

March 07, 2014

Arlington Heights marketing firm moving to River North

By Ryan Ori

CRAIN'S

Crain's Chicago Business | 150 N. Michigan Ave., 16th Floor |
Chicago, IL 60601

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Marketing firm Fusion92 is moving its headquarters to 440 W. Ontario St. in River North. Photo from CoStar Group Inc.

An Arlington Heights marketing firm is moving its headquarters to a River North loft office building owned by philanthropist Ann Lurie, after considering a move to Austin, Texas.

Fusion92 signed a five-year lease for all the space in a three-story, 25,650-square-foot building at 440 W. Ontario St., the company confirmed. That's about twice what the firm occupies now in Arlington Heights and another River North building.

The firm, which will move employees May 1, plans to double its staff of 38 in the next five years, said President and CEO Matt Murphy.

"Talent was the big thing," Mr. Murphy said. "We need to go where the talent is, and be where our industry and other agencies are."

For staying in Illinois, Fusion92 will receive about \$735,000 in state incentives over 10 years, a spokesman for the Illinois Department of Commerce and Economic Opportunity confirmed. Most of the incentives will be Economic Development for a Growing Economy (EDGE) tax credits. The incentives are contingent on Fusion92 retaining at least 33 jobs and creating 13 jobs, as well as investing \$7.4 million on the office lease and buildout, the DCEO spokesman said.

Fusion92, whose clients include McDonald's, Disney, AT&T, American Red Cross, H&R Block and Bosch Tools, toured office space in Austin, Texas, as well as the Loop, the Gold Coast and River West, Mr. Murphy said.

Austin is "a hotbed of technology and culture and a very business-friendly state," Mr. Murphy said.

COST-PROHIBITIVE TO MOVE

But the short-term cost of moving to another state was prohibitive, he said.

"Ultimately, it was an economic decision," Mr. Murphy said. "We would have lost a lot of employees in the transition. We wanted to retain as many of those people as we could."

Founded in 1999, Fusion92 leases about 13,000 square feet combined at 59 W. Seegers Road in Arlington Heights and at 325 W. Huron St., said Jason Schulz, CEO of Chicago-based brokerage J. Rich Co. He represented Fusion92 along with his brother, Richard Schulz, president of J. Rich.

Mr. Murphy declined to disclose Fusion92's revenue but said it has grown 30 percent annually the past three years and is expected to grow at a similar rate this year.

Fusion92 plans to create an audio, video and photography studio at the garden level of the building, as well as an innovation lab, Mr. Murphy said.

Completed in 1893, the building was renovated before the Ann & Robert H. Lurie Foundation and Lurie Investments Inc. moved there in 2006, said Theodore Theophilos, chief administrative officer at Lurie Investments. The two organizations moved their offices in December to 2 N. Riverside Plaza in the West Loop, he said.

Moving out and signing a tenant "was an opportunity to maximize the investment" for Ms. Lurie, said Mr. Theophilos, citing the strong office leasing market north of the Chicago River.

With 9.6 percent overall vacancy at the end of 2013, River North was the tightest of all submarkets downtown, where vacancy was 14.4 percent, according to Los Angeles-based CBRE Inc. River North asking rents were \$35.39 per square foot, 21 percent higher than a year earlier, according to CBRE.