

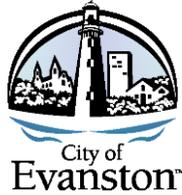
ECONOMIC DEVELOPMENT COMMITTEE
Wednesday, October 24, 2018 – 7:30pm
Lorraine Morton Civic Center, 2100 Ridge Avenue, City Council Chambers

AGENDA

- 1. CALL TO ORDER / DECLARATION OF QUORUM**
- 2. APPROVAL OF MEETING MINUTES OF September 26, 2018**
- 3. ITEMS FOR CONSIDERATION**
 - A. Main-Dempster Mile Levy Request
 - B. Downtown Evanston Levy/Funding Request
 - C. Central Street SSA RFP 18-51
- 4. ITEMS FOR DISCUSSION**

NONE
- 5. COMMUNICATIONS**
 - A. Monthly Economic Development Communication
 - B. Announcements/Updates from EDC Members
- 6. ADJOURNMENT**

Order of Agenda Items is subject to change. Information about the Economic Development Committee is available at http://www.cityofevanston.org/economicdev_special-council-committees/economic-development-committee/index.php. Questions can be directed to Paul Zalmezak at 847.448.8013. The City of Evanston is committed to making all public meetings accessible to persons with disabilities. Any citizen needing mobility or communications access assistance should contact the City Manager's Office 48 hours in advance of the scheduled meeting so that accommodations can be made at 847-448-8683 (Voice) or 847-448-8064 (TTY).



ECONOMIC DEVELOPMENT COMMITTEE

Wednesday, September 26, 2018 – 7:30pm

Lorraine Morton Civic Center, 2100 Ridge Avenue, City Council Chambers

Members present: Ald. Braithwaite, Ald. Wynne, Ald. Wilson, Ald. Simmons
Ald. Rainey, M. Berns, A. Pigozzi, H. Powell

Members absent:

Staff present: P. Zalmezak, J. Hurley, P. Martínez, J. Leonard, C. Plante

1. CALL TO ORDER / DECLARATION OF QUORUM

Ald. Braithwaite called the meeting to order and moved approval of the July minutes.

2. APPROVAL OF MEETING MINUTES OF July 25, 2018

Approved 7-0

3. ITEMS FOR CONSIDERATION

A. 2222 Oakton (Recycling Center) RFP

Because most of those signed up for public comment have asked to speak about the 2222 Oakton item, public comment will be first

Gary Peterson, spoke in favor of the Peckish Pig proposal, thinks it will generate more sales tax.

Lisa Winefield spoke in favor of the Peckish Pig proposal, wants a neighborhood gathering place.

Matt Ryan, farm manager at Talking Farm, wants to work with expanded Peckish Pig

Bill Glader Lighthouse Rotary wants to work with Peckish Pig to host more fundraisers, praised their contributions to the community

Marie Horowitz from Connections for the Homeless said the site should be redeveloped as mixed income housing and asked that the RFP to be reopened to affordable housing developers.

Doreen spoke about the need for additional transparency and public notice for land use and redevelopment proposals and asked the committee to reconsider Evanston Rebuilding Warehouse as a prospective user for the recycling center.

Ald. Braithwaite said each applicant will have 10 minutes to present their proposal.

P. Zalmezak introduced the two proposals and provided a summary of the staff review and scoring process. First Ascent will be on first.

Ald. Rainey asked that applicants be given more time to present.

Andy Stein from Clark Street Real Estate and John Shepherd from First Ascent introduced themselves to the committee. They had submitted a proposal the last time this property was offered and are excited to do so again.

Mr. Shepherd said climbing is one of the fastest growing sports in the US and has been added to the summer Olympics for 2020. First Ascent was founded in 2015 and just opened its 5th Chicago area location. Participants range in age from young children to seniors. Proposal for Evanston is most similar to their current Avondale facility; over 25000 square foot, draws over 200 visitors a day, including people from over an hour away. Locations in Uptown, Block 37, and Humboldt Park are smaller, more neighborhood-focused facilities. Climbing is more of a social activity than most gym activities; people don't just work out with headphones in and leave. Provides people indoor activity in winter.

Mr. Stein added that Clark Street is an internally capitalized development company based in Chicago with experience in large-scale projects, including Floor and Décor and the Walmart in Skokie. Under this proposal, Clark Street will develop the site and do a long-term lease with First Ascent to operate the gym.

Mr. Shepherd summarized proposed hours of operation and programming, and showed a video rendering of another facility currently under construction in Arlington Heights. Other facilities do regular events with local restaurants and other businesses, would seek to do so in Evanston as well.

Mr. Stein provided a summary of the proposed purchase price of \$1m and anticipated construction budget.

Mr. Shepherd added that use of the facility isn't limited to members and potential to serve as an event space and community hub.

Mr. Stein said that although the business wouldn't expect to generate much sales tax, he added that he would expect to pay \$100,000 a year in property tax for the site in addition to the purchase price of the building. In addition, based on the example of the Avondale location, visitors going out before and after climbing could be expected to patronize neighboring restaurants and businesses, generating sales there.

Ald. Braithwaite asked if there were any questions for the group, but there weren't any.

India McKay introduced herself – GM of Peckish Pig for the last 4 1/2 years. They currently have a staff of 38, and over \$9m in sales since it's been open. In 2017 alone, they hosted 67 events and generated over \$250,000 in sales. Recognized a need for event venues in Evanston –they've hosted weddings, bar/bat mitzvahs, and fund raising events for numerous Evanston organizations. The Chicago area is the 5th most expensive market in the US for weddings, with an average spend of \$34,000. Evanston has several traditional venues like Hilton Orrington and Crystal Ballroom, but is short on non-traditional venues

with comparable capacity for large events. Financing is expected to come in the form of loans from Wintrust bank. Ms. McKay introduced the design team to talk about the plans for the building.

Thomas Ahleman, architect for the project showed the proposed building, first phase is the event space, which would open first. Food hall area would be added later and would include 6 vendors that open out onto the bike path and park area. Proposed floor plan includes a main event room with a mezzanine and grand staircase.

Scott Prestangen provided a summary of the proposed phase 1 construction budget, developed in consultation with major subcontractors.

Ms. McKay presented proposed timeline; hope to open phase 1 by the end of 2019. Peckish Pig currently has 5 200-person weddings scheduled for 2019. People want to have weddings and events in Evanston, but they're having to go to Chicago for venues like Architectural Artifacts. Bringing these events to Evanston creates a multiplier effect by bringing business to hotels, florists, and surrounding restaurants.

Ald. Braithwaite said that the next step will be recommendation from this committee to Council for a single entity, with a proposal going to Council on November 12.

Ald. Rainey opposes any outright sale of the property because it's surrounded by the park and other City-owned property. Clark Street just wants to acquire land. They have no connection to the community and would only be renting to First Ascent. The Palmhouse project is 100% homegrown and connected to the community.

Ald. Wilson asked how parking would be handled at the site

Mr. Ahleman said the current site has space for about 40 cars; for larger events shuttle service would be provided to hotels.

Ald. Wilson said he isn't opposed to selling the building, and isn't comfortable with the City continuing to be a landlord and have to continue to maintain the building. Obligation to the taxpayers of the city is to do what makes the most financial sense.

Mr. Pigozzi agreed that the climbing use seems to be a better fit with the park and surrounding uses, asked about the current zoning.

Mr. Zalmezak said that the current zoning is I2

Ms. Berns added that either business would need a special use for this property. Things like parking and hours of operation would be addressed as part of that process.

Ald. Braithwaite mentioned that if Clark Street were to purchase the property for this use they would be restricted from doing something else with it later as part of the zoning relief.

Ald. Rainey again said that she opposes selling the building outright. It needs to be leased and shouldn't be sold to an active developer.

Ald. Simmons asked the First Ascent team about their plans for coworking facilities.

Mr. Shepherd said that the Avondale and Block 37 spaces provide seating and free wifi and allow members to set up for the day for work. The Avondale facility also has a meeting/party room that people use for work during the day.

Ald. Simmons asked about the fee structure and accessibility.

Mr. Shepherd said that the business currently partners with Boys and Girls Club to provide access to low-income groups and programs, and has also provided access for other programs and organizations for events. They also offer a discounted "off-hours" membership for people using the facility during the day.

Ald. Simmons asked about the proposed lease term.

Mr. Shepherd said that they're planning for a 10 year lease.

Ald. Simmons said that there is a need for activities and recreation, particularly for youth and families, asked about services for those age groups.

Mr. Shepherd said that they do offer classes and programming for older children and young people as well as a competitive climbing team, which includes kids in middle school through age 18. Families also climb and use the gym together.

Ald. Simmons asked about other events and partnerships with local businesses.

Mr. Shepherd said that although the business isn't an event space in the same way as the other proposal, they have hosted gatherings and events in the past, partnering with local restaurants and other local businesses to host things like film screenings.

Ald. Simmons asked if they'd consider sliding-scale memberships and whether they work with people with disabilities.

Mr. Shepherd said that they do work with blind climbers and other participants with disabilities, some of whom compete nationally. They're open to looking at expanding access to memberships.

Mr. Powell asked how many people the facility employs.

Mr. Shepherd expects 7-10 full time equivalents and 20-30 part-time staff.

Mr. Powell asked Peckish Pig how many they expect to employ.

India said 5-10 would be employed directly as bar and event staff; the market spaces would be leased to separate businesses that would employ their own staff.

Mr. Powell asked what kind of training they provide to staff.

Ms. McKay said that the food hall side would be added later but would help address the need for people to work in commercial kitchens by adding educational programs and leasing vendor spaces to startup businesses.

Mr. Powell asked about how much Peckish has paid in taxes.

Ms. McKay pointed to a presentation slide summarizing revenues - over \$100k in property taxes since their opening and over \$160k in liquor tax, \$800,000 in sales taxes. For this the expanded venue they expect to clear \$2000-4000 in liquor tax a month. They would have the liquor license for the whole building.

Mr. Powell asked about training at First Ascent.

Mr. Shepherd said they offer customer service training as well as instructors teaching people to climb, and how to run events.

Mr. Powell asked what percentage of the staff are minorities.

Mr. Shepherd said 25%.

Mr. Powell asked about local employment and membership costs.

Mr. Shepherd said the regular membership is \$79/month and the reduced membership is \$39.

Mr. Powell asked where the \$1m purchase offer came from.

Mr. Zalmezak said that this is their offer but the City hasn't had it appraised recently.

Mr. Stein said that the offer is based on comps for similar buildings in the area. If it's appraised for significantly more than that we're probably out.

Mr. Zalmezak added that Mr. Smith from Evanston Now reported that the previous appraisal was about \$845,000.

Mr. Powell asked about where they generated their estimated usage numbers.

Mr. Shepherd said that these figures were based on usage at existing facilities.

Mr. Powell said he'd like to visit the facility before voting; everybody has been to Peckish Pig but may not have had a chance to visit First Ascent.

Ald. Wynne wishes we had two buildings to lease; both proposals are great and would be successful. First Ascent is the kind of recreational use we've been talking about trying to attract for years. Thinks it's time to sell the building; we're not going to sign an agreement unless First Ascent is part of it. The Peckish Pig proposal is also great, but we should find another space for it.

Ms. Berns praised the Peckish Pig team and their proposal but said First Ascent seems like a better fit for the site and said that a recreational use is more compatible with the current zoning. It's also a better use for this particular building – not many buildings have ceilings high enough for climbing. Skeptical of the visitor numbers, but if they're accurate, it would be a great way to activate the site. The fact that they proposed it before and have financing ready is also compelling.

Ald. Braithwaite pointed out that there are a lot of other fitness businesses and facilities in Evanston and asked how this will fit in the market.

Mr. Shepherd said that they view it as a positive indicator that it complements rather than competes with other things like crossfit and yoga studios. Climbing is a unique fitness offering; for some people they do it occasionally or once a week, but for others it's a primary activity. They've often done cross promotion with other gyms and facilities, which is a good sign they'll fit with other facilities.

Ald. Braithwaite thanked both groups for their interest and their presentations and indicated that he's leaning more in favor of the First Ascent proposal due to the unique use and the potential for revenue generation both from sale of the building and property tax, plus the fact that they're not planning to seek any incentives or assistance.

Ald. Rainey asked that First Ascent and Clark Street be required to commit in writing to do all the things they've said they're going to do regarding training and access for low-income families. Also concerned about traffic and parking at the site given the attendance projections and the building's proximity to the park and the sports dome facility. Asked if Clark Street would consider a 3-year lease with option to purchase for First Ascent.

Mr. Stein indicated that the investment needed wouldn't be supported by a 3-year lease; their intention is to reposition the property and lease it to a best-in-class facility.

Ald. Rainey asked about what the profit margins are for First Ascent.

Mr. Stein indicated that it's a privately held company and they're not obligated to share this information.

Ald. Wilson moved to recommend that staff prepare a term sheet for First Ascent to be sent to City Council.

Ald. Rainey added an amendment to request a current appraisal of the property.

Ald. Wilson agreed that an updated appraisal should be included as part of preparation of the term sheet.

Ald. Rainey asked for a roll call

**Wynne, Wilson, Hecy, Braithwaite, Simmons, Pigozzi, and Berns vote yes
Hecky abstains
Rainey votes no**

Approved 6-1-1

Ald. Braithwaite asked whether the City would be required to pay transfer tax here

Mr. Zalmezak said it's customary for the seller to pay

Ald. Braithwaite asked about the confidentiality clause

Mr. Stein said the final agreement would be a standard sale contract

Mr. Zalmezak said the law department would review it.

B. Howard Street Holiday Lights

Ald. Rainey moved approval.

M. Berns seconded.

Approved 8-0

C. Proposed Changes to Business License Requirements

Mr. Zalmezak acknowledged that it's now after 9:30, but would like to discuss if possible. Staff looked at data provided by the state showing that there are over 10,000 business entities in Evanston. Although many are HOAs, nonprofits, and other non-business organizations, there are still as many as 5,000 businesses including 2,500 or so home based businesses. The City currently only issues about 500 general business licenses at any given time. Expanding to a registration process will improve communications with businesses for things like snow emergencies, construction, and RFP opportunities. Expects this will also generate up to \$200,000 in revenue.

Ald. Braithwaite pointed out that we aren't currently capturing information about m/w/ebe businesses or whether someone's renting or owning, and might allow for eventual licensing of landlords later.

Ald. Wilson asked about food vs. nonfood.

Mr. Zalmezak said that food establishments would remain completely separate and continue to be regulated by the health department.

Ald. Wilson asked that staff develop it more and present to council.

Ald. Simmons thinks it's a good idea because we're currently missing opportunities to support our local businesses.

Mr. Powell asked how staff developed the proposed fee structure.

Mr. Zalmezak said staff researched similar fees in surrounding communities and wanted to structure things in a way that was fair.

Mr. Powell said that the overhead for existing brick and mortar is significant

Mr. Zalmezak added that part of this proposal includes eliminating the annual sign fee that storefront businesses pay for signage - \$12-24 a year for most in addition to business fees and other taxes.

Ms. Berns pointed out that many home-based business owners have multiple businesses – she operates 5. Questions why she should be charged so that the City can email her more.

Ald. Braithwaite said that part of this is trying to do more local purchasing for projects under \$20k, this would help with that outreach.

Ms. Berns pointed out that she's already paying licensing fees to the state as an architect, and then City licensing fees for general contractor registration.

Mr. Zalmezak said that the intention isn't to bill each business if you're operating several businesses out of your home. We do have issues though in cases where neighbors complain about an unlicensed or unregistered business and the City needs to inspect or enforce. As a member of the committee Ms. Berns is more engaged than many business owners in the community; we don't want to add more fees for people without providing some benefit.

Ald. Rainey proposed that it be structured as one per address

Mr. Zalmezak agreed, and said initial outreach will allow for people to tell us that they shouldn't have to register because it's a family trust or shell company or something else that shouldn't be licensed.

Mr. Powell asked how enforcement works now.

Ms. Leonard said that zoning or building and inspections staff typically responds to 311 requests now where neighbors call to complain that someone is operating illegally in a residential area

Ald. Wilson moved to recommend that staff prepare a business registration program for presentation to Council

Approved 6-2

Berns & Powell vote no.

4. ITEMS FOR DISCUSSION

A. Entrepreneurship Grant Program Review

Ald. Wilson asked that this be discussed in more detail at a future meeting.

Mr. Zalmezak agreed that this should be moved to a later meeting.

Ald. Rainey asked for additional information as to the outcomes for businesses that have received funding so far. What was purchased, what was the outcome, etc.

Ald. Braithwaite agreed, would like more detailed updates on the businesses.

Ald. Simmons asked if the businesses listed have all been paid out.

Ms. Plante said that the list includes those that have been approved by Council; two of them were approved but have not yet been paid out.

B. West Evanston TIF Follow up

Ald. Rainey asked if council action was required for this.

P. Zalmezak responded that this is an administrative procedure that doesn't require council approval, but we wanted to present it to the committee in the interest of transparency.

Approved 8-0.

5. COMMUNICATIONS

A. Monthly Economic Development Communication

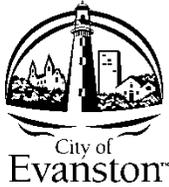
B. Announcements/Updates from EDC Members

Ald. Rainey pointed out that if the transfer tax referendum would have passed, a recent property transaction in the 8th Ward would have generated significantly more in transfer tax revenue than it did under the current system.

Ald. Simmons announced Lash Squared is now open on Foster Street in 5th ward

6. ADJOURNMENT

Meeting adjourned at 9:48pm



Memorandum

To: Chair and Members of Economic Development Committee

From: Johanna Leonard, Community Development Director
Paul Zalmezak, Economic Development Division Manager

Subject: Main-Dempster Mile SSA Levy

Date: October 24, 2018

Recommended Action:

Staff recommends that the Economic Development Committee provide a recommendation to City Council to accept the draft budget for the Main-Dempster Mile Special Service Area (SSA #6) and recommend City Council adopt a levy to raise funds in the amount of \$221,000. City Council review is a requirement of the agreement with Main Dempster Mile.

Funding Source:

No city funding is requested.

Livability Benefits:

Economy & Jobs: Retain and expand local businesses

Built Environment: enhance public spaces

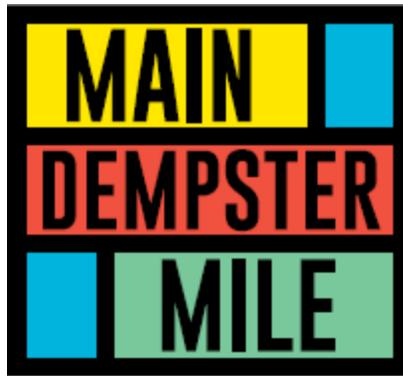
Summary:

This request represents the fourth annual tax levy for Special Service Area #6, which funds neighborhood beautification and business district marketing activities of the Main-Dempster Mile. Since the establishment of the Main-Dempster Mile in 2015, the group has developed new branding, commissioned public murals, installed seasonal sidewalk planters and banners, and expanded events. These activities are expected to continue in 2019.

The levy requested for 2019 is \$221,000, \$7,000 higher than last year's levy reflecting the anticipated increase in EAV generated by Binny's occupancy of the formerly vacant Whole Foods building. By authorizing the higher levy, Main Dempster Mile will take advantage of all of the available tax dollars up to their tax cap rate, which according to ordinance 69-O-15, the amount levied cannot exceed 0.45%. Because SSA taxes are collected by the City through property tax billing, Main Dempster Mile will invoice the City for disbursements.

Attachments:

Letter from the Main-Dempster Mile Board
Proposed 2019 Main-Dempster Mile Budget



October 16, 2018

Paul Zalmezak
Economic Development Manager
City of Evanston
City Manager's Office
2100 Ridge Avenue
Evanston, IL 60202

Dear Mr. Zalmezak:

We are pleased to submit this summary of activities this fiscal year, along with a request for future tax levies in the amount of an estimated \$221,000 to create a vibrant shopping and entertainment district in the Main-Dempster Mile service area.

Since last year, the Main-Dempster Mile has been busy:

- Marketing & Events
 - Organized a Holiday Shopping ad campaign on the CTA Purple Line (coming Nov 1)
 - Launched an Online Business Directory at www.directory.maindempstermile.com
 - Launched a "Meet the Merchants" blog at www.maindempstermile.com/meet-the-merchants
 - Increased year-over-year attendance at the 5th Annual Evanston Wine Walk by 20%
 - Added new events to our calendar
 - May 2018: Sauce Walk, A Neighborhood Art & Dessert Crawl
 - Summer 2018: Summer Concert Series – 4 concerts total (3 on Main Street, 1 on Dempster), including a successful merchant marketplace, drawing over 500 guests
 - Held events that raised \$12,000 to benefit the installation of the Chicago Avenue Mural, going up in May 2019
 - Continued and improved legacy events – Evanston Sidewalk Sale, Spooky Saturday on the Main-Dempster Mile, Annual Celebration, Small Business Saturday
 - Instituted Booth-Share programs at Custer Fair and the Big Evanston Block Party (MDM paid for booth space and in turn, installed local merchants in those booths)
 - Increased our digital communications footprint (social media followers, website visits and email list growth) significantly
 - Undertook a Market Study to solidify our understanding of the value we bring to our constituents, resulting in a new branding position and statement

- Placemaking
 - Organized a neighborhood cleanup on Earth Day 2018, drawing 50+ neighbors to help clean sidewalks in the business district
 - Installed “Welcome” signs at the entrances to the district, marking our borders with our brightly colored logo
 - Arranged for new, business-sponsored light pole banners on the Mile (going up Nov 1)
 - Made arrangements for a new [Louise Chen mural](#) on Chicago Avenue to be installed May of 2019
 - Offered matching funds for businesses who made investments to activate their storefronts:
 - Sidewalk Planters (matched up to \$250)
 - Tents for Sidewalk Sale (matched up to \$50)
 - Holiday Window Decorations (matching up to \$100)
 - Landscaped a small area in front of the Dempster Street Mural
 - Continued to tend our planter urns along the Mile, adding extra watering services to ensure survival and beauty
 - Contracted for holiday lighting in the trees and light poles along the Mile (going up Nov 1)

- Governance, Infrastructure and Community Organizing among Merchants
 - Was granted 501c6 non-profit status by the IRS
 - Organized merchant meetings and communications – Shop Safety workshops, private meeting with the Main & Custer (Dard property) developers
 - Recruited and vetted three new members of the Board of Directors
 - Currently organizing a 360 Performance Review for the Executive Director
 - Commissioned research on market segment feasibility in conjunction with the Main Street America Institute and the Northwestern Campus Catalyst program
 - Created our 2019 Proposed Budget

The Board has approved our 2019 proposed budget, attached, which shows the breadth and depth of programming and services for next year, which includes funding for a start-up street festival called ChoctoberFest. Our current activities will only allow for incremental growth, and as such, we believe it’s time to create a legacy event of our own that will both tell the story of the district as a boutique shop and eatery destination and also raise funds for us at an exponential rate.

We respectfully request that the City of Evanston levy property owners at a similar rate in 2019 as was levied in 2018.

Sincerely,

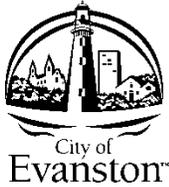
Eric Young /kg

Eric Young
President

**MAIN DEMPSTER MILE
2019 BUDGET PROPOSAL**

INCOME		Proposed 2019 Budget	6/5/18 Forecast	2017 Actual	
Carryover from 2016 Tax Revenue		\$0	\$63,298	\$121,956	
Carryover from 2017 Tax Revenue		\$0	\$18,383	n/a	
Carryover from 2018 Tax Revenue		\$15,000			
Current year Tax Revenue		\$214,000	\$214,000	\$213,353	
Concert Entrance Fees		\$3,000			100 people, \$5 per person, 6 concerts (kids under 10 = free)
Sauce Walk Revenue		\$3,500	\$3,308	\$0	
Wine Walk Revenue		\$13,500	\$11,200	\$12,485	
5K Walk/Run Revenue		--	\$2,285	\$1,714	
ChoctoberFest Revenue		\$39,000			\$20,000 sponsorship, \$7000 tent sales, \$2000 beer sales, \$10,000 entrance fee \$5 per, 2000 people
Advertising & Light Pole partnerships		\$3,500	\$9,210	n/a	9 ads at \$360, 30 light poles at \$199
TOTAL REVENUE		\$291,500	\$321,684	\$347,794	
EXPENSE		Proposed 2019 Budget	6/5/18 Forecast	2017 Actual	
Marketing					
Advertising		\$5,000	\$6,078	\$10,393	
Graphic Design (All projects) + Adobe Pro DC subscription		\$3,500	\$2,870	\$1,843	
Website (Cost to run + Business Directory)		\$1,500	\$3,444	\$1,159	Business Directory (\$600 in unbudgeted programming - search button), Upgrade to Strikingly Pro, misc
Mailchimp subscription		\$360	\$360	\$0	
Misc marketing collateral (banners, flyer, etc)		\$2,500	\$2,557	\$2,116	
Social Media Manager, facebook advertising		\$12,000	\$12,000	\$8,500	
Wine Walk donations		\$0	\$0	\$12,860	
Summer Camp Fair		\$0	\$303	--	
Fourth of July parade		\$0	\$0	--	
Special Event Costs		TOTAL: \$43,500	\$39,500	\$39,822	\$2000 Sauce Walk, \$12000 Summer Concerts, \$8000 Wine Walk, \$12,000 other
Sauce Walk		\$2,000			
Summer Concert Series		\$15,000			
Sidewalk Sale		\$1,500			
Wine Walk costs		\$8,500			
Annual Celebration		\$3,500			
Spooky Saturday		\$1,000			
Small Business Saturday		\$1,500			
Holiday Treat Walk		\$1,500			
5K Walk / Run		-			2900 Showrunner/Consultant \$
ChoctoberFest		\$25,000			
Branding Research & Collateral		\$0	\$2,100	--	
Event permits		\$2,500	\$1,800	--	
24.49% Total Marketing		\$84,360	\$69,212	\$76,693	
EXPENSE		Proposed 2019 Budget	6/5/18 Forecast	2017 Actual	
Placemaking					
Planters		\$15,500	\$15,500	\$14,200	
Holiday Lights		\$25,000	\$20,000	\$22,499	
Assistance for merchants		\$4,000	\$4,000	--	Matching funds for planters, Matching funds for Holiday Decorations
Wayfinding signs (like Main St station)		\$0	\$3,014	\$1,072	
Light Pole Banners		\$0	\$2,500	\$7,293	\$5790 budgeted to be offset by 30 purchases at \$199 apiece
Eyesore Fixes		\$0	\$0	\$0	
Snow Removal		\$2,500	\$90	\$0	
Community Projects		\$3,000	\$2,735	\$1,755	
Murals/Public Art		\$3,000	\$15,000	\$10,300	For obscuring POSE one-a-year murals
Mural Repair / Maintenance		\$3,000	\$0	\$0	

Streetscape improvements	\$10,000	\$4,500	\$0	Dempster Sherman streetscape - upgrade with custom bench
Parking Meter donations	equal to PM income	\$0	\$575	
23.83% Total Placemaking	\$66,000	\$67,339	\$57,119	
EXPENSE	Proposed 2019 Budget	4/29/18 Forecast	2017 Actual	
Administration				
Rent/Lease	\$3,600	\$3,300	\$3,600	Colab tenancy
Phone	\$1,200	\$1,210	\$0	Cell phone
Accounting/Bookkeeping	\$6,375	\$5,100	\$2,100	6 hours a month at @\$75/hour, \$600 for tax returns
Annual Audit	\$2,500	\$2,500	\$0	
Taxes & Penalties	\$0	\$15,000	\$15,000	
Postage	\$200	\$200	\$88	
Insurance	\$3,500	\$3,500	\$2,957	CNA, MDPINS, Philadelphia
Licenses/Fees	\$0	\$0	\$600	
Equipment	\$0	\$0	\$1,319	
Wages	\$67,200	\$63,782	\$56,963	Executive Director salary and benefits stipend
Payroll Taxes	\$8,250	\$7,676	\$4,024	Company portion, payroll taxes
SUTA	\$650	\$643	\$521	State unemployment tax
FUTA	\$150	\$133	\$133	Federal unemployment tax
Merchant Processing Fees (Square/Paypal/Eventbrite)	\$800	\$785	\$506	Square, Paypal, Eventbrite fees for taking payments
Office Supplies	\$500	\$418	\$100	
Professional Development	\$0	\$0	\$1,090	
Miscellaneous	\$2,500	\$2,004	\$2,062	
Annual Board Retreat	\$100	\$100	\$0	
G-Suite subscription	\$120	\$119	\$120	Necessary for Cloud Office
Attorney fees (new org)	\$5,000	\$5,000	\$4,248	
Six months reserves	\$34,597	\$34,597	\$34,597	Reserve fund - six months overhead costs
51.68% Total Admin	\$137,242	\$146,066	\$130,028	
	Proposed 2019 Budget	6/5/18 Forecast	2017 Actual	
Projected Income	\$291,500	\$321,684	\$347,794	
Projected Expense	\$287,602	\$282,618	\$263,840	
Projected Surplus/Deficit	\$3,898	\$39,066	\$83,954	



Memorandum

To: Chair and Members of the Economic Development Committee

From: Johanna Leonard, Community Development Director
Paul Zalmezak, Economic Development Manager

Subject: Downtown Evanston FY2018 Levy and Request for Budget Contribution Share

Date: October 19, 2018

Recommended Action:

Staff supports a recommendation from the Economic Development Committee to City Council for approval of the Downtown Evanston 2019 Budget as attached. This Budget includes the following:

- Approval of the Special Service Area (SSA) #4 2019 Tax Levy request of \$525,000 for downtown operations and maintenance. Account #210.21.5160.62517
- Approval of \$50,000 from the Economic Development Division for additional maintenance contract reimbursements. Account # 100.21.5300.62659

Livability Benefits:

Economy & Jobs: Retain and expand local businesses through business district marketing and attraction efforts.

Summary:

Funding for Downtown Evanston in 2019 will come from two sources:

Special Service Area #4: Downtown Evanston is requesting a recommendation to City council to levy \$525,000 for 2019. Because SSA taxes are collected by the City through property tax billing, Downtown Evanston will invoice the City quarterly for disbursements.

Maintenance Contract Reimbursements: Downtown Evanston is requesting that the City contribute \$50,000 toward the \$180,000 maintenance contract for 2019. The City reimburses Downtown Evanston for supplemental/additional maintenance services. BrightView Landscapes, LLC is the current vendor. The contract is between Downtown Evanston and the vendor.

In 2018, the City of Evanston contributed a total of \$181,670 toward maintenance and marketing activities including \$98,670 from the Washington National TIF and \$83,000 from the Economic Development fund. The Washington National TIF has expired and the final collection occurred this year.

To reduce its dependence on the City of Evanston funding in 2019, Downtown Evanston proposes to levy at the 01463% ceiling established in the ordinance. This will result in an estimated \$525,000 in 2019. Downtown Evanston's proposed budget for 2019 is \$580,000.

To maintain the same level of cleanliness staff recommends approving \$50,000 from the Economic Development / General Fund for the supplemental maintenance and trash removal services required in the downtown district. This is the last funding request from Downtown Evanston and represents a \$126,670 or 70% reduction over last year's request.

Background

DTE has contracted with a consultant to reconstitute the SSA in 2020 as required by the State of Illinois. SSA's have a lifespan of approximately ten years and are required to reconstitute periodically. The rate will be scaled to collect a levy that covers 100% of DTE budget. In 2020, Downtown Evanston will be completely independent of city funding. This will be made possible as a result of the upcoming SSA reconstitution (required by state law every 10 years) which may result in changes that may increase SSA revenues. Furthermore, the TIF has expired allowing the full EAV to benefit the SSA (for 23 years Downtown Evanston collected EAV at a much lower "frozen" rate from a significant portion of their territory). The consultant

Attachments

-Downtown Evanston 2019 Budget Proposal



Downtown Evanston CY2018 Proposed Budget Budget Line Item Definitions

The following definitions are intended to aid City staff and the City Council in understanding the approach to this budget as a full-time operation. Income and expense line items are described for background purposes.

DOWNTOWN EVANSTON

820 Davis Street
Suite 151
Evanston, Illinois 60201
T 847-866-6319
F 847-570-4738
downtownevanston.org

Marketing & Managing
Downtown Evanston

Income Line Items

Special Service Area #4 (SSA #4): This line item, \$525,000 in the 2019 Budget, is the proceeds from the self-imposed-tax paid by commercial property owners within the SSA's legally defined geography. These proceeds are collected by the City of Evanston. Downtown Evanston invoices the City of Evanston's Finance Department quarterly for these proceeds. Based on the preliminary 2017 tax assessor's calculation for this district, the maximum tax that will be produced from the .1464 rate is \$525,000. We are requesting that the City levy an amount of \$525,000. The EAV for 2018 has increased by \$37M. By authorizing the higher levy, we will take advantage of all the available tax dollars up to our tax cap rate.

The **overall budget request** to provide these special services, pay salaries and operate the organization is **\$580,000**. This represents \$525,000 from SSA#4 levy, \$50,000 from City of Evanston Economic Development Fund (for maintenance including landscaping, flower planting and 1 annual power wash).

SSA#4 will expire on 12/31/2018. This year, Downtown Evanston staff and an advisory committee have begun the process of reconstituting this district to explore the possibility of increasing the rate to accommodate for the increase of costs to provide services, including more enhancements for landscaping and maintenance, new holiday décor, more placemaking and public art activities and the possibility of a district-wide weekend valet program. This process will continue in 2019 and the district will be reconstituted through the city and state processes.

City of Evanston Contribution: As described in Ordinance #67-O-07, the City may make a contribution to Downtown Evanston from one of four funds—the Washington National TIF (now expired), Special Tax Allocation Fund, the Economic Development Fund, and any appropriate City Council approved funding source. The projected amount for CY2019 is recommended to be \$50,000. As with SSA#4 payments, the expectation is that these contributions will be invoiced quarterly. As is noted above, the contribution amount may need to be adjusted downward based on the final levy collection for 2018 under the tax cap rate of .1464.

Additionally, the SSA#4 district will expire on 12/31/18 and Downtown Evanston will begin the process to reconstitute the district in December of 2017. The organization plans to hold public meetings and conduct surveys and a needs



assessment to gauge the special services stakeholders would like to continue/add/terminate for the next 10 years (or life of taxing district) and at the tax rate of which these services will be provided.

Maintenance Contract Reimbursements: The maintenance contract with the Brightview was approved by Downtown Evanston’s Executive Board. Certain services provided through the Downtown Evanston sub -contract are services performed at the needs of the district including flower plantings, additional garbage pickup and sidewalk maintenance. These reimbursements are for these special services.

The new Fountain Square area will increase the costs to this contract, with an addition of 17 planters requiring seasonal plantings and 40 tables and 160 chairs that will require weekly cleaning.

Contributions: This projection represents an agreed upon contribution of \$20,000 by Northwestern University as owner of 1800 Sherman Avenue, a building within the downtown district. Northwestern has agreed to this contribution. As with the other key revenue categories, the plan is to invoice quarterly for these proceeds.

Marketing and Event Program Reimbursements: Downtown Evanston is working to be more self-sufficient in that we can rely on sponsorship and event revenue as additional income. It is anticipated that these efforts will represent \$25,000 in 2019. Several Downtown Evanston marketing programs are conducted jointly with downtown business owners, including the street pole banners, cooperative advertising and event sponsorships. Sponsorship opportunities include: Thursday Night Live, Oktoberfest, Big Bite Night and the Holiday Tree Lighting.

Interest Income: Downtown Evanston maintains an insured money market account, in addition to its operating checking account, with First Bank & Trust. Some interest income is received annually from deposits to this account prior to any transfer to the checking account.

Expense Line Items

Expenses are divided into general categories—Advertising, Events, Directory and Print, Display Ads, Maintenance, Holiday Decorations, Payroll, and Administrative. These categories have been separated for reviewer clarity.

Advertising: The advertising budget comprises of marketing downtown Evanston generally and in 2019 focusing on the new fountain square and our events. Capitalizing on the completion of the new public plaza and the success of moving Thursday Night Live and other small scale events to this area, we want to be sure to



showcase this area in our print and radio advertisements. The second tier of marketing targets the Evanston market to “Shop Evanston” or to show support for independent stores using and working to take advantage of the Small Business Saturday hype only year-round. Starting in 2015 resources were redirected to digital advertising, paid social media posts and radio ads thereby reducing print advertising. This has allowed for better tracking the success of ads with website analytics and click through information.

The commercial real estate message is different than our audience of shoppers, diners and entertainment seekers. This message and portion of the budget aims to attract new entertainment and experienced-based tenants to fill vacancies. In 2018 DTE staff conducted several walking tours with prospective tenants, these efforts along with larger social media campaigns will continue into 2019. The “We’d Rather Be Bowling” video was well received by a national bowling operator; the challenge continues to be the perfect site for such a unique use. I think another video to attract more family focused entertainment operators will help us in our efforts to attract those specific tenants. Working in conjunction with the Economic Development staff to market to larger developments as well as available office space. Downtown Evanston’s ongoing campaign to enhance downtown’s image as a place to do business is among our highest priority.

Also, Downtown Evanston has moved into a co-working space at 909 Davis – Industrious and only two months in, we have been having great meetings with

Examples:

- The annual registrations for two International Council of Shopping Centers meetings in Chicago, and printing expenses for attraction piece and data collection. These two events attract retailers and site locators seeking locations throughout the Midwest. The second meeting features presentations by retailers providing site specifics. Downtown Evanston staff will attend both events.
- Variations in expense for the commercial real estate category. The commercial real estate expenses differ from general marketing. Reaching those decision makers through advertising and outreach to the office broker community requires a different approach. There are local and regional channels for ongoing image development; most are trade publications, print and electronic. In 2018, as with all marketing the focus will be mainly electronic and through traditional networking.

Events: Certain events, unless retail promotions, do not ‘ring registers.’ They provide visibility for the broader downtown offering as well as building on our brand. These line items include event specific expenses only. Beginning in 2016, Downtown Evanston hosted a large scale sponsored and ticketed event to assist with diversifying our funding stream. Now in its fourth year, the event did bring in revenue but the



hope is to attract more corporate sponsors with the ad placements, social media outreach, photos and a short video from this year's event.

The Thursday Night Live ten-week live music series is the second largest event, including expenses for performers. In 2018, we were able to use the new fountain square area to a great response from the community. We also held some morning and afternoon fitness classes, a dance class and story time events in the area and we will continue these efforts in 2019. The Sidewalk Sale expense is for a small amount of direct expense specific to that retail promotion. Smaller line items recognize event specific expense for Big Bite Night and to continue our success with themed "walks" or "strolls" such as our Wine Walk and Warm Bevy Walk and a Trick or Treat stroll and party.

Map and Guide and Website:

In 2015 a new design and layout was completed for the downtown directory, including using action words and color coordination from our logo. The map and guide requires frequent updates, therefore, it will be printed four times each year. In 2018 we printed 25,000 and have distributed most of them. These maps are distributed to downtown hotel, a Northwestern Welcome Week and a few hotels in the suburbs.

This year we noticed a significant increase in requests from Northwestern including Kellogg and "Wildcat Welcome" events, off-campus students and reunion events/clubs, which help us reach a broader NU audience.

In 2018, we incorporated live stream of social media photos to be automatically populated on our website's Eat & Drink, Shop and Be Entertained pages. This came to us after the success of a few food/dining focused Instagram tours hosted in 2016/2017. Pictures of food have proven to be a great way to increase our social media reach.

Display Ads:

The street pole banners expense totals \$12,000 to design, print, install and monitor. In the next few weeks we plan to install a new design. The banner program not only enhances the aesthetic downtown but allows for a co-op advertising program for the organization. The new banners will reflect the design of the "We Love Downtown Evanston" campaign.

Maintenance:

The contract with Brightview includes: maintenance and seasonal plantings for 35 planters (an addition of 17 planters in Fountain Square), extra trash removal, sidewalk maintenance and maintenance of some street level and planter beds throughout downtown. Within maintenance, there are additional funds included in this line item



for plant materials and event maintenance such as Big Bite Night, Oktoberfest, Kits, Cats and Kids and Holiday Tree Lighting.

This also represents costs to purchase any materials excluded from the larger maintenance sub-contract. Downtown Evanston along with Public Works and Economic Development staff are researching a new method to provide these services. After the district is reconstituted in 2019 the contract will then be split allowing for a maintenance company to provide the maintenance and a landscaping company to provide the landscaping.

Holiday Décor:

In 2018 Downtown Evanston will once again install 105 snowflakes and 166 lighted wreaths. It is our plan that in 2020 we will have the resources to purchase updated décor. In 2015, Downtown Evanston switched to a local vendor which resulted in a cost savings for installation. In FY09, Downtown Evanston approved the purchase of LED lights for the Holiday Tree at Fountain Square. These lights use less power, and will also be removed from the tree after the season and stored for re-use each year.

Payroll/Benefits/Taxes/Fees:

This line item represents the largest expense category. Full-time salaries for an Executive Director and a Business Development and Marketing Manager to provide the special services and health benefits, which are made available from the City of Evanston. In 2018 the medical benefits cost doubled. *The estimate shown applies the single rate for the City's PPO & HMO on an annual basis less a 30% employee contribution for these benefits.*

Included in the budget is a part time bookkeeper that generally works 2-3 hours per week and manages the accounting system and works in tandem with the Executive Director and Downtown Evanston's accounting firm and Treasurer on financial matters.

Administrative- non- personnel:

This line item includes the day-to-day cost of operating the Downtown Evanston office including, rent, internet, phone, website hosting/maintenance, supplies and materials.

2019

FY BUDGET 2019

INCOME

CITY OF EVANSTON CONTRIBUTIONS	
SSA 4	525,000.00
City of Evanston Contribution	50,000.00
TOTAL CITY OF EVANSTON CONTRIBUTIONS	575,000.00
NORTHWESTERN CONTRIBUTION	20,000.00
SPONSORSHIPS	
Marketing Co-Op Income	
WBEZ Radio	500.00
Marketing Co-Op Income	
SPONSORSHIPS - Other	22,000.00
SPONSORSHIPS	22,500.00
CARD ACTIVATION FEES	0.00
INTEREST INCOME	150.00
TOTAL INCOME	617,650.00

MARKETING EXPENSES

MARKETING - DINING

ADVERTISING

Print Ads	15,000.00
Web Ad	20,000.00
Print Materials/ Posters	8,000.00
Special Events	15,000.00
Website	0.00
Graphic Design	3,000.00
TOTAL ADVERTISING	61,000.00

SPECIAL EVENTS

Entertainment	10,000.00
Rentals	15,000.00
Insurance	3,000.00
Supplies	10,000.00
Staff	1,500.00
Maintenance	1,000.00
TOTAL SPECIAL EVENTS	40,500.00

PUBLIC WAY AESTHETICS

Banners	20,000.00
Holiday Decor	20,000.00
Public Art	0.00
TOTAL PUBLIC WAY AESTHETICS	40,000.00

PUBLIC WAY MAINTENANCE

Contract	200,000.00	Increased for new planters
Improvements	0.00	
TOTAL PUBLIC WAY MAINTENANCE	200,000.00	

TENANT RETENTION & ATTRACTION

Professional Development	2,000.00
Data Collection	0.00
Survey	0.00
Printing	1,000.00
TOTAL TENANT RETENTION & ATTRACTION	3,000.00

MAP & GUIDE

Graphic Design	1,000.00
Printing	17,000.00
TOTAL MAP & GUIDE	18,000.00

ADMINISTRATIVE Non-Personnel

Accounting	6,000.00
Internet/DSL	3,000.00
Telephone	1,200.00
Rent	14,400.00
Meals	500.00
Office Supplies	700.00
Computer & Professional Services	3,000.00
Dues & Subscriptions	1,200.00
Business/Professional Developme	4,000.00
Insurance	7,000.00
Postage	300.00
Meeting Expenses	1,800.00
TOTAL ADMINISTRATIVE Non-Personnel	43,100.00

PAYROLL

Full Time Staff	147,966.00
Hourly/Part time Staff	4,000.00
Full-Time Staff Benefits	48,000.00
Employer Taxes	10,000.00
Processing fees	1,360.00
TOTAL PAYROLL	211,326.00

TOTAL EXPENSE
NET INCOME

616,926.00
724.00

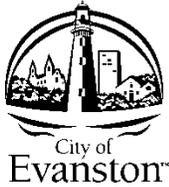
DATE 06/20/18

AGENCY EQUALIZED ASSESSED VALUATIONS BY TOWNSHIP

AGENCY NO. 03-0380-103 AGENCY NAME:CITY OF EVANSTON SPECIAL SERVICE AREA NO.4

TAX YEAR 2017 EQ. FACTOR 2.9627

TOWN	TOWNSHIP NAME	TOTAL EXEMPTIONS	REAL ESTATE	AIR POLLUTION	RAILROAD	TOTAL EQUALIZED VALUATION
17	EVANSTON	728,673	300,003,990			300,003,990
SUBURBAN TOTALS		728,673	300,003,990			300,003,990
TOTAL THIS AGENCY		728,673	300,003,990			300,003,990



Memorandum

To: Chair and Members of Economic Development Committee

From: Paul Zalmezak, Economic Development Division Manager
Paulina Martínez, Assistant to the City Manager

Subject: Central Street SSA RFP 18-51 Responses

Date: October 18, 2018

Recommendation:

Economic Development staff supports recommendation from the Economic Development Committee to the City Council to approve the lowest and most responsive bidder of RFP 18-51, titles “Study and Designation of Central Street Special Service Area (SSA).”

Livability Benefits:

- Economy and Jobs: Retain and expand local businesses
- Build Environment: Enhance public spaces
- Education, Arts & Community: Incorporate arts and cultural resources

Background:

In 2017, the Central Street Business Association indicated to Economic Development staff that there was interest among businesses in this area in pursuing the steps associated with establishing an SSA. This was based on interest in helping the association grow and establish a stable funding stream for merchant and business district activities that range from street beautification (planters, street furniture, etc.) to programmatic needs (event management, marketing support, and organizational management). The Association reported that the annual Evanston Great Merchant Grant, while helpful in basic needs such as banners, planters, and advertising, is not enough to help the group move forward with creating events and other marketing tools to attract more foot traffic.

The Economic Development Committee directed economic development staff to issue an RFP to study the feasibility of creating an SSA for the Central Street/Green Bay Road area at the July 25, 2018 meeting. The RFP was released on September 27, 2018 with a due date for October 18, 2018. City of Evanston purchasing guidelines require economic development and purchasing staff to review and score the responses together. A panel of three community development staff members and one purchasing

staff member will participate in this task. The earliest date available for this review is Monday, October 22, 2018, after the date of publishing this staff report.

Given the RFP release timeline and due date, the RFP submissions and staff's consultant recommendation will be distributed to the Economic Development Committee no later than 5 p.m. on Monday, October 22, 2018 and posted online as an addendum at: <https://www.cityofevanston.org/government/agendas-minutes/special-council-committees/economic-development-committee>

Economic Development	Business District Activities		
WEST SIDE (CEBA/Church & Dodge)			
Project	Address	Ward	Latest Update
Central Evanston Business Association (CEBA)	N/A	5	Six street light bulbs to be replaced for LED bulbs at the corner of Church and Dodge.
Dr. Hill Arts Business Association	N/A	5	All Great Merchant Grant requests have been fulfilled.
West Evanston Plan	N/A	5	Staff will present an update at the Economic Development Committee meeting on 9/26/2018.
Masonic Temple	Emerson	5	Architect owner determining plans for space
2113 Dewey	2113 Dewey	5	City owned parcels adjacent to 1801 Church (former Chevron). Pursuing potential uses.
1623 Simpson	1623 Simpson	5	Storefront Agreement has been signed. Landlord has 180 days to complete façade improvements.
Church and Dodge	1901 Church	5	Storefront Agreement has been signed. Landlord has 180 days to complete façade improvements.
Former Fresh Foods	1723 Simpson	5	For lease or sale.
1801 Church	1801 Church	5	Vacant lot at NWC Church / Darrow. Former Chevron. Property Reportedly under contract
1829 Simpson Street	1829 Simpson	5	Owner is in process of building design.
5th Ward Bank	TBD	5	Staff to identify potential locations for a bank in the 5th ward
1806 Church	1806 Church	2	Landlord is seeking tenants - small offices (SWC Church/Darrow)
Rama Express	1601 Simpson	5	Rama Express is now open.
Double Clutch Brewery	2119 Ashland	5	Converting space to a brewpub and special events space.
Soban Korea (Former Mandarin House)	819 Noyes	1	Change of ownership. Korean food concept.
Foster School / Family Focus	2010 Dewey	5	Property for sale. Pursuing reuse options.
CENTRAL STREET			
Project	Address	Ward	Latest Update
Central Street Business Association	N/A	6,7	SSA RFP is due on 10/18. Staff will present proposals at the 10/24 Economic Development Committee meeting.
1801 Central Street	1801 Central	7	Owner is in process of selling the building.

Great Frame Up		6	Great Frame Up Moving to 2950 Central. Current Location is 2904 Central. Waiting for remodeling to be completed.
Vacant Former 7-Eleven	Ewing & Central	6	Owner seeking tenant
Former Rose's Bakery	2901 Central	6	Full operation to open in October.
Central Rug and Carpet	3006 Central	6	Landlord seeking tenants.
2929 Central Street	2929 Central	6	Building was bought by Normandy Remodeling for their Evanston showroom.
Lush Wine & Spirits	2022 Central	7	Monitoring
Central Street Metra Station Café		7	UP to hire broker to market retail space / former cafe
Backlot Coffee Expansion	2004 Central	7	Approved.
Tag's expansion	2012 Central	7	Grand opening on 10/20/2018.
Electronic Processing of North America	1703 Central	7	New business
Great Harvest	2126 Central	7	Business is for sale
Nick's Organic	2628 Gross Point	6	Monitoring
DOWNTOWN			
Project	Address	Ward	Latest Update
Colectivo Coffee	716 Church Street	1	Early November opening.
AAA (American Automobile Association)	1724 Sherman	1	Kilwins ice cream has applied for Special Use. Scheduled for final approval 10/8/18. Hoping to open by the end of 2018.
Dan Kelch Project - Retail Space	1028 Davis	4	Looking for tenants
Trammell Crow Senior Housing	1007 Church	2	Plan development approved on 5/29/18
1611 Chicago Avenue	1611 Chicago	1	The Merion property management is seeking retail user for 3,200 sq ft new retail space in expanded Merion Building (formerly the North Shore Retirement Hotel)
1880 Oak	1880 Oak	2	New Ownership - Northwestern Medical

Burger King (Downtown)	1740 Orrington	1	Interested developers have contacted property owner. Staff to contact BK corporate to request improvements to existing property
Sherman Plaza Retail	1620 Sherman	1	Uncle Dan's now open in former North Face Space. 800 Degrees PIZZA, Evereve spaces remain vacant.
Vacant Davis Fish Market Space	501 Davis	1	Space for lease. Owner dividing into several smaller storefronts
717 Church	717 Church	1	2nd floor above Andy's/Sprint Store/Chipotle. Owner reports ongoing interest from a variety of users
The Merion Retail	1611 Chicago	1	Joy Yee is to relocate to the corner space at Chicago/Davis.
Church Street Plaza	1705 Maple	1	Buffalo Wild Wings, American Apparel, Second Time Around, former Arthur Hill Office & former Uncle Dan's space available
National Towel Building Site	815 Ridge	2	Senior housing project construction awaiting building permit
Albion Residential	1454-1508 Sherman	1	Groundbreaking scheduled on 8/23/2018. Demo underway. Nevins demo complete.
1571 Maple	1571 Maple	1	Aligned Modern Health has leased space. 1,500 sq ft remains
605 Davis & Chase Bank Drive Thru	605 Davis	4	Developer considering options for redevelopment
1020 Church	1020 Church	4	Owner seeking buyer for building
Soujourner Church	1708 Oak	2	Church building for sale at nwc of Church and Oak
Studio Media Space	1030 Davis	4	Lease negotiations underway. Storefront program request for masonry restoration and storefront glass approved on 7/9/18.
Las Palmas	817 University	1	Business is permanently closed. Food Establishment License application has been submitted for a new Latin food concept.
Copy Cat	1830 Sherman	1	Property owner seeking tenants for garden level
King Homes	1555 Oak	4	Cameel Halim purchased property. Plans TBD.
Whole Foods Downtown		4	Staff will monitor in light of Amazon purchase of Whole Foods
E2 Retail	1890 Maple	2	Exhale fitness closed. Space available.
Office above Giordano's	1527 Chicago	1	Owner reports marketing company has submitted an LOI
10Q Chicken (former 5 Guys)	816 Church	1	Now open.
818 Co-working Space	1429 Elmwood	4	New co-working space under construction

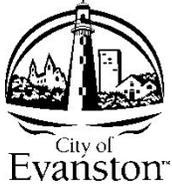
Chicago Hot Dog and Co. (Former Yeero Revolution)	1009 Davis	4	Now open.
HOWARD STREET			
Project	Address	Ward	Latest Update
Howard Street Business Association	N/A	8	Staff is working with organization to fulfill Great Merchants Grants requests. Meetings scheduled for 3rd Wednesday morning of the month.
128-130 Chicago Avenue	128-130 Chicago	8	Developer is planning to submit building permit application before the end of September, and will also remove the tank from the former City lot.
999 Howard	999 Howard	8	Vacant Dairy Queen Site. Listed with Ed Schwartz/FARA. Suggests it is a redevelopment site. Building in poor condition
Theo Ubique Howard Street Theater	721-723 Howard	8	Construction is ongoing. Staff meeting with contractor weekly on site. Preview night 12/2; first show 12/7.
727-729 Howard Street	727-729 Howard	8	Flip Circle Studio build out is complete; business opening September 4 with ribbon cutting scheduled for October 18. Staff continues to market 729 Howard.
Xsculpt	815 Howard	8	Certificate of Occupancy was approved on March 27, 2018.
Vain	747 Howard	8	Closed - store was vacant on 9/11/2018
Former Sherwin Williams Howard Street	611-21 Howard	8	Store relocated to Green Bay Road.
311 Howard Street	311 Howard	8	Terra Cotta residential conversion
633 Howard - Former Police Outpost	633 Howard	8	Cafe Coralie now open; monitoring.
Good To Go Jamaican	711 Howard	8	Now open.
Vape847	327 Howard	8	Pending Fire, Life and Safety Inspection
20/20 Vision	525 Howard	8	Now open, planning facade improvements including new awnings and lighting.
519 Howard	519 Howard	8	Neon Design relocating from Wrigleyville.
741 Howard (former Kaleburger)	741 Howard	8	Taste of Jamaica now open
Caribbean Shipping - 705 Howard	705 Howard	8	Caribbean shipping seems to be preparing to return at 705 Howard
MAIN DEMPSTER MILE			
Project	Address	Ward	Latest Update

Main/Chicago	847 Chicago	3	Stone Realty retail broker actively pursuing tenants. Apartments reportedly 85% leased. Swantiques pop-up returning in spring 2018.
Binny's (vacant Whole Foods south)	1111 Chicago	3	Permitting process is ongoing.
Main Street Metra Station	600 Main	3	Union Pacific hiring broker to market vacant space.
Vacant Paramour Bungalow Space	812 Dempster	3	Seeking tenants. Space 900 taking over half of the remaining space.
710 Main Street	710 Main	4	Reprise Coffee Leased Space. Two other locations. Space under construction
Hewn	810 Dempster	4	Coordinate with Hewn for potential production expansion.
Dard Property	912 Custer	4	Property for sale
Main Street Parking Lot	727 Main	4	Developer of Dard Property proposing 40 unit apartment building with 16 affordable units in an unsolicited bid to purchase from city.
Connoisseur Rugs property	1000 Chicago	4	Property for sale, possible development site
Main Street Streetscape	Main Street, Hinman to Maple	3 & 4	RFP issued for engineering services for streetscape updates. Contract award expected in fall 2018. Construction expected in 2020.
WEST END / WEST VILLAGE			
Project	Address	Ward	Latest Update
West End Business Association	N/A	2	Group is their annual block party and getting ready to apply for the Great Merchant Grant.
West Village Business Association	N/A	2	All Great Merchant Grant requests have been fulfilled.
1108 Dodge (Former Evanston Auto Glass)	1108 Dodge	2	Negative recommendation from DAPR to do text amendment to allow auto repair or auto sale uses. Applicant to return to DAPR at a later date.
Reed Biedler Building	1275 Hartrey	2	Pursuing tenants for limited vacancies
2222 Oakton Street	2222 Oakton	8	Two RFPs were received. Submissions will be discussed at Economic Development Committee on 9/26/2018.
Little Beans	430 Asbury	9	TBD.
Oakton Car Wash		9	Applicants continues to work on finalization of paperwork
Evanston Plaza	1924-26 Dempster	2	Staff working with ownership to identify tenants to fill remaining spaces.
1335 Dodge Ave. (CNE)	1335 Dodge	2	Commercial property for sale

E-Town CrossFit	Main Street	2	E-Town CrossFit relocation to 2400 block of Main from Ashland/Simpson location.
Sugar & Spice	2000 Dempster	2	Sugar & Spice is relocating and expanding in adjacent space
Edgewater Candles	2113 Greenleaf	2	Now open.
Spoonfoolery	2113 Greenleaf	2	Now open.
1042 Wesley	1042 Wesley	2	Backlot Coffee applied for food establishment license - plans to use the space for roasting.

Loan Status	Borrower		Date Loan Funded	Original Loan Amount	Monthly Payment	Total Amount Paid			Balance in Arrears	Remaining Balance to be Paid [1]	Date Loan Terminates
						Principal	Interest	Total			
CLSD	Ward Eight	629 Howard St.	3.15.12	\$ 362,650.00	\$ 2,500.00	\$ 362,650.00	\$ -	\$ 362,650.00	\$ -	\$ -	NA
OPEN	Ward Eight	629 Howard St.	3.15.12	\$ 130,000.00	\$ 1,316.19	\$ 69,525.26	\$ 22,658.04	\$ 92,183.30	\$ -	\$ 60,474.74	12.1.22
OPEN	Evanston North Shore Contractor's Cooperative	1817 Church	8.14.12	\$ 200,000.00	\$ 1,028.26	\$ 18,989.41	\$ 26,254.03	\$ 45,243.44		\$ 181,010.59	1.5.20
CLSD[1]	Chicken & Waffles	2424 Dempster St.	10.1.12	\$ 202,937.63	\$ 1,184.29	\$ 60,206.21	\$ 1,994.37	\$ 62,200.58	\$ -	\$ -	5.15.16
CLSD	Nomad Dreams LLC	1818 Dempster St.	10.22.12	\$ 100,000.00	\$ -	\$ 99,598.02	\$ 4,622.00	\$ 104,220.02	\$ -	\$ -	CLSD
CLSD	Peckish Pig (Building)	623 Howard St.	3.18.13	\$ 675,000.00	\$ 8,500.00	\$ 675,000.00	\$ -	\$ 675,000.00	\$ -	\$ -	CLSD
CLSD	Curt's Café	2922 Central St.	5.11.14	\$ 15,000.00	\$ 651.37	\$ 15,000.00	\$ 130.15	\$ 15,130.15	\$ -	\$ -	4.8.16
CLSD	FEW Spirits	918 Chicago Ave.	6.27.14	\$ 250,000.00	\$ 2,775.51	\$ 250,000.00	\$ 23,686.89	\$ 273,686.89	\$ -	\$ -	4.5.16
CLSD	Davis Transportation	1040 Wesley Ave.	1.1.15	\$ 144,519.07	\$ 3,287.90	\$ 2,700.00		\$ 2,700.00	\$ -	\$ 141,819.07	12.31.18
OPEN	Little Beans	430 Asbury Ave.	2.1.14	\$ 75,000.00	\$ 832.65	\$ 19,100.27	\$ 12,540.43	\$ 31,640.70		\$ 55,899.73	1.31.25
[1]Chicken & Waffles payment of \$59,832 satisfied loan obligation - remainder forgiven.											
Last Update 10/08/2018											
Total paid includes escrow											

MONTHLY RETT REPORT FOR AUGUST 2018						
DATE:	September 24, 2018					
TO:	Mayor and Aldermen					
FROM:	Leticia A. Blackman					
SUBJECT:	RETT Report -- AUGUST 2018					
BUDGET 2018	\$ \$ 3,300,000.00					
<u>FY 2017</u>	<u>FY 2018</u>					
Month	Amount	Transactions	Month	Amount	Transactions	Cumulative
January	294,390	65	January	147,018	69	294,390
February	102,965	57	February	116,865	53	411,255
March	202,820	104	March	181,500	80	592,755
April	264,815	115	April	272,735	101	865,490
May	312,620	134	May	336,950	138	1,202,440
June	352,190	149	June	788,452	166	1,990,892
July	366,320	142	July	335,020	118	2,325,912
August	318,070	123	August	401,215	159	2,727,127
September	357,690	88	September			
October	182,950	81	October			
November	169,050	63	November			
December	843,505	84	December			
AUGUST 2018 revenues were reduced to reflect this expenditure: \$0						
Monthly average needed to meet budget			\$ 250,000.00			
FY 2018 Monthly Average			\$340,890.00			
41 exemptions @ \$100 ea. = \$4,100.00; CUMULATIVE \$35,700.00						
There were TEN (10) \$ million sales in AUGUST 2018						
08/07/2018 -- 1247 Hinman Ave, \$1,335,000.00 Tax: \$6,675.00; Seller: Flock/Messer; Buyer: Olson						
08/08/2018 -- 735 Michigan Ave, \$1,025,000.00 Tax: \$5,125.00; Seller: Medin/Powers; Buyer: Lingnau						
08/10/2018 -- 2500 Jackson Ave, \$1,650,000.00 Tax: \$8,250.00; Seller: 2500 Jackson Aquistions, LLC; Buyer: Krzeminski						
08/10/2018 -- 2350 Orrington, \$1,490,000.00 Tax: \$7,450.00; Seller: NorthShore Builders, Inc.; Buyer: Liu/Yang						
08/13/2018 -- 722 Lincoln St, \$1,280,000.00 Tax: \$6,400.00; Seller: Momsen; Buyer: Brady						
08/15/2018 -- 1030 Maplpe Ave, \$1,075,000.00 Tax: \$5,375.00; Seller: Reid; Buyer: Sykes						
08/15/2018 -- 712 Ingleside Pl, \$1,150,000.00 Tax: \$5,750.00; Seller: Gelman; Buyer: Pulido						
08/16/2018 -- 1203 Maple Ave, \$1,110,000.00 Tax: \$5,550.00; Seller: Wolfe/Wallace; Buyer: Zimmerman						
08/17/2018 -- 1139 Sheridan Rd, \$1,600,000.00 Tax: \$8,000.00; Seller: Sherwood; Buyer: Tannenbaugh						
08/27/2018 -- 1620 Central St, \$20,500,000.00 Tax: \$102,500.00; Seller: RCS-1620 Central, LLC; Buyer: 1620 Central, LLC						
There was ONE (1) Commercial sales in AUGUST 2018						
08/27/2018 -- 1620 Central St, \$20,500,000.00 Tax: \$102,500.00; Seller: RCS-1620 Central, LLC; Buyer: 1620 Central, LLC						
NSP2 sales = \$0.00; CUMULATIVE \$0.00						
NSP2 purchases = \$0; CUMULATIVE \$0						



Memorandum

To: Chair & Members of the Economic Development Committee

From: Paul Zalmezak, Economic Development Division Manager
Cindy Plante, Economic Development Coordinator

Subject: 2018 Q3 Economic Development Quarterly Report

Date: October 19, 2018

Summary & Highlights

The summer months of 2018 saw the return of many annual festivals and events, including the Art and Big Fork Festival, World Arts and Music Festival, Fourth of July Parade, Streets Alive, and the Kits, Kats and Kids Block Party. This year's festival calendar included several new events hosted by **SPACE** in honor of the music venue's 10th year in Evanston. In July, the SPACE team worked with WXRT to host two outdoor concerts at the Canal Shores Golf Course headlined by Mavis Staples and the Indigo Girls (pictured). In August, the **Big Evanston Block Party** shut down a block of Dempster Street for a weekend music festival.



In July, WBEZ's [Curious City](#) visited the Main Dempster Mile for a feature on Evanston's many rug stores. Verizon also named Evanston one of the [best places in the country for small business](#).

New Businesses:

Based on available licensing data, **25 new businesses** opened in Evanston during the third quarter of 2018. The Main-Dempster Mile area welcomed two bookstores to Main Street during the third quarter: children's bookstore **Booked** and the expanded

relocation of **Squeezebox Books**. Accessory shop **Nicelena and Friends** opened shortly thereafter on Chicago Avenue in the space that previously housed the original Squeezebox store. In Downtown Evanston, **Prairie Moon** opened in its new location on Chicago Avenue down in the old Dave’s Italian Kitchen space (they moved to Noyes Street in 2016). On Church Street, the owners behind BopNgrill and Belmont Army opened **10Q Chicken**, a new fried chicken concept quickly gaining a following among Northwestern students. The name is a play on “thank you” and intended as a nod to their focus on customer service.

New Businesses – 2018 Q3	
Backlot Hospitality - 1042 Wesley Ave.	Prairie Moon - 1635 Chicago Ave.
Azzari - 2485 Howard Street	10Q Chicken - 816 Church
Spoonfoolery - 2113 Greenleaf St. #4	Rama Express - 1601 Simpson St. #3
Chicago Hot Dog & Co - 1009 Davis St.	Sushibox - 2450 Main St.
Fuelbar - 2255 Campus Dr.	Levy at Ryan Fieldhouse - 2255 Campus Dr.
Lao Sze Chuan - 1633 Orrington (new ownership)	French Kiss Cafe - 517 Dempster St. (new ownership)
Booked - 506 Main St.	Districton Solutions North America - 909 Davis St. #500
Edgewater Candles - 2113 Greenleaf St. # 16	Electronic Processing of North America - 1703 Central St.
Four Finches - 1320 Sherman Ave (new ownership)	Greater Chicago Kitchen & Bath - 928 Chicago Ave.
Jose’s Auto Detailing - 1951 Dempster St.	Nicelena & Friends - 1235 Chicago Ave.
Sammic Corp. - 1225 Hartrey Ave.	Brick House Services - 1603 Orrington #450
Wintrust Evanston Community Bank - 901 Grove St.	Squeezebox Books - 743 Main St.
Griffin Speech - 715 Chicago Ave	

Construction & Real Estate:



The 3rd quarter saw the start of construction for the new Robert Crown Community Center and the Albion mixed-use building on Sherman Avenue (pictured). The Albion building will include 273 apartments, 182 Parking spaces, and 9,600 square feet of ground floor retail space. Construction on Focus Development’s 811 Emerson continues.

According to data from Costar Analytics, office vacancy rate held steady at around 5%, while industrial and retail vacancy rates

continued to trend downward.



The City Clerk’s office recorded **277 commercial and residential real estate transactions** in Evanston during July and August of 2018, yielding **\$736,235 in real estate transfer tax revenue**. The single largest property transaction during this period was the sale of 1620 Central Street in August for **\$20.5 Million**. Other notable sales include 960-990 Grove, and 1719-1723 Howard Street, which sold for \$4.9 million and \$5.3 million, respectively.

An estimated **\$94 million in commercial construction and renovation work** generated **\$1 million in building permit revenue during the third quarter of 2018**. The largest project this quarter was construction on the **Albion** building on Sherman Avenue. Other large commercial projects included remodeling of the **Aldi** store on Oakton and preparation of the former Chicago Avenue Whole Foods building for its new occupant, **Binny’s Beverage Depot**, which is expected to open in November.

Construction and renovation projects at Northwestern University this quarter were valued at an estimated **\$18.1 million** and generated **\$336,399** in building permit fees, about 46% of the total for July through September. The largest project at the Evanston campus was work at the Byron Coon Sports Center.

Entrepreneurship & Workforce Development:

Based on data provided by the Illinois Department of Employment Security, Evanston’s unemployment rate declined somewhat during the third quarter, and remained below four percent.

Mayor Hagerty’s [Elevate Evanston](#), the citywide initiative uniting our community’s efforts to connect individuals with employment opportunities, job training, and career education, continues to engage the business community under Neil Gambow’s leadership.

The [Mayor's Summer Youth Employment Program](#) wrapped up another successful season with 45 employers and 553 youth participants. Thanks to the Evanston business community for participating.

Unemployment Rates

