



ICNC

Industrial Council of Nearwest Chicago



2016 ANNUAL REPORT

OUR MISSION

To strengthen
companies in the
Kinzie Industrial
Corridor and to
facilitate economic
and community
development.



We are pleased to present ICNC's 2016 annual report. In the next few pages, you'll learn a little about the companies and the people that make up the organization, and about what our work means for the people it impacts.

When a few local factory owners got together 50 years ago to talk about forming ICNC, they wanted their Near West Side streets cleaned and the police to protect their employees. They wanted the place they chose to invest in and where they had built their companies to be the economic engine of the West Side.

While they couldn't have imagined today's Kinzie Corridor - the gleaming tech offices in Fulton Market and the small, agile, automated manufacturers elsewhere would have been equally impossible to predict - they would instantly recognize local entrepreneurs' drive and their eagerness to build and sell new products and services.

We are grateful for the opportunity to help these small business owners grow and succeed. The 358 companies we worked with in 2016 invested \$7.7 million in debt and equity into their businesses and racked up \$24 million in export sales. On average, each business created two new jobs, and we found 131 of those new employees for them.

Promoting local community and economic development is our mission. When done right, it builds wealth, creates jobs, and changes lives. Whether you consulted one of our business advisers, built your company in our incubator, donated to our charitable organization, or just came to one of our events, we thank you for being a part of ICNC.

Handwritten signature of Andrew Wielgus.

Andrew Wielgus
Board President

Handwritten signature of Steve DeBretto.

Steve DeBretto
Executive Director

INCUBATION

The Industrial Council of Nearwest Chicago is one of the largest (416,000 square feet) and oldest small business incubators in the world, and 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 2016, 17 new companies entered the incubator renting 41,700 square feet of space. Seven current businesses further expanded within

ICNC, including Metric Coffee which added a retail café to its existing wholesale roasting operation in the incubator. Graduating companies included Jarvis Lighting, Products on White Photography, and Clark Street Sports.

In addition to the existing incubator, ICNC, in partnership with small business lender Accion Chicago, launched plans to build The Hatchery, a new food and beverage manufacturing incubator in East Garfield Park that will provide entrepreneurs with modern, efficient, food-grade kitchens.

“The ICNC is a great space to start and grow a company. Our company was able to grow faster because we were surrounded by other innovative companies and people who want to help these companies develop. The incubator experience was an important factor in our success.”

– Kirby Corkill, President, Jarvis Lighting



SUCCESS STORY: JARVIS LIGHTING

Jarvis Lighting manufactures LED light fixtures for commercial applications including gas stations, parking lots, security lighting, and industrial buildings. Owner Kirby Corkill started the business several years ago when his father, an electrician, could not find good quality, cost-effective LED lights. Jarvis moved to the ICNC incubator in 2012 and expanded from 2,900 to 16,000 square feet within four years. They graduated in 2016 and moved to their own facility. ICNC assisted Jarvis with finding new employees, researching and accessing foreign markets, and meeting other small businesses to partner with.

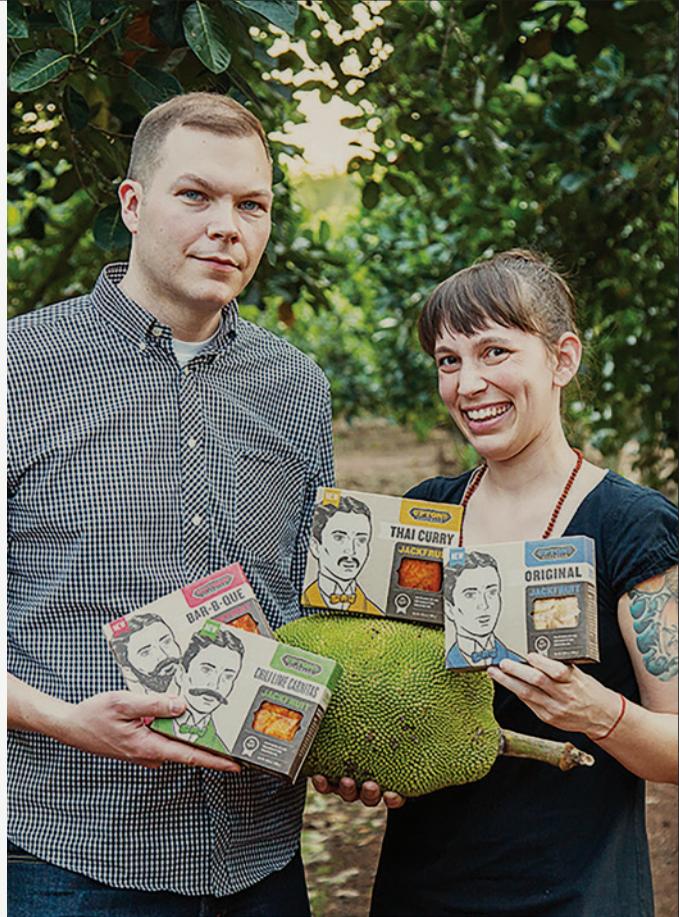
ADVISING

As part of the state and national Small Business Development Center (SBDC) network, ICNC provides no-cost advising to small businesses. We work with both start-ups and existing businesses in areas such as business planning, market development, and funding. In 2016, ICNC worked with **358 small businesses** - from food and beverage manufacturers to producers of personal care products to industrial suppliers - for **over 1,900 hours of advising**. These companies created and retained more than 760 jobs. They also obtained **\$7.7 million in funding, \$3.5 million from loans and \$4.2 million from non-debt sources**. In addition, 27 people graduated from ICNC's self-employment training program which helped unemployed workers start their own businesses.

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 achieved more than \$24M in export sales in 2016, strengthening the Illinois economy and sustaining the local employment base. Additionally, our ITC Director participated in the U.S. Department of State's Professional Fellows Program on a reciprocal exchange to Bosnia and Herzegovina and Croatia. ICNC continued to strengthen its international connections by hosting delegations of entrepreneurs from Africa, Europe, and Latin America throughout 2016.

“Our business has grown incredibly year-over-year with the guidance and assistance of the SBDC/ITC at ICNC, and we are so grateful to have those connections. Running a small business is very time consuming and it's nice to have someone else in our corner looking for opportunities on our behalf!”

– Nicole Sopko, Co-Founder,
Upton's Naturals



SUCCESS STORY: UPTON'S NATURALS

Upton's Naturals is a Chicago-based natural foods company that sources, produces, and distributes vegan meat alternatives made of seitan and jackfruit. They have experienced significant growth since starting in 2006 and have developed a strong domestic distribution network. Upton's has been working with the Illinois International Trade Center at ICNC to expand into the Canadian and European markets. In addition, they have attended international trade shows with the assistance of local export grants.





SUCCESS STORY: **ALISON COLUCCI, 2016 EMT GRADUATE AND CLASS VALEDICTORIAN**

KIDC congratulates Alison Colucci on her graduation from the EMT training course. Not only was she class valedictorian, she received awards for perfect attendance and resiliency. She recently completed numerous clinical hours in ambulances with Superior Ambulance and in emergency rooms at Advocate Trinity hospital and is now eagerly waiting to take the EMT licensing exam. She is applying for jobs as an EMT and an emergency room technician. We expect great things from Alison.

In 2016, ICNC's workforce development and HR team provided over **300 advising hours** and support services to more than 90 small businesses. This resulted in the successful **placement of 131 job seekers** in positions paying above minimum wage. Our top placement employers were Freedman Seating and Taylor Farms. For the first time, outplacement services were provided to businesses to help their employees transition to new jobs and reorient themselves in the job market. We were also able to provide no-cost ServSafe food handler **training to 25 residents of the Garfield Park** community to assist them in acquiring or expanding skills in the food industry. An ICNC incubator client hired two graduates of the program.

As part of our workforce development efforts, ICNC's charitable organization, KIDC, completed its eighth year of Emergency Medical Technician training through a partnership with the Chicago Foundation for Women and Superior Ambulance. Thirty-four under- or unemployed women, often experiencing economic or domestic hardship, completed the eight-month program and achieved our highest ever graduation rate. In addition, we began a partnership with Advocate Health Care to provide additional career pathways for our EMT graduates.

"This program is simply amazing. Chicago Foundation for Women and ICNC...you are changing the lives of so many women and your support throughout the program has been flawless. Graduating from the EMT program has given me confidence and strength to keep reaching for my goals and believe me, I have a lot more in store, so stay tuned!"

– Alison Colucci, EMT Program Graduate

ECONOMIC DEVELOPMENT AND ADVOCACY

ICNC's economic development and business advocacy department assists Kinzie Industrial Corridor businesses with a wide range of tasks, including addressing infrastructure needs and informing them of available state and city-funded incentive programs. In 2016 ICNC was awarded **\$50,000 to disperse to manufacturing companies** located in the Tax Increment Financing (TIF) District through the TIFWorks 50/50 Program, administered by the City's Department of Planning and Development. This program reimburses 50% of employee training costs for eligible companies.

In addition, responding to local business requests, our continued advocacy for better police protection resulted in the allotment of a designated patrol unit for our neighborhood.

ICNC's economic development department further advocated for the strengthening of our Planned Manufacturing District (PMD), which protects industrial businesses, by initiating discussions to establish a brewery district with local brewers and developing a more solidified neighborhood identity through corridor-wide branding initiatives.

"The ICNC has been an invaluable partner in helping GCBC. Their ability to connect us with the right resources, along with their expert knowledge and insight gained from 50 years of supporting Chicago manufacturing in the PMD, has made establishing our business a lot easier. We couldn't have come this far without them. That, and they're just good people—and fun to have a beer with!"

– Conor McFerran, Co-Founder, Great Central Brewing Company

SUCCESS STORY: GREAT CENTRAL BREWING COMPANY

Great Central Brewing Company is Chicago's first craft-dedicated contract beer brewing facility. They passed over less expensive land options in the suburbs and moved to the Kinzie Industrial Corridor in 2016 for the logistical, tax, and operational efficiencies provided by the PMD zoning. This zoning is one of the mechanisms that allows Chicago to attract and retain the industrial development essential to its economic future. Great Central is highly involved with promoting ICNC's mission and drew on our assistance during their move, again showing that the PMD helps to get things Made In Chicago.

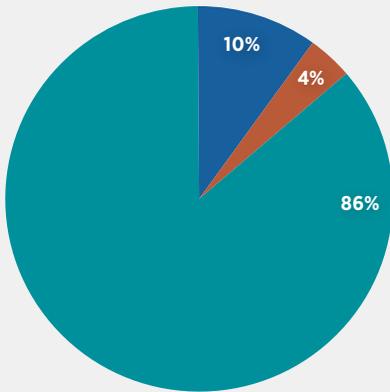


FINANCIAL SUMMARY

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 rents but also includes public and private grants as well as other local contracts. Similarly, our incubator facilities - 19th century buildings with nearly 10 acres of square footage - are where both organizations spend most of their money.

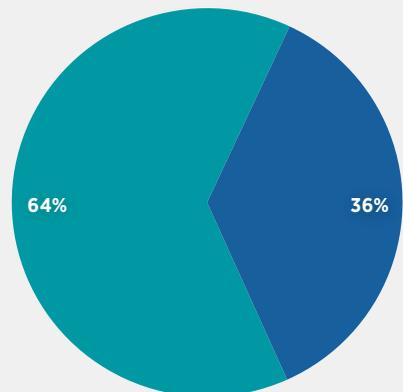
ICNC and KIDC's incubator facility is spread across four buildings that began as a plumbing foundry in the 1890s. Maintaining these facilities and providing clean, efficient space for modern light industrial and office uses requires significant investment in capital improvements. We anticipate spending nearly \$2 million over the next two years for projects that include replacing structural beams, upgrading and modernizing sprinkler systems, carrying out roof and masonry repair, and creating networking and conference spaces for our incubator companies. Membership dues to ICNC and tax-deductible contributions to KIDC help make this work possible.

ICNC Income Sources



- INCUBATOR RENT
- GRANTS AND CONTRACTS
- OTHER INCOME

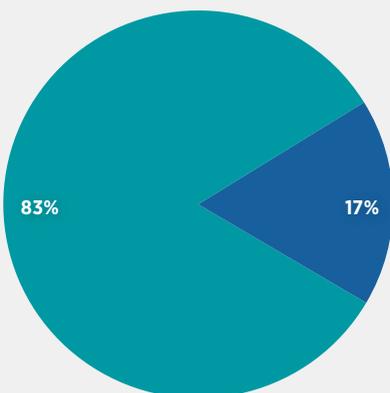
KIDC Income Sources



- INCUBATOR RENT
- GRANTS AND CONTRACTS

ICNC Operating Expenses

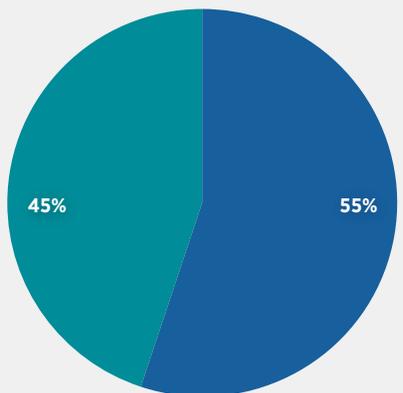
(\$2,414,469 TOTAL)



- INCUBATOR FACILITY EXPENSES
- PROGRAM EXPENSES

KIDC Operating Expenses

(\$1,004,654 TOTAL)



- INCUBATOR FACILITY EXPENSES
- PROGRAM EXPENSES



358

Businesses
Assisted

1900+ Hours
of Business
Advising



270 Jobs
Created

131 Job
Placements

2016
IMPACT
at a
GLANCE



17 New
Incubator
Companies

7 Incubator
Expansions



\$7.7 Million
Funding
Obtained

\$24 Million
Export Sales

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 Foundation
U.S. Small Business Administration
World Business Chicago

\$2,500 +

MB Financial Bank
PNC Bank Foundation
South Central Bank
United Parcel Service
Zepole Supply Co.

\$1,000 - \$2,499

AFLAC
Cintas Corp.
Comcast Cable
First Midwest Bank
Matrix Payment Systems
NelsonHill
Rev. Dr. Ozzie Smith
Transamerica Agency Network
Total Insurance Services, Inc.
Urban Partnership Bank

\$500 - \$999

Ameriflex
Consuelo Helbling
L&W Supply
Midwest Fence Corporation

\$100 - \$499

Molly Banuelos
Roderick Berthold
BMO Harris Bank
Jo-Anne Buege
Dr. Mary Stewart-Pellegrini
Choi Brands
Jeannie Choi
Cheryl Crockett, Crockett
Cookies
FedEx
Stephen DeBretto
David A. Marcus & Associates
Robert Garcia
Cheri Kasella
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MT Food Service
Mission + Strategy Consulting
George Ortiz
Simone Mitchell-Peterson
Prairie Dairy Farms
Rickard Circular Binding
James Richter
Sinha Brazilian Elegant Cuisine
Vera Ellen Stewart
Maria Suh
Smart Yeti Studio
Andrew Wielgus

GIFTS UP TO \$99

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Rosa Castruita
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Cynthia Choi
Robert Climack
Michelle Collett
Jeff Garbaciak
Georgio Georgiou
Royce Hazziez
Jennifer Holmes

Hannah Jones
Nancy Kramer
Emily Lo
Katherine McKenna
Jose Miranda
Dana Morrison
Jonathan Mulholland
Ben Orosco
Adan Perez
Joshua Punchur
Caitlin Saraceno
Natalie Shmulik
Marisol Solis
Ship Bob
Priscilla Torrence
Jaime Vela
Hugo Viramontes
Darius Williams

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Camera Department
Candid Wines
Clark Street Sports
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Goose Island
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Present Tense Fine Ales
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Amy Liss, *MT Food Service*

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PROGRAM STAFF

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Nancy Kramer, *Workforce Development Coordinator*

Michelle Collett, *Marketing Associate*

Veronica Contreras, *Office Administrator*

Caitlin Saraceno, *Program Associate*

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Jaime Vela

Hugo Viramontes

Darius Williams

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MAKE AN IMPACT

The Board of Directors and the ICNC team invite you to join us in fulfilling our mission to strengthen small businesses through incubation, advising, workforce development, and advocacy. Make an impact through your own tax-deductible contribution to ICNC's charitable organization by sharing ICNC with your professional and personal networks. Please contact us to learn how to schedule a tour of our manufacturing incubator and visit our website to learn about upcoming events and to sign up for our monthly newsletter.

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

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