NOTE CHANGE OF MEETING LOCATION!!!

ECONOMIC DEVELOPMENT COMMITTEE MEETING
WEDNESDAY, JULY 22, 2009
7:30 P.M.

*LIGHTHOUSE LOFTS
1607 SIMPSON-1 REAR
Evanston, IL 60201
AGENDA

I. CALL TO ORDER

II. TOUR OF LIGHTHOUSE LOFTS (ADAPTIVE REUSE/REHABILITATION PROJECT FOR COMMERCIAL USE)

III. CONSIDERATION OF THE EDC MEETING MINUTES OF JUNE 24, 2009 (DOCUMENT ENCLOSED)

IV. EPA CLIMATE SHOWCASE COMMUNITIES RFA & DRAFT GRANT REQUEST (DOCUMENT ENCLOSED)

V. ECONOMIC DEVELOPMENT WEB SITE IMPROVEMENT PROCESS UPDATE

VI. TAX INCREMENT FINANCING DISTRICTS (UNAPPROVED ANNUAL JOINT REVIEW BOARD MEETING MINUTES & MAPS ENCLOSED)
1. DOWNTOWN II/RESEARCH PARK TIF DISTRICT #1
2. SOUTHWEST TIF DISTRICT #2
3. HOWARD/HARTREY TIF DISTRICT #3
4. WASHINGTON NATIONAL TIF DISTRICT #4
5. HOWARD/RIDGE TIF DISTRICT #5
6. WEST EVANSTON TIF DISTRICT #6

VII. ECONOMIC DEVELOPMENT PLANNER UPDATE
1. BUSINESS VISITATION & RETENTION PROCEDURE DOCUMENT-2009
2. BUSINESS RETENTION AND ATTRACTION VISITS
3. NEIGHBORHOOD BUSINESS DISTRICT IMPROVEMENT PROGRAM DOCUMENT
4. NEIGHBORHOOD STORE FRONT IMPROVEMENT PROGRAM DOCUMENT
5. SPACE AVAILABLE INQUIRIES
6. RECENT NEW BUSINESS STATUS REPORTS (DOCUMENTS ENCLOSED)

VIII. COMMUNICATIONS
1. MONTHLY REAL ESTATE TRANSFER TAX (RETT) REPORT FOR JUNE 2009
2. ECONOMIC IMPACT OF REAL ESTATE ACTIVITY: BY NAR RESEARCH, MARCH 2009
3. INDUSTRIAL VACANCY RATE RISES IN SECOND QUARTER: NAR RESEARCH ECONOMIST
4. ECONOMISTS' COMMENTARY: COMMERCIAL LEADING INDICATOR
5. DOWNTOWN IDEA EXCHANGE ARTICLE

IX. ADJOURNMENT

NEXT SCHEDULED EDC MEETING: AUGUST 26, 2009
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 David Cook, Facilities Management Office at 847/866-2916 (Voice) or 847/448-8052 (TTY).

* (QUESTIONS RE. DIRECTIONS OR PARKING-CALL JON LEINEWEBER AT (847) 602-1525)
III. ENCLOSURE: Economic Development Committee Meeting Minutes of June 24, 2009
ECONOMIC DEVELOPMENT COMMITTEE

MEETING MINUTES
OF WEDNESDAY, JUNE 24, 2009
ROOM 2404-7:30 P.M.


MEMBERS ABSENT: Ald. Jean-Baptiste, Ald. Wynne, Robert Creamer, Seth Freeman

PRESIDING OFFICIAL: Ald. Rainey, Chair

OTHERS PRESENT: None

STAFF PRESENT: Dennis Marino, Interim CD Director, Morris Robinson- Economic Development Planner

OTHERS PRESENT: Jonathan Perman, Exec. Director-Evanston Chamber of Commerce, Carolyn Dellutri-Executive Director, EYMARK Laura Folkl, Marketing & Communication Manager- EYMARK

SUMMARY OF THE MEETING:

I. Chair Rainey called the EDC Meeting to order at approximately 7:36 P.M. Because of the number of new members to the EDC, introductions were made including staff members present.

II. APPROVAL OF THE EDC MEETING MINUTES OF MARCH 25, 2009

Chair Rainey asked for a motion to approve the May 27, 2009 EDC and the EDC voted unanimously to approve the minutes.

III. Jonathan Perman, Evanston Chamber of Commerce Executive Director: Economic Trends Presentation

Chair Rainey announced that the first business agenda item was a power point presentation on local economic trends by Jonathan Perman, the Executive Director of the Evanston Chamber of Commerce. Mr. Perman introduced himself and mentioned that Ms. Carolyn Dellutri was present also and that she would be providing a similar presentation on the state of the Evanston’s downtown when he concludes his remarks.
Mr. Pennan's wide ranging presentation included slides on census demographics; income medians; Evanston's top 10 employers and the job climate; lost employers; jobs growth which have remained relatively constant in spite of businesses that have left; the current unemployment rate; retail taxes dynamics; land use; growth of property values and property tax rates. Much of the data was presented as compared to other Illinois communities with comparables to the city of Evanston.

After a brief discussion between the EDC members with regard to certain aspects of the presentation, Mr. Perman concluded his comments with a pledge to provide each member of the Economic Development Committee and appropriate city staff with hard copies of the slide presentation. He asked the committee to withhold questions until Ms. Dellutri finished her presentation and if time permitted, the two of them would participate in a joint question and answer session.

IV. CAROLYN DELLUTRI, EVMARK EXECUTIVE DIRECTOR: DOWNTOWN GROUND FLOOR RETAIL TRENDS PRESENTATION

Chair Rainey next asked Ms. Carolyn Dellutri, the EVMARK Executive Director to introduce herself and her assistant, Ms. Laura Folkl, the recently hired Marketing Manager for Evmark. Ms. Dellutri stated that she has been on the job for almost a year and that her efforts to improve Evmark are still evolving but she has introduce a number of initiatives. In time, the ability to deliver data electronically will be vast improved and the re branding process will begin to show benefits. Ald. Burrus and others commented on how difficult it is for potential economic development opportunity representatives to search the Evmark and city websites for information.

Ms. Dellutri began by advising the EDC, staff and those present in the audience that EVMARK is the marketing organization for the downtown special assessment district which both are engaged in a "re-branding" process. Ms. Dellutri also distributed document packet pertaining to her presentation which did utilize the power point format and a new Downtown Evanston brochure. Among the documents distributed and discussed was information on: Costar, which allows Evmark to identify for lease/sale information, and Loopnet which allows for identifying the listing agent property detail; the upcoming International Council of Shopping Centers (ICSC) deal making conference which will have a booth shared with city staff; (Ald. Rainey expressed her desire to see the booth); Retail Lease Trac for online retailer database system search for businesses wanting to relocate to Illinois; a weekly newsletter on retailing and real estate called Dealmakers; data on new or relocated and closed business for the past year; retail and office space availability reports; an Evmark publication depicting color pictures of real estate listings in downtown Evanston with descriptions and contact information; the new Destination Evanston brochure and other useful information.
Member Mennemeyer observed that the new brochures did not reflect any of the city’s iconic landmarks such as the lighthouse and that they should not be eliminated in the rebranding efforts. The EDC members launched into a discussion on the need for a centralized area for all economic development inquiries with links to Evmark, the Chamber and other pertinent organizations. Member Mennemeyer mention that there is a concept for a synergistic economic development team that is taking shape which city staff and the chamber are involved. The EDC members expressed their desire to see a centralized method to handle economic development inquiries which will allow for generating metric reports. After continued discussions the EDC thanked Mr. Perman and Ms. Dellturi for their informative reports. Ms. Dellturi advised the EDC that she is scheduled to give a progress report soon and will strive to have information on the implementation of several new and beneficial ideas.

**ACTION TAKEN:** No action by vote was required.

**V. ECONOMIC DEVELOPMENT STRATEGY**

Chair Rainey announced the next agenda item concerned the city’s economic development strategy. Staff member Dennis Marino advised the EDC that included in their packets were two informative documents; the first was the Strategic Plan with reference to the economic development section and the second was the comprehensive Plan focusing on the economic development section. Staff member Marino mentioned that the Comprehensive Plan which is approximately 10 years old is slated for updating revisions.

**VI. ECONOMIC DEVELOPMENT TRENDS**

Also included in the Economic Development Committee packets were a number of documents pertaining to economic development trends. These documents consisted of: a Federal Reserve Bank Economic assessment Power Point Presentation; Monthly Real Estate Tax Transfer Report; Recently Completed Projects status Report; New Retail Business Status Report; Urban Land Institute Marketing research data; Available Facilities Report; TIF Workshop PowerPoint Presentation; Where Workers Work Report; Connecting to the Economy booklet and a Shop Evanston brochure.

**VII. OTHER COMMUNICATION DOCUMENTS**

Other documents included in the EDC packets were the aforementioned Strategic plan and the Comprehensive Plan as well as 12 months of EDC minutes designed to aid the new members of the committee in their efforts to be best informed on economic development matters.
Ald. Burrus commented that the information provided was good and in the future she would like to see more data on the day to day economic development activities with a centralized data collection/inquiry area and the production of more metric reports. Member Zenkich expressed similar sentiments. Staff committed to these objectives and will provide progress reports.

VIII. OTHER BUSINESS: There was no other business.

IX. ADJOURNMENT: There being no further business, Chair Rainey adjourned the meeting at approximately 9:30 P.M.

The next scheduled Economic Development Committee Meeting will be held on Wednesday, July 22, 2009 at 7:30 P.M. at the Civic Center in Room 2404.

Respectfully submitted,

Morris E. Robinson
Economic Development Planner
IV. ENCLOSURE: EPA Climate Showcase Communities RFA & Draft Grant Request
Interdepartmental Memorandum

To: Rolanda Russell, Interim City Manager
From: Carolyn Collopy, Sustainable Programs Coordinator
       Morris Robinson, Economic Development Planner
       Sarah Flax, CDBG Grants Administrator
       Dennis Marino, Interim Department Director, Community Development

Subject: EPA Climate Showcase Communities Request for Applications
Date: July 7, 2009

The City of Evanston is requesting Council approval to submit a project proposal for funding consideration through the EPA Climate Showcase Communities Program. The Community Development Department and the Office of Sustainability are proposing a program that will start out as a traditional revolving loan program for small businesses, transitioning into a community loan fund within 2-4 years of its creation. Loans will be zero interest loans, ranging from $3,000 - $10,000 and available to businesses for energy efficiency upgrades. The program will focus heavily on electric efficiency upgrades to leverage the existing rebate program offered through ComEd, which offers rebates on efficiency upgrades for up to 1/3 of the project cost. In addition, the City will include free energy audits as part of the program. Funding will be used to establish a revolving loan fund, pay for energy audits and cover staff administrative time.

The total grant award requested will be $500,000 and a 50% match ($250,000) is required for the grant. The City will use in-kind contributions, such as use of volunteers and/or donated time, equipment, salary, expertise, etc as its match. A $350,000 incentive for energy efficiency upgrades through ComEd, reserved for Evanston businesses, will also be counted toward the match.

If awarded, the program will be administered through the Community Development Department as part of the City's economic development activities. The grant application is due July 22, 2009.

EPA Climate Showcase Communities Grant Program Background
This program will assist local and tribal governments in developing plans, conducting demonstrations, and implementing projects that reduce greenhouse gas emissions while achieving additional environmental, economic, public health, and/or community benefits.
The overall goal of the Climate Showcase Communities program is to create replicable models of sustainable community action that generate cost-effective and persistent greenhouse gas reductions while improving the environmental, economic, public health, or social conditions in a community.

Funding/Awards: The total estimated funding for this competitive opportunity is approximately $10,000,000. Approximately $500,000 of this amount will be awarded to tribal governments or tribal consortia under a tribal government set-aside. EPA anticipates awarding a total of approximately 20-30 cooperative agreements from this announcement, subject to availability of funds and the quality of applications received. EPA anticipates awarding up to 5 cooperative agreements of up to $100,000 of requested federal funds and 19-25 cooperative agreements ranging in value from $300,000 to $500,000 of requested federal funds.
The maximum amount of requested federal funding shall not exceed $500,000.

EPA will offer peer exchange, training, and technical support to grant recipients, and encourage replication across the country to promote the creation of sustainable climate management programs that are not only the foundation for stabilizing our climate but also create jobs and fulfill other local government priorities.

Eligibility for the program includes local governments (e.g., a county, municipality, city, town, township, local public authority, school district, special district, intrastate district, council of governments), federally recognized Indian tribal governments, and inter-tribal consortia.

A 50 percent cost match or cost share is required for this program with the exception of tribal governments and intertribal consortia, which are exempt from matching requirements.
Title: Request for City Council Approval of Proposal Submission to U.S. Environmental Protection Agency for Grant to Establish a Business Loan for Energy Conservation

Resolution/Ordinance Number:

Council Action:  
- Business of the City by Motion
- Resolution
- Ordinance–Introduction (Date:  )
- Ordinance–Action (Date:  )
- Discussion only
- Communication

Committee:  
- Administration & Public Works
- Planning & Development
- Human Services
- Budget
- Other (i.e. CDBG, EDC)

Description (Including Funding Source): The City proposes to submit a $500,000 proposal to EPA under the EPA Climate Showcase Communities Request for Applications. The proposed business loan program will provide loans of $3,000 - $10,000 to Evanston businesses to make improvements to reduce energy consumption. The program will be administered through the Community Development Department as part of its economic development activities.

Recommended Action: Recommend approval.

Summary of Item: The City of Evanston is requesting Council approval to submit a project proposal for funding consideration through the EPA Climate Showcase Communities Program. The Community Development Department and the Office of Sustainability are proposing a program that will start out as a traditional revolving loan program for small businesses, transitioning into a community loan fund within 2-4 years of its creation. Loans will be zero interest loans, ranging from $3,000 - $10,000 and available to businesses for energy efficiency upgrades. The program will focus heavily on electric efficiency upgrades to leverage the existing rebate program offered through ComEd, which offers rebates on efficiency upgrades for up to 1/3 of the project cost. In addition, the City will include free energy audits as part of the program. Funding will be used to establish a revolving loan fund, pay for energy audits and cover staff administrative time.

The total grant award requested will be $500,000 and a 50% match ($250,000) is required for the grant. The City will use in-kind contributions, such as use of existing staff, volunteers and/or donated time, equipment, salary, expertise, etc. as its match. Also ComEd's rebate to businesses that save energy through improvements financed by the new loan program is valued at $350,000. If awarded, the program will be administered through the Community Development Department as part of the City's economic development activities. The grant application is due July 22, 2009.

Additional Information Attached:  
- Yes  
- No

Legislative History:

Departmental Approval: Carolyn Collippy

Manager's Office Approval:  

Department Submitting Agenda Item:  
Community Development

Final Council Action:
V. ENCLOSURE: Economic Development Website Improvement Process Update
Date: July 17, 2009
To: Chair and Members, Economic Development committee
From: Morris E. Robinson, Economic Development Planner
Subject: Economic Development Website Improvement Process

Enclosed for your review and input, are several windows depicting preliminary improvements of the Economic Development/Planning website. This will be an ongoing process with the objective of creating the best user friendly; informative; useful; connecting links; data collecting and problem solving websites available. Periodic progress updates will be provided to the EDC.
ECONOMIC DEVELOPMENT

The mission of the Economic Development activity of the Planning Division is to redevelop distressed property, revitalize neighborhoods, provide job opportunities, generate sustainable tax revenue, and bring amenities to neighborhoods in the City through local investment. This area of planning is led by an Economic Development Committee which oversees economic development. This community development activity seeks to attract new real estate development, companies, and businesses to Evanston downtown, industrial, and business district areas, while supporting and retaining long-standing owners.

The Economic Development Planner, Morris Robinson, can be reached at 847.866.2928, Ext. 2269 or mrobinson@cityofevanston.org
SPECIAL COUNCIL COMMITTEES

Meeting Agendas & Minutes

Economic Development Committee

<table>
<thead>
<tr>
<th>Members</th>
<th>9, 5 of which shall be Aldermen; one member shall be a representative of the Plan Commission; one member shall be a representative of the Zoning Board of Appeals; two members shall be citizens-at-large.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Term</td>
<td>Citizens-at-large, 3 years; Aldermen, 4 years (without limit)</td>
</tr>
<tr>
<td>Meeting Date</td>
<td>Fourth Wednesday of each month, 7:30 p.m.</td>
</tr>
<tr>
<td>Place</td>
<td>Lorraine H. Morton Civic Center - Room 2404</td>
</tr>
</tbody>
</table>

PURPOSE: To act in an advisory capacity to the City Council on matters of business district redevelopment, including but not limited to the following: 1) to review and make recommendations concerning all redevelopment proposals, provided that nothing herein shall be construed to prevent the sponsor of a rejected proposal from petitioning City Council directly; 2) to use resource persons for assistance and advice on specific proposals for consideration by the Committee; and 3) to gather and disseminate appropriate information regarding the economic vitality of the City. (2-R-81) (4-R-83).

Reports to the City Council.

Members, Rotating Chair
Daniel K. Mennemeyer (At-Large-Member)
Raymond Zenkich (At-Large-Member)
Robert A. Creamer, Liaison, Zoning Bd of Appeals
Seth Freeman, Plan Commission

Staff:
Dennis Marino, Interim Director, Community Development- 847-866-2931
Morris Robinson, Economic Development Planner - 847-866-2928, Ext. 2269

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**Did you know...**

...what was once a series of vacant and underutilized parcels located along an abandoned railway in Evanston's southwest TIF District #2 has been the City's highly visited Sam's Club since 1992.

...what was once the underutilized and blighted old bulb + Hawaii Company headquarters on Howard Street is now the vibrant Target Greencube / Jewel / Box Bay / Office/Mix-uses in TIF #3.

...what was once the unutilized and blighted old South Side hotel on Howard Street is now the vibrant Target Greencube / Jewel / Box Bay / Office/Mix-uses in TIF #3.

...the growth in equalized assessed valuation (EAV) of the properties within each of the City's TIF areas has surpassed all original projections. In all cases, the properties have experienced significant other tax growth such as local and home rule sales, utility and entertainment taxes.

...what was once the vacant and obsolete Washington National Insurance Co. headquarters on Chicago Avenue is now home of the popular Whole Foods and 280+ Park Evanston apartments.

...as a combined result of the establishment of the City's four TIF Districts, the City has gained over 1.25 million sq. ft. of new or rehabilitated commercial and retail space, almost 500 new residential units and 175 hotel rooms, and a 1,400 seat theatre, not including the proposed Sherman Plaza and Optima III developments.

...the Southwest TIF District #2, Howard-Harney TIF District #3 and the Washington National TIF District #4 have experienced a combined new EAV growth of almost $35,000,000 since they were established in the early 1990s.

...the properties located within TIF Districts are assessed the same as in growth areas outside of the TIF Districts). TIF District taxpayers pay taxes as though their properties were located outside of the TIF Districts. The County Assessor's and Treasurer's Offices do not treat TIF properties any differently when compared to non-TIF properties, and property owners only pay more taxes if their property values grow accordingly.

...many Evanston properties located outside of the TIF areas have experienced spin-off growth and increased stabilization as a result of the projects implemented within the TIF Districts.

...private investments by developers, businesses and tenants in the form of land purchases, facilities construction and operations have been in excess of $200 million in the Downtown alone? Public investments on the part of the City, Northwestern University and other agencies have contributed only approximately $50 million to achieve the recent economic growth in the Downtown.

...the total land area encompassing all of the City's TIF Districts is approximately 92 acres and represents less than five percent of the City's total land acreage. This total land acreage for all four TIF Districts is approximately $35,600,000, which represents only 2.5 percent of the City's total EAV.

...there have been many significant developments that have occurred within the City without the use of TIF Increment Finance. The numerous residential developments occurring along Chicago, Ridge, and Sherman Avenues, the rehabilitation and repositioning of the Dempster/Dodge Plaza, the Optima and Church Street Station residential towers located along Davis and Church Streets, the Walgreens and Osco stores on Dodge and Ashvue, and others are all accomplished without any incentives or via limited local sales tax rebate programs.

...over the last decade the growth from projects located in areas other than within the City's TIF Districts has resulted in over 650,000 sq. ft. of new or rehabilitated office and retail space, and the development of over 830 new or rehabilitated condo/rental residential units within the City.

...what was once the old Woolworth's and Caribbean building block will soon be the City's new Sherman Plaza, complete with 200+ luxury apartments, Health Club, and retail including a renovated Osco grocery store in TIF #4.

...what happened to the Research Park? Downtown TIF District #1 has experienced new equalized assessed valuation (EAV) growth of almost $50,000,000 since it was established in 1983.

...the old Dominick's Food Store and destroyed storage buildings located north of Church St. and east of the RT tracks is now the home of the exciting Century Theatre and retail complex, the Hilton Garden Inn and the new Maple Avenue Public Parking Garage.
NEIGHBORHOOD BUSINESS DISTRICT IMPROVEMENT PROGRAM

Application

The success of Evanston's Neighborhood Business District is essential to the vitality of the City. Neighborhood businesses strengthen surrounding neighborhoods, provide shopping and service opportunities for local residents, and attract customers from outside Evanston. The real estate and sales taxes paid by neighborhood businesses help to sustain the City's ability to deliver services throughout Evanston. Employment provided by such firms, especially for Evanston residents, contributes to the overall economic development of the City.

In order to help neighborhood business districts flourish, the City has initiated a Neighborhood Business District Improvement Program which will provide grants for eligible activities such as marketing campaigns, landscaping improvement, improved lighting, and signage. The program is intended for large and small neighborhood business districts. The City is also interested in funding other promising activities which meet the criteria described in the attached program description, but which the City has not thought of in the creation of this program. The City is committed to supporting collective action to stimulate and enhance neighborhood business districts through this program.
NEIGHBORHOOD STOREFRONT IMPROVEMENT PROGRAM

NSIP 5 Steps Application

NSIP Design Guidelines

This program provides 50 percent rebated in the cost of labor, materials and architectural design for storefront improvement projects located in neighborhood business districts in Evanston. The program is designed to improve the visual quality of commercial structures. Sustain the vitality of neighborhood commercial centers and encourage private investment. NSIP projects may be funded through the Community Development Block Grant program, the Economic Development Fund or with Tax Increment Financing based on their nature and location.

Projects must follow design standards established by the City; see the attached Design Standards guide. For more information on NSIP, please contact the CDBG Administrator at 847.866.2928 ext. 2268 or cdbg@cityofevanston.org.
VI. ENCLOSURE: Tax Increment Financing Districts *(Unapproved Annual Joint Review Board Meeting Minutes and Maps)*
MEETING OF THE JOINT REVIEW BOARDS
MEETING MINUTES
THURSDAY, DECEMBER 11, 2008
ROOM 2402-9:00 A.M.
CIVIC CENTER

MEMBERS PRESENT: Ald. Jean-Baptiste, Dr. Mary Brown-School District 65
Chief Financial officer, Andre’ Garner-Cook County Dept.
of Planning & Development, Bryan Rosinsky-Ridgeville
Park District, William Stafford-School District 202 Chief
Financial Officer, Patricia Vance-Township Supervisor
Martin Norket, Public Member, Valerie Krechmer, Public
Member, Larry Kaufman, Public Member

PRESIDING OFFICIAL: Ald. Jean-Baptiste

OTHER OFFICIALS: Hon. Lorraine Morton, Ald. Holmes, Robert Rychlicki-
Kane/McKenna

STAFF PRESENT: Dennis Marino-Interim Community Development Director,
Martin Lyon-Finance Director, Steven Drazner-Asst.
FinanceDirector, Morris Robinson-Economic Development
Planner.

Summary of Actions:

I. Ald. Jean-Baptiste convened the Joint Review Boards meeting at 9:10 A.M. and
asked each board member, officials, consultants and staff to introduce him/herself.

II. Ald. Jean-Baptiste asked for a motion to approve the previous JRB summary
minutes of December 13, 2007. Member Krechmer moved approval and a second was
provided by member Stafford. The motion was then passed with a unanimous vote.

III. Ald. Jean-Baptiste asked staff member Dennis Marino to proceed at which time
Mr. Marino provided the JRB with a brief explanation for the purpose of theJoint
Review Boards and the annual meeting.

IV. The Howard/Hartrey TIF District #3:

Staff member Marino continued the Joint Review Board presentation with a
description of the boundaries and prior land use of the Howard/Hartrey TIF District.

Mr. Marino informed the JRB that the initial, four retail establishments in the
Howard/Hartrey shopping center were Target (Dayton Hudson), Best Buy Jewel/Osco,
Office Depot and a World Bank branch and all four are still operating out of the shopping center and appear to remain stable in this economic downturn period.

Next, Mr. Martin Lyon, Director of Finance provided a brief recap of the financial performance for the Howard/Hartrey TIF District. This district was established in 1992 and will expire in 2015 with taxes collectible in 2016 due to the one year lag time. Staff member Lyon directed the attention of the JRB to page 18 of the annual report, which summarizes the district’s revenue and expenditures financial performance, page 25 which provides an overall recap of the status of the TIF district and page 29 which compares beginning EAV and reporting year EAV. *(If specific or additional information is desired, the entire reports for each TIF district are available to the public for review in the City Clerk’s Office and in the Planning Division at the Civic Center.)*

V. The Southwest TIF District #2:

Mr. Marino explained that the Southwest TIF District #2 was established in 1990 and with the use of a map, described the boundaries of this TIF district. The TIF District has a Sam’s Club which is the most prominent use in the district and Ward Manufacturing Co., formerly located in the Research Park. Two auto junkyard parcels located in the southern portion of the district have not experienced any development.

The current strategy is to continue with this TIF district with plans to use the automobile service/junkyard portion of the district that has not experienced redevelopment activities, as a possible relocation site for auto related businesses that may have to be shifted from the West Evanston TIF District # 6.

Mr. Lyon directed the JRB to pages 18, 25, 29 of the Southwest TIF District Annual Report and provided a brief review. These pages cover public and private investments and Equalized Assessed Valuation analyses, outstanding debts and payments. *The entire document is also available for review at the offices of the City Clerk and the Planning Division located in the Civic Center.*

VI. The Downtown II/Research Park TIF District #1:

Ms. Marino provided a brief history for the Downtown II TIF District. The JRB was informed that this area was formally known as the Evanston/Northwestern Research Park and that it is the oldest of the six districts, Mr. Mr. Marino gave a brief review of the development project components and stated that this TIF District has been very successful. In fact it is considered as a text book case as to how TIF districts are supposed to perform.

JRB member William Stafford, Mr. Robert Rychlicki and other members all expressed their appreciation for the performance of this TIF District. Again, Mr. Lyon referred the JRB to pages 18, 25, 29 of the Downtown II Annual Report and briefly discussed the performance of the TIF District.
Mr. Lyon informed the JRB members that this TIF will expire in 2009 and payments to the taxing bodies will begin in 2010. As stated previously, the public may have access to this report in the City Clerk and Planning Division offices located in the Civic Center.

VII. **The Washington National TIF District As Amended #4:**

The Washington national TIF District was established in early 1994 with an expiration date of 2017. With the use of maps, Mr. Marino explained the original boundaries of the district as well as the new boundaries after the district was amended in 1999. The JRB was also provided with a brief history of development in the district. Staff member Marino also advised the JRB of the current downtown planning process effort.

Mr. Lyon commented on the performance of the Washington national TIF District and referred to pages 18, 25, and 29 of the annual report. This entire report is also available for review in the Planning Division.

VIII. **Howard/Ridge TIF District # 5:**

Mr. Marino briefly described the boundaries of the Howard Ridge TIF District. Staff member Marino also provided a brief update on the redevelopment project at 415 Howard Street which was constructed by the Bristol Chicago Development group. This redevelopment project is a rental residential building containing 221 units with no ground level retail. Mr. Marino and staff member Robinson jointly informed the JRB of other enhancements to the area on both the Evanston and Chicago sides of the street. The rental price points are at market rate. Mr. Lyon referred to the appropriate financial data pages in the annual performance report.

IX. **West Evanston TIF District #6:**

Staff member Marino provided the JRB with detailed boundary descriptions and a brief history of this, the newest TIF districts, having been established in late September of 2005 and the boundaries were amended in 2007. Staff members Marino and Robinson also advised the JRB of the status of new developments and potential development projects within the district.

Mr. Lyon informed the JRB that although reports were generated for the West Evanston TIF District, there is modest financial data for this reporting year.

XI. **Adjournment:**

Ald. Jean-Baptiste recognized the Mayor, the Honorable Lorraine Morton, Alderman Delores Holmes who represents the 5th Ward and other dignitaries in the audience. Chair Jean-Baptiste asked the JRB members if there were additional questions. The JRB members expressed satisfaction with the presentations.
Staff was commended for the preparation and execution of the meeting. There being no further business, Ald. Jean-Baptiste officially adjourned the 2007 meeting of the Joint Review Boards at approximately 10:17 A.M.

Respectfully submitted,

[Signature]

Morris E. Robinson
Economic Development Planner
TIF District #4
Amended Washington National Redevelopment Area

Legend
- Building
- Railroad
- Bridge
- Tax Parcel
- Street
- TIF District

City of Evanston

This map is provided "as is" without warranties of any kind. See www.cityofevanston.org/mapdisclaimers.html for more information. TIF4Letter.pdf  4/2/2007
VII. ENCLOSURE: Economic Development Planner Update

1.) Revised Business Visitation & Retention Program
2.) Business Retention and Attraction Visits
3.) Neighborhood Business District Improvement Program Document
4.) Neighborhood Storefront Improvement Program Document
5.) Space Available Inquiries
6.) Recent New Business Status Reports
THE CITY OF EVANSTON

REVISED BUSINESS VISITATION & RETENTION PROGRAM

2009
APPROVED
EVANSTON BUSINESS VISITATION & RETENTION
PROGRAM

CONCEPT:

In the fall of 2006, a business visitation/retention program was implemented by Morris Robinson, Economic Development Planner. In the summer of 2009, the program was revised as follows:

PURPOSE:

The primary purpose of the program is business retention, resulting from City staff proactive initiatives to identify resolvable issues that are favorable for companies doing business in the City. Additionally, staff will seek opportunities to provide, where possible, assistance or services to businesses which may exceed the normal expectations of the company.

PROGRAM:

Assistance may take the form of simply providing proper and up to date City personnel contact information or as complex as assisting with acquiring additional space or property. Each business visited will receive a packet containing, but not limited to, an up to date Community Development Department personnel roster; appropriate business cards; a large street/zoning map in color; vacant space inventory; CTA connection brochure; North Shore Convention & Visitors Bureau brochure and other collateral material deemed appropriate for the particular concern. It is possible that these types of proactive endeavors can be the deciding factor in a business owner’s decision to remain in Evanston.

SCHEDULE:

The schedule for visiting businesses in Evanston is determined by the Economic Development Planner for the evolving retention program. The businesses scheduled for visits are primarily selected from the Evanston Camber of Commerce membership, the Rotary list and Neighborhood Business District associations. Friday is the day of the week selected for visits to larger businesses because that day offered the least number of internal scheduling conflicts but just as important, former business call experience has shown that businesses appear to be more accommodating to visitors during the latter part of the week when it is less hectic.
ADMINISTRATIVE PROCESS:

For the City’s largest employers the program will be administered as follows. Prior to the business call, the managing executive will receive a letter from over the signature of the City Manager which acknowledge the city’s appreciation for the business as well as the importance its presence is to the community. The letter will also advise the manager that the Economic development Planner will telephone the manager within 10 business days to arrange a courtesy meeting to get acquainted and determine if there are any issues that require resolution. (See attachment A).

Experience has shown that small retail establishments are comparatively more accessible and cold calling does not propose difficult problems to speak of. Entrees to the shops and stores are also easily made by way of attending each of the various Neighborhood Business District Association’s monthly meeting.

Experience has also shown that where possible, only one meeting should be scheduled for each of the holiday months, (November and December) in deference to mutual hectic schedules. When necessary, a brief summary of each visit will be prepared highlighting any issues the business might have. If the issues are resolvable, the appropriate City staff will be advised of the issue(s) for resolution and will report back to the Economic Development Planner in writing with the results. Every attempt should be made to resolve issues within a period not exceeding 30 days.

In any event, the business owner/executive/officer/manager should be contacted within 5 business days of notification, informing him/her that the resolution process has begun and then set the expectation as to when the resolution should be completed.

A file of all such assistance/actions will be maintained in the office of the economic Development Planner. The minimum benefit from business calls is the good will generated from the business community for a City administration that cares. The maximum benefits can be the retention of a business that has been considering relocating and preserving the jobs and tax revenue.

Submitted by:

Morris E. Robinson
Economic Development Planner
December 27, 2006
Interdepartmental Memorandum

Date: July 17, 2009
To: Chair and Members, Economic Development Committee
From: Morris Robinson, Economic Development Planner
Subject: Retention and Attraction Business Calls

The following business retention/attraction and organizing visits were made by the Economic Development Planner during the past thirty days.

* C.E. Neihoff: bus. retention visit by staff members Robinson & Marino
   2021 Lee Street
   Evanston, IL 60202

* Rio Valley Market: bus. attraction visit by Ald. Rainey & staff member Robinson
   2745 Mannheim Road
   Franklin Park, IL 60131

* Ofischl Sports & T's: NBD organizing and retention visit by staff member Robinson
   821 Noyes
   Evanston, Il 60201

* Fraiche: Bakery: NBD organizing visit by staff member Robinson
   815 Noyes
   Evanston, IL 60201

* LSL Industries, Inc.: 2 bus. attraction & assistance visits by staff mem. Robinson
   2025 Dempster
   Evanston, Il 60202
Noyes Street Merchants Association

Dear Noyes Street Merchants and Friends,

My name is Tom Fischl and I recently opened the Ofischl.Com business here at 821 Noyes. I am a life long resident of Evanston and I grew up in this neighborhood long ago. I can't begin to tell you how happy I am to be back here and hope I can contribute to this wonderful business community you all have created. My reason for contacting you is I am interested in reestablishing the Noyes Street Merchants Association and hope you consider joining.

I had operated my business in downtown Evanston for 14 years where I gained a lot of experience that I would like to bring to Noyes St. The association I belonged to in downtown was called The Sherman - Grove Merchants Association and it was organized by Ron Issacson who was the owner of the Mindscape Art Gallery. He was the best!

The goal of any merchant association is to improve each of our businesses by working together collectively. Here are just a few key points I learned from Ron –

Evanston Economic Development - By organizing as an association, we stand to gain support from the city of Evanston. There are opportunities for streetscape improvements, events, and other resources from the city we would not otherwise get as individual businesses. There is a lot we can do if we get organized. Some ideas –

- Noyes Street CTA station improvements (the city can’t do this for us, but they can point us in the right direction).
- A Festival welcoming the students back in the fall
- Pre-football game events where fans come to Noyes St before taking the "L" to the game
- Holiday lights and decorations for the holiday season
- Events associated with the Noyes Cultural Arts Center

Public Safety – One of our biggest challenges in downtown Evanston was crime. We were faced with shoplifting, robberies, and violent attacks and Noyes St doesn’t appear to be all that much safer. As an association, we engaged with the Evanston Police Department and by doing so, we dropped crime rates dramatically. The shoplifting in my store decreased by 85% once I got involved.

We all got to know our police officers personally and welcomed them in to our
businesses. They came to our meetings to give us tips on how to be safe. They helped us develop 'phone trees' and how to warn each other if there was a 'trouble maker' lurking. Just their presence made all the differences in the world and besides our desire to be safe, customers want to feel safe as well. And once you get to know these officers, they make for great customers.

**Noyes Cultural Art Center** - One of the most amazing aspects of our Sherman – Grove association was what the Arts brought to our businesses. My own business had no relationship with the arts except for the customers who came to the local galleries and wound up shopping in my store. It was wonderful. The Noyes Cultural Art Center draws many people to this area and we should see what we can do to market to them. There are endless opportunities when it comes to the arts.

I am putting together t-shirts and other marketing ideas, so if you have a logo, please e-mail it to me at sportso@comcast.net or drop it by. Joining the group will cost you nothing but your ideas.

As it is difficult to get everyone together to meet at the same time, I will be launching a Noyes Street Merchants web site where you can access information, comment on ideas, and add your own. I will let you know when it is launched.

Feel free to stop by or e-mail your suggestions and

**LET’S MAKE NOISE ON NOYES!**

Sincerely,

Tom Fischl
Ofischl.Com
821 Noyes Street
Evanston, IL 60201
847-905-0311
The success of Evanston’s Neighborhood Business District is essential to the vitality of the City. Neighborhood businesses strengthen surrounding neighborhoods, provide shopping and service opportunities for local residents, and attract customers from outside Evanston. The real estate and sales taxes paid by neighborhood businesses help to sustain the City’s ability to deliver services throughout Evanston. Employment provided by such firms, especially for Evanston residents, contributes to the overall economic development of the City.

In order to help neighborhood business districts flourish, the City has initiated a Neighborhood Business District Improvement Program which will provide grants for eligible activities such as marketing campaigns, landscaping improvement, improved lighting, and signage. The program is intended for large and small neighborhood business districts. The City is also interested in funding other promising activities which meet the criteria described in the attached program description, but which the City has not thought of in the creation of this program. The City is committed to supporting collective action to stimulate and enhance neighborhood business districts through this program.

Please use the attached application form to submit your proposal. Eligible applicants include the following: business associations based in neighborhood business districts; collaborative efforts of three or more business owners in the same business district; and collaborative activities of two or more business owners and one or more not-for-profit organizations. We look forward to hearing from you. Do not hesitate to apply if you have an idea. All Neighborhood Business Districts are eligible for this program with the exception of Downtown Evanston which is served by numerous other City initiatives.

For additional information about the Neighborhood Business District Improvement Program, contact Morris Robinson, Economic Development Planner at (847) 866-2928. Staff assistance is available to help make your idea workable. The deadline for applications for the first cycle of funding is Wednesday, May 16, 2007.
NEIGHBORHOOD BUSINESS DISTRICT IMPROVEMENT PROGRAM

PROGRAM DESCRIPTION

1. STATEMENT OF PURPOSE
   To improve the appearance, business climate or visibility of Evanston neighborhood business districts through collective efforts involving multiple business owners or commercial property owners. Secondly, to encourage collective action by business owners and commercial property owners through funded projects that will lead to stronger relationships within a business district that will enhance the likelihood of future joint endeavors to solve problems or take advantage of emerging opportunities.

2. ELIGIBLE APPLICANTS
   - Business associations based in neighborhood business districts
   - Collaborative efforts of three or more business owners or commercial property owners in business districts
   - Collaborative activities of two or more business owners and one or more not for profit organizations such as theater groups.

3. ELIGIBLE Activities
   - Marketing strategies and campaigns
   - Landscaping improvements
   - Improved lighting
   - Signage
   - Other activities which benefit the business districts.

4. TOTAL FUNDING AVAILABLE IN FY 2007-08: $50,000

5. MAXIMUM FUNDING FOR SELECTED PROJECTS: $10,000

6. EVALUATION PROCESS
   Staff will evaluate proposals and present them to the Economic Development Committee for approval.

   Criteria to be considered include: level of support for the project within the business district; financial feasibility of the proposal; ability of applicants to complete the project; degree to which project will enhance the business district; degree to which project solves a problem or maximizes an opportunity evident in the business district; and level of collective action of business owners and property owners to achieve project objectives.

7. APPLICATION DEADLINE FOR FIRST FUNDING CYCLE:
   Wednesday, May 16, 2007

CITY OF EVANSTON
NEIGHBORHOOD BUSINESS DISTRICT IMPROVEMENT PROGRAM

DATE OF APPLICATION:

APPLICANT:

NAME:

PHONE:

ADDRESS:

DESCRIPTION OF PROPOSED PROJECT:


TOTAL ANTICIPATED BUDGET: $

FUNDS REQUESTED FROM THE CITY: $

OTHER INFORMATION YOU WOULD LIKE TO INCLUDE (additional pages permitted)


RETURN THIS COMPLETED FORM TO:

City of Evanston Planning Division
2100 Ridge Avenue
Evanston, IL 60201
Phone: (847)866-2928 Fax: (847) 448-8120
Email: dmarino@cityofevanston.org
mrobinson@cityofevanston.org
Central Street Business District (1700 Block)
Tulio Castilla
Panino’s Italian Deli
1704 Central St.

Central Street Merchants Assoc.
Lois Combs
2014 Central St.
Evanston, IL 60201

Chicago/Dempster Merchants’ Association
Paul Giddings
1310 ½ Chicago Ave.
Evanston, IL 60201

Citizens’ Lighthouse Community Land Trust
Betty Sue Ester
P.O. Box 1303
Evanston, IL 60204

Dewey Neighbors
Dickelle Fonda
1220 Darrow Ave.
Evanston, IL 60202

E-Town Community Venture (Church & Dodge)
Nicholas Darrow
1020 Church St.
Evanston, IL 60201

Evanston Chamber of Commerce/Evmark
Jonathan Perman/Bridget Lane
One Rotary Center
1560 Sherman Ave #860
Evanston, IL 60201

Evanston Community Development Corp.
Dino Robinson
2121 Church St.
Evanston, IL 60201

Florence/Crain Neighbors
Gay Riseborough
1121 Florence Ave.
Evanston, IL 60202

Howard Street Redevelopment Committee
Bill James
345 Sherman Ave.
Evanston, IL 60202
Noyes Street Collaboration of Merchants & Cultural Arts Center
Anthony Adler
927 Noyes St.
Evanston, IL 60201

Old Town Evanston Business District Assoc.
714 Main St.
Evanston, IL 60202

West Side Residents District Council
Loretta Henry
1830 Brown Ave.
Evanston, IL 60201
Central Street Business District (1700 Block)
Tulio Castilla
Panino's Italian Deli
1704 Central St.

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City of Evanston

Neighborhood Storefront Improvement Program

5 Easy Steps to Progress
Sponsored by
The City of Evanston Community Development Department
Planning Division
(847) 866-2928

The Evanston Storefront Program (ESP) is designed to help you make the storefront improvements you want as easily as possible. We want your completed construction project to be appealing, efficient and cost effective. The five steps outlined below are your guide to a profitable experience and reflect our commitment to quality customer service.

1
APPLICATION

Complete and submit the attached application.

Your application will be reviewed by staff in the Planning Division to determine the eligibility of your proposed improvements. Eligibility is met:
A.) if the proposed project is located in a federally determined target area and
B.) if proposed changes are in keeping with design standards established in Design Guidelines, a publication available from the Planning Division.

If the project is eligible, the City will temporarily reserve funds for the project. These funds will be reserved for a period of four months. Please note that any costs you incur prior to the actual formal approval of a project will not be reimbursable. The City will contact you to arrange a meeting to discuss the program requirements with you. If you are not sure exactly what changes you would like to make, but definitely want to enhance the appearance of you storefront, we will help you develop your design ideas.

2
PLANNING & DESIGN

Prepare detailed drawings of your plans.

Following conditional approval from the City, an architect can be made available to you, or you can contract the services of your own designer to produce elevation drawings specifying the work you intend to do. Include with this presentation samples and product literature of color schemes and proposed new materials. Sometimes this step may involve more than one draft of your plans to assure that renovations will be in keeping with City guidelines. A formal letter of approval for the ESP will be granted following the presentation of acceptable plans. This letter will be accompanied by an agreement outlining the terms and conditions of the receipt of your rebate, which must be signed and returned. Construction should commence within on month of this agreement.
3 APPROVAL

Submit your plans for formal permitting approval.

As with any building project in the City, building permits and site plan approval are required. Once your detailed drawings are conditionally approved for the ESP, you will submit them to the Community Development Department, Building Division (Civic Center 3rd Floor) where technical approval can take place. Your designs will be considered for a building permit and will also pass before the Site Plan and Appearance Review Committee for technical consultation. ESP approval does not guarantee final permit approval. In an effort to streamline the review of your designs, however, Planning Staff will draw your attention to issues that may arise in the formal approval process so that modifications can be made ahead of time.

4 CONSTRUCTION

Select a contractor to do the work!

Once the scope of work and design has been approved, the project can be let out to bid. The construction agreement(s) will be between the firm(s) selected and you, the owner. The choice of contractor is yours, however, we require that you present evidence that at least 3 bids were solicited to ensure competitive prices. By law, we must enforce prevailing wage regulations and fair labor standards. You should be certain that the bidding firms understand and have agreed to comply with the applicable federal requirements. We will meet with your contractor to clarify these rules and will be available to answer their questions throughout the process. A contract should be executed within one month of formal approval, and a copy of the executed agreement forwarded to the City. During construction, Planning Staff will monitor the project to ensure compliance. We generally require that construction be completed within 3 months of our meeting with your contractor.

5 REBATE

Submit cancelled checks and claim rebate.

Upon notification from you, Planning Staff will inspect the building to certify that work is completed as agreed upon. Copies of all contracts, cancelled checks issued as payment, final waivers of lien and Building Division final-inspection approval should be submitted to staff for verification. Upon review and approval, a rebate check will be processed and made available approximately two weeks after verification. Your rebate amount is computed at 50% of the actual cost incurred for labor, material, and architectural design services, up to the maximum amount allowed for your building, ($10,000 per storefront and $40,000 per building.)
Evanston Storefront Program
Application for Participation

Date of Application: _______________________________________

Applicant Name(s): _______________________________________

Applicant Phone Number: ________________________________

Project Address(es): _____________________________________

Store/Tenant Name: _______________________________________

Lease Expiration Date: _________________________________

Applicant is: (Check one) Store Owner Building Owner

Property Owner Name(s): _______________________________________

(If the applicant is a tenant in his or her building, please provide a letter from building owner granting permission for undertaking improvements.)

Project Scope: (Describe the storefront improvements you would like to make)
___________________________________________________________

___________________________________________________________

Total Anticipated Budget: $ ______________________________

Number of Storefronts: _____________________________________

Are you interested in design assistance? Yes No

I hereby make application to the Evanston Storefront Program for a commercial façade improvement grant. I understand that my proposal must first be approved by the City of Evanston and that it must conform to established design guidelines as well as specific design recommendations of the City of Evanston Community Development Department, Planning Division. If approved, I understand that all work performed on the storefront is subject to federal prevailing wage and equal opportunity requirements and that I shall inform all selected contractors of this requirement prior to executing any contract. I understand that I am responsible for ensuring that all work meets applicable building codes and requirements.

Applicant Signature ___________________________ Date _____________

Return this completed form with a photo of this storefront to:
City of Evanston
Planning Division
2100 Ridge Avenue
Evanston, IL 60201

If you have any questions, please call (847) 866-2928
City of Evanston

Neighborhood Storefront Improvement Program

Design Guidelines

Sponsored by
The City of Evanston Community Development Department
Planning Division
(847) 866-2928
Introduction

The following design guidelines are intended to help you develop a plan for improving your commercial building’s appearance in a way that the City of Evanston would be willing to help finance. The City of Evanston places an emphasis on working with a building’s existing architectural strengths in order to bring out its best features. We pay particular attention to proper maintenance, color selection, restoration (where appropriate), building materials, appropriate signage, necessary upgrades, construction details and how the massing of the improved property will complement neighboring structures. We do not encourage creating “new look” storefronts and disguising the original building. However, this is not a pure preservation program; we realize there are cost, energy, and functional issues unique to buildings that should be considered. Many of these design guidelines have their origins in the Zoning Ordinance, Preservation Ordinance, Comprehensive General Plan, Evanston Design Guidelines, building or sign code – they are not arbitrary rules, but were designed with the aesthetic good of the overall community in mind. We will work with you, however, to accommodate your project and unique design sensibilities in as flexible a manner as possible.

These guidelines are not meant to be specific design solutions, but principles and techniques for you to consider while arriving at a decision. Each building must be considered on its own unique characteristics. We want to help you achieve attractive, practical and cost effective results that are long lasting and satisfying.

The Evanston Community Development Department’s Planning Division is here to assist you in this undertaking. We will explain the program requirements, meet with you on site to evaluate your existing commercial storefront, and help you arrive at a design decision. We believe you will find it helpful to meet with us before arriving at a final design or improvement decision.

The Evanston Storefront Program provides rebate grants to merchants or property owners for rehabilitating commercial storefronts. Our goal is not only to help you improve your building’s appearance but to generate additional business for Evanston’s commercial areas.
Storefronts

The design guidelines for a commercial area pertain to the storefront itself. A storefront includes all building sides with street frontages, porches and any entrance areas leading to the door. It also includes display windows and their components such as: sidelights, transoms, display platform devices, along with lighting and signage designed to be viewed from the public right of way.

Signs

I. Whenever possible, the City encourages the use of sign design plans. Signs should be limited to those identifying the use of the commercial space inside. Advertising by material or product manufacturers and suppliers other than the primary use of the property is not permitted without prior approval by the City. All lighting elements such as wires, conduits, junction boxes, transformers, ballasts, switches, and panel boxes should be concealed from view as much as possible.

II. Painted signs on building surfaces with framed backings or use of separate cutout letters shall be permitted in accordance with the above limits for flat signs. However, signs painted on exterior walls or on fences are expressly prohibited unless approved by staff.

III. Roof top signs on or above the parapet of a building, billboards, or outdoor advertising signs painted or mounted on structures other than billboards are not permitted.

IV. Painted or sewn signs, designating only business name or address on awnings or free standing canopies are permitted. A new marquee with a sign or a sign that is part of an original marquee, may be permitted if in keeping with the building type or use, with prior approval of the Community Development Department.

V. All signs, awnings, and canopies shall comply with City of Evanston Ordinance 10-0-87: “Sign Regulations of the City.”

VI. Wall mounted projecting box type signs are not permitted.

Awnings

I. If compatible and harmonious with the scale and character of the structure and adjoining structures, soft, flameproof awnings are permitted over the first floor and on upper floors above windows only.

II. The lowest portion of the projecting frame of an awning shall be not less than seven feet six inches and lowest portion of the descending skirt shall be not less than six feet eight inches above the level of the sidewalk or public thoroughfare. Awnings shall not project more than thirty-six inches out from the building upon which they are attached.
III. Rigid or fixed awnings or canopies are not permitted unless an integral part of the structure are compatible and harmonious with the scale and character of the structure and adjacent structures and should pose no visual impedance to adjacent buildings. New rigid or fixed awnings may be added to existing structures subject to the restrictions outlined above and with prior approval of the Community Development Department, Building and Planning Division.

IV. All signs, awnings, and canopies shall comply with City of Evanston Ordinance 10-0-87: “Sign Regulations of the City.”

Windows

I. All display windows, including entrances, signs, lighting, sun protection, porches, security grilles, etc., should be compatible and harmonious with the scale and character of the structure. All storefront elements should be located within their original opening height, unless approved by the Community Development Department, Building and Planning Divisions.

II. Display windows should not be painted for permanent advertising purposes but may be painted for authorized identification of place of business as authorized by the Community Development Department, Planning Division and in accordance with the section “Signs”.

III. Existing display windows with trim, mullions or muntins not consistent with or compatible with overall façade design, should be replaced with appropriate fixtures and painted accordingly.

IV. Glass in show windows should be transparent; clear, bronze or gray tined. Translucent opaque, reflective or colored glass, other than gray or bronze tinted, will be permitted only with prior approval by the Community Development Department, Planning Division.

V. Solid or permanently closed or covered storefronts are not permitted, unless receiving prior approval from the Community Development Department, Planning Division; consideration will only be given to projects where such an improvement is treated as an integral part of the building façade using wall materials and window detailing compatible with upper floors or other building surfaces. Generally, this will only be considered in cases of interior layouts that are obsolescent/incompatible with business; staff will work first with building owners and tenants to seek less permanent alternatives.

VI. All damaged, sagging or otherwise deteriorated storefronts, display windows or entrances should be repaired or replaces.

VII. All windows must be tight fitting and have sashes of proper size and design to be compatible and harmonious with the scale and character of the structure. Sashes with rotten wood and/or deteriorated metal, broken joints or loose mullions or muntins should be repaired or replaced with appropriate materials. All broken and missing glass should be replaced with new glass or approved glazing material.
VIII. Window openings in upper floors of the front of the building should not be boarded up, filled, nor panes painted.

IX. If ceilings, partitions or other interior elements terminate inside the window area, and are visible through the window from the exterior, they should be stopped short of the glass and the exterior edge or face should be treated in a manner so as not to be obvious from the exterior.

X. Burglar gates should be removed from all glass areas and replaced with less obvious security devices such as strength transparent coverings.

**Exterior Walls**

I. Brick and stone with smooth, glazed, or ornamental surfaces should not be sandblasted, since these materials have porous surfaces. Such materials can be permanently damaged by the abrasion of sandblasting, and should be cleaned with acid washes, high pressure water, or steam.

Masonry surfaces should be properly tuckpointed to avoid moisture seepage and excessive wear on the masonry. New mortar should be compatible with color/texture of original material.

II. Unpainted masonry walls may be painted where necessary to conceal mixed material or patched wall coverings. Other unpainted masonry walls may be painted only with the approval of the Community Development Department, Planning Division. Existing painted masonry walls should have loose material removed and painted a single color except for trim which may be another color. Samples of all proposed colors should be submitted for approval to the Planning Division with proposed improvement plans. Patched walls shall match the existing adjacent surfaces as to material, texture, color, bond and jointing.

III. In most cases, applied facing material not original to the building should be removed to reveal the original exterior material which can be cleaned and repaired as required.

IV. If a building side is exposed to view from a public right-of-way, the face of the building so exposed should be improved in a manner consistent with these architectural guidelines as necessary to avoid detracting from the area’s appearance.

V. Existing miscellaneous elements on the building fronts, such as empty electrical conduits, unused sign brackets, etc., should be removed and the building surface repaired or rebuilt as required to match adjacent surfaces.

VI. Sheet metal gutters, downspouts and copings should be repaired and replaced as necessary and shall be neatly located and securely installed. Gutters and downspouts that require painting should be painted to harmonize with other building front elements.
VII. Exterior lighting of building façade should be accomplished with projecting or concealed fixtures at the roof line or above signs. Such fixtures should be inconspicuous and harmonious with the building’s design. Flashing, moving, or portable signs other than barber poles should not be used.

Structural/Decorative

I. All structural and decorative elements of building fronts and sides visible from the street shall be repaired or replaced to match as closely as possible with the original building materials and construction of that building. Rotten, deteriorated or weakened portions should be removed, repaired and replaced to match as closely as possible to the original.

II. Chimneys, elevator penthouses, mansard roofs or any other auxiliary feature that is a contributing part of the façade should be repaired and improved in a manner consistent with the character of the building.

Exterior Building Elements

I. Window air conditioning units should not be installed in front or side wall, windows, when possible. When visible from the street, units should be painted or otherwise made as unobtrusive as possible, should not project more than six (6) inches, and should not unnecessarily detract from the building character and appearance. In all cases, prior approval should be secured from the Community Development Department, Planning Division.

II. Grilles, louvers, vents, and other mechanical and electrical items including utility service locations may be installed in or on exterior walls, where unavoidable and necessary for the function of the building, subject to prior approval from the Community Development Department, Planning Division. Such items should be treated so as to be as unobtrusive as possible and so they do not detract from the building’s character and appearance.

III. Any mechanical equipment placed on a roof should be located so as to be hidden from view from the street, and to be as inconspicuous as possible from other viewpoints. Equipment should be screened with suitable elements of a permanent nature or finished so as to harmonize with the rest of the building. Where such screening is unfeasible, equipment should be treated in such a manner as to minimize its visibility.

Please note that the installation of such equipment is not eligible for funding under the Evanston Neighborhood Storefront Improvement Program; however, the cost for screening such equipment may be eligible on a case-by-case basis.
Other Factors You Should Consider

Each project is very different and needs to be reviewed on an individual basis; however, according to the Community Development Department’s Building Division the following items should be considered with most storefront renovation projects:

I. Hazardous glazing locations should be confirmed. Safety Glazing may either be tempered or laminated. There are specific locations that are identified in the BOCA Building Code, but the most common would be:

1.) glazing in fixed panels having a glazed area in excess of nine (9) square feet with the lowest edge less than eighteen (18) inches above the finished floor or waling surface with thirty-six (36) inches or

2.) glazing in or adjacent to a door.

II. The Illinois Accessibility Code requires compliance whenever a doorway is altered. The new doorway must comply with the current standard. The Code requires only a ½ inch maximum difference between the outside (sidewalk) or inside, and threshold condition. This is very critical to many existing building that have more extreme changes in elevation. The City of Evanston DOES NOT and CAN NOT waive this requirement. Any request for variance from this requirement must be made at the State level. The Capital Development Board is responsible for that aspect of enforcement, and may be reached at (217) 782-8529.

III. Any signage, awnings or canopies require a separate permit application and must comply with the requirements of the City of Evanston Sign Ordinance. A copy of the ordinance may be obtained from the City Clerk on the first floor of the Evanston Civic Center.

This design manual is provided as a guide for working with Evanston’s Commercial buildings, many of which are visually appealing and often architecturally interesting. However, adhering to design guidelines does not ensure that a building renovation project meets all applicable sign, building, zoning, historic preservation and other codes. Prior to finalizing plans, you should consult with the Community Development Department’s Building Division to make sure that these are not overlooked.

We encourage you to call us early on in the process of your storefront design in order that your project proceeds in an expedient and cost effective manner.

Community Development Department
Planning Division - (847) 866-2928 Evanston Storefront Prog. and Historic Preservation
Building Division - (847) 866-2932 Building Codes, Permits and Sign Ordinance
Zoning Division - (847) 866-2930 Zoning Issues

Business Licenses - (847) 866-2256
City Clerk’s Office - (847) 866-2925
Date:    July 17, 2009
To:      Chair and Members, Economic Development Committee
From:    Morris Robinson, Economic Development Planner
Subject: Space Available Inquiries

The following commercial space available inquiries were fielded by the Economic Development Planner during the past thirty days.

* Mark Jackson:
  Melvin M. Kaplan realty, Inc.
  1400 W. Devon
  Chicago, IL 60660

  Seeks 30,000 sq ft for regional grocery chain.
  Advised of potential sites and provided listings.

* Vanessa Frost:
  American Family Insurance
  8001 Lincoln Avenue, Suite 212
  Skokie, IL 60077, IL 60131

  Seeks affordable office space for insurance agency.
  Provided listings and suggestions.

* Wenging Li:
  Webgingli2003@gmail.com

  Seeks suitable site for Loving Hut project.
  Provided listing and follow-up.

* Michael Sutton, P.E.
  Infrastructure Engineering, Inc.
  33 West Monroe, Suite 1540
  Chicago, IL 60603-9564

  Seeks subsidy to establish an Evanston office.
  At Interim City Managers suggestion was advised to submit a proposal for consideration. Proposal not rec’d.

* Robert Thomas:
  rthomas@jameso.com

  Seeks information on the availability of former Scandinavian Design store and other sites. Phoned and provided listings.
Date:        July 17, 2009
To:          Chair and Members, Economic Development committee
From:        Morris E. Robinson, Economic Development Planner
Subject:     Recent New Business Status Reports

Enclosed for your review are three snapshot new business status summary reports. The first report reflects the status of nine residential/large projects. The second report provides a status report of food establishment/restaurants that are under review for opening; restaurants that recently received their business license and those that have recently ceased operating. The third report lists other retail businesses that have received their business license during the past 60 days and those that are pending.
**MEMO**

Date: July 14, 2009

From: Walter Hallen - Project Management Supervisor

Subject: “Completed” New Building Projects in Evanston, IL

**Recently “Completed” Buildings** (Partial occupancy or complete occupancy)

<table>
<thead>
<tr>
<th>Address</th>
<th>Project</th>
<th>Contact</th>
</tr>
</thead>
<tbody>
<tr>
<td>2935 Central</td>
<td>10 Condo units + some offices</td>
<td>Adel Sotolongo (815) 337-1900</td>
</tr>
<tr>
<td>1613 Church</td>
<td>32 Townhouses (+ 8 in future)</td>
<td>Ron Fleckman (847) 869-8200</td>
</tr>
<tr>
<td>1228 Emerson</td>
<td>49 Condo units</td>
<td>Matt Dunn (847) 815-7232</td>
</tr>
<tr>
<td>525 Kedzie</td>
<td>20 Condo units + small retail</td>
<td>Neil Ornoff (312) 608-7000</td>
</tr>
<tr>
<td>1421 Lake</td>
<td>4 Townhouses (+ 3 in future)</td>
<td>Thomas Engel (847) 544-9926</td>
</tr>
<tr>
<td>2484 Oakton</td>
<td>Self-Storage Facility (3 stories)</td>
<td>Jack Galbraith (847) 869-5905</td>
</tr>
<tr>
<td>2607 Prairie</td>
<td>13 Condo units + small retail</td>
<td>Evanston Prairie LLC (847) 864-6320</td>
</tr>
</tbody>
</table>

**Close to Complete Buildings** (Certificates of occupancy issued, but no occupancy)

<table>
<thead>
<tr>
<th>Address</th>
<th>Project</th>
<th>Contact</th>
</tr>
</thead>
<tbody>
<tr>
<td>1570 Elmwood</td>
<td>97 Condo units (40 Certificates of Occupancy issued)</td>
<td>Robert Horner (847) 869-2700</td>
</tr>
<tr>
<td>1615 Hinman</td>
<td>11 story Continuous Care Retirement Facility (Aug. – Sept. occupancy)</td>
<td>Michael Carney (847) 492-7436</td>
</tr>
<tr>
<td>Food Establishment Name</td>
<td>Address</td>
<td>Status</td>
</tr>
<tr>
<td>-------------------------</td>
<td>-----------------</td>
<td>------------</td>
</tr>
<tr>
<td>1560 Oak Street Building (Museum of Time &amp; Glass)</td>
<td>1560 Oak Ave</td>
<td>In Review</td>
</tr>
<tr>
<td>A J Mini Mart</td>
<td>1901 Church St</td>
<td>In Review</td>
</tr>
<tr>
<td>Aldi</td>
<td>2201 Oakton St</td>
<td>In Review</td>
</tr>
<tr>
<td>Automatic Burger</td>
<td>1571 Sherman Ave</td>
<td>In Review</td>
</tr>
<tr>
<td>Buffalo Wild Wings</td>
<td>1741 Maple Ave</td>
<td>In Review</td>
</tr>
<tr>
<td>CJE Senior Life</td>
<td>1015 Howard St</td>
<td>In Review</td>
</tr>
<tr>
<td>Dar-Us-Sunnah Masjid &amp; Community Center</td>
<td>2045 Brown Ave</td>
<td>In Review</td>
</tr>
<tr>
<td>Fruit Chill</td>
<td>1223 Chicago Ave</td>
<td>In Review</td>
</tr>
<tr>
<td>Manghal</td>
<td>1805 Howard St</td>
<td>In Review</td>
</tr>
<tr>
<td>Meca Fresh</td>
<td>1840 Oak Ave</td>
<td>In Review</td>
</tr>
<tr>
<td>Oceans Liquor LLC</td>
<td>1615 Sherman Ave</td>
<td>In Review</td>
</tr>
<tr>
<td>Phi Delta Theta</td>
<td>2347 Sheridan Rd</td>
<td>In Review</td>
</tr>
<tr>
<td>Phoenix Inn Chinese Restaurant</td>
<td>608 Davis St</td>
<td>In Review</td>
</tr>
<tr>
<td>Pop’N Go Nuts</td>
<td>2016 Central St</td>
<td>In Review</td>
</tr>
<tr>
<td>Silver Scoops</td>
<td>506 Main St</td>
<td>In Review</td>
</tr>
<tr>
<td>Subway</td>
<td>1939 Central St</td>
<td>In Review</td>
</tr>
<tr>
<td>Subway</td>
<td>3330 Central St</td>
<td>In Review</td>
</tr>
<tr>
<td>Subway</td>
<td>1133 Emerson St</td>
<td>In Review</td>
</tr>
<tr>
<td>Subway #46751</td>
<td>1900 Dempster St</td>
<td>In Review</td>
</tr>
<tr>
<td>The Mather</td>
<td>425 Davis St</td>
<td>In Review</td>
</tr>
<tr>
<td>Ultimate Chicken Bar</td>
<td>1739 Sherman Ave</td>
<td>In Review</td>
</tr>
<tr>
<td>What The Food</td>
<td>822 Clark St</td>
<td>In Review</td>
</tr>
<tr>
<td>Z-Best Bakery</td>
<td>1731 Howard St</td>
<td>In Review</td>
</tr>
</tbody>
</table>

| Enigma                  | 1620 Orrington Ave | Licensed |
| Little Wok              | 2426 Main St       | Licensed |
| Oakton & Dodge Shell    | 500 Dodge          | Licensed |
| Ted’s Snack Shop        | 1824 Crain St      | Licensed |

<p>| Dunkin’ Donuts          | 1728 Sherman Ave  | Out of Business |
| Ethel’s Chocolates      | 527 Davis St       | Out of Business |</p>
<table>
<thead>
<tr>
<th>Business Name</th>
<th>Address</th>
<th>Issued</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cricket Denali</td>
<td>313 Howard</td>
<td>Yes</td>
</tr>
<tr>
<td>Sculpt &amp; Reform</td>
<td>2609 broadway</td>
<td>Yes</td>
</tr>
<tr>
<td>Thriftgeek</td>
<td>522 Davis</td>
<td>Yes</td>
</tr>
<tr>
<td>Brothers Upholstery</td>
<td>1625 Payne</td>
<td>Yes</td>
</tr>
<tr>
<td>Atmosphere Communications</td>
<td>820 Davis</td>
<td>Yes</td>
</tr>
<tr>
<td>Moser Sewing Studio</td>
<td>625 madison</td>
<td>Pending</td>
</tr>
<tr>
<td>Divine African Hair Braiding</td>
<td>703 Howard</td>
<td>Yes</td>
</tr>
<tr>
<td>J &amp; B Transmission Repair</td>
<td>1905 Greenleaf</td>
<td>Pending</td>
</tr>
<tr>
<td>Lotus BodyWork</td>
<td>800 Custer #4</td>
<td>Yes</td>
</tr>
<tr>
<td>Evanston Nutrition &amp; Health</td>
<td>612 Davis</td>
<td>Pending</td>
</tr>
<tr>
<td>Twist Pilates</td>
<td>1316 Sherman</td>
<td>Pending</td>
</tr>
<tr>
<td>Red Circle 2</td>
<td>1315 Sherman Pl.</td>
<td>Pending</td>
</tr>
<tr>
<td>LSL Industries</td>
<td>2025 Dempster</td>
<td>Pending</td>
</tr>
</tbody>
</table>
VIII. ENCLOSURE: Communications

1.) June 2009 RETT Report
2.) Economic Impact of Real Estate Activity
3.) Industrial Vacancy Rate Rises in Second Quarter
4.) Economists’ Commentary: Commercial Leading Indicator
5.) Downtown Idea Exchange Article
MONTHLY RETT REPORT FOR JUNE 2009

DATE: July 2, 2009
TO: Mayor and Aldermen
FROM: Rodney Greene, City Clerk

SUBJECT: RETT Report--June 2009

<table>
<thead>
<tr>
<th>FY 2008-09</th>
<th>FY 2009-10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Month</td>
<td>Amount</td>
</tr>
<tr>
<td>March</td>
<td>182,925</td>
</tr>
<tr>
<td>April</td>
<td>214,642</td>
</tr>
<tr>
<td>May</td>
<td>204,322</td>
</tr>
<tr>
<td>June</td>
<td>253,960</td>
</tr>
<tr>
<td>July</td>
<td>320,386</td>
</tr>
<tr>
<td>Aug</td>
<td>249,726</td>
</tr>
<tr>
<td>Sept</td>
<td>220,705</td>
</tr>
<tr>
<td>Oct</td>
<td>116,141</td>
</tr>
<tr>
<td>Nov</td>
<td>109,891</td>
</tr>
<tr>
<td>Dec</td>
<td>98,511</td>
</tr>
<tr>
<td>Jan</td>
<td>42,408</td>
</tr>
<tr>
<td>Feb</td>
<td>53,981</td>
</tr>
</tbody>
</table>

*June 2009 revenues were reduced to reflect these expenditures: FedEx $70; Elaine Jacobson $420 <$490>

Monthly average needed to meet Budget $250,000
FY 2009-10 Monthly Average $123,116

50 exempts @ $100 ea = $5,000; CUMULATIVE $18,200

There were four $1 million sales in June 2009.

06-11-09--1217-1227 Harvard Tr.; $1,850,000; Tax $9,250; Seller-Harvard Terrace Gardens, LLC; Buyer-Albany Bank as Trustee
06-12-09--2427 Colfax St., $1,025,000; Tax $5,125; Seller-Panaccio; Buyer-Schrantz
06-18-09--801 Roslyn Pl., $1,046,900; Tax $5,235; Seller-Grill; Buyer-Galvin
06-30-09--2700 Euclid Park Pl., $3,500,000; Tax $17,500; Seller-McClanahan; Buyer-Fiegen
Economic Impact of Real Estate Activity:

Illinois

By NAR Research
March 2009
Real Estate’s Economic Contribution in Illinois

The Real Estate Industry accounted for $100,006 million or 16.4% of the Gross State Product in 2007.

Bureau of Economic Analysis; NAR
Economic Contributions are derived from:

- Home construction
- Real estate brokerage
- Mortgage lending
- Title insurance
- Rental and Leasing
- Home appraisal
- Moving truck service
- Other related activities
When a Home is Sold in Illinois

Income Generated from real estate related industries is:

$16,731

Additional expenditure on consumer items such as on furniture, appliances, and paint service is:

$5,331

Bureau of Economic Analysis; Harvard Joint Center for Housing Studies, NAR
When a Home is Sold in Illinois

It generates economic multiplier impact. There is a greater spending at restaurants, sports games, and charity events. The size of this “multiplier” effect is estimated to be:

$10,590

Additional home sales induce additional home production. Typically one new home is constructed for every 8 existing home sales. Therefore, for each existing home sale, 1/8 of new home value is added to the economy which is estimate in the state to be:

$23,238

Bureau of Economic Analysis; Macroeconomic Advisors, NAR
The Total Economic Impact of a Typical Home Sale in Illinois

Median Priced Home in Illinois
$185,900

Total Income Derived from a Sale of a Home:
$55,889

Bureau of Economic Analysis; NAR
Industrial vacancy rate rises in second quarter
June 19, 2009
By George Ratiu, Research Economist, National Association of REALTORS®

The industrial sector is facing mounting economic pressure, compounding a general decline in demand. Both manufacturing and warehousing are feeling the effects of reduced consumption, international trade and rising unemployment. Major indicators of industrial activity are continuing a downward trend. Industrial production declined 1.1 percent in May 2009 from the previous month, the seventh consecutive monthly decline. On a year-over-year basis, industrial production is down 13.5 percent. Manufacturing production, a major contributor to the industrial index, dropped 15.3 percent on a yearly basis, driven by sharp decline in primary metal production (down 43.9 percent) and motor vehicle and parts production (down 38.4 percent).

Consumer goods production declined 0.9 percent in May from April, and 7.2 percent from May 2008. With consumers continuing to be restrained in spending, manufacturers are maintaining cost-cutting measures, both in terms of production and employment. Year-over-year, consumer durable goods production dropped 22.9 percent in May—the sixth consecutive decline in excess of 20.0 percent—with automotive production driving the decline.

Business equipment also experienced declines, with production down 1.4 percent in May compared with the previous month. Construction also continued showing signs of weakness, with construction supply production down 1.0 percent. Utilities also posted a decline in production of 1.6 percent in May.

It is worth mentioning that the production declines are slowing down, a possible sign that existing inventories are shrinking and producers are likely to see an uptick later in the year. However, employment in the industrial sector continues its slide. In May, industrial employment declined 1.2 percent from April. Compared with May 2008, industrial employment is down 12.0 percent. Year-over-year, manufacturing and construction sustained the bulk of the losses, shrinking 11.6 percent and 13.6 percent, respectively. While economic activity is expected to stabilize during the remainder of the year, job losses are likely to continue mounting, as employment lags economic activity. In addition, General Motors’ and Chrysler’s restructurings, which involve plant and closures, are already resulting in additional job losses extending beyond the two companies.
Given this economic environment, demand for industrial space, including warehouses, is poised for significant decline. Net absorption dropped to a noticeable negative 89.9 million square feet in the first quarter of 2009, and is expected to reach negative 69.1 million square feet during the second quarter. The pace of new completions has adjusted from 2008, but not fast enough. Completions are projected to total 17.4 million square feet for the second quarter, following 24.2 million square feet of new industrial space in the first quarter 2009.

Following the rise in available space, the national industrial vacancy rate is projected to rise to 12.8 percent in the second quarter 2009, a 29 basis-point jump from the second quarter 2008. The availability of industrial space is projected to continue its upward trajectory, and reach 13.3 percent in the fourth quarter 2009.

The impact of declining demand and rising availability is dispersed across the country. Both inland and coastal markets are feeling the pain. Markets with high vacancy rates include Detroit (20.2%), Phoenix (17.8%), Columbus (16.5%), Atlanta (16.3%), Baltimore (15.6%), Dallas (15.2%) and Riverside (14.8%). Markets with low availability rates are concentrated in the Western part of the country, with a few exceptions. Los Angeles continues to lead the list of low vacancies, at 7.2 percent for the quarter, followed by Tucson, at 7.5 percent. Some of the geographic exceptions are Houston, Kansas City and Long Island. With rising availability and falling demand, rent growth for industrial space is expected to be noticeably lower than last year. For the second quarter 2009, rent is expected to be down 1.5 percent. Rent is expected to decline 9.7 percent during 2009. Looking ahead, the industrial sector continues to face challenging
Industrial vacancy rate rises in second quarter

prospects.

<table>
<thead>
<tr>
<th>Lowest Industrial Vacancy Rates</th>
<th>2009, Q2 Estimates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Los Angeles, CA</td>
<td>7.2%</td>
</tr>
<tr>
<td>Tucson, AZ</td>
<td>7.5%</td>
</tr>
<tr>
<td>Houston, TX</td>
<td>8.9%</td>
</tr>
<tr>
<td>San Francisco, CA</td>
<td>9.0%</td>
</tr>
<tr>
<td>Kansas City, MO</td>
<td>9.3%</td>
</tr>
<tr>
<td>Portland, OR</td>
<td>9.6%</td>
</tr>
<tr>
<td>Long Island, NY</td>
<td>9.6%</td>
</tr>
<tr>
<td>Las Vegas, NV</td>
<td>9.7%</td>
</tr>
<tr>
<td>Seattle, WA</td>
<td>9.7%</td>
</tr>
<tr>
<td>Salt Lake City, UT</td>
<td>9.8%</td>
</tr>
<tr>
<td><strong>National Average</strong>*</td>
<td><strong>12.8%</strong></td>
</tr>
</tbody>
</table>

Sources: NAR / TWR

* Not all markets are represented

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Economists' Commentary: Commercial Leading Indicator

May 20, 2009
By Lawrence Yun, Chief Economist, National Association of REALTORS

The preliminary value of NAR's Commercial Leading Indicator (CLI) declined sharply, suggesting rough waters ahead for commercial real estate business opportunities in terms of leasing and sales. In the first quarter of 2009, the CLI fell 4.8 percent from one quarter prior and is down 12.9 percent from one year ago. CLI started to fall nearly two years ago, but the decline has become stark in the past two quarters.

![CLI Chart]

Source: NAR's May 2009 Commercial Leading Indicator

CLI was peaking in the middle of 2007 and then started to give away, though in modest steps. Then the lights got switched off in the fourth quarter of last year following the bankruptcy of Lehman Brothers, the stock market collapse, and the subsequent credit crunch. There were no hints of any flickering lights marking any lights being turned on in the first quarter of this year. If the past relationship holds between CLI and real market activity, then commercial REALTORS® will need to hold on very tight at least through the end of the year.

The Commercial Leading Indicator (CLI) is designed to provide early signals of turning points - peaks and troughs - between expansions and slowdowns of commercial real estate activity.

We now expect office vacancy rates to rise very sharply, surpassing 20 percent in 2010. Office rents will fall 7 percent in 2009 and further fall an additional 1 percent in 2010. Industrial and retail sectors will face deteriorating conditions as well. Only the multifamily sector looks to squeeze out positive rent growth, though at a slower rate of increase than in the past.

Examining the individual components of CLI shows the following in the first quarter:

- Industrial production fell 5.2 percent
- NAREIT price index fell 27 percent
- NAREIT rate of return at negative 7.3 percent
- Jobs in professional business service, retail and wholesale trade, and temporary employment fell 2.3 percent
- First-time unemployment claims rose 21.5 percent
- Durable goods shipment fell 8.8 percent
- Aggregate personal income (excluding transfer payments) fell 1.5 percent
- Wholesale and retail sales fell 4.5 percent

In other words, all measures moved in the wrong direction in the past quarter. The sharp fall in the CLI implies that commercial activity, as measured by net absorption and the completion of new commercial buildings, will likely contract quite severely over the next six to nine months. Commercial real estate construction spending (i.e., non-residential structural investment) had held on relatively well in the current economic recession, but is anticipated to tumble in commercial real estate building construction in upcoming quarters. Commercial practitioners can also anticipate a much weaker net absorption in the office and industrial sectors later in the year and a far fewer number of new commercial buildings reaching the market.

Are there any positive signs? Yes. Because we are undergoing an unprecedented credit crunch cycle – the worst since the Great Depression – the forecast is more uncertain and highly dependent upon when the credit begins to flow for the better. A recent rise in the stock market (after the first quarter and not captured in CLI) is due to improved credit flow and the recovering financial sector. There will be an added help from the Federal Reserve as it expands TALF to purchase commercial mortgage backed securities in few months. The forecast outlook will no doubt change measurably by the next quarter. That change could indeed be for the better, but right now the commercial real estate is facing heavy headwinds.
Management

Downtown organization succeeds by being more action-oriented

Vancouver’s Downtown Association, in Vancouver, WA (pop. 162,400), used to be a foundering, feeble one, lacking the leadership and buy-in necessary to follow through on its ideas.

To illustrate: “There was a failed attempt to brand downtown as ‘The Heart.’ It fell apart because it wasn’t followed up by a comprehensive marketing plan. One by one, people fell out. Now we’re just left with sign-toppers on some of the streets down here. What happened? Our organization was in a trough as far as being effective in leadership, and it just faded away,” says Lee Coulthard, president.

Vancouver’s Downtown Association is anything but directionless now. “People are clamoring to get on board. We’ve got more people interested in being on our board than we’ve got board positions available. That’s because we’ve done some things that are gaining some attention,” Coulthard says. Let’s look at what’s behind the organization’s successful turn-around.

(Continued on page 3)

Residential Development

Emphasis on mix of uses brings a long-struggling downtown back to viability

Downtown Flint, MI (est. pop. 114,700), is successfully changing gears from a shell-shocked former “Vehicle City” to a renovating college town, with the academic talent to attract top students and businesses — and the housing demand to attract developers.

As home to Kettering University, the University of Michigan-Flint, and Mott Community College, the downtown has some 30,000 students who need housing.

It also has many underutilized but grand old buildings that were built during the auto industry’s boom times, and local philanthropic groups founded by the industry’s tycoons.

Developers and civic leaders alike are focused on working with those assets to revitalize downtown, and return those grand old buildings to good economic use.

(Continued on page 7)
only, with more than 500 citizens attending.

The downtown waterfront was chosen as the initial focus for new public art, with City leaders and private donors allocating $1.7 million to commission the first major artworks. The permanent works include “the Passage” — the largest work of art created by Southeastern Native peoples in the past 1,000 years.

And in Hillsboro, OR (pop. 91,440), the Downtown Hillsboro Renaissance project explored how arts and culture can continue to serve as a catalyst for sustained revitalization of the central business district. Signature projects already completed or underway include: opening of the Glenn & Viola Walters Cultural Arts Center; creation of the Sequoia co-op artist studios and gallery; renovation and reactivation of the landmark Town Theater; and implementation of a downtown urban renewal program.

A downtown plan won’t sit on the shelf if it’s good

The Hillsboro example brings us to a popular nay-saying criticism of long-term planning efforts: “This plan’s just going to sit on a shelf.”

The fact of the matter is: Not if it’s good. Vision and action plans developed through robust public engagement processes are used and even updated when actions have been completed. The City of Hillsboro has completed over 80 percent of their actions, and is working with us to develop a “10 Year Strategy Review” process to solicit new action ideas from community groups and the public.

Another reason people give for not planning long-term: “It is too time consuming and expensive.” Visioning processes do not need to go on for years or cost big dollars. Successful cost savings ideas include: Cultivating dedication to the visioning process among City staff, electronic outreach; utilizing existing publications and outreach tools; enlisting partners early; using an abbreviated timeline for establishing goals that downtown wishes to meet (in other words, creating an aggressive project schedule that focuses planning activities, including public involvement, to a certain number of months instead of years), and adhering to a streamlined, results-oriented implementation process.

This piece was a group effort by Barney & Worth’s Clark Worth, principal (clark@barneyandworth.com), Jason Robertson, vice president (jason@barneyandworth.com), and Libby Barg, senior associate (libbybarg@barneyandworth.com).

Downtown organization succeeds by being more action-oriented — continued from page 1

Turning a listless organization around

Tantamount to improving the downtown organization’s effectiveness was a change in leadership and the results-oriented people who were subsequently recruited to the board.

“About four, five years ago, we had a president who was socially oriented, and did a great job at recruiting new people into the organization. These are folks who aren’t so much interested in being on the board as making things happen. So the board took on an orientation towards action. The organization’s membership grew from 30 people to around 100,” Coulthard says.

Better funding also helped turn the downtown organization around. “The Washington State legislature passed a Main Street tax credit incentive for dead and decaying parts of town, and from that, if you can go out and find donors, they could write off $100,000 of their business and occupation tax if they donated a third of that on top. So for the last three years, a major source of our funding has come through that program. We had two donors each year for the first three years. This year, we’ve got five.”

Making a new public place to transform blight

Downtown invested $280,000, about two years’ worth of funding, to seize an opportunity to develop a new public place, “right in the most dead and decaying part of our main street,” Coulthard says. “It’s called Turtle Place.” Essentially, it’s the development of a welcoming public space for rest and recreation in the space occupied by a decommissioned, 10,000-square-foot transit mall. And it marks a sea change for the downtown organization.

The city manager suggested coming up with some constructive, temporary use of the decommissioned transit mall, which would probably have otherwise become a chain-linked eyesore for the next seven to 10 years, perhaps think-
ing of a parking lot. Through strong research and volunteerism, a great, green meeting place was created, where downtown workers can relax, eat lunch on park benches, and feel comfortable enough to play Hacky Sack. The organization will also host a number of events there this year.

“All of a sudden, instead of this being a PTA-kind of organization that some folks wish were speaking for a broader cross-section of the business community, we’re doing stuff that the City can’t do. Recently, we’ve come to the realization that if something’s going to happen down here, we need to quit thinking that the City’s going to make it happen. We have to make it happen.

“We can leverage things with the City, but as far as leadership goes, if we don’t provide the leadership, there won’t be any, period. You’ll be left with property owners bitching and complaining about this or the other thing, and it’s just noise.”

“So we’re focusing on a redevelopment effort that’s comprehensive. We’re dealing with property owners, business owners, developers, and the City, which sits in and is actively engaged with us in this revitalization process.”

**Anticipating needs for transportation, infrastructure**

Vancouver’s Downtown Association recently got a green light and two years of funding from the City to proceed to phase two in the development of a transportation management association, in a three-way partnership between the City and the local bus company. The five-year plan is to develop a transportation management association that will be self-funded.

“It is driven mostly by the fact that as our downtown area develops — and we’ve got some huge development projects on the horizon — traffic management’s going to be a real issue down here,” Coulthard says.

A particular concern for downtown area traffic and transportation is upgrading two antiquated interstate bridges across the Columbia River between Vancouver and Portland, one built in 1917 and another in 1954, to enhance their safety and capacity. The $4-billion bridges project will also bring downtown Portland’s light rail transit system to downtown Vancouver’s side of the river.

“It’s moving rapidly as a megaproject toward approval and funding. But construction on it won’t start for another two years. When construction begins, it’s going to be utter chaos in downtown! As I have told a lot of business owners and leaders, ‘You’d better get in front of this parade, or accept the fact that you’re going to sit on the curb and complain,’” he says.

Like the transportation management association, which is being created in response to a need, downtown is eyeing the formation of a business improvement district to catalyze infrastructure improvements along the main street, which are already planned and ready for funding as a $14-million project.

If property owners approve a BID, Coulthard believes that downtowners will be able to raise enough money to lend to the City so that the City, which is under budget duress, can pursue matching grants.

An improvement district would also “provide a reasonably reliable revenue stream to support our operations,” he says.

**Hiring a good executive director**

Another important step the downtown organization recently took was hiring an executive director. It hadn’t had an executive director since the 1990s, when the position was fully funded by the City. The City dropped its funding for the post, and the organization could not find other funding.

“Our search for an executive director this time was national. We actually flew two people here from

How downtown’s multiple funding sources break down

The total annual revenue of Vancouver’s Downtown Association is about $175,000, and its expenses total about $135,000. Here’s how its funding sources break down.

- A Main Street Tax Credit Incentive gives downtown about $133,000.
- It also receives private donations, in the neighborhood of about $15,000.
- The organization receives about $12,000 in dues from roughly 100 members.
- For the first time in 10 years, the organization is receiving some money from the City, about $15,000 this year and next year.

“I think that speaks volumes to delivering results,” says president Lee Coulthard. Recently, the organization was able to hire its first executive director since the 1990s.
Michigan, and we looked at 60 people," Coulthard says. Ultimately, networking led to finding someone exceptional, who’s “only in her second month, and already making headway,” he says.

In hiring an executive director, he advises: “It’s important to be able to commit at least to a three-year agreement between your organization and whomever you hire. It’s also important to engage stakeholders outside your organization in the recruiting effort, such as the City and chamber of commerce, because your executive director will be working closely with them.”

Emerging developments point to need to think long-term

Vancouver’s Downtown Association is stepping up its game at just the right time. Downtown is growing rapidly. An old paper mill site of 33 acres on the river has been cleared for a $1.3-billion mixed-use development pending city council approval. It will feature a 10-acre waterfront park, lower-floor businesses, and 2,500 dwelling units (including senior and workforce rental apartments, and top-floor, high-end condos).

Another site is being cleared for construction of a new public library. Ultimately, that site is also planned to include two mixed-use towers containing a boutique hotel, businesses, condo apartments, at least one restaurant, and underground parking.

Developers have been encouraged to build downtown by a downtown overlay that the City created, giving them better guidelines for the planning review process.

Vancouver’s Downtown Association has also been working better with the City to straighten out kinks in the red tape and help prospective downtown business owners resolve problems.

“There are a lot of things happening downtown that suggest that we better be thinking not so much at the end of our nose, but out five, 10 years. That’s the message that we’re taking to the business community,” he says.

Contact: Lee Coulthard, Vancouver’s Downtown Association, president@velensa.org.

Downtown revitalization strategy to address inherent challenges

Merchants in downtown Vancouver, WA, are constantly challenged by the fact that consumers can simply drive across the river to downtown Portland, OR (est. pop: 575,900), 16 minutes away, to avoid paying sales tax.

“The difficulty that we have here in the southern reaches of Washington is that we’re right next door to Oregon, which is a sales tax-free state. So it seems like a lot of retail shopping tends to get done across the river,” says Lee Coulthard, president of Vancouver’s Downtown Association.

Downtown restaurants and nightclubs don’t seem to suffer by the tax differential, but retailers selling more expensive items like electronics do. To support local commerce, Vancouver’s Downtown Association is in the early phases of developing a downtown revitalization strategy, to address retail as well as other issues like transportation management and downtown branding.

Funding Resources

Diversifying funding is more important than ever

Many cash-strapped downtown organizations are exploring a wide range of funding options. More often than not, they’re finding that creativity and diversification are the keys to long term stability.

There are two varieties of primary funding for improving downtown: Business improvement districts (BIDs) and membership fees.

Some BIDs are becoming more specialized to meet the needs of downtown. For example, there are nighttime economy assessment districts, where restaurant and bar owners pay for security and cleaning staff who are dispatched at night and in the early morning hours rather than by day. There are also hotel and convention center-oriented hospitality districts, and arts and culture specialty districts.

Among membership-based downtown groups, David Feehan, former IDA president and now a consultant to the association as president of Civitas Consultants, predicts that as the economy improves, we’ll be seeing more and more groups recruiting members throughout their regional spheres of relevance and influence, beyond simply the owners of businesses and properties located in the district who are most directly impacted by enhanced services provided in the downtown.

Capital City Partnership, a 501(c)(6) not-for-profit business membership organization devoted to enhancing business development in downtown St. Paul, MN