

best places to work in Chicago

Introducing this year's crop of the 100 Best Places to Work, a collaboration between Crain's and Best Companies Group | PAGE 15



Clockwise from top: Mowery & Schoenfeld's Hoops for Hope event, Green Office Partner's tennis wellness program, The Salem Group's 2022 St. Patrick's Day costume contest, Horton Helping Hands' volunteer efforts at Feed Our Starving Children, Radio Flyer's relay race.

Can Pessina cure Walgreens' ailing health care push?

The drugstore chain's executive chairman and largest shareholder launched the transformation plan. With CEO Brewer out, he has to fix it.

By Katherine Davis



The abrupt departure of Roz Brewer as CEO of Walgreens Boots Alliance leaves Stefano Pessina with the challenge of reviving a sputtering health care transformation strategy he initiated. As executive chairman and Walgreens' largest shareholder, Pessina likely will have the last word in boardroom deliberations over the company's future. He's also accustomed to calling the shots, having held the CEO post for more than five years after merging his European pharmacy company with the American drugstore giant in 2014. "Because of his sharehold-

ings, it's a little unusual," says Erik Gordon, an assistant professor at the University of Michigan's Ross School of Business. "It's more like he is the boss than in a typical setup." And the Italian billionaire has more at stake than anyone in

See WALGREENS on Page 39

Illinois' homeowners hikes rival those in disaster-prone states

Insurers like Allstate have raised premiums here recently by hundreds annually. The industry says climate change is affecting Illinois, too.

By Steve Daniels

A looming national property insurance crisis is focused mainly on states vulnerable to extreme weather like Florida and California, but surprisingly, insurers are hiking homeowners premiums more in Illinois than all but five other states. Illinois joins Texas, Arizona, North Carolina, Oregon and Utah as the states where homeowners premiums have risen 20% to 30%

since the beginning of 2022, according to an analysis done for The Wall Street Journal. It doesn't seem surprising to find the five other states on that list. They all are prone to weather catastrophes — hurricanes, wildfires or both. Illinois, on the other hand, is vulnerable to tornadoes and hailstorms. And the tornadoes in Illinois tend to strike relatively

See INSURANCE on Page 38

FALL ARTS GUIDE

We can help you figure out what to do in and around Chicago this fall on the arts and culture scene. PAGE 31



CRAIN'S LIST

See our roundup of the highest-paid leaders among the Chicago area's nonprofit organizations. PAGE 8



Former Big Ten leader Kevin Warren

Here are more reasons to be bullish about the economy

Despite the record pace of monetary policy tightening in the past year, there are reasons to be optimistic about U.S. economic prospects. Inflation has moderated, labor productivity is increasing, real incomes increased and household wealth is also on the rise again after declining for most of last year. Yet most investors continue to bet against the U.S. consumer and remain somewhat bearish about economic growth prospects. And perhaps they'll be proven wrong again. American households saw



Orphe Divounguy

their net worth increase in the past year, mostly due to an increase in the value of financial assets, but also due to a rebound in home values. The value of residential real estate increased after declining in the second half of last year. Zillow data shows that the housing market gained \$4.5 trillion in total value in the first half of 2023, erasing a \$3.3 trillion loss in 2022. This is mostly because home values resumed their increase at the start of the year. In the United States, households tend to spend 5 cents out of every additional dollar increase in net wealth, meaning that consumer spending is expected to increase. However, the amount of consumer spending stemming from this year's increase in wealth will likely be

much smaller than when households were flush with a larger pile of excess savings. For the bulk of households, spending has also been supported by a resilient labor market and rising inflation-adjusted labor incomes. Although rising financing costs are already making it more difficult for small and midsize businesses — America's largest employers — to keep expanding, so far hiring has slowed but layoffs remain low. And this is precisely what the Federal Reserve needed: demand moderating, not crashing, allowing supply to catch up. Typically, households and businesses with lower earnings and higher debt are first to feel the brunt of the Fed rate hikes. And the longer policy remains in

a restrictive stance, the more likely higher-quality balance sheets will deteriorate over time. But so far, tighter lending may have contributed to improving capital allocation and productivity has been on the rise again, important factors for why the economy may continue to avoid a recession. The housing market is probably the best example of this. When costs increased, builders quickly pivoted to the changing market conditions and built more efficiently. They improved their use of space, building smaller, taller units, town homes and condos, a rapid response to a demand shift toward smaller and more affordable homes. As a result, housing starts rebounded to curb the decline in housing sales.

Despite a large decline in new-home construction in 2022, there are roughly 1.6 million new single-family homes that were started or that are currently under construction to provide much-needed housing inventory this year. Rising inventory will slow price growth and cause the number of home sales to increase. Historically, housing starts predict short-run variations in business cycles. The increase in housing supply is good news for prospective home buyers and bodes well for the housing sector and the soft-landing scenario. *Crain's contributor Orphe Divounguy is a senior economist at Zillow Group and former chief economist at the Illinois Policy Institute. His views do not necessarily reflect those of his employers.*

Federal funding kick-starts Red Line extension

Thanks to a nearly \$1.9 billion infusion, the long-promised addition of several miles and stations to the line may finally become a reality

By Leigh Giangreco

After languishing as a mere promise for half a century, the Chicago Transit Authority's Red Line extension looks to finally become a reality, thanks to a nearly \$2 billion infusion from the Biden administration. The Federal Transit Administration designated \$1.9 billion in funding from President Joe Biden's trillion-dollar bipartisan infrastructure act toward the Red Line extension project, which will stretch the CTA line 5.6 miles past 95th Street to a new terminus at 130th Street. The grant will cover half the project's cost, FTA Administrator Nuria Fernandez said during a press conference at 111th Street in Roseland on Sept. 8. Four new stations will be constructed at 103rd Street, 111th Street, Michigan Avenue and 115th Street, as well as the 130th Street terminal. In December, the City Council approved forming a new tax-increment financing district that would generate \$950 million over the next 30 years to help pay for the extension. Still, with the lion's share of the project's costs expected to come from federal and state government, the infrastructure grant represents a key turning point for the extension. The funding will push the project into its engineering phase, which is slated for 2024, and construction is expected to last between 2025 and 2029. For Chicago residents living on the Far South Side, the extension represents a long-awaited course correction of persistent transit equity problems south of 95th Street. "We know that there is not a good alignment between where

people live along this corridor and where the good paying jobs are," Fernandez said. "That's why this Red Line extension is so important — because it's going to start to close that gap." Fernandez was joined by Mayor Brandon Johnson, U.S. Sen. Dick Durbin of Illinois, CTA President Dorval Carter and other federal, state and local officials. In order to reach the press conference at 111th Street, one would have to take a bus for another 15 minutes from the last Red Line stop at 95th Street. Most of the elected and transit officials in attendance arrived by car, including Carter. "I was driven to this event, but that is part of the problem. We're sitting in a part of the city where the public transportation options are extremely limited compared to what they will be when this project is done," Carter said. "I'll be the first to tell you, I'll be the happiest person in the world when I come out from the Red Line and come down to 111th Street." Carter beamed during the press conference, which seemed like a victory lap for the embattled CTA president. Safety, cleanliness and timeliness on the CTA have all taken a hit since COVID, leading to calls for Carter's resignation. But Johnson pushed off an immediate answer on whether he would keep Carter as head of the transit agency. "As I've said before repeatedly, our team is fully assessing and evaluating all of our department heads, as well as all of those who are leading our sister agencies," the mayor said. "As that evaluation continues to take place, I'll make the appropriate decision."



4.00%
APY

Business
Savings¹ Special

Learn more at wintrust.com/BizSavings

1. Business Savings Account. Fees may reduce earnings. We may change the interest rate on your account at any time. Transaction limitations may apply. **2. Business Savings Special.** This Business Savings interest rate special is valid for new accounts opened 6/1/2023 through 9/28/2023. The Annual Percentage Yield (APY) of 4.00% will be guaranteed on the entire balance for 12 months from the date the account is opened, with qualifying activities. After 12 months, the interest rate will revert to our standard Business Savings rate, which is variable and subject to change at the bank's discretion. APY is accurate as of 9/5/2023. Minimum balance to obtain this APY is \$0.01. This Business Savings special is available to existing or closed savings account customers of Wintrust Financial Corporation ("WTFC") and its subsidiaries or its active employees. If you qualify for any Business Savings deposit bonus offers, you are ineligible to receive this Business Savings interest rate special. If you qualify for any other WTFC checking offer it may be combined with this Business Savings interest rate offer. **3. Business Savings Special Qualifications.** (i) Open a new Business Savings account; (ii) mention this offer during in-branch account opening; and (iii) deposit New Money into the new Business Savings account at account opening. **4. New Money.** New money is defined as money not currently held at any WTFC location.

MEMBER
FDIC

EQUAL HOUSING
LENDER

WINTRUST
COMMUNITY BANKS

Open up a new business savings account and get 4.00% Annual Percentage Yield (APY)² for the first 12 months with qualifying activities.³

No minimum required to open. Daily minimum balance of \$1,000 required to avoid a \$10 monthly maintenance fee. New money only.⁴



FILE PHOTO

Pensions to remain a big driver of Chicago's budget shortfall

City Hall said the mayor's budget forecast 'holds the line on not raising the base property tax levy' but did not outline alternative options to increase revenue | **By Leigh Giangreco**

The growing migrant crisis in Chicago swelled the city's projected financial shortfall to \$538 million for the 2024 budget, but rising personnel costs and pension contributions are just as pernicious when it comes to the yawning gap.

Even as the city expects it will need at least \$200 million to care for asylum-seekers sent to Chicago from border states, it must also address its pension problem. Mayor Brandon Johnson released his first budget forecast Sept. 13, which estimates personnel expenditures will increase by more than \$214.4 million in 2024 to a total of almost \$3.41 billion.

Over the past decade, the city's workforce has increased from

See **PENSIONS** on Page 36

"We have relied upon property taxes as the sole source of revenue generation to 'balance the budget.' I find that to be lazy."

— Mayor Brandon Johnson

Baxter to keep HQ as industrial park is dropped

The company will stay at its longtime Deerfield campus after a controversial push to sell it to an industrial developer fell through

By Danny Ecker

Baxter International will keep and reinvest in its Deerfield headquarters campus after a Chicago developer that aimed to turn it into an industrial park dropped its plan.

Baxter CEO José Almeida sent a letter to local employees of the medical and hospital equipment maker announcing that Bridge Industrial "has decided not to move forward with its development proposal for our property," according to a copy of the letter reviewed by Crain's.

"As a result," Almeida continued, "we have elected to take the Deerfield property off the market and remain in our existing location. Although we are staying in our current space, Baxter remains committed to delivering a refreshed workspace that is well suited to collaboration, communication, and innovation."

The move ends a months-long and controversial push by Bridge to buy and redevelop the 101-acre property and marks a pivot by Baxter to recommit to its long-time home, where it has been headquartered since 1975.

Baxter hired a broker last year to sell its headquarters campus, part of a move to reduce its office footprint as more of its employees work remotely more frequently. Bridge ultimately put it under contract — at a price said to be between \$90 million and \$100 million — and earlier this year proposed razing the site and redeveloping it with 1.1 million square feet of warehouses, a plan



"We have elected to take the Deerfield property off the market and remain in our existing location."

— Baxter CEO José Almeida

that drew a wave of pushback from area residents and village of Deerfield officials.

Bridge withdrew its proposal to the village of Deerfield in June, then recently met with Lake County officials about the potential for a smaller version of the plan, which it is now abandoning altogether, according to Almeida.

"Plans are underway to improve the Deerfield campus, ensuring that colleagues in business segments are seated together," he wrote in the letter. "We are also evaluating how we can best utilize our footprint more efficiently across Northern

See **BAXTER** on Page 36

Sterling Bay proposes Fulton Market apartment tower

The developer wants to build a 29-story, 390-unit property, which would add to the stampede of residential projects in the trendy neighborhood

By Danny Ecker

As Sterling Bay wraps up construction of one 29-story apartment building in the Fulton Market District, it's proposing another one a few blocks away.

The developer is planning a 390-unit apartment tower rising 29 floors at 370 N. Carpenter St. in the trendy former meatpacking district, according to a zoning application that was introduced to the City Council last week. The project would redevelop a site

along the south side of Kinzie Street between Carpenter and Aberdeen streets, which today is home to a nondescript, 10,414 square-foot building Sterling Bay has owned since 2013.

The plan comes as the developer nears completion of its first apartment tower in the neighborhood, a 29-story building at 160 N. Morgan St., which is expected to see its first tenants move in next month. Sterling Bay is also on track to complete a 28-story Fulton Market apart-

ment building at 225 N. Elizabeth St. early next year, and it recently won City Council approval for a mixed-use residential building rising 40 stories along the corridor's western edge at 1300 W. Carroll Ave.

The four projects amount to a big bet on the future of apartments in Fulton Market, which has transformed from its gritty industrial past into a domain of corporate offices and upscale

See **STERLING BAY** on Page 38



370 N. Carpenter St. | GOOGLE

Ticket-sales lawsuit alleges discrimination by White Sox

An advocacy group filed an action against the team accusing it of failing to offer equal benefits to people with disabilities

By Brandon Dupré

Access Living, a nonprofit advocacy group for people with disabilities, filed a lawsuit against the Chicago White Sox over what it calls discriminatory ticket-sales practices.

The lawsuit, filed last week on behalf of Sox fans Ralph Yaniz and Douglas McCormick, alleges that the White Sox failed to offer equal benefits to people with disabilities, required under the federal Americans with Disabilities Act, by refusing to sell accessible-seat season tickets on its website.

The suit also accuses the team of discriminatory restrictions on its website for accessible single-game tickets, offering only limited options in a few sections of the stadium.

“As a Sox fan, I just want to be able to go online and be able to see some wheelchair-accessible seats throughout the stadium and be able to make that seat choice,” Yaniz said.

For Yaniz, who has mobility needs, the battle with the Sox began in November 2022 after the team told him he couldn’t make his season-ticket purchase on its website. People with disabilities are required to call the team in order to make season-ticket purchases, the complaint says.

Yaniz elected instead to purchase single-day tickets, but there, too, he found restrictions. The only tickets available to him on most days were seats in the bleachers or



Guaranteed Rate Field | MLB

more expensive seats behind home plate, despite there being plenty of empty seats throughout the stadium.

One game, after leaving his seat in the bleachers because of the heat, Yaniz “went around and saw areas along the first and third base line that were completely empty and wheelchair accessible and much more comfortable for people with disabilities, but they had never been made available for sale online,” he said.

His efforts to gain better online access to available wheelchair-accessible seats were rebuffed by the team, he said, despite numerous attempts.

Charles Petrof, an attorney with Access Living and counsel for the plaintiffs, said this lawsuit isn’t

about adding new seats to the stadium or requiring new modifications, but offering equal benefits to all fans.

“This is about allowing people with disabilities to have the same kinds of choices that people without disabilities have,” he said. “This is about giving them the same sort of game experiences that they can enjoy and not be segregated to only parts of the stadium.”

The complaint says that only after the team was “assured of not making the playoffs” did it make some accessible seats for sale closer to the infield on the main level.

Class-action status sought

The lawsuit, filed in the U.S. District Court for the Northern District of Illinois, seeks class-action status and a change to the team’s ticketing policy that would allow people with disabilities the same ticketing options as those without disabilities.

In a statement to Crain’s, the White Sox said that it is “disappointed” by the lawsuit “as the White Sox always hope to accommodate the needs of all our fans at the ballpark.”

“The White Sox comply with all legal requirements and provide significant accessible seating at our games for our guests,” according to the statement. “We strongly believe that White Sox baseball is for everyone.”

The team added that it will not comment further on pending litigation.

White Sox attendance too low for over a decade for team to owe ticket fees

The team hasn’t had to pay them to the Illinois Sports Facilities Authority since 2010, when it drew nearly 2.2 million fans to Guaranteed Rate Field

By Sophie Rodgers

As the White Sox organization evaluates its future at Guaranteed Rate Field, recent data from the state agency that owns and operates the South Side ballpark shows how taxpayers have shared the pain of the team’s struggle to draw fans.

Low attendance at White Sox games has resulted in the team paying no ticket fees for over a decade to the Illinois Sports Facilities Authority, the state agency that owns taxpayer-funded Guaranteed Rate Field.

The management agreement between the ISFA and the White Sox requires the team to pay a base rent per season, plus net ticket fees if paid attendance exceeds 1.93 million tickets (excluding “comp” tickets, which

are given away to sponsors).

The team hasn’t paid ticket fees since 2010, when it drew nearly 2.2 million fans to the ballpark. Last year, the Sox brought in their highest attendance since then, 1.92 million fans — just missing the threshold needed to pay the ISFA.

Hotel tax revenue

While the ISFA does not heavily rely on revenue from ticket fees to meet its bond obligations, the glaring issue is the White Sox’s ability to bring in fans. Most of the state agency’s funding comes from the city’s hotel tax, which is allocated to pay the ISFA’s debt of \$639.5 million. When tourism plummeted during the COVID-19 pandemic, the ISFA used about \$28 million in reserves and refinanced debt to cover costs, including debt service.

“The lease agreement between

the White Sox and ISFA has always been designed so that both parties benefit and share the goal of increasing attendance,” said Scott Reifert, senior vice president of communications for the White Sox.

“We understand very well that the responsibility is on us, the team, to deliver for our fans through success on the field an unmatched ballpark experience,” he said.

In addition to needing a winning team, discussions of leveraging space near Guaranteed Rate Field into a revenue-generating tourist destination (a la Wrigleyville) are resurfacing.

“We are open to discussing all potential ideas about future opportunities in our conversations with ISFA, (the) city and state,” Reifert said.



A concept rendering of the Chicago Bears’ proposal for a stadium-anchored mixed-use campus in Arlington Heights | CHICAGO BEARS

Bears hold off stadium-subsidy efforts — for now

The team says it won’t push for legislation during Springfield’s fall session, likely pushing back the measure to next year at the earliest

By Danny Ecker

The Chicago Bears won’t push for state legislation this fall that would subsidize their plan to build a \$5 billion stadium-anchored campus in Arlington Heights, likely pushing the measure back until 2024 at the earliest.

Bears CEO Kevin Warren issued a statement Sept. 13 declaring that the franchise won’t pursue such support from Springfield during the legislature’s upcoming fall session as the team continues to explore the possibility of continuing to play its home games in Chicago or pursuing a stadium project in another suburb.

“Our process to find the best stadium solution for our franchise, our fans and the region continues to be methodical and intentional,” the statement said. “Thanks to the leadership of Mayor Brandon Johnson and his team, we have recently engaged in positive and productive discussions with the city of Chicago. We also continue to have dialogue with officials in Arlington Heights and other Chicagoland locations about a Chicago Bears stadium project. At this time, we want to appropriately explore all opportunities for the development of a world-class stadium and therefore will not be pursuing legislative support for mega project incentive legislation in the Illinois General Assembly’s fall veto session.”

State Rep. Marty Moylan, D-Des Plaines, introduced a bill in the spring that would have helped the team’s effort, but ultimately punted the issue

until at least the fall as he sought more time to refine the measure. That proposal would have frozen property taxes on the Arlington International Racecourse property — which the Bears purchased earlier this year for \$197 million — and allowed the Bears to negotiate with local taxing bodies on future property tax payments. It would also set up rules that would have split a share of revenues from the stadium and entertainment district among local municipalities, similar to the deal Des Plaines struck when the Rivers Casino opened.

Moylan, former mayor of Des Plaines, did not immediately respond to a request for comment on the Bears’ statement.

The Daily Herald reported last month that officials in Arlington Heights were preparing for a possible debate over the Bears stadium project in the fall session in Springfield by hiring a lobbying firm to represent the village’s interests.

Property tax issues

Warren said earlier this summer that negotiations with the village were “stalled” over property taxes and the distribution of those taxes to neighboring school districts, prompting other suburbs like Naperville and Waukegan to reach out to the team about hosting a stadium.

Johnson has since opened negotiations with the Bears about keeping the team in the city. Though they have said little about what’s been discussed, they described the talks as “productive.”

It's great to have an impact, to help people.

Michael C.
Credit Solutions Advisor
📍 West Seneca, NY



Michael loves listening to people's stories and encouraging them to pursue their goals. He's proud to be one of more than 210,000 Bank of America employees making a real impact in their communities. Learn more at bofa.com/about



What would you like the power to do?®



CHICAGO
FIRE FC

DON'T MISS YOUR CHANCE TO SEE THE BIGGEST SPORTING EVENT OF THE YEAR AS LIONEL MESSI & INTER MIAMI TAKE ON THE CHICAGO FIRE AT SOLDIER FIELD ON OCTOBER 4

ELEVATE YOUR MATCH DAY WITH A TOUCH OF LUXURY & ACCESS TO A RANGE OF PREMIUM AMENITIES & BENEFITS, ALL WHILE IN THE HEART OF THE ACTION



LEARN MORE AT [CHICAGOFIREFC.COM/PREMIUM](https://chicagofirefc.com/premium)



A rendering of Journeyman Distillery's upcoming facility in Valparaiso

Journeyman Distillery opening \$40 million facility in Valparaiso

The Three Oaks, Mich.-based spirits company is expanding toward one of its core markets: Chicago

By Ally Marotti

Journeyman Distillery is expanding beyond its home in Three Oaks, Mich., to open a \$40 million facility in Valparaiso, Ind.

The new digs will include a distillery, craft brewery, multiple restaurants and event spaces. It is set to start a phased opening in October. The move will get Journeyman closer to one of its core markets — Chicago — and help grow its standing among Midwestern distillers.

"We needed to expand our distilling operations," said Bill Welter, who founded Journeyman with his wife, Johanna, in 2010. "Craft distilling is at a little bit of an inflection point."

When Journeyman opened, it was one of about 300 microdistilleries in the country. That number grew to 2,700 by 2020, according to the most recent count from the American Craft Spirits Association. Changing laws and consumer demand have allowed microdistilleries to open in every state in the country, said Gina Holman, president of the association.

Running a microdistillery over the past decade has not been for the faint of heart, and headwinds remain, Holman said. But the industry is maturing. Consumers are increasingly interested in learning about where and how their spirits are made. Journeyman is looking to capitalize. It's also trying to compete with the newcomers.

When a distillery "can really position themselves as that tourism destination spot, that's what the consumer is craving," Holman said.

Former factory

The Valparaiso distillery is 140,000 square feet, more than triple the size of the original location in Three Oaks. It will occupy an old factory built in the mid-1800s and originally occupied by the Woolen Mill Co.

Welter loves restoring old manufacturing facilities and paying homage to their stories. The Valparaiso location will be called The American Factory. Similarly, the Three Oaks distillery occupies an old featherbone corset and buggy whip factory. The names of the spirits

made there nod to the history, like "Buggy Whip Wheat," for example.

Like the Three Oaks setup, the Valparaiso distillery will show off the distilling process. Customers like to see it, Welter said.

The event space, restaurants and craft brewery — a new venture for Journeyman — help diversify the company's revenue streams amid headwinds such as inflation, which has caused some to cut back on their craft spirit spend, Welter said. Still, he remains optimistic.

"When times are good, people are celebrating. And when times aren't as good, people are still resorting to whiskey," he said. "It seems to be a timeless industry."

Welter declined to disclose revenue. Journeyman spirits are distributed in 35 states and to Europe and Australia. Its focus is the Midwest, and it has more than 1,000 accounts in Chicago, including restaurants such as The Aviary. It is also sold in liquor stores and grocers such as Whole Foods and Binny's.

Journeyman currently has more than 150 employees, and plans to double that in Valparaiso.

The process of opening a second distillery began five years ago, and Journeyman had earmarked about \$27 million for the job. But the pandemic slowed the process, and inflation drove the costs up to \$40 million. The funding came from a mix of sources: \$10 million from earnings, a \$15 million loan from Wintrust, \$13 million from a variety of grants and tax credits. The final \$2 million came from an investment program that allowed 110 people to loan \$15,000 in exchange for a 53-gallon barrel of whiskey and other perks.

Opening a Valparaiso outpost is also a homecoming story. Welter's grandfather (who shared his name) owned a bank in the northwest Indiana town starting in the 1970s. His father worked there, and so did Welter, until the family business was sold in 2006. Welter and his three sisters also were born and raised there. Finding the old factory felt like destiny, he said.

"The stars aligned," Welter said. "And for whatever reason, Bill Welter is going back to Valparaiso."

HONORING



Patricia M. Bidwill

Board Chair, Charles W. & Patricia S. Bidwill Foundation



Tony Svanascini

CEO
Americaneagle.com

Saturday, October 21, 2023
Deer Path Inn

255 East Illinois Road, Lake Forest, Illinois



To reserve, contact Doresa Foots at dfoots@midtown-metro.org or 312/738-8300, ext. 24.

Learn more at www.midtown.org/gala.

Founded in 1965, Midtown Educational Foundation guides low-income urban youth in Chicago along pathways of success.

32nd
annual

**REACH FOR
EXCELLENCE
AWARDS GALA**



19th-century Gold Coast row houses get reprieve

The developer who bought up the three and planned to replace them with a condo building ‘lost the appetite to build there’ as mortgage rates spiked

By Dennis Rodkin

Three 19th-century row houses on the Gold Coast got a reprieve from demolition because rising interest rates made replacing them with a new condo building seem like a weak idea.

“When interest rates went from 3% to 7%, I thought that’s going to make it harder for people to buy,” said Milan Rubenstein, managing partner of Windy City RE. “So I lost the appetite to build there.”

A legal entity that Rubenstein controls bought the three buildings on Elm Street near LaSalle in

In a neighborhood of mostly mid- and high-rise buildings, the houses are an isolated example of a housing type common in some other parts of the city.

separate transactions from May 2019 to September 2021, for a combined total of \$3.065 million, according to the Cook County clerk. He planned to replace the

houses, which date to the early 1880s, with a building whose dozen units would be priced at an average of about \$1.25 million for roughly 1,670 square feet.

Instead, on Aug. 28, all three buildings went back went up for sale. All are represented by Emily Sachs Wong of @properties Christie’s International Real Estate, and they are being offered separately. The asking prices add up to a little under \$3.95 million.

Sachs Wong said she does not expect a single buyer to take them all and pursue demolition. “We haven’t had anybody ask about that,” she said. “I think they’re going to sell separately again.”

Rubenstein, who’s been investing in Chicago real estate, mostly multifamily residential, for more than a decade, said plans for the site never progressed to a complete design or a demolition proposal. By the time he acquired the third row house, 109 W. Elm, the downtown

condo market was struggling with its persistent 2020s afflictions: crime, closed stores and restaurants and the slow return of downtown work and cultural events.

Then came steep rate increases in 2022 that would have jacked up the monthly mortgage payments on those condos. In the first 10 months of 2022, the Federal Reserve’s inflation-fighting interest rate hikes led to mortgage rates doubling. They went above 7% in October, then subsided into the 6% range but in recent weeks went back above 7%.

Built in 1880, assessor says

In the price range Rubenstein had in mind, the increase would have been about 44%, from about a \$6,000 monthly payment on a 3.3% mortgage to \$8,750 with a 7.2% mortgage. (These calculations assume a down payment of about 10% of the purchase price.)

“I didn’t want to go down that road” to building new condos, Rubenstein said. His firm has operated the three homes as rentals since buying them, he said, but “I don’t want to babysit them.” His



The properties at (from left) 109 W. Elm, partially obscured by a tree, 111 W. Elm and 113 W. Elm | DENNIS RODKIN

firm manages more than 3,000 units, mostly in larger buildings, he said.

In a neighborhood of mostly mid- and high-rise buildings, the row houses are an isolated example of a housing type common in some other parts of the city, the Italianate row house. Among many other locations, there are

rows of them on Fremont Avenue in Lincoln Park and in the Calumet-Giles-Prairie Historic District in Bronzeville.

According to the Cook County assessor, the three buildings, at 109, 111 and 113 W. Elm, were all built in 1880. There is a fourth home east of the row, built a century later, according to the assessor.

GTCR buys into company that’s helping banks

The Chicago private-equity firm has taken a 50% stake in New York-based R&T Deposit Solutions

By Steve Daniels

Chicago private-equity firm GTCR has made a timely investment in a firm that works with banks to provide fully insured deposits to large firms whose cash in banks well exceeds the regulatory limit for deposit insurance.

GTCR acquired a 50% stake in New York-based R&T Deposit Solutions, R&T announced this month. R&T packages various banks’ deposit offerings into single products offered to depositors. Depositors effectively put \$250,000 into each bank so that they’re fully insured.

The products enable firms concerned about their level of uninsured deposits to get more of that cash insured without having to go to the trouble of opening accounts at multiple banks. For the participating banks, they can offer more peace of mind to depositors while also protecting themselves from a threat that has emerged with a vengeance this year — panic-induced depositor runs on banks.

GTCR declined to say how much it invested or at what valuation.

In an interview, GTCR Managing Director Mike Hollander said negotiations on the investment with R&T and existing private-equity owner Estancia Capital Partners began before the sudden failures of Silicon Valley Bank and

New York-based Signature Bank in March.

But the growth potential for R&T only was enhanced after those failures shook the banking world and alerted investors to the potential risks to their uninsured deposits.

R&T intends to use the proceeds from the investment for product development and future acquisitions, Hollander said.

The Federal Deposit Insurance Corp. insures deposits up to \$250,000. That is sufficient for most retail bank customers, but many commercial account holders keep cash in their banks at levels well above that.

Scottsdale, Ariz.-based Estancia, along with founders and executives of R&T, own the other 50% of the business.

For GTCR, this investment continues an active year marked in particular by the largest single investment in its history, a majority stake in payments processing giant Worldpay, which valued that company at \$18.5 billion.

Similarly, the R&T deal demonstrates GTCR’s fondness for financial services companies whose growth and revenues rely on volume and transactional activity rather than lending and other forms of financial risk-taking.

“This plays well in GTCR’s history of investing in network-based businesses,” Hollander said.

LUXURY HOME OF THE WEEK

Advertising Section

Tribune Tower
RESIDENCES

WHERE MAGNIFICENCE BEGINS

From the moment you enter, this is a home like no other, your ultimate urban oasis. Discover Tribune Tower Residences, a sublime union of modernity and timelessness.

1-4+ Bedrooms Available
EXPLORE MORE AT [TRIBUNETOWER.COM](https://tribunetower.com) OR CALL 312.967.3700

All floor plans shown are for illustrative purposes only. Floor plans may not depict final design of units as constructed and may not be drawn to scale. All sketches, renderings, architectural models, materials, plans, specifications, terms, prices, conditions and statements, including estimated timeframes and dates, contained herein are proposed only and are not intended to constitute representations. Developer reserves the right to make modifications in its sole discretion and without prior notice. All photographs and renderings are merely intended as illustrations of the activities and concepts depicted therein as interpreted by the artists. Developer makes no representations regarding any view and/or exposure to light at any time including any existing or future construction by either owner or a third party. Square footage and ceiling heights are approximate and may be based on various measurement methodologies, subject to construction variances and tolerances, as well as redesign, and vary from unit to unit (and may vary from floor to floor). This brochure shall not constitute a valid offer in any jurisdiction where prior registration is required and not yet fulfilled. Where used, developer shall mean Tribune Tower West (Chicago) Owner, LLC and its affiliated entities and their respective managers, members, directors, shareholders, partners, agents, affiliates and employees. GOLUB CIM DL# 2556130

CRAIN'S LIST HIGHEST-PAID NONPROFIT LEADERS

Ranked by 2021 total compensation.

	2022 RANK	TOP EXECUTIVE	2021 TOTAL COMPENSATION ¹	BASE COMPENSATION	BONUS AND INCENTIVE	OTHER REPORTABLE COMPENSATION	RETIREMENT/DEFERRED COMPENSATION	NONTAXABLE BENEFITS
1	2	KEVIN F. WARREN ² Former commissioner Big Ten Conference Inc.	\$3,616,584	\$2,899,784	\$0	\$2,322	\$690,600	\$23,878
2	1	JAMES E. DELANY ³ Former commissioner Big Ten Conference Inc.	\$3,048,908	\$0	\$2,965,369	\$74,654	\$2,806,670	\$8,885
3	5	HARRY JOHNS ⁴ Former president, CEO Alzheimer's Association	\$1,468,134 ⁵	\$846,159	\$388,300	\$3,766	\$203,259	\$26,650
4	3	DAVID C. CARROLL ⁶ Former president, CEO Gas Technology Institute	\$1,395,860	\$586,165	\$717,444	\$23,118	\$44,937	\$24,196
5	6	JOHN G. PALFREY President John D. & Catherine T. MacArthur Foundation	\$1,015,207	\$933,365	—	\$1,920	\$79,922	—
6	9	JAMES RONDEAU President Art Institute of Chicago	\$972,347	\$722,253	\$0	\$171,432	\$70,000	\$8,662
7	7	CLAIRE BABINEAUX-FONTENOT CEO Feeding America	\$959,665	\$671,764	\$234,928	\$4,438	\$17,400	\$31,135
8	28	GREGORY D. HESS Director, president Institute for the International Education of Students (IES Abroad)	\$889,566	\$642,524	\$0	\$6,047	\$216,391	\$24,604
9	11	ELLEN S. ALBERDING President, CEO Joyce Foundation	\$858,153	\$788,215	—	\$3,735	\$66,203	—
10	12	KEVIN WASHINGTON ⁷ Former president, CEO YMCA of the USA	\$855,104	\$799,780	\$9,935	\$0	\$23,200	\$22,189
11	NR	JOANNE PIKE ⁸ President, CEO Alzheimer's Association	\$832,589 ⁹	\$560,453	\$165,500	\$1,549	\$71,917	\$33,170
12	NR	PAMELA SCHOLL Chairman, president Dr. Scholl Foundation	\$805,597	\$588,300	—	\$5,913	\$211,384	—
13	31	JULIAN F. SIGGERS President, CEO Field Museum of Natural History	\$778,227	\$729,059	\$0	\$23,463	\$11,600	\$14,105
14	17	Yael ECKSTEIN President, CEO International Fellowship of Christians & Jews	\$776,301	\$529,986	\$310	\$116,131	\$118,351	\$11,523
15	21	DONNA THOMPSON CEO Access Community Health Network	\$737,497	\$603,006	\$0	\$111,057	\$11,600	\$11,834
16	24	ANTHONY P. FREUD General director, president, CEO Lyric Opera of Chicago	\$736,608	\$599,960	\$0	\$114,667	\$19,448	\$22,033
17	15	MADELEINE GRYNOSZTEJN Pritzker director, CEO Museum of Contemporary Art	\$732,555	\$625,900	\$55,000	\$0	\$40,250	\$11,405
18	16	NA'ILAH SUAD NASIR President Spencer Foundation	\$726,242	\$652,517	—	—	\$73,725	—
19	22	THOMAS P. BRITTON ¹⁰ Former president, CEO Gateway Foundation Inc.	\$717,471	\$505,056	\$163,600	\$892	\$8,700	\$39,223
20	NR	LORRAINE MARTIN National Safety Council	\$714,323	\$451,992	\$205,301	\$0	\$39,834	\$17,196
21	19	BRIDGET C. COUGHLIN President, CEO Shedd Aquarium Society	\$706,461	\$526,408	\$120,000	\$0	\$36,900	\$23,153
22	NR	TIMOTHY P. KNIGHT President, CEO Robert R. McCormick Foundation	\$687,999 ¹¹	\$614,878	\$0	\$16,825	\$48,271	\$8,025
23	30	WILLIAM WILSON CEO United States Soccer Federation Inc.	\$679,770	\$517,348	\$125,000	\$0	\$17,400	\$20,022
24	NR	GERARD T. DONNELLY ¹² Former president, CEO Morton Arboretum	\$660,763	\$502,586	\$68,933	\$0	\$63,241	\$26,003
25	NR	CHEVY HUMPHREY President, CEO Museum of Science & Industry	\$645,606	\$540,890	\$0	\$3,299	\$75,000	\$26,417

Research by Sophie Rodgers (sophie.rodgers@crain.com). | This directory is not comprehensive. Data was obtained from 990 tax forms for the fiscal year beginning in 2021, which for most organizations is the most recent year available. Crain's includes nonprofits based in the Chicago-area counties of Cook, DuPage, Kane, Lake (Ill.), Lake (Ind.), McHenry and Will, and/or have a primary mission that is Chicago-based. Universities and hospitals were omitted. Some executives may have left listed positions since the 990 was filed. NOTES: **1.** Excludes compensation reported as deferred on prior Form 990. **2.** Left organization in April 2023. **3.** Left organization in June 2020. **4.** Left organization in December 2022. **5.** Includes \$22,318 from related organizations. **6.** Left organization in August 2022. **7.** Left organization in August 2021. **8.** Took position as president in November 2021; took position as CEO in January 2023. **9.** Compensation reflects role as president and chief strategy officer; includes \$2,286 from related organizations. **10.** Left organization in February 2022. **11.** Includes \$137,600 from related organizations. **12.** Left organization in September 2022.

Get 41 nonprofit leaders in Excel format. Become a Data Member: [ChicagoBusiness.com/Data-Lists](https://chicagobusiness.com/data-lists)

What do we really know about private equity?

The facts are not well known and often are not well explained in the media.

Here's a primer on how it works and what it means for the companies it invests in.

Private equity has become a meaningful portion of the U.S. economy. It regularly receives attention from the media as well as regulators. In fact, the Securities & Exchange Commission recently introduced extensive new disclosure rules for private-equity funds.

The facts about private equity, however, are not well known and often are not well described in the media. They are actually largely positive. So, let me describe those facts, both at the level of the private-equity fund and the companies the private-equity funds invest in.

Let's define private equity. In most cases and here, when people talk about private equity, they are talking about buyout investments in mature or existing companies. Technically, private equity also comes in other forms: venture capital, in startups and early-stage companies; growth equity, in growing companies; real estate private equity; and infrastructure private equity.

Private-equity investors raise money from pension funds, endowments and other sources of capital that they then invest in companies. It is important to know how the investments in the funds perform and

what happens to the companies the funds invest in.

Private-equity performance at the fund level, net of all fees, has been remarkably good for a long time. A good way to see this is to compare investing in the average buyout fund raised each year to investing the same funds in the S&P 500. Then follow the performance of that average fund and the S&P 500 over the fund's lifetime. It turns out that in every vintage year from 1992 to 2019 (through the end of 2022), the average buyout fund has beaten the S&P 500. That outperformance has been more than 4% per year over a long period of time.

Significant value has gone to pension funds. The performance does not appear to be explained by leverage/risk. Although there is no guarantee that record will continue, the strong performance is one of the reasons so much money and attention have flowed to private-equity funds.

Where does the strong fund performance come from? It turns out that at the company level, the evidence overwhelmingly indicates that private-equity investors make companies more efficient and pro-



ductive. The most comprehensive studies of large samples of buyouts find positive results. Private-equity investors do not pillage or gut the companies in which they invest.

Winners outweigh losers

Of course, there are bad outcomes. And they often get a lot of media attention. But the winners outweigh the losers. Given the strong performance at the fund level, it would be surprising not to find this result. The private-equity inves-

tors generate this performance at the company level by providing better incentives, better governance and help in operating the companies more effectively.

Employment at bought-out companies also gets a lot of attention. There is a view that private-equity investors are not good for employees. The reality is more nuanced. Employment growth in buyouts of privately owned companies actually exceeds employment growth in other similar companies. At the same

Steve Kaplan is the Neubauer Family Distinguished Service Professor of Entrepreneurship & Finance at Chicago Booth School of Business and Kessenich E.P. Faculty Director at the Polsky Center for Entrepreneurship & Innovation at Chicago Booth.



CHICAGO BOOTH
The University of Chicago Booth School of Business

Advice for small businesses and entrepreneurs in partnership with the University of Chicago Booth School of Business.

time, employment growth in buyouts of public companies does lag employment growth in other similar companies. There are no significant differences in average compensation per employee.

The bottom line, then, is that private-equity investors have been successful in delivering returns to their investors at the fund level — better than public markets — by adding value to and improving their portfolio companies.

2023 CRAIN'S

NOTABLE LEADERS

IN EMPLOYMENT & LABOR LAW

Nominate an employment and labor lawyer who has made an impact in the types of cases handled, clients won or pro bono work completed.

Nominations Due September 29

[ChicagoBusiness.com/NotableNoms](https://chicagobusiness.com/NotableNoms)

EDITORIAL

The tab for Johnson's agenda is coming due — and business is expected to pick it up

There's a telltale nip in the air — not unusual after Labor Day, as autumn makes its annual approach. But for Chicago's business community, the wind has a bit more bite to it this year as the reality of what's brewing within City Hall starts to settle in.

The temperature in the room as Mayor Brandon Johnson addressed the city's assembled business leaders for the first time at the Economic Club of Chicago on Sept. 7 dropped noticeably as he spoke, and ideas blowing around the City Council chambers have only deepened the chill since then.

This new mayor has an ambitious goal to right the wrongs of the past and the present — and Chicago business is being handed the bill.

First up: A measure to scrap Chicago's sub-minimum wage for tipped workers moved forward on Sept. 14, with the City Council voting to refer the ordinance to the Workforce Development Committee. A vote in that committee is expected before the end of the month — and if it's approved, which seems likely, the measure would go to a full council vote Oct. 4.

The proposal would lift the minimum wage for tipped workers to the city's standard minimum wage: \$15.80 an hour for employers with 21 or more workers and \$15 for those with fewer than that. The current minimum wage for tipped workers is \$9 for small employers and \$9.48 for tipped workers at companies with 21 or more employees. While Washington, D.C., recently voted to phase in a minimum-wage increase over five years, Chicago's proposal would hike up the wage over a two-year period.

Illinois Restaurant Association President Sam Toia argues that the two-year timeline is too short. Earlier this month, he offered an alternative to raising the minimum wage for tipped workers that would encourage crack-

ing down on bad actors in the restaurant industry who don't pay employees the difference if their tips plus the minimum wage for tipped workers fail to reach the standard minimum wage. The association's proposal was dead on arrival, though, after the City Council referred it to the Rules Committee, a strategy often used to kill or stall a measure.

So Chicago appears to be on track to pass a minimum-wage ordinance that will put a burden on restaurateurs and other service-industry operators despite the challenges they've faced since the pandemic.

As veteran restaurateur Dan Rosenthal explains in a Crain's op-ed, if a tipped worker's wages plus tips do not equal at least the full minimum wage, the employer must make up the difference. "So whether you're a server at Gibsons in the Gold Coast or at a diner on the South Side," Rosenthal notes, "Chicago's minimum wage law guarantees you a fair minimum wage this year of \$15.80. If passed, all the proposed ordinance will do is transfer about 50% of the minimum wage that tipped employees are willingly paid by diners' tips onto the backs of post-COVID business owners, many of whom are struggling for their very survival."

Then there's the real estate transfer tax, colloquially known as the "mansion tax," though its effects will be felt not only at the higher end of the residential real estate market but in the commercial property realm as well.

The mayor campaigned on the broad outlines of this idea, of course, and various iter-



Mayor Brandon Johnson

ations of it have bounced around City Hall, but on Sept. 14, Johnson released a resolution that gives a sharper view of how much he wants to raise and how.

Labeled "Bring Chicago Home" due to the vision of using the proceeds to fund affordable housing and homelessness interventions, the Johnson administration wants to raise taxes on property sales between \$1 million and \$1.5 million by 166.67%, and raise taxes on sales of properties over \$1.5 million by 300%. To make this more politically palatable, the mayor proposes lowering the tax for property sales under \$1 million by 20%.

Chicago's real estate industry has already voiced its opposition to the proposal, arguing the tax hike comes at a time when commercial real estate sales are still lagging in

the wake of the pandemic. The mayor's own budget forecast for 2024 estimates that transaction taxes will fall below budgeted amounts by \$42.2 million, or 5.2%, "driven primarily by the underperformance of the real property transfer tax."

And lastly — for now — there are the finer points of the mayor's 2024 budget forecast itself, which anticipates a \$538 million shortfall due in part to the \$200 million cost of dealing with the city's growing migrant crisis, the expected cutoff of federal stimulus funds and, less widely noted, \$45 million in pension costs that are being added to the city's balance sheet due to the mayor's decision not to have Chicago Public Schools cover the annual contribution for non-teaching employees who draw retirement checks from the Municipal Employees Pension Fund.

Stacy Davis Gates, president of Johnson's onetime employer, the Chicago Teachers Union, applauded that move in an interview with the Chicago Sun-Times, noting that, as she put it, "Past mayors dumped these costs on CPS," and that Johnson "is doing what is responsible, legally required and accountable to our schools, students and the educators who've spent a lifetime in service to CPS."

Fair enough. But can the city afford to take on that cost? Not if the 2024 budget forecast — never mind the three-year outlook, which could sink to a \$1.9 billion gap by 2026 — are any indication.

But to an administration that keeps signaling strongly that it's focused primarily on improving the well-being of Chicago's disadvantaged communities without regard for the well-being of the businesses and taxpayers whose livelihoods are critical to the whole city's success, considerations such as these appear to be an afterthought. And they will continue to be — that is, until there are no businesses left to pick up the tab.

So, if tipped employees are already guaranteed to make the "fair wage" that all other workers in Chicago are guaranteed, why is this ordinance being introduced at all? I'm no political guru, but it certainly doesn't take one to conclude that pro-labor Mayor Brandon Johnson might be the driving force. After all, he made elimination of the tip credit a campaign pledge. And based on the name of

See **FAIR WAGE** on Page 11

PERSONAL VIEW

The proposed city law that helps no one and hurts everyone

Who could possibly be opposed to an ordinance named One Fair Wage? Hopefully, anyone who cares to dig a little deeper into it.

Underneath the beautiful title and all the flowery language at the beginning of the proposed One Fair Wage ordinance lies a simple and often unstated fact: Chicago has been at the nation's forefront of ensuring fair wages for more than eight years, including tipped employees.

Evidently, most of our City Council members don't understand that tipped employees in Chicago are already guaranteed a minimum wage of \$15.80, a

wage that has been among the highest in the country since July 2015. The city's Office of Labor Standards states that "Tipped workers (workers who receive tips as part of their wage, like restaurant servers) have a minimum wage of \$9.00 for employers with four to 20 workers, and \$9.48 for employers with 21 or more workers. If a tipped worker's wages plus tips do not equal at least the full minimum wage, the employer must make up the difference."

That's right: Any employer who uses the tip credit must guarantee that all employees who receive tips make at least the mandated minimum wage. So whether

you're a server at Gibsons in the Gold Coast or at a diner on the South Side, Chicago's minimum wage law guarantees you a fair minimum wage this year of \$15.80. If passed, all the proposed ordinance will do is transfer about 50% of the minimum wage that tipped employees are willingly paid by diners' tips onto the backs of post-COVID business owners, many of whom are struggling for their very survival.

I did some calculations using the actual profit-and-loss statements from one of my own full-service restaurants. They showed that eliminating the tip credit would increase my labor costs by nearly 25%, more than enough to wipe out any

annual profit. And if published industry standards are correct, the same would hold true for lower-volume full-service restaurants as well.

So, if tipped employees are already guaranteed to make the "fair wage" that all other workers in Chicago are guaranteed, why is this ordinance being introduced at all? I'm no political guru, but it certainly doesn't take one to conclude that pro-labor Mayor Brandon Johnson might be the driving force. After all, he made elimination of the tip credit a campaign pledge. And based on the name of

We should welcome NASCAR back to Chicago

Re: “Downtown residents give thumbs down to NASCAR repeat,” Sept. 4: As a resident of downtown, I was initially skeptical when the city announced plans for a NASCAR Chicago Street Race this summer.

But after seeing the lengths the NASCAR team went to address community concerns and pull off a successful race weekend in spite of record rainfall, I am now fully in support of bringing the event back in 2024 and beyond, and I urge my neighbors, city leaders and civic boosters to join me in supporting this great plat-

form for our city.

Viewing the race from our living room, it was thrilling for my family to see the drivers speed by and navigate the tricky course. It was exhilarating to hear the announcers calling out the names of Chicago’s familiar streets: “The leader is turning onto Michigan Avenue, headed toward Columbus Circle.”

It was even more exciting to see the amazing footage on TV — the drone shots of Lake Michigan, Buckingham Fountain, the Museum Campus and Michigan Avenue. It was a welcome reminder

for a global audience that Chicago is a magnificent place to call home.

Yes, there were inconveniences, but they were more than worth the economic boost and the positive attention paid to our city.

Plus, NASCAR went to great lengths to minimize disruptions. I would know, because I was very involved with their local leadership to address resident concerns. NASCAR added special mufflers to the cars to reduce the sound. They relocated the race to the east side of Michigan Avenue, away from front entrances of resi-

dential buildings between turns 10 and 11. They provided vehicle access passes so residents could drive past barricades without a hassle, they set up a temporary dog park and even relocated a nearby Divvy bike station.

Most important, they provided Michigan Avenue residents with the name, email and phone number of a NASCAR representative for 24/7 response. For every concern we raised, NASCAR had a solution.

That level of attention paid to local concerns allowed us to see this event for what it was: a huge

boost for our city. It was wonderful to see so many visitors strolling our sidewalks, visiting our museums, eating in nearby residents, shopping in local businesses and enjoying all that Chicago has to offer.

The NASCAR race, coupled with Taylor Swift’s Eras Tour and Beyoncé’s Renaissance World Tour, continue to put Chicago in the positive light our city so richly deserves. We should welcome NASCAR back next year to build on this success.

*Graham Grady
Chicago*

FAIR WAGE

From Page 10

the proposed ordinance, one might also easily conclude that the One Fair Wage organization is also involved.

One Fair Wage is a nonprofit that, according to The Wall Street Journal, “is pushing bills and ballot measures in 25 states to raise wages and eliminate what it considers to be a ‘sub-minimum wage’ for tipped workers.” According to FSR, a restaurant trade magazine, the group has launched a \$25 million campaign to achieve this goal by 2026. Passage of the proposed Chicago ordinance would be a massive PR win for One Fair Wage. Unfortunately for us all,

it would also cause massive collateral damage not only to Chicago businesses that rely on the tip credit, but also to the guests who patronize them.

Full-service restaurant owners like me will be left with only three options, none of which are good.

Option one would be, of course, to raise prices by about

5%, but owners are already struggling with that by tacking on service charges and credit-card fees at the bottom of checks to hide the true cost of meals. And there’s really not much more that diners are willing to swallow.

Option two is to invest in technology to eliminate tipped jobs. In order to survive, full-service dining could easily morph into a scenario where after being seated, perhaps by a robot, guests order through their phones, with food and drinks being delivered by runners, or another bot.

Option three is the doomsday scenario: close. In reality, none of these choices is good for Chicago’s businesses, their employees or their patrons.

Our city has already solved the “one fair wage” problem. Passing an ordinance with the same name is just a PR stunt that will only hurt our city and everyone in it.



Dan Rosenthal has owned and operated restaurants in Chicago for more than 35 years, including several Sopraffinas, Trattoria No. 10 and Harry Caray’s.



Leadership In Uncertain Times

Learn Strategies To Manage Today’s Workforce

Designed and taught by renowned faculty from Chicago Booth School of Business.

This executive education program is a 5-week series in leadership development. Crain’s Leadership Academy is custom-designed to hone the leadership skills of executives across the Chicagoland area.

More information

crainsacademy@crain.com | crainsacademy.com

**In Person | Fridays 9 AM–1:30 PM
October 13–November 10**

CRAIN’S CHICAGO BUSINESS



Lake Shore Drive apartment building back on market

After trying to sell 850 N. Lake Shore Drive in Streeterville in 2020, the owner has it up for sale again. But it's a tough time to hit the market.

By Danny Ecker

The owner of a Lake Shore Drive luxury apartment building is looking to cash out as downtown apartment rents sit at a record high. But a sale today would likely leave it with a hefty loss.

A venture of JPMorgan Asset Management has hired the Chicago office of real estate services firm Newmark to sell the 19-story apartment building at 850 N. Lake Shore Drive, according to a marketing flyer. JPMorgan bought the 198-unit building for \$140 million in 2016, at the time a deal that marked a new all-time high per unit for a downtown Chicago apartment property.

Today, the vintage Streeterville building is likely worth substantially less than that. Higher interest rates and weakened demand for Chicago commercial real estate have driven down property values, even as demand for rental units in the heart of the city has been strong. Other big downtown apartment buildings that have sold over the past year have fetched prices that are well below their pre-pandemic values. Elsewhere in Streeterville, a 398-unit

apartment tower at 340 E. North Water St. was recently sold for \$173 million, or 28% less than it traded for in 2016.

There is no asking price for the Lake Shore Drive property, but people familiar with the offering estimated it could fetch bids between \$85 million and \$90 million, or below \$450,000 per unit.

It's unclear whether JPMorgan would sell at such a price, and a spokeswoman for the company did not immediately provide a comment.

Selling points

The building is one of many downtown apartment properties on the market today while landlords have a compelling story line to sell: Downtown apartment rents have never been higher, and more pricing power is on the horizon from a slowdown in new supply. After developers complete around 2,900 new units downtown this year and another 3,600 next year — fairly typical annual numbers over the past decade — only 400 new apartments are expected to be added in 2025, which would be the fewest for any single year since 2004, according to Integra

Realty Resources, an appraisal and research firm. Higher interest rates have also helped boost demand, as some renters that would traditionally opt to move out and buy a house aren't doing so.

But high borrowing costs have largely overpowered that demand story, keeping sellers and prospective buyers far apart on price. Apartment sales nationwide year to date through July were down 67% from the same period in 2022 to just under \$65 billion, according to data from research firm MSCI Real Assets.

Newmark is playing up the Lake Shore Drive building's resilient demand from Streeterville employment anchors such as Northwestern Memorial Hospital and Northwestern University. The building's average apartment size is relatively large at 1,264 square feet, with an average rent of \$3,574 per month, according to the Newmark flyer. As of earlier this month, the building was 95% leased, the flyer said.

Building's history

The 96-year-old Beaux Arts building was originally known as the Lake Shore Athletic Club, but



There is no asking price for 850 N. Lake Shore Drive (center). | COSTAR GROUP

was sold in the 1970s to Northwestern University, which turned it into a dormitory. In 2008, a joint venture that included Northbrook-based Integrated Development Group purchased it for \$38.5 million and later converted it into high-end apartments, ultimately selling the building to JPMorgan in 2016.

JPMorgan hired Newmark in August 2020 to sell the property, one of the first big downtown apartment buildings to hit the market after the onset of the COVID-19 pandemic. After the public health crisis initially bat-

tered apartment demand, renters rushed back in 2021 and put the market on more stable ground. But the Lake Shore Drive building never traded.

JPMorgan financed its 2016 acquisition of the property with a \$70 million loan from Columbus, Ohio-based Nationwide Insurance, according to Cook County property records. The mortgage is slated to mature in May 2026, property records show.

Newmark's Liz Gagliardi, Chuck Johannis and Susan Lawson are marketing 850 N. Lake Shore Drive on behalf of JPMorgan.

Shape His Future. And Yours.

Genesys Works partners with leading Chicago companies, connecting them with emerging young professionals.

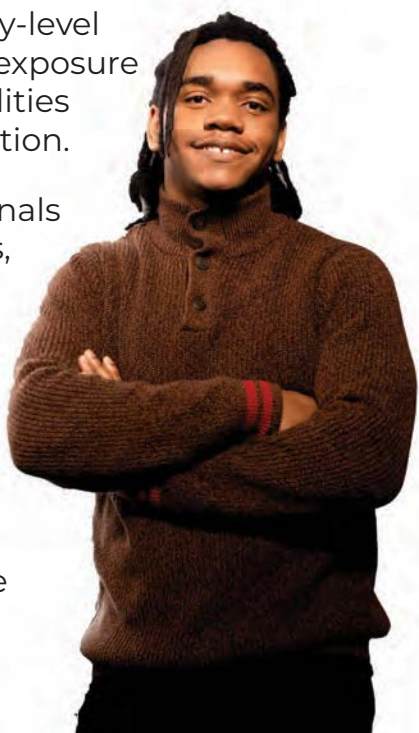
We provide them with training in accounting, business operations, and information technology.

You provide the entry-level internships and the exposure to the career possibilities within your organization.

Our young professionals bring their new skills, their ambition, and their work ethic.

Together, we build a pipeline of diverse, talented, and engaged workers.

Together, we change the future of Chicago's workforce!



Learn why industry leaders partner with Genesys Works

GENESYS WORKS.

Call our Executive Director, Kim Nicholas at (312) 525-9995

180 N. Wabash Ave., Suite 600, Chicago, IL 60601 | genesysworks.org/chicago

Another Lake Geneva mansion sells with a price in the mega-millions

The estate went for almost \$16.5 million. The \$10 million-and-up mansion market has been busy recently in the southern Wisconsin getaway region.

By Dennis Rodkin

A Lake Geneva mansion sold quietly for almost \$16.5 million, yet another mega-millions sale in that southern Wisconsin getaway region.

Dean and Eilena Athans, who owned the house through the Constantine Athans Trust, sold the house on Snake Road this month for \$16.475 million, according to Wisconsin public records.

No listing for the property appeared online, but photos of the mansion are on the website of Lake Geneva Architects, which designed it. Built in 2017 and more than 10,000 square feet, according to Walworth County records, the house is on a four-acre site with 261 feet of Lake Geneva shoreline.

The buyers, who are not yet identified in public records, paid the highest sale price in Walworth County since a St. Charles man paid \$17 million in October for a Snake Road estate where the historical mansion on the site has since been demolished.

The Athans deal is now the highest-priced sale of 2023 in the Lake Geneva area, surpassing the \$14 million paid in June for a property on Loramoor Drive.

In the Chicago area, the highest-priced sale of the year to date is



The shoreline of Lake Geneva

YINAN CHEN/WIKIMEDIA COMMONS

\$12.5 million, paid in July for a lakefront mansion in Winnetka.

Dean and Eilena Athans could not be reached for comment; a listed phone number for him has been disconnected. David Curry, the Geneva Lakefront Realty who represented both the sellers and the buyers, declined to comment. A report in a Wisconsin business publication said the buyer is an Illinois legal entity, but Crain's could not find a record of it.

Cottage-style look

A 2021 article about the property in At The Lake magazine described it as having a cottage-style look, from the exterior of fieldstone and white siding to the wide white oak flooring and other

light, airy finishes.

On the lake side of the house is a screened porch, which the article describes as "a majestic spot with 20-foot vaulted ceilings and 540 square feet of space to unwind, mingle or put your feet up in front of the floor-to-ceiling stone fireplace."

The \$10 million-and-up mansion market has been busy in Lake Geneva recently, with the sales mentioned above and a Folly Lane estate that was listed for \$11 million in August.

The highest-priced property on the market in Lake Geneva is an estate linked to the families behind the Drake Hotel, Illinois Tool Works and Northern Trust. It came on the market in May at \$35 million.

Increase EBITDA by optimizing portfolio company operations



JOANNE BAGINSKI
Partner
Plante Moran



KIM DOYLE
Partner
Plante Moran

Joanne Baginski leads Plante Moran's transaction advisory practice for the Rocky Mountain Region. She specializes in both buy- and sell-side transactions, including quality of earnings, working capital targets and resolution, profitability analysis, and carve-out financial statements.

Kim Doyle is the leader of Plante Moran's supply chain and operations practice. She specializes in helping organizations solve their most complex challenges and achieve enterprisewide operational and financial excellence, merger integration value creation, and sustainable growth.

A harsh economic environment poses challenges for private equity firms. Increased competition and higher valuations make acquisitions expensive. Regulatory and tax changes and government scrutiny add pressure. The slowdown in multiples growth, IPOs, and M&A activity limit exit opportunities. Trade tensions, geopolitical risks, and interest rate fluctuations impact portfolio company performance.

Private equity firms often turn to "tried-and-true" tactics to drive value creation and provide investor returns: increasing EBITDA through bolt-on acquisitions or product price increases. But "tried-and-true" is no longer a fail-safe strategy. Price increases could make products uncompetitive, and bolt-on targets are harder to find.

Operations improvement: Near-term impact, long-term value

Given today's extended hold periods, there's a better approach: strengthening operational performance and increasing production throughput. This lets a manufacturer produce more with existing people and equipment, leading to cost-per-unit reductions and top-line growth that falls right to the bottom line.

It won't take long to see results from quick-hit actions. Training initiatives or implementing new processes or equipment might take longer (90 to 120 days or more) but will also be effective. Let's dig deeper.

Critical drivers of operational efficiency

Start by investigating three intersecting performance drivers — all three, not any one in isolation.

- **Infrastructure and materials:** Understand the plant, equipment, and their configuration, including raw material and finished product flows, line speeds, preventive maintenance programs, and management systems.
- **Performance:** This includes KPIs, challenges, and initiatives. Is the existing infrastructure and flow optimal? Is machine efficiency low or high, and why? What's being done to improve?
- **People:** Are the right people performing the right roles with the right tools? Are there training programs, standard operating procedures, and work instructions?

Common production throughput problems

Within these three categories, companies struggle with common issues that suppress throughput.

Poor line design

Plant floor and line configurations often aren't designed for seamless product flow. Look for:

- Mismatched equipment speeds.
- Lack of accumulation points between stations.
- Nameplate speed that's unaccounted for.
- Unexplained bottlenecks.

Macro downtime events

These events cause a line to go down for more than a few minutes. Look for:

- Line shutdowns at lunchtime and breaks.
- Cold shutdowns during shift changes.
- Lines stopped for quality assurance testing.
- Equipment failures.
- Lack of preventive maintenance programs.

Micro downtime events

Extremely hard to detect, micro

downtime events last from a few seconds to minutes and are an underestimated driver of throughput problems. Stops and restarts mean equipment never runs at optimum speed. Look for:

- Frequent material jams.
- Brief but frequent equipment stops and starts (often due to improperly positioned sensors).
- Ongoing line adjustments.

Material problems

Consistency and quality of raw materials can cause equipment slowdowns or near-constant adjustments. Look for:

- Inconsistencies among suppliers of raw materials.
- Trial-and-error approaches to machine adjustment.
- SOPs that don't specify specific adjustments for raw material variation.

People-related issues

Production results are only as good as the people behind them. Look for:

- High turnover leading to untrained or less experienced operators.
- Limited supervision to provide guidance and decision-making.
- Lack of skills to operate and maintain equipment.

Throughput analysis

Translating findings into meaningful actions for throughput optimization takes focus and expertise. You'll need to:

- Analyze data, plant-floor observations, and root causes.
- Understand historical performance, staffing, improvement initiatives, and capital expenditure plans.
- Work alongside line managers and operators to grasp line details and daily routines.
- Closely observe line performance to identify micro downtime events.

Companies can do this internally, but it isn't easy amid day-to-day operations. Private equity operations managers, too, are pressed to bring undivided attention when working with multiple portfolio companies.

Seeing throughput optimization results

Rapid and significant changes are possible with a structured and disciplined approach. Take the contract manufacturer struggling to meet customer production targets. A close analysis identified five actions to improve performance drivers, which led to a doubling of line productivity and a 30 to 60% increase in overall equipment effectiveness, with minimal investment. This led to an additional

\$11 million in revenue and \$6 million in EBITDA.

Or consider the Tier 1 auto parts supplier challenged to meet a customer's production and quality targets. The manufactured parts required rework by a third party, adding logistical complexity and cost. Within eight weeks, they increased throughput by 20%, resolved design and manufacturing issues, and identified the steps and timeline to eliminate rework.

Or consider the OEM with a history of producing an advanced product at low volumes without accurate bills of materials or work instructions. Putting those items in place, identifying bottlenecks, and reducing interruptions doubled production without adding staff or production time.

Don't let today's uncertainty and challenges block value creation and investor returns. With longer holds, strengthening operations performance by increasing throughput can boost EBITDA without significant outlays — so your investment team can achieve its objectives.





The people you need. The partnership you deserve.

Let's get to work.



Audit. Tax. Consulting. Wealth Management.

plantemoran.com/letsgettowork

PEOPLE ON THE MOVE

To place your listing, visit www.chicagobusiness.com/peoplemoves or, for more information, contact Debora Stein at 917.226.5470 / dstein@crain.com

ARCHITECTURE / DESIGN

RATIO Design, Chicago

Clay Markham, AIA, LEED AP BD+C, joined RATIO Design as a Principal and senior member of our Hospitality and Mixed-Use Practices. Most recently with CallisonRTKL, he has over 40 years of experience in hospitality design and delivery around the globe. His successful management approach across architecture, interior design, and construction management has resulted in award-winning projects for clients and brands such as Hyatt, Marriott, IHG and MGM Mirage.



BANKING / FINANCE

Old National Bank, Chicago

Old National Bank's (ONB) **Monica Rubio** has been promoted to Community Lending Market Executive, VP, for Northwest Indiana and the Southwest suburbs of Chicago. In this new role she will focus on increasing lending and investment activities for women- and minority-owned businesses and working closely with ONB's Diversity, Equity & Inclusion team. With more than 25 years of banking experience in various roles, she most recently served as Vice President, Community Market Manager for ONB.



BUSINESS ORGANIZATIONS

Pinnacle Advertising and Marketing Group, Schaumburg

Pinnacle Advertising has appointed **Doug Jones** to the dual role of Chief Financial Officer and Chief Operating Officer. Jones will be working alongside Pinnacle's group of leaders to advance the agency's goals, execute the strategic vision, and implement operational efficiencies to position Pinnacle on the best path forward. He has an extensive background with over 25 years of strategic leadership spanning across business development, strategic planning, operations, process improvement and more.



EDUCATION

Chicago State Foundation, Chicago

Chicago State Foundation announces **Eric Dushime**, Senior Information Technology Consultant at McKinsey & Company, and **Lafayette Kyle Ford**, Senior Financial Advisor at Merrill Lynch Wealth Management, as newly elected as members of the Chicago State Foundation Board of Directors. Dushime holds a bachelor's degree in computer/Information Technology Administration and Management from the University of Buffalo. He also serves as an advisor to tech start-ups in Rwanda to tackle issues affecting the most underserved communities. Ford received a bachelor's degree in Agri-Finance from the University of Illinois - Urbana Champaign. Ford also co-founded Privit, a membership based virtual culture club focused on minority professionals and creatives.



Dushime



Ford

EDUCATION

Spertus Institute, Chicago

As the Jewish community celebrates the start of its new year, Spertus Institute announces attorney **Harold D. Israel**, a partner in the Financial Services & Restructuring Practice Group at Levenfeld Pearlstein, LLC, as the new Chairman of its Board of Trustees. A Spertus Trustee since 2014, he served as Vice Chairman for the past year. About his appointment, Spertus CEO Dr. Dean P. Bell said, "Harold is a long-standing community leader who gets things done. I'm excited to expand our work together."



ENGINEERING

Milhouse Engineering and Construction, Inc., Chicago

Chrissy Carr, P.E., has joined Milhouse Engineering and Construction, Inc. as Chief Engineering Officer, Industries. As a key member of Milhouse's executive leadership team, Chrissy Carr oversees operations and P&L for the Milhouse engineering teams serving the electric and gas utilities, telecom, and aviation industries. Chrissy brings over 30 years of experience in the electric utilities industry, and she has proven expertise in growing teams and revenue at one of the largest engineering firms in the United States.



LAW

Clifford Law Offices, Chicago

Charles R. Haskins, Jr. is named partner at Clifford Law Offices, a nationally acclaimed personal injury firm. He has been an associate since 2016, trying more than a dozen cases to verdict, oftentimes receiving record amounts including a \$101 million verdict on behalf of a brain damaged baby, \$21.5 million verdict for a drowning at a public pool, and \$20 million settlement in a trucking accident case. He is recognized by Best Lawyers in America, Illinois Super Lawyers, Law Bulletin 40 Under 40.



LAW

Venable LLP, Chicago

Daniel Hayes has joined Venable as a partner in the Investigations and White Collar Defense Practice in the Chicago office. Mr. Hayes was previously with the United States Securities and Exchange Commission (SEC) from 2010 to 2023, where he served as Supervisory Trial Counsel and Senior Trial Counsel. During his tenure, Mr. Hayes supervised and led the prosecution of a wide variety of SEC enforcement actions filed in federal courts and administrative proceedings across the country.



LAW FIRM

Phillips Lytle, LLP, Chicago

Jaran R. Moten has joined Phillips Lytle LLP, a premier regional law firm recognized nationally for its legal excellence, as a partner and key member of the firm's burgeoning Chicago office. Mr. Moten will work on expanding the firm's national litigation practice, leveraging over a decade of experience representing several Fortune 500 companies in mass and toxic tort cases. He joins Phillips Lytle after more than 10 years at Kirkland & Ellis.



LAW FIRM

Willkie Farr & Gallagher LLP, Chicago

Willkie Farr & Gallagher LLP added **John Mitchell** as Counsel in its Chicago office. John joined Willkie's Litigation Department after spending 13 years as a federal prosecutor in the U.S. Attorney's Office in Chicago and as a Senior Attorney in the SEC's Division of Enforcement where he led teams of prosecutors and FBI agents in criminal investigations and served as trial counsel on behalf of the U.S. in complex and high-profile jury trials.



NON-PROFIT

USO, Midwest Region, Chicago

USO is proud to announce **Major General Alex Fink**, US Army (Retired), as the newest member on the Midwest Region Advisory Board. General Fink last served as the Army's Chief Marketing Officer and is credited with reinventing the classic "Be All You Can Be" campaign. General Fink served for over 33 years in a variety of domestic and overseas operational and strategic leadership positions. USO is a non-profit organization whose mission is to strengthen service members by keeping them connected to family, home and country throughout their service to the nation.



ARCHITECTURE / DESIGN

RATIO Design, Chicago

Angie Wallin joined RATIO Design as a Principal and senior member of our Hospitality and Mixed-Use Practices. Based in Chicago, she will lead nationwide business development activity for hospitality, mixed-use, multifamily housing, and entertainment district projects. Her approachable management style and specialty in developing high-impact partnerships and connections to capital will reinforce client success. She was previously with CallisonRTKL and has a background in real estate and design.



BANKING

Busey Bank, Chicago

Kevin Hughes joins Busey Bank as Senior Vice President and Commercial Relationship Manager. A seasoned commercial banking executive, he has over four decades of experience in the Chicagoland market. Kevin's extensive background includes building middle market banking relationships and working with a diverse range of clients, including manufacturers, distributors, financial service companies, non-for-profits and high-net-worth individuals.



FOOD / BEVERAGE

Mariano's, Chicago

Jaime Deleon has been promoted to Director of Adult Beverage at Mariano's. He brings 35 years of retail experience with the Kroger Houston Division, where he led his team to be one of the top three divisions within the Kroger enterprise in positive sales and market share. Jaime's earned the distinguished certification of Advanced Sommelier through the Court of Master Sommeliers in 2015. He is also a Certified Specialist of Wine through the Society of Wine Educators.



PROMOTE.

Why not?

For more information contact:
Lauren Melesio • Director, Reprints & Licensing
lmelesio@crain.com • (212) 210-0707



CRAIN'S 2023 best places to work in Chicago

The working world has gone through some seismic changes in the past few years, to say the least. But in 2023, American workers are living the new normal, one in which companies understand that things like generous PTO policies, employee experience, and diversity and inclusion are more important than ever.

Look no further than this year's crop of the 100 Best Places to Work, a collaboration between Crain's and Best Companies Group, to find organizations that offer an array of fun perks, from year-round yoga classes and free vacations to in-house arcades and nap rooms. You'll also notice a deeper theme: flexibility. From encouraging staff to work from home to offering the freedom to work asynchronously or take time off for family caretaking, top employers are making a real effort to improve their employees' work-life balance.

Read on to see what makes these Chicago-area companies the places to be for today's workers.

1. Green Office Partner

Industry: Consulting
Location: Chicago
Company size: Small
Total U.S. employees: 41
Female executives: 14%
Voluntary turnover: 7%
Working remotely at least part time: 100%

In the early days of the pandemic, Green Office Partner — a company that consults with organizations to help them reduce their reliance on paper — made a bold assurance to its workforce: No one, no matter what, would lose their jobs in the anticipated economic downturn to follow.

And despite the tough business conditions that followed, the company, headed by co-founders and brothers Todd and Chris Gallagher, stuck to its word. Says CEO Todd Gallagher: "We could see the fear in the team's eyes. Our team has been with us through thick and thin, so it didn't seem right to Chris and I to even consider layoffs."

How else does this innovative company show its employees how much they matter? For starters, exemplary performance is rewarded with annual raises and bonuses. Employees are offered an array of generous benefits, like profit sharing, free access to a therapist, a free weekly tennis club and the ability to bring family along on business trips. They can also increase their knowledge and standing through the company's professional development program.

Print Management Consultant Chris Gallagher views "work-life balance" as dated, instead believing that the new ideal is to integrate work and life, not to think of the two in opposition. That's a big reason why employees' children and dogs are invited to visit the newly redesigned company headquarters whenever they like.

"When the baby- or pet-sitter is unavailable or if a family member simply wants to spend more time with a parent during school



Green Office Partner employees have a tennis wellness program. | GREEN OFFICE PARTNER

or holiday break, we all enjoy the positive impact that their visit has on employee and office morale," he says.

And what do employees find when they come into the office?

Ergonomic sit/stand desks, a fridge stocked with drinks and snacks and an in-office gym. Of course, that's if an employee chooses to come to the office at all, since Green Office Partner

provides employees the freedom to work wherever it suits them, part of what the Gallaghers call their "no micro-management culture."

— Katie Arnold Ratliff

2. The Salem Group

Industry: Business services
Locations: Chicago, Oakbrook Terrace
Company size: Small
Total U.S. employees: 79
Female executives: 58%
Voluntary turnover: 3%
Working remotely at least part time: 45%

A single tenet, "Because people matter most," informs nearly every decision made by The Salem Group, a woman-owned staffing firm with offices throughout the Chicago area. That principle is echoed in throughout the organization, starting with its open-door policy among leadership, which allows employees at every level to stop in for a candid chat with top brass. And when an employee has done a bang-up job, the company makes sure they know it, taking those who've reached their annual goals on far-flung international



The Salem Group's 2022 St. Patrick's Day costume contest | THE SALEM GROUP

trips — Oktoberfest in Munich one year, a tropical beach the next.

But The Salem Group's innovative PTO policy is an area where the company especially shines. CEO Dori Lorenz believes that traditional PTO structures — strictly divided into buckets such

as vacation, illness or bereavement — are too rigid and often counterproductive. Some employees may have more need for one type of PTO over another, forcing them to "miscategorize PTO just to take some much-needed personal time off," she says.

How to solve this long-standing problem?

"At Salem, we asked, 'How is this fair? How does this help?'" Lorenz says. "We wanted PTO to be the benefit it is intended to be, one that rewards and motivates team members rather than causing frustration." As such, employees are given 16 days off, not including paid holidays, in their first year of employment; they earn five more days for every five years with the company. Unused time at the end of the year can be banked for future use. And if an employee's needs aren't met by this generous policy, they can elect to take even more time at half pay.

And the relaxing time that every employee gets to spend at Salem's corporate retreat in Galena — golfing, swimming, boating and horseback riding — does not count toward their PTO balance. That's just for fun and some team-building.

— Katie Arnold Ratliff



Slow and steady wins the Radio Flyer Relay Race at the annual Strategy & Goals meeting. | RADIO FLYER

3. Radio Flyer

Industry: Manufacturing
Location: Chicago
Company size: Small
Total U.S. employees: 81
Female executives: 29%
Voluntary turnover: 7%
Working remotely at least part time: 90%

“Flyers” is the moniker this 100-plus-year-old household-name toy company — maker of those signature red wagons — gives its employees, and that’s just the beginning of the we’re-all-in-this-together spirit that company leadership seeks to foster among staff.

That staff, by the way, is an increasingly diverse one, given Radio Flyer’s mission to ensure that at least 50% of its new hires and 30% of its internal promotions include people from underrepresented

groups. In fact, every employee at the company has diversity and inclusion goals written into their annual performance review, cementing the organization’s commitment to building a more equitable workplace from the ground up.

“We invest time, resources and space for diversity, equity, inclusion and belonging initiatives, and we hold everyone accountable for creating an inclusive environment,” says Chief People Officer Amy Bastuga.

And that environment is a unique one among corporate offices in many ways. Staffers ride their company-issued electric bikes indoors, freshen up after a workout in the expansive in-office gym and conduct work calls while strolling the quarter-mile path in the lively HQ’s sprawling backyard.

While this convivial atmosphere

may make for a winning workday, the company also offers employee benefits that encourage people to stick around for the long haul. For one, employees are treated to a substantial profit-sharing arrangement, the returns of which can equal roughly 10% of their annual salary. “We offer profit-sharing because every Flyer’s work is connected to the results and success of the business, and we want every Flyer to share in the rewards,” Bastuga says.

Radio Flyer also offers 16 weeks of paid parental leave, a parent peer group to provide support for working moms and dads, a \$5,000 adoption subsidy, in-network fertility benefits and pet insurance. All of which help the company show their employees that “their work matters and they are valued,” Bastuga says.

— Katie Arnold Ratliff

4. Stumm Insurance

Industry: Insurance
Location: Rosemont
Company size: Small
Total U.S. employees: 53
Female executives: 33%
Voluntary turnover: 18%
Working remotely at least part time: 100%

Stumm Insurance is a family-owned business, which might help to explain why the company treats its employees like they, too, are kin.

“Since day one, our culture has been built upon our employees being the first priority,” Executive Vice President Jim Stumm says. “Not only do we enjoy working to-

gether, but we also appreciate getting to know each other on a personal level.”

To foster that collegial atmosphere, Stumm offers a substantial roster of perks and benefits, including daily free lunches; access to monthly Stumm University classes (to help staff beef up their industry knowledge); flexible working hours; a hybrid work schedule (staff come into the office three days a week and remain home for two, with an additional 12 work-from-home days offered each year); a “Game Ball” prize awarded to standout employees who go above and beyond for clients (complete with a gift card); and summer Fridays with short-

ened work hours.

But the biggest upside to being employed at Stumm Insurance may be its dedication to the art of team-building work outings. Stumm hosts four employee get-togethers each year: its standard holiday party, a summertime boat shindig, a well-loved employee and family baseball game outing and an always-changing employee-only outing during the busy season each fall.

Why all the gatherings? “The conversations and laughs contribute to team-building and help enhance our work culture,” says fellow Executive Vice President Dave Stumm.

— Katie Arnold Ratliff

5. Ryan Cos. US

Industry: Commercial real estate services
Locations: Chicago and Westmont
Company size: Large
Total U.S. employees: 1,977
Female executives: 46%
Voluntary turnover: 10%
Working remotely at least part-time: NA

It’s not an overstatement to say a construction company owes something to the areas in which it develops and maintains its properties. Ryan Cos. takes seriously its responsibility to the local environs where it builds. “We believe the value of the buildings we design, develop, finance, manage and construct is about more than dollars and cents,” says Vice President of Communications Lesa Bader.

Little wonder, then, that the company has set aggressive goals across every level of its organization, “so we can better reflect our clients and communities,” Bader adds. Ryan’s leadership team believes doing so helps ensure the organization remains as tuned into its clients’ needs as possible. That commitment to cultural competency also exists within the organization, where seven employee resource groups support and uplift employees who are Black, Latino, Asian/Pacific Islander, LGBTQ+, women or veterans.

Even while company leaders



Ryan team members gather at a regular potluck. | RYAN COS. US

work to bring greater value and meaning to the community and to foster an inclusive workplace, there’s no reason why the employees can’t also have some fun. A rollicking St. Patrick’s Day celebration, a beloved company bowling league and a games-in-the-pub event are all familiar morale-boosters to Ryan employees. Ryan appreciates how in-person work improves collaboration and mentorship, but the company also provides flexibility to employees in hybrid-approved roles two remote days a week.

Ryan also pays particular attention to the working parents on its staff, providing up to 16 paid hours annually for parents to attend their children’s school functions.

— Katie Arnold Ratliff

6. Redmond

Industry: Construction
Location: Chicago
Company size: Small
Total U.S. employees: 47
Female executives: 34%
Voluntary turnover: 5%
Working remotely at least part time: 0%

It’s one thing to offer unlimited PTO. It’s another to ensure employees actually take that time off. That’s exactly what general contracting firm Redmond does, requiring employees to take at least two weeks of their unlimited PTO each year.

Why? Rested employees are good employees, says Jamie Redmond, partner and chief operating officer. “The workloads here are incredibly demanding, and we want people to take time to recharge whenever possible,” she says.

Due to the nature of the construction industry, plus the need

for proactive communication and collaboration with sites, project partners and teammates, employees work almost entirely onsite, with the exception of two discretionary remote days a month. That regular collaboration has created energetic teams and a social culture, Redmond says, one that includes weekly happy hours, a winter bowling league, a summer golf league and yearly parties for employees and their families.

While perks and PTO are nothing to sneeze at, Redmond’s commitment to its values — such as a strong emphasis on mentorship and gender parity in the workplace — separates the company from its peers. Every Monday, after a team lunch, employees participate in a training session either on internal processes or from external vendors discussing relevant industry topics. Employees can also attend conferences on Redmond’s dime.

— Katie Arnold Ratliff



Redmond’s holiday party | REDMOND



Unlock your leadership for what's **next.**

As the world pivots to face emerging realities, it will need leaders who can power through ambiguity to achieve success. Suited for seasoned managers with demanding schedules and 10+ years of leadership experience, the W. P. Carey Executive MBA at Arizona State University will expand your leadership skills and help you immediately impact your organization.

Through a comprehensive business curriculum taught by world-renowned faculty, you'll develop a strategic perspective and learn how policy shapes business decisions, and how companies half a world away can impact your organization.

**One of the top-ranked EMBA
programs in the world**



No. 17

*U.S. News & World Report, 2024
ahead of Georgetown University,
USC, and Indiana University.*

**In-person classes one
weekend per month**

**Virtual check-ins one
weekend per month**

**No GMAT/GRE
required**

7. The Horton Group

Industry: Insurance
Locations: Orland Park and Chicago
Company size: Large
Total U.S. employees: 410
Female executives: 40%
Voluntary turnover: 20%
Working remotely at least part time: 75%

Company leadership at this insurance, employee benefits and risk advisory firm follow a credo of “care unconventionally.” What does this look like in practice? Like a working environment where a positive employee experience is a top priority.

Take Horton’s Max Flex program. The policy allows staff to work from home, the office or some combination of the two. Michelle Trueblood, Horton’s chief human resource officer, acknowledges that in today’s labor market, this kind of flexibility is key. “We recognize that top talent has many choices, and we want to do everything we can to be their employer of choice,” she says. Our Max Flex program has allowed us to attract and keep top talent who value the ability to decide where they want to work. It has been a real game-changer for many of our employees.”

Those employees are also treated to a bounty of health and wellness offerings, all at no cost, including weight-loss programming and remote physical therapy ses-



Horton Helping Hands members volunteer at Feed Our Starving Children. | THE HORTON GROUP

sions. Staff can also head over to the in-office gym for a workout or get in their sweat session offsite with a fitness class and gym membership stipend offered by the company.

Female employees benefit from the support and mentorship found in the employee resource group Her Horton, but all employees can

take advantage of Horton’s free in-house professional career coach, whose role, Trueblood says, is “to have individualized conversations on how to grow at Horton and what employees need to do to achieve their next career move.” And the company is focused on cultivating in-house talent: “We offer bimonthly leadership train-

ing workshops for all leaders and emerging leaders to ensure consistency in how we lead and develop,” she says.

Horton grasps the need for balance between work and recreation. After all, new-hire breakfasts and annual family picnics are just as important as ROI and KPIs.

—Kate Rockwood

8. Juno Logistics

Industry: Logistics and shipping
Location: Itasca
Company size: Small
Total U.S. employees: 51
Female executives: 43%
Voluntary turnover: 3%
Working remotely at least part time: 90%



A luncheon celebrates Juno’s 20th anniversary. | JUNO LOGISTICS

parents and even those who have newly adopted a pet.

But when it comes to the professional side of things, Juno is just as highly invested in its workforce. As Shibata explains, management training is an art form at this company. “We have mandatory government compliance and technical training,” as well as “an in-house leadership training program designed to teach and mentor our future leaders within the company.”

What’s the best way to become one of those future leaders? By getting a better handle on the business as a whole — which is why, Shibata says, “we constantly encourage our employees to take on stretch assignments outside their departments.” These challenging tasks “allow employees to experience new projects, work with new faces and explore their potential outside of their comfort zones.”

—Jennifer Thomas

9. WayFinder Logistics

Industry: Logistics and shipping
Location: Chicago
Company size: Small
Total U.S. employees: 65
Female executives: 0%
Voluntary turnover: 3%
Working remotely at least part time: 100%

Access to top-notch technology is one of the many reasons employees love working at WayFinder Logistics. “We make sure each employee gets what they need to maximize efficiency and productivity,” says Preston Carter, vice president of operations. And the company doesn’t take a one-size-fits-all approach to its employees’ tech gear. Employees can choose Mac or PC or the type of workspace/seating configuration that suits them best. They also have access to some of the latest desk and mobile communications devices. And since most WayFinder staffers work from home, the company offers both in-house and 24/7 tech support for all workers, no matter where they’re located.

WayFinder also takes a thoughtful approach to an oft-overlooked area: company swag. You won’t find the typical branded flash drive or company logo-emblazoned ballcap here. Instead, the company offers “gear that employees will actually want



A breast cancer awareness campaign at WayFinder Logistics | WAYFINDER LOGISTICS

to use on a regular basis, not merely for promotional purposes,” Carter says. WayFinder has gone so far to partner with brands such as Pangaia, Ministry of Supply, Patagonia and Public Rec that have “demonstrated some level of commitment toward using sustainable materials and promoting ethical manufacturing practices,” Carter says.

WayFinder’s benefits and perks are also top tier, including covering the full cost of a gym membership and mental health coaching sessions. Employees also have the chance to give back with volunteer outings that combine doing good deeds with team-building, such as the Chicago River Day cleanup. And when employees come into the office, they encounter a lively environment with pingpong tables, healthy food-delivery services and catered lunches for birthdays and work anniversaries.

—Jennifer Thomas

10. Mowery & Schoenfeld

Industry: Accounting
Location: Lincolnshire
Company size: Medium
Total U.S. employees: 113
Female executives: 13%
Voluntary turnover: 5%
Working remotely at least part time: 75%

This midsize accounting and financial services firm touts its “culture of learning” as a major contributor to its success and high rate of employee loyalty. Mowery & Schoenfeld’s Employee Experience program, for example, provides an extensive and formalized system of professional mentoring and constant pointers as to what’s working and what could be working better for both managers and their employees, says managing partner Jeff Mowrey.

That focus on mentorship makes sense, since the firm has a longstanding tradition of hiring new talent right out of college, a strategy that “stems from our belief in being the place to start and stay,” Mowrey adds. “We understand that recent graduates bring a unique blend of enthusiasm, curiosity and eagerness to learn, and we see power in their fresh perspectives and untapped potential.”

The company also takes special care to nurture and support its female employees, offering guidance and mentorship through its Growth & Learning Opportunities for Women program, known as GLOW. “With the potential of poor work-life balance and a lack of career advancement opportunities in a male-dominated space, public accounting is an industry where many women leave mid-career,” Mowrey says. “One of our biggest focuses with GLOW is helping to prevent that.”

The company also offers up a hearty package of benefits and perks, including generous telehealth benefits to round out traditional medical plans; paid tuition; time off to study for CPA exams; and plenty of fun team-building events such as a luau picnic, family volunteer days and bags tournaments.

—Kate Rockwood



At Mowery & Schoenfeld’s annual Hoops for Hope event, interns shoot free throws to raise money for charities. | MOWERY & SCHOENFELD



THE HORTON GROUP
10320 Orland Parkway, Orland Park, IL 60467
800-383-8283 | thehortongroup.com

A supportive environment benefits employees and clients

By Joel Reese

It didn't take long for The Horton Group's women-oriented support community to have an impact on Bridget Garling.

"That first meeting totally changed my life, honestly," says Garling, an operations support supervisor at Horton. "HerHorton is a group of women who are continually trying to better themselves, and they fully support each other. It is so amazing having these women behind you and beside you, helping you every step of the way."

HerHorton is just one of the ways The Horton Group provides an extraordinarily supportive environment for its employees. The group isn't just a place to chat — HerHorton provides deep insight into topics including women's wellness, how to deal with burnout, women-specific health initiatives, sleep advice and other relevant issues.

Horton also offers many other benefits, including home physical therapy, dietitian counseling, volunteer outings, family days, professional development classes and much more. The company also offers a maximum flex policy and a generous benefits package that includes health and life insurance, a 401(k), reimbursement for wellness activities and other advantages.

The Horton Group was founded in 1971 when Don Horton, a crane operator who came to Chicago from Idaho after World War II, decided to start an insurance business. He teamed up with his brother Bill and Bill's wife Joan to start the company, which is now led by Don's grandson Dan.

Interestingly, Dan didn't envision himself coming into the business. He worked as an airline pilot before joining Horton, and he began his career at the company in sales. And while the last name might be the same, Horton has several partners outside of the family who are shareholders in the business, but who all work at the company.

"While we try to operate with a very familiar culture, we also operate the company with a high degree of governance and oversight. It's very important for us to have the people who own the business also work inside the business," says Dan.



"Horton's success can be traced to its employees' deep affinity for helping others."

-Dan Horton

Dan eventually took over as president and CEO just as the COVID-19 pandemic was beginning, but the company continued to flourish. Horton opened a new office in Minneapolis in February 2020 and a Florida location in July of the same year. The Orland Park-based company also has offices in Wisconsin, Michigan and Indiana.

Horton's success can be traced to its employees' deep affinity for helping others, Dan says. He notes that people typically require insurance during stressful times — right after a car accident, for instance, or when they need health coverage. With that in mind, he tries to ensure people who work at Horton bring a high degree of empathy to their work. This benefits the clients while

also creating a warm atmosphere for employees, Dan says.

"By being privately held and purposefully driven, we attract a certain type of employee who takes this work very personally when times get tough for our customers," he says. "Our employees naturally put others at the center of their work, which helps us create an energizing environment that people want to be a part of. Clients are attracted to that, as well."

Horton's combination of professionalism and camaraderie is one reason Management Liability Practice Group Leader Aaron Turner returned to the company in 2019 after leaving seven years earlier. And he's not the only one — Turner says he knows several other Horton employees who returned to the fold after leaving for a while. "They looked for greener pastures, then saw they weren't as green and realized they were happier at Horton," he says.

The Horton Group clients see the difference, too. "The people at Horton Group consistently exceed all of our expectations, but it goes beyond that — almost all of our meetings are face to face, and they're just really good people," said Todd Gierke, chief financial officer with The Curran Group, a Horton customer of several years. "They're a true partner, and I can't imagine a better business relationship than what we've had with them."

The Horton Group's philosophy entails connecting with employees — and clients — on a human level, says Michelle Trueblood, the company's Chief Human Resources Officer.

"We're trying to engage with the whole person, not just the person who shows up at work," she says. "We want this to be a place that people want to work, stay and grow — as people and professionally. That's how we help our people and our clients: Grow what's good."



Members of the HerHorton community gather for a panel discussion in Chicago with two of Horton's female board members.



(From left) The Horton Group's CEO Dan Horton, Executive Director of Commercial Lines Tom Cassady Jr. and Senior Vice President Tom Cassady III lead the ribbon-cutting ceremony at the company's newest location in South Bend, Ind.



Glenn Horton, Chairman of the Board (far right), and Horton employees take part in a Habitat for Humanity build event in 2023.



Don't just pay for a health plan. Invest in a growth plan.

At Cigna HealthcareSM, we're more than just a health care partner. By nurturing a healthier work culture and addressing health challenges, we're also a strategic partner in your growth.

That's why we're proud to sponsor Crain's Best Places to Work in Chicago Awards.

Together, we can help your employees flourish. And your business grow.

Cigna.YourNewGrowthPlan.com

978957 09/23 © 2023 Cigna Healthcare. Product availability may vary by location and plan type and is subject to change. All group health insurance policies and health benefit plans contain exclusions and limitations. For costs and details of coverage, contact a Cigna Healthcare representative. Cigna Healthcare products and services are provided exclusively by or through operating subsidiaries of The Cigna Group, including Cigna Health and Life Insurance Company or its affiliates. This advertisement is not intended for residents of New Mexico.



Offered by Cigna Healthcare and Life Insurance Company

BEST PLACES TO WORK

11. Focused Labs

Location: Chicago

Industry: Technology

Company size: Small

Total U.S. employees: 54

Female executives: 60%

Voluntary turnover: 15%

Working remotely at least part-time: 95%

When the vast majority of your staff works offsite, it can be challenging to maintain a sense of camaraderie. This technology consulting firm has cracked the code on fostering good vibes among coworkers, starting with its pair of annual all-hands retreats, chock-full of information sessions, brainstorming drilldowns and fun recreational activities. The rest of the year, remote workers can come into the office to interact with colleagues in person at no personal expense, because Focused Labs covers their travel costs. Even when this small staff isn't in the same room, the organization finds ways to invigorate and delight them — all while helping foster connections between coworkers and departments. Think Zoom cooking classes with the ingredients sent to employees' doors homes ahead of time, or a virtual gardening workshop with supplies sent in the mail.

To keep things really interesting, the company also holds the occasional surprise event to "create serendipitous moments for our hybrid workforce," says Director of Talent Katy Scott. These events typically are added to employees' calendars just a day or two in advance and in the past have included virtual carnival races, riddle scavenger hunts and holiday-themed games. "For our next in-person event, we're planning a surprise puppy party," Scott says.

—Kate Rockwood

12. Basis Technologies

Industry: Technology

Location: Chicago

Company size: Large

Total U.S. employees: 785

Female executives: 31%

Voluntary turnover: 13%

Working remotely at least part-time: 80%

The sign of a good company? When those at the top of the org chart understand and acknowledge the needs and desires of those below. Or, as one spokesperson for Basis Technologies summed it up, "We know that work isn't our employees' whole life."

That encouraging ethos is at the heart of the impressive benefits Basis offers its workforce, including the freedom to choose where they work and access to extensive mental health and stress-relief support such as free meditation sessions, on-demand

counseling, help for new parents and an anonymous employee assistance program. Oh, and half-day Fridays each and every week, not just in the summer. "We empower our people to find their balance with human-centric benefits, transparent leadership and radical flexibility," says Emily Barron, executive vice president of talent and development.

When employees reach the four-year mark with the company, they earn a paid three-week sabbatical, a benefit that's good for both employees and the company, Barron says. "Allowing employees to recharge, rest, try something new or take a trip of a lifetime has value that far outweighs any costs," she says. "We believe that happy employees make the best employees. Our sabbatical program has proved that team members who are celebrated and supported come back energized and focused for groundbreaking work."

—Kate Rockwood

13. Skender

Industry: Construction

Location: Chicago

Company size: Large

Total U.S. employees: 317

Female executives: 14%

Voluntary turnover: 9%

Working remotely at least part-time: 50%

The typical onboarding process for a new employee at many companies usually involves a few things: a quick jaunt around the office, meeting a few dozen people whose names you instantly forget, signing some paperwork and figuring out how to adjust your desk chair.

But at Skender, a general contractor near Fulton Market, this slapdash process simply doesn't cut it. "We believe that a year-long onboarding process is appropriate for greater engagement and increased retention," says Chief People Officer Lisa Latronico. What does a full year of onboarding entail, exactly? For starters, it comes with a high-touch process of collaboration and community. New employees receive an entire year of specialized learning, mentoring and regular meetings with leadership and management. New hires' onboarding experiences are also tailored to their role and responsibilities.

Once employees are fully integrated into the company, they will experience Skender's person-first approach to benefits, which includes everything from a catered lunch every Monday to medical benefits at zero cost to the employee. Add to that an array of summertime outings (go-karts, cooking classes, baseball games), generous 401k matching and an extensive mentoring program, and that long onboarding process starts to feel less like corporate orientation and more like an invitation to a new way of working.

—Jennifer Thomas



SQN Associates Promotes Employee-Centric Culture

Putting clients first means putting employees first.

This defines the company culture at SQN Associates, a firm providing construction management, project management, and owner's rep services. "Focusing on our employees allows them to focus on delivering superior results to our clients while making a positive impact on the communities in which we work," says Rozie Makhani, President at SQN.

With 77 employees, Chicago-based SQN is currently involved in managing projects with a combined worth over \$2B. Notable projects include the modernization of CTA's Red & Purple Lines, the expansion of Terminal 5 at O'Hare, and Bally's Chicago Casino.

Priorities at SQN include the professional development and personal well-being of employees. A strong leadership team informed by employee feedback facilitates overall success.

SQN attributes its success to its employees. "We've come so far from where we started," Makhani says, "and it's all thanks to our talented and dedicated staff who believe in our company's mission."



SQN's Annual Picnic is the flagship company event of the year, where employees bring their friends and families out to unwind.



Sine Qua Non | Absolutely Essential

sqna.com

How to deliver on DEI pledges, build culture of belonging

By Jennifer Thomas

Creating a more diverse, equitable and inclusive workplace is a priority for just about every top company these days — not only because leaders agree that it's the right thing to do, but also because it makes good business sense.

When employees feel they don't fit in at work, aren't being treated fairly or don't see a path to advancement, they're likely to leave. A 2022 McKinsey survey of people who had recently quit their jobs found that more than half resigned because they felt they didn't belong or didn't feel valued by their organization.

Losing staff is expensive; replacing an employee can cost one-half to two times their salary. On the flip side, more ethnically and gender-diverse companies are 36% and 25%, respectively, more likely to financially outperform similar companies with average diversity levels, according to McKinsey research.

Many organizations on Crain's Best Places to Work list have made it a point to diversify their staff and to be more inclusive right from the start, beginning with hiring and onboarding practices. For example, marketing agency Walker Sands, No. 94 on our list, recently updated



Duane Morris Chicago attorneys Patricia Hofstra, Paris Mayfield, Maureen McCluskey, Tracy Schovain, Melissa Sharpe and Shaina Wolfe attended the 2023 WINS Impactful Women Summit in Boca Raton, Fla. | DUANE MORRIS

its job listing language by removing gendered language and unnecessary job requirements and adding an ADA accommodation form to its interview request templates.

Organizations that do DEI well also regularly measure and adjust their practices, such as how they mentor and promote employees. Chicago law firm Duane Morris (No. 45) not only requires implicit-bias training for every employee, but also provides structured mentorship and leadership training to its lawyers through its Women's Initiative Network for Success program.

"We realize the unique challenges faced by women in the legal field, now more than ever, and our personal business development program has shown to improve our lawyers' ability to originate business," says John Weiss, managing partner of the Chicago office.

Even organizations that are in the DEI business understand there is always room for improvement. Leaders at Chicago nonprofit Women Employed (No. 22), an organization that advocates for more equitable treatment of women in the workplace, has launched several

DEI initiatives in recent years. The organization diversified its board to include more than 50% women of color, and completed an internal and external compensation audit and made necessary adjustments. Last year, the organization also hired its first full-time person dedicated to employee engagement, talent management, and training and development at a cost of just 3% to 3.5% of Women Employed's annual budget.

"We want to ensure we are attracting and retaining talent who are reflective of the communities we serve, and that all staff feel valued and are given the voice and the power to drive our work," President and CEO Cherita Ellens says.

Women Employed also instituted hybrid and remote work for all staff. On the surface, hybrid work may not seem like an equity issue, but that's very much the case. While hybrid work is the preference for the majority of all employees, a World Economic Forum report found that women are 10% more likely than men to leave a job if hybrid work is not available, but are 15% more likely to be in jobs that don't offer the perk. Transgender and nonbinary employees, meanwhile, are 47% less likely than

men to be in jobs that offer hybrid work.

At Walker Sands, leaders have worked to shrink the gap in engagement scores across various employee groups. Black and white employees now only have a 3-percentage point employee engagement gap compared to a high of 22 points. Meanwhile, engagement scores for men and women are now nearly equal.

"These data points show us that we've increased belonging at our agency, which overall increases the productivity of our team members and their ability to do their work well," Chief People Officer Allison Ward says. " 'Happy employees' is one of the four anchors that we weigh every business decision against."

The company has improved employee engagement through measures such as setting more clear expectations around promotions and heavily investing in its employee resource groups. ERGs — typically employee-led groups centered around shared backgrounds or interests — have proven to be especially effective, and relatively low-effort, ways for companies to boost employee belonging and satisfaction.



Our employees are building communities that **bring technologists together.**



At UGS, we believe in the power of community, and that starts with creating a vibrant, inclusive, and engaging community for our employees.

Whether you want to join **ASUG** or **C2C**, or our looking for a new career, visit us online to discover why we are one of **Crain's 2023 Best Places to Work in Chicago.**



ASUG is the world's largest SAP user group, connecting more than 130,000 professionals with networking and educational resources to help them master new challenges.

asug.com



The Google Cloud Customer Community

C2C brings together Google Cloud customers from around the globe to share ideas, insights, and strategies in a space that's built for authentic, peer-to-peer cloud conversation.

c2cglobal.com

14. Bold Insight

Industry: Consulting
Location: Downers Grove
Company size: Medium
Total U.S. employees: 111
Female executives: 60%
Voluntary turnover: 3%
Working remotely at least part-time: 90%

These days it's become the norm to hop from position to position in search of pay bumps, a stark change from the long-gone career advice that sticking around at one company pays off in the end. Bold Insight, a product research firm that says it wants to be "your last job interview — ever," is working to revive this old-school stickto-itiveness. But how do they get staff to stay for the long haul? Well, the frequent bonuses certainly help.

For example, when monthly business goals are met, all staff members receive an equal cash bonus of up to \$1,000. "We also offer bonuses at significant milestones in an employee's career," says Managing Partner Pam Stoffregen-Gay. After five years, employees are eligible for a \$5,000 vacation reimbursement or a cash bonus. After seven years, they're eligible for a \$10,000-plus bonus and profit sharing.

There are certainly other aspects of the company's culture and perks that contribute to its 97% retention rate, such as its commitment to gender parity in pay, 100% employer-paid health insurance, 12 to 16 weeks of parental leave and a pack of office dogs ready to offer employees a snuggle or walk during the workday. The company also has only four titles across the organization, an approach that Stoffregen-Gay says "reduces peer-to-peer competition." All of which underscore the company's focus on encouraging employees to stay for the long term.

—Jennifer Thomas

15. Kenway Consulting

Industry: Business services
Location: Chicago
Company size: Small
Total U.S. employees: 84
Female executives: 43%
Voluntary turnover: 7%
Working remotely at least part-time: 80%

Imagine a job with no set hours an employee needed to work each week — and those working hours could take place at home or in the office, at the employee's discretion. Imagine this same company also allows staff to take unlimited PTO to recharge. Plus, it generously donates 25% of each staff member's salary to their retirement account and provides a yearlong personal development program, in addition to monthly mentoring meetings.

This company is, in fact, very real, located in Chicago and thriving. "We trust our employees to make the right decisions and have seen this approach work very well," says Kenway Consulting CEO Matt Kueker.



Leahy-IFP's Halloween costume competition | LEAHY-IFP



A Bold Insight company outing | BOLD INSIGHT

But how exactly does a company with no set working hours, well, work? Here's how: At the start of the company's budgeting and planning process every year, employees communicate how many hours they want to work for the entire year and how many hours a week they want to work to reach that number, Kueker says. "For example, some employees may want to work 45 hours per week and take seven weeks of vacation while another wants to work 38 hours per week and take two weeks of vacation," he says. There's a strong indication that this unorthodox system works well; the company retained 93% of its employees last fiscal year.

—Jennifer Thomas

16. Liberty Advisor Group

Industry: Consulting
Location: Chicago
Company size: Small
Total U.S. employees: 42
Female executives: 20%
Voluntary turnover: 4%
Working remotely at least part time: 100%

Offering advice for businesses in need of strategic assistance, Liberty Advisor Group calls itself

"goal-oriented, client-focused and results-driven." Privately, its employees might add to that list "staff-centric," thanks to the company's roster of benefits and perks: unlimited PTO and the freedom to work from home, set one's own hours and travel as much or as little as needed.

"We know and respect that our employees have personal commitments and passions outside of the workplace. That's why we allow our people to make their own schedules as long as work commitments are met," says CEO Chad Smith. Employees can make their own travel schedules, manage their own time and work from home when they're not meeting with a client or team, he says. The company supplements this remote arrangement with fun in-person activities and quarterly events, such as a boating trip or golf outing.

Liberty also takes special care to hire armed-forces veterans — roughly 25% of its employees. "Their previous training and experience enable them to adapt quickly to our clients' ever-changing needs and provide innovative solutions to tackle complex challenges," Smith says. "These individuals possess a strong work ethic and discipline, ensuring they always deliver results."

—Katie Arnold-Ratliff

17. Leahy-IFP

Industry: Food and beverage manufacturing
Location: Glenview
Company size: Small
Total U.S. employees: 59
Female executives: 0%
Voluntary turnover: 1%
Working remotely at least part-time: 100%

This food and beverage maker calls itself a "family business" — a common phrase, to be sure. But the way in which this family-oriented organization functions is anything but typical. "We are not a legacy-focused business. The Leahy Team and Leahy Family are one and the same," Executive Chairman Mike Leahy says.

Leahy-IFP's focus on fun and group activities helps create that family feeling, whether that's through the company softball league or events such as pickleball matches, company barbecues and a clean-up day at Chicago parks.

And as with the best families, the company is there for its employees during tough times, too. Leahy-IFP's critical illness benefit helps to ensure no sudden ailment will decimate an employee's finances. In the event of, say, a cancer diagnosis, heart attack or stroke, "the company will cover a \$10,000 lump sum paid directly to the employee, to be used in any way they see fit," Leahy says. "A few years ago, an employee was facing a critical illness. They were able to access this benefit, which offset some of the hardships associated with treatment and recovery while also bringing balance to their homelife during a difficult time."

—Katie Arnold-Ratliff

18. Royal Cyber

Industry: Technology
Location: Naperville

Company size: Small
Total U.S. employees: 61
Female executives: 25%
Voluntary turnover: 0%
Working remotely at least part-time: 45%

Specializing in an array of IT solutions and digital transformation, Royal Cyber has been helping organizations make shrewd use of tech since 2002. Given how rapidly technology has changed in the past 21 years, it's crucial that those in the industry stay abreast of the sea changes. That's why Royal Cyber focuses strongly on professional development and internal education. The company's global software training program provides a strong basis of knowledge to encourage employees to provide the most fitting possible tech solutions.

But it's just as important to company leadership that Royal Cyber employees pursue their own interests, which is why they offer a four-week paid sabbatical, supported by a strong focus on reintegration once the break is over. Lubna Ashraf, Global HR Head, Human Resource Department, says employees use their sabbaticals for a variety of reasons, "including rest and relaxation, travel, personal development, volunteering, career enhancement, entrepreneurial pursuits and spending time with family and loved ones."

When employees are at work, their ability to balance work and life remains top of mind. Flexible work arrangements, remote work and compressed workweeks are all typical — and after-hours email are anything but. "We encourage employees to set boundaries between work and personal life," Ashraf says. "This includes avoiding after-work emails or calls unless it's an emergency and promoting a culture that respects personal time."

—Katie Arnold-Ratliff

Best Places 2023: By the numbers

Look through Crain's latest Best Places to Work list and you'll see a collection of companies of varied industries, sizes and philosophies. But one thing they all share in common: a commitment to providing a best-in-class work experience for their employees. Here's how they make it happen. **By Katie Arnold-Ratliff**

Health and wellness benefits

Offering medical coverage is the bare minimum. Offering telehealth options, comprehensive mental health coverage, 24-hour medical advice hotlines and in-house yoga? Now you're talking.

- ▶ 64 companies offer on-site fitness facilities.
- ▶ 13 offer fertility benefits.
- ▶ 78 offer a flexible spending account.

Generous time-off policies

Increasingly, employers understand the importance of time away from the desk and are adjusting their PTO policies accordingly.

- ▶ 21 companies offer employees unlimited PTO after one year of employment.
- ▶ The average number of paid holidays is 10.6. (The highest number of days offered is 23; the lowest is six.)
- ▶ 10 companies allow employees to cash in their accrued time off in exchange for pay, while 14 companies allow employees to donate PTO days to colleagues in need.

Flexibility to boost work-life balance

These days, company leadership understands that life happens — a kid gets the sniffles, an emergency plumbing problem pops up — and they're making space for that in the workplace.

- ▶ 70% of the employees who work for the companies on our list telecommute.
- ▶ 70 companies allow workers to use flex hours to work when it's most convenient for them or to work a

compressed workweek.

- ▶ 7 companies pay for all or part of their employees' child care either year-round or during busy seasons.
- ▶ 10 companies offer backup child care or elder care if the employee's usual means of care is unexpectedly unavailable.

Career opportunities for employees

It's one thing to provide in-house instruction to assist employees in performing their duties well. It's another thing entirely to give employees the tools to take their careers to the next level, whether via management training or by offering them a stake in the business itself.

- ▶ 92 companies offer formal career development programs for employees.
- ▶ 88 offer their employees formal leadership training.
- ▶ 12 are employee-owned, meaning all employees own a stake in the organization.

Primo perks

What would the Best Places to Work list be without a few ping-pong tables, incentive trips or in-house smoothie bars? Here are some of the fun fringe benefits offered.

- ▶ 6 companies organize annual employee sports leagues, playing everything from bowling to kickball.
- ▶ 8 offer pet insurance.
- ▶ 10 make snacks available to employees throughout the day.
- ▶ 2 pay a portion of employees' dependents' college tuition.
- ▶ 1 company offers in-house haircuts. And they have beer on tap, too.



WestPoint Financial Group's Family Fun Fest | WESTPOINT FINANCIAL GROUP

Congratulations team!

Because of you, we are one of the best places to work for the **sixth consecutive year.**

First Bank Chicago

Your Interest Is Our Priority

HIGHLAND PARK Banking Center (847) 432-7800
NORTHBROOK Banking Center (847) 272-1300
SKOKIE Banking Center (847) 272-7800
WESTCHESTER Loan Production Office (708) 223-7001

FIRSTBANKCHICAGO.COM
MEMBER FDIC • EQUAL HOUSING LENDER • NMLS# 421795

Modernizing the Power Grid

A discussion on resilient, reliable power in extreme weather featuring WGN-TV's Tom Skilling, ComEd CEO Gil Quiniones and Argonne National Laboratory Director Paul Kearns.

Wednesday, Oct. 11 | 7:30 AM
The Forum @ 110 N. Wacker Drive

Scan Here
To Reserve Your Spot

Powered By **comEd**
AN EXELON COMPANY

CRAIN'S CONTENT STUDIO



Tom Skilling
Chief Meteorologist
WGN-TV



Gil Quiniones
CEO
ComEd



Paul Kearns
Director
Argonne National Laboratory

19. Assurance

Industry: Insurance
Locations: Schaumburg and Chicago
Company size: Large
Total U.S. employees: 655
Female executives: 50%
Voluntary turnover: 14%
Working remotely at least part-time: 95%

The traditional model of a work commute often means mornings and evenings spent in rush-hour traffic or on packed public transportation. But at insurance company Assurance, the existence of a suburban office as well as a Chicago-based outpost, not to mention the ability to work from home and set one’s own hours, eliminates the need for an arduous commute. And the office perks — an onsite gym, table tennis, a rooftop patio and cafes — make it well worth the trip.

Further, Assurance maintains a strong focus on employee experience, says Michelle Lodl, senior vice president of human resources. Instead of the traditional annual performance review, the organization prefers a culture of continuous feedback. “This helps ensure our colleagues get timely recognition on everything that they’re doing well and, when needed, constructive feedback,” Lodl says. “It also empowers our colleagues to let their supervisors know when and how they need additional support.”

And when employees need more help on the home front — for example, when expanding their families — they’ll be aided by end-to-end fertility support and 12 weeks of paid parental leave. “Our colleagues are committed to our clients and never fail to rise up when we need them most. We want to do the same when they need us,” Lodl says. “Every chance you have as an employer to pile on support during a critical moment is an opportunity to create a life-long colleague.”

—Katie Arnold-Ratliff

20. Zapwater Communications

Industry: Public relations
Location: Chicago
Company size: Small
Total U.S. employees: 39
Female executives: 86%
Voluntary turnover: 13%
Working remotely at least part-time: 100%

“Of course, there are the perks,” Zapwater CEO David Zapata says. “LaCroix and snacks, lunches, happy hours, parties, extra PTO days, movie marathons in the conference room leading up to a holiday, pets, Pilates . . . all the ‘fun’ things you might expect of any modern office. But at Zapwater it doesn’t feel like a checkbox. These are employee-led initiatives. We create the culture each and every day.”

What does that culture look like? Like half-day Fridays, year-

round. A bank of work-from-home days offered to each employee. An extra week of paid time off after one year, to be used for volunteerism. Not to mention the chance to travel the world. “We work with clients from Tahiti to Finland, Mexico to Ethiopia, Switzerland to Dominica, and more,” Zapata says. “We’re lucky to accompany journalists and influencers on trips and immerse ourselves in these spectacular client locations.”

Zapwater’s culture is also deeply committed to fostering diversity and inclusion, including a particular focus on accommodating those with mental illness.

“Diversity means a lot of things, and one aspect of which I’m particularly proud is our sensitivity to different ways of learning, working and interacting,” Zapata says. “As a father of a neurodiverse child, I’m very open with staff about my experiences and how to make places more inclusive.”

—Katie Arnold-Ratliff

21. Engineering Enterprises

Industry: Engineering
Location: Sugar Grove
Company size: Small
Total U.S. employees: 64
Female executives: 43%
Voluntary turnover: 10%
Working remotely at least part-time: 30%

Providing consultation services to public-agency engineering operations, EEI (as the organization calls itself) is thoroughly modern in its approach to the employee experience. But that’s nothing new; the company has been focused on work-life balance for decades. Take, for example, employees’ option to work a four-and-a-half-day workweek, says Brad Sanderson, president and chief operating officer. “While the initial work-week philosophy was set more than 25 years ago, over the years we have become even more flexible to accommodate the needs of our staff,” he says.

That evolving approach to flexibility is evident in the freedom employees are given to set their schedule based on individual requirements and to work remotely as needed. Volunteering and social events throughout the year are also a staple of employee life at EEI. “We strive to provide a positive employee experience and we want our employees to feel valued and supported,” Sanderson says.

EEI is also big on mentoring internal talent. One of the company’s most notable committees is the Young Professionals Group, a mentorship network that “was established to support our future leaders and the needs of our staff at the beginning of their careers,” Sanderson says.

“The goals are to promote development, assist in building a sense of community and to enhance onboarding and retention.”

—Katie Arnold-Ratliff



Zapwater Communications staffers celebrate at the 2022 Publicity Club of Chicago Awards, where two employees were named a 30 Under 30. | ZAPWATER COMMUNICATIONS

22. Women Employed

Industry: Nonprofit
Location: Chicago
Company size: Small
Total U.S. employees: 26
Female executives: 100%
Voluntary turnover: 28%
Working remotely at least part-time: 100%

When your nonprofit’s goal is to increase equity for women in the workplace, it follows that your internal priorities would mirror that aim. As President and CEO Cherita Ellens says, “We know we can’t achieve true equity until every woman, no matter her background or circumstances, has the opportunity to build her economic power and improve her life.”

That’s why the organization — the executive staff of which is composed entirely of women — takes such care to ensure that its hiring policies are inclusive, its hours and working methods are flexible and accommodating, and its internal systems make sense for working women, many of whom have families. Case in point: Women Employed’s leave-sharing policy, which Ellens says “creates a pool of sick leave from which employees can draw in the event of a medical emergency. Staff members with more than 10 sick days available can donate to the pool.”

In addition, the organization pays 85% to 95% of medical premiums, offers fully paid life insurance and provides 12 weeks of parental leave, nine of which are fully paid. And on Fridays, no meetings are scheduled, and no email or calls need to be answered unless it’s an emergency. Instead, says Ellens, employees “carve out this uninterrupted time to focus on larger tasks and strategies.” The outcome? “We’ve seen the results not only in the work, but in improved satisfaction scores on our employee engagement survey,” she says.

—Katie Arnold-Ratliff

23. Avionos

Industry: Technology
Location: Chicago
Company size: Medium
Total U.S. employees: 110

Female executives: 25%
Voluntary turnover: 19%
Working remotely at least part-time: 59%

As experts in digital transformation, marketing and digital commerce, those at Avionos know the value of staying on top of the latest leaps forward. That’s why the company offers numerous opportunities for continuing education and certification — encouraging employees to pursue these milestones with monetary bonuses and by covering their exam costs.

But school is in session in another way at Avionos, too: During the pandemic, the company’s leadership allowed those who needed to come into the office to bring their remote-learning kids along with them. “Since then, we’ve kept the policy in place and love to have the energy in the office,” Chief People Officer Gibson Smith says. Flexible arrangements for parents are a big part of the company’s philosophy; it also offers flex hours to anyone who needs to cover a gap in child care coverage.

And what does any hard-working employee need to recharge during a challenging workweek? A little de-stressing. Avionos agrees, providing virtual guided meditation sessions three mornings a week at no cost to employees. And once the Friday morning meditation session ends, it’s just a hop, skip and an out-of-office alert to the weekend, considering that every Friday at Avionos ends at midday.

—Katie Arnold-Ratliff

24. Clune Construction

Industry: Construction
Location: Chicago
Company size: Large
Total U.S. employees: 671
Female executives: 16%
Voluntary turnover: 12%
Working remotely at least part-time: 50%

Just over 10 years ago, when Clune Construction founder Mike Clune was thinking about stepping down, he came up with a plan to “ensure the security of Clune’s future,” says Vince

Gutekanst, president of the Midwest region. Rather than sell, Mike Clune set up an employee stock ownership plan to transition the company to its employees over time. Flash forward, and now every employee who has been with the company for at least a year receives an annual contribution made up of shares and cash.

That contribution is on top of the company’s 401(k) offering, as well as its policy of covering 100% of medical premiums for both employees and their dependents. “We are proud to continually offer top-tier health insurance coverage at no cost,” Gutekanst says. “It’s a true testament to Clune’s culture of caring for our employees both in and outside of the office.”

Clune also supplements this subsidized coverage with a free telehealth offering designed to assist with chronic joint pain and a free membership to a mental health support and meditation app that aids with stress relief. “Offering cost-effective access to first-in-class benefits has resulted in a happier, healthier workforce,” Gutekanst says.

—Kate Rockwood

25. Instant Alliance

Industry: Staffing and recruiting
Location: Chicago
Company size: Small
Total U.S. employees: 24
Female executives: 50%
Voluntary turnover: 5%
Working remotely at least part-time: 100%

A company in the business of talent recruitment knows that keeping the talent happy is a business imperative. Luckily, everyone at Instant Alliance also just really seems to like each other, which makes it even easier to design employee-focused benefits. “We commit to several team-building events throughout the year and have company lunches on the riverwalk just to enjoy each other’s company,” Chief of Staff Sina Daneshvaran says.

In addition, though the team works a hybrid schedule, on Wednesdays all employees converge on the office. They start the day with strategic games to get the juices flowing — “We love friendly competition,” Daneshvaran says — and then, at lunch, employees are often treated to a meal prepared by CEO Rona Borre. Full of team spirit and home cooking, the staff wraps up the day at 4 p.m. to get a jump on their commute.

And when it comes time to celebrate the good work they’ve been doing, there’s a big prize waiting. Known as The President’s Club, this annual reward entails a fully paid team vacation with an itinerary designed by Borre. “It is a significant accomplishment to be selected for this trip, and it is one of the highlights of our company,” Daneshvaran says. “The CEO is known for planning amazing excursions and activities to help everyone relax and have fun.”

—Kate Rockwood

CALLED TO LEAD

LOYOLA'S QUINLAN SCHOOL OF BUSINESS

empowers professionals and students to be difference makers with a call to do more. Grounded in ethical leadership, our nationally ranked graduate, undergraduate, and executive programs are taught by industry-leading faculty. Gain the confidence and experience to improve communities, society, and the world through the power of business.

DISCOVER YOUR CALLING AT [LUC.edu/Quinlan](https://luc.edu/Quinlan)



QUINLAN
SCHOOL *of* BUSINESS

Akilah Blackman
Quinlan MBA Graduate

The Best Places are embracing sabbaticals. Are they worth it?

Still rare but increasingly popular, the perk is offered by about 7% of U.S. firms

By Jennifer Thomas

To stay competitive in the battle to attract and retain top talent, many top-tier companies are leaning on employee-friendly perks such as unlimited paid time off, flexible work and generous parental leave. More recently, another benefit has entered the conversation: paid sabbaticals.

They're still rare — just 7% of U.S. companies offer them, according to the Society of Human Resource Management's 2023 benefits survey — but the numbers are inching upward. In 2019, 5% of companies offered paid sabbaticals.

Thirteen companies on Crain's 2023 Best Places to Work list have sabbatical programs. While the type of sabbaticals they offer differ based on length of service and eligibility, the most common framework is four weeks every five years. These employers see sabbaticals as an opportunity for their employees to recharge, grow, reflect and return to the company with a renewed sense

of purpose. They also see them as a tool to help employees avoid burn-out.

"Most employees look forward to the sabbatical as a break, as a chance to put down some of the burdens they've been carrying," says Tom Cunningham, chief people officer at Pariveda Solutions, a 700-plus employee business and technology consultancy that ranks No. 71 on our list.

For most companies, the biggest expense of their sabbatical program is covering an employee's salary. (Construction and design firm Arco/Murray, No. 32 on our list, also tosses in up to \$5,000 in travel reimbursements.) That's because many of the companies that offer weeks-long, not months-long, sabbaticals are able to absorb an employee's workload with existing staff. And while sabbatical programs require extra work for colleagues and HR departments, employers unequivocally say the benefit is well worth any minor headaches.

That's certainly true for No.

33-ranked Braviant Holdings, a 64-employee fintech firm that implemented its four-week sabbatical program in 2022 as a way to reward its roster of long-standing employees. "Our sabbaticals encourage creativity, innovation and increased productivity among employees when they return," says Chief People Officer Ramona Stefan.

Other employers say sabbaticals support their employees' personal and professional growth and boost workplace well-being. That fits with research in the Journal of Applied Psychology that found sabbaticals lower stress and increase life satisfaction. Not only that, but the study showed those positive effects don't dissipate even months after employees return to work.

In many ways, sabbaticals act as a "reset," Cunningham says. "Taking a sabbatical forces a break from the everyday habits that accrue to anyone who works a full-time job," he says. "This change in perspective allows you to look at your work and your career through a different lens,



Corie Foley, a vice president at Arco/Murray, traveled to Southeast Asia on her sabbatical. Here she takes a tuk-tuk ride in Bangkok. | PROVIDED

giving you a clearer view of the ways that you contribute to and influence the world around you."

Pariveda Solutions offers a four-week sabbatical every five years to the company's principals and vice presidents — about 20% of its workforce.

At Royal Cyber (No. 18), a 61-employee global IT services technology provider, employee sabbaticals last anywhere from a few months to an entire year. The company started its sabbatical program to improve work-life balance and give employees time to learn new skills or expand their education. In turn, its program has led to a more engaged, more motivated and less stressed workforce, says Global HR

Head Lubna Ashraf.

For the most part, the types of benefits sabbaticals provide are not surprising, but employers also report some unanticipated upsides. That includes the chance to "stress test our succession planning and prepare teams for unexpected absences," Ashraf says.

At Arco/Murray, employees have returned rested and inspired but also with a changed, and perhaps healthier, outlook on work. "The sabbatical program keeps everyone humble: No matter what your role is, you recognize that the business moves on while you're away. It's a chance to gain perspective," says CEO and co-Chairman Brad Dannegger.

THURSDAY, OCT. 5 | 7:30–9:45 AM

THE FORUM AT 110 N WACKER DRIVE

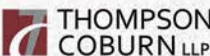
CRAIN'S CHICAGO BUSINESS REAL ESTATE BREAKFAST

BEYOND RETAIL: THE SHOPPING MALL EVOLUTION

Reimagine shopping malls with Crain's and a panel of experts and explore what the changing landscape means for both industry stakeholders and communities.

BUY TICKETS TODAY!
[ChicagoBusiness.com/REBreakfast](https://chicagobusiness.com/REBreakfast)

CORPORATE SPONSORS



WHITNEY LIVINGSTON
President
Centennial



GEOFF MASON
EVP of Development
Unibail-Rodamco-Westfield



ADAM TRITT
Chief Development Officer
Brookfield Properties



MODERATOR:
DANNY ECKER
Reporter
Crain's Chicago Business



LEAHY-IFP
2350 Ravine Way #200, Glenview, Ill. 60025
847-904-5250 | leahy-ifp.com

Commercial market worth squeeze for 5-time honoree

By Judy Stringer

While the name Leahy-IFP might not immediately ring a bell, if you’ve sipped on one of the new wave of cold refreshment fruit drinks at your favorite cafe or enjoyed an exotic juice-infused cocktail on a rooftop lounge this summer, chances are you tasted its work.

The Glenview-based company produces and packages a variety of shelf-stable, health-conscious fruit drinks and juice concentrates for itself and other private labels. Leahy-IFP also manufactures and sells juice-packed fruit – a carbohydrate-control product line called Carbotrol it pioneered some 40 years ago – and a few other non-beverage items, such as fresh fruit purées and sugar-free syrup.

That said, this four-time Best Place To Work honoree is not your run-of-the-mill foodservice vendor.

“We’re solutions providers to the foodservice industry,” explained President and CEO Darnell Ross. “We take ideas — whether it is an idea from a customer or an idea that we developed internally based on our knowledge of customer needs or market trends — and we bring those ideas from inception to commercialization, either for ourselves or for our customers.”

The modern-day Leahy-IFP traces its roots back to the mid-20th century when William “Bill” H. Leahy, a local sales rep for a California-made powdered drink mix, started his own foodservice brokerage. As the business and its footprint grew beyond greater Chicago, his son, Timothy “Tim” Leahy Sr., recognized an opportunity in juice-based canned fruit marketed primarily to diabetics as an alternative to carb-rich syrup and bland water preparations.

Launched in the 1978, Carbotrol was the first juice-packed fruit mix to hit the market and “the early engine that allowed the company

to flourish,” according to Mike Leahy, a third-generation owner and executive chairman of Leahy-IFP.

“They took that cash flow and started developing juice concentrates and ready-to-drink juices primarily for the health care and college sectors,” Leahy said.

Then in 1997, the Leahy organization bought IFP Company, a trailblazer in aseptic cardboard juice cartons, setting the stage for the combined enterprises’ most recent inflection point – expanding its reach beyond institutional settings into cafes, bakeries, fast-casual and fine-dining establishments.

Innovation shift

In a bid to breach this commercial market, Leahy said the company began shifting its deep-rooted sales-and-marketing mindset toward innovation about 10 years ago.

“R&D was basically a one- or two-man show,” he said. “So, we went out and hired food scientists and added more expertise in areas like product quality and consumer analytics, and we took an aggressive approach with major national chains to be in front of their R&D team versus their procurement team.”

Leahy-IFP also built out internal supply chain, manufacturing and logistics departments, Ross added.

“We began evolving into an organization with its own procurement arm, its own manufacturing arm, etc. We were purchasing all of our raw materials, producing our own products and commercializing them.”

Mike Lojkutz, director of innovation, said the proactive “go-to-market” strategy is what allowed the fledgling organization to approach some of the world’s largest foodservice brands and not only ask, “What do you want to put

in a package?” but explain, “Here’s what you are missing, and here’s how we can deliver that added value for you.”

“It was a more consultive-style sales approach to doing business, which was pretty risky of little Leahy-IFP at the time,” Lojkutz said, “but has served us well.”

Growth mode

Leahy estimates that as recently as 2008, 75% of Leahy-IFP business was tied to institutional sales, or the non-commercial side of its business.

“Today, those sales make up less than 25% of our total business, and the commercial side has really been the catalyst for our current growth trajectory,” he said.

According to Ross, employment at Leahy-IFP has increased roughly 40% over the last four years. It currently staffs 65 people at the Glenview headquarters, he said, and has another 200-plus individuals “working on behalf of our products” at manufacturing and packing facilities in the Midwest and West Coast.

As the company continues to grow, it looks to its leadership team to explore new strategies for its continued evolution. “I am so proud of our leadership team. It is a diverse team with complimentary skill sets, all of which will allow us to continue the company’s successful path forward,” Leahy said.



Mike Leahy
Executive Chairman



Darnell Ross
President & Chief Executive Officer



Scott Yom
Chief Operating Officer & Acting Chief Financial Officer



Tim Leahy Jr.
Chief Manufacturing Officer



Giff Brown
Chief Customer Officer



Leahy-IFP employees participate in “Winning Wednesday,” a company-wide quarterly meeting to share updates across the organization to stay aligned and connected.



Members of the Leahy-IFP brand team gather to show off packaging and promotional elements for the company’s All Friends beverage infusions.

The company is, Ross continued, “pleased but not necessarily surprised” to see its name on the Best Places To Work list once again.

“To be quite honest, we work very hard to maximize the potential of every employee,” he said. “If they’re really invested in the business and want to learn how to continue to

grow professionally and develop their skills within the business, we are here to help them succeed.”



BEST PLACES TO WORK

	Company	Location(s)	Industry	U.S. employees	Percentage of female executives	Voluntary turnover	Percentage of employees working remotely at least part of the week
26	SKYLINE CONSTRUCTION	Chicago	Construction	384	25%	0%	20%
27	FIRST BANK CHICAGO	Chicago, Highland Park, Northbrook, Skokie, Westchester	Finance	146	33%	7%	85%
28	CAMPBELL & CO.	Chicago	Consulting	70	84%	6%	100%
29	LOBERG CONSTRUCTION	Palatine	Construction	33	50%	15%	90%
30	CORRUGATED SUPPLIES	Bedford Park	Manufacturing	600	10%	11%	0%
31	BUILTECH SERVICES	Schaumburg	Construction	94	20%	4%	20%
32	ARCO/MURRAY	Chicago, Downers Grove	Construction	564	7%	9%	2%
33	BRAVIANT HOLDINGS	Chicago	Fintech	64	50%	14%	100%
34	GLENSTAR PROPERTIES	Chicago	Real estate	45	33%	10%	0%
35	LIVENTUS	Chicago, Northbrook	Technology	38	25%	4%	90%
36	BAILEY EDWARD DESIGN	Chicago, Fox River Grove, Champaign	Architecture and planning	60	40%	25%	95%
37	THE LACTATION NETWORK	Chicago	Health care	59	100%	6%	94%
38	RYAN LLC	Chicago, Downers Grove	Finance	2,476	31%	13%	95%
39	YCHARTS	Chicago	Fintech	118	14%	17%	60%
40	BOS	Chicago, Roselle	Office furnishings dealer	162	50%	NA	75%-85%
41	R.M. CHIN & ASSOCIATES	Chicago	Consulting	99	50%	4%	5%
42	VICTORY PARK CAPITAL ADVISORS	Chicago	Investment management	54	11%	18%	100%
43	ZORO	Chicago	E-commerce	655	75%	29%	100%
44	ADVANCED CLINICAL	Deerfield	Clinical research services	352	37%	12%	100%
45	DUANE MORRIS	Chicago	Law	1,711	37%	8%	100%
46	AMOPPORTUNITIES	Chicago	Clinical training and software	38	40%	24%	100%
47	IMANAGE	Chicago	Technology	546	15%	11%	100%
48	STREAM REALTY PARTNERS	Chicago	Commercial real estate	1,200	35%	13%	25%
49	GRESHAM PARTNERS	Chicago	Financial services	64	50%	14%	100%
50	CLARITY PARTNERS	Chicago	Technology	106	20%	17%	100%
51	SPAULDING RIDGE	Chicago	Consulting	481	30%	23%	26%

	Company	Location(s)	Industry	U.S. employees	Percentage of female executives	Voluntary turnover	Percentage of employees working remotely at least part of the week
52	RALPH H. SIMPSON	Elmhurst	Construction	27	25%	0%	35%
53	THE TRADE DESK	Chicago	Technology	1,780	50%	9%	4%
54	SQN ASSOCIATES	Chicago	Construction	70	40%	14%	60%
55	CAMELOT ILLINOIS	Chicago	Gambling	108	69%	44%	100%
56	ALLISON + PARTNERS	Chicago	Marketing and communications	354	45%	22%	50%
57	HIGH TIDE LOGISTICS	Lincolnwood	Freight and logistics	32	0%	20%	6%
58	KENSINGTON SCHOOL	Burr Ridge	Education	396	75%	NA	5%
59	DMC	Chicago	Software	230	17%	9%	95%
60	HEARTLAND REALTY INVESTORS	Chicago	Property management	118	60%	17%	6%
61	EPSILON ECONOMICS AND EPSILON LIFE SCIENCES	Chicago	Consulting	44	50%	15%	36%
62	RHEAPLY	Chicago	Technology	61	20%	10%	75%
63	ORIGAMI RISK	Chicago	Technology	663	36%	10%	50%
64	SEI	Chicago	Consulting	562	67%	8%	80%
65	SIKICH	Chicago	Consulting	1,681	44%	13%	81%
66	CENTRIC CONSULTING	Chicago	Consulting	599	43%	NA	100%
67	MAZARS USA	Chicago	Accounting	1,043	43%	30%	75%
68	PARTNER ENGINEERING & SCIENCE	Chicago, Lombard	Consulting	1,296	55%	11%	33%
69	BUILDERS VISION	Chicago	Investment management and philanthropy	94	40%	1%	100%
70	COHERENT ECONOMICS	Chicago	Legal	36	22%	NA	100%
71	PARIVEDA	Chicago	Consulting	745	31%	20%	100%
72	MEITHEAL PHARMACEUTICALS	Chicago	Pharmaceutical	75	40%	8%	10%
73	NORTHSHORE CARE SUPPLY	Green Oaks	Personal care	41	38%	8%	50%
74	LOGIWA TECHNOLOGY	Chicago	Technology	62	37%	10%	100%
75	VITALITY GROUP	Chicago	Health and wellness	248	45%	16%	35%
76	EDGE LOGISTICS	Chicago	Logistics	70	33%	13%	7%
77	LOGICGATE	Chicago	Technology	237	45%	NA	98%

BEST PLACES TO WORK

	Company	Location(s)	Industry	U.S. employees	Percentage of female executives	Voluntary turnover	Percentage of employees working remotely at least part of the week
78	JELLYVISION	Chicago	Technology	300	71%	89%	100%
79	BEACON FUNDING	Northbrook	Financing	86	20%	7%	90%
80	BURNS & MCDONNELL	Chicago	Consulting	8,500	9%	5%	10%
81	TERRA ENGINEERING	Chicago	Engineering	98	33%	13%	100%
82	PERKINS COIE	Chicago	Legal	2,657	60%	NA	67%
83	KLEIN & HOFFMAN	Chicago	Architecture and engineering	60	33%	7%	30%
84	EBCO	Elgin	Manufacturing	58	50%	20%	30%
85	BUCKLEY FINE LAW	Barrington	Legal	36	67%	3%	50%
86	KRD	Chicago, Schaumburg	Accounting	99	17%	1%	80%
87	TRADING TECHNOLOGIES INTERNATIONAL	Chicago	Finance and tech	186	31%	14%	100%
88	WESTPOINT FINANCIAL GROUP	Chicago	Finance	722	11%	15%	20%
89	PETERSON TECHNOLOGY PARTNERS	Park Ridge	Recruiting and consulting	89	20%	5%	60%
90	MEDIAFLY	Chicago	Software	170	31%	11%	100%
91	HRBOOST	Chicago	Human resources	25	100%	4%	80%
92	FOCUS	Chicago	Construction	64	25%	17%	90%
93	ALTAIR ADVISERS	Chicago	Finance	65	50%	8%	100%
94	WALKER SANDS	Chicago	Marketing	185	20%	28%	100%
95	USER GROUP SERVICES	Chicago	Technology	80	50%	17%	100%
96	ORREN PICKELL BUILDING GROUP	Wilmette	Architecture	34	40%	12%	25%
97	MELTZER HELLRUNG	Chicago	Law	25	62%	12%	100%
98	GOLDBERG KOHN	Chicago	Law	159	27%	9%	95%
99	BIGTIME SOFTWARE	Chicago	Software	170	30%	NA	100%
100	UPSHOT	Chicago	Advertising	116	58%	28%	99%

How we compiled Crain’s Best Places to Work 2023

Who’s eligible? Crain’s Best Places to Work program was open to all publicly or privately held organizations, either for-profit or nonprofit. To be eligible for consideration, organizations must have at least 25 employees working in the seven-county area of Cook, DuPage, Kane, Lake, McHenry and Will in Illinois

and Lake in Indiana. Published employee totals are as of April. **What criteria were used?** Best Companies Group, or BCG, a Pennsylvania-based independent workplace excellence research firm, conducted a two-part survey. The first part of the assessment

consisted of an employer question-naire, used to collect information about benefits, policies, practices and other general information. The second part was a confidential 77-question employee survey used to evaluate local employees’ workplace experience and culture. BCG collected

data from the companies in March and April. **How was it scored?** BCG combined the scores of the two surveys, with the employee responses making up 75% of the total, and conducted an in-depth analysis to determine the number of companies that met its standard of

excellence. To find the top companies in each size category, BCG separated firms into small (25 to 99 U.S. employees), medium (100 to 249) and large (250 or more). **Notes:** NA = Information not available. Research: Best Companies Group. Editor: Ann R. Weiler.

Fall arts and culture guide

Check out our arts and culture preview, designed to help you figure out what to do in and around Chicago this fall | By Graham Meyer

Sept. 13-Dec. 3

When Chicago's open run of **"Hamilton"** shuttered in early 2020 after 3½ years, the producers said it could have gone on even longer, which is really saying something for a production that reportedly grossed \$400 million. The purpose of closing was both to relax geographical exclusivity so the touring productions could hit other Midwestern cities and to keep the juice in a future touring visit to Chicago. Well, that visit is here, bringing back the diverse-cast, hyper-verbose, hip-hop musical biography of one of the United States' founding fathers for at least three months. Don't throw away your shot. Nederlander Theatre.

Sept. 14-30

When **"Motherhouse"** originally opened at the storefront Rivendell Theatre Ensemble, it was scheduled for about six weeks. The story of a woman who sits down with her four aunts to talk about their recently deceased mother and sister to prepare a eulogy — the first full-length play by playwright Tuckie White — proved so popular with both critics and audiences that it was extended for two weeks. Then the theater added another three weeks, but it had to close during the summer. Now Rivendell will give audiences one last chance and bring it back for just two more weeks. Rivendell Theatre Ensemble.

Sept. 16-Oct. 15

"The Nacirema Society Requests the Honor of Your Presence at a Celebration of Their First Hundred Years" is a comedy that mixes six African American debutantes and their collective cattiness against the backdrop of Montgomery, Ala., during the Civil Rights Movement. Playwright Pearl Cleage (**"Blues from an Alabama Sky"**) — a frequent collaborator with

the Goodman Theatre's new artistic director, Susan Booth, from her previous gig in Atlanta — will receive productions or readings of her work at several theaters around town over the next few months. Goodman Theatre.

Sept. 19-Oct. 29

"The Lehman Trilogy," a three-act, three-actor theatrical epic running between three and four hours, tells the history of Lehman Brothers, the investment bank whose 2008 collapse during the Great Recession rippled outward disastrously to the entire global economy. TimeLine Theatre presents the Chicago premiere of the play(s), fitting the troupe's history-reflects-the-present mission. Instead of mounting the Best Play Tony Award winner in its usual Lakeview storefront home, TimeLine partners with Broadway in Chicago to use the Broadway Playhouse space — big for TimeLine, but the smallest employed by Broadway in Chicago. Broadway Playhouse.

Sept. 21-30

Riccardo Muti, now ex-music director of the Chicago Symphony Orchestra but laureled with the redundantly named post of "music director emeritus for life," may seem like the same old tuxedo in front of the hometown orchestra. But this two-week residency ends an era of frequent local visits; all of his other appearances with the CSO this season will be on tour. Muti's first program includes Stravinsky's lambent suite from **"The Firebird"** and Brahms' Symphony No. 2. Nestled among those concerts, the pre-Symphony Ball performance centers on **Tchaikovsky's Violin Concerto**, played by Leonidas Kavakos. The final program premieres a **new work by Philip Glass** with a title that might stop you: **"The Triumph of the Octagon."** Symphony Center.



Sharriese Hamilton (from left), Demetra Dee, E. Faye Butler and Shariba Rivers in **"The Nacirema Society"** | GOODMAN THEATRE



The Joffrey Ballet's Amanda Assucena and Alberto Velazquez | CHERYL MANN

Sept. 23-24

Robert Joffrey may have gotten his name on the Joffrey Ballet, but Gerald Arpino also co-founded the troupe and later moved it to Chicago, not to mention choreographing a hefty, yet lissome swath of its earliest repertoire. Arpino, who died in 2008, would have turned 100 this year — and to mark his centenary, the Joffrey invited fellow companies for two festival performances of his work, including the American Ballet Theatre casting his early **"Sea Shadow"** (1962) and the San Francisco Ballet doing **"L'Air d'Esprit"** (1978). Each of the two different programs in the **"Arpino Chicago Centennial Celebration"** will feature Joffrey dancers for one work, first **"Suite Saint-Saëns"** and then **"Round of Angels,"** created for their company predecessors 40 years ago. Auditorium Theatre.

Sept. 28-30

New-music sextet Eighth Blackbird, named after a reference to modernist poetry, presents a full-length setting of Gertrude Stein's lecture **"Composition As Explanation,"** her gnomic, predictive text-like pronouncements delivered by the

instrumentalists theatrically. Eighth Blackbird excels in creating more of a show than just sound delivery in their performances — for example, memorizing their music so they can move around the stage in straightforward concert programs and also commissioning productions that call for acting, movement, props or other theatrical devices. Pulitzer Prize-winning composer David Lang, another music-plus specialist, composed **"Composition."** Court Theatre, University of Chicago.

Sept. 29-Oct. 1

The long-in-title, short-in-duration baroque opera **"La Liberazione di Ruggiero dall'Isola d'Alcina"** tells the story of Ruggiero, a knight ensorcelled by the enchantress Alcina into willing captivity on her island. Another sorceress, Melissa, arrives to clash with Alcina over Ruggiero. The dominant female characters reflect the historical importance of the opera; it's the first Western-tradition opera written by a woman, Francesca Caccini, in 1625. Haymarket Opera, the foremost local presenters of baroque opera, will stage the 90-minute work with

assistance from the Newberry Consort and their tangle of early trombones. Book soon, as Haymarket often sells out. Jarvis Opera Hall, DePaul University.

Oct. 7-Feb. 19, 2024

French sculptor **Camille Claudel** had a tumultuous life. Sculpture in late-1800s France wasn't considered a field for women, but Claudel found a place in the studio of Auguste Rodin. The artistic and romantic entanglements of the two eventually curdled into paranoia, and Claudel was institutionalized for the last 30 years of her life, during which she produced no art. The Art Institute of Chicago, through what must have been a superhuman curatorial effort, has pulled together 60 of her sculptures — about two-thirds of her total extant output — for the first Claudel exhibition in the U.S. in 20 years. Art Institute of Chicago.

Oct. 12-22

Instead of cobbling together a fall performance out of disconnected pieces and animating them into a single whole, the Joffrey Ballet presents **"Frankenstein,"** a full-length ballet based on the novel by Mary Shelley. Several boldfaced names appear in the stitching. Choreographer Liam Scarlett, a wunderkind until his early death by suicide, created the work for the Royal Ballet. John Macfarlane, an artist with a knack for horror (the Lyric Opera's **"Macbeth"**), designed it. Lowell Liebermann, one of the most performed and most accessible of contemporary composers, wrote the music. Lyric Opera House.

Oct. 20-21

London-based Portuguese conductor Dinis Sousa, chamber orchestra English Baroque Soloists and the Monteverdi Choir present two concerts on opposite poles of commonness: **Bach's Mass in B Minor**, considered by some the apotheosis of the choral-orchestral canon, and **Handel's "L'allegro,"** a rarely performed oratorio with a text by John Milton. Harris Theater.



Camille Claudel's **Crouching Woman**, about 1884–85. Musée Camille Claudel, Nogent-sur-Seine. | MARCO ILLUMINATI

FALL ARTS AND CULTURE GUIDE

Oct. 26

Revisiting contemporaneous negative reviews of what turned out to be classics is a popular pastime, vindicating artists and thumbing noses at critics who do, occasionally, get things wrong. (Ahem.) Aleksey Igudesman, a comic violinist in the duo Igudesman & Joo, collected several such reviews from the realm of classical music and orchestrated them into “The Music Critic,” an evening-length show of music and dramatic reading, with John Malkovich reading the words of the critics as only John Malkovich can. The contrast between a critic snarling that Brahms is a “giftless bastard” while his music flows alongside couldn’t be starker. Chicago Theatre.



“The Music Critic” | PROVIDED

Oct. 31-Nov. 12

Of the many Stephen Sondheim shows that have gone up since his death two years ago, one took a reinterpetive approach instead of straight homage: “Company,” a series of vignettes about relationships loosely hung around the main character’s 35th birthday, is dotted with songs central to Sondheim’s catalog, such as “Being Alive” and “Getting Married Today.” In the original, the main character is Bobby, a bachelor; in this production, a touring version of a Broadway show, it’s Bobbie, a bachelorette. The Broadway production won several Tonys, including Best Revival of a Musical. Cadillac Palace Theatre.

Nov. 4-25

Gaetano Donizetti’s comic opera “Daughter of the Regiment” centers around a young woman, raised as an orphan by a group of soldiers, all of whom she considers her fathers. Her romantic intrigues make for plenty of opportunities to show off the florid, flashy bel canto style Donizetti worked in, most famously in the tenor aria “Ah! Mes Amis,” which hits a high C note eight or nine times, depending on the interpretation. Tenor Lawrence Brownlee, a Lyric Opera favorite, assails the high Cs, while but-tery-smooth soprano Lisette Oropesa sings her Lyric debut as the many-par-ented daughter. Lyric Opera House.



“Daughter of the Regiment” | TRISTAM KENTON, ROYAL OPERA HOUSE

SPONSORED CONTENT

Museum of Contemporary Photography

600 S. Michigan Ave., Chicago, IL 60605 | 312-663-5554 | mocp.org

Museum of Contemporary Photography at Columbia College Chicago presents thought-provoking photography through groundbreaking exhibition and programming, drawing from a collection of over 17,000 works. Our mission is to cultivate a deeper understanding of the artistic, cultural and political roles of photography. “LOVE: Still Not the Lesser” exhibition features 12 global artists and is on view until December 22.



SPONSORED CONTENT

Birthday Candles

Northlight Theatre, 9501 Skokie Blvd., Skokie, IL 60076 | 847-673-6300 | northlight.org

Ernestine Ashworth spends her 17th birthday agonizing over her insignificance in the universe. Soon enough, it’s her 18th birthday...her 41st. Her 70th. Her 101st. Five generations, an infinity of dreams, and one cake baked over a century. A Broadway hit, “Birthday Candles” makes its Midwest premiere with Kate Fry leading a cast of Chicago’s finest! Now playing through October 8.



SPONSORED CONTENT

Dial M for Murder

Northlight Theatre, 9501 Skokie Blvd., Skokie, IL 60076 | 847-673-6300 | northlight.org

Experience the twisty and timeless crime thriller that inspired Hitchcock’s classic film! Tony Wendice married his wife Margot for her money. Now he plans to kill her for it. Romance, blackmail and betrayal interfere with his meticulous planning of the perfect crime in this sharp and clever update of the modern classic. Playing November 30 – December 31.



SPONSORED CONTENT

Reva & David Logan Center for the Arts

915 E. 60th St., Chicago, IL 60637 | 773-702-ARTS (2787) | logancenter.uchicago.edu

Designed as a home for the creative life of The University of Chicago campus and the City of Chicago, the Logan Center is a partner, resource, and catalyst for developing deeper cultural networks and richer creative projects citywide and beyond. From arts education to artistic practice, performance to partnerships, the Logan Center is a creative place of limitless possibilities.



JEAN LACHAT

Deeply Rooted Dance Theater performs Star Box by Augusta Reed Thomas in the Logan Center Performance Hall.

SPONSORED CONTENT

UChicago Arts

5801 S. Ellis Ave., Chicago, IL 60637 | 773-702-ARTS (2787) | arts.uchicago.edu

The University of Chicago’s robust cultural scene is where scholars, students, artists, and audiences converge, explore and create. Visit world-class museums and galleries; experience riveting performances by local, national, and international artists; immerse yourself in the theatrical and musical offerings from UChicago’s collection of professional and presenting organizations; and find community through our robust partnerships with Chicago’s celebrated artists and cultural organizations.



COURTESY ROCKEFELLER MEMORIAL CHAPEL

Handel’s “Messiah” at Rockefeller Memorial Chapel, a beloved annual holiday tradition at UChicago.

SPONSORED CONTENT

Chicago Magic Lounge

5050 N. Clark St., Chicago, IL 60640 | 312-366-4500 | chicagomagiclounge.com

Part speakeasy and part magic theater, the Chicago Magic Lounge is the city’s premiere destination for interactive entertainment. With performances seven nights a week and an ever-changing lineup, each visit promises a unique experience. Blending awe-inspiring magic, craft cocktails and delectable small plates, Chicago Magic Lounge guarantees an unforgettable night out.



SPONSORED CONTENT

Museum of Contemporary Art Chicago

220 E. Chicago Ave., Chicago, IL 60611 | 312-280-2660 | mcchicago.org

Almost 60 years ago, our founders declared that the MCA would “explore the new.” Today, we’re still doing just that: exploring the new through art, culture and community-building with performances, talks and parties, as well as exhibitions featuring artists such as Gary Simmons, Rebecca Morris and Faith Ringgold, there’s no better season to experience the art of our time.



SPONSORED CONTENT

The Joffrey Ballet

10 E. Randolph St., Chicago, IL 60601 | 312-386-8905 | joffrey.org

The Joffrey Ballet’s highly anticipated Chicago premiere of Liam Scarlett’s “Frankenstein” takes the audience on a captivating journey through scientist Victor Frankenstein’s ambitious plan to animate a patchwork of lifeless body parts, setting in motion a detrimental chain of fateful events. All performances take place October 12-22 at Lyric Opera House. Tickets start at \$36.



TODD ROSENBERG

Nov. 9-11
Choreographer Akram Khan, whose versions of the classic ballet “Giselle” and the original, “Woyzeck”-inspired “Creature” for the English National Ballet visited Chicago in recent years, brings his own Akram Khan Company here for the first time with “**Jungle Book Reimagined.**” His interpretation of Rudyard Kipling’s “The Jungle Book” — more bleak and pessimistic than the Disney version — sets the story of Mowgli among the animals against the backdrop of climate-change devastation. Khan’s innovative style blends contemporary Western dance with kathak, one of the classical dance forms of India, a fusion that matches this ballet’s story, showing that all of us globally are in this together. Harris Theater.

Nov. 28
Daniel Barenboim, a conductor who knows Orchestra Hall well from his 15 seasons leading the Chicago Symphony Orchestra, tours with **Staatskapelle Berlin**, an ensemble so old and storied that it predates every instrument in a modern orchestra’s woodwind and brass sections. Barenboim, who turns 81 in November, has announced he’s cutting back his schedule to sub-superhuman intensity, making this North American tour more precious. The program consists of two Brahms sym-

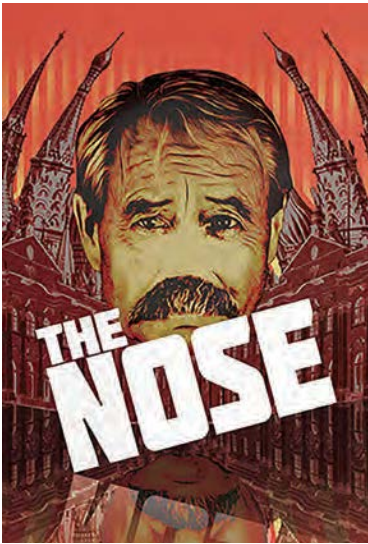


“It’s a Wonderful Life” | MICHAEL BROSILOW

phonies, Nos. 1 and 3. (Brahms completists can attend performances of the other two with the CSO before the new year: **No. 2** under Riccardo Muti, Sept. 21-26; and **No. 4** under Semyon Bychkov, Dec. 14-16.) Symphony Center.

Dec. 8-31
The nearly 40-year-old company American Blues Theater, itinerant for its entire history until now, has purchased a space on North Lincoln Avenue, a little ways west of Rosehill

Cemetery. The building houses two theater spaces, for the use of ABT and those following in its footsteps. The inaugural production in its new home will be its long-running holiday show, “**It’s a Wonderful Life,**” a radio-play version with sound effects and pseudo-retro commercials. At a cultural moment when so many theater companies are folding up, it’s great to see one trading up for bricks and mortar. Look for the troupe to announce dates for its 2023-24 season in late September. American Blues Theater.



“The Nose” | PROVIDED

Dec. 8-10
Chicago Opera Theater’s Music Director Lidiya Yankovskaya was born in St. Petersburg, Russia, and has proved to have a nose for rarely programmed operatic works by major Slavic composers, leading local premieres of Tchaikovsky, Rachmaninoff and Karol Szymanowski. This season, she picks a work by Shostakovich, “**The Nose,**” based on the absurdist short story by Nikolai Gogol in which a man’s nose leaves his face and then goes off to hold a job more important than the man’s own. Hot-shot director Francesca Zambello leads the staging. Harris Theater.

Dec. 16-Aug. 18, 2024
Referencing Marcel Duchamp’s modernist classic, the “**Descending the Staircase**” exhibit examines the human form in contemporary art, with fragments and alterations beyond Duchamp’s non-figurative provocations. Works by artists including Jean Arp and Matthew Barney utilize masks, puppetry, automata, simulacra such as wax and latex, and actual bodies in performance. The exhibit even interpolates the museum-goers who, by traveling from the beginning of the exhibit on the Museum of Contemporary Art’s fourth floor to its continuation on the third, descend the staircase themselves. Museum of Contemporary Art.

Dec. 21-23
For a subject whose story depends on being the one true example of his category, there sure are a lot of Messiahs out there every December. The Chicago Symphony Orchestra and Chorus, whose “**Messiah**” performances are red-letter days, do not produce one every year. But this year, they will exalt the valleys with a strong quartet of vocal soloists, including tenor Matthew Polenzani (“The Magic Flute” at Ravinia in July) and bass John Relyea. Sir Andrew Davis, longtime music director of the Lyric Opera of Chicago, conducts. Symphony Center.

JOFFREY ★ BALLET
CHICAGO

ASHLEY WHEATER MBE
THE MARY B. GALVIN ARTISTIC DIRECTOR

“FLAWLESS” | TICKETS
— TheatreStorm START
AT \$36

FRANKENSTEIN
OCTOBER 12–22 | JOFFREY.ORG
GROUPS OF 10+ | JOFFREYGROUPS@LYRICOPERA.ORG

PRODUCING SPONSOR
Margot and
Josef Lakonishok

PRESENTING SPONSOR
Anne L. Kaplan

PRODUCTION SPONSOR
Mary Jo and
Doug Basler

COSTUME SPONSOR
Jane Ellen Murray
Foundation

2023–2024 SEASON SPONSORS
Abbott Fund
ALPHA WOOD
FOUNDATION CHICAGO

D P Daniel & Pamela
DeVos Foundation

THE
FLORIAN
FUND

Anne L.
Kaplan

Margot and
Josef
Lakonishok

ALL PERFORMANCES TAKE PLACE AT
LYRIC OPERA HOUSE
20 N. Wacker Dr. | Chicago, IL

Special thanks to Live Music Sponsors Sandy and Roger Deromedi, Sage Foundation, and The Marina and Arnold Tatar Fund for Live Music

Jeffrey Company Artists Stefan Goncalvez and José Pablo Castro Cuevas. Photo by Todd Rosenberg.

Feds' report leans toward saving endangered State Street towers

Would demolishing the empty pair of early 20th-century high-rises do more harm than reusing them? A new federal draft report weighs in.

By Dennis Rodkin

Putting a pair of empty State Street buildings to new use might be a little better than tearing them down as planned, a new draft report from a federal agency says.

Demolition of the Century Building, 202 S. State, and the Consumers Building, 220 S. State, would have a “negative, moderate effect” on the historic Loop retail district, its other structures and aesthetics, the report says. But adaptive reuse of the two buildings would have a “beneficial, moderate” impact on the surrounding area’s economy, employment growth and historic integrity.

In other words, demolition would hurt more than reusing the buildings, but not a lot more.

Ward Miller, a leader in the effort to prevent demolition, said he believes the report is “a farce.” Miller, executive director of Preservation Chicago, said the report seems to “move the needle slightly” toward saving the buildings but that it was another piece of “a railroaded process that has disappointed us all.”

The report, a draft environmental impact report released Sept. 11 by the General Services Administration, is part of a mandated public engagement process on the fate of the buildings. Both towers, which date to the early days of State Street high-rises, have been at the center of a debate over dem-

olition since early 2022.

It started when Congress allocated \$52 million to the GSA to demolish the buildings, which the federal government bought in the wake of the Sept. 11, 2001, terrorist attacks and a 2004 threat of a truck bomb aimed at the Dirksen Federal Building, immediately west of the row. The primary justification is that the buildings could harbor someone who wanted to perpetrate violence, perhaps with a gun or bomb, against the judges and staff who work in the Dirksen building.

Need for security

Preservation groups, including Landmarks Illinois and Preservation Chicago, immediately began decrying the potential loss of two early high-rises and the gap that demolition would leave on State Street. A third, smaller and less distinguished building between the pair is also in play.

In May, the Commission on Chicago Landmarks recommended making the buildings city landmarks, which would create an obstacle to demolition.

Sen. Dick Durbin has supported demolition, writing in the Chicago Sun-Times that “federal courthouses and those who work there are targets. That is why the federal government acquired these buildings in the first place. . . Ensuring the safety of the judges and employees who work in the Dirksen Courthouse must be a top priority

in light of the acute security threats they face.”

The GSA, which is officially neutral on the question of demolition, noted in its report that the \$52 million federal allocation is for demolition only and cannot be automatically shifted to cover renovation for reuse instead.

The purpose for whatever happens on the half-acre site is to “address the security needs of the Dirksen Courthouse,” the report says. There is a third alternative along with demolition and adaptive reuse: doing nothing. That would cost about \$445,000 a year in maintenance and repairs, the report says, and does not help address the need for heightened security.

But Miller said the government has “been doing the do-nothing alternative for 17 years” since acquiring the buildings. “It’s demolition by neglect,” Miller said.

In April the GSA demolished a fourth building on the site, a three-story structure at 208-12 S. State, that the agency reported in a press release at the time had been unoccupied for several years, “is not structurally sound and presents risks, including potential facade collapse that would endanger pedestrians and street traffic.”

Miller said that the two distinguished century-old towers, Century and Consumers, which both have architectural pedigrees, “are being treated the same way” as the now-demolished building



The Consumers Building (left) at 220 S. State and the Century Building at 202 S. State.

that stood between them.

Federal stipulations

In its report, the GSA includes a list of 15 stipulations it would attach to any adaptive reuse project for the two buildings.

They include the federal government retaining ownership of the pair and a developer handling security matters in ways that satisfy the desire to keep Dirksen occupants safe, such as lighting the perimeter of the building extensively, removing all fire escapes and providing federal officials ready access to the feed from any security camera. Before and during construction, all construction documents would have to be reviewed and approved by federal law enforcement agencies.

There’s no way to estimate what these stipulations would add to the cost of construction or ongo-

ing use of the buildings.

In May 2022, a group of archives proposed turning the pair of buildings into a large-scale joint research archive of the records of religious orders and other historical groups. Because it would have limited visitor access and could entail closing off all windows that face the Dirksen, it appears to meet the security requirements. The proposal is still live.

In 2019, Mayor Lori Lightfoot’s administration scuttled a private developer’s plan to put new retail and 429 apartments in the buildings. The \$141 million redevelopment plan entailed the federal government handing the buildings to the city, which would in turn transfer ownership to the developers. That aspect and the busy foot traffic of hundreds of residential units clearly do not meet the GSA’s current stipulations for reuse.

DePaul’s new practice gym will require tearing down five historical buildings

By Dennis Rodkin

To make way for its recently announced basketball practice facility, DePaul University will tear down five historical buildings in its Lincoln Park neighborhood.

The practice facility, to be built on the northwest corner of Sheffield and Belden avenues, is part of a \$60 million athletics project that the university announced Aug. 31. The project also entails updating an existing sports facility on the other side of Sheffield, the Sullivan Athletic Center, which contains the 3,000-seat McGrath-Phillips Arena.

Demolition of the historical buildings — two greystones, two red brick multi-flat buildings on Sheffield Avenue and a red brick courtyard apartment building on Belden Avenue — are scheduled to begin in mid-2025, as part of the project’s second phase. The demolitions will eliminate 80 student beds, according to Peter Coffey, the university’s associate vice president for community and government relations.

Of those, 42 are in the courtyard

building, which DePaul acquired two years ago “under the assumption of temporary leases” because of the school’s plan to build new on the site, Coffey said in a statement emailed to Crain’s. Of the other 38, he wrote, “the university is actively working on a plan to address the reduction in student housing.”

All 80 units are student housing, Coffey wrote, meaning that “non-student or residential housing will not be impacted.”

Nevertheless, preservationists are decrying the planned demolitions of historical buildings.

If they’re demolished, “we lose the character of the community, the historical street wall,” said Ward Miller, executive director of Preservation Chicago. No construction dates for the five buildings are clear in public records. The four on Sheffield Avenue appear to be from the late 1800s or early 1900s, and are decorated with carved stone pillars and detailed cornices. The courtyard building on Belden Avenue, evidently built a couple of decades later, has handsome brick arches

and terra cotta plaques.

As a replacement, “what we’ll get is another really bland building that resembles a parking lot and an office building,” Miller said, referring to the Sullivan Athletic Center.

Funded by donors

Designed by firms HNTB and Antunovich Associates and funded by donors, according to the university’s press materials, the practice facility will have its two lower stories wrapped in red brick and its upper two-and-a-half stories wrapped in glass, surrounding a pair of basketball gyms. The first floor will be a health and wellness area, with space for sports medicine treatments, dining, weight training and meetings.

Miller said he’d prefer to see the university build the new facility about a block north, at Fullerton and Sheffield avenues, where it now has a surface parking lot a little larger than the footprint of the five buildings it plans to demolish.

DePaul acquired the four buildings on Sheffield in separate transactions between 2007 and 2012, according to the Cook County Clerk’s



These four historical residential buildings on Sheffield Avenue (above) will be demolished along with a courtyard apartment building (below) around the corner on Belden Avenue. | DENNIS RODKIN



Office. No prices are noted in the documents. The school then acquired the Belden courtyard build-

ing in September 2021, according to a spokeswoman. No price is available for that one, either.

CRAIN'S DINING AND ENTERTAINMENT GUIDE

From private dining to specialty steakhouses, here are options for your next business meal.

BRASS TACK

11 East Walton, Chicago, IL 60611
312-646-1402 • brasstackchicago.com

Brass Tack's private dining, nestled on Waldorf Astoria Chicago's third floor, offers premier spaces for corporate dinners, holiday gatherings, and personal celebrations. With panoramic views of the vibrant Gold Coast area, its unparalleled cuisine and service guarantee an impressive experience for guests.



BLVD STEAKHOUSE

817 West Lake Street, Chicago, IL 60607
312-526-3116 • blvdchicago.com

Located in the Fulton Market District, **BLVD Steakhouse** is a classic American steakhouse inspired by Hollywood's Sunset Blvd. Helmed by Celebrity Chef/Partner Joe Flamm, the restaurant embodies the glamour and luxury that defined Old Hollywood offering sophisticated yet approachable service along with prime cuts and fresh seafood, innovative twists on 1950s cocktails, and an award-winning list of wines.



BANDOL

100 West Monroe Street, Chicago, IL 60603
312-877-5713 • bandolrestaurant.com

Brasserie & Raw Bar. A Southern French coastal inspired urban oasis, **Bandol's** menu intertwines French and Mediterranean classics with modern seafood, raw bar and a sophisticated-casual touch. Using the freshest ingredients and local seafood, Bandol creates delicious steak tartare, prime rib sandwiches, burgers, salads, and more! Our raw bar features the best selections with oysters, salmon, and financial district's best shrimp cocktails.



ITALIAN VILLAGE RESTAURANTS

71 W. Monroe, Chicago IL 60603
312-332-7005 • italianvillage-chicago.com

The Village is truly a journey back in time. Dine in the center of the charming piazza of an old Tuscan village, surrounded by beautiful landscape murals, twinkling lights, and the blue night sky. This unique, old-school Chicago dining room offers a non-private experience for up to 36 guests. We also offer private rooms for up to 150 guests.



THE M ROOM

450 N Clark St, Chicago, IL 60654
312-224-1650 • mroomchicago.com

Located in Chicago's River North, **The M Room** Team presents a variety of neat pours in addition to craft cocktails featuring The Macallan, allowing guests to have an experience perfectly catered to their palette. Additionally, The M Room features Tasting Menus designed to highlight the ingredients and flavors used in The Macallan whisky making process.



REMINGTON'S AMERICAN GRILL

20 North Michigan Avenue, Chicago, IL 60602
312-782-6000 • remingtonschicago.com

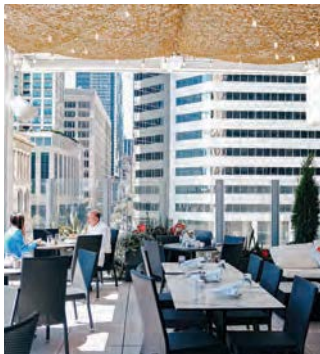
Located across the street from downtown Chicago's cherished Millennium Park is **Remington's** – a classic American grill and steakhouse serving up warm hospitality, unparalleled service, and satisfying cuisine. Remington's menu features classic American fare and Chicago Steakhouse classics. The luxurious and rich interiors create an appealing ambiance for travelers and locals alike with the perfect setting for social gatherings and private parties.



ROSEBUD RANDOLPH

130 East Randolph Street, Chicago, IL 60601
312-473-1111 • rosebudrestaurants.com

Rosebud Randolph, located steps away from Millennium Park, features three levels of stunning dining spaces, making it the perfect spot for any occasion. The menu highlights century-old, Italian, family recipes including hand-made pastas, meatballs, steaks, seafood and more. Rosebud Restaurants have been serving Chicago and the surrounding suburbs since 1976.



ROSE MARY

932 West Fulton Market, Chicago, IL 60607
872-260-3921 • rosemarychicago.com

Located in the Fulton Market District, **Rose Mary** is inspired by Celebrity Chef/Partner Joe Flamm's Italian heritage and the bold, bright flavors of Croatian cuisine. The award-winning restaurant offers a seasonal menu featuring house-made pasta and risottos, fresh seafood, and grilled meats, along with craft cocktails and a diverse list of Eastern European wines.



CRAIN'S DINING AND ENTERTAINMENT GUIDE

showcases a variety of Chicagoland restaurants, bars, private spaces and entertainment venues. This special advertising guide will highlight new menus, spotlight chefs and promote any upcoming special events. To reserve your spot in the guide, please contact Menia Pappas at menia.pappas@crain.com.



CLASSIFIEDS

Advertising Section

To place your listing, contact Suzanne Janik at (313) 446-0455 or email sjanik@crain.com • www.chicagobusiness.com/classifieds

CAREER OPPORTUNITY

Nielsen Consumer LLC has an opening in Chicago, IL for **Manager, Tax Reporting**: Assist in managing complete lifecycle for accounting for income taxes on a worldwide basis. Reqs Bach in Accting or Financ & 5 yrs expc in job offrd or rlted. Telecomutng is permissibl. To apply, email resume to BikashitaLeema.Saikia@nielseniq.com & ref job #196381

CAREER OPPORTUNITY

Sunrise Futures, LLC seeks **Senior Associate, Trading Technology** (Chicago, IL). Rspbl for the supp & maintn of a prdtn trding envrm. Min. Reqs: Mstr's degr (U.S. or frgn eqvl) in comp sci, comp engg, or rel fld + 1 yr of dmnstrtd prgrmmng skls, undrstdng of data strctrs, algrthms & Linux user exp, gained thru prior wrk exp, intrnshp, or crswrk. Email resume to hr2@sunrisefutures.com ref Senior Associate, Trading Technology – Job ID #1225.

CAREER OPPORTUNITY

ELEVANCE HEALTH, INC. seeks **DATA SCIENTIST SR** in Chicago, IL to provide actionable insights to output produced to ensure established targets are met. Apply at www.jobpostingtoday.com ref #86985.

ChicagoBusiness.com

AUCTIONS

advertising opportunities available

To advertise contact
Suzanne Janik
sjanik@crain.com
(313) 446-0455

Greater Chicago Food Depository seeks Director of Partner Services and Training

The Director of Partner Services and training oversees a team of employees who are responsible for supporting the needs of hundreds of Food Depository partners across Cook County. Community partners are central to our efforts to end hunger, so we strive to provide them with the tools needed to be successful. Full job description available at jobs.chicagobusiness.com

Crain's Career Center

jobs.chicagobusiness.com

Keep your career on the move. Create a job seeker profile at jobs.chicagobusiness.com to access career resources, tips and tools.

The Housing Authority of Cook County seeks Chief Financial Officer

Under general direction of the Executive Director, the Chief Financial Officer will direct and oversee the financial activities of the housing authority, direct the preparation of current financial reports and summaries, and create forecasts predicting future growth. Communicate to the board members status of the financial position of the agency. Essential functions, knowledge and abilities and Full job description and responsibilities available at jobs.chicagobusiness.com

Greater Chicago Food Depository seeks Interagency Data Pathways Project Manager

The Project Manager will lead a cross-organizational project involving the Food Depository, the Illinois Department of Human Services (IDHS), and the Illinois State Board of Education (ISBE) to improve technology and data sharing between IDHS and ISBE. The Food Depository advances policy solutions and systems change to end hunger. Full job description and requirements at jobs.chicagobusiness.com

YWCA Metropolitan Chicago seeks a Chief Financial Officer

The CFO serves as a member of the senior leadership team with accountability for the financial and accounting functions of YWCA Metropolitan Chicago, a \$40 million dollar organization with 300 plus employees across a dozen locations. Our financial resources bring to life our mission to eliminate racism and empower women which we do by unleashing the potential of youth, helping people heal and building economic equity. Full job description and requirements available at jobs.chicagobusiness.com

Greater Chicago Food Depository seeks Senior Manager of Annual Giving

The Senior Manager of Annual Giving is responsible for building, executing, and expanding a best-in-class Mid-Level and Leadership Annual Giving (LAG) programs as well as managing our monthly and workplace giving programs. Collaborating with the Senior Director of Annual Giving/Direct Response, Senior Manager of Direct Response and external vendors. Full job description and responsibilities available at jobs.chicagobusiness.com

Greater Chicago Food Depository seeks Meal Production Technical Manager

The Meal Production Technical Manager will be a "hands-on" Manager providing leadership, direction, guidance and service in the meal production facility uptime performance. They will be utilized their skills and tools given to meet the organization's needs from a food production management perspective: The ideal candidate will have a creative and innovative mindset to improve operations effectiveness in our new meal production facility. Full job description and responsibilities available at jobs.chicagobusiness.com

Crain's Career Center

jobs.chicagobusiness.com

The Crain's Career Center offers job seekers the tools they need to quickly find and apply for top jobs. Keep your career on the move.

- Receive a free evaluation of your resume
- Seek expert advice about your career issues
- Quickly configure job alerts to deliver the latest jobs right to your inbox
- Leverage social connections by posting your resume or anonymous career profile that leads employers to you.

Chicagoland's latest business news and events.

ChicagoBusiness.com

PENSIONS

From Page 3

33,554 full-time employees in 2013 to 35,272 last year. Despite the modest rise in the city's labor force, its personnel costs are increasing to cover contractual and prevailing wage increases for employees and required, actuarially calculated pension contributions and advance pension payments.

"It's the elephant in the room," Michael Belsky, a public finance expert who headed Fitch Ratings' Public Finance Group and former mayor of Highland Park, said of the city's pensions. "Until we get those pensions funded and paid down, it crowds out other things in the budget."

Belsky and Sarah Wetmore, acting president of the Civic Federation, applauded the city's decision to ramp up pension contributions past what's required. The forecasted 2024 budget would mark the second time for the city to make additional payments to prevent long-term liability on its four pensions, which cover municipal employees, laborers, police officers and firefighters.

"It's an excellent step that the Johnson administration is planning to keep the supplemental pension payments in there," Wetmore said. The supplemental contributions increase the city's contribution so that it can cover interest costs, according to Wetmore. "Those are intended to keep the city's contribution at a level that prevents the unfunded liability from growing. So it's higher than what the state requires and that's excellent practice."

No hikes, cuts outlined

Those looking for details on Johnson's proposed tax increases won't find them in the budget forecast. The document does not include City Hall's plans to increase revenues or reduce expenditures to close the budget gap.

Municipalities can often find change in the couch cushions by eliminating vacant positions, but

Chicago Federation of Labor President Bob Reiter said the city already did that for its 2020 budget.

"There were a lot of vacancies that were eliminated," Reiter said. "The majority of the vacancies that are still in the budget are positions that need to be filled and we're just waiting on those positions to make their way through the hiring process."

Reiter also argues that the contractual pay increases for unions, such as the Coalition of Unionized Public Employees, represent standard raises, particularly in the face of rising inflation.

"Everybody's bargaining in good faith and these are necessary," Reiter said. "These are contracts which are just pretty routine to do in the public sector."

A City Hall press release said the mayor's budget forecast "holds the line on not raising the base property tax levy" but did not outline alternative options to increase revenue. That's consistent with Johnson's campaign rhetoric and his recent comments, including those at his recent speech at the Economic Club of Chicago.

"We have relied upon property taxes as the sole source of revenue generation to 'balance the budget.' I find that to be lazy and I believe it's important that everything is on the table," Johnson said after the Economic Club speech. "It's really about making sure that the priorities that we set position us to grow our economy in the budgets to come."

Belsky agrees that some taxes, such as the property tax, are maxed out at this point. He suggests the city could soften its deficit by modernizing and broadening its tax base by looking at other revenue streams, such as personal service taxes on haircuts or health club memberships.

"The growth in the economy has all been in the service sector," he said. "But our sales taxes are fo-

cused on goods. So when you have a tax on goods, it's very regressive because someone that has less income than you do has to pay basically a higher percentage of their income for those goods."

More data available

The expected shortfall seems like a drastic departure from former Mayor Lori Lightfoot's initial estimate in April, but city officials and budget experts counter that that assessment was made too early and that more data is available now. Expenditures look higher now because the city has more information on labor settlements and the cost to handle the migrant response, Wetmore said. Revenue projections are also lower for 2024 because this year the city is slated to spend

"Until we get those pensions funded and paid down, it crowds out other things in the budget."

— Michael Belsky, public finance expert

the last of its money from the federal American Rescue Plan.

The budget forecast isn't all doom and gloom. The Federal Reserve is no longer predicting a recession, and after reaching a four-decade high, inflation started to cool off this summer.

The Johnson administration estimates that increases in revenue from the city's hotel tax and its 7-cent plastic bag tax will account for business taxes reaching \$17.3 million above budget by the end of the year.

In addition to more hotel tax revenue, another sign that the city's tourism industry has turned a corner is the expected increase in revenue from the amusement tax, which covers sporting events, concerts, tours and other entertainment. The amusement tax should reach \$21.2 million above budget, according to the forecast.

BAXTER

From Page 3

Illinois. Our teams are actively advancing this work, and we will update you with more information in the coming weeks."

In the letter, Almeida called the campus "a fundamental part of our company's heritage" and said the company was "excited by the possibilities of reimagining our headquarters workspace and look forward to increased collaboration together as we continue our transformation to better serve the patients, clinicians and the numerous other stakeholders who rely on us and our life-saving products and services."

A Baxter spokeswoman confirmed in a statement to Crain's that Bridge "has decided not to move forward with its development proposal for our property and that we will remain in our existing location as a result of that."

A Bridge spokesman did not respond to a request for comment.

The letter comes after Deerfield Mayor Daniel Shapiro shared his opposition to the project on the village's website, writing that it "raised many unresolved issues."

Weighing proposals' impact

Bridge is one of many industrial developers eyeing outmoded office properties as prime redevelopment candidates as companies embrace remote work and demand for warehouses soars. Proposals for such plans have forced public officials in suburban municipalities to weigh the impact that large-scale industrial developments would have on their communities. Those in favor see them as effective ways to reinvigorate white elephant office properties with new jobs and local tax revenue. Opponents push back against what they say would be an onslaught of trucks creating pollu-

tion, noise and traffic congestion that may come with new warehouses.

The Baxter property is across the street from the entrance to the 300-home subdivision in suburban Riverwoods known as Thorngate, whose homeowners association led a staunch opposition effort to the Bridge plan.

Bridge has been one of the most active industrial developers in the Chicago area, with large warehouse properties developed over the past few years in Itasca, Downers Grove, Franklin Park and Mundelein, among other locations. The firm has developed more than 21.5 million square feet of industrial properties in the Chicago area, according to its website.

Baxter, the Chicago area's 18th-largest publicly traded company, is implementing a restructuring plan that included job cuts earlier this year, following a number of challenges in 2022 and a fumbled acquisition of hospital bed maker Hillrom.



22ND ANNUAL CHICAGO INNOVATION AWARDS
**CONGRATULATIONS TO
THE TOP 100 FINALISTS!**
FROM THIS YEAR'S 344 NOMINEES!

Celebrating the top innovators across industries in the Chicago region



Winners are announced on Thursday, November 16 • 5-8:00pm • UIC Forum
To attend the Chicago Innovation Awards, visit chicagoinnovation.com

CHICAGO INNOVATION SPONSORS



Inflation climbed faster than pay in Illinois last year

Census data shows the state was among a large number where wages failed to keep pace with rising costs, despite job growth

By John Pletz

Inflation outpaced incomes in Illinois last year, according to U.S. Census Bureau data.

Illinois is one of 17 states — along with Indiana, Iowa, Michigan and Wisconsin — where inflation-adjusted household incomes fell in 2022. Nationally, the median household income of \$74,755 amounted to an 0.8% decline after adjusting for inflation, the Census Bureau says.

The median household income in Illinois was \$76,708, according to American Community

Survey data. After inflation, however, that's about 1.6% lower than in 2021.

Incomes rose faster than inflation in just five states: Alabama, Alaska, Delaware, Florida and Utah. Inflation and incomes wrestled to a draw in 28 states.

Uphill battle

The census data is the latest sign of the uphill battle that people have experienced when it comes to coping with higher prices for food, fuel, automobiles and almost everything else. Inflationary pressures on household budgets

are fueling demand for higher pay from unionized workers.

Unions representing a range of workers, from pilots to delivery drivers, have won double-digit pay increases recently. Auto workers were preparing to go on strike against the Big Three U.S. automakers for higher wages.

Household paychecks struggled to keep pace with rising costs even as job growth bounced back in Illinois. The number of jobs statewide rose 3% in 2022 to nearly 6.1 million by year-end, topping 6 million for the first time since before the pandemic.



The higher price of gasoline is among costs squeezing consumers. | GETTY

INSURANCE

From Page 1

lightly populated areas, limiting claims costs for insurers.

So why are Illinoisans seeing the same sorts of rate increases Texans are, despite comparatively benign weather conditions here?

In emailed responses to Crain's questions, a spokesman for the Illinois Department of Insurance says the agency is "aware of the current market and continues to monitor ongoing developments."

But, he notes, "While companies must file homeowners rates in Illinois, revised rates do not require prior approval before being implemented."

He doesn't say it, but Illinois law doesn't require after-the-fact

regimes in the U.S. Most states give their insurance regulators at least some authority over pricing.

In the past, agency heads and industry representatives have said that Illinois' reliance on market forces to protect consumers and keep insurers honest has served the state well.

Catastrophe losses

The concern now is that, with insurers struggling even to turn a profit in their homeowners lines across the country, companies could be tempted to hike rates beyond what's necessary in Illinois simply because they don't have to justify them to regulators. Rate-setting is a state-by-state process.

As an industry spokesman notes, insurance brokerage giant Aon found that insurers paid a record \$275 billion in natural catastrophe losses over the past three years. In the first half of this year, those losses in the U.S. totaled \$40 billion, the third-costliest first half ever.

The department spokesman holds to the view that market forces are keeping rates reasonable in Illinois. "Rate increases are driven primarily by losses, the cost of settling those losses

and associated expenses," he says. "Illinois has a robust insurance market with over 200 companies offering homeowners coverage. Companies consistently compete for market share primarily by offering the most competitive rate their loss experience can support."

Looks can be misleading, though. The top five homeowners insurers in Illinois controlled 67% of the market in 2022, according to data from the National Association of Insurance Commissioners, or NAIC. In Michigan, the top five had 61% of the market. In Indiana and Wisconsin, they had 57% and 54%, respectively.

Competitive worries haven't kept Northbrook-based Allstate, the second-largest homeowners insurer in Illinois, from hiking homeowners premiums more in Illinois than most other places. In 2023, Allstate has raised rates by nearly 23% on average in Illinois.

During the first quarter, Allstate raised rates in 18 states, with the increases averaging 13.7% per state, according to investor disclosures. In the second quarter, increases in 20 states averaged 12.3% per state.

Over the course of the period in the analysis done for the Journal, Allstate hiked residential property insurance rates for most policyholders in Illinois by

nearly 31%, according to filings with the state Insurance Department.

That's added about \$436 a year to the average annual premium, or more than \$36 a month, according to filings.

An Allstate spokesman didn't respond to a request for comment.

Farmers Insurance, the fourth-largest homeowners insurer in the state, is another example. Homeowners rate increases since December 2021 have totaled 25.4% in Illinois, according to filings.

The largest insurer of homes in the state, Bloomington-based State Farm, hasn't been as aggressive. Its rate hikes over that time period have totaled more than 8%, according to filings.

So far, the main impact in Illinois, due to the industry's struggle to keep up with higher claims costs, has been sharply higher rates.

Other effects may be coming in the future. If rate increases aren't enough, insurers like Allstate have told regulators they're considering simply not covering certain kinds of claims.

Hail significant in Illinois

In a survey of insurers by the NAIC, the organization representing state regulators across the country, Allstate said it was reacting to higher climate-relat-

ed losses by, among other things, raising rates and turning down new business in parts of the country (like California) where the company doesn't think it can make a profit.

And then there was this from Allstate: "... implementing tropical cyclone and/or wind/hail deductibles or exclusions where appropriate."

That essentially means the company would stop providing protection for things like hail damage in its ordinary policies. There's no sign Allstate has taken a step like that in Illinois yet.

But hail is a significant issue for property insurers here. The Insurance Department spokesman says, "Illinois is prone to convective storm activity, particularly hail and wind losses. Recent convective storms in Illinois have resulted in damage to homes and losses from wind and hail."

Illinois isn't immune to supply-chain issues and parts and labor inflation that are raising insurers' costs throughout the U.S., says Jeffrey Brewer, spokesman for the American Property Casualty Insurance Association.

In Illinois, he says in an email, "This year we have seen an increase in tornadoes in addition to the rising costs of inflation, building and repair cost as well as reinsurance, which is insurance that insurers purchase."

During the first quarter, Allstate raised rates in 18 states, with the increases averaging 13.7% per state.

approval of rate hikes, either — or even provide an opportunity for the department to object and overturn them after rates are changed. That's one of the most lenient insurance rate regulation

STERLING BAY

From Page 3

hotels and restaurants. An apartment tower boom started in the neighborhood in 2020, when city officials lifted a ban on new residential development north of Lake Street to try to stimulate new development amid the COVID-19 pandemic.

Hundreds of new units have been delivered since then, and almost 1,400 more were under construction as of the end of June and slated to be finished by the end of next year, according to data from appraisal and research firm Integra Realty Resources.

On Carpenter Street, Sterling Bay wants to build an apartment

building along the northern edge of the Metra tracks running through the neighborhood, just one block north of Google's Midwest headquarters. The project would include 156 parking spaces and 6,670 square feet of ground floor retail space, according to the zoning application.

Affordable units

The building would include 78 affordable units to comply with Chicago's ordinance governing affordable housing in new apartment projects, the application said. Under the rules, the average income of tenants in the affordable units must be no more than 60% of the Chicago area's median income.

Sterling Bay paid \$4 million for the 370 N. Carpenter St. property in 2013, just months after it announced it would redevelop the Fulton Market Cold Storage building at 1000 W. Fulton St. into a massive office for Google. The developer has primarily used the building as offices to house growing companies before eventually trying to move them to larger Sterling Bay properties nearby.

Sterling Bay hired a broker to sell the property in 2021, testing what hungry investors might pay for a prime development site after the city began allowing residential development there. Similar development sites in Fulton Market were trading for more than \$500 per square foot, which

would translate to a purchase price upward of \$17 million for the Carpenter site. But Sterling Bay never sold it.

A Sterling Bay spokeswoman declined to comment on the new apartment proposal.

Betting on market

The property is flanked by other big residential projects that are in the works. To the west, developer Trammell Crow recently kicked off a 33-story apartment building at 1112 W. Carroll Ave. after landing a \$125 million construction loan — a rare feat amid high interest rates and dramatic slowdown in apartment construction starts downtown. To the east, New York-based Vista Property Group last month won

City Council approval for three apartment buildings totaling 1,450 units at 370 N. Morgan St., 400 N. Morgan St. and 401 N. Morgan St.

Sterling Bay is one of many developers betting on Chicago's downtown apartment market, where rents are sitting at an all-time high and expected to climb again over the next couple of years in part due to a slowdown in new supply. Aside from its Fulton Market projects, Sterling Bay has proposed apartment buildings totaling nearly 1,100 units near Lincoln Yards, a 53-acre megaproject it is trying to jump-start along the North Branch of the Chicago River between Lincoln Park and Bucktown.

Walgreens’ attempt to transform into a full-fledged health care provider. The company’s lackluster performance and still-unprofitable health care pivot has hammered Pessina’s personal fortune. His 17% stake in Walgreens has lost roughly \$4.7 billion in value as company shares fell by half in the 2½ years since he handed the CEO job to Brewer, Bloomberg data shows.

The sagging shares reflect Wall Street’s growing worries about the health care transformation Pessina unveiled during his CEO tenure, vowing to turn Walgreens stores into “neighborhood health destinations.” He revved up the strategy in 2020 with a \$1 billion investment in primary care provider VillageMD, which is opening clinics in the company’s stores.

But rather than entrust the execution of his unprecedented strategy to a seasoned health care executive, he handed the reins to Brewer, a former retail executive at Starbucks and Sam’s Club. She struggled to implement Pessina’s vision. Walgreens’ earnings have come up short as she pumped billions into health care bets that have yet to pay off, including an additional \$5 billion for VillageMD, as well as the acquisition of home care firm CareCentrix.

Now Pessina must decide how to save the strategy. He could choose to stay the course, which likely requires finding an accomplished health care CEO willing to take on a floundering transformation full of unknowns. Other options include selling the company to a strategic buyer that wouldn’t trigger antitrust challenges or taking the company private in a deal that would add to its heavy debt load.

Myriad challenges

At 82 years old, Pessina might prefer a sure bet with a quick path to restoring his diminished net worth. If Pessina thinks the health care transformation is close to showing real progress, he may prefer to stick with it. If not, he might look for an acquirer willing to offer a significant premium for Walgreens’ shares, which currently trade at about \$22, for a total market capitalization of roughly \$19 billion.

Alternatively, he could team up with a private-equity firm to take the company private. That would set up a potentially bigger payoff down the road, but require Pessina to wait several years. It also would be a gamble that debt-heavy Walgreens can handle the additional burden of billions in buyout debt.

Pessina declined to comment. But Walgreens spokesman James Cohn told Crain’s in a statement that the company is committed to “improving execution” of its health care strategy and core business.

“We are always striving to create value for our shareholders and customers as we quickly advance our search for a CEO with health-care experience,” Cohn said.

For now, Walgreens has named



lead director Ginger Graham as interim CEO. Graham has health care experience as the former president and CEO of Amylin Pharmaceuticals and group chairman in the office of the president for cardiology medical technology Guidant.

Improving the health care strategy comes with myriad challenges, including opening more doctors’ offices at stores, efficiently integrating a conga line of health care assets and fending off rivals like CVS Health and Walmart, which also are moving into health care.

“How Walgreens is going to be able to mitigate these competitive pressures and turn out more patients in its retail stores and its regular VillageMD stores — we see that as a big indicator of how Walgreens is going to perform over the next couple of years,” says Keon-hee Kim, an industry analyst at Chicago-based Morningstar.

If Walgreens aims to stick with the current strategy, it needs to find a CEO with the health care chops to make the transformation work. That person also would have to agree to work under Pessina, who wields outsize power over the organization, and a board that has shown its willingness to part ways with a CEO quickly if results fall short, Gordon notes.

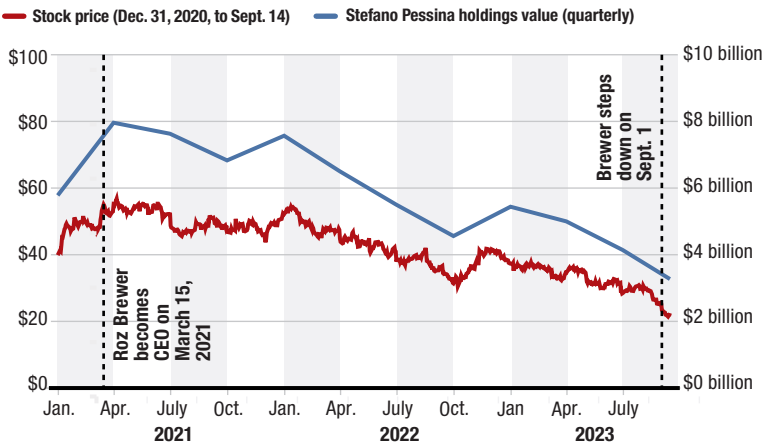
“The CEO is going to have a shorter leash, not a longer leash,” Gordon says. “It might be a tough search to fill.”

Another option — finding a strategic buyer — presents a different obstacle. Experts say few companies that might be interested could buy Walgreens without running afoul of antitrust laws.

While companies like Amazon, CVS Health and Kroger are likely nonstarters, antitrust enforcers might allow a big health insurance company or medical care provider to acquire Walgreens, says Brad Haller, a senior partner in the merger and acquisition practice at Chicago-based consultancy West

Pessina’s fortune falls with Walgreens shares

As executive chairman and single largest shareholder, Stefano Pessina has watched the value of his 17% stake in Walgreens steadily decline over Roz Brewer’s CEO tenure.



Sources: Bloomberg and Yahoo Finance

Monroe. But he adds that the complexities of Walgreens’ interrelated retail, pharmacy and health care businesses might deter strategic buyers.

“(Walgreens) is a really complicated business to manage,” Haller says. “That’s why it just makes it really challenging for anyone who is not used to managing at that level of complexity to get involved with it.”

Private-equity deal?

Pessina’s final option, lining up a private-equity deal, might be more doable. Plus, going private would allow Walgreens to complete the health care transformation without scrutiny from the public markets.

He’s done it before. In 2007, he teamed up with New York-based private-equity firm KKR to take his Alliance Boots private for \$22 billion. In 2019, KKR reportedly approached Walgreens for a deal when its market value was about \$53 billion. No deal materialized, but today a private-equity-led buyout would cost far less at Walgreens’ beaten-down market value, especially if Pessina partici-

pates by contributing his 17% stake to the deal.

“It’s historically been on the table,” says Kate Festle, a director in West Monroe’s health care and life sciences practice. “It’s probably one of the levers that they’re considering.”

Still, a private-equity deal would add several billion dollars to Walgreens’ already-heavy \$11.9 billion debt load. Earlier this year, debt rating agency Moody’s Investors Service cut Walgreens’ outlook to negative after it borrowed to invest in VillageMD and finance part of VillageMD’s \$9 billion acquisition of Summit Health-CityMD.

“The asset is already leveraged, so you’d have to work through that math, which might be tough,” says Elizabeth Anderson, a managing director and research analyst at Evercore ISI.

Ultimately, each of Walgreens’ options comes with advantages and risks, but Pessina’s personal financial interests likely will weigh heavily in his calculations.

“He might have some fiduciary duties, but . . . he’s got so much money in it, he’s going to do what works best for him,” Gordon says.

CRAIN’S CHICAGO BUSINESS

ChicagoBusiness.com
President and CEO KC Crain
Group publisher Jim Kirk,
(312) 397-5503 or jkirk@crain.com
Editor Ann Dwyer
Managing editor Aly Brumback
Creative director Thomas J. Linden
Director of audience and engagement Elizabeth Couch
Assistant managing editor/enterprise Joe Cahill
Assistant managing editor/special projects Ann R. Weiler
Assistant managing editor/news features Cassandra West
Deputy digital editor Robert Garcia
Associate creative director Karen Freese Zane
Digital design editor Jason McGregor
Art directors Kayla Byler, Carolyn McClain, Joanna Metzger
Senior digital news designer Stephanie Swearngin
Copy chief Scott Williams
Copy editors Todd J. Behme, Beth Jachman, Tanya Meyer
Political columnist Greg Hinz
Notables coordinator Ashley Maahs
Newsroom (312) 649-5200 or editor@chicagobusiness.com

SENIOR REPORTERS
Steve Daniels, Ally Marotti, John Pletz, Dennis Rodkin

REPORTERS
Katherine Davis, Brandon Dupré, Danny Ecker, Leigh Giangreco, Jack Grieve, Corli Jay, Justin Laurence, Steven R. Strahler

Researcher Sophie H. Rodgers

ADVERTISING
Senior vice president of sales Susan Jacobs
(312) 649-5492 or susan.jacobs@crain.com
Sales director Sarah Chow
(312) 280-3172 or schow@crain.com
Events manager/account executive Christine Rozmanich
Events specialist Kaari Kafer
Account executives Linda Gamber, Claudia Hippel, Menia Pappas, Bridget Sevcik, Laura Warren
Sales administration manager Brittany Brown
People on the Move manager Debora Stein
Classified sales Suzanne Janik,
(313) 446-0455 or sjanik@crain.com
Inside sales Isabel Foster

CRAIN’S CONTENT STUDIO
Senior director of Crain’s Content Studio Kristin Bull, (313) 446-1608 or kbull@crain.com
Crain’s Content Studio manager Jordan Dziura
Custom content coordinator Allison Russotto

PRODUCTION
Vice president, product Kevin Skaggs
Product manager Tim Simpson
Digital designer Christine Balch
Production manager David Adair
CUSTOMER SERVICE
(887) 812-1590
Reprints (212) 210 0707



Crain’s Chicago Business is published by Crain Communications Inc.
Chairman Keith E. Crain
Vice chairman Mary Kay Crain
President and CEO KC Crain
Senior executive VP Chris Crain
Chief Financial Officer Robert Recchia
G.D. Crain Jr. Founder (1885-1973)
Mrs. G.D. Crain Jr. Chairman (1911-1996)
Editorial & Business Offices
130 E. Randolph St., Suite 3200, Chicago, IL 60601
(312) 649-5200

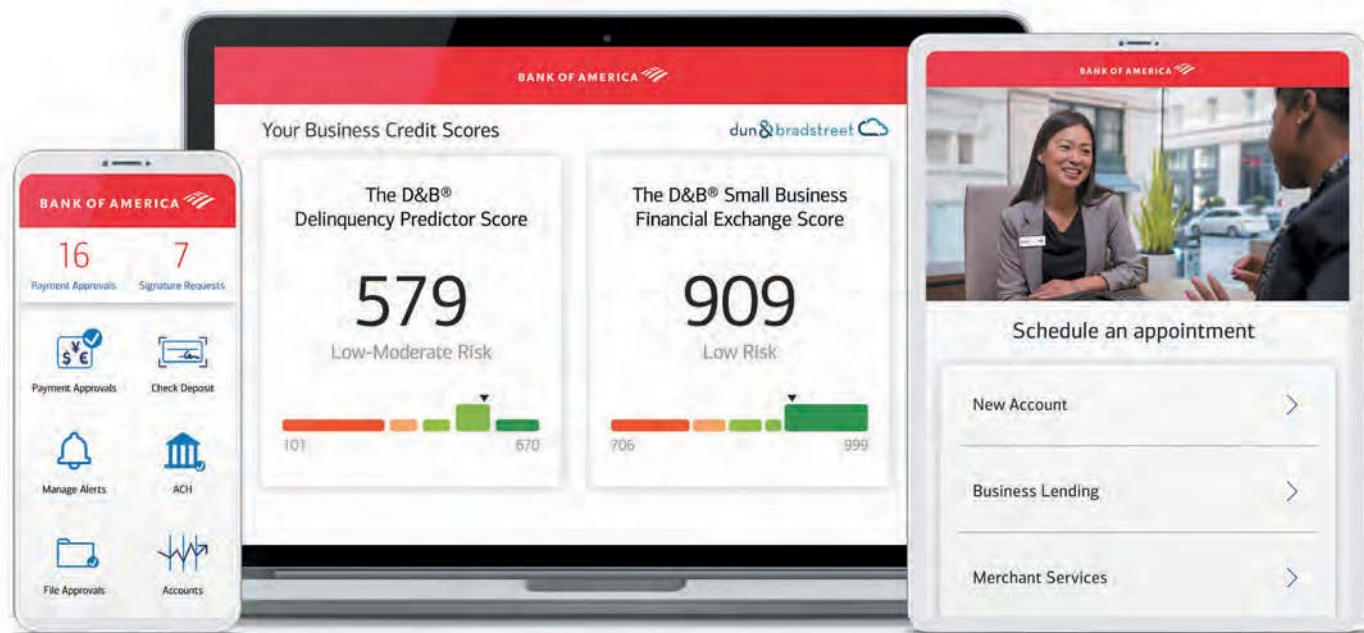
Vol. 46, No. 37
Crain’s Chicago Business (ISSN 0149-6956) is published weekly, except for the first week of July and the last week of December, at 130 E. Randolph St., Suite 3200, Chicago, IL 60601-6201. Periodicals postage paid at Chicago, Ill.
© Entire contents copyright 2023 by Crain Communications Inc. All rights reserved. Reproduction or use of editorial content in any manner without permission is prohibited.
Subscribe: \$169 a year
• Premium Print + Digital Subscription
• Print delivery of Crain’s Chicago Business
• Unlimited basic digital article access across all devices
• Access to archived articles
• Editorially curated newsletters
For subscription information and delivery concerns please email customerservice@chicagobusiness.com or call 877-812-1590 (in the U.S. and Canada) or 313-446-0450 (all other locations).

Postmaster: Send address changes to Crain’s Chicago Business, 1155 Gratiot Ave., Detroit, MI 48207-2732. Four weeks’ notice required for change of address.





Business solutions so powerful, you'll make every move matter.



BANK OF AMERICA

What would you like the power to do?®

Learn more at bankofamerica.com/bankingforbusiness

Access to Dun & Bradstreet business credit score information in Business Advantage 360, our small business online banking platform, is solely for educational purposes and available only to U.S.-based Bank of America, N.A. Small Business clients with an open and active Small Business account, who have Dun & Bradstreet business credit scores and have properly enrolled to access this information through Business Advantage 360. Dun & Bradstreet's business credit scores (also known as "The D&B® Delinquency Predictor Score" and "The D&B® Small Business Financial Exchange (SBFE) Score") are based on data from Dun & Bradstreet and may be different from other business credit scores. Bank of America and other lenders may use other credit scores and additional information to make credit decisions.

Screen images simulated. Sequences shortened.

©2023 Bank of America Corporation. All rights reserved. | MAP5423867