



ICNC

Industrial Council of Nearwest Chicago

ANNUAL REPORT 2017



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MAKE CITY INCUBATOR



ICNC owns and operates Make City, a 416,000 square-foot manufacturing incubator on Chicago's near West Side. Make City provides businesses with affordable space in a great location to grow their business. The vibrant entrepreneurial community flourishing in Make City encourages collaboration between a diverse set of industries ranging from food and beverage, apparel, creative services, and more.



LETTER FROM THE BOARD PRESIDENT AND EXECUTIVE DIRECTOR

ICNC turned 50 in 2017.

It would be easy for an organization like ours – well-respected, financially sound, and good at what we do – to become complacent. To advocate less stridently. To be more risk-averse.

Thankfully, ICNC member companies demanded the opposite, and we redoubled our efforts on behalf of local companies. We also broke ground on one of the biggest projects in our organization's history.

In February, we learned that one of our longest-running advocacy campaigns was successful when the City and the CTA announced a commitment to building a new station on the Green Line at Lake and Damen. The station, scheduled to be completed in 2020, will benefit tenant firms in ICNC's incubator, local companies, residents, and United Center patrons.

In the fall, we announced a new name for our incubator: Make City. The name honors the modern urban manufacturing companies that are nimble, saavy, and ambitious. It honors the small but growing companies who, for the most part, make, handle, and ship physical products and are modernizing what an industrial city neighborhood looks like.

And finally, in October, we began construction on a new 67,000 square foot food and beverage manufacturing incubator called The Hatchery. It's a joint venture with a long-time partner of ours and one that is rapidly becoming the nexus of food and beverage entrepreneurship in Chicago. Its 56 kitchen spaces will be open for rental later this year.

We're lucky that the businesses who make up ICNC told us they want the next 50 years to be as impactful and successful as the first 50. The board and staff are fortunate to have a chance to lead the organization at a time of such progress.



Andrew Wielgus,
Board President



Steve DeBretto,
Executive Director

INCUBATION

The Industrial Council of Nearwest Chicago is one of the largest and oldest incubators in the country. Built in the 1890s, at 416,000 square feet, the incubator is unique in its manufacturing focus. We provide growing companies affordable space, business assistance, and place them in an entrepreneurial community that they can benefit from and contribute to. Our companies span a wide range of industries with food and beverage being the largest segment and apparel and textiles being the second largest. In 2017, 18 new companies entered the incubator renting 61,000 square feet of space, while another 14 current businesses further expanded within ICNC, including Lucky Prints, TGIN, and Rhine Hall. Graduating companies included My Bread and Drop Catch.



SUCCESS STORY: MODERN SPROUT

A mere bud of an idea resulted in a blossoming business for Sarah Burrows and Nick Behr, owners of Modern Sprout. Modern Sprout manufactures indoor gardening kits and hydroponic planters. Rooted in family, the branches of the Modern Sprout story are inspiring. When they initially moved into Make City, Sarah and Nick leased a space of about 2,000 square feet. When their innovative products were noticed and placed on Oprah's Favorite Things List, Modern Sprout had to quickly uproot and move into its current home of 20,000 square feet.

About three years ago, Corina joined the Modern Sprout team, and in time she has been joined by her daughter Rosaura, her granddaughter, Corina, and her grandson, Mario. Sarah and Nick are honored to have three generations of a family working within Modern Sprout's team.



THE HATCHERY

October 24th, 2017 broke cold and raw, with rain falling on a muddy field at the corner of Lake Street and Kedzie Avenue in East Garfield Park. But that didn't stop more than 200 people from coming out to mark the groundbreaking for The Hatchery Chicago, ICNC's new food and beverage manufacturing incubator slated to open in December of 2018.

That morning, ICNC staff and board, joined by Mayor Rahm Emanuel and representatives from partner organizations, renewed their commitment to being at the forefront of community and economic development with a project that could provide 900 full-time jobs in its first five years of operation.

The Hatchery Chicago will offer 56 brand-new, state-of-the-art private kitchens to growing food businesses. It will also boast a shared kitchen for start-ups, training, conference, and co-working space, and serve as the new home for business microlender Accion Chicago, ICNC's partner in the venture. Best of all, it will serve as a hub of entrepreneurial community for food and beverage makers, providing a physical and social center for innovation, connections, and learning. Simply put, it's where food businesses grow.



THE HATCHERY
WHERE FOOD BUSINESSES GROW



67,000 square feet. 56 private kitchens. Shared kitchens. Dry/cold storage. Loading docks. Meeting & office spaces.



ADVISING

The Illinois Small Business Development Center (SBDC) had an exciting year in 2017. Housed within our host site, ICNC, both our incubator clients and those from the community we serve have the ability to access a “one-stop shopping” approach to business advising. Over the year, the SBDC assisted 356 small businesses in business planning, workforce development, and financial analysis to name a few. Over 1,700 hours of business counseling were committed to assisting business owners who operate thriving businesses. These companies then went on to create 224 new, meaningful jobs while obtaining \$18M in funding.

ICNC's International Trade Center (ITC) continued to deliver export guidance to small businesses in areas including trade missions, grant funding, export strategies, and foreign market research. ITC clients acquired more than \$35 million in exports in 2017, strengthening the Illinois economy and sustaining the local employment base.



ICNC works with entrepreneurs and existing businesses to help them develop and expand their businesses by providing valuable assistance focused on a company's specific needs. ICNC's business assistance programs are offered in partnership with the SBA and the Illinois Department of Commerce & Economic Opportunity.

SUCCESS STORY: TEASQUARES

One of the SBDC's successful clients is TeaSquares. TeaSquares are infused with naturally occurring caffeine from organic tea grown without the use of artificial ingredients or preservatives. TeaSquares is a brand of Skyline Kitchen, Inc. located in Englewood on Chicago's South Side and employs individuals from underserved neighborhoods. In October 2017, the company won first prize at the Make City Small Business Pitch Event, sponsored by Groupon. In addition to a cash prize, TeaSquares received complimentary small business consulting services from Groupon and Thornton Powell Insurance, and received \$2,500 in shipping credits from UPS (United Parcel Service).

“SBDC gave us valuable advice about food business presentations and we are grateful for their support.”

- Jordan Buckner, CEO of TeaSquares



WORKFORCE DEVELOPMENT

In 2017, the workforce development and HR team of ICNC provided over 250 advising hours and support services to more than 60 small businesses. This resulted in 170 jobs created and the successful placement of 70 job seekers in positions paying at or above the Chicago minimum wage. Some of our top placing employers include Tiege Hanley, Advanced Electric, Synergy, and Chicagoland Beverage Company.

As an extension of our current workforce development efforts, we are glad to announce the creation of a workforce development plan for the Hatchery Chicago, a food and beverage incubator opening in late 2018. This collaborative plan will aim to fill open food and beverage positions with qualified residents of the communities surrounding

the Hatchery Chicago. With over 15 community based organizations on board, this initiative will help fill the candidate pipeline needed to fill 900 anticipated jobs over the next 5 years.

ICNC's charitable organization completed its ninth year of Emergency Medical Technician training through a partnership with the Chicago Foundation for Women and Superior Ambulance. Forty-one under- or unemployed women, often experiencing economic or domestic hardship, completed the seven-month program. The 2017 cohort had the highest graduation rate of the program's history. We could not have achieved the success without our partners Paul M. Angell Foundation and Advocate Health Care. Both have provided additional career support and educational pathways for our EMT students and graduates.

SUCCESS STORY: LAUREN, EMT PROGRAM GRADUATE



In 2017, ICNC's charitable organization celebrated Lauren Hauptman's graduation from the EMT course. Lauren was also the class valedictorian, was a recent recipient of a scholarship from the Grainger Foundation, won an award for the most resilient student in the class, and was recognized for perfect attendance. Lauren was selected to participate in a cohort that allowed her to complete clinical hours in the emergency room of Advocate Trinity Hospital. After taking and passing the National EMT exam, Lauren has been hired by Advocate Health Care. We expect nothing but exciting things for Lauren!

"The months I've spent training to become a nationally certified EMT have been the most rewarding of my life. Thanks to the overwhelming generosity and support of ICNC, I have achieved a dream that previously seemed unattainable... Thank you ICNC for all of the positivity and opportunity this program has brought into my world."

- Lauren Hauptman

ECONOMIC DEVELOPMENT & ADVOCACY

ICNC's Make City incubator, as well as most of the businesses ICNC works with, are in one of the City's Planned Manufacturing Districts and the Kinzie Industrial Corridor. City policy decisions on zoning, land use, incentives, and infrastructure have immediate and significant impacts on these businesses and advocating on their behalf is at the center of what we do.

In 2017, we began meeting with local companies alongside City planners and their consultants as they interviewed business owners about their operations in the Kinzie Industrial Corridor. Part of a corridor modernization study, these interviews will inform land use policy and help us advocate for changes that help companies continue to thrive in our neighborhood. The investment that fueled the redevelopment of Fulton Market continues to

move westward and it's more important than ever that policymakers understand how to accommodate the needs of the modern urban manufacturing firms that provide job opportunities to Chicagoans of diverse backgrounds and levels of education and experience.



SUCCESS STORY: DAMEN GREEN LINE STATION

After over 15 years of advocating for a Green Line station to fill the 1.5-mile gap between the Ashland and California stops, Mayor Rahm Emanuel announced that they have begun developing an 'L' station to be constructed at the Damen Ave. and Lake St. intersection. To be completed in 2020, this station will not only serve the West Side United Center arena and spur economic development for the neighborhood surrounding it, but will also serve the dense Kinzie Industrial Corridor to the north. The Damen Green Line station will provide better, more equitable access to the near West Side for all demographics.



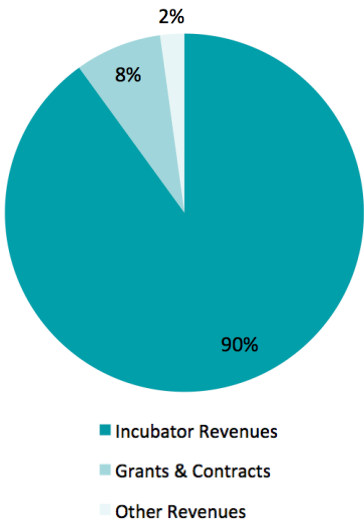
FINANCIAL SUMMARY

ICNC, a 501(c)(6) economic development organization, and its charitable arm, KIDC, a 501(c)(3), continue to see income and expense growth in both incubator building operations and business assistance programming. Our income is primarily derived from incubator revenue. Public and private grants compose the second largest source of our incomes. Donations and in-kind contributions are also a growing segment of our revenues. Similarly, our incubator facilities – 19th century buildings with nearly 10 acres of square footage – are where both organizations spend most of their resources.

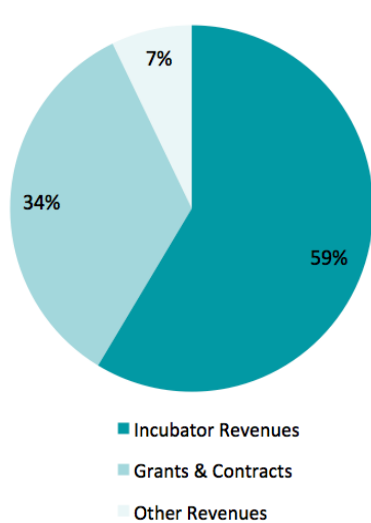
ICNC and KIDC’s incubator facility is spread across four buildings that began as a plumbing

foundry in the 1890s. Maintaining these facilities and providing clean, efficient space for modern light industrial and office uses requires significant investment in capital improvements. A loan from MB Financial was secured for over \$2 million to reinvest in our facilities. A generous Small Business Improvement Fund (SBIF) grant of \$150,000 was awarded to upgrade and modernize KIDC’s sprinkler and ventilation systems. We expect to invest in additional projects such as replacing structural beams, carrying out roof and masonry repair, and creating a tenant lounge for our incubator companies. Membership dues to ICNC and tax-deductible contributions to KIDC help make this work possible.

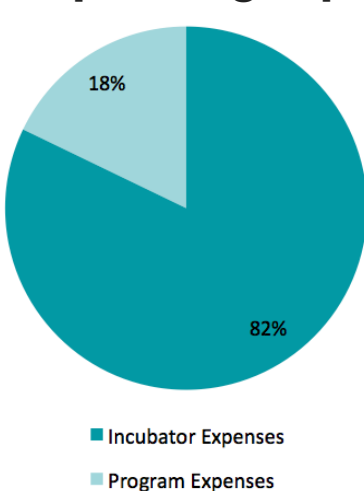
ICNC Income Sources



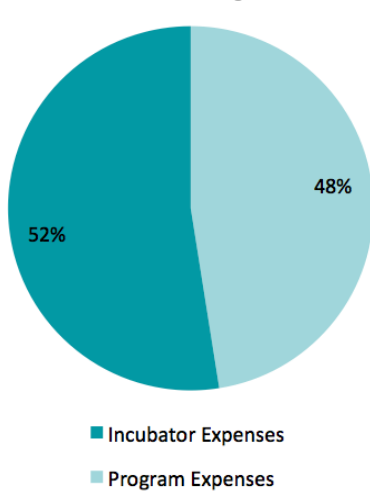
KIDC Income Sources



ICNC Operating Expenses



KIDC Operating Expenses





**18 New Incubator
Companies**

**14 Incubator
Expansions**



**356 Businesses
Received Over
1,700+ Hours of
Business Advising**

2017 AT A GLANCE



**224 New Jobs
Created**



**\$35 Million in
Exports**

**\$18 Million in
Funding**

THANK YOU TO OUR SUPPORTERS

PROGRAM FUNDERS

Advocate Health Care
All Chicago
AT&T Illinois
Bank of America
City of Chicago – Department of Planning & Development
Chicago Community Trust – Jones Fund
Chicago Foundation for Women
Grainger Foundation
Illinois Department of Commerce & Economic Opportunity
Mathematica Policy Research
Paul M. Angell Family Foundation
U.S. Small Business Administration
World Business Chicago

\$10,000+

Groupon

\$5,000-\$9,999

First Midwest Bank
MB Financial Bank
United Parcel Service

\$2,500-\$4,999

AT&T
Comcast Business
JPMorgan Chase Bank

\$1,000-\$2,499

SilverIP Communications
The Horton Group

\$500-\$999

Canon Solutions America, Inc.
Heather Egan, *Rickard Circular Folding Company, ICNC Board Member*
Michael Grant, *Group Benefit Associates*

\$100-\$499

Everett Bell, *Midwest Fence, ICNC Board Member*
Sarah Burrows, *Modern Sprout*
Harvey Camins, *CTK Partners, ICNC Board Member*

Robert Carmody, *Diana's Bananas, ICNC Board Member*
Christopher Chambers, *Essanay Show It*
Cathleen Choi
Unah Choi, *Choi Brands, ICNC Board Member*
Robert Climack, *ICNC Staff*
Steve DeBretto, *ICNC Staff*
Michael DiFoggio, *M. DiFoggio Plumbing Co.*
Giordano Guagliardo, *Zinc Insurance*
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Jeremy Kanne, *Smart Yeti Studios*
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Jonathan Mayotte, *Thornton Powell Insurance Financial Services*
Simone Mitchell-Peterson, *Little Brothers Friends of the Elderly, ICNC Board Member*
Andrew Perez, *Astor + Banks*
Francisco Rivadenayra, *D5 Design and Metal Fabrication*
David Saltzman, *DBS Accounting Solutions, LLC*
Luke Saunders, *Farmer's Fridge*
Vera Ellen Stewart
Dr. Mary Stewart-Pellegrini, *Business Solutions Consultants*
Maria Suh
Howard Wedern, *Dayton Street Partners*
Rachel Wiandt, *Taylor Street Soap Co.*

GIFTS UP TO \$99

Mark Adams
Amazon Smile Foundation
Lauro Arias, *ICNC Staff*
Molly Wynn Banuelos
Courtney Blenner
Rosa Castruita, *ICNC Staff*
Cynthia Choi
Jeannie Choi
Robert Climack, *ICNC Staff*
Denise Collett
Michelle Collett, *ICNC Staff*
Veronica Contreras, *ICNC Staff*
Lawrence Daufenbach, *Daufenbach Camera*
Andrew Dillon, *SVN*
Robert Garcia, *ICNC Board Member*
Robert Grecco, *Metraflex*

Marguerite Elias, *Gogo Air*
Nicasio Enriquez
Grant Feurer, *Snack Naturally*
Forest Agency Insurance
Leigh Hansen, *Rhine Hall*
Jennifer Holmes, *ICNC Staff*
Hannah Jones, *ICNC Staff*
Lorna Jones
William Jones
Scott Knapp, *ABC Kids Salon Supply*
Nancy Kramer, *ICNC Staff*
Amy Liss, *ICNC Board Member*
Michael Mueller, *Federal Moto*
Leanna Reidy
Dennis Robles
Caitlin Saraceno
Don Schreiner, *OrthoIllinois*
Timothy Stilling
Priscilla Torrence, *ICNC Staff*
Jaime Vela, *ICNC Staff*
Dyahanne Ware
Mark Weisberg
Lynn Werner
Andrew Wielgus, *Aztec Plastics, ICNC Board Member*
Darius Williams, *ICNC Staff*

IN-KIND DONORS

Amazing Edibles
Big Delicious Planet
Blue Plate Catering
Cake Chicago
Crockett Cookies
Farmer's Fridge
First Midwest Bank
Goose Island Beer Company
MB Financial
Passion House Coffee Roasters
St. Leonard's Ministries
Superior Ambulance

BOARD OF DIRECTORS

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Heather Egan, Rickard Circular Binding

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Andy Bizub, Midwest Performance Cars

Harvey Camins, CTK Chicago Partners

Unah Choi, Choi Brands, Inc.

Kelly Deady, Kunz Glove Company, Inc.

Craig Faust, @properties

Calvin Gin, Blue Plate Catering

Amy Liss

Simone Mitchell-Peterson, Little Brothers - Friends of the Elderly

PROGRAM STAFF

Steve DeBretto, Executive Director

Joshua Punchur, Finance Manager

Veronica Contreras, Office Administrator

Merly Thomas, Director of Illinois Small Business Development Center

Lauro Arias, Director of Illinois SBDC International Trade Center

Hannah Jones, Director of Economic Development

Jennifer Holmes, Director of Fund Development and Marketing

Michelle Collett, Marketing Associate

Robert Climack, Property Manager

Priscilla Torrence, Director of Workforce Development

Nancy Kramer, Workforce Development Coordinator

MAINTENANCE STAFF

Noemi Alvarado, Custodian

Rosa Castruita, Custodian

Fernando Ortiz, Chief Engineer

George Ortiz, Building Maintenance

Adan Perez, Building Construction

Jaime Vela, Custodian

Hugo Viramontes, Building Maintenance

Darius Williams, Building Maintenance

Make An Impact

The ICNC Board of Directors and staff invite you to join them in fulfilling ICNC's mission to strengthen small businesses through incubation, workforce development, advising, and advocacy. You can make an impact by participating in one or all of the following activities:

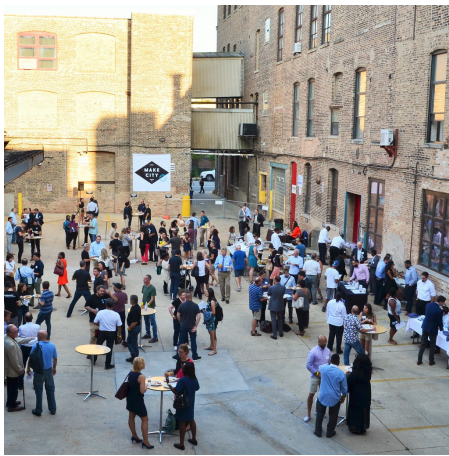
- Making your own tax-deductible contribution to ICNC's charitable organization
- Becoming a corporate sponsor for ICNC entrepreneurship education or a signature event
- Serve as an advocate for ICNC's mission by hosting a small group tour of the ICNC incubator

To learn more about our charitable organization and partnership opportunities, please contact:

Jennifer T. Holmes, M.A.

Director of Fund Development and Marketing

(312) 421-3941 ext. 135 | jennifer@industrialcouncil.com





ICNC

Industrial Council of Nearwest Chicago



TO STRENGTHEN COMPANIES IN THE
KINZIE INDUSTRIAL CORRIDOR AND
TO FACILITATE ECONOMIC AND
COMMUNITY DEVELOPMENT.

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