
Proceed Innovative	1501 Woodfield Road, Suite 112E, Schaumburg, IL 60173	Office	Marketing Agency	6/20/2024
Kaga FEI America	1820 Walden Office Square, Suite 130, Schaumburg, IL 60173	Office	IT Solutions	6/20/2024
TalaTrans Worldwide Corporation	1115 Morse Avenue, Schaumburg, IL 60193	Industrial	Warehouse/Wholesale	7/18/2024
JMS Electric, Inc.	871 E. State Parkway, Schaumburg, IL 60173	Industrial	Manufacturing	7/25/2024
Earle M. Jorgensen Company	1900 Mitchell Boulevard, Schaumburg, IL 60193	Industrial	Manufacturing	7/29/2024
Hydac	445 Windy Point Drive, Glendale Heights, IL 60139	Industrial	Manufacturing	8/8/2024
Prodeval	1437 Payne Road, Schaumburg, IL 60173	Industrial	Warehouse/Wholesale	8/13/2024
PM Mold	736 Estes Avenue, Schaumburg, IL 60193	Industrial	Manufacturing	8/16/2024
NA Favia Builders	1012 Lunt Avenue, Schaumburg, IL 60193	Industrial	Construction	8/26/2024
Shigiya	651 E. State Parkway, Schaumburg, IL 60173	Industrial	Warehouse/Wholesale	8/27/2024
Olympic Steel	1901 Mitchell Boulevard, Schaumburg, IL 60193	Industrial	Manufacturing	9/3/2024
TouchTunes	450 Remington Road, Schaumburg, IL 60173	Industrial	Warehouse/Wholesale	9/3/2024
Palfinger	2324 Palmer Drive, Schaumburg, IL 60173	Industrial	Manufacturing	9/30/2024
International Health Management Associates	2122 Palmer Drive, Schaumburg, IL 60173	Industrial	Pharmaceutical	10/7/2024
Windroot Corporation	1501 E Woodfield Rd. Ste. 115W Schaumburg, IL 60173	Office	Commercial Agency	11/26/2024
KASTO	700 Remington Road, Schaumburg, IL 60173	Industrial	Manufacturing	12/6/2024
DN Solutions	360 E. State Parkway, Schaumburg, IL 60173	Industrial	Manufacturing	12/11/2024