

FY25 Budget Update

(March 5, 2024) – *Subject to Revision, Update and Improvement*

Overview

- To provide an update on the FY25 budget planning as it relates to:
 - Assumptions used in estimating FY25 revenues
 - Credit hour projections
 - Budget calendar

Credit Hour Projection

- Factors considered in projections
 - Historical data and assessment of current trends
 - Enrollment Management goals
- Enrollment Managements Goals (Headcount)
 - New students (UG - 11% increase, Grad - 15% increase in Fall 2024)

	<u>Fall 2024</u>	<u>Spring 2025</u>
New First Year	610	24
New Transfer	690	280
New Graduate	540	300
New Others	230	125
	<u>2,070</u>	<u>729</u>

- 2% increase in retention rate of continuing students for Fall 2024.
- 5% increase in Fall 2024 overall credit hours.

Credit Hour Projections

Academic Year	2023	2024	2025
Source	Actual	Actual + Trend	EM Goals
Total	117,169	112,160	116,784
UG - New	19,778	19,815	21,990
UG - Continuing	73,188	69,407	70,987
Grad. - New	5,566	5,685	6,204
Grad. Continuing	18,637	17,253	17,603
Fall	53,903	51,845	54,607
UG - New	14,361	14,692	16,434
UG - Continuing	29,723	28,014	28,473
Grad. - New	3,099	3,126	3,591
Grad. Continuing	6,720	6,013	6,109
Spring	49,484	48,417	48,686
UG - New	4,178	3,962	4,029
UG - Continuing	35,815	35,300	35,081
Grad. - New	1,592	1,584	1,656
Grad. Continuing	7,899	7,571	7,920
Summer	13,783	11,898	13,491
UG - New	1,239	1,161	1,527
UG - Continuing	7,651	6,093	7,433
Grad. - New	875	975	957
Grad. Continuing	4,018	3,669	3,574

- Projected credit hours:
 - Trend (ARIMA) model (run after Spring 24 census)
 - Projection - AY25: 104,486 FY25: 105,732
 - Continues/Accelerates recent trends and cannot incorporate increased retention and recruitment efforts.
 - Enrollment Management Goals.
 - Goal for new students incorporates increased recruitment efforts
 - Goal for continuing students incorporates efforts related to student retention and larger new student classes in Fall 2024
- Academic Year vs Fiscal Year
 - Fiscal Year 2025: 44% of Summer 2024 and 56% of Summer 2025
- Budget Basis for FY25
 - Incorporate split across summer
 - Credit Hours from Enrollment Management
 - Summer 2025 credit hours estimated adjusting the Summer 2024 goals

Head Count/Credit Hour Budget 2024 and 2025

Head Count

BUDGET

FY2024	Fall	Spring	Summer	Total
Undergraduate New	1,374	424	99	1,897
Undergraduate Continuing	2,668	3,132	1,068	6,868
Graduate New	470	265	159	894
Graduate Continuing	992	1,273	837	3,102
Total	5,504	5,094	2,162	12,760

Credit Hours

FY2024	Fall	Spring	Summer	Total
Undergraduate New	14,762	3,128	499	18,389
Undergraduate Continuing	27,724	33,727	6,528	67,979
Graduate New	3,337	1,675	1,025	6,036
Graduate Continuing	6,312	7,888	3,896	18,096
Total	52,135	46,417	11,948	110,500

ACTUAL + FORECAST

FY2024	Fall	Spring	Summer	Total
Undergraduate New	1,374	420	226	2,020
Undergraduate Continuing	2,668	3,291	1,296	7,255
Graduate New	470	287	164	921
Graduate Continuing	992	1,207	815	3,014
Total	5,504	5,205	2,501	13,210

FY2024	Fall	Spring	Summer	Total
Undergraduate New	14,692	3,962	1,195	19,849
Undergraduate Continuing	28,014	35,300	6,779	70,093
Graduate New	3,126	1,584	931	5,641
Graduate Continuing	6,013	7,571	3,822	17,406
Total	51,845	48,417	12,727	112,989

PRELIMINARY BUDGET

FY2025	Fall	Spring	Summer	Total
Undergraduate New	1,530	429	246	2,205
Undergraduate Continuing	2,743	3,255	1,114	7,112
Graduate New	540	300	184	1,024
Graduate Continuing	989	1,244	744	2,977
Total	5,802	5,228	2,288	13,318

FY2025	Fall	Spring	Summer	Total
Undergraduate New	16,434	4,029	1,424	21,887
Undergraduate Continuing	28,473	35,081	6,294	69,848
Graduate New	3,591	1,656	980	6,227
Graduate Continuing	6,109	7,920	3,553	17,582
Total	54,607	48,686	12,251	115,544

*Increase in credit hours can be linked to initiatives like Assist to Persist, NEIU for You 2.0 among others that demonstrates NEIU's commitment to its students.

Estimating FY25 Revenues

- State appropriation - 2% increase (\$799K) per Governor's proposal (total \$40.8 million)
- Tuition waivers and bad debt set at 10%
 - Previous values: FY24 (12%), FY23 (12.5%)
 - Intent is to provide explicit budget amounts for tuition waivers
- Net Tuition includes Differential Adjustment
- Investment Income at \$3.7 million
 - Increase of \$1.5 million from FY24 budget
 - Total actual/projected in FY24 is currently tracking at \$4.2 million
 - As rates continue to change, this assumption will be revisited.
- Other income at \$500,000
(Includes space rental and other miscellaneous fees/income (lab, transcript, NSF, late fees, etc.))
- No increase in tuition and fees (resulting in foregone revenue of \$1.463 million @115,544 credit hours)

Projected FY25 Revenue

	FY2022	FY2023	FY2024	FY2025 Budget Basis
State Appropriations	\$ 35,566,900	\$ 37,345,300	\$ 39,960,000	\$ 40,758,700
Gross Tuition Revenue	58,825,371	49,308,114	48,367,500	50,968,695
Allowance for Bad Debt	(7,353,171)	(6,163,514)	(5,804,100)	(5,096,870)
Allowance for Tuition Waivers				
Net Tuition Revenue	51,472,200	43,144,600	42,563,400	45,871,826
Net Tuition Revenue	50,780,200	42,421,200	41,874,400	45,134,178
Net Differential Tuition	692,000	723,400	689,000	737,648
Other Income	3,188,700	3,450,100	2,776,600	4,200,000
Investment Income	400,000	1,000,000	2,276,600	3,700,000
All Other*	2,788,700	2,450,100	500,000	500,000
Total Estimated Revenue	\$ 90,227,800	\$ 83,940,000	\$ 85,300,000	\$ 90,830,526

* FY22-FY23 "All Other" includes pandemic assistance.

- After consideration of the multiple credit hour projections, management has decided to use 115,544 credit hours as the basis of the FY25 preliminary control. This decision allows for a more balanced approach that considers both the potential higher and lower end outcomes. This can help to mitigate the risks of associated with uncertainties or variations in the data and provide a more reliable projection for budgeting and resource planning purposes. Note that the FY25 budget projection will continue to be refined and updated based on new information.

FY25 Budget Allocation

VP Area	Overall % Allocation	FY24 (Adjusted)	FY25 % Allocation Excluding General University
General University	13.1%	\$ 11,194,933	-
President	4.6%	\$ 3,937,755	5.4%
Finance & Admin	17.4%	\$ 14,826,854	20.2%
Acad Affairs	54.8%	\$ 46,738,661	62.7%
Student Affairs	3.2%	\$ 2,702,360	3.7%
Institutional Advancement	1.5%	\$ 1,319,623	1.8%
Enrollment Mgmt	5.4%	\$ 4,579,814	6.2%
Grand Total	100.0%	\$ 85,300,000	100.0%

Calculation of Unreserved Amounts	FY2024
Total Expected Revenue	\$ 85,300,000
(-) General University	(11,194,933)
(-) Differential Tuition	(689,000)
(-) Exemptions	-
Amount to Allocate to Control #	\$ 73,416,067

- General University includes allocation for institutional expenses including utilities, insurance, institutional awards to students, and other general expenses.
- Control numbers set proportionally based on FY2024 budget allocations, with exemptions for General University, Differential Tuition and any FY25 Funding Priorities.
- Based on the FY24 Budget, the % share of the amount to allocate is shown in the table.

Budget Calendar

Date	Description
02/28/2024	FY2025 Budget Presentation to President and Cabinet and Approval of FY25 Control Numbers
03/07/2024	Academic Affairs: FY2025 Budget Presentation to Dean's Council
03/15/2024	Budget Office: Distribution of FY2025 Preliminary Budget worksheet
03/21/2024	FBG: Budget Planning Update
04/12/2024	Budget Office/EM Group: Finalize enrollment projection for FY2025 Preliminary Operating Budget
04/15/2024	VPs/Deans: Return of FY2025 Preliminary Budget worksheet
05/16/2024	FBG: Presentation of FY25 Preliminary Operating Budget.
05/30/2024	President/Cabinet: Approval of FY25 Preliminary Operating Budget
06/13/2024	BOT: Approval of Preliminary FY2025 University Operating Budget

President's Report to the Finance, Buildings and Grounds Committee of the Board of Trustees
of Northeastern Illinois University

March 21, 2024

**Information Item: Notification to the Board of Certain Expenditures - Purchases of at Least
\$100,000 but Less Than \$250,000**

Board of Trustees' Regulations require that the President report to the Board purchases of at least \$100,000 but less than \$250,000 other than those exempt from Board approval (e.g. utilities). The following lists those purchases since the last Board meeting.

VENDOR	DESCRIPTION	CONTRACT AMOUNT
Blackbaud, Inc. (Non- BEP)	RE NXT Pro Offer for Institutional Advancement	\$165,780.76
Kasper & Nottage, P.C. (Non-BEP)*	Legislative Consulting Services (3-year contract)	\$246,000.00

*Kasper & Nottage BEP Subcontractor – Fuentes Consulting, LLC (Female Hispanic)

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Chicago, IL 60625-4699
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purchasing@neiu.edu

March 21, 2024

TO: Katrina E. Bell-Jordan, Interim President
FROM: Victoria Santiago, Director of Procurement Services
CC: Manish Kumar, Vice President of Finance & Administration
Beni Ortiz, Executive Director of Finance & Administration
Re: FY23 Business Enterprise Program (BEP) Expenditures Report

Northeastern Illinois University (NEIU) continues its commitment to utilize and increase participation by minority, women, and persons with disabilities in university contracting. NEIU's purchasing process ensures compliance with policies and procedures mandated by applicable state statutes, the Illinois Procurement Code, University Board of Trustee Regulations, and the fiscal policies and procedures of the university.

The FY23 BEP compliance plan listed a 30% aspirational goal of \$2,173,988.70. Our actual expenditures with BEP vendors was \$4,642,717.22 or 64.1% of the dollars subject goal (DSG - \$7,246,629.00). Our FY23 expenditures represent 213.6% of the original goal. Our FY23 expenditures also increased by 48.7% over the FY22 expenditures which was \$3,123,163.76 or 35.9% of dollars subject to goal.

The significant increase in BEP expenditures is partly due to the contract awarded to Precision Task Group (PTG) for the purchase of the Workday software platform, maintenance and support. There were also increases for travel expenditures for students, staff and faculty, as well as bus transportation services and small maintenance projects that required painting of various rooms and offices.

In addition, we were able to increase our goals because of our continued efforts to reach out to registered BEP firms to provide contracting opportunities. BEP firms are notified about invitations for Bids, Requests for Proposals, and Qualifications Based Selection solicitations that include a 30% BEP goal, where feasible.

The university updated its purchasing policies on November 17, 2023. One significant change is that for small purchases between \$20,000.00 and \$99,999.99, now requires that we solicit at least three quotes and two out of the three firms solicited must be BEP vendors. Our previous policy stated that at least one firm solicited must be a BEP vendor. By increasing the number of BEP firms solicited, it will provide additional opportunities for BEP vendors and would yield a higher chance that a BEP firm will be awarded the contract.

As required by the BEP Act (30 ILCS 575), we also reach out to prime vendors to request they add a BEP partner for contract renewals when the contract did not originally include a BEP goal. We also ask prime vendors who have a BEP subcontractor at the previous goal level of 20%, if they can increase the percentage to the new 30% goal.

Additional efforts to increase our BEP participation goals include reaching out to current vendors to encourage registration in the BEP program. We also provide in-house training to NEIU personnel on how to search for vendors in the BEP database. Whenever we advertise a formal solicitation in the Illinois Procurement Bulletin, we reach out to various assist agencies such as the Illinois Hispanic Chamber of Commerce, HACIA, Black Chamber of Commerce and other entities to make them aware of the requested services. NEIU will attend vendor fairs hosted by other governmental entities whenever feasible.

We will continue to explore additional opportunities where we can engage BEP vendors for any future projects. Northeastern Illinois University will continue its efforts and commitment to ensure economic justice and opportunities for businesses owned by persons with disabilities, women, and minorities to participate in the university's procurement process. Please let me know if I can provide additional information or answer any questions.



**STATE OF ILLINOIS COMMISSION ON EQUITY AND INCLUSION
BUSINESS ENTERPRISE PROGRAM FOR BUSINESSES
OWNED BY MINORITIES, WOMEN, AND PERSONS WITH DISABILITIES**

ANNUAL EXPENDITURE REPORT

STATE INSTITUTION NAME & ID # **Northeastern Illinois University 620**

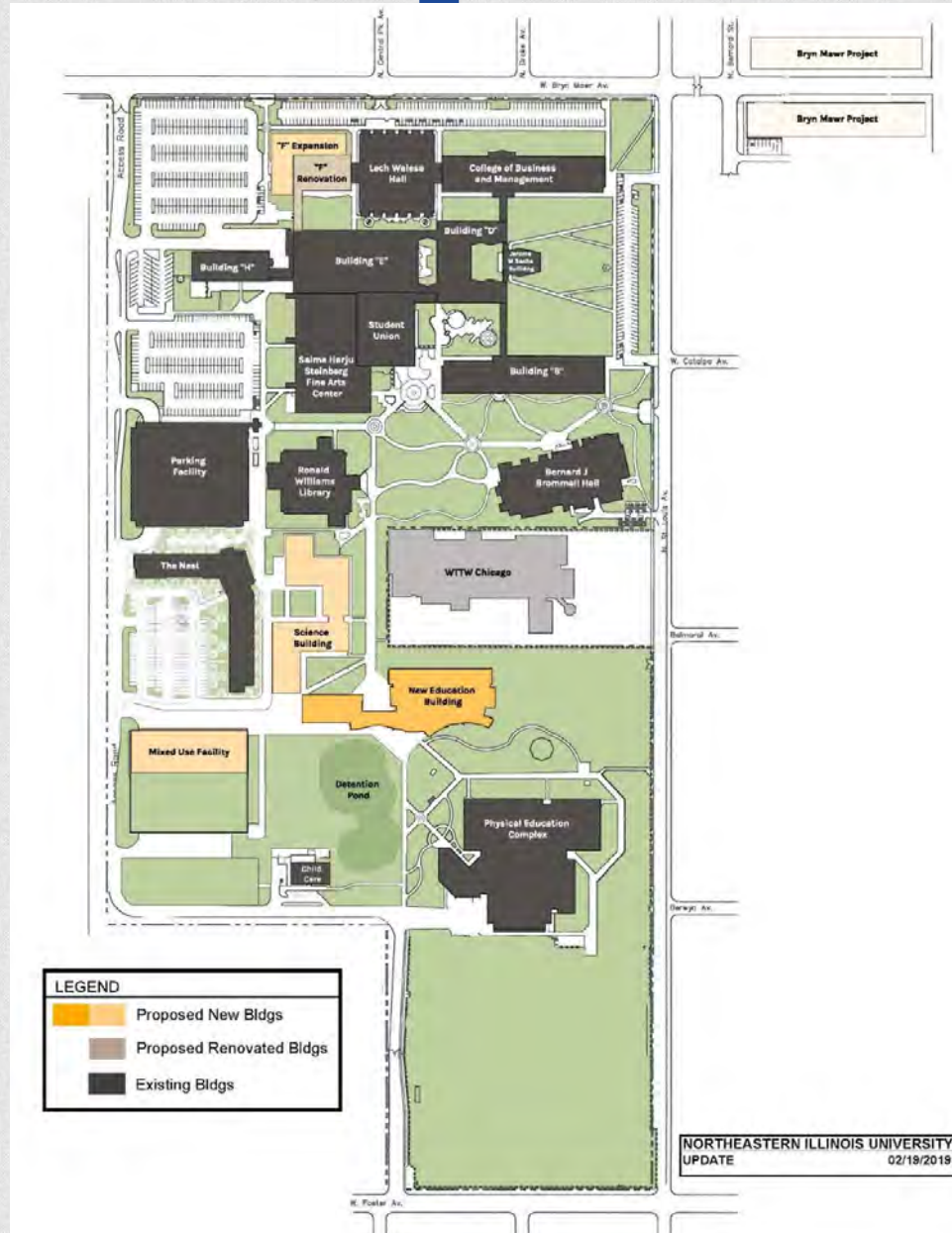
	BEP VENDOR EXPENDITURES	TOTAL CONTRACTS
AFRICAN AMERICAN MALES	\$ 559,640.27	43
AFRICAN AMERICAN FEMALES	\$ 164,181.66	58
HISPANIC AMERICAN MALES	\$ 2,471,266.84	40
HISPANIC AMERICAN FEMALES	\$ 200,223.41	43
ASIAN AMERICAN MALES	\$ 361,001.76	14
ASIAN AMERICAN FEMALES	\$ 59,282.00	3
NATIVE AMER/AK NATIVE MALES	\$ -	0
NATIVE AMER/AK NATIVE FEMALES	\$ -	0
CAUCASIAN FEMALES	\$ 824,086.02	102
PERSONS WITH DISABILITIES:		
(ETHNICITY & GENDER)	\$ -	0
BEP TOTALS:	\$ 4,639,681.96	303
SHELTERED WORKSHOPS	\$ 3,035.26	1
TOTALS:	\$ 4,642,717.22	304

Print name and position title: Victoria Santiago - Director of Procurement Services

Sign and date: _____ 1/4/2023

**NEIU
Buildings
and
Grounds
Strategic Discussion**

Main Campus Master Plan



Main Campus Master Plan

- Shown on Exhibit A
- Last updated 2/19/2019
- Includes:
 - New Education Building footprint
 - Expanded detention basin
 - Proposed Science Building
 - Proposed Mixed Use Facility

General Campus Information

- Three University Locations:
 - 5500 N St. Louis (Main Campus)
 - 3390 N Avondale Ave (El Centro)
 - 700 East Oakwood Boulevard (CCICS)
- Total of 38 Buildings (including NEST)
- Total S.F. 1,813,688 (including NEST)
- Total Deferred Maintenance Capital Request to State of Illinois: \$578 million*
- FY25 budget total self-funded deferred maintenance costs: \$4.3 million*
- Springfield CDB FY25 allocation (see Exhibit B)

* Excluding NEST

Deferred Maintenance Capital Request

FY25 budget total NEIU self-funded deferred maintenance costs: \$4.3 million

BUILDING	DESCRIPTION	AMOUNT
E	VFD Air Handling Fans & Motor Units	\$147,000
E	50 Year Old AHU Replacements	\$1,000,000
LWH	Heat Exchanger Repairs	\$10,000
H	Co-Generation Equipment Repairs	\$300,000
LWH	VFD for Induction Unit	\$8,000
SU	Chilled Water Pump Repairs	\$6,000
BBH	Greenhouse AHU Repairs	\$20,000
BBH	Vacuum Pump Replacement	\$20,000
BBH	Fume Hoods	\$92,000
H	Cooling Tower Repairs	\$250,000

Deferred Maintenance Capital Request

Total Deferred Maintenance Capital Request to State of Illinois: \$578 million

Northeastern Illinois University Deferred Maintenance	Prepared October 4, 2023
	FY2025
Project (year identified)	Ending
<u>Prior to FY19</u>	
Abatement - Campuswide (does not include floors)	9,340.4
Air Handlers Replacement	1,010.0
BBH Fume Hoods	374.0
BBH Lecture Hall Renovations	450.0
BBH (or other) Restroom Renovation	125.0
Building D & E Exterior Wall (Capital Request)*	5,800.5
Building E VSD Air Handling Fans & Motor Units (6)	586.4
Building F (Capital Request)*	25,396.0
Campus Restricted Keyway	480.0
Campus Signage	6,000.0

Listing of Currently Vacant Lands/Buildings

Vacant Buildings

5600 N. Kimball
3412 - 3418 W. Bryn Mawr

3401 W. Bryn Mawr
3407 W. Bryn Mawr
3411 W. Bryn Mawr
3415 W. Bryn Mawr

3414 W. Henderson
3430 W. Henderson
3432 W. Henderson
3372 N. Avondale
3374 N. Avondale

Vacant Land

3409 W. Bryn Mawr

Future/Vision

See Exhibit C – JLL’s report to
the Board of Trustees on
04/05/2021

Construction Update

CDB Project - Electric Cable Replacement Project Phase 1 - \$2,800,000 - 35% Completed

The Capital Development Board (CDB) awarded the project to Linear Electric.
The construction kick-off meeting took place Tuesday December 12, 2023.
Phase 1 is complete, Phase 2 tentatively scheduled to start once summer break begins.

CDB Project - Campus Roof Replacements (LWH and BBH Buildings) - \$4,800,000 - 45% Completed

CDB awarded the project to A1 Roofing.
The construction is underway at BBH Building and is at 85% Completion.
The LWH Building roof work will begin in spring.
Contractor to submit updated schedule.
The project is anticipated to be completed by the summer of 2024.

CDB Project - Campus Entrance and Walkway Repairs - \$5,130,000 - 70% Completed

CDB awarded the project to AGAE Contractors.
The construction is underway and anticipated to be completed in the late summer of 2024.

CDB Project - LWH Upgrades to the HVAC Systems - \$2,380,000 - 30% Completed

CDB awarded the project to Ideal Heating.
Replacement of the thermostats have begun, and will be completed over Spring Break.
The main replacement of the window units is scheduled to begin in May and completed in late Summer of 2024.
Contractor to submit updated schedule.

CDB Project - BBH Upgrades to the HVAC Systems - \$2,650,000 - Re-Bid Phase

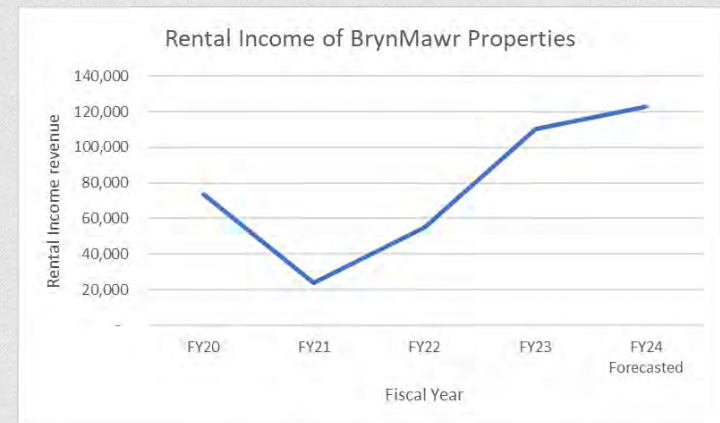
The previous bid results have been cancelled due to administrative issues.
New rebid date is TBD.

CDB Project – Renovate for Business Growth & Innovation Center - \$2,500,000 - 50% Construction Document

The project includes renovation of the old Parking Office Space on the first floor of Parking Facilities and two spaces at CCICS - 5th floor Computer Lab and a restroom on the first floor at CCICS Building.
50% Design Documents submitted to the CDB for Review.
Working with a consultant to determine CCICS is exempt from Chicago's requirement for fully sprinklered building due to grandfather clause.

BrynMawr Rental Income 5-year History

	FY20	FY21	FY22	FY23	FY24 <i>Forecasted</i>
Pete's Auto	12,000.00	12,000.00	31,010.88	51,032.85	59,833.98
7-Eleven	12,000.00	12,000.00	24,000.00	59,070.54	63,008.52
TCF	49,357.60				
Total Rental Income	73,357.60	24,000.00	55,010.88	110,103.39	122,842.50



- Renegotiated leases
 - Increased rental income in FY23 and beyond
 - Will now cover the entire cost of property taxes

- Currently looking to rent the old TCF Bank space to generate additional income

Recent Facilities Improvements

Facilities Upgrades: \$4,255,773

- HVAC Ventilation Improvements
- PPE Equipment
- Workstation Adjustments to Maintain Social Distancing
- No-touch Fixtures, as Well as Frequent Sanitization of Campus
- Flooring Replacements and Upgrades
- Replacement of Plumbing Fixtures (Carruthers Center for Inner City Studies)
- Custodial Equipment (Autonomous Vacuums, Robotic Scrubbers)
- Building Automation Campus-wide Upgrades
- Cooling Tower Hot Water Replacement

Recent Facilities Improvements (Continued)

- Preventative Maintenance on Carrier Chiller
- Main Campus Elevator Repairs
- B107/B105 Renovation Project
- Building F Center Stage (Abatement, Ceiling Paint, New Lighting and Electrical)
- General University Painting (Doors, Classrooms, Railings)
- Campus Grounds Beautification
- BBH 210 Chemistry Lab Renovation
- Renovation (BBH 311, BBH 325, LWH 2094, LWH 3094)
- CBT Infrastructure

Unfunded State Mandates

- **Wellness Kiosk**

Public Act 103-0465 requires access to emergency contraception for students at Illinois public universities through a kiosk. This costs NEIU approximately \$5,000 annually.

- **Feminine Hygiene Products**

Public Act 102-0250 mandates the provision of feminine hygiene products at public universities. This costs NEIU approximately \$15,000 per year.

Looking Ahead

A new updated Master Plan will need to be commissioned to account for vacant properties at El Centro and along Bryn Mawr Avenue.

- Identify the best use of each site with goal of engaging development community to maximize value from these underutilized assets

Pool Repair Project, PE Complex.

- Soliciting proposal for A/E services from EXP Architects to create construction documents to repair leaks, replace filtration and plumbing systems.

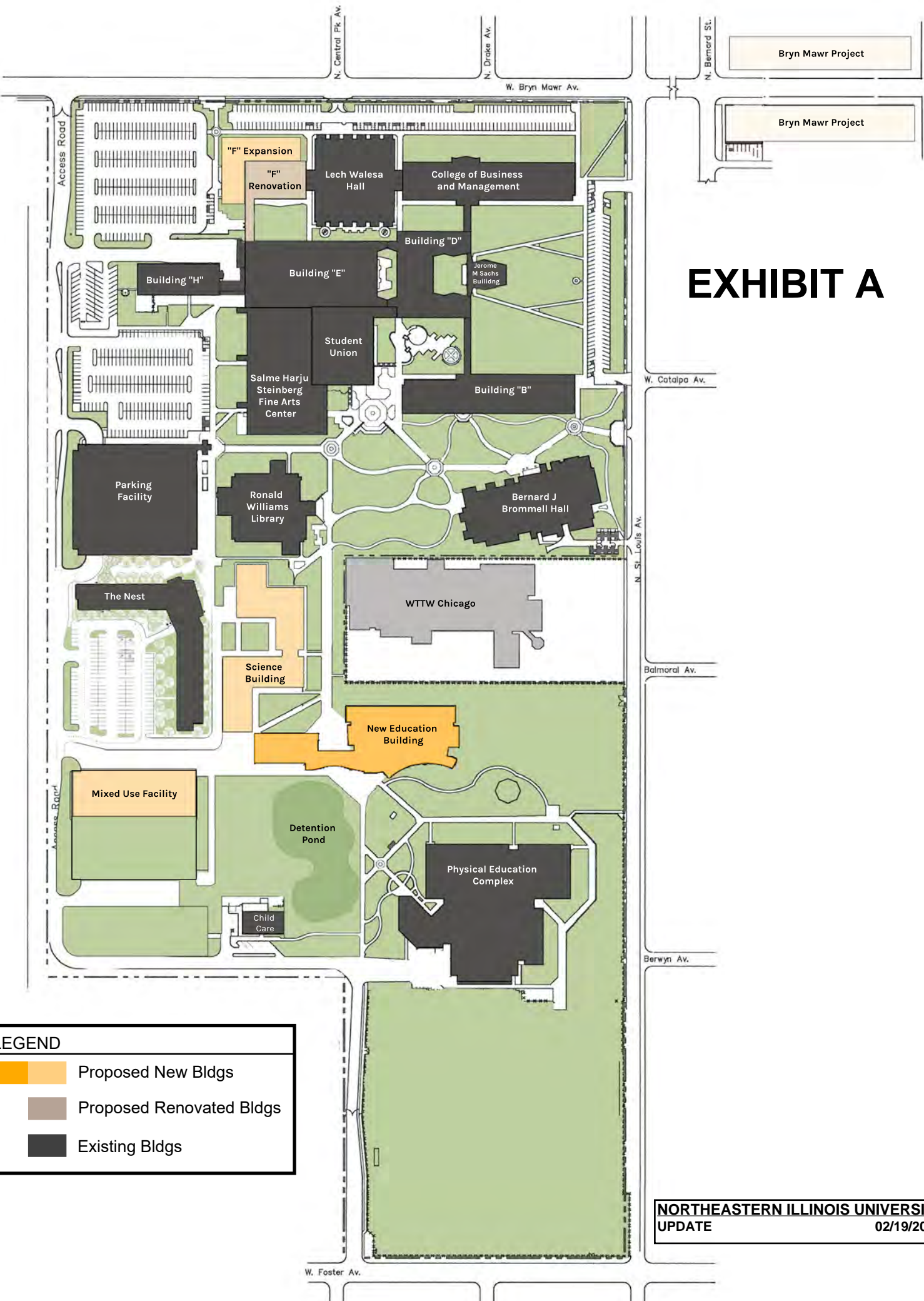


EXHIBIT A

LEGEND

- Proposed New Bldgs
- Proposed Renovated Bldgs
- Existing Bldgs

President's Report to the Finance, Buildings and Grounds Committee of the Board of Trustees
of Northeastern Illinois University
March 21, 2024

Information Item: Exhibit B – FY25 Illinois Capital Projects List – NEIU

Approp Agency Name	Fund Name	Appropriation	Appropriation Type	Project Name	FY23 Actual Approp	FY24 Recommended Approp	FY25 Recommended Approp
Capital Development Board	Capital Development Fund	66000017	Reappropriation	Northeastern Illinois University - Replacing Roofs and Repairing Walls	24,997	24,997	24,997
Capital Development Board	Capital Development Fund	66000117	Reappropriation	Northeastern Illinois University - Replacing Roofs and Repairing Walls at Buildings H, J, and BBH	53,876	53,876	28,876
Capital Development Board	Capital Development Fund	66000219	Reappropriation	Northeastern Illinois University - Construct Education Building	78,078,915	76,372,806	75,872,806
Capital Development Board	Capital Development Fund	66000319	Reappropriation	Northeastern Illinois University - Remodel Buildings C, E and F and Other Capital Improvements	6,870,000	6,870,000	6,870,000
Capital Development Board	Capital Development Fund	66000419	Reappropriation	Northeastern Illinois University - Remodel the Science Building to Upgrade HVAC and Other Capital Improvements	2,240,000	2,240,000	2,240,000
Capital Development Board	Capital Development Fund	66000519	Reappropriation	Northeastern Illinois University - Replacing Roofs and Repairing Walls	125,000	125,000	125,000
Capital Development Board	Capital Development Fund	66000620	Reappropriation	Northeastern Illinois University - Renovation of Carruthers Center for Inner City Studies and Remodeling and Expansion of Performing Arts Building	23,418,500	23,418,500	23,418,500
Capital Development Board	Capital Development Fund	69000019	Reappropriation	Northeastern Illinois University - Renewal	1,345,000	1,345,000	845,000
Capital Development Board	Capital Development Fund	69000120	Reappropriation	Northeastern Illinois University - Renewal	19,055,048	18,749,837	17,249,837
Capital Development Board	Capital Development Fund	69001300	New Appropriation	Northeastern Illinois University - Construct Education Building	-	-	-



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Bryn Mawr and El Centro Feasibility Analysis Executive Summary

Northeastern Illinois University

April 5, 2021

Executive Summary



- Northeastern Illinois University (“NEIU”) is considering its options to monetize two University-controlled sites in Chicago.
- **Objectives:** NEIU seeks to identify the best use of each site with the goal of potentially engaging the development community to maximize unrealized value from these underutilized real estate assets.
- **Bryn Mawr:** The first site is located along Bryn Mawr Avenue between N Bernard Street and N Kimball Avenue (the “Bryn Mawr” site), situated just east of the main NEIU Campus in the North Park neighborhood. NEIU acquired the Bryn Mawr site in 2015, and the site is made up of one-to-three-story buildings with ground floor retail. This site is made up of two potential development sites, one on each side of Bryn Mawr Avenue.
- **El Centro:** The second site is located adjacent to NEIU’s El Centro Campus in the Avondale neighborhood (the “El Centro” site). NEIU acquired the El Centro site in 2014. The site currently consists of several two-story industrial buildings.



Bryn Mawr Site



El Centro Site

Scope of Work



- **Market Analysis:** The JLL Team researched current market trends in the areas surrounding the Bryn Mawr and El Centro sites in the North Park and Avondale neighborhoods.
- The JLL Team analyzed trends for retail, multifamily, office, and industrial product types.
- Additionally, the JLL Team researched sales transactions for comparable development sites in Chicago.
- The JLL Team's research included data collection related to existing market rents, operating expenses and other variables to inform financial feasibility analyses.
- Information was gathered from both publicly available sources as well as through discussions with brokers and other local industry professionals within the market.
- **Stakeholder Discussions:** The JLL Team engaged in two rounds of stakeholder discussions with NEIU officials, local government officials, and community members.
- These discussions highlighted the community's support for redevelopment of both sites.
- **Feasibility Analysis:** Utilizing the research and data provided by NEIU and collected by the JLL Team, the JLL Team developed several pro forma models to determine feasibility for specific development programs and identify the development options that would yield the most value for each property.
- **Residual Land Value:** The JLL Team utilized a residual land value approach to determine the highest and best use of each site as well as determine an estimated market value for both properties.
- **Residual Land Value Modeling Inputs:** Construction cost, financing cost, operating cost, and revenue data.
- **Transaction Structure:** The JLL Team analyzed several transaction structures, including fee simple disposition of the properties and potential ground lease structures that would yield financially advantageous outcomes for NEIU.
- The JLL Team outlined the potential advantages and disadvantages of each structure type to formulate a list of potential transaction issues for NEIU to consider.

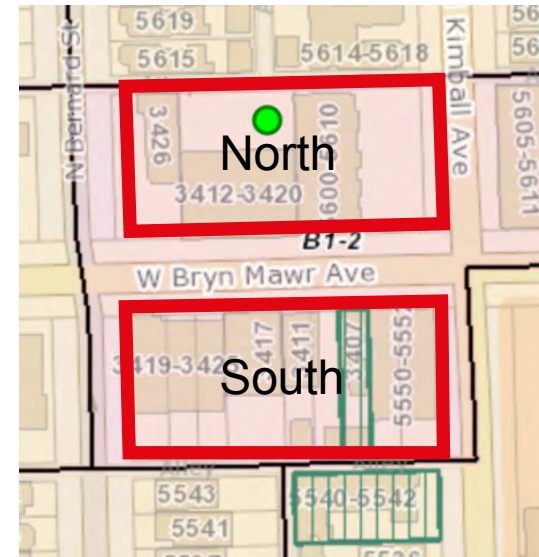
Bryn Mawr Site Analysis

Site Information:

- **Location:** North and South sides of Bryn Mawr Avenue between N Bernard Street and N Kimball Street
- **Existing Uses:** Retail and Office
- **Number of Existing Buildings:** 8
- **Zoning:** B1-2 Neighborhood Shopping District

Potential Development Yield (By Right) Per Site:

- **Building Site Area:** 28,800 Square Feet
- **Building Height:** 4 Stories
- **Multifamily Units:** Approximately 77
- **Retail Space:** 26,410 Square Feet (ground floor)
- **Parking:** Approximately 77 parking spaces
- **Office Space:** 86,400 Square Feet (in lieu of mixed-use)



Bryn Mawr Site Zoning Map

Example rendering of by-right development

Bryn Mawr Preliminary Findings

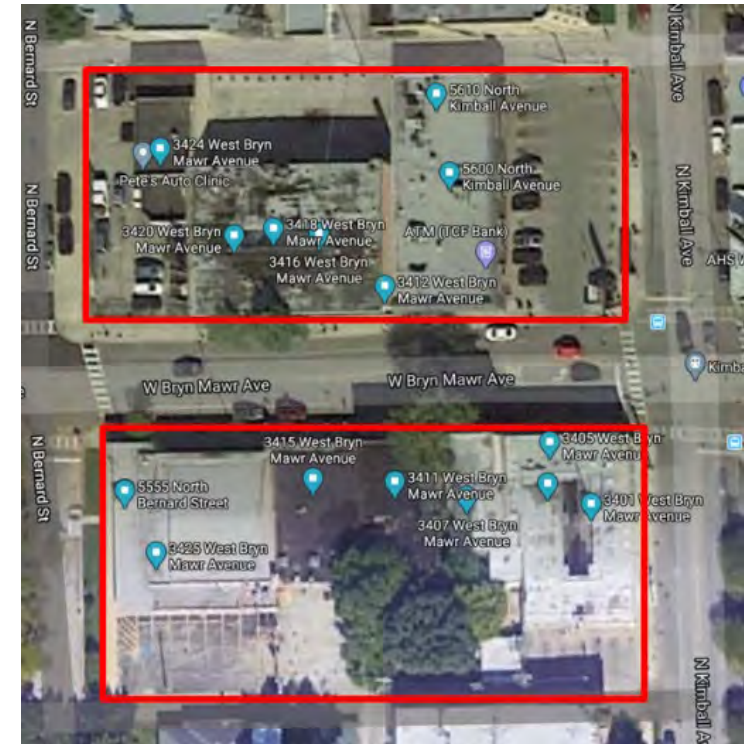


- **Recommended Product Type:** Mixed-Use multifamily with ground floor retail.
- **Recommended Transaction Structure:** Multifamily and retail mixed-use ground lease with additional income participation. A ground lease structure will allow NEIU to maintain ownership of the land and will provide for an element of control over programming.

Community Input: Supportive of mixed-use development, with potential uses to include multifamily and retail.



Example rendering of by-right development



Bryn Mawr Site

Residential Assessment

- The housing inventory in North Park is made up of mostly older product. Only 4% of the total housing stock has been constructed in the last 20 years, amounting to just over 300 housing units. This housing inventory is split in half between owner-occupied and renter-occupied homes.
- Current Market Area rents average \$1,139 per unit and vacancy rates average 6.2%. The current asking rents in North Park are lower at \$1,047 per unit; however, vacancy is lower in North Park at only 4.1%.
- Five new construction apartment buildings have delivered dating back to 2015. Rents in these buildings currently average over \$2,000 per unit per month. There is one project under construction with 59 units and eight proposed projects in the pipeline totaling 349 units.

Retail Assessment

- Current market rent in North Park averages \$18.19 PSF, lower than rates in both the Market Area and City. This lower average rate can be attributed to older than average inventory.
- The Bryn Mawr corridor retail inventory includes 58 storefronts and buildings, a third of which are vacant. The business mix includes a high number of food and drink uses.
- The gap analysis indicates that there could be demand for general merchandise stores, health and personal care stores, groceries, and other general retail uses.

Bryn Mawr Site Strengths and Challenges



STRENGTHS:

- **Mixed-Use Redevelopment:** Based on the property size, total developable area, proximity to campus and adjacent uses, the site lends itself to mixed-use multifamily with ground floor retail consisting of various product types, which help drive value for each other and the site as a whole.
- **Potential Uses Based on Feasibility Analysis:** mixed-use multifamily with retail and office.
- **Potentially Cooperative Local Jurisdiction:** Discussions with community members and officials suggest that a rezoning effort of the subject site from B1-2 to a more flexible zoning could be completed within a relatively quick timeline with significant support from the community.

CHALLENGES:

- **Liquor License Restrictions:** The site sits within an existing Liquor License restricted area, which may limit potential retail rents from restaurant tenants.
- **Existing Density:** Current B1-2 zoning limits the overall height of potential redevelopment to 38 feet, which would allow for approximately three stories of development. *Rezoning the property to allow for more density would increase multifamily unit yields and potentially have a positive impact on overall property income.*

PROCESS:

- 100 community residents participated in a survey issued by HNPCA and focused around the Bryn Mawr site.
- 92% of respondents live in the Hollywood or North Park neighborhoods.
- 8% of respondents live in adjacent neighborhoods.
- Respondents were asked to rank their agreement with a statement on a scale of 1 to 5, with 1 representing a “strongly disagree” response and 5 representing a “strongly agree” response.

RESULTS:

- The following illustrates the majority responses for each statement:
- “These properties should have multifamily housing.”
 - 36% Neutral, 28% Agree

- “Creating affordable housing at this site will help retain people in our community.”
 - 38.7% Neutral, 28.7% Agree, 28.7% Strongly Agree
- “These properties should have retail/commercial uses.”
 - 49% Strongly Agree, 30.3% Agree
- “These properties should have institutional uses.”
 - 36.9% Neutral, 31.1% Agree
- “These properties should have mixed-uses.”
 - 65.6% Strongly Agree, 21.3% Agree
- “These properties should be two stories or less.”
 - 35.2% Neutral, 27.9% Strongly Agree
- “These properties can be up to five stories tall to encourage urban density.”
 - 24.6% Neutral, 23.8% Agree, 23.8% Strongly Disagree

El Centro Site Analysis

Site Information:

- **Location:** Corner of N Avondale Avenue and W Henderson Street adjacent to the NEIU El Centro Campus
- **Existing Uses:** Industrial
- **Number of Existing Buildings:** 5
- **Zoning:** M1-1 Limited Manufacturing
- **Allowed Uses:** Low-impact manufacturing, wholesaling, warehousing and distribution activities that occur within enclosed buildings.

Potential Development Yield (By Right):

- **Building Area:** 48,850 Square Feet
- **FAR:** 1.2
- **Industrial Space:** 58,620 Square Feet
- **Height Limit:** None



El Centro Site Zoning Map

El Centro Preliminary Findings

- **Recommended Product Type:** Industrial or distribution.
- **Recommended Transaction Structure:** Pursue ground lease with an industrial user or continue to lease the existing premises as-is. A ground lease structure will allow NEIU to maintain ownership of the land and will provide for an element of control over programming.



Example rendering of by-right development



El Centro Site

Residential Assessment

- The current Market Area rent and vacancy rate are \$1,367 per unit and 8.6%, respectively. The current asking rents in Avondale are lower at \$1,296 per unit while the vacancy rate is similar at 8.7%. Although residential rents in the market have been growing, the NEIU property at the El Centro site is not well positioned for residential development. The site is near the highway, difficult to access, and presents challenges for pedestrians due to the industrial nature of the surrounding areas.

Retail Assessment

- Avondale has a relatively low vacancy rate at 5.7% and market rent per square foot of \$18.67, on par with the large market area. Since 2015, six retail developments have been delivered. The Fields, at 4000 W Diversey, makes up most of the recently developed square footage. Triple-net lease rates range from \$29 to \$35 in retail developments built since 2015. There is one retail project under construction and six proposed.

Industrial Assessment

- The current industrial market rent in Avondale is \$10.11 with only 2.9% of the nearly three million square feet of industrial space vacant. Market rents in Avondale are higher than seen in the City and market vacancy in Avondale is lower than the City. Newer industrial product is anticipated to command higher than average rent.

El Centro Site Strengths and Challenges



STRENGTHS:

- **Location for Distribution:** The site is well-situated for use as an industrial or warehouse distribution center.
- The site allows for easy access to Interstate 90 and various distribution routes both in and out of the City of Chicago.
- **Potential Uses Based on Feasibility Analysis:** Additional industrial buildings, self storage facilities and big-box warehouse retail.
- **Recent Re-Zoning of the El Centro Campus:** NEIU may look to the recent rezoning of the adjacent El Centro Campus from M1-1 and M1-3 to C3-1 as a precedent to pursue similar rezoning for the subject site to increase potential development density.

CHALLENGES:

- **Location for Uses Other Than Industrial:** The site is situated between Interstate 90 to the west and train tracks to the east. Along with the adjacency to the highway and train tracks, predominately industrial and manufacturing uses nearby make development of multifamily or office extremely unlikely.
- **Existing Density:** Current M1-1 zoning limits the overall density of potential redevelopment to an FAR of 1.2. However, rezoning would not be necessary to continue using the site for industrial or distribution tenants.

Summary of Preliminary Findings



- **BRYN MAWR:**
- **Recommended Product Type:** Redevelop for mixed-Use multifamily with ground floor retail or renovate for continued retail use.
- **Recommended Transaction Structure:** Multifamily and retail mixed-use ground lease with additional income participation. A ground lease structure will allow NEIU to maintain ownership of the land and will provide for an element of control over programming.
- **Community Input:** Supportive of mixed-use development, with potential uses to include multifamily and retail.
- **EL CENTRO:**
- **Recommended Product Type:** Redevelop for new industrial/distribution or renovate for continued industrial use.
- The site is well positioned for distribution uses based on its proximity to Interstate-90 with easy access to Downtown and points north.
- **Recommended Transaction Structure:** Pursue ground lease with an industrial user or continue to lease the existing premises as-is. A ground lease structure will allow NEIU to maintain ownership of the land and will provide for an element of control over programming.