

2014 Year End Community and Economic Development Summary

2014 was a year of progress and growth for the Village of Morton Grove. The collective effort of the Village to increase efforts related to business retention and recruitment, coupled with improvements to several aspects of our development review process, has provided positive results – both in measurable terms (lower vacancy rates, etc.) and in “intangible” ways as business and commercial property owners have provided the Village with positive feedback on the increased focus and attention to the business community.

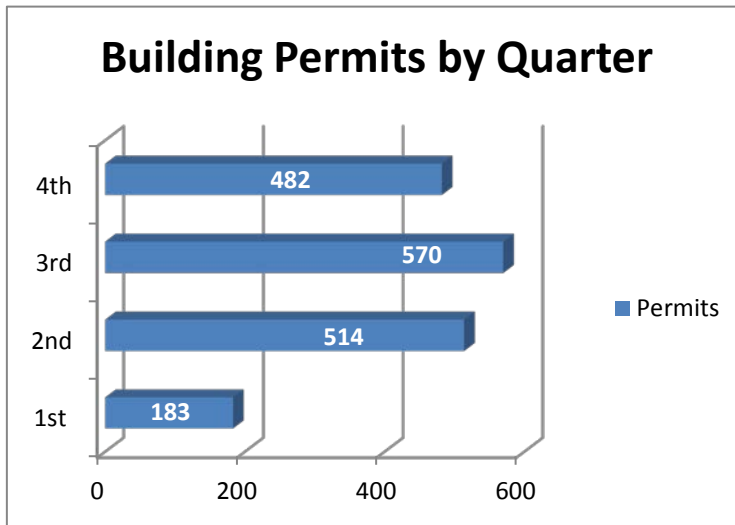
Over the course of 2014, the Village took a more proactive approach to economic development. Some of the achievements and/or result include, but are not limited to:

- ❖ The number of building permits and the value of construction has increased from 2013 – signifying that both commercial and residential property owners are increasing their investments in Morton Grove.
- ❖ The Village has continued to streamline the permitting processes resulting in shorter turn-around time on permit reviews and inspections, which in turn helps businesses to open and residents to move (back) in more quickly.
- ❖ The Village created a new business database and launched an on-line, sortable business directory.
- ❖ The Village updated and re-launched the Façade Improvement grant program in late 2014 and to-date one project has been approved;
- ❖ The Village, working with Chamber, re-instated the street banner program – it is expected the program will be expanded in 2015;
- ❖ The Village updated and enhanced the Available Properties listing and created a more dynamic sortable site which provides key information on available commercial sites and tenant spaces
- ❖ The Village continued its efforts to support a unique and important part of the business community – our Industrial Area businesses. A 2nd annual Industrial Areas business meeting was held in July and, in October, the Board adopted an Industrial Areas Plan;
- ❖ Vacancy rates have decreased throughout the Village;
- ❖ The Village has continued to make incremental updates to the Unified Development Code to better reflect the current market conditions, to simplify the review processes, and to ensure that Code better reflects levels and types of development desired by the Village

Development Activity Investment in Morton Grove

The Village experienced an over 35% increase in the total number of projects permitted through the Building Department in 2014 (954) versus 2013 (702). In addition, the total value also increased - the value of construction projects more than doubled in 2014 (\$33.9M) in relation to 2013 (\$15.6M). This trend reflects an increased desire by residential and commercial property owners to invest in Morton Grove.

Building Permits by Quarter



In 2014, the first quarter had a typical level of permit activity. However, by the 2nd Quarter, project and permit activity significantly increased, driven by both commercial and single family projects.

The third quarter was a peak for residential activity, as most were multi-family and single family projects.

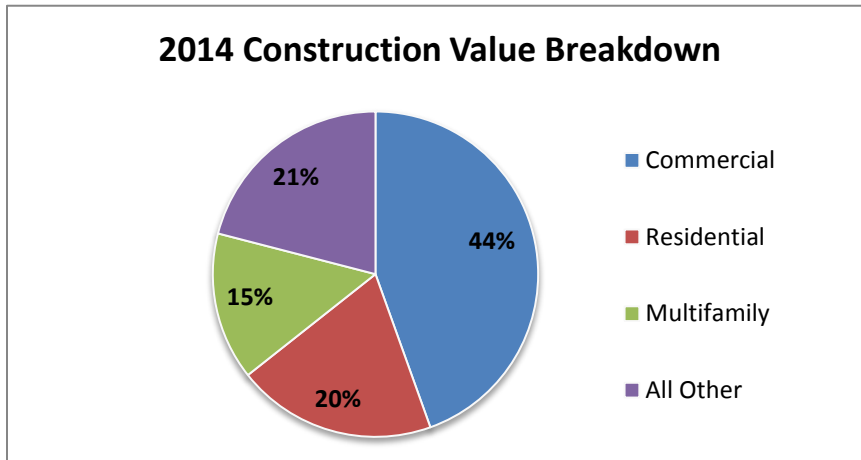
While building permit activity typically drops off in the 4th Quarter, the Village experienced much higher than expected permitting activity in 2014, reflecting continued desire to invest and unseasonably good weather for November and December.

Value of Construction Projects by Quarter

| | 1 st | 2 nd | 3 rd | 4 th |
|---------------------|-----------------|-----------------|-----------------|-----------------|
| Commercial | \$434,877 | \$14,388,910 | \$ 232,400 | \$18,820 |
| Residential | \$980,671 | \$674,882 | \$2,117,818 | \$2,940,973 |
| Multi Family | - | \$1,465,982 | \$3,504,000 | - |
| Other | \$530,355 | \$3,172,146 | \$2,488,529 | \$910,319 |
| Total | \$1,945,903 | 19,701,920 | \$8,342,747 | \$3,870,112 |

While the overall value of construction of all construction projects peaked in the 2nd Quarter, the value of residential projects increased substantially in the 3rd and 4th Quarters. This is due in part to favorable weather conditions, but also an increased desire for new and/or expanded residential properties within Morton Grove.

Value of Construction by Type



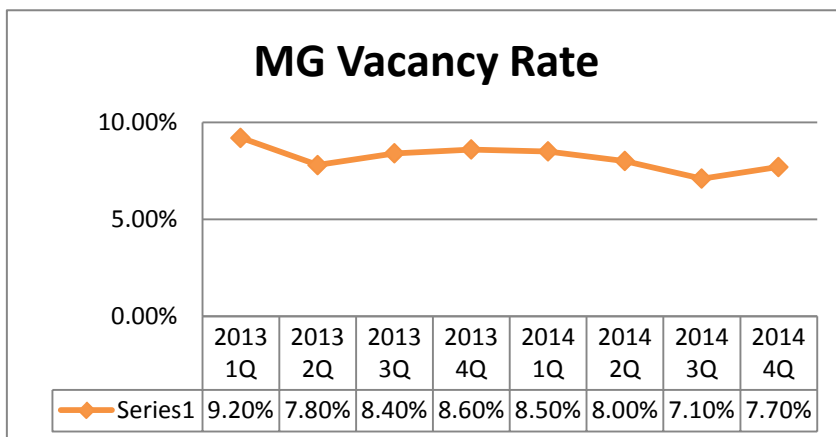
Overall, 2014 data revealed substantial investment was made by both commercial and residential property owners. Major commercial projects provide a large share of the total. The commercial value exceeded \$15 Million.

The Village also experienced increased investments in residential development, both single-family and multifamily. The new Lexington Station Development along with significant single-family expansions or replacements, have contributed to a strong, upward trending housing market to end the year.

Some of the key commercial development projects completed this year include:

- ✓ Audi Morton Grove
- ✓ Virtuoso Performing Arts Center
- ✓ Sko-Die Expansion
- ✓ MG Pharmaceuticals
- ✓ Wright-Way Adoption Center
- ✓ Lexington Station Townhomes

Vacancy Rates



The Villages vacancy rate has decreased from 9.2%, in the first quarter of 2013, to 7.7% at the end of 2014. This positive trend is mostly due to the strong industrial area and a resurgence of interest in Morton Grove’s general commercial retail properties.

New Businesses Welcomed in 2014

| NAME | ADDRESS | TYPE | EMPLOYEES |
|----------------------------|--------------------|-------------------------|------------------|
| Triangle Sign | 6288 Oakton | Signs | 2 |
| Upstairs Hair Affair | 5901 Dempster | Hair Salon | 3 |
| CL Liquors | 7182 Dempster | Retail – Liquor | 1 |
| Advocate Medical | 6131 Dempster | Medical Office | 27 |
| Yogurt in Love | 7180 Dempster | Specialty Restaurant | 2 |
| University Plastic Surgery | 9000 Waukegan #210 | Medical Office | 7 |
| AK Juice Bar | 6821 Dempster | Specialty Restaurant | 1 |
| Carson’s Clearance Center | 7234 Dempster | Retail | 50 |
| Charcoal Flame | 6800 Dempster | Restaurant | 7 |
| Comcast Xfinity Store | 7927 Golf | Retail | 17 |
| Conspec | 6022 Dempster | Professional Services | 2 |
| Ok Smokers | 6024 Dempster | Tobacco | 2 |
| All Inn Tavern | 6725 Dempster | Drinking Place | 6 |
| Kohinoor | 7142 Dempster | Skincare | 6 |
| Sujleman’s Butcher Shop | 5705 Dempster | Butcher | 1 |
| Bestpysanky Inc | 6372 Oakton | Mail Order/Catalog | 1 |
| 007 KR Limo Service | 9432 Waukegan | Taxi/Limo Office | 2 |
| Steel Fitness | 5814 Dempster | Fitness Studio | 2 |
| Alexander Hopkins | 6018-20 Dempster | Mani/Pedi | 3 |
| Aspire Home Healthcare | 8930 Waukegan | Professional Office | 13 |
| Carpet & Rug Galleria | 5616 Dempster | Retail | 2 |
| Elizer Law Group | 5836 Lincoln | Legal Services | 4 |
| Construction Consulting | 5836 Lincoln | Consultants | 6 |
| PC Zone | 5642 Dempster | Computer Repair | 1 |
| ATDZ Consulting | 9434 Waukegan #B | Construction Consulting | 1 |
| To Soc Chon | 6032 Dempster | Restaurant | 4 |
| Nail Essence | 5840 Dempster | Nail Salon | 3 |
| Miracle Ear Chicago | 7913 Golf | Hearing Testing | 2 |
| Mr. Broast | 7947 Golf | Restaurant | 2 |
| Audi Morton Grove | 7000 Golf | Auto Dealer | 65 |
| Pizza Hut Express | 5620 Dempster | Take-Out Restaurant | 4 |
| Family Shoe Repair | 6003 Dempster | Shoe Repair | 2 |
| Evergreen Hospice Care | 6067 Dempster | Hospice Agency | 2 |
| Wright-Way Rescue Center | 5915 Lincoln | Pet Adoption | 13 |
| Medical Health Clinic | 5830 Dempster | Medical Office | 2 |
| Mattress Firm | 7130 Dempster | Retail - Bedding | 2 |

The Village welcomed 36 new businesses last year, which in turn helped created 277 new job opportunities throughout Morton Grove. Reflective of the general market conditions, the Village experienced an increase in service-oriented businesses. While these do not bring in sales tax revenues, they do provide desired services for the residents, reduce commercial vacancy rates, add jobs, and increase the number of persons visiting the commercial areas, who in turn may frequent other area businesses.

Economic Development Services, Programs and Key Highlights

In 2014, the Village increased focus not only on business recruitment but also business retention efforts. Creating a better balance on both fronts has helped the Village create a more recognized “business-friendly” environment. The creation and on-going support of these programs, efforts and activities help the Village as we continue to promote and encourage an effective Economic Development program.

On-line Business Directory

In September 2014, the Village created its first comprehensive on-line Business Directory. Listing in the directory is open to all Morton Grove businesses with a current business compliance certificate. The directory assists local businesses by providing an added internet presence. The directory provides residents, businesses and visitors a central place to search for local Morton Grove businesses by type. At the end of 2014, over 500 businesses were listed; it is expected this number will increase with the annual Business Compliance Certificate renewal efforts in early 2015. The directory is proving to be a great tool for residents and a great resource for our businesses.

Available Properties Listing

The available properties database is an important Economic Development recruitment tool as it provides interested business owners an on-line resource for available commercial buildings and tenant spaces. The Economic Development staff uses a combination of national commercial property resource centers, CoStar, along with information gather from local area brokers to update the listing.

This listing is a first stop for business owners; staff then takes a more hand-on approach in helping businesses refine their search, based on zoning, parking, and other considerations.

Industrial Areas Meeting and Plan

The Village hosted its 2nd Annual Industrial areas Breakfast Meeting on July 16th. The event was well-attended and included a presentation of the draft Industrial Areas plan along with an opportunity for networking between businesses and with Village officials and staff. Among the many participants were representatives from Xylem, Sko-Die, Alfa Tools & Industry, Avon, Allyn Bank & Equipment, Morton Grove Supply, The Land of Nod, Edler Warehousing, Regis Tech, Sko-Die, Inc, Roughneck Concrete, MB Financial, Global Industrial Products, Topline HVAC, Indecor, Business Cards Etc and the Morton Grove Chamber of Commerce and Industry.



Re-Launch of the MG Banner Program

The Village, in partnership with the Morton Grove Chamber of Commerce & Industry, relaunched a Street banner program along east Dempster. In total, 45 banners were placed along Dempster during this “Pilot” program.

The MG Street Banner Program is designed to promote local businesses and events, enhance the character of commercial districts, and otherwise market the Village as a great place to live, work, play and dine. Staff is exploring the possibility of expending the program to other commercial areas in 2015.

Retention Calls & Visits

In 2014, the Economic Development staff along with members of the Economic Development Commission (EDC) began increased out-reach efforts to our existing local business community. Throughout the year businesses have received calls or personal visits for one or more of the following: (1) to participate in or update their business directory listing, (2) announcements about new economic development initiatives such as the Façade Improvement Grant Program, (3) to discuss questions, concerns and/or potential projects from the Industrial Areas Meeting and Plan, and (4) as part of a regular outreach/business survey program. The staff, along with assistance from the EDC, will be launching a comprehensive business survey in spring 2015.

Commercial Façade Improvement Program

Over the summer of 2014, the Village re-launched its Façade Improvement Grant Program. The program will help the Village recruit new businesses, support our existing businesses with improvements to their business store-fronts, and enhance the overall aesthetics of our commercial corridors.

The new Façade Improvement Program is a matching grant program available to all Morton Grove businesses. Business and/or commercial property owners can seek grants up to \$15,000 per project within designated TIF Districts or up to \$7,500 per project in all other commercial areas, for eligible exterior building improvements. These include: signage, awnings, exterior façade materials and similar exterior building upgrades. As of December 31, 2014, one application had been filed and approved by the Economic Development Commission.