



Memorandum

To: Chair & Members of the Economic Development Committee

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

Subject: 2016 Q4 Economic Development Quarterly Report

Date: January 20, 2016

Summary & Highlights:

New construction, business openings, and real estate transactions continued throughout the final three months of 2016, alongside business district events like the Main-Dempster Mile's charity Wine Walk and Downtown Evanston's Oktoberfest. Evanston businesses and residents also rallied behind the Cubs historic World Series run with watch parties and Cubs merchandise on sale. Smylie Bros. Brewing Company and Temperance Beer Co. represented Evanston at the 2016 Great American Beer Festival in Denver, and Temperance took home a gold medal for their Gatecrasher IPA.

In the lead up to the holiday season, Evanston businesses again encouraged the community to shop local for Small Business Saturday and drew shoppers by participating in the second annual Warm Bevvv Walk, which attracted over 250 attendees to 43 participating businesses throughout Downtown Evanston and the Main-Dempster Mile. Stumble & Relish, Perennials, and Vogue Fabrics won the top prizes in this year's holiday window decorating contest, out of 20 businesses competing.

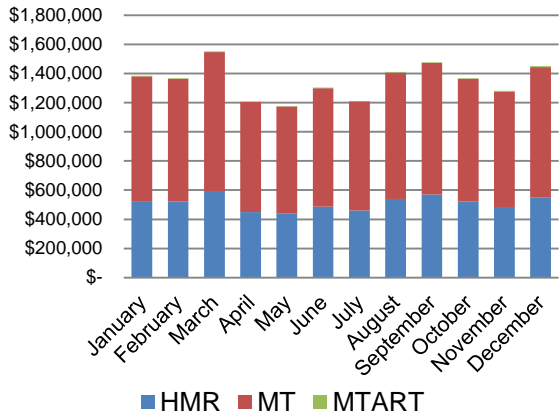
14 New Businesses – 2016 Q4

- Yeero Revolution, 1009 Davis St.
- Lumen Optical, 809 Church St.
- NaKorn Kitchen, 1622 Orrington Ave.
- Cyclebar, 1702 Maple Ave.
- Lulu's, 1026 Davis St.
- Platinum Mix Productions, 1900 Greenwood St.
- Snacks on Hand, 922 Davis St.
- The Barn, 1016 Church St. (rear)
- Goodwill, 1916 Dempster St.
- Crossfit Factorial, 1152 Dodge Ave.
- Box Evanston, 840 Dodge Ave.
- Divine Creative Synergy, LLC 707 Chicago Ave.
- National Awards & Fine Gifts, 836 Custer Ave.
- First Bank & Trust, 520 Main St.

New Businesses:

14 new businesses opened their doors in Evanston between October 1 and December 31, 2016 including Amy Morton's **The Barn**, which opened in a former dairy barn in an alley off Church Street. A **Goodwill Store and Donation Center** opened at Evanston Plaza, bringing 40 jobs to the 18,000 square-foot facility. It was joined by another new tenant in Evanston Plaza, **Crossfit Factorial**. In December, the recently-completed mixed use building at the corner of Main Street

2016 Sales Tax Revenues



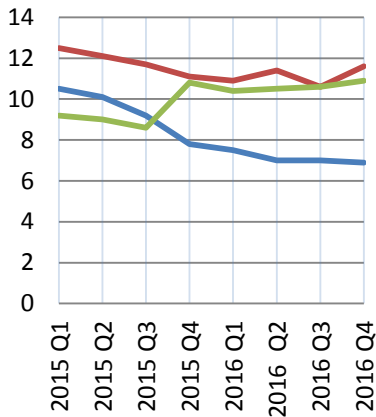
and Chicago Avenue welcomed its first commercial tenant, **First Bank and Trust**, which moved a few blocks east from its previous location at 741 Main St.

Autobarn celebrated the opening of its new service center with a ribbon cutting at the new facility in December (pictured below). Located behind Target on Howard Street, the 128,000 square-foot building previously housed a microphone factory which closed in 2003. Based on City licensing data, a total of 82 new businesses opened in Evanston in 2016, compared to 68 in all of 2015.

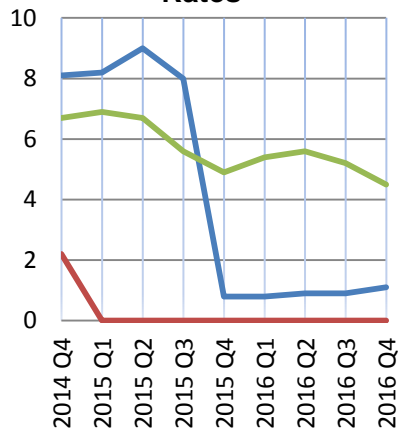
In spite of several business closings, many of the resulting vacancies were quickly filled by new businesses. Commercial vacancy data from CoStar Analytics showed that Evanston's overall vacancy rate for retail space declined throughout 2016, ending the 4th quarter at 4.8%, compared to 6.7% in the Chicago Loop and neighboring northern suburbs. Vacancy rates for office space in Evanston also trended down, and have remained lower than vacancy rates in neighboring communities since the second half of 2015.



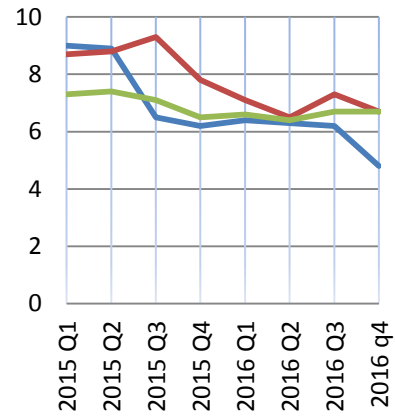
Office Vacancy Rates



Industrial Vacancy Rates



Retail Vacancy Rates



— Evanston

— Loop

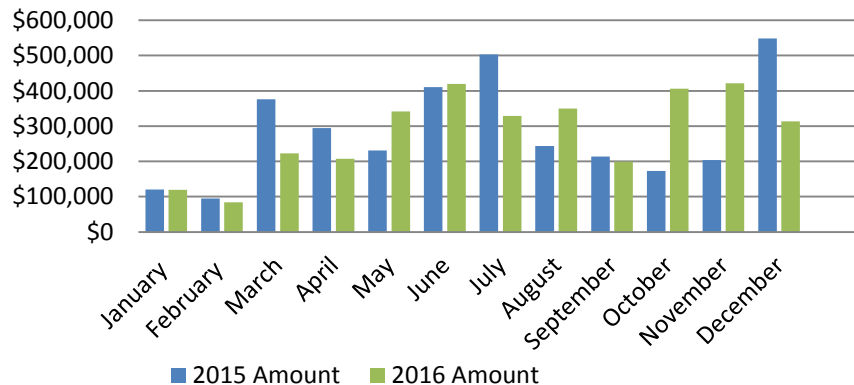
— Northern Suburbs

Construction & Real Estate:

The City received **\$459,897 in building permit revenue** from an estimated **\$23.9 million** in commercial construction activity in Evanston during the three months that make up the fourth quarter. Construction projects at Northwestern University are included in these totals, with the university paying \$155,587 in permit fees to the City for an estimated \$9.060 million in construction work, nearly 38% of the estimated total citywide, with renovation and construction continuing on several residence halls as well as Louis Hall. Work on the new mixed-use residential and commercial development at 1571 Maple also contributed to the total.

The City took in **\$1,140,648** in real estate transfer tax from **252 transactions** during the fourth quarter of 2016, compared with only **\$925,545** over the same period in 2015. Several large transactions drove much of the increase, including the sales of large buildings like **415 Premiere Apartments** (\$45.9 million), **Symphony of Evanston** (\$22.9 million), and the **Hilton Garden Inn** (\$23.1 million). The owners of **Ward Eight** also completed a purchase of 629 Howard Street from the City under a lease to own agreement executed in 2013. The City had purchased the building in 2011 for \$237,650, and sold it to the business owners for \$362,650.

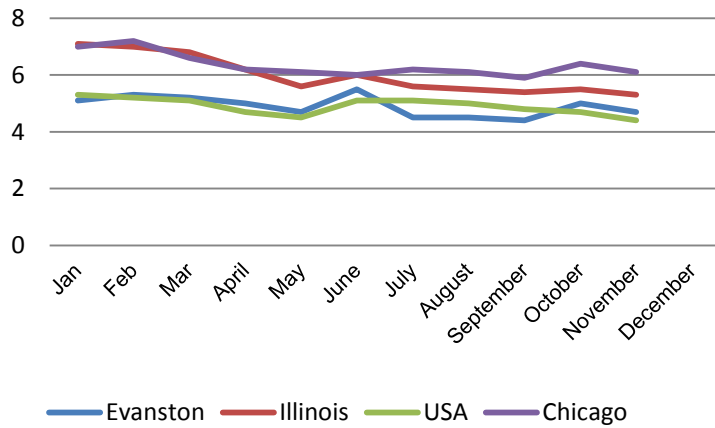
Real Estate Transfer Tax Revenue



Entrepreneurship & Workforce Development

Sunshine Enterprises **Community Business Academy** held a graduation ceremony in December for its third and final cohort of 2016. The Economic Development fund provided \$150,000 to support the program this year, \$50,000 for each cohort. Community Business Academy provides a structured small business education and mentoring program aimed at women and minority entrepreneurs. Since the program first came to Evanston in 2015, two alumnae have opened brick and mortar storefronts in Evanston – **Eye Boutique Kloset** on Main Street and **Jennifer’s Edibles** at 1623 Simpson Street.

2016 Unemployment Rates



In November, the Economic Development Division partnered with First Bank and Trust to host a startup showcase at Evanston's new Hyatt House hotel. Over 100 attendees turned out to hear presentations from 6 area entrepreneurs while enjoying catering from Feast & Imbibe.

Evanston's Unemployment rate dropped slightly during the first two months of the fourth quarter of 2016. Municipal-level data for December has yet to be released.