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Caterpillar picks Deerfield for HQ

By Claire Bushey



Photo by Bloomberg

Caterpillar has named Deerfield as the location for its new corporate headquarters, countering a trend of companies moving to downtown Chicago.

The manufacturer of heavy earth-moving equipment announced in January that it would be leaving its longtime home in Peoria for the Chicago area. The new site is close to O'Hare International Airport, several major interstates and Metra, according to a statement from the company.

"We chose this location because it is approximately a 20-minute drive to O'Hare Airport and convenient to the city of Chicago via commuter train, achieving our goal to be more accessible to our global customers, dealers and employees," Caterpillar CEO Jim Umpleby said in a statement.

"This site gives our employees many options to live in either an urban or suburban environment. We know we have to compete for the best talent to grow our company."

Caterpillar has agreed to a multiyear lease for space in Deerfield's Corporate 500 Centre office park on Lake Cook Road. The new headquarters should house 100 employees by the end of the year; there will be 300 at the site in mid-2018.

Deerfield did not offer any incentives for the company to pick the site, said Deerfield Mayor Harriet Rosenthal. A City Hall source said that while Mayor Rahm Emanuel and the city of Chicago did make a play for the company, they considered it "an extreme long shot" from the start.



Photo by Caterpillar Deerfield's Corporate 500 Centre office park on Lake Cook Road

Incentives, while they were discussed, did not drive Caterpillar's decision, said spokeswoman Corrie Scott. The Deerfield site will give employees who are relocating from Peoria as well as future recruits more housing and educational options, while still offering convenient access to the city via commuter rail, she said. "To our minds, this is kind of the best of both worlds," she said.

The national media has overstated the trend of corporations moving downtown to chase millennial workers, said John "Jack" Boyd, founder and principal of a namesake site selection firm in Princeton, N.J. Many of those workers are postponing a move to the suburbs, rather than rejecting it. Moreover, as more companies do move downtown, "at some point there's inflationary cost pressures" that make the market less attractive.

"Suburbs in selected markets are doing very well, thank you, including Deerfield," he said.

Caterpillar already has a footprint in the Chicago area, albeit a changing one. The \$38.54 billion company opened a digital and analytics hub in the Merchandise Mart last year, and it currently operates a plant in Aurora that makes large and medium wheel loaders and compactors. But the company announced in March that it would close the plant by 2018, laying off 800 workers. It will continue to have an office in the western suburb, however, for white-collar employees.