



Memorandum

To: Chair & Members of the Economic Development Committee

From: Johanna Leonard, Economic Development Division Manager
Cindy Plante, Economic Development Specialist

Subject: 2016 Q3 Economic Development Quarterly Report

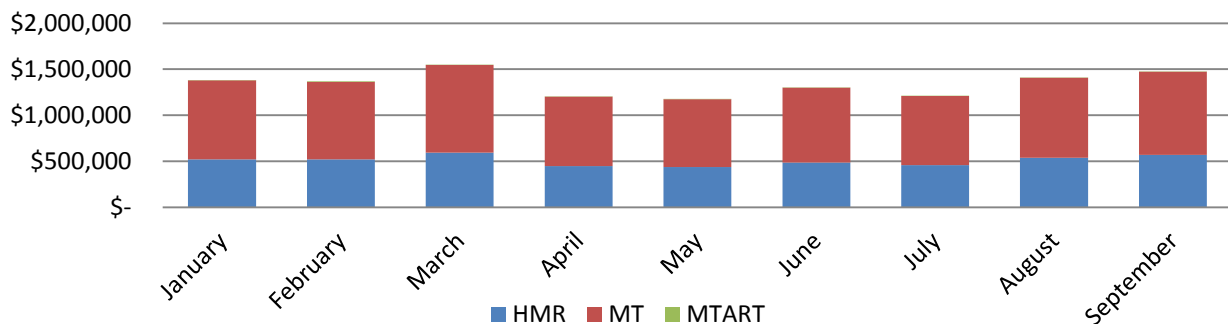
Date: November 30, 2016

Summary & Highlights:

Evanston continues to be a desirable location for residents and businesses in 2016. Vacancy rates for commercial space in Evanston have remained fairly stable throughout the year to date, and have been consistently lower than those of surrounding communities. The third quarter ended with retail vacancy rates at 6.2% and office vacancies at 7%. The City Clerk's office reported a total of 381 real property transactions in Evanston from July through September, yielding \$877,905 in real estate transfer tax revenue. Evanston also appeared on several best-of lists during the third quarter of 2016, including lists of [Best College Towns](#), [Smartest Small Towns in America](#), and [Best Cities for Liberals](#).

Individual businesses earned some accolades as well, particularly in the food and beverage arena, with *Eater Chicago* naming **Buffalo Joe's** in a guide to the area's [Best Wings](#), and **The Chicken Shack** on a list of [Chicago's Best Fried Chicken](#). **Edzo's** landed on multiple lists, representing Illinois in *PureWow's* roundup of the [Best Milkshake in Each US State](#) and appearing on *Eater's* list of [Chicago's Most Iconic Burgers](#). Evanston's dining scene continued to grow during the summer; of the **28 new businesses** opened in Evanston during the 3rd quarter, 13 were licensed as food establishments. Evanston businesses generated over \$4.1 million in sales tax revenue during the third quarter.

2016 Sales Tax Disbursements



New Businesses:

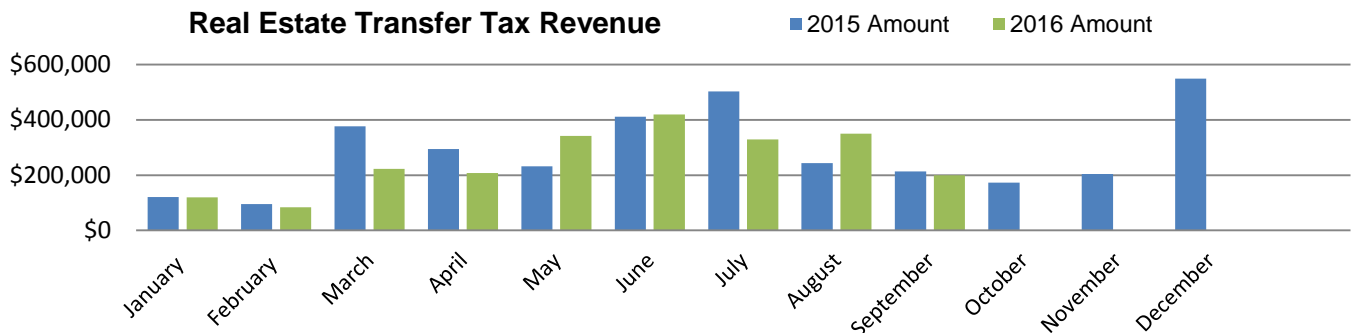
During July, August, and September, 28 new businesses opened in Evanston. As in previous quarters, many of the new businesses are restaurants, including the long-awaited return of **Taco Diablo**, which returned to Davis Street in a newly-constructed building that also houses **Five and Dime**, a new restaurant with arcade games and a rooftop bar. **Cupitol Coffee and Eatery** opened in September on Grove Street next to Bangers & Lace, completing the redevelopment of the space previously occupied by The Keg. Also in Downtown Evanston, celebrity chef Alpana Singh opened her latest restaurant **Terra & Vine**. Two Chicago eateries opened Evanston locations this quarter, which brought the arrival of **Asian Cajun Too** in the Main-Dempster Mile district and the opening of the fourth location of **First Slice Pie Café** inside the Gibbs-Morrison Cultural Center on Dodge Avenue.

New Businesses – 2016 Q3

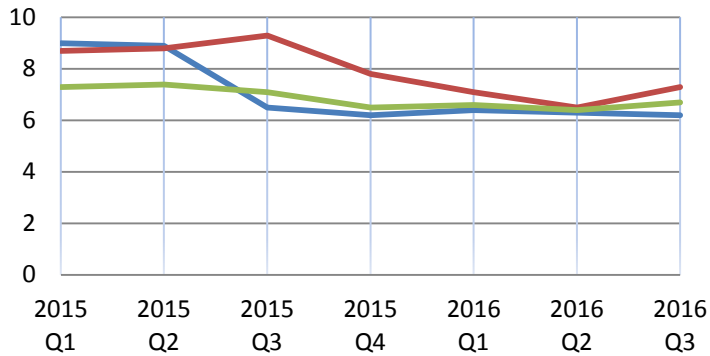
- YaHala Inn – 825 Church St
- Terra & Vine – 1701 Maple Ave.
- Cupitol Coffee & Eatery – 812 Grove St.
- Papa Philly – 1601 Emerson St.
- Gyros Planet – 1903 Church St.
- Evanston Ice Company – 1701 Main St.
- Bentley's Pet Stuff – 743 Chicago Ave.
- Eye Boutique Closet – 817 Main St.
- In Fine Fettle – 900 Chicago Ave.
- Extra Space Storage – 2020 Greenwood St.
- First Slice Pie Café – 1823 Church St.
- The Fresh Plan – 1424 Lake St.
- Saturday Records – 816 Dempster St.
- Union Health Services – 1325 Howard St.
- Union Squared – 1307 Chicago Ave.
- Asian Cajun Too – 1322 Chicago Ave.
- Organized For You – 713 Chicago Ave.
- Evanston Auto Sales – 2225 Main St.
- Solid Development Corp.- 2224 Cleveland St.
- Main & Crawford Auto Repair – 2321 Main St.
- Evanston Community Acupuncture – 915 Elmwood Ave.
- Team Gear Central – 1701 Central St.
- W+Co. Salon – 930 Chicago Ave.
- Taco Diablo – 1026 Davis St.
- Five and Dime – 1026 Davis St.
- Studio 5 – 1934 Dempster St.
- Backlot Coffee – 2012 Central St.
- Shumaker Design Associates – 705 Washington St.

Construction & Real Estate:

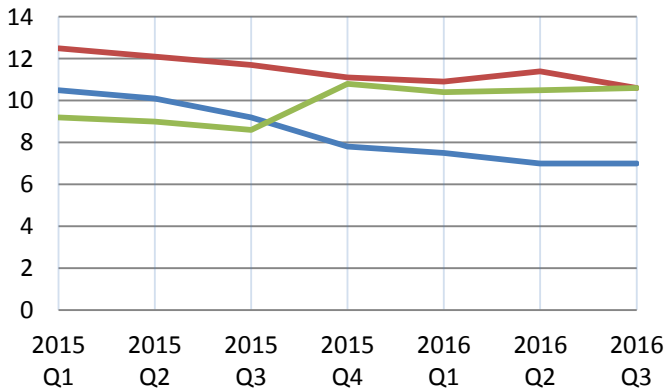
The City received **\$812,420 in building permit revenue** from an estimated **\$42.5 million in commercial construction** activity in Evanston during the three months that make up the third quarter. Construction projects at Northwestern University are included in these totals, with the university paying \$396,100 in permit fees to the City for an estimated \$22.1 million in construction work, more than half the estimated total citywide. The largest projects included work at Willard Residential College, McCormick School of Engineering, Ryan Field and Kemper Hall.



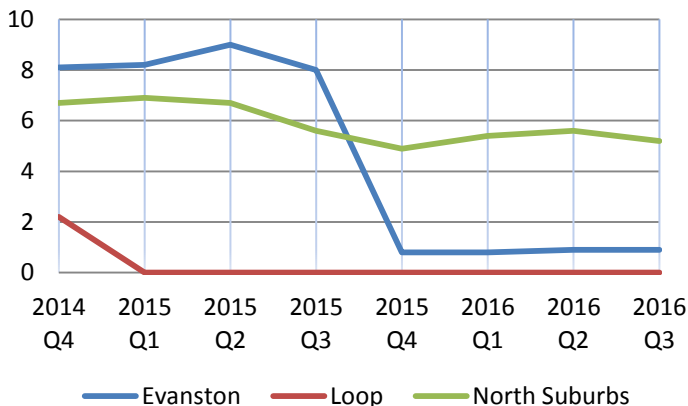
Retail Vacancy Rates



Office Vacancy Rates



Industrial Vacancy Rates



Elsewhere in Evanston, construction continued on a new mixed-use building under construction at **1571 Maple**, which is slated to open in 2017 with 100 apartments and 3,700 square feet of ground floor commercial space. Builders also broke ground on the final phase of the **Church Street Village** townhome development, which had been put on hold for several years due to the recession. The new phase will add 8 townhomes to the development, bringing the total to 40. Work is also underway at Evanston Plaza to make way for the arrival of a **Goodwill** store and donation center.

The new store will join the recently completed **Studio 5** at Dance Center Evanston, a convertible performing arts classroom and theater space in the Evanston Plaza center. The theater will be made available to Dance Center Evanston students and companies as well as other performing arts groups in the community, who will be able to rent the facility for their own performances and events.

Based on quarterly data from CoStar analytics, commercial vacancy rates in Evanston held steady this quarter, demonstrating continued demand for space in the community. Retail and office

were comparable to the same period in 2015, and remained below vacancy rates in downtown Chicago and the northern suburbs as a whole.

Entrepreneurship & Workforce Development

The 2016 Fall Cohort of the Sunshine Enterprises **Community Business Academy** program began meeting at the Civic Center in September, with 23 entrepreneurs participating in the program this session. The program is sponsored in part by the Economic Development Fund, offering participants 12 weeks of small business workshops and simulations with ongoing coaching and entrepreneurship support. The next cohort is expected to begin in January 2017. In addition to the Community Business Academy program, Sunshine Enterprises also hosted its second annual Women in Business Summit and Pitch Competition at the Hilton Orrington in August. Work is also underway on the next Evanston **Startup Showcase** event, scheduled for November 17 in order to coincide with Global Entrepreneurship Week. The event will be held at the Hyatt House hotel in Downtown Evanston.

In September, the Forrest E. Powell foundation announced the establishment of a new workforce training program aimed at connecting juniors at Evanston Township High School with vocational certifications, apprenticeships, and mentoring. Building on an existing scholarship for students training in vocational programs, the new program will add a more structured curriculum and access to apprenticeships for students pursuing careers in fields like automotive technology, cosmetology, hospitality, healthcare, manufacturing, and skilled trades.

Evanston's Unemployment rate held steady throughout the third quarter of 2016, remaining below state and national averages for the same time period.

