2007
Business Retention Report

City of Park Ridge December, 2007

Overview and Significant Findings

A systematic business retention strategy is the best way for a community to gauge the level of satisfaction that businesses have with the local business climate, and to let businesses know that the community cares about them. Failure to get the pulse of our businesses on a regular basis is a sure-fire way of learning about problems after the fact, ie. when the moving van is spotted leaving town.

The City of Park Ridge is a strong believer in business retention and business development. In conjunction with ComEd, the City of Park Ridge created a comprehensive, citywide business retention program. This program had three basic components: development of a standard survey instrument, use of the instrument during personal visits to employers, and a post-visit analysis of the data generated by the instrument.

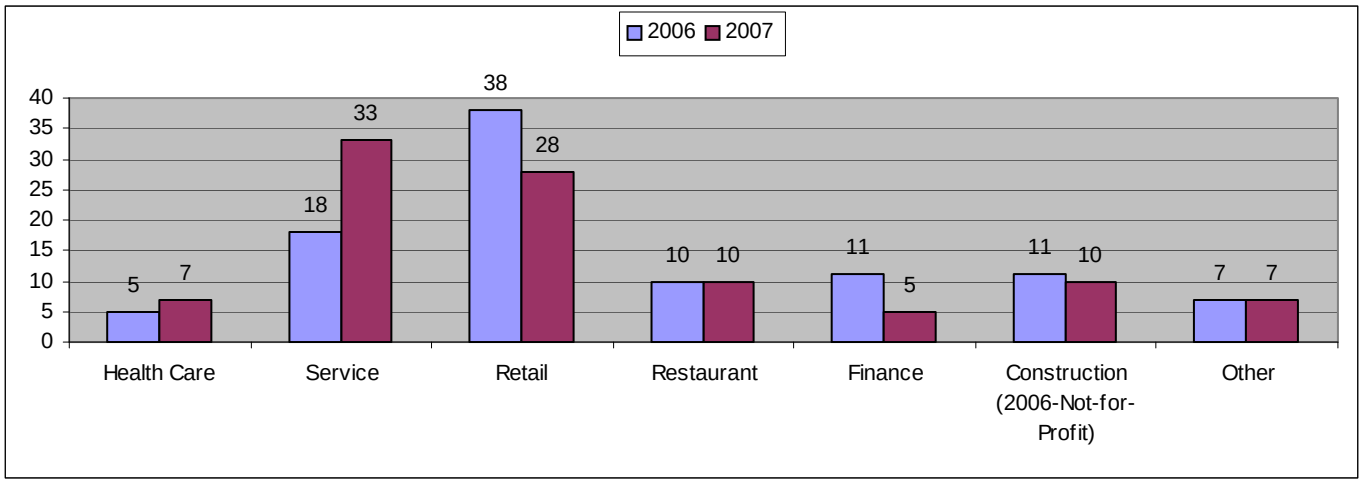
ComEd provided the survey instrument and the post-visit data analysis. In 2007, the City's Economic Development Department utilized the data-collection instrument to survey 41 businesses, representing the following sectors: Retail-28%; Service-33%; Finance-5%; Construction-10%; Restaurants-10%; Health Care-7%; Other-7%.

Below is a comparison of businesses visited in 2007 versus those in 2006.

Among the findings:

- On average, the businesses interviewed have been in Park Ridge for 23.6 years
- 46% are Privately owned, 43% are Family owned, 8% are Not-For-Profit, and 3% are Publicly owned
- Seventeen own their building(s) and Twenty-four companies lease.
- 41% of the businesses reported their need to expand or renovate.
- Expansion/Renovation Dollar Investment projected to exceed $22 million, creating 20 new jobs
- Employment net gain was 83 full time positions (compared to only 4 full time positions in 2006)
- 41% report increased sales, 30% reported stable sales, with 37% reporting an increasing sale value.
- Those interviewed employ 3,930 full time employees as well as, 3,090 part-time employees
- Average Payroll is $1.5 million per year

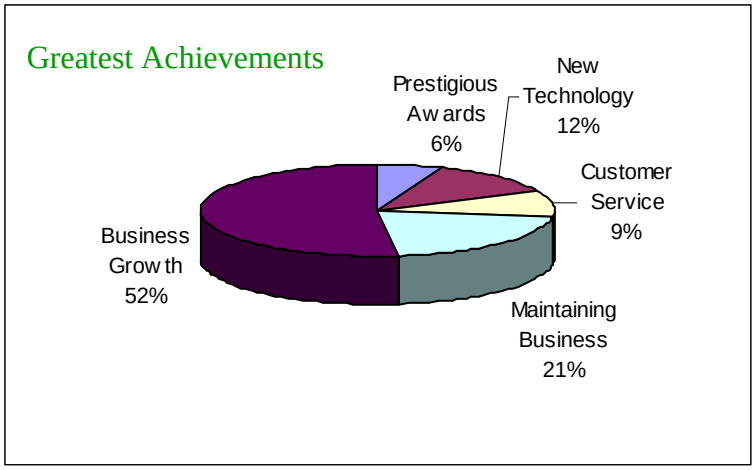
Business Sector Interviewed



Product/Service

Good indicators of a healthy business climate are growth in product and service offerings, and investment in research and development. 32% of the respondent companies introduced new products, services or capabilities in 2007 and 17% anticipate introducing new products or services over the next 18 months.

The pie chart to the right reflects the greatest achievements in the past three years as reported during the interviews. 52% of our respondents reported growth , 9% reported increased customer service, 21% have maintained a stable business environment, 12% have instilled new technologies, and 6% of our businesses have received local, regional or national prestigious awards.



Market

• Business Dynamic Report

	Increasing	Stable	Decreasing
Business Sale-2007	**46%**	**50%**	**4%**
Business Sale-2006	50.0%	26.92%	19.23%
Average Sale Value-2007	**55.0%**	**39.0%**	**6.0%**
	High Margin Low Volume	**Standard Margin**	**Low Margin High Volume**
Business Price Strategy	**14%**	**66%**	**20%**

The primary market reported by the companies interviewed has a radius of 21-50 miles, however, due to increased internet exposure sales have reached national levels and some international.

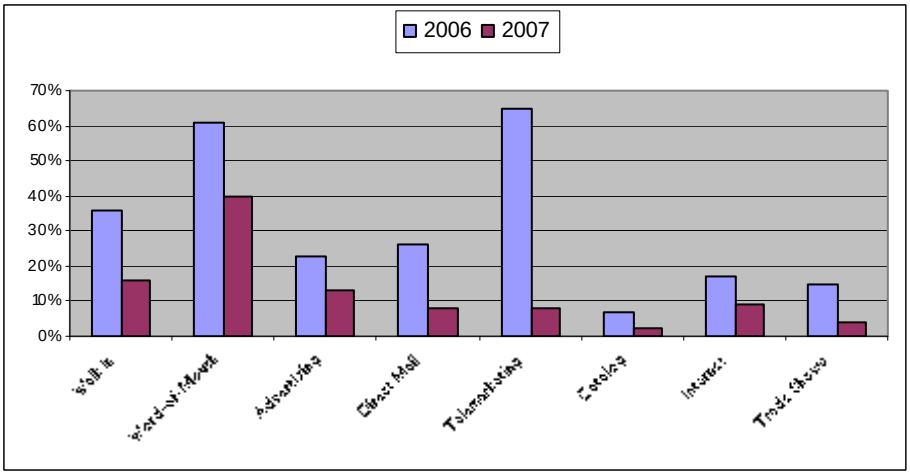
Almost Sixty-One percent of the respondents reported cooperative marketing efforts, and Thirty-Nine percent have increased their advertising/promotion budget, while Fourteen percent have decreased their budget line in marketing/promotion.

Legislative business challenges sited by respondents include:

- Mass Transit Funding
- Federal Mortgage Regulations
- Property Tax Increases
- Immigration Laws
- Tax Increases

Sales Generators

Businesses reported 40% of their business was generated by Word of Mouth/Referral down from 61% in the previous year. Because each company uses several methods to promote their sales, listed to the right is a graph depicting the percentage each method is utilized from all companies interviewed.



City Services Report Card

The quality of public services is important to businesses. The City of Park Ridge ranked above average by respondents in most categories (services are rated on a scale of one to seven with seven being high). Average of all services = **5.50** as compared to 5.44 last year

Service	'07 Average	'06 Average
Police	**6.32**	6.43
Fire	**6.65**	6.76
Ambulance	**6.61**	6.84
Streetscape Maintenance	**5.44**	5.38
Local Roads	**5.26**	3.39
Highways (State/Federal)	**4.41**	5.00
Traffic Control	**4.76**	4.25
Public Transportation	**5.91**	5.89
Airline	**6.45**	6.33
Health care	**6.19**	6.41
Spousal Employment	**5.57**	4.50
Child Care	**5.54**	5.91
Community College/Tech College	**6.06**	5.76
Universities	**5.70**	5.67
Housing	**5.13**	5.03
Schools (K-12)	**5.95**	6.13
Property Tax	**4.08**	3.98
Zoning and Building Permits	**4.85**	4.70
Regulatory Enforcement	**5.84**	6.13
Sign Regulations	**4.23**	4.63
Community Planning	**5.10**	4.86
Chamber of Commerce	**4.95**	4.61

Respondents were asked to site examples of dissatisfaction if they rated a service 3 or below:

- City Sticker regulations are too difficult to understand
- Ally's in disrepair and need yearly maintenance
- Access on/off Higgins Road is extremely dangerous
- Busse Road needs repair and has too much litter
- Uptown sidewalks/bricks in need of replacement
- Snow removal in Uptown parking lots is awful
- Pot holes and repairs needed throughout the City
- Pedestrian crossing on Northwest Highway is too dangerous
- Slow down traffic on Busse Highway
- Need more bus routes from Metra stations
- Affordable Housing is needed
- Property Taxes are too costly for businesses
- Appearance Commission needs an overhaul—needs policy rather than personal preferences
- Parking issues need to be resolved
- Permit process for a sign needs to be streamlined
- By densifying Uptown parking becomes even more congested — need solutions or no one will visit restaurants going in
- Uptown redevelopment is taking too long
- Chamber is too "cliquish"

Utility Services and Satisfaction Report

	2007	2006
Water	6.25	5.71
Sewer	6.21	6.00
Solid Waste Removal	6.23	6.14
Natural Gas	6.12	6.36
Electricity	4.85	5.47
Telecom	5.70	5.56
Cellular Service	5.64	5.10
Internet Access	5.84	6.16
Internet Speed	5.94	5.85

Utility Services were also rated by respondents on a scale of one to seven (seven being high). Average of all utilities was 5.86 Dissatisfaction examples include:

- Always lose power, too many interruptions
- Power surges and brown outs causing damage to equipment
- Several "dead" areas for Cellular phones—need more towers
- Service declined when AT&T bought SBC

Technology

Over 80% of our respondent companies reported the City's technology infrastructure is adequate for their growth plans. Some of our new business technology has included:

- Medical advancements
- Increased product upgrades
- Globally competitive
- Computer Conversions

Sixteen respondents plan to expand their technology with expenditures to exceed $250,000 in the next year.

Technology Utilization Compared to your business segment, how would you rank your company's use of technology for the following operations:	***2007 Average*** On a scale of 1-7 7 being high	***2006 Average*** On a scale of 1-7 7 being high
Internal Office Operations	6.30	5.25
Operations/Production	6.33	5.50
Sales and Inventory Management	6.23	5.56
Marketing	6.07	5.56
Technology Investment	5.97	4.78

Workforce

To evaluate the workforce, businesses were asked to rate the availability, quality, stability, and productivity of employees on a scale of one to seven with seven being high. The following table demonstrates that the City of Park Ridge rates above average in all areas, especially with respect to *Quality* and *Productivity*. Based on a scale of 1-7 with 7 being high.

Work Force Evaluation Report	***2007 Average***	***2006 Average***
Availability	4.27	4.93
Quality	5.11	5.70
Stability	4.63	5.59
Productivity	5.10	5.95

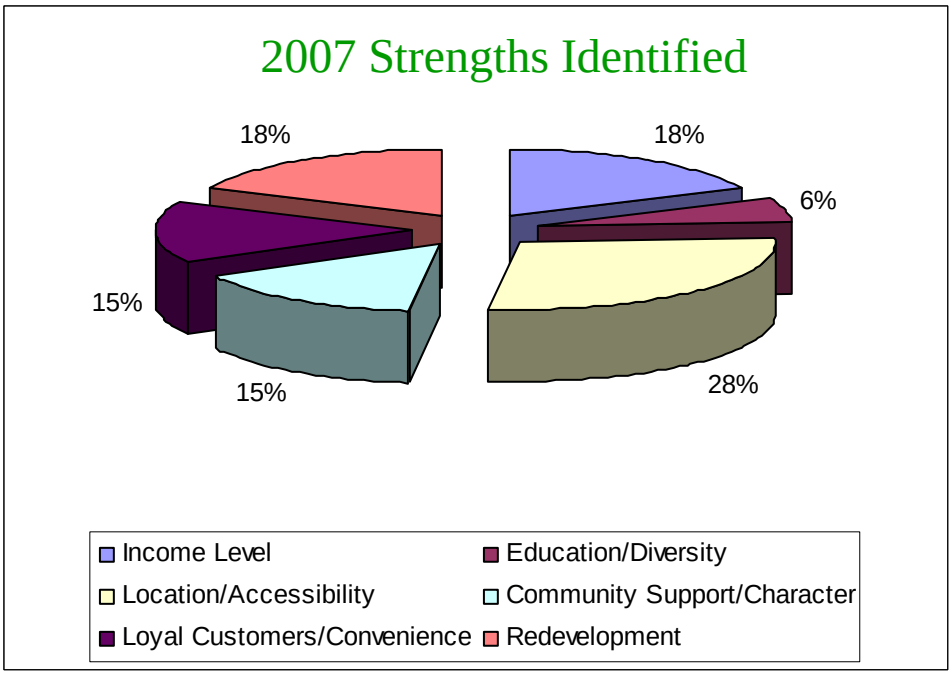
Twenty-Three percent of the respondents indicated that unfilled positions are increasing, while 71% indicate being stable. Forty-Seven percent have projected their employment needs to be increasing, and 7% indicted a decrease in employment. Thirty companies reported skill gaps (as compared to only 21 companies in 2006)

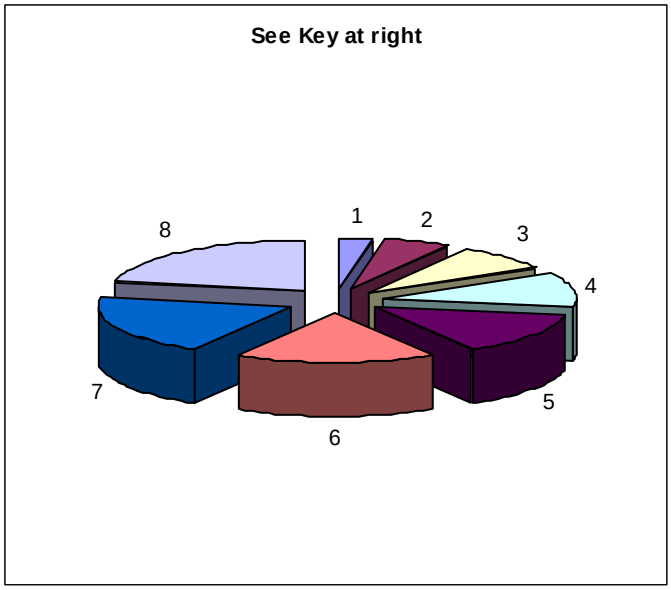
- Drivers
- Entry-level management
- Medical — Therapists and RN's
- Restaurant Servers/Waiters
- Field Engineers
- Clerical/Administration
- Sales positions
- Part-time Retail

Respondent companies reported the average age of their employee is 33 years old. Training budgets have increased in 37.3% of the companies interviewed, and 68% of the companies provide on-the-job training.

Strengths and Weaknesses

Businesses were asked to list the strengths and weaknesses of the community. Twenty-Eight percent indicated that location and accessible transportation was the most important strength, Eighteen percent indicated the income level/ demographics was a strength, 15% indicated the character/ community support was a strength, 15% indicated customer loyalty and 6% indicated the education/diversity was a strength. This year 18% also reported that redevelopment efforts provided a real strength and opportunity.





Weaknesses

The graph to the left represents the weaknesses as reported by the respondents:

1.	Property Taxes Too High	9%
2.	Parking Constraints	12%
3.	Community is not "business-friendly" as evidenced by too many restrictions, ie. signs/banners	18%
4.	No available employee pool due to affluency	9%
5.	Too much traffic congestion	15%
6.	No promotion of retail/business	15%
7.	Too much competition	15%
8.	Too much residential in Uptown	7%

Thank you ComEd — Future of Program

This report was compiled by the Economic Development Department through ComEd's Economic Development Department. We thank them for their continued support. We will begin our third year of interviews in January, 2008, and again will allow us to have comparative analysis.

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