AGENDA

1. CALL TO ORDER / DECLARATION OF QUORUM

2. APPROVAL OF MEETING MINUTES OF OCTOBER 23, 2013

3. TOUR OF HEARTWOOD CENTER AND SKYLIGHT EVENT SPACE

4. ITEMS FOR CONSIDERATION
   A. Shalom Klein Career Institute
   B. Amended Meeting Dates for Economic Development Committee for 2014

5. ITEMS FOR DISCUSSION
   A. STAR Communities / SBP Presentation

6. COMMUNICATIONS
   A. Announcements/Updates from EDC Members
   B. Monthly Economic Development Communication
   C. Real Estate Transfer Tax Report

7. ADJOURNMENT

Next Meeting:  Proposed Wednesday, December 18, 2013

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 Johanna Nyden at 847.448.8014. 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 Community and Economic Development Department 48 hours in advance of the scheduled meeting so that accommodations can be made at 847-448-8683 (Voice) or 847-448-8064 (TTY).
MEETING MINUTES
ECONOMIC DEVELOPMENT COMMITTEE
Wednesday, October 23, 2013
7:30 pm
Lorraine H. Morton Civic Center, 2100 Ridge Avenue, Room 2200

Members Present: Alderman Burrus, Alderman Fiske, Seth Freeman, Alderman Grover, Alderman Holmes, Alderman Rainey, Alderman Wynne, Raymond Zenkich,

Staff Present: Wally Bobkiewicz, Meagan Jones, Marty Lyons, Johanna Nyden, Melissa Parker, Cindy Plante, Paul Zalmezak

Members Absent: Alderman Grover, Lori Summers, Alderman Tendam

Others Present: Carolyn Dellutri, Downtown Evanston, Paul Hletko and Todd Paul from FEW Spirits, Shalom Klein from Career Institute

Presiding Member: Alderman Rainey

AGENDA

1. CALL TO ORDER / DECLARATION OF QUORUM
With a quorum present, Alderman Rainey called the meeting to order at 7:41 pm.

2. APPROVAL OF MEETING MINUTES OF SEPTEMBER 25, 2013
Alderman Burrus moved for approval. Alderman Fiske Seconded.
The meeting minutes of September 25, 2013 were unanimously approved 7-0.

3. ITEMS FOR CONSIDERATION
A. Façade Improvement Program Financial Assistance for 1801 Dempster Street
Ms. Meagan Jones, Economic Development Coordinator, presented the request from Mr. Jeff Cunningham, owner of 1801 Dempster, to assist in the façade improvement project for that building. Mr. Cunningham plans to replace glass windows and doors, woodwork and tuck pointing on the existing brick and removal of wood paneling over the businesses and installing new awnings. The total estimated cost is $30,370 of which the City would fund up to half of that totaling $15,185.

Alderman Burrus moved approval of the Façade Improvement Program for 1801 Dempster Street. Alderman Wynne seconded.
Alderman Rainey asked if he was going to clean it up and to expand upon the improvements that Ms. Jones had presented. She also asked whether or not the signage would be going completely away.

Mr. Cunningham explained that he will power wash the concrete entrance and replace the signage with new awnings. Americash has a lit sign that they want to put above the awnings but they are flexible on what they need to do with the sign because they like the improvements.

Alderman Fiske and Alderman Holmes expressed concern about façade improvement versus building maintenance which should be the responsibility of the owner.

Alderman Rainey requested city staff enforce sign ordinance, specifically as it relates to signage in windows. Ms. Johanna Nyden, Economic Development Division Manager, indicated that she will check with the Community Development Director to make sure they are not in violation of the window covering.

Mr. Seth Freeman asked about the side of the AmeriCash business on Darrow Avenue that has wood panel which is north of the window. Is that being replaced? Mr. Cunningham stated he believes that will also be replaced.

Mr. Freeman suggested that maintenance needs to be defined for future applications. Alderman Rainey asked for follow up with more recommendations in 2014.

A voice vote was taken and was approved 6-1 (Alderman Fiske voting no).

B. Annual Funding Request from Downtown Evanston for FY2014
Ms. Carolyn Dellutri, Executive Director, Evmark dba Downtown Evanston introduced several staff members and gave a brief introduction for Downtown Evanston and stated the goals of the organization. The Board of Directors met and will be updated the goals and strategic plan by March 31, 2014. She shared that they recently received an award from the International Downtown Association Event in NYC for the Wedding Event that she included a brochure on.

Ms. Dellutri indicated that she had discovered an error in the 2012 budget column in the marketing total and included a revised and corrected budget sheet. The yellow lines on the budget sheet show property values have dropped by about 20% so they had changed the budgeted amount from $370,000 last year to about $320,000. This brings the written agreement with the City and Downtown Evanston for the opportunity to request $138,000 and this year they will be requesting the total amount from the City. The Board voted to take money out of the reserves to create a balanced budget.

Mr. Raymond Zenkich asked why the street banners budget was $2,000 and the actual spent was $18,000. Ms. Dellutri replied that it was because more banners were made for the 150th Anniversary and the money was offset with the marketing reimbursement.
Mr. Zenkich requested a historical basis of what the City’s contribution has been. Ms. Dellutri indicated it based on the property tax levy and special service area. There is a side agreement that was included in the packet that said that they can request up to $138,000 each year. It was put in place because the City Council didn’t want to tax the residents residing within the SSA.

Alderman Rainey stated that $138,000 is the max and asked what the City’s normal contribution was? Ms. Dellutri shared that four years ago the request was $132,000, the next year with the tax levy it was $77,000.

Alderman Rainey asked if any discussion was had with the Board members to discuss budget cuts as a result of the levy decrease. Ms. Dellutri confirmed they had indeed reviewed the budget and are using reserves to maintain the level of service.

Alderman Rainey then asked if the value out of the additional 10% from the maintenance is about $10,000. Ms. Dellutri said that it was.

Mr. Freeman said why would it unusual for them to come and ask for the full amount if the tax revenue is not there. He believes the value is provided and assumes that the resolution that the City created was at the funding level they should have.

Alderman Rainey stated that in addition to the fact that was the agreement, there has to be some agreement that this geographical areas has agreed to be taxed more to provide for a nice downtown.

Mr. Zenkich asked when they start the budget what number do they start with. Ms. Dellutri indicated that they meet with Marty Lyons to take a look at the tax levy and continue from there. This year they maxed out the rate to get the most amount of money to fund this organization. They met quarterly and they are very hands-on as to how money is spent.

Alderman Holmes asked Ms. Dellutri to repeat the reason behind changing the maintenance from 60/40 to 50/50. Ms. Dellutri stated that they looked at the maintenance contract and looked at how they could balance the budget. The decision was to go to 50/50, request $138,000 and then use almost $20,000 from the reserves to make it balanced.

Mr. Freeman asked on a side note how the mobile app was working and performing and whether or not it was performing to expectations. Ms. Dellutri expressed that was and they updated the program. There are over 5,000 users and there was a spike when NU students come back. It also increased to 150 businesses that will accept the Downtown Gift Card.

The committee voted unanimously (7-0) in favor of Downtown Evanston 2014 Budget request.
C. Financial Assistance for FEW Spirits at 918 Chicago Avenue
Alderman Rainey indicated they were requesting a $250,000 loan at 6%.

Ms. Nyden introduced FEW Spirits and discussed the FEW proposal as an opportunity to grow tourism. The staff was recommending to move forward with the $250,000 loan for 10 years at 6% which would be used to secure equipment, conditioned upon them operating in Evanston during the 10 year term. FEW founders Mr. Paul Hletko and Mr. Todd Paul presented an overview of the proposed equipment purchase and the potential economic impact to the city. They also mentioned that seven of the Top 50 Best Bars list served FEW Spirits and FEW was featured in London Cocktail Week.

Mr. Freeman asked, and Mr. Paul confirmed, that the equipment be owned by FEW.

Alderman Burrus asked Ms. Nyden how 6% interest was determined and that it is a higher rate than the City is currently enjoying for other funds— a good ROI. Ms. Nyden responded that the number was consistent with what banks were doing right now and was more than what they are paying on current loans which is 5.5%. Mr. Zenkich asked Ms. Nyden if Kentucky ever enticed FEW to leave, what part of the loan would become due. Ms. Nyden answered that the remaining balance would become due immediately.

Alderman Rainey asked Mr. Hletko if they have any plans to expand into a larger facility so they could produce more and how long do they think the current space will suit their needs? Mr. Hletko answered that it would not be long before they need more space but they do have a contingency plan of a location in Evanston. There was a strong chance they would need more real estate and it would be in Evanston. Mr. Hletko reiterated that they feel strongly about being in Evanston. Growth is constrained by State of Illinois limits on production.

Alderman Wynne moved approval of the $250,000 loan for 10 years at 6% to FEW Spirits. Mr. Freeman seconded.

A voice vote was taken and was approved 6-0 (Alderman Fiske departed prior to the FEW Spirits agenda item with the intentions of returning shortly).

D. Meeting Dates for Economic Development Committee for 2014
Alderman Rainey introduced Mr. Matt Rodgers who will replace Lori Summers as the Zoning Board of Appeals representative on the Committee.

Alderman Wynne moved to accept the 2014 Economic Development Committee dates and times. Mr. Freeman seconded.
A voice vote was taken and was approved 6-0 (Alderman Fiske was still absent for this vote).

4. ITEMS FOR DISCUSSION
A. Financial Assistance for Career Institute at 990 Grove Street
Mr. Paul Zalmezak, Senior Economic Development Coordinator, reintroduced Mr. Shalom Klein who was planning to launch the Career Institute which was outlined in the packet. Mr. Zalmezak highlighted that the proposal fits with health and wellness target industry in the Economic Development plan and it was linked directly to real job creation. The program that will be taught will be directly linked to a commitment to placing students in jobs with the partnerships the Career Institute has established. As the discussion continues the City’s involvement allows Evanston residents to be hired and benefit from scholarships and certificates in degree programs. He also pointed that Mr. Klein was in negotiations for the 990 Grove location and the space being negotiated is roughly 10% of the building.

Mr. Klein gave an overview of the origins of the Career Institute concept. Employers are seeking more productive ways of recruiting employees. Mr. Klein has established relationships specifically in the pharmaceutical industry and will directly link graduates to those positions. He also believes that 990 Grove is the perfect location for this endeavor which is close to downtown Evanston, transit stations, and ETHS who is excited to have their graduates go through the program. Mr. Klein has been establishing relationships with employers and will only accept students for the number of jobs that will be available.

Alderman Burrus asked if he had been in discussion with District 202 and how does this connect with what they are trying to do with Oakton Community College and vocational training?

Mr. Klein responded with a focus on pharmacy technician programs since that was where their strongest relationships exist. He used Harper College as an example and said they charge $17,500 for the program and placement rate is 16%, Oakton Community College was the only place that would be able to charge less than the Career Institute because of their subsidies but their placement rate is 20%. The goal would be to get people jobs. It doesn't conflict in any way as their program was specifically in healthcare and ETHS was speaking with the other schools about multiple programs.

Alderman Burrus followed up with the question, has Mr. Klein talked to the Youth Job Center? Mr. Klein said he has not yet because the focus has been to find a venue first but he wants to build relationships with everyone.

Alderman Wynne has learned that programs that work are ones like Mr. Klein’s that know there is a job at the other end. Ald. Wynne inquired about the cost of tuition. Mr. Klein indicated that they were still figuring that out. They are figuring out what we have to charge and the cost of teachers. Most likely the charge will be in the $8,000 to 9,000 range.

Alderman Wynne then asked how long is the certificate program and what would be the starting salaries for graduates.
Mr. Klein answered that it would generally take six months and the starting salary for a pharmacy technicians would be about $40,000.

Alderman Wynne asked if they were anticipating offering a loan program to the students.
Mr. Klein said that they would have to but they were in a challenging situation because they were starting the school and were not approved for Title 4 funding through the U.S. Department of Education to give those loans. They were working to come up with a solution and were working with First Bank and Trust. They were also working on securing Workforce Investment Act funding so they were able to get costs as low as possible on day one and to help with loan.

Alderman Wynne also asked to what extent the students will come from Evanston.
Mr. Klein responded that Evanston Township has a lot of students and will be a great feeder. There were a number of people from other countries that live here and can’t get jobs as well. They don’t know the numbers but are committed to accepting and providing scholarships to Evanston residents.

Mr. Zenkich asked Mr. Zalmezak if there were any reservations or concerns that have been expressed.
Mr. Zalmezak said that they wanted this Committee to hear about this first as a discussion point and will take the next few weeks to find out how people feel about it.

Mr. Freeman asked about his concerns about scholarships for lower income Evanstonians. If Evanston dollars are being given then there should be benefits back to Evanstonians, especially lower income Evanstonians. Mr. Freeman would have difficulty supporting this if it was not clearly defined how it would benefit Evanston residents at the next meeting.
Mr. Zalmezak said that this would be a point of emphasis.

Mr. Freeman confirmed that they will enroll the number of students for the number of jobs available and then asked if they are guaranteeing their students the jobs. He then asked if this was a for profit business?
Mr. Klein said they can’t make a guarantee but the goal will be to place as many people as possible in those positions and they are a for profit business. They are charging tuition and establishing the relationship with the employers.

Alderman Holmes asked what the timeline for certification was and what if they don’t get it.
Mr. Klein stated that the agenda would be for December 12th or 13th but it might be January. They want to be in business early in 2014. Their application has been reviewed and currently no red flags so they are expecting certification but cannot start without it.

Alderman Rainey asked if the lease would be contingent on certification.
Mr. Klein replied yes, but hoping the build out would be done by the time of certification.
Mr. Freeman asked if the Career Institute would receive funds from the employers. Mr. Klein answered no, they have an investor for startup costs and they would receive no fees for placing the students. With Walgreens it would not be a financial partnership just a partnership to hire from the graduate pool.

Alderman Rainey asked what would be the qualifications for entry. Mr. Klein said it would be basic qualifications and a high school diploma or GED would be needed.

Alderman Rainey asked if there were other programs that are similar that are out there right now? Mr. Klein replied that there were very few or any that were focused on building the relationships with employers. They may offer the same training but placement rates are 20% and getting a lot of students.

Mr. Zenkich stated to Mr. Zalmezak that it would be helpful to provide information at the next meeting to help think through two aspects which would be to get as many students as possible through the program but then also the business aspect.

Mr. Klein indicated that the selling point would be that students are more likely to get placed instead of going to program that may or may not get placement.

Alderman Rainey requested a budget.

B. Issuance of Request for Qualifications and Proposals (RFQ/P) for Redevelopment of 1718 Chicago Avenue

Ms. Nyden presented the concept of issuing an RFQ/P for the city-owned property located at 1718 Chicago Avenue as a way to solicit qualifications and/or proposals for the property – in response to private sector inquiries about the property. Mr. Wally Bobkiewicz, City Manager confirmed that a number of interested parties including office, mixed use, housing, and hotel developers have contacted staff to determine process for acquiring the property.

Mr. Bobkiewicz asked if the Committee thinks it is prudent to move forward with entertaining these inquiries or does the Committee prefer to leave the property as a surface parking lot.

Mr. Freeman asked what the value of the property was. What was the current income?

Mr. Bobkiewicz indicated that the income of the property was limited to the parking meters. The value will be generated by the use. If it is hotel for example it will have more value for the tax revenue perspective and a public use would be on the other end of the scale and the least value to the city.
Alderman Wynne suggested that at a minimum, replace the parking and it should not be residential, but it is a prime for commercial space. She then asked what the zoning was for the property. What height it could be?

Alderman Burrus expressed concern that an RFQ process may not be the approach to take at this time considering recent experience with RFQ/P process. She is concerned about the surrounding buildings and what their apprehension may be with what the space was used for.

Alderman Rainey said we can control some of that by having in the specifications that is must be on the tax roll, it has to be a for profit and it must replace the parking are the three bottom lines. If we can't agree unanimously then we shouldn't move forward. We suggest you come back with suggestions. Alderman Holmes and Alderman Rainey both agreed that it is worth taking to the next level.

Alderman Rainey asked can we do without the parking while it is being developed. Is there replacement parking?
Mr. Bobkiewicz assured there would be other lots on a temporary basis and likely be using other vacant property. The only encumbrance on the lot is the agreement that we have with Igo for the charging stations but there is language in that agreement that if there was a change of use then we can move them.

Alderman Rainey asked the staff to come back to another meeting to discuss further.

5. COMMUNICATIONS
A. Announcements/Updates from EDC Members
Alderman Holmes said there was a ribbon cutting November 6th for Emerson Square and had their open house. November 13 will be the grand opening for Erie House Center.

Alderman Rainey asked staff to notify this committee of any upcoming ribbon cuttings, ground breaking or openings. Mr. Bobkiewicz said they will address this moving forward.

Alderman Fiske shared that the Music Institute had a ribbon cutting on today.

Alderman Wynne said that Walgreens is coming and November 17th is the Ribbon Cutting. It is a beautiful building and the rest of the shopping center will get a facelift.

Mr. Zenkich requested a report to the committee about Dominick’s. He also noted that the budget for this committee was a half million dollars and we only used about $40,000 and stated that the budget was largely untapped so should we adjust the amount?
Ns. Nyden stated that Dollop will be opening any day now and want to be open before Thanksgiving.

Alderman Rainey indicated that there will be a potential new user on Howard. She also requested from staff to have updates on projects, i.e. Autobarn, etc.

Ms. Nyden said Autobarn has provided their projected sales numbers for the next 10 years and they have had the contractors in to the different spaces to see what work will need to be done. The expansion to include the 222 Hartrey property will be presented at the public hearing for the City Council Meeting and that will be the last step of the process to add the property to the TIF.

Mr. Zalmezak clarified that they have been contact with Dominick’s Managers and Mid America that manages the Green Bay road Dominick’s and there is no reason not to think that there won’t be another grocery store in those locations. Safeway is controlling the response process and we are expecting further information in early November.

B. Quarterly Report
Mr. Freeman made an observation about the grand opening of Trader Joes and that they have announced only one full time and 40 part-time jobs. Ms. Nyden shared that they will not tell us how many jobs they have created and the numbers presented are based off the original process.

C. Real Estate Transfer Tax Report

D. Monthly Economic Development Communication

6. ADJOURNMENT
Alderman Rainey adjourned the meeting at 9:46pm.

Next Meeting: Wednesday, November 20, 2013

Respectfully Submitted,

Melissa Parker
Administrative Secretary
Memorandum

To: Chair and Members of the Economic Development Committee

From: Paul Zalmezak, Senior Economic Development Coordinator

Subject: Forgivable Loan for The Career Institute

Date: November 14, 2013

**Recommended Action:**
Staff supports a recommendation from the Economic Development Committee to the City Council to provide a forgivable loan of $25,000 to The Career Institute. The loan would fund a portion of the cost of the interior build-out of a leased space at 990 Grove Street.

**Funding Source:**
Staff recommends allocating $25,000 from the Community Development Block Grant’s Economic Development Fund (Account #5260.63000). The current fund balance is $175,457.33

**Economic Development Plan:**
The Career Institute will advance the workforce development objective of the adopted 2013 Economic Development Work plan as it promotes collaboration with the network of workforce development non-profits supporting comprehensive training. Furthermore, The Career Institute’s focus on health industry vocations, further encourages growth of health and wellness businesses.

**Summary:**
The Career Institute is a new private vocational institute founded in 2013 by Barry Teichman and Shalom Klein. Their mission is to provide the skills, education and opportunities necessary for each Career Institute student to successfully graduate from their vocational training and immediately begin their new career. In addition to demanding strong academic performance, The Career Institute will measure its own success by its graduate’s ability to secure a job within the field of their study.

Mr. Teichman has an extensive background in the local healthcare industry where he has spent a number of years working with local healthcare companies in a variety of capacities. During this time he discovered a dearth of qualified and talented pharmacy technicians, medical billers, medical assistants, and certified nursing assistants.
Mr. Klein is the chairman of Jewish B2B Networking a not-for-profit organization focused on local job creation and overall economic development. Mr. Klein is deeply involved with several regional public and private institutions on the North Shore of Chicago. He and his organization execute several weekly business oriented events designed to help business owners network as well as job seekers secure new employment opportunities.

Beyond vocational training the Career Institute will offer students the ability to acquire many other basic jobs skills such as how to best utilize LinkedIn, how to network, and basic job interview strategies. These skills combined with the founding partner’s broad range of contacts within the local community will insure that each student has the ability and opportunity to secure a position in their field of study.

The Career Institute’s enrollment goals include 30 students for year one, 100 for year two, 200 by year three and 500 by year five. The Career Institute plans to recruit the best instructors available in the area, in addition to maintaining a strong relationship with local business leaders both inside and out of the healthcare industry. The Institute plans to offer English as Second Language program that enables students of a diverse background to benefit from the Institute’s training regardless of the language they speak.

The Career Institute plans to begin offering classes in 1st quarter 2014. Messrs. Klein and Teichman have been searching for sites suitable for the institute in Evanston and elsewhere. They have expressed a preference for a downtown Evanston location due to superior transit access and the amenities downtown businesses afford. They are in discussions with the 990 Grove Street ownership. The estimated cost of building out the office space to accommodate The Career Institute is $55,000. The landlord, Imperial Realty, is contributing $30,000.

Public Benefits

*Federal Requirements:* CDBG standards require that at least one full time equivalent employee (FTE) be hired for every $35,000 in CDBG assistance. In this case, The Career Institute would be required to fill at **least one position** with a low-or moderate-income (LMI) Evanstonian. Someone is considered LMI if his/her family income does not exceed 80% of the area median income. Currently, this is $41,250 for a family of one and $58,900 for a family of four. Examples of jobs that often qualify as appropriate for LMI persons include clerical, janitorial or maintenance, food service workers such as wait staff.

*Local Hiring:* Career Institute has committed to hiring **10% of its faculty and staff from Evanston**

*Evanston Resident Acceptance Preference:* Career Institute commits to **allocating 50% of the available spots to Evanston residents**, first come first serve dependent
upon eligibility/entrance requirements. These spots will be made available to non-residents after a period of 30 days.

Scholarship Opportunities: The Career has agreed to provide three scholarships; valued at approximately $30,000 (tuition costs are still undetermined). The selection process will be coordinated with the City’s “Building Career Pathways to Sustainable Employment.” City staff, with the assistance of the Law Department will further define the terms of the agreement to be presented to City Council, upon Economic Development Committee approval, at the December 9, 2013 meeting.

Loan Structure: A structure for the loan includes a write down of $5,000 for each year The Career Institute operates in Evanston in compliance with agreement requirements. In the event The Career Institute relocates or is in default on commitment to provide scholarships, the remaining balance would be due to the city, with interest.

Coordination with Economic Development Goals: Finally, staff will work with the Career Institute to define the terms of a commitment to offer free business development / start up services at NextChapter – Evanston’s early stage startup hub at the Evanston Public Library.

Attachments
-Career Institute Business Plan
-EDC Staff Memo Dated October 8, 2013
Vocational Training Program

**Business Description:**

Our mission is to meet the educational and academic/vocational needs of diverse students in a supportive caring environment that provides skills and knowledge necessary for employment and career advancement.

**Industry and Market Description:**

Vocational schools train students in hundreds of occupations, ranging from automobile mechanic to practical nurse. Programs emphasize hands-on training and use modern equipment and professional teaching techniques. Some schools maintain a variety of industrial contacts in order to keep up with the latest technology and better match the curriculum to job demands. Programs usually take between six months and two years to complete, and students who successfully complete a program typically receive diplomas or certificates. Almost all privately owned postsecondary training schools are approved by an accreditation agency.

Postsecondary training schools usually qualify for federal and state financial aid programs, and a large percentage of the students who participate in specialized trade programs receive financial aid.

Many institutions offer home study or correspondence courses. Variously called "distance learning," "alternative," "nontraditional," "external," and "off-campus" education, the field began to grow rapidly beginning in the mid-1970s. Home study provides an alternative for people who want to pursue an educational goal but do not want to sit in a classroom. The programs are particularly popular with the disabled, parents of young children, and people living too far away from an educational institution's campus to attend regular classes. Approximately 3 million students pursued their educational objectives each year through independent study during the late twentieth century.

Students can usually enroll at any time of the year and sometimes have as long as a year to complete a course. While students may enroll simply to learn about a particular subject, most often they take courses in order to improve their employability or upgrade their skills. Courses vary greatly in subject matter, skill level, and duration. These courses offer students the advantages of studying at their own pace and with a reduction in expense since there are no room and board or transportation costs.

In the past, correspondence courses were delivered solely by the post office. Technology changed this practice. Improved and less expensive telecommunications technologies contributed to increasing interest in distance learning education. By the 2000s, a vast majority of distance education was delivered via the Internet. Other means of delivery included cable or satellite television, videotapes/audiotapes, and various other modes of electronic delivery. Courses may be offered for credit, noncredit, or professional certification.

Privately owned and operated home study schools offer vocational correspondence programs, and U.S. colleges and universities offer numerous correspondence and distance learning classes. Private foundations, nonprofit organizations, and the U.S. military also operate correspondence schools. Students who complete correspondence or distance learning programs generally receive diplomas or certificates, although by the first decade of the 2000s people could earn associate, bachelor's, master's, and even doctorate degrees without leaving their home. In other cases,
depending on the course, an institution may grant credits transferable to a formal degree program, an external degree, a certificate, or continuing education units (CEUs). The CEU is a nationally recognized system that provides a standard measure for acknowledging, accumulating, and transferring credit in continuing education programs. One CEU is considered 10 hours of participation in an organized continuing education course taught under qualified instruction.

The U.S. Department of Education recognizes several organizations that accredit institutions offering correspondence or distance learning programs. The National Home Study Council, six Regional Accrediting Commissions, and nationally recognized accrediting associations are among these organizations.

One of the most interesting aspects of vocational education has been its ability to keep pace with demographic and socioeconomic trends. As the booming economy in the late 1990s gave Americans more leisure time and money to spend, vocational education in home improvement and culinary arts soared, as did massage therapy, herbal medicine, landscaping, and gardening programs. One of the newest programs to enter the certification forum was in outdoor power equipment operation. By the late 1990s, 18 schools were either certified or had certification pending by the Equipment & Engine Training Council (EETC) for the outdoor power equipment industry. Industry certification of programs helped to bridge the gap between completing a vocational program and finding related employment.

By the early years of the first decade of the 2000s, students graduating from trade schools with certificates were carrying significant amounts of debt, just as those students graduating from four-year colleges. For the 2003-04 academic year, 21 percent of students graduating from trade schools had school loan debt, with $5,307 the average amount owed. By contrast, 77.5 percent of students earning certificates from four-year colleges that year owed money for student loans, but the amount was a comparative $5,705. Graduating with a bachelor's degree earned the average borrower $14,671 in loans.

In the early 2010s, trade and vocational schools were well poised to capitalize on the consequences of a down economy, especially unemployment. According to a 2012 IBISWorld report, "High unemployment has caused individuals to seek out further education, while employers are increasing their training requirements to remain competitive." These conditions were part of the cause of the 4.8 percent annual growth rate experienced by the industry from 2006 to 2011. IBISWorld expected that growth to continue into the mid-2010s, noting that "The increasing popularity of online courses will also contribute to revenue growth over the period."

The U.S. Bureau of Labor Statistics reported that employment in the trade and technical school industry stood at 157,170 in 2011, and about 50 percent of these employees held positions in teaching, training, or library occupations. The average annual wage for an instructor at such an institution was $50,170, although salaries varied depending on the field, with architecture teachers earning an average of $59,930 and those teaching education, $43,060.

Vocational training is among the many postsecondary education programs offered by Career Education Corp. (CEC), one of the leaders in the vocational education industry. Based in Hoffman Estates, Illinois, the for-profit company had $1.7 billion in sales in 2008 and 13,000 employees by 2011; almost 100 campuses around the world, including in the United States, Italy, France, and the United Kingdom; and about 90,000 students enrolled. In addition to certificate programs, CEC schools granted associate, bachelor's, master's, and doctoral degrees. In 2009, the company was recognized by InformationWeek for its use of technology, including its "campus-in-a-pocket" Mobile Learning (M-Learning) program and its Virtual Campus. According
to *Education Business Weekly*, in the late 2000s, approximately one third of CEC students attended the Internet-based campuses of American InterContinental University Online and Colorado Technical University Online. Other brand names under CEC were Le Cordon Bleu Schools North America, Harrington College of Design, Brooks Institute, International Academy of Design & Technology, American InterContinental University, Colorado Technical University, and Sanford-Brown Institutes and Colleges.

Another dominant company in the industry in the early 2010s was ITT Educational Services Inc., based in Carmel, Indiana. It was one of the largest U.S. providers of technical education, with more than 70,000 students and 140 campuses in 35 states, as well as online programs, in 2012. Degrees included computer-aided design, engineering technology, and information technology, as well as master's of business administration and other business degrees. Some of the company's classes were offered exclusively online. ITT reported revenues of more than almost $1.5 billion in 2011 with 8,580 employees.

DeVry Inc. of Downers Grove, Illinois was also an industry leader. With annual revenues of more than $1.4 billion and 10,000 employees, DeVry offered health care, technical, and business programs in 95 U.S. locations. In 2011 the school enrolled about 85,000 students and offered most of its courses online.

**The Founders:**

Berish Teichman has several years of experience managing the operations for large businesses, including the past year running Camp Nageela Midwest. Berish is respected for his management and skills in working with people.

Shalom Klein is a respected entrepreneur that runs three local businesses in accounting and collections and has founded Jewish B2B Networking, and runs programming for thousands of business networkers and job seekers in the Chicagoland area annually. Shalom is Chairman of the Skokie Economic Development Commission and sits on many government and community boards.

**The Company’s Products:**

Through our newly formed vocational training program, we hope to offer certificate programs in:

- Pharmacy Technician
- CNA
- Phlebotomy
- English as a Second Language
Marketing:

The Company intends to employ aggressive search engine optimization and web marketing techniques in addition to launching outreach at events throughout the Chicagoland area. The Company founders have extensive relationships with major government and community contacts, which should facilitate marketing. The Company will also be developing distinctive marketing and logos to achieve brand recognition for its products.

Shalom Klein has developed a very strong organization dedicated to economic development and job creation with thousands of contacts and hundreds of annual events. We hope to use these relationships to push our higher education initiative.

Projections:

The Company projects that sales and profits will be as follows, all as further detailed in more extensive projections and underlying assumptions available upon request:

<table>
<thead>
<tr>
<th></th>
<th>Year One</th>
<th>Year Two</th>
<th>Year Three</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td>$150,000</td>
<td>$780,000</td>
<td>$1,200,000</td>
</tr>
<tr>
<td><strong>Number of students</strong></td>
<td>30</td>
<td>65</td>
<td>100</td>
</tr>
<tr>
<td><strong>Tuition per student</strong></td>
<td>$5,000</td>
<td>$12,000</td>
<td>$12,000</td>
</tr>
<tr>
<td>Income</td>
<td>M1</td>
<td>M2</td>
<td>M3</td>
</tr>
<tr>
<td>--------</td>
<td>----</td>
<td>----</td>
<td>----</td>
</tr>
<tr>
<td>Tuition</td>
<td>5,000.00</td>
<td>5,000.00</td>
<td>5,000.00</td>
</tr>
<tr>
<td>Students</td>
<td>15</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>Income per month</td>
<td>6,250.00</td>
<td>6,250.00</td>
<td>6,250.00</td>
</tr>
<tr>
<td>Beginning Cash Balance</td>
<td>6,250.00</td>
<td>6,250.00</td>
<td>6,250.00</td>
</tr>
<tr>
<td>Cash Outflows (Expenses):</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advertising</td>
<td>6,666.66</td>
<td>6,666.66</td>
<td>6,666.66</td>
</tr>
<tr>
<td>Employee Payroll - Academics</td>
<td>6,000.00</td>
<td>6,000.00</td>
<td>6,000.00</td>
</tr>
<tr>
<td>Equipment</td>
<td>2,500.00</td>
<td>2,500.00</td>
<td>2,500.00</td>
</tr>
<tr>
<td>Executive Administration</td>
<td>33,333.33</td>
<td>33,333.33</td>
<td>33,333.33</td>
</tr>
<tr>
<td>Rent - Facility</td>
<td>4,166.66</td>
<td>4,166.66</td>
<td>4,166.66</td>
</tr>
<tr>
<td>Website</td>
<td>1,666.66</td>
<td>1,666.66</td>
<td>1,666.66</td>
</tr>
<tr>
<td>Other:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subtotal</td>
<td>54,333.31</td>
<td>54,333.31</td>
<td>54,333.31</td>
</tr>
<tr>
<td>Monthly Net</td>
<td>($48,083.31)</td>
<td>($48,083.31)</td>
<td>($48,083.31)</td>
</tr>
</tbody>
</table>
To: Chair and Members of the Economic Development Committee
From: Paul Zalmezak, Senior Economic Development Coordinator
Subject: Discussion – Financial Assistance for The Career Institute
Date: October 8, 2013

Summary:
The Career Institute is a new private vocational institute founded in 2013 by Barry Teichman and Shalom Klein. Their mission is to provide the skills, education and opportunities necessary for each Career Institute student to successfully graduate from their vocational training and immediately begin their new career. In addition to demanding strong academic performance, The Career Institute will measure its own success by its graduate’s ability to secure a job within the field of their study.

Mr. Teichman has an extensive background in the local healthcare industry where he has spent a number of years working with local healthcare companies in a variety of capacities. During this time he discovered a dearth of qualified and talented pharmacy technicians, medical billers, medical assistants, and certified nursing assistants.

Mr. Klein is the chairman of Jewish B2B Networking a not-for-profit organization focused on local job creation and overall economic development. Mr. Klein is deeply involved with several regional public and private institutions on the North Shore of Chicago. He and his organization execute several weekly business oriented events designed to help business owners network as well as job seekers secure new employment opportunities.

Beyond vocational training the Career Institute will offer students the ability to acquire many other basic jobs skills such as how to best utilize LinkedIn, how to network, and basic job interview strategies. These skills combined with the founding partner’s broad range of contacts within the local community will insure that each student has the ability and opportunity to secure a position in their field of study.

The Career Institute’s enrollment goals include 30 students for year one, 100 for year two, 200 by year three and 500 by year five. The Career Institute plans to recruit the best instructors available in the area, in addition to maintaining a strong relationship with local business leaders both inside and out of the healthcare industry. The Institute plans to offer English as Second Language program that enables students of a diverse
background to benefit from the Institute’s training regardless of the language they speak.

The Career Institute plans to begin offering classes in 1st quarter 2014. Messrs. Klein and Teichman have been searching for sites suitable for the institute in Evanston and elsewhere. They have expressed a preference for a downtown Evanston location due to superior transit access and the amenities downtown businesses afford. They are in discussions with the 990 Grove Street ownership. The estimated cost of building out the office space to accommodate The Career Institute is $55,000. The landlord, Imperial Realty, is contributing $30,000.

Economic Development Plan:
The Career Institute will advance the workforce development objective of the adopted 2013 Economic Development Work plan as it promotes collaboration with the network of workforce development non-profits supporting comprehensive training. Furthermore, The Career Institute’s focus on health industry vocations, further encourages growth of health and wellness businesses

Potential Funding Source:
A project of this scope is eligible for funding through the Community Development Block Grant’s Economic Development Fund (Account #5260.63000). The current fund balance is $175,457.33.

Potential Deal Points:
Federal Requirements. CDBG standards require that at least one full time equivalent employee (FTE) be hired for every $35,000 in CDBG assistance. In this case, The Career Institute would be required to fill at least one position with a low-or moderate-income (LMI) Evanstonian. Someone is considered LMI if his/her family income does not exceed 80% of the area median income. Currently, this is $41,250 for a family of one and $58,900 for a family of four. Examples of jobs that often qualify as appropriate for LMI persons include clerical, janitorial or maintenance, food service workers such as wait staff.

Scholarship Opportunities. The Career Institute is working to determine the ability to provide scholarships to LMI Evanstonians who meet admissions requirements. Based on Committee feedback, staff can work to outline requirements and parameters of these scholarship positions. A city-wide solicitation and selection process will be defined, but could include widely advertised information sessions at Fleetwood Jordain and Robert Crown.

Loan Structure. A structure for the loan could be developed that includes a write down of $5,000 for each year The Career Institute operates in Evanston in compliance with agreement requirements. In the event The Career Institute relocates or is in default on commitment to provide scholarships, the remaining balance would be due to the city, with interest.
Coordination with Economic Development Goals. Finally, staff will work with the Career Institute to define the terms of a commitment to offer free business development/startup services at Chapter 1 – Evanston’s early stage startup hub at the Evanston Public Library.

Next Steps
Staff believes the potential public benefits resulting from assisting the launch of The Career Institute are worthy of consideration and will return to the Economic Development Committee on November 20th, with a staff recommendation incorporating additional suggestions from the Committee.

Attachments
- Career Institute Proposal
October 9, 2013

Paul,

Per our recent discussions, we would like to consider opening The Career Institute, a vocational school and training program, in Evanston. As a part of this initiative, our plan is to partner with the local school districts (we have already begun conversations) and Chambers of Commerce to launch a major workforce initiative.

We have been in discussions with the owners of 990 Grove Street where we have been evaluating space. We believe that we can negotiate with the building for a reasonable cost per square foot, but the challenge for us will be this substantial cost of building out the space for our classroom and academic needs. The cost for this build out is estimated at $55,000.

The Career Institute would like to request that the City of Evanston consider participating in the cost, in exchange for our commitment in a few economic development efforts. Among those discussed have been hiring Evanston residents for this new organization, working with ETHS on accepting students and leading career placement workshops on campus, as well as playing a key role in the Evanston Public Library small business incubator project as a program coordinator. We are asking for a commitment of $25,000 from the City of Evanston to allow us to open our business in this important area of the community.

Our plan is to remain at the location for many years to come, and we have already introduced the idea of potentially expanding into increased building space if our plans succeed and we form the correct partnerships.

Our mission is to provide all of the skills, education and opportunities necessary for each Career Institute student to successfully graduate from their vocational training and immediately begin their new career. The Career Institute will place as much emphasis and effort in securing a new job for our students as we will in educating them.

The Career Institute is the brainchild of our two founding partners, Mr. Barry Teichman and Mr. Shalom Klein. Mr. Teichman has an extensive background in the local healthcare industry where he has spent a number of years working with local healthcare companies in a variety of capacities. During this time he discovered a dearth of qualified and talented pharmacy technicians, medical billers, medical assistants and certified nursing assistants. The other principle Mr. Shalom Klein is heavily involved in local networking and job fulfillment. Mr. Klein is the chairman of Jewish B2B Networking a not for profit organization focused on local job creation and overall economic development. Mr. Klein is deeply involved with several regional public and private institutions on the North Shore of Chicago. He and his organization execute several weekly business oriented events designed to help business owners network as well as job seekers secure new employment opportunities. Mr Teichman and Mr. Klein have joined forces to create The Career Institute.

The philosophy of The Career Institute is to marry the skills sets and local contacts of both principals and create an institution that will deliver much more than a traditional vocational education. The school’s mission with each student is completely outcome driven. In addition to demanding strong academic performance from our students, the Institute’s success is measured in the student’s ability to secure a job within the field of their study. Beyond vocational training the Career Institute will offer students the ability to acquire many other basic jobs skills they will need to succeed in today’s job force. This includes but is not limited to how to best utilize LinkedIn, How to Network and Basic Job Interview strategies. These skills combined with the founding partner’s broad range of contacts within the local community will insure that each student has the ability and opportunity to secure a position in their field of study.

The goal of The Career Institute is to be known as a place of higher education that excels in providing in depth training to vocational students. The vision for the Institute is that of a nationally accredited college with a high placement rate, great respect from the Chicagoland Healthcare community, and a strong reputation for providing an excellent vocational training. The Institute plans to offer an English as Second Language program that enables students of a diverse background to benefit from the Institute’s training regardless of the language they speak. The Career Institute’s enrollment goals include 30 students for year one, 100 for year two, 200 by year three and 500 by year five. These objectives will be met by successfully recruiting the best instructors available in the area. In addition, the Institute will maintain a strong relationship with local business leaders both inside and out of the healthcare industry.

I look forward to hearing from you soon.

Regards,

Shalom Klein

773-547-3822 (cell)

shalom@gocareerinstitute.com

CAREER INSTITUTE, LLC

4959 Dempster St., Skokie, IL 60077 • Fax: 773-904-0102

www.GoCareerInstitute.com
September 17, 2013

To Whom It May Concern,

Imperial Realty is actively working with Barry Teichman to lease space at our facility located at 990 Grove in Evanston. Please consider him a candidate for your funding program as we look to finalize a lease with him in the coming weeks.

In order to accommodate his needs, Imperial Realty is in the process of evaluating the build-out that he seeks. We look forward to working with Mr. Teichman and the Go Career Institute.

Sincerely,

[Signature]

Richard McCarty
Senior Brokerage Manager
To: Chair and Members of the Economic Development Committee  
Rodney Greene, City Clerk

From: Johanna Nyden, Economic Development Division Manager

Subject: Amended Meeting Schedule for 2014 Economic Development Committee

Date: November 20, 2013

The 2014 meeting dates for the Economic Development Committee are presented for your consideration. As usual, the meetings are scheduled for the fourth Wednesday of each of the first 10 months. The November and December meeting dates have been rescheduled to accommodate the holidays. A changed has been made to the February and September dates to accommodate the noted event or holiday.

The Economic Development Committee meetings are scheduled for 7:30pm and will be held at the Lorraine H. Morton Civic Center, 2100 Ridge Avenue, in Room 2200 unless otherwise notified.

Proposed 2014 Meeting Dates
January 22
February 19 (Third Wednesday to accommodate Evanston Day in Springfield)
March 26
April 23
May 28
June 25
July 23
August 27
September 17 (Third Wednesday to accommodate Rosh Hashanah)
October 22
November 19 (Third Wednesday to accommodate Thanksgiving Holiday)
December 17 (Third Wednesday to accommodate December Holidays)
Memorandum

To: Chair and Members of the Economic Development Committee

From: Johanna Nyden, Economic Development Division Manager
Cindy Plante, ICMA Fellow

Subject: Discussion of STAR Communities Project

Date: November 20, 2013

Recommended action:
This item is for discussion and information for the Economic Development Committee.

Funding source:
N/A

Background:
The STAR (Sustainability Tools for Assessing & Rating Communities) Community Rating System is the nation’s first voluntary, self-reporting framework for evaluating, quantifying, and improving the livability and sustainability of U.S. communities. For the past several months, the City of Evanston has gathered data to complete the STAR community sustainability assessment as one of 30 cities across the United States selected to participate in a pilot program, and will be among the first cities in the nation to receive a rating.

The rating system provides communities with a framework for sustainability that encompasses the social, economic and environmental dimensions of community – what is often referred to as the “triple bottom line” approach to sustainability. Completing the assessment has helped to identify several opportunities for potential future economic development and sustainability projects.

Staff will provide a full presentation on work to date on this project at the November 20, 2013 meeting of the Economic Development Committee. For more information on STAR Communities visit the website at http://www.starcommunities.org. Attached to this memorandum is a set of slides describing the Economy and Jobs section of the STAR rating system.

Attachments:
Economy & Jobs slides
SET GOALS. MEASURE PROGRESS.
STAR Communities Workshop: Economy & Jobs Webinar

AGENDA
• Overview of Economy & Jobs Goal Area
• Case Studies of Specific Objectives
  • EJ-1: Business Retention & Development – Rockingham County, NC
  • EJ-3: Local Economy – Cleveland, OH
• Announcements & Reminders

MEETING DETAILS
• Date: Tuesday, April 23, 2013 @ 2pm ET
• Conference Line: (951) 266-6131
• Access Code: 705-767-810

Note: Due to the number of participants, the audience will be muted. Please submit questions via chat.


<table>
<thead>
<tr>
<th>Objective</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>EJ-1: Business Retention &amp; Development</td>
<td>20</td>
</tr>
<tr>
<td>EJ-2: Green Market Development</td>
<td>15</td>
</tr>
<tr>
<td>EJ-3: Local Economy</td>
<td>15</td>
</tr>
<tr>
<td>EJ-4: Quality Jobs &amp; Living Wages</td>
<td>20</td>
</tr>
<tr>
<td>EJ-5: Targeted Industry Development</td>
<td>15</td>
</tr>
<tr>
<td>EJ-6: Workforce Readiness</td>
<td>15</td>
</tr>
<tr>
<td><strong>Goal Area Total</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Create equitably shared prosperity and access to quality jobs
EJ-1: Business Retention & Development

Foster economic prosperity and stability by retaining and expanding businesses with support from the business community

Outcome 1: Businesses
- Increased number of business establishments in the county over time
  --OR--
- Increased number of business establishments in the municipality in the past 3 years

Outcome 2: Annual Sales
- Increase in annual sales from businesses located in jurisdiction in the past 3 years

Outcome 3: Employment
- Increase in the percentage of residents employed over time
  --AND--
- Decrease in the unemployment rate of residents over time

29 of 42
EJ-2: Green Market Development

Increase overall market demand for products and services that protect the environment

Outcome 1: Community Resource Efficiency
• Decreased greenhouse gas (GHG) intensity over time

Outcome 2: Green-Certified Building Stock
• Increase % of non-residential buildings achieving certification in STAR-qualifying energy efficiency and green construction programs
  --AND--
• Increase % of residential buildings achieving certification in STAR-qualifying energy efficiency and green construction programs

Outcome 3: Renewable Energy Use
• Increased number of renewable energy certificates (RECs) purchased annually
Outcome 4: Green Vehicles

• Increased ownership of alternative fuel vehicles
  --AND—
• Increased ownership of fuel-efficient vehicles
EJ-4: Quality Jobs & Living Wages

Expand job opportunities that support upward mobility and provide sufficient wages so that working people and their families can afford a decent standard of living.

Outcome 1: Median Household Income
- Increase real median household income over time

Outcome 2: Living Wages & Self-Sufficiency
- 90% of median household incomes in jurisdiction meet or exceed the living wage standard

--OR--
- 90% of households are economically self-sufficient
EJ-5: Targeted Industry Development

*Increase local competitiveness by strengthening networks of businesses, suppliers, and associated industries*

**Preliminary Step**
- Locally define at least 3 targeted industry sectors

**Outcome 1: Targeted Industry Businesses**
- Increase the total number of businesses in targeted industry sectors

**Outcome 2: Targeted Industry Sales**
- Increase the annual sales or total value of businesses in targeted industry sectors

**Outcome 3: Targeted Industry Employment**
- Increase total employment in targeted industry sectors
EJ-6: Workforce Readiness

*Prepare the workforce for successful employment through increasing attainment of post-secondary education and improving outcomes of workforce development programs*

**Outcome 1: Trained Workforce**
- Demonstrate improvements in workforce training outcomes for participants

**Outcome 2: Workforce Mobility**
- Increased post-secondary educational attainment in the community
EJ-3: Local Economy

Create an increasingly self-reliant community through a robust local economy with benefits shared by all

Outcome 1: Community Self-Reliance

• Demonstrate that 50% of import sectors have increasing location quotients over the past 3 years

Outcome 2: Local Bank Deposits

• Increase the total funds deposited in locally-owned and operated banks over time
To: Honorable Mayor and Members of the City Council

From: Johanna Nyden, Economic Development Division Manager

Subject: Monthly Economic Development Report for October 2013

Date: October 25, 2013

Discussion

Enclosed is the monthly report of economic development activities for the month of October 2013. The report summarizes meetings, ongoing initiatives, new businesses, marketing activities, as well as activity reports on key economic development projects and sites.

Please contact me at 847/448-8014 or jnyden@cityofevanston.org if you have any questions or would like to discuss the information contained further.
### Economic Development – OCTOBER, 2013 UPCOMING MEETINGS & EVENTS

<table>
<thead>
<tr>
<th>Event</th>
<th>Date and Venue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Howard Street Business Association</td>
<td>Tuesday, November 12, 2013 at 7pm at the Police Outpost at 633 Howard Street.</td>
</tr>
<tr>
<td>Evanston West Village Business Assoc. (EWVBA)</td>
<td>Next Meeting Date To Be Determined.</td>
</tr>
<tr>
<td>WestEnd Business Association</td>
<td>The last meeting was September 25, 2013. The next meeting is Tuesday, October 29, 2013. The West End hosted Manufacturing Day on Tuesday, October 1. A video filmed by the City of Evanston summarizing the day is in development.</td>
</tr>
<tr>
<td>Business District Head Meeting</td>
<td>This is a meeting of key representatives from Evanston’s business and merchant groups. The next meeting will be held on Wednesday, November 20, 2013 at 8:00a.</td>
</tr>
<tr>
<td>Economic Development Committee</td>
<td>The next regularly scheduled meeting of the EDC will be Wednesday, November 20, 2013 at 7:30 pm at the LHM Civic Center Room 2200.</td>
</tr>
</tbody>
</table>

### Economic Development – MEETINGS/ON-GOING ACTIVITIES

<table>
<thead>
<tr>
<th>Event</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic Development Committee</td>
<td>The Economic Development Committee met on October 23, 2013. The agenda included:</td>
</tr>
<tr>
<td></td>
<td>Items for Consideration: 1) Assistance of up to $15,185 for a façade improvement project for 1801-1805 Dempster Street; The funding request was recommended for City Council approval at the next appropriate meeting (6-1). 2) A funding request of $138,000 to Downtown Evanston. The grant was unanimously recommended for City Council approval at the next appropriate meeting (7-0). 3) A funding request of $250,000 from FEW Spirits at 918 Chicago. The loan was unanimously recommended for City Council approval at the next appropriate meeting (6-0, Alderman Fiske departed prior to the vote). 4) Meeting dates for the Economic Development Committee for 2014. The dates were unanimously approved (6-0).</td>
</tr>
<tr>
<td></td>
<td>Items for Discussion: The discussion of the financial assistance for the Career Institute at 990 Grove and the issuance of a Request for Qualifications/Proposals for the redevelopment of 1718 Church were held for further Committee discussion.</td>
</tr>
<tr>
<td></td>
<td>Communications: A. Announcements/Updates from EDC Members; B. Quarterly Report; C. Real Estate Transfer Tax Report; D. Monthly Economic Development Communication.</td>
</tr>
<tr>
<td>Health and Wellness Initiative</td>
<td>The next meeting of the Health &amp; Wellness working group will be in January at a location to be determined. Downtown Evanston hosted a successful Health &amp; Wellness Fair on Saturday, September 28, 2013 which included health and wellness vendors from across Evanston as well as fitness demonstrations.</td>
</tr>
<tr>
<td>New Business Openings, Expansion, and/or Relocations –September and October 2013</td>
<td>New businesses that have opened or relocated in Evanston recently include: Lighthouse Yoga and Acupuncture (1234 Sherman Avenue) 9/18/2013; Trader Joe’s (1211 Chicago Avenue) 9/6/2013; Temperance Beer Company (2000 Dempster Street) 9/17/2013; Food 4 Less Fuel Center (2420 Main Street) 9/23/2013; Sam’s Auto Repair (2311 Main Street) 9/26/2013; Heartwood Center (1818 Dempster Street) 9/30/2013; Envy (522 Davis Street) 9/26/2013; La Machinna (1630 Orrington Avenue) 10/15/2013; Bottle &amp; Bottega (1016 Davis Street) 10/16/2013; Kier of Home (1501 Chicago) 10/1/2013; DaVita Dialysis (1922 Dempster Street) 10/14/2013; Leonidas (1907 Central Street) 10/13/2013; Office Max (1612 Sherman Avenue); Spotless Self-Serve Dog Wash (1121 Emerson) 10/19/2013; OSKA Company Store (1590 Sherman Avenue); Music Institute of Chicago (1702 Sherman) 8/1/2013.</td>
</tr>
<tr>
<td>Marketing</td>
<td>Staff continues to utilize evanstonedge.com to feature local businesses, and also comprehensive twitter, linked in, and Facebook strategies. Staff attended the Annual International Council of Shopping Center’s Chicago Deal Making Session on October 2, 2013 at Navy Pier. Representatives from hundreds of retailers were at the event and had an opportunity to learn more about Evanston.</td>
</tr>
<tr>
<td>Larger scale Development Sites and “Prospects” (General – see also some specific examples below)</td>
<td>Staff continues to work with property owners and potential developers of large vacant properties in Evanston to identify potential tenants and uses for these properties and provide assistance for approvals and other City processes. In addition, Staff has been actively working with eight potential “prospects” (i.e. higher profile businesses and/or targeted industries) who are considering locating with the City.</td>
</tr>
<tr>
<td>Technology/Entrepreneurship/Innovation Events</td>
<td>Economic Development Staff is working in coordination with Library Staff on the development of Chapter 1, an entrepreneurship program to be housed on the 3rd floor of the Main Library. Staff is working in coordination with economic development partners on events for the remainder of 2013 that focus on entrepreneurship.</td>
</tr>
<tr>
<td>Small Business Assistance</td>
<td>Economic Development staff continues to work with existing businesses, assisting them in pursuing physical upgrades and expansions, facilitating them through the various permitting processes, etc. Staff is also working with several new small businesses ranging from cafes and restaurants to retailers, small office users and entertainment uses. Since the start of 2013, staff has worked with over 75 leads for potential new small businesses.</td>
</tr>
<tr>
<td>Façade Improvement Program</td>
<td>Staff continues to meet and work with other businesses interested in the program. Several inquiries have been received. Currently the only façade improvement application under consideration is 1801-05 Dempster Street.</td>
</tr>
</tbody>
</table>
| Vacancy Rates | Current vacancy rates as of 2nd Quarter 2013 are:  
Office = 9.5%; Industrial = 9.9%; Commercial = 7.6% |
| Great Merchant Grant Program | On Wednesday, October 2, the City hosted representatives from Evanston’s business districts to discuss the future of the Merchant Grant program and share ideas for improvement in administration and eligible activities. Staff expects to bring a revised program for discussion and consideration to the December 18, 2013 Economic Development Committee meeting. |
## Economic Development - Key Potential/Development Site Activity Report

<table>
<thead>
<tr>
<th>Site Location</th>
<th>Overview of Development Opportunities</th>
<th>Proposed Bldg. Area</th>
<th>Site Area (Approx)</th>
<th>Next Steps</th>
</tr>
</thead>
<tbody>
<tr>
<td>1817 Church St.</td>
<td>City Council approved a $200,000 construction loan funded from the West Evanston TIF to Evanston North Shore Contractors Cooperative to redevelop 1817 Church Street as a contractor cooperative.</td>
<td>1,000 s.f. addition is proposed to second floor of existing structure</td>
<td>5,764</td>
<td>The Evanston North Shore Contractors Cooperative are in the midst of interior demo/buildout. Second floor expansion is under construction. Construction completion anticipated in the first quarter of 2014.</td>
</tr>
<tr>
<td>1708-1710 Darrow</td>
<td>City-owned properties – residential structures were demolished late 2011.</td>
<td>N/A - no defined plan yet for redevelopment</td>
<td>5,530</td>
<td>The buildings were demolished late 2011. City staff is considering options for future redevelopment. Portion of property paved for neighborhood business parking</td>
</tr>
<tr>
<td>Evanston Plaza</td>
<td>WHI Real Estate Partners LLC and Bonnie Investment Group have formed a partnership to revitalize the center.</td>
<td>N/A - no defined project yet</td>
<td>212,373</td>
<td>Bonnie Management continues to market the plaza to national retailers, services, etc. Staff remains in contact with Bonnie Management on a regular basis. The closure of Dominick’s and its replacement is a top priority. There are currently 8 years remaining on the lease at Evanston Plaza.</td>
</tr>
<tr>
<td>Asbury/Oakton</td>
<td>Staff has on-going conversations with property owner regarding potential business prospects that might be well-suited for the site. Property owner is currently not interested in selling the property.</td>
<td>14,000</td>
<td>19,000</td>
<td>Staff continues to have conversations with property owner about potential business prospects.</td>
</tr>
<tr>
<td>Chicago/Main</td>
<td>Staff has worked with developer to create a mixed-use office/retail development.</td>
<td>90,000</td>
<td>30,424</td>
<td>Zoning and Plan Development Process is expected to start fall 2013. A community meeting to discuss the revised concept was hosted by Alderman Melissa Wynne on Thursday, October 17, 2013. The developer presented a mixed use retail, office, and residential building. The developer will start the formal planned development process by the end of 2013.</td>
</tr>
<tr>
<td>1801-1805 Church</td>
<td>Vacant former gas station property owned by Daniel Cheifetz.</td>
<td>n/a</td>
<td>11,000</td>
<td>Site is currently in litigation. City Council previously approved resolution granting authority to negotiate purchase of property. Staff assessing risk of acquiring relative to contamination.</td>
</tr>
<tr>
<td>Address</td>
<td>Description</td>
<td>Market Value</td>
<td>Notes</td>
<td></td>
</tr>
<tr>
<td>---------</td>
<td>-------------</td>
<td>--------------</td>
<td>-------</td>
<td></td>
</tr>
<tr>
<td>1911-1917 Church Street</td>
<td>Staff is coordinating with the property owner to determine opportunities for potential redevelopment partnership.</td>
<td>N/A - no defined plan yet for redevelopment</td>
<td>Staff is working with new ownership on the redevelopment of the site.</td>
<td></td>
</tr>
<tr>
<td>1901 Dempster (former KFC)</td>
<td>Yum! Brands, the corporate owner of the KFC brand has enlisted a local broker to price and list the property, scheduled for Mid-October. The property will have a 20 year deed restriction. Uses restricted include any restaurant that is deemed competitive to other Yum holdings including pizza, Mexican, chicken seafood, and hamburgers, although the latter two are negotiable as Yum is in the process of selling its A&amp;W and Long John Silver brands.</td>
<td>TBD</td>
<td>Brian Adams, Mid America broker indicated no strong interest in the property. Yum! Brands has listed the former KFC property reportedly for $750,000. MMJ will continue to direct potential users of the property to YUM broker.</td>
<td></td>
</tr>
<tr>
<td>623-627 Howard</td>
<td>The City of Evanston purchased this property in mid-October 2011. Peckish Pig will open in late 2013 with brew-pub concept.</td>
<td>Na</td>
<td>Peckish One, LLC has will utilize the space into a restaurant and microbrewery. The partners have a lease-to-own agreement on the property and expect to open in December 2013. Construction is underway for this project.</td>
<td></td>
</tr>
<tr>
<td>727-729 Howard Street</td>
<td>City-owned properties located on Howard Street. Staff is currently working with a theatre company to try to relocate to this building on Howard Street.</td>
<td>4,000</td>
<td>City Council did not approve award of the lowest bid for this project. A revised concept is in process.</td>
<td></td>
</tr>
<tr>
<td>Former “Borders” site- Maple</td>
<td>Downtown Evanston is taking the lead as primary contact with the representatives from Arthur Hill regarding refilling this space; Staff is assisting Downtown Evanston in looking for prospects</td>
<td>21,900</td>
<td>Arthur Hill seeking tenant.</td>
<td></td>
</tr>
<tr>
<td>1615 Oak Street</td>
<td>Smylie Brothers Brew Pub will be opening a restaurant and Brewery in the downtown area.</td>
<td>11,000</td>
<td>Variance from off-street parking requirements approved in February 2013. Interior construction is underway. Planning to open in February 2014.</td>
<td></td>
</tr>
<tr>
<td>737 Chicago Avenue</td>
<td>AMLI residential development has available ground floor commercial space for lease</td>
<td>1,186 to 7,900</td>
<td>Staff is working with the broker to find retail/service users. Dollop/Hoosier Mama Pie Company is slated to open in late October. Other potential tenants include dry cleaners.</td>
<td></td>
</tr>
<tr>
<td>1720 Central Street</td>
<td>Central Station Apartment Development has available ground floor commercial space for lease</td>
<td>10,650</td>
<td>Staff is working with the broker and several interested businesses interested in opening in the available commercial spaces. Fitness studio, restaurant, and specialty shops are all potential tenants.</td>
<td></td>
</tr>
<tr>
<td>1011 Chicago Avenue/ 222 Hartrey Avenue</td>
<td>Autobarn is working to relocate portions of the service and warehousing of vehicles to 222 Hartrey.</td>
<td>100,000+</td>
<td>100,000</td>
<td>Staff is working to develop a financial assistance package to rehabilitate Chicago Avenue properties and rehabilitate 222 Hartrey properties to establish the service center. Expected to return to Economic Development Committee in October. Howard/Hartrey TIF is also under consideration; expected expansion to include 222 Hartrey to be complete by early November.</td>
</tr>
<tr>
<td>Dominick’s Locations</td>
<td>In mid-October, Safeway announced the closure of all Dominick’s on January 1, 2014. The City has two locations: Evanston Plaza (approx. 45,000 square feet) and Green Bay Road (Approx. 40,000 square feet).</td>
<td>90,000</td>
<td>100,000+</td>
<td>Staff is working with the ownership of both properties to determine likely outcome and re-occupancy of grocery stores for other grocery chains. It is expected that an announcement on the future of stores could come in mid-November 2013.</td>
</tr>
</tbody>
</table>
MONTHLY RETT REPORT FOR OCTOBER 2013

DATE: November 4, 2013
TO: Mayor and Aldermen
FROM: Rodney Greene, City Clerk
SUBJECT: RETT Report -- October 2013

<table>
<thead>
<tr>
<th></th>
<th>FY 2012</th>
<th>FY 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Month</td>
<td>Amount</td>
<td>Transactions</td>
</tr>
<tr>
<td>January</td>
<td>113,540</td>
<td>57</td>
</tr>
<tr>
<td>February</td>
<td>113,355</td>
<td>37</td>
</tr>
<tr>
<td>March</td>
<td>125,990</td>
<td>65</td>
</tr>
<tr>
<td>April</td>
<td>92,096</td>
<td>59</td>
</tr>
<tr>
<td>May</td>
<td>146,980</td>
<td>93</td>
</tr>
<tr>
<td>June</td>
<td>180,770</td>
<td>136</td>
</tr>
<tr>
<td>July</td>
<td>175,975</td>
<td>109</td>
</tr>
<tr>
<td>August</td>
<td>167,620</td>
<td>101</td>
</tr>
<tr>
<td>September</td>
<td>68,290</td>
<td>60</td>
</tr>
<tr>
<td>October</td>
<td>142,161</td>
<td>73</td>
</tr>
<tr>
<td>November</td>
<td>164,800</td>
<td>84</td>
</tr>
<tr>
<td>December</td>
<td>143,605</td>
<td>84</td>
</tr>
</tbody>
</table>

October 2013 revenues were reduced to reflect this expenditure: $5; C.C. Recorder of Deeds, $350 RETT Refund

Monthly average needed to meet budget $175,000
FY 2013 Monthly Average $319,603

45 exemptions @ $100 ea = $4,500; CUMULATIVE $56,800

There were eight (8) $ million sales in October 2013
10/1/13 -- 139 Ashland $1,350,000 Tax $6,750; Seller: Ashland Dobson, LLC; Buyer: ZWL Properties LLC
10/3/13 -- 1603 & 1629 Orrington $61,500,000 Tax $307,500 ; Seller: LR 1603 & 1629 Orrington LLC; Buyer: Orrington LL, LLC
10/4/13 -- 1211-1229 Chicago $11,000,000 Tax $55,000; Seller: Gendell/WNB LLC; Buyer: LOJA Evanston LLC
10/9/13 -- 525 Kedzie $7,250,000 Tax $36,250; Seller: MRR 525 Kedzie LLC; Buyer: 525 Kedzie LLC
10/14/13 -- 1040 Michigan $1,010,000 Tax $5,050; Seller: Fenn; Buyer: Hales
10/16/13 -- 1304 Forest $1,700,000 Tax $8,500; Seller: Mencoff; Buyer: Collins
10/23/13 -- 1805-11 Central & 2603-09 Broadway $2,163,640 Tax $10,820 ; Seller: ELJ Properties LLC; Buyer: Central-Broadway LLC
10/25/13 -- 1114 Lake Shore $2,050,000 Tax $10,250; Seller: de la Vauvre Trust; Buyer: Williams

NSP2 sales = $00; CUMULATIVE $1,997,300

NSP2 purchases = $0; CUMULATIVE $790,850