



Moving the Future of Business. Together.

Analysis and Cost Comparison of Doing Business East Central Indiana vs. Illinois

An independent report modeling real-world company scenarios suggests that firms may realize a **cost savings of 20% in East Central Indiana** as compared to the same operation located in the Chicago, Illinois region.



Manufacturing

Assumptions: 100,000 Sq Ft, 106 FTE, \$10MM Building + \$20MM Equipment

Compared to: Cook County, IL and Rockford, IL

Overall Cost Savings: 23%

Savings Highlights: 49% real estate tax, 34% freight



Distribution

Assumptions: 500,000 Sq Ft, 396 FTE, \$25MM Building + \$50MM Equipment

Compared to: Will County, IL

Overall Cost Savings: 11%

Savings Highlights: 22% building operating expense, 21% payroll, 21% corporate tax



Back Office

Assumptions: 60,000 Sq Ft, 155 FTE, \$1.6MM

Overall Cost Savings: 20%

Savings Highlights: 44% real estate tax, 39% lease costs, 26% corporate tax

For more information about this cost comparison and the advantages of locating your business in

East Central Indiana, please contact:

Mindy Kenworthy

President/CEO

East Central Indiana Regional Partnership

mkenworthy@ecirp.org

P. 765-254-1420

www.ecirp.org | info@ecirp.org | 765-254-1420



Moving the Future of Business. Together.

Data Gathering & Cost Analysis

- Cost for doing business in ECI region was estimated based on data submitted from ECI participating communities for land costs, utility rates, labor wages, property taxes and other variable costs. BLS subscription and proprietary databases also used to verify costs.
- Cost for doing business in Illinois communities was estimated based on data gathered through BLS subscription and proprietary databases, and other published data sources.
- For each project, 10 year operating cost scenarios were run which consider estimated inflation (estimated at 3% annually) over the 10 year period.

Costs Included in the Analysis

- **Capital Expenses** – includes initial capital investment in the purchase of land, construction of building, and purchase and installation of equipment. Also includes additional line item for upgrade of equipment after the 5th year (machinery plus costs to install).
- **Operating Expenses** – includes building expenses for insurance, ongoing maintenance and repair, and other miscellaneous costs. Building maintenance repair costs vary by location based on construction cost index for each market, as a measure of variance in labor costs in each market.
- **Real Estate Tax** – annual taxes for real property based on local rates
- **Utilities (Water/Sewer, Electric, Gas, Telecommunications)** – all included based on requirements for sample project; costs based on published rates for local markets
- **Corporate Taxes** – annual state corporate taxes based on state rate
- **Freight Costs** – costs for transporting outbound finished projects to defined customer locations, volumes based on assumptions for each sample project; lane rates specific to each defined lane
- **Payroll / Labor** – wages and benefits for jobs as assumed for each sample project, wage rates vary based on local average

Analysis performed by Biggins Lacy Shapiro & Company, a professional site selection and incentives negotiation firm (www.blsstrategies.com); study commissioned by East Central Indiana. As an objective third party site selection consultant, BLS & Co does not endorse any communities, regions, states, or utility service territories as preferred locations for company investment.