

## Case Study: Regional Cooperation Paves the Way for DeVry Inc. Expansion

The Downers Grove Economic Development Corporation in conjunction with Choose DuPage, the Village of Downers Grove and Opus North Corporation entered into discussions with DeVry Inc. in 2008 regarding the relocation of DeVry's corporate office to the Highland Landmark development located at 31<sup>st</sup> and Highland Avenue in Downers Grove, DuPage County, Illinois. DeVry indicated that they were in the process of evaluating their office space needs and that Highland Landmark V in Downers Grove was a building under consideration. DeVry hired Jones Lang LaSalle to assist them with this project.

DeVry was founded in 1931 as the DeForest Training School, and officially became DeVry University in 2002. DeVry has an enrollment of 65,000 undergraduate and graduate students. The university has more than 90 campuses throughout North America and confers degrees in technology, science, business, the arts, and management

The Downers Grove Economic Development Corporation initially met with representatives from Jones Lang LaSalle to investigate financial incentives that the Village of Downers Grove would be willing to entertain as well as to learn more about the cost and benefits of doing business in Downers Grove. The Downers Grove Economic Development Corporation then entered into discussions with Jones Lang LaSalle and the Village of Downers Grove on financial incentives of interest to DeVry. Every effort was made to keep the incentive of mutual benefit to both DeVry and the Village of Downers Grove. An analysis was completed on the economic impact to the Village of Downers Grove with the creation of new jobs within the Village boundaries. It was determined that over the life of the lease (15 years) the Village of Downers Grove would receive approximately \$450,000 in additional revenues through sales and property tax. This number was used as the goal for financial incentives to DeVry.

The Downers Grove Economic Development Corporation analyzed all taxes to be paid by DeVry to the Village and determined that the three likely sources would be property tax, telecommunication tax and electric tax. Property tax was eliminated as an incentive as the property would be paid by the building owners, Opus North Corporation and controlling a mechanism to funnel any property tax rebates back to the tenant would be too difficult to administer. A review of DeVry's current telecommunications and electric tax was conducted. The building that DeVry was considering is an electric building with individual tenants being direct billed. It was determined that providing a 50% rebate of electric tax and telecommunication tax paid by DeVry to the Village of Downers Grove over a 15 year period would provide approximately \$400,000 in financial incentives to DeVry. An estimate of permit fees for the build-out of the space DeVry would potentially occupy was conducted by the Village of Downers Grove and the Downers Grove Economic Development Corporation. It was determined that the build-out permit fee costs would be approximately \$100,000. The Village of Downers Grove agreed to waive 75% of the permit fees, thereby reducing this cost

to DeVry to a total of approximately \$25,000.

Combined with the telecommunication tax rebate and the electric tax rebate the total financial incentive package was now in line with the incremental revenue that the Village of Downers Grove would receive from DeVry's potential re-location. Additional analysis of the infrastructure surrounding the office park indicated a potential traffic condition that could be negatively impacted should DeVry relocate to the building. As a result a shift in traffic patterns to the road immediately adjacent to the Highland Landmark complex was noted. DeVry expressed concern that this shift along with the additional capacity on said road that would be generated upon DeVry's relocation would compound the condition.

Two independent traffic studies were conducted and it was determined that an additional lane would be needed on the road adjacent to the office park. The Downers Grove Economic Development Corporation engaged DuPage County and Choose DuPage to investigate the likelihood of the county constructing an additional lane. The road in question is owned by DuPage County. After discussion with the Village of Downers Grove and Opus North a three party agreement was crafted between Opus North, DuPage County and the Village of Downers Grove to generate funding for the construction of an additional lane to be completed by a date certain, thereby alleviating DeVry's concerns over traffic. DeVry worked with Choose DuPage to make applications for funding from the Illinois Department of Transportation for the road improvement project as well. Funds have been allocated by the Illinois Department of Transportation for the project. In an effort to assure a successful transition for DeVry during the construction of the additional lane, the Downers Grove Economic Development Corporation worked with the property owner to secure traffic control officers at the entrance to the complex. DeVry worked with the Illinois Department of Commerce and Economic Opportunity on state tax credits and was awarded an EDGE tax credit.

In 2009 DeVry, Inc. signed a lease to occupy approximately 150,000 square feet of Class A office space in Downers Grove. This decision will retain DeVry as corporate tenant for DuPage County and create 400-500 new jobs for the Village of Downers Grove. This project is an excellent example of inter-governmental cooperation and involvement, creative tax incentives and infrastructure improvement.