

Memorandum

To: Chair and Members of the Economic Development Committee

From: Paul Zalmezak, Acting Economic Development Division Manager
Cindy Plante, Economic Development Specialist

Subject: 2016 Second Quarter Report

Date: August 19, 2016

Summary & Highlights:

The second quarter of 2016 brought many exciting new developments in Evanston. New business starts combined with expansions and relocations of existing favorites brought the total number of business openings to 17 for the second quarter, compared with only 14 during the same period last year. Real estate sales remained consistent with the same period last year and commercial vacancy rates remained lower than those of nearby market areas.



Divvy Bikes arrived at 10 Evanston stations in June, including this one near the Davis Street CTA station in Downtown Evanston.

Evanston's popularity as a place to live and work was also noted in the *Chicago Reader*, which named Evanston "[Best Suburb](#)" in its annual Best of Chicago issue. The city was also praised in a new book and an [article](#) in *Crain's Chicago Business* for its transit-oriented approach to housing development. Evanston restaurants also continued their dominance of *Make it Better* magazine's annual [Best of the North Shore](#) reader poll, with 13 local eateries winning top honors in their respective categories.

The month of June was a particularly busy month as Divvy bikes made their Evanston debut and the summer festival season kicked off with the return of annual mainstays like Custer Fair and the Fountain Square Arts Festival. Also in June, Evanston Made expanded the annual Open Studio Tour and brought together local artists and small businesses for a month-long celebration of the arts, including studio tours, demos, and exhibitions at local shops and the Evanston Art Center.

New businesses:

The 2nd quarter of 2016 saw the openings of several new businesses as well as some exciting changes for established favorites. Evanston's newest hotel, the **Hyatt House** opened its doors on Chicago Avenue after months of construction, bringing out-of-town visitors a new lodging option in Downtown Evanston. This addition will bring the total number of hotel rooms in the downtown to 856. Evanston's dining scene has continued to lure restauranteurs from the city. The owners of Chicago's Pearl Tavern and Bar Mata opened their latest venture, **Whiskey Thief** at 616 Davis Street, offering a wide selection of spirits in a beautifully-decorated space that also caters to sports fans with 17 TVs. Around the corner, the owners of popular Latin food truck **La Cocinita** opened their first brick-and-mortar location at 1625 Chicago Ave. They'll be joined later this summer by noted Chicago Chef Alpna Singh, whose latest restaurant, Terra and Vine is slated to open in the Church Street Plaza space previously occupied by Bravo! Cucina Italiana.

17 New Businesses in Q2 2016

Threads Boutique – 1304 Chicago Ave.
Sketchbook Brewing Co – 827 Chicago Ave.
Whiskey Thief – 616 Davis St.
Life is Good – 1741 Sherman Ave.
Lavish Hair Lounge – 814 Dempster St.
Auto Finance Chicago – 2421 Dempster St.
Hyatt House – 1515 Chicago Ave.
Gotta B Crepes – 1601 Simpson St.
Cellular Connection – 630 Davis St.
Dave's New Kitchen – 815 Noyes St.
La Cocinita – 1625 Chicago Ave.
Ala'Nis Couture – 707 Washington St.
Soma Vida Pain Relief – 2000 Maple Ave.
Flaherty Physical Therapy – Chicago Ave.
Dreamtown Real Estate – 1567 Maple Ave.
Pita 1 – 1926 Central St.
MSI Healing – 2114 Ashland Ave.



Food truck operator La Cocinita opened its 1st brick and mortar store in Downtown Evanston.

Several existing Evanston businesses also made notable moves and expansions during the second quarter. In April, **Sketchbook Brewing Co.** celebrated the opening of a new taproom space on Chicago Avenue, not far from its previous home in the alley behind Chicago Avenue and Main Street. In June, **Hewn Bakery** doubled its footprint on Dempster Street by expanding into an adjacent storefront. The expansion will allow the business to continue serving retail customers as well as area restaurants. Hewn also made a repeat appearance in *Make it Better's* annual Best of

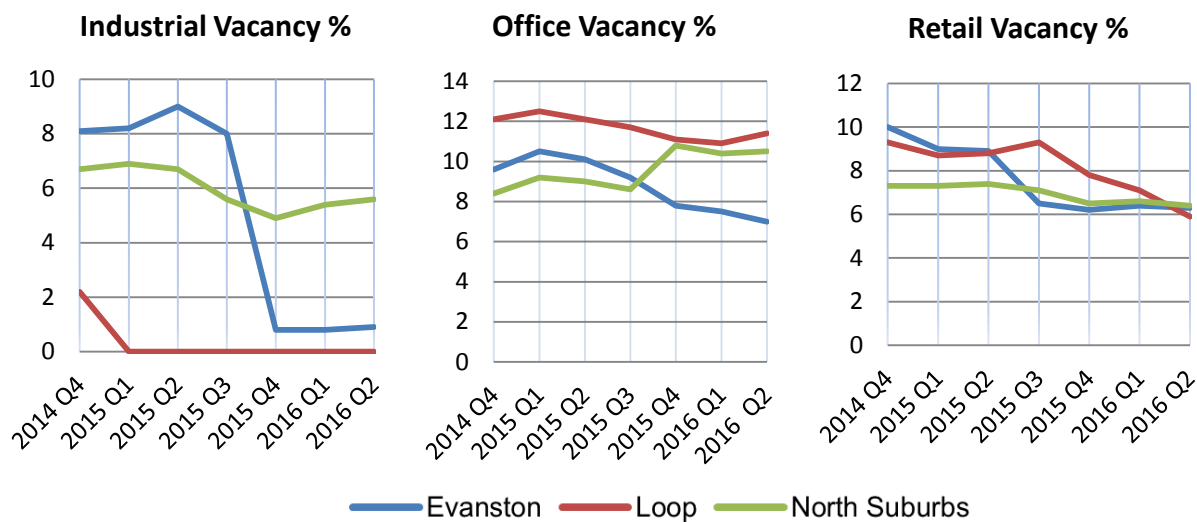
the North Shore issue, and was recently named one of the best artisanal bread bakeries in the US. Many Evanstonians were also relieved to hear that **Dave's Italian Kitchen** reopened in June after a successful Kickstarter campaign following the unexpected closure of the Downtown Evanston institution. The new location at 815, appropriately titled "Dave's New Kitchen" Noyes Street offers many of the same classic menu items in a cozy space steps from the purple line.

Construction & Real Estate:

The City received **\$5.7 million in building permit revenue** from an estimated **\$292.8 million** in commercial construction activity throughout the city this quarter, including work on the new headquarters of Y.O.U and renovations at downtown office buildings including 1603 Orrington and 909 Davis. The Rotary building also saw renovation, as the space previously occupied by Pivot Point International is prepared for the fall opening of its new tenant, **Beacon Academy**, a private Montessori high school. On the Northwestern University campus, work on the **Ryan Walter Athletic Center**, **Mudd Hall** and the new **Lincoln Street residence hall** were the largest projects receiving permits this quarter, with estimated project values of \$150m, \$70m, and \$45m respectively.

Based on data from costar, vacancy rates for commercial property in Evanston have continued to decline since the second quarter of 2016, remaining below those of neighboring communities across nearly every category.

The City Clerk's office recorded **421 real estate transactions** between April 1 and June 30 of 2016, 23 of which were sales in excess of one million dollars. These transactions include both commercial and residential property sales, which generated a total of **\$969,305 in real estate transfer tax revenue** in the second quarter.



Entrepreneurship & Workforce Development:

The third cohort of the **Sunshine Enterprises Community Business Academy** program began classes in June at the Gibbs-Morrison Cultural Center. The current cohort includes 25 women and minority entrepreneurs developing businesses in software, fashion, food, and childcare. As part of **Crain's Small Business Week**, the Evanston Chamber of Commerce and Downtown Evanston hosted a workshop on [maximizing small business google listings](#) at the Civic Center.

The start of summer vacation also means the start of summer jobs for teens participating in the annual **Mayor's Summer Youth Employment Program**, which this year placed over 550 Evanston students in summer jobs throughout the community.

Over 40 younger children and their parents participated in a [community make-a-thon event](#) at Oakton Elementary school sponsored by Northwestern University and hosted by Evanston-based education startup Paige & Paxton, which develops STEM programming for community organizations and school districts around the country.

Although unemployment rates saw a slight increase during the second quarter, this appears to be consistent with changes to the state and federal unemployment rates, and the unemployment rate in Evanston remained lower than unemployment in the City of Chicago or the State of Illinois as a whole.

