CORPORATE CONNECTOR

Fostering Relationships between Catalytic Real Estate Projects, Related Businesses, and Chicagoland's Corporate Community

THE CHALLENGE

Despite their assets and human capital, many Chicago-area communities grapple with deep, persistent inequities in financial and other resources, including those needed for catalytic real estate development projects and economic development.

In early 2020, Corporate Coalition staff interviewed local and national developers, investors, community leaders, financial institutions, and foundations to identify gaps in the ecosystem that supports catalytic real estate projects and related business enterprises in neighborhoods that have experienced disinvestment or limited and inequitable investment. Critical gaps were identified, including lack of equity capital for real estate projects and their sponsors, access to business partnerships, and connections to relevant technical expertise.

The **Corporate Coalition of Chicago** is an alliance of companies whose mission is to reduce systemic inequities in the region by identifying and implementing new ways to deploy their capital, capabilities, and employee enthusiasm.

Real estate projects and related business enterprises need more than investment capital

A lack of equity and equity-like resources is a common, acknowledged, and critical capital gap in the financing marketplace. However, community-driven, community-led, or community-supported catalytic real estate projects and related businesses often have other critical needs.

Both experienced and emerging for-profit real estate developers and their nonprofit counterparts are active in disinvested neighborhoods, and they are eager to increase the volume and accelerate the pace of development projects. Chicago's corporate community has something to offer to all of them.

For example, while nonprofit community development corporations often have unique insights into community needs and the projects that can help address them, they may be thinly staffed and may not have deep expertise in all the disciplines required for project success, including strategy, analytics, law, finance, accounting, marketing, and more.

Other developers may need industry expertise and contacts specific to their project, relationships that help them reduce costs, access to corporate location professionals to explore possible tenancies, and connections to procurement specialists or people who have authority to create program partnerships.

THE RESPONSE: CORPORATE CONNECTOR

Vision

The Corporate Coalition created the Corporate Connector to increase the likelihood of success of catalytic real estate projects, strengthen sponsor and related business enterprise capacity by tapping into the skills and technical expertise of Chicago region businesses, and enhance project viability by making connections that could result in business and partnership opportunities.

How it works

As eligible projects are identified, Corporate Connector staff facilitate introductions and conversations with Corporate Coalition members and other interested companies in the Chicago area to provide technical supports and identify potential business partnerships.

Sourcing Corporate Connector Projects: Currently, projects come to the Corporate Connector through established relationships with CDFI partners in the EPIC Fund Collaborative (CCLF, IFF, LISC Chicago), the Chicago Prize competition, the Community Desk Chicago (a project of the Chicago Community Trust), and the City of Chicago Invest South/West program. Over time, additional sources are expected to emerge.

Inventorying and Providing Technical Supports: Conversations with Corporate Coalition members and other interested companies are yielding an inventory of resources, skills, expertise, and connections that companies have and are eager to share on a pro bono basis.

Through conversations with catalytic real estate project sponsors, Corporate Connector staff are identifying specific needs and requests and matching them with available supports and connections.

For example, the Corporate Connector introduced:

- The Endeleo Institute, a local community development corporation working in the Washington Heights neighborhood, to Tribune Real Estate Holdings, whose finance professionals worked for several months to support Endeleo with financial modeling to secure financing for Café Du Bois, a neighborhood laundromat, café, and community gathering space.

- The Salud Center, a mixed-use development revitalizing the former South Chicago YMCA with senior housing as an anchor for commercial revitalization, to Lakeshore Fitness, whose executives serve as expert advisors with business expertise in operating a fitness center.

Facilitating Business Partnerships: Other needs are for the tenancies, supply chain opportunities, and program partnerships that enhance project viability.

For example, the Corporate Connector recently introduced the Green Era biodigester (a business enterprise associated with Chicago Prize winner Always Growing, Auburn Gresham) that takes organic waste and recycles it into renewable natural gas, to Corporate Coalition members that produce organic waste or are interested in purchasing the renewable natural gas.

Eligibility criteria: To be eligible for Corporate Connector support, projects must be located in Chicago-area low- and moderate-income census tracts. In alignment with City of Chicago priorities, projects in the city will primarily be in communities that are the focus of the Invest South/West program.

In evaluating a project, Corporate Connector staff will consider several factors, including:

- Community support for the project
- Potential that technical supports and/or business partnerships will demonstrably increase the likelihood of project success
- Wealth-building opportunities (through ownership and jobs) for local developers and community residents
- Potential for expanding needed goods and services for community residents

To learn more about the Corporate Connector, please contact Holli Wertheimer at holli.wertheimer@corpcoalition.org.