

Lake County Barometer

According to economists, the recession officially ended in November 2001. Unfortunately, improved company earnings, a dramatic uptick in the stock market, and a relatively health consumer spending pattern did not translate into meaningful job growth.

Many assumed that once the war in Iraq concluded, companies would begin hiring again. The war was over by May, and the conventional wisdom that economists had been circulating regarding a post-war hiring boom never transpired. A new catch phrase was invented to explain the phenomenon of corporate growth without demand for new employees: jobless recovery.

Reasons for the jobless recovery are varied. The most important one is that workforce productivity allowed companies to do more with fewer workers. Of course, much has been made of corporate outsourcing but evidence suggests very few jobs have been lost to outsourcing and the vast majority have been lost to productivity increases.

Despite this, 2.8 million manufacturing jobs in the US have vanished since June 2000. In Illinois, the No. 4 manufacturing state, 150,000 manufacturing jobs have been lost since June 2000. The pain to local economies dependent on the manufacturing sector and to manufacturing workers facing a uncertain futures is very real.

Local and national economic indicators are as follows:

Local Indicators	Previous Data	Current Data
Population	663,600 (2002 estimate)	678,508 (2003 estimate)
Unemployment	5.7% (2002)	6.0% (2003)

National Indicators	Percentage Change from 4 th Quarter 2002 to 4 th Quarter 2003	Percentage Change from 3 rd Quarter 2003 to 4 th Quarter 2003
Productivity		
• Manufacturing	5.8%	4.8%
• Business	5.3%	2.0%
Output Per Hour		
• Manufacturing	1.6%	6.1%
• Business	5.0%	3.9%
Unit Labor Costs		
• Manufacturing	-2.8%	-2.0%
• Business	-1.6%	-0.2%
Real Hourly Compensation		
• Manufacturing	3.2%	2.0%
• Business	1.7%	1.0%

Sources:

Population: Census Bureau, US Dept. of Commerce; Population Estimate: Claritas, Inc. 2003

Unemployment: Illinois Department of Employment Security

Productivity/Output Per Hour/Unit Labor Costs/Real Hourly Compensation: Bureau of Labor Statistics, US Dept. of Labor

Population: The estimated 2003 population for Lake County is 678,508. This figure represents a 2% increase in population since 2002.

Unemployment: The unemployment rate for Lake County in 2003 was 6.0%, slightly higher than the 2002 rate of 5.7%. Lake County exhibited higher unemployment rates than the US as whole for January, February and December.

Illinois' annual unemployment rate for 2003 was 6.7%. In 2002, that figure was 6.5%

The table below shows monthly unemployment rates for 2003 by geographic unit (for comparison purposes the figures are seasonally adjusted).

Geo. Location	1/03	2/03	3/03	4/03	5/03	6/03	7/03	8/03	9/03	10/03	11/03	12/03
Lake County	7.1%	7.0%	6.8%	5.8%	5.2%	5.9%	6.0%	5.9%	5.6%	5.2%	5.6%	6.2%
Illinois	7.3%	7.2%	7.1%	6.4%	6.2%	6.9%	6.9%	6.8%	6.5%	6.1%	6.4%	6.4%
US	5.8%	5.9%	5.8%	6.0%	6.1%	6.3%	6.2%	6.1%	6.1%	6.0%	5.9%	5.7%

Productivity/Output: Manufacturing productivity increased 4.8% in the 4th quarter of 2003. Output increased 6.1% and hours increased 1.3%. This was the largest increase in manufacturing output since the 6.3% increase in the 4th quarter of 1999. Manufacturing productivity increased 5.8% between the 4th quarter 2002 and 4th quarter 2003 and manufacturing output increased 1.6% during the same time period.

Business sector productivity increased 2.0% in the 4th quarter of 2003, output increased 3.9%, and hours increased 1.9%. Between 4th quarter 2002 and 4th quarter 2003 business sector productivity increased 5.8% and output increased 5.0%

Unit Labor Costs: Manufacturing sector unit labor costs decreased 2% in the 4th quarter of 2003. Unit labor costs decreased 2.8% between 4th quarter 2002 and 4th quarter 2003.

Business sector unit labor costs decreased 0.2% between the 3rd and 4th quarters of 2003. Unit labor costs in the business sector decrease 1.6% between 2002 and 2003.

Real Hourly Compensation: Real hourly compensation in the manufacturing sector increased 2.0% between the 3rd and 4th quarters. The percent change in real hourly compensation for manufacturing sector workers from a year ago is 3.2%.

Real hourly compensation for business sector workers increased 1.0% between 3rd and 4th quarter of 2003. The increase between 4th quarter 2002 and 4th quarter 2003 was 1.7%.

Lake County Communities

Abbott Park

Abbott Laboratories

(Abbott Park and North Chicago)
pharmaceuticals

New Products

The FDA is reviewing Abbott's new rheumatoid arthritis drug, Humira, to determine if patients using the drug could possibly experience side effects. Abbott is investing \$350 million for a new manufacturing plant in Barceloneta, Puerto Rico to produce Humira ♦ Announced plans to widen drug trials for Humira to see if the rheumatoid arthritis drug is also an effective treatment for psoriasis and psoriatic arthritis ♦ Launched its Dexamet coronary stent in Europe following European Union approval ♦ Launched PoSure nutritional supplement that is designed to help cancer patients gain weight and work to combat significant weight loss associated with solid tumor cancers ♦ Announced plans to phase out all intravenous products requiring needles and replace them with needle free, drug delivery instruments. Additionally, Abbott announced the completion of a program to put unit-of-use bar codes on all of its hospital injectable pharmaceuticals and IV solutions ♦ Introduced a new patient-controlled medication device, the LifeCare PCA3 Infusion System. Patient controlled analgesia (PCA) allows for patients to control the flow of their own pain medication ♦ Announced that the European Medicines Evaluation Agency granted a positive opinion on Humira, a treatment of adult rheumatoid arthritis ♦ Introduced Glucerna Weight Loss Shakes that help diabetics lose weight ♦ Received approval from the European Commission to market its rheumatoid arthritis drug, Humira, in Europe ♦ Abbott and Artus GmbH introduced 3 nucleic acid-based tests for detecting infectious disease, including the SARS virus.

Acquisitions

Announced plans to acquire certain assets of Dutch cardiovascular device manufacturer, Jomed N.V. Jomed manufactures stents,

balloon devices, diagnostic catheters, and other cardiovascular devices ♦ Announced plans to acquire Spinal Concepts Inc., a Texas-based medical device maker for \$170 million ♦ Agreed to acquire ZonePerfect Nutrition Co., a Massachusetts-based energy bar maker, for \$160 million ♦ Purchased CA-based Vascular Systems Inc., a developer of vessel closure technology

Joint Ventures

Announced license and supply agreements with Luminex Corp. that include granting Abbott a worldwide license for Luminex's in-vitro diagnostic technology and allowing Abbott rights to purchase and distribute Luminex products ♦ Announced a development deal with New Jersey-based pharmaceutical company, Medarex, Inc. to research and develop human antibodies that could be used to treat cancer, infectious diseases, and other conditions ♦ Announced a partnership agreement with OraSure Technologies, Inc. of Pennsylvania to distribute OraSure's recently approved rapid detection HIV test, OraQuick, to hospitals and doctors' offices nationwide ♦ Myriad Genetics, a drug development partner, announced that it had discovered a new gene DEP1 that causes depression. Abbott and Myriad are working together to create drugs that will treat depression ♦ Announced that it had reached an agreement with Artus GmbH, a German biotechnology company, to market and distribute the first commercial test to detect a form of coronavirus suspected of causing a strain of pneumonia known as severe acute respiratory syndrome (SARS) ♦ Entered into an agreement to distribute an infectious disease diagnostic systems manufactured by Promega Corp., a Madison, WI –based life sciences company. The product extracts nucleic acid from DNA to detect diseases such as HIV and Hepatitis ♦ Signed a pact with Dharmacon Inc., a Lafayette, CO-based company, to collaborate on the development a short interfering RNA, or siRNA, library covering 4,000 genes to identify potential drug targets for key Abbott

therapeutic areas ♦ Announced a collaboration with Bozeman, MT-based LigoCyte Pharmaceuticals Inc. to research an anti-inflammatory monoclonal antibody that will treat inflammatory diseases ♦ Canadian drugmaker, Axcan Pharma Inc. announced an agreement with Abbott in which Axcan will pay Abbott \$75 million for the rights to Itax, a gastrointestinal treatment undergoing regulatory tests ♦ Signed a collaboration agreement with Wyeth Pharmaceuticals, a NJ-based pharmaceutical company, to develop an automated blood test that monitors therapeutic levels of the anti-rejection drug sirolimus.

Expansions

Abbott's Ross Products Division announced plans to expand its manufacturing facility in Casa Grande, Arizona adding 90 new jobs.

Other

Sold several diagnostics products lines including FactPlus pregnancy test, Abbott TestPark, and Signify to MA –based Inverness Medical Innovations Inc. for \$92.5 million ♦ Abbott spun off its hospital products division into an independent company known as Hospira. Hospira will have 14,000 employees, including 2,000 in Lake County. Of those employees, 1,000 are located in Conway Park and 1,000 are located in North Chicago.

Awards/Community Service

Announced that the company, its employees, and retirees pledged \$6.6 million to charity in Abbott's 2002 charity drive ♦ Donated \$2.1 million in hospital and pharmaceutical products to AmeriCares, a nonprofit humanitarian aid organization aiding people affected by the war in Iraq ♦ In conjunction with the American College of Rheumatology Research and Education Foundation, announced a new program for medical residents interested in rheumatology. Abbott is providing \$4.5 million in support ♦ Listed in Fortune Magazine's 2003 "50 Best Companies for Minorities". Abbott ranked no. 48 ♦ In a bid to focus on pharmaceuticals, Abbott created a

new company, Hospira. The spin-off is Abbott's hospital products unit. The new company will employ 14,000 people with 4,800 employed overseas ♦ Formed an alliance with the Occupational Health and Safety Administration to improve workplace safety for healthcare workers ♦ Working Mother magazine announced that Abbott Laboratories made the list of the "Top 100 Companies for Working Moms" ♦ Collaborating with Boehringer Ingelheim to distribute AIDS test kits and an AIDS treatment drug in developing nations ♦ Abbott's Humira, a rheumatoid arthritis treatment, was named one of 10 recipients of the 2003 Chicago Innovation Awards ♦ Was named a recipient of Governor's Pollution Prevention Award for significant achievements in helping the environment and the economy. Abbott introduced new packaging designs that reduced packaging materials by 580,000 lbs, replaced hazardous chemicals in pharmaceutical processes saving \$1.1 million, reducing methanol usage, and using a tub grinding machine to recycle tree limbs and bushes as mulch providing 95% of the company's annual landscaping needs ♦ Abbott has pledged to commit \$100 million from 2003 to 2007 to battle AID in Africa. The company also offers its HIV drugs, Norvir and Kaletra, without profit, at cost to 68 countries, 49 of which are considered least developed.

Antioch

Approved plans for a Super Wal-Mart on Route 173. The building will have 200,000 sq. ft. The building is scheduled for completion in October, 2004 ♦ Because of the size of the Wal-Mart project, the village subcontracted building inspection services to B&F Technical Code Services of Hoffman Estates ♦ Initiated a building moratorium that will proceed in 3 6-month phases so that village staff can update the village's comprehensive plan. The moratorium does not affect projects that have already begun ♦ Approved plan to allow the development of 182 single family homes by Pulte Homes on 91 acre Elfering Farm ♦ Illinois Department of Transportation (IDOT)

announced that improvements to Route 83 through Lake Villa and Antioch will tie into proposed improvements in Wisconsin ♦ Proposed funding a state of the art aquatic center and recreation facility through alternate revenue bonds, using sales tax revenue to fund the project ♦ Hired Smith Engineering and Valerie S. Kretchmer Associates to prepare a study of Route 173 from Grimm Road to the Tri-State Tollway, the 1st phase of a 3 phase review of the village's comprehensive plan. Plans will include a balance of retail, commercial, industrial, and open space parcels ♦ Kicked off the second of three planning studies, a survey of the Route 83 corridor that includes the downtown area. The third study will focus on the west side of the village ♦ Announced the selection of Alan Probst as Village Administrator. Mr. Probst has worked as City Manager for Charleston, IL and Platteville, WI ♦ Announced plans to retire the village's 5% utility tax one year early ♦ The village reviewed the final draft of the development plan for the Route 173 corridor ♦ Due to an error on the part of the Lake County Stormwater Management Commission, new floodplain maps put many existing homes and businesses into floodplain areas. Lake County Stormwater Management decided not to forward the maps to the Federal Emergency Management Agency (FEMA).

Bannockburn

Indalex Aluminum Solutions Group

Awarded a \$5 million contract to Volt Services Group to provide contingent workers, job candidate screening, and training software.

Option Care, Inc.

healthcare services

Announced that it was chosen by Genetech Inc. and Novartis Pharmaceuticals to be the preferred specialty pharmacy provider for Xolair, a drug that treats allergic asthma.

Barrington

Advocate Good Shepherd Hospital *Hospital*

The Illinois Department of Public Health recommended that the hospital add an 8th operating room ♦ The Illinois Health Facilities Planning Board approved the hospital's plan to open a cardiac center offering cardiac catheterization and open heart surgery. Advocate broke ground on the \$35.7 million center in August. The three story addition with 43 patient rooms equipped with cardiac equipment and 18 universal beds where patients will remain in one room throughout their stay ♦ The hospital's 23rd annual Invitational Golf Outing, held June 23 at Biltmore Country Club, raised \$117 million to provide the final funding for a new patient observation center in the hospital's emergency department.

Clark/Bardes (renamed Clark Consulting)

executive compensation and benefits consulting services

Renamed itself Clark Consulting and transferred its symbol on the New York Stock Exchange from the symbol CBK to CLK ♦ Announced plans to build a new 40,000 sq. ft. corporate headquarters building at Main St. and New Hart Road in Barrington Hills. Because of the location, the site will be annexed into Barrington. The Wamberg Family is planning to build 4 office buildings with retail, 3 in Barrington and 1 in Barrington Hills. Mr. Wamberg runs Clark Consulting.

Beach Park

Village officials approved changing the zoning of two parcels along Green Bay Road owned by the school district from suburban residential to highway commercial ♦ Because of the rapid sale of the 650 units in Cambridge's Heatherstone subdivision and plans by the developer construct another 150 units, the village decided to wait to take a special census until the Summer of 2004.

Buffalo Grove

Announced that in 2003, the Village of Buffalo Grove welcomed 717,239 sq. ft. of new and expanded leases for growing and relocating businesses.

Akorn, Inc.*healthcare products*

Announced that it had won FDA approval to make Lidocaine Jelly, a topical anesthetic.

Efoora Inc.*pharmaceuticals*

The Patent and Trademark Office announced that two patents from Efoora's Virotek unit had been "approved to issue". The patents were for the Precision Insertion of Molded Sensors, PRIMOS, Biosensor. PRIMOS is used for glucose monitoring.

Fifth Third Bank

Opened a new branch at 345 Dundee Road in Buffalo Grove.

Progeny Dental, Inc.*Manufacturer of dental imaging equipment*

Announced the acquisition of Scottsdale, AZ based Cygnus Technologies, a manufacturer of intra-oral cameras, multimedia software, and digital X-Ray systems.

Siemens Building Technologies, Inc.*security systems/technology*

Won contract to build and operate two natural gas-fired combined heat and power plants for Monroe New Power, Inc., a not-for-profit local development corporation, Monroe NY. The plants should save \$2.5 million a year in costs and will replace a coal burning plant.

Deerfield

Sales tax revenues have increased 26.3% since 2001 and 38.4% since 2000 due to the opening of new stores in the village's redeveloped downtown.

Baxter International*healthcare products & equipment***New Products**

Announced that Advate, the brand name for its investigational factor VII recombinant therapy for the treatment of hemophilia, received approval from the US FDA ♦ Announced plans to begin using high resolution bar-code technology on the flexible IV containers it makes ♦ Announced the launch of

its new Syndeo Syringe Pump, a patient controlled analgesia device.

Acquisitions

Completed the acquisition of assets from California-based Alpha Therapeutic Corp.

New Contracts

Announced that Premier Inc., the nation's largest alliance of hospitals and health systems, awarded Baxter a 5-year agreement. The deal will result in the expenditure of \$2 billion by Premier members. Premier also award Baxter with a 3 year contract worth \$750 million for anesthesia and critical care products ♦ Signed an agreement with Miltenyi Biotec GmbH, German company with US headquarters in California. Miltenyi will have exclusive rights for five years to distribute, market, and sell Baxter's cellular therapy products worldwide (except East Asia) ♦ Received a \$10 million contract from the National Institute of Allergy and Infectious Diseases to develop a SARS vaccine ♦ Announced a collaborative agreement with British specialty chemical company Avecia Group PLC to develop an anthrax preventative for the National Institutes of Health. Baxter will help Avecia with regulatory matters and some production.

Joint Ventures

Formed an alliance with Angiotech Pharmaceuticals, Inc. of Vancouver, Canada in which Baxter gets worldwide (excluding Japan) sales, marketing, and distribution rights to Angiotech's CoSeal, a surgical sealant product, and Adhibit, a surgical anti-adhesive product ♦ In partnership with Arriva Pharmaceuticals Inc., announced that it had begun clinical trials on a jointly developed drug that is used to treat alpha 1-antitrypsin deficiency, or hereditary emphysema ♦ Announced plans to look for a partner to sell Pulse, its nutrient rich water ♦ Announced the formation of a research collaboration pact with GlycoFi Inc. to evaluate the use of GlycoFi's fungal expression platform to produce human therapeutic proteins.

Expansions

Announced plans to acquire a manufacturing plant in Liverpool, England for \$10 million. The purchase from ML Laboratories will allow Baxter to focus on the production of kidney dialysis solution to meet increasing market demand ♦ Completed a 120,000 sq. ft. expansion of its manufacturing facility in Bloomington, IN. The expansion creates 700 new jobs.

Awards/Community Service

Baxter International Foundation awarded \$31,000 to HealthReach, a clinic in Waukegan that offers free medical services to the needy.

Other

Announced the sale of its RMS Disease Management Inc. and RMS Management Inc. units to California-based DaVita Inc. The businesses operate kidney dialysis centers at dozens of center across the US. Baxter also closed on the sale of 4 dialysis center in Slovakia and the Czech Republic to Germany-based Avitum Austria GmbH ♦ Sold Compass Services, a supplier of intravenous admixture services to the hospital and alternate site pharmacies, to Bannockburn-based Pharmedium Healthcare Corp.

Dade Behring*(Deerfield)**clinical diagnostic instruments*

Granted a non-exclusive license under patent rights of Roche Diagnostics to the develop, manufacture, and market of a procedure that detects a key marker of congestive heart failure ♦ Began trading on the Nasdaq national stock market under the symbol DADE ♦ Won a contract to provide laboratory equipment for the 22 pediatric hospitals in the Shriners Hospitals for Children healthcare system.

Fujisawa Healthcare, Inc.*producer and marketer of pharmaceuticals*

Signed a license agreement for an acute heart failure drug with Japan-based Daiichi Suntory Pharma. Fujisawa will develop and market recombinant carperitide in North America and Europe ♦ Announced a co-promotion agreement with GlaxoSmithKline Consumer

Healthcare for Protopic in the US. Protopic is used to manage eczema in children. With the agreement, GlaxoSmithKline will provide a sales force to market Protopic to pediatricians while Fujisawa will remain focused on marketing to dermatologists ♦ Signed a \$68 million strategic partnership agreement with Cardiome Pharma Corp., Vancouver CA. The agreement provides for the co-development and Fujisawa's exclusive commercialization of Caridiome's proprietary intravenous antiarrhythmic agent, RSD 1235.

Paidos Health Management (changed named to Paradigm Health Management Services, Inc. 12/2003)

health services management

Announced that it was being acquired by Paradigm Health Corp. based in Concord, CA ♦ Signed a contract with Cypress, CA – based PacifiCare Health Systems, Inc. to provide specialty intensive care management for PacifiCare's members premature newborns ♦ Signed contract with Medical Excess LLC, a catastrophic medical risk management specialist, to provide special care management for premature and other medically complex infants.

Revere Group

customer relationship management technology consultant

Joined Interface Software's partner program and will provide consulting services to Oak Brook-based Interface's InterAction customers.

Walgreen Company

drug store retailer

Announced that ChoiceCare Network, a PPO network owned by Humana Inc., agreed to add Walgreens Health Initiatives to its network ♦ Celebrated the opening of its 4,000th store by awarding option grants for 100 shares of Walgreen Company stock to all of its 141,000 employees in March. The new store is located in Van Nuys, CA ♦ Purchased 4 additional office buildings measuring 322,000 sq. ft. along Wilmot Road in Deerfield. The additional space, which is currently leased to other commercial tenants, will allow for the future expansion of Walgreen's

corporate headquarters site ♦ Launched a Spanish language interactive Web site at www.WalgreensEspanol.com. The site contains drug information, an online prescription refill form, a store locator, and directions on how to use some of the services ♦ Agreed to purchase 16 drug stores from Washington-based Hi-School Pharmacy ♦ Signed a 4 year contract extension with Catalina Health Resources. Walgreens will continue using Catalina software to create customized newsletters for prescription customers ♦ Announced that it would no longer join prescription benefit plans that require filling "maintenance" prescriptions by mail.

Unext Inc.

online university

Announced plans to team up with New York Institute of Technology to offer a new online school for working adults called Ellis College.

Deer Park

A 100,000 sq. ft. expansion at the Deer Park Town Center will include a theater with 16 movie screens ♦ Reviewed a proposal for the 82,000 sq. ft. Towne Center Promenade. The center would be constructed on 15 acres at the corner of Rand and Long Grove Roads if approved, and include retail operations similar to Bed, Bath & Beyond or Pier 1 Imports.

Motorola, Inc.

telecommunications products

Acquisitions

Motorola's offer of \$34 million for 26% of Next Level Communications was accepted by Spencer Trask & Company, a New York-based private equity firm. This brings Motorola's stake in Next Level Communications to 89% ♦ Agreed to acquire Winphoria Networks, Inc. of Tewksbury, MA, a manufacturer of "soft-switch" wireless telecom equipment that is less expensive and more robust than conventional switches ♦ Acquired the technology assets of Paceline Systems Corp., a Massachusetts business that went out of business. Paceline made switches for data storage networks.

New Products

Announced plans to work with Avaya Inc., a firm that supplies Internet protocol telephony, and Proxim Corp., a provider of Wi-Fi network systems, to develop technology that would allow wireless phones cellular networks and 802.11 Wi-Fi Networks ♦ Announced the development of the world's first cell phone that uses Java software and a Linux operating system ♦ Announced plans to introduce 269 new semiconductor products in 2003, up almost 50% over product delivery rates in 2002. Motorola also announced that it expected industry growth rates of 5 to 10% in 2003 ♦ Began shipping a new line of computer chips, microcontrollers, that enable manufacturers of devices to produce smarter products with dramatically longer battery lives ♦ Unveiled new postage stamp-sized integrated circuit that will cut costs of smart wireless devices 40 to 50%.

New Contracts

Signed a \$75 million marketing deal with Viacom Inc.'s MTV music channel. The three year agreement calls for MTV content including ring tones, images, and games to be pre-loaded onto Motorola handsets ♦ Licensed its patented embedded mezzanine capacitor printed wiring board technology to Unimicron Technology Corp. of Taiwan. Unimicron will use the technology to manufacture printed wiring boards with embedded mezzanine capacitors for its global market ♦ Announced that it had won a \$43 million pact from Tata Teleservices in India. Motorola will build a cellular network in the cities of Maharashtra, Mumbai, and Goa ♦ Announced that PT. Telkom, an Indonesian telecommunications operator, selected a Motorola cellular system to bring third generation wireless services to the 10 provinces of Sumatra ♦ Won a \$39 million contract to expand the network for Pakistan's largest mobile phone operator, Mobilink, so that it can double the number of its subscribers ♦ Signed a \$19 million contract to expand two cellular networks with Fastlink, a mobile network in Jordan ♦ Announced that a consortium of Minnesota

government units, Local Government Information Systems, purchased Motorola's \$3.3 million integrated public safety information system ♦ A Motorola embedded motherboard was selected by Eastman Kodak Co.'s Imaging Group to power a new flagship Kodak dry laser medical imaging system ♦ Motorola (China) Electronics Ltd., a subsidiary of Motorola Inc., and SnapTrack Inc. signed a supply contract with wireless carrier China Unicom to supply SnapTrack's SnapSmart Assisted Global Positioning System location server platforms ♦ Announced that China Unicom had selected Motorola's Java technology-based download platform to deliver mobile content ♦ Won an \$830,000 contract to provide an automated meter reading solution for Oklahoma Natural Gas ♦ China Unicom awarded Motorola with a \$10 million contract to build the second phase of China Unicom's location-based services, LBS, network.

Joint Ventures

Helped found a new lobbying organization, Alliance for Digital Progress. Member companies including Microsoft and Dell Computers are seeking to counter Hollywood in the battle over access to digital music, movies, and books ♦ Signed a \$1.6 billion contract to outsource a portion of its information technology operations to California-based Computer Sciences Corp. Under the terms of the 10 year pact, Computer Sciences Corporation will hire about 1,300 Motorola employees, acquire some of Motorola's computer network infrastructure, and take over management of its global computer infrastructure and help desks ♦ Announced a collaboration with Nextel Communications and Creditel to offer Creditel's PowerSwipe device and its secure payment processing product for use on Nextel's national packet data network ♦ Signed a licensing deal with China-based Proview International. Proview will manufacture TV sets and monitors for sale in China and Motorola will allow Proview to use Motorola's branding image/logo on the sets ♦ Announced that its venture capital

unit, Motorola Ventures, invested an undisclosed amount in Shanghai NewMargin Venture Capital Co., its first investment in a Chinese venture capital fund ♦ Announced that Motorola and Avis Rent-a-Car System Inc. are expanding their Avis Assist Navigation service into the Midwest. The service is currently focused in East Coast cities. The Motorola software gives car renters spoken, turn-by-turn directions.

Expansions

Opened a new office on Michigan Avenue in Chicago to serve as a design and marketing center for its cell phones. Seventy-five employees were transferred from Libertyville to staff the office ♦

Awards/Community Service

Announced that it supplied the 25 nominees for 2003 Acting and Directing Academy Awards with its new T722i camera cell phones. T-Mobile USA, Inc. supplied 6 months of free service ♦ Won the 2002 Malcolm Baldrige National Quality Award for excellence in manufacturing.

Other

A Delaware Chancery Court Judge ruled that Motorola could proceed with its \$30 million bid for the 26% of Next Level Communications, Inc. ♦ Agreed to sell its 35% stake in Lithuanian telecom company, UAB Omnitel, to Swedish firm TeliaSonera AB for \$117 million ♦ Announced expansion of efforts to build semiconductor chips for outside companies ♦ Sold a chipmaking plant in northeastern China for a stake in Semiconductor Manufacturing International Corp. SMIC will build out, operate the factory, and supply Motorola with chips.

Fox Lake

Received a \$25,000 state grant to replace a crumbling seawall on Eagle Point Road that fronts Pistakee Lake ♦ A special facility study team recommended that the village's satellite center on Thillen Drive be renovated and expanded to become the Village's new Village Hall. This would free up space for the Village's police department in the existing village hall. The

projected cost of the project is somewhere between \$1.5 million to \$1.8 million ♦ Approved a 2.75% phone tax increase to fund improvements to the village hall and police station ♦ Peebles Business Development LLC proposed the construction of a huge hotel and indoor water park on Pistakee Lake just off Route 12. The hotel would have 92 rooms and a 15,000 sq. ft. indoor water park with a zero depth wave pool and water slides. Projections call for the hotel to grow to 200 rooms by 2010 and the water park growing to 45,000 sq. ft. The village is considering a tax increment financing (TIF) district to help finance the costs of the project ♦ The village offered the owner of the Lakeland Plaza an incentive package. The \$30,000 in cash and in-kind services will be used to offset rent for new grocery store, High Low Foods.

Harris Bank

bank

The Canadian parent of Harris Bank purchased Lakeland Community Bank for \$34.6 million. Lakeland has offices in Round Lake Heights and Fox Lake.

Grayslake

Approved a joint agreement with the Illinois Department of Transportation to widen Route 45 from Route 137 to Washington Street . Construction began Fall 2003 ♦ Downtown businesses in Grayslake organized themselves into Grayslake Partners in Business. The organization is focused on the economic health of the downtown area ♦ Announced that it had received a grant totaling \$780,000 from Illinois Department of Transportation and the Chicago Area Transportation Study to construct a new Metra Commuter Rail Station near Washington St. and Lake St. ♦ Announced plans to develop a 900 acre mixed use, corporate office park. The project called the Central Range, will include a mix of housing, recreation, and most importantly commercial and retail space for approximately 6,650 corporate workers ♦ Reviewed plans for Station Square, the final phase in Prairie Crossing's 677 acre development . The mixed use,

transit-oriented development is within walking distance of two Metra train stations and is proposed to include from 33 to 45 condominium units over retail space in four buildings. Initial costs for these condominiums is projected to be \$250,000 to \$400,000 per unit ♦ Adopted a \$13.1 million budget, up 2% from last year ♦ Announced plans to conduct a special census to gauge population growth since the 2000 Census. Village officials believe that there could anywhere from 2,000 to 2,300 more people in the village since the 2000 Census put the population at 18,506 ♦ The village increased its electric utility tax rates and imposed a municipal telecommunications tax to fund road improvements in the village ♦ Metra announced plans to construct a new train station on a 5 acre parcel near Washington and Lake Streets ♦ The village board voted to waive water and sewer connection fees for Grayslake Community High School's new campus. The amount equals \$490,000 in impact fees.

Baxter & Woodman Inc.

(Grayslake)

consulting engineers

Expanded its Grayslake office located at 31 S. Seymour Ave. The facility will accommodate an expanding staff of civil engineers, technicians, computer-aided designers, construction services, and administrative personnel serving the Lake County area.

College of Lake County (CLC)

community college

Announced plans for a \$10 million project that will result in a 50,000 sq. ft. building on the college's Southlake campus in Vernon Hills. The facility will house 14 classrooms, 7 computer labs, 1 science lab, and 1 community education/general purpose room. CLC will coordinate plans with Vernon Hills' Town Center project south of the campus ♦ A commissioned master plan for the college projected enrollment levels increasing by 5,000 students in 2020, bringing total enrollment in 2020 to 20,000 students. Many of the new students will come from fast growing Northwest Lake County ♦ The college has

requested the following facilities from the Illinois Community College Board: a 162,438 sq. ft. student services building at the Grayslake Campus, an additional 100,000 sq. ft. classroom building at Grayslake, an additional 53,753 sq. ft. classroom building for the Vernon Hills' Southlake Education Center, a 67,506 sq. ft. business and industry training center at the Southlake Campus, and \$5,317,500 for the purchase of property in Vernon Hills ♦ Student enrollment increased 2% in the Fall 2003 Semester ♦ The 2003 tax rates assessed by the College of Lake County decreased slightly from 20.80 cents per \$100 of equalized assessed valuation to 20.75 cents per \$100. The decrease is due to the building boom that CLC has experienced in the recent couple of years.

University Center of Lake County

(Grayslake)

multi-university center

The state government released \$25.9 million in funds slated to be used for the construction of a 91,000 sq. ft. facility on the College of Lake County campus. Work on the building began in November.

Great Lakes

Great Lakes Naval Station

naval base

Announced plans to seek contractors to fill 142 jobs at the base involving custodial services and the operation of bachelor housing. As many as 125 current employees could be let go by Jan. 5 2004 in order for the base to comply with orders that service jobs on the base be competitive.

Gurnee

Sears, Roebuck and Co.

announced plans to open its second freestanding prototype store at Gurnee Mills. The 200,000 sq. ft. store (formerly Waccamaw Pottery) is slated to open in Spring 2004. The prototype store will also include groceries ♦ Amended a sales tax rebate agreement with Gurnee Mills that raises the cap on the original 1996 agreement allowing the mall to generate an extra \$9 million over the next seven years for reinvestment purposes ♦ Annexed 11 acres at Hutchins Road and Grand Avenue owned by auto

dealer Bob Rohrman. Plans for the site may include 2 auto dealerships ♦ Best Buy will take over the former Kohl's space in Grand Hunt Center. Kohls moved to a new location at Gurnee Mills. Best Buy will utilize 53,245 sq. ft. of the 80,805 sq. ft. facility. The other 27,560 sq. ft. will be used for a future tenant.

BASF Corp.

chemicals for consumer and industrial products

Announced that Petroferm Inc. had acquired BASF's Gurnee plant. Lambert Technologies Corp., a Petroferm unit, will run the plant and continue to supply BASF with surfactants.

First Midwest Bank

bank

First Midwest's holding company, First Midwest Bancorp signed an agreement with First National Bank of Ottawa to sell the two banking branches of First Midwest in Streator, IL for \$5.2 million. First Midwest will redeploy that capital in the Chicago collar county region where it is committed to further branch expansion ♦ Acquired CoVest Bancshares in a deal valued at \$102.5 million. The bank, with \$624 million in assets, has branches in Des Plaines, Schaumburg, and Arlington Heights.

Gurnee Mills

mall

Announced revitalization plans that include a sales tax rebate agreement that it worked out with the village. The agreement will give the mall \$27 million over the next 7 years to utilize for reinvestment. In 2002, Gurnee Mills drew 25 million visitors making it Illinois' 2nd largest tourist attraction. Mall officials are planning a \$10 million makeover that will include a 200,000 sq. ft. Sears Grand, a prototype Sears store.

Lake County Convention and Visitors Bureau

tourism bureau

Maureen Reidy, Executive Vice President of the Greater Woodfield Convention and Visitors Bureau in Schaumburg, was named President of the Lake County Convention and

Visitors Bureau. Reidy succeeds Gale Svendsen who died in 2003 after heading the agency since its inception in 1984.

Little Lady Foods

frozen food

Opened a new facility in Gurnee that will employ 130 workers immediately. Projections assume a workforce expansion to 400 within 5 years

James W. Smith Printing Co.

printing

Announced the acquisition of Waukegan-based Omni Printing Inc.

Hainesville

The village board approved a sales tax rebate that is worth \$300,000 over a 10 year period for Rubloff Development Corp. Rubloff plans to develop 4 acres northeast of Hainesville Road and Route 120 with a Walgreens store, another retail building with 7 spaces, and a bank.

Hawthorn Woods

Village officials proposed using special service area taxes to repair roads in the municipality ♦ Built a \$1.2 million municipal water system in hopes of attracting retail development.

Highland Park

Construction began on the local park district's \$10.2 million community center at 1850 Green Bay Road ♦ Announced findings from a study conducted by the National Research Center and International City and County Management Association that showed that 95% of city respondents ranked Highland Park's quality of life as either excellent or good. Out of the 300 US cities or counties that participated in the survey Highland Park ranked 3rd in having a sense of community, 4th for quality of parks and citizen involvement, and 5th for shopping opportunities, the quality of public libraries, and the "overall direction the city is taking" ♦ The City Council adopted an affordable housing ordinance that requires 20% of new multifamily residential developments with 5 or more units

to be set aside for affordable housing. The city defines affordable housing as housing priced within reach of a family of four earning \$56,500 to \$90,000 ♦ Razny Jewelers, a west suburban jeweler, opened its first North Shore location at 1700 Green Bay Road.

Evanston Northwestern Healthcare/Highland Park Hospital (Highland Park)

hospital

Now part of the Evanston Northwestern Healthcare (ENH) system, Highland Park Hospital is a 240-bed hospital and has added open-heart surgery and a branch of the Kellogg Cancer Care Center for outpatient therapy offering high-quality cardiac and cancer care from physicians on faculty at Northwestern University's Feinberg School of Medicine. The Emergency Department recently underwent a \$4 million renovation. ENH has a growing presence in Lake County with the opening of the Specialty Care Center in Vernon Hills last October offering services in comprehensive cardiovascular care, gastroenterology and general obstetrics/gynecology. The Highland Park Hospital Health & Fitness Center in Buffalo Grove offers health-related classes, including childbirth, parenting and prenatal exercise. Additionally, ENH partnered with Sunset Foods and currently operates full-service pharmacies in the Sunset Foods Stores in Lake Forest and Libertyville.

Lake Barrington

Plans for the Lake Barrington Professional Building development, three proposed professional office buildings on a 10.5 acre Pepper Road parcel proceeded. The buildings will provide office space for doctors from Advocate Good Shepherd Hospital.

Lake Bluff

Announced that sales tax revenues for 2002 had increased 17% since 2000 due to new car dealerships moving into the village ♦ Local property developers, Central Avenue Partners presented a redevelopment plan for the central business district to tear down 6,200 sq. ft. of warehouse and garage

space along Center Avenue and replace it with 5,200 sq. ft. of new retail space ♦ Pasquesi Home and Garden Center announced plans to relocate from Lake Forest to Lake Bluff in 2005.

Paterno Wines International

(Lake Bluff)

Named exclusive US marketing and sales partner for the Lion Nathan Wine Group of luxury wine brands. The Lion Nathan Wine Group is an Australian beverage company.

Lake Forest

Biosafe Laboratories

laboratory services

Announced plans to license its consumer-collected Cholesterol Panel (a finger nick blood test) to clinical laboratories.

Brunswick Corporation

boats/recreation equipment

Announced that its Life Fitness division had entered into an agreement with Bally Total Fitness to design, make, and distribute a complete line of Bally Total Fitness-brand exercise equipment ♦ Acquired the assets of Valley-Dynamo LP, a recreation equipment manufacturer based in Texas, for \$34.5 million ♦ Acquired Land'N'Sea Corporation, a Florida-based distributor of marine parts and accessories ♦ Announced the purchase of Michigan-based Attwood Corp., a marine products company ♦ Brunswick Billiards opened its first retail center in Eden's Plaza, Wilmette.

CNH Global NV

financial services and agricultural equipment

Announced that it sold \$22 million in agricultural equipment to Uzbekistan ♦ Signed a new long term logistics services contract with Caterpillar Logistics Services Inc. Cat Logistics will serve as the sole provider of third party logistics and warehouse operations manager for CNH in the US and Canada.

DOR BioPharma, Inc. (formerly Endorex)

biotechnology

Announced plans to develop vaccines against anthrax and ricin ♦ Signed a letter of intent to

exclusively license oral vaccines against botulinum toxin.

IMC Global, Inc.

producer and marketer of concentrated phosphates and potash fertilizer

Completed its sale of its White River Nahcolite Minerals sodium bicarbonate mine and plant in northwest Colorado to Natural Soda AALA, Inc. of Centennial, CO for approximately \$20.6 million ♦ Announced plans to sell its Tampa, FL-based marine terminal port to Kinder Morgan Energy Partners LP for \$23.5 million cash ♦ Announced plans to idle 3 Louisiana phosphate facilities due to weakening demand for phosphate fertilizers ♦ Sold its minority stake in Compass Minerals Group to Salt Holdings Corp. and sulfate of potash operations in Utah and New Mexico to Great Salt Lakes Minerals Corp. The sales resulted in \$60.5 million ♦ Canpotex Ltd., a joint venture of potash producers IMC Global, Agrium Inc., and Potash Corporation of Saskatchewan Inc., won a contract to sell 1.5 million metric tons of potash to China National Chemicals Import and Export Corp., or Sinochem ♦ PhosChem, a joint venture of IMC Phosphates Co., PCS Phosphate Co. Inc., and Mississippi Phosphates Corp., signed an agreement with China National Agricultural Means of Production Group Corp. to ship daimmonium phosphate fertilizer to China for the rest of 2003, 2004, and 2005.

Lake Forest Graduate School of Management

graduate business school/MBA program

Announced plans to construct a \$10 million campus on a 3.2 acre parcel in Conway Park, Lake Forest. The school is currently located on the Lake Forest College Campus.

Lake Forest Hospital

hospital

Lake Forest Hospital recently completed a \$22 million expansion to hospital adding 21,000 s.f. The New Hunter Family Center for Women's Health, which opened January 2004, provides family-centered maternity services with

Level II special care nursery, Children's Memorial Hospital pediatricians on site, state-of-the-art wellness services for women of all ages. Lake Forest Hospital is also constructing a new 136,000 s.f. Outpatient & Acute Care Center in Grayslake. This \$39 million health & wellness campus is a "hospital without beds", which will include new all-digital mammography, top-of-the-line MRI, Women's imaging, clinical laboratory services, audiology, full-service radiology, nuclear medicine, non-invasive cardiology, occupational, physical and speech therapies, Board-certified ER physicians staff acute care center 14 hours a day, seven days a week. Grand opening event is scheduled for April 24, 2004.

Pactiv Corporation

aluminum foil & heat resistant paperboard containers

Reported that it had paid \$22 million in cash for the remaining 30% stake in Mexico's Jaguar Corporation, a maker of polystyrene cups and plates. Jaguar will operate as a unit of Pactiv ♦ Announced plans to purchase the plastic packaging business of Rock-Tenn Co. for \$60 million. The purchase includes plants in Franklin Park and Conyers, GA.

RoundTable Healthcare Partners

private equity investment

RoundTable and Medline Industries purchased assets of Maxxim Medical, a FL-based medical supply firm that went into bankruptcy. RoundTable will acquire the Maxxim's vascular products business based in Athens, TX.

Salton, Inc.

home products manufacturer

Acquired assets from New Jersey-based Lectrix LLC, including seven of the kitchen appliance designer's products and 40 products in development ♦ Announced joint venture with Germany's Melitta Group and two other international companies which will allow Salton to market a household coffee pod system in the US and Canada ♦ Announced that its Hong Kong subsidiary planned to purchase a majority stake in Amalgamated Appliance Holdings, a South Africa-based consumer products

manufacturer, for \$6 million. The purchase would give Salton a 52% stake in the company ♦ Announced plans to build a 1 million sq. ft., \$35 million warehouse, distribution, and back-office center in Redlands, CA ♦ Ex-boxer George Foreman signed a \$9 million contract with Salton to promote a number of the company's small kitchen appliances.

Tenneco Automotive, Inc.

automotive products

Chosen by DaimlerChrysler AG to supply advanced emission control systems for Mercedes-Benz passenger cars ♦ Formed joint venture with China-based Chengdu Lingchuan Mechanical Plant, in which it formed the Chongqing Walker Exhaust System Co. to make emission control systems for Changan Ford Company. Tenneco controls 60% of the venture ♦ Announced a joint venture with Eberspacher International GmbH to establish Walker-Eberspacher Automotive Exhaust System Co. in China. The venture will produce emission control systems for BMW and Audi vehicles made in China. Tenneco will own 30% of the venture, a Tenneco joint venture will own 25%, and Eberspacher will own the rest.

W. W. Grainger, Inc.

(Lake Forest)

industrial supplies distributor

Announced that its Lab Safety Supply unit acquired Gempler's, a direct marketing unit of Gempler's Inc. ♦ Received the Top Vendor award from HealthTrust Purchasing Group, a purchasing organization based in Nashville, TN representing 900 facilities and contracting volume of \$5.5 billion. The award is given on the basis of customer service, quality, value and reliability ♦ The company was named the "most admired" company in 2002 among diversified wholesalers, as reported in Fortune magazine's annual listing of America's Most Admired Companies ♦ Announced a multi-year branch expansion program to increase the company's presence in the US. The program will begin in Atlanta, Denver, and Seattle with larger branches and additional sales personnel. Over the next 3 to 5 years, Grainger will

assess the local availability of products and sales coverage to increase customer service in 25 metropolitan areas. In the first phase, Grainger plans to add 300,000 sq. ft. of showroom and warehouse capacity and 100 new sales personnel. Capital expenditure plans for 2004 include \$25 million to \$30 million for branch projects.

Wintrust Financial Corp. *financial services*

Announced that it will become part of the Nasdaq Financial-100 Index
◆ Purchased Arlington Heights – based Village Bancorp Inc. for \$9 million and Advantage National Bankcorp Inc. of Elk Grove Village for \$24.4 million.

Lake Villa

Made plans to sell the 22 acre Painted Lakes park for \$1.2 million to developer, Ted Nielsen who proposes to build single family homes on 5-7 acre lots. The deal was delayed until 2004 because the Army Corps of Engineers did not respond to Nielsen's request for a development review because he was not the owner of record. The village will re-submit the request with the Village as the owner of record on the application
◆ Welcomed the Fun Times RV Center, a new RV dealership on Route 83
◆ Announced plans to dig a second deep well to service the village. The \$250,000 project will be funded by developer, Realen Homes
◆ Agreed to contract with the US Census Bureau for a special census count. Village officials believe the village has added 1,500 new residents since 2000.

Lake Zurich

Chose Flex Development, a local construction company, to serve as the master developer for the 1st phase of the village's downtown revitalization. The plan includes the development of mixed retail/condominium space along Main Street. The village's first redevelopment project, the lakefront promenade, was completed and opened in May
◆ Approved an agreement with Concord Homes to redevelop the former Dearborn Chemical plant site at 300

Genessee St. with 247 single family homes.

Libertyville

Allscripts Healthcare Solutions. *electronic prescription & medication delivery services*

Signed a contract with Affiliated Community Medical Centers to supply additional TouchWorks modules.

Arlington Industries

wholesale distributor of copier, fax and printer consumable supplies
Purchased by Carolina Wholesale Office Co. Inc. from Daisytek International Corp.

Condell Medical Center *hospital*

Phase I of a 190,000 s.f. expansion is complete making it the largest hospital expansion program in the history of Lake County. The expansion includes a new [Emergency Department](#), helipad, trauma elevator system, Intensive Critical Care Unit and [surgical suites](#). The new four-level wing includes an expanded [New Life Maternity Center](#) and Radiology department, as well as a [Women's Center and Spa](#). It is fully equipped with leading edge diagnostic and treatment technology. The new facilities are the result of a \$90+ million expansion project. Following the new construction completed in Phase I, another 64,000 square feet of the hospital will be remodeled to accommodate support service departments such as medical records, volunteers, social service, nursing administration and more. The space vacated by departments moving to the newly constructed building will be remodeled for office and patient services use. ◆ Condell Health Network is expanding services for the Grayslake community with a 15,000 s.f. expansion to its medical building on Route 120. This expansion brings the total size of the building to 45,000 s.f., which includes a physical therapy clinic, physician offices, a lab and general X-ray services. Additionally, construction is complete on Condell's second imaging center, an expansion of the existing building at 1445 Hunt Club Road
◆ Successfully purchased the

adjoining Allen Estate in Libertyville. The property will be included in the hospital's long term expansion plans.

Valent BioSciences *integrated pest management products*

Licensed proprietary plant growth regulator technology from Lomon Bio Technology Co. of China. The technology helps plants overcome the effects of weather related stress.

Lincolnshire

Erickson Retirement Communities proposed the annexation of the 92 acre Boznos Property into Lincolnshire. Erickson is proposing a combination retirement/assisted-living facility that will include 1,500 apartments for independent living and 240 beds for residents needing nursing care
◆ The Village Board abolished the village's Plan Commission in April
◆ Through the effective use of sales tax rebate agreement, the village was able to keep a local business, Interior Investments in the community. The village also welcomed two new businesses XL Screw and Staybridge Suites Hotel
◆ The Village Board decided to terminate its downtown redevelopment agreement with developers Teng/Forest due to market conditions in the economy
◆ Announced plans to establish a zoning board to replace the village's plan commission that was dismantled in April. The new zoning board will work under tighter deadlines
◆ The widening of Route 22 was completed in Fall 2003.

Aksys Ltd.

hemodialysis product developer
Announced plans to raise \$15 million in a common stock offering in order to pay for an expanded commercial launch of its Personal Hemodialysis System.

BioSante Pharmaceuticals, Inc. *Pharmaceuticals*

Signed a deal to help the US Navy research and develop the first vaccine for malaria. The agreement calls for BioSante to provide the Navy's Medical Research Center with its proprietary BioVant formula, which is added to vaccines to stimulate immune

response ♦ Announced that it had been approved for listing in the records manual of Standard & Poor's Corp. ♦ Announced completion of the Phase II/III clinical trial for Bio-E-Gel estradiol gel, a topical gel designed to reduce the severity and frequency of hot flashes in menopausal women. Phase III Clinical Trial Data is required for FDA registration ♦ Announced positive study results of its BioAir calcium phosphate nanoparticulate delivery system for inhalable insulin were published in AAPS PharmSci, the scientific journal of the American Association of Pharmaceutical Scientists ♦ Signed a deal with the US Army to help develop vaccines that would protect against infectious bioterrorism agents like anthrax and ricin. BioSante will supply its proprietary BioVant formula that is added to vaccines to stimulate the immune system ♦ Raised \$10.3 million in a private stock offering to fund clinical trials of gels to treat menopausal symptoms and female sexual dysfunction ♦ Announced that it had been awarded a \$100,000 Small Business Innovation Research grant from the National Institutes of Health. The grant will be used to fund product development on BioSante's CAP delivery technology for oral insulin ♦ Reported positive, pre-clinical testing results for long acting calcium phosphate delivery system used with injectable insulin. The potential advance would allow diabetics to reduce the number of injections necessary to control blood glucose levels.

Fortune Brands, Inc.

consumer products

Jim Beam Brands Co. announced plans to introduce a new bourbon and cola drink, Beam and Cola ♦ Acquired Capital Cabinet Corporation, a Las Vegas based supplier of cabinets for home builders ♦ Agreed to buy Therma-Tru, an Ohio-based home hardware products company, for \$925 million.

Hewitt Associates LLC

employee benefits, compensation consulting services

Agreed to acquire Chicago-based Northern Trust Corp.'s retirement

consulting and administration business ♦ Announced that it had added a new service, Hewitt Data Acquisition Service. The service is meant to be used by clients going through a merger or acquisition. It provides a common platform by which companies can access and analyze the disparate information from the various sources needed to complete due diligence ♦ Filed a registration statement with the Securities and Exchange Commission related to a proposed secondary offering by current and former employees ♦ Research conducted by Hewitt shows that a weak economy and stock market volatility in 2002 resulted in employees interacting less often with their 401(K) plans ♦ Announced the purchase of British management consultant, Bacon & Woodrow.

LTD Commodities, Inc.

business-to-business mail order and internet marketers

Signed a lease at the West Ridge Corporate Center in Aurora for 694,367 sq. ft. of new distribution space.

Quill Corporation

Direct marketer of office supplies and business products

Announced the debut of a new book of helpful guidelines for administrative professionals. The book titled "The Really Useful Guide to Working Smarter, Not Harder" is not available commercially, but is free upon request from Quill. The book is the result of a collaboration between Quill and Ilyce Glink, WGN television reporter, newspaper columnist, radio host, and author of self help books.

Sauer-Danfoss, Inc.

manufacturer of engineered hydraulic systems and components for use in mobile equipment

Introduced the DP600 graphic terminal for mobile equipment and agricultural machinery. The large screen and combination of soft keys and control buttons provide rapid access to all the information required by the operator ♦ Introduced a new patented valve system for its Series 90 pumps - an Integrated Brake Function ♦

Announced the introduction of the latest generation of electrical actuators – the PVE Series 4. Actuators are used in the hydraulics of mobile machinery ♦ Teamed up with Danish university scientists and three other companies to develop a prototype of a farm robot, Autonomous Platform and Information System (AIP). The robot will be able to map weeds in crops and monitor crop conditions. Sauer-Danfoss provided both financial and technical support ♦ Sauer-Danfoss Slovakia won an "Engineering Product of the Year" prize from the 2003 International Machinery fair held in Nitra, Slovakia. Sauer-Danfoss Slovakia won the award for its electrohydraulic transit mixer system.

Takeda Pharmaceuticals

pharmaceuticals

Studied the effect of Actos, a diabetes drug, in reducing the risk of cardiovascular disease in people with type 2 diabetes ♦ Signed a deal to promote cholesterol drugs, Niaspan and Advicor, with Miami-base Kos Pharmaceuticals.

Lindenhurst

Proposed development projects in the community include the following: VistaHealth's proposed hospital facility scheduled for completion in 2006; Merit Building Supply is moving into the village's business park, Falling Waters; a three unit expansion of RJB Automotive, a car repair shop, was completed; a Walgreen's Drug Store is proposed along Route 45; a Wendy's Restaurant is proposed; there is the potential for a 17 acre Jewel/Osco project; Century 21 is constructing a strip mall on Grand Avenue; North Shore Trust and Savings is building on four acres on Sand Lake Road; First Midwest Bank is building on 7 acres on Sand Lake Road; and a full service car wash in planned for a site on Grand Avenue. Am Echod Synagogue is building a temple on Grass Lake Road and Heritage Lutheran Church is building at a site on North Beck and Grass Lake Roads ♦ Announced plans to conduct a special census to determine how many new residents the village has gained since 2000. The 2000

Census puts Lindenhurst's population at 12,539 and village officials believe that the population is closer to 14,000 ♦ Proposed a 2003-2004 budget of \$11.1 million ♦ Approved a request to annex the 11 acre Hastings Lake YMCA ♦ Butera Finer Foods purchased the vacant Eagle Food Store in Lindenhurst.

North Shore Trust & Savings *bank*

Announced plans to construct a 5,000 sq. ft., full-service banking facility at 3060 Sand Lake Road in Lindenhurst. North Shore Trust & Savings is based in Waukegan.

Long Grove

The village and its Community Development Corporation retained Business Districts Inc., a planning/development consulting firm, to study downtown development options. Results indicated that retail profitability is a challenge because shoppers do not repeatedly frequent the area. The study also noted that 30% of businesses in Long Grove's downtown should sell food.

Kemper Insurance Companies *Insurance*

Announced plans to sell the renewal rights to a significant number of its large risk national accounts to Old Republic Insurance Co., a wholly owned subsidiary of Chicago based Old Republic International Corp. ♦ Reached an agreement to sell renewal rights to its surety business to Arch Insurance Group ♦ Announced plans to sell its core middle market underwriting business to Securitas Capital LLC, the private equity arm of insurer Swiss Re. The underwriting business generates about \$1 billion in premiums annually (In April, Kemper abandoned plans to sell the middle market business to Securitas) ♦ Announced plans to lay off of 1,000 workers ♦ Sold renewal rights for insurance underwriting operations to St. Paul Companies, a commercial property/liability insurer based in St. Paul, MN.

Midwest Bank & Trust Co. *bank*

Opened a branch at Route 83 and Old McHenry Rd.

McGaw Park

Cardinal Health Inc. *healthcare products*

Announced the opening of an \$80 million development center for a range of advanced pharmaceutical services in Somerset, NJ ♦ Announced the formation of a Biotechnology and Sterile Life Sciences unit that combines existing biotechnology and sterile technology and services ♦ Agreed to acquire United Kingdom-based Intercare Group PLC, a drugmaker and distributor, for \$400 million.

Mundelein

Announced that Burlington Coat Factory was looking to open a store in the former Venture and Kmart Store on the northeast corner of Routes 60 and 45. Company spokespersons suggested an opening date of September 1, 2003 ♦ Marian Rodriguez was appointed Executive Director of Mundelein MainStreet replacing John Maguire ♦ Increased water and sewer rates 4.4% to cover normal water and sewer department operations and pay for rising costs of Lake Michigan water ♦ Village board is considering plans to develop a new comprehensive plan for the downtown area ♦ Village officials approved the annexation of more than 100 acres for the development of a SuperTarget store and a Home Depot store at the northwest corner of Routes 60 and 83. The village also approved a \$6 million tax incentive plan for the development . SuperTarget , TJ Maxx, and Home Depot will serve as the anchors for the 80 acre Mundelein Crossings shopping center. The remaining 40 acres will be used for office and research/development space ♦ Announced that it had received a \$60,000 grant from the Regional Transit Authority to study potential improvements in the downtown area around the village's Metra Commuter Rail Station. The study will focus on downtown traffic circulation patterns ♦ Began looking for potential sites for a new village hall.

CGI Capital

financial services

Announced that it had been hired by Biovest International Inc., maker of hollow fiber bioreactor instruments, as a financial adviser and consultant.

Circle Group Holdings

Investors/holding company

The Brave Way Training Systems, a unit of Circle Group, signed an agreement with Tapeworm Video Distributors Inc. Tapeworm will market and distribute Brave Way's personal security video series ♦ Introduced a nutrition analysis website <http://nat.crgg.com> that offers weight loss tools, fitness reporting, nutritional programs, and behavioral scientific discoveries. The site was developed at the University of Illinois.

MacLean-Fogg Co.

automotive systems

MacLean Vehicle Systems announced that it had acquired Flowform Inc., a Toledo, Ohio-based metal automotive parts company.

Medline Industries, Inc.

medical/surgical supply distributor

Announced that it had won a pact with AmeriNet, Inc., a health care purchasing company, for closed-suction catheter systems ♦ Won an agreement IV start kits and central line dressing change kits from Novation, a health supply company. The contract is worth \$15 million ♦ Signed a 3-year contract with Novation, a health care supply company. Novation will supply two national healthcare alliances, representing 2,400 healthcare organizations, with Medline's Konig surgical instrument line ♦ Entered into a new marketing relationship with DuPont Medical Fabrics in which DuPont will provide technologically advanced medical fabrics for Medline's Proxima line of disposable protective surgical apparel and protective products ♦ Launched TruCost, a supply management program that breaks down supply and distribution costs for its products. The program guarantees at least a 10% cost savings for customers ♦ Signed a cost management agreement with Penn State Milton S. Hershey

Medical Center in Hershey, PA. The agreement is worth over \$5 million in medical and surgical products and should result in \$300,000 in savings for the Hershey Medical Center in the first year and another \$1 million over the duration of the contract ♦ Signed a multi-year supply distribution agreement with Lancaster General Hospital, Lancaster PA. The agreement is worth \$20 million, including \$1.8 million in savings to the hospital ♦ Signed a contract with MedAssets HCSA (St. Louis, MO), a group purchasing organization, to provide custom procedure trays and unitized delivery systems for MeAssets' 16,000 members ♦ Opened a new 145,500 sq. ft. manufacturing facility at Amhurst Lake Business Park in Waukegan and announced expansions of distribution centers in Durham, NC and San Antonio, TX ♦ Purchased a 385,000 sq. ft. warehouse in Memphis, TN for \$9.13 million ♦ Introduced the Excel 3000 wheelchair, the newest model in Medline's Excel Series. Medline is the largest seller of wheelchairs to hospitals and nursing homes in the country ♦ Awarded contract for mattress replacements and related products by Novation, the supplier for VHA Inc. and the University HealthSystem Consortium. The two health care alliances represent 2,000 health care organizations ♦ Opened its 6th Mexican manufacturing/assembly plant in Nuevo Laredo, Mexico. The plant has 217, 525 sq. ft. ♦ Won a 3 year contract for custom procedure trays from Premier Inc. ♦ Medline and private equity firm, RoundTable Healthcare Partners purchased assets of Maxxim Medical, a FL-based medical supply firm that went into bankruptcy. Medline will take over the company's procedural tray manufacturing and production of its Boundary brand surgical drapes and gowns ♦ Was named the 2003 Manufacturer/Distributor of the Year by the Pacific Coast Region (PCR) of Wound, Ostomy, and Continence Nurses Society.

Systemx Corp.

Manufacturer of diagnostic products
Leased the 85,000 sq. ft., former Motorola building at One Nelson

White Parkway for its North American headquarters ♦ Signed a 36 month contract with HealthTrust Purchasing Group. Systemx will supply and service its hematology analyzers and supplies to HealthTrust members and affiliates. HealthTrust is a national alliance of not-for-profit and for-profit hospitals.

TAP Pharmaceutical Products, Inc. (Lake Forest)

pharmaceuticals

Received FDA approval for use of a needle safety device on syringes. The device will reduce the likelihood of accidental needle sticks to healthcare workers.

North Chicago

Annexed the former Veteran's Administration golf course, the new Great Lakes Metra Rail Station site, and several businesses along Route 41 including Great Lakes Motel, Sound Experience, and Plantation Bakery. The Chicago Medical School/Finch University of Health Sciences is building 3 student apartment buildings on the 40 acre VA golf course ♦ Announced plans to reopen Martin Luther King Drive to the Great Lakes Naval Center in order to revitalize the city's downtown shopping district. Rep. Mark Kirk (R-IL) helped the city attain a \$1.1 million federal grant to assist with the process ♦ Announced plans to demolish the old First Midwest Bank building on Sheridan Road and build a 21,000 sq. ft. shopping center there called "Grant Place". Five Point Economic Development Corporation will provide a \$409,000 loan to tear down the existing building, design the shopping center, and do environmental cleanup on the site ♦ Announced plans to pursue a special census to get a new headcount at Great Lakes Naval Center. The 2000 Census showed that North Chicago's population declined by 6,555 over a 3 year time period. The decline was attributed to fluctuations in personnel at the base and cost the City \$1.2 million in annual state revenue ♦ A new \$3.4 million Great Lakes commuter rail station was dedicated in North Chicago ♦ The City provided property tax rebates and waived half of the permit fee costs for a

Family Dollar store that opened at the former VFW Post at 1401 Martin Luther King Drive ♦ The City took control of 40 acres of derelict land for redevelopment. The City put a redevelopment RFP out on the property located on Sheridan Road ♦ Energy Systems Group constructed an \$18 million, five megawatt, natural gas powered plant to supply power to the VA Medical Center, new barracks at Great Lakes Naval Training Center, and Rosalind Franklin University

Fansteel, Inc.

industrial tools

Announced that it had filed a joint reorganization plan with the US District Court in Delaware, along with its subsidiary debtors. The plan will let the company satisfy its environmental remediation obligations, give creditors a substantial recovery on outstanding claims, and give shareholders a stake in the reorganized company. The company will have 4 operating units including Intercast, an investment casting foundry, American Sintered Technologies, Washington Manufacturing, and Wellman Dynamics. It will also have 4 units to remediate environmental obligations of discontinued operations. The company also sold 3 units to raise cash for unsecured creditors.

Finch University of Health Sciences/Chicago Medical School (Renamed Rosalind Franklin University of Medicine & Science)

health sciences university/medical college

Opened a \$25 million, three building apartment complex that will house 240 students. The complex is the first residential facility on the campus

Veterans Affairs Medical Center hospital

Announced plans to construct a \$170 million, joint Veterans Affairs and Navy health care facility. Construction is projected in the next 5 years next to the VA Hospital on Green Bay Road and Buckley Road.

Old Mill Creek

Announced that a planned boundary agreement with the Village of Wadsworth regarding the Edelson property on Route 173 was off. The Edelson family pulled its petition from the Old Mill Creek portion and focused plans on the portion of the property within the Village of Wadsworth.

Park City

Adopted an appropriation ordinance of \$10.1 million, up from 6.8% from last year. The figure includes \$2.5 million in capital outlay to purchase or construct a new city hall ♦ Raised the city's sales tax from 6.5% to 7% to deal with the state cutting its overall municipal revenue sharing by 9% ♦ The Illinois EPA awarded the city a \$60,000 grant to explore clean up options for a 32 acre parcel located on Washington St. and Teske Boulevard ♦ Authorized a 10 year business development agreement with Rohrman Midwest Motors to remodel the company's property at Washington St. and Route 41. The company announced plans to build a Mitsubishi and RV sales center facility at 100 Skokie Highway in 2004.

The United Way of Lake County

social service agency

Moved into its new facility at 330 S. Greenleaf St. in Park City from its Green Oaks location.

Riverwoods

The Shoppes of Riverwoods, a new shopping center on Waukegan Road, welcomed its first tenants, Panera Bread, Nextel, and Baja Fresh. Other tenants lined up for the center include Bank One, UPS, Quiznos, and Rolly Polly Sandwiches. The developer, Heritage Company (Oak Park, IL) plans to have a hair care salon, an ice cream shop, and dry cleaners.

CCH Inc.

publisher

Formed an alliance with Ernst & Young LLP in which CCH's Tax and Accounting unit will offer Ernst & Young's Online Tax Advisor to accountants via the CCH Tax Research NetWork Internet Service.

Round Lake

Established an Architectural Review Commission to lay out architectural and aesthetic guidelines for commercial and retail developers looking to build in the village ♦ The village announced plans to add one or two additional building inspectors to handle the growth that is expected to occur over the coming years ♦ Approved a new plan for the former Welton's store, a 25 acre parcel. The new plan includes a mix of 59 additional apartments and townhomes for the Valley Lakes residential development and 9.1 acres of commercial land ♦ Announced plans to borrow \$3 million to fund construction of a new public works facility and police station. The village wants to purchase a 40 acre parcel at the intersection of Townline and Bacon Roads for the facility ♦ The village spent \$1,600 to compile a list of vacant commercial properties – 2,500 acres in all – in the village ♦ Conducted a special census to determine population growth since 2000. Village officials expected the special census to find that the village's population at least doubled from its 2000 figure of 5,842.

Baxter International

healthcare products & equipment

New Products

Announced that Advate, the brand name for its investigational factor VII recombinant therapy for the treatment of hemophilia, received approval from the US FDA ♦ Announced plans to begin using high resolution bar-code technology on the flexible IV containers it makes ♦ Announced the launch of its new Syndeo Syringe Pump, a patient controlled analgesia device.

Acquisitions

Completed the acquisition of assets from California-based Alpha Therapeutic Corp.

New Contracts

Announced that Premier Inc., the nation's largest alliance of hospitals and health systems, awarded Baxter a 5 year agreement. The deal will result in the expenditure of \$2 billion by Premier members. Premier also award Baxter with a 3 year contract worth \$750 million for

anesthesia and critical care products ♦ Signed an agreement with Miltenyi Biotec GmbH, German company with US headquarters in California. Miltenyi will have exclusive rights for five years to distribute, market, and sell Baxter's cellular therapy products worldwide (except East Asia) ♦ Received a \$10 million contract from the National Institute of Allergy and Infectious Diseases to develop a SARS vaccine ♦ Announced a collaborative agreement with British specialty chemical company Avecia Group PLC to develop an anthrax preventative for the National Institutes of Health. Baxter will help Avecia with regulatory matters and some production.

Joint Ventures

Formed an alliance with Angiotech Pharmaceuticals, Inc. of Vancouver, Canada in which Baxter gets worldwide (excluding Japan) sales, marketing, and distribution rights to Angiotech's CoSeal, a surgical sealant product, and Adhibit, a surgical anti-adhesive product ♦ In partnership with Arriva Pharmaceuticals Inc., announced that it had begun clinical trials on a jointly developed drug that is used to treat alpha 1-antitrypsin deficiency, or hereditary emphysema ♦ Announced plans to look for a partner to sell Pulse, its nutrient rich water ♦ Announced the formation of a research collaboration pact with GlycoFi Inc. to evaluate the use of GlycoFi's fungal expression platform to produce human therapeutic proteins.

Expansions

Announced plans to acquire a manufacturing plant in Liverpool, England for \$10 million. The purchase from ML Laboratories will allow Baxter to focus on the production of kidney dialysis solution to meet increasing market demand ♦ Completed a 120,000 sq. ft. expansion of its manufacturing facility in Bloomington, IN. The expansion creates 700 new jobs.

Awards/Community Service

Baxter International Foundation awarded \$31,000 to HealthReach, a clinic in Waukegan that offers free medical services to the needy.

Other

Announced the sale of its RMS Disease Management Inc. and RMS Management Inc. units to California-based DaVita Inc. The businesses operate kidney dialysis centers at dozens of center across the US. Baxter also closed on the sale of 4 dialysis center in Slovakia and the Czech Republic to Germany-based Avitum Austria GmbH ♦ Sold Compass Services, a supplier of intravenous admixture services to the hospital and alternate site pharmacies, to Bannockburn-based Pharmedium Healthcare Corp.

Round Lake Beach

Approved a special use permit for Lake County Auctions to locate at 1874 Route 83 ♦ Distributed approximately \$671,000 to local taxing jurisdictions from the village's second TIF (tax increment financing) district that was established in 1998 ♦ Revised permit fees, including renovation and business inspection fees. The goal is to bring the village's fees and ordinances in line with those of other villages and to encourage new business development and home renovations ♦ Announced plans to use a \$500,000 state grant from the Illinois Department of Conservation to expand its current beachfront park. The 11 acres of non-buildable land is directly east of the current park site ♦ The Lake County Board approved plans to buy 4.5 acres on Nicole Lane in order to construct a new branch court facility. A current facility in Grayslake is leased and will be vacated next year ♦ Approved a retail project on Rollins Road that will ultimately include Sherwin Williams, Jiffy Lube, and CarX.

Round Lake Heights

Harris Bank

bank

The Canadian parent of Harris Bank purchased Lakeland Community Bank for \$34.6 million. Lakeland has offices in Round Lake Heights and Fox Lake.

Round Lake Park

Heidner Development has proposed the development of an 8,500 sq. ft. retail center at the

corner of Hainesville Road and Washington St. The site is located in a recently established business development district that streamlines approval processes for developers ♦ The village has identified 4 separate geographic areas that will have specific, unique economic development plans. These areas include the Main Street area, the Hainesville Road/Washington St. corridor, the Porter Drive Park area, and the Saddlebrook area.

Third Lake

States Financial Service Corp.

financial institution

Purchased Lakes Region Bancorp of Third Lake, parent of Anchor Bank, for \$13.5 million. Anchor has its headquarters in Third Lake and another branch in Lindenhurst. States Financial has branches in Waukegan, Gurnee, and Libertyville.

Vernon Hills

The village announced plans for Town Center, an area at the intersection of Route 45/21 intersection, that when complete, will resemble a Main Street with expanded higher education facilities, and homes ♦ The Libertyville Training Site (Nike) was officially transferred to Vernon Hills. The US Army had used the site as a Nike missile base through the 1960s. The site will be used for recreational purposes by the village and school districts 128, 103, and 125. Village officials eventually dropped any plans to use the name "Nike" in the name of the village's new sports park ♦ Melaniphy & Associates, retail consultants, suggested that Vernon Hills aggressively pursue more retail development, specialized grocery stores, auto retailers, and more casual dining venues around Hawthorn Center. The consultants also suggested expanding the village's economic incentives to attract new retail development ♦ Approved plans to renovate the Marketplace of Vernon Hills shopping center. The shopping center housed the former SuperK. The owner intends to split the 202,000 sq. ft. space into 4 smaller spaces.

Baxter Credit Union (BCU)

credit union

Announced that it closed \$231 million worth of mortgage loans in 2002 ♦ Introduced a Spanish language website, www.tubcu.org and iTeller (Cajero Cibernetico) for internet account management ♦ Opened a new service center in Westlake Village, CA to serve 1,000 members in that location.

CDW Corporation

computer sales

Launched a new integrated branding campaign that highlights customer service. DWP/Bates Technology developed the campaign ♦ CDW Computer Centers, Inc. officially changed its name to CDW Corporation in May ♦ Announced plans to expand its sales staff by 12 to 13% by the end of 2003 in anticipation of a technology spending recovery ♦ CDW Government Inc., a unit of CDW, received Cisco Systems' premier certification status. The designation means the unit met stringent requirements related to Cisco technical training and customer support capabilities ♦ Signed a strategic channel agreement with Veritas Software Corp., Mountain View, CA. CDW will sell Veritas StorageCentral storage resource software for Windows ♦ The CDW Government Inc. Unit named 12 inaugural small and disadvantaged companies to its Small Business Consortium. The consortium will allow members to tap into CDW's e-commerce, service, and distribution capabilities to aid them in getting federal information technology contracts. In November, CDW announced plans to expand its Small Business Consortium to serve state, local governments, and education customers in California, Illinois, Michigan, New York, Ohio, Texas, and Washington ♦ Acquired Micro Warehouse, a Norwalk, Connecticut catalog and internet reseller of computer hardware and software for \$25 million ♦ Received the annual Performance Through People Award from the Forum for People Performance Management and Measurement at Northwestern University. The award honors companies that successfully use human interactions to help long

term growth ♦ Introduced a new Apple Macintosh computer website www.macwarehouse.com .

Komatsu America Corp.
construction equipment manufacturer

Announced a 5-year supply agreement with Australia-based mining company BHP Billiton.

Lake Consumer Products
marketer of personal care products
Announced that it had been acquired by Wisconsin Pharmacal Co., Jackson, WI. All of Lake Consumer Products operations will be moved to Jackson.

Manpower, Inc.
temporary & permanent staffing agency
Survey results released by Manpower indicated that 3 out of 4 surveyed employers expected to cut jobs or hold off on hiring during the summer, contributing to the worst employment market since the early 1990s. Over 77% of Chicago area companies planned to cut jobs or keep staffing levels static. Only 17% planned to hire new workers in the third quarter ♦ Survey results indicated that companies anticipated small increases in hiring at the end of 2003, still the job prospects were not as strong as they were at the same time in 2002 ♦ Manpower was named one of America's Most Admired Companies by Fortune Magazine. In fact, Manpower ranked number 1 in the staffing industry.

Mitsubishi Electric Automation Inc.
manufacturer of control devices and integrated systems for factory automation applications
Was named a recipient of Governor's Pollution Prevention Award for significant achievements in helping the environment and the economy. Mitsubishi reduced electricity usage 33% by upgrading lighting, developed an aerosol chemical elimination program that resulted in a 95% reduction in the amount of aerosol-based chemicals used on site, and eliminated aerosol can hazardous waste and reducing chemical costs by 55%.

Telular Corporation
telecommunications products
Expanded operations in China with the opening of a new manufacturing facility in Changchun that makes exhaust systems for Volkswagen cars.

Washington Mutual
financial services
Announced plans to open 28 branches in the Chicago area. Two of the branches will be in Chicago, with the balance in the suburbs. The savings-and-loan plans to have 70 branches in the Chicago area by the end of the year employing about 500 people. The company already employes 2,700 people for its Illinois home-lending business.

Zebra Technologies Corporation
bar code equipment
Signed a pharmacy contract with Architext Inc., a custom typeface maker. Zebra will use Architext software in thermal bar code printers for labels on prescription drugs ♦ Signed a partnership agreement with Prisym Inc., a Charlotte NC-based company that produces label printing systems software for pharmaceutical manufacturing, medical device, and fine chemical industries, in which Prisym and Zebra will work together to provide integrated pharmaceutical labeling solutions that comply with the FDA's new labeling/bar coding rules ♦ Shares of Zebra Technologies Corp. spiked to an all time high in June with the announcement by Wal-Mart Stores Inc., forcing its suppliers to use a new inventory tracking technology ♦ Forged an alliance with Acsis Inc., a data collection and integration software company, in order to help organizations to begin adopting radio frequency identification technology in their supply chains ♦ Formed an alliance with Porter Lee Corp. of Schaumburg, in which Porter Lee will sell its Crime Fighter Bar Coded Evidence Analysis Statistics and Tracking (BEAST) property room evidence management software exclusively with Zebra desktop and mobile bar code label printers ♦ Announced the acquisition of Atlantek Inc., a Rhode Island-based printmaker that manufactures photo identification card printers used to

make driver's licenses, security badges, and commercial printers and sign printers. Atlantek has 86 employees.

Volo
Announced plans for a major redevelopment. Conceptual plans call for light industrial, commercial, and residential development on 1,000 acres east of Route 12. The plan would result in approximately 2,000 new single family homes and be wrapped around a new downtown center ♦ Announced the addition of a new Aldi's Food Store to Volo Commons Shopping Center. The store opened in August ♦ Work began on the \$34 million Terra Springs development, a 192 unit apartment complex being subsidized by the Regional Housing Initiative. The goal of the RHI is to provide affordable living options near jobs.

Wadsworth
Village officials approved an increase in the village's telecommunications tax on cell phones from 1% to 4% to provide funds for road repairs in the village

Wauconda
Awarded a contract to Perlmark Realty Corp. of Northbrook to build and run a 120 unit, 3 story building senior housing complex, Liberty Arms Senior Center with partner American Housing Partners ♦ The village board voted to establish a special service area for the 470 acre Town & Country Subdivision. Fees from the special taxation will be used to support the village's wastewater treatment plant ♦ Approved appropriations totaling more than \$62 million for the fiscal year that began May 1, 2003. The appropriations include \$37 million for water and sewers.

Waukegan
Launched project to measure PCBs left behind at the Waukegan Harbor after a \$22 million clean up a decade ago. US Rep. Mark Kirk arranged for \$15 million in federal funds for clean up ♦ Approved a plan submitted by Shaw Development Co. to tear down Lakehurst Mall and replace it with a business-office-retail center. The

center will be called Fountain Square ♦ Backed out of plan with Lake County Chamber plan that would have provided the City with a satellite Lake County Chamber office focused on Waukegan businesses. The City was unsatisfied with not having a full time staff member to serve the needs of local businesses ♦ The City Council approved a plan to float a casino on a portion of the Lakehurst Mall site after its demolition. The Illinois Gaming Board has yet to award the final license for the state ♦ Announced plans to share revenues from a proposed casino. Nine school districts and the communities of North Chicago, Winthrop Harbor, Beach Park, Zion, and the Round Lake Communities would receive some of the projected \$24 million that a casino would generate in revenue if Waukegan received a license ♦ Awarded a \$650,000 contract to architecture firm Skidmore, Owings & Merrill to develop a lakefront master plan for 400 acres in the downtown area and 1,400 acres on the lakefront ♦ Unveiled a new downtown/lakefront plan designed by Skidmore, Owing & Merrill that includes the transformation of the City's lakefront from an industrial setting to residential and recreational purposes. The city approved the \$1 billion plan that calls for 4,000 homes, 1 million sq. ft. of retail space, and a host of entertainment and cultural venues to be constructed over the next 5 years ♦ A study released by the University of Illinois at Champaign-Urbana and the Northeast-Midwest Institute, a congressional think tank in Washington DC showed that completing the clean up of Waukegan Harbor would be a boon to Lake County homeowners. Total property values for Lake County residents are projected to increase by \$333 million ♦ Initiated a special census to determine population growth since the 2000 Census ♦ Welcomed the Music Recyclery, St Martin de Porres High School, and a branch of the University Center of Lake County ♦ The Genesse Theatre's reopening is scheduled for Labor Day 2004.

Arthur J. Gallagher & Co.
management consulting
Acquired the Waukegan-based HRAvantage LLC, a human resources consulting firm.

Cherry Corporation
manufacturer of custom electrical products for the automotive, computer, consumer, and commercial markets
Announced a new innovation to its keyboard product line with the addition of USB interfaces to its Point-of-Sale keyboards. Cherry's keyboards are now programmable using a new and more powerful programming utility, Cherry Tools.

Ferro Pfanstiehl
Manufacturer of rare sugars and carbohydrates
Broke ground on a new \$1.8 million laboratory addition at its Waukegan facility on Glen Rock Avenue. The addition includes 6,000 sq. ft. and will house quality control and analytical research staff. The company added 40 scientists, engineers, and quality control specialists to its staff.

Lake County Press
graphics/printing
Introduced *clean screen*, a CreoScitex technology that delivers the advantages of stochastic printing.

Robert Morris College
College
Opened a new campus in Waukegan's Amhurst Lake Business Park. The 58,356 sq. ft. facility will house programs in medical assisting, business administration, graphic arts, and computer networking initially. Course offerings will expand with demand.

Shimer College
Liberal Arts College
Announced that it had been awarded a 5-year, highly competitive Institutional Development Grant by the US Department of Education. The Grant money will be used to expand academic opportunities and enhance student support services ♦ The college was honored by the Illinois State Historical Society with a Centennial Award. The Award

recognizes Illinois businesses, institutions, and organizations that have been around for over 100 hundred years and have contributed to their communities' betterment.

Vista Health
hospital
Vista Health, the operating company for Saint Therese Medical Center and Victory Memorial Hospital in Waukegan has plans to consolidate operations of its two Waukegan hospitals and build a new 120-bed acute care hospital in Lindenhurst on the site of their Victory Lakes Campus on Grand Avenue near Deep Lake Road in Lindenhurst. The consolidation in Waukegan at the Victory Memorial Hospital site calls for a \$36 million expansion/renovation of several areas including the Emergency Room, Surgery, Intensive Care, and New Family Center and is expected to begin in 2004. The construction of the new \$115 million state-of-the-art community hospital in Lindenhurst could begin this year and will be an expansion of the existing out-patient facility known as the Vista Surgery and Treatment Center. Both projects are pending government approvals. Vista also has plans to open a state-of-the-art outpatient-imaging center at Greenleaf Avenue and Washington Street in Gurnee in 2004.

Visual Pak
packaging
Completed the construction of an \$8.7 million distribution center at Amhurst Lake Business Park. Krusinski Construction Co. built the 268,000 sq. ft. building

WMS Gaming Inc.
video games
Extended a long term license with Hasbro Inc. in which WMS has worldwide rights until 2011 to make and market slot machines with Hasbro's Monopoly game as a theme ♦ Signed a licensing agreement with the Multi-State Lottery Association in which WMS gets exclusive worldwide rights to develop, manufacture, and sell slot machines based on the association's Powerball lottery brand.

Zion

Approved the sale of three properties in its TIF (tax increment financing) district to Aldi Foods, an Oak Creek, WI based grocer. Aldi is proposing to construct a 17,000 sq. ft. store on the site ♦ Received a \$34,620 grant from Lake County to help defray costs of cleaning up a brownfields site at 21st St. and Sheridan Rd. ♦ Announced plans for Trumpet Park, a 411 acre business park, bounded by Russell Road, Green Bay Road, and Route 173. The City is in talks with surrounding property owners and could expand the park to 1,000 acres. The park will include a planned collection of manufacturing and commercial businesses that could generate \$90 million a year in property taxes ♦ The City Council approved construction plans for a \$5 million, three story 65-room hotel, Country Inn & Suites Hotel, to be built at 33rd St. and Sheridan Road by Zion Investments. The hotel will serve the needs of family members of patients at the Midwestern Regional Medical Center and for visitors to Illinois State Beach Park.

Midwestern Regional Medical Center/Cancer Treatment Centers hospital

Announced plans to construct a \$3.5 million building to house new diagnostic equipment

Unincorporated Lake County

Beeson Nursery

Nursery/landscaper

Received approval from the Lake County Board for the rezoning of 15 acres of its land on the corner of Waukegan Road and Route 22 from "Limited Commercial and Residential" to General Commercial". Thom Beeson, the owner, is proposing a plan that includes an expanded nursery and a retail operation that will have up to 5 small shops or restaurants.

Utilities

Exelon Corporation (parent company of ComEd)

energy services

ComEd planned to sell \$700 million in debt in the form of 5-year notes and 30 year bonds ♦ Despite an

earnings increase of 17% in 4th quarter of 2002, Exelon announced plans to cut overall capital expenses in 2004 by \$300 million to \$600 million ♦ Announced plans to sell its 49.9% stake in 22 power plants around the country held by Sithe Energies, Inc. ♦ Announced plans to retire 4 Massachusetts power plants in 2003 ♦ Announced plans to sell the bulk of its InfraSource Inc. construction unit to a duo of California private equity firms for \$280 million ♦ Indicated an initial interest in purchasing Illinois Power the second largest electric utility in Illinois. However, because state lawmakers refused to consider a rate hike, Exelon chose not to pursue the acquisition

Lakes Region Sanitary District sewer provider

Announced plans to construct a new administration and maintenance facility in Ingleside. The 10,670 sq. ft. facility is projected to cost \$1.8 million.

Nicor Gas Co.

energy services

Recovered an additional \$17 million in pre-tax costs related to mercury spills in customers' homes 3 years ago.

North Shore Sanitary District

sewer provider

Lake County Circuit Judge Stephen Walter blocked North Shore's plan to construct a \$26 million sludge processing facility on Waukegan's lakefront in March ♦ The District dropped plans to build the sludge processing plan on Waukegan's waterfront and decided to build in Zion near the District's existing landfill in Newport Township. The decision will add another \$18 million to the cost of the facility ♦ District trustees voted to purchase 2 more portable generators at a cost of \$1.4 million bringing the total to 4. The generators will provide emergency power for sewage pumps.

SBC Communications

telecommunications

Announced plans to move ahead immediately with expansion of high speed Internet services in Illinois, a project that was put on hold 2 years ago. The \$90 million investment

will expand DSL service to 67 new communities in Illinois and expand it in 103 communities where it already exists ♦ Announced plans to partner with EchoStar Communications Corp., provider of the Dish Network, to offer a cobranded service to homes in SBC's 13 state service area. SBC agreed to invest \$500 million in EchoStar ♦ SBC Midwest unveiled MOE 1, MOE 2, and MOE 3, mobile trailers that can take high tech training to its people in the field ♦ Sold the last of its stake in BCE Inc., Canada's largest phone company for \$264.9 million ♦ The FCC ruled that SBC can offer long distance service in Illinois, Indiana, Ohio, and Wisconsin ♦ The SBC Foundation provided grants to eight Lake County non-profits: The Allendale Association, Waukegan Township, Lake County Partners, SER/Jobs for Progress, Family Service Agency of North Lake County, Friends of the Historic Genesee Theatre, Youth and Family Counseling, and A Safe Place/Lake County Crisis Center.

Public Transportation

Metra

suburban commuter rail

Announced plans to add 2,300 parking spaces at various commuter rail stations in the six county Northeastern Illinois region. This includes 89 new spaces at the Great Lakes station, 400 new spaces at the Central Line station in Libertyville, and 70 improved sites at the Ingleside station ♦ The US House of Representatives approved a transportation appropriations bill that would provide more than \$52 million for local projects including \$20 million for the double tracking of Metra's North Central Line between Antioch and Chicago.

PACE

suburban bus service

Unveiled a \$14.7 million Intelligent Bus System that connects to the government's global positioning system. Passengers will be able check Pace's website (www.pacebus.com) with a web enabled cell phone, wireless personal digital assistant, or computer and track the location of buses on all 246 Pace routes in the six county, suburban region ♦

Approved a \$147.3 million budget for 2004 without service cuts or fare increases.

Illinois

January-April

A study commissioned by the Illinois Casino Gambling Association shows that the expansion of casino gambling in Illinois would inject \$2.2 billion in the state economy, create 26,000 jobs, and result in \$364.6 million in tax revenues. Gov. Blagojevich had suggested that expanding gambling may help ease the state's budget deficit ♦ The Governor's Budget Office delayed the budget making process in order to deal with the state's budget deficit. The deficit is projected to be \$5 billion through the middle of 2004 ♦ Governor Blagojevich appointed Jack Lavin, CFO for Rezko Enterprises, as Director of the IL Department of Commerce and Economic Opportunity (formerly known as the Illinois Department of Commerce and Community Affairs) ♦ Governor Blagojevich froze \$407 million for State Legislator's member initiatives. The money is doled out by Legislators for projects in their home districts. In an effort to control the state's \$5 billion budget deficit and to stem waste the Governor reviewed the 2000 projects slated for funding ♦ The Governor appointed Jack Hartmann as Executive Director of the Illinois State Toll Highway Authority; appointed John Mitola, CEO of Electric City Corporation in Elk Grove Village, as Chairman ♦ State agencies faced an onslaught of retirements due to early retirement program initiated in the Spring of 2002. Approximately 11,200 state workers signed up to retire by April 2003 deadline, one-third more than the state anticipated. Because of the state budget crisis, Gov. Blagojevich instituted a hiring freeze to examine budgets more carefully ♦ Gov. Blagojevich ordered 30 state government agencies to postpone \$1.7 billion in spending and to cut administrative expenses by 10% ♦ Gov. Blagojevich unveiled a plan to fill the state's budget gap by issuing up to \$10 billion in general obligation

bonds in order to fund the state's pension fund obligations ♦ State government asked Illinois Universities and Colleges to set aside 8% of their 2003 budgets as part of a plan to ease the state's financial constraints ♦ The Governor's State of the Union address called for an increase in the state's minimum wage from \$5.15 to \$6.50 per hour. Numerous business groups objected to the increase stating that it will cost more jobs and put undue financial pressure on small businesses ♦ A report by CA-based Wiltshire Associates, a pension consulting firm, showed that Illinois has by far the largest pension shortfall in the country. The three state sponsored retirement systems owe approximately \$35 billion, 144% of the state budget. The next largest pension gaps were in Ohio (\$22 billion) and Texas (\$19.4 billion) ♦ According to the Illinois State Board of Education, one third of Illinois school districts face financial problems with 20 out of the 893 total school districts in the state heading for bankruptcy ♦ In April, Illinois's public universities reported a surge in applications forcing some schools to impose earlier deadlines, close admissions earlier than usual, or become increasingly selective ♦ Illinois's March unemployment rate increased to 6.6% ♦ By April, the Illinois Department of Public Aid fell 6 months behind in Medicaid payments, with the state owing health service providers \$1 billion in reimbursements. Some healthcare providers began turning away Medicaid- recipients. Over 1.6 million Illinoisans rely on Medicaid for their healthcare ♦ The state's unemployment insurance fund officially hit a zero balance on March 18th automatically triggering the use of federal loans to cover assessments ♦ State tax revenues remained flat in April with slight decreases in individual income tax receipts corporate levy receipts. Sales tax revenue; however, increased 5% ♦ Governor Blagojevich unveiled a \$7.4 billion highway plan for the state, a five year proposal that includes improving 2,300 miles of roads and replacing or repairing 570 bridges.

May-August

The state's credit rating was cut by Moody's and S & P due to the looming state deficit ♦ The Illinois Association of Realtors reported that the sale of existing homes increased 1% in the first quarter. Sales were up 9.1% in the previous quarter ♦ State universities responded to proposed state budget cuts by increasing tuitions by an average of 11.5% ♦ The Illinois General Assembly approved Governor Blagojevich's plans to auction off the James R. Thompson Center in Chicago and the 10th casino license, approved the O'Hare Airport expansion program that is estimated to create 195,000 new jobs, and borrow \$10 billion to restructure the state's pension debt, and ♦ The General Assembly approved legislation raising the state's hourly minimum wage rate from \$5.15 to \$6.50. Illinois is the 12th state to raise the hourly minimum wage rate above the federally mandated level of \$5.15 ♦ For the second year in a row, state revenues in the state's operating fund dropped. General fund revenues were off \$329 million or 1.6% from 2002 figures ♦ Governor Blagojevich came to Lake County in July to sign an education bill that increase school funding by nearly \$400 million ♦ Illinois' unemployment rate rose to 6.3% in June. The number of jobs in the state decreased 0.9%. The only industries in the state to gain workers were education, health services, and retail trade ♦ While existing home sales decreased nationally by 0.3% in June, existing home sales in Illinois increased by 6.2%. In the Chicago region, sales increased 8% ♦ Governor Blagojevich signed an O'Hare International Airport expansion bill. The new law allows Chicago to quickly obtain land in suburbs near the airport for the project and eliminates currently required state approval for construction at O'Hare ♦ Sales of existing single family homes in Illinois rose 4.5% in the 2nd quarter. In the Chicago region, existing single family home sales increased 3% in the same time period ♦ Sales of existing single family homes in Illinois increased 5.2% in July. Sales in the Chicago region increased 4.4%.

September-December

Governor Blagojevich signed a affordable housing law that requires Illinois municipalities to develop affordable housing plans to address any affordable housing shortages ♦ Governor Blagojevich vetoed legislation that would have allowed park districts to do additional bonding for capital projects without obtaining voter approval ♦ Governor Blagojevich announced plans to split Illinois into 10 economic development region with customized economic development plans. The Illinois Department of Commerce and Economic Opportunity will manage the process ♦ The state's unemployment rate increased to 7.1% in September, the highest state rate since it hit 8% in October 1993 ♦ An early retirement program offered to state employees in 2002 increased government pension costs by \$380 million a year for the next nine years. Approximately 11,000 workers took early retirement when the program was offered in 2002 ♦ Sales of existing homes in Illinois increased 10.2% in the 3rd quarter from a year earlier, thanks largely to first time homebuyers ♦ Governor Blagojevich signed a new state ethics bill ♦ Illinois' unemployment rate in October was 6.7%, down from a 10 year high of 7.1% in September ♦ Since June 2000, approximately 150,000 manufacturing jobs in Illinois have disappeared. This represents the steepest decline in manufacturing employment of any Midwestern state. In the Chicago Region 123,000 manufacturing jobs, 21% of the industrial workforce, have been eliminated.

Lake County

January-April

Joined statewide program, the Illinois Law Enforcement Alarm System, that would automatically trigger assistance from police and fire departments across Illinois after a terrorist attack, natural disaster, or other emergencies ♦ Lobbied the state legislature to give Lake County permission to ask voters to approve a .25 percent sales tax increase to pay for \$14 million in local road improvements. The

referendum is scheduled for April, 2004 ♦ Lake County Stormwater Management Commission announced that it had bought out 40 homes in the flood prone subdivision of Williams Park near Wauconda. The project, funded primarily with federal grants, cost \$4.125 million ♦ Went on record in favor of a \$250 million project to construct a four-lane Route 120 bypass from Almond Road near Gurnee to the Volo area ♦ The Lake County Health Department announced plans to site a health clinic off Green Bay Road ♦ Lake DOT received a \$1 million federal grant to study the design and implementation of a Intelligent Transportation System that would provide motorists with real-time information about avoiding congestion ♦ The Lake County Board approved a conceptual master plan for the Fort Sheridan Forest Preserve and golf course. The plan includes a \$5.2 million golf course that will be owned and operated by the Lake County Forest Preserve ♦ The Lake County Forest Preserve District purchased an 18 acre parcel of land from the Grayslake High School District for \$500,000. The land is contiguous to the 1,225 acre Rollins Savanna Forest Preserve ♦ The Lake County Forest Preserve District purchased the 254 acre Hastings Lake YMCA site. The land will remain open space ♦ Approved plans to construct a new branch court in Round Lake Beach. The North Branch Court will replace a leased facility in Grayslake ♦ Proposed the construction of a \$12 million work release facility in downtown Waukegan just west of the existing county jail.

May-August

The Lake County Board hired Zucker Systems of San Diego, CA to review and evaluate the county's permit and development review process ♦ The Illinois House approved a bill that would allow Lake County to hold a referendum on a quarter cent sales tax to help finance local road improvements. The measure will be on the March, 2004 ballot ♦ The Lake County Forest Preserve District adopted a fiscal year 2003-2004 budget of \$116 million ♦ The Lake County

Forest Preserve District's Raven Glen Forest Preserve opened near Antioch ♦ The Lake County Stormwater Management Commission received \$1.27 million in funding from the US Natural Resources Conservation Service watershed program. The money will be used for sub-watershed activities in the Fox River and Lake Michigan watersheds ♦ Analysis by the Wisconsin Taxpayers Alliance shows that the number of Wisconsin residents working in Illinois increased 24.6% between 1990 and 2000, from 33,389 to 41,603. The average annual wage for jobs in Kenosha County is \$30,388; in Lake County the average annual wage for jobs is \$41,672. The decline in Kenosha County's manufacturing base and its low costs attract residents who prefer to work in Lake County ♦ The Lake County Health Department announced plans to construct a new North Shore Health Center on the site of the former Karger Recreation Center in downtown Highland Park. The facility would offer both medical and dental services to the uninsured and the under insured ♦ The Lake County Forest Preserve District received an Award of Excellence in the 2003 APEX Awards competition for its Web site, www.LCFPD.org ♦ Governor Blagojevich signed legislation that gives Lake County the authority to hold a countywide referendum on a quarter cent sales tax increase to help fund congestion mitigation improvements on local roads.

September-December

The Lake County Division of Transportation announced plans for an intelligent transportation system and a new traffic management center. Lake County Board approved the \$5.8 million project, known as Lake County Passage. The 4,430 sq. ft. addition to the existing Lake DOT building is scheduled for completion in 2005 ♦ For the fiscal year ending September 30th, state revenue increased 21% over the previous year's take to \$6.7 billion ♦ Lake County's proposed 2004 budget of \$378.3 million is 5% greater than the \$360.3 million 2003 budget ♦ The County transferred \$200,000

allotted for brownfields
redevelopment to its affordable

housing fund that contained
\$300,000 this year.

Economy

December 2002:

Fourth quarter growth for 2002 registered a 1.4% increase, a better than expected showing ♦ Retail sales rose less than expected in December 2002 as consumers reined in spending at department and grocery stores. Sales rose 1.2% to \$308 billion after a revised 0.9% increase in November 2002. Unemployment held at an 8 year high and economy lost jobs for a third time in 4 months in December. For all of 2002 retail sales rose 3.4% down from a 3.7% increase in 2001. It was the weakest year for retail sales since the Commerce Department began keeping comparable records in 1992 ♦ Consumer spending increased in December by 0.9%, the largest increase in 5 months. Much of the spending growth can be attributed to end-of-year free financing deals on cars ♦ The US Trade Deficit swelled to a record \$40.1 billion in November 2002. This imbalance is a 13.9% increase over October's figures ♦ Production at the nation's factories, mines, and utilities dipped by 0.2% in December 2002, erasing the 0.1% gain the previous month. For all of 2002, industrial production fell 0.6%, following a 3.5% decline in 2001. This represented the first back-to-back annual declines in industrial output since 1974-1975 ♦ The consumer price index rose by 0.1% in December 2002 ♦ For all of 2002 consumer prices rose 2.4% up from 1.6% ♦ Energy prices increase 10.6% in 2002 after falling 13% in 2001 ♦ The University of Michigan's January consumer sentiment index fell to 83.7 from 86.7 in December. The uncertainty in consumer attitudes was attributed to war fears in Iraq, uncertainty with North Korea, and continued job losses ♦ The Chicago Metro area lost about 56,000 jobs in 2002 up from 16,000 in 2001. Only the New York City Metro area lost more jobs in 2002 (82,000). All US metropolitan areas lost a total of 646,000 jobs in 2002 ♦ Illinois unemployment rate dropped to 6.4% in December from November's 6.7% rate. Nationally, the unemployment rate remained unchanged at 6%. There were 5.90 million jobs recorded in Illinois in December down 1% from the previous year. Construction was the only industry to post a gain of 3,900 jobs in December. Manufacturing was down 23,000 jobs from December 2001 ♦ US Housing starts surged 5% in December to their highest level since mid-1986. Residential permits jumped to the highest level in 16 years by 8.2% ♦ New homes sales nationwide increased 7.5% from 2001, a record. Nationwide new home sales in December 2002 increased 3.5%.

January:

Nationwide, new home sales dipped 15.1% in January, the lowest level in a year. Sales of new homes in the Midwest dipped 42.2% in January, the largest decline since the Commerce Department began tracking regional data in 1973 ♦ For 2002, existing home sales nationwide increased 4.9%; in Illinois the increase was 4.2%. Both figures represent new records for annual home sales ♦ The Conference Board's index of leading economic indicators rose 0.1% in December following gains in October and November. The string of increases was the longest since the four months ending in March 2003. A surge in building permits and longer factory workweeks caused many economists to predict that an economic recovery was underway ♦ Economists at the World Economic Forum held in Davos, Switzerland, provided reports of a gloomy world economy through 2003 due largely to the United States' recession. Fears of war, corporate scandals, and turbulent markets kept American consumer sentiment low and prospects for a global recovery ♦ US retailers showed barely any growth in January due to continued economic uncertainty and threat of war with Iraq ♦ Consumer confidence fell in January for a second straight month. The New York based Conference Board said the Consumer Confidence Index dropped to 79 from a December figure of 80.7. This is the lowest level since November 1993 ♦ Orders to US factories for manufactured products increased 0.2% in December, less than the 1% increase economists had predicted. For all of 2002, factory orders decreased 0.2%. In 2001 the decrease was 11.6% ♦ Fourth quarter 2002 venture capital investments decreased 49% from \$8.2 billion in 4th quarter 2001. The investment pace is the same as that of 1st quarter 1998. For all of 2002, venture capitalists invested \$21.2 billion, the lowest full year sum since 1997's total of \$15.5 billion ♦ During 2002 the largest job declines in the nation occurred in Illinois, Massachusetts, New York, and Georgia. Employment fell in 28 states with unemployment rates highest on the West Coast. The largest employment gains for 2002 were in Florida, Nevada, Kentucky, and Wisconsin. Illinois lost a total of 64,500 jobs in 2002, more than any other state in the nation ♦ The Federal Reserve held the federal funds rate at 1.25% at their January meeting ♦ According to the National Association of Purchasing Management- Chicago Index, manufacturing activity in the US Midwest expanded in January at its fastest pace in 7 months. The index rose to 56.0 in January from 51.7 in December 2002 ♦ Orders for durable goods increased 3.3% in January, the first sizable increase in 3 months ♦ The Conference Board's Help Wanted Index, an index that tracks help wanted advertising in 51 metropolitan markets increased to 40 in January from December's number of 39. It was 47 in January 2002 ♦ The trade deficit narrowed in January to \$41.1 billion from December 2002's record \$44.9 billion. Increased foreign demand for American made industrial supplies, household appliances, and cosmetics produced the reduction in the deficit ♦ US wholesale inventories unexpectedly fell by 0.2% in January after a 0.8% increase in December 2002 ♦ US home loan foreclosures in the 4th quarter of 2002 hit a record high of 1.18% of all mortgages.

February:

The US Bureau of Labor Statistics is predicting that by 2010 the national economy will produce 168 million jobs but only have 158 million to fill them, a 10 million deficit. The shortage will be attributed to retiring Baby Boomers and the fact that the generation following the Boomers, Generation X, is 16% smaller ♦ According to the Institute for Supply Management's index, manufacturing activity grew for the third straight month in January but at a slower pace than in November and December 2002

◆ Construction spending in December 2002 increased 1.2% the biggest gain in 10 months; home building increased 2.9% in December; spending on commercial projects decreased 1.9% for the same time period ◆ The National Conference of State Legislatures reported that the states are facing record budget deficits. The collective budget shortfall for state governments jumped nearly 50% between November 2002 and January 2003. Thirty-six states report gaps in spending and income. Twenty-nine states have imposed across the board budget cuts. Twenty-four states are considering tax hikes to deal with their deficits ◆ Corporate layoff announcements spiked in January as companies took cost-cutting measures to prepare for a war with Iraq. Companies announced 132,222 job cuts in January, a 42% increase from 92,917 job cuts reported in December 2002. Illinois experienced the third highest rate of job cuts in the country (8,145) following Michigan and Pennsylvania ◆ Activity in the services sector grew at a slightly stronger pace in January than in December ◆ The nation's unemployment rate dropped in January to 5.7% from December's rate of 6.0% ◆ Worker productivity decreased in the 4th quarter of 2002 by 0.2%. For all of 2002, productivity increased 4.7%. In 2001, productivity increased by 1.1% ◆ Retail sales increased 1.7% in January after an increase of 1.0% in December. Sales were dismal due to fears of war and continuing job losses ◆ The February issue of Blue Chip Indicators, a closely watched economic newsletter, projected that the US Economy would expand 2.7% in 2003. January's forecast was for an annual growth rate of 2.8% ◆ Congress passed a bill that would allocate \$8.2 billion to SBA's 7(a) loan program up from the currently proposed \$4.85 billion ◆ Retail gasoline prices in Illinois spiked to over \$1.60 per gallon in February, the highest in a year, due to the threat of war with Iraq ◆ Industrial production increased 0.7% in January ◆ Retail sales dropped 0.9% in January after a 2% increase in December. The decline includes a 7.5% decrease in auto purchases ◆ The consumer sentiment index fell to 78.8 in January, a nine year low ◆ Construction of new homes and apartments increased by 0.2% in January. The construction of single-family homes increased 2.1% in January. For all of 2002, housing starts were up 6.4% from 2001 figures ◆ The United States recorded a \$435.2 billion trade deficit for 2002, the largest imbalance in history ◆ The federal government hit the debt limit of \$6.4 trillion and increased the debt limit for the second time in two years ◆ For the second time in two years, the Chicago Metropolitan area was named as the top business development location in the United States by *Site Selection* magazine ◆ National manufacturing activity declined sharply in February ◆ Consumer Confidence plummeted to 64.0 in February from 78.8 in January, the lowest reading since the index hit 60.5 in October, 1993. Economists were expecting a reading of 77.0 but attribute the 15 point slide to lackluster job and financial markets, rising fuel costs, and the threat of war with Iraq ◆ Nationally, sales of existing homes surged to a record monthly high in January. Sales increased 3% over December's figures due to mortgage rates dipping to 5.84% in February and 5.92% in January. Both rates were record lows not seen since the early 1960s ◆ Existing homes sales in Illinois fell in January by 0.7% from December levels ◆ Nationally, housing construction plunged 11% in February, the sharpest decline in a decade. Housing construction declined 19% in the Midwest. ◆ US Labor Department statistics indicate that labor union membership in the US decreased to 13.2% (16.1 million workers) in 2002 from 13.4% in 2001 ◆ The federal government registered its smallest January budget surplus in 11 years. The surplus narrowed to \$11.1 billion from \$43.7 billion in January, 2002 ◆ The consumer confidence index fell to 64.0 in February from 78.8 in January. This represented the lowest level since October 1993 and the third consecutive month of declines in the index ◆ Layoff plans rose for the second straight month in February. Announced job cuts in February were up to 138,177 from January's level of 132,222 ◆ Businesses unexpectedly slashed more than 300,000 in February, the largest cuts since the 9/11 terrorist attacks. The resulting unemployment rate increased to 5.8% ◆ Manufacturing grew in February at its slowest pace since November 2002. The Institute of Supply Management's index slumped to 52.3 in February from 59.7 in January, the biggest slump since July 2002 and the weakest showing since October 2002 ◆ Retail sales rose 0.8% from February 2002 ◆ Wholesale prices jumped 1% in February the largest increase since the Persian Gulf War ◆ Retail sales fell in February by 1.6%, the worst showing in 15 months ◆ The New York-based Conference Board announced that its Index of Leading Economic Indicators fell 0.4% in February, reversing 4 months of gains. The decline represents the potential for a slowdown in consumer spending, most likely due to the impending war with Iraq. The Index measures where the overall US economy is headed in the next 3 to 6 months ◆ The nation's budget deficit grew to \$96.3 billion in February up from \$76.1 billion a year earlier ◆ Existing home sales in Illinois increased 1.9% in February over the year earlier, breaking state records for February sales volume ◆ Nationally, new home sales fell 8.1% in February. This follows a 12.6% decline in January ◆ Sales of existing US homes fell 4.3% ◆ Illinois's unemployment level increased to 6.5% in February from January's 6.3% ◆ Orders for durable goods from US manufacturers fell 1.2% ◆ Construction spending dipped 0.2% ◆ Factory orders declined 1.5%, the biggest decline in 5 months ◆ The US trade deficit narrowed in February to \$40.3 billion from \$41.2 billion in January ◆ Business inventories rose by 0.6% to \$1.6 trillion while sales tumbled 1%.

March:

The Federal Aviation Administration agreed to allow Chicago to use \$110 million of airport passenger fees to pay for plans for the \$6.6 billion O'Hare International Airport runway modernization project ◆ Mortgage rates dropped to a new of 5.67% for 30 year fixed mortgage ◆ New claims for unemployment benefits rose on the first week of March to their highest level in a year ◆ The federal government announced that national household debt had grown to \$8 trillion which is higher than annual disposable income. This has never happened before in American history. It also means that the household savings rate is hovering around zero, a level not seen since the Great Depression ◆ A technology trade group, AeA, announced that the US technology sector lost 560,000 jobs in 2001 and 2002 ◆ Consumer confidence declined for the 4th straight month ◆ According to the National Association of Purchasing Management-Chicago Index, the US Midwest economy contracted for the first time in 5 months ◆ Corporate managers announced 38% fewer layoffs in March than they did in February ◆ The Institute for Supply Management's purchasing manager index slumped in March to 46.2 from 50.5 in February. Any number below 50 represents economic contraction and any number above 50 signals expansion ◆ US companies slashed 108,000 jobs but the unemployment rate remained at 5.8% ◆ The Institute for Supply Management reported that its non-manufacturing index fell to

47.9 from 53.9 in February. A reading below 50 signifies contraction. Consequently, this is the first time service sector growth has contracted for the first time in 13 months ♦ The Conference Board, a non-profit group for corporate executives, reported that its quarterly survey showed that executives were losing faith in the economy: 39% reported that conditions had worsened, 43% reported that business conditions in their own industries had worsened, and 47% expected further layoffs ♦ The composite index of the Manufacturers Alliance/MAPI business outlook survey fell to 63 in March from 67 in December, indicating that US manufacturing executives expect slower growth in manufacturing over the next 3 months. Any score above a 60 signifies growth ♦ Industrial production decreased 0.5% in March, the second month in a row that industrial production declined ♦ Retailers including department store chains such as May Department Stores and big box retailers reported dismal retail sales in March ♦ The Conference Board announced that its Index of Leading Economic Indicators fell by 0.2% ♦ Orders for big-ticket durable goods increased 2% in March following a 1.5% decrease in February ♦ Consumer spending increased 0.8% in March. Personal incomes increased 0.4% during the same month ♦ Sales of existing homes in Illinois hit record numbers in March. Sales numbers in Illinois were the highest on record since the Illinois Association of Realtors started reporting statistics in 1990 ♦ Nationally, sales of new homes increased 7.3% and sales of existing homes dipped by 5.6% in March ♦ Construction spending dropped 1%, the biggest decline in 7 months ♦ The US trade deficit increased 7.6% to \$43.5 billion the second highest monthly level on record ♦ US bankruptcy filings rose to a record high in the 12 month period ending in March. Bankruptcies rose to 1.61 million up from 1.5 million the year earlier. The number of bankruptcies in the first quarter of 2003 increased 4.5% from the previous quarter ♦ The US Labor Department announced that the number of job openings at the end of March, nationally, was below that of a year earlier. There were 2.475 million job openings in March 2003 compared to 2.864 million openings in March 2002 ♦ The number of mortgages in foreclosure climbed to a record high of 1.2% in the first quarter of 2003.

April:

The US economy grew at an annualized rate of 1.9% in the 1st quarter ♦ The National Association of Manufacturers (NAM) reported that despite a loss of 2.1 million manufacturing jobs in the last two years, the manufacturing sector is facing a looming labor shortage due to demographic shifts, poor training, and negative stereotypes of manufacturing jobs. A national study released by NAM suggested that by 2020, 10 million jobs in the manufacturing sector could remain empty due to the shortages ♦ The National Association of Purchasing Management-Chicago Index showed that manufacturing in the Midwest contracted during April ♦ The Institute for Supply Management's manufacturing index fell to 45.4 from 46.2 in March. Anything below 50 signifies a contraction ♦ The federal Pension Benefit Guaranty Corporation that bails out trouble corporate pension plans announced that its deficit had increased to \$5.4 billion up from \$3.6 billion in 2002. The agency had started 2002 with a \$7.73 billion surplus. Total underfunding of single employer defined benefit pension plans by US companies is \$300 billion with much of the underfunding falling on the automobile and airline industries ♦ Housing affordability rose to its highest level in 30 years during the first quarter of 2003. The National Association of Realtors said that its housing affordability index that measures the ability of a family earning the median income to buy a home at the median price rose to 144.0, the highest level since the 147.9 reading in 1973 ♦ The national unemployment rate jumped to 6% in April. The last time it was higher was in July, 1994 when it reached 6.1% . Since February, the nation lost 500,000 jobs ♦ According to a survey by Chicago-based outplacement firm Challenger, Gray & Christmas, planned jobs cuts 71% in April. In March job cuts were 85,698; in April the number increased to 146,399 ♦ National retail sales dipped 0.1% ♦ The Illinois unemployment rate fell in April to 6.3% from 6.6% in March ♦ US retail sales dropped unexpectedly 0.1%. Economists had been predicting a 0.4% increase in sales ♦ The federal government posted its smallest April budget surplus in 8 years and for the first 7 months of the federal fiscal year, had run up a total deficit of \$201.6 billion, three times higher than for the first 7 months of the 2002 fiscal year. The federal government's need to borrow to cut the deficit led the Bush administration to seek its 2nd increase in the federal debt ceiling ♦ The consumer confidence index increased 19.6 points as consumers cheered the quick end to the war in Iraq ♦ Orders to US factories for big ticket items dropped by 2.4% in April, the largest drop in 7 months ♦ National new home sales increased 1.7%. The Midwest region had the hottest sales in the country with a 13.4% gain ♦ Existing home sales increased 5.4%, nationally. Existing home sales in Illinois increased 2.3% from April of last year ♦ Consumer spending dipped in April by 0.1% ♦ The Federal Reserve Bank in Chicago announced that the National Activity Index fell in April to levels that in the past have pointed to a national recession ♦ The US trade gap with the rest of the world eased to \$42.03 billion from a revised \$42.87 billion in March.

May:

The US Congressional Budget Office projected that 2003's federal deficit would exceed \$300 billion, the largest ever ♦ A study by Forrester Research and Shop.org, the online retailing division of the National Retail Federation found that online retail sales are expected to climb 26% to \$96 billion in 2003. Online retail sales increased 48% in 2002 ♦ Mortgage rates for 30 year loans hit 5.17%, a record low ♦ Manufacturers surveyed by the Institute for Supply Management expected 2003 revenues to increase by a modest 1.3% but were worried about the excess inventories ♦ The consumer confidence index increased in May to 83.8 ♦ The Institute of Supply Management announced that manufacturing activity declined in May. The manufacturing index rose to 49.4 in May up from 45.4 in April. However, an index below 50 indicates continued contraction in the manufacturing sector ♦ The \$350 billion tax cut legislation signed by President Bush reduced the four highest tax rates to 35%, 33%, 28%, and 25%, important for small business owners who usually file taxes as individuals. Additionally, the legislation quadruples to \$100,000 the maximum amount that small business owners can deduct for capital expenditures rather than being forced to depreciate them over many years ♦ The National Association of Purchasing Management – Chicago index rose to 52.2 in May from 47.6 in April. A reading below 50 indicates business contraction. The expansion in the Midwest region's business sector is the first since February ♦ The US Commerce department announced that the national

economy's growth accelerated by a 1.9% annual rate for the January - March quarter, better than the 1.6% rate predicted by economists. This also compares to the 4th quarter 2002 growth rate of 1.4% ♦ The number of corporate layoffs announced by US employers fell 53% to 68,623 in May from 146,399 in April. The May figure is the lowest number of layoffs announced in 30 months. Total jobs cuts between January 2003 and May 2003 stood at 570,817 ♦ The average price of a US home during the first quarter of 2003 was 6.48% higher than one year earlier. The rise in prices slowed to the weakest quarterly pace in 5 years ♦ Productivity in the first quarter of 2003 increased 1.9%, a tad weaker than the 2% predicted by economists ♦ The Institute of Supply Management announced that its index of non-manufacturing activity rose to 54.5 in May from 50.7 showing an increase in business activity but little if any job creation ♦ The Illinois Department of Employment Security announced that job losses have hit suburbs harder than the City of Chicago. DuPage County lost 4.3% of its total number of jobs and Cook County lost 4.6% of its jobs. The City of Chicago lost 3.5% of its jobs. Lake County; however, lost only 1% of its total number of jobs in the past year. The entire metro area lost 130,534 jobs or 3.7% of the total number of jobs in the area ♦ The US unemployment rate surged to 6.1% ♦ The US Congressional Budget Office announced that the federal deficit doubled in the past year and is expected to reach \$400 billion by the end of the year ♦ The US Labor Department reported that its Producer Price Index, which measures prices paid to farms, factories, and refineries fell 0.3%. Excluding food and energy, the core PPI rose 0.1% ♦ The US Commerce Department announced that retail sales increased 0.1% after decreasing 0.3% in April ♦ consumer prices remained flat in May ♦ Production at the nation's factories, mines, and utilities increased 0.1% ♦ Housing construction jumped 6.1% ♦ Orders for durable goods – manufactured products –fell 0.3% in May, following a steeper decline of 2.4% in April ♦ Construction spending in May declined 1.7% due to wet weather and a sluggish economy. This represented the largest decline in one year ♦ The US Commerce Department announced factory orders increased 0.4%. The increase comes after a sharp 3% decline in April ♦ Sales of new homes increased 10.9%.

June:

The University of Michigan's Consumer Sentiment Index showed that consumer sentiment unexpectedly fell in June to 87.2 from May's 92.1 reading ♦ The National Association of Purchasing Management-Chicago announced that business activity in the Midwest increased. The business barometer increased to 52.5 from 52.2 in May. The employment component increased to 43.8 from 43.6 in May. Readings below 50 indicate contraction and readings above 50 indicate an expansion in business activity ♦ The Federal Reserve cut interest rates a quarter of a percentage to 1%, a 45 year low ♦ The Institute for Supply Management's manufacturing index for June was 49.8, up from 49.4 in May. The reading below 50 indicates that the manufacturing sector was still in contraction for the fourth straight month ♦ The National Association of Purchasing Management-Chicago reported that its factory index rose to 52.5 from 52.2 in May, less than the 53 figure projected by economists. A reading above 50 indicates business expansion ♦ The nation's unemployment rate increased to 6.4%, the highest national rate in 9 years. May's rate was 6.1% ♦ Institute of Supply Management's non-manufacturing index rose to 60.6 in June from 54.5 in May, the highest reading since September, 2000. The index measures business activity in the nation's service sector ♦ The National Association for Business Economics reported survey results that by a slim margin, more firms increased spending in the 2nd quarter than cut it ♦ The number of Americans claiming jobless benefits in June hit its highest point in more than 20 years ♦ The US Commerce Department reported that retail sales increased 0.5% ♦ Housing construction rose 3.7%, the highest level in 5 months ♦ The Federal Reserve Bank reported that industrial activity at the nation's factories, mines, and utilities increased 0.1% ♦ Factory output increased by 0.4%, the second month in a row that manufacturing output went up ♦ The Conference Board reported that its Index of Leading Economic Indicators rose by 0.1% in June to 111.8 after a 1.1% in May and a 0.1% in April. The Board said that it was too early to predict the start of a period of steady economic growth ♦ Mortgage rates dipped to 5.21%, a low not seen in 40 years ♦ The US Department of Commerce reported that orders placed to US factories for durable goods –manufactured products expected to last at least three years-increased 1.7% ♦ Sales of new single family homes rose 4.7%; sales of existing homes decreased 0.3% ♦ Economists announced that the US economy grew at an annualized rate of 2.4% in the first quarter of 2003.

July:

The National Bureau of Economic Research, a group of academic economists, declared that the 2001 recession officially ended in November of 2001 after only 8 months ♦ Federal Reserve Chairman Alan Greenspan warned that substantial and excessive federal budget deficits will, over time, harm the ability of the US economy to expand enough to drive down the unemployment rate ♦ The Bush Administration dramatically raised its budget deficit projections to \$455 billion for 2003 and \$475 billion for 2004. Until this year, the high water mark was \$290 billion posted in 1992. Projected shortfalls will drop to \$213 billion in 2007 before edging back up to \$226 billion the following year just as the baby boom generation begins to retire and draw federal benefits ♦ CEOs surveyed by the Business Roundtable showed optimism about the economy. Fully 69% expected sales to rise in the next 6 months and expected gross domestic product growth of 2.3% in 2003, still below the 2.4% growth rate in 2004 ♦ The University of Michigan's Consumer Sentiment Index rose to 90.3 in July from a final reading of 89.7 in June ♦ Mortgage rates increased to 5.94% in July, the highest rate since the week ending January 17, when rates on 30-year mortgages averaged 5.97%. Mortgage applications fell to the lowest level in 3 months ♦ The Conference Board's Consumer Confidence Index fell to 76.6 in July, a 7 point drop from 83.5 in June. Rising unemployment levels and lackluster economic growth caused the drop ♦ The National Association of Purchasing Management-Chicago Index rose to 55.9 in July, its highest level since January. The figure indicates that business activity in the Midwest is expanding at higher rate than expected ♦ The Institute for Supply Management reported that its manufacturing index increased to 51.8 in July from 49.8 in June, the first reading above 50 in 4 months indicating a return of growth in the industrial sector ♦ The US jobless rate fell to 6.2%, the first decrease in a year. However, the drop coincided with a 6th straight month of job cuts. Approximately 44,000 jobs were eliminated in July, bringing the total number of job losses since January to 486,000. Government reports indicate

that 470,000 were discouraged and not looking for work ♦ The Institute for Supply Management announced that its non-manufacturing index moved to 65.1 from 60.6. July is the 4th month of growth in the service sector. Readings above 50 indicate expansion ♦ The Bank of Tokyo-Mitsubishi reported that same-store sales increased 4.3% in July, up from the 2.6% increase 1 year ago ♦ Retail sales increased 1.4% in July according to the US Commerce Department ♦ Production at the nation's factories, mines, and utilities increased 0.5% ♦ Home construction increased in July by 1.5% to the highest level in 17 years ♦ The Conference Board reported that its Index of Leading Economic Indicators rose 0.4% in July to 112.5. The rise followed a revised 0.3% increase in June ♦ Orders for durable goods increased 1% in July ♦ Existing US home sales slipped 2.9% from the record pace in June figures ♦ The US Commerce Department reported that consumer spending in July grew 0.8%. However, personal income grew only by 0.2% and disposable income increased by 1.5% ♦ Demand for manufactured products increased 1.6% ♦ Construction spending increased 0.2%.

August:

Rates on 30-year mortgages increased to 6.14% for the week ending August 1. This represents the highest level since December 2002 ♦ The US Small Business Administration increased loan limits for small manufacturers using the SBA 504 loan guarantee program to \$4 million from the current \$1 to \$1.3 million limits ♦ The US Labor Department reported that non-farm productivity climbed to 5.7% in the 2nd quarter, more than double the 2.1% increase in the 1st quarter ♦ Chicago area wages increased 4.6% according to the Bureau of Labor Statistics' National Compensation Survey. White and Blue-Collar employees saw their wages increase 5.5% while service-sector workers' wages remained stagnant. Nationally, wages increased a paltry 2.6% ♦ US Labor Department statistics show that of the 2.7 million jobs lost since early 2001, 2.4 million were in the manufacturing sector ♦ The University of Michigan Consumer Sentiment Index fell in August to 90.2 from July's final reading of 90.9 ♦ The Conference Board's Consumer Confidence Index jumped to 81.3 from a revised July figure of 77.0 ♦ The nation's gross domestic product grew 3.1% in the April to June quarter, faster than the 2.4% growth rate first estimated in July ♦ The Institute for Supply Management reported that its August manufacturing index rose to 54.8 from a July reading of 51.8, the highest reading since December 2002. However the employment index fell to 45.9 from July's 46.1 indicating that layoffs continue unabated ♦ The National Association of Purchasing Management-Chicago reported that its business barometer rose to 58.9 from 55.9 in July indicating expansion in manufacturing activity in the Midwest ♦ US average home prices increased 5.56% in the second quarter from a year ago, the lowest gain since the third quarter of 1999 ♦ According to the Census Bureau 1.4 million more Americans fell into poverty in 2002. As of 2002, 12.4% of the American population or nearly 34.8 million people, lived in poverty up from 12.1% IN 2001 ♦ Productivity in the second quarter soared at an annual rate of 6.8% ♦ The national jobless rate fell to 6.1% from 6.2% in July. The decrease in the unemployment is in spite of the fact that 93,000 jobs were eliminated in August ♦ Retail sales rose 0.6%, disappointing economists who expected tax rebates, back to school shopping, auto incentives, and better consumer sentiment would push the increase to 1.4% ♦ Industrial output increased a tepid 0.1% in August, indicating that the recovery in the manufacturing sector was struggling ♦ The US budget deficit grew to \$76.5 billion in August up from \$54.7 billion a year earlier ♦ Housing starts in August were down 3.8%. However, housing permits were up 4.5% ♦ Inexplicably, the National Federation of Independent Business (NFIB) Index of Small Business Optimism gained 4.1 points to hit 104.7 – a level that has not been reached in 19 years. The survey measures optimism on issues such as hiring, capital spending, and posting higher sales. Illinois members of the organization were not as optimistic ♦ The Conference Board's Index of Leading Indicators increased 0.4%, in line with economists' predictions ♦ Existing homes sales increased 5.5%. Sales of new homes increased 3.4% ♦ Orders for durable goods tumbled 0.9% ♦ consumer spending increased 0.8% ♦ Construction spending increased 0.2% to \$882.7 billion, the highest level of construction spending since January 2003 ♦ The US Labor Department announced that US companies shed 93,000 jobs in August resulting in an unemployment rate of 6.2% ♦ Consumer spending grew 0.8% ♦ US consumer debt rose \$8.2 billion to \$1.956 trillion. Economists had expected debt to raise by \$6 to \$6.5 billion ♦ The US Commerce Department announced that wholesalers' inventories fell unexpectedly in August by 0.2% ♦ The US trade deficit declined slightly to \$39.21 billion in August, the smallest gap in 6 months ♦ The Pension Benefit Guaranty Corp., the agency that manages the government's pension insurance program, reported that its deficit had increased to \$8.8 billion as of August 31, 2003. The agency had previously reported a deficit of \$5.7 billion through July.

September:

The US House of Representatives approved a 2.2% pay raise for Congress boosting their annual salaries to \$158,000. House members decided to allow themselves a fifth straight cost of living raise. Lawmakers' salaries were frozen between 1993 – 1997 ♦ A study sponsored by the Kaiser Family Foundation and the Health Research and Educational Trust showed that health care premiums for families in employer-sponsored plans soared 13.9% in 2003, the third year of double digit growth ♦ The University of Michigan's Consumer Sentiment Index fell to a September reading of 88.2 from August's reading of 89.3. Continued unemployment increases and a jobless recovery appeared to weigh heavily on consumers ♦ Pierre Devise, a noted urban studies expert and Professor Emeritus of Sociology at Roosevelt University in Chicago reported that half of the nation's job losses since the September 11, 2001 terrorist attacks are concentrated in 7 American cities, including Chicago. The top 3 are San Francisco, New York, and Chicago ♦ The number of troubled large-business loans fell slightly by 3.2% in 2003. This, after a 34% increase in problem loans in 2002 ♦ The US Government cut the number of employment visas it offers to highly qualified foreign workers from 195,000 to 65,000 ♦ The Consumer Confidence Index fell to 76.8 from 81.7 in the previous month, the largest decrease since July when the index fell 6.5 points. The lack of improvement in the labor market continued to dampen consumers' spirits ♦ The Institute for Supply Management reported that its manufacturing index was 53.7 in September, down from August's level of 54.7. The September figure is the third straight month that manufacturing activity showed expansion (50 and above) ♦ The National Association of Purchasing Management-Chicago reported that its

business index dropped to 51.2 in September from a reading of 58.9 in August. While a reading above 50 indicates business expansion, economists were surprised by the significant drop between August and September readings. The employment component of the index decreased to 45.3 in September from 51.2 in August indicating a contraction in job growth ♦ Planned layoffs for September included 76,506 jobs. As of September, the number of job cuts for 2003 exceeded 872,000 ♦ The Bank of Tokyo-Mitsubishi Ltd. Same store sales tally of 77 stores was up 5.9% in September, the strongest showing since March 2002, when it posted a 6.4% increase. Expectations were for sales increases between 3.5% and 4% ♦ The US Commerce Department reported that retail sales dipped in September by 0.2%. Retail sales had increased 1.4% in July and 1.2% in August ♦ Housing construction increased 3.4% ♦ Consumer prices increased 0.3% ♦ Industrial production increased 0.3% ♦ New home sales decreased by 0.2% from August levels; however, sales of existing homes increased 3.6%, a record. It was the third month in a row that a sales record was set ♦ Payrolls increase by 57,000, the first increase in jobs in 8 months ♦ Consumer spending decreased 0.3%, the largest drop in the year ♦ Spending by private builders on housing projects increased 1.4% ♦ Factory orders increased 0.5% ♦ The US trade deficit widened to \$41.3 billion as imports climbed to an all-time monthly high ♦ Personal bankruptcies nearly doubled in the last decade including the 1.6 million people who filed for bankruptcy protection in the fiscal year ending September 30, 2003. Personal bankruptcies rose 7.8% over 2002's figures ♦ The US Commerce Department reported that business inventories increased 0.3% in September after dropping 0.4% in August. Increasing inventories are considered good signs as companies feel more certain about economic resurgence and ramp up their inventories ♦ Business sales increased by 0.6%.

October:

The University of Michigan's Consumer Sentiment Survey increased to 89.4 from 87.7 in September ♦ The Mortgage Bankers Association predicted that business will fall off 50% from \$3.3 trillion in 2003 to \$1.6 trillion in 2004, 100 to 200 mortgage companies will disappear, and up to 100,000 jobs in the mortgage industry will disappear due to rising interest rates ♦ The Conference Board's Consumer Confidence Index jumped to 81.1 in October up from a revised reading of 77.0 in September ♦ The economy grew 8.2% in the third quarter of 2003, the strongest pace in nearly 20 years ♦ The Institute for Supply Management reported that its manufacturing index rose to 57 from 53.7 in September indicating that manufacturing expanded strongly in October. The employment index still remained below 50 at 47.7 indicating continued contraction in employment. Since the beginning of the economic downturn in 2001, over 3 million manufacturing jobs have disappeared ♦ The Institute for Supply Management's index of non-factory businesses climbed to 64.7 from 63.3 in September indicating that service sector was expanding at a much more rapid pace than the manufacturing sector ♦ Manufactured goods sales increased 7.8% in the third quarter, the greatest increase since 1978 ♦ Venture capital fundraising declined 52% in the 3rd quarter ♦ The Bank of Tokyo-Mitsubishi Ltd.'s retail index showed that retail sales increased 3.2% in October. This is after an increase of 5.9% gain in September, and a 5.1% increase in August ♦ US companies announced 171,874 in planned layoffs in October, more than double the 76,506 jobs cut in September. It was the highest monthly figure since October 2002 when 176,010 jobs were cut ♦ The National Association of Realtors forecast that sales of existing homes will be up 7.7% in 2003 over 2002 figures ♦ Retailers reported that sales in October fell by 0.3% after falling 0.4% in September ♦ The federal government's budget deficit increased to \$69.5 billion in October, the biggest October deficit on record. The deficit was \$54.1 billion in October 2002. For the 2003 budget year that ended September 30th, the federal government recorded a deficit of \$374.3 billion. The projected 2004 deficit is \$494 billion ♦ Housing starts in October unexpectedly rose to the highest level in almost 18 year. Builders broke ground on 1.96 million units, at a seasonally adjusted annual rate, representing a 2.9% increase over September's pace. Housing starts surged 17.7% in the West and 4.9% in the South. Conversely, Housing starts fell 18% in the Northeast and 85% in the Midwest. Building permits rose 5.2% to 1.973 million units, the highest level since February 1984 ♦ Existing home sales decreased in October by 4.9% ♦ Construction spending registered its best month on record in October with the total value of all building projects equaling a seasonally adjusted \$922 billion representing a 0.9% increase over September's figure. Spending by private builders increased 2.2% ♦ New orders to factories increased 2.2%, the strongest increase in 15 months.

November:

The American Electronics Association (AeA) released an industry report regarding high tech jobs. Over the past two years 12% of America's high tech jobs have evaporated. Approximately 540,000 high tech jobs were eliminated in 2002 and another 234,000 have been eliminated in 2003. Illinois lost 7% of its high tech jobs and 74% of its venture capital investments ♦ The Conference Board's Consumer Confidence Index rose to 91.7 in November from a reading of 81.7 in October. The reading is the highest since September 2002 ♦ The Institute for Supply Management reported that its manufacturing index rose to 62.8 up from 57 in October ♦ Worker productivity in the 3rd quarter increased 9.1% over last quarter's figures ♦ The US Labor Department announced that US employers created 57,000 jobs in November after creating 126,000 in October. Economists had been expected 150,000 new jobs ♦ The national unemployment rate decreased to 5.9% ♦ The US Commerce Department reported that retail sales increase 0.9% ♦ Industrial production increased 0.9% ♦ Construction of new homes and apartments increased 4.5% to an annual rate of 2.07 million units, the fastest building pace in 20 years ♦ The Conference Board's Composite Index of Leading Economic Indicators increased 0.3% to 114.2 indicating sustained future economic activity. Economists at the Conference Board predict that the US economy will grow 4.6% in 2004.

April, 2003 Election Results - Referenda

Passed

1. Fox River Grove: issue \$525,000 in bonds
2. North Barrington: allow refuse burning
3. North Barrington: restrict refuse burning
4. Emmons District 33: increase tax/education
5. Fremont District 79: increase tax/education
6. Lake Bluff District 56: increase tax/education
7. Arden Shore Fire District: increase tax extension

Failed

1. Highwood: adopt home rule
2. Long Grove: adopt tax/police department
3. Shields Township: increase tax extension
4. Cook Library District: issue \$27 million in bonds
5. Cook Library District: increase tax rate
6. Fremont Library District: increase tax rate
7. Antioch School District 34: increase tax/education
8. Community District 46: issue \$35 million in bonds
9. Community District 46: increase tax/education
10. Grass Lake District 36: increase tax/education
11. Beach Park Fire District: levy tax/ambulance
12. Beach Park Fire District: levy tax/equipment