

The Global Chicago





Requirements of Business

- A strongly pro-business environment
- Convenient access to global markets and financial centers
- A tolerant and culturally diverse city with the full-spectrum of ethnic amenities
- Easy access to Americas operations and customers



Chicago's Global Objective

“Twenty years hence, if we do the right things now, the region will be one of the ten or fifteen great metropolitan centers of the world economic order that is emerging.”

“If we fail,... (it is) because [our] leaders lacked a sense of vision, because they failed to understand the altered structure of the world economy, and because they failed to develop and act on strategies for adapting to the new order.”

-- Chicago Metropolis 2020

Our Economic Operating Principles

- Economic diversification is both the safest and the most fertile strategy
- Location and infrastructure are still strategic drivers
- Human capital is the *primary* economic driver
- A world-class quality of life is built on a prosperous middle class



World Center

- The east-west nexus joining the markets of Europe and Asia...and the north-south nexus of NAFTA and the Americas
- Our Central time zone facilitates business communication with Europe and Asia – and is the middle time zone for the hemisphere

Global Reach: Air

- World's busiest airport, Chicago O'Hare
- World's only dual "dual-hub" airport system -- over 3,300 flights per day
- 428 nonstop flights to FTAA countries per week
- Nonstop global gateway to 42 international business capitals; 133 nonstop domestic routes
- Two major airports: Chicago O'Hare and Chicago Midway

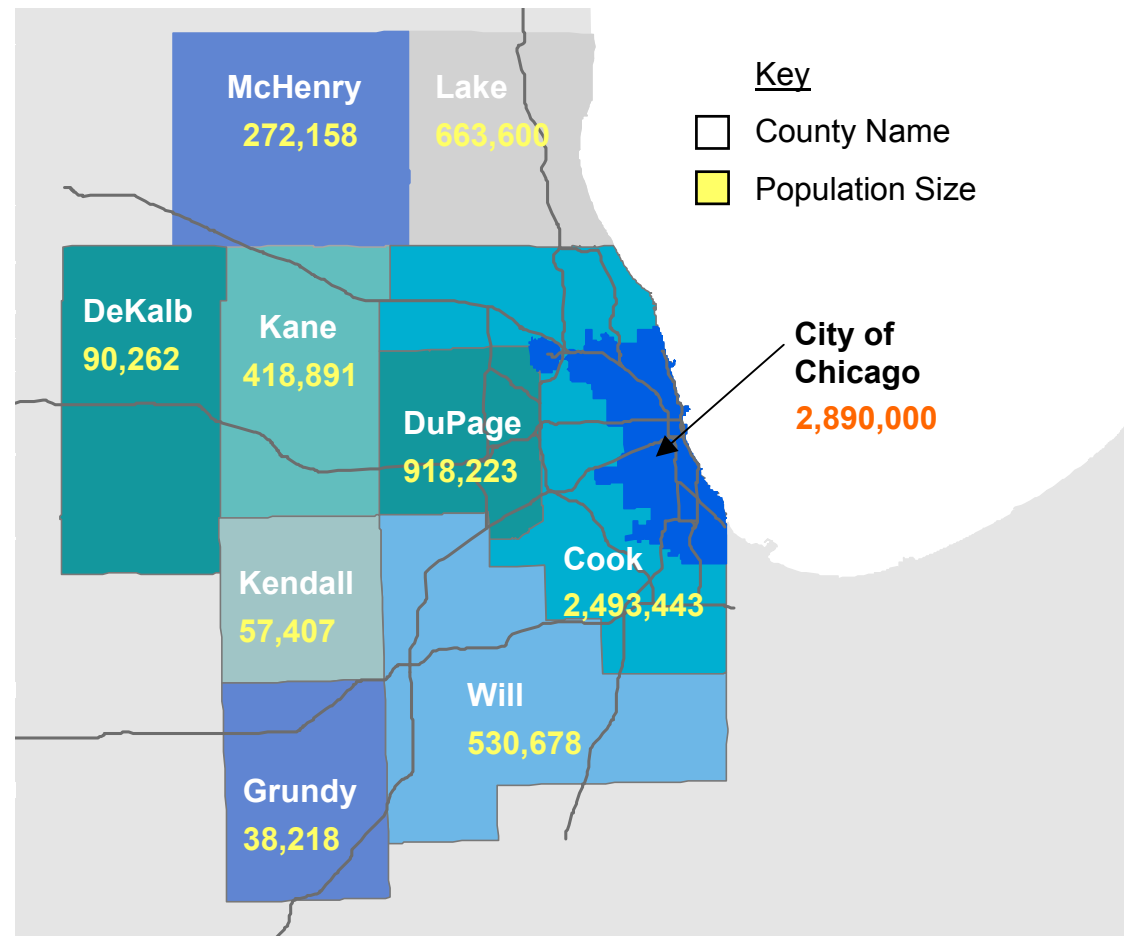
As Big as a Country

- 8.37 million population in metro area
 - 11.6% growth from 1990-2000*
 - added 861,910 people
 - 1.4% growth from 2000-2002
 - an additional 100,112 people

- 4.15 million workers
 - 14.6% growth from 1990-2000*
 - added 476,700 private sector jobs
 - -2.1% growth from 2000-2002
 - lost 78,000 private sector jobs

As Big as a Country

Chicago is the heart of a nine-county metropolitan area ... with an annual Gross Regional Product (GRP) of **\$350 billion**



Economy Rivaling Nations

| <u>Rank</u> | <u>Country or Metro Area</u> | <u>Gross Product</u> (\$ billions) |
|-------------|------------------------------|---------------------------------------|
| 1 | United States | 10,446 |
| 2 | Japan | 3,996 |
| 3 | Germany | 1,993 |
| 4 | United Kingdom | 1,569 |
| 5 | France | 1,437 |
| 6 | China | 1,237 |
| 7 | Italy | 1,188 |
| 8 | Canada | 700 |
| 10 | Mexico | 636 |
| 12 | Brazil | 505 |
| 14 | New York, NY PMSA | 449 |
| 16 | LA-Long Beach, CA PMSA | 411 |
| 17 | Australia | 398 |
| 18 | Chicago, IL PMSA | 350 |
| 19 | Russia | 347 |
| 20 | Taiwan | 282 |
| 21 | Switzerland | 267 |



Economic Growth

Private Sector Jobs

| <u>1990-2000*</u> | <u>Change</u> | <u>Total</u> | <u>+/-</u> |
|-------------------|---------------|--------------|------------|
| Chicago | 476,700 | 3,732,100 | +14.6% |
| New York | 213,100 | 3,615,400 | +6.3% |
| Los Angeles | -102,700 | 3,490,800 | -2.9% |

Gross Regional Product (\$ billion)

| <u>1990-2000*</u> | <u>Change</u> | <u>Total</u> | <u>+/-</u> |
|-------------------|---------------|--------------|------------|
| Chicago | 83.99 | 335.11 | +33.5% |
| New York | 80.76 | 441.83 | +22.4% |
| Los Angeles | 23.56 | 374.05 | +6.72% |

**Note, covers the preceding business cycle*



International Business Leader

- Headquarters home to
 - 30 Fortune 500
 - 12 Fortune Global 500
 - 17 *Financial Times* Global 500
- 107 Corporate Headquarters, 2nd only to New York
- The Boeing Company chose Chicago for its World Headquarters in 2001: “in order to become a more global company”
- Chosen as U.S. Business Hub by the Swiss government



International Business Community

- Over \$46 billion in foreign direct investment*
- 1,500 foreign firms in and around Chicago
- \$4 billion in direct imports from FTAA-eligible countries
- \$800 million in direct exports to FTAA-eligible countries
- 69 Consulates/Consuls General; 21 of the 33 FTAA eligible countries
- 100 different international trade organizations
- More than 30 international Chambers of Commerce

Hemispheric Business Community

- Chicago's Gross Regional Product of US\$350 Billion is larger than all but four of the FTAA economies
- There are 204 parent companies from the 33 FTAA-area countries, employing more than 23,000 at over 600 locations in the Chicago area
- Chicago area companies have 448 subsidiaries in the FTAA area, with 320 in Latin America and the Caribbean and 128 in Canada
- Chicago area companies have operations in 30 of the 34 FTAA-eligible nations

International Business Community

Leading business presence in the Chicago area, by country:

| <u>Country</u> | <u>Parent Companies</u> | <u>Locations</u> |
|----------------|-------------------------|------------------|
| Japan | 349 | 857 |
| U.K. | 230 | 841 |
| Canada | 184 | 584 |
| Germany | 154 | 434 |
| France | 92 | 322 |
| Switzerland | 88 | 283 |
| Netherlands | 72 | 510 |
| Italy | 39 | 144 |

Largest foreign-owned employer: ABN-AMRO, Netherlands

International Business Community

Leading foreign employers:

| <u>Country</u> | <u>Company Name</u> |
|----------------|--------------------------------|
| Netherlands | ABN-AMRO N.V. |
| Canada | Bank of Montreal (Harris Bank) |
| Switzerland | Zurich Group |
| U.K. | BP Amoco |
| Germany | Siemens AG |
| France | Suez (ONDEO Nalco) |
| Japan | Matsushita Electrical |
| Italy | Fiat S.p.A. (Case Corp.) |

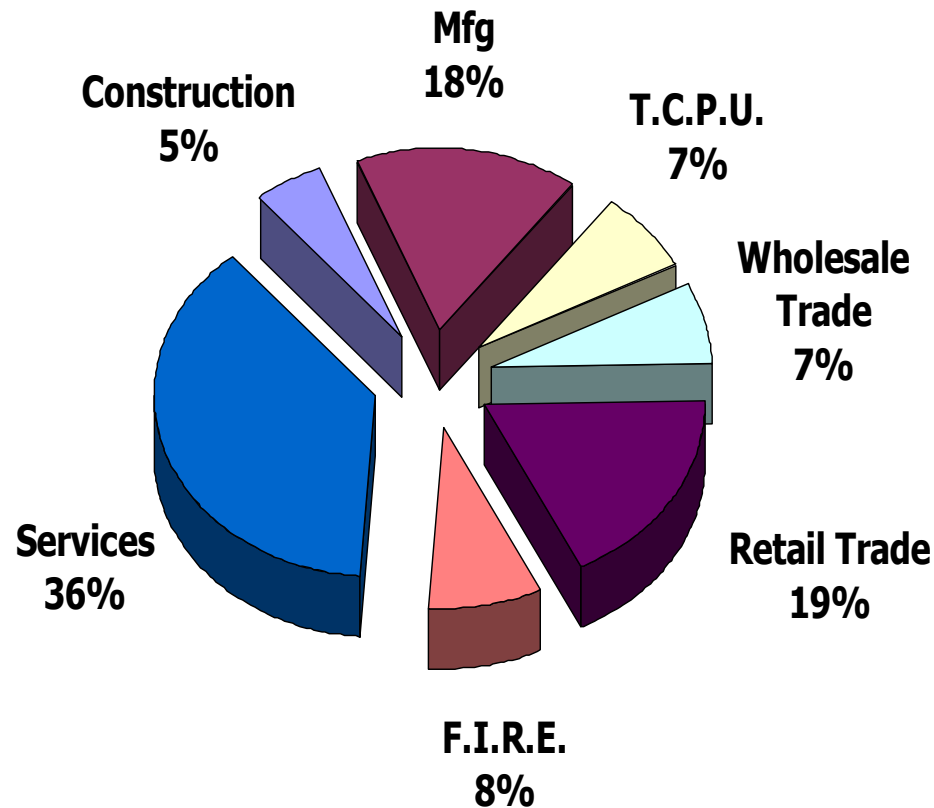
Total FDI employment is 200,000+ (equals 5% of metro)

U.S. Leadership by Sector

- #1 city for air travel
- #1 private sector jobs
- #1 in business services employment
- #1 in high technology workforce
- #1 business travel destination
- #1 in manufacturing
- #1 distribution center
 - #1 truck, #1 intermodal, #1 rail, and #1 air
- #1 convention destination
- #1 in data transmission by volume
- #1 urban medical center - #1 in MDs
- #1 University (Chicago) in Nobel Prize winners - 75

Diversified Economy

- Chicago's labor pools rank in the top 5 largest for all but one of 22 major occupational groups



A Diverse Labor Pool

| <u>US Rank</u> | <u>Major Occupational Group</u> | <u>Employment</u> |
|----------------|--|-------------------|
| #1 | Management Occupations | 288,370 |
| #1 | Sales and Related Occupations | 403,430 |
| #1 | Construction and Extraction Occupations | 165,710 |
| #1 | Installation, Maintenance, and Repair Occupations | 143,720 |
| #2 | Business and Finance Operations Occupations | 185,180 |
| #2 | Computer and Mathematical Occupations | 105,140 |
| #2 | Life, Physical and Social Science Occupations | 31,890 |
| #2 | Healthcare Practitioners and Technical Occupations | 189,920 |
| #2 | Food Preparation and Serving Related Occupations | 261,680 |
| #2 | Building & Grounds Cleaning & Maintenance Occupations | 136,060 |
| #2 | Personal Care and Service Occupations | 82,700 |
| #2 | Production Occupations | 391,340 |
| #2 | Transportation and Material Moving Occupations | 306,060 |
| #3 | Community and Social Services Occupations | 45,950 |
| #3 | Education, Training and Library Occupations | 215,250 |
| #3 | Healthcare Support Occupations | 76,390 |
| #3 | Protective Service Occupations | 84,040 |
| #3 | Office and Administrative Support Occupations | 758,260 |
| #4 | Legal Occupations | 34,050 |
| #4 | Arts, Design, Entertainment, Sports, & Media Occupations | 48,610 |
| #5 | Architecture and Engineering Occupations | 66,870 |

Leader in Business Services

| <u>1990-2000</u> | <u>Increase</u> | <u>Total Jobs</u> | <u>+/-</u> |
|------------------|-----------------|-------------------|------------|
| Chicago | 254,700 | 565,800 | +82% |
| New York | 123,600 | 515,900 | +32 |
| <u>2000-2002</u> | <u>Decrease</u> | <u>Total Jobs</u> | <u>+/-</u> |
| Chicago | -39,900 | 525,900 | -7.0% |
| New York | -42,600 | 473,300 | -8.3% |

- * SIC Codes 73 & 87 = computer systems design and management, accounting/auditing, engineering, consulting, software and programming, management services, human resources management, architecture, commercial research, testing laboratories, advertising/PR, etc.

Financial Services Power

- Global risk-management innovator and U.S. leader in options, futures and derivatives trading
- America's #2 financial services center
 - 27,000 new jobs 1990-2002
 - 22% growth
 - A total of 150,800 jobs
- New York
 - 45,900 jobs lost
 - 14% decline since 1990
- Los Angeles
 - 24,200 jobs lost
 - 19% decline since 1990

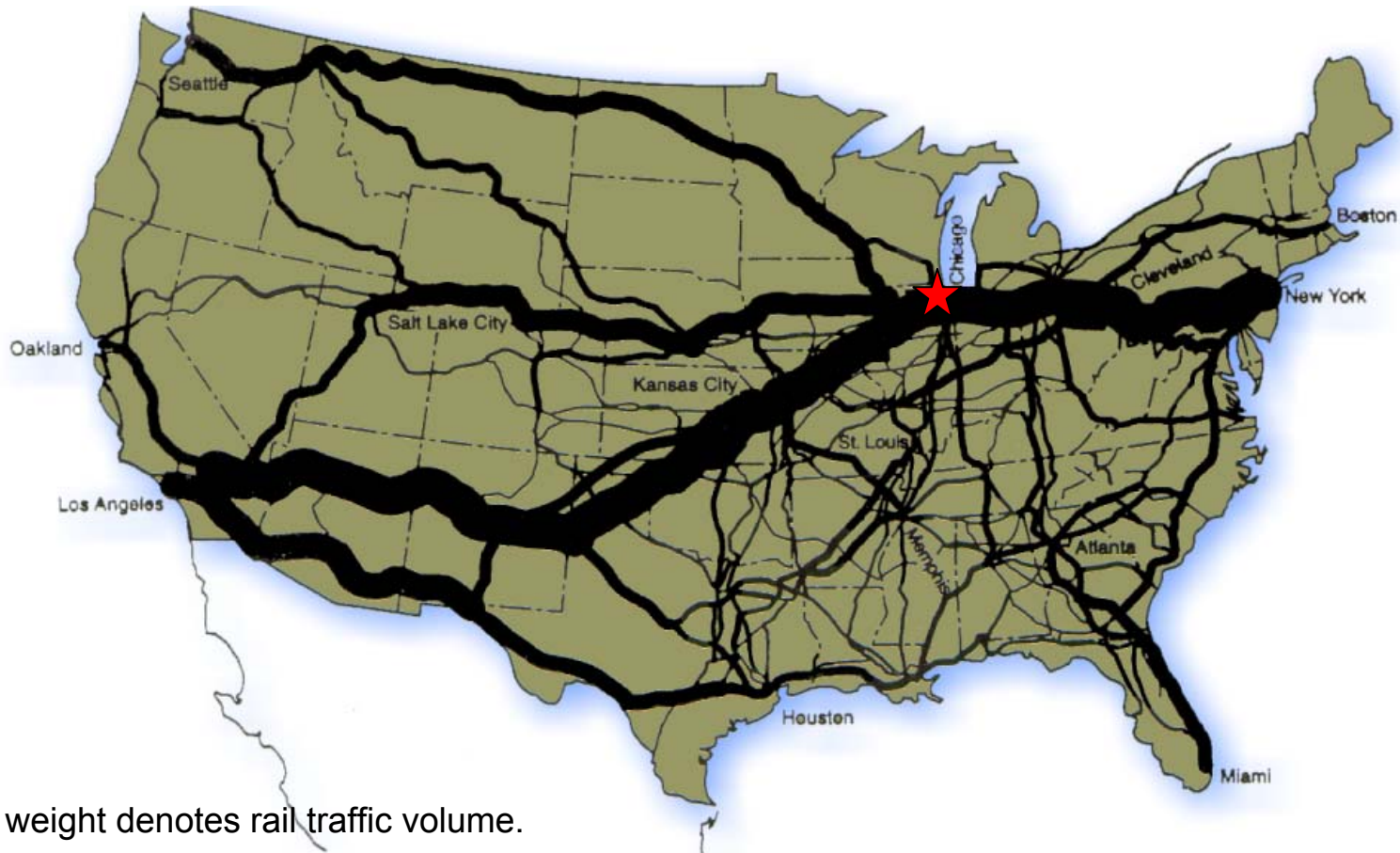
Nation's Manufacturing Leader

- \$72.4 billion GRP (largest in the U.S.)
- #1 in Communications Equipment (40,846 workers)
- #1 in Heavy Machinery (14,149)
- #1 in Lighting & Electrical Equip. (30,429)
- #1 in Medical Devices (28,212)
- #1 in Metal Manufacturing (70,355)
- #1 in Plastics (43,432)
- #1 in Processed Food (68,634)
- #1 in Production Technology (33,731)

Technopolis Chicago

- #1 in U.S. high-tech and I-tech employment
 - 347,100 and 277,400 workers respectively (per University of Minnesota)
- \$35 billion high-tech production output
- Nearly 500 corporate R&D facilities and over 30 Federally funded research centers
- Notable R&D facilities include:
 - Argonne National Lab
 - Fermi Lab
 - Northwestern U. Center of Nanotechnology
 - National Center for Supercomputing Applications at U. of Illinois

Asia-Europe Container Hub



Line weight denotes rail traffic volume.

Intermodal Capital of the Hemisphere

- World's #3 intermodal container handler (after Hong Kong and Singapore)
- #1 in the Western Hemisphere
- Chicago handled 12.4 million twenty-foot equivalent units (TEUs) of intermodal freight
 - Twice as much as L.A./Long Beach
 - 4 times as much as NY/NJ
- America's only 50%/50% Asia/Europe transit point

Distribution Center

- 453.5 million sq. ft. of warehouse/distribution space operating in the Chicago area
- 46% of all available industrial real estate in Chicago is devoted to warehouse/distribution
- Consistent construction activity over the past eight years has grown this inventory by 10%
 - 10.2 million sq. ft of warehouse/distribution space is currently under construction



WORLD
BUSINESS
CHICAGO

Trucking Capital

- Over 200 truck terminals
- 52,000 truckloads of freight (1.76 million tons) are shipped from Chicago each day
- Chicago is served by six U.S. Interstates
 - 3,138 miles of Interstate, local expressways and state highways in the metro area

The Leading Freight Handler

- Only gateway where all six Class-One North American railroads can interchange traffic
- 75% of U.S. rail freight passes through Chicago's rail yards
- 1,300 freight trains and 39,000 carloads of rail freight (i.e., 2.5+ million tons) leave Chicago each day
- 163,200 jobs projected for 2020 (42% increase)



Telecommunications Hub

- Railroad lines and highway corridors became the primary routes for optic infrastructure in the 1990s – all telecom roads lead to Chicago
- The world's most advanced and globally interconnected digital communications switching infrastructure
- More than 50% of global Internet traffic routes through Chicago

Telecommunications Hub

- Chicago Network Access Point (NAP) - world's largest Internet exchange point by volume (more than 10 terabytes per day)
- 40 North American Internet service providers connect directly to the Chicago NAP; all 46 have a point-of-presence here
- STAR TAP in downtown Chicago is the only facility in the world providing a cooperative interconnection point among international advanced telecommunication networks
 - 26 country specific networks connected including Argentina, Brazil, Canada, Chile, Venezuela

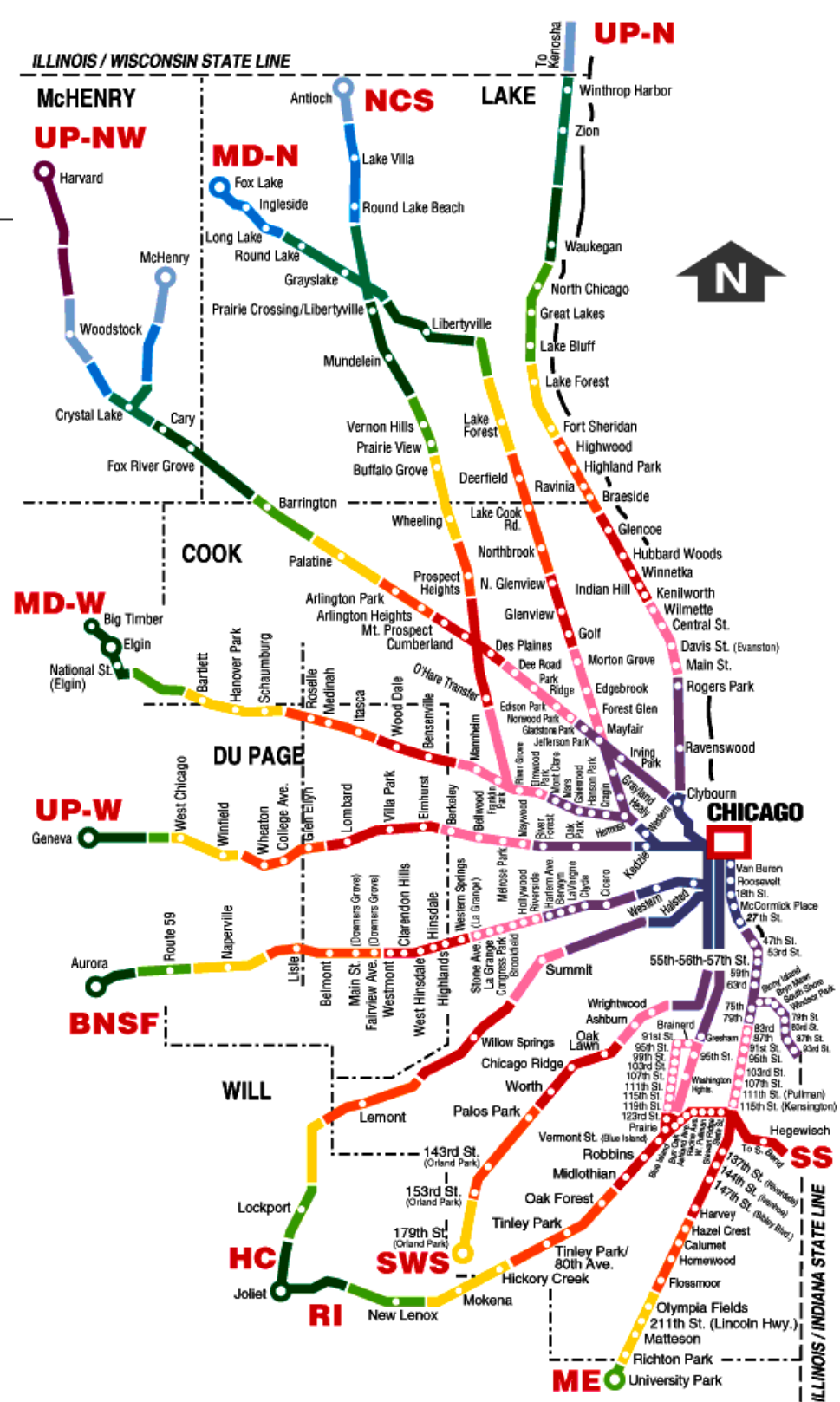
Dynamic Environment

- Chicago and New York are the only U.S. cities with the majority of their office space downtown
- 142M sq. ft. of (13.2M sq. m) office space with nearly 3.5M sq. ft. (0.33M sq. m) now under construction
- 666,400 people flow downtown each business day - 50% of whom arrive via mass transit
- Current plans forecast 32 million sq. ft. of office expansion and an increase of 188,000 employees by 2020



Workforce Access

- Public transit networks cover the entire Chicago region, providing 1.5 million rides a day in the City of Chicago, and 430,000 rides/day in suburban communities
- Chicago area commuters have a variety of transit choices not available in most U.S. cities: Long distance rail, short distance rail, bus, private vehicle – and even seasonal river taxis from trains
- Map at right: Inter-city commuter rail network radiating up to 70 miles (110 km) from central Chicago



Dynamic Environment

- Over 299,500 people live in the neighborhoods in and around the central business district
- The population of the central business district is projected to grow by 50% this decade
- 39% have a bachelors degree
- 2.5 times the national average
- 30% have graduate degrees
- 3.3 times the national average
- 50,000 students attend college downtown



Higher Education Excellence

- 487,000 students enrolled in 98 higher education institutions including colleges, universities, community colleges, and independent institutions
- 6 medical schools, including nation's largest, and 31 teaching hospitals
- Over 20,500 Master's degrees, 4,000 Professional Degrees, and 1,850 Doctoral degrees awarded annually
- Illinois institutions of higher education host more than 26,000 foreign students



Nobel-Laureate Universities

- University of Chicago has generated more Nobel Laureates (75) than any other American university
 - Overall, Chicago has a total of 81 Nobel Prize winners
- The renowned University of Chicago Center for Latin American Studies began in 1968
 - Buenos Aires Study Abroad Program
- The Economist 2002 MBA Global Rankings
 - #1 Kellogg School of Management, NU
 - #4 Graduate School of Business, U of C

Continuing Achievement

3 of top 10 part-time M.B.A. programs

- **University of Chicago**
#2 Part-time M.B.A.
- **Northwestern University**
#3 Part-time M.B.A.
- **DePaul University**
#9 Part-time M.B.A.

The World's City

- Chicago speaks over 100 languages and communicates through more than 130 foreign-language media
 - 18 Latin American media outlets
- Immigrants from over 200 different nations and territories have been welcomed to Chicago during the past 30 years
- 9-1-1 Center answers emergency calls in 27 languages

The Hemisphere's City

- 1.3 million people of Latin American and Caribbean ethnicity; 26 different ethnic groups with a population greater than 25,000
- More than 90 local organizations represent ethnic groups from FTAA area countries
- More than 27,000 Hispanic-owned businesses
- 23 Sister and Friendship Cities – including Mexico City and Toronto
- State of Illinois Latin America office in Mexico City, Canada office in Toronto

Building America's Best City

Under Mayor Daley's leadership, the City of Chicago has invested \$11 billion in public infrastructure since 1989, to ensure Chicago's preeminence as a leading global city for the future.



Winning Results

- Chicago has been the number one U.S. metro area for business expansions in 2001, 2002, and 2003 (*Site Selection Magazine*)
 - 2002: \$13 billion invested in Chicago projects vs. \$5.6 billion in New York
- Chicago has dominated *Inc. Magazine's* "Inner City 100" listings of sustained high-growth inner city businesses for the past three years

World's Destination

- 14 million business travelers (#1 destination in U.S.)
- 33 million leisure travelers
- 1 million international travelers
- 6.9 million conventioners
- The largest convention center (McCormick Place)
 - 2.2 million square feet of exhibit halls
 - 3 million attendees
 - Just 2 miles (3 km) south of downtown's nearly 29,000 hotel rooms

Worldly Amenities

- 3 of Zagat's top 5 U.S. hotels are in downtown Chicago
 - Peninsula Chicago (1)
 - Four Seasons (2)
 - Ritz-Carlton (4)
- Five Star Restaurants: Charlie Trotter's, Trio
 - Eight Four Star restaurants (*Mobil Travel Guide*)
- Only city with three Tony-Award winning theater companies
 - 2,000 theater companies
- World famous "high" culture, world famous "low" culture

The Lakefront

- 29 miles of shoreline and 16 miles of beaches
- A vast fresh water sea
- 5000+ boat slips, the most public boat slips in the US
- Museum Campus – Field Natural History Museum, Shedd Aquarium, Adler Planetarium
- Newly renovated Soldier Field
- Grant Park, Millennium Park, Lincoln Park
- Lake Shore Drive



A Great Place to Live



- Home to world-renowned Chicago Symphony, Lyric Opera and Joffrey Ballet
- 46 museums, including Art Institute of Chicago (finest Impressionist collection outside Paris)
- 200+ theater companies, 7,000 restaurants
- Winner *Money Magazine* “Best Places to Live” 2002

Recreational Amenities

- *Places Rated Almanac* gives Chicago a 97.16 out of 100
- 6 of the top 100 golf courses in the nation, according to *Golf Digest*
- Chicago has the best public golf courses in America (*Golfweek* and *Golf Digest*)
- A top-10 bicycling city (*Bicycling Magazine*)
- Top 10 walking city (Chicago and Naperville)
- 832 movie theater screens
- 4 amusement parks
- 8 casinos
- Horse racing (thoroughbred & harness)
- 6 Major League sports franchises
- Chicago Fire of Major League Soccer





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