West Chicago

Central-Main Street Redevelopment Plan Update

May 2018

FARRASSOCIATES

Produced for:



Produced by:









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Table of Contents

- **7** Project Overview
- **19** Market Position
- 29 Redevelopment Plan
- 57 Block Solutions
- **65** Realizing the Plan
- **73** Appendix

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Executive Summary

The 2017 Central-Main Street Redevelopment Plan update offers West Chicago a once-in-a-generation opportunity to realize its enormous transit-oriented development potential. The construction of nearly 400 new market-rate dwellings, beautiful pocket parks, inspiring stormwater plazas, and small retail amenities would represent the largest single physical transformation to downtown West Chicago in its history. By scrupulously following the steps to implementation in this report over the next several years, West Chicago can attain this long sought vision and set the stage for its long-term prosperity.

The idea of bringing transit-oriented development to West Chicago started with the 2007 Plan that this report updates. The 2007 Plan called for about 110 new dwellings (mostly townhomes) and 25,000 square feet of retail space. In conjunction with the report, the City acquired roughly 8.2 acres of land within the Study Area, setting the stage for TOD to advance in West Chicago. However, as the 2007 Plan was adopted as policy just before the real estate crash, none of the buildings identified in the 2007 Plan were built.

Given how dramatically the real estate landscape has changed in the 10 years between these plans, there is a virtuous side to how little got built. In that time the housing market came to embrace multifamily rental apartments – a dwelling type that offers the dual benefits of higher density and the ability to attract residents who lack the means or desire to purchase housing. Townhomes remain a feature of the current plan, but represent only 7 percent of the total unit count down from 57 percent. As

bricks and mortar stores continue to lose market share to online shopping, the changes to the retail marketplace are even more dramatic. Given that the current retail demand cannot justify any new construction, had the 25,000 square feet of retail space been built in 2007, it might now sit vacant.

The proposed Plan focuses on key issues not addressed in 2007. To entice Metra passengers to walk between the station and downtown, the plan calls for the mixed-use buildings at each bend in Main Street to feature tower elements and provide plazas with a small amount of retail. A midblock connection shortens the walk distance to the top of the hill, the plazas have fountains, blank walls along sidewalks are avoided, and parking is screened. To maximize the benefits of the Vision Plan, the City is well advised to embrace high design standards and not settle for less.

Thanks to a continuous leadership, West Chicago is in a strong position to redevelop Downtown, but work remains to make this vision a reality. The primary role of the City is to set the table for private development. The City's next steps, spelled out in great detail in this plan, include: acquire additional property, restart the tax increment financing (TIF) district, and adopt form-based zoning in the redevelopment area to allow desirable development by-right. Failure to follow through on any item will undermine the value of this work. However, if successful, an additional 360 more people will soon call West Chicago their home.



Chapter 1: **Project Overview**

After nearly 10 years since the adoption of the 2007 Plan, a lack of implementation has led to a reexamination. This update to the Central-Main Street Redevelopment Plan focuses on setting the stage for implementation beginning today.

7

A City with Great Attributes

West Chicago is surrounded by attractive towns, has access to transportation options, and boasts natural amenities. The City is well connected to the greater Chicago region with readily available access to Interstate-88, Interstate-90, IL-59, IL-64, the DuPage Aiport, and the Union Pacific West (UP-W) Metra line. Sought after communities, such as St. Charles, Geneva, Batavia, Aurora, and Wheaton, surround West Chicago. Fermilab, the United States' premier particle physics laboratory, is only a few miles away. Forest preserves, bicycle trails, and the Fox River are nearby amenities that connect residents with nature and surrounding communities.

The adoption of the 2007 Plan was proof of the City's investment in its own Downtown. These efforts were meant to redevelop vacant or underutilized lands and introduce new residents and businesses into a downtown core that features transit-oriented development (TOD) potential and embraces the "good bones" of historic brick buildings and small, walkable blocks. These are the many factors that should draw prospective residents. With the combination of all these positive factors, how is West Chicago not booming?

A New Focus on Implementation

A variety of factors have kept the 2007 Plan from fulfilling expectations. This 2017 Central-Main Street Redevelopment Plan update (2017 Plan) builds on its intentions. The 2017 Plan looks at Downtown through a different lens: one that focuses on timely implementation, walkability, and high-quality urban design. Demonstrating to the investment community all that West Chicago has to offer with high-quality design, developer friendly parcels, and a City-supported vision for Downtown, repositions the City for implementation beginning today.

Project Overview

Central-Main Street Study Area

An Advantageous Regional Position

West Chicago's location, approximately 35 miles west of the Chicago Loop, places the community in an advantageous position. It is near enough to the Loop to allow for reasonable commute times to jobs, shopping, dining, and entertainment, in addition to the many other benefits of proximity to one of the country's major urban centers. State Route IL-59 provides access south towards Interstate-88, which leads directly into the Loop via Interestate-290. Additionally, Metra's Union Pacific West (UP-W) line links many of Chicago's western suburbs, including West Chicago, to Ogilvie Transportation Center in the Loop.

Downtown West Chicago is primarily focused along Main Street, which differs from many suburban Chicago downtowns that are typically located on a state highway. Main Street intersects IL-59 roughly one-quarter mile east of the Metra station. Because the Downtown is not centered along IL-59, the City has more control over what improvements or modifications may happen to the right-of-way. The City may re-pave streets, rebuild sidewalks, modify crosswalks, add stormwater facilities, and update street lighting, along with many other improvements which would not be possible on a state route without Illinois Department of Transportation (IDOT) permission. Though this plan does not focus on streetscape improvements along Main Street, redevelopment may lead to a prioritization of a refresh of one of West Chicago's most iconic streets.

Neighboring Competition

Though Downtown has obvious potential to be revitalized into the center of the community, there are a number of inherent challenges. Without being located on IL-59, Downtown's commercial investment appeal is limited due to lower traffic counts and the perception of being less accessible for drivers. Additionally, Downtown West Chicago must compete for customers with well-loved adjacent communities, such as Geneva, Batavia, and Wheaton, which feature more vibrant downtowns with more employment, shopping, and dining options. When many West Chicagoans choose a downtown to visit, in too many cases it is not their own. Taking a different approach to redevelopment than what these communities already offer may prove beneficial.



The West Chicago Strategic Plan adopted in May 2016 places emphasis on Downtown as one of its primary development areas. The Strategic Plan suggests that the City has potential to build on its historic core of walkable, pedestrian friendly buildings with the addition of TOD and more infill housing within the Central-Main Street Study Area. The 2017 Plan builds on this momentum by outlining how Downtown might achieve this vision. Also, the Strategic Plan calls out the potential for investment within the next five to seven years, which is in-line with this update.



9

The 2017 Plan Study Area boundary includes parcels stretching westward from just east of West Chicago City Hall along Main Street to the parcels on the south side of High Street between E Washington Street and Chicago Street. The parcels include a

variety of uses, including banks, automotive services, singlefamily residences, the current City Hall, and multiple vacant lots.

Though much of the Study Area is primed for redevelopment to a higher and better use, more emphasis will be placed on the individual parcels within the overall Study Area that the City of West Chicago already owns. These parcels afford opportunities for the City to help determine the redevelopment direction of future private sector investment.

The West Chicago Metra Station is an asset for commuters, adjacent businesses, and current and future residents. Land within the Study Area may yield opportunities to establish a TOD district and reinforce the qualities of Main Street between Center Street and E Washington Street.

Project Overview

Framing the Potential

City-Owned Opportunity Parcels

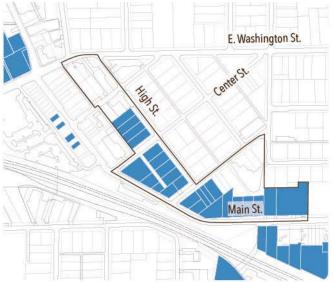


Figure 3

Much of the Study Area is under City control and ready for redevelopment. Parcels along Main Street, spanning from the Metra Station all the way to Center Street, and parcels along High Street make up a good portion of the overall acreage of Downtown.

Because the City is not in the real estate development business these parcels will need to change hands to a private investor for redevelopment to take place; however, because the City currently owns so many parcels, it can play a significant role in determining what types of development take place on the parcels and to what standard through who the sell the properties to and what restrictions they place on development. This is a rare opportunity in a downtown that features as much character and inherent walkability as West Chicago's.

Distance Between Destinations

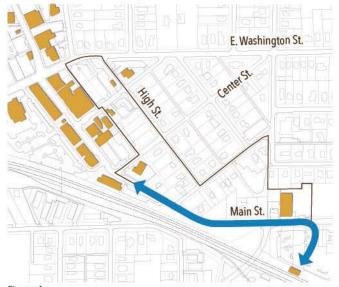


Figure 4

The Downtown core segment of Main Street between Center Street and E Washington Street and the Metra station are both destinations within the City. Currently, these two assets are physically very close, but perceived to be drive-between destinations. However, these assets are only roughly one-quarter mile apart, or about a five-minute walk. This distance should encourage a stronger connection between Downtown and Metra, setting the stage for visitors from other communities to frequent the current and future businesses that Downtown must offer.

A five-minute walk is a very reasonable distance to expect someone to regularly travel; however, a lack of continuous, active building frontage discourages pedestrians from doing so. Closing the building gap with residential units, commercial storefronts, and additional street trees may better link both the Downtown core to the Metra station, and beyond to the IL-59 auto-oriented businesses.

Visual Landmarks (Hop, Skip, Jump)



Figure 5

One of the most charming components to West Chicago's Downtown is the water tower at the northern terminus of Main Street. It is a visual anchor that draws people into Downtown and adds character to the core two-block segment. This sort of visual branding element does not exist outside of this location. The water tower will be removed in the future, but this effect can be simulated with a new building, public space, fountain, or public art piece. When at the Metra station or near IL-59 on Main Street, there is little indication of the unique Main Street just minutes away to the west.

The multiple kinks in the street compound this issue. Strategic locations to site visual landmarks along the procession between IL-59, the Metra station, and Downtown could help encourage pedestrians and drivers to experience what West Chicago can offer with a 'hop, skip, jump' solution that better connects visitors with the City's assets.

Leveraging and Creating Amenities



Figure 6

11

West Chicago has invested in Sesquicentennial Park at the southwest corner of Main Street and Wilson Avenue. The Park offers seating, manicured landscape, and an excellent location from which to view passing freight and Metra trains. It does not, however, provide facilities for one to throw a frisbee, or allow children to play without constant monitoring, and is located at the periphery of the neighborhood with rail on one side and a descending bridge on another.

The Illinois Prairie Path - Geneva Spur is a wonderful amenity that links the West Chicago to the greater multi-use trail system of the western suburbs. Though a less traveled segment of the Prairie Path, it remains an asset for Downtown residents and businesses.

An addition of public space to Downtown would be a welcome improvement for current and future Downtown residents. Programming that is complementary to the specific nature of Sesquicentennial Park should lead to a more active, usable space within Downtown.



Project Overview

Planning for the Future

Why 'TOD'?

Transit-oriented development (TOD) typically refers to compact, walkable development with a range of uses within half a mile of quality public transportation such as a light rail stop, commuter train stop, or Bus Rapid Transit stop. Housing, jobs, shopping, restaurants, and entertainment are a few of the uses appropriate for TOD.

There are a range of benefits to TOD such as:

- Walkable communities that accommodate more healthy and active lifestyles
- Potential for added value created through increased and/ or sustained property values where transit investments have occurred
- Improved access to jobs and economic opportunities for low-income people and working families
- Expanded mobility choices that reduce dependence on the automobile and reduce transportation costs
- Reduced household driving, which lowers regional congestion, air pollution, and greenhouse gas emissions
- Increased transit ridership and fare revenue

West Chicago has an opportunity to capture many of these benefits. The walkable nature of the Downtown core is inherently TOD friendly, and the abundant development potential though City-owned land carries the potential to truly offer compact walkability. Prioritizing residential density near the Metra station will attract more riders, Downtown patrons, and activity to the area. With a bulk of the uses being non-residential, apart from single-family homes, an increase in higher density housing types would complement Downtown.

TOD is a sustainable way to redevelop our towns and cities. The option to commute to Chicago and other communities removes personal vehicles from the roads, alleviates the need for parking, and eliminates the negative environmental effects of people that would otherwise be driving. Additionally, these mobility options have proven to be attractive draws for retirees and millennials that have less desire to drive themselves and prefer a productive commute.

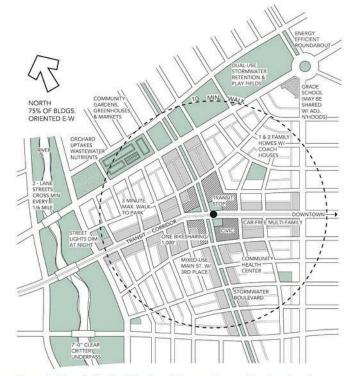


Figure 7 - Sustainable Neighborhood Diagram (source: Farr Associates)

Neighborhood Sustainability

New construction in the neighborhood should feature sustainable elements such as incorporation of high-efficiency water fixtures and toilets to reduce water consumption, and building envelopes with better insulation and use high-efficiency glazing to meet LEED for Homes (Leadership in Energy and Environmental Design) standards. Appliances should be Energy-Star rated with each unit having a programmable thermostat attached to its Energy-Star HVAC system (heating, ventilation, and air conditioning).

Additionally, updates to the existing infrastructure should be incorporated as new development occurs, including new sewer and water pipes, repayed sidewalks, additional site lighting, and landscape improvements.

These design features contribute to the overall approach to achieving LEED for Neighborhood Development (LEED-ND) certification, which combines energy-efficiency measures such as neighborhood connectivity; smart locations; neighborhood design; and access to jobs, quality schools, quality services, and retail.

(see pages 42-45 for Urban Design Guidance outlining neighborhood sustainability design criteria utilizing LEED-ND standards and best management practices)





Project Overview

13

Strategic Opportunities

The following five Strategic Opportunities are key to the update of the 2007 Plan and will inform design decisions outlined in the preferred Vision Plan. They are based on existing potential in Downtown, and seek to reinforce and add to the great things that the City already offers. The focus of these opportunities is on the Central-Main Street Study Area. (see page 9; Figure X)

Connecting the Station to Downtown

A series of visual landmarks, public spaces, and new buildings could work harmoniously to bridge the gap between Downtown's two main assets: the Metra Station and Main Street between Center Street and Washington Street.



Figure 8 - West Chicago Metra station (source: Farr Associates)

Introducing New Public Space

Public space is essential in a vibrant, active city. The addition of an appropriately-scaled pocket park would work toward increasing the vibrancy of Downtown West Chicago. There are few other public spaces nearby, so the addition of new residential development Downtown amplifies the need to introduce a park to make the area a more livable and desirable location. Since the city owns much of the land within the Study Area, it has a unique opportunity to help determine its future and bring this recommendation to life.



Figure 9 - Sesquicentennial Park from Prairie Path (source: Farr Associates)



Figure 10 - Buildings along Turner Court (source: Farr Associates)



Figure 11 - Stormwater dentention near Public Library (source: Farr Associates)



Figure 12 - 487 Main Street parcel for-sale (source: Farr Associates)

Complementing the Historic Character

An architectural character has already been established with an existing building stock of one-, two-, and three-story brick and stone buildings along Main Street. New buildings do not need to mimic the historic architecture, but should respect the historic qualities through similar design using brick, fenestration proportions, and scale or through contrasting, contemporary solutions.

Celebrating Stormwater Management

The redevelopment of the Study Area parcels will likely result in an increase in stormwater mitigation requirements. Managing stormwater is an opportunity to demonstrate how treatment happens, where our water goes, and how beautiful landscapes can result in high-performing stormwater facilities.

Setting the Stage for Investment

Potentially the most important opportunity to take advantage of is to translate the City-owned land into development ready parcels. High quality, timely redevelopment of the Central-Main Street area is the end goal. The creation of a streamlined process for investors to acquire property, gain plan approval, and move forward with as few surprises and delays as possible, will expedite development in the City.

15

Building On the 2007 Plan

Takeaways from the 2007 Plan

The 2007 Central-Main Street Redevelopment Plan identified many of the advantages and shortcomings of Downtown West Chicago. It established a baseline for the existing conditions at that time, which remain virtually unchanged today. Many positive elements were identified:

- · historic buildings; access to the Metra station;
- local arts culture;
- Hispanic community;
- entrepreneurial environment;
- new residential development;
- varying topography;
- civic willingness to consider incentives; and
- · proximity to a desirable historic neighborhood.

Many of these positive elements involve the greater Downtown, as opposed to the parcels within the Study Area themselves. A few issues were identified:

- uneven distribution of parking;
- obsolete historic building stock;
- limited wayfinding or signage; single-destination businesses;
- unmet demand for more business; limited public gathering space; and
- a need to connect the three distinct areas of IL-59, the adjacent commercial corridor, and Downtown.

Design guidelines can help to shape future development. Guidelines concerning building finishes, such as requiring masonry, limestone, fiber cement board, vinyl, or wood as materials, may still be valid. Utilization of landscape improvements, surface parking lot screening, and vegetated bulb-outs reinforcing on-street parking are still recommended strategies. Respect for the existing architectural integrity through utilization of facade articulation, fenestration rhythm, and general reference to the historic building types also remain good practices. However, certain guidelines, primarily in the R-6 zoning district, are not in line with sustainable, walkable neighborhoods, including: "level two and above" setbacks; minimum setbacks, as opposed to ranges; and wide landscaped

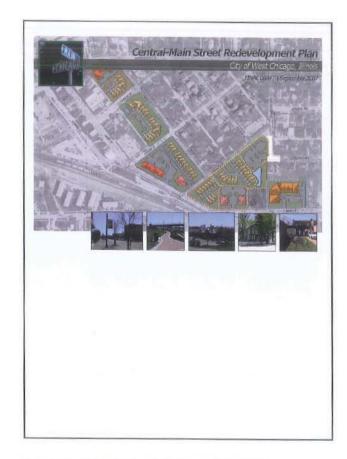


Figure 13 - Central-Main Street Redevelopment Plan (2007)

front yards. Each of these guidelines are examples of suburban building form and urban design.

The Conceptual Redevelopment Site Plan illustrated building forms that included large front yards, single-use buildings, parking lots visible from the street, exposed ends of alleys and driveways, and large detention ponds. These solutions should be reconsidered as they do not align with the compact, walkable transit-oriented development that West Chicago has an opportunity to position itself to pursue.

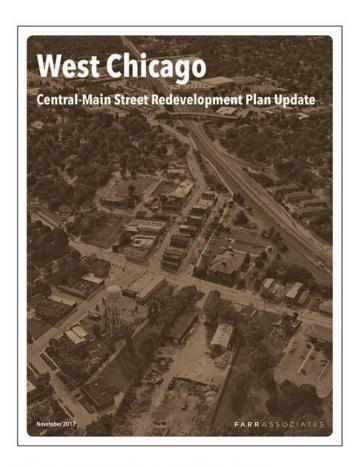


Figure 14 - Central-Main Street Redevelopment Plan (2017)

Ten Years Later

The world is in a very different place today than it was in 2007. Unfortunate timing undoubtedly played a significant role in the lack of realization of the 2007 Plan. A more stabilized economy has led to a development boom of sorts in certain neighborhoods of Chicago, however, many suburbs have not experienced a similar level of investment. Communities that are considered higher-end have seen development, but more moderate income communities still need to position themselves strategically and utilize high quality leadership from the municipal level to achieve desired investment results in their community.

This Plan update seeks to help position the City to take advantage of a market cycle for rental housing near its peak. There is a demand for downtown living, as determined by utilizing a method outlined in more detail in Chapter 2. Reevaluating the previous 2007 Plan design and adjusting it to feature more developer friendly building types, marketable unit counts that achieve the development community's desired economies of scale, and a more walkable urban form will allow West Chicago to capitalize on the potentials of the market.

In an age of a changing retail business model, less emphasis should be placed on national chains and shops. Local entrepreneurs should continue to fill the historic shopfronts with restaurants, cafes, boutiques, and services, but the new construction will likely be residential. In 2017, the City of West Chicago should seek to revitalize its unique Downtown by investing in local businesses, introducing neighborhood amenities, and supporting a new model of residential development that brings in fresh faces and more housing options into a well-situated TOD.

17



Chapter 2: Market Position

The real estate market has had its ups and downs over the past 10 years. Today, new opportunities exist. A target market approach identifies this potential of which the City of West Chicago is primed to take advantage.

At the time, 2007 seemed like a great year to outline a future strategy to redevelop Downtown. With the Great Recession looming around the corner, timing may have been the major inadequacy that ultimately failed to produce more results from the 2007 Plan. Post-Great Recession, the U.S. economy has arisen from its coma – though not all markets have experienced this upturn. Some markets, particularly suburban markets, have seen a significant slowdown in commercial development since pre-2007. Inversely, rental residential has been booming in many communities.

Demand for over 500 potential residential units with the Study Area should raise eyebrows and give the City hope that investors should be ready to pounce under the right conditions.

West Chicago should establish its market position with the end goal of setting the table for development. When communities are committed to a shared vision, invest in themselves to incentivize private sector investment, and remain in tune with current real estate economics, progress will follow.

Residential Market Analysis

Target Market Methodology

This study determines the market potential and optimum market position for newly-introduced housing units that could be developed within the Study Area. The optimum market position was derived from: the housing preferences, financial capacities, and lifestyle characteristics of the target households; the Study Area's location, visibility and physical attributes; the rental and for-sale housing market context in the West Chicago market area; and Zimmerman/Volk Associates' extensive experience with urban development and redevelopment.

This market analysis used Zimmerman/Volk Associates' proprietary target market methodology, which was developed in response to the challenges that are inherent in the application of conventional supply/demand analysis to urban redevelopment. Conventional supply/demand analysis is based on supply-side dynamics and baseline demographic projections Conventional supply/demand analysis ignores the potential impact of newly-introduced housing supply on settlement patterns, which can be substantial when that new supply matches the housing preferences and economic capabilities of the draw area households in ways that existing housing choices in the market do not.

In contrast, target market analysis determines the depth and breadth of the potential market derived from the housing preferences and socio-economic characteristics of households in the defined draw areas. Because it considers not only basic demographic characteristics, such as income qualification and age, but also less frequently analyzed attributes such as lifestage, mobility rates, lifestyle patterns and household compatibility issues, the target market methodology is particularly effective in defining a realistic housing potential for urban redevelopment where often no directly-comparable properties exist.

Based on the target market methodology, this study determined:

- Where the potential renters and purchasers of new dwelling units to be developed within the Study Area currently live (the draw areas);
- How many households have the potential to move to the Study Area each year (depth and breadth of the market);
- What are their housing preferences in aggregate (rental or ownership, multi-family or single-family);
- Who are they and what they are like (the target markets);
- What are their current housing alternatives (the West Chicago area market context);
- What are the rents and prices of new units that could be developed within the Study Area that correspond to target household financial capabilities (optimum market position); and
- How quickly they will rent or purchase the new units (absorption forecasts).



Figure 15 - Rental Apartments (source: ABNewswire)



Figure 16 - Townhomes (source: Brush Hill Townhomes at Evening Rose)

Residential Market Potential

This analysis has found that, from the market perspective, over a five-year timeframe, between 380 and 505 transit-oriented rental and for-sale housing units can be supported within the Study Area: 315 to 420 rental apartments, 30 to 40 condominiums, and 35 to 45 townhouses.

Given the Downtown location, the Study Area is best suited to higher-density rental and for-sale multi-family and for-sale single-family attached development.

The 315 to 420 rental units include the following:

- Transit-oriented studios to two-bedroom apartments ranging in size between 500 and 1,050 square feet with proposed base rents ranging between \$950 and \$1,850 per month (\$1.76 to \$1.90 per sf)
- The weighted average rent of the rental apartments is \$1,400 for an average unit size of 768 square feet, an average of \$1.82 per square foot.
- Absorption is forecast at 63 to 84 rental units per year.

The 30 to 40 condominium units include the following:

- One- and two-bedroom condominiums ranging in size between 800 and 1,400 square feet, with proposed base prices ranging between \$165,000 and \$265,000 (\$189 to \$206 per sf).
- The weighted average price is \$222,000, for an average unit size of 1,138 square feet, an average of \$195 per square foot
- Absorption is forecast at six to eight units per year.

The 35 to 45 townhouses include the following:

- Two- and three-bedroom townhouses ranging in size between 1,100 and 1,800 square feet, with proposed base prices ranging between \$225,000 and \$350,000 (\$194 to \$205 per square foot).
- The weighted average price is \$292,750, for an average unit size of 1,485 square feet, an average of \$197 per square foot.
- Absorption is forecast at seven to nine units per year.

Commercial Market Analysis

Focus Commercial on Main Street, Turner Court

A clear understanding of the national, regional, and local economies is key to analyzing West Chicago's Commercial Market. This analysis supports existing uses and identifies potential redevelopment that adds new offices, stores, and restaurants.

As the zoning classification map in Appendix page 75 illustrates, the authorized commercial development (orange properties) includes parcels stretching from the intersection of IL-59 and Main Street through West Chicago's City Hall to the West along Main Street and continuing East and West along Washington Street. Currently, this commercial area includes a variety of uses, including banks, auto service, single-family residences, two former train stations, and multiple vacant lots. There is a convenience retail cluster at IL-59 and a two block traditional Main Street just southeast of Main Street and Washington Street. The Study Area is a subset of this commercial district outlined in Appendix page 75. The Study Area's commercially zoned properties offer 1,500 feet facing on Main Street and another 350 feet along Washington Street. With lot depths averaging approximately 200 feet and no setback requirements, the ground floor commercial development on this property could be as great as 400,000 square feet. This Section examines the uses that might be accommodated in the Study Area and the likely market demand for those uses. The analysis that follows recognizes that the Study Area is adjacent to a superior commercial opportunity, Turner Court and the Main Street core. Those areas are a better fit with today's small scale, entrepreneurial businesses that seek affordable, unique places. The high cost of new construction necessary to create study area commercial space and the need to improve from a central spot make the traditional Main Street core and Turner Court a more important commercial development priority.

A Competitive Office Market

The office market is regional, as businesses move within an area that fits the owners' priorities for image, convenience, and access to employees and goods. The market distinguishes properties by classes where: Class "A" is the newest properties clustered in high visibility business parks and having multiple stories, luxury finishes, and premier tenants; Class "B" aging properties that frequently formerly were Class "A" properties or new properties with economy finishes and multiple small tenants; and Class "C" properties that are generally the oldest properties that are often single story, non-elevator buildings and flex space.

West Chicago competes in Chicago's East-West Tollway office submarket. Table 1 reports the 4th Quarter 2016 office vacancy rate at 17.7%, which has declined from the recession highs of more than 20% vacancy but remains above the 10% level where investors may begin to consider speculative building. Office rental rates in the East-West Tollway market are now averaging \$22.44 per square foot, an amount that is still below the rents needed to cover the unsubsidized cost of newly constructed Class "A" office, approximately \$30 per square foot. Still, with almost no new product constructed in the last ten years, there are built-to-suit office projects happening because aging space no longer offers the technology and configuration needed by growing businesses. These new office buildings primarily are occurring east of Interstate-355 on high visibility sites available

East-West Tollway Office Market									
Submarket	Rentable Building Area (sf)	Direct Vacant (sf)	Direct Vacancy Rate (%)	Sublease Vacancy Rate (%)	Total Vacancy Rate (%)*	Q4 2016 Net Absorption (sf)	2016 net Absorption (sf)	Under Construction (sf)	Gross Asking Lease Rates (\$/sf/year)
East-West Tollway	40,598,789	6,901,287	17.0	0.7	17.7	62,721	3,689	0	22.44
Class A	13,051,961	1,547,798	11.9	0.7	12.5	-(13,125)	-(107,439)	0	28.99
Class B	19,180,352	3,823,389	19.9	1.0	21.0	103,481	49,853	0	21.62
Class C	8,366,476	1,530,100	18.3	0.1	18.4	-(27,635)	61,275	0	16.86

Table 1 - East-West Tollway Office Market

in a location near other Class "A" office space.

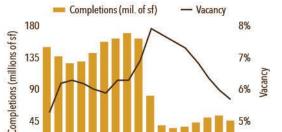
More common than the building of new space is extensive renovation of formerly Class "A" space that can be improved to meet modern requirements.

With its location away from existing building parks and the weak subregional market (Class B vacancies at 21% and Class C vacancies more than 18%), the Study Area would attract new office construction only if a West Chicago resident or existing business were to choose this location for non-market reasons. Those reasons often are shortening executives' commutes or staying close to a locally operating factory.

Limited Retail Potential

The potential for new stores is being impacted by a critical change in retailing habits, as stores join with Internet purchasing to create an "omni-channel" approach to satisfying customers. This transition means that, while past retail success focused

Fewer Completions Supporting Retail Operations



Sources: Marcus & Millichap Research Services; CoStar Group, Inc Figure 17 - Retail Completions versus Vacancy

on an easily accessible local market bringing people to goods, future retail success will now involve bringing goods to people. For large format retailers, this trend translates into having smaller and fewer stores because the consumer has made the purchasing decision at home and will travel to obtain those goods. Consequently, display areas can be smaller and staffing is reduced. For smaller often independent retailers, this change means having an Internet presence and increasing sales by attracting business from a larger market and by offering more service.

Fewer national chain stores means that shopping clusters can be spaced at greater drive time distances. Nationally, this wholesale reduction in store sizes combined with the reduction in store numbers has dramatically reduced new store construction as documented in Figure 17. Although vacancy rates are declining as retail space is repurposed and innovative retail concepts open, new construction has not recovered to historic levels because developers continue to expect retail changes to make existing space adequate to satisfy new demand.

The market is especially weak in Chicago's Far West Suburbs, the subregion containing West Chicago, where the vacancies exceed the regional average of 10.1% and the rent range is lower than the regional average of \$16.77 to \$20.31

Because the Study Area occupies only a subset of Downtown West Chicago, it must be viewed in the larger context to make recommendations that improve the larger area's performance. With such limited new construction, retailers are now looking at revitalizing properties in existing centers and main streets, such as the properties at IL-59 and on Main Street. With the weak overall market, the best City investment is supporting those market driven opportunities rather than creating new space in the Study Area that is likely to undermine the existing properties.

		Far West Su	burb Retail M	arket	
Submarket	Number of Properties	Gross Building (sf)	Vacant Area (sf)	Vacancy Rate (%)	Average Asking Lease Range (\$/sf/year)
Far West Suburbs	138	22,002,995	3,053,351	13.9	14.45 to 16.98

Table 2 - Far West Suburb Retail Market

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The growing market for dining out and meal take out suggests that newly constructed restaurants are a logical tenant for commercial space. Yet, the investment necessary to construct a new restaurant undermines that possibility. Table 3 estimates typical costs and potential sales associated with developing a 5,000 square foot, full service restaurant.

Economics of 5,000 sf Restaurant Development (New Construction)

Building	\$904,530
Kitchen	\$250,000
Buildout	\$150,000
Total	\$1,304,530
Sales Projection per sf	\$300
Potential Sales Revnue	\$1,500,000

Table 3 - Economics of 5,000 sf Restaurant Development (New Construction)

A market driven new restaurant could be built only if there were an expectation that rent or net operating profit on the building/business would offer a market rate return on the investment. Although an experienced owner/operator lowers risk, generally, independent restaurants are one of the higher risk commercial developments. Assuming that the banks and equity financing for a newly built West Chicago restaurant would require a 9% return blended to reflect bank loans and equity investment, the rent estimate for a profitable restaurant to fill new construction is calculated in Table 4:

Rent Necessary for Profitable Restaurant

9% Return on Investment (ROI)	\$117,407.70	
Rent or Proft Reflecting 65% NOI	\$180,627.23	
Per sf Rent	\$36.13	

Table 4 - Rent Necessary for Profitable Restaurant

Baker Tilley International's Restaurant Benchmarks reports a 6% standard for rent in profitable restaurants, with the average sales per square foot in profitable restaurants being \$250 to \$350. If the \$36.13 were 5% of sales, this model would require an operator to achieve either double the national average, \$600 per square foot, or be subsidized. The difference between

national averages and the sales necessary to support this new construction sets the gap that needs to be filled to justify new restaurant construction. For this sample, the subsidy would be approximately \$650,000 to reduce the construction cost to an amount that allows the \$18 per square foot rent to be supported by sales of \$300 per square foot. Note that the model has already assumed no cost for the land and parking.

If a 5,000 square foot restaurant were to achieve the \$300 per square foot national average, its annual sales would be \$1,500,000 and City sales tax revenue would be \$30,000. The annual property tax revenue estimate for this restaurant would be about \$30,000. Assuming that only a portion of the property tax would be Tax Increment Revenue (TIF) and the City would not want to offer more than 50% of sales tax as incentive, it could take 20 years to overcome a \$600,000 gap.

If an investor were to spend \$50 per square foot to remodel a vacant building to become a restaurant, the preliminary rent and sales estimates for a profitable restaurant to fill remodeled space is calculated in Table 5:

Economics of 5,000 sf Restaurant Reuse

Property including 6,500 sf vacant building	\$320,000
\$50/sf Remodeling	\$325,000
Total Cost	\$645,000
9% Return on Investment (ROI)	\$58,050
ROI/sf	\$8.93
Rent/sf with 40% Administration	\$14.88
Sales per sf to Support 6% Rent	\$248.06

Table 5 - Economics of 5,000 sf Restaurant Reuse

With national average restaurant sales at \$300 per square foot, this estimate illustrates how reuse of an existing property enables an entrepreneur to cover property costs with reasonable sales. This estimate recognizes that an older property will have higher maintenance costs, and therefore property administration will be higher than the new construction.

As with the retail stores, one must view the Study Area restaurant

opportunity within the context of the larger West Chicago Central Business District. Both the newer construction near IL-59 and Main Street have spaces that previously were occupied by restaurants, and therefore these are better opportunities than a newly constructed site. Providing incentives to tenant those properties is a more fiscally sound approach than incentivizing a risky new restaurant.

Non-Traditional Commercial Opportunities

The technological changes and today's lifestyle expectations have changed how families work. Both entrepreneurs and corporate employees are increasingly working from home. When John Burns Consultants asked new home shoppers how often they worked from home, that research identified a significant number of employees not counted in traditional employee counts. It reports only 40% of the new home buyers always leave home to work.

This means that residential development designed to attract these work-at-home employees can add significantly to West Chicago's daytime employee population.

A related trend is the growth of co-working office space, these collaborative work environments rent spaces from a desk to small offices for small businesses and large corporations seeking to provide start-up or temporary offices. They also rent professional space such as conference rooms. 25N, is the closest example located at 25 N. River Lane in Geneva. Co-working spaces frequently occupy upper stories in Central Business Districts, and this could be a good use for the Study Area properties facing Washington Street and spaces outside of the Study Area on Main Street.

Another trend is temporary spaces, where stores and restaurants can test how receptive the market is to concepts. Often referred to as "Pop-Ups," temporary stores can be organized into festivals such as holiday markets or recurring events such as "Food Truck Thursday". With the vacant space near the Study Area, the Study Area could have a place and policies supporting concept testing. This program can raise regional awareness of West Chicago and build future interest in a commercial development.

With the emergence of "experiential retailing," concepts such as "Escape Rooms," indoor golf, trampoline centers, and novel wedding/party venues are emerging as commercial space users. Again, these uses look for large, vacant buildings not generally available in the Study Area but perhaps possible in adjacent areas.

Overall: A Limited Commercial Market

This Study, with its emphasis on immediate opportunities and a Study Area largely exclusive of reuse possibilities, identifies few quick commercial opportunities. Today's very unsettled retail market carries significant risk for any store or restaurant development. Still, the quick paced national commercial transition may be obscuring opportunities that could develop when today's rapid change slows. For that reason, West Chicago should look to increase its daytime population within the Study Area by specifically targeting new residential products to a different resident market and working at home buyers.

West Chicago should look to increase its daytime population within the Study Area by specifically targeting new residential products to a different resident market and working at home buyers.

The City should also identify existing space or create new space for temporary and festival commercial that confirm the Study Area's value for new concepts. As the relocation of City Hall proceeds, that building could be space for cost effective reuse and non-traditional commercial uses that prove the local market. The second reuse priority space is the bank at Washington Street where there may be an opportunity to increase use of the upper stories. If the bank is interested, it may be possible to relocate it to IL-59, rehab the historic piece of their property, and redevelop the current bank addition and parking lot into a mixed-use or residential project.

Economic Development Implementation Plan

Accelerating Progress Towards Quick Redevelopment

The West Chicago Transit Oriented Residential Development Opportunities Analysis relied on community input and a market study by Zimmerman Volk Associates (ZVA) to create a vision for significantly adding residential development on City-owned land. This vision involves substantial financial investments. Some of those investments will likely require a financial partnership with the City.

For West Chicago to realize its vision in a timely manner, currently active developers must be confident that rents or prices tenants or buyers are willing to pay cover construction costs and provide a return higher than or equal to alternative uses of investor funds. This condition is known as market rate development. If investors do not believe that rents or sales prices will provide market rate returns, a developer may choose either to find another place to invest funds or request a public/ private financial partnership to fill the "gap" between expected returns and market rate returns. For this project, the Zimmerman/Volk Associates Target Market Analysis identified the current market's product types and associated rents. This information forms a basis for identifying partnering roles for the City and the developer.

For apartments, capital is most available for developments of 150 units or more that often are financed by pension funds or other non-bank investor groups.

Because the goal is quick redevelopment, first examine how the properties can be organized to appeal to investors with ready access to capital. For apartments, capital is most available for developments of 150 units or more that often are financed by pension funds or other non-bank investor groups. Experienced developers undertake these large projects and benefit from economies of scale in construction and design. There are two

separate groupings within the West Chicago Vision Plan that could appeal to the large, regional apartment developers:

- · Blocks 3 and 4 with 180 units
- Block 5 with 150 units

The Block 3 and 4 parcels could be quickly developed because existing uses are on very short leases and the City owns all the property. Although the City also owns Block 5, its development would be delayed because it requires relocation of City Hall. The vision plan also proposes another 70 apartments on Block 1, but that property is not owned by the City and therefore its development would be reliant on private initiative to purchase and redevelop.

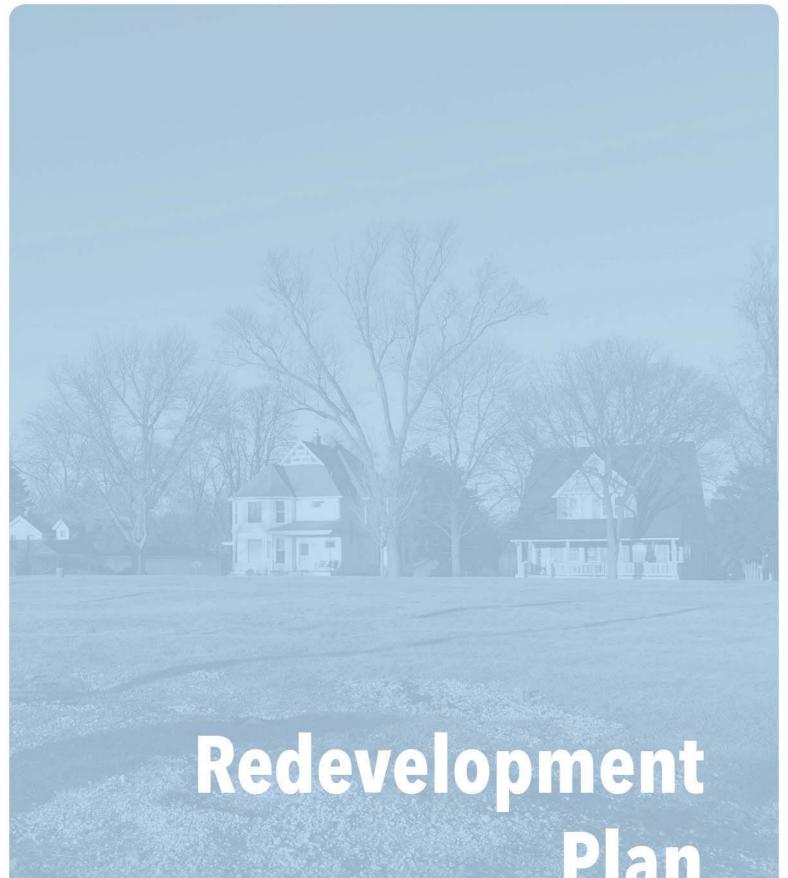
The proposal for 26 townhomes could be attractive to a local developer or integrated into the apartments as another rental type.

Preparing the Sites for Development

With the potential for these larger scale, easily financeable projects, there will be a need for developers to move quickly to catch the current market demand. The City should help prepare sites for development and set the stage for a streamlined process to realize the redevelopment of the Central-Main Street Study Area.

The following Developer Ready Checklist on page 27 identifies the boxes that the City can seek to 'check', leaving the only remaining tasks up to the private sector. West Chicago Development Ready Checklist Example

West Cille	ago Development Ready Checklist Example
1	Vision Plan the City Supports
1	Pre-Approved Zoning/Code Variances
1	Restart Modified TIF
4	Pre-Approved TIF-Eligible Improvements
4	Soil Tests Complete
4	District Wide Stormwater Solutions
1	City Commitment to Public Space
	Contact City for More Information
	Secure Financing
	Prepare a Conceptual Plan
	Project Build-Out



Plan

Chapter 3: Redevelopment Plan

A cohesive vision for the Central-Main Street Study Area demonstrates a commitment to reinvestment in one of the City's core assets: its Downtown. Achieving this vision through sustainable urban design practices can create a destination for people to live, work, and play.

Downtown West Chicago needs a Vision Plan that includes high-quality urban design, responds to the local context, respects the economics of development, and is supported by the City. Emphasis should be placed on reinforcing TOD with an increased residential population near the Metra station.

The relationship of the Study Area to the historic Downtown core between E. Washington Avenue/Center Street and the commercial cluster at IL-59/Main Street are positives; however, they present certain challenges because of the interrupted sight lines, topography, and distance from the heavily trafficked IL-59. When driving by on IL-59, it is unclear that a gem of a downtown is only blocks away. When passing by on the Metra, riders have limited visibility to Main Street except for the few single-family homes between City Hall and Center Street.

Redevelopment may offer intrigue - marketing and branding in the form of new buildings and an improved public realm. If done right, redevelopment can play a part in connecting IL-59 and the Metra station to the Downtown core.

The following pages outline a vision for West Chicago with a focus on urban design, sustainability, and the surrounding context.





Key Vision Recommendations

Encourage High Density Residential Near Station

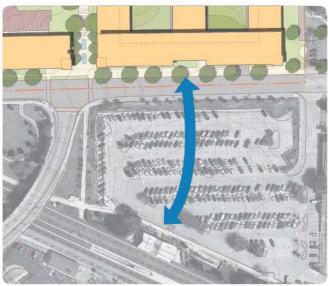


Figure 18

West Chicago is a natural fit for TOD. Other Chicagoland suburbs, who also have Metra stations near the Downtown core, are capitalizing on TOD. To leverage this asset, the City should encourage a minimum of four stories, illustrated in the Vision Plan as five-stories, for mixed-use development across from the station. The development may incrementally step down in height away from Main Street where it is closer to the single-family neighborhood beyond.

As redevelopment occurs and parking needs change with the introduction of driverless cars and the increasing rideshare industry, the Metra parking lot immediately adjacent to the station may become available for mixed-use redevelopment.

(see page 10)

Allow Taller Building Heights Along Main Street



Figure 19

Like Block 5 which fronts onto Main Street, the frontages of Blocks 3 and 4 should be redeveloped with a maximum of five-story buildings. These facades will play a significant role in adding to the perceived walkability from Metra station to Downtown core. These buildings should also provide residential entrances along the facades and commercial storefronts at intersections. The buildings should be located near the front property line with minimal setback, except in the case of a small landscape buffer or private outdoor space. Allowing the taller, five-story buildings may be the difference between a project being financially feasible or not, so consideration of the trade-offs should be heavily weighed. Building stepbacks towards the smaller scale neighborhood and only allowing five-stories within 80 feet from the Main Street property line may help mitigate the taller height along Main Street.

Redevelopment along High Street should respect the scale of the historic single-family homes on the north side of the street. A residential vernacular should help complement the scale and character of the homes, while allowing for a higher density product type to support more Downtown living.

(see page 10)

Create a Series of Landmarks Through Downtown



Figure 20

Introducing a series of visual landmarks would greatly enhance wayfinding and architectural character. The Vision Plan demonstrates strategic locations for architectural towers and corner public spaces that attempt to draw people down Main Street and into the Downtown core. These visual landmarks occur each time the street bends.

The corner public spaces should include water features to reinforce West Chicago as a city of fountains.

(see page 11)

Build a Park to Support Downtown Residents



Figure 21

To address one of the most glaring Downtown deficiencies, the City should commission a landscape architect or incentivize a private developer to complete the design of a neighborhood pocket park and tot lot playground at the corner of Center Street and High Street. This location is already a vacant lot that has provided recreational space for the community. The current site is over-scaled for the size of Downtown, so redevelopment on a portion of this City-owned lot is recommended.

The pocket park should include a variety of active and passive program options, such as a tot lot playground, exercise equipment, flexible lawn seating, a water feature, sidewalks, or any other program that complements the surrounding neighborhood. As designs are finalized for the West Washington Street Plan, the uses within the two parks should be coordinated to avoid overlapping programming.

(see page 11)



Public Benefit Recommendations

11 Relocated City Hall

For the current City Hall site to become a redevelopment opportunity, City Hall must be either permanently or temporarily relocated until a new facility can be constructed. The timeline and location for this is not yet determined. Possible locations for a relocation are outlined in the 2007 Plan; however, the preferred location is within the West Washington Street Plan study area (demonstrated for illustrative purposes only in the Vision Plan). This preferred location would allow the facility to be part of a civic center that features a new public space, repurposed historic depot, and City Hall.

City Hall represents the overall community, so special design consideration and site selection are important when determining a relocation.



Figure 22 - Mundelein Village Hall (source: Doherty Construction, Inc.)

16 Re-Purposed Historic Depot

The historic depot, which was formerly the location of the Metra station, is a beautiful example of station architecture. Its location at the terminus of Center Street along Main Street makes it a prominent site that holds great potential. Right now, the building is used as the Western DuPage Chamber of Commerce offices and common space. A building of this architectural significance and location should act as a destination for public events or commercial use. A re-purposing of the historic depot would give the building and site new life.

Possible uses are a restaurant, cafe, location for pop-up markets or events, a gallery, or a multi-use venue to hold public and private events. Its location overlooking the rail lines and Illinois Prairie Path - Geneva Spur increase its potential. Other communities have completed similar renovations around Chicagoland, such as near the Dempster-Skokie CTA Yellow Line Station.



Figure 23 - Starbucks at Dempster-Skokie Station (source: Yelp)



Figure 24 - Corner Plaza with Public Art (source: Pinterest)



Figure 25 - Pedestrian Promenade Connection (source: SECO Construction)

17 Corner Plaza

A mixed-use development that fronts onto a corner plaza should anchor the southern edge of the two-block segment of the Downtown core. This corner plaza would be the ideal end anchor and visual landmark to provide seating, shade, a water feature, and a location for public art. Its location across Main Street from the historic depot reinforces this location as an important intersection.

The City should work with a potential developer to incentivize the hiring of a landscape architect to carefully design a public plaza that acts as a landmark. The building should become part of the plaza and help frame the public space on its south and east edges.

20 Path Connection to Main Street

Paired with the redevelopment of Block 5 (see page 63) directly across from the Metra station, a promenade with ramps and stairs could connect the intersection of Main Street and Wilson Avenue with the terminus of S. Oakwood Avenue/Colford Avenue. Currently, only a sidewalk connection from the private parking lot exists; however, the neighborhood would benefit from a public passageway, since the block between Chicago Street and IL-59 is over one-quarter mile long. This would make it easier for current residents to walk from their front door to Main Street, the surrounding businesses, and the Metra station.

The passage should be planted and maintained with trees shading the connection as well as high quality paving and pedestrian-scale lighting.

Menu of Building Types

Mixed - Use

Mixed-use buildings are the backbone of a "Main Street". They typically include a shopfront or service ground floor, with either residences or office space above. Much of the Downtown core is made up of historic mixed-use buildings. Though the scale of those buildings is economically difficult to duplicate, endless examples of two- to six-story mixed-use buildings exist throughout Chicagoland. Ideally the entirety of the street facing facade of mixed-use buildings would be active ground floor uses, such as those described above; however, the market has not demonstrated the demand for that much area of non-residential lease space. With that in mind, the City should prioritize active ground floor uses at intersections.



Figure 26 - Mixed-Use Building (source: Bethesda Magazine)



Figure 27 - Mixed-Use Building (source: ULI Washington)



Figure 28 - Multifamily Building (source: R&H Construction)

Multifamily Apartments/Condominiums

Apartments are typically a for-rent product, while condominiums are for-sale owner occupied, with shared maintenance becoming the responsibility of a homeowners association (HOA).

Nationally, the rental market has been active from a new construction standpoint. For the near-term, the City should focus its attention on identifying potential investors to build high-density, transit-oriented, multifamily apartments within Downtown. Rental versus condominium products are cyclical, so the desire to build one or the other may depend on timing of the current market cycle.



Figure 29 - Multifamiliy Building (source: Birkhill Apartment Homes)

Four- or Six-Flats

Four- and six-flats are smaller footprint, infill alternatives to the typically larger scale multi-family apartments/condominiums. Four-flats are typically two-stories with two units on the ground floor and two units above, while six-flats are similar except for an additional floor of two units. The use of wood construction and absence of an elevator allow both four- and six-flats to be constructed more economically than midrise buildings.

These buildings are outstanding options in urban locations because of their infill potential, medium density capacity, and complementary scale to smaller buildings.



Figure 30 - Four-Flat (source: Rome of the West)



Figure 31 - Six-Flat (source: EOA Architects)



Figure 32 - Live/Work Building (source: Malsam Tsang Structural Engineering)

Live/Work

Similar in form to townhomes or multi-family apartment/condominium buildings, live/work buildings typically feature neighboring units that share a party or common wall and are organized in-line. The scale and texture of these buildings can take on a more neighborhood-friendly scale with smaller footprints and smaller bays. Shopfront-like windows provide for an optional in home business.

Appropriate locations for these building types may be along Main Street or E. Washington Street if demand for larger multifamily apartments/condominiums reduces.



Figure 33 - Live/Work Building (source: Tiwana Properties)

Towhomes

Townhomes are single-family homes that share a common wall and are organized in-line. Comparable townhomes in other communities may feature four to eight townhomes in a row; however, there are deviations. Elevated entries up two to four feet above sidewalk level, as well as vegetated buffers, short walls, and fences, help define the transition from public right-of-way to private interior space.

The townhomes illustrated in the Vision Plan feature both tuckunder and detached garage parking.



Figure 34 - Townhomes (source: Google Plus)



Figure 35 - Townhomes (source: Mithun)

Figure 36 - Single-Family Detached Homes (source: YouTube)

Single - Family Detached

Much of the suburbs are made up of single-family detached housing (not represented in the Vision Plan); however, near a downtown such as this, a more urban, narrow lot model is ideal. Building lots may be approximately 30 feet wide with minimal front and side yard setbacks. These homes often have porches oriented towards the street with the ground-floor elevated two to four feet above grade.

Single-family homes are expected to do well in this market; however, their lack of density, even with narrow lots, does not support TOD as well as higher density multi-family apartments/condominiums or townhomes do.



Figure 37 - Single-Family Detached Homes (source: Pinterest)

Urban Design Guidance

Diversify Frontage Types

Architectural variation is encouraged, particularly on the ground floor, to avoid long, monotonous facades and create a more interesting pedestrian experience. Diversity of building frontage types can include storefronts, signage, residential entries, and landscaping.

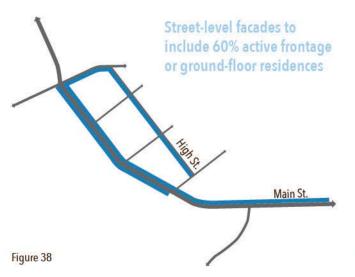


Figure 39 (source: City of New Orleans)

Tall Ground Floor Height

Tall ground floors are more consistent with the existing building proportions seen in the Downtown core. Additionally, taller ground floors are easier to lease and more desirable to retail, office, and restaurant tenants.

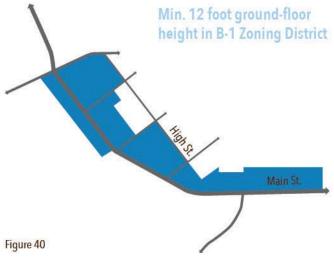




Figure 41 (source: Kamm Architecture)

Utilize On-Street Parking

Accessible street parking makes storefronts more attractive, acts as a traffic calming mechanism, and helps alleviate the demand for off-street parking. On-street parking should be added to Main Street and High Street with the introduction of new, higher density development.

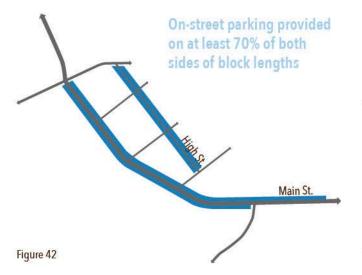




Figure 43 (source: Nvision Design Studio, Inc)

Layered Public/Private Threshold

In situations with little front setback, utilizing strategies such as grade-separated residential entries, short walls and fences, front porches, awnings, and landscaping, can work to create privacy through design instead of distance. Done well, these strategies can also make the pedestrian experience more engaging.





Figure 45 (source: City of Seattle)

