

# Appendices

Market Assessment

Community Input Process

# Appendix

## Market Assessment

**STATION AREA MARKET ASSESSMENT**  
**CITY OF NORTH CHICAGO**

Prepared in Conjunction with  
The North Chicago Station Area Plan

May 2007

By  
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# Appendix

## Market Assessment

### TABLE OF CONTENTS

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I.	INTRODUCTION AND CONCLUSIONS.....	1
II.	SOCIOECONOMIC ANALYSIS .....	4
III.	COMMERCIAL MARKET OVERVIEW.....	17
IV.	RESIDENTIAL MARKET OVERVIEW .....	31

### ADDENDA

- Marketing Materials for Sheridan Road Development Sites
- Residential Development Information Sheets

### I. INTRODUCTION AND CONCLUSIONS

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#### **Background to the Assignment**

Farr Associates has been retained by the City of North Chicago under the RTAP Program to complete a transit-oriented development plan for the area around the North Chicago Station on Metra's Union Pacific North Line. As part of this planning process, Farr Associates has contracted with Goodman Williams Group to assess the current and future development environment in North Chicago and provide market input to the station area plan. This report presents overviews of the commercial and residential markets.

#### **Methodology**

As part of these market overviews, Goodman Williams Group completed the following tasks in late 2006 and early 2007:

- Interviewed key stakeholders from the City of North Chicago, Great Lakes Naval Training Center, Abbott Laboratories, and professionals familiar with the real estate industry in North Chicago and adjacent communities.
- Participated in a community meeting held in North Chicago.
- Analyzed current demographic and household characteristics to gain an understanding of future demand for various land uses.
- Visited retail, residential, and commercial developments in and around North Chicago and surrounding communities to assess the likely competitive position of development in the study area.

#### **Summary of Findings**

Sheridan Road is the main commercial spine that traverses the study area. Major initiatives are underway to redevelop what has traditionally been North Chicago's downtown. Commercial and mixed-use developments have been planned for a number of key sites and one development, Grant Place, has recently been completed. The most aggressive plan is for Sheridan Crossing, to be developed on a 40-acre site just south of the study area at the corner of Sheridan Road and Martin Luther King Drive. Redevelopment plans for this former industrial property call for one or two hotels and restaurants that would serve visitors to Great Lakes Naval Training Center. The successful redevelopment of this large site would serve as a catalyst for further development along Sheridan Road closer to the Metra station.

# Appendix

## Market Assessment

**Commercial Opportunities in the Study Area.** North Chicago currently has limited retail offerings, and therefore the expenditure potential of households living in this community is being “leaked” to Waukegan and other nearby suburbs. Our analysis indicates potential support for approximately 20,000 square feet of retail space along Sheridan Road. The types of retailers that would be most appropriate in a transit-oriented “downtown” setting, and those that would fit with the demographics of North Chicago include small establishments in the following categories:

- Food and Beverage Stores
- Full- and Limited-Service Restaurants
- Furniture and Home Furnishing Stores
- Electronics (such as a cell phone store)
- Health and Personal Care Businesses
- Convenience Stores
- Clothing and Accessories Stores

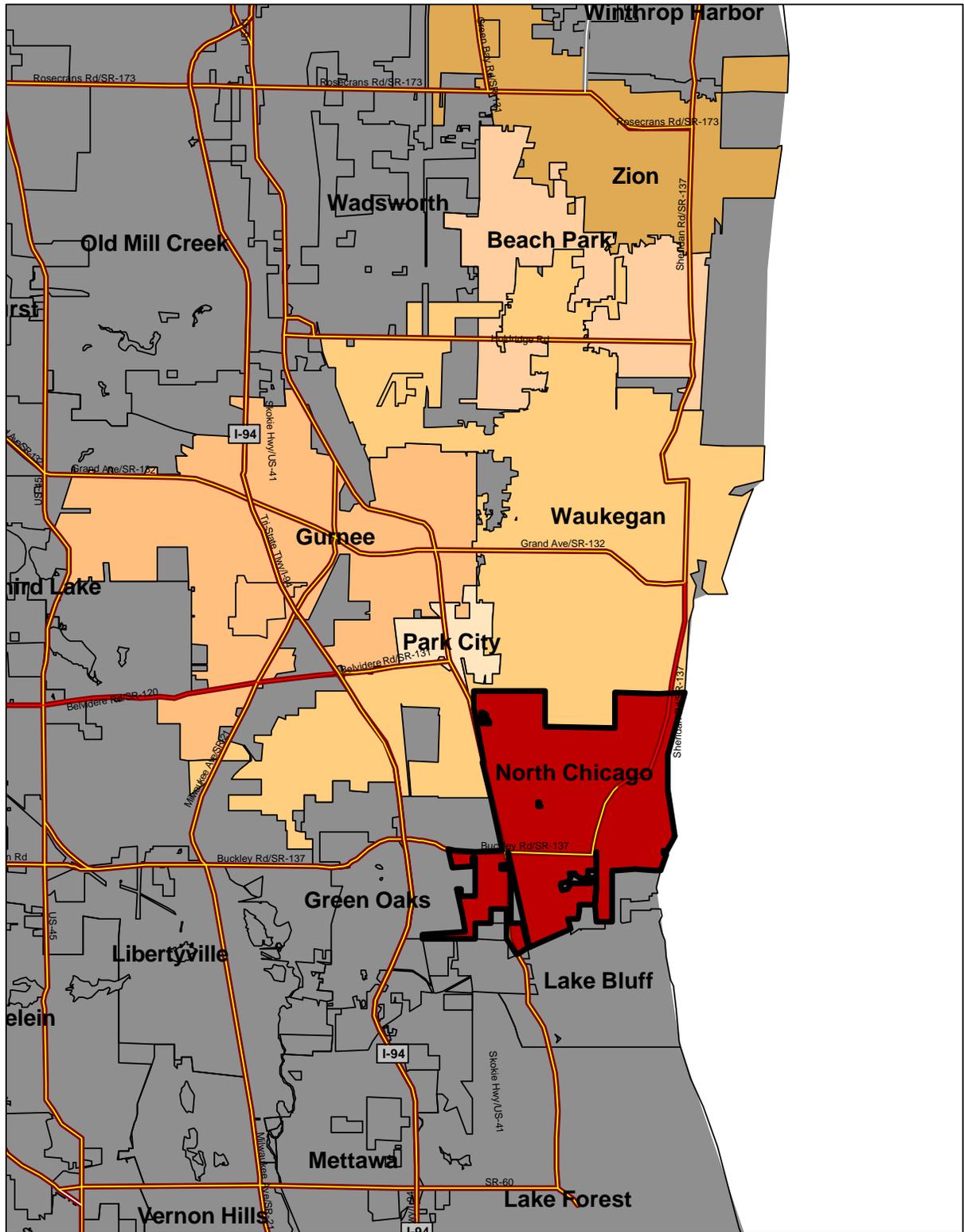
In addition to retailers, we assume that a number of service-oriented businesses would be appropriate ground-floor tenants along Sheridan Road. Dry cleaners, hair and nail salons, as well as offices of medical, dental, and financial service firms could occupy another 8,000 square feet. In total, we find support for between 25,000 and 30,000 square feet of additional retail and other commercial space in the study area over the next 10 years.

**Residential Opportunities in the Study Area.** Initial opportunities for residential development in the study area would be limited to small-scale infill projects on scattered sites. These developments could include residential units over storefronts or infill town home developments near the Metra station. Over the next ten years, the market could support approximately two dozen new residential units along Sheridan Road or on appropriate sites near the Metra station. Incomes in North Chicago suggest that new housing would need to be moderately priced. Developer or buyer subsidies would expand the pool of potential buyers and create additional opportunities.

In the neighborhood west of Sheridan Road, vacant lots and homes in need of repair are interspersed with well-maintained properties. Programs to encourage infill development and rehab activity will serve to strengthen this neighborhood and improve the opportunity for additional commercial and mixed-use development along Sheridan Road.

Long-term, residential development is envisioned on an 8.9-acre site near Foss Park that is currently owned by Abbott.

**Figure 1. North Chicago Area Overview Map**



### II. SOCIOECONOMIC ANALYSIS

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#### Location Characteristics

The City of North Chicago is located along Lake Michigan in Lake County, Illinois, approximately 40 miles north of downtown Chicago and 10 miles south of the Wisconsin border. Lake Bluff borders North Chicago to the south, and the City of Waukegan is its neighbor to the north. North Skokie Highway (US-41) runs along North Chicago's western edge. South Green Bay Road (ST-131) and Sheridan Road (SR-137) are the major commercial arteries that run north-south through North Chicago.

#### Description of the Study Area

As shown in the following map, Figure 2, the study area extends north from the North Chicago Metra Station to 14<sup>th</sup> Street, east to Foss Park Avenue and Sheridan Road, south to 2<sup>nd</sup> Avenue (20<sup>th</sup> Street) and the Elgin, Joliet & Eastern Railway, and west to Greenfield Avenue. Sheridan Road and the Union Pacific North Line are the main features of the study area.

The current land uses within the study area include a commuter parking lot adjacent to the Metra station, a multifamily residential development for seniors at 1705 N. Sheridan Road just west of the station, mixed-use buildings along Sheridan Road with commercial storefronts, and industrial facilities operated by Abbott Labs north of the station. Additional industrial land is located south of the station. Further from the station, west of Sheridan Road, is a neighborhood of predominantly single-family homes. Directly outside the study area, Foss Park lies to the east and Great Lakes Naval Training Center lies to the south.

Figure 2. Study Area



# Appendix

## Market Assessment

### Population Trends

Between 1990 and 2000, the population of North Chicago grew from 34,978 to 35,918, an increase of 2.7%. (See Table 1) Lake County has been growing at a rapid pace, and certain communities within the county, Gurnee in particular, have experienced explosive growth. In comparison, North Chicago's growth rate has been modest.

According to the Northeastern Illinois Planning Commission's projections, higher rates of growth are expected for North Chicago in the coming decades. By 2030, NIPC projects the population of North Chicago to reach 43,747, an increase of 7,829 persons or 21.8%. The most rapid rates of growth are expected to occur in the neighboring communities of Beach Park and Zion.

**Table 1. POPULATION TRENDS AND PROJECTIONS**

	1990 Population	2000 Population	% Change	2030 Projection	Projected Growth 2000-2030	% Change
<b>North Chicago</b>	<b>34,978</b>	<b>35,918</b>	<b>2.7%</b>	<b>43,747</b>	<b>7,829</b>	<b>21.8%</b>
Gurnee	13,701	28,834	110.5%	35,791	6,957	24.1%
Park City	4,677	6,637	41.9%	6,956	319	4.8%
Waukegan	69,392	87,901	26.7%	92,714	4,813	5.5%
Beach Park	9,513	10,072	5.9%	16,729	6,657	66.1%
Zion	19,775	22,866	15.6%	32,242	9,376	41.0%
Lake County	516,418	644,356	24.8%	844,315	199,959	31.0%

*Source: U.S. Census and Northeastern Illinois Planning Commission for projections.*

### Demographic Characteristics

Table 2 presents selected demographic characteristics from the 2000 Census for the City of North Chicago. The Census reports that the population is 47.7% white and 36.3% Black or African-American. An estimated 18.2% of the population identifies themselves as Hispanic. Close to three quarters of the households in North Chicago (72.8%) are family households and 46.3 % of households are families with children. The median household income in North Chicago for the year of 1999 was \$38,180.

The demographic characteristics of North Chicago reflect the presence of Great Lakes Naval Training Center, which is located within the community. An estimated 34.2% of the population (12,282 persons) resides in group quarters, the majority of which are accounted for by those living in military barracks. The high ratio of males in the population (61%) and the low median age (22) can also be attributed to the large number of military trainees living at the Naval Base.

**Table 2. SELECT DEMOGRAPHIC AND HOUSEHOLD CHARACTERISTICS  
CITY OF NORTH CHICAGO - 2000 CENSUS**

	<u>Number</u>	<u>Percent</u>
Population	35,918	100.0%
Hispanic or Latino	6,552	18.2%
Race (partial list)		
White alone	17,140	47.7%
Black or African-American alone	13,024	36.3%
Asian alone	1,289	3.6%
Male Population	21,904	61.0%
Female Population	14,014	39.0%
Household Population	23,636	65.8%
Group quarters population	12,282	34.2%
Households	7,661	100.0%
Family Households	5,575	72.8%
With own children under 18 years	3,548	46.3%
Median Household Income	\$38,180	
Median Age	22	

Sources: U.S. Census

# Appendix

## Market Assessment

### Household Incomes

The median household income in North Chicago in 2006 is estimated to be \$40,424. This figure is \$34,691 less than the estimate of \$75,115 for Lake County. Table 3 shows the estimated number of North Chicago households at various income levels. An estimated 1,979 households in North Chicago, or 27.4% of the total, have incomes below \$25,000.

**Table 3. 2006 ESTIMATED HOUSEHOLD INCOMES  
CITY OF NORTH CHICAGO**

	<u>Households</u>	<u>Percent</u>
Less than \$15,000	1,081	15.0%
\$15,000 to \$24,999	898	12.4%
\$25,000 to \$34,999	1,078	14.9%
\$35,000 to \$49,999	1,520	21.1%
\$50,000 to \$74,999	1,519	21.1%
\$75,000 to \$99,999	540	7.5%
\$100,000 to \$149,999	369	5.1%
\$150,000 to \$249,999	132	1.8%
\$250,000 to \$499,999	45	0.6%
\$500,000 or more	31	0.4%
Total	7,213	100.0%
Median household income	\$51,085	

*Source: Claritas*

The three maps that follow illustrate population density, median household income, and aggregate income within North Chicago and its neighboring communities. These three demographic indicators are among those most often analyzed by retailers and developers.

The population density map (Figure 3) shows that most of the area within the communities of North Chicago and Waukegan have population densities that exceed 7,410 persons per square mile, shown in red. Population density decreases to the south in the communities of Lake Bluff and Lake Forest, and to the north away from the lakefront (shown in shades of blue).

The median household income map (Figure 4) illustrates the dramatic difference in the affluence of households in North Chicago, Waukegan, and Zion relative to communities located to the south and west of North Chicago. Aggregate income, which combines population density and income, is indicative of the spending power of the trade area (Figure 5). *Areas with high population densities have considerable buying power even if household incomes are modest.*



**Figure 4. Median Household Income**

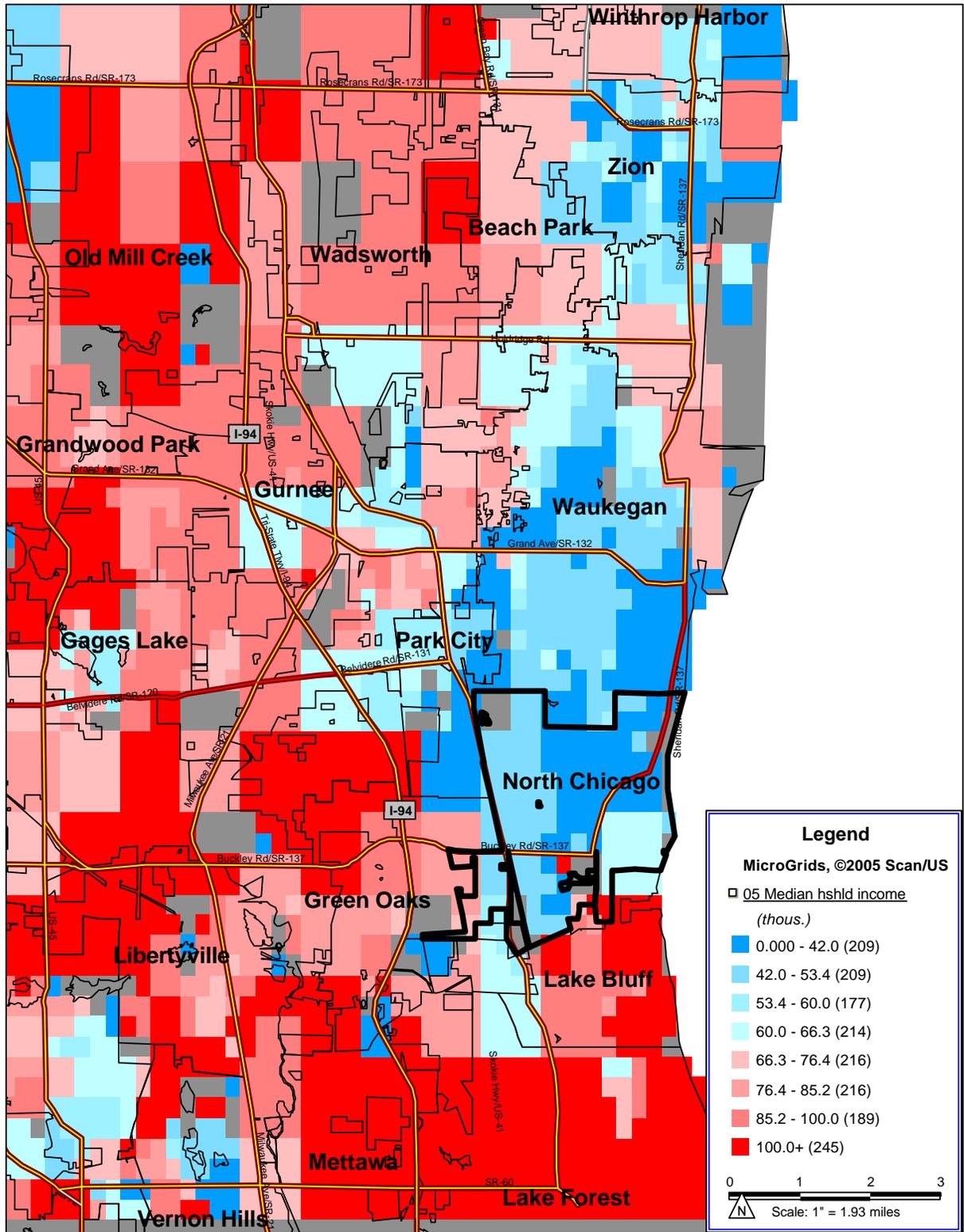
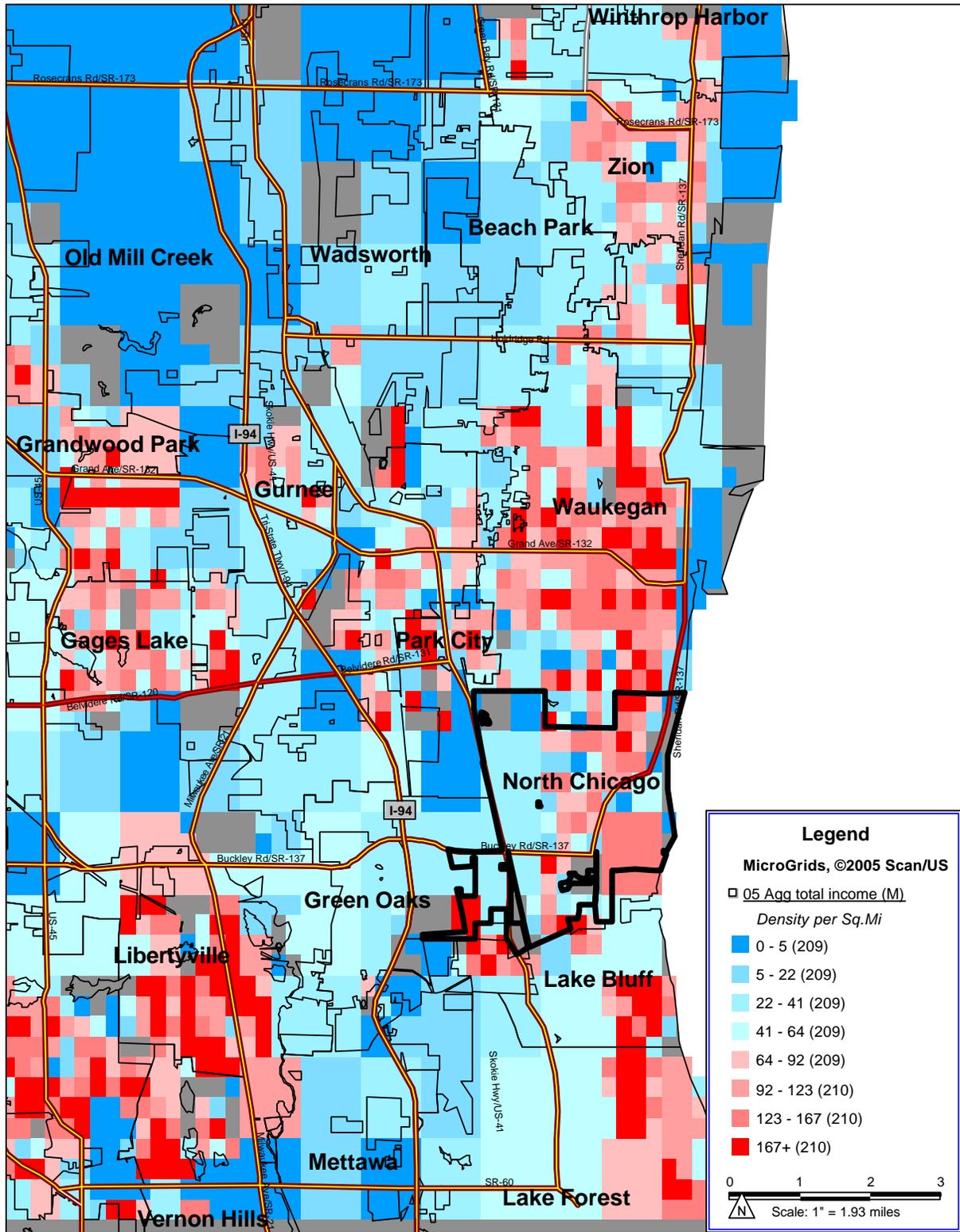


Figure 5. Aggregate Income



# Appendix

## Market Assessment

### Area Employment

With a total of 20,661 private-sector employees in 2005, North Chicago is one of the largest employment centers in Lake County. Only Waukegan, with 25,683 private-sector employees, has more employees. As shown in Table 4, manufacturing is the largest sector, with 82.4% of private-sector jobs.

**Table 4. NORTH CHICAGO PRIVATE-SECTOR EMPLOYMENT BY CATEGORY, 2005**

	<u>Employment</u>	<u>% of Total</u>
ALL INDUSTRIES	20,661	100.0%
CONSTRUCTION (23)	N/A	N/A
MANUFACTURING (31-33)	17,019	82.4%
WHOLESALE TRADE (42)	1052	5.1%
RETAIL TRADE (44-45)	177	0.9%
TRANSPORTATION & WAREHOUSING (48-49)	17	0.1%
INFORMATION (51)	N/A	N/A
FINANCE & INSURANCE (52)	172	0.8%
REAL ESTATE & RENTAL & LEASING (53)	20	0.1%
PROFESSIONAL, SCIENTIFIC & TECH. SVCS. (54)	113	0.5%
MNGMT. OF COMPANIES & ENTERPRISES (55)	0	0.0%
ADMIN. & SUP. & WASTE MGMT. & REMED. SVCS. (56)	N/A	N/A
EDUCATIONAL SERVICES (61)	N/A	N/A
HEALTH CARE & SOCIAL ASSISTANCE (62)	230	1.1%
ARTS, ENTERTAINMENT & RECREATION (71)	0	0.0%
ACCOMMODATIONS & FOOD SERVICES (72)	388	1.9%
OTHER SERVICES (except PUBLIC ADMIN.) (81)	56	0.3%

*Source: Illinois Department of Employment Security*

The major public and private employers in North Chicago are listed in Table 5 on the following page. With 10,000 employees, **Abbott Laboratories** is the largest employer in North Chicago. Its corporate headquarters lies along I-94 just outside the boundaries of North Chicago, and one of its major installations is located at 14<sup>th</sup> and Sheridan Road within the city limits. Approximately 3,000 people work at the Sheridan Road facility. According to company officials, the vast majority of employees at that facility drive to work; only an estimated ten employees use North Chicago's Metra Station.

With 4,500 employees, the **U.S. Navy's Great Lakes Naval Training Center**, which occupies 1,628 acres of land just south of the study area, is also a significant employer. Employees at the base include officers, enlisted personnel, and civilians. Students, recruits and visitors increase the average daily population on the base to more than 20,000 people.

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**Table 5. MAJOR EMPLOYERS IN NORTH CHICAGO**

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<u>Employer</u>	<u>Address</u>	<u>Product/Service</u>	<u>Number of Employees</u>
Abbott Laboratories	1401 Sheridan Road	Pharmaceuticals	10,000
U.S. Navy	610 Farragut Ave #B	Recruitment & Training Services	4,500
V.A. Hospital	3001 Green Bay Road	Veteran's Hospital	2,650
Coleman Cable	1530 S Shields Drive, Waukegan	Steel Cable & Wire Mfg.	250
Stone Container	1900 Foss Park Avenue	Corrugated Boxes	250
Emco Chemicals	2110 Commonwealth Avenue	Chemical Distributor	200

*Source: Illinois Department of Commerce and Economic Opportunity*

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### **Metra Commuter Station**

The North Chicago Station on the Metra/Union Pacific North Line is located southeast of the intersection of Lakeside and Foss Park Avenues, a block east of Sheridan Road. According to Metra's data (see Table 6), the weekday passenger boardings (both inbound and outbound) at the North Chicago Station held relatively steady between 1991 and 2002, with the latest figure showing 190 boardings. The Waukegan Station, one stop north of North Chicago, sees significantly higher numbers of boardings, with 893 boardings in 2002. The Great Lakes Station, also located in North Chicago, one stop south of the North Chicago Station, has slightly less boarding activity than the North Chicago Station, with 156 boardings.

On weekdays, 25 trains travel inbound to Chicago's Ogilvie Transportation Center and 24 trains run outbound. Weekend service is also offered on this line, with 22 trains running on Saturday and 16 on Sunday. The total trip between the Ogilvie Transportation Center and North Chicago's station takes about an hour and 15 minutes.

# Appendix

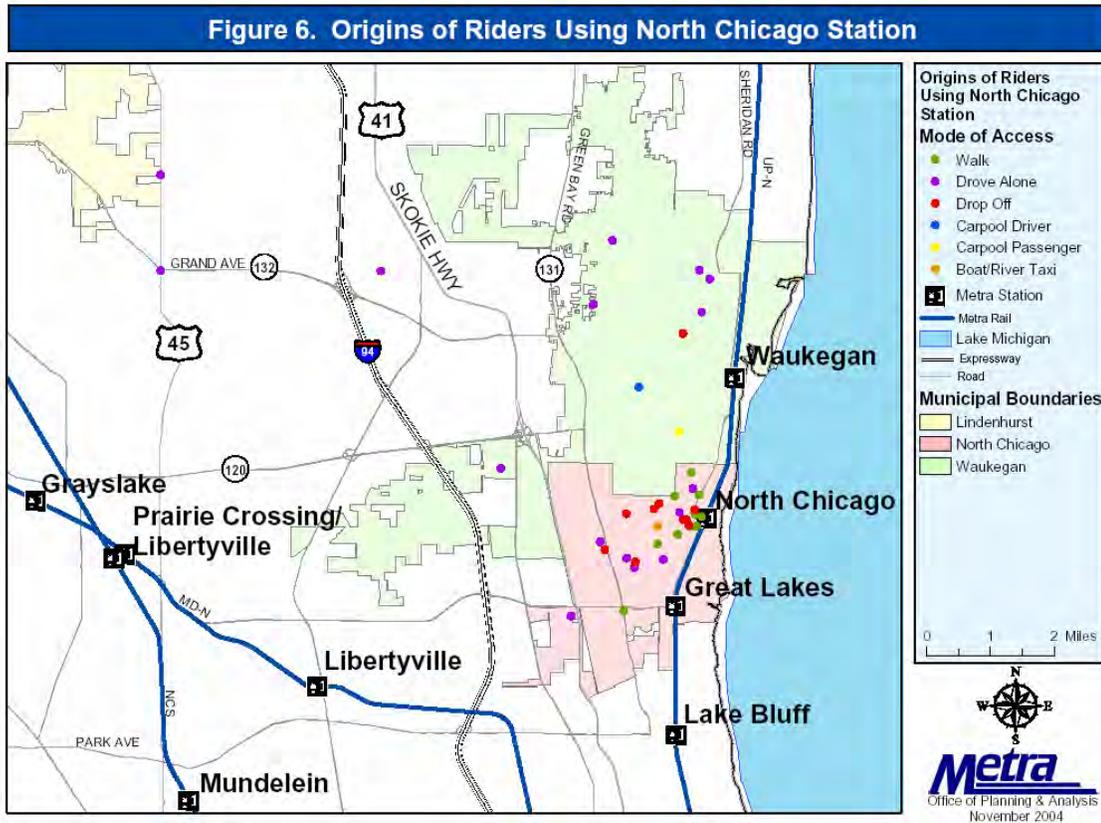
## Market Assessment

**Table 6. Metra Union Pacific North Line Weekday Station Passenger Boardings Over Time**

Station	MP	1991	1993	1995	1997	1999	2002
Kenosha	51.5	296	308	264	306	301	341
Winthrop Harbor	44.5	28	34	57	47	49	77
Zion	42.1	92	100	94	91	93	103
Waukegan	35.9	780	752	841	806	925	893
<b>North Chicago</b>	<b>33.7</b>	<b>165</b>	<b>139</b>	<b>192</b>	<b>220</b>	<b>200</b>	<b>190</b>
Great Lakes	32.2	98	186	110	118	153	156
Lake Bluff	30.2	357	390	379	425	420	504
Lake Forest	28.3	700	721	652	661	689	726
Fort Sheridan	25.7	338	279	296	276	276	285
Highwood	24.5	290	290	246	258	270	311
Highland Park	23.0	1,240	1,171	1,118	1,133	1,124	1,107
Ravinia	21.5	346	327	416	362	347	330
Braeside	20.5	324	292	275	247	330	340
Glencoe	19.2	784	789	770	774	786	724
Hubbard Woods	17.7	470	444	428	456	441	397
Winnetka	16.6	689	695	721	668	660	630
Indian Hill	15.8	396	372	372	375	378	368
Kenilworth	15.2	533	468	446	505	480	435
Wilmette	14.4	1,473	1,465	1,505	1,484	1,494	1,363
Central Street (Evanston)	13.3	1,317	1,226	1,210	1,161	1,246	1,276
Davis Street (Evanston)	12.0	1,073	1,124	1,208	1,322	1,395	1,439
Main Street (Evanston)	11.0	820	726	773	756	933	769
Rogers Park	9.4	881	924	877	977	1,072	973
Ravenswood	6.5	663	747	878	914	1,246	1,455
Clybourn	2.9	268	368	424	419	479	491
Ogilvie Transportation Center	0.0	10,792	10,689	10,455	10,714	11,209	10,595
<b>Total UP North</b>		<b>25,213</b>	<b>25,026</b>	<b>25,007</b>	<b>25,475</b>	<b>26,996</b>	<b>26,278</b>

*Source: Metra's Fall 2002 Origin-Destination Survey*

Figure 6 illustrates the points of origin of North Chicago commuters and their mode of transportation in arriving at the station. Based on Metra's Fall 2002 Origin-Destination Survey, shown in Table 7, 66.7% of the North Chicago's Station's riders reside in North Chicago, 20% in Waukegan, and an additional 13.3% in other surrounding communities.



**Table 7. ORIGIN OF ALL RIDERS USING THE NORTH CHICAGO UP-N STATION**

<b>Municipality</b>	<b>Frequency</b>	<b>Percent</b>
NORTH CHICAGO, IL	66	66.7%
WAUKEGAN, IL	20	20.0%
LINDENHURST, IL	4	4.4%
GURNEE, IL	2	2.2%
KENOSHA, WI	2	2.2%
WAUCONDA, IL	2	2.2%
ZION, IL	2	2.2%
<b>Total</b>	<b>99</b>	<b>100.0%</b>

Source: Metra's Fall 2002 Origin-Destination Survey

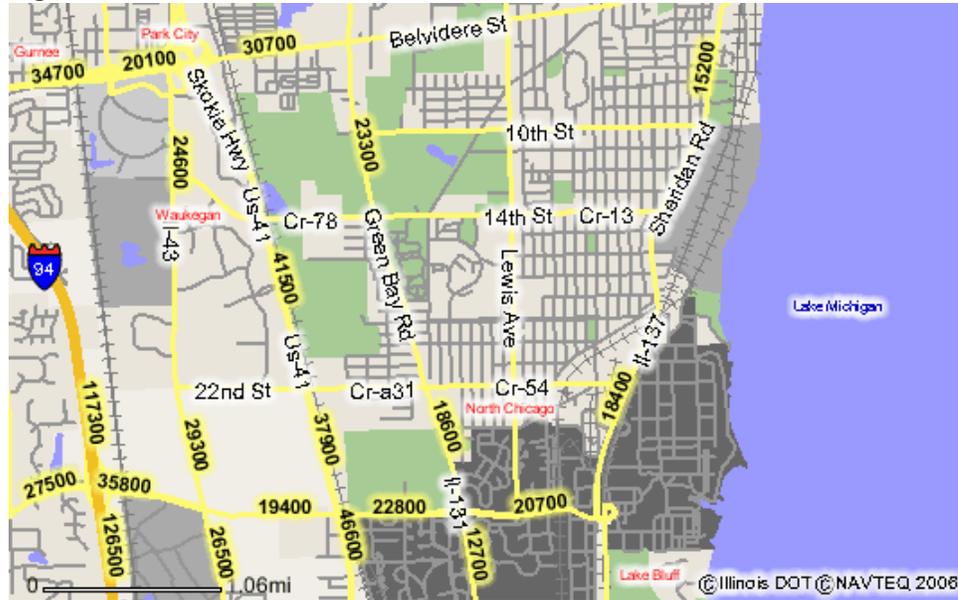
# Appendix

## Market Assessment

### Traffic Counts

Sheridan Road in the Study Area has average daily traffic counts of 18,400 vehicles. As shown in Figure 7 below, Belvidere Street, Green Bay Road, Skokie Highway, and Buckley Road all have higher traffic counts than Sheridan. Most national retailers are looking for sites with an average of at least 20,000 daily vehicles.

Figure 7. TRAFFIC COUNTS



### III. COMMERCIAL MARKET OVERVIEW

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#### Retail Concentrations

North Chicago offers limited retail activity. A cluster of fast food restaurants, gas stations, and auto-oriented commercial activity are located along **Martin Luther King Drive** and **Green Bay Road**. **Sheridan Road** has a limited assortment of stores and services in the Study Area, which are listed in Table 8 below.

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**Table 8. INVENTORY OF NORTH CHICAGO'S DOWNTOWN BUSINESSES ON SHERIDAN ROAD**

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**West side of Sheridan Road:**

1732 N Sheridan Rd	Hair Gallery
1730 N Sheridan Rd	Vacant/Dilapidated
1728 N Sheridan Rd	Cadre Management Group
1724 N Sheridan Rd	Vacant (former restaurant)
1722 N Sheridan Rd	Jim's Glass Services
1720 N Sheridan Rd	Super Save Foods & Liquor
1716 N Sheridan Rd	Fiesta Meat Market
1712 N Sheridan Rd	Dollar Plus
1710 N Sheridan Rd	Bart Pace El Boricua (bar)
1606 N Sheridan Rd	Jj Fish & Chicken
1632 N Sheridan Rd	General Insurance

**East side of Sheridan Road:**

1721 N Sheridan Rd	Bozini's Sundries
1721B N Sheridan Rd	Waukegan Township's Cease Fire Main Office
1721C N Sheridan Rd	Christian Book Store
1705 N Sheridan Rd	Thompson Manor (senior residence)
1639 N Sheridan Rd	Big Top Productions
1643 N Sheridan Rd	Vacant

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Source: Goodman Williams Group

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The newly built Grant Place on Sheridan Road and 18<sup>th</sup> Street is currently occupied by a bank and a police substation and has additional storefronts available for lease. A new laundromat is also being built at the northeast corner of Foss Park Avenue and Sheridan Road.

The only large-scale retail development in North Chicago is **Great Lakes Burkey Mall**, the military shopping center located on the west side of Green Bay Road north of Buckley Road on the grounds of the Great Lakes Naval Training Center. Burkey Mall contains both a Commissary (grocery store) and a Navy Exchange (NEX). These stores are open only to members of the military services, the Reserve and National Guard, military retirees, and members of their immediate families. Patrons buy products at costs and pay no sales tax.

# Appendix

## Market Assessment

The Commissary at Burkey Mall is 59,000 square feet in size and offers a full range of grocery store items. Because commissary patrons do not pay sales tax, they save an average of 27% on their grocery bills, according to information published by the Defense Commissary Agency. Conversations with military personnel stationed at Great Lakes indicate that they do, on occasion, shop at commercial grocery stores either for sale items, which may be less expensive than the comparable item at the Commissary, or for better selection. Those who live off base shop at grocery stores closer to their homes.

A 79,000-square-foot Navy Exchange (NEX) is located adjacent to the Commissary. The Navy Exchange offers general merchandise and convenience items. As is the case at the Commissary, only military families can shop there and patrons do not pay sales tax. There is also a Student Store NEX across from Gate 4 proximate to the Service School Command students. Table 9 lists the goods and services available to military personnel on the base.

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**Table 9. SUMMARY OF GOODS AND SERVICES AVAILABLE ON-SITE  
AT GREAT LAKES NAVAL BASE**

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<p><b>Retail:</b></p> <ul style="list-style-type: none"> <li>Burkley Mall</li> <li>Navy Exchange and the Commissary</li> <li>Shoes</li> <li>Clothing</li> <li>Jewelry</li> <li>Health and Beauty</li> <li>Housewares</li> <li>Appliances</li> <li>Electronics</li> <li>Books</li> <li>Luggage</li> <li>Toys</li> <li>Hardware</li> <li>Auto supplies</li> <li>Liquor</li> <li>Flowers</li> <li>Eyeglasses</li> <li>Haircuts</li> <li>Engraving</li> <li>Check-cashing</li> <li>Snacks</li> <li>Ice cream</li> <li>Bakery</li> <li>Videos</li> <li>UPS</li> <li>Dry-cleaning</li> <li>Travel agency</li> </ul>	<p><b>Fitness &amp; Sports:</b></p> <ul style="list-style-type: none"> <li>Swimming Pools</li> <li>Beach</li> <li>Basketball, volleyball, and racquetball courts</li> <li>Free weights</li> <li>Running track</li> <li>Climbing wall</li> <li>Outdoor fields and courts</li> </ul> <p><b>Recreation:</b></p> <ul style="list-style-type: none"> <li>Archery</li> <li>Boating, sailing, fishing</li> <li>Camping</li> <li>Bowling</li> <li>Golf</li> <li>Ross Theater</li> </ul> <p><b>Dining:</b></p> <ul style="list-style-type: none"> <li>Banquet Center</li> <li>Duffers Den Restaurant</li> <li>Eagle's Nest Café</li> <li>Zapper's HCS</li> <li>Parcheezi's Express</li> <li>Pub 140</li> <li>Skyline Food Court</li> <li>Student Store Food Court: <ul style="list-style-type: none"> <li>Subway</li> <li>Pizza Hut</li> <li>Taco Bell</li> </ul> </li> <li>11<sup>th</sup> Frame Lounge</li> </ul>
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Source: Great Lakes Naval Base Website

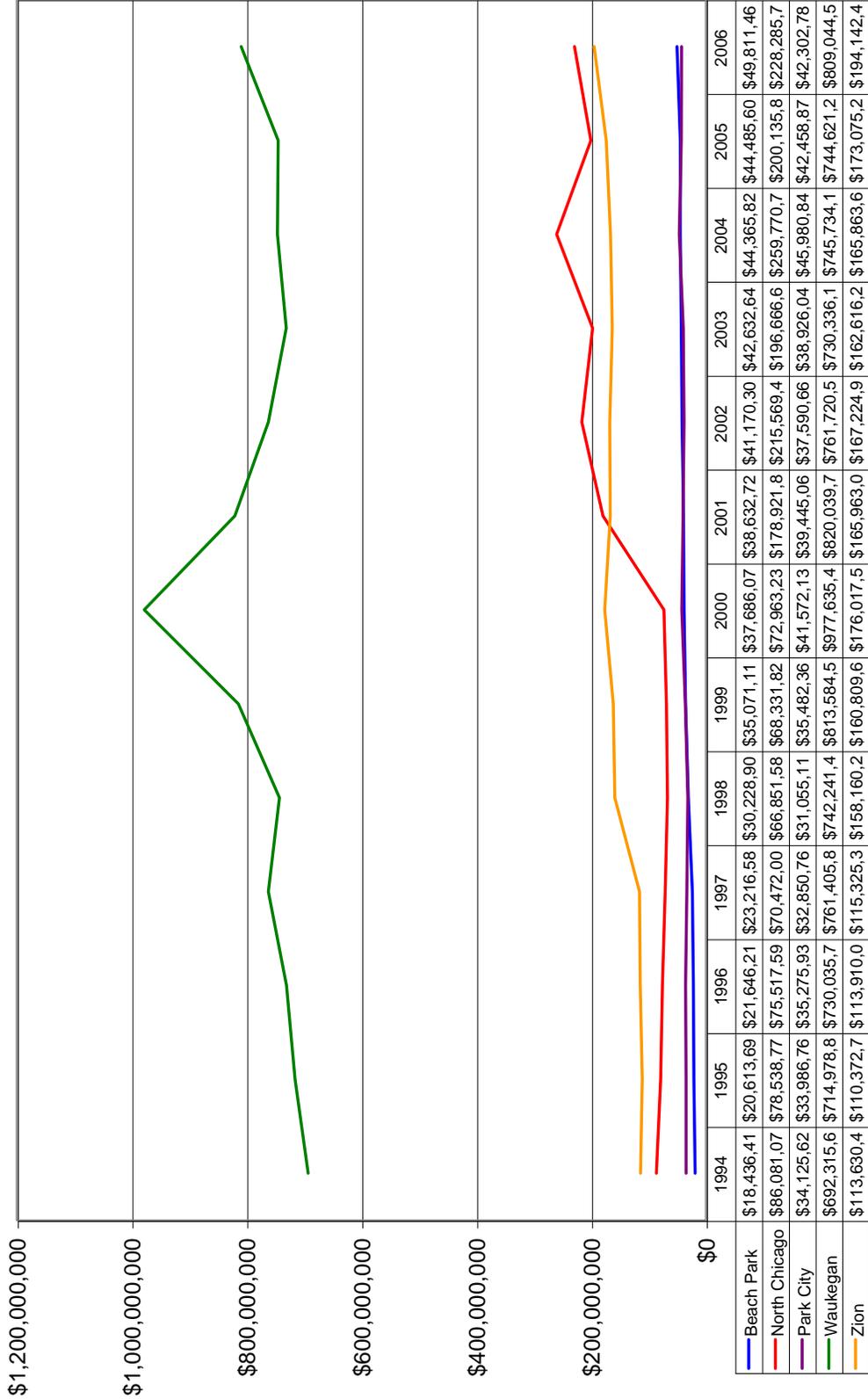
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### Trends in Taxable Retail Sales

In 2006, North Chicago generated \$228.3 million in taxable retail sales, according to data provided by the State of Illinois Department of Revenue. Figure 8 compares taxable retail sales since 1994 with the neighboring communities of Beach Park, Park City, Waukegan, and Zion.

With more than \$800 million in taxable retail sales, Waukegan has a significantly larger retail base than North Chicago, while Beach Park and Park City generate less retail activity.

Figure 8. Annual Taxable Retail Sales



Source: Illinois Department of Revenue

### Competitive Shopping Centers

To understand North Chicago's retail potential, it is necessary to understand the competitive environment and identify the major retail concentrations where residents of North Chicago and adjacent communities typically shop. The locations of major shopping centers are detailed in Table 10, shown on the accompanying map (Figure 9), and discussed below.

**Gurnee Mills** is the largest regional mall in the area. It is located just over seven miles from the study area at the intersection of I-94 and Grand Avenue in Gurnee, Illinois. The Mills Corporation developed this 1.7 million square foot shopping center in 1991. Bass Pro Shops Outdoor World, Bed, Bath & Beyond, Burlington Coat Factory, JCPenney Outlet, Kohl's, Marshalls, Rinkside Sports, Sears Grand, Sports Authority, and Value City Department Store anchor the shopping center. **Grand Hunt Center** and **North Ridge Plaza** are smaller shopping centers adjacent to Gurnee Mills that were built soon after its development.

**Westfield Hawthorne** is a 1.2 million square foot shopping center located in Vernon Hills approximately 8.8 miles from the study center. It was built in 1997 and renovated in 2003. It is anchored by Babies 'R Us, Carson Pirie Scott & Co., and JCPenney. **Townline Commons**, a 320,000 square foot shopping center, is also located in Vernon Hills and is anchored by Wal-Mart, Golf Galaxy, OfficeMax, and Toys 'R' Us.

**Lake Plaza** and **Belvidere Discount Mall**, located along Belvidere Road in Waukegan, are the shopping centers closest to North Chicago. Lake Plaza, a 215,462 square foot center built in 1986, is anchored by Home Owners Bargain Outlet and Pick N Save. Belvidere Discount Mall, a 300,000 square foot center built in 1965 and renovated in 1998, is anchored by Home Depot, Morelos Supermarket, and Belvidere Theater.

**Waukegan Plaza** and **Yorkhouse Commons** are located along Lewis Avenue in Waukegan. These community shopping centers are just over 200,000 square feet in size. Built in 1956, Waukegan Plaza was last updated in 1983 and is anchored by Big Lots and Franklin Foods. Yorkhouse Commons was built in 1966 and is anchored by Jewel and Target.

**Fountain Square of Waukegan** is currently being developed by the Shaw Company at the southwest corner of Waukegan Road (Illinois Route 43) and Illinois Route 120 on the site formerly occupied by the Lakehurst Mall. The shopping center is anchored by a Wal-Mart, which opened in 2006. Other tenants will include OfficeMax, Fashion Bug, Payless Shoe Source, Discovery Clothing, and Anna's Linen's. Space is expected to be delivered to these tenants in fall of 2007.

# Appendix

## Market Assessment

**Table 10. MAJOR SHOPPING CENTERS IN AREA**

Name	Intersection	Address	Community	Distance from Site*	Year Built / Renovation	Total GLA	Anchor Tenants
GURNEE MILLS	NWC I-94 & W Grand Ave	6170 W Grand Ave	Gurnee	7.1	1991	1,699,808	Bass Pro Shops Outdoor World, Bed, Bath & Beyond, Burlington Coat Factory, JCPenney Outlet, Kohl's, Marshalls, Rinkside Sports, Sears Grand, Sports Authority, Value City Dept. Store
WESTFIELD HAWTHORN	NWC Town Line Rd & Milwaukee Ave	122 Hawthorn Center	Vernon Hills	8.8	1997/ 2003	1,233,861	Babies R Us, Carson Pirie Scott & Co., JCPenney
GRAND HUNT CENTER	SWC Hunt Club & Grand Ave	6557 Grand Ave	Gurnee	7.5	1993	366,222	Jewel/Osco, Kohl's, OfficeMax, Target Greatland
TOWNLINE COMMONS	Townline Rd & Milwaukee Ave	555 E Townline Rd	Vernon Hills	8.3	1991	320,000	Wal-Mart, Golf Galaxy, OfficeMax, Toys 'R' Us
BELVIDERE DISCOUNT MALL	SWC Belvidere St & Lewis Ave	2101-2245 Belvidere Rd	Waukegan	1.9	1965/ 1998	300,000	Belvidere Theatre, Home Depot, Morelos Supermarket
LAKE PLAZA	Belvidere St & Green Bay Rd	3110 Belvidere Rd	Waukegan	2.5	1986	215,462	Home Owners Bargain Outlet, Pick N Save
NORTH RIDGE PLAZA	I-94 & Rte. 132	6401 Grand Ave	Gurnee	7.1	1992	215,000	
WAUKEGAN PLAZA	NEC Lewis Ave & Glen Flora Ave	1325 N Lewis Ave	Waukegan	3.6	1956/ 1983	213,585	Big Lots, Franklin Foods
YORKHOUSE COMMONS	SWC Yorkhouse & Lewis Ave	3050 N Lewis Ave	Waukegan	5.6	1966	202,000	Jewel/Osco, Target

\*Intersection of Sheridan Road and 18th Street

Source: Shopping Center Directory and Goodman Williams Group.



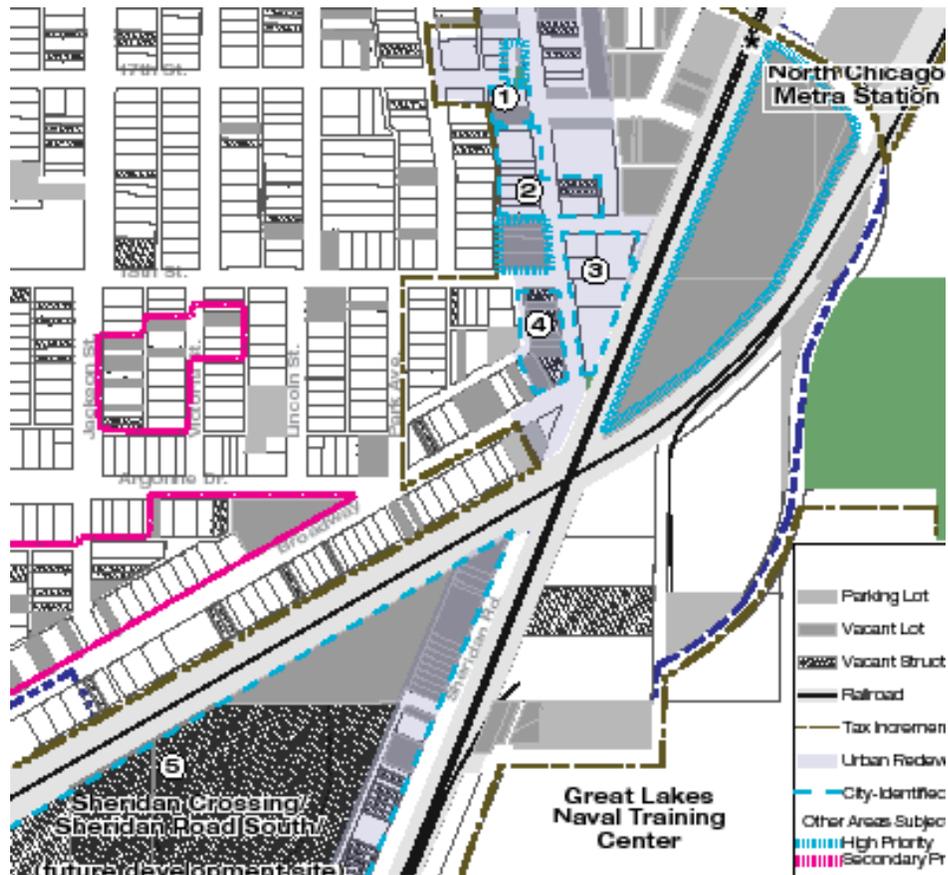
# Appendix

## Market Assessment

### Sheridan Road Development Sites

The City of North Chicago has been aggressively working to attract more retail development to the downtown as well as to sites along the commercial arteries. The sites shown in Figure 10 below are those in the downtown that are currently being marketed by the City. Table 11 on the following page provides a detailed summary of these development opportunities. In total, the City envisions approximately 76,000 square feet of ground floor commercial space on Sheridan Road, most of which would be created through the adaptive reuse of existing structures. Marketing materials for these developments are included in the addenda to this report.

**Figure 10. LOCATION OF DEVELOPMENT SITES**



1. 1702 North Sheridan
2. 1700 Block of Sheridan Road
3. Grant Place
4. 1800 Block of Sheridan Road
5. Sheridan Crossing/  
Sheridan Road South

**Table 11. SUMMARY OF DEVELOPMENT SITES IN DOWNTOWN NORTH CHICAGO**

<u>Address</u>	<u>Description</u>	<u>Status</u>	<u>Total Retail Square Footage</u>	<u>Residential Units</u>
1700 Block of Sheridan Road	Stretch of mixed use buildings constituting the historic commercial core of downtown North Chicago.	City sponsored façade renovation is underway for multiple storefronts. Others in poor to moderate condition.	34,030	N/A
1800 Block of Sheridan Road	Four mixed use buildings and two shared surface parking lots with spaces for 41 vehicles.	Significant renovations will be required for these existing buildings.	12,909	7
1702 North Sheridan Road	Mixed use corner building with up to four divisible 1st floor retail spaces and surface parking for 18 vehicles.	Significant renovations required for this existing building.	8,380	14
Grant Place and Sheridan Road	New construction retail center with shared surface parking for 58 vehicles.	Under construction. Leased to North Chicago Trust and a police substation. Looking for a sandwich shop and a restaurant to lease remaining space.	20,743	0
Sheridan Crossing/Sheridan Road South	40 acre formerly industrial parcel at southwest corner of Sheridan Road and the EJ&E Railway.	Future development is envisioned as commercial and mixed use office/retail. The City currently controls 30 acres of the property, and condemnation has begun on the remaining 10 acres.	N/A	0
TOTAL:			76,062	21

Source: City of North Chicago and Goodman Williams Group

# Appendix

## Market Assessment

The existing buildings along the 1700 and 1800 blocks of Sheridan Road are in various states of repair. City sponsored façade renovation has begun or been completed on some storefronts, while others are still in need of significant renovations.



1808 N Sheridan Road



1730-1732 N Sheridan Road



1724-1726 N Sheridan Road



1712-1716 N Sheridan Road

**Grant Place**, an attractive new commercial development at the southeast corner of Sheridan Road and 18<sup>th</sup> Street, was recently completed by Five Points Economic Development Corp., a non-profit social service and economic development organization. It is currently tenanted with a bank and a police substation, but the remaining space is still available.

The city recently approved \$6.1 million in bonds to complete the purchase of the buildings on the 40-acre site where the **Sheridan Crossing** project is planned. To be built on the northwest corner of Sheridan Road and Martin Luther King Drive, plans call for one or two hotels and some restaurants on this site. Though Sheridan Crossing is not in our study area, the successful redevelopment of this large site would serve as a catalyst for further development along Sheridan Road.

Another important catalyst for future development along Sheridan Road is the reopening of the Great Lakes Naval Station base entrance known as Gate 4, located near Sheridan Road and Martin Luther King Drive. The reopened gate will allow for easier access to and from Sheridan Road for thousands of Navy personnel, civilian government workers and visitors. The success of the planned Sheridan Crossing Development is thought to be contingent on the reopening of this entrance.

### **Trade Area Analyses**

Future retail development along Sheridan Road in the Study Area is likely to be smaller-scale, neighborhood-serving retail and restaurants that take advantage of the proximity to the train station and to employees at Abbott and Great Lakes along Sheridan Road. To determine the potential support for this type of retail development, we performed an opportunity (or gap) analysis, which compares the expenditure potential and retail sales estimates within a relatively small trade area.

For the purposes of this analysis, we have assumed that the trade area supporting new retail on Sheridan Road would be the city itself. The 2006 estimate of 7,312 households in North Chicago would form the primary source of support for local establishments selling convenience goods and smaller specialty items, as well as for restaurants and coffee shops. The estimates were provided by Claritas, a data firm used by many national retailers.

The expenditure potential figures are based on estimates of what households typically spend for various types of retail items, using sources such as the Consumer Expenditure Survey. These estimates of demand are then compared to retail sales estimates (the supply).

If the expenditure potential exceeds the sales estimates in a particular category, dollars are being “leaked” to other communities, indicating a potential opportunity for additional retail development that can capture those dollars. When the opposite is true, and sales estimates exceed expenditure potential, the existing stores in that category are attracting patrons from outside the community.

As shown in Table 12, North Chicago is leaking sales in almost every major retail category. More than \$100 million of retail sales potential are being spent outside the community. The retail categories where the gap numbers appear in black indicate more expenditure potential than sales, and thus potential opportunity to capture dollars that are being leaked. The red numbers indicate a surplus of sales.

# Appendix

## Market Assessment

**Table 12. RETAIL OPPORTUNITY ANALYSIS FOR THE CITY OF NORTH CHICAGO**

	<u>Demand</u> (Expenditure Potential)	<u>Supply</u> (Retail Sales)	<u>Opportunity</u> (Gap/Surplus)
Total Retail Sales	244,615,765	143,203,867	101,411,898
(Incl Eating & Drinking Places)			
Motor Vehicle and Parts Dealers	50,868,559	34,183,574	16,684,985
Furniture and Home Furnishings	5,507,943	469,000	5,038,943
Electronics and Appliance	5,658,988	959,565	4,699,423
Building Material, Garden Equip	19,783,777	17,497,788	2,285,989
Food and Beverage	32,037,846	18,468,708	13,569,138
Health and Personal Care	11,860,421	913,086	10,947,335
Gasoline Stations	27,231,985	18,586,952	8,645,033
Clothing and Clothing Accessories	12,753,328	7,313,347	5,439,981
Sporting Goods, Hobby, Book, Music	4,359,887	254,731	4,105,156
General Merchandise	31,568,896	3,504,601	28,064,295
Miscellaneous Store Retailers	5,461,640	17,157,729	(11,696,089)
Florists	381,360	3,219,647	(2,838,287)
Office Supplies, Stationery, Gift Stores	2,058,504	631,769	1,426,735
Office Supplies and Stationery Stores	1,142,881	312,967	829,914
Gift, Novelty and Souvenir Stores	915,623	318,802	596,821
Used Merchandise Stores	505,905	11,769,144	(11,263,239)
Other Miscellaneous Store Retailers	2,515,871	1,537,169	978,702
NonStore Retailers	14,105,876	68,523	14,037,353
Foodservice and Drinking Places	23,416,619	23,826,263	(409,644)
FullService Restaurants	10,448,698	7,290,094	3,158,604
LimitedService Eating Places	10,103,645	12,589,586	(2,485,941)
Special Foodservices	2,004,710	1,873,718	130,992
Drinking Places Alcoholic Beverages	859,566	2,072,865	(1,213,299)
<b>2006 Demographics</b>			
Population	31,821		
Households	7,213		
Median Household Income	\$40,424		
Average Household Income	\$51,085		

Claritas' RMP data is derived from two major sources of information. The demand data is derived from the Consumer Expenditure Survey (CE Survey), which is fielded by the U.S. Bureau of Labor Statistics (BLS). The supply data is derived from the Census of Retail Trade (CRT), which is made available by the U.S. Census.

The difference between demand and supply represents the opportunity gap or surplus available for each retail outlet in the specified reporting geography. When the demand is greater than (less than) the supply, there is an opportunity gap (surplus) for that retail outlet. For example, a positive value signifies an opportunity gap, while a negative value signifies a surplus.

Source: Goodman Williams Group based on data from Claritas, Inc.

### Commercial Opportunities in the Study Area

Table 13 translates this potential demand into square footage estimates and numbers of stores that could eventually be supported along Sheridan Road over the next ten years, given typical sales per square foot estimates and store sizes for stores in a downtown setting. We assume that only a portion of the unmet demand can be captured along Sheridan Road; the remainder may be captured by new stores located on other commercial streets in North Chicago or outside the community. In total, we envision support for approximately 20,000 square feet of ground floor retail along Sheridan Road.

In addition to the retailers, we assume that a number of service-oriented businesses would be appropriate ground-floor tenants along Sheridan Road. These businesses could add another 8,000 square feet. In total, we find support for between 25,000 and 30,000 square feet of retail and other commercial space in the Study Area.

**Table 13. ESTIMATED UNMET COMMERCIAL DEMAND  
STUDY AREA IN NORTH CHICAGO**

<u>Retail Category:</u>	<u>Estimated Leakage</u>	<u>Typical Sales per sf</u>	<u>Potential Demand</u>	<u>Study Area Capture</u>	<u>Square Feet</u>	<u>No. of Businesses</u>
Food and Beverage Stores	\$13,569,138	\$250	54,277	10%	5,428	2
Full-Service Restaurants	\$3,158,604	\$300	10,529	50%	5,264	2
Furniture & Home Furnishings	\$5,083,943	\$250	20,336	10%	2,034	1
Health and Personal Care	\$10,947,335	\$300	36,491	10%	3,649	2
Clothing and Accessories	\$5,439,981	\$250	21,760	10%	2,176	1
Gift & Novelty	\$915,623	\$250	3,662	25%	<u>916</u>	<u>1</u>
Total Retail					19,466	9
<u>Services Businesses:</u>						
Dry Cleaners					1,000	1
Salon / Personal Service					3,000	2
Business / Fin. Service					3,000	2
Shipping					<u>1,000</u>	<u>1</u>
Total					8,000	6
Total Potential Commercial Demand					27,466	15

*Source: Claritas for Estimated Leakage and Goodman Williams Group*

# Appendix

## Market Assessment

The following categories of retailers are those that we feel are most appropriate in a transit-oriented “downtown” setting, and those that would fit with the demographics of North Chicago:

**Food and Beverage Stores.** For a number of years, North Chicago has been trying to attract a full-service grocery store, focusing on large available sites along Green Bay Road near Martin Luther King Drive. Sheridan Road does not have an appropriate site for a full-service grocery store. Smaller food or beverage stores, however, would be appropriate in this type of setting. The expenditure potential indicates support for two small stores.

**Full-Service Restaurants.** A sit-down restaurant would be an important addition to North Chicago, and Sheridan Road would be an appropriate location. One or more hotels at Sheridan Crossing would add significantly to the demand for a restaurant. One large (5,000 square feet in size) or two smaller restaurants are possibilities. Although there is not current evidence of leakage in the **Limited Service Eating Places** category, we believe there could be support for one or more sandwich shops or pizzerias in downtown North Chicago. A Subway franchise was considering a location in Grant Place.

**Furniture and Home Furnishings.** A mattress franchise or other small store selling home furnishings would be appropriate, as would small-scale **electronics** stores offering items such as cell phones.

**Health and Personal Care.** It is unlikely that a Walgreen’s, CVS, or full-service drug store with a pharmacy would choose to locate on Sheridan Road in North Chicago. An independently-owned drug store or **Convenience Store** selling limited food items and sundries is a possibility.

**Clothing and Accessories.** We also identified potential demand for a small store that sells apparel items or accessories.

**Gift and Novelty.** This catch-all category could include a store selling a variety of miscellaneous items.

**Service Businesses.** The businesses we have identified include those offering personal services, such as dry cleaners and hair and nail salons, as well as offices of medical, dental, and financial service firms.

### IV. RESIDENTIAL MARKET OVERVIEW

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#### Characteristics of the Housing Stock

The City of North Chicago had 8,377 housing units at the time of the 2000 Census, 90.9% of which were reported as occupied. Approximately one-third of the occupied residential inventory was owner-occupied and approximately two-thirds was rental. As shown in Table 14, less than half of the housing stock consisted of single-family homes. Multifamily buildings with two to four units comprised about a quarter of the housing stock, while multifamily buildings with five or more units comprised another quarter of the housing stock, although relatively few buildings had 50 or more units.

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**Table 14. PROFILE OF NORTH CHICAGO HOUSING STOCK**

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	<u>Number of</u>	<u>Units</u>	<u>Percent</u>
Total Housing Units	8,377		100.0%
Occupied Units	7,611		90.9%
Owner-Occupied	2,780		36.5%
Renter-Occupied	4,881		64.1%
Vacant	716		8.5%
 Building Size			
Single Family (Attached and Detached)	3,897		46.5%
Buildings with 2-4 units	2,157		25.7%
Buildings with 5-49 units	1,981		23.6%
Buildings with 50 or more units	202		2.4%

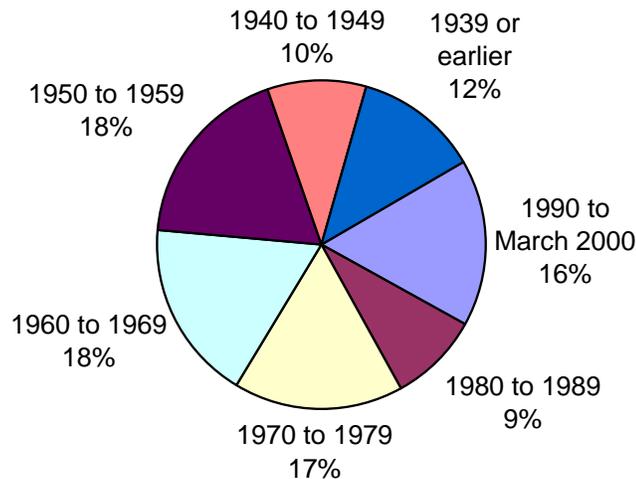
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*Source: 2000 Census*

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As shown in Figure 11 on the following page, the age of North Chicago's housing stock varies. Approximately 40 percent of the homes were built before 1960 and a significant number of homes have been built in each decade since then. A total of 1,265 homes, comprising just over 16 percent of the housing stock, were built in the 1990s.

**Figure 11. North Chicago Housing Stock  
By Year Constructed**



Source: U.S. Census

### Great Lakes Housing Stock

Great Lakes currently provides a total of 2,089 housing units on the base. The military personnel and their families are an important component of the population of North Chicago. In 2005, The Navy hired Forest City Military Communities, a private developer, to upgrade and manage the residential communities housing the military personnel at Great Lakes. Current plans call for 629 of the existing housing units to be demolished and 74 new homes to be built, resulting in 555 fewer units on the base. This reduction is in response to a downsizing in military personnel and an increase in the number of families choosing to live off the base.

The following developments function as individual neighborhoods within the Great Lakes community.

- Forrestal Village, located west of Green Bay Road and South of Buckley Road houses the majority of enlisted families at Great Lakes. It offers two-, three-, and four-bedroom units.
- Halsey Village, located on the north side of Buckley Road between Green Bay Road and Lewis Avenue houses senior enlisted and officer families.

- Nimitz Village is located east of Halsey Village across Lewis Avenue. Residents are primarily junior enlisted families.

The recruits live in barracks at the training command located south of Buckley Road on the west side of Sheridan Road and are more restricted in terms of their ability to leave the base. Other residential buildings are interspersed within buildings at the training command east of Sheridan Road.

### Subsidized Housing

As listed in Table 15 below, North Chicago has eight subsidized housing developments, providing a sizable inventory of affordable housing units in affluent Lake County. One of these developments, Thompson Manor, is located in the study area at 1705 N Sheridan Road.

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**Table 15. SUMMARY OF SUBSIDIZED HOUSING IN NORTH CHICAGO**

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<u>Project Name</u>	<u>Address</u>	<u>Subsidy Type</u>	<u># Units</u>
Manchester Knolls Cooperative	1700-02 Barrett Court	Section 8	90
Manchester Knolls II Cooperative	1705-09 Arrington Circle	Section 8	90
Prairie View Apartments	1 Prairie View Court	Section 8	219
1106 McAllister	1106 McAllister	Tax Credit	NA
1440 Jackson Street	1441 Jackson Street	Section 8-NCHA	NA
1439 Hervey Avenue	1440 Hervey Avenue	NA	NA
Thompson Manor	1705 Sheridan Road	Elderly-NCHA	48
Rolling Green	2013 Barrett Place	Tax Credit	NA

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*Source: U.S. Department of Housing and Urban Development*

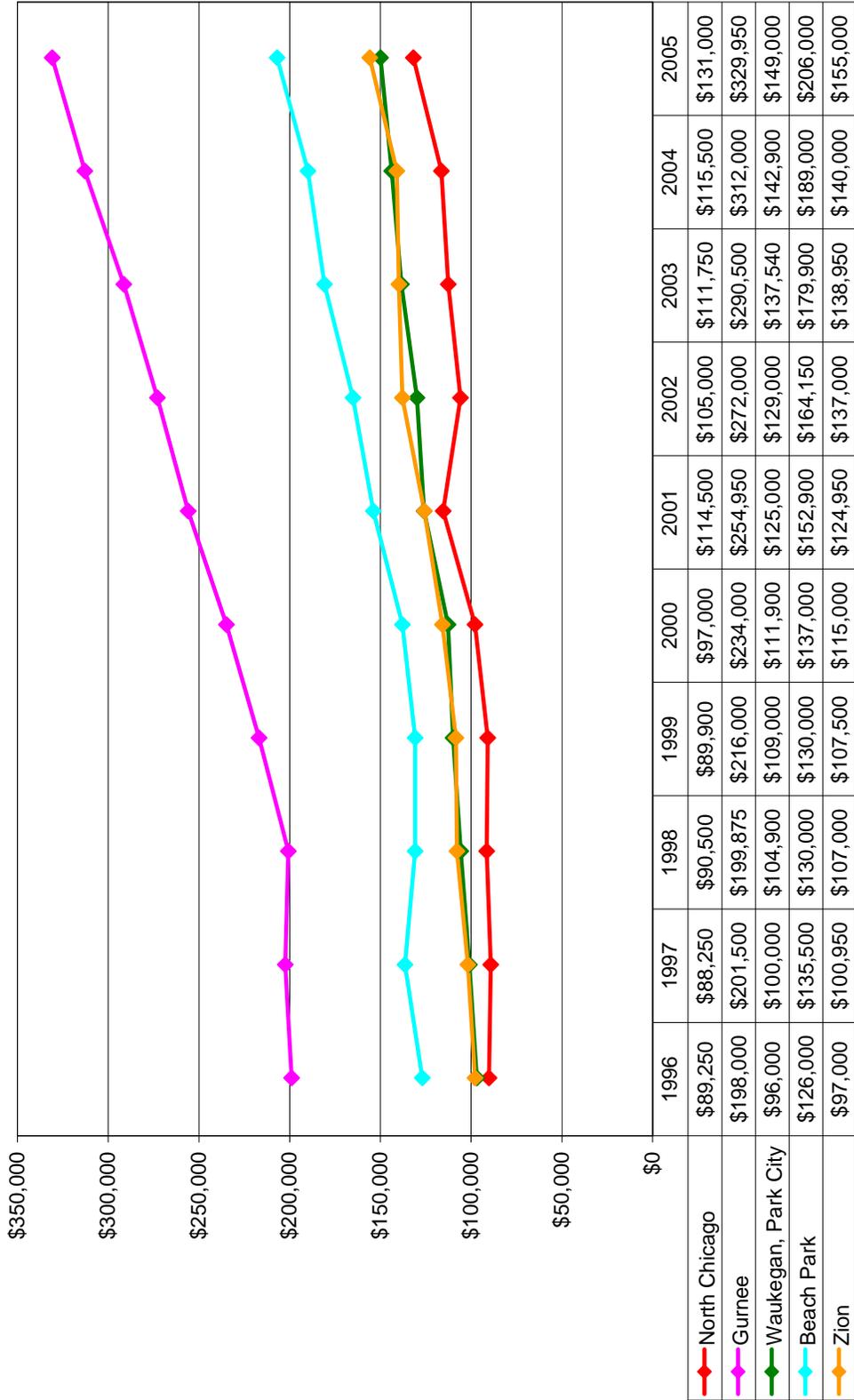
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### Data from Multiple Listing Service

According to data from the Multiple Listing Service, the median price for a single-family detached home in North Chicago in 2005 was \$131,000. As shown in Figure 12, that median is lower than home prices in the neighboring communities of Beach Park, Gurnee, Park City, Waukegan, and Zion. Gurnee has a considerably higher median home price at \$329,950.

The graph also shows the extent to which home prices have escalated. In 1996, the median price of a single-family detached home in North Chicago was \$89,250 and remained relatively stagnant until it rose to \$114,500 in 2001. The median sale price has risen most rapidly in Gurnee.

Figure 12. Median Sales Price of Single Family Homes Sold By A Realtor



### Recent Permit Activity

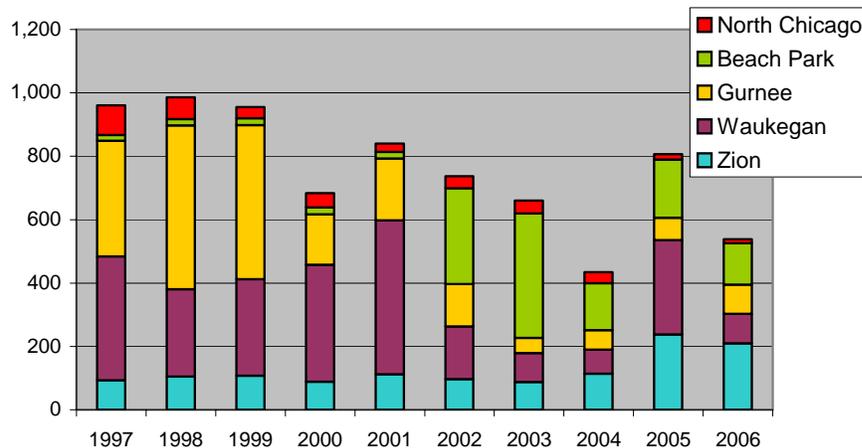
Table 16 shows the number of residential units permitted in North Chicago between 1997 and 2006. The annual average over this ten-year period is 39.7 units, the majority of which have been single-family detached homes.

Year	Single Family Units	Multifamily Units	Total
1997	27	66	93
1998	27	42	69
1999	30	5	35
2000	39	7	46
2001	24	2	26
2002	33	5	38
2003	34	7	41
2004	32	2	34
2005	18	0	18
2006	13	0	13
<b>Total</b>	<b>277</b>	<b>136</b>	<b>413</b>
<b>Annual Average</b>	<b>27.7</b>	<b>13.6</b>	<b>41.3</b>

*Source: U.S. Census*

Table 17 on the following page and Figure 13 below track residential permit activity from 1997 through 2006 for North Chicago, Beach Park, Gurnee, Park City, Waukegan, and Zion. A total of 5,686 single-family units and 1,951 multi-family units have been permitted in the six community areas over the past ten years. Waukegan and Gurnee have seen the most permitting activity during this time period, with increasing activity in Beach Park and Zion.

**Figure 13. Permits Issued By North Chicago and Surrounding Communities**



**Table 17. RESIDENTIAL BUILDING PERMITS**

	North Chicago		Beach Park		Gurnee		Park City		Waukegan		Zion		TOTAL	
	Single Family Units	Multi-Family Units												
1997	27	66	18	0	275	90	1	0	326	65	93	0	740	221
1998	27	42	20	0	317	199	3	0	218	58	105	0	690	299
1999	30	5	22	0	226	260	0	0	142	162	108	0	528	427
2000	39	7	21	0	150	9	0	0	162	207	89	0	461	223
2001	24	2	21	0	135	60	7	0	121	365	98	14	406	441
2002	33	5	163	139	125	9	7	0	146	20	97	0	571	173
2003	34	7	392	0	46	2	8	0	85	6	74	14	639	29
2004	32	2	149	0	61	0	9	0	76	0	114	0	441	2
2005	18	0	183	0	71	0	1	0	217	80	222	16	712	96
2006	13	0	130	0	92	0	0	0	88	5	175	35	498	40
<b>Total Annual Average</b>	<b>27.7</b>	<b>13.6</b>	<b>111.9</b>	<b>13.9</b>	<b>149.8</b>	<b>62.9</b>	<b>3.6</b>	<b>0.0</b>	<b>158.1</b>	<b>96.8</b>	<b>117.5</b>	<b>7.9</b>	<b>568.6</b>	<b>195.1</b>

Source: U.S. Census

### **Housing in the Study Area**

The only multi-family housing development that currently exists on Sheridan Road in the study area is Thompson Manor, a 48-unit HUD property for seniors and disabled persons that was built in 1986. A number of residential units are located above the storefronts along Sheridan Road, but most appear to be in poor condition and/or unoccupied. To the west of Sheridan Road in the study area is a residential neighborhood of predominantly single-family homes interspersed with some smaller multi-family properties and vacant lots.

### **Single-Family Developments in Neighboring Communities**

The majority of residential development built in recent years in the surrounding communities has consisted of low-density single-family communities with some attached townhouse product. This type of residential development would not be appropriate for the study area, where higher densities and a mix of uses are called for. Figure 14 shows where some of the newer residential developments are located. The Addendum includes more detailed information on these new subdivisions and single-family developments.

Base prices for single-family homes in new developments in Beach Park, Zion and Waukegan are generally in the low- to mid-\$200,000s. Developments in Gurnee have higher base prices between the mid \$500,000s and the upper \$600,000s. Recently, national homebuilders such as Cambridge Homes have joined smaller local builders in this market area.

Base prices for townhomes in new developments in Beach Park and Zion are generally in the mid- to upper-\$100,000s. A new development that offers townhomes in Waukegan has base prices between the mid \$200,000s and low \$300,00s. The only development in Gurnee that offers townhomes has higher base prices, in the low- to high-\$300,000s.

### **Condominium Developments in Neighboring Communities**

Waukegan is one of the few communities near North Chicago with plans to develop multifamily for-sale units. In 2002, a panel sponsored by The Urban Land Institute (ULI) created a plan to remediate and redevelop Waukegan's lakefront for residential, recreational, educational, and retail uses. **Marquette Place**, located at Sheridan Road and Water Street in Downtown Waukegan, is currently in its pre-construction marketing phase. This project will offer 68 condominium units between 1,166 and 2,768 square feet at base prices ranging from \$219,500 to \$895,500. Marketing began in March of 2006 and only 16 units had been sold by January of 2007. Further details on this project are included in the Addenda.

# Appendix

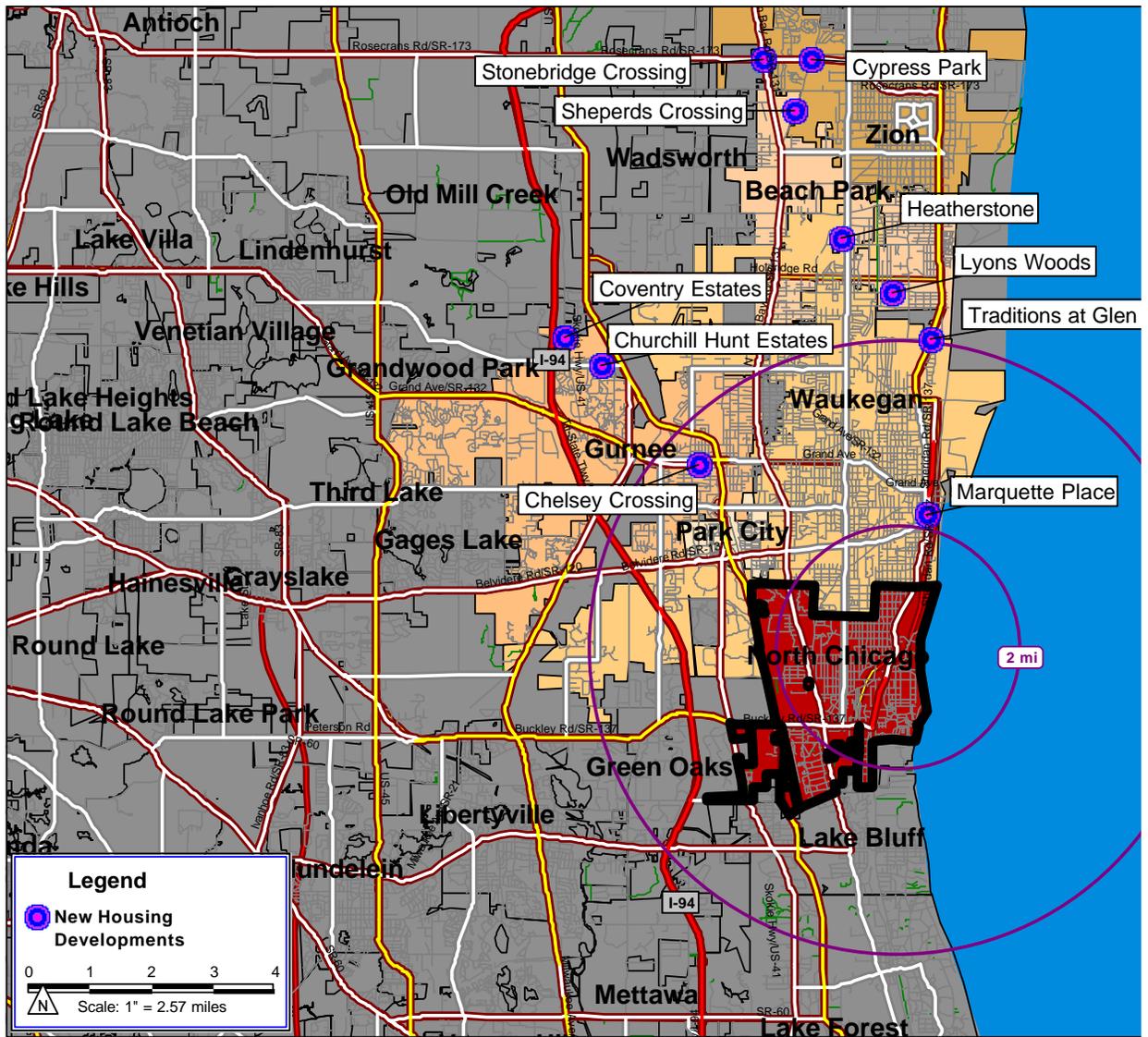
## Market Assessment

It was recently announced that an existing 13-story building at the corner of Sheridan Road and Washington Street, **Harborview Apartments**, will be converted into a mixed-use project with ground floor retail, office space on the second and third floors, and 54 condominium units on the upper floors. Initial base prices will range from \$130,000 to \$260,000 per unit. The sales office is scheduled to open in May of 2007.

**The Residences at 200 North County** is a condominium project being developed in downtown Waukegan. This adaptive reuse of the historic downtown YMCA building will offer 19 units.

Approximately nine miles to the south of the North Chicago Metra Station at 700 North Sheridan Road in the community of Highwood, where the Mega Group is planning a 164-unit condominium building. **Highwood Towers** will include 31,000 square feet of retail space.

**Figure 14. New Residential Developments**



# Appendix

## Market Assessment

### **Residential Opportunities in the Study Area**

Initial opportunities for residential development in the study area would be limited to small-scale infill projects on scattered sites. These developments could include:

- Small condominium or rental units over storefronts
- One or more infill town home developments near the Metra station

Over the next ten years, the market could support approximately two dozen new residential units along Sheridan Road or on appropriate sites near the Metra station. Incomes in North Chicago suggest that new housing would need to be moderately priced. Developer or buyer subsidies would expand the pool of potential buyers and create additional opportunities.

In the neighborhood west of Sheridan Road, vacant lots and homes in need of repair are interspersed with well-maintained homes. Programs to encourage infill development and rehab activity will serve to strengthen this neighborhood and improve the opportunity for additional commercial and mixed-use development along Sheridan Road.

Long-term, the potential exists to develop more significant market-rate housing in the Study area. One site in particular, a vacant 8.9-acre site currently owned by Abbott, offers several advantages for higher-density housing:

- Views of Foss Park and potential linkages to the park across the railroad tracks.
- Views of Lake Michigan from the upper floors of a mid-rise or high-rise development.
- Walking distance to the North Chicago Metra Station.
- Walking distance to Great Lakes and Abbott, two major employers.

The site is large enough to plan for a mix of housing types and to include recreational and other project amenities. The long-term potential for this site is similar, although smaller in scale, to what is envisioned for the Waukegan waterfront. Before there is a market for this type of residential development in North Chicago, however, Sheridan Road will need to be transformed into a vibrant downtown with retail and service businesses and the Sheridan Crossing site will need to be developed with restaurants and hotels.

### **ADDENDA**

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- Marketing Materials for Sheridan Road Development Sites
- Residential Development Information Sheets  
(These developments do not necessarily represent the product type that is recommended for the Study Area.)

# North Chicago

## 1700 Block of Sheridan Road

### DISTRICT CONTEXT

Current Zoning  
B-2 General Business District  
Urban Redevelopment Overlay

### District Details

Buildings on the 1700 Block of Sheridan Road constitute the historic commercial core of Downtown North Chicago

Mixed-use retail/residential

Available on and off-street parking

Affordable lease rates

City sponsored facade renovation is underway for multiple buildings

### COMMUNITY CONTEXT

#### Major Employers

Abbott Laboratories	7,000
Great Lakes Naval Center	23,000
(Average Daily Population)	
VA Medical Center	1,150
Chicago Medical School	1,000

#### Available Incentives

Tax-Increment Financing (TIF)  
Revolving Loan Program  
Facade Rebate Program

#### Traffic Counts

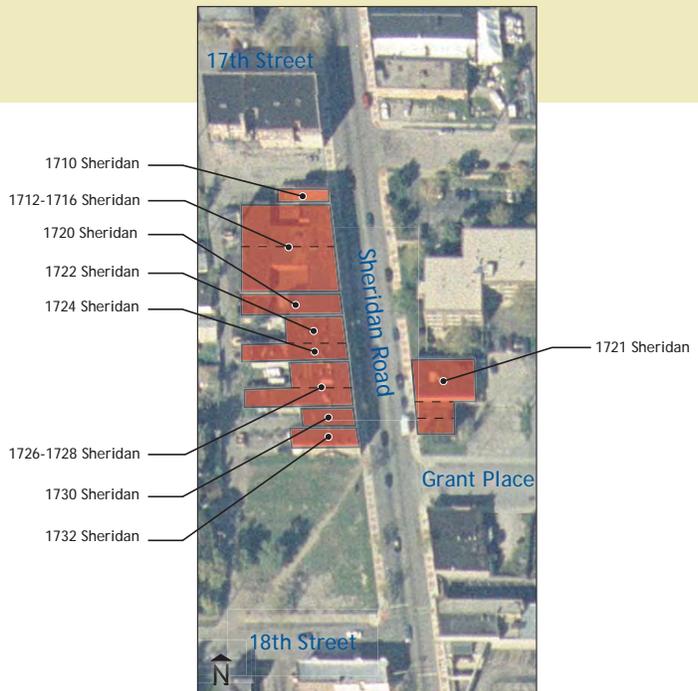
Sheridan Road ADT 15,400

#### North Chicago Metra Rail Station

Weekday Inbound/  
Outbound Boardings 200

#### Pace Bus Route

#564 (Sheridan Road, 18th Street)



### West of Sheridan Road



1710 Sheridan  
1,527 gsf



1712-1716 Sheridan  
11,909 gsf (Two Units)



1720 Sheridan  
3,392 gsf



1722 Sheridan  
1,430 gsf



1724 Sheridan  
3,713 gsf



1726-1728 Sheridan  
5,189 gsf (Divisible)



1730 Sheridan  
1,617 gsf



1732 Sheridan  
1,836 gsf

### East of Sheridan Road



1721 Sheridan  
3,417 gsf (Three Units)

Discover the Possibilities

# North Chicago

## 1800 Block of Sheridan Road

### SITE CONTEXT

#### Current Zoning

B-2 General Business District  
Urban Redevelopment Overlay

#### Project Site

39,181 sq. ft. (0.90 Acres)  
Existing Building Renovations

#### Development Details

Downtown North Chicago gateway location at the northwest corner of Sheridan Road & Broadway Avenue

Mixed-use retail/office/residential development (12,909 gsf/7 res. units)

Shared surface parking available for 41 vehicles

### COMMUNITY CONTEXT

#### Major Employers

Abbott Laboratories	7,000
Great Lakes Naval Center (Average Daily Population)	23,000
VA Medical Center	1,150
Chicago Medical School	1,000

#### Available Incentives

Tax-Increment Financing (TIF)  
Revolving Loan Program  
Facade Rebate Program

#### Traffic Counts

Sheridan Road ADT 15,400

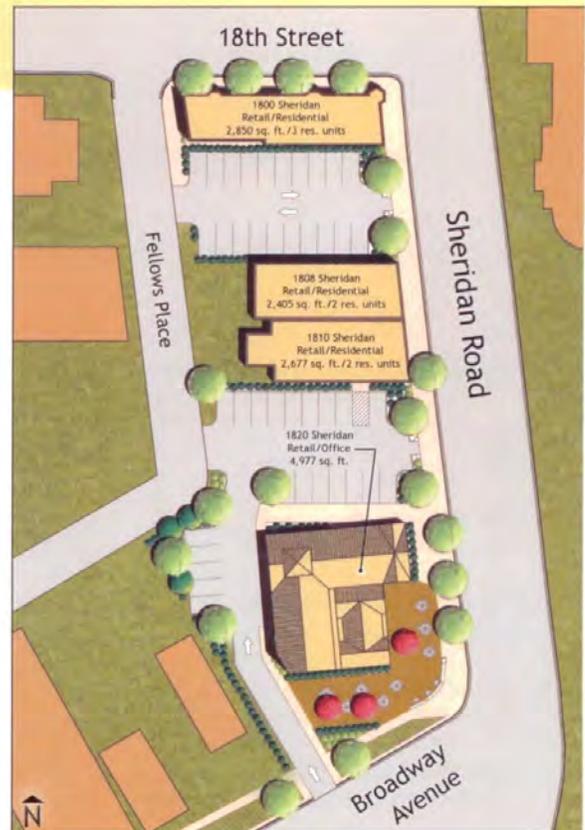
#### North Chicago Metra Rail Station

Weekday Inbound/  
Outbound Boardings 200

#### Pace Bus Route

#564 (Sheridan Road, 18th Street)

Conceptual Site  
Redevelopment  
Plan



Perspective  
Rendering Looking  
Northwest from  
Sheridan Road

Discover the Possibilities

# North Chicago

## 1702 North Sheridan Road

### SITE CONTEXT

Current Zoning  
B-2 General Business District  
Urban Redevelopment Overlay

Project Site  
15,975 square feet (0.37 acres)  
Existing Building Renovation

Development Details  
Downtown North Chicago location  
at the southwest corner of  
Sheridan Road & 17th Street

Mixed-use retail/office/residential  
development (8,380 gsf), divisible  
up to four 1st floor retail spaces

Surface parking available for  
18 vehicles

### COMMUNITY CONTEXT

Major Employers

Abbott Laboratories	7,000
Great Lakes Naval Center (Average Daily Population)	23,000
VA Medical Center	1,150
Chicago Medical School	1,000

Available Incentives  
Tax-Increment Financing (TIF)  
Revolving Loan Program  
Facade Rebate Program

Traffic Counts  
Sheridan Road ADT 15,400

North Chicago Metra Rail Station  
Weekday Inbound/  
Outbound Boardings 200

Pace Bus Route  
#564 (Sheridan Road, 18th Street)

Conceptual Site  
Redevelopment  
Plan



Perspective Rendering Looking  
Southwest from Sheridan Road

Discover the Possibilities

# North Chicago

## Grant Place & Sheridan Road

### SITE CONTEXT

Current Zoning  
B-2 General Business District  
Urban Redevelopment Overlay

### Project Site

1.25 acres (approximately)  
New Building Construction

### Development Details

Prime location within Downtown  
North Chicago at the southeast  
corner of Sheridan Road &  
Grant Place

Mixed-use retail/office/restaurant  
development (20,743 gsf)

Shared surface parking available for  
58 vehicles (off street)  
14 vehicles (on street)

### COMMUNITY CONTEXT

#### Major Employers

Abbott Laboratories	7,000
Great Lakes Naval Center (Average Daily Population)	23,000
VA Medical Center	1,150
Chicago Medical School	1,000

#### Available Incentives

Tax-Increment Financing (TIF)  
Revolving Loan Program  
Facade Rebate Program

#### Traffic Counts

Sheridan Road ADT 15,400

#### North Chicago Metra Rail Station

Weekday Inbound/  
Outbound Boardings 200

#### Pace Bus Route

#564 (Sheridan Road, 18th Street)

Aerial Rendering  
Looking Northwest



Grant Place Site Redevelopment Plan

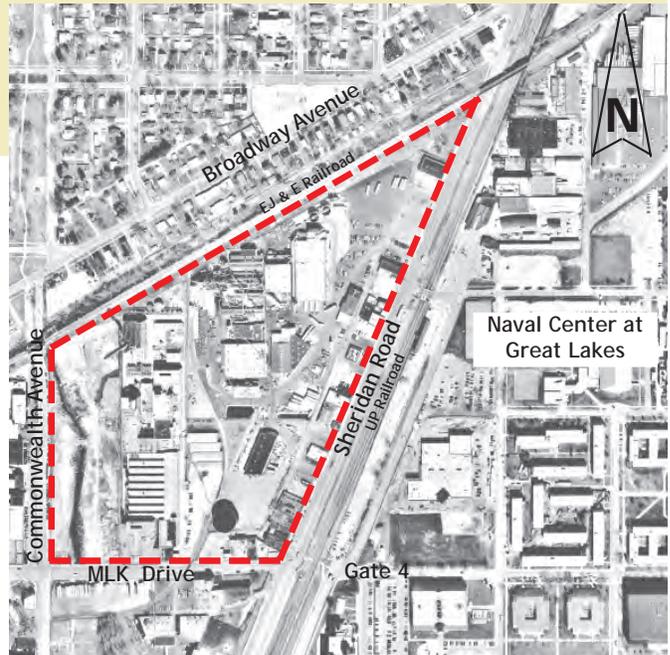


Perspective  
Rendering Looking  
Northwest from  
Parking Lot

Discover the Possibilities

# North Chicago

## Sheridan Road South



**Sheridan Road South**

Parcel Size: 40 Acres

PUD Designation Preferred



### Parcel Context

The parcel is walking distance from the Naval Center at Great Lakes, Abbott Laboratories, and the North Chicago Metra Rail Station. Future development is envisioned as commercial and mixed-use office/retail. The City currently controls 30 acres of the property, and condemnation has begun on the remaining 10 acres.

### Demographics

Population	35,918
Households	7,682
Median HH Income	\$35,663
Average Home Value	\$94,200

### Traffic Counts

Sheridan Road	15,400
---------------	--------

### North Chicago Metra Rail Station

200 Weekday  
Inbound/Outbound Boardings

### Major Employers

Abbott Laboratories	7,000
Great Lakes Naval Center (Average Daily Population)	23,000
VA Medical Center	1,150
Rosalind Franklin University of Medicine	1,000

### Planned Improvements

King Drive & Union Pacific Railroad  
Grade Crossing

### Available Incentives

Tax-Increment Financing (TIF)  
Special Service Area (Potential)

### CONTACT INFORMATION

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City of North Chicago  
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Fax: 847.596.8679  
Email: robmay@northchicago.org

[www.northchicago.org](http://www.northchicago.org)

Discover the Possibilities

### Heatherstone

---

Address:	Route 41 and Wadsworth Road
Community:	Beach Park
Developer:	Cambridge Homes
Number of Units:	Single Family Homes: 560 Townhomes: 312 "Carillon" Adult Single Family Homes: 84 "Carillon" Adult Townhomes: 88 TOTAL UNITS: 1,055
Marketing Began:	2002
Units sold as of 1/25/2007:	Single Family Homes: 410 (73%) Townhomes: 282 (90%) "Carillon" Adult Single Family Homes: 69 (82%) "Carillon" Adult Townhomes: 87 (99%) TOTAL UNITS: 848 (80%)
Range of Units Sizes:	Single Family Homes: 1,580 – 3,018 sq ft Townhomes: 1,110 – 1,375 sq ft "Carillon" Adult Single Family Homes: 1,414 – 1,951 sq ft "Carillon" Adult Townhomes: 1,107 – 1,332 sq ft
Range of Base Prices:	Single Family Homes: \$219,000 - \$320,000 Townhomes: \$154,000 - \$169,700 "Carillon" Adult Single Family Homes: \$217,000 – 234,000 "Carillon" Adult Townhomes: \$157,000 - \$184,778



Source: Strategy Planning Associates and Developer's website

# Appendix

## Market Assessment

### Shepherds Crossing

Address: N Kenosha Road and Van Court

Community: Zion

Developer: Deer Point Homes Development

Number of Units: Single Family Homes: 239  
Townhomes: 222  
TOTAL UNITS: 461

Marketing Began: Single Family Homes - 2004  
Townhomes - 2006

Units sold as of 4/10/2007: Single Family Homes: 196 (82%)  
Townhomes: 6 (3%)  
TOTAL UNITS: 202 (44%)

Range of Units Sizes: Single Family Homes: 1,575 – 2,467 sq ft  
Townhomes: 1,290 – 1,871 sq ft

Range of Base Prices: Single Family Homes: \$224,490 - \$264,490  
Townhomes: \$174,990 - \$189,990



Source: Strategy Planning Associates and Developer's website

### Stonebridge Crossing

Address: Route 173 and Green Bay Road

Community: Zion

Developer: Kennedy Homes

Number of Units: Single Family Homes: 128

Marketing Began: 2005

Units sold as of 1/29/2007: 121 (95%)

Range of Units Sizes: 2,320 – 3,530 sq ft

Range of Base Prices: \$227,990 - \$266,990



Source: Strategy Planning Associates and Developer's website

# Appendix

## Market Assessment

### **Cypress Park**

---

Address: Route 173 and N Kenosha Road

Community: Zion

Developer: Pulte Homes

Number of Units: Single Family Homes: 88

Marketing Began: 2006

Units sold as of 1/29/2007: 19 (22%)

Range of Units Sizes: 2,140 – 3,341 sq ft

Range of Base Prices: \$250,990 - \$296,990



*Source: Strategy Planning Associates and Developer's website*

### Traditions at Glen Flora

---

Address:	N Sheridan Road and Blanchard Road
Community:	Waukegan
Developer:	Burnside Homes
Number of Units:	Club Series Townhomes: 62 Carriage Series Townhomes: 36 TOTAL UNITS: 98
Marketing Began:	2004
Units sold as of 1/25/2007:	Club Series Townhomes: 10 (16%) Carriage Series Townhomes: 11 (31%) TOTAL UNITS: 21 (21%)
Range of Units Sizes:	Club Series Townhomes: 1,609 – 1,861 sq ft Carriage Series Townhomes: 1,414 – 2,047 sq ft
Range of Base Prices:	Club Series Townhomes: \$266,900 - \$283,900 Carriage Series Townhomes: \$236,900 - \$307,900



Carriage Series (4 units per building)



Club Series (2 units per building)

Source: Strategy Planning Associates and Developer's website

# Appendix

## Market Assessment

### **Lyons Woods**

---

Address: W Yorkhouse Road and N Chestnut Street

Community: Beach Park

Developer: Assorted Builders

Number of Units: Single Family Homes: 18

Marketing Began: 2000

Units sold as of 1/25/2007: 15 (83%)

Range of Units Sizes: 2,376 – 2,490 sq ft

Range of Base Prices: \$291,500 - \$299,888

*Source: Strategy Planning Associates and Developer's website*

### Chelsey Crossing

---

Address: Route 120 and Hunt Club Road

Community: Gurnee

Developer: Jacobs Homes

Number of Units: Townhomes: 52

Marketing Began: 6/1/2006

Units sold as of 1/25/2007: 14 (27%)

Range of Units Sizes: 1,950 – 2,360 sq ft

Range of Base Prices: \$330,990 - \$375,990



Source: Strategy Planning Associates and Developer's website

# Appendix

## Market Assessment

### Marquette Place

---

Address:	Sheridan Road and Water Street
Community:	Waukegan
Developer:	Marquette Enterprises
Number of Units:	Condominiums: 68
Marketing Began:	3/6/2006
Units sold as of 1/25/2007:	16 (22%)
Range of Units Sizes:	1,166 – 2,768 sq ft
Range of Base Prices:	\$219,500 - \$895,500



Source: Strategy Planning Associates and Developer's website

### Coventry Estates

---

Address:	Dileys Road and Westminster Lane
Community:	Gurnee
Developer:	Richmond American Homes
Number of Units:	Single Family Homes: 39
Marketing Began:	2005
Units sold as of May 2007:	Single Family Homes: 22 (56%)
Range of Units Sizes:	Single Family Homes: 2,961 – 4,528 sq ft
Range of Base Prices:	Single Family Homes: \$568,995 - \$643,995



Source: Strategy Planning Associates and Developer's website

# Appendix

## Market Assessment

### **Churchill Hunt Estates**

---

Address: Stearns School Road and Notting Hill Road

Community: Gurnee

Developer: Toll Brothers

Number of Units: Single Family Homes: 120

Marketing Began: 2003

Units sold as of May 2007: Single Family Homes: 105 (88%)

Range of Units Sizes: Single Family Homes: 2,800 – 4,200 sq ft

Range of Base Prices: Single Family Homes: \$537,975 - \$674,975



*Source: Strategy Planning Associates and Developer's website*

# Appendix

## Market Assessment

# Appendix

## Community Input Process

### Image Preference Survey Results Community Meeting #1, February 21, 2007

Image #	Slide #	Score	Rank
First Impressions			
1	1L	-2.80	12
2	1R	2.18	3
3	2L	1.50	5
4	2R	3.22	1
5	3L	-0.91	10
6	3R	3.20	2
7	4L	1.91	4
8	4R	0.70	8
9	5L	1.09	6
10	5R	-1.60	11
11	6L	-0.55	9
12	6R	1.00	7

Image #	Slide #	Score	Rank
Pedestrian Character			
13	7L	3.27	3
14	7R	-2.18	13
15	8L	-1.70	11
16	8R	3.50	2
17	9L	-2.55	14
18	9R	2.27	6
19	10L	-1.90	12
20	10R	2.09	7
21	11L	-0.90	9
22	11R	-0.91	10
23	12L	2.90	5
24	12R	3.18	4
25	13L	-0.40	8
26	13R	3.64	1

Image #	Slide #	Score	Rank
Community Character			
27	14L	1.09	7
28	14R	1.00	8
29	15L	-0.91	14
30	15R	3.30	2
31	16L	1.91	4
32	16R	1.80	5
33	17L	0.60	10
34	17R	1.73	6
35	18L	-0.40	13
36	18R	3.18	3
37	19L	1.00	8
38	19R	-0.18	12
39	20L	4.09	1
40	20R	0.60	10

Image #	Slide #	Score	Rank
Sheridan Rd. Residential			
41	21L	2.90	1
42	21R	-0.82	14
43	22L	2.82	2
44	22R	1.00	8
45	23L	0.82	10
46	23R	0.55	12
47	24L	0.56	11
48	24R	1.00	8
49	25L	-0.10	13
50	25R	2.36	5
51	26L	1.20	6
52	26R	2.82	2
53	27L	1.18	7
54	27R	2.50	4

Image #	Slide #	Score	Rank
Neighborhood Residential			
55	28L	0.70	10
56	28R	-2.73	14
57	29L	0.82	9
58	29R	2.40	5
59	30L	-0.55	12
60	30R	-0.18	11
61	31L	1.80	6
62	31R	2.91	2
63	32L	0.89	8
64	32R	1.45	7
65	33L	-0.60	13
66	33R	3.50	1
67	34L	2.64	3
68	34R	2.50	4

### First Impressions: Summary



Rank: 12th out of 12 images  
Score: -2.80



Rank: 3rd out of 12 images  
Score: 2.18



Rank: 4th out of 12 images  
Score: 1.91



Rank: 8th out of 12 images  
Score: 0.70



Rank: 5th out of 12 images  
Score: 1.50



Rank: 1st out of 12 images  
Score: 3.22



Rank: 6th out of 12 images  
Score: 1.09



Rank: 11th out of 12 images  
Score: -1.60



Rank: 10th out of 12 images  
Score: -0.91



Rank: 2nd out of 12 images  
Score: 3.20



Rank: 9th out of 12 images  
Score: -0.55



Rank: 7th out of 12 images  
Score: 1.00

# Appendix

## Community Input Process

### Pedestrian Character: Summary



Rank: 3rd out of 14 images  
Score: 3.27



Rank: 13th out of 14 images  
Score: -2.18



Rank: 9th out of 14 images  
Score: -0.90



Rank: 10th out of 14 images  
Score: -0.91



Rank: 11th out of 14 images  
Score: -1.70



Rank: 2nd out of 14 images  
Score: 3.50



Rank: 5th out of 14 images  
Score: 2.90



Rank: 4th out of 14 images  
Score: 3.18



Rank: 14th out of 14 images  
Score: -2.55



Rank: 6th out of 14 images  
Score: 2.27



Rank: 8th out of 14 images  
Score: -0.40



Rank: 1st out of 14 images  
Score: 3.64



Rank: 12th out of 14 images  
Score: -1.90



Rank: 7th out of 14 images  
Score: 2.09

### Commercial Character: Summary



Rank: 7th out of 14 images  
Score: 1.09



Rank: 11th out of 14 images  
Score: 0.10



Rank: 9th out of 14 images  
Score: 0.60



Rank: 6th out of 14 images  
Score: 1.73



Rank: 14th out of 14 images  
Score: -0.91



Rank: 2nd out of 14 images  
Score: 3.30



Rank: 13th out of 14 images  
Score: -0.40



Rank: 3rd out of 14 images  
Score: 3.18



Rank: 4th out of 14 images  
Score: 1.91



Rank: 5th out of 14 images  
Score: 1.80



Rank: 8th out of 14 images  
Score: 1.00



Rank: 12th out of 14 images  
Score: -0.18



Rank: 1st out of 14 images  
Score: 4.09



Rank: 9th out of 14 images  
Score: 0.60

# Appendix

## Community Input Process

### Sheridan Road Residential: Summary



Rank: 1st out of 14 images  
Score: 2.90



Rank: 14th out of 14 images  
Score: -0.82



Rank: 11th out of 14 images  
Score: 0.56



Rank: 8th out of 14 images  
Score: 1.00



Rank: 2nd out of 14 images  
Score: 2.82



Rank: 8th out of 14 images  
Score: 1.00



Rank: 13th out of 14 images  
Score: -0.10



Rank: 5th out of 14 images  
Score: 2.36



Rank: 10th out of 14 images  
Score: 0.82



Rank: 12th out of 14 images  
Score: 0.55



Rank: 6th out of 14 images  
Score: 1.20



Rank: 2nd out of 14 images  
Score: 2.82



Rank: 7th out of 14 images  
Score: 1.18



Rank: 4th out of 14 images  
Score: 2.50

### Neighborhood Residential: Summary



Rank: 10th out of 14 images  
Score: 0.70



Rank: 14th out of 14 images  
Score: -2.73



Rank: 6th out of 14 images  
Score: 1.80



Rank: 2nd out of 14 images  
Score: 2.91



Rank: 9th out of 14 images  
Score: 0.82



Rank: 5th out of 14 images  
Score: 2.40



Rank: 8th out of 14 images  
Score: 0.89



Rank: 7th out of 14 images  
Score: 1.45



Rank: 12th out of 14 images  
Score: -0.55



Rank: 11th out of 14 images  
Score: -0.18



Rank: 13th out of 14 images  
Score: -0.60



Rank: 1st out of 14 images  
Score: 3.50



Rank: 3rd out of 14 images  
Score: 2.64



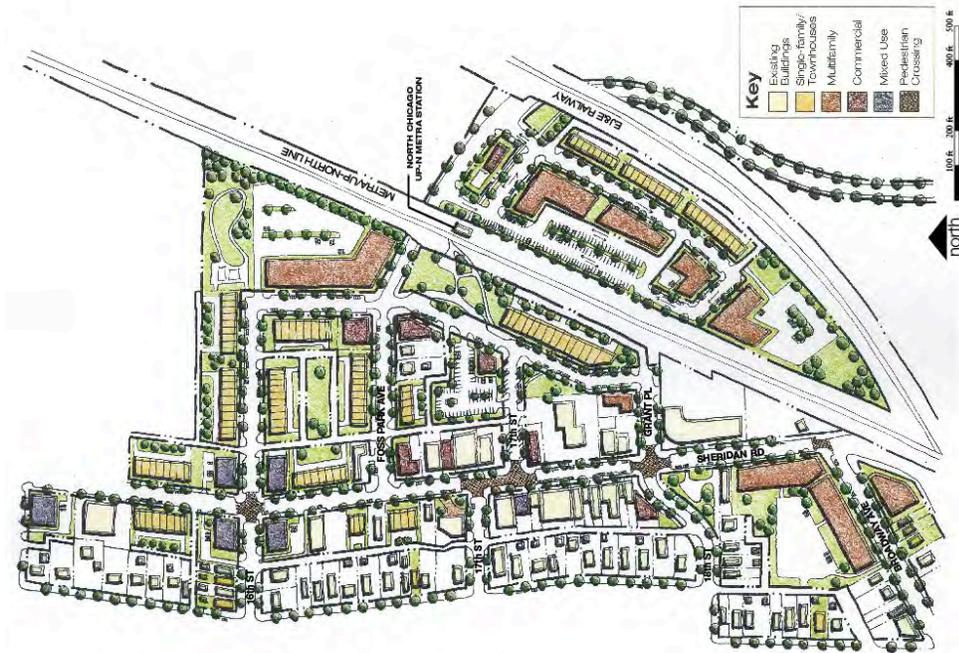
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Score: 2.50

# Appendix

## Community Input Process

**Design Alternatives Powerpoint Presentation**  
**Community Meeting #2, August 22, 2007**

**Long-Term Plans**



**Alternative #1**



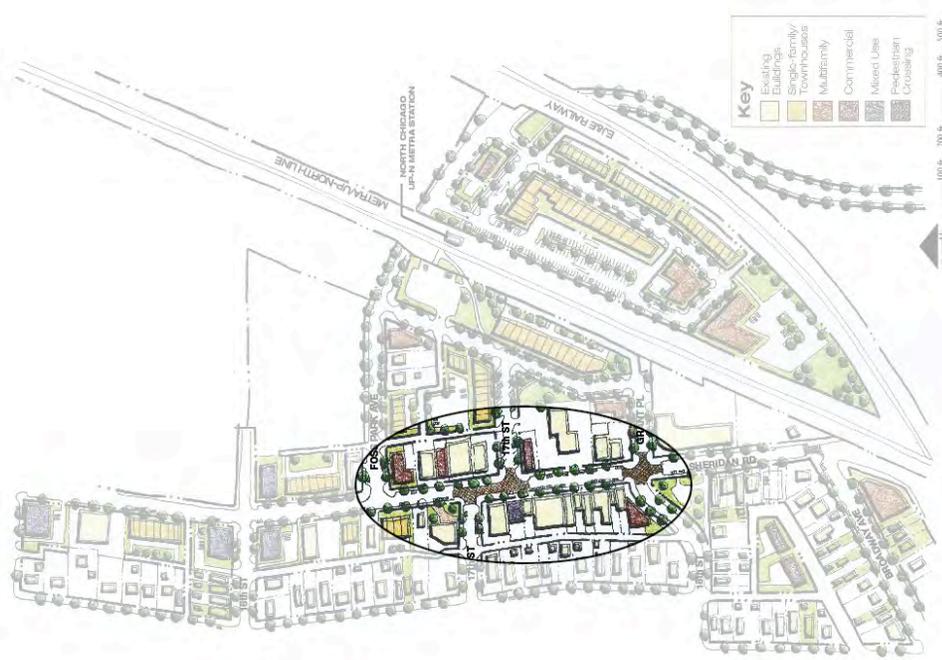
**Alternative #2**

# Recommendations

## 1. Downtown Infill



Alternative #1



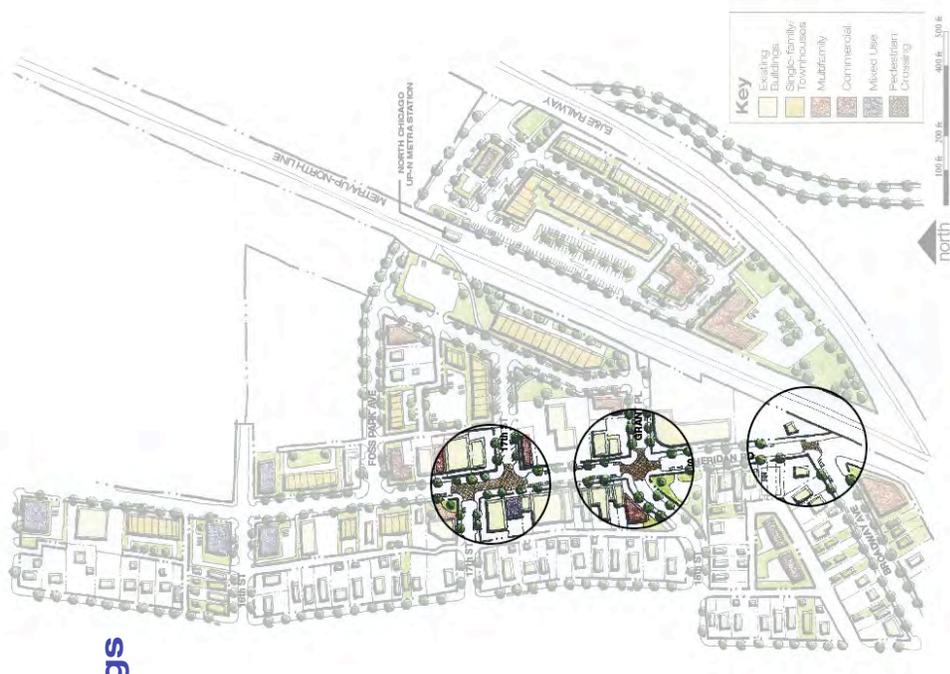
Alternative #2

# Recommendations

1. Downtown Infill
2. Pedestrian Crossings



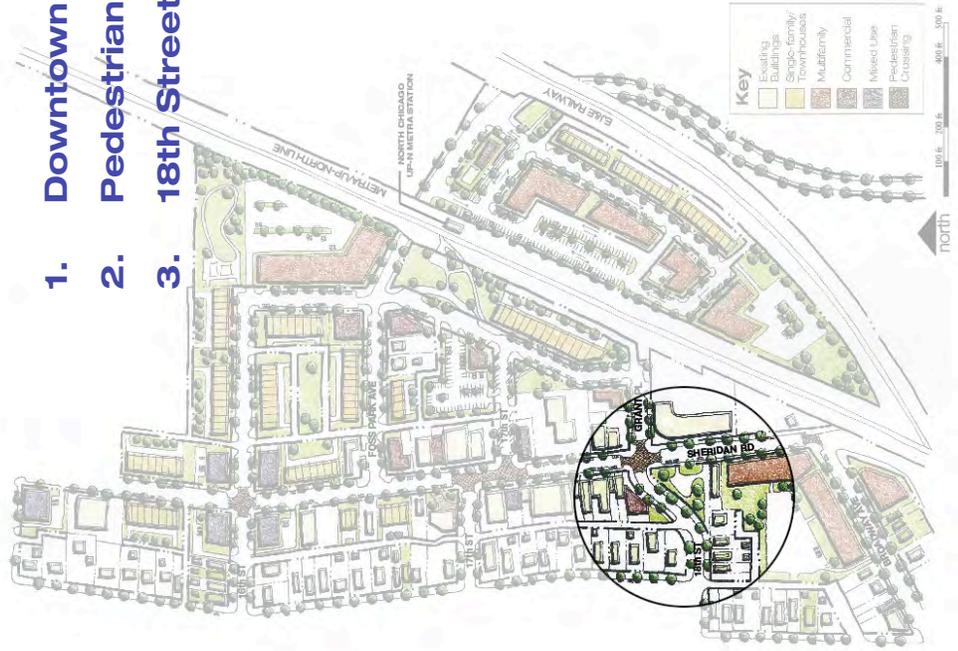
**Alternative #1**



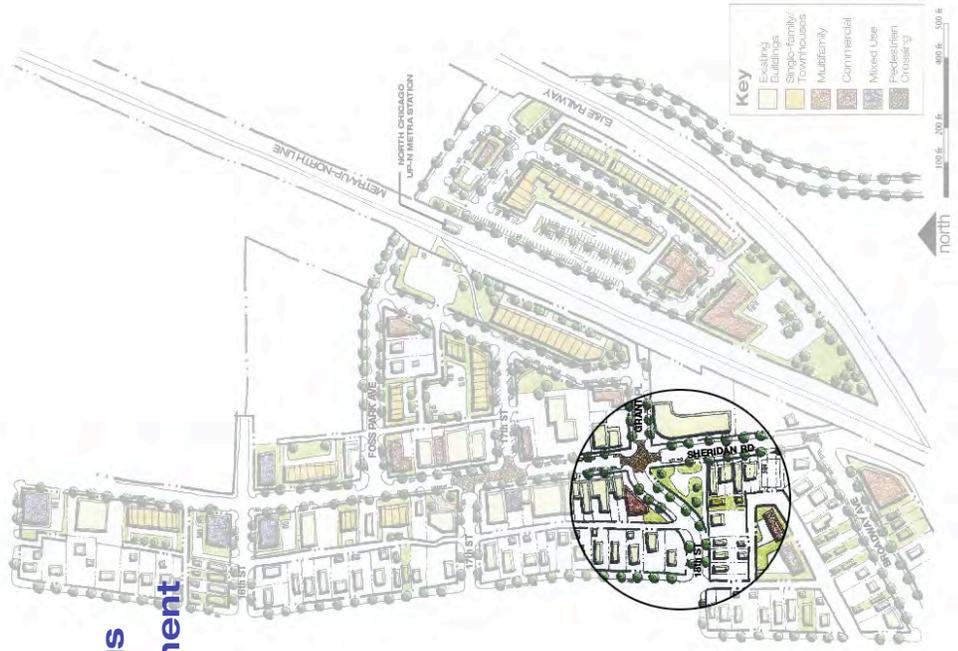
**Alternative #2**

# Recommendations

1. **Downtown Infill**
2. **Pedestrian Crossings**
3. **18th Street Realignment**



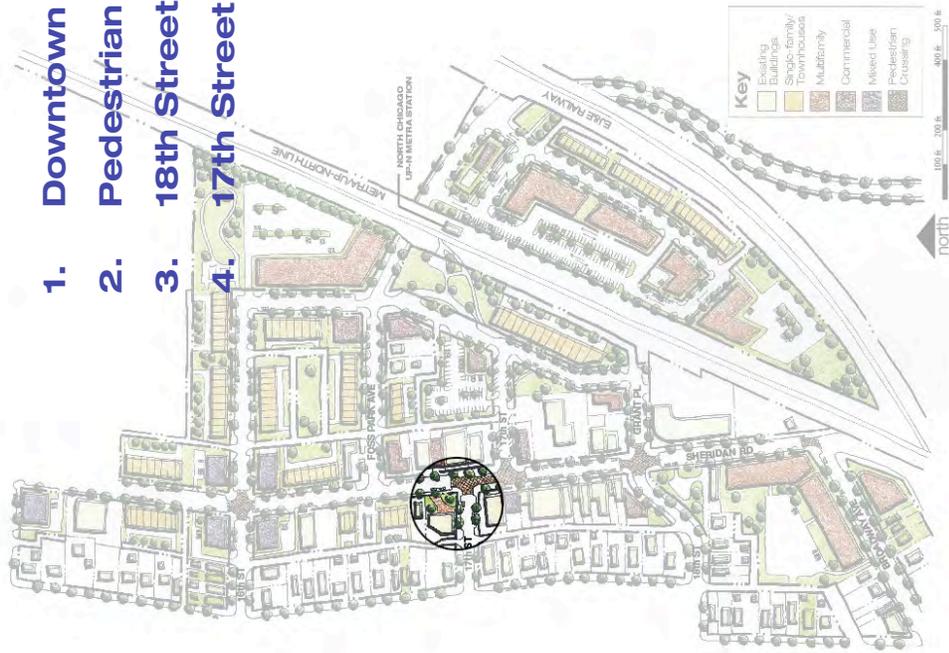
**Alternative #1**



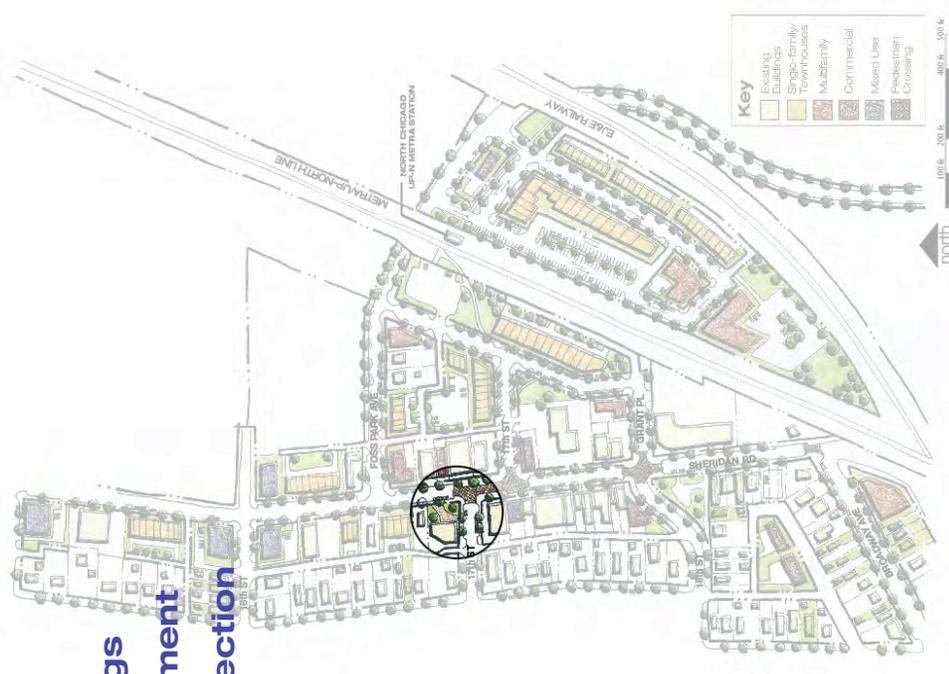
**Alternative #2**

# Recommendations

1. Downtown Infill
2. Pedestrian Crossings
3. 18th Street Realignment
4. 17th Street Reconnection



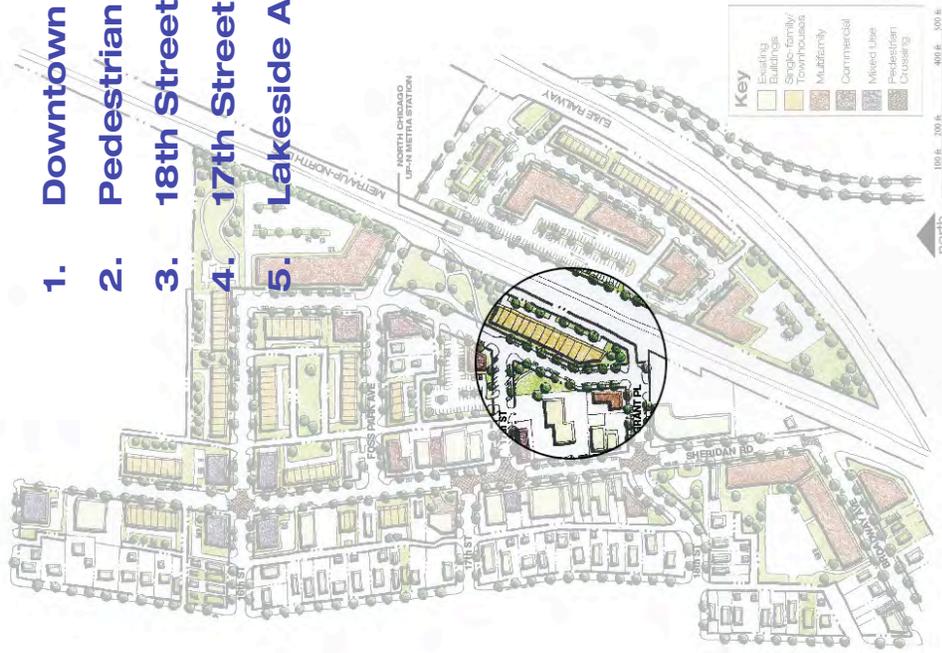
**Alternative #1**



**Alternative #2**

# Recommendations

1. Downtown Infill
2. Pedestrian Crossings
3. 18th Street Realignment
4. 17th Street Reconnection
5. Lakeside Avenue Extension



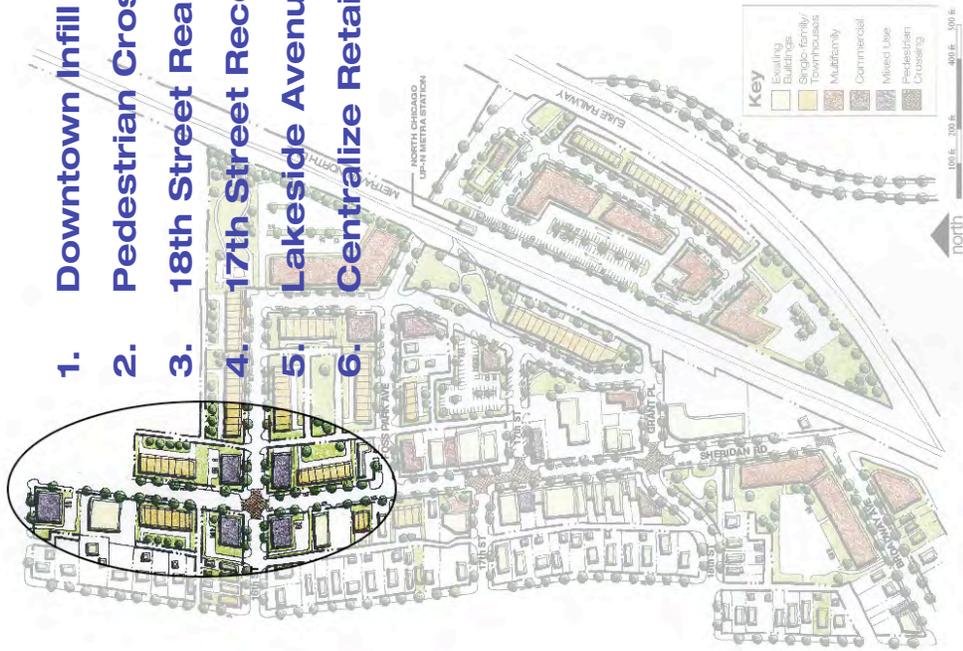
**Alternative #1**



**Alternative #2**

# Recommendations

1. Downtown Infill
2. Pedestrian Crossings
3. 18th Street Realignment
4. 17th Street Reconnection
5. Lakeside Avenue Extension
6. Centralize Retail



**Alternative #1**



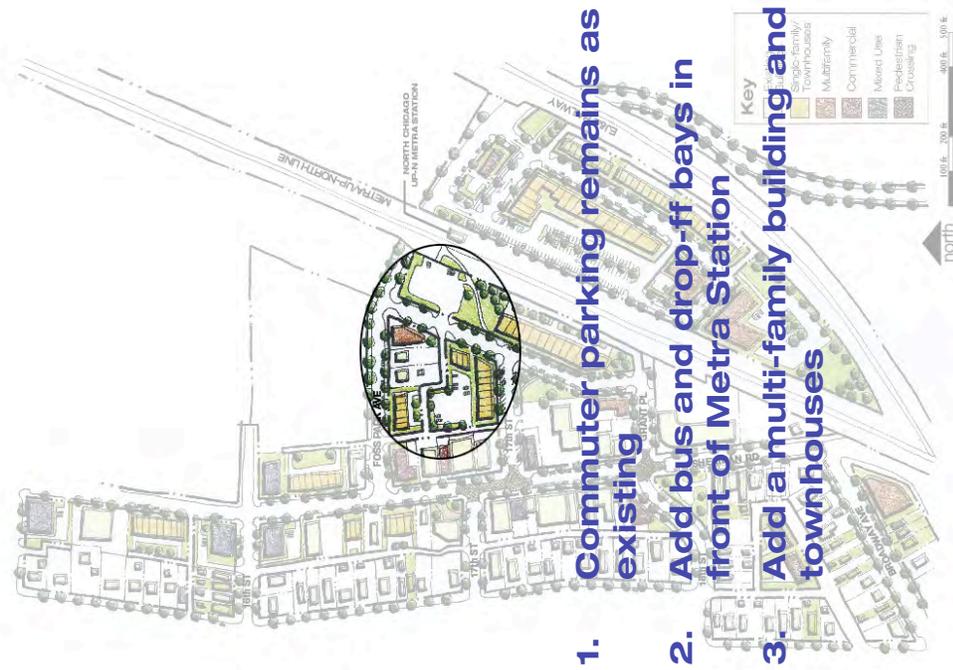
**Alternative #2**

# Design Alternatives: West of Station



1. Relocate commuter parking across Lakeside Avenue
2. Add kiss-n-ride in front of Metra Station
3. Add 2 new corner retail buildings

**Alternative #1**



1. Commuter parking remains as existing
2. Add bus and drop-off bays in front of Metra Station
3. Add a multi-family building and townhouses

**Alternative #2**

## Design Alternatives: North of Broadway



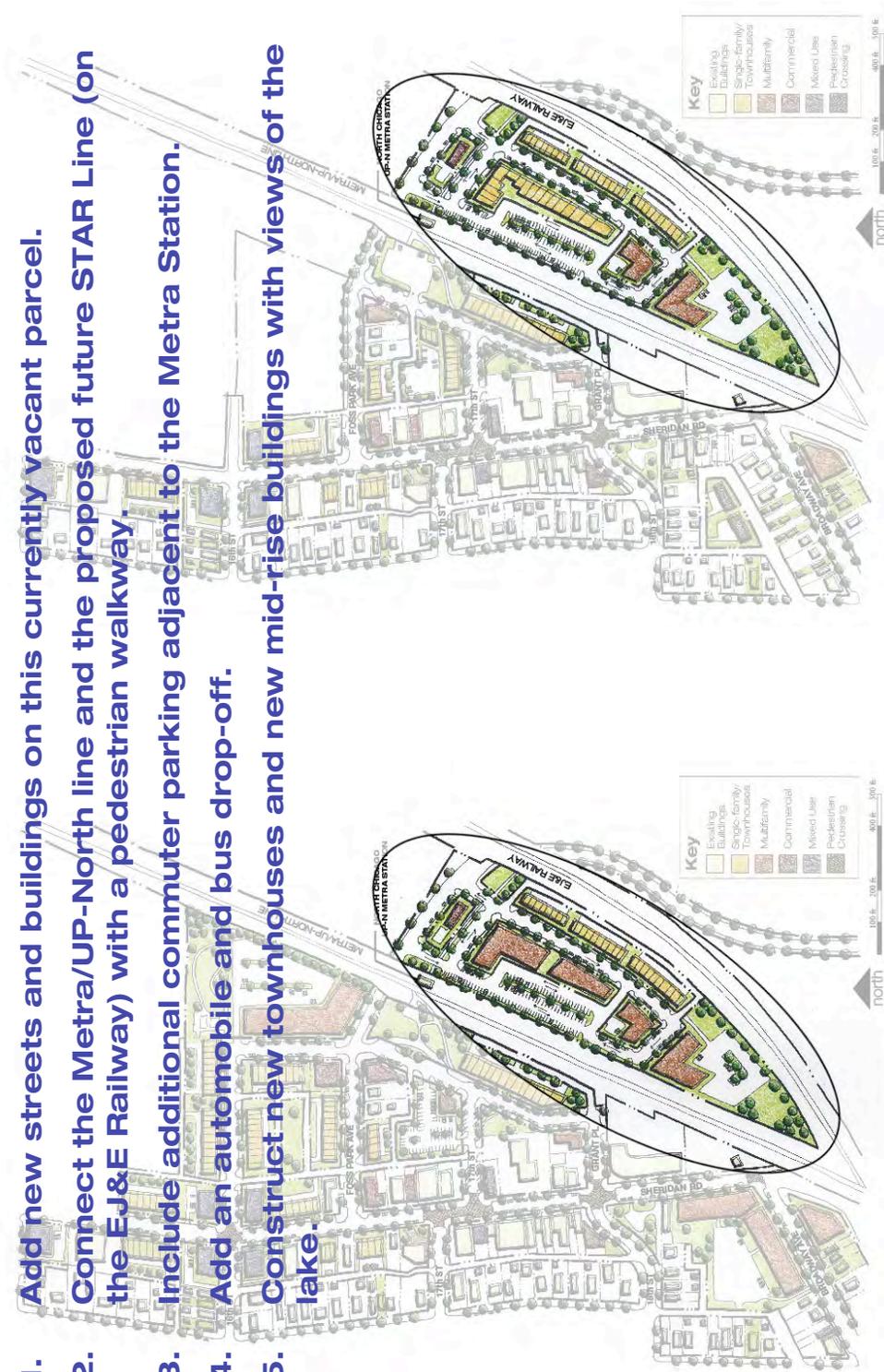
**Alternative #1**



**Alternative #2**

## Design Alternatives: East of Station

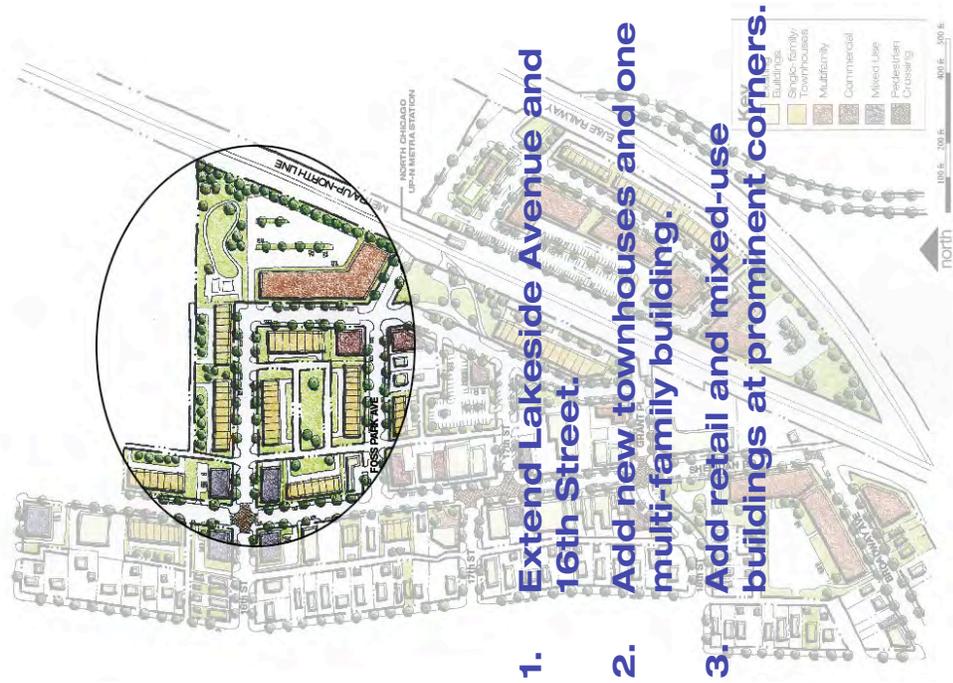
1. Add new streets and buildings on this currently vacant parcel.
2. Connect the Metra/UP-North line and the proposed future STAR Line (on the EJ&E Railway) with a pedestrian walkway.
3. Include additional commuter parking adjacent to the Metra Station.
4. Add an automobile and bus drop-off.
5. Construct new townhouses and new mid-rise buildings with views of the lake.



Alternative #1

Alternative #2

**Design Alternatives: North of Station**



1. **Extend Lakeside Avenue and 16th Street.**
2. **Add new townhouses and one multi-family building.**
3. **Add retail and mixed-use buildings at prominent corners.**

**Alternative #1**



1. **Retain as existing.**
2. **Line Sheridan Road with townhouses and a corner mixed-use building.**

**Alternative #2**