



LINCOLNWOOD BUSINESS PARK
RETAIL ANALYSIS & FEASIBILITY REPORT

OCTOBER 7, 2010

PREPARED BY



INTRODUCTION

INTRODUCTION

THE FEASIBILITY REPORT IDENTIFIES MARKET POTENTIAL, SITE CAPACITY, AND IMPEDIMENTS TO DEVELOPMENT AS WELL AS ACTIONS LIKELY REQUIRED BY THE VILLAGE TO REALIZE DEVELOPMENT POTENTIAL.

The Village of Lincolnwood has retained Houseal Lavigne Associates to assess the feasibility of retail development within the Lincolnwood Business Park. The study area comprises the area bounded by Touhy Avenue to the north, McCormick Boulevard to the east, Pratt Avenue to the south, and Hamlin Avenue to the west. Lowe's, which occupies the southeast corner of Touhy and Lawndale Avenues is also located within the study area. The study area excludes the Grossinger Autoplex property located on the northwest corner of McCormick Boulevard and Northeast Parkway, the Lincolnwood Place senior housing facility, and the Lincolnwood Town Center.

A demographic and retail market analysis has been conducted to identify the amount and type of retail development that might be supported at Lincolnwood Business Park. While the analysis focuses on the Business Park, we have also examined the physical and economic relationship with the adjacent Lincolnwood Town Center and nearby commercial development along Touhy Avenue.

In addition to a full market analysis to ascertain supportable uses, interviews were conducted with elected and appointed officials, members of the development community, and local business owners with insight into the Lincolnwood Business Park and greater market area.

LINCOLNWOOD TOWN CENTER



Interviews were conducted with the goal of soliciting a wide range of points of view. Discussion topics included:

- The future plans and needs of exiting Business Park tenants and property owners;
- Desired Business Park improvements;
- Concerns/issues related to the existing layout and uses; and,
- Interest in redevelopment.

Real estate professionals and members of the development community were interviewed regarding the feasibility of redevelopment for specific uses including, retail, office, residential, industrial, medical and senior/assisted living. Information obtained in interviews was utilized to augment research, analysis, field observations, and site planning.

Key interview points included:

- Information obtained pertaining to redevelopment feasibility was consistent with the overall conclusions of the market analysis.
- Tenants and property owners are generally satisfied with the Business Park and their respective locations.
- Existing users were supportive of redevelopment efforts as long as (1) it did not negatively impact their business and (2) the Village maintains a dialogue and communication regarding future plans for the area.
- All interviewees expressed a desire to see the Business Park enhanced and better positioned to attract new/additional users.

In addition to the market analysis and interviews, the general configuration and development pattern of the Business Park was analyzed and assessed for preliminary opportunity sites in relation to market findings. This analysis provides the foundation for the next phase of the study should the Village choose to proceed.

2. MARKET ANALYSIS

2. MARKET ANALYSIS

MARKET DATA IS RECONCILED WITH EXISTING CONDITIONS TO ASSESS WHETHER PARCEL SIZE(S), TRAFFIC FLOW/CIRCULATION, AND ACCESS CAN ACCOMMODATE TARGETED TENANTS AND USES

This market analysis has been provided to determine the general trends, supply, demand and potential for retail and office development in the Lincolnwood Business Park. The analysis examines the business park's competitive position within the market and identifies the issues that the business park and the larger Village of Lincolnwood are facing and will likely face in the future.

The market analysis concludes with a discussion of specific uses and/or tenants to target and a development program that establishes benchmarks for square footage, site design and parking requirements. Market data is reconciled with existing conditions to assess whether parcel size(s), traffic flow/circulation, and access within the Lincolnwood Business Park can accommodate those uses identified. As a residual benefit of this analysis, market opportunities that may be better suited for other locations within the Village are also discussed.

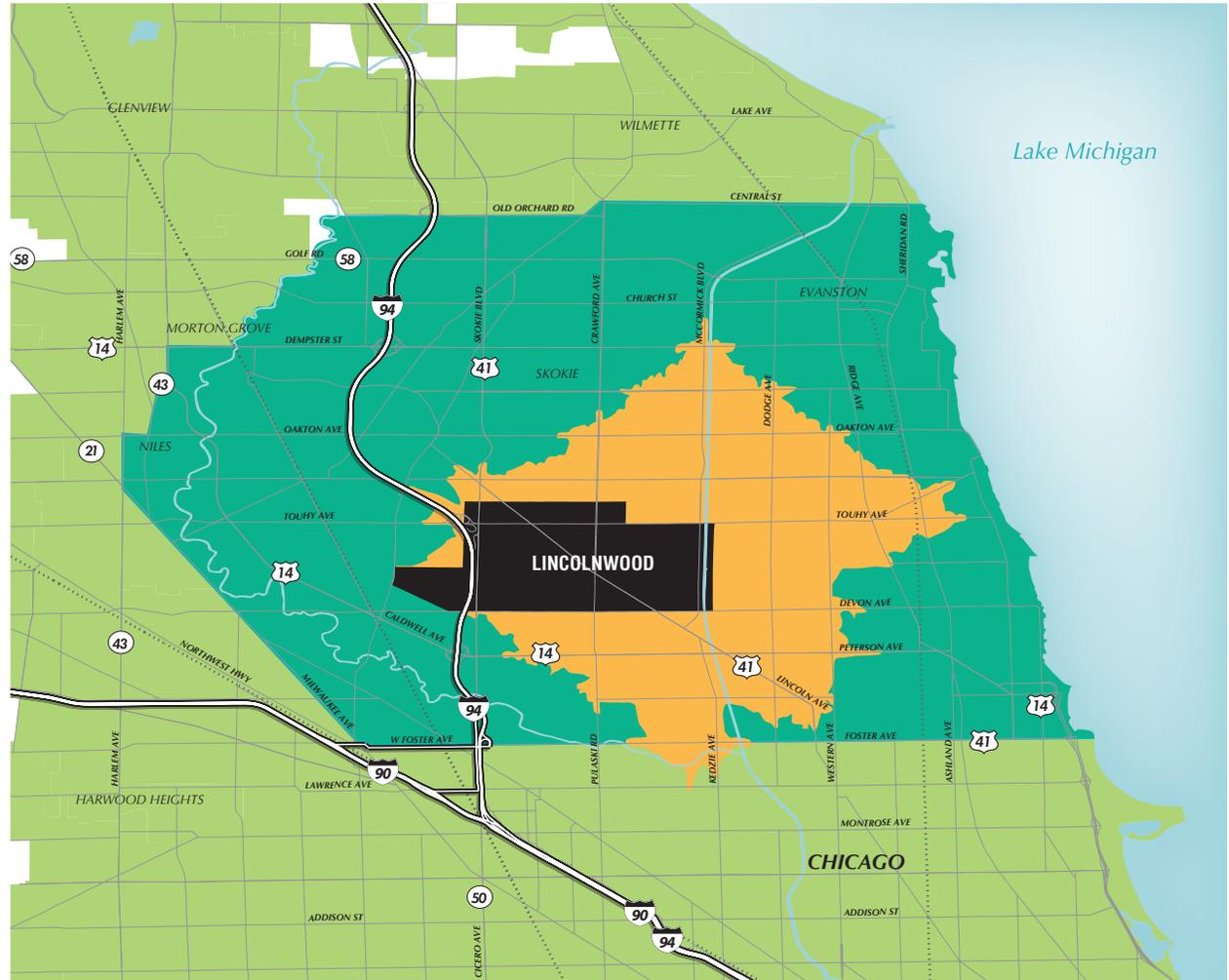
DEFINING THE MARKET AREA

The market analysis utilizes data from two different geographies composed of the areas within a short drive of the Lincolnwood Business Park, Village of Lincolnwood, and surrounding municipalities. The primary market area (PMA) is defined as the area within a five (5) minute drive time of the Lincolnwood Business Park. For the purposes of this analysis, drive time was calculated from the business park's east entrance at the intersection of Northeast Parkway and McCormick Boulevard. The secondary market area (SMA) is defined as the area bound by Central Street and Old Orchard Road to the north, Lake Michigan to the east, Foster Avenue to the south, and a combination of the Des Plaines River corridor, IL Route 43, and Milwaukee Avenue to the west.

The SMA was delineated using manmade and natural gaps in the competitive landscape, such as the Des Plaines River corridor or the significant travel corridors, in combination with knowledge about demographic characteristics and travel patterns. The northern, eastern and western borders of the SMA are similar in extent to the area within a 10 minute drive time of the Lincolnwood Business Park. The southern border of the SMA is coterminous with Foster Avenue which is a major east-west arterial in nearby Chicago. The areas surrounding Foster Avenue and farther south are considerably more dense in population and retail offerings which limits the potential of customers in this area visiting the business park.

Each respective market area is discussed in more detail in relation to retail and office market findings.

MARKET AREA



DEMOGRAPHIC MARKET OVERVIEW

Demographic data has been assessed to identify how the Village of Lincolnwood and commercial development within the two market areas will be impacted by shifts in the local population. This overview examines anticipated population and household growth, shifts in age, and changes in the number of households by age and income. Data has been provided regarding current estimates for the year 2010 (the most recent year for which data is available) as well as five year projections. Potential impacts on demand for commercial development within the two market areas have also been assessed using this data. Data for this analysis were obtained from ESRI Business Analyst, a nationally recognized provider of market and demographic data.

POPULATION & HOUSEHOLD GROWTH

Table 1 compares changes in population and the number of households between the Village of Lincolnwood and the primary and secondary market areas. Overall, it is anticipated that both the population and number of households will have experienced a small decline between 2010 and 2015. The Village's population is also older and more affluent than that of the larger market area population.

- It is projected that the Village will lose 150 (-1.3%) individuals and 63 (-1.5%) households over the five year period. This is a similar decline to that expected to occur in the primary and secondary market areas which are anticipated to lose 0.8% and 0.6% of their population respectively.

- With a median age of over 46.6 years in 2010, the Village has a significantly older population than that of the larger market areas where median age is nearly 37.
- Median household income is also significantly higher in the Village compared to the market area populations.
- Median income among Village households is projected to increase by 18.5% to \$93,808 in 2015. This represents an annual average growth rate of approximately 3.46% over five years.
- Overall growth in median income among market area households is projected to be slightly less significant between 2010 and 2015. The projected average annual growth rate is approximately 3.01% and 3.39% among primary and secondary market area households respectively.

Table 1. Demographic Summary Village of Lincolnwood & Market Areas, 2010-2015

	Village of Lincolnwood Change				Primary Market Area Change				Secondary Market Area Change			
	2010	2015	Number	Percent	2010	2015	Number	Percent	2010	2015	Number	Percent
Population	11,762	11,612	-150	-1.3%	125,175	124,212	-963	-0.8%	415,906	413,541	-2,365	-0.6%
Households	4,289	4,226	-63	-1.5%	43,843	43,319	-524	-1.2%	162,311	160,979	-1,332	-0.8%
Median Age	46.6	46.1			36.9	36.6			36.8	36.7		
Median Household Income	\$79,142	\$93,808	\$14,666	18.5%	\$56,895	\$65,997	\$9,102	16.0%	\$54,863	\$64,800	\$9,937	18.1%
Average Household Income	\$114,090	\$136,043	\$21,953	19.2%	\$71,051	\$83,946	\$12,895	18.1%	\$71,504	\$85,543	\$14,039	19.6%
Per Capita Income	\$41,674	\$49,593	\$7,919	19.0%	\$25,215	\$29,655	\$4,440	17.6%	\$28,641	\$34,147	\$5,506	19.2%

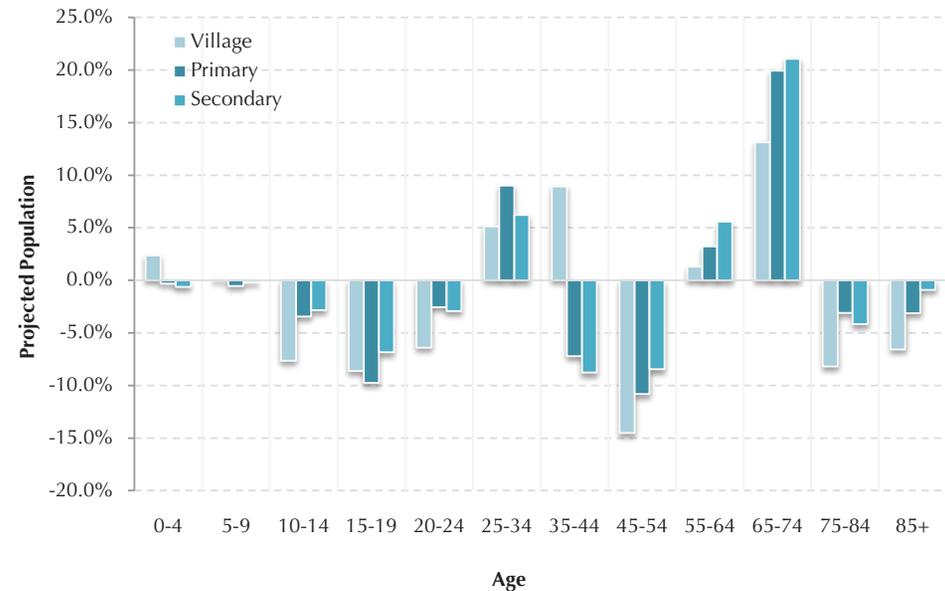
Source: ESRI Business Analyst; Houseal Lavigne Associates

AGE PROFILE

Chart 1 illustrates projected population change by age cohort among Village and market area populations. The Village is experiencing similar shifts in its age profile when compared to the larger market areas. In general, projections indicate that all three geographies are experiencing a decline in most age cohorts. The population aged 25 to 34 is projected to experience modest growth while the population aged 55 to 74 is experiencing substantial growth.

- The Village’s population below the age of 25 is projected to decrease by 140 individuals (-4.2%). This age cohort is projected to decline by approximately 3.3% and 2.8% in the primary and secondary market areas respectively.
- The largest percentage increase in population is expected to occur among individuals aged 65 to 74 in both the Village of Lincolnwood (13.1%) and the primary (20.0%) and secondary (21.1%) market areas.
- The largest percentage decrease in population is expected to occur among individuals aged 45 to 54 in both the Village of Lincolnwood (-14.5%) and the primary (-10.8%) market area.
- The secondary market area is projected to experience its largest decrease (-8.8%) among those aged 35 to 44. The Village is the only area where this age cohort is projected to grow (8.9%).
- In the 25 to 34 age cohort, the Village population is projected to increase 5.1% to 1,189. The number of primary and secondary market area individuals aged 25 to 34 is projected to increase by 9.0% and 6.2% respectively.

Chart 1. Projected Population Change by Age
 Village of Lincolnwood & Market Areas, 2010-2015



Source: ESRI Business Analyst; Houseal Lavigne Associates

AGE BY INCOME

A combined assessment of shifts in households by age and income reveals both the similarities and differences between the Village's projected growth pattern and that of the larger market areas. **Charts 2 and 3** illustrate the projected change (%) in households according to the age of the head of household and household income.

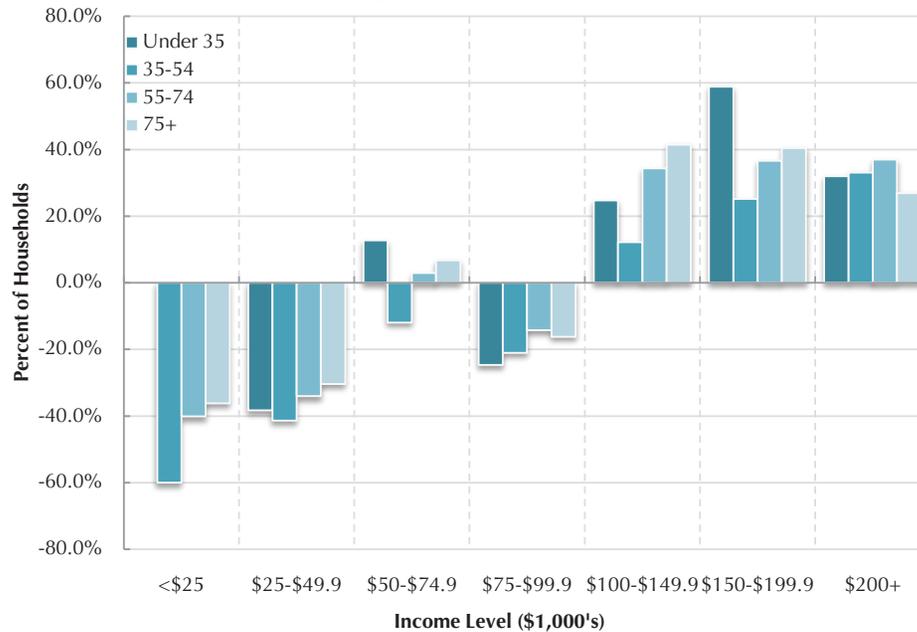
Changes projected to occur between 2010 and 2015 are shown as they pertain to each respective household age cohort within both the Village and the primary market area. For example, the dark blue columns indicate change within the market area householder population under the age of 35. A bar for this age group is shown in each income bracket. A dark blue bar located above the zero line of the graph indicates growth, while a dark blue bar below the zero line indicates decline.

Overall, it is projected that the total number of households in the Village will decrease. This decrease, however, is not anticipated to occur evenly across all age and income groups. The proportion of households in lower and middle income groups are projected to decrease slightly while the number of upper income households increases.

- For both geographies, the proportion of households earning less than \$100,000 is projected to decrease significantly, regardless of age. These lower and moderate income households are projected to decline by approximately 14% in the primary market area while in Lincolnwood they are projected to decline by nearly 19%.
- Regardless of geography, all age cohorts earning \$100,000 per year or more are projected to increase. These upper income households are projected to grow by 30.4% within the Village and 56.8% within the primary market area.
- A projected decline in households earning less than \$25,000 is slightly more significant in the Village (-38.3%) compared to the larger market area (-26.1%), particularly among households aged 35 to 54.
- Households aged 55 to 74 are projected to be the Village's most significant source of growth overall, particularly among households earning \$100,000. This age and income group is projected to gain 232 households (35.8%) between 2010 and 2015.

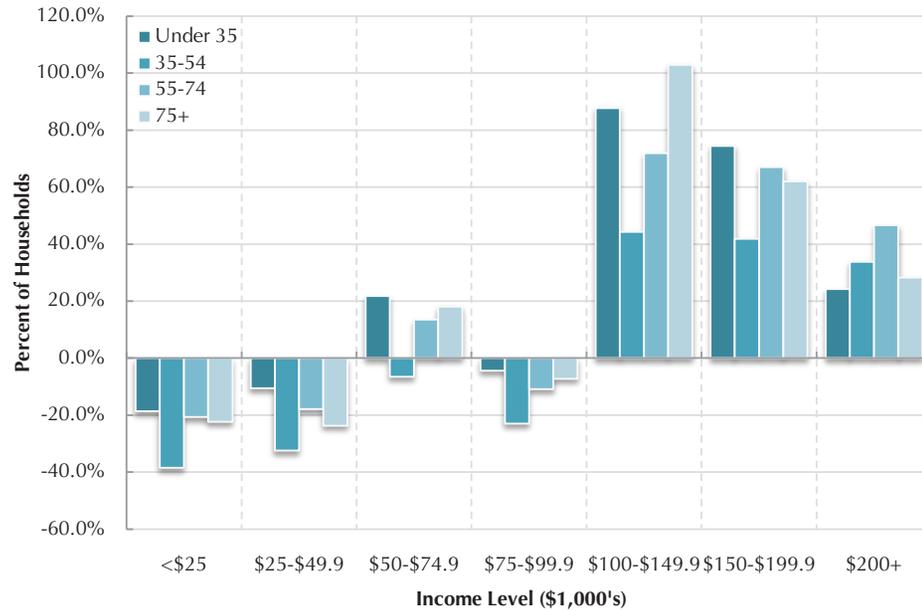
NOTE: The projected growth pattern in the secondary market area is nearly identical to that of the primary market area and is not shown.

Chart 2. Households by Age and Income Level
 Village of Lincolnwood, 2010-2015



Source: ESRI Business Analyst; Houseal Lavigne Associates

Chart 3. Households by Age and Income Level
 Primary Market Area, 2010-2015



Source: ESRI Business Analyst; Houseal Lavigne Associates

Market Implications

Overall, it is anticipated that the population and number of households in both the Village and larger market area will experience a small decline between 2010 and 2015. This decrease is not projected to affect all age and income groups however. Despite the population decrease, the purchasing power of the Village and respective market areas may not be adversely impacted because the proportion of households with higher incomes is increasing. Moreover, the proportion of older households, which typically have a higher level of disposable income, is also growing. These shifts may also indicate a demand for more retailers and service providers that cater to the needs of an older 'empty nester' population.

RETAIL MARKET DEFINING MARKET AREAS

The area within a 5 minute drive of the Lincolnwood Business Park is referred to as the primary market area. The households located within this area are those most likely to utilize the area for routine errands and everyday shopping. Given the Lincolnwood Business Park's proximity to residential areas and the Lincolnwood Town Center (an established regional shopping center), existing retailers are providing for both the day-to-day needs of local residents as well as those from outside the Village.

The area within a 10 minute drive is referred to as the secondary market area. Those households located within a 10 minute drive of the Business Park will visit area shops and restaurants on a less frequent, and more targeted basis. In this instance, a resident of a nearby community may choose to go to one of the sit-down restaurants for dinner or frequent the Lincolnwood Town Center to shop for apparel. The food court at the Lincolnwood Town Center is also a popular weekday lunch destination for nearby office workers.

RETAIL COMPETITION

Understanding the competitive retail context within which potential development will occur is a vital factor in determining the potential for retail development. A summary of existing retail concentrations and proposed developments within the primary and secondary market areas follows. Other regional shopping destinations are discussed as well. These competing retail nodes are highlighted in the figure on page 13.

Primary Market Area

Devon Avenue – Retail along the Devon Avenue corridor comprises a mix of independently operated businesses in small storefronts. Most of these stores are in aging, mixed use buildings. As a primarily neighborhood serving retail corridor, Devon Avenue may not offer direct competition for retailers located at the Lincolnwood Business Park. However, the eclectic mix of ethnic (Russian, Jewish, Pakistani, Indian, Bangladeshi) businesses along Devon Avenue has developed a following within the larger region.

Lincolnwood Business Park Retail – The **Lincolnwood Town Center** has a gross leasable area of 422,000 square feet and is anchored by Kohl's, Old Navy, and Carson Pirie Scott. At the time of this study approximately 90% of the center is occupied with long-term lease tenants. Outlots at the center include a Red Lobster and Olive Garden. Nearby development in the Business Park includes the Dominick's at the northwest corner of Pratt and McCormick and the Lowe's located on the southeast corner of Touhy and Lawndale Avenues. Two outlots with 6,000 square foot buildings have recently been proposed at the Town Center.

Lincoln and Touhy Avenues – This intersection is a neighborhood commercial node within the Village that is located approximately three-quarters of a mile west of the Lincolnwood Business Park. The largest retail center is anchored by a local grocer, Lincolnwood Produce. Nearby retail centers are less than 25,000 square feet with several vacancies along Lincoln Avenue.

Touhy Centre – A 172,000 square foot retail center has been proposed on the north side of Touhy (between St. Louis Avenue and Ridgeway Avenue), directly across from the Business Park. As proposed, the center's anchor tenants would be Garden Fresh Market and XSport Fitness. At the time of this report, the development was on hold and in the property was in bank receivership. The Village of Skokie has been contacted by several interested parties who have indicated that they would request to modify the proposed development master plan if they were to move forward.

Devon\Lincoln\McCormick Triangle – This retail node is one of two commercial areas within one-half mile of the Lincolnwood Business Park and, outside of the Lincolnwood Town Center, represents the closest direct retail competition. The 135,000 square foot **Lincoln Village** shopping center is anchored by a Borders and Office Depot. The area is also the location of a Home Depot, several small strip centers, and stand alone retailers such as RadioShack. A large vacant site, the former location of Cinemark Odeon Theatres, is located on the southeast corner of Devon and McCormick.

Howard and Kedzie – Evanston Center, a power center whose tenants include Target, Jewel-Osco, Best Buy, Office Max and Wells Fargo, is located to the north of Howard Street. This retail concentration is located approximately 0.5 miles north of the Business Park and is the closest concentration of big box retailers.

Main Street and Oakton Street at North Shore Channel Trail – The area, in Evanston, bound roughly by Main Street, Hartrey Avenue, Oakton Street, and the North Shore Channel Trail is the location of two community scale shopping centers. Main Street Marketplace, located on the southeast corner of Main Street and the trail, is a 126,000 square foot center that is anchored by a Sam’s Club, Marshalls, and Food 4 Less. To the south of this center, separated by a scrap yard and cement production facility, is another retail center fronting Oakton Street. This center is anchored by a Home Depot and PetSmart.

Howard Street – This east-west arterial forms a retail corridor on the border of Evanston and Chicago. Significant shopping centers include Gateway Centre, located at Clark Street and anchored by Dominick’s and Marshalls, and a Walgreens anchored center located on the southwest corner of Western and Howard.

Secondary Market Area

Dempster Street – Similar to Howard Street, Dempster also forms a commercial corridor. Centers within this corridor concentrated between Dodge and Keeler Avenues, are primarily neighborhood-serving strip centers. The largest shopping center in this corridor is Evanston Plaza, which is located on the east end of the corridor and anchored by Dominick’s and AJ Wright.

Touhy and Central Avenues – The intersection of Touhy and Central Avenues, located approximately 2.5 miles west of the Lincolnwood Business Park, is the center of a significant retail concentration, largely composed of two retail centers. The Pointe Plaza Shopping Center is a power center anchored by Wal-Mart, Babies ‘R Us, and Fresh Market. One anchor space, formerly occupied by Office Depot, is currently available. Outlots at this center include a Walgreens and Wells Fargo. The other significant development at this location is the Village Crossing shopping center.

Village Crossing – This 415,000 square foot center is located approximately 2.5 miles from the Business Park in Niles. Village Crossing has several large anchor tenants including a Jewel-Osco; Dick’s Sporting Goods; Best Buy; Bed, Bath and Beyond; Office Max; Barnes & Noble; PetSmart; Michaels; and Regal Cinemas. The most significant vacancy in the center is a 35,000 square foot space adjacent to the Dick’s Sporting Goods. Village Crossing is one of the most recognizable and popular destinations in the area.

Old Orchard Shopping Mall – This 1.79 million square foot regional shopping mall is anchored by Lord & Taylor, Macy’s, Nordstrom, and Bloomingdales. The center, which is located approximately 3.5 miles northwest of the

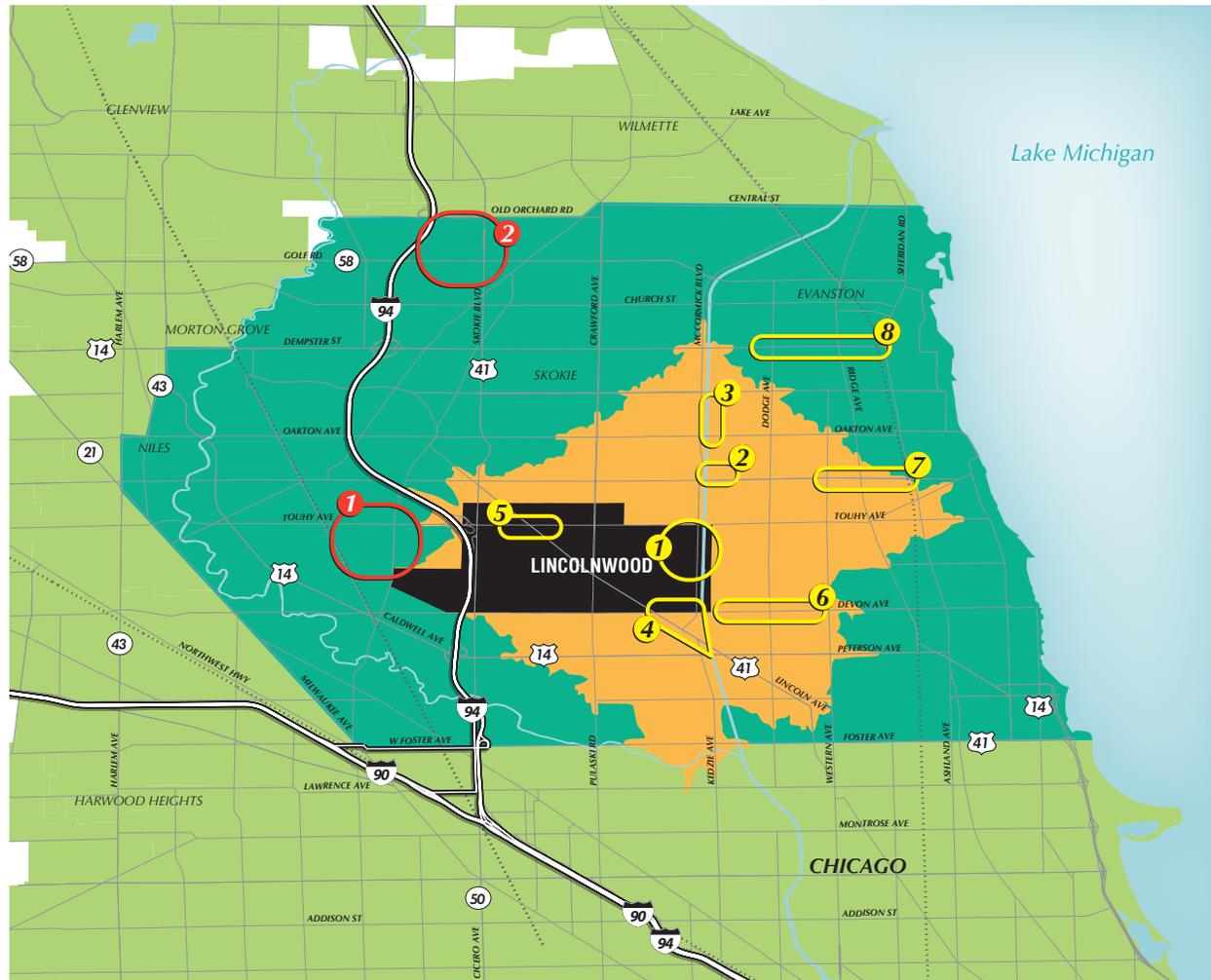
Lincolnwood Business Park, is also the location of Cinema Odeon Old Orchard. Fashion Square Mall, a center whose tenants include Casual Male, Lane Bryant, and RadioShack, is located to the south of Old Orchard while Orchard Place, a 90,000 square foot center anchored by Golf Galaxy and Staples, is located to the east. The mall is one of the largest in the Chicago area and has a market base that extends throughout the northern suburbs including Lincolnwood.

Market Implications

The primary market area has several retail concentrations including both neighborhood serving retail centers and large retail centers anchored by ‘big box’ tenants. The two large retail concentrations within close proximity of the Lincolnwood Business Park are the location of a Target, multiple home improvement and office supply stores, and electronics and media stores such as Best Buy, Borders, and RadioShack. Given current demand, this nearby competition may be viewed as category killers by potential retailers considering a location at the Lincolnwood Business Center. The retail demand analysis in a later section of this report quantifies existing competition and demand to delineate how significant of an impact these existing retail concentrations could have on retailers located at the business park.

Old Orchard and Touhy Avenue, to the west of I-94, are regional shopping destinations that draw from throughout the secondary market area and beyond. The Lincolnwood Town Center is a regional destination in itself and may represent the most significant opportunity for retail development within the Business Park if significant sites can be identified that can take advantage of close proximity to the center and access and exposure to the high traffic volumes along Touhy or McCormick Avenues.

RETAIL CONCENTRATIONS



TRAFFIC COUNTS BY RETAIL AREA

National retailers outline a very specific set of standards when evaluating a potential site. One determining factor is a location's minimum Average Daily Traffic (ADT). The ADT figure measures the average amount of traffic on a street on any given day. Larger retailers typically look for an ADT count of between 20,000 and 30,000 when deciding if a particular site is well suited for future development. Given these criteria, key intersections and corridors with significant traffic counts often already have major retail centers.

5 Minute Drive Time

- **Lincolnwood Business Park** – Traffic counts are between 33,200 and 20,100 ADT along Touhy Avenue on the northern edge of the Business Park. McCormick has counts of approximately 28,500 ADT. Lincolnwood Town Center, which is located on the southwest corner of this intersection is well positioned to take advantage of traffic volumes which combine for a total ADT of between 50,000 to 60,000.
- **Devon Avenue\Lincoln Avenue\McCormick Boulevard** – These three roadways form the locus of one the most significant retail concentrations within the primary market area. Approximately 17,500 vehicles travel along this portion of Devon Avenue on a daily basis. Lincoln Avenue experiences daily traffic counts of between 27,500 and 28,500 while the ADT for McCormick approaches 14,000 at Lincoln Avenue, combining for traffic counts of approximately 42,000 ADT.

- **Lincoln Avenue\Touhy Avenue** – This intersection forms the center of a neighborhood retail concentration within the Village. Touhy Avenue has an estimated ADT of between 31,700 and 43,100 as it approaches its intersection with Lincoln Avenue which experiences daily traffic counts of 27,500.
- **Howard Street** – Key Intersections along the roadway serve a community commercial destinations. Howard has estimated daily traffic counts of 32,200 at Western Avenue and 17,900 at Clark Street. The Evanston Center shopping center located at Howard Street and Channel Road experiences a combined ADT of approximately 28,000.
- **Devon Avenue** – Devon Avenue is a commercial corridor in Chicago that draws patrons from throughout the region to its eclectic mix of ethnic influenced shops and restaurants. The Chicago portion of this corridor has ADT counts ranging from 16,000 to 18,000.

10 Minute Drive Time

Dempster Street – Traffic counts along Dempster Street vary between 30,300 and 28,700 ADT, decreasing to less than 20,000 ADT as the roadway approaches Downtown Evanston.

Lincoln Avenue\Foster Avenue – A Dominick's is currently under construction near this intersection. Lincoln Avenue has an ADT of 23,400 at this point while traffic counts along Foster are between 19,800 and 18,400.

Peterson Avenue – A newly constructed Target Supercenter is located along Peterson Avenue at Hoyne Avenue. Traffic counts along this portion of Peterson are approximately 38,000 ADT.

Regional

- **Touhy Avenue\Carpenter Road** – This intersection is located at the eastern edge of the retail concentration centered on the intersection of Touhy and Central Avenues. Carpenter Road has an estimated ADT of between 19,100 and 21,900. Touhy Avenue, which has an interchange with I-94 approximately a half mile east, has an estimated ADT of 43,800 at this intersection.
- **Old Orchard Shopping Center** – Old Orchard Road, which has an interchange with I-94 less than a block west of the shopping center, forms the shopping center's northern edge and has an estimated ADT of 16,200. Skokie Boulevard, which forms the center's eastern edge, has an ADT of 18,200. Golf Road, which forms the center's southern edge, has an ADT of approximately 29,400.

Market Implications

New retail development at the Lincolnwood Business Park would face significant competition from retail concentrations that have developed along the area's heavily trafficked corridors. The combined traffic volume of 50,000 to 60,000 ADT at the intersection of Touhy Avenue and McCormick Boulevard is on par with that of other regional shopping centers in the market area. For instance, Old Orchard has an ADT of between approximately 48,000 and 63,000 and the Touhy/Carpenter Road retail area has a combined ADT of approximately 65,700.

Given the degree of competition and traffic volumes, any future retail development at the Lincolnwood Business Park is most likely to succeed on sites with direct Touhy access and visibility. The proposed Touhy Centre development, to the north of the Lincolnwood Business Park, is an indication of the potential for a well positioned retail development in the market area. Future retail development will need to be sited to maximize exposure along the site's primary roadways.

RETAIL GAP ANALYSIS

The following analysis uses a comparison of projected spending by market area households to the existing supply of retail space to assess development potential. This 'gap' analysis provides an indication of "surplus" or "leakage" within a given retail category.

The presence of a surplus within a given retail category suggests that there is at least enough retail space to accommodate demand for the range of goods and services provided by stores in that category. Conversely, leakage indicates that demand exceeds supply and consumers are spending dollars outside of the market area. This leakage could potentially be recaptured and may represent a commercial opportunity within the market area.

In general the frequency of visits and size of purchase dictates market area. Smaller frequent purchases, such as groceries, are conducted within a shorter drive time, while consumers are willing to travel further for bigger ticket items such as appliances, which they are prone to (1) due less often and (2) comparison shop.

Primary Market Area

As shown in **Table 2**, in analyzing existing retail supply and demand within the primary market area, it is estimated that there is currently an oversupply of retail goods and services totaling approximately \$129.4 million. The primary market area had an estimated 43,843 households in 2010. With an estimated retail demand of \$1.19 billion, this equates to a potential expenditure per household of \$27,087, with a current supply of \$30,039 per household. This figure includes all retail, eating and drinking establishments.

Secondary Market Area

In analyzing existing retail supply and demand within the secondary market area, there is currently an unmet demand for retail goods and services totaling approximately \$343.2 million. Within the secondary market area, there are approximately 162,311 households contributing to a current retail demand of \$4.49 billion. This demand equates to a potential expenditure per household of \$27,687, with a current supply of \$25,573 per household. This figure also includes all retail, eating, and drinking establishments.

Typical Market Area

The typical market area for each retail tenant type is also indicated in **Table 2**. The customer base for the majority of store types within these retail categories is composed of the population within the secondary market area. Similar to existing development in and around the Business Park, future retail development would most likely serve a combination of customers from both the primary and secondary market areas, performing a dual function of providing for the day-to-day needs of local residents as well as the needs of people from outside of the community.

The 'gap' within the typical market area for a given retailer is representative of demand for that particular type of goods and services. For example, in **Table 2**, General Merchandise Stores currently exhibits oversupply within the primary market area, however the secondary market area is currently experiencing leakage within this category. In this instance, the secondary market area most accurately reflects the demand for General Merchandise, which includes large department stores, due to the fact that consumers travel a greater distance for these store types.

Retail Potential

Both the primary and secondary market areas for the Lincolnwood Business Park are fairly saturated with limited opportunity for new retail development given current market conditions. When typical market area is considered, there are some retail categories that demonstrate a limited degree of leakage in the larger secondary market area and may be able to support additional retail development. Although the range of retail leakage varies, some degree of market potential is indicated for Food & Beverage Stores, General Merchandise Stores, and Food Services & Drinking Places.

Table 2. Retail Gap Analysis
Primary & Secondary Market Areas (2010)

	Primary Market Area	Secondary Market Area	
Summary Demographics			
2010 Population	125,175	415,906	
2010 Households	43,843	162,311	
2010 Median Disposable Income	\$45,053	\$43,579	
2010 Per Capita Income	\$25,215	\$28,641	
Retail Gap by Market Area¹			
Industry Group	Primary	Secondary	
Total Retail Trade and Food & Drink	(\$129,438,363)	\$343,208,669	
Total Retail Trade	(\$144,144,228)	\$309,289,791	
Total Food & Drink	\$14,705,865	\$33,918,878	
Retail Gap by Market Area¹			
Industry Group	Primary	Secondary	Typical Market Area (P = Primary, S = Secondary)
Motor Vehicle & Parts Dealers	(\$148,955,320)	\$164,895,510	S
Furniture & Home Furnishings Stores	(\$1,096,341)	(\$76,752,417)	S
Electronics & Appliance Stores	(\$20,826,015)	(\$60,991,129)	S
Bldg Materials, Garden Equip. & Supply Stores	(\$20,655,223)	\$15,815,477	S
Food & Beverage Stores	\$26,485,707	\$19,499,777	S / P
Health & Personal Care Stores	(\$37,232,169)	(\$47,599,565)	P
Gasoline Stations	\$23,249,063	\$257,291,426	-
Clothing and Clothing Accessories Stores	(\$3,315,386)	(\$37,473,865)	S / P
Sporting Goods, Hobby, Book, and Music Stores	\$694,968	(\$15,326,093)	S / P
General Merchandise Stores	(\$9,193,664)	\$86,676,028	S
Miscellaneous Store Retailers	\$3,120,904	(\$5,442,995)	P
Nonstore Retailers	\$43,579,248	\$8,697,637	-
Food Services & Drinking Places	\$14,705,865	\$33,918,878	S / P

¹ **Positive** values indicate potential for additional retail space;
Negative values indicate an over supply of retail space.

Source: ESRI Business Analyst; Houseal Lavigne Associates

POTENTIAL USERS

It is important to distinguish between support in the market and development potential of a specific site or location. The availability of alternative sites, specifications of particular retailers, the number of projects actively pursuing tenants, and similar issues can affect whether market potential translates to development potential.

Figures relating to sales-per-square-foot and typical store size can be utilized to equate consumer expenditures to a preliminary indication of development potential. By dividing a “gap” amount by a given store type’s typical sales-per-square-foot, demand measured in dollars and cents can be effectively translated to a potential number of additional retail square feet could be supported within the retail market area. If the resulting square footage is within the range of the typical retail format of a given type of retailer, a preliminary conclusion can be made that the market can support additional development in that particular category.

As an example, if it is determined that there is a “gap” in consumer expenditures of \$10 million in a store type that averages \$200 per square foot in sales revenue, then it can be estimated that the market is underserved by approximately 50,000 square feet in that particular category. If the average store for that category is 50,000 square feet, then the market indications are that there is support for one more store. If the average store size is 20,000 square feet, the market could potentially support two to three more stores. Conversely, if the ‘gap’ analysis were to indicate support for an additional 20,000 square feet of retail and the average store size is 50,000 square feet, there is not enough demand to support an additional store.

Store Size & Sales-Per-Square-Foot

Sales-per-square-foot revenues vary by individual retailers and location. However, an examination of benchmarks pertaining to typical sales and store sizes can be applied to yield a better understanding of supportable retail square footage.

Data for prototypical national retailers have been used to benchmark potential square feet of supportable space within a given category. For example, within the primary market area there is a retail gap of approximately \$3.96 million within the Limited-Service Eating Places retail category. The average annual sales for a limited-service deli/sandwich eatery, such as a Panera or Potbelly, are between \$275 and \$475 per-square-foot, which translates to approximately 8,000 to 14,000 square feet of unmet demand. The typical restaurant for a national chain of this type is between 1,500 and 4,000 square feet and, therefore, there is sufficient local demand to support a new retailer in this category.

Table 3 indicates the typical sales per square foot for retail categories with potential for new development, the potential square footage, typical store size, and an estimated demand for additional storefronts within the appropriate market area.

Specialty Food Stores. As shown in **Table 3**, the secondary market area makes up the typical draw for specialty food stores. There is an indication of demand for specialty food stores within the secondary market, with more limited demand within the primary market area. Specialty food stores include such retailers as meat, fish and seafood markets, fruit and vegetable markets, and candy/nut stores. Convenience stores are not included in this retail category. These stores have a typical size of between 2,500 and 3,000 square feet within a neighborhood retail setting; however, a national chain in this category, such as Trader Joe’s, has a typical footprint of 8,000 and 10,000 square feet.

Non-Department Store General Merchandise. Within the market area, this retail category is represented by warehouse clubs, such as Costco and Sam’s Club, and dollar stores. Given the average store size of between 130,000 and 140,000 square feet, a warehouse club is not a likely candidate to locate at the Lincolnwood Business Park. Dollar stores typically range in size from 10,000 to 20,000 square feet and could be accommodated at the business park. Ultimately, it will be a Village policy decision as to whether this type of use is compatible with the long-term vision for retail development at the Lincolnwood Business Park.

Table 3. Potential Market Area Storefronts
Primary & Secondary Market Areas, 2010

Industry Group	Typical Sales PSF	Retail	Typical Store Size (sf)	Potential Storefronts
Food & Beverage Stores	475	15,665	2,500 - 50,000	3 - 5
Grocery Stores	500	(21,250)	10,000 - 50,000	-
Specialty Food Stores	475	31,994	3,000 - 10,000	2 - 3
Beer, Wine, and Liquor Stores	475	4,921	2,500 - 5,000	1 - 2
General Merchandise Stores	275	100,730	10,000 - 100,000	3 - 4
Department Stores Excluding Leased Depts.	275	(25,204)	100,000	-
Other General Merchandise Stores	275	125,934	10,000 - 20,000	3 - 4
Food Services & Drinking Places	365	(2,125)	1,500 - 5,500	6 - 8
Full-Service Restaurants	365	(43,443)	2,500 - 5,500	-
Limited-Service Eating Places	350	11,320	1,500 - 3,000	3 - 4
Special Food Services	350	13,061	-	-
Drinking Places - Alcoholic Beverages	300	16,937	1,500 - 2,500	3 - 4

Source: ESRI Business Analyst ; US Business Reporter; and Houseal Lavigne Associates

Limited-Service Restaurants. Potential has also been indicated for limited-service eating places in both the primary and secondary market areas. Limited service restaurants include a wide variety of eateries such as deli and sandwich shops, cafes, pizza parlors, and fast food restaurants. These eateries have a typical size of between 1,500 and 3,000 square feet. These users typically require direct access to major roadways. Sites with proximity to the Lincolnwood Town Center ring road may be attractive to limited-service eateries provided that visibility via sight lines and signage can be accomplished. Reconfiguration of some parcels fronting Touhy may create the potential to accommodate at least one new property.

Full-Service Restaurants. The retail gap analysis indicates that the market for full-service restaurants is saturated within both the primary and secondary market areas. However, as with limited-service eateries, if sufficient access and visibility were to be established to a site, the Lincolnwood Business Park may prove to be a strategic location for another full-service restaurant, including the relocation of a user from a neighboring municipality. Full-service restaurants have a typical footprint of between 3,000 and 5,000 square feet. Restaurants typically require frontage along main thoroughfares and prominent locations within retail centers.

OFFICE MARKET

The Village of Lincolnwood is located in the North Suburban submarket of the Chicago Suburban office market as defined by CB Richard Ellis, a nationally recognized provider of commercial real estate research. The North Suburban submarket is roughly defined as the area bound by and includes Lake County to the north, Lake Michigan to the east, Foster Avenue to the south, and IL 83\US 45 to the west. **Table 4** summarizes key office market statistics for the North Suburban submarket, other suburban submarkets, and the Suburban Chicago region as a whole.

Office space is typically classified into three categories:

- **Class A** - Characterized as buildings that have excellent location and access, attract high quality tenants, and are managed professionally. Building materials are high quality and rents are competitive with other new buildings.
- **Class B** - Characterized by good location, management, and construction with high tenant standards. Minimal functional obsolescence and deterioration.
- **Class C** - Characterized by aging buildings (15 to 25 years old), but maintaining steady occupancy.

Table 5 provides cumulative inventory, rental, and vacancy information for office space in all three classes within each submarket.

Vacancy

Both the direct vacancy rates and lease rates within the North Suburban submarket are on par with the larger Chicago Suburban office market. Approximately 595,000 square feet (21.1%) of the submarket's office space was available for lease or sublease. The region-wide direct vacancy rate has increased steadily since 2008 and the overall vacancy rate, which excludes subleases, is 23.6%, the highest point since 2003.

Absorption in the first quarter of 2010 was negative in nearly all the region's submarkets and over 110,000 square feet of office space was added to the North Suburban submarket. Given that the North Submarket is the largest overall, this negative absorption is not as significant compared to other submarkets that added similar amounts of space to the market.

Table 4. Office Market Statistics
 Chicago Suburban Market, First Quarter 2010

Submarket	Total Inventory (sf)	Direct Vacancy	Net Absorption (sf)	Asking Lease Rates (Gross/sf)
North Suburban	39,407,890	21.1%	(110,984)	\$21.95
Class A	12,909,922	19.7%	(59,920)	\$26.49
Class B	19,369,134	21.0%	(37,728)	\$20.57
Class C	7,128,834	23.7%	(13,336)	\$16.84
East-West Tollway	22,645,204	18.1%	(172,229)	\$23.09
Northwest Suburbs	27,875,918	22.9%	(375,962)	\$21.27
O'Hare	13,736,949	24.8%	(95,239)	\$22.09
South Suburbs	2,425,439	22.8%	6,218	\$17.60
WestCook	1,098,104	37.6%	(7,446)	\$17.35
Chicago Suburban Market	107,189,504	21.6%	(755,642)	\$21.70
Class A	43,269,179	19.0%	(392,490)	\$25.95
Class B	41,026,901	21.8%	(236,117)	\$20.62
Class C	22,893,424	26.1%	(127,035)	\$17.13

Note: As of the end of the first quarter 2010, no new space was under construction within the entire Chicago Suburban Market

Source: CB Richard Ellis; Houseal Lavigne Associates

Table 5. Select Office Property Characteristics
Primary & Secondary Market Areas, June 2010

Property	Address	Year Built/ Renovated	Total Space	Available Space	Vacancy	Adjusted Gross Asking Rent ¹
7101 N Cicero Building	7101 N Cicero Ave.	1970	21,000	2,928	14%	\$21.00
Lincolnwood Financial Center	7250 N Cicero Ave.	1953 / 1980	29,223	7,023	24%	\$20.00
Lincolnwood Corporate Center	7301-7337 N Lincoln Ave.	1964	74,407	27,216	37%	\$13.00 - \$20.00
Lincolnwood Commons	7358 N Lincoln Ave.	1988 / 1990	19,650	1,920	10%	\$19.25
Heritage Office Center	7366 N Lincoln Ave.	1975 / 1998	40,063	10,110	25%	\$22.20
Bank of Lincolnwood Building	4433 W Touhy Ave.	1967	50,000	9,759	20%	\$16.50 - \$22.00
7001 Central Park Building	7001 Central Park Ave	-	-	232,000	-	\$6.00
7161 Cicero Building	7161 N Cicero Ave.	-	-	950	-	\$17.70
7250 Cicero Building	7250 N Cicero Ave.	-	-	1,000	-	\$12.00
7330 Cicero Building	7330 N Cicero Ave.	-	-	7,000	-	\$15.00
6708 N Crawford Building	6708 N Crawford Ave.	-	-	1,130	-	\$16.50
3454 W Devon Building	3454 W Devon Ave.	N/A	6,400	6,400	100%	\$18.00
3500 W Devon Building	3500 W Devon Ave.	N/A	-	4,105	-	\$14.12 - \$18.00
3372 W Devon Building	3372 W Devon Ave.	N/A	-	5,300	-	\$19.20
3758 W Devon Building	3758 W Devon Ave.	N/A	-	1,700	-	\$18.00
6600 N Lincoln Building	6600 N Lincoln Ave.	N/A	-	6,600	-	\$19.50
3372 W Devon Building	3372 W Devon Ave.	N/A	-	5,300	-	\$0.00
3372 W Devon Building	3372 W Devon Ave.	N/A	-	5,300	-	\$0.00

Asking Rent Range \$13.00 - \$22.20
Asking Rent Average \$18.50

¹ Net asking rents have been multiplied by 120% to enable comparison with gross asking rents.

Source: Village of Lincolnwood; Metro-Chicago Office Guide; Loopnet; Houseal Lavigne Associates

Office Properties Marketing in Lincolnwood Area

North Suburban submarket is large and sales information from the local market areas has been gathered to shed light on how larger trends are impacting local development. Office development in the Lincolnwood area is concentrated in the I-94 corridor and located along arterials in mostly smaller, aging commercial buildings. Office properties currently being marketed in the Lincolnwood area were primarily constructed in the 1960s, 70s, and 80s with some renovations in more recent years. The largest office building on the market is 74,400 square feet.

The Lincolnwood Business Center, located at 7001 Central Park Avenue, is the only office space currently being marketed within the Lincolnwood Business Park. The 232,000 square foot building and surrounding eight-acre lot are being marketed for retail, office, manufacturing and warehousing uses with condominium spaces divisible to 25,000 square feet. The Village has approved plans to demolish a portion of the structure to build a separate retail building with a smaller 165,000 square foot structure to be divided into retail, office, and industrial uses. The property is also listed for sale at \$11.9 million.

Market Implications

The age of existing office space on the market may be indicative of a need for new office space, but speculative construction is not likely to occur anytime in the near future. Build-to-suit projects will likely be source of any future development in the near- to mid-term.

The North Shore University Health System currently occupies the medical office space located on the northwest corner of Pratt Avenue and McCormick Boulevard. Input obtained from key person interviews indicates that there is potential demand for additional medical office space within the market area.

MARKET ANALYSIS CONCLUSIONS

Population and households within the Village and larger market area are getting older and gaining in affluence. This trend is projected to continue for at least the next five years. Notwithstanding the current economy, this translates into more buying power and an increase in consumer expenditures. This not only provides the necessary support of existing uses, it forms the basis for new development or redevelopment of existing space.

While there are several sites and locations throughout the market area with development and/or redevelopment potential, those with existing stable uses, infrastructure, good exposure and easy access are the most likely to experience development first.

Traffic counts along Touhy and the intersection with McCormick in particular, are within the threshold of that desired by most major retailers. While the Business Park does not have direct exposure to McCormick, access and signage from this north/south thoroughfare will play an important role in maximizing development potential.

As referenced, the location of current development is an important component of future potential. Lincolnwood Town Center is the type of existing use that can act as a catalyst for attracting additional development. Lowe's is more of a destination and less likely to spawn ancillary or out-lot development than a regional shopping center such as the Town Center. This destination type of use is often a co-tenant or occupies sites with other "big box" uses. As indicated in the retail gap analysis, the market is fairly saturated for larger format users with a few exceptions.

Redevelopment should be targeted for those sites positioned east of Lowe's and west of Lincolnwood Town Center with particular focus on exposure to Touhy Avenue. By repositioning some of the existing uses within this area, new retail and restaurant development could be accommodated. In addition, while outside of the project study area, redeveloping sites along Touhy Avenue on the northern edge of Town Center will create better continuity not only to the new development, but Lincolnwood Town Center and Lowe's as well. Longer-term, phased development potential can be accommodated within this area both to the west and south.

Based on an inventory of available properties both within and outside of the Business Park, displaced uses could be accommodated. The Village should work closely with those businesses to ensure that they remain in the Village.

The remainder of Lincolnwood Business Park is well occupied and stable at this time. These are viable businesses that provide jobs and contribute to a diversified tax base. If at a later time, development pressure or market conditions result in a need for additional commercial space, the Village may seek to work with those businesses and property owners to discuss redevelopment options.

The former Bell & Howell site is currently the subject of a redevelopment plan that includes medical office, senior housing and extended care facilities. Given the lack of arterial frontage, proximity to residential uses, general disconnect from retail uses and indicated growing demand for the proposed mix of uses, this appears to be a viable plan for that site. Further, it would provide a potential activity generator for current and future retail/restaurant uses and complement the existing senior housing development and nearby medical office facility.

In summary, there are indications of retail development potential that can be accommodated at the Lincolnwood Business Park. Accommodating those uses, however, will require redevelopment and repositioning of some existing uses, sites and infrastructure. If planned properly, development can be phased and the impact to existing businesses and surrounding uses can be mitigated.

3. SITE INVENTORY & ANALYSIS

3. SITE INVENTORY & ANALYSIS

THE LINCOLNWOOD BUSINESS PARK
COMPRISES SEVERAL DISTINCT AREAS
DELINEATED BY USE, LOCAL ROADWAYS,
AND POTENTIAL REDEVELOPMENT SITES

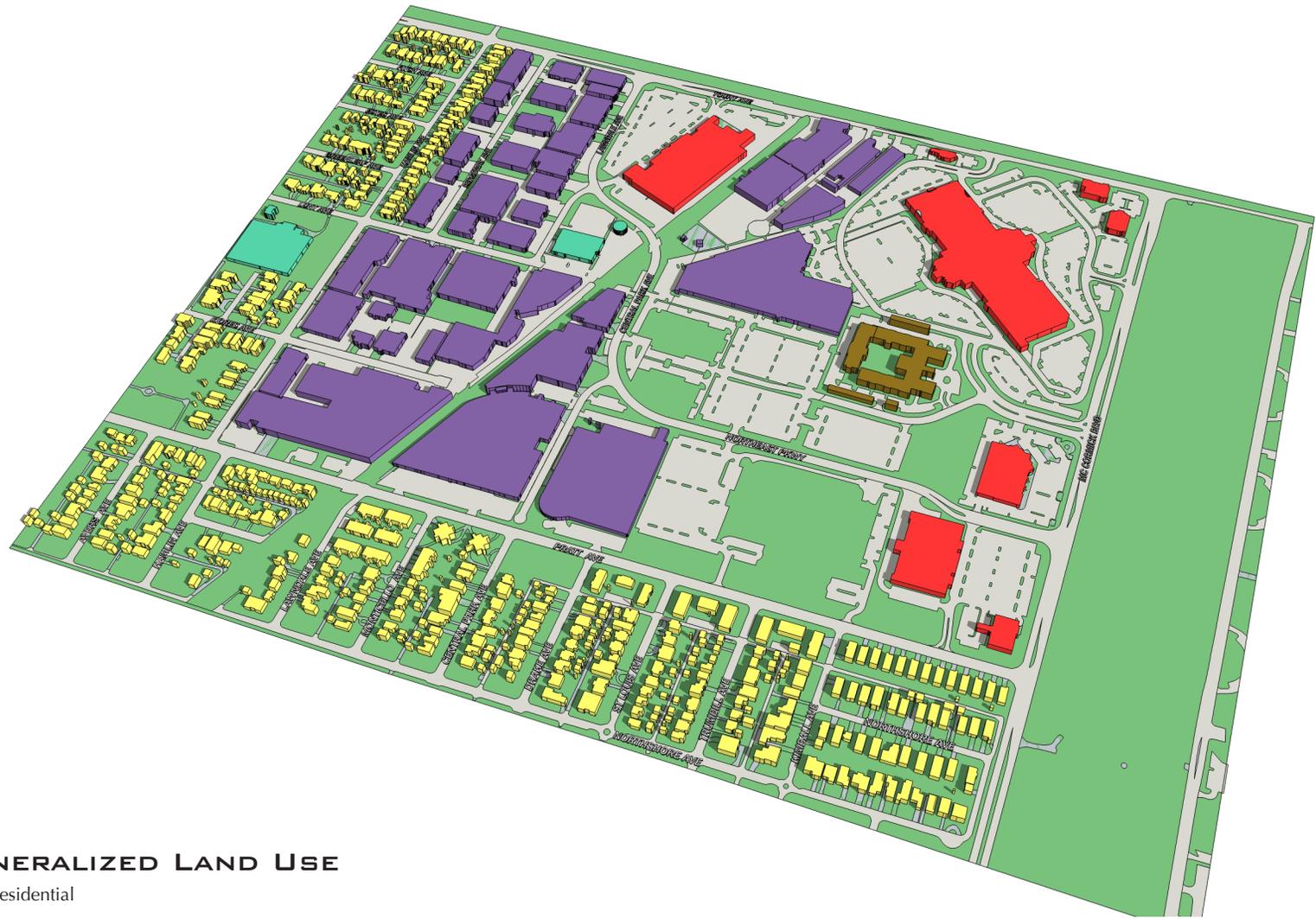
All parcels within the Lincolnwood Business Park have been inventoried and a database has been prepared that details parcel size, use, building size, and related information. Different property characteristics such as parking, access and relationship to surrounding land uses were also evaluated during this inventory. This section summarizes the primary observations of the Site Inventory & Analysis contained in the appendix to this report.

The Lincolnwood Business Park comprises several distinct areas delineated by use, local roadways, and potential redevelopment sites. As such, the following summary is divided into three (3) sections, each of which explores the issues and opportunities present within the business park's functional areas.

BELL & HOWELL / ATF / DOMINICK'S SITE



GENERALIZED EXISTING LAND USE



GENERALIZED LAND USE

- Residential
- Senior Housing
- Commercial / Office
- Industrial / Business Park
- Public

PRATT / TOUHY / HAMLIN / CENTRAL PARK



GENERALIZED LAND USE

- Residential
- Industrial / Business Park
- Public

PRATT / TOUHY / HAMLIN / CENTRAL PARK (1)

This area of the Lincolnwood Business Park can be classified as a relatively healthy employment center with limited vacancies and a stable core of businesses. Access is convenient via Hamlin and Touhy Avenues.

The two primary issues noted by businesses were employee parking and street improvements. Interviews and field observations indicate that off-street parking facilities are typically at capacity during weekdays and on-street parking is frequently utilized by these businesses. The public parking lot located at Lawndale and Central Park Avenues is used by some businesses, but it was described as too distant for others. The Village should continue its efforts to improve public parking in this area where possible.

Approximately 80,000 square feet of warehousing and office space is currently available for lease at four sites within this portion of the business park. Another 50,000 square feet is currently for sale at a single location, 3665 W Lunt. Interviews with local businesses and realtors indicate that there are no current plans for expansion or relocation among businesses in this area.

CAPITOL DR. / BUSINESS CENTER / GROSSINGER (2) Lincolnwood Business Center

The Lincolnwood Business Center is a 232,000 square foot building on an eight-acre parcel located at 7001 Central Park Avenue. The property, which is partially leased, is currently being marketed for lease or sale with potential uses including retail, office, manufacturing and warehousing. Commercial condominium space is a possibility and may be divisible up to 25,000 square feet. Asking net lease rates currently range from \$4.50 to \$8.50 per square foot.

The Village has approved plans to demolish a portion of the structure to build a separate 40,000 square foot retail building located to the east of the original structure. The existing building would be renovated into a 165,000 square foot structure that is divisible into retail, office, and industrial uses.

The Lincolnwood Business Center is located near the center of the business park, at a driving distance of approximately 0.20 and 0.25 miles from Touhy Avenue and McCormick Boulevard respectively. The business center is not visible from either of these primary roadways which may impact retail development potential. The property is, however, easily accessible from the Lincolnwood Town Center ring road.

Grossinger Autoplex

Grossinger Autoplex owns three large parcels totaling nearly 13 acres that are currently used to store cars on surface parking lots. This sizeable portion of the business park represents a significant opportunity site for future redevelopment. However, the interior location and lack of visibility from McCormick Avenue, indicate that the area is not a likely candidate for retail uses. The availability of other sites such as the Lincolnwood Business Center also limits the near- and mid-term redevelopment potential of this area. In addition, representatives for Grossinger have indicated that they have no plans for future redevelopment at this time.

Over the long-term, redevelopment of this site may be desirable as it occupies a significant portion of the business park that could be dedicated to higher uses. Given current market conditions and the site's existing development context, auto storage for the adjacent Grossinger Autoplex is an appropriate use.

Capitol Drive

Given proximity to Lincolnwood Town Center and Touhy Avenue, the Capitol Drive area may possess the most potential for retail and restaurant redevelopment in the business park. The west side of Capitol Drive is occupied by two large users: ADA Metals, a 75,000 square foot metal products manufacturer, and Louis Glunz Beers, a regional beer distributor. Both of these companies appear to be stable and there is no indication that either company is considering relocating their facilities.

The eastern side of Capitol Drive is less stable. The easternmost parcel, which contains a 25,000 square foot warehouse, is currently for sale. The adjacent parcel, located on the southeast corner of Capitol Drive and Touhy Avenue, is currently used as a self storage facility. The 36,000 square foot building to the south of these two properties is the corporate office location of Championship Billiards, a billiards fabrics manufacturer. Approximately 20,000 square feet of this building is currently being marketed for lease as warehouse space.

The Capitol Drive area currently functions autonomously from the surrounding Lincolnwood Business Park and adjacent Lincolnwood Town Center. Properties are accessed via individual driveways along Touhy Avenue or via Capitol Drive, which forms a dead-end after approximately 150 feet.

CAPITOL DRIVE / BUSINESS CENTER / GROSSINGER



GENERALIZED LAND USE

- Senior Housing
- Commercial / Office
- Industrial / Business Park

BELL & HOWELL / ATF / DOMINICK'S (3) Bell & Howell Development Concept

CenterPoint Properties, current owner of the Bell & Howell property, has recently proposed redevelopment of the site to include between 200 and 220 units of a mix of assisted and independent living units, a 68-unit memory care facility, and a three-story medical office building. The demographic overview and retail market study contained in this report, in combination with the property's interior location within the Business Park and away from major roadways, indicate that the proposed redevelopment plan is suitable for the site.

Senior Housing/Memory Care/ Medical Office

The demographic overview and retail market study contained in this report indicates continued growth in older age cohorts, particularly those in higher income brackets. This segment of the market is the driving force behind demand for age restricted independent and assisted living. While an analysis of the market related to senior housing was not a component of this study, demographic trends identified are generally consistent with the conclusions contained in the 2009 *Senior Housing Market Assessment* conducted by Valerie S. Kretchmer Associates, Inc.

While people are living longer, one of the residual impacts is an increase in the need for continuing medical care. This ranges from generally benign healthcare issues, to the need for chronic care. As a result, uses that are ancillary or related to senior housing, including memory care and medical office, will also experience growth in demand. The juxtaposition of these uses to senior developments is becoming increasingly more common where adequate sites are available. While the office market in general is relatively weak, there continues to be indications of support for new medical office space.

In terms of location, these uses do not command high profile sites, but generally require close proximity and easy access to major streets and arterials. In addition, proximity to retail, restaurants and entertainment related uses is desirable and helps enhance marketability.

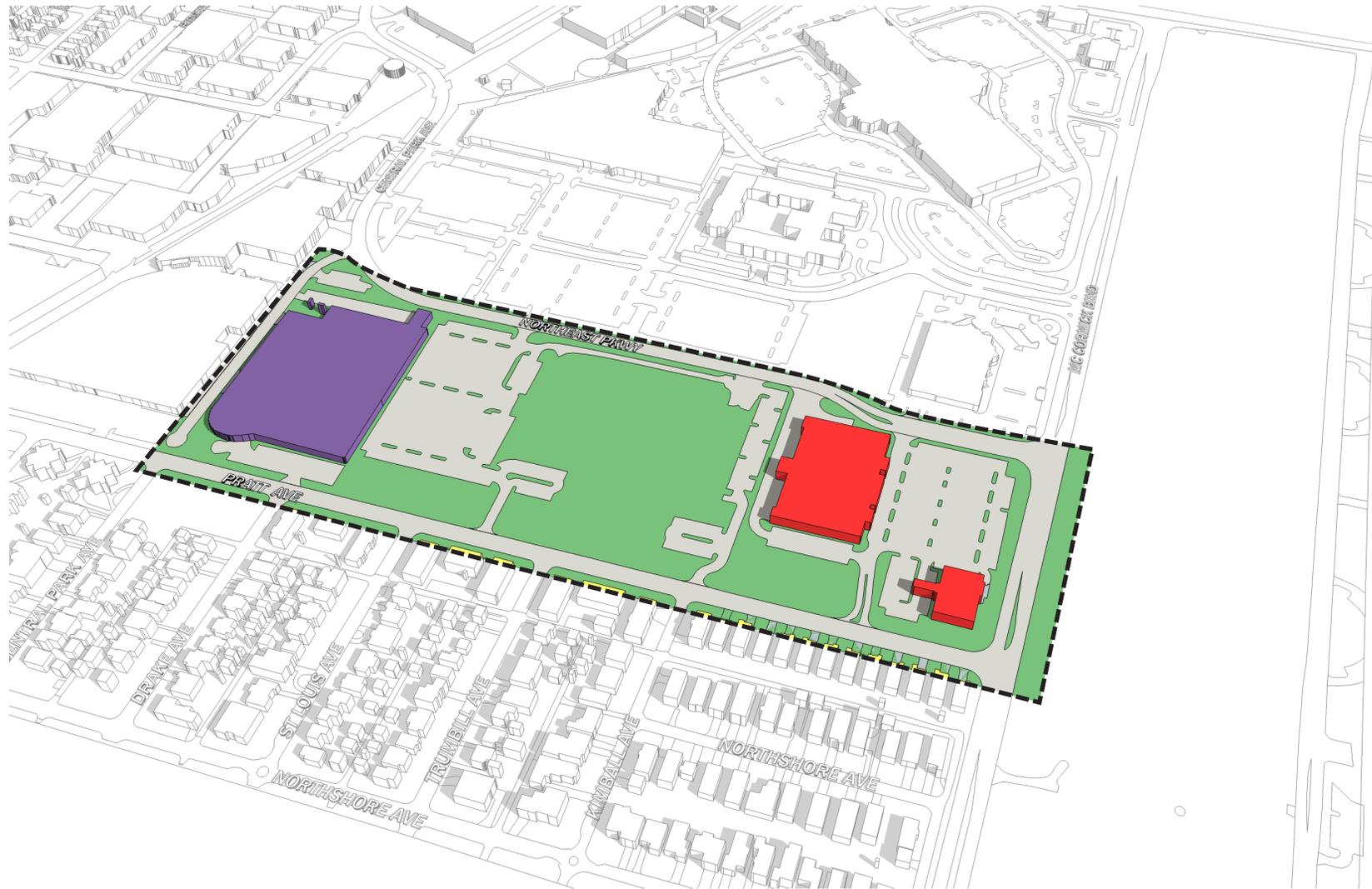
Based on the above, and given the limited direct access and visibility from McCormick Avenue, the former Bell & Howell site is best suited for non-retail/restaurant development. The current proposal for senior housing, memory care and medical office is generally consistent with the type of use that would be suitable for that location.

ATF

ATF, a manufacturer of metal and plastic components and fasteners, employs an estimated 250 people at its headquarters location (3550 W Pratt) in the Lincolnwood Business Park. As an important contributor to the local economy, provisions should be made to ensure that the health of this business and others is not be negatively impacted by future development in the business park. Visitor and employee parking for ATF is currently provided on two surface lots, both of which are accessed by Central Park Avenue. Additional perpendicular parking spaces and covered truck bays are also accessed via Central Park Avenue.

The current proposal for the Bell and Howell site positions a five to six story senior housing building adjacent to the ATF facility. To create a buffer between the existing industrial users and potential future residential uses, a fence with landscaping, or some other form of vertical screening, should be installed along the perimeter of the Bell and Howell property. This should be done in addition to the proposed drive and parking lanes and landscaping adjacent to the proposed building.

BELL & HOWELL / ATF / DOMINICK'S



GENERALIZED LAND USE

- Commercial / Office
- Industrial / Business Park

4. PRIMARY ISSUES

4. PRIMARY ISSUES

FIELD OBSERVATIONS AND INPUT
OBTAINED DURING KEY PERSON
INTERVIEWS IDENTIFIED THREE PRIMARY
ISSUES WITHIN THE
LINCOLNWOOD BUSINESS PARK

PARKING

Field observations and input from key person interviewees indicate that parking for existing retail uses (i.e. Lowe's and Dominick's) is sufficient. Since commercial uses require more parking than industrial uses, future redevelopment would have a significantly smaller footprint than existing uses in the Lincolnwood Business Park. Should further commercial development occur in the areas adjacent to existing retailers, such as the Lincolnwood Town Center, there may be opportunities for the creation of shared parking facilities that could help maximize the site area devoted to commercial uses.

ACCESS

North-south connections between Touhy Avenue and Northeast Parkway are limited in the area to the east of the Union Pacific right-of-way. Capitol Drive, which dead ends after 150 feet, and the Lincolnwood Town Center ring road, which meanders southeasterly to Lunt Avenue, represent the only north-south access points into study area.

Parcels located on Capitol Drive are disconnected from local streets including Northeast Parkway and the Lincoln Town Center ring road. This access may be sufficient for current industrial uses, but it limits the potential for retail development. The ability to easily direct traffic from Touhy Avenue and McCormick Boulevard into the Lincolnwood Business Park will have a significant impact on the potential for commercial uses to be located in the interior of the business park.

Central Park Avenue is currently a cul-de-sac at Pratt. This is intended to eliminate through traffic from Touhy Avenue and McCormick Boulevard and limit truck traffic along Pratt Avenue. While this configuration provides added safety to residential uses to the south of Pratt Avenue, it also hampers access to employers and encumbers potential development sites located within the Business Park. Other strategies could be implemented to limit the impacts of through traffic and trucks. For example, by removing one of the two lanes currently dedicated to on-street parking along Pratt Avenue, a landscaped median could be used to prohibit left turns from Central Park onto Pratt and buffer

This segment of Pratt Avenue currently accommodates two lanes of parallel parking and one lane of traffic in either direction. Limiting parallel parking to either the north or south side of the street could provide enough space to accommodate a landscaped island, though further study would be necessary.



EXISTING LINCOLNWOOD BUSINESS PARK GATEWAY SIGN

VISIBILITY

Most national retailers require either frontage or visibility from major roadways. Grossinger Auto, Dominick's, and Lincolnwood Town Center effectively screen many of the interior opportunity sites within the Lincolnwood Business Park from the view of heavily travelled Touhy Avenue and McCormick Boulevard.

The EDC has considered modifying signage at the entryway to the Lincolnwood Business Park to better address visibility issues. While additional and/or modified signage is needed to address this issue, it should be pursued as a component of a more comprehensive planning effort to reposition the business park for commercial uses.

Although Lowe's takes advantage of Touhy Avenue exposure, the remainder of Business Park frontage along Touhy consists of office and industrial uses, including those along Capitol Drive. Facilitating additional retail development opportunities within the Business Park will be contingent upon maximizing Touhy exposure and access.

5. PRELIMINARY RECOMMENDATIONS

5. PRELIMINARY RECOMMENDATIONS

PRELIMINARY RECOMMENDATIONS
ADDRESS ISSUES AND OPPORTUNITIES
IDENTIFIED IN THE PREVIOUS SECTIONS

Taken together, the results of the market assessment and site inventory and analysis indicate that near term market potential exists in several retail categories. Capturing this market potential, however, will require the repositioning of key portions of the Business Park.

While several opportunity sites exist at the Business Park's interior, their full potential cannot be realized until additional steps are taken to improve access and exposure to Touhy Avenue and McCormick Boulevard. Long-term redevelopment of these sites is desirable, but may not be feasible in the current development context.

Given the recent redevelopment and success of properties along McCormick Avenue, actions to re-align the portion of the Business Park with Touhy Avenue frontage is desirable in the near- to mid-term and may facilitate long-term redevelopment of the park's interior. Underutilized properties along Capitol Drive, and adjacent to the Lincolnwood Town Center, could be redeveloped to establish a physical connection to Touhy Avenue that also complements activity at the Town Center.

While redevelopment concepts have not yet been created, several preliminary recommendations can be made that begin to address the issues and opportunities identified in the market assessment and site inventory and analysis.

1. Continue to **communicate and coordinate** with business park tenants regarding their infrastructure and parking needs. While local industrial and office users are stable, there may be steps that the Village can take to ensure that facilities have access to adequate parking, communications, utilities, etc.
2. Move forward with **Bell and Howell redevelopment** proposed by CenterPoint Properties with input on site configuration and buffering. The mix and scale of uses proposed by CenterPoint appear to be appropriate with respect to market support. It is important that the site configuration respect the proximity of ATF, Inc. and preserve potential access points for development to the north.
3. Utilize the eastern portion of **Capitol Drive as an anchor** for new development along Touhy Avenue. The self storage facility and vacant commercial building on the southeast corner of Touhy Avenue represent 'soft targets' for redevelopment given their location along Touhy Avenue adjacent to the Lincolnwood Town Center. The building to the south is mostly vacant (available for lease) and the existing business could be accommodated at another location within either the business park or elsewhere in the Village. The four parcels these three structures occupy combine to make up a site of nearly 160,000 square feet (3.6 acres) and could likely accommodate between 40,000 and 47,000 square feet of retail space.

4. **Retain industrial uses** along the western side of Capitol Drive. These businesses can and should remain as viable, stable businesses in the business park. These are large industrial users that employ a significant number of people.
5. Given the **Lincolnwood Town Center's** adjacency to key redevelopment opportunity sites, the Simon Property Group will be a vital partner in efforts to reposition the Business Park for retail and restaurant uses. The Village should work with Simon Property Group to ensure that its current proposal to develop additional outlots complements potential future commercial development elsewhere in the Business Park. Coordination and cooperation between the Village and Simon will be critical in realizing the full potential of existing and future commercial properties along Touhy Avenue. Making mutual decisions on issues such as access, circulation, parking, and building orientation will benefit both parties over the long term.
6. Redevelopment of the Capitol Drive area could serve as a catalyst for the future redevelopment and repositioning of **Lincolnwood Business Center** property. The plans approved by the Village for redevelopment of the business center property could be slightly amended to accommodate additional north-south connectivity between the Lincolnwood Town Center ring road and Northeast Parkway.

APPENDIX. SITE INVENTORY

Table A-1. Lincolnwood Business Park Property Inventory
September 2010

PIN	Address	Use	Current Tenant(s)	Age (Years)	Parcel Size (sf)	Building Footprint (sf)	Notes	
104								
10-35-104-071-0000	3757 W Touhy	Industrial	Illinois Capacitor Inc.	40	6,300	23,047		
10-35-104-072-0000	3757 W Touhy	Industrial		40	31,009			
10-35-104-073-0000	7150 Ridgeway	Industrial	Action Images	40	22,800	12,275		
10-35-104-074-0000	7120 Ridgeway	Industrial	Deibel Laboratories	40	20,174	10,093		
10-35-104-075-0000	7100 Ridgeway	Industrial	Car Leasing Inc.	40	35,424	18,091		
10-35-104-076-0000	7040 Ridgeway	Office	NCS Camera Services; Brunswick Midwest	39	16,462	8,036		
10-35-104-077-0000	7020 Ridgeway	Industrial	North Shore Industrial Vending Inc	25	20,059	24,849		
10-35-104-078-0000	7020 Ridgeway	Industrial	-	25	20,059			
107								
10-35-107-013-0000	7001 Lawndale Ave	Industrial	Public Works			27,379		
10-35-107-015-0000	3600 W Lake Street	Industrial	Public Works			-		
10-35-107-017-0000	3629 Touhy Ave	Commercial	Lowe's	4	469,279	159,818		
10-35-107-020-0000	3643 Touhy Ave	Commercial		4	22,778			
10-35-107-022-0000	3655 Touhy Ave	Industrial	Public Works - Salt Storage			3,068		
10-35-107-023-0000	3663 Touhy Ave	Industrial	Parking			-		
126								
10-35-126-011-0000	3659 W Lunt Ave	Industrial	Highland Baking (Mounsef Int'l inc.)			88,442	50,000 sf of warehouse/office space is available for sale in the northern portion of this property (3665 W Lunt)	
10-35-126-041-0000	3665 W Lunt Ave	Industrial	Highland Baking (Mounsef Int'l inc.)	40	65,945			
10-35-126-042-0000	3700 W Morse Ave	Industrial	GFA Chicago	35	71,083			
10-35-126-020-0000	6955 Hamlin Ave	Industrial	Voss Belting & Specialty Co.	7	35,000	48,472	10,275 sf of MFG space available for lease (w/2,500 sf office)	
10-35-126-039-0000	6965 Hamlin Ave	Industrial		42	42,682			
10-35-126-022-0000	3740 Morse Ave	Industrial	Gatt Tool & Engineering	1	10,824	4,635		
10-35-126-023-0000	3732 Morse Ave	Vacant	Four Star Marketing		3,685	6,961		
10-35-126-030-0000	3732 Morse Ave	Industrial		45	10,864			
10-35-126-026-0000	3710 Morse Ave	Industrial	A Quality Floors Inc.	42	39,692	10,720		
10-35-126-029-0000	6901 N Hamlin Ave	Industrial	Alphadental Products	28	66,483	10,463		
10-35-126-032-0000	3737 Lunt Ave	Industrial	Advanced Plastic Corp.	43	51,835	84,462		
10-35-126-036-0000	3725 W Lunt Ave	Industrial		42	51,892			
10-35-126-040-0000	3725 Lunt Ave	Vacant		7,960				
10-35-126-037-0000	3730 Morse Ave	Industrial	Vacant (Formerly Kendis Industries Inc.;	45	30,607	10,447	Site available -- Colliers B&K	
10-35-126-038-0000	3740 Morse Ave	Vacant	Laminate Craft)		2,480			
10-35-126-035-0000	3701 Lunt Ave	Industrial	Domicile Furniture	41	137,350	70,639		
134								
10-35-134-007-0000	3771 W Morse Ave	Industrial	Gage Assembly Co.	44	34,299	22,727		
10-35-134-005-0000	3700 W Pratt Ave	Industrial	Trim-Tex Inc	7	122,807	220,361	23,734 sf of MFG space available (w/1,000 sf office)	
10-35-134-008-0000	3770 Pratt Ave	Industrial		44	33,894			
10-35-134-011-0000	3737 W Morse Ave	Industrial		1	81,900			
10-35-134-012-0000	3725 Morse Ave	Industrial		1	10,500			
10-35-134-013-0000	3723 Morse Ave	Industrial		1	9,000			
10-35-134-014-0000	3721 W Morse Ave	Industrial		1	29,900			
10-35-134-015-0000	3705 Morse Ave	Industrial		1	21,765			
10-35-134-016-0000	3700 W Pratt Ave	Industrial		30	5,500			

Table A-1 (Continued). Lincolnwood Business Park Property Inventory
 September 2010

PIN	Address	Use	Current Tenant(s)	Age (Years)	Parcel Size (sf)	Building Footprint (sf)	Notes
135							
10-35-135-002-0000	6990 Central Park Ave	One Story Store	Econocare Inc.	31	11,834		
10-35-135-007-0000	6980 N Central Park Ave	Industrial	H & H Graphics Inc .	16	21,818	26,589	
10-35-135-012-0000	6980 Central Park Ave	Industrial	-	16	3,229		
10-35-135-011-0000	6990 N Central Park Ave	Vacant	-		1,500		
10-35-135-015-0000	3600 W Pratt Ave	Industrial	CBK Industrial Bldg.	33	275,404		206,131
10-35-135-016-0000	6850 N Central Park Ave	Industrial	CBK Industrial Bldg.	53	35,244	84,322	
10-35-135-017-0000	6850 N Central Park Ave	Industrial	CBK Industrial Bldg.	53	14,106		
10-35-135-006-0000	6900 N Central Park Ave	Industrial	Meystel Inc.	54	40,075		
10-35-107-002-0000	6950 N Central Park Ave	Industrial	Resillo Press Pad Co.	49	21,518		
10-35-135-008-0000	6950 N Central Park Ave	Industrial	Resillo Press Pad Co.	49	9,875		
136							
10-35-136-007-0000	7100 Lawndale Ave	Industrial	Rotary International; London Litho Aluminum,	32	46,538	31,031	
10-35-136-009-0000	7131 Ridgeway Ave	Industrial	JVI Inc.	41	51,316	21,929	
10-35-136-010-0000	7101 Ridgeway Ave	Industrial	Axiz Group	40	39,226	17,644	
10-35-136-012-0000	7150 Lawndale Ave	Industrial	RF Mau Co.	41	16,967	9,269	
10-35-136-014-0000	7140 Lawndale Ave	Industrial	RF Mau Co.	22	24,381	26,202	
10-35-136-015-0000	7140 Lawndale Ave	Industrial		40	18,020		
10-35-136-016-0000	7060 Lawndale Ave	Industrial	House of Cans, Inc.	41	35,001	23,347	
10-35-136-017-0000	7040 Lawndale Ave	Industrial	Brown Wood, Inc.	37	29,692	14,881	
10-35-136-018-0000	7020 Lawndale Ave	Industrial		39	33,086	14,957	
10-35-136-019-0000	7000 Lawndale Ave	Industrial	Dynomax Inc.; Microway systems Inc.	38	35,035	22,082	
10-35-136-020-0000	7085 Ridgeway Ave	Industrial	L & L Display Group	38	46,024	25,079	
10-35-136-021-0000	7045 Ridgeway Ave	Industrial	Chicago Chesed Fund			41,705	
10-35-136-022-0000	7001 Ridgeway Ave	Industrial	Food For Thought	17	29,220	12,920	
10-35-136-024-0000	3725 Touhy Ave	Industrial	North Shore Surginal Center	40	34,946	14,870	
10-35-136-026-0000	3701 W Touhy	Industrial	Omni Safety (Rister Enterprises)	41	21,651	16,291	
200							
10-35-200-024-0000	3515 Touhy Ave	Industrial	ADA Metal Products Inc.	78	34,492	115,612	
10-35-200-026-0000	7100 Capitol Dr	Industrial	Louis Glunz Beer	36	22,000		
10-35-200-027-0000	7100 Capitol Dr	Industrial	Louis Glunz Beer	36	90,647		
10-35-200-030-0000	3515 Touhy Ave	Industrial	ADA Metal Products Inc.	19	54,944		
10-35-200-031-0000	7100 Capitol Dr	Industrial	Louis Glunz Beer	36	5,500		
10-35-200-033-0000	3501 Touhy Ave	Commercial	Shurgard Public Storage	36	6,403	29,867	
10-35-200-034-0000	3501 Touhy Ave	Commercial		7	46,892		
10-35-200-035-0000	7111 Capitol Dr	Industrial	D & R Industries (Championship Billiards)	33	41,957	36,125	20,000 sf of warehouse space for lease
10-35-200-036-0000	7111 Capitol Dr	Industrial		33	13,787		
10-35-200-037-0000	3477 Touhy Ave	Industrial	Quay Corporation	37	51,553	24,206	For Sale
10-35-200-041-0000	7011 Central Park Ave	Industrial	Water Tower			985	

Table A-1 (Continued). Lincolnwood Business Park Property Inventory
September 2010

PIN	Address	Use	Current Tenant(s)	Age (Years)	Parcel Size (sf)	Building Footprint (sf)	Notes
203							
10-35-203-003-0000	3550 N Crawford Ave	Industrial	ATF Inc.	47	6,930	253	
10-35-203-007-0000	3550 Pratt Ave	Industrial	ATF Inc.	36	233,218	171,614	
10-35-203-009-0000	6810 N McCormick Blvd	Commercial	Dominick's	7	280,159	69,389	
10-35-203-010-0000	6800 N McCormick Blvd	Commercial	North Shore University HealthSystem - Medical			12,797	
10-35-203-011-0000	3400 Pratt Ave	Vacant	Bell & Howell Site		581,722		For Sale; CenterPoint owns property; Current plans are for a mix of medical office, memory care facility,
10-35-203-012-0000	6845 Central Park Ave	Vacant			7,200		
204							
10-35-204-009-0000	3333 W Touhy Ave	Shopping Center		18	77,990		
10-35-204-010-0000	3333 W Touhy Ave	Shopping Center	Lincolnwood Town Center	18	1,209,940	422,000	
10-35-204-011-0000	3333 W Touhy Ave	Shopping Center		18	55,199		
10-35-204-012-0000	7000 N McCormick Blvd	Residential	Senior Housing	16	239,928	70,561	
10-35-204-013-0000	3443 W Touhy Ave	Commercial	Bank Building	12	24,873	4,522	
10-35-204-014-0000	3301 W Touhy Ave	Commercial	Olive Garden; Red Lobster	16	85,726	20,569	
10-35-204-021-0000		Vacant	Auto Dealership Parking			-	
10-35-204-023-0000	7080 N McCormick Blvd	Vacant	Auto Dealership Parking	4	242,102	-	
10-35-204-025-0000	7001 Central Park Avenue	Commercial	Lincolnwood Business Center Property	26	358,454	232,188	
10-35-204-027-0000		Vacant	Auto Dealership Parking		101,769	-	
10-35-204-031-0000	Unknown	Vacant	Water Feature (Detention)		93,301	-	
10-35-204-033-0000	6900 N McCormick Blvd	Commercial	Auto Dealership	1	174,230	45,192	

Source: Cook County Assessor; Cook County Treasurer; Houseal Lavigne Associates