

# Memorandum

To: Chair & Members of the Economic Development Committee

From: Paul Zalmezak, Economic Development Division Manager  
Cindy Plante, Economic Development Coordinator

Subject: 2017 Q2 Economic Development Quarterly Report

Date: July 20, 2017

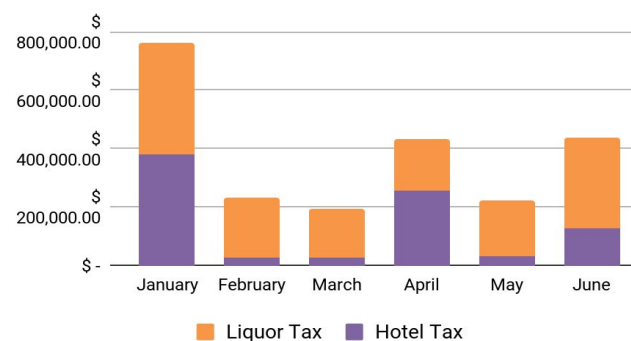
## Summary & Highlights

The second quarter of 2017 saw the return of spring and summer events including the Downtown Evanston Farmer's Market and the 46th annual Custer Fair. Evanston dominated the dining category in *Make it Better Magazine's* annual Best of the North Shore issue, with 20 Evanston restaurants taking top honors in their respective categories.

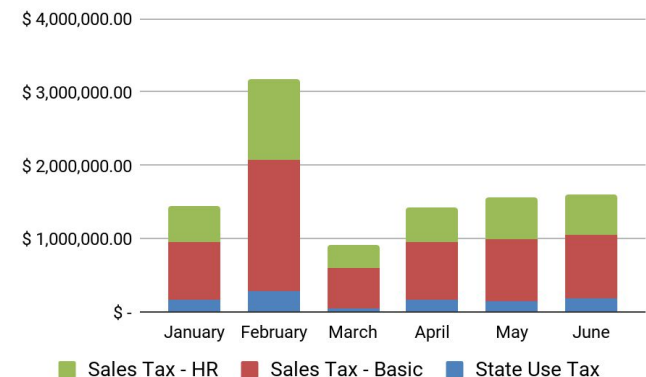
In May, **Target** announced that the company had secured a lease to open a small-format store in the Sherman Plaza building in Downtown Evanston. The new store is expected to open in the first half of 2018 in space that previously housed OfficeMax, Jos. A. Bank, and Ann Taylor Loft. At 27,400 square feet, the new store will offer a selection of grocery, apparel, and household products as well as a pharmacy and pickup area for online orders.

The City took in a total of just under **\$4.6 million in sales and use taxes** during the first three months of 2017, plus an additional \$675,627 in liquor tax, and \$412,267 in hotel tax over the same period.

**2017 Hotel Tax & Liquor Tax**



**2017 Sales & Use Tax**



New Businesses:

Based on available licensing data, **18 new businesses** opened in Evanston during the second quarter of 2017. Among the new businesses are Sushi Burrito, Sam’s Chicken & Ribs, and a brick and mortar location for Viet Nom Nom, which started out as a catering business founded by Northwestern University students.

New Businesses – 2017 Q2	
Sam’s Chicken & Ribs – 1639 Orrington Ave.	Viet Nom Nom – 618 Church St.
Sushi Burrito – 1565 Sherman Ave.	Insomnia Cookies – 1725 Sherman Ave.
Senior Helpers of Chicago – 1590 Sherman Ave.	The Pop Up Gallery – 1627 Sherman Ave.
Nova Driving School – 1910 Main St.	Right At School, LLC 622 Davis St. #300
Superb Environmental Services – 636 Church St. #614	Sherwin Williams – 1911 Green Bay Rd.
Lock Chicago – 820 Davis St.	Palantir.net – 622 Davis St. #400
Kratos Strength Systems – 1310 Sherman Ave.	Illustrated Children’s Ministry – 900 Chicago Ave.
Pet People – 2672 Green Bay Rd.	Impact Construction Services – 1010 Davis St.
Backlot Coffee – 2006 Central St.	T-Mobile - 2438 Main St.

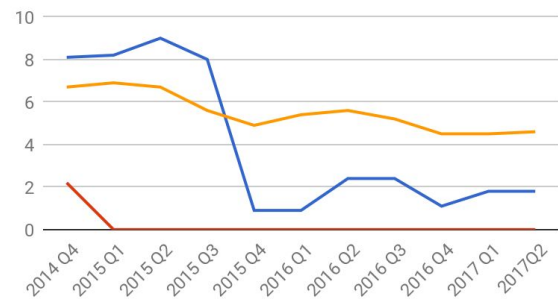
Construction & Real Estate:

Despite a uptick in retail vacancies, the overall retail vacancy rate remains lower than 6% according to data from Costar Analytics. Office vacancy in Evanston continued to decline, ending the second quarter at 5.8%. Vacancy rate for industrial space held steady at just under 2%.

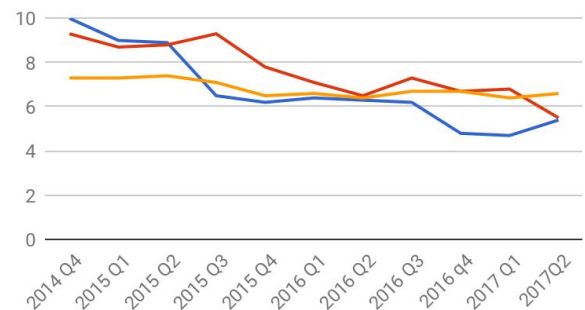
The City Clerk’s office recorded **398 commercial and residential real estate transactions** in Evanston between April 1 and June 30 of 2017, yielding **\$929,625 in real estate transfer tax revenue**.

An estimated **\$31.7 million in commercial construction and renovation work** generated **\$571,724 in building permit revenue during the second quarter of 2017**. The largest single permit this quarter was for work on a new mixed-use retail and apartment building at 824-848 Noyes Street. When completed, the new building will include 44 apartments and ground-floor retail space. Demolition work on the existing building began this quarter.

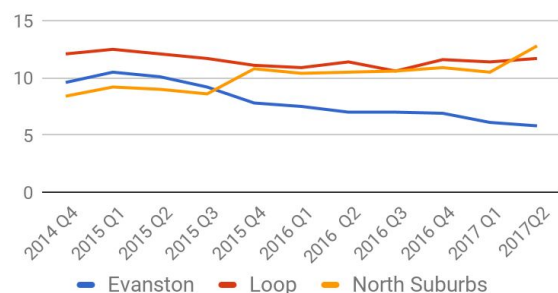
Industrial Vacancy Rates



Retail Vacancy Rates



Office Vacancy Rates



Construction and renovation projects at Northwestern University this quarter were valued at an estimated \$18.5 million and generated \$270,333 in building permit fees, 47% of the total for April through June. The largest projects at the Evanston campus include work at University Hall (\$45,541 in permit fees), 2020 Ridge Avenue (\$31,668 in permit fees), and the University Library (\$24,614 in permit fees). Building permit revenue totals for the first half of 2017 are considerably lower than projected in the FY 2017 budget due to delays on several major development projects that were expected to start this year at Northwestern as well as in downtown Evanston at 1815 Ridge Avenue and 831 Emerson Street.

### Entrepreneurship & Workforce Development:

Sunshine Community Business Academy wrapped up the first cohort of 2017 and began recruiting for the summer session beginning in June. Program alumni turned out for the ribbon cutting at Dwelling Spaces & Places on Central Street in June. The interior design and senior move management company is the fourth brick-and-mortar business opened by a Community Business Academy graduate since the program began in 2015.



During the second quarter, staff also worked to launch a new funding program to provide small one-time grants to entrepreneurs who have completed Community Business Academy or a similar training curriculum. The first three applicants for the new Entrepreneurship Support Program were approved in May for up to \$2,500 in funding assistance for equipment and business services.

### Unemployment Rate 2016-17

