

Case Study: Dover Corporation

On November 12, 2009 the Dover Corporation announced it would be moving its corporate headquarters from New York City to Downers Grove, DuPage County, Illinois. Dover will be moving ninety jobs to the area and has signed a lease for 68,000 square feet of office space in Highland Landmark V. This win for DuPage County is a culmination of almost a year of work by the Choose DuPage Team.

Dover is a sixty five year old multi-billion dollar, global producer of innovative equipment, specialty systems and value-added services for the industrial products, fluid management, engineered systems and electronic technology markets. Dover is organized into four reporting segments; industrial products, engineering systems, fluid management and electronic technologies.

According to Keith Gendreau of Wadley Donovan Gutshaw Consulting (WDGC), Dover was looking to consolidate and co-locate headquarters and business segment offices to create greater synergy among business units. WDGC was retained to identify a shortlist of U.S. metropolitan locations that satisfied these operating objectives. The site selection process began by WDGC methodically screening the Mountain, Central and Eastern Time Zones for potential candidates based on the project's critical location requirements which included:

- ✓ Comprehensive air service focusing on nonstop travel to, Dover's 47 domestic and international operating sites, and selected Central/South America, Asian and European destinations;
- ✓ A suitable quality-of-life for the successful relocation of management personnel and ongoing rotation of employees between the operating sites and headquarters;
- ✓ Sufficient labor resources for selective recruitment;
- ✓ Suitable infrastructure in terms of highway network, suitable office space, varied executive housing opportunities, and general business service;
- ✓ Secure acceptable operating and one-time relocation costs without compromising the above location criteria.

WDGC screening results brought forward three primary markets for final consideration: Atlanta, GA (northern suburbs); Chicago (DuPage County); and NYC metro area (northern NJ suburbs). In January 2009, Mr. Gendreau called Choose DuPage to schedule a site visit. This fieldwork took two days and was designed to give the consultant first hand knowledge of the local labor market, housing options, infrastructure/air access, and overall quality-of-life.

The Choose DuPage Team scheduled eleven different meetings for Mr. Gendreau. These included meetings with major corporate headquarters such as Tellabs, Molex, Ace Hardware, Crowe Horwath LLP and The Pampered Chef. Choose DuPage also scheduled meetings with the directors of MBA programs at Northern Illinois University, National Lewis University, and Benedictine University. Further meetings were scheduled with representatives from O'Hare Airport and the Illinois Department of Commerce and Economic Opportunity. Over the course of two days Choose DuPage provided Mr. Gendreau the opportunity to learn from local companies, transportation officials, education institutions and state officials about the benefits of locating in DuPage County and the State of Illinois. Additionally, arrangements were also made with The Ryan Company to take Mr. Gendreau on a tour of the residential housing market. To assist WDGC in finalizing their recommendation Choose DuPage provided complete data on current county corporate residents, data on business expansions and contractions, taxes, available office space, and real estate market data.

Representatives from Dover Corporation, Studley Inc. and VZ Communications came to Downers Grove to visit the Highland Landmark V building in August of 2009. The Downers Grove Economic Development team included

Downers Grove Mayor Ron Sandack, Village Council member Bruce Beckman and EDC President Greg Bedalov. Also present was Grady Hamilton of Opus North Corporation. The visit started with a review of the site and a physical tour of the building. Additional information was provided by Dover as to the key criteria impacting their decision.

Upon completion of the site visit, the group took a driving tour of Downers Grove and the surrounding area. The tour bus was provided by a Downers Grove hotel and EDC board member. Dover representatives were provided with an informational package outlining the benefits of locating their business in DuPage County and more specifically, Downers Grove. The group took a walking tour of Downtown Downers Grove followed by lunch at a Downers Grove restaurant. After lunch the group visited a Downers Grove hotel. Upon completion of the hotel visit the group returned to Highland Landmark V and the tour was concluded.

Dover had one question regarding Downers Grove that arose during their tour regarding overnight parking in the Village owned parking deck. The EDC provided the answer to Dover's questions the next day. Additional benefits expressed by Dover to the EDC and the Village surrounding Downers Grove included the professionalism displayed by all during the site visit, the willingness of elected officials to join them on the tour, the extensive knowledge about DuPage County and Downers Grove amenities, the commitment to transportation by the county and the Village as expressed by the 31st widening project, the Metra Rail and Pace integration efforts and the Village's willingness to work with Dover on particular overnight parking needs it may have.

Concurrently, meetings with the Illinois Department of Commerce and Economic Opportunity resulted in Dover being awarded an EDGE tax credit. The EDGE tax credit is a corporate income tax credit based on a firm's aggregate payroll withholdings.

WDGC's final analysis recommended DuPage County. Deciding issues included the existing base of Dover employees resident in Chicago (reducing one-time relocation costs and business disruption), air service, and more central positioning within Dover's US corporate footprint. According to Mr. Gendreau, "DuPage County has the best of both worlds. It has a diverse housing stock, a balance of fresh college graduates and experienced residents, and a diverse socio-economic makeup while being a destination for business". These attributes are critical in encouraging current Dover employees to relocate. Mr. Gendreau went on to state that the assistance he received from Choose DuPage was invaluable during the site selection process. "Without Choose DuPage's pro-active guidance, business contacts, and area knowledge/expertise, the successful completion of this project would have been placed at high risk".