I. Call to Order

II. Consideration of Meeting Minutes of July 28, 2010 (Document Enclosed)

III. Presentation of Update of Activities of Technology Innovation Center (Document Enclosed)

IV. Presentation of Update of Micro-Loan Fund Program Activities of Evanston Community Development Corporation (ECDC) (Document Enclosed)

V. Consideration of Request for Funding for Varsity Theatre Study (Document Enclosed)

VI. Discuss And Consider Recommendation Of Approval Of Revised Façade Improvement Program And Grant Application (Document Enclosed)

VII. Discussion Of Agenda Items For Joint Parking Committee And Economic Development Committee Meeting In October (Document Enclosed)

VIII. Aldermanic Request: Discuss And Consider Approval Of Funds For Dempster Street/Dodge Avenue (Document Enclosed)

IX. Staff Update On The Business Advisory Center

X. Continuation Of Discussion Of Fine Arts And Performing Arts District

XI. Communications (Documents Enclosed)
   b. Staff Status Report

XII. Adjournment

NEXT ECONOMIC DEVELOPMENT COMMITTEE MEETING: OCTOBER 27, 2010

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 Facilities Management Office at 847-866-2916 (Voice) or 847-448-8052 (TDD). La ciudad de Evanston esta obligada a hacer accesibles todas las reuniones publicas a las personas minusvalidas o las quines no hablan ingles. Si usted necesita ayuda, avor de ponerse en contacto con la Oficina de Administracion Del Centro a 847-448-2916 (Voz) o 847-448-8052 (TDD).
II. EDC MEETING MINUTES OF July 28, 2010
ECONOMIC DEVELOPMENT COMMITTEE MEETING
MEETING MINUTES OF July 28, 2010
ROOM 2404 – 7:30 P.M.
LORRAINE H. MORTON CIVIC CENTER


MEMBERS ABSENT: Ald. Burrus and Dan Mennemeyer

PRESIDENT OFFICIAL: Ald. Wynne, Chair

STAFF PRESENT: Marty Lyons – Interim Director, Community & Economic Development Department, Annette Logan – Economic Development Planner, Johanna Nyden - Economic Development Planner

OTHERS PRESENT: Beth Bortz - Asha Salon Spa, Carolyn Dellutri – Downtown Evanston, Laura Folkl – Downtown Evanston, Steven Rogin, Michael Vasilko, members of the Evanston Media, other members of the public

I. CALL TO ORDER – Chair Wynne announced there was quorum and called the meeting to order at 7:35 pm.


III. CONSIDERATION OF STORE FRONT IMPROVEMENT APPLICATION FROM ASHA SALON SPA – 1604 SHERMAN AVENUE

Johanna Nyden, Economic Development Planner gave a brief update and review of the application and explained that the rebate would come from funds from the Washington-National Tax Increment Financing (TIF) District. Based on the 2010-11 City of Evanston Adopted Budget, there is a $6,095,963 ending fund balance of this TIF. Staff recommended approval at no more than $16,000 on a 50/50 cost-sharing basis of total project cost.

ACTION TAKEN: Ald. Grover moved to recommend to City Council approval of the request for funds from Asha Salon Spa in the amount
of $16,000. Ald. Jean-Baptiste seconded the motion. Ald. Rainey offered an amendment to the motion that funds would be awarded at half the total final project cost and no greater than $16,000. Ald. Grover and Ald. Jean-Baptiste accepted the amendment. The Committee unanimously approved the motion.

IV. ALDERMANIC REQUEST: DISCUSS AND CONSIDER APPROVAL OF FUNDS FOR HOWARD STREET BUSINESS ASSOCIATION

ACTION TAKEN: Ald. Rainey moved approval for $9,000 in funds from the Neighborhood Business District Improvement Program to support business activities along Howard Street. Ald. Grover seconded the motion. The Committee unanimously approved the motion.

V. REVIEW DOWNTOWN EVANSTON INTERIM REPORT

In coordination with the report included in the meeting packet, Carolyn Dellutri, Executive Director of Downtown Evanston gave a presentation of upcoming and past events and programs of Downtown Evanston. She presented information on new businesses that have come to Evanston and ones that will soon be arriving. There was general discussion among members of the Committee of the work completed and underway by Downtown Evanston.

VI. DISCUSSION OF REVISED FAÇADE IMPROVEMENT PROGRAM

Annette Logan gave a presentation on revisions to the façade improvement program and the draft grant application. Ald. Rainey requested further information be included in the application that defines what a façade is and what work is eligible. She would like to see this information included in the “Purpose” section of the application. Discussion among the Committee also included adjusting the size of eligible storefront from 150 feet to something smaller. Discussion among the Committee also included making the small window signage that indicates participation in the City of Evanston’s façade program voluntary and not mandatory.

Carolyn Dellutri expressed concern over the fact that the program would exclude national tenants with more than 10 franchises from participation in the program. Ald. Rainey indicated that this program is designed to provide assistance for the “mom and pop” stores. Additional concern was raised over the eligibility of property owners that invest in their buildings and the potential ineligibility if a national tenant locates in the building after reinvestment. Committee members directed Staff to conduct further research into the eligibility and ineligibility of national tenants for façade improvement funds.
ACTION TAKEN: Staff was directed to provide revisions to the draft façade grant application and circulate among members of the Committee.

VII. REVIEW OF BUSINESS ATTRACTION PLAN FOR ECONOMIC REVITALIZATION RFP

Johanna Nyden provided an overview of Staff’s review of the responses to the RFPs for the Business Attraction and Revitalization Plan. Ms. Nyden explained that three responses to the RFP were received, reviewed, and scored according to a set of criteria described in the packet memorandum. Based on this criteria and interviews, Staff recommended the consulting team of Ticknor & Associates and Teska Associates, Inc. to complete the Business Attraction Plan for Economic Revitalization. Ald. Rainey asked how many plans Teska Associates had produced for Evanston and that had never been implemented. Ms. Nyden did not know the answer to this question but indicated that this plan and this team were offering a strong implementation program and the focus would not be in developing a plan that could not be implemented.

ACTION TAKEN: Ald. Jean-Baptiste moved to approve the recommendation to engage Ticknor & Associates and Teska Associates, Inc. to complete the Business Attraction Plan for Economic Revitalization. Ald. Fiske seconded the motion. The motion was approved unanimously.

VIII. ALDERMANIC REQUEST: PRESENTATION OF FINE ARTS AND PERFORMING ARTS DISTRICT

Evanston Resident, Michael Vasilko provided a presentation on his proposed concept of a fine arts and performing arts district along Evanston’s lakefront. During the presentation he provided information on national models for waterfront development and performing arts venues. He suggested this would be an opportunity to create jobs and revenue for the City of Evanston. He proposed that the American Recovery and Reinvestment Act could be a source of funds to pay for this.

Committee discussion included thanks and praise for Mr. Vasilko’s vision, ambition, and effort to present the concept. Ald. Fiske inquired what the preliminary cost to create the district would be. Mr. Vasilko indicated he had received estimates of $250 million. Several Committee members indicated that this was too low of an estimate. Ald. Wynne was concerned that the Army Corps of Engineers had indicated that the City of Evanston learned during the proposed marina at Calvery Cemetery that the City of Evanston did not have the right to disturb the lakefront. Ald. Jean-Baptiste suggested that everyone keep an open mind to considering this type of
proposal and that overtime plans can change. Ald. Fiske suggested that the City identify ways to bring elements of the plan to other parts of Evanston. Ald. Rainey did not support the “money pits” in the concept – the opera hall and performing arts. She did support a more active lakefront similar to areas of along the waterfront in Michigan. Both Alderman Wynne and Alderman Fiske indicated that they would not support this plan.

**ACTION TAKEN:** No action was taken. Committee members requested to keep this item on the agenda for the next Committee meeting to discuss next steps.

**IX. COMMUNICATIONS**

Several members indicated they would not be in town for the August meeting. Requests were made that the August meeting of the Economic Development Committee be canceled. It was decided to hold the next meeting of the Economic Development Committee in September.

**ADJOURNMENT**

The meeting was adjourned at 9:35 pm.

**NEXT ECONOMIC DEVELOPMENT COMMITTEE MEETING:** September 22, 2010

Respectfully Submitted,

Johanna Nyden

Johanna Nyden
Economic Development Planner
III. UPDATE OF ACTIVITIES OF TECHNOLOGY INNOVATION CENTER
Memorandum

To: Chairman and Members of the Economic Development Committee
From: Johanna Nyden, Economic Development Planner
Subject: Update on Technology Innovation Center
Date: September 15, 2010

Background

The Technology Innovation Center was approved for funding out of the City’s Economic Development Fund in the amount of $100,000 by the City Council at its March 22, 2010 meeting. The Technology Innovation Center has prepared materials to provide an update on the activities conducted by the organization for the past quarter. Highlights of quarterly activities include:

- Conducted survey of existing incubator businesses and incubator alumni;
- Welcomed six new businesses to the Incubator;
- Increased bandwidth at TIC in keeping within the goal of attracting and retaining high-tech companies in Evanston;
- Named by Forbes as one of the top incubators changing the world through innovative technology, job creation, and positive economic impact;
- Hosted two seminars supporting activities at TIC and small businesses; and
- Participated or served as speakers at several entrepreneurial events that included: Northwestern Entrepreneurship Week, Kellogg Alumni Entrepreneur Annual Conference, and the Farley Entrepreneurship Summit.

Attachments:

- Report to the City of Evanston covering activities from May 1 – July 31, 2010;
- Spring 2010 Technology Innovation Center Newsletter; and
- Brochure from an event from the Farley Center for Entrepreneurship and Innovation – “Overcoming Early Stage Challenges”.

Technology Innovation Center

Report to the City of Evanston
For the period May 1 to July 31, 2010

1. Survey -- Incubator Alumni Companies in Evanston Page 2

2. Marketing and Community Outreach Page 6
   -- Marketing and Communications Initiatives
   -- Increase in Bandwidth
   -- Forbes Top 10 Incubator list
   -- Seminars and Open Houses
   -- Incubator Spring Newsletter (See file "TIC_Newsletter_Spring_2010.pdf")

3. New Incubator Companies -- Update Page 18
   -- NU Internships with Incubator companies
   -- NU Farley Center Program companies in the Incubator

4. NU Farley Entrepreneurship Summit Page 20
   -- See file “Farley_Entrepreneur_Summit_brochure.pdf”

5. YTD Receipts and Disbursements Page 21
Survey of Incubator Alumni Companies in Evanston

By the Technology Innovation Center (The Incubator), 2010

The Incubator recently completed an economic impact survey of its 23 alumni companies located in Evanston. The survey was conducted from May to July, 2010. "Alumni" companies are those that started up in the Incubator and then “graduated,” or left the Incubator, to rent commercial office space in Evanston.

Of the 23 alumni companies located in Evanston, 21 responded to the Incubator survey. These 21 companies occupy a total of 110,042 square feet of office space in Evanston, and employ 391 full-time people.

Current Incubator Tenant Companies
The Incubator currently houses 44 tenant companies within its facilities at 820 Davis Street and 825 Chicago Avenue. These tenant companies employ 79 full-time employees.

Incubator Tenant Companies and Alumni in Evanston - Totals
All together, there are 67 current Incubator companies and alumni companies located in Evanston. They occupy a total of 135,207 square feet of office space and employ a total of 470 full-time people.

<table>
<thead>
<tr>
<th>2010 Survey -- Incubator Companies in Evanston</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>---</td>
</tr>
<tr>
<td>2010 Survey - Alumni Companies in Evanston</td>
</tr>
<tr>
<td>Current Incubator Companies</td>
</tr>
<tr>
<td>Current Incubator Companies and Alumni Companies in Evanston</td>
</tr>
</tbody>
</table>
2002 Survey of Incubator Alumni

John T. Allen directed a survey of Incubator alumni companies in 2002, with assistance from Incubator staff. The totals below were taken from that survey.

### 2002 Survey - Alumni Companies in Evanston

<table>
<thead>
<tr>
<th>Total # of Companies</th>
<th>No. of companies responding</th>
<th>Total square feet</th>
<th>Employees -- Full-Time</th>
<th>Employees -- Part-Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002 Survey - Alumni Companies in Evanston</td>
<td>23</td>
<td>12</td>
<td>71,490</td>
<td>171</td>
</tr>
</tbody>
</table>

### Alumni Companies Using Evanston Banks – 2010

20 out of 21 alumni, or 95%, use Evanston banks for their business banking.

### Incubator Alumni Companies Using Evanston Banks -- 2010

<table>
<thead>
<tr>
<th>First Bank and Trust</th>
<th>Chase</th>
<th>Harris</th>
<th>Citibank</th>
<th>Bank of America</th>
<th>TOTAL Using Evanston Banks</th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td>6</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>20 Companies</td>
</tr>
</tbody>
</table>

### Alumni Companies – Evanston Business Relationships 2010

For more information, see alumni responses in the “Evanston Business Relationships” section below.

- 66% of alumni use Evanston business service providers (vendors). These vendors include accounting firms, law firms, marketing agencies, Internet service providers, etc.
- 33% of alumni have clients located in Evanston.
- 95% of alumni and their employees eat at Evanston restaurants frequently.
Incubator Alumni Companies:
Evanston Business Relationships 2010

- 66% of alumni use Evanston business service providers (vendors).
- 33% of alumni have clients located in Evanston.

Company A - uses Evanston accountants.

Company B - has a relationship with NU in which students work as interns at the company. Alumni company N (see below) is a client of company B.

Company C - uses Evanston accountants.

Company D - uses Atmosphere (current Incubator company) for Internet service. Two Evanston real estate management companies are clients.

Company E - uses no Evanston business services.

Company F - has several Evanston clients.

Company G - uses Internet and phone service through an Evanston company.

Company H - has a number of Evanston clients (past and present). Illumen Group (current Incubator company) is a vendor.

Company I - uses an Evanston accountant and also employs students from ETHS.

Company J - has many business and retail clients in Evanston. The company also consults with lawyers in private practice in Evanston.

Company K - has many clients in Evanston.

Company L - has many relationships with businesses and organizations in Evanston. They do projects with the City of Evanston and Evanston High School. Fundraisers held at Evanston restaurants.

Company M - uses no Evanston business services.

Company N - used an Evanston architecture firm to design their current space. The company uses Evanston hotels for meetings. Company B is a vendor.

Company O - uses printing and shipping vendors in Evanston.

Company P - uses an Evanston accountant and Internet service provider.

Company Q - consults with an Evanston lawyer.

Company R - uses an Evanston bookkeeper, trucking services, and computer services, and uses an Evanston hotel for board meetings and for visitors to stay.
Company S - uses an Evanston accountant.

Company T - uses a marketing firm in Evanston for some of the company's marketing.

Company U - uses no Evanston business services.

Comments from Alumni Companies Surveyed

Company D owner said that there is not enough office space in Evanston suitable for tech companies.

Company F owner said “We feel very strongly that the Incubator helped us out in our early stages. We would like to see it be even more successful.” About the City of Evanston – “We want to see Evanston be more successful in attracting and maintaining technology businesses.”

Company K owner does not have a conference room in her current office space. She said she would like to have access to a conference room in downtown Evanston that she could rent as needed. She said that an advantage of being in the Incubator was access to the Incubator's conference room. She would also like the City of Evanston to make it easier for small businesses to hold meetings. Right now the parking situation is difficult for businesspeople traveling to Evanston to meet with small businesses. She asked if it would be possible to have a special parking pass for business visitors.

Company L owner commented about the Incubator: "we couldn't have done it without you all. We used your conference room and other facilities. It gave us the credibility we needed at a time when this [organization] was just a dream."

Company M owner said that he is "happy to help the Incubator cause."

Company N owner said "we had a good experience in the Incubator."

Company R contact said that "the Incubator was a great jump start" for the company. Another Company R employee said that "we try to use local businesses" for business services.
Marketing and Communications Initiatives

May 1 - July 31, 2010

City of Evanston funding has allowed the Incubator to employ a freelance marketing/communications specialist. This person has:

1. Conducted a survey of Incubator alumni companies in Evanston and prepared a report on survey results.

2. Created and distributed announcements and flyers about the following:
   • two Incubator seminars
   • our inclusion in Forbes' Top 10 list of incubators
   • two Incubator Open Houses

3. Photographed Incubator events for inclusion in newsletters and promotional materials.

4. Updated the tenant directory on www.theincubator.com with links and company descriptions.

5. Updated the Incubator's e-mail mailing lists.

6. Created a print version of the Incubator's spring e-newsletter in .pdf format.

7. Planned and gathered information for the Incubator's summer e-newsletter, distributed on August 17.

Other marketing advances:

We have started using an online newsletter service offered by Incubator tenant company E-Mail Logic. The E-Mail Logic system will allow us to design and distribute a professional-level newsletter, keep better track of who is receiving and reading our announcements, and enable us to better maintain our subscriber address lists.

The Incubator Announces Increase in Bandwidth

The Incubator’s standard offering of Internet bandwidth to its tenant companies has more than doubled. Available commercial-grade bandwidth is now 15 megabits. This increase in bandwidth is part of our goal to become the largest private provider of bandwidth in Evanston. It is within our goal of attracting and retaining high-tech companies in Evanston.
Forbes Names TIC One of 10 Incubators Changing the World

Forbes.com named the Technology Innovation Center to a list of incubators that are changing the world through innovative technology, job creation and positive economic impact. The Forbes.com list is part of a Small Business Survival Guide 2010 special report. Other prominent incubators chosen for the Forbes list include:

- Y Combinator and the Palo Alto Research Center, Silicon Valley
- The Research Park at the University of IL/Urbana-Champaign
- Massachusetts Biomedical Initiatives, Worcester, MA
Incubator Seminar Series

Staying Highly Effective as You Grow, June 24

Linda Toops, founder of Clerestory Consulting (www.clerestoryconsulting.com), met with entrepreneurs at the Incubator on June 24. She presented strategies for sustainable organization growth, reinforced by organization design, process execution, and enabling tools and technologies.

The Basics of Small Business Finance, July 22

Shalom Klein of Moshe Klein & Associates, Ltd. (www.mkabusiness.com) discussed how to maintain business financial records at the Incubator on July 22. He discussed incorporation, financial records, budget and sales forecasting, and startup funds and working capital.
At FTE (Face to Face), from 5:00 to 7:00 pm
Please bring your questions to this free presentation. Afterwards, join us for networking and refreshments.

Cleresory specializes in helping companies change faster than gradual evolution allows to achieve an accelerated pace of change. Most importantly, Cleresory teaches clients how to make sustainable change.

The Incubator, 820 Davis Street, Suite 151 (main office)

Thursday, June 24 at 3:30 PM

"Staying Highly Effective as You Grow"

Join us for...

Is your business on the path to growth in Evanston?
Professional Guidance: Attorney, Accountant, Suppliers, IT
• Budget & Sales Forecasting
• Financial records
• STARTUP funds & working capital
• Setting up your business correctly

Will give a short presentation on the basics of business finance:
Shalom Klein, accounting professional with Moshe Klein & Associates Ltd.

The Incubator, 820 Davis Street, Suite 151 (main office)

This Thursday, July 22 at 5:00 PM

The Basics of Small Business Finance

and some expert advice on maintaining your financial records.

Join us at FFT for refreshments, food from Lulu's Dim Sum.

The Technology Innovation Center
820 Davis Street Evanston, Illinois 60201
The Incubator
Setting Up Your Business Correctly

- Sole proprietorship
- S Corporation
- C Corporation
- LLC (Limited Liability Corporation)

- Start Up Funds & Working Capital

- Initial costs for legal & corporate set up
- Equipment, supplies & inventory
- Working capital to offset your initial loss

- Your Financial Records

- QuickBooks
- Chart of Accounts
- Cash Flow
- Budget vs. Actual
- Profit & Loss Statement
- Taxes

- Budget & Sales Forecasting

  The week
  The month
  The year
  Sales goals & objectives
  Income & expense forecasting
  Create a budget

- Professional Guidance

- Attorney
- Accountant
- Suppliers
- Information Technology

- Q & A
Announcement e-mailed to Incubator tenants about two Incubator Open Houses:

To all Incubator tenants:

Two events are coming up soon where NU faculty, City of Evanston staff, and other community leaders will visit the Incubator and tour our facilities. As part of their visit, we would like to offer a tour of Incubator companies. If you would like your company to be part of the tour, please contact Tim Lavengood at t-lavengood@theincubator.com. See below for details:

1. Downtown Evanston Ribbon-Cutting Ceremony

Where: 820 Davis, Suite 151

When: Thursday, May 20

   Ribbon Cutting Ceremony & Taste of Downtown Evanston, 5:00 pm
   Tours of the Incubator, 5:30 pm

Downtown Evanston will be celebrating its new location at 820 Davis Street with a ribbon-cutting ceremony on May 20, officiated by Mayor Elizabeth Tisdahl. As part of this celebration, we will be giving informal tours of the Incubator and its companies starting at 5:30 pm.

We encourage your company to be part of the tour and welcome City of Evanston staff and other guests to your offices on May 20. Tours will be held every 20 minutes starting at 5:30 pm.

Downtown Evanston provides marketing and management services to the downtown Evanston, IL district and is a 501 (c) (6) non-profit corporation. www.downtonevanston.org

2. Northwestern Entrepreneurship Week Reception

Where: 820 Davis, Suite 151

When: Tuesday, May 25

   Tours of the Incubator, 5:00 - 7:00 pm

The Incubator has agreed to host Northwestern Entrepreneurship Week participants at a reception at the TIC and tour of its facilities. We encourage your company to be part of the tour and welcome NU alumni, faculty, and student entrepreneurs to your offices. Guests will learn more about the Incubator and its companies, and Incubator entrepreneurs will learn about entrepreneurship resources at NU.

Entrepreneurship Week is a joint effort by several NU schools and departments, focusing on entrepreneurship and innovation. The reception at the Incubator will be held the evening before the Kellogg Alumni Entrepreneur Conference, where the Incubator will be a participant.

Please contact Tim Lavengood at t-lavengood@theincubator.com if you would like to participate in either or both tours.
Entrepreneurship Week is a joint effort by several NU schools and departments, focusing on entrepreneurship and innovation.

Entrepreneurship Week resources at Northwestern University.
Entrepreneurship Week partners: Come to meet student entrepreneurs and hear more about entrepreneurship resources at Northwestern University.

The Incubator is hosting a reception for Incubator tenant companies and Northwestern.

Food provided by Lulu’s Restaurant

820 Davis, Suite 151 (Incubator main office)

Today, 5:00 pm - 7:00 pm

NU Entrepreneur Week Reception

You are invited to:
The Incubator Tours

Below are the companies that will give tours and demonstrations. If you are interested in other companies in the TIC tenant list, we will help get you connected with them as well!

**Illumen Group** ([illumengroup.com](http://illumengroup.com)) - Suite 115
Contact: David Charney, CEO
Illumen Group bridges design and technology to create learning, training, and marketing for corporate and academic institutions. They transform content into digital experiences that make learning engaging, memorable, and highly accessible.

**Precision Biomarker Resources** ([precisionbiomarker.com](http://precisionbiomarker.com)) - Suite 216
Contact: David Paul, President
Precision Biomarker Resources provides automated, high-throughput microarray services using the latest Affymetrix GeneChip (R) Microarray platform to expedite the biologic investigations of pharmaceutical, biotechnology and academic researchers. Its founders’ experience and leadership in cancer studies and their commitment to advancing disease research give Precision Biomarker Resources unique insight into the goals of drug and disease investigators who use genomics and genetics services for biomarker discovery.

**Ferveo Technology, Inc.** ([ferveotech.com](http://ferveotech.com)) - Suite 405
Contact: Farrukh Khan, President
Ferveo Technology, Inc. is a technology company that has created a patent-pending technology to provide real-time item level information in retail stores. This technology is seamless to use and install and does not require any changes to the actual items themselves; no tags (as is the case in RFID) are required on the items. By using this solution, retailers and manufacturers will be able to reduce store out-of-stocks, reduce losses due to theft and improve task management overall in the store.

**Invariant Sensor Technologies** - Suite 402
Contact: David Levin
Invariant Sensor Technologies has developed and successfully tested a radically different approach to non-linear signal processing and is now in the process of scaling its computational methodology so that it can be applied to speech signals. The result will be signal processing software that can be attached to the “front end” of any standard speech recognition “engine” in order to make it more speaker-independent and channel-independent.

Presented by

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[The Incubator Technology Innovator Center logo]

[InNUvation logo]

[NEW logo]
The Incubator participated in the following events of Northwestern Entrepreneurship Week (NEW):

- Incubator chairman and several entrepreneurs were panelists at the Farley Entrepreneurship Summit, May 20
- The Incubator hosted an Open House for NEW participants on May 25
- The Incubator exhibited in the Marketplace of the Kellogg Alumni Entrepreneur Conference, May 26

More information about Entrepreneurship Week from the NEW homepage: http://www.northwesternneweek.com/

Northwestern Entrepreneurship Week (NEW)

May 17-26, 2010

Welcome to the first annual Northwestern Entrepreneurship Week! NEW is a testament to Northwestern’s dedication to innovation and collaboration. The week brings together students, faculty, entrepreneurs, and investors with all levels of experience with a central focus on innovating for the future.

Our schedule is full of exciting events including the Northwestern University Venture Challenge business plan competition, the Kellogg Alumni Entrepreneur Conference, workshops for students and discussions with entrepreneurial greats like Chuck Templeton – founder of OpenTable.com. NEW is being hosted by many organizations within the Northwestern entrepreneurship community including InNUvation, the Kellogg Alumni Club of Chicago, The Innovation and New Ventures Office, the Levy Institute for Entrepreneurial Practices and The Incubator in Evanston, which was recently named a top 10 technology incubator by Forbes.
**The Incubator Open House**

Tuesday, May 25 2010, 5:00pm - 7:00pm

**Time:** 5:00pm – 7:00pm

**Location:** The Incubator, 820 Davis Street, Evanston

**Registration:** [Click here](#)

**Cost:** Free

**Host:** The Incubator

**Description:** This event will open up the Evanston Incubator to attendees of NEW and the general public to showcase what The Incubator offers for entrepreneurs. This event will also allow attendees to learn about The Incubators resources and talk with real startups, many of which originated from Northwestern University. The companies will host drinks and appetizers as they discuss their businesses. All individuals interested in entrepreneurship are welcome to join.

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**Kellogg Alumni Entrepreneur Annual Conference**

**Note:** The Incubator was an exhibitor in the Marketplace area of the Conference.

Wednesday, May 26 2010, 7:00am - 5:00pm

**Time:** 7:00am – 5:00pm

**Location:** James L. Allen Center, 2169 Campus Drive, Evanston

**Website:** [Click here](#)

**Registration:** [Register here](#)

**Cost:**

- Kellogg/Northwestern Alum Fee: $119.00
- Non-Alum Fee: $139.00
- Partner Club Member Fee: $109.00
- Faculty/Staff/Student Fee: $29.00

**Hosts:**

- [Kellogg School of Management](#)
- [Larry and Carol Levy Institute for Entrepreneurial Practice](#)
Description:
Our annual conference brings together Kellogg alumni and students, industry experts, and prominent names in academia for a unique opportunity to discuss entrepreneurship, financing strategies, and the latest business and management ideas. Sponsored by Feldco (Doug Cook ’98), this year’s theme focuses on revenue growth strategies that entrepreneurs can utilize in an environment where both budgets and capital are still limited.

In addition to key note addresses, panels will be held at the conference on building a brand on a budget, pricing strategies for entrepreneurial firms, effectively prospecting for new customers, understanding today's consumers better, and obtaining angel funding.

There will also be an academic session taught by a Kellogg professor on how to develop better marketing plans and also a marketplace of products and services from Kellogg-affiliated entrepreneurs and service providers who support entrepreneurs. The Levy Institute hosts a discussion about growth in entrepreneurial firms.
New Incubator Companies

The following companies joined the Incubator between May 1 and July 31, 2010. These 5 companies employ a total of 8 full-time people.

825 Chicago Avenue
GreenSpark Energy Solutions
Tom Wieser, Regional Manager
Contact: twieser@greensparkenergysolutions.com

820 Davis Street
Enspirea – Suite 134
Aki Taira – President

Platinum Consulting Partners – Suite 118
Gene Greiner, Managing Partner

Sociosecure Tech – Suite 409
Priyanshu Harshavat, President

Valence Therapeutics, Inc. – Suite 421
Andrew P. Mazar, Ph.D., Acting CEO
http://www.valencetherapeutics.com/

NU Student Internships at Incubator Companies

Four Northwestern University students interned at the following Incubator companies during the period May 1 - July 31:

Psylotech
Materials Development, Inc.
Engrana, Inc.
Amyntas Capital

Northwestern University Student-Run Companies

Six Northwestern University student-run companies are currently doing business in the Incubator, part of a program sponsored by NU's Farley Center for Entrepreneurship and Innovation. The newest NU student-run company, Team Performance Group LLC, entered the Incubator during the May 1 - July 31 period covered by this report. See the "Student and Faculty Team Contacts" page, below, for a complete list of NU Farley Center companies in the Incubator.
Suite 408

Northwestern Student Holdings (NSH)
Student-Run Businesses at Northwestern University
Team Contact: Chris Lawlor, Weinberg College of Arts and Sciences
ChristopherLawlor2007@u.northwestern.edu

SmartSense Technology, Inc.
Electrical power monitoring and management devices
Team Contact: Carl P. Evans III / Law School and Kellogg / Carl@SmartSenseTech.com
312.545.2063

Team Performance Group LLC
Software and consulting for quantifying overall team performance and individual performance in a team context
Team Contacts: Prof. Luis Amaral, McCormick School of Engineering/ amaral@northwestern.edu
847.491.7850
Daniel McClary, Visiting Scholar, McCormick School of Engineering/dan.meclary@gmail.com

Suite 411/412

Ecco Living, LLC
Environmentally Friendly Products at Low Prices.
Team Contact: Christopher Sell, Weinberg College of Arts and Sciences
847-309-9724 csell@eccoliving.com

Datascope Analytics, LLC
Robust Data Analysis services using methods from the emerging science of Complex Systems.
http://datascopeanalytics.com
Team Contacts: Dean Malmgren, PhD, Michael S. Stringer, PhD, McCormick School of Engineering
m-stringer@northwestern.edu 847-491-7231
dean.malmgren@datascopeanalytics.com

IKNOW, Inc.
Organizational Network Analysis Consulting
Team Contact: Zachary Johnson, School of Communication
508.446.2141 zjohnson@u.northwestern.edu
**Farley Entrepreneurship Summit**

(See file “Farley_Entrepreneur_Summit_brochure.pdf” for official conference brochure)

**TIC chairman, entrepreneurs speak at NU conference about “Overcoming Early Stage Challenges”, May 20, 2010**

The Incubator was well represented at Northwestern University’s **Farley Entrepreneurship Summit** on May 20, which focused on strategies for “Overcoming Early Stage Challenges.” **Chuck Happ**, TIC chairman, represented the Incubator in a panel discussion of ways that NU can encourage the growth of innovation and entrepreneurship.

**Tim Lavengood**, TIC Executive Director, was a judge in the Northwestern University Venture Challenge (NUVC), a competition for NU student-run companies held during the Farley Summit.

The first panel discussion was moderated by **Michael Marasco**, director of the Farley Center. Chuck Happ described the Incubator’s business infrastructure and services available for entrepreneurs. Other panelists included venture capitalists and Incubator entrepreneurs with NU ties.

Happ said “The TIC panelists spoke very highly of their experience at the Incubator. I think this panel was further evidence that the Incubator is one of the best resources around for NU startups, and the panelists agreed that our support and infrastructure offered the best chance to succeed.”

**Verinder Syal**, owner of **Syal Consult** in the Incubator, moderated a discussion on how to bridge “The Early Stage Funding Gap,” referring to the often lengthy period of time between having an idea for a product and finding the people willing to fund its development.

Panelist **Alex Arzoumanidis**, president of **Psylotech** in the Incubator, said “People want to put money into a company when it’s already coming in. It’s difficult to bridge the funding gap between the two.” The panelists discussed the merits of various funding sources. Arzoumanidis warned that searching for funds can quickly become a full-time job for a small company. He recommended that anyone interested in starting a company work for someone else first and save their money. “Go to work for someone else and learn,” he said. “Save your money so that you can grow your company without having to rely on outside funding.”
## Technology Innovation Center

**Receipts and Disbursements**  
Year to Date Through July 31, 2010

<table>
<thead>
<tr>
<th></th>
<th>Actual YTD</th>
<th>Projected Annual</th>
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<tr>
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<tr>
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<td>Parking Fees (NU)</td>
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<td><strong>Total Receipts</strong></td>
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|                  |            |                  |               |
| **Disbursements**|            |                  |               |
| Salaries & Taxes | 27,155     | 57,000           | 97,000        |
| Health Insurance | 9,045      | 17,000           | 15,000        |
| Telephone        | 8,179      | 14,900           | 16,800        |
| Internet         | 10,750     | 18,400           | 18,400        |
| Rent             | 4,800      | 11,000           | 12,000        |
| NU Parking       | 3,502      | 4,300            | 2,600         |
| Membership Dues  | 525        | 750              | 1,000         |
| Professional Fees| 5,180      | 8,500            | 5,000         |
| Bank Transfers   | 62,480     | 32,000           | 0             |
| Payroll Fees     | 900        | 900              | 1,400         |
| General Office   | 824        | 1,250            | 2,400         |
| Marketing        | 2,678      | 7,500            | 12,500        |
| Repairs          | 250        | 500              | 1,000         |
| Supplies         | 6,375      | 7,500            | 3,500         |
| Cellphone        | 324        | 550              | 500           |
| Reimbursements   | 1,180      | 1,200            | 1,000         |
| NSF Checks       | 289        | 500              | 500           |
| **Total Disbursements** | 143,892 | 181,750 | 190,600 |

|                  |            |                  |               |
| **Reserve**      | 9,386      | 12,150           | 12,300        |
Over the past few months the Incubator has hosted several speakers with important messages about using innovative technology to benefit small business. These Incubator seminars described ways to leverage social media and included a visit from Donald Norman, innovative design expert and author of *The Design of Everyday Things*.

**Incubator Entrepreneur speaks at Evanston Google Day Event**

David Charney of Illumen Group spoke at the City of Evanston's Google Day press conference on March 24, in support of Evanston's bid to receive ultra high-speed broadband Internet from Google. The experimental broadband networks will be awarded to selected communities in the U.S., to be chosen by Google later this year.

Illumen Group develops interactive learning and training solutions in the Incubator at 820 Davis Street. Charney says that their work is currently limited by upload and download speed and reliability. "We do a lot with video and 3D animation. Those can take a lot of bandwidth," he said. "We can only test against the bandwidth we currently have. Plenty of companies are in the same boat as us."

Charney said that the Google broadband network would greatly benefit high-tech companies in Evanston and even motivate other companies to come to Evanston with their ideas and innovations. "High-speed bandwidth would help us to attract more companies, create more jobs, and define and drive the innovation that is used here, all over the world, and beyond," he said.

Google recently closed its Request for Information for its community broadband networks. To view Evanston's RFI video submissions, visit the City of Evanston's website at www.cityofevanston.org.

**TIC Success Stories: NeuRDS, Inc.**

NeuRDS Inc. started as a collaboration between students from several different schools at Northwestern University, in a course offered through the Farley Center for Entrepreneurship and Innovation. NeuRDS was awarded a spot in the Incubator after winning the NU Venture Challenge in 2009. The company has flourished in its new location, exceeding its goal for funding in a successful stock offering and developing a prototype for its medical technology.

NeuRDS held its first private stock offering in June 2009. "We were seeking to raise $125,000, but by June 30 we had offers totaling 150% of that amount," said Jacob Babcock, president of NeuRDS. The company will hold a second stock offering in May.

NeuRDS has developed a technology to solve the problem of lead failure in electrical stimulation devices such as spinal cord stimulators (SCS). SCS devices are used to treat chronic pain. A lead is the part of an SCS device that transmits electrical stimulation to electrodes attached to the affected tissue.

Babcock said that SCS devices are not as widely used as they could be. This is partly because 1/3 of SCS devices ultimately fail, leading to corrective surgeries. 62% of these failures are attributable to lead failure. "As a result, the SCS market is only 10% penetrated," Babcock said.

NeuRDS' new technology could change that. "Our technology will significantly reduce or eliminate lead failure in electrical stimulation devices," Babcock said. "Potentially, this technology could be applied to other types of neurostimulation devices as well." NeuRDS is located at 820 Davis Street, Suite 408.
Avery Cohen Presents Social Media Basics for Business

Twitter and Facebook aren't just for letting friends know what you're having for lunch or sharing pictures of your new puppy. Social networking sites can provide real value for your company, according to Avery Cohen, Web marketing specialist at Metrist Partners. At an Incubator seminar on March 18, Cohen described how social media is making it easier for companies to reach out to their networks and talk about their products and services.

**Spreading the Word**
Social media can spread the word about a company or product far beyond the reach of the company's Web site. Social networking can also help drive more traffic to a business Web site. It is even possible to measure the amount of traffic received from social networking sites.

**Twitter: a powerful tool**
Companies can use social media to track exposure and sentiment. "Twitter is a great way to get feedback on what people are feeling," Cohen said. It is possible to search Twitter for mentions of your company or product. "You can chat with thousands or millions of people on this or other subjects," Cohen said.

**LinkedIn: strictly business**
LinkedIn is used to connect with past and present colleagues, as well as to give recommendations. "On LinkedIn, you can utilize not just your own connections, but your contacts' connections," Cohen explained. It is also possible to use both LinkedIn and Twitter like a search engine, searching by keywords to find business resources, professional connections, or online mentions of your company and product.

**Facebook: for your business and social life**
Although Facebook began life as a friends and family social site, it has developed important business uses. It is a good way to share photos and videos of your company and post information about events. It is possible to have a company page on Facebook and to "friend" other companies and colleagues.

Chuck Happ, Chairman of the Incubator, organizes the seminar series that presented Cohen's talk. "We were fortunate to have Avery come to the Incubator to present this important and timely topic as part of our continuing programming for our tech startups," Happ said.
New Incubator Companies at 820 Davis Street

The following companies have joined the Incubator within the past 6 months. Feel free to stop by their offices and give them a warm welcome!

**Abraxis BioScience - Suite 416**
Jonathan Booth, jbooth@abraxisbio.com
www.abraxisbio.com

**Amyntas Capital - Suite 123**
Paul Creatura, President and co-founder
Amyntas Capital is the premier credit and payment solution provider for in-home retailers.
paul.creatura@amyntascapital.com

**Engrana, LLC - Suite 122**
Bill Wangard, President
Engrana LLC is an engineering services consulting company specializing in computational fluid dynamics, heat transfer, and combustion analysis. Computational fluid dynamics is the art and science of using computer modeling to predict fluid motion in the design of products and processes. Engrana specializes in analysis of systems that involve mixing, gas phase and surface chemical reactions, and multiphase flows.
bill@engrana.com
www.engrana.com

**Kring Lerner Group - Suite 413**
Karen Kring, managing partner
Kring Lerner Group specializes in photography, journalism and strategic media for commercial and civic purposes.
karen@kringlernergroup.com, www.kringlernergroup.com

**NewMerica (dba: ImmTerra) - Suite 117**
Scott Rose, CEO; Chelsea McCullogh, CMO
The immigrant community has few options concerning a critical need - information about their legal status. ImmTerra will provide immigration counseling through a national chain of retail stores and an online portal, becoming the largest single point of access to the U.S. immigrant market.

**RFID Sherpas LLC - Suite 116**
Marshall Kay, Principal
RFID Sherpas LLC is a management consulting practice focused exclusively on the retail sector. The company serves retailers and technology providers as an advisor on all facets of Retail RFID, including matters of strategy, project design, implementation, and business case analysis. www.rfidsherpas.com

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Donald Norman, Innovative Design Guru, Visits the Incubator

*Don Norman (left) talks with entrepreneurs about their design issues at the Incubator.*

Donald Norman, author of *The Design of Everyday Things* and a professor at Northwestern University, visited the Incubator to meet with tech companies and facilitate a one-on-one discussion of their design issues. During the half-day session, entrepreneurs described their businesses and Norman gave his input on each entrepreneur's specific design challenges.
Agenda

Thursday, May 20, 2010

1:00 – 2:00 p.m. Welcome and Keynote
Northwestern Room

Introductions: Michael Marasco, director,
Farley Center for Entrepreneurship and Innovation

Welcome: James Farley, ECE’50 and Julio Ottino,
dean, McCormick School of Engineering and
Applied Science

Keynote: Larry Levy, founder and chairman of
Chicago-based Levy Restaurants

2:15 – 3:15 p.m. Panel Discussions
Panel I: Northwestern — Entrepreneurship Catalyst?
Lake Room

Panel II: The Early Stage Funding Gap
Northwestern Room

3:15 – 3:30 p.m. Break

3:30 – 5:30 p.m. NUVC Final Competition Round
Northwestern University Venture Challenge (NUVC)
Northwestern Room

5:30 – 6:30 p.m. Reception and NUVC Winner Announcement
Lake Room
Panel I: Northwestern — Entrepreneurship Catalyst?
Lake Room

The Northwestern community has strived towards becoming a launch pad for collaborative innovation and entrepreneurship. Moderated by a key leader in this movement, this panel will scrutinize its efforts and plans. The panel of venture capitalists, incubators, and successful entrepreneurs invites the audience to join the dialogue about how Northwestern can better leverage its resources, position its student and faculty spin-offs, and inspire risk-taking, innovation and entrepreneurship in its organization and community.

Panelists
Michael Marasco, moderator, Director of Farley Center for Entrepreneurship & Innovation
Bret Maxwell, managing general partner of MK Capital
Charles Happ, chairman, Technology Innovation Center (TIC) – Evanston Incubator
Jacob Babcock, president, NeURDs
Mike Stringer, managing partner, Datascope Analytics, LLC
Zach Johnson, partner, Cyber-Infrastructure for Inquiring Knowledge on the Web (IKNOW)

Michael Marasco, Moderator
director of Farley Center for Entrepreneurship & Innovation

After 20+ years as an intrapreneur and entrepreneur, Michael Marasco joined the full-time faculty of the Northwestern University McCormick School of Engineering and Applied Science as a clinical associate professor and director of the Farley Center for Entrepreneurship and Innovation (FCEI) in January 2007. Marasco founded FCEI to help evolve engineering beyond the application of the sciences to the creation of businesses that capitalize on innovations. Within 18 months of the center’s creation, McCormick alumni and entrepreneur James Farley and his wife, Nancy, endowed it.

Marasco oversees NUvention, a series of programs that expose students to the entire business and product development processes. NUvention has expanded from its initial program in medical innovation to now include web and energy. NUvention alumni have been successful licensing technology to major device companies, as well as raising venture capital.

Marasco continues to be a zero and early stage investor. He currently sits on the boards of Sportiqe, and Context Media. He received his BS in accountancy with high honors from DePaul University and an MBA from the Harvard Business School.
Bret Maxwell managing general partner of MK Capital
Bret is a Managing General Partner of MK Capital. He is also the Managing General Partner on three funds totaling $200 million in committed capital. Bret has been a decision-making partner in six other fully invested funds, representing over $300 million in committed capital. Prior to founding MK Capital, he was the co-founder of First Analysis’ venture capital practice. He has over 20 years of investment experience. Bret’s areas of expertise include outsourced business services, telecom and internet infrastructure, and energy and power infrastructure. He is a graduate of The McCormick School of Engineering at Northwestern University and Kellogg’s Graduate School of Business. He has served as the Chairman of the Illinois Venture Capital Association, and is a director on the board of Mount Sinai Hospital and on the finance committee of the Jewish United Fund.

Charles Happ chairman, Technology Innovation Center (TIC) – Evanston Incubator
As the owner of a real estate investment company and board chairman of the Technology Innovation Center (TIC) incubator based in Evanston, Illinois, Charles (Chuck) Happ brings broad business experience and insight into successful startups and rapid growth strategies. Precision Biomarker is his fourth startup company and the first in biotechnology. His other startups are in water filtration, real estate finance and equipment leasing. Happ became chairman of TIC in November 2004 as the 20-year-old not-for-profit incubator became an independent organization. He has provided new leadership, new infrastructure, new capital, and new office headquarters to help enhance job growth and product development. He also offers TIC and its tenant companies business and financial consulting. TIC now boasts more than 50 technology-based startup client companies in two locations in Evanston.

Jacob Babcock president, NeURDs
Jacob Babcock is president and co-founder of NeuRDS Inc., a development-stage medical device company focusing on the elimination of lead failure in electrical stimulation devices such as pacemakers and neurostimulators. The company started as part of the NUvention: Medical Innovation course at Northwestern in 2008 and has since received numerous honors at business plan competitions, raised its first round of financing, and filed patents to protect its novel technology.

Babcock received a JD from Northwestern University School of Law and a BA in liberal arts and business management from Indiana University. Between undergraduate and law school, Babcock was a Teach For America corps member in St. Louis where he taught high school business classes and coached the school’s football team to its best finish in over 50 years.

Mike Stringer managing partner, Datascope Analytics, LLC
Mike Stringer is a managing partner and co-founder of Datascope Analytics, where he combines technical expertise and good design to extract and communicate valuable insight from large data sets. Stringer received a PhD from the Department of Physics and Astronomy at Northwestern University and is a fellow at the Kellogg School of Management.

Zach Johnson partner, Cyber-Infrastructure for Inquiring Knowledge on the Web (iKNOW)
Zack Johnson is a partner of iKNOW Inc., the social network analysis-consulting firm founded by Nosir Contractor, the Jane S. & William J. White Professor of Behavioral Sciences at Northwestern University. iKNOW Inc. maps, measures, and analyzes communication data to help organizations build better teams, navigate mergers & acquisitions, and develop key talent. In June, Johnson will be graduating with a BS in communication from Northwestern.
Panel II: The Early Stage Funding Gap
Northwestern Room

Technology start-ups need capital investment. Especially at research universities, these teams have trouble attracting pre-seed, pre-revenue funding—when they have neither grants nor a business model. When angels can't help financially, how can entrepreneurs go from lab status to legal status, from a drawing board to a boardroom? Why does this funding gap exist? And what is Northwestern doing about it? This is a taste of the questions the panel will ponder while sharing their experiences with bridging this chasm.

Panelists
Verinder Syal, moderator, President of Syal Consulting
Brad Morehead, executive director, Wildcat Angels
Adam Koopersmith, partner, New World Ventures
John Banta, CEO & managing director, Illinois Ventures
Adarsh Arora, CEO, Athena Security Inc.
Alex Arzoumanidis, president, Psylotech Sensors

Verinder Syal, Moderator president of Syal Consult
Verinder Syal has run both large companies and small ones — such as Quaker Oats, Stella Cheese, Rymer Foods, and Filterfresh. He has bought companies and started one from scratch. He has worked with thousands of people and at other times he has worked alone. He has experienced both success and failure. Syal is an independent thinker, and a leader who has a passion for learning, teaching, helping, and challenging others (as well as himself) to grow. He is an adjunct lecturer at Loyola Graduate School of Business and Northwestern University, where he teaches “Principles of Entrepreneurship” and “Leadership, Ethics and You.”

Brad Morehead executive director, Wildcat Angels
Brad Morehead is currently CFO of Feldco, a growing, entrepreneurial company that is the Midwest’s leading home renewal company, winner of the BBB Torch Award, and two-time recipient of the National Window & Door Company of the Year. Prior to joining Feldco, Morehead worked with Friedman Fleischer & Lowe LLC, a San Francisco-based, middle-market, private equity firm. Before FFL, Morehead worked in investment banking with Goldman Sachs (New York) and Donaldson, Lufkin & Jenrette (Chicago).

Morehead also serves on boards, been a founding investor in, or worked on the start-up team for a variety of other companies in financial services and consumer products. Morehead received an MBA with highest distinction from the Kellogg School of Management at Northwestern University, winning the top student award for the Department of Management and Organizations. Brad completed his undergraduate degree with high distinction in finance at Indiana University’s Kelley School of Business.
Adam Koopersmith  partner, New World Ventures
Adam Koopersmith is a partner at New World Ventures and has been with the firm since 2004. Koopersmith currently manages New World Ventures' investments in Advantage Optics, Inc., Firm58, Inc., and HyperQuest, Inc., and works closely with TopSchool, Inc., Univa Corporation, and Zinch, Inc. Koopersmith also serves on the Investment Committee for the Illinois Innovation Accelerator Fund (I2A), a public-private seed-stage investment fund. Prior to joining New World Ventures, Koopersmith held various senior operating and business development roles at Sportvision, Inc.

Prior to Sportvision, Koopersmith worked at Berkshire Partners, a leading private equity investment firm with $6 billion of capital under management. Before joining Berkshire, Koopersmith worked as an investment banker for Alex Brown (now Deutsche Bank). Koopersmith received his BS in economics with concentrations in finance and international management from the Wharton School at the University of Pennsylvania. He received his MBA from the Kellogg School of Management with concentrations in organizational behavior and decision sciences.

John Banta  director, Illinois Ventures
John Banta serves as the CEO and managing director of IllinoisVENTURES, LLC, and the managing partner of the Illinois Emerging Technologies Fund. Banta is the former president and COO of DigitalWork, Inc., a Draper Fisher Jurvetson, TL Ventures and Dell Ventures portfolio company, having served previously as its senior vice president of corporate and business development. Prior to DigitalWork, Inc., Banta served as vice president of corporate services for UBS PaineWebber (formerly Kidder Peabody), and as a member of the board of directors of the Investment Management Consultant's Association.

Banta serves on the board of directors of Tetrahedrites Biosciences, iCyt Mission Technologies, and Nanodisc, Inc., and serves on the advisory boards of the College of Engineering at the University of Illinois and the Chicago West Side Entrepreneurship Center. Banta earned an MBA in finance and statistics with high honors from the University of Chicago Graduate School of Business. He earned a bachelor's degree in finance from the University of Illinois College of Commerce.

Adarsh Arora  CEO, Athena Security Inc.
Adarsh Arora is co-founder and CEO of Athena Security. Prior to Athena, Arora created, managed, and nurtured three successful start-ups (Lisle Technology Partners, Peritus Software Services and Vista Technologies) to maturity, including an IPO that created a $500 million market capitalization. Arora serves on the boards of the Chicagoland Entrepreneurial Center, the Farley Center for Entrepreneurship and Innovation, and TIE Midwest, of which he is a founding charter member.

He is an elected member of the Economic Club of Chicago and formerly served on the board of AccelChip Corporation. Arora is published widely in scholarly journals and has won best paper awards for his publications. Many of his research contributions relating to relational database technology are widely quoted in standard textbooks. He earned his PhD in computer science from Northwestern University.

Alex Arzoumanidis  president, PsyloTech Sensors
Alex Arzoumanidis founded PsyloTech LLC, a company whose proprietary, game-changing instrumentation impacts fundamental business processes, inventor of PsyloTech's core technologies, Arzoumanidis previously spent five years at Schlumberger, the premier oilfield services company. Positions at Schlumberger included sole materials scientist technical support and senior research scientist at the company's new Materials and Mechanical Sciences research group. His experience in both industry and academia revealed the need for extremely high-resolution, precise instrumentation and provided the tools to pursue the opportunity.

Arzoumanidis completed his doctoral work at the University of Texas at Austin and his undergraduate mechanical engineering studies at the University of Illinois at Urbana-Champaign. He serves as a Segal Design Institute affiliate at Northwestern University and holds a lecturer position in the Department of Mechanical Engineering at the Massachusetts Institute of Technology.
IV. UPDATE OF MICROLOAN FUND PROGRAM ACTIVITIES OF EVANSTON COMMUNITY DEVELOPMENT CORPORATION (ECDC)
Evanston Community Development Corporation (ECDC) has submitted documents to the Economic Development Committee to update the committee on the activities of the Microloan Fund. ECDC was funded at the March 10, 2010 City Council meeting for a total of $80,000. $50,000 was funding from the West Evanston Tax Increment Financing District and $30,000 was funding from the Economic Development Fund.

This fund is a multi-bank/City pooled risk loan fund that provides small loans to businesses and entrepreneurs to Evanston’s minority owned businesses located on the Westside. The loan can provide funds for equipment, real estate or fixed asset project costs that improve the business and working capital if the loan’s purpose is to provide goods or services.

Enclosed documents include a memo from Diane Lupke, Interim Executive Director of ECDC, which summarizes the program. Additional documents are the financial report, fact sheet and policies and procedures.

Diane Lupke will be available at the September 22nd meeting to make a brief presentation and to answer any questions the committee may have.
Date: September 15, 2010

To: Economic Development Committee

From: Diane Lupke, Interim Executive Director

Re: Microloan Program Update

Evanston CDC is pleased to provide this update on its Microloan Program.

1. Loan Committee
The Loan Committee is fully established and meeting regularly. Meetings are held on the second Wednesday of the month. Mr. Michael Corr, Commercial Loan Officer, First Bank & Trust is Chairman. The Committee is very much a working committee with all members participating in developing the materials, setting policies, reviewing loan applications, and interviewing business applicants. All actions and decisions of the Committee are reviewed and adopted or rejected by the Board of Directors.

2. Loan Materials
The following program materials have been developed, reviewed, and approved by the ECDC Board of Directors and are ready for distribution. See attached.

- Microloan Fact Sheet
- Microloan Policies and Procedures
- Microloan Application

3. Marketing
ECDC is just beginning to market the program. Mr. John Fuller, ECDC Vice Chair, spoke to a group of approximately 50 minority contractors offering ECDC’s assistance to build their capacity to bid successfully on NSP2 sub-contracting opportunities. Two contractors approached ECDC after that meeting. The first loan from that group should close this month. A press release announcing the program and the first two loans will be issued as soon as the loans are closed.

A cumulative financial report showing the balance of the loan fund, active loans, and repayments to date is attached.

Evanston Community Development Corporation
PO Box 6599, Evanston, IL 60204 Tele 847.756.0159 Web www.evanstoncdc.org
## Evanston Community Development Corporation, Loan Fund Financial Report

**September 15, 2010**

### Income

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### Disbursements

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<th>Ebony</th>
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### Repayments/Processing Fees

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### Uncollectable Allowance

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<tr>
<th></th>
<th>Now Were Cookin</th>
<th>Fitted Man</th>
<th>Something New</th>
<th>Ebony</th>
<th>Best 1 Built</th>
<th>Total Uncollectable</th>
</tr>
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<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>(350.00)</td>
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<td>(350.00)</td>
</tr>
<tr>
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<td>0.00</td>
<td>(350.00)</td>
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### Other Administrative Transactions

<table>
<thead>
<tr>
<th></th>
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<th>Processing Fees</th>
<th>Now Were Cookin</th>
<th>Fitted Man</th>
<th>Something New</th>
<th>Ebony</th>
<th>Best 1 Built</th>
<th>Total Other Administrative</th>
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</thead>
<tbody>
<tr>
<td>TOTAL CASH</td>
<td>50,000.00</td>
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<td>50,000.00</td>
<td>50,000.00</td>
<td>50,000.00</td>
<td>250,000.00</td>
</tr>
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</table>
Evanston Community Development Corporation
Microloan Fund: Fact Sheet

The Evanston CDC Microloan Fund provides small loans coupled with technical assistance to businesses and entrepreneurs to start-up, modernize, and expand their operations in Evanston.

**Eligible Businesses**
- Any minority or women owned business in Evanston
- Any business operating in Evanston owned by a low or moderate income person or serving low or moderate income Westside residents
- Any Westside business

**Eligible Activities**
- New or upgrade existing equipment
- Capital improvement that increases efficiency or improves profitability
- Employ area low or moderate income workers
- Working capital to fulfill a contract

**Application Process**
1. Contact ECDC for Application Package
2. Complete application and checklist
3. Work with an ECDC approved mentor
4. Attach letter of support from mentor
5. Loan Committee review
6. Loan Committee interview
7. 30 days after receipt of complete application/checklist/supporting documentation and interview

**Minimum / Maximum Loan**
Minimum loan is $500. The maximum loan is $5,000.

**Terms**
$50 Loan processing fee. ‘0’ percent interest rate. 90-day grace period. 20 equal monthly payments.

**Requirements**
- Borrower will maintain a relationship with ECDC and an approved business mentor.
- Borrower will open and maintain a checking account with a local financial institution.
- Borrower will allow its image to be used in various marketing materials.
- Borrower will use the items purchased with this loan for the purposes stated in the application.

**$50 Loan Processing Fee Due Upon Signing Loan Agreement**

**Contact**
For a complete Business Microloan application contact Ms. Precious Wright, Program Manager, 847.756.0159 or pwright@evanstoncdc.com.
ECDC Microloan Fund
Loan Policies and Procedures

The ECDC Microloan Fund is a multi-bank / City pooled risk loan fund. The fund is comprised of funds from several area banks and the West Evanston Tax Increment Financing District #6. Fund balances are held in the name of ECDC in segregated bank accounts. All funders are given the opportunity to have a representative on the loan committee established to oversee the approval of loan requests and the associated disbursements. Repaid loans revolve back into the fund for reuse. None of the loan funds are used for administrative support. Additional funds are provided by each participating bank and other sources to support administration and technical assistance. The process is rigorous to help businesses develop a positive credit history and the financial capacity to ultimately access more substantial funding.

Background
The Evanston Community Development Corporation (ECDC) serves as a catalyst for positive change on the Westside of Evanston. Its programs and services are designed to assist residents to build personal assets, and businesses to grow and expand. ECDC is dedicated to the revitalization of the Westside physically, economically and in spirit.

Research conducted in concert with the Chamber of Commerce and continued by the Kellogg School of Management in 2008 confirmed long held suspicions that Westside businesses are significantly undercapitalized and lack access to traditional financing, technical support, and trained employees. Over the past year, challenges in the banking industry have significantly reduced the ability of area banks to finance small and mid-sized businesses. Even the most fiscally sound businesses have reported their lines of credit reduced and new loans denied. The spotty credit and low incomes of many Westside entrepreneurs and business owners mean even fewer have access to the capital necessary to sustain operations.

Preliminary conversations with various banks and others suggested that there would be interest in alternative lending options for start-up and expanding businesses. However, research on funds nationally exposed the additional need for significant business technical assistance to support the success of loans. ECDC again worked with the Kellogg School of Management at Northwestern University to conduct research into the issues and problems of Westside businesses. As a result, ECDC developed programming to provide Westside businesses with the support they need to sustain and grow: technical assistance, mentoring, and general business support. A pilot equipment grant and microloan project tested the market and the process during 2009. During the pilot, the rigorous process helped businesses to prepare themselves for larger loans and ultimately for traditional bank financing. Mentors worked with grantees and loan recipients throughout the financing process to provide ongoing support, positive reinforcement, and prevent ordinary business challenges from leading to default. The success of the pilot has attracted the resources to establish the current revolving microloan fund.

ECDC’s Business Support Programming
ECDC’s work in economic development is primarily to support and advance existing businesses while creating the environment to attract new business investment. Major past accomplishments include the establishment of the Westside TIF district to establish a source of long term funding for the Westside and the development of the Church and Dodge Business Association, an association of Westside businesses. Primary funding for economic development is through the city awarded federally funded Community Development Block Grant (CDBG) program. Significant in-kind matching funds, in the form of volunteer hours, have been committed from Kellogg School of Management Neighborhood Business Initiative (NBI), Northwestern University Campus Catalyst, and
Kellogg alumni volunteer mentors. First Bank and Trust and North Shore Community Bank have provided funding for the Business Microloan Fund. ECDC has applied jointly with the Evanston Chamber of Commerce for designation as a Small Business Development Center for continuing funding and support for minority and women-owned businesses.

ECDC fills gaps in the business programming available in Evanston and supplements programming that is highly oversubscribed in the region.

ECDC provides assistance to LMI individuals and business owners through five specific vehicles.

- **On-Call Technical Assistance** – Businesses that contact ECDC or are referred to ECDC for support. ECDC provides assistance on the spot if possible, conducts research, contacts others on the businesses’ behalf, provides referrals, and otherwise acts as an advocate and advisor as needed.

- **Business Mentoring** – One-on-one matches of entrepreneurs and experienced business owners and advisors. Mentors work with businesses to define mission, identify market opportunities, formulate business plans, overcome problems, and develop financial plans.

- **Entrepreneurship Training** – ECDC launched its pilot entrepreneurship class in August, 2009. The first participants are with the ex-offender project Second Chance, an initiative of five local churches and ECDC. ECDC focuses on developing businesses that meet the service needs of the Westside, create employment opportunities for Westside residents, and add to the cultural richness of the Westside community.

- **West End Market (WEM)** – The WEM is a virtual incubator that provides convenient access to fresh food and a place for entrepreneurs to market and test their products.

- **Loan Funds** – ECDC oversees the subject microloan fund. ECDC is working to develop a larger fund to fill the gap between those eligible for its microloan fund and traditional bank financing.

**Credit Criteria**

Credit decisions are based upon the following criteria:

1. The small business must meet the eligibility requirements of the program.
2. The small business must show the ability to service the debt.
3. The management of the small business must have the ability to conduct the business and show commitment to the project.
4. The payment history, if any, of the small business with other lenders and creditors must be satisfactory.
5. The credit history of borrowers and guarantors of the loan must be satisfactory.
6. Borrowers with a poor credit history, even including a previous bankruptcy, that are otherwise qualified may not be disqualified from funding if a satisfactory workout plan is developed and implemented with an ECDC approved mentor.

A loan payment will be considered late when the scheduled loan payment has not been received on or prior to the scheduled due date. Late payments will incur the appropriate fees.

**Eligibility Requirements**

- Loans can be made available to any business within the borders of the target area (see attached map) and for women and minority owned business throughout Evanston.

- The purpose of the loan can be for equipment, real estate or other fixed asset project costs that improve the profitability of the business or otherwise sustain and build business operations. The purpose of the
loan may also include working capital if the loan is intended to fulfill a contract secured for goods or services.

Prohibited Loans
- Businesses involved in any type of gaming operations, gambling, pornography, illicit activities or any affiliated activity are prohibited from applying for funds. Any business which has received funds and subsequently derives any portion of their revenue from the previously mentioned activities prior to repaying all principal and fees, shall be deemed to be in default of their agreement.
- Non-profit businesses are not eligible.

Application Process
- The application must be completed and signed by the owner, or owners controlling at least 51% of business ownership, and submitted to the ECDC Loan Officer with a cover letter from the assigned ECDC business mentor.
  - Prospective Applicants should contact the ECDC Loan Officer to be assigned to a business mentor.
- The Loan Officer will review applications for completeness, review any questions with the applicant, and take applications to the next scheduled loan committee meeting, usually within 30 days of receiving a completed application package, including all required documentation as stated on the “checklist”.

Approval and Follow-up
- The Applicant will be required to interview with the Loan Committee prior to approval. The purpose of the interview will be to discuss the Applicant’s business plan and gain an understanding of how the proposed loan will improve the profitability of the business. Additional questions may be asked to clarify information supplied on the loan application regarding credit criteria which will be used to make a funding decision.
- Borrowers will have the benefit of meeting with an assigned member of the the loan committee periodically, minimally semi-annually. The representative will discuss the borrower’s progress, give advice, answer questions, and determine what other services could be helpful to their further success.

Loan Criteria/Structure of Loans

<table>
<thead>
<tr>
<th>Amount:</th>
<th>$500 to $5,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest Rate:</td>
<td>0%</td>
</tr>
<tr>
<td>Repayment:</td>
<td>Loan will be fully amortized in 24 equal monthly installments or the useful life of the asset(s) being acquired, whichever is shorter.</td>
</tr>
<tr>
<td>Collateral:</td>
<td>None, the loans will be unsecured.</td>
</tr>
<tr>
<td>Administrative Fee:</td>
<td>$50.00</td>
</tr>
<tr>
<td>Other Costs/Fees:</td>
<td>Applicant will pay for any out-of-pocket costs associated with the closing and documentation of the loan.</td>
</tr>
<tr>
<td>Late Fees:</td>
<td>If payment is more than 10 days late, Lender may charge Borrower a late fee of up to 10% of payment amount.</td>
</tr>
<tr>
<td>Guarantee:</td>
<td>Loans will be guaranteed by all shareholders/owners of Borrower.</td>
</tr>
<tr>
<td>Disbursement:</td>
<td>Funds will be released upon the receipt of a commercial invoice which shall include the name, address and telephone number of the seller as well as a full description of the items to be purchased. Payment may</td>
</tr>
<tr>
<td>Collection:</td>
<td>If payment is more than 60 days past due, lender may begin collection procedures.</td>
</tr>
</tbody>
</table>
| Other Terms and Conditions: | During the life of the loan, Borrower will:  
- Maintain a relationship with ECDC and an approved business mentor;  
- Prepare a business plan which shall include start-up costs, operating costs and three-year income projections;  
- Open and maintain a checking account with a local financial institution;  
- Allow its image and likeness to be used in various ECDC marketing materials; and  
- Use the items purchased with subject loan for the purposes stated in the transaction. |
| Commitment Expiry: | Commitment will expire 90 days after approval, if no funds have been requested. Borrower may re-apply at any time. |

**Administrative Functions of Program**

**ECDC will:**
- Process the application as provided by the applicant.  
- Take the application before the Loan Committee.  
- Keep a database of all loans approved, closed and funded.  
- Provide quarterly and annual financial statements to all participating lending institutions and funders.  
- Process disbursements and monitor payments.  
- Provide a Loan Officer to become the coordinator of this program and report to the Loan Committee.  
- Market the program through different avenues including a brochure, ECDC website, and community outreach.  
- Make recommendations to the Loan Committee.  
- Ensure businesses continue to work with assigned mentors throughout the term of the loan.  
- Provide a monthly delinquency report to the Loan Committee.  
- Be responsible for the closing of loans, providing the necessary loan documentation, and setting up a monthly automatic payment plan for the borrower, prior to receiving funds. 

**LOAN COMMITTEE will:**
- Review applications and interview prospective applicants.  
- Render decisions on applications (approve, deny, approve with changes).  
- Review any additional requests as submitted.  
- Interview borrowers periodically, minimally semi-annually, and be available to assist the borrower with the continued development of the subject business, when possible.  
- Approve quarterly progress report for distribution to funders.  
- Be comprised of at least five members and the committee must have at least three people present from Loan Committee to review the applications and render decisions.  
- Review and approve Loan Policy and Procedures periodically, minimally annually.
BUSINESS MICROLOAN APPLICATION

INSTRUCTIONS
The business owner must complete this application in order to be considered. All financial information can be filled in with estimates. However, a personal financial statement may be required to support this application.

Please submit the application by email to Ms. Precious Wright pwight@evanstoncdc.com (emailed applications must include an electronic signature), fax 847.475.4503, or by mail to Evanston CDC, PO Box 6599, Evanston, IL 60204. For more information on Evanston CDC please visit our web site www.evanstoncdc.org. If you need assistance, please call Ms. Precious Wright, Program Director, 847.756.0159.

PERSONAL INFORMATION
Name: ___________________________ Email: ___________________________
Home Address: ___________________________ Phone #: ___________________________
City: __________ State: _____ Zip: __________ Mobile#: ___________________________

ELIGIBILITY
To be eligible to receive a loan you must be eligible under at least one of the following categories and be located in Evanston
- Low to Moderate Income Business Owner
- > 50% Women or Minority Owned Business
- Located in or provide benefit to the Westside of Evanston

The more categories under which you are eligible the more favorably your application will be viewed.

Assistance to Low to Moderate Income Individuals:
(Please check all that apply to maximize eligibility)

- One or more owners have a low to moderate income:
  - If checked please see attached LMI worksheet for each eligible owner

- One or more employees has a low to moderate income:
  - If checked please see attached LMI worksheet for each eligible employee

- Other assistance to low to moderate income individuals: (Please Explain)
  ________________________________________________________________
  ________________________________________________________________

- Women or Minority Owned Business:
  - % Women Owned
  - % Minority Owned

Evanston CDC Business Microloan Application 7/10
Benefit to Evanston’s Westside Neighborhood:
(Please check all that apply)

The Westside neighborhood is defined as (Ridge to McCormick/Lee to Greenbay).

- The business headquarters is located on the Westside.
- The business has one or more non-headquarter locations on the Westside.
- The business has customers located on the Westside: (Please Explain)

- The business has suppliers located on the Westside: (Please Explain)

- Other Benefits to the Westside: (Please Explain)

BUSINESS INFORMATION

Name: ________________________________

Type of Business:
- [□] Construction  [□] Childcare  [□] Schools/Institutes  [□] Non-Profit
- [□] Wholesale  [□] Automotive  [□] Professional Services  [□] Barbershop/Salon
- [□] Personal Fitness  [□] Restaurant  [□] Trucking/Hauling  [□] High-Tech
- [□] Retail  [□] Catering  [□] Advertising/Marketing  [□] Other:

Description of Business: __________________________________________________________

Business Address: __________________________ Phone #: _______________________

City: Evanston  State: IL  Zip: _______  County: _______  Fax #: ______________________

Website: __________________________ Business Start-up Date: ________________

Legal Entity:  [□] Sole Proprietor  [□] Partnership  [□] C-Corporation  [□] S-Corporation  [□] Non-Profit

For business other than Sole Proprietorship, list the names and addresses of all individuals with a 20% or greater ownership

<table>
<thead>
<tr>
<th>Name:</th>
<th>% Ownership:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<tr>
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</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

EMployees

Total number of employees including yourself: ________________
Total number of full-time equivalent employees including yourself: __________
Average hourly wage of employees, excluding yourself: ________________
Do any of your employees live on the Westside? ________________
LOAN REQUEST

Maximum Request: $5000

Amount: ______________

Purpose:  □ Equipment  □ Capital Improvement  □ Other______________

Please describe in detail how the loan will be used, including description of items purchased, purchase price, employee hires responsibilities, etc:

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

Please describe how the loan will help the business if received. (i.e., we currently have prospective businesses which we turn down because we do not have the capability to perform the service. The new equipment we would purchase with the loan will help us reach out to these new customers to expand our business.) Please be as specific as possible.

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

Name Your 3 Largest Suppliers:

Name: ____________________________
Address: __________________________
Name: ____________________________
Address: __________________________
Name: ____________________________
Address: __________________________

What supplies do you buy locally?

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

Name Your 3 Largest Customers:

Name: ____________________________
Address: __________________________
Name: ____________________________
Address: __________________________
Name: ____________________________
Address: __________________________

Describe your local customer base.

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________
Other Information

1. Do you have proof of owner equity? (i.e. cash to invest, receipts business purchases) □ Yes □ No
2. Do you have a written business plan including 1 year of cash flow projections? □ Yes □ No
3. Are you a US citizen, or do you have a green card or other proof of residence? □ Yes □ No
4. Did your business make a profit last year? □ Yes □ No

EXPLANATIONS: (Use additional sheets if necessary)

________________________________________________________________________
________________________________________________________________________
________________________________________________________________________

Please list three (3) business references along with their phone numbers and addresses, one reference should be a banker or business counselor.

1. Name: ______________________ Phone #: ______________________
   Address: ______________________

2. Name: ______________________ Phone #: ______________________
   Address: ______________________

3. Name: ______________________ Phone #: ______________________
   Address: ______________________

Referral: How did you hear about the Evanston CDC and the Microloan Fund?
□ Bank □ Job Fair □ West End Market □ Other (explain) ______________________
□ Flyer/Brochure □ Mailing/Email List □ Website □

AUTHORIZATION AND CERTIFICATION:

The Undersigned hereby declares and represents that all statements made in this application and in all supporting documents provided are true and complete.

Name of Microloan Applicant: ____________________________________________
Signature of Microloan Applicant: __________________________ Date________________

Name of Business Mentor: __________________________________________
Signature of Business Mentor: __________________________ Date________________

Only applications completed in their entirety will be considered.
BUSINESS LOAN & GRANT APPLICATION CHECKLIST

Company Name: __________________________________________________

In addition to a completed application please provide us with the following information:

Company Information (required):
(We understand that you may not have this information. If you do not have it, simply provide an explanation i.e. “no tax returns have been completed because business was formed less than 1 year ago”)

1. ____ Business Plan
   If not available, why____________________________________________

2. ____ Last two years corporate tax returns
   If not available, why? __________________________________________

3. ____ Two year projection of income and expenses
   In not available, why? __________________________________________

Additional Information Requested if Available:

1. ____ Last two years of company or CPA prepared financial statements.
2. ____ Most recent company interim financial statements
3. ____ Schedule of existing company debt (creditor, balance, monthly payment)
4. ____ Most recent aging of accounts receivable & accounts payable

Owner Information (for each 20% or more owner of the business or real estate)

1. ____ Personal financial statement
2. ____ Most recent personal income tax returns
3. ____ Copy of driver’s licenses/government issued id (proof of identification is required)

Other Information

1. ____ Detailed breakdown of costs for which the grant/loan has been requested.
2. ____ Pictures or catalog descriptions of the items to be purchased with the grant/loan.
3. ____ Letter from approved business mentor supporting the application.
4. ____ Any other information as required by the application or requested by the Loan Committee.
Low to Moderate Income Eligibility Worksheet

ECDC funders require a declaration of income by our clients. This information does not disqualify you from a loan award. This information is required by our funders and will be kept private.

There are three income limits used for determining program eligibility: 30% of median income, 50% of median income, and 80% of median income. Please circle the number that is closest to your household income by family size.

<table>
<thead>
<tr>
<th>Family Size</th>
<th>80% of Median</th>
<th>50% Of Median</th>
<th>30% of Median</th>
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<td>1</td>
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<td>26,300</td>
<td>15,800</td>
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<td>2</td>
<td>48,100</td>
<td>30,050</td>
<td>18,050</td>
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<tr>
<td>3</td>
<td>54,100</td>
<td>33,800</td>
<td>20,300</td>
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<td>4</td>
<td>60,100</td>
<td>37,550</td>
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<td>64,950</td>
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<tr>
<td>6</td>
<td>69,750</td>
<td>43,600</td>
<td>26,200</td>
</tr>
<tr>
<td>7</td>
<td>74,550</td>
<td>46,000</td>
<td>28,000</td>
</tr>
<tr>
<td>8</td>
<td>79,350</td>
<td>49,600</td>
<td>29,800</td>
</tr>
</tbody>
</table>

Please check off any boxes that apply to you:

☐ I am not a LMI Individual (My family income is above 80% of the Median Income for my family income)

☐ My household exceeds eight individuals

Any explanations:

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________
V. REQUEST FOR FUNDING FOR VARSITY THEATRE FEASIBILITY STUDY
Memorandum

To: Chairman and Members of the Economic Development Committee
From: Johanna Nyden, Economic Development Planner
Subject: Request for Funding from the Varsity Theatre by Downtown Evanston
Date: September 15, 2010

Recommendation

Staff recommends funding Downtown Evanston for up to $50,000 to complete a study that considers the feasibility of rehabilitating and reusing the Varsity Theatre, located at 1706-1710 Sherman Avenue. Staff further recommends funding this project from the Washington-National Tax Increment Financing (TIF) District. Based on the City’s 2010-2011 Adopted Budget, there will be an ending fund balance of approximately $6,095,963 in the Washington-National TIF district.

Background

Enclosed is the request from Downtown Evanston outlining the scope of work, the budget, and information on the project leaders for the Varsity Theatre study. In summary, the project will include a study of the market demand for potential uses of the rehabilitated theatre space and the development of a report that highlight’s the vision for the rehabilitation of the theatre and a plan for moving forward.

Downtown Evanston is requesting funding up to $50,000, but only seeks $34,000 for the initial phases of work. Based on the information collected in the first phases of work, the project leaders and Downtown Evanston will determine how to move forward. At this time, Downtown Evanston and the Varsity Theatre team have not developed a final scope or budget of work for later phases of work.

Following completion of the initial phases of work that are outlined in the attachment, Downtown Evanston will return to the Economic Development Committee to report on the project’s progress and request the release of the final funds for project completion. At this time, Downtown Evanston will provide a detailed scope of work and budget. Funds requested will be within the balance of the requested $50,000 after deducting $34,000 for the first phases of work.

Attachments: Downtown Evanston’s Request for Funds
TO: Wally Bobkiewicz, City Manager  
     Marty Lyons, Asst. City Manager  
     Economic Development Committee & City Council  
FR: Carolyn Dellutri, Executive Director  
DT: September 16, 2010  
RE: Varsity Theatre TIF Fund Request

On August 9, 2010 Downtown Evanston presented an update to Mayor Tisdahl and the City Council regarding the Varsity Theatre project and conducting a feasibility study.

As an update to the first phase of the project, Downtown Evanston has formed a project team consisting of:

- Barbara Butts, Northwestern Theatre Department  
- Jim Corirossi, Downtown Evanston Residents Association and Evmark Board  
- Carolyn Dellutri, Downtown Evanston, Executive Director  
- Alderman Judy Fiske, 1st Ward  
- Dave Galloway, Design Evanston, Architect, Member of the Plan Commission  
- Joan Gunzberg, Evanston Community Foundation  
- Dan Kelch, Chairman of Evmark dba Downtown Evanston Board, Owner of LuLu’s  
- Lucille Krasnow, Northwestern  
- Craig Sklenar, City of Evanston Planner  
- Steve Rogin, representing the property ownership  
- Penny Rotheiser, City of Evanston Arts Council and Arts and Business Committee  
- Heather Schmucker, Northwestern Theatre Department  
- Randy Usen, First Bank and Trust

The above mentioned project team met for the first time on Thursday, September 16, 2010 with Kennedy Smith our consultant from the Community Land Use and Economics Group. The first phase of the project includes initial phone conversations between Kennedy and those key persons identified by the project team as well as preparation of general estimates of market demand for various potential uses of the theatre (performing arts, film exhibition, instruction, conferences, etc). This should be completed by the end of October.

Phase two of the project to be completed by end of January 2011 would be the creation of a resource team and vision development. This would include three people with specialized theatre skills.

- An architect with significant experience in theatre rehabilitation projects and “atmospheric” theatres  
- A theatre programming expert.  
- A theatre rehabilitation finance and fundraising expert.

The team would spend 2 to 3 days in Evanston. It would spend its first half day becoming familiar with the theatre and environs, the District, and the community through
tours and discussions. Over the course of the next two days, the team would work individually and together to gather information and explore potential scenarios.

The centerpiece of the team’s work would be a several-hour-long session with a selected group of participants to articulate a vision for the theatre’s future. By having this small team of theatre experts on hand during the vision development session, we can help ensure that the vision that emerges is informed, to the extent possible, by a practical understanding of the building’s and the market’s opportunities and constraints and that the vision will therefore be a realistically achievable one.

Phase three of the project would be completed by end of February with a final report. Before leaving Evanston, team members would prepare outlines of their recommendations and leave them with Kennedy Smith. Within several weeks of the team’s visit, she would then compile their recommendations, along with other pertinent information, into a report outlining the group’s collective recommendations for turning the community’s vision for the Varsity into reality. The outcome of this project will not be a detailed plan for the theatre’s rehabilitation, programming, and operation, of course, but it will provide strategic direction and suggestions of specific actions for beginning the process.

Attached you will find the proposal and bio from Kennedy Smith of the Community Land Use and Economics Group. Kennedy has an extensive background in downtown revitalization, historic preservation, urban planning and theatre rehabilitation. The total project cost for phases one thru three is $39,000 and the Varsity Theatre Ownership is paying for phase one.

Downtown Evanston is requesting up to $50,000 from the Washington National TIF that had been previously approved by the City Council for this project. We are requesting an initial $34,000. Downtown Evanston will keep the Economic Development Committee and the City Council apprised of the project on a regular basis and will come forward with a vision by the end of February 2011. Once a vision has been presented we will then come forward with a recommendation of next steps and at that time may request the additional funding.

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<thead>
<tr>
<th>Phase</th>
<th>Cost</th>
<th>Funding Source</th>
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<tr>
<td>Phase One</td>
<td>$5,000</td>
<td>Varsity Theatre ownership</td>
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<tr>
<td>Phase Two &amp; Three</td>
<td>$34,000</td>
<td>Wash. Nat. TIF</td>
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</tbody>
</table>
Project Team Member Bios

**Barbara Butts**  Prior to coming to Northwestern University, Barbara Butts worked for seventeen years as a professional stage and production manager. Her regional theater credits include work at the Goodman Theatre, Missouri Rep., Asolo Theatre, Children’s Theatre Company and Lookingglass Theater. Butts is a member of the Actor’s Equity Association. Throughout her work in the theater industry, she has had the honor of working with such directors as Robert Falls, Michael Maggio, Lloyd Richards, Kyle Donnelly, Sheldon Epps and Mary Zimmerman, and designers such as Santo Loquasto, Tom Lynch, John Lee Beatty and Virgil Johnson. Production management experience includes work with Lookingglass Theater Company, The Chicago Triathlon, Artistic Circles at the Field Museum and the Northwestern University Theater & Interpretation Center.

**James Corirossi**  Jim is a Partner at Chicago Energy Solutions, LLC, with past experience including roles as owner/broker at JPC Equities, Inc. and sales manager with IBM Corporation. He is the President of the Board for the Evanston Downtown Residents Association and President of the Church Street Station Condo Association. Jim is a member of Live Theater in Evanston Committee and member of Recruit and Retain Businesses for Evanston Committee.

Jim is currently involved with an organization called the Saints - Volunteers for the Performing Arts. The mission of the Saints is to help the not-for-profit performing arts community of the Chicago-land area. With 2000+ members, their most visible presence in the arts community is providing volunteer ushers to theater companies. The Saints also, through membership and benefit fundraising, provide direct financial grants to not-for-profit companies to support special artistic and capital projects in a competitive, annual program. Jim is a member of the Saints Financial Advisory Board, member of the Benefits Committee, and participates in voluntary work at individual theaters.

**Judy Fiske, 1st Ward Alderman, City of Evanston**  Judy is co-owner of Fit + Frisky!--a retail pet supply store in downtown Evanston. Opened in April 2007, the store is a successful model for attracting locally owned businesses to the downtown.

Judy has been an active participant in civic affairs here for more than two decades. She has served the community in many capacities, including president of the Preservation League of Evanston, trustee of the Evanston Historical Society, founding board member of the Northeast Evanston Historic District Association, associate member of the Evanston Preservation Commission, co-editor of the City of Evanston's Preservation News, treasurer of the Frances Willard Historical Association, founding member of Friends of The Georgian, member of the Kendall College Task Force, and appointee to the Police Services Advisory Board.

She is co-author of The Northeast Evanston Historic District and has written landmark nominations for The Georgian Hotel and Kendall College's Wesley Hall. Judy has written on and spoken frequently to community groups, local and statewide organizations about zoning, land use, adaptive reuse and rehabilitation issues.

From 1985 to 2005, she was a licensed Realtor in Chicago and the North Shore. As alderman, Judy serves on the city's Economic Development, Parking, and Human Services Committees. She and her husband, Jonathan, live in a landmark house that they restored.

**David Galloway AIA, LEED AP**  David has had, and fostered, an interest in Architecture and Urban Design for over thirty-five years. He has been a practicing architect for over thirty years, designing and constructing a wide diversity of project types that include single and multi-family residences, commercial and retail developments, institutional buildings and corporate interiors. Recently he has expanded that experience to include historic building repair and restoration, and after becoming a LEED Accredited Professional has expanded his efforts to include sustainable design. He has
long had an abiding interest in Urban Planning and Design, having studied American and European New
Towns, and earned the Earl Prize at the University of Illinois for writing the program for and the design of
a New Town.
David grew up in Park Forest, Illinois, achieved a B.A. in Architectural Design from The University of
Illinois at Urbana-Champaign and an M.A. from Loyola University. He has lived in Evanston since 1983
and taken an active interest in the town’s development for nearly twenty years. He has been past Chairman
of the Evanston Preservation Commission, is presently a Plan Commission member and participated in The
Downtown Plan Subcommittee. He will also be participating in the rewriting of the Evanston
Comprehensive Plan. He has been a member of Design Evanston for the last twenty years, serving as its
President for the past ten years. As President of Design Evanston David has increased membership two-
fold, restored its annual awards program, facilitated many forums on Good Design, and strengthened its ties
with The Evanston Chamber of Commerce and many City Departments. David believes in maintaining
Evanston’s unique character, open space and lakefront amenities while developing its downtown and
transportation node areas with responsible, high quality, higher density mixed-use transit oriented
developments.

Joan Gunzberg: Joan will be representing the Evanston Community Foundation on the committee. She is
a Board Member and Chairs the Community Engagement Committee. Joan recently retired, after 20 years
as Executive Director of the Arts & Business of Chicago. This capacity building organization works with
arts nonprofits throughout metro Chicago, providing them with pro-bono consulting teams, trained board
members, marketing and governance workshops, and self assessment tools. They involve trained business
professionals in the delivery of their programs and have worked with dozens of Evanston arts groups over
the years. Joan and her family have lived in Evanston for the past 27 years.

Dan Kelch is the owner of Lulus Restaurant in downtown Evanston; the President of the Board of
Directors for Downtown Evanston; on the Board of Directors for the North Shore Convention and Visitor's
Bureau, and on the Board of Directors for the North Shore Center for the Performing Arts. Dan studied
theatre production at the college level and early in his career, worked in sound, lighting and set construction
at the Interlochen Arts Academy.

Lucile Krasnow For the past ten years, Lucile has served as the Special assistant for community relations,
at Northwestern University. Prior to that, she owned a business in downtown Evanston for 13 years during
which time she was active in the Chamber of Commerce, serving as president for two years. She has lived
with her family in Evanston for more than 30 years, and has volunteered for many organizations. Lucile
currently serves on more than a dozen boards and advisory boards in the community including Evanston
Community Foundation, Downtown Evanston, Chicago’s North Shore Convention and Visitor's bureau and
the Evanston Rotary Club. She holds a BA from university of Michigan and an MA in Community
Organization from University of Chicago.

Craig Sklenar's experience in the public and private sector of urban planning and urban design spans over
five years. He joined the City of Evanston’s Planning and Zoning Division staff in May of 2009. His
project experience includes a diverse variety of city comprehensive planning for rural and large
communities, planning of new residential and commercial developments, transportation-related urban
design and planning, and real estate financial processing. Craig’s education from Ball State University and
the University of Colorado at Denver in urban planning and urban design provides him with a broad
understanding of complicated planning issues and the built urban form as well as facilitating the public
approval process essential in planning.

Steven Regin For the past 10 years, Steven has focused on the investor and management side of Real
Estate, predominantly on the North Shore and Evanston. Going one step further, having married into a
family of Architects, Steven has been drawn to older buildings that display an element of character and
charm that distinguish themselves from other properties.
Prior to entering the investment and management side of real estate, Steven spent 4 years as a Retail Broker with CBRE focusing on the Loop and North Michigan Avenue sub-markets.

Steven began his professional career as an entrepreneur. As a Senior in College, Steven began a wholesaling company that sold into the gift and novelty retail market. After selling the business to his partner (aka - his sister), Steven entered the manufacturing and printing industry and spent the next 12 years in various operations and sales positions before beginning his Real Estate career.

**Penny Rotheiser**  An active volunteer on Chicago’s North Shore, Rotheiser heads the Evanston Arts Council’s Arts & Business Committee, serves on the Executive Committee of the Women’s Board of Skokie Hospital, and formerly was president of the Associates Board of Apple Tree Theatre in Highland Park.

Rotheiser’s professional career spans a variety of communications jobs. She was Director of Publicity for Phil Donahue’s internationally-syndicated talk show for over 14 years, in Chicago and New York. Earlier, she worked for ABC-TV in Chicago and handled public relations for Chicago nightclubs.

She resides in Evanston.

**Heather Schmucker** is the Producing Director for The American Music Theatre Project at Northwestern University, a program that develops new musicals by professional artists and engages Northwestern students in the development process. She is a board member at About Face Theatre, where she spent eight years on staff, most recently as Interim Executive Director. At About Face, she produced new work by leading artists including Stephen Flaherty, Lynn Ahrens, Moises Kaufman, Mary Zimmerman, Eric Rosen, and Frank Galati, among others. At About Face, Heather had the pleasure of collaborating with many of Chicago's leading cultural institutions including Steppenwolf, Lookingglass, The Goodman, Victory Gardens and the Museum of Contemporary Art. Heather is the recipient of the Jane Chambers Award from the Women & Theatre program of ATHE and she is a board member of the League of Chicago Theatres and of Season of Concern. She has served as a panelist for the National Endowment for the Arts' Access to Artistic Excellence grant and she currently serves on the festival committee for the National Alliance for Musical Theatre Festival in NY.

**Randall (Randy) A. Usen**  Randy was born in Chicago, Illinois, grew up in Skokie/Evanston area, and currently resides with his wife and two children in Vernon Hills, IL, where they have spent the last 21 years. Randy graduated from Northern Illinois University in 1980 with a BS in Finance and in 1986 with an MBA in Finance from DePaul University.

Randy started in Banking in 1980 with Continental Bank as an internal and then external auditor, and has been in commercial banking for 30 years. The last 24 years he has spent as a commercial lender and in business development. Randy has spent the last 12 years as a Senior Vice President for First Bank & Trust, and specializes in lending for small and medium sized businesses. He was the first fully dedicated commercial lender hired by the bank in its 3rd year of operation. He has held previous roles with Old Kent (F/K/A Unibanctrust), LaSalle Bank and Bank One.

Randy currently holds positions on two not for profit boards: Housing Options For The Mentally Ill and SomerCor 504 (SBA Lender). Randy has been a Rotarian for over 15 years as part of the Evanston Lighthouse Rotary Club, has served on the board of Seniors Action Service Inc. (Evanston) for 10 years, 5 of which he held the position of Treasurer.

Randy enjoys outdoor sports including canoeing, camping, cycling, golf and softball and has coached little league baseball for 12 years.
September 15, 2010

Carolyn Dellutri, Executive Director
Downtown Evanston
820 Davis St., Suite 151
Evanston, IL  60091

Via e-mail: cdellutri@evanstondowntown.com

#2010-29
AGREEMENT FOR CONSULTING SERVICES

THIS AGREEMENT is entered into by and between The Community Land Use and Economics (CLUE) Group, LLC, a consulting firm whose mailing address is PO Box 2345, Arlington, Virginia 22202-0345, and Downtown Evanston, whose mailing address is 820 Davis Street, Suite 151, Evanston, Illinois 60201.

The CLUE Group provides consulting services to public- and private-sector entities interested in strengthening historic and traditional commercial districts, minimizing sprawl development, preserving historic buildings, and cultivating independent businesses. The staff of the CLUE Group has extensive experience helping communities make sound, informed decisions about community development, retail development strategies, and historic preservation, and is dedicated to providing practical results that reflect community and economic development realities.

Understanding
It is our understanding that Downtown Evanston wishes to explore options for rehabilitating and reusing the Varsity Theatre in order to create a catalyst for economic development activity in downtown Evanston, and that it therefore wishes to engage the CLUE Group to help it with this process.

In consideration of the foregoing and the mutual covenants and agreements contained in this Agreement, Downtown Evanston and the CLUE Group have agreed as follows:
Term
This Agreement will be effective as of October 1, 2010 and will be in effect through March 31, 2011, unless both parties mutually agree to amend the concluding date.

Services to be provided by the CLUE Group
Working in close cooperation with Downtown Evanston, the CLUE Group will provide the following services:

1. **Initial research:** The CLUE Group will conduct 8 to 15 telephone interviews with people who, either individually or on behalf of organizations they represent, may have interest in or information about the theatre’s reuse possibilities. These interviews will include representatives of major Evanston-based institutions, performing arts groups, cultural organizations, the state historic preservation office, and others. The CLUE Group will also prepare general estimates of market demand for various potential uses of the theatre (performing arts, film exhibition, instruction, conferences, etc.).

2. **Resource team and vision development:** The CLUE Group will assemble a team of three people with specialized theatre skills, to be selected after the initial phone interviews have been conducted. Team members might include an architect with significant experience in theatre rehabilitation projects, a theatre programming expert, and a theatre rehabilitation finance and fund raising expert, for example.

   The team will spend 2 to 3 days in Evanston. It will spend its first half day becoming familiar with the theatre and environs (including the adjacent north parcel), the District, and the community through tours in discussions. Over the course of the next two days, the team will work individually and together to gather information and explore potential scenarios.

   The centerpiece of the team’s work will be a several-hour-long session with a selected group of participants to articulate a vision for the theatre’s future. By having this small team of theatre experts on hand during the vision development session, we can help ensure that the vision that emerges is informed, to the extent possible, by a practical understanding of the building’s and the market’s opportunities and constraints and that the vision will therefore be a realistically achievable one.

3. **Report:** Before leaving Evanston, team members will prepare outlines of their recommendations and leave them with the CLUE Group. Within several weeks of the team’s visit, the CLUE Group will compile their recommendations, along with other pertinent information, into a report outlining the team’s collective recommendations for turning the community’s vision for the Varsity into reality. The outcome of this project will not be a
detailed plan for the theatre’s rehabilitation, programming, and operation, but it will provide strategic direction and suggestions of specific actions for beginning the process.

Materials and services to be provided by Downtown Evanston
Downtown Evanston agrees that, promptly upon the execution of this agreement, it will provide the CLUE Group with necessary studies, site plans, demographic information, names and contact persons, and any other information that the CLUE Group may reasonably request. Downtown Evanston agrees to comply with all reasonable requests of the CLUE Group and provide access to all documents reasonably necessary to the performance of the CLUE Group’s duties under this Agreement.

Compensation
1. As compensation for all services performed under “Services to be provided by the CLUE Group,” above and for reimbursement of the actual cost of direct expenses reasonably incurred in the performance of this agreement, Downtown Evanston agrees to pay the CLUE Group a fee not to exceed Thirty-Nine Thousand Dollars ($39,000).

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<thead>
<tr>
<th>Service</th>
<th>Fees</th>
<th>Expenses</th>
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<td>Initial research</td>
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<tr>
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<td>Fundraising and financing specialist</td>
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<td>Final report</td>
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<tr>
<td><strong>Total</strong></td>
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2. As compensation for any further work explicitly requested and authorized by Downtown Evanston outside the scope of services of this Agreement, Downtown Evanston agrees to pay the CLUE Group Two Hundred Dollars ($200) per hour.

Payment
a. The CLUE Group will bill Downtown Evanston monthly for work performed in the preceding month.

b. All payments for compensation and expenses will be sent to:

The CLUE Group, LLC
c. Payment is due within thirty (30) days of receipt of an invoice from the CLUE Group. A charge of 1.5% per month of any unpaid balance will be applied to all invoices not paid within 30 days.

Representatives
Kennedy Smith is hereby designated as the representative of the CLUE Group and is authorized to exercise the general direction, supervision and administration of the performance of this agreement on its behalf.

Caroly Dellutri is hereby designated as the representative of Downtown Evanston and is authorized to exercise the general direction, supervision and administration of the performance of this agreement on its behalf.

Limitations and conditions
a. Retail market analysis and derivative business development plans provide important guidance on how the area’s commercial centers should, theoretically, be able to perform and on the sales and rent levels businesses should be able to achieve. However, a number of factors affect the actual performance of retail businesses and commercial centers, including the skills of the business operator, level of business capitalization, quality of the physical environment, changes in overall economic conditions, and numerous other factors. Downtown Evanston agrees that the CLUE Group is not responsible for the success or failure of the district’s businesses as a result of the information the CLUE Group provides and the recommendations it makes.

b. The services described in this agreement are for quantitative retail and planning analysis only, and should not be used as the sole basis of development, financing, or leasing. Actual site, building, parking, utility, environmental, grading, civil engineering, architectural plans, and construction documents are not included within the scope of work of this proposal and are to be completed by others.

c. Downtown Evanston agrees that the CLUE Group is not furnishing investment advice or underwriting services and that all decisions relating to whether and in what manner to implement this project will be made exclusively by Downtown Lee’s Summit Main Street, Inc.

Downtown Evanston agrees that it will not misrepresent the role of the CLUE Group orally or in any written materials relating to this project.

d. The CLUE Group is furnishing its services under this agreement as an independent contractor, and nothing in this agreement creates any association, partnership or joint
venture between the parties, nor any employer/employee relationship. The CLUE Group retains the right to perform services for others during the term of this agreement.

e. It is understood and agreed that, in carrying out its services hereunder, the CLUE Group is authorized to subcontract with such subcontractors as the CLUE Group may deem appropriate. The CLUE Group will be solely responsible for compensating the subcontractors according to the terms of this agreement and its agreement with the subcontractors.

f. Downtown Evanston agrees to defend, indemnify and hold the CLUE Group and its officers, employees and agents harmless from and against any liability or responsibility for any claims, damages, expenses or costs arising out of any of Downtown Evanston’s acts or omissions in the performance of this agreement.

g. The CLUE Group agrees to defend, indemnify and hold Downtown Evanston, its officers, employees and agents harmless from and against any liability or responsibility for any claims, damages, expenses or costs arising out of any of the CLUE Group’s acts or omissions in the performance of this agreement.

h. If this Agreement is returned by Downtown Evanston to the CLUE Group later than 30 days from the effective date of this Agreement, the terms and conditions contained herein are subject to change, including pricing and performance dates.

i. This agreement will not be enforced by either party until each party has in its possession a copy of this agreement signed by the other party.

j. No amendment, modification or waiver of the terms or conditions of this agreement will be valid unless in writing and signed by both parties.

k. This agreement will be binding upon and will inure to the benefit of the parties, their successors and assigns.

l. The CLUE Group’s responsibility to any errors or omissions is limited to the fees invoiced for the services outlined in this Agreement

m. This Agreement will be governed by the laws of the Commonwealth of Virginia.

n. All claims, disputes and other matters in question arising out of, or relating to, this Agreement will be decided by an arbitrator; said arbitrator will be appointed by the American Arbitration Association and arbitration shall occur in Arlington County, Virginia.

o. In the event of termination or suspension due to the fault of others than the CLUE Group, Downtown Evanston will pay the CLUE Group in full for all completed work, plus other fees which may have been authorized by Downtown Evanston for expenses resulting from such termination or suspension.
This Agreement represents the entire and integrated agreement between the CLUE Group and Downtown Evanston and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both the CLUE Group and Downtown Evanston.

Information derived from this project is solely for the benefit and use of Downtown Evanston and will not be shared by the CLUE Group with any other entity without the expressed written consent of Downtown Evanston.

IN WITNESS WHEREOF, the parties have executed this Agreement with the signatures of their duly authorized representatives, effective as of the date written above.

The Community Land Use and Economics Group, LLC

Date: 9/16/2010
By: __________________________
Kennedy Smith
Principal

Downtown Evanston

Date: ________________
By: __________________________
Carolyn Dellutri
Executive Director
Kennedy Lawson Smith

PROFILE

Kennedy Lawson Smith is one of the nation’s foremost experts on commercial district revitalization, main street economics and independent businesses, and a prominent spokesperson for economically and environmentally sound community development.

After serving as director of Charlottesville, Virginia’s downtown revitalization organization in the early 1980s, Kennedy created a retail market analysis methodology specifically for older commercial districts and that is now used in downtown revitalization programs throughout the United States. She joined the staff of the National Trust for Historic Preservation’s National Main Street Center in 1985 and became its director in 1991, a position she held for 13 years. During her tenure the Main Street program was recognized as one of the most successful economic development programs in the US, generating $18 billion in new investment and stimulating development of 226,000 new jobs and 56,000 new businesses and expanding to a nationwide network of almost 2,000 towns and cities, with additional programs in Australia, Canada, New Zealand, Singapore, Taiwan, and the UK.

In 2004, Kennedy and several colleagues launched the Community Land Use and Economics Group, LLC, a private consulting firm that helps civic leaders gather and apply market information to successfully cultivate locally owned businesses, strengthen community development programs and policies, improve main street revitalization efforts, and enliven downtowns. She also teaches graduate-level classes in historic preservation economics for Goucher College.

Kennedy has been featured in news media ranging from the New York Times, Business Week, Forbes, Governing, NPR and Red Herring to “Donahue,” “CBS Sunday Morning,” and Public Radio International’s “Marketplace.” She has written numerous articles on the economic dynamics of traditional business districts and is a popular international speaker on small businesses, retail development policy, and commercial district development issues. In March 2002, Fast Company magazine named her to its first-ever list of “Fast 50 Champions of Innovation,” recognizing “creative thinkers whose sense of style and power of persuasion change what our world looks like and how our products perform.” In May 2004, the National Trust for Historic Preservation recognized her achievements with its President’s Award, for her “leadership and vision ... in creating one of the most admired and successful preservation programs in the country.” She was a 2005-2006 Loeb Fellow at the Harvard Graduate School of Design. In 2009, Planetizen.com included her in its first list of “100 Top Urban Thinkers"
PROFESSIONAL EXPERIENCE

2004+ Principal, The Community Land Use and Economics (CLUE) Group, LLC
The CLUE Group focuses on helping community leaders, developers, and businesses gather and apply market information to successfully strengthen downtowns. Major assignments include economic impact studies, downtown business development strategies, marketing plans, and retail market analyses.

Adjunct Professor in Historic Preservation, Goucher College

2004-2005 Executive Director, League of Historic American Theatres

1991-2004 Director, National Main Street Center, National Trust for Historic Preservation

1987-1991 Program manager, National Main Street Center, National Trust for Historic Preservation

1985-1987 Program associate, National Main Street Center, National Trust for Historic Preservation

1983-1985 Executive director, Downtown Charlottesville, Inc.

EDUCATION


1982 University of Virginia School of Architecture, Charlottesville, Virginia. Graduate study in architectural design and historic preservation

AWARDS AND HONORS

2009 "Top 100 Urban Thinkers", Planetizen.com

2006 Harvard University Graduate School of Design, Cambridge, Massachusetts. Loeb Fellowship.

2004 President’s Award, National Trust for Historic Preservation

2002 “Fast 50 Champions of Innovation”, Fast Company magazine

2000 Mayor’s Award, City of Boston

1995 Innovation Award, American Society of Landscape Architects
PUBLICATIONS (selected)

Books, book chapters, and white papers

“Improving Commercial Dynamics” and “Funding Sources”, in Revitalizing Neighborhood Main Streets, National Trust for Historic Preservation, 2009

“Pedestrian Malls” and “Movie Theatres and Main Streets”, in The Encyclopedia of Urban History, Sage Publications, 2007

Community Design Assessment, National Trust for Historic Preservation (with Leslie Tucker), 2006

Better Models for Urban Supermarkets, National Trust for Historic Preservation (with William Neuendorf), 2005

“The Main Street Program”, in L’Approccio Integrato Alla Qualificazione Urbana: Modelli e Strategie di Urbanistica Commerciale, Celid/Regione Piemonte, 2004


Revitalizing Downtown, National Trust for Historic Preservation (with Kate Joncas and Bill Parrish; ed. By Suzanne Dane and Linda Glisson), 1988; rev. 1991, 1994

The Main Street Board Member’s Handbook, National Trust for Historic Preservation, 1989; rev. 1994, 2001

Market Analysis for Main Street, National Trust for Historic Preservation, 1989

Articles

“Greening Main Streets”, Main Street News, May 2009.

“Federal and state historic rehabilitation tax credits”, Communities and Banking, Federal Reserve Bank, Fall 2008


“You Say You Want a Devolution?”, Local Economy, spring 2008.

“Historic Preservation and Community Development”, Communities and Banking, Federal Reserve Bank, Summer 2007

“Rescuing and Rehabilitating Main Street Theatres”, Main Street News, 2006

“Using Tax Credit Equity to Finance Historic Theatre Rehabilitation”, inLEAGUE, Spring 2006

“Insuring Historic Theatres”, inLEAGUE, Fall 2005

“Eight Tips for Attracting Small Businesses to Your Downtown”, Virginia Main Street News, Fall 2004

“The Road Ahead”, Main Street News, June 2004

“New Federal Tax Credit Program Hits the Streets”, Community Reinvestment Forum, Fall 2003

“Cover Me!”, Main Street News, August 2003

“The Future of Main Street”, Main Street News, July 2003

“Numbers Talk”, Main Street News, March 2003

“The New Markets Tax Credits: An Introduction”, Main Street News, August 2002

“The Last Picture Show”, Main Street News, June 2001

“Measuring Main Street”, Main Street News, March 2001


“Ultimate Work Planning: The High-Performance Organizational Tool for the Next Decade”, Main Street News, December 1999

“The Rubber Hits the Road: Putting Your Market Analysis to Work”, Main Street News, December 1998

“Show Me the Money! Raising Money for Revitalization”, Main Street News, March 1998

“Keeping the Post Office Downtown”, Preservation Forum Journal, Volume 3/Number 5, July/August 1997 (with Laura Skaggs)


“Main Street at 15”, Preservation Forum Journal, Volume 9/Number 3, Spring 1995
PROFESSIONAL PRESENTATIONS (selected)

Speeches

“Cool new economic development tools”, National Main Streets Conference, Oklahoma City, Oklahoma, May 2010

“Communities and today’s economy: trends and facts”, keynote speech for Georgia Department of Economic Development’s entrepreneurship conference, Milledgeville, Georgia, February 2010

“Preservation economics”, keynote speech for Profiting from Preservation, Columbus, Georgia, August 2009

“The future of main street”, keynote speech for Missouri Main Street Connection's annual conference, Kansas City, Missouri, August 2009

“Economic sustainability”, keynote speech for the National Road Heritage Corridor, Laurel Highlands, Pennsylvania, April 2009

“The road ahead”, keynote speech for the annual conference of the New Jersey chapter of the American Society of Landscape Architects, Atlantic City, New Jersey, January 2009

“Creating vibrant commercial districts”, keynote speech for the Downtown Summit, Pasadena, California, June 2008

“Community sustainability”, keynote speech for the Iowa SMART conference, Des Moines, Iowa, May 2008

“The road ahead”, keynote speech for the Association for the Preservation of Geneseo, Geneseo, New York, March 2008

“Making revitalization work”, keynote speech for the International Council of Shopping Centers, Portland, Oregon, February 2008

“Making downtown work”, speech for Greater Peterborough Economic Development Corporation workshop, Peterborough, Ontario, November 2007

“The road ahead”, keynote speech for the Texas Downtown Association conference, Fort Worth, Texas, October 2007

“The future of downtown”, keynote speech for the Michigan Downtown Conference, Traverse City, Michigan, September 2007

“Successful communities”, keynote speech for the Preservation Trust of Vermont, Montpelier, Vermont, May 2007
“Bridges to better business”, keynote speech for the Ontario Ministry of Agriculture, Food, and Rural Affairs, Belleville, Ontario, March 2007

“Saving cities: the role of historic places in a successful economy”, keynote speech for UBS Forum at Minnesota Public Radio, St. Paul, Minnesota, August 2006

“Cultivating independent businesses”, keynote speech for Vibrant Communities conference, Ottawa, Ontario, March 2006

“Destination Main Street”, keynote speech for the Rochester Regional Community Design Center’s “Reshaping Rochester” series, Rochester, New York, March 2007

“Making cities cool”, keynote speech for “Cool Cities, Hot Downtowns” conference, Michigan State University, Ishpeming, Michigan, October 2005

“Taming the big box”, National Preservation Conference, Portland, Oregon, September 2005

“Maximizing economic impact with the New Markets tax credit”, Nixon Peabody Conference on New Markets Tax Credits, Washington, DC, May 2005

“Preservation, downtown revitalization, and community change”, keynote speech for the Turner Institute, Springfield, Ohio, May 2005

“Smart growth and downtown revitalization”, National Center for Smart Growth Research and Education, Baltimore, Maryland, March 2005

“The essentials of town center redevelopment”, keynote speech for Designing a Better Cape Cod conference, Association to Preserve Cape Cod, Hyannis, Massachusetts, November 2004

“The future of Main Street”, keynote speech for Maine Downtown Conference, Gardiner, Maine, October 2004

“Successful downtowns”, keynote speech for New Jersey Mayors’ Institute in Urban Design, Princeton, New Jersey, June 2004

“Cultivating independent businesses”, National Main Streets Conference, Baltimore, May 2004

“The future of Main Street”, keynote speech for Preservation North Carolina’s annual conference, Asheville, November 2004

“Financing commercial infill”, National Association of Realtors’ annual conference, Orlando, November 2004

“The future of downtown redevelopment”, keynote speech for the annual “Restoration and Revitalization” conference, Restore Media, Baltimore, Maryland, 2003

“Internet marketing for downtown businesses”, Iowa Downtown Summit, Grinnell, Iowa, 2003
"Revitalizing Main Street America", annual conference of the American Booksellers Association, Chicago, 2001

"Main Street at work", keynote speech for Rebuild America, US Department of Energy, Atlanta, 2001

“The art of community development”, Seaside Institute, 2000

"Main Street or bust”, Urban Land Institute Mayors' Forum, Rochester, New York, 2000


"Now that we've got their attention …”, Congress for the New Urbanism VII, Milwaukee, Wisconsin, 1999

"Main Street: sustainable development and cultural heritage preservation“, World Bank, Washington, DC, 1999

“Main Streets for planners”, League of California Cities' annual planners conference, Monterey, California, 1999

"Main Street revitalization: old urbanism?”, Weiss Symposium, University of North Carolina at Chapel Hill, 1999

“Revitalizing communities”, keynote speech for the annual “pedestrian” conference, Local Government Commission, Los Angeles, California, 1999


“The economic dynamics of Main Street revitalization”, keynote address, Rail-Volution, Portland, Oregon, 1998

"Main street revitalization and the environment”, SmartGrowth conference of the Urban Land Institute and the U.S. Environmental Protection Agency, Baltimore, Maryland, 1998

"The Neighborhood and the City”, annual Carl Ruskin Memorial Lectureship, University of Maryland Urban Studies and Planning Program, Baltimore, Maryland, 1998


"Opening up new markets”, International Franchise Association marketing conference, Chicago, Illinois, 1997


**Visiting lectures (academic)**

Bryn Mawr College  
Catholic University School of Architecture  
Delaware State University  
Harvard University Graduate School of Design  
Michigan State University  
Savannah College of Art and Design  
University of Maryland School of Architecture  
University of Nevada/Las Vegas  
University of New Hampshire  
University of North Carolina/Chapel Hill  
University of Pennsylvania School of Architecture  
University of Virginia School of Architecture  
Western Illinois University

**CLIENTS (selection of recent assignments)**

City of Carlsbad, California  
Del Mar Village Association, Del Mar, California  
City of Washington, DC  
Georgia Department of Commerce  
Governors’ Institute on Community Design  
City of Geneva, Illinois  
City of Highland Park, Illinois  
International Council of Shopping Centers  
Iowa Department of Economic Development  
Julien Hotel, Dubuque, Iowa  
Kansas Department of Commerce  
City of Independence, Kansas  
Maine Downtown Program  
Greater Portland Landmarks Commission  
Michigan State Housing Development Authority  
Minnesota State Historic Preservation Office  
National Trust for Historic Preservation  
Downtown Albany Business Improvement District, Albany, New York  
Ontario Ministry of Agriculture, Food, and Rural Affairs (OMAFRA)  
Pennsylvania Environmental Council  
Pueblo de Cochiti  
Trust for Public Lands  
Vassar College
Town of South Boston, Virginia
City of Danville, Virginia
Washington Department of Commerce
City of Seattle, Washington
City of Morgantown, West Virginia

Funded Research

2005 Grant from the National Endowment for the Arts to conduct training programs on using tax credit equity investments to finance the rehabilitation of historic theatres

2003 “The Economic Impact of Federal Facilities on Central Business Districts”, for the US General Services Administration

2001 “Recapitalizing the Army’s Historic Properties”, for the US Army

Professional Affiliations

Congress for the New Urbanism (charter member)
International Council of Shopping Centers
League of Historic American Theatres
National Trust for Historic Preservation
Preservation Action
Urban Land Institute
Rescuing and Rehabilitating

HISTORIC MAIN STREET THEATRES

by Kennedy Smith

Virginia Main Street: 20 Years of Revitalizing Downtown

In the second in our series on state Main Street anniversaries, we look at 20 years of Main Street success in Virginia.

Network Notes

Pascagoula, Mississippi, is begging for banners and brackets. Answer the call and donate a banner to this Main Street community as it strives to bounce back from Hurricane Katrina. Amy Ellis of Dade City, Florida, gives us another reminder of the work still needed to help the Gulf Coast recover. Read her account of a volunteer work trip in New Orleans.

New Tools and Training

If you’re new to the Main Street process, get the training and information you need November 13-16, 2006, at our four-day basic training session in Washington, D.C. Also, check out the newly redesigned website of the National Trust Community Investment Corporation (NTCIC). Find out about the funds and services offered by the NTCIC and learn how you can use the federal rehab and New Markets tax credits.
Almost no other building on Main Street triggers the wistful nostalgia that a historic theatre does. Mention your Main Street theatre to just about anyone who’s lived in the community more than 15 or 20 years and you’re likely to get an earful about a first date, a movie star crush, a side-splitting joke, or a life-changing movie. More than most buildings, theatres are the places where lifetime memories are made.

But there your Main Street theatre sits today, vacant, its market nibbled away by suburban multiplexes or, as Tom Kiefaber, the owner of Baltimore’s Senator Theatre and a former Great American Main Street Leadership Award winner calls them, cinema “one-too-manyplexes.” If it’s been vacant longer than 10 years, the odds are good that its roof is starting to leak, putting the theatre’s interior character-defining decorative features at risk. There’s even a good chance that the owner of the suburban multiplex bought the Main Street theatre when it closed and removed the seats and projection equipment, then resold the building to make it prohibitively expensive for a potential competitor to move in.

Theatres have always been special places. Whether it’s an ancient Greek open-air amphitheatre, a Baroque opera house, or an Art Deco movie palace, the design of the theatre itself is meant to create the illusion of a strange, special world, of a different time and place.

While performing arts theatres have a history that spans millennia, Main Street movie palaces are a uniquely American invention. In their first few decades, movies were shown mostly in vaudeville theatres, in retail stores, and in a wide variety of makeshift facilities. Nickelodeons appeared on the scene around 1900. Usually converted from storefronts or stables, nickelodeons were sparse on amenities – a white sheet often served as the screen, and seats were usually just folding chairs lined up in tight rows – but viewing a movie only cost a nickel. By 1908, there were about 8,000 nickelodeons in the United States, packing people in on weekends to see short films or the next installment of a favorite serial.

By the 1910s, though, theatres were being built specifically to show movies. And, while nickelodeons were little more than storefront buildings with a few posters, the first movie theatres quickly became elaborate edifices, with fantastic architectural themes – Egyptian, Chinese, Moorish, Mayan, and others. Architect John Eberson’s legendary “atmospheric” theatres created the illusion of being outside, under a starlit sky, with floating clouds and twinkling constellations. Stepping into an Eberson theatre was like stepping into another world – and that made the movies seem even more magical.

Theatre architect S. Charles Lee transformed the experience of going to a movie into a very special event. Active from the 1920s through the 1940s, Lee designed more than 300 theatres, including some of the United States’ most famous and beloved theatre landmarks, such as the Los Angeles Theatre (whose entrance hall was designed after Versailles’ Hall of Mirrors) and The Academy, the fabulous Art Moderne theatre in Inglewood, California. Many of Lee’s theatres, and those of his contemporaries, offered nurseries for small children, luxurious restrooms (complete with lounges), and full-service restaurants.

Going out to a movie for the evening was not only a glamorous experience, it was also affordable and, thanks largely to the

"I can remember a time when where we went to the movies was just as important as the movies we went to see…. From the moment moviegoers arrived to buy their tickets, there was a sense of something special, a feeling that to step inside was to enter another time and place.”

- Gene Kelly
As movie-going became a popular pastime in the early to mid-1900s, theatres were transformed into elaborate movie palaces, with fantastic architectural themes, such as the “atmospheric” interior (far right), which gives the illusion of being outside under a starlit sky. While many historic movie theatres, such as the Uptown in Washington, D.C., (left) and the Senator (far left) in Baltimore, Md., both Art Deco gems, remain, others have fallen victim to the rise of the suburban multiplex (right).

nurseries, logistically feasible for many American households. It’s little surprise that movie theatre attendance hit its all-time high in 1948, with an astonishing average of more than 90 million Americans going to a movie each week, as compared to only about 20 million in 2000.

That same year, though, the U.S. Supreme Court ruled that the five biggest movie production companies – Loew’s, Paramount, RKO, Twentieth Century Fox, and Warner Bros. – were restricting competition by controlling too many aspects of the film production, distribution, and exhibition industry and ordered them to break up the industry.

While enforcement was haphazard in the decades that followed, the ruling affected movie theatres in both positive and negative ways. On the positive side, the ruling made it somewhat easier for independent movie theatre operators to obtain first-run movies, which boosted their profitability (other obstacles now exist for independent movie theatres; we’ll discuss these later). On the negative side, the ruling made movie exhibition somewhat less profitable for chain movie theatres, driving movie prices up – and driving attendance down – which hurt both chains and independently owned theatres.

By the late 1960s, small, box-like movie theatres had become a common staple in regional shopping malls throughout North America, popping up in new suburbs and shifting attention – and business – away from older downtown movie palaces. Like many downtown businesses going head-to-head with malls, downtown movie theatres found it difficult to compete with their new suburban competitors. With hundreds of empty seats, little income, and lots of competition, many theatres closed their doors, and many were demolished. Those that survived have often done so against enormous odds.

The fate of downtown performing arts theatres has been as gloomy as that of downtown movie theatres. Early stage productions and vaudeville shows didn’t need much room for scenery or equipment, and most of them had very small, rudimentary dressing and rehearsal rooms. But productions have become more elaborate since the mid-20th century, requiring larger stage houses and more room for storage, preparation, and related activities.

Fortunately, the economic climate for both movie and performing arts theatres appears to be slowly changing. As regional malls lose their market luster, as movie distribution technology evolves to offer new opportunities to independently owned movie theatres, and as preservation organizations become savvier about real estate development finance, downtown theatres may be on the verge of a renaissance.

Getting Started

Like churches or town halls, theatres are “purpose-built” buildings, designed for one specific use. In this way, they differ from most Main Street buildings, which can usually be easily adapted for other uses. But, as with a church or a town hall, a theatre’s use is intrinsically linked to the building’s design. Although many theatres have been used for new purposes, it is almost always a challenge to do so: theatres don’t easily lend themselves to new uses. So, if possible, the best new use for a historic theatre is, well, as a theatre.

To get started, answer these four key questions:

1. **Is this a building looking for a use, or a use looking for a building?** This is the most important question because it highlights a historic theatre’s two great management needs: managing the building, its rehabilitation, and its maintenance; and managing what takes place inside the building, onstage or on screen. It’s no surprise, then, that most theatres are rescued either by a group interested in the historic building itself or by a group interested in finding a place to exhibit film or present live theatre or concerts. Each of these groups approaches the rescue and rehabilitation of historic theatres in very different ways, and each has skills and resources that complement those of the other group.

2. **Is there a crisis?** Is the theatre building in imminent danger of being demolished or altered in such a way that its distinguishing characteristics will be obliterated? If so, your top priority is to save the building. All too often, this is what finally motivates communities to recognize the importance of a historic theatre. Sometimes, the story has a happy ending. The Fox Theatre in Fullerton, California, got a reprieve from the wrecking ball in 2005 when a wealthy “angel” drove by the theatre. Seeing a group of devoted rescuers camped out under the marquee to prevent the theatre from being demolished, he drove home to get his checkbook and donated the remaining money needed to buy the building. In Gary, Indiana, the mayor granted a reprieve for the Palace Theatre when a coalition of local, state, and national historic preservation organizations came together, pledging help with the project. But, sometimes, it has a sad ending. Mishawaka, Indiana, lost its
beloved Tivoli Theatre in 2005 due (largely) to an entrenched city council; Boston lost the Gaiety Theatre several months later, as there were doubts that market demand could support another rehabilitated historic theatre in the city’s theatre district.

If this theatre is not rehabilitated and reopened, will the community need to build a new theatre of comparable size? What if your community already has more than enough movie theatres for the market demand in the region, but doesn’t have a theatre that meets the live-performance specifications needed by local and touring theatre companies? Tragically, this has meant that many fabulous historic theatres have been demolished and replaced with new theatre buildings that have taller stage houses or more room for scenery and equipment. In virtually all cases, however, that doesn’t need to be the case. Older theatres can usually be adapted to meet the needs of contemporary live theatre or movies.

What sort of programming should the theatre offer? Live theatre? Music? Ballet? First-run movies? Art films? All of these? Your answer will most likely be shaped by some sort of market analysis to determine how much demand there is in the community or region for different sorts of programming. The answer to this question will strongly affect the theatre’s rehabilitation plans, fund-raising strategy, and management structure.

Once you have answered these four questions, you’re ready to move forward.

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Opened in 1925, the Tivoli Theatre in Mishawaka, Ind., was the city’s premier entertainment venue for vaudeville acts and silent films. In 1929, the theatre was wired for sound and, from then on, featured only movies. It was Mishawaka’s largest and most popular movie house until it closed in 1958. In 2005, the landmark theatre was demolished, due largely to a city council that felt it was a drain on the community’s resources.

A wholesale grocery store in the late 1800s, the Evangeline in New Iberia, La., was remodeled as a movie theatre in 1929. Closed in 1960 due to the need for costly repairs, the building was later donated to the city and renovated with the help of a state grant and a Main Street façade grant. Today known as the Sliman Theater for the Performing Arts, this Art Deco gem is a prime venue for theatrical and musical events.
In the 1990s, the Tennessee Theatre in Knoxville faced extinction as the city’s premiere performing arts facility. The theatre was too big to operate profitably as a movie theatre, but its stage house was too small to accommodate some of the most popular touring productions. Blockbuster touring shows like “The Lion King” have very specific physical requirements — the fly house (the area above the stage) has to be a certain height, for example, in order to accommodate scene backdrops — and will not commit to a theatre that doesn’t meet these requirements. Unless it could meet them, the Tennessee Theatre would have been passed over. Eventually, the theatre would have been at risk of being demolished to make room for a new performing arts facility designed to handle contemporary theatre. But a group of dedicated volunteers was committed to rehabilitating the Tennessee Theatre in a way that would expand its stage house height and add additional space for scenery and prop storage, dressing rooms, and equipment.

The project was complicated — the modifications needed to make the theatre attractive to major touring productions pushed the envelope of the Secretary of the Interior’s Standards for Rehabilitation, the federal guidelines that specify what can — and cannot — be done to historic buildings, especially if the owner wants to use the federal historic rehabilitation tax credit to help finance a building’s rehabilitation. But with its dedicated and visionary architects, conservation consultants, and historic preservation planners, the group was able to develop a plan that met the Secretary of the Interior’s Standards and also made the theatre competitive for contemporary touring productions.

For more information on the Tennessee Theatre project, visit the National Trust’s NTCIC website at www.ntcicfunds.com and click on “Projects.”

Clockwise from top left: Tennessee Theatre marquee before rehab and after rehab; theatre lobby before rehab and after rehab.
If the wrecking ball is on the way, it’s time to muster all available resources to intervene and try to save the historic theatre — or at least to buy some time to find a workable solution that will keep the theatre in place. A few suggestions:

- **Check local historic preservation ordinances.** In some communities, the local historic preservation ordinance requires the owner of a historic building to search for a new owner for a certain number of weeks or months before he or she can demolish the building, with the sales price typically being set at fair market value. This gives you time to put together a plan and raise some money to purchase the theatre (or find a sympathetic buyer).

- **Buy an option.** Sometimes a property owner will be willing to sell an “option” (the right to buy a property within a given period of time) on a theatre. This gives you time to raise money and explore ways to save the building.

- **Encourage the city to buy the theatre.** Theatres generate significant amounts of economic activity for the downtowns in which they’re located. They act as catalysts for revitalization and, for that reason alone, a number of local governments own historic theatres.

- **Encourage the city to offer a transfer of development rights to the owner.** The property owner would then be able to develop something elsewhere in the community, perhaps in an area where he or she might not ordinarily be able to do so.

- **Get an injunction.** Look for a reason to stall the process. Is federal money involved? If so, and if the theatre is historic, the use of federal money might trigger review by the state historic preservation office (SHPO) and the federal Advisory Council on Historic Preservation under Section 106 of the National Historic Preservation Act. Does the city’s comprehensive plan or downtown specific plan state that a thriving downtown is an important community goal? If so, the city might be acting in violation of its own planning documents by demolishing the theatre.

- **Try to find out what the property owner’s goal is.** Does the owner have a specific plan in mind to replace the theatre with something else, or does he or she simply want to get rid of a burdensome “white elephant” building? By understanding the owner’s motivation, you may be able to find a win-win solution that will meet her or his needs and also preserve the theatre for the community and its future.

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**Structuring the Rehabilitation Project**

Your first priority should be ensuring that the theatre is physically secure. After you are sure it’s safe, you can start planning for its rehabilitation and reuse.

This sequence sounds straightforward, but it is often frustratingly complicated. When you’re raising money to save the theatre, for example, it is almost inevitable that people will ask you how the theatre will be used once it is saved (and, presumably, rehabilitated). So, ready or not, you’ll need to get out your crystal ball, talk with lots of potential allies really quickly, do some quick number-crunching, and be fast on your feet as you try to persuade people to write checks to save your landmark theatre.

Get control of the theatre into the hands of someone interested in rehabbing it and putting it back into active use. It might be a nonprofit organization, a local government agency, or a private developer that ultimately gains control of the theatre. The good news is that redevelopment can work with any of these three types of entities initially at the helm. What’s imperative is to remove the threat of demolition and prevent the theatre from deteriorating further. Whatever it takes to get ownership control of the theatre — fund-raising performances, loans, short-term leases of the space for short-term activities — make sure that the building and its significant architectural characteristics are protected. While you’re exploring ways to buy the building, take a look at the adjacent buildings, in case you need to expand the theatre’s backstage facilities at some point.

**Take care of safety issues.** Once you have control of the theatre building, your next priority should be taking care of safety issues — a leaking roof (which can lead to more significant problems); electrical hazards (from frayed wiring, for instance); structural problems; lead-based paint; pigeon guano; and leaking fuel oil tanks are just some of the potential hazards. Hire a professional building inspector to examine the theatre carefully and give you a list of the priority repairs. Make it your top priority to correct the most serious problems as soon as possible.

Build a team that includes people concerned about the building and people concerned about what happens inside the building. As soon as possible, start recruiting allies. Involve people who are motivated by economics as well as those motivated by emotion. Put together a team big enough to support the initiative, expand the network, and bring new resources to the effort.

In order to answer some of the questions people are likely to ask — for instance, how much the rehabilitation will cost — you’ll need to involve some professionals as early in the process as possible. This team should include:

- An architect familiar with both historic preservation and, if you think there is even a remote chance that your theatre might be eligible for historic rehabilitation tax credits, who is familiar with the tax credits.
- An accountant familiar with tax credits. It would be ideal to have an accountant familiar with historic rehabilitation tax credits on your team — but, if there isn’t an accountant in the area with this experience, look for one who has experience with other tax credit programs, such as low-income housing tax credits or the New Markets Tax Credits.
An attorney familiar with real estate development, tax credits, and nonprofit issues.

Someone with expertise in arts programming.

It might seem expensive at first to hire these specialists but, in the long run, it will save you lots of money to hire people with experience in similar projects than to pay people without experience to learn the process.

You should also involve your state historic preservation office as early as possible (you can find a list of the state historic preservation offices online at http://www.ncshpo.org/stateinfolist/fulllist.htm). If you decide to use historic rehabilitation tax credits to help finance your theatre rehabilitation project (more about this later), it will be important to involve the SHPO early in the process.

You might eventually need other types of skills and expertise as well. If your theatre has significant interior decoration, for example, you will need a decorative arts advisor – someone with specialized skill in paint analysis, mural restoration, decorative plaster, etc. If you plan to use federal and/or state historic rehabilitation tax credits and/or federal New Markets tax credits, you might want to hire a consultant to guide you through the process, particularly if your accountant does not have experience working with tax credit projects. And, while not absolutely essential for smaller theatre rehabilitation projects, having a fund-raising consultant is almost a necessity for projects costing several million dollars or more.

Pay attention to politics. Too many historic theatres have bitten the dust in recent years because of some petty local political dispute – a mayor who vows to “make something happen” downtown during his or her term, perhaps, or maybe a city council that misguidedly perceives a more long-vacant theatre to be little more than a parking lot in the making. Be sure to touch base with local politicians as soon as possible. Share success stories from other communities that have rehabilitated downtown theatres; stress the catalytic effect these rehab projects have had on increasing the district’s restaurant trade, invigorating downtown night life, and attracting new downtown residents. Look for opportunities to involve local politicians in public announcements, ribbon-cuttings, and other positive benchmarks, and always give them lots of thanks and recognition for helping.

Decide how the theatre will be used and how it will operate. To do this, you’ll probably need to conduct a needs analysis – sort of like a market analysis for theatres, estimating the demand for various types of ticketed theatre events (primarily film, live performances, and music) and the “supply” of theatre options within the region. There are specialized consultants who can help you determine this market demand.

You will also need to decide whether your theatre will operate primarily as a “rental” house, a “producing” house, or a “presenting” house.

A rental house is a theatre that rents its space to other groups that hold performances (such as concerts or movies) and/or special events (like conferences or wedding receptions) there. While the theatre’s box office might sell tickets for the groups that rent its space, the renters — not the theatre — are the ones who earn income from ticket sales, other than a per-ticket fee the theatre might charge for handling ticket sales. If a renter’s performance is a financial failure, the theatre isn’t generally affected, as its income comes from renting the space. Many rental houses have contracts with local colleges, performing arts groups, and other institutional users who agree to use the theatre for a certain number of days each year.

A presenting house is a theatre that contracts with performers. The theatre puts together a calendar of events and is responsible for promoting the events, selling tickets, and sometimes raising sponsorship money. It pays the performers from its revenues and therefore assumes more risk for the success of a particular event than a rental house.

A producing house produces its own original performances, hiring or contracting with actors, musicians, script writers, and others. This involves more financial risk than operating as a rental or presenting house, but the rewards can be great if a show or performance is a success. Producing houses usually raise money from

Top: If your historic theatre has extensive interior decoration, you will need a decorative arts advisor on your rehab team.

Right: Food and beverage concessions are a major source of income for theatres. A growing number, such as the Arlington Cinema and Draft House in Virginia, now operate as dinner theatres or brewpubs.

The average American household spends $92.46 annually on movie, theatre, opera, and ballet tickets. Households that earn less than $70,000 per year spend an average of $59.77; those earning more than $70,000 spend an average of $183.82; and those that earn more than $150,000 annually spend an average of $299.81. (source: 2004 Consumer Expenditure Survey)
corporations and foundations to support their productions; they sometimes sell interests in the production to investors with whom they share any profits.

In practice, many theatres operate as some combination of these three models. A theatre might earn most of its income by serving as a rental house, for example, with additional income derived from presenting performances that it books and promotes itself. And most theatres that operate primarily as presenting or producing houses also rent their facilities to outside groups from time to time.

Most theatres also earn money from concessions (food and beverages). In fact, for many theatres, food and beverage sales are their primary source of income. A growing number of theatres operate as dinner restaurants or brewpubs, replacing traditional theatre seats with tables and comfortable chairs and serving food during movies or performances. In addition, many theatres organize annual fund-raising campaigns, and many seek corporate sponsorships for special activities.

Develop a business plan. Once you know how your theatre will be used and how it will operate, you should develop a business plan outlining exactly how the theatre will be rehabilitated and, once it has reopened, how it will operate, be managed, and be marketed. In addition to the narrative you write, your business plan should include two important financial components:

- A “sources and uses” budget. Shorthand for “sources and uses of financing,” this spreadsheet details the major sources of financing you envision for the rehabilitation project and the ways in which you intend to use that financing.

- An operating pro forma. This outlines exactly how the theatre will make money — how many people you expect to attend different types of events, how much tickets will cost for various types of events, income earned from renting the theatre to other groups for special activities, income from annual fund raising, income from food and beverage sales, etc. Your operating pro forma should extend at least seven years into the future.

Make some early decisions about the financing strategy for the rehabilitation. The federal historic rehabilitation tax credit has a few specific requirements that might affect your decisions about project financing. (See sidebar, “Using Tax Credits to Help Finance a Theatre Rehabilitation Project,” on page 9.) For example, tax credit regulations prohibit the use of tax-exempt financing (such as tax-exempt bonds) if the financing is issued specifically for the rehabilitation project or if the entity that issues the tax-exempt financing is organizationally related to the theatre group.

Deploy your fund-raising strategy. Once you know how much money you need to raise from various sources (loans, tax credits, individual contributions, etc.), it’s time to finalize and implement your fund-raising strategy. If your project is relatively large, you may want to hire a fund-raising expert to help organize and conduct your fund-raising campaign (there are fund-raising consultants who specialize in raising money for theatre rehabilitation projects). If it is relatively small, you can probably manage the campaign independently. Many of the basic points of raising money for any capital campaign also apply to raising money for theatre rehabilitation — selecting someone skilled at fund raising to chair the campaign, for example, and lining up several sizable contributions early in the process before making the campaign public.

Hire a “clerk of the works.” At some point in the process you may want to hire a “clerk of the works” to oversee the rehabilitation project, maintain the project’s accounting records, and ensure that financing and other reporting requirements are being met correctly.

Financing the Rehabilitation Project

Financing a theatre’s rehabilitation is almost always a challenge. Rehabbing a theatre is usually expensive, with financing coming from a variety of sources, each with its own restrictions and requirements. But very few projects can have as catalytic an impact on a downtown as a vibrant, active theatre. The energy and planning needed to raise money for a theatre rehabilitation project is well worth the effort involved.

Recent theatre rehabilitation projects have used many different types of financing. Some of the most common sources of funds include:

- Contributions from the community. Contributions from the community are the bread and butter of capital campaigns for theatre rehabilitation projects. Whether they are small or large, every contribution from a member of the community represents a vote of support for your project. Many theatres provide donor recognition opportunities for individual contributors — opportunities to sponsor a theatre seat, for example, with a small plaque recognizing the name of the donor, or pavers stones or bricks engraved with donor’s names.

- Contributions from corporations. Corporations frequently support community development projects and arts-related activities, particularly if they can gain public exposure from their affiliation with these projects. Corporations often want to be the sole sponsor of a particular feature, such as a highly visible part of the building — a lobby or meeting room, for example — or they might be interested in underwriting the costs of a popular production or series of activities.

- Contributions from foundation. Foundations are often interested in supporting community-based endeavors and arts-related activities, which make theatre rehabilitation projects good potential candidates for foundation support.

- Appropriations from local and state government. Local and state legislative bodies — city councils, state legislatures — occasionally include one-time appropriations for theatre rehabilitation projects in their budgets. (See “Pay attention to politics,” page 7.)

- Community Development Block Grants. A number of city governments have secured federal Community Development Block Grants (CDBG) for theatre rehabilitation projects — the Butler Penn Theatre in Butler, Pennsylvania, is one example. To be eligible for CDBG funds, a project must meet one or more of several national criteria, including eliminating slum and blight or providing jobs for low-income people. Communities with populations of 50,000 or more are considered “entitlement” communities and automatically receive CDBG funds from the U.S. Department of Housing and Urban Development (HUD); communities with fewer than 50,000 people must compete for CDBG funds at the state level.

- Save America’s Treasures. The federal Save America’s Treasures (SAT) program provides grants and recognition to preservation projects of historic significance. A growing number of theatres, such as the Colonial Theatre in Pittsfield, Massachusetts, have received SAT grants to help with their rehabilitation costs. Grants are highly competitive.

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The federal government offers two tax credit programs that can provide funds for theatre rehabilitation projects.

**Historic rehabilitation tax credits.** The federal government offers a credit equal to 20 percent of the qualified rehabilitation expenses for historic building rehabilitation projects. Buildings must be listed in, or eligible for, the National Register of Historic Places; they must be income-generating properties (versus owner-occupied housing); the rehabilitation plans must be approved by the National Park Service, which administers the program jointly with the Internal Revenue Service (IRS), and must therefore be consistent with the Secretary of the Interior’s Standards for Rehabilitation; and rehabilitation expenses must be equal to or greater than the adjusted basis of the building or $5,000, whichever is greater.

There are a few potential obstacles to avoid. These include:

- **Using tax-exempt financing.** Federal tax credit regulations prohibit using historic rehabilitation tax credits in projects that also involve tax-exempt financing, such as revenue from tax-exempt bonds, if the entity that provides the tax-exempt financing is organizationally related to the group that will be using it.

- **“Prior use.”** The entity that owns the building at the time it is rehabilitated cannot have used the building prior to its rehabilitation.

- **Altering or selling the building within five years.** The entity that rehabs the building and uses the tax credit must retain possession of the theatre for five years from the date the rehabilitated building is put back in service, and the building must not be altered during that period of time. If the building is sold or altered within that period of time, the IRS can “recapture,” or take back, the credits.

- **Using the theatre as collateral.** While there is no law that prevents a project involving historic rehabilitation tax credits from using the historic building itself as collateral for a loan, it is unlikely that tax credit investors would be willing to invest in projects that do so. In the event the theatre defaulted on a loan, the lender(s) would take possession of the theatre, constituting a change of ownership and triggering the IRS to recapture the tax credits.

There are ways to work around some of these situations, but each obstacle might spoil the chances of obtaining tax credits – and might cost more in legal, accounting, and other “due diligence” expenses. It’s better to plan from the beginning to avoid potential problems, if possible.

In addition to federal historic rehabilitation tax credits, more than a dozen states now offer state-level historic rehabilitation tax credits.

**New Markets tax credits.** In 2002, Congress created a new tax credit program, New Markets, to encourage investment in business development activities in economically underserved neighborhoods. To qualify for the New Markets program, a building must be located in a Census tract in which the median family income is 80 percent or less than that of the metropolitan area or the state, whichever is less. There is no requirement that the building be historic. New Markets credits can be used for historic rehabilitation or new construction. Unlike the historic rehabilitation tax credit, which accrues to the owner of the building, the New Markets tax credit goes to the investors who make money available for loans or equity investments in qualified neighborhoods.

Because they are receiving a hefty tax credit (39 percent over seven years), investors usually make money available at better rates or terms than might otherwise be possible.

There are several other ways that tax credit investors and nonprofit organizations can use the New Markets tax credits. Through the “leverage” model, for example, tax credit investors can earn a 39 percent New Markets tax credit on a historic rehabilitation project’s cash and equity financing. So, in a $5 million historic theatre rehabilitation project that qualifies for a 20 percent historic rehabilitation tax credit, the roughly $1 million in historic rehabilitation tax credits ($5 million x 20 percent) could then leverage an additional 39 percent in New Markets tax credits ($390,000, in this example), minus market pricing. If the theatre rehabilitation project includes other grants or equity investments in its financing (such as Community Development Block Grants or individual contributions), those can usually leverage additional New Markets credits as well.

**Turning tax credits into equity.** Because the entities that rescue and rehabilitate historic theatres are usually nonprofit organizations or local governments and therefore have no income tax liability against which to apply the tax credits, a nonprofit usually creates a for-profit partnership with a for-profit investor interested in using the tax credits. The investor claims the tax credits the project earns and, in exchange, invests equity (cash) into the project.

The new partnership jointly owns the theatre for five or seven years. Five years is the federally mandated “recapture” period for historic rehabilitation tax credit projects, meaning that if something goes wrong with the project after the rehbabed building is put in service, the IRS can reclaim the tax credits used; New Markets credits are awarded over seven years, so a partnership involving New Markets credits must exist for that period of time. At the end of the five- or seven-year period the partnership dissolves and the nonprofit assumes full ownership of the theatre.

The amount of equity the investor contributes to the theatre rehabilitation project depends on a number of factors: the investor’s assessment of how risky a particular project might be; how much legal and accounting work a project might require; and how much competition there might be from other investors for the tax credits, for example. The market for historic credits is relatively well established, so investors will usually pay somewhere in the range of 90-95 cents for a dollar of historic rehabilitation tax credit. The market for state historic rehabilitation tax credits is smaller, and the market for New Markets credits is relatively new, so investors are typically only willing to pay 50-65 cents per dollar of these credits.

The National Trust Community Investment Corporation, a subsidiary of the National Trust for Historic Preservation, invests in historic rehabilitation and New Markets tax credit projects and has considerable expertise in making tax credit equity investments in historic theatres. For more information on NTCIC, see www.ntcicfunds.com.
There are many different opinions about the correct spelling of the word “theatre” or “theater.” Some people maintain that a theatre is the building to which one goes to see the theater. In the United Kingdom, the term theatre is used almost exclusively for both the building and the things that take place inside the building. In the United States, both terms are used (although it has been my unscientific observation that people who are primarily involved in programming prefer –re and those who are primarily involved in historic preservation prefer –er). If your theatre or theater—historically used one of these versions, that's the one I'd recommend going with. But, although the preference among serious aficionados seems to be for theatre, either is technically correct.

- **Loans.** While it is ideal to raise all the money needed for a theatre rehabilitation project from grants and equity, some projects need debt financing. If you need one or more loans to help finance your theatre rehabilitation project, remember to include the loan payments in the estimates of annual expenses in your business plan’s operating pro forma.

- **Tax credit equity.** The federal government offers a couple of tax credit programs to encourage individuals and organizations to rehabilitate historic commercial buildings and to invest in economically underserved areas, which include many older downtowns and neighborhood commercial corridors. The first of the two tax credit programs—the federal historic rehabilitation tax credit—gives property owners a bottom-line federal income tax credit of 20 percent of the cost of qualified building rehabilitation expenses. The second of the two tax credits—the federal New Markets tax credit—gives a 39 percent credit, spread over seven years, to investors, such as banks, that make money available, usually in the form of loans or equity investments, for rehabilitation or construction projects in underserved neighborhoods. In most cases, however, historic theatres are rehabilitated by nonprofit organizations that have no income tax liability and thus cannot use the credits. Fortunately, there are investors who need tax credits and wish to partner with nonprofit groups. In exchange, they invest equity in the rehabilitation project. This means that, if a theatre is eligible for one or both tax credits, an investor might be willing to invest cash equal to as much as 20 to 25 percent of the cost of a qualified building rehabilitation in exchange for the credits. In addition, a growing number of states offer state-level historic rehabilitation tax credits, increasing the amount of equity possible for qualified rehab projects. (See sidebar, “Using Tax Credits to Help Finance a Theatre Rehabilitation Project,” on page 9.)

- **Brownfields mitigation grants.** Some historic theatres have environmental hazards—old oil tanks in or below the basement, for example, or asbestos insulation that needs to be removed. The federal government, through both HUD and the U.S. Environmental Protection Agency, and some state governments offer grants or financing to help remove hazardous materials as part of the rehabilitation process.

- **Tax increment financing.** When a building is rehabbed or a new one constructed, the value of the property and the volume of retail sales usually increase, which means the local government collects more in tax revenue. Tax increment financing (TIF) is a tool through which local governments can use the new tax revenue to help pay for public improvements and services related to the rehabilitation project. The local government usually issues municipal bonds, which it pays off with the new tax revenue generated by the rehabilitation project. Local governments in several communities have used TIF revenue to help pay for parking garages, sidewalk improvements, utility infrastructure, and other projects in conjunction with theatre rehabilitations.

In addition, a few states offer special programs that can be used to help finance the rehabilitation of historic theatres. The Pennsylvania Department of Housing and Community Development, for example, has made the preservation and rehabilitation of historic main street theatres a priority by providing grants specifically for theatre rehabilitation. Contact your state, regional, or citywide Main Street program; your state...
After a two-year, $22 million restoration, the century-old Colonial Theater reopened in Pittsfield, Mass., this August. Financing for the restoration included $7 million in donations, the rest from city, state, and federal grants and tax credits. The theater plans to host live performances 200 nights a year.

Kennedy Smith is a former director of both the National Trust Main Street Center and the League of Historic American Theatres. She is a principal and cofounder of the Community Land Use and Economics (CLUE) Group and a 2006 Loeb Fellow at the Harvard University Graduate School of Design. She can be reached at www.cluegroup.com.

RESOURCES

- To find your state (or city) historic preservation office: www.cr.nps.gov/nr/shpolist.htm
- To get information about grants from the National Trust for Historic Preservation: www.nthp.org/funding/
- To learn more about tax credit investments in historic theatres and other historic buildings: taxcredits@cluegroup.com
- To find out if your state offers state-level historic rehabilitation tax credits: www.nthp.org/advocacy/case/ForumPolicyInsert.pdf
- To find out about the possibility of an equity investment from the National Trust Community Investment Corporation: www.ntcicfunds.com
- To contact or join the League of Historic American Theatres: www.lhat.org
- To learn about federal brownfields grants: www.epa.gov/brownfields/
- To learn about the Save America's Treasures program: www.saveamericastreasures.org
VI. REVISED FAÇADE IMPROVEMENT PROGRAM AND GRANT APPLICATION
Memorandum

To: Chairman and Members of the Economic Development Committee

From: Johanna Nyden, Economic Development Planner

Subject: Proposed Façade Improvement Program

Date: September 17, 2010

Since the July meeting of the Economic Development Committee, Staff has been engaged in updating and improving the City of Evanston's Façade Improvement Program. As previously mentioned, the revised application seeks to collect a greater amount of information from Participants while also promoting a transparent and predictable application process.

In administering two façade improvement grants in the past several months, Staff has identified opportunities for improved program management and administration. Enclosed are the Proposed City of Evanston’s Façade Improvement Program Guidelines, Program Agreement, and associated Exhibits that reflect these proposed improvements.

This package includes proposed language for a Façade Improvement Program Agreement. Recently, participants in the Façade Improvement Program (in its previous form) have sought to negotiate the terms of the current program agreement. Both Staff in the Law Department and Economic Development Division determined that as the City moves forward and attempts to administer a greater number of these projects, that it is inefficient to negotiate each agreement on a case-by-case basis. As a result, it is recommended that a revised Façade Improvement Program include not only an Application Form and Program Guidelines, but also a Program Agreement. Potential program participants can review the Program Agreement prior to completion of a Façade Improvement Program Application and understand the terms or conditions of the rebate program.

Revisions to the Program Guidelines from the previous draft include:

- The first thirty-five (35) linear feet of frontage are eligible for $10,000 of façade improvement funds. Each additional linear foot of façade is eligible for an additional $100.

- Restructuring the program as a rebate/forgivable loan over a period of five (5) years. Since the program has operated previously as a “grant” program, the City has few legal remedies to be reimbursed for funds invested if a project fails...
shortly after receiving funds. For example, as the program previously existed, the owner of a building that has completed a façade project with City assistance can, a year after project completion, demolish the improved building or sell it to someone else who might not maintain the property as the original owner had or demolish it. Under the current program agreement, the City has no options for enforcing any reimbursement to the City in Façade funds.

The revised structure and proposed Program Agreement allows the City to seek repayment from individuals if, within five years from project completion, a building is demolished, a tenant leaves a building that had the façade redone for that particular tenant, or if a building is sold to a new owner who does not intend to maintain the building in accordance with the façade improvement. The loan will be prorated from the date of project completion, and the person who entered into the Program Agreement with the City will be responsible for repaying a portion of the loan. Additionally, Staff is recommending that interest be charged to Participants that seek to terminate the Program Agreement before five (5) years have expired.

Staff will develop a separate Sign Application once the Façade Improvement Program has been passed out of the Economic Development Committee. As previously mentioned, this application will be an abbreviated version of the proposed Façade Improvement Application.

Attachments:
- Proposed Façade Improvement Program Administration Guidelines
- Proposed Program Agreement Form
- Proposed Application Form
- Façade Improvement & Sign Design Guidelines
City of Evanston
Façade Improvement Program

Program Guidelines
Effective September 2010
Contents
Program Overview and Purpose ................................................................................................... 3
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Façade Improvement Program Administration ................................................................. 4
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Program Overview and Purpose

The purpose of the Façade Improvement Program (“the Program”) is to improve the appearance of the façades, the street-facing exteriors of a building, of commercial buildings located throughout the City of Evanston. The Program seeks to improve a commercial building’s façade that fronts a commercial corridor’s public right-of-way. The Program works to address especially deteriorating property conditions and to generate business for Evanston’s commercial areas.

Approved participants of the program are eligible to receive a rebate in the form of a loan, forgivable over a five (5) year period, upon the completion their approved project. Requirements for program submission for project consideration include:

- Completed Application form and accompanying documents; and
- Completed approval document from property owner indicating understanding of the terms and conditions of the program.

The Program is managed and administered by Staff in the City of Evanston’s Community & Economic Development Department. On an annual basis, Staff will:

- Revise and publish the Façade Improvement Program Application (“the Application”) as necessary. Revisions will include update of deadlines for submission as well as other pertinent program deadlines and dates. Additional revisions to the Application and the Program will be considered as recommended by City Council.
- Prepare proposed total dollar amount to be allocated to each Facade Improvement project and total budget for annual program from the Economic Development Fund. Total amount annually allocated for this program will be submitted to the Economic Development Committee for a recommendation for approval by the City Council.

Applications for this program will be accepted three (3) times per calendar year, February, May, and September. Attachment A outlines deadlines and public approval processes.

Eligibility Criteria

Eligible participants of the program include property owners of commercial buildings within Evanston and tenants of ground floor commercial buildings. A business owner who is leasing space must have:

- A current lease with a minimum of five (5) years remaining from the date of Application or provide evidence that the business has operated in Evanston for over five (5) years; and
- Written approval from the property owner to participate in the Program and consent to recordation against the subject property of a Declaration of Covenants Affecting the Property.

Eligible improvements include improvements that contribute to the visual enhancement of the property as viewed from the public right-of-way. Improvements must be comprehensive, incorporating enhancements/additions to several components of the existing façade. Examples of eligible improvements include painting, lighting, windows, doors, fascia, tile, canopies, awnings, trim, fascia boards, metal work and other decorative elements, and restoration of historic properties.
Ineligible Improvements include roofs, non-permanent fixtures, security systems, personal property, interior window coverings, equipment, any improvements not visible from the public right-of-way, and any improvements deemed to be inconsistent with redevelopment purposes and objectives.

Any alteration or construction on properties which have been designated as a local landmark or are located in historic districts must be approved by the Historic Preservation Commission prior to consideration for funding in the Program.

Ineligible Participants of the program include:

- National franchises/for profit corporations with more than ten locations outside of Evanston, unless the organization is headquartered in Evanston;
- Occupants or owners of buildings that are not current with property taxes, water bills, or properties possessing any sort of non-mortgage liens (i.e. mechanics lien, etc.);
- Persons who have one or more outstanding City of Evanston parking tickets;
- Buildings in excess of an 80,000 square foot footprint;
- Churches or other religious organizations;
- Government offices and agencies (non-governmental tenants are eligible);
- New construction, less than five (5) years old; and
- Property that has received façade improvement funds within the past ten years (unless change of use is significant enough to warrant change in façade).

Façade Improvement Program Administration

Projects are funded on a 50/50 cost-sharing basis. The Program provides participants the opportunity to receive a rebate up to the maximum amounts set forth in the sections below, forgivable over a five (5) year period, upon the completion of their façade project. Projects are eligible for up to half of the cost of the total project cost up to an approved amount.

Funding Source(s): Projects will be funded through: tax increment financing (TIF) through applicable TIF Districts, Community Development Block Grants, and Economic Development Funds. Staff will prepare recommendations for approval of Applications and submit to the appropriate Committee. Annual allocation of funds will be determined through the City’s budget process each year. Funds may be budgeted in the Economic Development Fund, Tax Increment Financing Funds (TIF), and Community Development Block Grant Fund (CDBG).

Rebate – Forgivable Loan: The Program provides participants the opportunity to receive a rebate up to the maximum amounts set forth below, forgivable over a five (5) year (or 60 month) period as described in the box, upon the completion of their façade project. Projects are eligible for up to half of the cost of the total project cost up an approved amount. To determine total eligible cost, rebates are based on a formula whereby the first thirty-five (35) linear feet of public right-of-way facing frontage is eligible for up to

<table>
<thead>
<tr>
<th>FIVE (5) YEAR FORGIVEABLE LOAN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Example Improvement:</td>
</tr>
<tr>
<td>Total Project Cost: $50,000</td>
</tr>
<tr>
<td>Eligible Rebate: $13,500</td>
</tr>
<tr>
<td>Owner/Tenant Funds: $36,500</td>
</tr>
<tr>
<td>Total Forgivable Loan from the City: $13,500</td>
</tr>
<tr>
<td>Month 0-12 Loan ($2,700): $10,800</td>
</tr>
<tr>
<td>Month 13-24 Loan ($2,700): $ 8,100</td>
</tr>
<tr>
<td>Month 25-36 Loan ($2,700): $ 5,400</td>
</tr>
<tr>
<td>Month 37-48 Loan ($2,700): $ 2,700</td>
</tr>
<tr>
<td>Month 49-60 Loan ($2,700): $ 0</td>
</tr>
</tbody>
</table>
$10,000 on a 50/50 cost-sharing basis. Storefronts containing more than thirty-five (35) linear feet of frontage are eligible for increments of assistance. Each linear foot of frontage beyond thirty-five (35) is eligible for an additional $100 per foot. **Note:** if agreement is terminated prior to the completion of the five-year period, the Participant will be responsible for repayment of the loan on a prorated basis. The prorated amount due will be obtained by multiplying the original rebate amount times the percentage obtained by dividing the number of months remaining in the five (5) year period that commences on the month that the project was recorded by the Cook County Recorder of Deeds and ends on the 5th anniversary date by 60, which is the total number of months in the loan period.

Facades are defined as the portion of a building that faces the public right-of-way and is fronted by a sidewalk or similar pedestrian-oriented pathway. Measurements should be taken from one end of a structure to another end of the structure that includes only the portion(s) of the storefront for which funds are being requested for assistance. For example, if the public right-of-way facing portion of a storefront is seventy (70) linear feet, the first thirty-five (35) linear feet are eligible for $10,000. The remaining thirty-five linear feet qualify the building for an additional $3,500 in assistance. In total, this building would qualify for up to $13,500 in façade assistance.

**Design Guidelines**

The use of the City of Evanston Design Guidelines is encouraged. Obtain a copy of the Design Guidelines from the Economic Development Division office or by visiting the web at [www.cityofevanston.org/XXXXX](http://www.cityofevanston.org/XXXXX).

**Program Steps**

**Step 1: Pre-Application submission information sessions.** Information sessions will be held approximately three (3) to four (4) weeks prior to the submission deadline of the Application. The meetings will include:

- Comprehensive review of the Application, Program requirements, approval process, and terms and conditions of the rebate;
- Examples of past successful façade improvements; and
- Opportunity to ask questions.

Dates, times, and location on these sessions is located in Attachment A.

**Step 2: Application Submission.** Applications are due no later than 5:00 p.m. upon the date of the deadline. Incomplete Applications will not be reviewed by staff, therefore be sure to contact Economic Development Division Staff at least 48 hours prior to deadlines to confirm that your Application is complete. Contact information for Staff can be found on the cover of this document. If you meet the deadline, Staff will provide you with a proof of submission form. Submissions must include the following:

- Completed Application ([www.cityofevanston.org/XXX](http://www.cityofevanston.org/XXX));
- Copies of estimates for proposed work;
- Two (2) Color photographs of the property
- If tenant is the applicant, letter of support from property owner indicating he/she is supportive of the project and has reviewed the terms and conditions of the Program.

**Step 3: Staff Application Review Process.** After Applications are submitted, Staff will:
• Evaluate each project submitted to determine if Application is complete. Incomplete Applications received prior to the deadline will be returned to applicant advising to resubmit a completed Application;
• Identify appropriate funding sources for each proposed project;
• Staff will prepare recommendations of approval of funds to either the Housing & Community Development Act Committee or the Economic Development Committee.

Staff will evaluate Applications on the following criteria:
• Total project budget;
• Location within an established business district along a major street or near a transit station;
• Use of energy efficiency measures (installation of energy saving windows, doors, etc.);
• Returning unproductive uses to productive uses and/or creation of new rentable space in a building; and
• Total linear feet of storefront to be improved.

Step 4: Public Review and Approval Process. Based on the recommended source of funds, Staff will submit recommendations to the following Committees:
• Economic Development Funds: Economic Development Committee;
• Tax Increment Financing Funds: Economic Development Committee; and
• Community Development Block Grant Funds: Housing & Community Development Act Committee.

Participants are required to be present at all public meetings at which proposed façade projects will be discussed. Following Staff review, Participants will be notified of time, date, and place of the public meeting at which the Application will be considered. See Attachment A for information on meeting dates and times for an approximate idea of approval timelines.

Step 5: Execution of Program Agreement. Following approval by City Council, approved Participants will be required to enter into and execute a written agreement with the City of Evanston which will establish the terms, conditions, and requirements for participation in the Program. The Program Agreement shall be in a form prepared by the City of Evanston, consistent with the Program Guidelines and outlined Terms and Conditions. Once the Program Agreement has been executed to the satisfaction of the Director of Community & Economic Development, a Notice to Proceed will be issued to the Participant. A sample copy of the terms and agreements is provided in Attachment B of this document. Note: Commencement of work without an executed Program Agreement will automatically disqualify a Participant from being eligible to participate in the Program.

Terms & Conditions

In accordance with the Program Guidelines, the City of Evanston will provide financial assistance up to the approved amount of a project at no more than half of the total project cost. The rebate will come in the form of a loan forgivable over a five (5) year (or 60 month) period, upon completion of the façade improvement project.

Any rebates paid by the City of Evanston pursuant to this program shall not be made until all work has been completed; all improvement work has been inspected and approved by the City of Evanston. Additionally, all payments for said work must be made to contractors, material
suppliers, and vendors. Participants of the Program must submit to the City of Evanston itemized invoices detailing work completed and materials purchased. Such invoices shall include proof of payment to all contractors, suppliers, and vendors. Documentation must be submitted within 45 days of project completion. The participant shall also submit unconditional lien releases and other documentation as required by this Program. The participant is responsible for all payments to all contractors, material suppliers, and vendors.

Any rebates paid by the City of Evanston pursuant to this Program constitute loans made to the Participants. Said loans will be forgiven, however, if the property owner or successor-in-interest that has assumed the obligations of the Program Agreement pursuant to an City-approved assignment and assumption agreement, continues to own, or the business owner continues to occupy, the rehabilitated property and maintain the façade improvements for a period of five (5) years from the date of receipt of the rebate without removing or significantly altering the façade improvements, as determined by the City of Evanston in its sole discretion. The total amount of the loan will be forgiven over a period of sixty (60) months such that at the end of the five (5) year period (or 60 months), the entire loan amount will be deemed forgiven and the loan balance will be zero.

If the property owner sells the property or the business owner fails to occupy the property prior to the end of the fifth (5th) year, the remaining share of the loan (prorated on a monthly basis) shall become due, plus three percent (3%) interest per annum payable to the City of Evanston is due within thirty (30) calendar days, unless the succeeding property owner or business owner (i) assumes the obligations of the Program Agreement pursuant to a City of Evanston approved assignment and assumption agreement, and (ii) does not make any changes to the property resulting in the removal of significant alteration to the façade improvements, and maintains the façade improvements for a period of five (5) years from the date of receipt of the rebate. The prorated amount due will be obtained by multiplying the original rebate amount times the percentage obtained by dividing the number of months remaining in the five (5) year period that commences on the month that the project was recorded by the Cook County Recorder of Deeds and ends on the 5th anniversary date by 60, which is the total number of months in the loan period.

**Prevailing Wages:** Projects utilizing CDBG must comply with Davis-Bacon Prevailing Wages. Participants will be informed if they will have to comply with Davis-Bacon Prevailing Wages.

**Project Completion:** Projects must be completed within ninety (90) days of approval date (extensions will be considered on a case-by-case basis);

**Property Taxes and Liens:** Property taxes must be current, and participants may have no debts in arrears to the City when the Commitment Letter is issued. The property must also be clear of all other non-debt related liens and.

**Voluntary Conditions:** All completed projects will be asked and encouraged to display a sign (provided by the City) for 24 months indicating that funds from the City of Evanston was involved in the improvement.
ATTACHMENT A: 2011 Deadlines & Meeting Dates

1st 2011 Review Period:
- Tues., Jan. 4, 6:00pm: Mandatory Pre-Application Meeting (visit website for details).
- Wed., Jan. 26, 5:00pm: Applications due to Economic Development Division.
- Jan. 27 – Feb. 9: Staff Review Period
- Fri., Feb. 4, Staff will notify Participants of proposed project funding source to determine attendance at public approval meeting.
  - CDBG Funds: Tues., Feb. 15, 7:30p: Housing & Community Development Act Committee Meeting
  - Economic Development or TIF Funds: Wed., Feb. 23, 7:30p: Economic Development Committee Meeting

2nd 2011 Review Period:
- Tues., April 5, 6:00pm: Mandatory Pre-Application Meeting (visit website for details).
- Wed., April 27, 5:00pm: Applications due to Economic Development Division.
- April 28 – May 11: Staff Review Period.
- Fri., May 6: Staff will notify Participants of proposed project funding source to determine attendance at public approval meeting.
  - CDBG Funds: Tues., May 17, 7:30p: Housing & Community Development Act Committee Meeting
  - Economic Development or TIF Funds: Wed., May 25, 7:30p: Economic Development Committee Meeting

3rd 2011 Review Period:
- Tues., Aug. 9, 6:00pm: Mandatory Pre-Application Meeting (visit website for details).
- Wed., Aug. 31, 5:00pm: Applications due to Economic Development Division.
- Sept. 1 – 14: Staff Review Period
- Fri., Sept. 9: Staff will notify Participants of proposed project funding source to determine attendance at public approval meeting.
  - CDBG Funds: Tues., Sept. 20, 7:30p: Housing & Community Development Act Committee Meeting
  - Economic Development or TIF Funds: Wed., Sept. 28, 7:30p: Economic Development Committee Meeting

**All meetings will occur at the Lorraine H. Morton Civic Center, Room 2404, unless otherwise noted**
ATTACHMENT B: Program Agreement

THIS PROGRAM AGREEMENT [Agreement] is entered into on this ___ day of __________, 20 _____ [Effective Date], by and between the City of Evanston [City], and __________________________ [Participant], owner (or tenant) of property located at __________________________________________ [Property], with regard to Participant’s participation in the “City of Evanston – Façade Improvement Program” [Program].

RECITALS

WHEREAS, the City desires to enhance the visual appearance of buildings and structures, stimulate private investment, and complement other community revitalization efforts throughout Evanston as identified in the Program Guidelines; and

WHEREAS, investment on commercial façade improvements visible to persons from public rights-of-way will beautify the subject properties and surrounding area, create a positive visual impact, increase the volume of business by making the subject properties and businesses more attractive, stimulate private investment, and complement other community revitalization efforts within the City; and

WHEREAS, the City has authorized Economic Development Division Staff to manage and administer the Program on behalf of the City including, without limitation, authorizing the Director of Community & Economic Development to execute this Agreement with the Participant thereby establishing the terms, conditions, and requirements for participation in the Program in accordance with the Guidelines for the Program approved by the City Council [Program Guidelines]; and

WHEREAS, the City Council has approved the Participant and the proposed project for participation in the Program, subject to the terms and conditions of the Program Guidelines and this Agreement.

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated herein by this reference, and the mutual obligations of the parties as herein expressed, the City and Participant agree as follows:

AGREEMENT

I. DEFINITIONS

The following terms shall have the following meanings whenever used in this Agreement, except where the context clearly indicates otherwise. Any ambiguity as to the intended meaning or scope of the terms set forth below will be resolved solely by the City through its designated representative.
a. “Director of Community & Economic Development” means the City’s designated representative responsible for managing and administering the Program on behalf of the City.

b. “Completion Date” means the date that the contractor has finished the Project pursuant to the design and architectural plans approved by City Council, the Director of Community & Economic Development, or his/her designee, and to the satisfaction of the Participant, as evidenced by final payment to the contractor from the Participant.

c. “Declaration” means the Declaration of Covenants Affecting Real Property Participant is required to execute and record against the Property in order to obtain the Rebate in the form attached hereto and incorporated herein as Exhibit “B.”

d. “Owner Consent” means a Certification of Ownership and Consent to be executed by the owner of the Property, if the Participant is not the owner, in the form attached hereto and incorporated herein as Exhibit “C”.

e. “Participant” means the person applying for a rebate for facade improvements on the Property and determined eligible by the City Council or Director of Community & Economic Development or his/her designee to participate in the Program. Participant may be the owner of the Property or a business owner who has obtained written consent of the Property owner to participate in the Program and to proceed with the improvements identified within this Agreement.

f. “Program Guidelines” means the “City of Evanston -- Façade Improvement Program Guidelines” approved by the City Council that govern the Program and this Agreement. The Program Guidelines are attached hereto and incorporated herein as Exhibit “D”. All terms not defined herein shall have the meanings ascribed thereto in the Program Guidelines.

g. “Project” means the façade improvements on the subject property as proposed by the Participant and approved by the City Council.

h. “Property” means the subject property owned or occupied by the Participant on which the improvements shall be completed. The Property is located within the City of Evanston and is legally described in Exhibit “A”, which is attached hereto and incorporated herein by this reference.

i. “Rebate” means the total amount of the City’s loan provided to the Participant, which is equal to no more than half the final total project cost up to the amount approved by City Council (whichever is less).

j. “Total Allowable Expenses” means the actual costs incurred, paid for, and documented by the Participant and approved by the Director of Community & Economic Development or his/her designee for the proper performance of the improvement work required by the plans and specifications and/or architectural/design renderings for the Project.
k. **Total Project Expenditure** means the total actual Project costs incurred by and paid for by the Participant including, without limitation, the costs of construction, materials, and supplies.

II. **CERTIFICATION OF OWNERSHIP**

If Participant is not the fee owner of the Property, Participant shall, prior to the City's execution hereof, obtain and provide to the City from the fee owner of the Property his/her/its approval in writing for Participant to participate in the Program and proceed with the Project, and for the recordation against the Property of a Declaration in the Official Records of the County Recorder of Cook County, by and through the Owner's execution of a Certification of Ownership and Consent substantially in the form attached hereto as Exhibit “C” and incorporated herein by this reference (the “Owner Consent”).

III. **TERMS OF REBATE - FORGIVABLE LOAN OVER FIVE (5) YEARS**

a. The Participant hereby agrees to comply with all terms and conditions of the Program as set forth in the Program Guidelines. (See Exhibit “D”.)

b. The Rebate paid by the City pursuant to this Program shall not be made until all of the improvement work comprising the Project has been completed, all of the improvement work comprising the Project has been inspected and approved by the Director of Community & Economic Development or his/her designee, and all payments for said work have been made to contractors, materials suppliers, and vendors. Thus, the Participant shall finance the Project, with tenant/owner funds (cash) and/or private funding (bank loan), during construction the Participant shall submit to the Director of Community & Economic Development or his/her designee itemized invoices detailing the work completed and materials purchased. Such invoices shall include proof of payment to all contractors, suppliers, and vendors. The Participant is responsible for all payments to the contractors, materials suppliers, and vendors, and for providing true and correct copies of unconditional lien releases to the City.

c. The Rebate paid by the City pursuant to the Program constitutes a loan to Participant. Said loan will be forgiven, provided that the Participant or successor-in-interest that has assumed the obligations of Participant hereunder pursuant to an City-approved assignment and assumption agreement, either continues to own or occupy, as the case may be, the rehabilitated Property for a period of five (5) years from the date of receipt of the Rebate without removing or significantly altering the façade improvements, as determined by the City in its sole discretion, and agrees to maintain the improvements for said five (5) year period. The total amount of the loan will be forgiven in twenty percent (20%) increments, on an annual basis, such that at the end of five (5) years, the entire loan amount will be deemed forgiven and the loan balance will be zero. If the Participant sells the Property or fails to occupy the Property, as the case may be, prior to the end of the fifth (5th) year, the remaining prorata share of the loan, with interest at the rate of three percent (3%) per annum, is due and payable to the City within thirty (30) calendar days, unless the succeeding
property owner or business owner, as the case may be, (i) assumes the obligations of Participant pursuant to an City-approved assignment and assumption agreement, and (ii) does not make any changes to the Property resulting in the removal or a significant alteration to the façade improvements, and maintains the facade improvements, for a period of five (5) years from the date of receipt of the Rebate.

IV. PARTICIPANT’S RESPONSIBILITIES

a. In preparation for submission of an Application, the Participant shall obtain a minimum of three (3) written bids from qualified, licensed contractors to perform the Project. Once the Participant awards a bid to a qualified, licensed contractor, the Participant shall provide to the Director of Community & Economic Development or his/her designee information on the awarded bid and rejected bid. At least one (1) bid must be from an Evanston-based contractor. If an Evanston-based contractor is not sought, written evidence must be provided that documents why an Evanston-based contractor was not considered and provided in the original submission.

b. The Participant shall obtain and submit all required certificates of insurance, as set forth in the Program Guidelines, to the Director of Community & Economic Development or his/her designee upon execution of this Agreement and prior to City’s execution.

c. The Participant shall be responsible for hiring a licensed contractor to complete the Project. The Director of Community & Economic Development or his/her designee may require submission of proof of the State License issued to the selected contractor.

d. The Participant shall be responsible for contacting the Director of Community & Economic Development or his/her designee to arrange for obtaining all City and other approvals and/or permits required for construction and completion of the Project.

e. The Participant must issue a notice to proceed to the contractor within thirty (30) calendar days of receipt of the Notice to Proceed issued by the City to Participant.

f. The Participant shall be fully responsible for managing, monitoring, and scheduling the construction of the Project, for ensuring compliance with the payment of prevailing wages (if applicable), and for ensuring that all improvements are completed properly and in conformance with the approved project.

g. The Participant shall be fully responsible for making all payments to contractors, suppliers, vendors and/or other third parties and for ensuring that all contractors, subcontractors, suppliers, vendors and/or other third parties are paid in full.

h. The Participant acknowledges and agrees that the improvements to be constructed in anticipation of a Rebate, in the form of a forgivable loan provided by the City, constitutes the construction, alteration, demolition, installation, or repair work done
under contract and paid for in whole or in part out of public funds. The Participant shall comply with all requirements of Federal, Illinois and City of Evanston law.

i. Upon completion of the Project, the Participant shall notify the Director of Community & Economic Development or his/her designee and call for an inspection of the Project. Director of Community & Economic Development or his/her designee will arrange for the Property to be inspected.

j. The Participant shall submit to the Director of Community & Economic Development or his/her designee a written request for a Rebate within forty-five (45) calendar days of the Completion Date, and shall include the following:

   i. Cover letter indicating the Project is completed and the Total Cost Expenditures for the Project and requesting the Rebate;
   ii. All contractor invoices detailing the specific tasks completed in accordance with approved Project;
   iii. Proof of payment of all invoices for all expenditures associated with the Project;
   iv. Unconditional lien releases;
   v. Any additional back up material requested by the Director of Community & Economic Development or his/her designee;
   vi. Two color 8" x 10" photos taken of the Project after completion;
   vii. An executed (with signatures acknowledged) Declaration; and
   viii. For the five (5) year term of the Declaration, the Participant shall maintain the façade improvements in good condition and shall not make any changes to the Property resulting in an alteration to the façade improvements.

V. THE CITY’S RESPONSIBILITIES

a. Director of Community & Economic Development or his/her designee shall review the bids for construction submitted by Participant and prepare a submission to the appropriate City Committee that approves the Project based on the particular funding source for the project.

b. Director of Community & Economic Development or his/her designee shall issue the Notice to Proceed to the Participant upon his/her receipt of this Agreement and any other required or requested documentation.

c. Within a reasonable time after Participant notifies City of the completion of the Project, the Director of Community & Economic Development or his/her designee shall inspect the improvements to ensure they were completed in accordance with approved project scope.

d. Director of Community & Economic Development or his/her designee shall review Participant’s request and accompanying documents for a Rebate. If all the terms, conditions, and obligations of Participant under this Agreement and the Program Guidelines have been met, the Director of Community & Economic Development or his/her designee shall issue the Rebate in an amount not to exceed one-half (1/2) of
the Total Allowable Expenses, within the maximum allowable limits set forth in the Program Guidelines.

VI. TIME OF PERFORMANCE
The Participant shall complete the Project within ninety (90) days of the Effective Date of this Agreement in order to remain eligible for receipt of the Rebate. Failure to complete the Project within ninety (90) days will result in termination of this Agreement. Requests for additional time and extensions in project completion time will be granted, but only if submitted in writing prior to the expiration of the agreement.

VII. AMOUNT OF REBATE – FORGIVABLE LOAN

The total amount of the Rebate to be made by the City pursuant to the terms and conditions of this Agreement, shall not exceed the amount equal to one-half (1/2) of the Total Allowable Expenses approved by City Council for the Project up to the maximum allowable rebate amount stated above. The Total Allowable Expenses will be determined at completion of the Project at which time the total amount of the Rebate to be made by the City shall be calculated based on actual expenditures, and not to exceed program maximums, and such amount will be stated in the Declaration.

VIII. INSURANCE

a. During the entire period in which work on the Project is performed until termination of the Declaration, the Participant shall obtain and maintain in full force and effect during said period the following insurance policies: (i) Comprehensive General Liability Insurance in a general aggregate amount of not less than one million dollars ($1,000,000), $1,000,000 Products and Completed Operations Aggregate, and $1,000,000 each occurrence and including; (ii) Automobile Insurance, maintained in full force and effect in an amount of not less than one million dollars ($1,000,000) per accident;

b. The Comprehensive General Liability Insurance and Automobile Insurance policies shall name the City of Evanston, and their respective elected officials, officers, employees, agents, and representatives as additional insureds.

c. All deductibles on any policy shall be the responsibility of the primary holder of such policy and shall not be the responsibility of the City of Evanston.

d. Participant shall provide evidence of required insurance to the Director of Community & Economic Development before execution of this Agreement.

IX. OBLIGATION TO REFRAIN FROM DISCRIMINATION

a. Participant covenants and agrees for itself, its successors and its assigns to the Property, or any part thereof, that it will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, marital status, national origin or ancestry, or age or physical or mental disabilities that do not impair ability to work, and further that it will examine all job classifications
to determine if minority persons or women are underutilized and will take appropriate affirmative action to rectify any such underutilization.

b. That, if it hires additional employees in order to perform this contract, or any portion hereof, it will determine the availability of minorities and women in the area(s) from which it may reasonably recruit and it will hire for each job classification for which employees are hired in such a way that minorities and women are not underutilized.

c. That, in all solicitations or advertisements for employees placed by it or on its behalf, it will state that all Participants will be afforded equal opportunity without discrimination because of race, color, religion, sex, sexual orientation, marital status, national origin, ancestry, or disability.

X. NO AGENCY CREATED

The Participant and any contractor, supplier, vendor or any third party hired by Participant to complete the Project are not agents of the City. Any provisions of this Agreement that may appear to give the City any right to direct the Participant concerning the details of the obligations under this Agreement, or to exercise any control over such obligations, shall mean only that the Participant shall follow the direction of the City concerning the end results of the obligations.

XI. OWNERSHIP OF DOCUMENTS

All documents, including, without limitation, designs, plans, bids, bills and receipts, prepared and submitted to the City pursuant to this Agreement (including any duplicate copies) shall be the property of the City. The City’s ownership of these documents includes use of, reproduction or reuse of and all incidental rights thereto.

XII. INDEMNIFICATION AND HOLD HARMLESS

To the maximum extent permitted by law, the Participant agrees to and shall defend, indemnify and hold harmless the City, and their respective officers, officials, employees, contractors and agents from and against all claims, liability, loss, damage, costs or expenses (including expert witness fees, reasonable attorneys’ fees, and court costs) arising from or as a result of the death of any person or any accident, injury, loss or damage whatsoever caused to any person or the property of any person resulting or arising from or in any way connected with the following, provided Participant shall not be responsible for (and such indemnity shall not apply to) any negligence or willful misconduct of the City, or their respective officers, officials, active employees, contractors or agents:

a. The development, construction, marketing, use or operation of the Property by the Participant, its officers, contractors, subcontractors, agents, employees or other persons acting on Participant’s behalf [Indemnifying Parties];

b. The displacement or relocation of any person from the Property as the result of the development of the Project on the Property by the Indemnifying Parties;
c. Any plans or designs for the Project prepared by or on behalf of Participant including, without limitation, any errors or omissions with respect to such plans or designs;

d. Any loss or damage to the City resulting from any inaccuracy in or breach of any representation or warranty of Participant, or resulting from any breach or default by Participant, under this Agreement; and

e. Any and all actions, claims, damages, injuries, challenges and/or costs or liabilities arising from the approval of any and all entitlements or permits for the improvements by the City, and their respective officers, officials, employees, contractors or agents.

The foregoing indemnity shall continue to remain in effect after the Completion Date or after the earlier termination of this Agreement, as the case may be.

XIII. DUTY TO DEFEND

The Participant further agrees that the hold harmless agreement in Article XII, and the duty to defend the City, and their respective officers, officials, employees, contractors and agents, require the Participant to pay any costs that the City may incur which are associated with enforcing the hold harmless provisions, and defending any claims arising from obligations or services under this Agreement. If the City chooses at its own election to conduct its own defense, participate in its own defense, or obtain independent legal counsel in defense of any claim related to obligations or services under this Agreement, the Participant agrees to pay the City’s attorney’s fees, expert witness fees, and all costs.

XIV. COMPLIANCE WITH LAW

The Participant agrees to comply with all the requirements now in force, or which may hereafter be in force, of all municipal, county, state and federal authorities, pertaining to the development and use of the Property and construction of the Project, as well as operations conducted on the Property. The Director of Community & Economic Development or his/her designee will not issue any Rebate to the Participant if there is in violation of any law, ordinance, code, regulation, permit or Program Guideline.

XV. TERMINATION

If Participant shall fail to cure any Event of Default upon notice and within the time for cure provided for in XVII below, the City may, by written notice to the Participant, terminate this Agreement. Such termination shall trigger the “Repayment of Pro Rata Share of Rebate defined in XVII.

Participant may not terminate this Agreement without the express written consent of City.

XVI. NOTICES

All notices permitted or required hereunder must be in writing and shall be effected by (i) personal delivery, (ii) first class mail, registered or certified, postage fully prepaid, or (iii)
reputable same-day or overnight delivery service that provides a receipt showing date and
time of delivery, addressed to the following parties, or to such other address as any party
may, from time to time, designate in writing in the manner as provided herein:

To City:  
City of Evanston
Economic Development Division
2100 Ridge Avenue
Evanston, IL 60201
Telephone: 847.448.8100
Email: economicdevelopment@cityofevanston.org

To Participant:  
__________________________________
__________________________________
Phone No.: ______________________
Facsimile No.: ___________________
Email: __________________________
Attention: _______________________

Any written notice, demand or communication shall be deemed received immediately if
personally delivered or delivered by delivery service to the addresses above, and shall be
deemed received on the third day from the date it is postmarked if delivered by registered or
certified mail.

XVII. DEFAULT; REMEDIES; DISPUTE RESOLUTION


In the event of failure by either party hereto substantially to perform any material
term or provision of this Agreement, the non-defaulting party shall have those rights
and remedies provided herein, provided that such non-defaulting party has first
provided to the defaulting party a written notice of default in the manner required by
Article XVI hereof identifying with specificity the nature of the alleged default and the
manner in which said default may be satisfactorily be cured.

b. Cure of Default

Upon the receipt of the notice of default, the alleged defaulting party shall promptly
commence to cure, correct, or remedy such default within such thirty (30) day period,
and shall continuously and diligently prosecute such cure, correction or remedy to
completion. For purposes of this Agreement, “business days” shall refer to Monday
through Friday, inclusive, other than State, Federal, or other locally declared
holidays.

c. City Remedies; Repayment of Pro Rata Share of Rebate.

In the event of a default by Participant of the terms of this Agreement that has not
been cured within the timeframe set forth in Paragraph B above, the City, at its
option, may terminate this Agreement or may institute legal action in law or in equity to cure, correct, or remedy such default, enjoin any threatened or attempted violation, or enforce the terms of this Agreement. In the event of a default by Participant that occurs after the City has disbursed the Rebate, the “Pro Rata Repayment Amount” and interest, at the rate of three percent (3%) per annum, commencing on the date City disbursed the Rebate to Participant, shall become immediately due and payable. The rate of interest applicable to periods of default for the defaults set forth in this paragraph shall be calculated at the lesser of three percent (%) per annum or the maximum legal rate, and shall accrue as of the date such payment was originally due.

The “Pro Rata Repayment Amount” shall be the amount obtained by multiplying the original Rebate amount times the percentage obtained by dividing the number of months remaining in the five (5) year covenant period that commences on the month the Declaration is recorded, and ends on the 5th anniversary (the “Covenant Period”) by 60, which is the total number of months in the Covenant Period (12 months x 5 years). For example, if the amount of the Rebate is $15,000, and the breach occurs after 3 years and two months (38 months), Participant shall repay $5,500 plus any interest that has accrued during this time.

All payments shall be first credited to accrued interest, next to costs, charges, and fees which may be owing from time to time, and then to principal. All payment shall be made in lawful money of the United States. Payments shall be made to City at the address set forth in Article XVI herein or at such other address as City may direct pursuant to notice delivered to Participant in accordance with Article XVI.

d. Participant’s Exclusive Remedies.

The parties acknowledge that the City would not have entered into this Agreement if it were to be liable in damages under, or with respect to, this Agreement or any of the matters referred to herein, including the Project, except as provided in this Article. Accordingly, Participant shall not be entitled to damages or monetary relief for any breach of this Agreement by the City or arising out of or connected with any dispute, controversy, or issue between Participant and the City regarding this Agreement or any of the matters referred to herein, the parties agreeing that declaratory and injunctive relief, mandate, and specific performance shall be Participant’s sole and exclusive judicial remedies.

XVIII. APPLICABLE LAW

The internal laws of the State of Illinois without regard to principles of conflicts of law shall govern the interpretation and enforcement of this Agreement.

XIX. CONFLICT OF INTEREST

a. No member, official, or employee of the City shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official, or employee participate in any decision relating to the Agreement which affects his/her personal
interests or the interests of any corporation, partnership, or association in which he/she is, directly or indirectly, interested.

b. The Participant warrants that it has not paid or given, and will not pay or give, any third person any money or other consideration for obtaining this Agreement.

XX. NON-LIABILITY OF CITY OFFICIALS AND EMPLOYEES

No member, official, agent, legal counsel or employee of the City shall be personally liable to the Participant, or any successor in interest in the event of any default or breach by the City or for any amount which may become due to Participant or successor or on any obligation under the terms of this Agreement.

XXI. BINDING EFFECT

This Agreement, and the terms, provisions, promises, covenants and conditions hereof, shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns.

XXII. AUTHORITY TO SIGN

The Participant hereby represents that the persons executing this Agreement on behalf of Participant have full authority to do so and to bind Participant to perform pursuant to the terms and conditions of this Agreement.

XXIII. COUNTERPARTS

This Agreement may be executed by each party on a separate signature page, and when the executed signature pages are combined, shall constitute one single instrument.

XXIV. ENTIRE AGREEMENT, WAIVERS AND AMENDMENTS

a. This Agreement and the Exhibits and references incorporated into this Agreement express all understandings of the parties concerning the matters covered in this Agreement. This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties with respect to all or any part of the subject matter hereof.

b. All waivers of the provisions of this Agreement must be in writing and signed by the appropriate authorities of the City or the Participant, and all amendments hereto must be in writing and signed by the appropriate authorities of the City and the Participant.

XXV. NON-ASSIGNMENT

The Participant shall not assign the obligations under this Agreement, nor any monies due or to become due, without the Director of Community and Economic Development’s prior written approval, and Participant and Participant’s proposed assignee’s execution of an
assignment and assumption agreement in a form approved by the City. Any assignment in violation of this paragraph is grounds for immediate termination of this Agreement, at the sole discretion of the Director of Community & Economic Development. In no event shall any putative assignment create a contractual relationship between the City, and any putative assignee.

XXVI. NO WAIVER

No failure of either the City or the Participant to insist upon the strict performance by the other of any covenant, term or condition of this Agreement, nor any failure to exercise any right or remedy consequent upon a breach of any covenant, term, or condition of this Agreement, shall constitute a waiver of any such breach or of such covenant, term or condition. No waiver of any breach shall affect or alter this Agreement, and each and every covenant, condition, and term hereof shall continue in full force and effect.

IN WITNESS WHEREOF, the City, and the Participant have signed this Agreement as of the dates set opposite their signatures.

"CITY"

Dated: ___________________________ By:

________________________________________

Name: ______________________________________

Title: _______________________________________

“PARTICIPANT”

Dated: ___________________________ By:

________________________________________

Name: _____________________________________

Title: ______________________________________

ATTACHMENTS:

1. Exhibit A – Legal Description of Property
2. Exhibit B – Declaration of Covenants Affecting Real Property
3. Exhibit C – Certification of Ownership and Consent
4. Exhibit D – Program Guidelines

Return this form to:
City of Evanston
Director Community & Economic Development
2100 Ridge Avenue
Evanston, IL 60201
Exhibit A: LEGAL DESCRIPTION OF PROPERTY

(Attach behind this page)
Exhibit B: DECLARATION OF COVENANTS AFFECTING REAL PROPERTY

[Space for Recorder]

THIS DECLARATION OF COVENANTS AFFECTING REAL PROPERTY ("Declaration") is entered into this _____ day of ____________________, _____ ("Effective Date"), by and between the CITY OF EVANSTON, a public body corporate and politic ("City"), and _____________________________ ("Participant").

RECITALS:
A. Participant owns fee title to, or holds a valid leasehold interest in, that certain improved real property located at __________________, in the City of Evanston, County of Cook, State of Illinois (hereinafter referred to as the "Property"). The property is improved with a commercial building currently used as __________________. A legal description of the Property is attached hereto and incorporated herein as Exhibit “1”.

B. The Site is within the City of Evanston ("City").

C. Participant has entered into a Facade Improvement Program Agreement (the "Program Agreement") with the City, dated as of ____________________, 20__, concerning the “Project” (as defined in the Program Agreement), City’s provision to provide the Participant of a rebate in the amount of ______________ ($_____), in the form of a loan, to assist Participant in developing the Project (the “Rebate”), and related matters, which Program Agreement is on file with the City as a public record and is incorporated herein by reference. All defined terms used herein shall have the same meaning as in the Program Agreement unless otherwise stated.

NOW, THEREFORE, in consideration of the foregoing Recitals, which are incorporated herein by this reference, and for other valuable consideration, the sufficiency of which is hereby acknowledged, City and Participant hereby agree as follows:

1. Participant hereby covenants as follows, which covenants shall run with land and shall be binding upon itself and its assigns, and each successor-in-interest to the Property or any portion thereof:

   a) To not transfer or encumber the Site or any portion thereof or assign any of its rights or obligations hereunder, under the Program Agreement, or
under this Declaration without obtaining the prior written consent of the City.

b) To maintain the insurance required pursuant to the provisions of Article VIII of the Program Agreement.

c) To indemnify, defend, and hold the City, and their respective officers, officials, members, employees, agents, and representatives (collectively, the “City and City Personnel”), harmless from and against all liabilities, losses, damages, costs and expenses, including reasonable attorney’s fees, expert witness fees, and court costs (hereinafter, collectively, “Claims”), arising from or as a result of the death or injury to any person or any accident, injury, loss, or damage whatsoever caused to any person or to the property of any person and which is caused by any acts or any errors or omissions of Participant or any of its employees, agents, servants, invitees, contractors, or subcontractors; provided, however, Participant shall not be required to indemnify, defend, and hold harmless the City if the Claim arises from or is caused in whole by active negligence or willful misconduct of the City, or any of their employees, agents, servants, invitees, contractors, or subcontractors.

d) To not devote the Property to uses inconsistent with applicable laws, rules, and regulations of any governmental agencies having jurisdiction.

e) To maintain the Property and all improvements including the façade improvements constructed as the Project, in first class condition and repair and in accordance with all applicable laws, rules, ordinances, orders, and regulations of all federal, state, county, municipal, and other governmental agencies and bodies having jurisdiction and all their respective departments, bureaus, and officials. Participant shall not permit any accumulation of weeds, rubbish, or debris on the Property, and shall promptly remove any graffiti or other defacement of the Property. Participant shall not permit any unlawful use or public or private nuisance to be maintained on the Site.

f) To repay the Rebate pursuant to the terms of Article XVII Paragraph C of the Program Agreement, when such repayment is required under the terms thereof.

g) That there shall be no discrimination against, or segregation of, any persons, or group of persons, on any basis of race, color, religion, sex, sexual orientation, marital status, national origin or ancestry, or age or physical or mental disabilities that do not impair ability to work, and further that it will examine all job classifications to determine if minority persons or women are underutilized and will take appropriate affirmative action to rectify any such underutilization.
h) That, if the Participant hires additional employees in order to perform this contract, or any portion hereof, it will determine the availability of minorities and women in the area(s) from which it may reasonably recruit and it will hire for each job classification for which employees are hired in such a way that minorities and women are not underutilized.

i) That, in all solicitations or advertisements for employees placed by it or on its behalf, it will state that all Participants will be afforded equal opportunity without discrimination because of race, color, religion, sex, sexual orientation, marital status, national origin, ancestry, or disability.

2. All of the covenants, easements, agreements, conditions and restrictions contained herein, whether affirmative or negative: (a) are made for the direct benefit of the Benefited Property; (b) are covenants running with the land; (c) are appurtenant to and shall not be conveyed or otherwise transferred separately from the Benefited Property, or the Site; and (d) bind and inure to the burden or benefit, as the case may be, of the respective heirs, personal representatives, successors and assigns of the parties hereto, including, without limitation, successive owners of all or any portion of, respectively, the Benefited Public Property and the Site.

3. The covenants and agreements established in this Declaration shall, without regard to technical classification and designation, be binding on Participant for the benefit of and in favor of the City, regardless of whether the City own or hold any interest in real property butting or adjacent to the Site or within the Project Area. Notwithstanding the foregoing or anything to the contrary herein, neither Participant nor any assign or successor-in-interest to the Site shall have any liability or responsibility for the breach of any covenant or agreement contained herein by any other assign or successor-in-interest to the Property that would constitute a breach or violation of the provisions hereof. At the termination of the Program Agreement, Participant may request that the City release the covenants set forth herein. The decision whether to release said covenants shall remain in the sole discretion of the City, which shall not be unreasonably withheld.

[end - signature page follows]
IN WITNESS WHEREOF, City and Participant have entered into this Declaration as of the Effective Date.
“City”
CITY OF EVANSTON, an Illinois Municipal Corporation
By: ______________________________
Director of Community & Economic Development

Dated: ______________________________

("Participant")

By: ______________________________

Its: ______________________________

Dated: ______________________________
Owner Consent to Declaration

CONSENT TO RECORDATION

__________________________________________, (owner of the fee interest in the real property legally described in Exhibit “A” hereto, consents to the recordation of the foregoing Declaration of Covenants Affecting Real Property against said real property and agrees to be bound by the terms thereof applicable to the participant.

Dated: ______________________________

__________________________________________

By: ______________________________________

State of Illinois
County of Cook

On ________________________________, before me,________________________________, Notary Public, personally appeared _______________________, who proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument of the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of Illinois that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature______________________________________ (Seal)
EXHIBIT C: CERTIFICATION OF OWNERSHIP AND CONSENT

This CERTIFICATION OF OWNERSHIP AND CONSENT (this “Consent”) is executed by the undersigned (“Owner”) at the request of ____________________________ (“Tenant”).

1. Owner is the owner in fee of that certain real property located at _____________, in the City of Evanston, County of Cook, State of Illinois (the “Property”).

2. The Property is improved with a building (the “Building”). The Property is currently leased to ________________, who operates a business thereon (the “Tenant”).

3. The Tenant has submitted an Application to the City of Evanston (the “City”) pursuant to the City’s Façade Improvement Program (the “Program”) for a rebate in connection with certain improvements the Tenant contemplates making to the Building façade (the “Improvements”).

4. The Tenant has entered into a Program Agreement with the City that sets out the terms and conditions of the Program, and includes the Program Guidelines. Pursuant to the Program Agreement if the Tenant completes construction of the Improvements within ninety (90) year after the date of the Program Agreement, and satisfies certain other requirements set forth therein, the Tenant will be eligible for a rebate (the “Rebate”). The Rebate will be in the form of a loan, the repayment of which will be forgiven if the Tenant maintains and does not alter or remove the Improvements for a period of five (5) years from the Tenant’s receipt of the Rebate.

5. If the Tenant sells the business without obtaining the prior written consent of the City and/or fails to maintain or alters or removes the Improvements before the close of the five (5) year period referenced above, the Tenant will be required to repay a prorata share of the Rebate.

6. One of the City’s conditions to providing the Rebate to the Tenant is that a Declaration of Covenants Affecting Real Property is recorded against the Property which imposes certain maintenance and other requirements on the Property (the “Declaration”).

Owner now wishes to provide its written consent to all of the foregoing.

NOW THEREFORE, in consideration of the foregoing Recitals, which are incorporated herein by this reference, and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Owner hereby declares as follows:

1. Owner hereby consents to all of the following:
   a. Tenant’s execution of the Program Agreement and participation in the Program.
   b. Tenant’s construction of the Improvements.
   c. The recordation against the Property of the Declaration, which Owner hereby agrees to execute, with signature(s) acknowledged, and deliver to the City when requested by the Tenant.
2. The person or persons executing this Consent on behalf of Owner is fully empowered to do so and in so doing binds Owner according to the terms hereof.

3. Owner acknowledges that Tenant and City are relying upon the provisions of this Consent and that the City would not agree to provide the Rebate to Tenant without this Consent.

4. City is a third party beneficiary to this Consent.

IN WITNESS WHEREOF, Owner has executed this Consent as of ________________.

“OWNER”

By: ______________________________
Its: ______________________________

By: ______________________________
Its: ______________________________
Facade Improvement Program Application

The purpose of this program is to improve the appearance of commercial buildings located throughout the City of Evanston. The program addresses the facade, the exterior portion of a building facing the public right-of-way, in order to remedy deteriorating property conditions and to generate business for Evanston’s commercial areas. For further details on this program, review the Program Guidelines and the Program Agreement.

INSTRUCTIONS: The following are required to be considered for participation in the Facade Improvement Program:

- This completed application (Submit this application by using the "Submit by Email" button in the upper right corner of this document or at the end of the document).
- Three estimates for each proposed scope of work (Sent via email to economicdevelopment@cityofevanston.org).
- If tenant is the applicant, letter of support from property owner indicating he/she is supportive of the project and has reviewed the terms and conditions of the Program. (Sent via email to economicdevelopment@cityofevanston.org).

Property Information

Property Address

Year Property Was Constructed[ ] Is this Property a Historic Landmark?[ ]

To determine if your property is a historic landmark or in a historic district visit the City of Evanston’s Learn About My Place: http://www.cityofevanston.org/AboutYou/?name=whoami&Cmd=whoami&User=1&house_number=&street_id=&Submit=Submit

Applicant Information

Applicant Name:

Applicant Address:

Applicant Phone: [ ] Applicant Email: [ ]

Applicant is: [ ]

Business Name (if applicable)

Property Owner Information (If Applicant is not Property Owner)

Applicant Name:

Applicant Address:

Applicant Phone: [ ] Applicant Email: [ ]

Is the Property Currently for Sale? [ ]
## Business Information - Ground Floor Uses

**INSTRUCTIONS:** Provide information on businesses located on the ground floor of the property that will be included in Project.

<table>
<thead>
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<tbody>
<tr>
<td>Business Name:</td>
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<tr>
<td>Name of Business Owner (First, Last):</td>
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<tr>
<td>Length of Store Frontage (feet):</td>
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<tr>
<td>Length of Store Frontage (feet):</td>
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<td>Length of Store Frontage (feet):</td>
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<tr>
<td>Length of Store Frontage (feet):</td>
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</table>

*Note: If more than five (5) businesses are included in your facade improvement project, please submit a typed attachment to economicdevelopment@cityofevanston.org.*
Summary of Work at Property

What type of improvements are you planning to make? Check all that apply:

- [ ] Doors
- [ ] Tuckpointing
- [ ] Other
  
- [ ] Windows
- [ ] Lighting
- [ ] Painting

Describe if "Other" Checked

Note: Reimbursement for signage requires a different application. Please contact the Economic Development Division for additional information.

Provide a narrative of your proposed project. Include information on portions of the building that will be improved and what particular work activities will be completed.

Provide a narrative of sustainability measures that will be employed in this project.

Click to upload image #1 of property

Click to upload image #2 of property

Click to upload image #3 of property
Summary of Estimates of Work

**INSTRUCTIONS:** Provide a summary of all estimates of work obtained for your proposed work in the tables provided below. Categorize each type of work for your project under "Work A", "Work B", or "Work C". For example, if your project included tuckpointing and painting – all tuckpointing estimates would fall under "Work A" while all painting estimates would fall under "Work B". See sample completed table below. Note: Evanston-based businesses should be utilized for work where possible. If an Evanston-based business will not be used for work, attach a written statement explaining why a business outside of Evanston must be utilized.

### WORK A: Type of Improvement: Tuckpointing street facing facades --- SAMPLE ONLY

<table>
<thead>
<tr>
<th>Estimates</th>
<th>Name of Contractor</th>
<th>Location of Contractor</th>
<th>Total Estimated Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>#1</td>
<td>Better Tuckpointing</td>
<td>Small City, Illinois</td>
<td>$10,500.00</td>
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<tr>
<td>#2</td>
<td>Tuckpointing Today</td>
<td>Suburb, Illinois</td>
<td>$8,500.00</td>
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<tr>
<td>#3</td>
<td>Family Tuckpointing</td>
<td>Center City, Illinois</td>
<td>$15,000.00</td>
</tr>
</tbody>
</table>

Average Estimate for Work A: $11,333.33

Highest Estimate: $15,000.00

Lowest Estimate: $8,500.00

Note: Italics indicate portion to be completed by applicant.

### WORK B: Type of Improvement:

<table>
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<th>Estimates</th>
<th>Name of Contractor</th>
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<td>#1</td>
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Average Estimate for Work B: $11,333.33

Highest Estimate: $15,000.00

Lowest Estimate: $8,500.00

### WORK C: Type of Improvement:

<table>
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<tr>
<th>Estimates</th>
<th>Name of Contractor</th>
<th>Location of Contractor</th>
<th>Total Estimated Cost</th>
</tr>
</thead>
<tbody>
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<td></td>
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<td></td>
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<tr>
<td>#3</td>
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</tbody>
</table>

Average Estimate for Work C: $11,333.33

Highest Estimate: $15,000.00

Lowest Estimate: $8,500.00
Agreement of Understanding

"I certify that all of the information contained in this document, all statements, information, and exhibits that I am submitting for the property listed in this form under 'property information' is true and accurate and to the best of my knowledge. I certify that I have reviewed the Program Guidelines and Program Agreement form associated with the City of Evanston's Facade Improvement Program."

Digital Signature of Applicant: ____________________________

Insert Date: ____________________________
INTRODUCTION

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.

The City of Evanston pays 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. The creation of “new looking” storefronts and disguising the original building is not encouraged.

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. The City of Evanston is available to work with applicants to accommodate projects in as flexible a manner as possible.

These guidelines are not meant to be specific design solutions, but principles and techniques to consider while arriving at a decision. Each building must be considered on its own unique characteristics.

SIGNS

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

- 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.

- 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.

- 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.

- 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 & Economic Development Department.

- Wall mounted projecting box type signs are not permitted.

**AWNINGS**

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

- 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.

- 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.

- 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 & Economic Development Department.

**WINDOWS**

- 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 & Economic Development Department.

- 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 & Economic Development Department in accordance with the section “Signs”.

- 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.

- 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 & Economic Development Department.

- Solid or permanently closed or covered storefronts are not permitted, unless receiving prior approval from the Community & Economic Development Department; 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.
• All damaged, sagging or otherwise deteriorated storefronts, display windows or entrances should be repaired or replaced.

• 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.

• Window openings in upper floors of the front of the building should not be boarded up, filled, nor panes painted.

• 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.

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

**EXTERIOR WALLS**

• 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.

• 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 & Economic Development Department. 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.

• 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.

• 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.

• 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.

• 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.
• 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**

• 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.

• 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**

• 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 & Economic Development Department.

• 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 & Economic Development Department. 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.

• 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.

**OTHER FACTORS TO CONSIDER**

Each project is very different and needs to be reviewed on an individual basis; however, according to the Community & Economic Development 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 wailing 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 half (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 **CANNOT** waive this requirement. Any request for variance from this requirement must be made through the State of Illinois. 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 Lorraine H. Morton Civic Center at 2100 Ridge Avenue.

These Design Guidelines are to serve 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 & Economic Development Department’s Building and Inspection Services Division at 847.866.2929.
VII. AGENDA ITEMS FOR JOINT PARKING COMMITTEE AND ECONOMIC DEVELOPMENT COMMITTEE MEETING IN OCTOBER
To: Members of the Economic Development Committee

From: Marty Lyons, Interim Director, Community & Economic Development
       Annette Logan, Economic Development Planner

Subject: Agenda for Joint Parking Committee and Economic Development Committee

Date: September 15, 2010

October 27, 2010 schedule for the Parking Committee and Economic Development Committee will be as follows:

6:00 – 7:00 pm – Parking Committee
7:00 – 8:00 pm – Joint Meeting – Parking Committee and Economic Development Committee
8:00 – 9:00 pm – Economic Development Committee Meeting

Attached is a draft agenda for the October 27th Joint Parking Committee and Economic Development Committee Meeting.

The Parking Task Force Re-Launch Meeting held its first meeting on July 9, 2010 which included Staff from Parking, Public Works and Community and Economic Development Staff. Marty Lyons, Interim Director of Community & Economic Development is the Chairperson for this committee. The outline of the meeting was as follows:

- Discussion of the parking system as a whole
- Update the recent outline of the entire parking system
- Circulate a public information document to relative committees and do a presentation
- More public awareness and gain public buy-in

The standing staff group is designed to focus on improving the City’s Parking System within 90 days. The 2nd meeting has been scheduled for September 17, 2010.
I. CALL TO ORDER

II. CITY PARKING STRUCTURE RATES

III. PERCEPTION OF CURRENT PARKING FACILITIES

IV. SERVICE INTERRUPTIONS

V. CITYWIDE SIGNAGE

VI. NEIGHBORHOOD SIGNAGE

VII. WAYFINDING SIGNAGE

VIII. EVANSTON WESTEND SIGNAGE PROGRAM
VIII. ALDERMANIC REQUEST: DISCUSS AND CONSIDER APPROVAL OF FUNDS FOR DEMPSTER STREET/DODGE AVENUE
To: Chair & Members of the Economic Development Committee

From: Annette Logan, Economic Development Planner

Subject: Aldermanic Request: Neighborhood Business District Improvement Program – Dempster Street/Dodge Avenue Funding Request

Date: September 16, 2010

Background

Under the direction of Alderman Jean-Baptiste, the Economic Development Division Staff coordinated and scheduled a meeting on September 10th with the businesses and property owners along the Dempster Street and Dodge Avenue corridor. The purpose of the meeting was to bring these businesses together to meet each other and share their concerns and ideas for the area and to discuss organizing a business district for the area. Everyone agreed that this would be a great benefit for the area.

On September 9th there was a separate meeting held for the Evanston Plaza businesses which has been a regular monthly meeting to address issues specific to the Plaza. The businesses have expressed the need for a business district and that it is a priority for the area and a way they can support one another.

The goal for the business district at Dempster and Dodge is to address the activities needed to support the area, enhance the physical look of the neighborhood and build relationships among the business community. Activities discussed at both meetings included street beautification and marketing.

Recommendation

Staff recommends approving $9,000 from the Economic Development Fund to support street beautification with signage, holiday lights and planters which will greatly benefit the business district.

The next meeting in October meeting will be a meeting to bring all the businesses together in the area and move forward with implementing their ideas. Alderman Jean-Baptiste and Annette Logan will work directly with them to facilitate these activities, if approved by the Economic Development Committee. Staff will report back to the committee on the status of activities and funds spent to achieve their goals.
XI. COMMUNICATIONS
   a. Monthly Real Estate Transfer Tax Report
      JULY AND AUGUST 2010 (RETT Report)
   b. Staff Status Report
MONTHLY RETT REPORT FOR AUGUST 2010

DATE: September 2, 2010  
TO: Mayor and Aldermen  
FROM: Rodney Greene, City Clerk  

SUBJECT: RETT Report--August 2010  

Budget 2010-11 $1,600,000

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<th>Transactions</th>
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August 2010 revenues were reduced to reflect these expenditures: $0

Monthly average needed to meet Budget $133,333  
FY 2010-11 Monthly Average $176,088

46 exemptions @ $100 ea = $4,600; CUMULATIVE $31,100

There were two (2) $1 million dollar sales in August 2010.
08/04/10 -- 2330 Orrington; $1,350,000 Tax $6,750; Seller: Lucchese; Buyer: Hackney
08/11/10 -- 1247 Ridge; $1,037,500 Tax $5,190; Seller: Harrington/Metcalf; Buyer: Giella

NSP2 sales = $599,850; CUMULATIVE $833,477
MONTHLY RETT REPORT FOR JULY 2010

DATE: August 4, 2010  
TO: Mayor and Aldermen  
FROM: Rodney Greene, City Clerk  

SUBJECT: RETT Report--July 2010

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<td>65,364</td>
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*July 2010 revenues were reduced to reflect these expenditures: $10 - Cook County Recorder of Deeds

Monthly average needed to meet Budget $133,333  
FY 2010-11 Monthly Average $178,897

37 exemptions @ $100 ea = $3,700; CUMULATIVE $26,500

There were two (2) $1 million dollar sales in July 2010.

07/01/10 -- 500 N. Asbury, $5,024,000  Tax $25,120; Seller: Resurrection Senior Services; Buyer: WI-FI FN Realty Inc.
07/02/10 -- 2004 Harrison, $1,200,000  Tax $6,000; Seller: Summerville; Buyer: Zucker

NSP2 sales = $233,627
To: Members of the Economic Development Committee

From: Annette Logan, Economic Development Planner
Johanna Nyden, Economic Development Planner

Subject: Economic Development Planner Activities

Date: September 17, 2010

Since the July Economic Development Committee Meeting, staff has engaged in the following activities:

Outreach & Communications

- Site visits to local businesses and business district associations;
- Met with individuals seeking properties for new businesses (support included CoStar space analysis, zoning assistance and additional communications as required);
- Completed contacting businesses licensed in Evanston to obtain current phone and email information for updated business directory;
- Updated information on Economic Development Division Website.
- Worked with City Manager’s office to promote “Paint Evanston Purple” to businesses and obtain promotions for upcoming pep rally and Northwestern game.
- Attended Mash-Up

Business District Activities

- Met with Main Street Merchants Association and Chicago-Dempster Merchants Association to discuss alternative opportunities for funding business district activities;
- Met with Alderman Rainey to discuss potential properties and property owners in business districts that would be interested in participation in façade improvement program;
- Held follow-up meeting of Howard Street businesses to continue development of Howard Street Business Association;
- Held meeting with the Dempster/Dodge businesses to discuss their concerns and to establish the need for a business district;
- Met with Evanston Plaza tenants to discuss leasing updates, signage requests and general plaza concerns with Foresite Realty. Also discussion of the creation of a business district in conjunction with the surrounding businesses;
- Met with Evanston WestEnd businesses along with Planning staff to finalize signage for the area;
• Worked with three applicants to execute façade improvement agreement forms:
  o 1818 Dempster – Heartwood Center (Work Status on-going)
  o 1459-1463 Elmwood – Single Story Retail (Work Status on-going)
  o Asha Salon Spa – (Work Status on-going)

**New Activities**

• Revised draft of grant application form for review and developed draft of façade improvement agreement form;
• Met with Evanston Chamber of Commerce, Downtown Evanston to discuss potential series of workshops/seminars for retailers and small businesses to assist in development and business improvement efforts.