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2006

Annual Report

Lake County Partners – 2006 Annual Report

During 2006, Lake County Partners' Board, stakeholders, members and others participated in numerous focus groups, strategic planning sessions, as well as one-on-one interviews to better crystallize ways to validate LCP's mission and vision as the economic development organization for Lake County. A **5-year economic development plan /delivery system**, goals, objectives, and measurements of accountability were presented, modified, and approved. To that end, measures were taken to encapsulate the overall structural changes recommended through these efforts. In December, 2006, the Lake County Board of Directors approved the following changes in anticipation of launching the 2007-2011 program of work and performance metrics:

- Fiscal Year – approved change to mirror LCP's fiscal year with the calendar year
- Reflect changes in the Governance Structure to recognize additional roles/responsibilities of the Treasurer in the Finances of LCP
- Reflect **realignment of committees** to support the program of work
- **Board and committee reorganization**
- **Developed quantifiable metrics** for the organization which will be the benchmark for measuring annual goals through the expanded program of work beginning in 2007.
- Created an **Investor's Forum** and **Strategic Policy Planning Team**

2006 Capital Campaign: “Doing Nothing Is Not An Option”

...That question was the tagline for the first ever Lake County Partners Capital Campaign which was initiated in March of 2006. Momentum and commitment from the private and public sector was evidenced in helping build and shape Lake County Partners expanded program of work which focuses on three major tenets; Business Retention and Expansion, Competitiveness, and Business Attraction. Since its inception in December of 1998, Lake County Partners (LCP), has helped grow the economic climate in the county and has had a measurable track record of successes including involvement in the following aggregated economic development projects: 14,454 jobs retained, 4,034 jobs created and 7,141,218 square feet of commercial real estate absorbed.

Through a 3 month feasibility study, numerous discussions, meetings and forums, it was clearly stated that in order for LCP to function and grow to address increasingly competitive pressures both internal and external to the region, the organization needed to embark on a capital campaign to seek commitments from our public and private partners. Mike Trubiano and the team at Resource Development Group worked throughout the year to meet and encourage business leaders to join and engage with Lake County Partners. At the end of 2006, results of the efforts were very encouraging. It is anticipated that the effort will end near goal when it closes in the first quarter of 2007.

Lake County Capital Campaign Brief Timeline

- 12/14/05 Board authorized campaign feasibility study
- 3/08/06 Consultants present findings to Board - \$1.2 million/year, 5-year \$6.0 million goal feasible
- 3/08/06 Board retains Resource Development Group (RDG) of Columbus, Ohio to manage the campaign
- 5/02/06 RDG starts making calls
- 12/21/06 – Campaign going well, well over \$3.5 million committed for 5 year period

Campaign Status Report (as of 2/28/07)

Total Public Committed: \$ 66,383 (Year)
 \$ 331,915 (5 Years)

Total County Committed: \$ 359,000 (Year)
 \$ 1,795,000 (5 Years ** At current level and renewal)

Total Private Committed: \$ 645,450.00 (Year)
 \$ 3,216,750 (5 Years)

TOTAL ANNUAL COMMITMENT: \$ 1,070,833
TOTAL 5 YEAR COMMITMENT: \$ 5,343,665

Total Public Pending: \$ 36,195 (year)
 \$ 180,975(5 years)

Total Private Pending: \$ 117,000 (Year)
 \$ 585,000 (5 Years)

TOTAL PENDING ANNUAL COMMITMENT: \$ 153,195
TOTAL 5 YEAR PENDING COMMITMENT: \$ 765,000

COMMITTED INVESTORS TO LCP'S 2007-2011 CAMPAIGN

Abbott	Clearbrook of Lake County
Advocate Healthcare	Cloverleaf Group
Alter Group, The	College of Lake County
AMCORE Bank	Colliers, Bennett & Kahnweiler
American Chartered Bank	Comcast
AmeriSuites Hotel	ComEd
Antioch, Village of	Condell Medical Center
Arnold Buschman Enterprises	Consumers Co-op Credit Union
Astellas Pharma	DB Aviation
Barrington Area Chamber of Commerce	Deerfield, Bannockburn & Riverwoods Chamber of Commerce
Barrington Bank & Trust	DeBruler Company, The
Baskin Robbins – Waukegan	Drinker, Biddle, Gardner, Carton
Baxter Healthcare	Evanston Northwestern Healthcare
Baxter Woodman Consulting Engineers	Fab Tech
BCU – Baxter Credit Union	First Midwest Bank
Calmec Global Law Group	Flex Construction
Cambridge Bank	Green Oaks, Libertyville, Mundelein & Vernon Hills Chamber of Commerce
CarrAmerica	Grayslake Community High School District
CCH (Wolters Kluwer)	Grayslake, Village of
CDW	
CenterPoint Properties	

Great Lakes Record Management
 Greengard, Inc.
 Green Oaks, Village of
 Gurnee, Village of
 Hallbart Holdings LLC
 Hamilton Partners
 Harris Bank – Libertyville
 HSBC
 IDI
 International Profit Associates
 JP Morgan Chase
 Kessler Management Consulting
 KPMG
 LJ Sheridan & Company
 Lake Barrington, Village of
 Lake Bluff, Village of
 Lake County
 Lake County Contractors Association
 Lake County Convention & Visitor's Bureau
 Lake County Press
 Lake Forest Bank & Trust
 Lake Forest Hospital
 Lakeland Media-Northwest News Group
 LaSalle Bank
 Laserage Technology Corp.
 Libertyville Bank & Trust
 Libertyville, Village of
 Lincolnshire, Village of
 MacLean Fogg
 Manhard Consulting
 Manpower
 Matthews Employment
 McGladrey & Pullen LLP
 Mercatus Group LLC
 Midwest Generation
 Midwestern Regional Medical Center

Miller Cooper
 Mundelein High School District
 Mundelein, Village of
 National City Bank
 NexGen Advisors
 Nicor Gas
 Norstates Bank
 North Chicago, City of
 Northern Trust Bank
 Nostalgia Home Furnishings
 Panattoni Development Co.
 Peoples Energy/North Shore Gas
 Plastic Bottle Corp.
 Private Bank & Trust, The
 Riverwoods, Village of
 Rosen Motor Sales
 Round Lake Beach, Village of
 Schultz Bros. Co.
 Shand Monahan & Co.
 State Bank of The Lakes
 STS Consultants
 Takeda Pharmaceuticals North America
 TDS Metrocom
 Trustmark Insurance
 Uline Inc.
 University Center of Lake County
 Van Vlissingen & Co.
 Village Green Companies
 Vista Health
 Volo, Village of
 W.W. Grainger
 Wauconda, Village of
 Waukegan, City of
 Waukegan Port District
 Zion, City of

Lake County Partners Economic Development Program Delivery

In 2006, Lake County Partners assisted in 21 Economic Development projects which resulted in the following:

- 2,723 Lake County jobs retained
- 4,385 Lake County jobs created
- Secured capital investment of \$235 million
- Absorbed 3,000,000 square feet of real estate and 268 acres

The delivery of economic development programs was also reengineered in 2006 to include the following major initiatives: created the **Business Retention and Expansion Committee** to oversee the activities in the **Targeted Industry Outreach Program** (which proactively focuses on providing business retention and expansion assistance to the BioPharma / Life Sciences, Professional Services, Corporate Headquarters, and Advanced Manufacturing sectors in Lake County), as well as the **Community Retail and Service Network** (which seeks to

impact the business climate in local communities by helping them manage business expansion, retention and attraction opportunities).

Given the fact that at least 80% of economic growth realized within communities is organic, planning for additional programming took place. In 2006, through collaborative efforts, the following were identified as likely programs to compliment expanded services and program delivery:

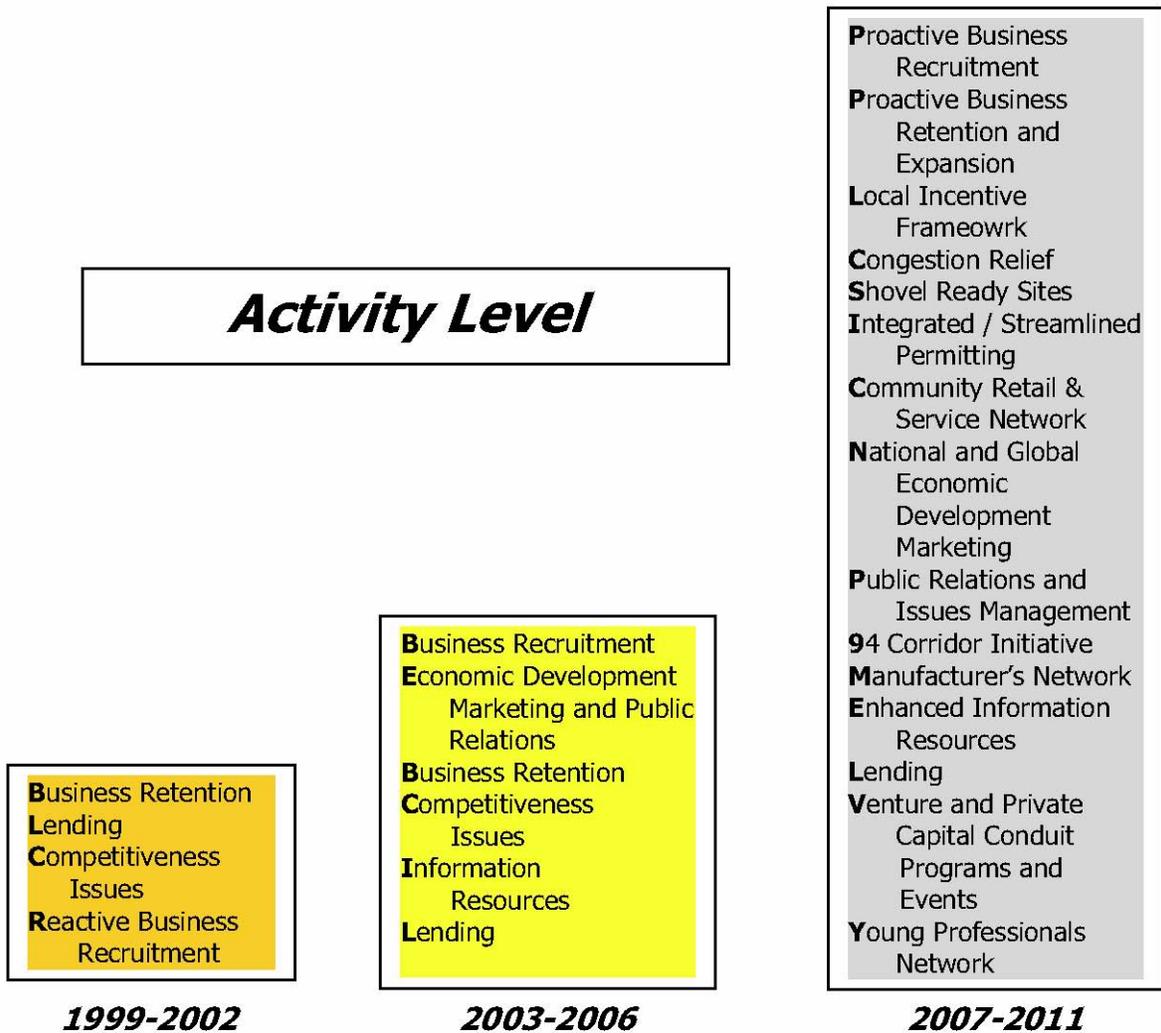
- **Lake County Manufacturers Network**
- **Lake County Young Professional Network**
- **94 Corridor Initiative**

Lake County WINS for FY 2006

Coral Chemical – Zion & Waukegan
DependiCare – Gurnee
Dynacoil – Zion
Hospira – Lake Forest
HSBC Data Center – Volo
Marantec America Corp. – Gurnee
Meyer & Sons – Libertyville
Powernail – Lake Zurich
Stock Lumber – Round Lake Park
Takeda Pharmaceuticals N.A. – Deerfield
Voyageur Docks - Lakemoor

Dealers Ready Mix – Lake Bluff
Dovenmuehle Financial – Long Grove
Fabrication Technologies - Libertyville
HSBC Headquarters – Mettawa
Maine Plastics – Zion
Medline - Libertyville
Panasonic Factory Automation – Buffalo Grove
Snap-On Credit – Libertyville
Tailored Turf – Antioch
Valent Biosciences – Long Grove
Warmly Yours – Lake Zurich

Changes In Economic Development Program 1999 - Present



Community Outreach and Retail Development

For the second year in a row, Lake County Partners, in response to continued interest from community investors, planned, coordinated and helped implement a very successful shared retail booth presence. The booth featured Lake County and Lake County Partners as well as the communities of Beach Park, Barrington, Lincolnshire, Wauconda, Island Lake, North Chicago and Zion. Over 200 exhibitors and 3,300 people were in attendance on September 7th and 8th at this year's **International Council of Shopping Centers (ICSC)** Chicago Deal Making event. This one and a half day event, held at the Hyatt Regency Downtown Chicago featured some of the nation's leading retailers and developers who were present to seek opportunities throughout the Midwest and Chicago region.

Since retail development is a cornerstone of many communities' quality of life and tax base, this yearly event yielded tremendous opportunities for communities, retailers, developers and consultants to the retail industry. Lake County Partners assisted the communities with marketing and collateral materials highlighting the demographic and detailed characteristics of each community, retail demand and supply statistics as well as

community profiles. The six communities shared in the cost of the booth and supplies, which was significantly more cost effective for the participants. Since communities had numerous representatives at the show, they were able to maintain their presence at the Lake County Partners booth while being able to proactively set appointments and meet with prospective developers and tenants

Additionally, Lake County Partners took the lead during 2006 to initiate the provision of **enhanced demographic services to our communities**. The information includes the ability to map specific locations and market trade areas within the county and communities. This information includes detailed demographic, psychographic and market trade potential and is critically important to assist communities, retailers, service providers and developers in analyzing opportunities.

Lake County Partners continued to host and coordinate monthly networking sessions for municipal economic developers and/or planning staff. The **Economic Development Networking** breakfasts allow professionals to meet informally to discuss projects, build camaraderie, and share solutions. Over 50 staffers are invited to the event every month. Due to the response in 2006, additional events culminating in quarterly luncheons are planned in 2007.

In 2006, Lake County Partners took the lead in initiating the procurement and selection of a vendor to develop a **regional economic impact assessment model**. This model, which will be finished in early 2007, will be a valuable tool for disseminating the direct, indirect and induced impacts that economic development projects create. The model will analyze the fiscal and revenue multipliers not only within communities, but also throughout the region. Furthermore, this tool will be a critical element in providing communities who invest in Lake County partners the ability to address specific projects and what the Return on Investment will yield them. It will in turn help provide quantifiable data to help better shape public policy decisions pertaining to economic development opportunities and development projects.

Targeted Industry Support

Through our economic development programming efforts, Lake County Partners continues to promote the continued development and support of our targeted industry sectors which include biopharma / life science companies, advanced manufacturing, professional services as well as headquarters operations. These industries were deemed most relevant and the most likely to yield the highest impact to the county by a detailed Deloitte and Touche research report in 2003.

During the past year, Lake County Partners sponsored, worked and staffed the first ever **International Biotechnology Industry Association** convention which took place in Chicago. This event brought over 50,000 attendees from around the world to Chicago on April 9-12. Since focusing on biotechnology, biopharma, life sciences, and medical device companies is critical to the success of the county and region, it was important that we integrate our efforts within the Illinois Pavillion at the show.

Events

March 9, 2006: Team Lake County Presents...An Economic Development Summit

Topic: "How Does The Illinois Business Climate Stack Up Against Other States In The Great Lakes Region?"

Panelists:

- Dr. John Lewis, Assoc VP for University Outreach, Northern Illinois University
- Kristi Lafleur, Chief of Staff for IL DCEO
- David Scudder, LCP Chairman and Partner, McGladrey & Pullen LLP
- Barry Burton, County Administrator, Lake County
- Kevin Clifton, Principal, Office Advisory Group, Colliers, Bennett & Kahnweiler
- Rick Delisle, Principal, Lee & Associates
- Larry Hewitt, Superintendent of Oak Grove Elementary School District #68
- Chuck Lamphere, President, Van Vlissingen & Co.
- Michael Murphy, Sr. VP, CenterPoint Properties

Stephen Park AICP, Sr. VP, The Alter Group

Over 200 guests attended this dinner event held at Midlane Golf Club in Waukegan. Dr. Lewis had published a report regarding the costs of doing business in Illinois and presented the results. The panelists discussed the positives and negatives of Illinois as a business location.

May 11, 2006: CoreNet Global (Corporate Real Estate) Chicago Chapter. "The Politics of Place: The Changing Landscape of Location Incentives".

Lake County Partners served as sole sponsor for this luncheon held at Maggiano's Restaurant in Chicago. Over 200 guests (mostly commercial real estate brokers, consultants, bankers, engineers, corporate real estate officers, and economic developers) were in attendance to hear Chris Chung, Ohio Department of Development discuss the Daimler Chrysler vs. Cuno Court Case and its impact on state incentive programs.

November 15, 2006: Lake County Partners Annual Meeting

Topic: Biotech

Guest Speakers: Dr. Peter Moesta, Divisional VP for Biologics Manufacturing, Abbott
Morton J. Marcus, Director Emeritus, Indiana Business Research Center, Kelley School of Business, Indiana University

The 2006 Annual Meeting was held at the Marriott Lincolnshire Resort, Lincolnshire and attracted approximately 380 attendees. The topic of the morning's event was biotech/life sciences in Lake County. Mr. Marcus provided an economic review of 2006, an outlook for 2007, and a post-election wrap-up.

Transportation Initiatives

Lake County Transportation Alliance (LCTA)

On September 20, 2006 the Lake County Transportation Alliance (LCTA), in concert with the Lake County Board, TMA of Lake Cook and the College of Lake County hosted the Second Annual Lake County Transportation Summit at the College of Lake County. Lake County Partners staffs LCTA, a public-private advocacy corporation created to raise awareness and build consensus on the development of short and long-term transportation goals and objectives. LCTA works to leverage local, county, state, federal and private resources to mitigate traffic congestion impacting Lake County's residents and businesses. Its areas of interest include highways, commuter rail, bus transit, rail freight and air service. In addition to staffing the LCTA, a number of LCP's Investors are members of LCTA and participate on the board.

At the September Summit, roadway projects for Route 21, Route 41 and Route 45 were voted as some of the top 2007-8 transportation priorities by more than 60 of Lake County's 93 local elected officials that attended the summit, which was convened around "*One Voice...One Transportation Future.*" Over 100 members of the public observed the elected officials', the culmination of a 4 month transparent process to develop a consensus transportation agenda for State Fiscal Year's 2008 – 2009.

The majority of the Lake County General Assembly Delegation attended the event and participated in the non-partisan, consensus building process. Armed with the Summit's results, Lake County's twelve member General Assembly Delegation can present a united, nonpartisan front when it comes to transportation issues. State Sen. Terry Link (D-30) and State Rep. JoAnn Osmond (R-61) kicked off the event by noting: "The only way Lake County will continue to get its fair share in Springfield and in Washington DC is with a consensus."

Lake County Transportation Consensus Agenda:

Roadways in the **preliminary engineering stage** that garnered top support were:

1. IL 176 from IL 21 to IL 131
2. US 45 from Millburn Road to IL 132
3. IL 83 from IL 120 to IL 176
4. IL 176 from US 12 to Fairfield Road
5. IL 21 from Lake-Cook Road to US 45
6. IL 60 from Fairfield Road to IL 176

Officials voted overwhelmingly for US 45 from IL 60 to IL 21 in the category of projects ready **for design engineering** and for IL 21 from South of IL 120 to IL 137 in the category of projects ready for **construction**. Finally, the elected officials supported converting US 41 from Stearns School Road Delany to Lake-Cook Road from a preliminary engineering project to a **regional planning project**.

Advisory Vote on Enhanced Public Transit:

In addition to approving this year's Consensus Transportation Agenda, Lake County's elected Officials rendered a non-binding advisory vote indicating levels of support for enhanced public transit service, with an average of 75 percent supporting or strongly supporting suggested improvements such as reverse commute and express train service, the extension of commuter rail service and comprehensive para-transit service. It was an advisory vote because the Regional Transportation Authority (RTA) was in the process of undertaking a system-wide strategic plan and the Summit's input was one of many Lake County sources the RTA would draw from. **Jim Reilly, the Chairman of the RTA, prefaced the advisory vote on enhanced transit service options with remarks on the RTA's strategic planning process, goals and schedule and how the plan's outcomes will impact Lake County.**

Advisory vote on the Extension of IL 53

Finally, the elected officials registered a non-binding advisory vote on the Extension of IL 53, with more than 69 percent supporting or strongly supporting the extension. Based on the number of positive comments received on the extension during the month long public comment process, it was placed on the advisory agenda with the understanding that it would not be pursued at the expense of the state add-lanes projects that comprised Lake County's Transportation Consensus Agenda and only if a new funding source emerged.

The ballot used at the Summit was the result of a July 12 vote by elected officials following a series of public input forums held in May and June, 2006. More than 800 comments were received regarding state highway capacity and 60 comments were received on public transit projects.

To view the Transportation Summit results, visit the Lake County Transportation Alliance web site at www.lcta1.com.

IL Route 120 Corridor Planning Council

The IL Route 120 corridor was identified as an East/West transportation priority at the 2005 Lake County Transportation Summit. In response to this identified need, Lake County Partners, Lake County Division of Transportation, Lake County, and the municipalities of Waukegan, Gurnee, Grayslake, Hainesville, Mundelein, Libertyville, Round Lake Park, Round Lake, and Volo came together to form the Route 120 Corridor Planning Council. The first meeting of the group took place in January 2006.

The stated purpose of the Route 120 Corridor Planning Council (CPC) is to begin the process of identifying the transportation needs in the existing Route 120 corridor. It also contemplates the study of alternatives to meet that need including the development of a major arterial or limited access parkway. The study is to be conducted in such a manner as to comply with the requirements of a traditional "pre-phase 1" feasibility study and to identify planning and development issues that would affect the preparation of an environmental impact statement required by law.

The Route 120 CPC's managing body is the Governance Board. The Governance Board is made up of the Mayors or appointed trustees from ten municipalities in the corridor and the five County Board Members whose districts are adjacent to Route 120. Mayor Bill Gentes, the Village of Round Lake is Chair and County Board Rep. Diana O'Kelly is Vice Chair. There are four task forces including Technical; Environmental & Stormwater Impact; Land Use, Economic Development & Municipal Impact; and Public Information. The task forces are made up of transportation, environmental, engineering, planning, and economic development professionals from the County, surrounding municipalities, and interested organizations/companies all providing their expertise for this project. Lake County Partners serves as administrative staff to the council and Lake County Division of Transportation serves as fiscal agent and technical staff for the council.

Route 120 CPC held a Public Open House at Hainesville Village Hall on May 31, 2006. Approximately 150 members of the public stopped in to review the work products prepared by the task forces. Public asked to submit comments at the open house or via the Route 120 website at www.120now.com. In late 2006, an \$800,000 IDOT Grant was secured to complete a 2 year feasibility study of the corridor, which stretches from Green Bay in Waukegan, west to the McHenry County border. The 10 communities in or proximate to the corridor and the Lake County Board representatives from the area contributed the local match of \$200,000 to complete the study. In anticipation of completing the study, Route 120 CPC is working with Congresswoman Melissa Bean and the IDOT staff to secure a placemark for Phase I engineering funding in 2 years.

The purpose of the feasibility study is to secure a consensus on the alignment option, define the character of the road and integrate the traffic improvement with the abutting communities' future land use plans.

US Route 41 Corridor Planning Group

In the Fall of 2006, a Corridor Planning Group was convened by Lake County Partners and Lake County Department of Transportation to look at future improvements to U.S. Route 41, from Lake Cook Road at the county's southern border to Stearns School Road in northern Lake County. The establishment of this group was preceded by nearly a year of discussion involving elected officials at the local, county and state level, with the technical support of IDOT.

At the September 20, 2006 Lake County Transportation Summit, about 76 percent of local elected officials indicated either strong support or support for establishing a regional planning process for the US Route 41 corridor.

Last year, Route 41 was one of the projects listed as a priority for preliminary engineering for improvement and possibly adding lanes. But after meeting this summer, mayors and village officials along the route felt plans for any future improvements to Route 41 needed further study.

Lake Bluff Village Administrator Kent Street chairs the working group, which includes local officials from Highland Park, Lake Forest, Waukegan, North Chicago, Park City and Gurnee. Lake County Partners is the group's administrative staff and LCDOT and IDOT are technical support to the group.

The Illinois Department of Transportation in the past has studied potential improvements to Route 41, including the possibility of adding another lane in each direction. But some communities such as Lake Forest and Highland Park worry about the impacts on business if new lanes are added, favoring instead upgrading the roadway with better intersections and interchanges. The goal of the Corridor Planning Group is to have a long-range plan for the corridor that upgrades public safety, as well as improves capacity and the way the road functions.

The group will focus on devising cost effective, executable solutions to alleviate "choke points" along the route that slow traffic flow and create safety hazards, notably some of the dangerous highway intersections and interchanges. The group has the support of the participating communities' mayors, as well as the County Board Members and State Legislators whose districts align with the corridor.

Elected officials have expressed concern about turning Route 41 into "a six-lane limited access highway," because they are worried about the potential negative impacts such a major widening project would have. In a number of cases, businesses would lose land needed to conduct business as a result of any widening, which would have a devastating economic impact on the US Route 41 corridor through Highland Park and Lake Forest. Therefore the focus will be on other potential improvements, such as possibly additional overpasses or underpasses at certain locations and better signal synchronization at intersections.

State Sen. Terry Link, D-30th, of Vernon Hills, organized a meeting with all the elected leaders in the corridor over the summer and they agreed establishing a corridor planning group was the best way to proceed. Initially, the plans were to study the section from Lake Cook Road to Route 120 but the group decided to expand the study area of the corridor all the way north to Stearns School Road.

Financial Services – SBA 504 Loans & IRB's

SBA 504 Debentures Funded and Approved in 2006

Lake County Partners is a Certified Development Company certified by the U.S. Small Business Administration to assist companies from application to funding for SBA 504 loans. These loans are designed for long term fixed assets such as land, buildings, machinery and equipment. The SBA portion has a low fixed rate for up to 20 years. The loan can also be used to finance your soft costs including accountant fees, title, insurance, and attorney's closing fees. The SBA 504 loan is an invaluable tool for helping existing local companies expand and to assist new companies exploring locations in the Lake County market.

SBA 504 Debentures Funded and Approved in 2006 Totals

<u>Funded</u>	<u>Total Project</u>	<u>SBA Portion</u>	<u>Bank Portion</u>	<u>Jobs Retained</u>	<u>Jobs Created</u>
Partypro.com	\$2,034,196	\$813,378	\$1,017,098	18	4
Dr. James P. Lehman	1,173,098	469,200	586,500	4	4
Dr. Scott Frank	<u>1,188,451</u>	<u>451,880</u>	<u>617,726</u>	<u>7</u>	<u>2</u>
Total	\$4,395,745	\$1,734,458	\$2,221,324	29	10
<u>Approved</u>					
Arden's Furniture	1,663,000	665,200	864,500	6	7
Alta Vista Montessori School	1,450,000	580,000	725,000	13	3
ADT Properties, LLC	1,216,048	425,616	608,024	2	9
Circus Boy, LLC	1,414,232	494,981	707,116	0	3
Grace Hotels, LLC	<u>8,115,000</u>	<u>1,940,000</u>	<u>8,115,000</u>	<u>0</u>	<u>27</u>
Total	\$13,858,280	\$4,105,797	\$11,019,640	21	49
Total Funded & Approved	\$18,254,025	\$5,840,255	\$13,240,964	50	59

INDUSTRIAL REVENUE BONDS-2006

Lake County Partners is the official processing agent for Industrial Revenue Bonds (IRB) for all communities in Lake County. IRB's may provide 100% financing based on the collateral and cash flow at an interest rate about 20 TO 40% LOWER than conventional bank financing for commercial properties. IRB's can be used by manufacturing companies, affordable housing projects, and by 501(C)(3) not-for-profit corporations. These bonds are cost effective for projects between \$2,000,000 and \$10,000,000.

- Lake County Partners collaborated with Buffalo Grove and the Illinois Housing Development Authority to process an \$8.4 million tax exempt bond for the acquisition and renovation of the Prairie View Apartments in North Chicago.
- In total, we have \$41,902,836 available for income eligible multi-family housing projects this year (2007).

LCP Board of Governors

Lake County Partners Board Of Governors:

Mr. Chuck Bartels Chair, Governance Board Lake County Partners	Mr. Marvin Bemby, Manager Lake County Government Affairs Abbott Vice Chair, Lake County Partners	Mr. John Bratsakis Baxter Credit Union Chair, Investors Forum
Mr. Barry Burton, County Administrator Lake County Chair - Business Attraction Committee	Ms. JoAnn Eckmann, Owner Sportsworks, Ltd. Chair – Regional Competitiveness Committee	Mr. Bill Gentes, Mayor Village of Round Lake Chair – Lake County Municipal League
Mr. Angelo Kyle, Board Member District 12 – Lake County Secretary	Mr. Charles Lamphere, President VanVlissingen & Company Chair – Strategic Policy Planning Team	Mr. Steven Mountsier, Board Member District 17 - Lake County Lake County Board Liason
Mr. Kenneth Robinson, Franchisee Baskin Robbins –Waukegan Chair – Certified Development Company	Ms. Suzi Schmidt, Chairman Lake County Board	Mr. Dave Scudder, Senior Vice President McGladrey & Pullen LLP Past Chairman – Lake County Partners
Mr. David Stolman, Board Member District 20 – Lake County Treasurer	Mr. Frank Unick, Chief Financial Officer Uline Inc. Chairman – Lake County Partners	Mr. Ray Vukovich, Director of Government Services City of Waukegan Chair – Business Retention & Expansion Committee

Lake County, IL Demographics & Statistics

	2006	2005
Population:	723,591	704,048
Households:	239,641	235,425
Median Age:	34.8	34.5 years
Average Household Size:	2.93	2.9 persons
Number of Business Establishments:	27,569	24,604
Median Owner-Occupied Housing Value:	\$294,812	\$269,853
Average Household Income:	\$118,580	\$104,367
Median Household Income:	\$81,302	\$76,743
Per Capita Income:	\$39,721	\$37,892
Median Disposable Income:	\$58,724	\$55,954

Source: ESRI 2006

Corporate Activity -2006

Note: *The 2006 Annual Report is a collection of information regarding economic development activity in Lake County, Illinois over the past year. The information in this report has been gathered by Lake County Partners from various media sources, as well as from local municipalities, non-profit partners, government organizations, developers, and real estate brokers. It is not intended to be a complete report of business and development activity for the entirety of Lake County. Because of the multiple sources, Lake County Partners does not guarantee the accuracy of the information contained in the Corporate Activity and Development Activity sections of this report.*

Life Sciences/Medical Products

Abbott (Abbott Park – pharmaceuticals)

- Abbott announced plans to acquire Guidant Corporation's vascular intervention and endovascular businesses. Abbott offered Boston Scientific \$3.8 billion for the stent line that would be paid at the closing of Boston Scientific's acquisition of Guidant Corporation.

- Abbott was named among the “The 40 Best Places To Work in Industry” for scientists by **Scientist Magazine**. According to the magazine, Abbott has created an atmosphere where scientific talent can flourish. This is the third consecutive year that Abbott has made the list.
- Announced plans to cut 250 jobs, mostly from its diagnostics test making division in Lake County. Abbott is refocusing efforts on higher growth areas such as heart devices and genetically engineered drugs.
- Abbott announced that it was providing a \$1 million donation to Chicago Public Schools to develop a science education program.
- In February 2006, Abbott purchased 500 acres of land in Pleasant Prairie, WI. Wisconsin Governor Jim Doyle offered Abbott almost \$12.5 million in incentives in return for the creation of 2,400 jobs. However, the land was purchased in anticipation of future growth and acquisitions. Corporate headquarters functions will remain in Abbott Park, IL.
- The European Union gave the Irish government approval Wednesday to give \$16 million in funding to help Abbott Laboratories set up a research and development center to make products to treat heart disease. The European Commission has to approve large government grants to business to make sure they don't give a company an unfair advantage over rivals. In this case it said it was pleased to endorse aid which promoted innovation and helped to create jobs. The Irish subsidy covers a third of the total cost of the research and development plant in the western city of Galway. It will create 50 jobs by 2007 and could grow to 80 by 2009. The Abbott center will carry out development work on products that treat coronary vascular disease and periphery vascular functions.
- Abbott, Takeda, and TAP Pharmaceuticals reached a \$1.86 million settlement with the State of Illinois over Lupron, a prostate drug manufactured and distributed by the three companies. As part of the settlement, Lupron will be distributed to 19 health clinics on a sliding fee scale.
- Abbott purchased Kos Pharmaceuticals, a New Jersey base pharmaceutical company focused on the development of cholesterol lowering drugs. The deal was worth \$3.7 billion.
- Agreed to supply its Abbott Prism System automated blood screening instruments and assays to Scottsdale, AZ-based Blood Systems Laboratories through 2011.
- Abbott partnered with Enanta Pharmaceuticals to develop protease inhibitors for use in treating hepatitis C. Under terms of the agreement, Abbott gains access to Enanta's intellectual property for a variety of compounds, as well as drug discovery capabilities in certain areas.
- Abbott Fund, Abbott's charity arm, earmarked \$1 million to develop a malaria educational program for children in the US. Funds will be used to develop a book for first graders called “Nets Are Nice” in partnership with Malaria No More and Scholastic, a publisher of educational books.
- Abbott received the annual Illinois Governor's Pollution Prevention Award for outstanding environmental excellence for the fifth time in six years. The award recognizes Illinois companies that have successfully reduced the generation of gaseous, liquid, and solid waste.

Akorn Inc. (*Buffalo Grove – pharmaceuticals*)

- Akorn announced that it had been awarded a contract by the US Department of Health and Human Services for the procurement of two of its drugs: Ca-DTPA and Zn-DTPA. The drugs were originally licensed from German company, Hameln Pharmaceuticals and are countermeasures to the affects of radiological or nuclear contamination. The contract is valued at \$21.5 million.
- The government push to prepare for terrorist attacks such a dirty bombs has been a windfall for Akorn. Akorn's drugs that would be used to treat radiation victims have resulted in the largest revenues in the company's 35 year history.
- The US FDA approved Akorn's plans to produce the generic version of Cardizem, a drug used to treat high blood pressure.
- Akorn sold 1 million of its common shares to vaccine maker Serum Institute of India Limited at \$3.56 a share. The companies have worked together since 2004 when they signed an exclusive drug development and distribution agreement.

Allscripts Healthcare Solutions (*Libertyville – health care information software*)

- Allscripts announced that Access Medica, Tyler, TX, chose its electronic health record to connect and automate 500 physicians throughout 10 counties in eastern Texas. The web-based solution connects clinics, pharmacies, and laboratories with patient records instantly. The value of the agreement is \$1.4 million.
- The company sold shares of corporate stock to fund the purchase of A4 Health Systems, Cary NC.

Astellas Pharma Inc.(*Deerfield – pharmaceuticals*)

- Astellas Pharma won US FDA approval to use Prograf, a drug currently used to prevent a body's rejection of kidney or livers, on heart transplant recipients.

Baxter International (*Deerfield/Round Lake – health care products/diagnostics*)

- Baxter announced plans to invest \$60 million over the next 5 years to expand its four manufacturing facilities in China. Sales in China are expected to double by 2010 to more than \$200 million.
- Cerus Corporation entered into a definitive agreement to obtain Baxter's remaining commercial rights to the INTERCEPT Blood System for platelets and plasma.

- Baxter entered a partnership with DynPort Vaccine Co., an El Segundo, CA company to develop cell-culture based influenza vaccines for use in case of a bird-flu pandemic. DynPort, who was awarded \$40.9 million by the US Government to produce the vaccine, will be the project manager and Baxter will play a major role in research, development, and manufacturing of the vaccine.
- Baxter received a contract from the United Kingdom's National Health Service to produce a stockpile of two million doses of candidate H5Ni influenza vaccine based on an avian strain.
- Baxter launched an enhanced grant program, the Renal Discoveries Extramural Grant Program, to promote scientific advancement and training in the field of kidney disease.
- Baxter International Foundation provided \$600,000 worth of grants to ten organizations in five countries to improve access to healthcare. A \$190,000 grant was given to AmeriCares India to construct a supply warehouse that would be closer to Asian and African countries in need of emergency health supplies. Baxter also provided a \$67,000 grant to the National Society for the Prevention of Cruelty to Children, a non-governmental organization in the United Kingdom that works to prevent child abuse. The grant will be used to provide therapeutic services to children in Hampshire, England. Other grants went to programs in the Philippines, Chicago, and the Delta Region of Mississippi.
- Baxter agreed to stop manufacturing and distributing two types of medication delivery pumps used primarily in US hospitals until it brings it into compliance with US FDA requirements.
- Baxter released its sustainability report, *2005 Sustainability Report: 75 Years of Saving and Sustaining Lives* at www.baxter.com/sustainability. Baxter's leadership in sustainability was recognized when the company was named 2006 Medical Products Industry Leader of both the Dow Jones Sustainability World Index and the Dow Jones Sustainability North America Index, the world's first benchmarks tracking the sustainability performance of top companies.
- In October 2006, Baxter International celebrated the 75th Anniversary of its founding with a number of activities to commemorate the company's legacy and its contributions to global healthcare. As part of the celebration Baxter announced its commitment to 156,000 hours of employee volunteerism – the equivalent to 40 employee hours per week for each of the past 75 years. The effort is part of Baxter's new global service project designed to engage Baxter employees with the communities that they live and work in.
- Baxter announced a partnership with San Diego-based Amylin Pharmaceuticals to manufacture its popular Diabetes drug, Byetta. Baxter is a back-up supplier of the cartridges that hold the drug inside pens used to inject Byetta, typically twice a day, to treat Type-2 Diabetes. Soaring demand for the drug and lack of manufacturing capacity required Amylin to turn to Baxter.
- Baxter received approval from Japan's Ministry of Health, Labour, and Welfare to market ADVATE as a replacement therapy for blood coagulation and to reduce the tendency to bleed for people with factor VIII deficiency (hemophilia A). ADVATE is already approved for use in the US, Canada, Australia and 28 countries in Europe.
- Baxter sold its Transfusion Therapies business to private equity investment firm Texas Pacific Group for \$540 million
- Baxter and Guangzhou Baiyunshan Pharmaceutical Company announced plans to establish a joint venture to produce and sell parenteral nutrition products in China. Subsidiaries of the two governments will form the 50/50 joint venture in 2007. The expected total investment in the venture from both companies is between \$65 million to \$70 million
- The Austrian Ministry of Health entered into a preparedness contract with Baxter that contains the option to purchase 16 million doses of pandemic influenza vaccine, enough for the entire Austrian population. The three year agreement ensures that the Austrian Ministry of Health will have future access to Baxter's cell-based vaccine production capacity in the event of an avian flu pandemic.

Cardinal Health (*Warren Township – health care products*)

- Cardinal Health announced plans to buy MedMined Inc., an Alabama company that analyzes data to identify infection rates. MedMined's services are used in 185 hospitals and the acquisition of the company expands Cardinal Health's portfolio of patient safety solutions related to hospital-acquired infections and antimicrobial management.

Dade Behring Inc. (*Deerfield – clinical diagnostics products*)

- Dade Behring granted a non-exclusive sublicense to Abbott Laboratories, Abbott Park, IL, for the worldwide rights to use an emerging cardiac marker placental growth factor. Abbott will work on developing tests using the marker for the diagnosis and prognosis of cardiovascular diseases.
- Dade Behring was awarded a 2006 Pinnacle Award for supplier performance from Premier Inc., a San Diego-based alliance that provides purchasing and supply chain solutions for 200 nonprofit hospital and health care system members. Dade Behring was one of nine companies to receive the award out of 400 eligible suppliers.

Hospira (*Lake Forest – hospital products*)

- Hospira announced plans to trim 1,500 jobs nationwide, including 660 at its North Chicago manufacturing plan. The company also reported that it would create 400 new full-time jobs at other locations, including its headquarters in Lake Forest.
- Hospira was added to the Fortune 1,000 list in 2006, debuting at #660. The company employs 13,000 in 14 facilities worldwide.

- Hospira paid \$2 billion to acquire Melbourne, Australia-based Mayne Pharma Ltd., Australia's biggest maker of generic injectable drugs. The acquisition more than doubled Hospira's international presence and made it the leading generic injectable pharmaceuticals company in the world.
- Hospira entered a \$21 million agreement with Germany-based Stada, a leading generic pharmaceutical manufacturer. The agreements allows for Hospira to develop and distribute a biosimilar version of erythropoietin to several European Union countries, the US, and Canada. Erythropoietin is used in oncology and in the treatment of anemia in dialysis.

LifeWatch Holding Corp. (*Buffalo Grove – cardiac event monitoring/diagnostic services*)

LifeWatch Holding Corp. received accreditation by the Joint Commission on Accreditation of Healthcare Organizations, a not-for-profit health care standards setting and accrediting body. LifeWatch received the organization's Gold Seal of Approval.

Medline Industries (*Mundelein – hospital products*)

- Medline announced that it won a five year distribution deal from Novation LLC to supply medical and surgical products to the more than 2,500 health care organizations represented by VHA Inc. and the University HealthSystem Consortium.
- Announced plans to construct a 600,000 sq. ft. distribution center on the former Meyer Farm property located at Peterson Rd. and Harris Rd. The property and surrounding business park is being developed by McShane Construction and is called Liberty Point.
- Medline launched Medline University, an online continuing education resource for clinicians.

NeoPharm (*Lake Forest –pharmaceuticals*)

NeoPharm announced that its brain cancer drug, cintredekin besudotox, failed in a late stage clinical trial. The company cut 20% of its workforce or 14 jobs.

Sysmex America Inc. (*Mundelein – clinical laboratory solutions*)

- The US FDA approved a new series of automated hematology analyzers produced by Sysmex. Two models of its body fluid application XT series were cleared for use in mid-sized labs for the analysis of certain fluids, including cerebrospinal fluid.
- The US FDA approved Sysmex' blood analyzer for use in small labs and doctor offices.

Takeda Pharmaceuticals North America Inc. (*Deerfield – pharmaceuticals*)

- The State of Illinois awarded Takeda more than \$15 million in state support to keep the company in the state. Due to growth pressures, Takeda moved from leased space in Lincolnshire to a new 70 acre North American corporate headquarters site in Deerfield. Construction is ongoing and when all phases of construction are complete, there will be 1.2 million sq. ft. of office/research space and five office buildings. The first phase consists of a 380,000 sq. ft. of office space in two buildings holding 800 corporate staff. The Grand Opening of the new campus occurred in October 2006. The company plans to hire an additional 500 employees with this expansion.
- Takeda and Pennsylvania-based Cephalon Inc. entered an agreement to co-promote PROVIGIL® (modafinil) tablets [C-IV] in the US. Modafinil is the first and only medication in a new class of wake-promoting agents that activate the sleep centers of the brain.

Professional/Business Services/Corporate Headquarters

ACCO Brands (*Lincolnshire – office products*)

- ACCO Brands announced plans to trim its 35 different brands of office supplies to seven or eight product lines in order to better compete in an increasingly price-sensitive market.
- Launched a \$55 million expansion at its Booneville, MS manufacturing and distribution facility. The expansion will add 570,000 sq. ft. and 330 new employees at the location.
- Announced plans to consolidate its European logistics and distribution facilities to save \$40 million by the end of 2008. The company said it will close distribution facilities in France, Germany, and Sweden in 2007 and consolidate operations into single location in the Netherlands. It will also close three customer service centers in France and consolidate operations into a single new office near Paris. ACCO Brands announced the closure of a total of 28 facilities in North America and Europe during 2006.

APAC Customer Services (*Deerfield – customer service/telemarketing services*)

APAC Customer Services received a contract from the Minneapolis Star Tribune to provide customer service and circulation administration services.

ABC Plumbing, Heating and Cooling Inc. (*Buffalo Grove – plumbing, heating and cooling contractor*)

ABC Plumbing, Heating and Cooling Inc. was named to Nexstar Network's "Top 10 Best of the Best" list, the only Midwest company to receive the honor. Nexstar, a professional training and development organization serving the heating, air conditioning, plumbing and electrical trades, said it selected the family-owned ABC Plumbing for its financial stability and performance on independent customer and employee satisfaction surveys. ABC Plumbing received high marks from customers in categories such as trust, value and completion of work

Amerigraphix (*Libertyville – marketing communications*)

Amerigraphix, a marketing communications firm located in Libertyville, changed its name to Axiom Marketing Inc. The company focuses on three core markets: health care, clinical patient recruitment and retention, and traditional integrated marketing services.

American Hotel Register Co. (*Vernon Hills – hospitality supplies distributor*)

American Hotel Register Co. announced plans to construct two, eight-story buildings, a 10-story building, a three-story building, a 4,000 space parking garage, and high-end retail space on 24 acres near the headquarters building. The project could cost upwards to \$100 million.

Brunswick Corporation (*Lake Forest – recreational equipment*)

- Brunswick Corp. purchased boat manufacturer, Cabo Yachts Inc. of Adelanto, CA. Cabo Yachts builds offshore sportfishing boats. The company's 400 employees and production facility will remain in CA.
- Announced the closure of boat manufacturing plants in Canada and Maryland and the realignment of its bowling products business. The cuts and restructuring resulted in the loss of 645 jobs.

CCH Inc., a Wolters Kluwer Co. (*Riverwoods – Provider of tax and accounting law information, services, and software*)

- Pensacola, FL-based Sage Software and CCH entered into an agreement to expand their strategic alliance to leverage each firm's products in offering solutions to customers through product integration. Sage provides business management software.
- CCH announced that two of its products, Internet Tax Research NetWork and ProSystem fx® Document, were selected as finalists in the 2006 Software & Information Industry Association Codie Awards.
- Wolters Kluwer announced that its legal and compliance businesses Aspen Publishers, CCH, Kluwer Law International, and Loislaw have aligned under the brand name of Wolters Kluwer Law & Business.
- CCH and H&R Block's Specialty Tax Services division announced a partnership to offer a domestic service solution for accounting professionals who need to outsource some or all of their work during tax season.
- Aspen Publishers and CCH launched a comprehensive, online one stop research resource focus topics related to mergers and acquisitions.
- CCH formed an alliance with Government Management Services (GMS) to offer health care organizations a web-based method for screening individuals and organizations for sanctions and adverse actions.
- CCH completed the acquisition of ATX/Kleinrock, a division of UCG, headquartered in Rockville, MD. ATX/Kleinrock supplies tax preparation, accounting and tax research software solutions to 48,000 clients throughout the US. ATX/Kleinrock has 300 employees and annual revenues of approximately \$40 million.
- Cole Systems, a New York City based system integration firm, partnered with CCH to offer end-to-end sales tax solutions built on CCH's *CertiTAX* and *ZIPSales @ Returns* as a member of CCH's Preferred Partner Program.
- CCH acquired Tax Wise Corporation, a Rome GA provider of tax and accounting software solutions to 9,300 clients throughout the US. TaxWise has 300 employees and annual revenues of approximately \$53 million.
- Boston-based accounting and business advisory firm DiCicco, Gullman & Co. LLP selected CCH's ProSystem fx Document to manage its electronic documents.
- CCH and National Tax Credit Group LLC announced a partnership to offer assistance to companies trying to take advantage of tax incentives when relocating or expanding. With the partnership, CCH will offer the *Tax Zone Locator*, which provides full service online delivery of federal and state location-based incentive information on the *CCH@ Tax Research Network*.
- CCH launched a new blog – Trade Regulation Talk – as a forum to discuss antitrust and trade regulation law in its various forms and related fields such as franchise and distribution law, consumer protection, advertising law, and civil RICO. The blog is at <http://traderegulation.blogspot.com>.
- CCH formed a new Small Firm Services group to serve its clients. The employees, services, and products of newly acquired companies ATX and TaxWise comprise the Small Firm Service Group.
- Fullscope Inc. partnered with CCH to offer end-to-end sales tax solutions built on CCH's *CertiTAX* and *ZIPSales @ Returns* as a member of CCH's Preferred Partner Program.
- GBQ Partners, LLC, the largest locally owned accounting and consulting firm in Central Ohio chose CCH's ProSystem fx Document to manage the electronic documents in its practice.
- CCH and BBD Domestic Outsource, Inc. a subsidiary of Berrios & Associates (New York City, NY) announced a partnership to offer a domestic service solution for accounting professionals who need to outsource some or all of their work during tax season.

- CCH announced the formation of a strategic partnership with Braintree, MA – based XCM Solutions. XCM will integrate its workflow automation solutions software with CCH's product suite. The integration will help CPA firms manage workflows.
- According to **Accounting Today** 20 of its top 100 tax and accounting solutions for 2006 were produced by CCH.

CDW Corp. (*Vernon Hills – computer products distributor*)

- CDW signed a lease for a 75,000 sq. ft., 3 story office building at 300 N. Milwaukee in Vernon Hills. The building is immediately north of its corporate headquarters facility. The expansion was necessitated by the fact that CDW had reached capacity in its headquarters building.
- CDW earned the ranking of "Most Admired" company in its industry, as ranked by **Fortune** magazine's list of *America's Most Admired Companies*. In the *wholesalers: electronics and office equipment industry*, CDW ranked first in eight attributes: innovation, employee talent, use of corporate assets, social responsibility, quality of management, financial soundness, long-term investment and quality of products/services.
- CDW announced that it had been awarded a supply contract from the Chicago Public Schools worth \$13 million. Under the agreement, CDW Government Inc. will update software on more than 60,000 computers, provide printers, and provide installation, on-site set up, training and warranty service through minority-owned service partners. If all four of the one-year options are exercised, the deal will be worth \$23 million.
- CDW announced plans to start a company in China and began the application process for government approvals in Summer 2006. The company also began looking to acquire a Chinese distributor of computers and equipment.
- The company acquired Madison, WI-based information technology solutions provider Berbee Information Networks Corporation for \$184 million. The acquisition enhances CDW's offerings of advanced technology products and services to address customer needs for complex business solutions.

Clark Consulting (*Barrington – executive compensation & benefits consulting*)

Clark Consulting announced plans to acquire MedEx, a Houston, TX – based insurance firm and its affiliated consulting firm, Argos Advantage for \$8.6 million.

Chicago Show (*Buffalo Grove – designer/producer of merchandising displays*)

Chicago Show Inc. relocated from Northfield to 18,000 sq. ft. in Buffalo Grove.

Continental Automotive (*Deer Park – automotive electronics*)

German company, Continental AG purchased Motorola's automotive electronics business for \$1 billion. The sale includes Motorola's controls, sensor, interior electronics, and telematics units. The automotive unit employs approximately 4,500 people worldwide but Continental does not expect many job reductions. Continental is located in Motorola's former Deer Park facility.

Dinner By Design (*Grayslake – meal assembly franchise*)

Dinner By Design entered into a national collaboration with Northfield, IL-based Kraft Foods. Dinner By Design has 75 franchisee-operated outlets throughout the country where people too busy to shop for groceries and prepare their own meals can go to assemble entrees to take home to cook or freeze. Kraft will pay Dinner By Design to use Kraft brand foods in its recipes and to promote them on its menu and in its marketing materials.

Fortune Brands Inc. (*Deerfield – consumer products*)

Fortune Brands moved its corporate headquarters and 100 employees from Lincolnshire to 500 Centre in Deerfield. Fortune Brands is now in the same complex as its largest subsidiary, Jim Beam Brands. The move will allow its former subsidiary ACCO Brands, to expand at the Tower Parkway, Lincolnshire site. ACCO Brands spun off from Fortune Brands and merged with General Binding Corporation in 2005.

HSBC North America Holdings (*Mettawa – financial services*)

HSBC began construction on its new North American corporate headquarters in Mettawa. The 440,000 sq. ft. facility will eventually hold approximately 3,000 employees. HSBC's previous headquarters site was in Mt. Prospect, IL.

Hewitt Associates (*Lincolnshire – human resources/benefits consulting*)

- Hewitt Associates was named to **The Top HR Providers** list compiled by the International Association of Outsourcing Professionals (IAOP). Hewitt was selected for this honor following a rigorous evaluation process conducted by the IAOP and an independent panel of judges as part of **The Global Outsourcing 100**.
- Hewitt opened a mobility operations office in Shanghai, China. The company will provide relocation, logistics, international assignment administration, as well as the integration of payroll and other benefits, to several multinational clients operating in Asia.
- Launched a health care practice in the United Kingdom to service clients in various European nations. The new practice will work with companies on all aspects of managing employee health, from developing and implementing health management strategies to advising on health related benefits and services.
- Hewitt was honored by AT&T as an outstanding supplier. Hewitt received one of 49 supplier recognition awards for its work in delivering outstanding services to AT&T.

- Hewitt announced that it will provide HR business process outsourcing services to Centrica plc, a leading utility and energy organization based in the United Kingdom.
- Hewitt was selected to deliver defined benefits technology and administration services to the US Office of Personnel Management (OPM), the Federal Government's principal human resource agency. The ten year agreement, valued at \$290 million, will enable the OPM to modernize and improve the administration of its Federal retirement system for 5 million participants.

International Profit Associates – Integrated Business Analysis (*Buffalo Grove – management consultant*)

- International Profit Associates – Integrated Business Analysis (IPA-IBA) was ranked the 6th Largest Management Consulting Firm in the Chicago area in 2006 by *Crain's Chicago Business*. IPA-IBA was also ranked 6th in Crain's 2004 and 2005 annual listings.
- The company launched a new business magazine, *IPA's Business Today*, a quarterly publication. The magazine is designed for entrepreneurs and is focused on providing a broad scope of informative business practices and emerging trends regarding maintaining positive cash flow, controlling costs, accelerating profitable growth, strategic planning, succession planning, preserving and determining corporate value, and tax planning.
- International Profit Associates announced that it would begin offering professional search and recruitment services to help small businesses staff their organizations.
- IPA-IBA was ranked as the Largest Business Consultant by the *Business Ledger*, a business newspaper devoted to Chicago's West and Northwest Suburbs.

Jim Beam Brands Co. (*Deerfield – alcoholic beverages*)

Jim Beam Brands Co., a subsidiary of Fortune Brands, moved from Lincolnshire to a 130,500 sq. ft. space at Corporate 500 Centre in Deerfield.

Komatsu America (*Vernon Hills – mining/construction equipment manufacturer*)

Komatsu America relocated its corporate headquarters from Vernon Hills to Rolling Meadows, IL

Knauz Motors (*Lake Bluff – luxury auto dealership*)

Knauz Motors purchased the former Plantation Bakery site on Route 41 in North Chicago. The dealership plans to use the site for storage initially and then turn the site into a pre-owned vehicle sales lot. Eventually, the site may also include a new car franchise.

Learning Resources Inc. (*Vernon Hills – educational products*)

Learning Resources Inc. announced that it purchased Safe-T Products, a Lombard, IL- based maker of 500 learning products and tools for middle and high school students in math, art, and science classes. Learning Resources expected to absorb some of Safe-T's 29 staff into its 125 employee roster.

Manhard Consulting (*Vernon Hills – engineering consultants*)

- Manhard Consulting was awarded the Thomas H. Madigan "Pride in Partnership" award for Outstanding New Construction for design work performed on The University Center of Lake County. The award was given by the Capital Development Board of the State of Illinois and recognizes the teamwork, superior coordination, and contributions of Manhard Consulting and its subcontractors on this project.
- **Engineering News Record** named Manhard Consulting one of the Top 500 Design Firms in the nation for 2006.
- Manhard Consulting was awarded the APEX Partner Award by the Lake County Contractors Association (LCCA) in recognition for its contribution to the successful completion of the Gurnee Community Bank. Manhard provided land planning, engineering, and landscape architecture services to the project. The bank project received the LCCA's 2006 Award for Project Excellence.

Motorola (*Schaumburg/Libertyville – telecommunications*)

- Motorola purchased Ashburton, England – based Orthogon Systems in order to add wireless connection systems for Internet access. Motorola had a minority equity investment in Orthogon.
- Motorola won a contract to manage Vodafone's nationwide radio access network in Turkey.
- Purchased Emeryville, CA-based Netopia Inc. for \$208 million. Netopia provides DSL gear and routing equipment to telecommunications companies.
- In a deal worth \$1.6 billion, Motorola will supply 12 million mobile phones to Chinese distributor, Shenzhen Telling Telecom Co.

Netrix LLC (*Bannockburn – provider of corporate computer services, hardware, and software solutions*)

Netrix announced that it acquired fellow Bannockburn firm, Alliance Technology Group. Netrix distributes 170,000 computer products and operations in Alsip, Chicago, and Schaumburg.

STS Consultants (*Vernon Hills – engineering consultants*)

- STS received a State Finalist Award from the American Council of Engineering Companies (ACEC) of Wisconsin for an innovative horizontal biosparge well remediation system designed for APW Mayville in Mayville, WI.
- STS Consultants ranked #125 on the 2006 **Engineering News Record's** Top 500 Design Firms list. The company was #147 in 2005.
- STS Consultants won a five year, \$25 million contract with the City of Chicago to perform quality assurance and acceptance testing of construction materials at O'Hare International Airport.
- STS ranked #7 on the **Midwest Construction** 2006 Top Design Firms list. The publication tracks industry news in Illinois, Wisconsin, Indiana, and Eastern Missouri.

SecurePipe (*Lincolnshire – network security solutions*)

SecurePipe and Farm9 of Emeryville, CA, both leading providers of managed network security services, announced they have combined their businesses in a strategic move to meet the growing needs of financial institutions and global public companies for comprehensive “best of breed” managed network security solutions. Continuing to do business as SecurePipe, the combined company will have greater resources and financial capacity to serve its client base of banks and other financial services firms, as well as enterprises in manufacturing, distribution, energy, retail, healthcare and education. SecurePipe will retain its headquarters in the Chicago suburb of Lincolnshire, while Farm9's Emeryville headquarters will become the company's West Coast security operations center and regional office.

Vance Publishing (*Lincolnshire – publisher*)

Vance Publishing acquired two leading woodworking events and related assets from Reed Exhibitions Canada. The shows include the Woodworking Machinery and Supply Expo held in Toronto and Salon Industriel du Bois Ouvre held in St. Hyacinthe, Quebec. The exhibitions will become part of Vance's Interiors Media Network.

Walgreen Co. (*Deerfield – Drug store retailer*)

- The company purchased Canadian Valley Medical Solutions Inc.
- Walgreens purchased Medmark Holdings Inc., a specialty pharmacy that provides medications to patients with chronic diseases such as cancer, hepatitis, HIV, and multiple sclerosis. The company is located in Pittsburgh and will remain there.
- Agreed to purchase Happy Harry's Inc., a regional drugstore chain based in Delaware. Happy Harry's has 76 stores in the Mid-Atlantic States. This is Walgreen's largest acquisition since 1986.
- Walgreens opened 20 medical clinics in its stores. Walgreens leased 250 sq. ft. per store to Take Care Health Systems, a Conshocken, PA – based retail clinic operators.

Manufacturing/Distribution

BFG Technologies (*Lake Forest – supplier of premium 3D video cards*)

BFG Technologies announced plans to expand into European Markets by utilizing representation by British company, Silicon Highway Ltd. Silicon Highway represents semiconductor manufacturers across Europe.

CF Holdings (*Deerfield – fertilizer manufacturer*)

CF Holdings relocated its corporate headquarters from its Long Grove corporate campus to 85,000 sq. ft of space in Parkway North Center in Deerfield. The move is part of the company's cost savings plan that includes putting CF Holding's 160,000 sq. ft. headquarters in Long Grove up for sale.

Con-Way Transportation Services (*Mundelein – freight transportation services*)

Con-Way received approval from the Village of Mundelein to expand its freight terminal located on Tower Rd. The village approved plans for a building expansion of 19,000 sq. ft., reconfiguration of loading docks, and an additional 1.5 acres of pavement. The company currently employs approximately 100 workers.

CompX International (*Grayslake – manufacturer of light assembly products*)

CompX Security Products and CompX Marine Inc., subsidiaries of CompX International consolidated two facilities into a 19,500 sq. ft. facility on Center St. in Grayslake. The company will expand the existing facility by 120,000 sq. ft. and employ approximately 260 workers. The estimated investment in the expansion is \$10 million.

Dynacoil (*Zion – custom manufacturer of stainless steel products*)

Dynacoil, a 25 person company that provides stainless steel products for local companies such as Abbott and Baxter, moved from Waukegan to a 32,000 sq. ft manufacturing facility in Zion Industrial Park.

FedEx (*Zion – mail/freight/packaging services*)

FedEx announced plans to open a 75,000 sq. ft. distribution center in Trumpet Park to service Northern Illinois and Southern Wisconsin. FedEx is the first company to locate in Trumpet Park.

Fidelitone (*Wauconda – logistics/distribution services*)

Fidelitone Inc. announced that it had been awarded a contract to provide supply-chain solutions for Aero Products International Inc., the Schaumburg-based inflatable mattress manufacturer. Fidelitone will provide inventory forecasting, freight forwarding, warehousing, distribution, returns processing and facilities management services. Fidelitone transitioned all Aero Products distribution personnel to its staff.

Focus Products Group (*Vernon Hills – consumer products*)

Focus Products acquired Chicago-based Excello Products, designer and distributor of towels, dishcloths, aprons, and other items. Excello is Focus Products' 13th acquisition since 2001. Excello's distribution will move to Focus Products' facility in St. Louis and its customer service and other operations will move to Vernon Hills.

Freescale Semiconductor (*Long Grove - semiconductor manufacturer*)

Austin, TX- based Freescale Semiconductor expanded its lease at 4 Corporate Dr., Kemper Lakes, the facility that housed the former Kemper Insurance Co. The company increased the square footage that it is leasing by 40% to 63,102 sq. ft.

Jelly Belly Candy Co. (*North Chicago – candy manufacturer*)

Jelly Belly announced plans to purchase the candy operations of Los Angeles-based Ben Myerson Candy co. JellyBelly plans to transfer Myerson's candymaking and shipping operations to its plants in North Chicago and near Los Angeles.

Omniceil Inc. (*Waukegan – provider of patient safety technology*)

Omniceil Inc. renewed its lease for space in Waukegan's Amhurst Lake Business Park. The company chose to move from its existing 18,000 sq. ft. space to a 38,000 sq. ft. space that can accommodate future expansion.

Solar Corp. (*Libertyville – manufacturer of plastic parts for automotive and home electronics industries*)

Wynnchurch Capital, an investment firm based in Lake Forest, announced that it was closing Solar Corporation. The closing resulted in the loss of 300 jobs.

Telular Corporation (*Vernon Hills – wireless telecommunications manufacturer*)

Telular Corp. entered into a definitive agreement to buy substantially all the assets of CSI Wireless Inc., a Calgary-based maker of advanced wireless and global positioning system products. Telular will pay \$3.4 million in cash and \$6 million worth of its common stock.

Tenneco (*Lake Forest – automotive components manufacturer*)

- Tenneco announced plans to take \$15 million in charges related to restructuring plans, including job cuts and facility closings. Job reductions were focused on operations in Australia, France, Spain, Michigan, and Virginia. The restructuring plan is expected to save the company \$10 million in annual costs.
- Tenneco announced that it won new business from 13 aftermarket customers in North America, which is expected to generate \$8 million in revenue per year.

Uline Inc. (*Waukegan – packaging supplies*)

Uline selected a site in Pleasant Prairie, WI's Lakeview Industrial Park as the location for an expansion of its warehouse and distribution network. The company will occupy a 301,000 sq. ft. warehouse facility that is currently vacant and will lease another 301,000 sq. ft. building that is scheduled to be completed in June 2007. The company received approximately \$375,000 in incentives from the State of Wisconsin

WMS Gaming (*Waukegan – gaming machine and video lottery terminal manufacturer*)

- WMS Gaming Inc., a wholly owned subsidiary of WMS Industries Inc., announced that its Powerball wide-area progressive system and associated video and mechanical game themes received regulatory approvals from the state of Nevada and Gaming Laboratories International Inc. WMS Gaming recently installed Powerball gaming machines in four casinos and said it has orders for more than 650 units.
- The company announced plans to purchase Orion Financement Co., a Netherlands-based designer, maker, and distributor of casino based gaming machines. The deal is valued at \$30 million.

WW Grainger (*Lake Forest – industrial supplies distributor*)

WW Grainger bolstered its catalog product offerings by 51%, the largest increase in company history. Grainger added 39,000 products to its 2006 catalog for a total of 115,000 products.

Warmly Yours (*Long Grove – floor heating systems manufacturer*)

Warmly Yours, a manufacturer of floor heating systems, signed a 11,046 sq. ft. lease at 2 Corporate Dr. at Kemper Lakes, the renovated property that formerly housed Kemper Insurance Company.

Z Trim Holdings (*Mundelein – food manufacturer*)

Z Trim Holdings officially changed its name from Circle Group Holdings and refocused the company's emphasis on products related solely to Z Trim, its natural, zero calorie fat substitute.

Zebra Technologies Corp. (*Vernon Hills – printing solutions provider*)

Zebra paid nearly \$63.8 million to settle a patent lawsuit by Paxar Corp., a clothing identification tag maker. In return for the payment, Paxar agreed to grant Zebra licenses to certain patents, including the ones in the lawsuit, and agreed to dismiss its claims.

Banking/Financial/Insurance/Real Estate

Alter Group (*Chicago – business park developer*)

The Alter Group officially de-annexed its 600 acre property from Round Lake Park. The company plans to move forward with its "Cornerstone" development on the property. Preliminary concept plans included 500,000 to 1 million sq. ft. of retail space, high end office buildings, light industrial facilities, and multifamily housing to be constructed over a 10 year time span.

CenterPoint Properties (*real estate developer*)

CenterPoint Properties purchased 16 acres and 5 existing single story office buildings at Grand Tri-State Corporate Centre in Gurnee. The total cost for the properties totaled \$20 million. The property is adjacent to CenterPoint Business center.

Consumers Credit Union (*Waukegan – credit union*)

- Consumers Credit Union announced plans to offer commercial lending services and business accounts in 2007. Consumers also expanded its branch office in Gurnee at Grand and Milwaukee Avenues from 1,700 sq. ft. to 4,100 sq. ft. Consumers has five branch locations in Lake County including two in Waukegan, one each in Round Lake Beach and Mundelein, and this one in Gurnee. Consumers also has an office in Adlai Stevenson High School in Lincolnshire.
- Consumers and North Shore Gas Credit Union merged in early 2006. Consumers welcomed the 1,500 members of North Shore Gas Credit Union into the fold and absorbed the existing employees. The North Shore Gas Credit Union facility on Grand Ave. in Waukegan closed in March 2006.
- The Illinois Credit Union League bestowed two awards on Consumers: 1st Place in Louise Herring competition for demonstrating the credit union philosophy in actions and 2nd Place in the Dora Maxwell social responsibility competition.
- Consumers joined the Shared Branching Network of Financial Service Centers Cooperative Inc. The Share Branching Network is a national organization that allows participants to share branch locations with members from participating credit unions. Currently, there are over 2,200 locations available in six countries and forty –six states.

Discover Financial Inc. (*Riverwoods – financial services*)

- Discover Network, a unit of Discover Financial Services LLC entered into deals with five financial institutions to issue credit and prepaid cards on its network.
- Morgan Stanley, Discover's parent company, spun off Discover Financial Services as an independent, stand alone Fortune 500 corporate headquarters.

Dovenmuehle Mortgage Inc. (*Long Grove – mortgage servicing company*)

Dovenmuehle Mortgage Inc. relocated its operations from Schaumburg to 64,000 sq. ft. of space at Kemper Lakes, the renovated 1.1 million sq. ft. property formerly occupied by Kemper Insurance Co. The property is owned by BPG Properties.

Duke Realty (*Chicago – commercial real estate broker/developer*)

Duke Realty built a speculative 138,000 sq. ft. building in Lake Forest's Conway Office Park and leased it to Hospira Inc. Duke will also build a 100,000 sq. ft., speculative Class A office building in the park called West Lake at Conway

First Midwest Bank (*Itasca/Gurnee – bank*)

- First Midwest Bancorp Inc. acquired Bank Calumet Inc. for \$307 million. Bank Calumet was a bank holding company headquartered in Hammond, IN with 30 branches and \$1.1 billion in assets.
- First Midwest Bancorp Inc. purchased the Elgin State Bank branch located at 2250 Randall Rd. in Carpentersville, IL.

Great Lakes Credit Union (*Round Lake Beach – credit union*)

Great Lakes Credit Union broke ground on a new branch at 2135 N. Route 83 in Round Lake Beach. It will replace the current Round Lake Beach branch located at 2217 N. Route 83.

McShane/MetLife Alliance (*real estate developer*)

McShane/MetLife began construction on Liberty Point Corporate Center, a three-building industrial park located at Peterson and Midlothian Roads in Libertyville. Plans call for two industrial spec buildings totaling 359,000 sq. ft. and one 600,000 sq. ft. build to suit facility for Medline Industries.

Panattoni Development Co. (*office/industrial park developer*)

Panattoni Development Co., a California based park developer and developer of Amhurst Lake Business Park in Waukegan, bought 10.5 acres of land in Waukegan's Oak Grove Business Park, expanding its holdings there. The company plans to build two speculative warehouse buildings – one 130,000 sq. ft. and the other 80,000 sq. ft.

Pfingsten Partners LLC (*Deerfield – private equity firm*)

- Pfingsten Partners LLC acquired Consolidated Commercial Controls Inc., a business that sells more than 9,000 parts to the foodservice industry. Terms were undisclosed, but Pfingsten said it will retain all 50 employees and keep Commercial Controls' headquarters in Morton Grove. The company's retiring owner, Erwin Shakin, will also serve as a consultant. This is the fourth acquisition financed from the proceeds of Pfingsten's \$285 million Fund III partnership.
- Acquired Technical Service for Electronics Inc., an Arlington, MN-based manufacturer of components for medical devices, including pacemakers, defibrillators, and patient monitoring devices.
- Pfingsten's Suzo Happ Group in Elk Grove Village acquired United Kingdom-based Starpoint Developments. Both Suzo Happ and Starpoint supply gaming and amusement parts and accessories.

Trustmark Insurance (*Lake Forest – insurance*)

- CoreSource, a subsidiary of Trustmark Insurance, acquired Michigan-based third party benefits administrator, NGS American. NGS American has 300 employees and will work as a distinct unit of CoreSource, retaining its name and management team.
- Trustmark sold its equity interest in Private Healthcare Systems Inc. to MultiPlan Inc., a leading medical network leasing company. Private Healthcare Systems was established in 1985 by Trustmark, Assurant Health, and The Guardian Life Insurance Company to develop a national managed care network.

Van Vlissingen & Co. (*Lincolnshire – real estate developer*)

Van Vlissingen announced the following deals:

- Leased 2,937 sq. ft. at 1368 Busch Parkway to Bias Power LLC.
- Leased 9,480 sq. ft. at 1495 Busch Parkway to Allen Visual.
- Leased 401 Sullivan in Vernon Hills to Superior Ambulance. The building has 11,762 sq.ft. and is on 2 acres of land.
- Van Vlissingen represented building ownership in the sale of 998 Forest Edge Dr., Corporate Woods Business Park in Vernon Hills to Alliance Fire Protection. The building has 20,000 sq. ft. of space
- American College Testing (ACT) expanded at 300 Knightsbridge Parkway, Lincolnshire. The new space totals 6,057 sq. ft.
- Alliance Bank Corp. leased 6,430 sq. ft. of space at 300 Knightsbridge Parkway.
- DeMarco, Kinnaman, Lewis & Co., a CPA firm, leased 3,520 sq. ft. at 300 Knightsbridge Parkway.
- Precision Resource purchased a 30,400 sq. ft. office/warehouse at 700 Hickory Hill Dr. in Corporate Woods, Vernon Hills.
- Van Vlissingen sold a 2.42 acre site at the entrance to Corporate Woods Business Park in Vernon Hills to the Lincolnshire-Riverwoods Fire Protection District for a new fire station.

WestLake Financial Group (*Buffalo Grove – health benefits*)

WestLake Financial Group partnered with Murray-Calloway County Hospital, Murray KY in a three year deal to provide dental claims administration, online enrollment, and benefits outsourcing for more than 1,000 hospital employees.

Washington Mutual (*Waukegan – bank*)

Washington Mutual closed 28 Chicago area branches, with most of the affected branches located in Lake and McHenry Counties. Branches in Fox Lake, Fox River Grove, Lake Bluff, Lake Zurich, Libertyville, Lincolnshire, Mundelein, Round Lake Beach, Wauconda, and Waukegan were closed.

Wintrust Financial Corp. (*Lake Forest – bank holding company*)

Wintrust Financial Corp. acquired Hinsbrook Bancshares, parent of Hinsbrook Bank & Trust Co. Hinsbrook has bank branches in Willowbrook, Downers Grove, Darien, and Glen Ellyn. The deal was valued at \$110 million.

Hotels/Amusement

Chicago Marriott Suites (*Deerfield – hotel*)

The Chicago Marriott Suites in Deerfield, IL was sold to a joint venture of AEW Capital Management L.P. and Dow Hotel Company for an undisclosed amount. The Plasencia Group Inc. served as an exclusive investment advisor to the seller, Host Marriott Corp., in the deal. Located in the Parkway North Center off of Sanders Road in Deerfield, the seven-floor 248-room Marriott Suites includes 4,000 square feet of total meeting space with eight meeting rooms, complimentary on-site parking, an on-site restaurant and indoor and outdoor swimming pools.

Key Lime Cove (*Gurnee – hotel/waterpark*)

The Village of Gurnee approved plans and celebrated the groundbreaking for the \$125 million Key Lime Cover Resort and Water Park under construction on 30 acres near the Tri-State Tollway, Gurnee Mills, and Six Flags Great America. The resort will include approximately 600 rooms, convention/meeting space, restaurants, retail and an indoor water park complex.

Institutional: Hospitals/Education/Government/Non-Profits

Barat College Campus (*Lake Forest – four year college*)

The 23 acre Barat College Campus was sold to developer, Barat Woods LLC. The developer proposed residential units on the site.

College of Lake County (*Grayslake – community college*)

- The College of Lake County announced plans to construct a \$42 million facility in downtown Waukegan for continuing education, student services, and adult education.
- CLC's President Richard Fonte announced that the college was going to undertake a strategic plan to look at future growth for the community college. The strategic plan will include an outline of the school's goals for the next few years and will address almost everything the college does. Public input will be requested. The college undertakes strategic planning exercises periodically to make sure it is addressing student and community needs and to address funding needs.

Condell Medical Center (*Libertyville – hospital*)

- Condell invested \$2 million into the Alaris medication safety system from Cardinal Health. The "smart" pump technology reduces the chance of human error when administering medication to patients.
- According to *Crain's Chicago Business* rankings for 2006, Condell is now the 17th largest hospital in the Chicago area up from 20th last year. Condell is tied for the most occupied hospital in the Chicago area, with a daily occupancy rate of 96.2%.
- With annual growth rates of 8 to 10%, Condell outlined a \$120 million expansion plan for its campus in Libertyville. Plans include a seven story nursing tower that would add 90 beds to the current 300 and a doubling in the size of the emergency room. Condell also presented plans to become the first Level 1 trauma center in Lake County, meaning that it would have a surgeon available at all times and could treat trauma patients. In July, the Illinois Health Facilities Planning Board approved Condell's plans for the nursing tower. In September, the Illinois Health Facilities Planning Board approved Condell's plans to expand the emergency room. Once both projects are finished in late 2008, Condell can apply for Level 1 trauma status.
- Infinity HealthCare took over as the new provider of physician services in the Emergency Department. The physician group absorbed physicians from Condell's previous provider of emergency physicians.
- Condell's Heart Center opened for service in Fall 2006. The center includes a state of the art catheterization laboratory that will offer angioplasty procedures, carotid stenting, and echocardiograms.

Evanston Northwestern Healthcare (*Evanston/Highland Park – hospital system*)

- The Evanston Northwestern Healthcare Research Institute, the research arm for Evanston Northwestern Healthcare was ranked #10 in the nation among comprehensive independent research hospitals in funding from the National Institutes of Health. The Institute has achieved national renown for its clear focus on clinical and translational research that renders laboratory findings directly into advancements in patient care.
- Evanston Northwestern Healthcare's Center for Outcomes Research and Education was awarded a \$21 million "Toolbox Award" from the National Institutes of Health. The award, which is a five year award, will be used to develop, locate, and validate measurement tools for emotional, cognitive sensory, and motor functions, with an

emphasis on measuring outcomes in a clinical trial. The assessment will be sent back to NIH a tool kit. It will allow for researchers to produce easier, faster, and less expensive ways to conduct studies.

- The National Institutes of Health ranked Evanston Northwestern Healthcare at #20 out of independent research hospitals in the US. When the list is limited to comprehensive independent research hospitals, Evanston Northwestern Healthcare is ranked #10.
- According to the 2006 Most Wired Survey and Benchmarking Survey released in the *Hospitals & Health Networks* magazine, Evanston Northwestern Healthcare was named one of the nation's Most Wired and Most Wireless hospital systems in the US.
- The system was named to the IHN 100 (integrated healthcare networks) by Verispan, a healthcare information company. The list identifies the top 100 integrated healthcare networks among 566 non-specialty, local, and regional networks in the US. The ratings evaluate each system's ability to function as a unified organization in eight areas: integration, integrated technology, contractual capabilities, outpatient utilization, financial stability, services, and access, hospital utilization, and physicians.

Great Lakes Naval Training Station (*Great Lakes*)

Great Lakes Naval Training Station and Cleveland, OH – based developer Forest City Military Communities announced plans for the construction or rehabilitation of 655 homes at the station, North Chicago, and surrounding suburbs. The project is valued at approximately \$240 million.

Lake County Fairgrounds Association (*Grayslake – fairgrounds management association*)

The Lake County Fairgrounds Association authorized its executive board to negotiate a \$28.5 million sale of the fairgrounds in Grayslake to SKW Capital Management LLC and its partner Simon Property Group. Plans for the property may include almost 1 million sq. ft. of retail space and some housing.

Lake Forest Hospital (*Lake Forest/Grayslake – hospital*)

- A consumer survey conducted by National Research Corporation named Lake Forest Hospital "Lake-Kenosha's Most Preferred Hospital: Overall Quality & Image" for 2005/2006. The survey of 626 people in Lake and Kenosha Counties rated the hospital on best overall quality, doctors, nurses, and image/reputation.
- Eclipsys Corp. announced that it had entered a ten year agreement with Lake Forest Hospital to provide its IT outsourcing services to support the hospital's main campus and its remote locations. Lake Forest Hospital will also continue to leverage Eclipsys' management decision support solution, Sunrise Decision Support Manager, which is hosted by Eclipsys Technology Solutions Center in Mountain Lakes, NJ.
- Lake Forest Hospital now offers free broadband access to the Internet to patients and visitors.
- Echocardiography labs at both Lake Forest Hospital and its Outpatient & Acute Care Center in Grayslake were granted accreditation from the Intersocietal Commission for the Accreditation of Echocardiography Laboratories (ICAEL). They are among the first 1,000 labs in the US, Canada, and Puerto Rico to be recognized for their commitment to high quality patient care in performing tests that can help detect and manage many types of heart disease.
- For the second year in a row, a consumer survey conducted by National Research Corporation found that Lake Forest Hospital is "Lake-Kenosha's Most Preferred Hospital: Overall Quality & Image" for 2006/2007. The survey included 720 responses from Lake County and Kenosha County residents.

North Chicago Veterans Affairs Medical Center (*North Chicago – hospital*)

US Rep. Mark Kirk, R-Highland Park announced that the Medical Center received more than \$43 million as part of the 2006 Military Quality of Life Appropriations bill. The funding will start the construction of a new joint Navy/VA Hospital in North Chicago and key infrastructure upgrades at Great Lakes Nava Station.

Shimer College (*Waukegan – four year college*)

Shimer College, a small liberal arts college located in Waukegan, transferred most of its operations to a facility on the Illinois Institute of Technology's campus in Chicago. The historic homes that housed most of the schools business, education, and residential functions on Sheridan Road were put up for sale.

Tricoci University of Beauty Culture (*Libertyville – beauty school*)

Former Long Grove resident and owner of more than 2 dozen salons and day spas, Mario Tricoci, opened a school in Libertyville, the Tricoci University of Beauty Culture. The school is located in 10,000 sq. ft. of space in the former O'Reilly's Furniture building. The school will provide on the job training for students who want to learn a high paying trade in the personal care industry without having to attend a four year college.

Vista Health (*Waukegan – hospital*)

- The Illinois Health Facilities Planning Board approved Vista Health's sale of two Waukegan hospitals, St. Therese Medical Center and Victory Memorial, and the Lindenhurst-based Victory Ambulatory Surgery Center to Tennessee-based Community Health Systems (CHS).
- Vista Health unveiled an expanded emergency room at the Victory Memorial Hospital in Waukegan. The \$6 million expansion doubled the size of the emergency room and included a renovated ambulance garage with room for six

ambulances. The expanded area includes 30 new semi-private and 11 private patient rooms, a new cardiac catheterization laboratory, new suites for gastrointestinal procedures, and a renovated lobby.

- Vista Health unveiled plans for a new 140-bed acute care hospital in Lindenhurst. The value of the investment is estimated at \$100 million. Vista Health also detailed plans for \$70 million in renovations at its Waukegan facilities: St. Therese Medical Center and Victory Memorial Hospital.

Utilities

ComEd/Exelon Corporation (*energy provider*)

- Exelon's proposed merger with Public Service Enterprise Group (PSEG) fizzled.
- ComEd proposed a rate hike on residential customers it serves in Northern Illinois. ComEd submitted a proposal for a customer safety net plan with the Illinois Commerce Commission that would guarantee a transition period for residential rates. The plan would guarantee that average residential rates in 2009 would be no more than they were in 1995. The ICC rejected the plan to increase rates.
- ComEd installed an \$11 million substation on Route 176 east of Route 41 to service customers in Shields and Libertyville townships.
- ComEd's senior unsecured debt rating was downgraded by Standard & Poor from BBB to BB+ citing the increasingly unstable political environment around a rate freeze extension. The rate freeze extension legislation was proposed by the Blagojevich administration.

Midwest Generation (*Waukegan – power plant operator*)

Midwest Generation struck a deal with the State of Illinois to drastically reduce mercury emissions, smog, and soot from its coal burning plants in Chicago, Waukegan, Joliet, Peoria, and Romeoville.

Peoples Energy/North Shore Gas (*energy/natural gas provider*)

Peoples Energy/North Shore Gas and WPS Resources Corp. completed their merger. The new company, renamed Integrys Energy Corp. serves 4 Midwestern states through its regulated utility operations. Integrys also operates non-regulated energy-related businesses in various markets in the US and Canada.

Development Activity

Antioch

- The results of the Route 83 Corridor Study were presented. SEC Planning Consultants, the study consultants, found that overhead utilities, lack of landscaping, and a lack of architectural appeal were impediments north and south of Antioch's downtown on Route 83. With IDOT widening Route 83, this was the time to look at burying utility lines and updating landscape and architectural standards in the area.
- Antioch started a façade improvement program for retailers in its downtown area to improve the appearances of their storefronts. The village will pay up to \$10,000 per business and the program will work as a matching grant to the businesses. Therefore, the amount the business gets in grant funding is dependent on how much they are willing to spend. The village earmarked \$90,000 for the program.
- Arby's Restaurant opened its 3,500th store in 2006. The store opened at 501 E. Route 173 in Antioch, the first Arby's in Antioch.
- Joined Lake Villa, Lindenhurst, Fox Lake, and Lake County in a feasibility study to bring Lake Michigan water west to meet municipal needs.

Barrington

- West Liberty Street Area Redevelopment Opportunity – A redevelopment opportunity exists for a comprehensive mixed-use development plan for the West Liberty Street Area. The Village of Barrington owns approximately 1 plus acres of land in the redevelopment area, located at the southwest corner of Liberty and Hough Street. The Village desires to re-integrate this site into the downtown by encouraging a balanced mix of unique and appealing uses that preserve and improve the quality of life for Barrington residents.
- GE Healthcare (540 W. Northwest Highway) undertook some modifications to their building as they prepare to more fully utilize the 213,000 square foot facility for their healthcare division. GE renovated their lobby area, created more visitors parking spaces and upgraded their signage and landscaping.
- Cook Street Plaza (100 E. Station Street): A mixed-use development that has five new businesses that opened in 2006 – Francesca's Famiglia; NV Clothing; Caribou Coffee; Luxury Linens; Kelley Cellars. The retail has approximately 13,000 square feet of the 18,000 square feet leased.

- Shops at Flint Creek (500 N. Hough Street) Staples and Athletico are the first two tenants in the new 54,000 square foot shopping center. Staples has a 20,000 square foot store and Athletico is a 5,000 square foot rehabilitation clinic. More shops and restaurants are expected to open in 2007.
- Bank of America (550 N. Hough Street) opened a 4,500 square foot facility in July of 2006 as an outlet at the Shops at Flint Creek Center.
- 168 S. Northwest Highway A Jimmy John's sandwich shop is the anchor tenant in a 3,700 square foot three-tenant shopping center being renovated along S. Northwest Highway. The center will have two other spaces available between 1,100-1,300 square feet. Anticipated opening would be late in 2007.
- Barrington Station (120-122 S. Northwest Highway) A 5,800 square foot shopping center opened in March 2006 with a drive-through Starbucks. Two other tenants are expected to occupy the center in 2007.
- CVS Pharmacy (101 S. Northwest Highway) A 13,000 square foot CVS Pharmacy opened in February of 2006 at the intersection of Northwest Highway and Lake-Cook Road.
- Picture Master Color Labs (401 E. Cornell Avenue): Business Expansion: An 8,300 square foot expansion was approved for their Barrington facility in 2006. The building expansion is currently under construction.
- Barrington Commerce Center (1431 S. Grove Avenue) The second of four office buildings is under construction. Each building is approximately 24,000 square feet and has 12 units for sale in each building.
- Marquardt Buick GMC (1421 S. Barrington Road): Existing Business: Auto dealership completed facility renovations at their S. Barrington Road location.
- Starr Couture (325 E. Main Street) Existing retailer relocated within Barrington to expand their showroom and renovate an existing historic property. Anticipated opening is in the spring of 2007.
- Starbucks opened a 2,000 square feet drive-through facility at 122 S. Northwest Highway
- Savannah's Restaurant opened in the former Eclectic restaurant space at 117 North Avenue
- Woody's Hotdogs opened in the former Tastefully Yours space at 232 E. Main Street
- The Pasta Shop/The Traveling Pasta Chef opened in the former Tastefully Yours space at 232 E. Main Street
- Mona Lisa Tile store opened in the former DH Mattix Gallery Space at 119 E. Main Street
- The DH Mattix Gallery art store opened in the former House of Thai space on 115 E. Station Street
- Angelina's gift shop relocated her shop from 222 S. Cook Street to 123 E. Station Street
- Cody and Carl's Boulevard dog grooming and portrait business opened in the Foundry Shopping Center, 756 W. Northwest Highway
- Barrington Barkery and Pawtique dog store relocated from 420 W. Northwest Highway to 110 Barrington Court in the Barrington Commons Shopping Center
- La Marianita restaurant opened in the former Grandpa's Deli space at 110 Barrington Court in the Barrington Commons Shopping Center
- Hunny/SheShe clothing and jewelry store opened in the former 115 Gallery space at 115 S. Hough Street
- Accelerated Physical Therapy opened in the Blockbuster space at 455 W. Northwest Highway in the Park Place Shopping Center
- Chuck Hines clothing is closing at 141 W. Main Street after 38 years in the community.
- GWhiz gift shop expanded their space at 724 W. Northwest Highway in the Foundry Shopping Center
- Simple Abundance opened at 756 W. Northwest Highway in the Foundry Shopping Center
- Soak opened at 200 Applebee in the Ice House Mall
- Spa Vargas opened at 1000 Garlands Lane in the Garlands
- Hanson, Peter & Nye moved from 1301 S. Grove Avenue to 1000 Hart Road in the Barrington Corporate Center and doubled their space from 13,000 square feet to 24,900 square feet.

Buffalo Grove

- Estates at Hidden Lakes - Jacobs Homes approved development. 7.21 acres of land annexed to develop 19 single family homes. Deerfield Parkway, east of Buffalo Grove Road.
- Waterbury Place - Edward R. James Co. approved development. 31 acres of land annexed as a Planned Unit Development to develop 156 residential units. Half Day Road, east of Prairie Road and the railroad tracks.
- Fairview Estates - Fidelity Wes Builders - 7.845 acres of land annexed as a Planned Unit Development to develop 26 single family homes. Weiland Road, south of Deerfield Parkway.
- Riverwalk Apartment Building - Hamilton Partners - Approved as a Mixed Use Planned Unit Development to develop a residential apartment building consisting of 90 units. Milwaukee Avenue, north of Lake Cook Road.
- 313-333 W. Dundee Office Development - Buffalo Grove Professional Center, LLC - a one-story office building. Dundee Road, east of Golfview Terrace.
- Turnberry Condominiums - Lenar Homes, sold in the 4th quarter, 2006 to Neri Development. A residential Planned Unit Development consisting of 100 condominium units; 52 units in Building 1 and 48 units in Building 2. Building 1 was completed by Lennar Homes; the Village Board approved the plans for building 2 which Neri Development will begin construction in early 2007.
- Werchek Office Buildings - Werchek Builders - A Planned Unit Development known as Waterford Pointe, two 2-story office building with a total gross floor area of 60,000 square feet. Located off Rt. 83, west of Arlington Heights Road.

- Whispering Lakes Estates - Mitroff Group - 9.8 acres of land annexed to develop 23 single family homes. Located off Aptakisic Road, west of Weiland Road.

Fox Lake

- The Fox Lake Village Board hired planner Pete Pointer to come up with a plan to revitalize the village's downtown district.
- Joined Antioch, Lake Villa, Lindenhurst, and Lake County in a feasibility study to bring Lake Michigan water west to meet municipal needs.

Gurnee

Senator Terry Link, D-Waukegan acquired two \$1.8 million grants for the Village of Gurnee. The grant funds are to be used for roadway improvements along Grand Avenue near the Route 41 interchange.

Lake County

Joined Antioch, Lake Villa, Lindenhurst, and Fox Lake in a feasibility study to bring Lake Michigan water west to meet municipal needs.

Lake Villa

Joined Antioch, Lindenhurst, Fox Lake and Lake County in a feasibility study to bring Lake Michigan water west to meet municipal needs.

Lake Zurich

Rose Road Industrial Subdivision - site work and new construction of industrial buildings in Lake Zurich. Plans call for a multi-tenant industrial building to be built and for two industrial buildings to be built on an adjoining 10-acre parcel.

Libertyville

- The Libertyville Village Board finalized a development agreement with JTEH LLC to develop a three-story, U-shaped building at the corner of Lake St. and Milwaukee Ave. The building will accommodate a mixture of commercial and residential uses.
- McShane Corporation began construction of Phase I of Liberty Point Corporate Center to be located at the intersection of Midloathian and Peterson Roads. Phase I consists of one build-to-suit structure and two speculative buildings. The speculative buildings consist of Liberty Point II and III, a 217,620 SF and 142,290 SF building. Phase I is anticipated for completion in summer 2007. The build-to-suit will accommodate a 597,000 SF distribution for Medline Industries who will employ approximately 100 people. Using creative financing, the company created a foreign trade zone and procurement company that will assist their operations at this location. Designs for Phase II and III have yet to receive Village consideration but are anticipated to include an additional 65 acres of office, research and light industrial space.
- Downtown Libertyville has seen success in 2006, with additions of new businesses including Summit Ice Cream and How Impressive. The downtown saw a fantastic holiday season, many stores performing months 10-27% above prior year sales.
- The next few years will bring even more developments to the Village's downtown. Several exciting developments received approvals during 2006. JETH LLC will construct a mixed-use building at the intersection of Lake and Milwaukee Avenue (Rt 21) containing 14 condominiums and approximately 20,000 SF of retail space, including space for restaurants such as Egg Harbor Cafe.
- The Village of Libertyville and School District 70 sold downtown property to the Hummel Group for construction of 31 brown-stone style homes valued at approximately \$700,000 each and re-use of the Central School building for 12 condominiums. Site work has commenced.
- Companies such as Laser Precision continue to find that Libertyville and Lake County is where they wish to keep their business, this is exemplified by Laser Precisions decision to maintain and expand its manufacturing in town.
- Fresh Foods began an approximately \$8 construction of a 41,000 SF grocery at 1600 S Milwaukee Avenue taking place of the shuttered Frank's Nursery.
- Tuesday Morning announced expansion and relocation to a 7,595 SF space at 1360 S Milwaukee Avenue in Red Top Plaza.
- XSport Fitness occupied a 41,000 SF space at 1163 S Milwaukee Avenue in Green Tree Plaza, bringing amazing vitality to the center with several thousand members.

Lincolnshire

Centrum Properties proposed the construction of a mixed use, town center-type development at the corner of Route 21 and Half Day Road. The development would have approximately 370,000 sq. ft of retail space and 120 condominiums.

Lindenhurst

- Joined Antioch, Lake Villa, Fox Lake, and Lake County in a feasibility study to bring Lake Michigan water west to meet municipal needs.

- Developers Oliver McMillan, proposed the development of a mixed use lifestyle center for 250 acres at Routes 45 and 132. The center would include almost 700,000 sq. ft of retail space, approximately 900 residential units (including apartments, townhouses, condominiums, and single family homes), and land devoted to cultural, civic, and recreational pursuits. Due to an outcry from residents regarding the use of a TIF district to finance some improvements, the village and developer are looking at other options.

Mundelein

- Plans for a 30,000 sq. ft Best Buy retail store were submitted to the village.
- New construction of a transit-oriented luxury condominium development in Mundelein. Completed plans are calling for the construction of nine, seven-story buildings to contain 84 condominium units. Each building will have two levels of parking. Construction for phase one is currently under way. The design / builder is currently accepting subcontractor bids for select trades for future phases to run consecutively. Interested parties should fax their qualifications to the design / builder.

North Chicago

- North Chicago and Waukegan were designated as an Illinois Enterprise Zone by Gov. Rod Blagojevich. The designation enables the two cities to benefit from state and local tax incentives, regulatory relief, and governmental services which give incentives for businesses to invest in economically disadvantaged areas.
- The City of North Chicago demolished the closed Lavin & Sons bronze smelting plant and half of the Fansteel metals plant off of Martin Luther King Drive and Sheridan Road. The city owns the industrial sites and is proposing a downtown-type redevelopment for the area.

Round Lake

- In December, the village announced a six month moratorium on building permits in its downtown area. The extra time will give the village time to review zoning and land use standards for the downtown development area. The area is slated for mixed used, transit-oriented development with retail, restaurants, civic areas, and high density housing surrounding the existing Metra station.
- Chase Bank announced plans to construct a 5,000 sq. ft. branch facility at Route 134 and Fairfield Rd. in Round Lake.

Round Lake Beach

Exceed International proposed the development of Round Lake Beach. The total site area of 4.79 acres will include two attractive buildings. Round Lake Meadows will be a mixed-use design consisting of two blocks for office use and for senior living accommodations. Both blocks reflect the architecture of the neighborhood architecture and create a sense of community. The senior housing units are of three types: one bedroom, one bedroom with den, and two bedrooms. The units range from 678 sq.ft. to 996 sq.ft. Adequate parking will also be offered to support office and residential use.

Volo

Plans are in the works for a 440,000 sq. ft. shopping center on 90 acres between Route 12 and Gilmer road. The development will be anchored by a Super Target retail store slated for opening in the fall of 2007. There are also approximately 2,000 new homes planned for construction in the Route 12 corridor along with six commercial developments and strip malls.

Waukegan

- Waukegan and North Chicago were designated as an Illinois Enterprise Zone by Gov. Rod Blagojevich. The designation enables the two cities to benefit from state and local tax incentives, regulatory relief, and governmental services which give incentives for businesses to invest in economically disadvantaged areas.
- Fountain Square's 203,000 sq. ft. Wal-Mart Supercenter opened in Waukegan. The store employs 450 workers.
- The City Planning department unveiled plans for Academy Square, a restaurant/office building that will be built on the site of the Academy Theatre (Fiesta Palace) that burned down in October 2004.
- US Rep. Mark Kirk secured \$24 million in federal funds for the clean-up of Waukegan Harbor. The \$12 million local match will be funded by state, City of Waukegan, county, and private sources.
- Construction on Sweet Tomatoes Restaurant began. Completed working drawings are calling for the construction of an approximately 7,000-square-foot restaurant. The restaurant will include a dining area, kitchen, restrooms, and an office with storage space.