

VILLAGE OF RIVER FOREST

NORTH AVENUE & MADISON STREET MARKET ANALYSIS REPORT



ADOPTED
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Prepared by



INTRODUCTION

The North Avenue, Harlem Avenue, and Madison Street corridors and Des Plaines River form the borders of the Village of River Forest, with North and Madison forming the northern and southern boundaries respectively. This report assesses the market potential and competitive context of the North Avenue and Madison Street corridors within the Village.

DEMOGRAPHIC ANALYSIS

To provide context to the Village of River Forest's position in the market area, the Village's demographics were analyzed.

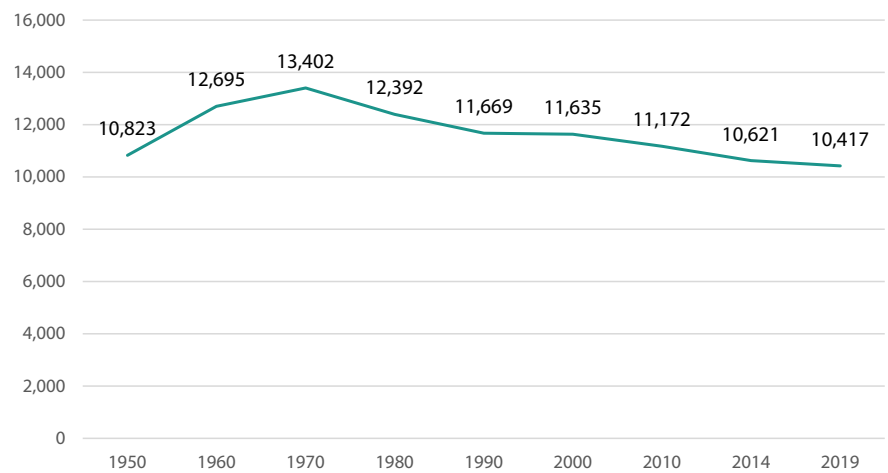
ESRI Business Analyst, a nationally recognized provider of demographic data, has been utilized in preparing this analysis. Data indicates that the Village population has declined slightly since the 2010 U.S. Census and is projected to continue to decline through 2020. Actual population and household projections become more difficult to quantify beyond a short-term timeframe, because of the potential for changes in economic and market conditions and unforeseen development influences. While projections could in fact hold true, population declines could be reversed driven in large part on the expectation that Chicago's inner ring suburbs will be subject to reinvestment as people seek to move closer to jobs and public transportation.

Population

The fastest growing segment of the population are those residents age 65 and over. This is not due to new older residents moving into the Village but rather existing residents getting older and staying in place. To the contrary, there is not a draw to the community for older individuals. There is, however, a small increase in the number of households age 25 to 34. This bodes well for future reinvestment as this is an indication that as older residents leave their larger single family homes there are younger householders and future families moving in.

The Village is currently and is projected to remain largely white in terms of racial distribution. There is a small increase projected in the Hispanic population which largely mirrors regional trends. The way in which the U.S. Census identifies race is that an individual may declare themselves both white and Hispanic or Black and Hispanic. So therefore total percentages can exceed 100%.

Population (1950- 2019)
River Forest



Source: ESRI Business Analyst; CMAP 2040 Projections

Income

Incomes within the Village are rising with the median household income projected to increase by 13% between 2015 and 2020 to over \$128,000. The largest growth will occur in that segment of the population earning over \$150,000 per year.

Median Household Income (2015, 2020)
River Forest



Source: ESRI Business Analyst

Households by Income (2015, 2020)
River Forest



Source: ESRI Business Analyst

Employment

Employment within the Village has been fairly consistent over the years as indicated in the following table. Education positions represent, by far, the largest employment sector and is reflective of the academic institutions and schools in the Village.

There was a spike and subsequent reduction in public administrative positions, that while not quantified, may be the result of Cook County Forest Preserve allocation of positions from River Forest to other locations. This would be consistent with information provided by FPDCC representatives, indicating that there are approximately 600 people employed by the District.

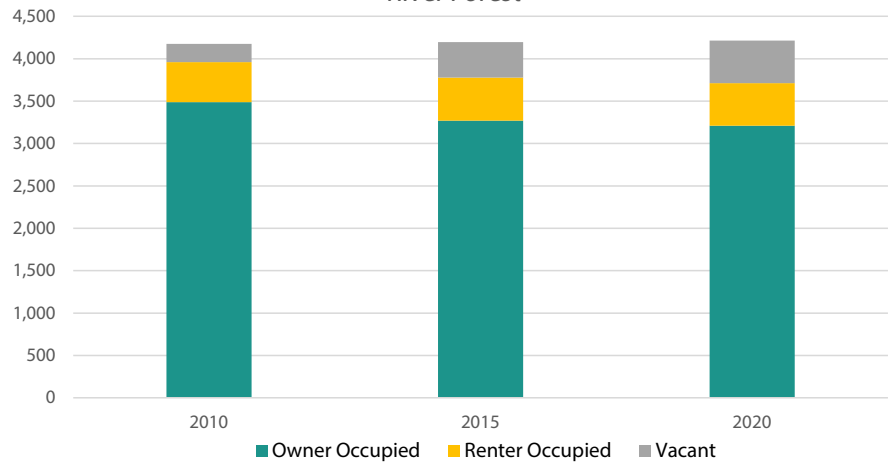
Work Area Profile Report

Total Primary Jobs	2013		2012		2011		2010		2009		2008	
	Count	Share	Count	Share	Count	Share	Count	Share	Count	Share	Count	Share
Total Primary Jobs	3,779	100.0%	3,864	100.0%	4,594	100.0%	4,183	100.0%	3,640	100.0%	3,926	100.0%
Jobs by NAICS Industry Sector	2013		2012		2011		2010		2009		2008	
Agriculture, Forestry, Fishing and Hunting	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Mining, Quarrying, and Oil and Gas Extraction	3	0.1%	2	0.1%	4	0.1%	3	0.1%	3	0.1%	3	0.1%
Utilities	0	0.0%	0	0.0%	1	0.0%	4	0.1%	0	0.0%	0	0.0%
Construction	27	0.7%	29	0.8%	26	0.6%	23	0.5%	31	0.9%	35	0.9%
Manufacturing	3	0.1%	0	0.0%	7	0.2%	10	0.2%	9	0.2%	9	0.2%
Wholesale Trade	28	0.7%	12	0.3%	37	0.8%	31	0.7%	31	0.9%	32	0.8%
Retail Trade	796	21.1%	784	20.3%	837	18.2%	692	16.5%	726	19.9%	864	22.0%
Transportation and Warehousing	2	0.1%	0	0.0%	0	0.0%	1	0.0%	5	0.1%	3	0.1%
Information	37	1.0%	27	0.7%	36	0.8%	34	0.8%	43	1.2%	52	1.3%
Finance and Insurance	214	5.7%	224	5.8%	221	4.8%	224	5.4%	239	6.6%	247	6.3%
Real Estate and Rental and Leasing	51	1.3%	39	1.0%	43	0.9%	33	0.8%	29	0.8%	40	1.0%
Professional, Scientific, and Technical Services	187	4.9%	175	4.5%	151	3.3%	109	2.6%	103	2.8%	89	2.3%
Management of Companies and Enterprises	4	0.1%	2	0.1%	5	0.1%	11	0.3%	8	0.2%	5	0.1%
Administration & Support, Waste Management and Remediation	65	1.7%	76	2.0%	90	2.0%	96	2.3%	66	1.8%	89	2.3%
Educational Services	1,645	43.5%	1,763	45.6%	1,786	38.9%	1,590	38.0%	1,467	40.3%	1,124	28.6%
Health Care and Social Assistance	220	5.8%	266	6.9%	427	9.3%	372	8.9%	398	10.9%	364	9.3%
Arts, Entertainment, and Recreation	28	0.7%	22	0.6%	28	0.6%	29	0.7%	23	0.6%	28	0.7%
Accommodation and Food Services	182	4.8%	158	4.1%	191	4.2%	199	4.8%	215	5.9%	235	6.0%
Other Services (excluding Public Administration)	105	2.8%	103	2.7%	95	2.1%	87	2.1%	98	2.7%	92	2.3%
Public Administration	182	4.8%	182	4.7%	609	13.3%	635	15.2%	146	4.0%	615	15.7%

Work Area Profile Report (continued)

Total Primary Jobs	2007		2006		2005		2004		2003		2002	
	Count	Share	Count	Share	Count	Share	Count	Share	Count	Share	Count	Share
Total Primary Jobs	3,830	100.0%	3,779	100.0%	3,645	100.0%	3,561	100.0%	3,027	100.0%	3,599	100.0%
Jobs by NAICS Industry Sector	2007		2006		2005		2004		2003		2002	
Agriculture, Forestry, Fishing and Hunting	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Mining, Quarrying, and Oil and Gas Extraction	2	0.1%	3	0.1%	5	0.1%	5	0.1%	5	0.2%	4	0.1%
Utilities	0	0.0%	0	0.0%	0	0.0%	0	0.0%	1	0.0%	0	0.0%
Construction	37	1.0%	36	1.0%	30	0.8%	38	1.1%	33	1.1%	28	0.8%
Manufacturing	13	0.3%	16	0.4%	11	0.3%	14	0.4%	6	0.2%	11	0.3%
Wholesale Trade	27	0.7%	18	0.5%	15	0.4%	28	0.8%	19	0.6%	30	0.8%
Retail Trade	791	20.7%	751	19.9%	732	20.1%	741	20.8%	667	22.0%	664	18.4%
Transportation and Warehousing	2	0.1%	0	0.0%	10	0.3%	15	0.4%	12	0.4%	13	0.4%
Information	51	1.3%	39	1.0%	19	0.5%	43	1.2%	46	1.5%	48	1.3%
Finance and Insurance	245	6.4%	238	6.3%	215	5.9%	80	2.2%	81	2.7%	75	2.1%
Real Estate and Rental and Leasing	37	1.0%	39	1.0%	26	0.7%	32	0.9%	31	1.0%	36	1.0%
Professional, Scientific, and Technical Services	79	2.1%	96	2.5%	84	2.3%	78	2.2%	85	2.8%	81	2.3%
Management of Companies and Enterprises	3	0.1%	1	0.0%	1	0.0%	3	0.1%	0	0.0%	1	0.0%
Administration & Support, Waste Management and Remediation	73	1.9%	64	1.7%	86	2.4%	74	2.1%	78	2.6%	66	1.8%
Educational Services	1,321	34.5%	1,257	33.3%	1,215	33.3%	1,190	33.4%	1,162	38.4%	1,115	31.0%
Health Care and Social Assistance	351	9.2%	328	8.7%	343	9.4%	339	9.5%	321	10.6%	293	8.1%
Arts, Entertainment, and Recreation	24	0.6%	25	0.7%	22	0.6%	24	0.7%	24	0.8%	21	0.6%
Accommodation and Food Services	220	5.7%	219	5.8%	208	5.7%	192	5.4%	205	6.8%	123	3.4%
Other Services (excluding Public Administration)	90	2.3%	80	2.1%	86	2.4%	101	2.8%	112	3.7%	107	3.0%
Public Administration	464	12.1%	569	15.1%	537	14.7%	564	15.8%	139	4.6%	883	24.5%

Total Housing Units (2010, 2015, 2020)
River Forest



Source: ESRI Business Analyst

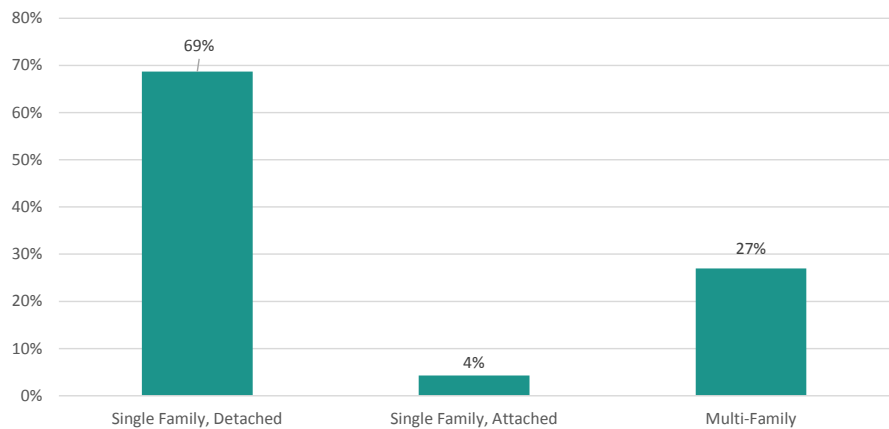
Housing

The majority of housing in the Village consists of owner occupied single-family detached structures. Less than 10% of the Village’s housing is renter occupied. The Village’s vacancy rate of 9.6 is comparable to neighboring communities. For further context, the Village of Hinsdale has the exact same vacancy rate as River Forest. The following highlights the reported vacancy for selected adjacent communities.

- Oak Park 9.9
- River Forest 9.6
- Forest Park 9.0
- Elmwood Park 8.7

Multi-family housing, which includes condominiums and apartments, makes up approximately one quarter of the Village’s total residential development. Attached single-family, in the form of development such as townhomes and rowhomes, accounts for a much smaller percentage of the Village’s housing. For further clarity the following definitions of housing types is provided.

Housing by Type (2009-2013 Avg.)
River Forest



Source: 2009-2013 5-Year American Community Survey

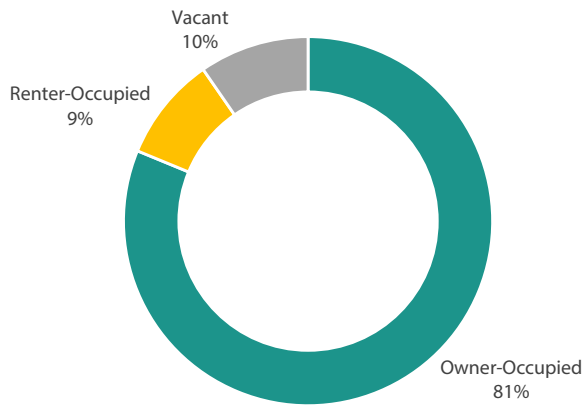
Single Family Detached

Single Family Detached homes are currently, and are expected to remain, the predominant land use and housing type within River Forest. They are stand-alone housing units with one unit per parcel. They are typically owner-occupied.

Single Family Attached

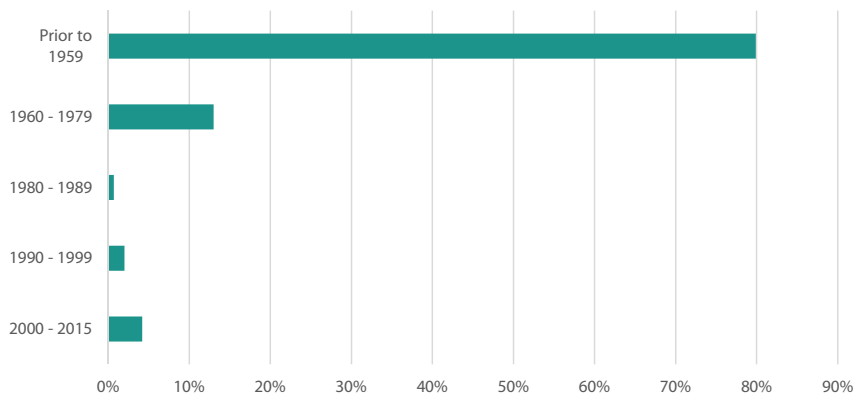
Single Family Attached homes consist of structures containing multiple single family dwellings, each sharing a common wall with at least one adjacent dwelling but maintaining their own separate entrance. Examples include townhomes, rowhomes, or duplexes. Generally, the size and cost of attached units makes them attractive to younger, older, or smaller households (e.g. young professionals, young families, empty nesters, and retirees).

Housing by Tenure (2009-2013 Avg.) River Forest



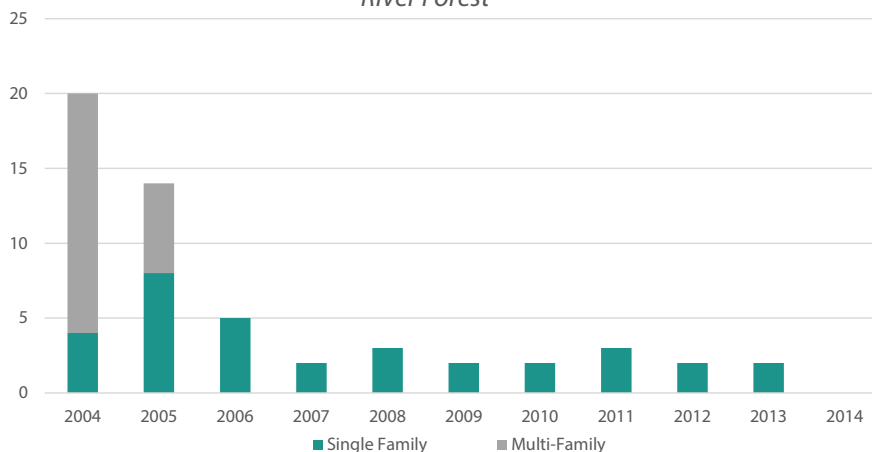
Source: 2009-2013 5-Year American Community Survey

Housing Age (<1959 - 2015) River Forest



Source: 2009-2013 5-Year American Community Survey

New Construction Permitting Activity River Forest



Multi-Family

Multi-family uses consists of structures with multiple housing units that utilize common entrances and hallways and shared building amenities. Examples of multi-family residential developments include apartments, condominiums, and senior housing.

Mixed-Use

Mixed use typically consists of a mix of restaurant, retail and/or service uses on the ground floor with office or residential uses on upper floors.

Over 80% of the Village's housing stock was built before 1960 with more than half constructed before 1940. This is reflective of the Village's historic character. Despite the teardown phenomena of the mid-1990s to mid-2000s, only 6% of the Village's total housing stock was built during this period.

Housing Market Considerations

While a housing market analysis was not a component of this study, the following assessment of the market is offered. Further analysis as to the depth of the market, unit pricing and rates of absorption would better define potential. The focus of this assessment is on the multi-family and attached single-family market as defined earlier.

The Village's housing stock primarily consists of detached single family units. In comparison to its neighbors, the Village has a much lower percentage of multi-family housing in terms of total housing stock.

- Forest Park 58%
- Oak Park 55%
- Elmwood Park 47%
- River Forest 27%

There are several multi-family projects in the greater market area being actively leased, sold and/or under construction, in addition to developments that are complete and have come online in the last several years. While two Oak Park developments – The Vantage Oak Park and Oak Park Station will deliver over 500 units to the market when complete, it is not anticipated that those developments will absorb all of the mid to long-term development potential in the market area.

Even with the amount of product coming online it does not preclude new development in the Village as well, particularly if the project can set itself apart from the others. The Village of River Forest is well positioned to capture a proportionate share of the market for several reasons including:

- High household income
- Desire of downsizing residents to stay in their own community
- Community character and profile
- Access to public transit
- Proximity to shopping and services
- Access to major roads and highways
- Distance to Downtown Chicago

As it relates to product and price point, River Forest has the ability to support higher end product and for sale units, perhaps better than other communities in the market. The Village has an aging population, many of whom are looking to downsize, but not diminish their quality of life and the amenities of their larger single-family home. Equally, the appeal to locating to River Forest is extremely attractive to a segment of the market from outside the community seeking the unique character of the Village and/or a less dense, less urban setting.

While the depth of the market requires further analysis, multifamily and/or attached single-family product as a component of a mixed use development or as a stand-alone product should be easily absorbed. Additionally, one unique aspect of the River Forest market would be the ability to support for sale product (Much of the development occurring in the market is rental).

If the Village's desire is to cater to a more local River Forest market, units should include multiple amenities as well as dedicated enclosed parking. This same criteria would apply to both rental and for-sale product.

While smaller, more affordable units could be supported and would likely be easily absorbed because of the attractiveness of River Forest, that product is much more ubiquitous in the market and not unique to the Village. It is important that future development complement the character of the Village and its existing neighborhoods.

COMPETITIVE MARKET

The North Avenue and Madison Street corridors were analyzed in terms of ability to attract new development and capture a proportionate share of area market potential. To do so, a drive-time analysis was prepared. Defining the market area by drivetime better emulates potential in that consumers are more motivated by the amount of time that it takes to get to a given location as opposed to mileage or municipal boundaries.

A five, ten and fifteen minute drive time was analyzed from the intersections of North and Harlem and Madison and Lathrop. The five minute drive time from both locations is more indicative of convenience retail and local potential. The fifteen minute drive, for the most part, exceeds the likely draw and influence of either location. The ten minute drive best identifies the market reach of the corridors in that it includes both the local population and a reasonable regional draw.

While there is an active daytime population and activity generators in close proximity to both corridors, it is not significant enough to have an influence that would alter market dynamics. For example the office environment in Oak Brook produces a daytime population that is significantly higher than the resident population, thus creating opportunities that otherwise would not exist.

Another factor for consideration is the highway access and proximity. While both corridors are within a relatively short distance to I-290, neither is positioned to capture traffic leaving or entering the highway. The interstate does, however, increase the market reach somewhat, but also provides the conduit for enhancing accessibility to other market areas such as Oak Brook and Elmhurst.

In a suburban market such as River Forest, consumers will typically travel ten minutes or less for day to day items and services such as groceries and dry cleaning. The market extends further for larger purchases and durable goods such as appliances and electronics. All needs can be accessed within a relatively short distance from the homes of every Village resident.

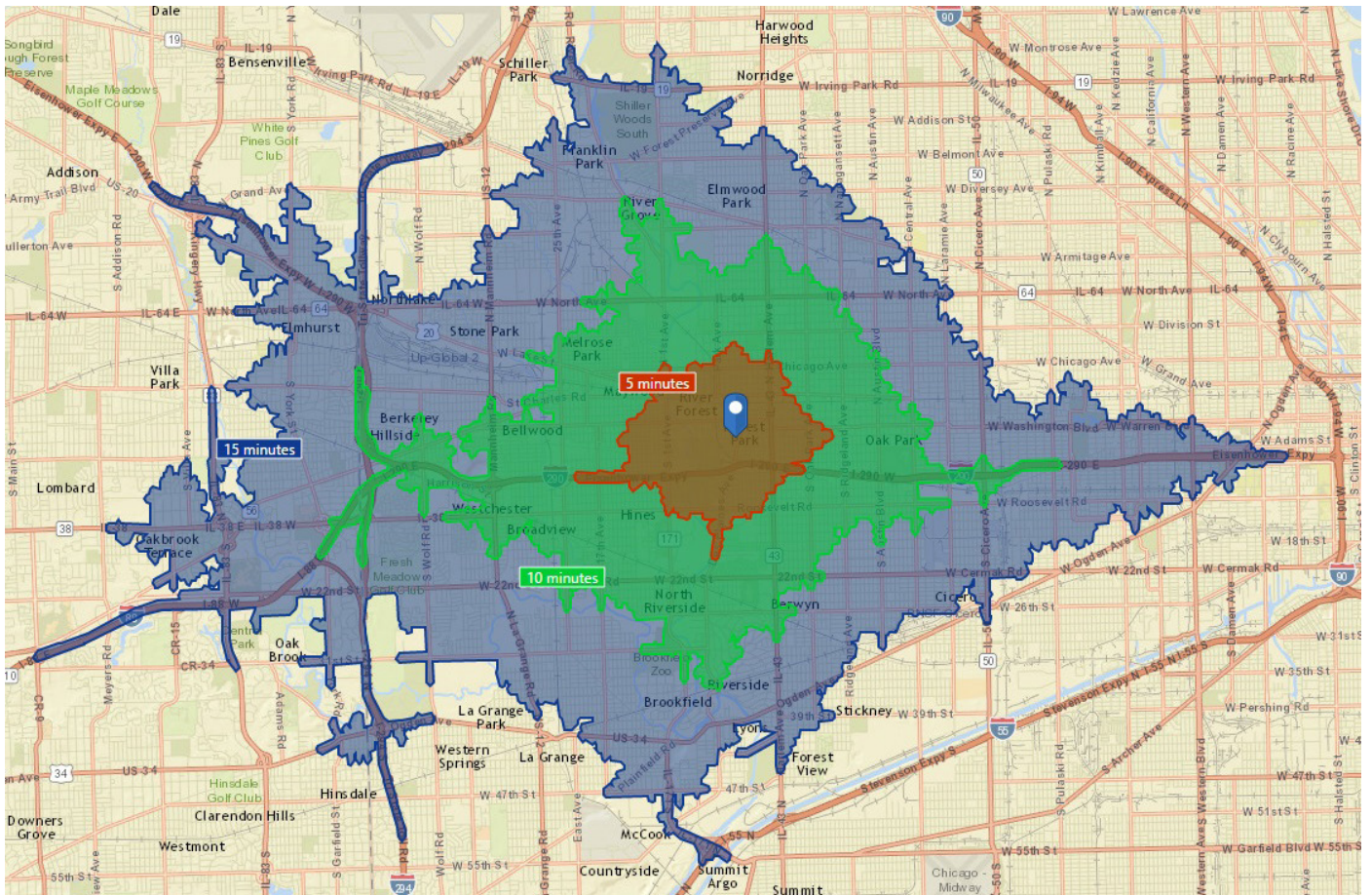
In addition to surplus and leakage figures, the accompanying charts also include supported retail potential in square footage. Converting leakage figures into square footage allows a visualization of what size and scale of retail **could** be supported. While sales-per-square-foot revenues vary by individual retailer and industry sources, general assumptions of supportable square footage can be made by using a benchmark average. A generally accepted range for national retailers is \$200 to \$400 per-square-foot. The use of a per-square-foot amount on the higher end of this range allows for a more conservative approach so as not to overstate retail potential. As shown in the Gap Analysis tables, when a per-square-foot amount of \$400 is applied, demand is effectively translated to a potential number of square feet that could be supported within a five, ten, or fifteen minute drivetime. Equally, if there is a surplus, the amount of square footage in which the market is oversupplied is indicated.

In the accompanying charts, a category in which there is an undersupply or leakage is indicated in green, while an oversupply or surplus is indicated in red.

It is important to note, however, that calculations cannot be effectively applied to uses such as car dealerships or gas stations. This same methodology is applied to each of the market areas.

To help envision development potential in square footage, the following provides the average size of an assortment of retail stores (not including parking), based off of data obtained by industry sources. Supported square footage from the Retail Gap Analysis can be compared to this list for context. It is important to note that these stores are listed merely for contextual purposes and not to support development of any particular brand over another.

- Chipotle – 2,650 ft²
- CVS – 19,856 ft²
- Buffalo Wild Wings – 5,600 ft²
- Olive Garden – 7,336 ft²
- The Gap – 12,503 ft²
- Barnes & Noble – 25,525 ft²
- Whole Foods – 33,739 ft²
- Best Buy – 38,631 ft²
- Kohl's – 75,230 ft²
- Walmart – 102,683 ft²
- Home Depot – 105,192 ft²
- Macy's – 181,946 ft²

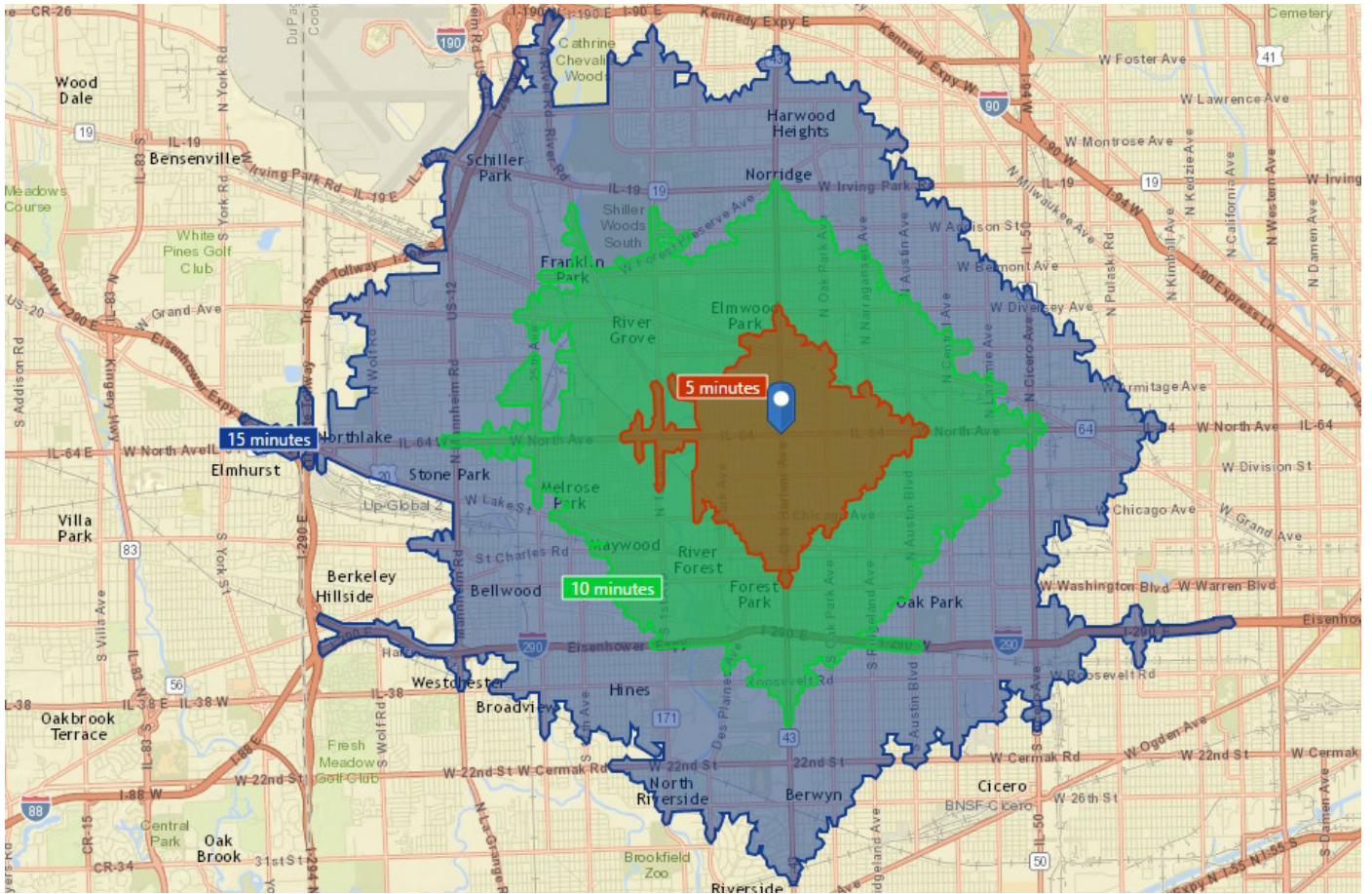


Retail Gap Analysis Summary (2015)

River Forest: Madison Street & Lathrop Avenue

Summary Demographics	5 Minute Drivetime		10 Minute Drivetime		15 Minute Drivetime	
Population	38,470		203,097		637,020	
Households	17,908		77,434		224,500	
Median Disposable Income	\$43,161		\$42,352		\$38,597	
Per Capita Income	\$38,985		\$30,033		\$24,700	
Overview	5 Minute Drivetime		10 Minute Drivetime		15 Minute Drivetime	
Total Retail Gap	-\$31.6		\$105.0		\$201.3	
Total Retail Trade	-\$13.6		\$158.1		\$289.4	
Total Food & Drink	-\$18.1		-\$53.0		-\$88.1	
Retail Gap by Industry Group	Retail Gap (\$M)	Potential (Sq. Ft.)*	Retail Gap (\$M)	Potential (Sq. Ft.)*	Retail Gap (\$M)	Potential (Sq. Ft.)*
Motor Vehicle & Parts Dealers	\$37.2	--	\$182.8	--	\$394.0	--
Furniture & Home Furnishings Stores	-\$11.5	-28,765	\$6.2	15,607	-\$1.7	-4,179
Electronics & Appliance Stores	\$7.4	18,616	\$0.7	1,655	\$13.9	34,750
Bldg Materials, Garden Equip. & Supply Stores	\$18.2	45,387	\$44.0	109,902	\$62.9	157,239
Food & Beverage Stores	\$2.2	5,451	\$55.5	138,795	-\$95.1	-237,847
Health & Personal Care Stores	-\$171.9	-429,774	-\$257.5	-643,749	-\$375.8	-939,542
Gasoline Stations	\$29.3	--	\$133.0	--	\$295.8	--
Clothing & Clothing Accessories Stores	-\$5.9	-14,839	-\$60.0	-149,901	-\$84.0	-209,908
Sporting Goods, Hobby, Book, & Music Stores	\$9.4	23,580	-\$7.2	-18,005	-\$10.3	-25,636
General Merchandise Stores	\$32.6	81,484	-\$64.2	-160,624	-\$107.8	-269,413
Miscellaneous Store Retailers	\$6.0	14,930	-\$4.5	-11,183	\$6.1	15,337
Nonstore Retailers	\$33.4	--	\$129.4	--	\$191.3	--
Food Services & Drinking Places	-\$18.1	-45,139	-\$53.0	-132,593	-\$88.1	-220,129

*Potential is based on an average sales of \$400/sq. ft. Motor Vehicles & Parts Dealers, Gas Stations, and Nonstore Retailers are not included in this calculation.
Source: ESRI Business Analyst; Houseal Lavigne Associates



Retail Gap Analysis Summary (2015)

River Forest: North Avenue & Harlem Avenue

Summary Demographics	5 Minute Drivetime		10 Minute Drivetime		15 Minute Drivetime	
Population	45,418		247,253		624,612	
Households	17,507		90,451		214,049	
Median Disposable Income	\$52,760		\$41,230		\$37,812	
Per Capita Income	\$39,674		\$27,689		\$22,439	
Overview	5 Minute Drivetime		10 Minute Drivetime		15 Minute Drivetime	
Total Retail Gap	\$158.4		\$679.5		-\$78.7	
Total Retail Trade	\$164.7		\$674.4		-\$54.1	
Total Food & Drink	-\$6.3		\$5.1		-\$24.6	
Retail Gap by Industry Group	Retail Gap (\$M)	Potential (Sq. Ft.)*	Retail Gap (\$M)	Potential (Sq. Ft.)*	Retail Gap (\$M)	Potential (Sq. Ft.)*
Motor Vehicle & Parts Dealers	\$94.4	--	\$278.2	--	\$443.0	--
Furniture & Home Furnishings Stores	-\$2.6	-6,435	\$3.4	8,528	\$4.0	10,106
Electronics & Appliance Stores	\$10.3	25,672	\$22.5	56,295	\$10.1	25,194
Bldg Materials, Garden Equip. & Supply Stores	\$15.4	38,621	\$34.5	86,270	\$83.8	209,592
Food & Beverage Stores	\$4.8	11,997	-\$6.0	-14,907	-\$248.4	-621,067
Health & Personal Care Stores	-\$81.7	-204,298	-\$162.3	-405,730	-\$473.8	-1,184,573
Gasoline Stations	\$44.2	--	\$160.8	--	\$245.0	--
Clothing & Clothing Accessories Stores	-\$1.7	-4,303	\$57.2	143,019	-\$89.1	-222,797
Sporting Goods, Hobby, Book, & Music Stores	\$10.2	25,441	\$15.6	39,112	\$25.2	63,093
General Merchandise Stores	\$16.5	41,258	\$70.5	176,158	\$194.9	487,224
Miscellaneous Store Retailers	\$1.0	2,478	\$10.2	25,586	\$8.9	22,129
Nonstore Retailers	\$53.9	--	\$189.7	--	-\$257.7	--
Food Services & Drinking Places	-\$6.3	-15,748	\$5.1	12,669	-\$24.6	-61,531

*Potential is based on an average sales of \$400/sq. ft. Motor Vehicles & Parts Dealers, Gas Stations, and Nonstore Retailers are not included in this calculation.
Source: ESRI Business Analyst; Houseal Lavigne Associates

Madison Street

The River Forest portion of the Madison Street corridor is comprised of those areas on the north side of the street between Thatcher Avenue on the west and Des Plaines Avenue on the east.

The following provides an overview of the types of uses by block within the Madison Street Corridor.

Traveling west from Lathrop:

- Lathrop to Ashland
 - Auto related
 - Professional office
 - Service use
 - Residential above retail
- Ashland to Franklin
 - Professional office
 - Retail
- Franklin to Park
 - Strip retail
 - Multifamily residential
- Park to Forest
 - Multifamily residential
 - Vacant Hines Lumber site
- Forest to Keystone
 - Forest to Keystone
 - Garden Center/retail
- Keystone to River
 - Community Center

The pedestrian friendly ‘main street’ qualities that characterize Forest Park’s Madison Street give way to a more auto-oriented retail environment as Madison Street travels west and into River Forest. A number of retail strip centers and residential uses intersperse among smaller stretches of inline retailers. Similar to its Forest Park counterpart, businesses within the Corridor are chiefly comprised of small, independent retailers. Average daily traffic counts for Madison Street are roughly 13,000 vehicles per day which would limit the likelihood of attracting national or regional tenants. There is a notable concentration of restaurants and bars near Ashland Avenue on the southern side of Madison Street in Forest Park. Building off of the success of the Forest Park portion of the corridor, restaurants/bars may be supportable and appropriate for this area of Madison Street. The number and scale would be dependent upon the availability of sites. Development, is however, impacted by the fact that this is a one-sided corridor within the Village.

Existing residential uses and recent development provide some of the foundation for potential new residential units. Depending on the site and how it is integrated into the Madison Street environment, additional attached single-family and/or multi-family development could be supported in this corridor. An appropriate sized and scaled mixed-use development could also include residential above retail as well.

The five minute Drive-Time from the intersection of Lathrop and Madison includes less than 40,000 people and increases to more than 200,000 within 10 minutes and 600,000 within 15. While the immediate local market is fairly saturated, there are indications of potential within the ten minute market area. Some of that potential, however is defined within retail categories that would not be suitable or physically possible for sites within the corridor.

Grocery is highlighted as a category with an indication of potential that may be physically possible and also meet the location criteria for end users. However, like any development, it would be contingent upon site availability. The existing Jewel on Lake and the new Fresh Thyme on North are both within this market area. Depending on whether any new stores are added to the market inventory, the Madison corridor is likely best suited for a smaller grocer catering to the immediate area.

In discussions with brokers, developers and business representatives, restaurant/bars were frequently identified as the development type that could have potential on Madison. The gap analysis indicates a surplus of space, which is due to the proximity of uses within both Forest Park and Oak Park.

While this represents competition it also is the catalyst for potential development.

The Madison corridor is an established destination with customers coming from a broader regional area. In these cases the market can absorb an oversupply, but with limitations. There may be opportunities to build off of the existing base of eating and drinking establishments and extend development west down Madison into River Forest. This will likely be limited to well positioned businesses that complement rather than detract from the existing base.

North Avenue

The North Avenue corridor extends the length of the Village's northern border running east from Harlem Avenue to Thatcher on the west. The eastern portion of the corridor contains the largest amount of commercial uses with the western portion more heavily multi-family residential. North Avenue is characterized by a mix of commercial and residential uses similar to that found along stretches of the corridor in adjacent communities. Average daily traffic counts along North are in the range of 35,000 cars per day which is well within that desired by most national retailers.

While use and character varies by block, the development pattern within the Village is similar to that of the corridor in other communities.

Traveling east to west the following describes the uses within each defined block;

- Harlem to Bonnie Brae
 - Auto related (gas and repair)
 - Dining
- Bonnie Brae to Clinton Place
 - Professional office
 - Dining
 - Service uses
- Clinton Place to William
 - Professional office
 - Service
- William to Monroe
 - Academic/Institutional
 - Multifamily Residential
 - Professional office
- Monroe to Jackson
 - Vacant grocery
- Jackson to Lathrop
 - Church
- Monroe to Jackson
 - Professional office
 - Medical
- Franklin to Park
 - Multifamily residential
 - Professional office
- Park to Forest
 - Multifamily residential
- Forest to Thatcher
 - CVS
 - Multifamily residential

Available Properties

Generally, the commercial buildings on the market today are older auto-centric commercial structures. Rents along North Avenue hover around \$15-\$18 per square foot. While there are not many properties currently being marketed on Madison, asking rents are slightly lower for older space, in the range \$14 per square foot with new builds going into the \$20 per square foot range. One of the challenges of new development is that lease rates, with some exceptions, are typically much higher than existing older space. Rents required by developers/property owners to meet margins and cover development costs often exceed the affordability of smaller businesses. Municipal assistance and incentives that offset some of the front end development costs can serve to provide some reduction in rents that are ultimately charged. Assistance and incentives may be in the form of infrastructure as well as financial assistance. For context some additional properties in the market area are highlighted in the following tables.

Compared to the other corridors, the North Avenue Corridor is relatively balanced with regard to the number of commercial buildings on either side of the street. However, a large percentage of the commercial space along the corridor is office and service related uses. The development patterns and context of the North Avenue corridor does not lend itself well to new residential development. In that the other areas are much better suited for residential (to varying degrees).

Similar to the Madison corridor, there are approximately 45,000 people within the immediate local market which grows to just under 250,000 within 10 minutes and over 600,000 within the 15 minute drive.

There are indications of market potential in several categories; However, North Avenue is located within an extremely competitive environment. Future development and investment potential will be contingent on factors beyond supply, demand and traffic counts. As an aging commercial corridor with shallow lot depths and immediate adjacency to residential neighborhoods, development opportunities are constrained. While larger sites would enhance marketability and development potential, the need for assembling adjacent residential properties places serious limitations on realizing this potential.

Site assembly of contiguous commercial properties could help facilitate reinvestment. In addition to providing larger development sites with greater flexibility, it would also provide opportunities to consolidate curb-cuts and provide cross access between properties. In addition, there is currently a lack of synergy between uses that helps catalyze development. Creating larger cohesive sites provides an opportunity to attract uses that complement and build off of one another and/or create a destination environment.

The above would likely require Village participation in the form of development and financial assistance such as Tax Increment Finance (TIF) and other tools.

North Avenue Commercial Space

Address	Sq. Footage (SF)	Rental Rate (/ SF / YR)	Notes
6821 W. North Avenue (Oak Park)	2,663	\$18.00	2 story, on-site parking
7001 W. North Avenue (Oak Park)	418	\$16.00	On-site parking
7810 W. North Avenue (Elmwood Park)	3,500	\$16.00	On-site parking, freestanding office/medical building
1334 Winston Plaza (off of North; Melrose Park)	29,027	\$30.00	Shopping center, 2012 renovation
4856-78 W. North Avenue (Chicago)	19,000	\$25.00	Strip center; auto repair and body shop with all equipment included
4759 W. North Avenue (Chicago)	2,100	\$16.00	--
3337 W. North Avenue (Chicago)	3,300	\$18.00	--
1901 N. Manheimm Road (off of North; Melrose Park)	25,077	\$15.00	Strip center

W. Madison Street Commercial Space

Address	Sq. Footage (SF)	Rental Rate (/ SF / YR)	Notes
230 W. Madison Street (Oak Park)	1,100	\$14.50	Dated architecture, 2 story
7339 W. Madison Street (Forest Park)	5,509	\$14.00	Downtown Forest Park
7228 W. Madison Street (Forest Park)	6,850	\$27.00	3 story mixed-use building, new build to be delivered Q4 2015

Other Oak Park / River Forest Commercial Space

Address	Sq. Footage (SF)	Rental Rate (/ SF / YR)	Notes
7623-7629 Lake Street (River Forest)	3,642	\$18.50	Elevator building, recently remodeled, pristine condition
344 Lathrop Avenue (River Forest)	5,600	\$17.00	Patio, On-site parking, 3 bathrooms, recently renovated
1001 Lake Street (Oak Park)	6,045	\$25.00 - \$28.00	On-site management; in Downtown Oak Park
1010 Lake Street (Oak Park)	457 - 13,272	\$24.00	Downtown Oak Park

Market Implications

It is important to point out that market potential is for the entire market area and is not exclusive to River Forest. A saturated market area does not preclude new development or uses from locating to a specific location. It does, however, mean that the Village needs to ensure that it maximizes its competitive position to ensure that commercial sites have good access and exposure and that efforts are focused on retention and attraction of uses that complement one another and serve as a draw for additional development. Equally, leakage does not immediately translate directly to development potential if the right sites are not available.

While other competing communities are well located, the Village needs to promote and leverage its assets including being a stable, older highly educated, affluent community with a tremendous housing stock, direct access to public transit and a pro-business environment.

It is important to point out that the Harlem Avenue and Lake Street Corridors also compete within the same market. The Lake/Harlem development is well established and efforts should be focused on ensuring that future uses complement rather than compete with those businesses. In that North Avenue and Madison function differently, developers investors and retailers interested in locating to the area should be provided options that do not place the Village's commercial areas in conflict or completion with one another.

As referenced, a component of this analysis involved confidential interviews with developers and brokers familiar with River Forest and the market area. While the focus was on the two study areas, it also included discussion on the Village as a whole, particularly as it related to residential development. While some of the comments and suggestions offered by interviewees are redundant with things mentioned throughout this report, the following key items are highlighted, (in no order or weighing of importance).

- River Forest is generally viewed as a bedroom community
- Village has the reputation of being resistant to change particularly to multi-family development
- Proximity to Forest Park and Oak Park alleviate much of the pressure for a River Forest downtown or central business district
- North Avenue is not well suited for residential or mixed use development
- Lot depths and adjacency to residential neighborhoods seriously encumber development potential on North Avenue.
- The types of uses currently on North Avenue are consistent with what might be developed; however, no one interviewed felt that spec development was likely to occur in the near to mid-term.
- Any future redevelopment of the northeast corner of North and Harlem will have an impact on the entire intersection including the potential to reposition the Shell station site in River Forest.
- Multi-family and/or single-family attached may be feasible and suitable within the Madison corridor and other areas of the Village but not North Avenue
- There may be potential to build off of the success of Madison Street in Forest Park, but not at the same intensity.
- The Madison corridor is not a good location for retail development
- The North Avenue corridor can accommodate new retail similar to what exists today
- The Fresh Thyme is a good reuse of Dominick's
- Change to proximity to River Forest's strong demographic helps drive commercial development in the market area, but River Forest itself is not a strong consideration for development. Combination of site capacity, development cost, surrounding uses and low traffic counts.

ASSESSMENT OF ZONING AND REGULATORY CONTROLS

The Village's zoning ordinance, regulations, and procedures effectively accommodate development interest along the Madison Street and North Avenue corridors. The majority of property fronting Madison Street is zoned C2: Commercial, and the majority of the North Avenue corridor is zoned C1: Commercial.

These two zoning districts allow the same wide variety of commercial uses, including retail, office, restaurant, commercial service, and more. However, according to the Land Use Chart in Chapter 21 of the Zoning Ordinance (10-21-1), multi-family uses and mixed-use development (residential above ground floor commercial) is not permitted in the C1 District (North Avenue), but is allowed in the C2 District (Madison Street), via the Planned Development process. One could conclude then, from looking only at the Land Use Chart, that multi-family and mixed-use is not allowed along North Avenue but is allowed along Madison Street. This conclusion, however, would not be accurate.

The Planned Development Ordinance (Chapter 19 of the Zoning Ordinance) is clear, concise, flexible, and has proven to be a very effective tool in accommodating new development. The Planned Development Ordinance has worked well for the village and has worked well for developers. Regarding Planned Developments, there are two significant things to remember.

- No development of twenty thousand square feet or more of land area or gross floor area and no multi-family housing of any size shall be permitted unless approved as a planned development.
- The development of any parcel or tract of land in any zoning district, irrespective of size, may be submitted to the village for consideration as a planned development.

Essentially, via the Planned Development Process, a developer can propose a mixed-use or multi-family development in the C1 and C2 Districts. And, all multi-family development, all mixed-use development (with a multi-family component), and all development of 20,000 s.f or more (land or floor area), must be approved as a Planned Development. What this means is that it is likely that any significant development along North Avenue or Madison Street will be accommodated via the Planned Development process.

The biggest distinction between the C1 (North Avenue) and C2 (Madison Street) districts, is maximum building height. North Avenue maximum building height is 50' and the Madison Street maximum building height is 30'. Again however, by using the Planned Development process, developers can propose buildings taller than the maximum height established in the zoning ordinance. However, it is the burden of the developer to convince the Village to allow a taller building, as the Village is under no obligation to do so.

Overall, the Village's zoning works well. While there are some tweaks that could be made to clarify the use table, and consideration could be given to examining the maximum height in the C2 District to allow a height greater than 30' as of right, the code, including the Planned Development Ordinance, does an effective job of accommodating and guiding new development and investment.

ECONOMIC DEVELOPMENT TOOLS

The economic development programs of other communities were evaluated. River Forest is the only community that does not currently have monetary or financial based incentive programs. Rather, it promotes speedy development review, offers clarity on zoning and permitting regulation through its Comprehensive Business Start Kit, and makes available properties and data readily easy to access. Currently, Elmwood Park, Oak Park and Forest Park all have active TIF Districts.

Overall, the Village of River Forest is doing a good job of instituting Economic Development initiatives. Of the surrounding competitive communities, the Village has one of the best websites conveying programs and available resources. Also, in comparison to other communities, the Village has much more limited staff capacity. Many communities have individuals and/or departments dedicated to economic development. Whereas, assignment of tasks and roles in those communities can be designated to specific staff members, River Forest must rely on a smaller staff with additional responsibilities as well as elected and appointed officials – most notably the Economic Development Commission.

Highlights of adjacent municipal economic development programs include:

Village of Elmwood Park, IL

- Economic Development Commission
- North and Harlem TIF District established in 2014
- Alley Repaving program: 50/50 cost share with residents improved through an SSA: TIF: Grand Ave Corridor (est. 2014)

Village of Forest Park

- TIF Districts: Brown St. Station / Harlem Avenue; Harlem / Harrison; Roosevelt / Hannah; Wal-Mart Area

Village of Oak Park

- Business Services Division that helps with:
 - Receiving assistance from other internal departments
 - Maintaining compliance with Village of Oak Park business requirements
 - Coordinating events within the business districts
 - Locating a business within Oak Park
 - Accessing business resources and technical assistance
- Oak Park Economic Development Corporation (OPEDC)
 - Database of available sites and buildings
- The Development Customer Services Department oversees building permits, inspections, code enforcement, business licensing, planning, historic preservation, zoning, housing and federal grant administration.
 - This management structure is designed to streamline Village Hall processes and enhance customer service to deliver quicker response times and speedy resolution of issues that can affect a property improvement project or investment opportunity.
- TIF Districts and Special Service Areas

Additional Economic Development Tools

The following highlights some additional economic development programs/incentives used by other local municipalities in the region. This does not include County and State programs that are available to each municipality.

Special Service Area (SSA)

SSAs, also known as Business Improvement Districts, can be used to fund improvements and programs within a designated service area. An SSA is essentially added to the property tax of the properties within the identified service area and the revenue received is channeled back into projects for things such as streetscape improvements, district marketing, and special events.

Business Districts

As authorized by the State, a municipality may designate an area as a Business Development District (BDD). A BDD would allow the Village to levy up to an additional 1% retailer's occupation tax, 1% hotel tax, and 1% sales tax within a designated district. Similar to a TIF district, a BDD has a maximum life of 23 years. BDD legislation also permits municipalities to utilize tax revenue growth that has been generated by BDD properties to fund improvements in the district. Given the limited amount of funds that a BDD is capable of generating, compared to a TIF district, BDD is best suited for funding small scale improvements and property maintenance programs.

Revolving Loan Fund

A Revolving Loan Fund is administered to provide financial support and assistance to new or expanding businesses. The borrower may use the low-interest loan for construction, property rehabilitation/improvements, and land acquisition, among other things.

Façade Improvement Program

Façade and site improvement programs can be used to beautify the Village and improve the appearance of existing businesses by offering matching grants to improve the exterior appearance of designated properties.

Foundation & Specialized Grants

A type of funding source that becomes increasingly significant when issue-specific projects or programs (tourism, performing arts, historic preservation, small business assistance, etc.) are considered is the foundation grant.

Transit-Oriented Development

The Regional Transportation Authority (RTA), in conjunction with the Regional Transit-Oriented Development Working Group, provides a comprehensive list of funding sources available for transit-oriented development (TOD). The list includes local, state, and federal resources, as well as private foundation grants. These grants and resources change and should be regularly monitored to see if opportunities exist for the Village to pursue.

SUMMARY

While there is potential within the market for new commercial development, the physical capacity and available sites within River Forest are limited. Both the North Avenue and Madison corridors can be positioned to capture a proportionate share of the market, but it will require Village participation to be competitive and realize potential.

The extent to which the Village provides assistance to facilitate new development will ultimately be a policy decision based on anticipated and desired outcomes.