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Overseas options: Huntley bets on foreign investment

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HUNTLEY – East Asia could be central to Huntley’s future.

The once-booming suburban village has turned its focus from residential growth to encouraging companies from Japan, South Korea and elsewhere to move to Huntley.

The town’s Huntley First program aims to put it “at the center of Chicago business.” Glossy brochures, printed in English and Japanese, tout the area’s transportation network, interstate access and lower labor costs and taxes.

This approach could help the village stand out from other towns.

Many municipalities in McHenry County, and throughout Illinois, have relied on incentive packages to spur economic development from domestic companies.

Other McHenry County towns have used incentive packages, sometimes poaching lucrative sales-tax generating businesses like big-box retailers from neighboring cities or villages.

Crystal Lake has promised new and existing businesses millions of dollars in sales tax rebates in recent years. It also has set up incentive programs for businesses looking to expand.

Smaller towns without the financial resources to offer incentives or the staff to run promotional programs, rely on personal service and the promise of an expedited permitting process to bring in commercial development.

As local towns scramble to attract busi-



Operations Manager Jay Frasor walks through the warehouse of FYH Bearing Units USA Inc. The company, based in Japan, built a distribution center in Huntley in 2011. FYH has been working with the village of Huntley to attract other companies from Japan to the area. (Kyle Grillot - kgrillot@shawmedia.com)

nesses, Huntley’s campaign to lure foreign investment from companies thousands of miles away may seem like a long shot.

But experts say communities are adopting more specific economic development strategies as competition for businesses – and jobs – intensifies.

“I see this all the time,” said Jeff Finkle, president and CEO of the International Economic Development Council, the world’s largest economic development membership organization.

Places like Union County in Ohio, home to Honda manufacturing and research facilities, have long catered businesses from overseas, Finkle said. Union County’s Chamber of Commerce, Convention and Visitors Bureau and Economic Development Partnership website is in five languages, including Japanese.

Huntley’s tailored campaign is a response to changing economic times, said Victor Narusis, the village’s business recruitment coordinator.

“Business is very different than it was five years ago,” he said. “You just can’t go out and look for businesses, any business, and hope they’ll come to your community. It doesn’t work that way anymore.”

Competition for commercial businesses, from chain retailers to manufacturing companies, is fierce.

In its appeal to international businesses, Huntley highlights its proximity to O’Hare International Airport and construction of a full access interchange at I-90. Many

companies from Japan already are located along I-90 in cities closer to Chicago. The I-90 corridor is desirable because of its easy access to the airport, Narusis said.

Huntley is home to some foreign businesses, including FYH Bearing Units USA Inc.

FYH, the largest maker of mounted ball bearings in Japan, opened a supply center in Huntley in 2011 at 13201 FYH Drive. Its executives have helped village officials connect with bankers, real estate agents and trade organizations that work closely with Japanese businesses.

FYH initially sought space in Elgin, but found lower land prices and a better location in Huntley, Executive Vice President Kazuo Kadotani said.

He estimated the company saved about 30 percent on land costs. Plus it was able to put up a building that can be seen from I-90, serving as a billboard for FYH. The favorable exchange rate between the yen and the dollar at the time made the investment even more attractive, Kadotani said.

Another factor in FYH's decision was the responsiveness of the village, Operations Manager Jay Frasor said.

"What separated Huntley from others was how much effort they put in to help us locate here," he said.

The village even named the street FYH Drive, a perk for being one of the first companies to build in the Huntley Corporate Park along the interstate.

Narusis and Margo Griffin, the village's business development coordinator, have attended meetings with the Japan External Trade Organization and other groups.

"We're one of the few communities in the Chicago area that has a focus on this cluster," Narusis said. "It's a deliberate effort on our part to set ourselves apart. We're not playing in a big pond and we're one of the few fish in it."

While the Huntley First campaign focuses on new businesses, it also aims to keep existing companies and help them expand, Griffin said.

The full interchange being constructed at I-90 and Route 47 has fueled interest in Huntley. Officials have estimated the road project could lead to \$350 million in future economic development.

It could take years for Huntley's strategy to pay off, but the the board is "100 percent" behind it, Village President Charles Sass said.

"This is a longer term push," he said. "The economy is still tough. But the day of the big-box stores are over, so we're taking a different approach and working to attract a full spectrum of development."



Garrick McDaniel checks products in the warehouse of FYH Bearing Units USA. (Kyle Grillot – kgrillot@shawmedia.com)



A cylindrical double row bearing on display at the warehouse of FYH Bearing Units USA. (Kyle Grillot – kgrillot@shawmedia.com)