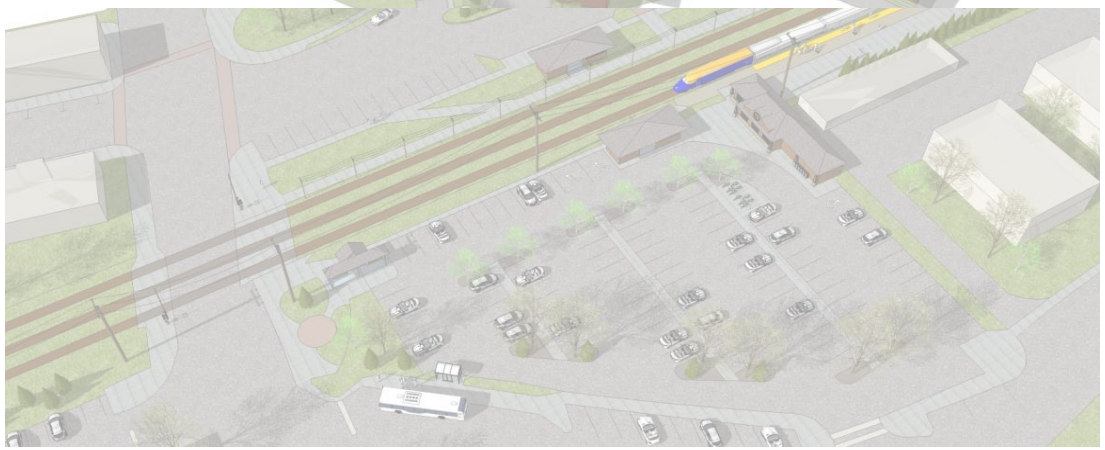

Village of Clarendon Hills

Train Station Redevelopment Plan

May 2012

prepared by

HOUSEAL LAVIGNE ASSOCIATES

with assistance from

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A special thank you goes to everyone who participated in the planning process for the Village of Clarendon Hills. This Plan was made possible by the contributions and insights of the residents, business persons, property owners, and representatives from various groups and organizations.

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Executive Summary

The Village of Clarendon Hills completed a Downtown Master Plan in March of 2006. At the time that the plan was adopted both the economy and real estate market were much different than today. Speculative development was occurring throughout the region for all types of projects including retail, office, residential and mixed use. The train station site was called out in the Downtown Plan as a key redevelopment site. While the economy and market began to switch directions in late 2007, the train station site remained a focal point of potential Downtown revitalization. This was due to the fact that it occupies a large site in the heart of Downtown that attracts commuters from within and outside the Village on a daily basis. In addition, the Village was interested in exploring ways to improve the site and maximize ridership and parking opportunities. To pursue this interest, in 2009, the Village applied to the Regional Transportation Authority's (RTA) Community Planning program for funding and planning assistance and was selected by the RTA to develop a study to explore site and development potential.

Existing Conditions Analysis

To better understand the context within which the site exists in the Downtown as well as the competitive market an Existing Conditions Analysis and Market Study was conducted. This analysis was augmented by other project initiatives including: the development of a project website dedicated specifically to the station area plan; interviews with key stakeholders; a community meeting for Clarendon Hills residents and business owners; a workshop specifically for members of the Downtown business community; and a forum for developers to review and discuss potential development options. Throughout the process the consulting team met with the Project Steering Committee and Village staff to review and discuss issues and recommendations.

Development Potential

The study concluded that there was potential over the long-term for a limited amount of residential, retail, restaurant and professional office space in Downtown Clarendon Hills. However, the study also acknowledged the presence of additional vacant sites Downtown. After conducting further analysis and discussion with Village officials and the Project Steering Committee, a decision was made to focus only on the one acre station site and not the larger area. This was based on a combination of factors including the fact that the larger site would require acquisition of private property; the number of Downtown sites currently vacant and/or available; and overall mid- to long-term development economics.

The next step was to concentrate on development components that could be accommodated on the site. A stated goal of Metra was to increase parking. Part of the vision for the Village was to have an iconic station facility while also incorporating a commercial or mixed use building. The challenge was accommodating all of these things on a relatively small site. An additional consideration was the construction of a pedestrian underpass linking the station site to Burlington Avenue.

Ultimately, it was concluded that rather than each component standing alone, a single unified development incorporating a mixed-use building, station facility and parking deck would not only maximize site capacity, it would provide an attractive iconic destination within the Downtown.

A development concept was created and preliminary construction costs and revenue projections were prepared. While the development concept clearly represented the long-term vision for the site, it was determined that an interim (short-term) concept should also be created that would provide immediate improvement to the site while allowing time for market and economic conditions to improve before pursuing the larger scale development. This included reconstruction of the parking lot, streetscape and landscaping, rehabbing and façade improvement of the station facility, new shelters and other aesthetic enhancements. Perhaps the most significant feature is that, given the likelihood of receiving federal and state funding, the pedestrian underpass would still be part of the plan.

The end result is that the Village now has both a long-term and short-term plan. While the short-term plan clearly requires investment, it does not preclude any of the longer-term vision or objectives from being accomplished at a later date.

The following report provides more detailed explanation of the two plans and the associated plan components.

Short-Term Development Concept

As mentioned, following review and discussion of the Long-term concept plan for the Station Area Development, the Project Steering Committee and Village staff concluded that while the plan was very good and reflected the ultimate vision for the site, current economic and real estate market conditions do not favor pursuing redevelopment at this time. There was consensus, however, that some level of improvement to the station site would have a positive impact on the Downtown as a whole. To that end, a short-term concept plan was prepared that includes both functional and aesthetic site improvements to the train station site.

Pedestrian Underpass

A major component of both plans is a pedestrian underpass leading from Burlington Avenue to the south train platform. The significance of this facility is that it not only improves the site and provides for a safer crossing, it enhances the attractiveness and accessibility of commuter parking on the north side of the tracks. While the long-term concept incorporated the pedestrian connection into a parking deck and station facility, it could in fact be constructed independent of the other site improvements. Also, per earlier analysis, grant funds should be available for the design and build of the underpass. Given the combination of availability of funding and the safety and functional enhancements that the underpass would provide, the facility is included in the short-term development plan.

Site Improvements

While no other new construction is depicted in the short-term plan, it does incorporate several other site improvements including:

- Façade renovation of the existing train station building
- Warming shelters on the eastern platform
- "Kiss and Ride" on the north side adjacent to the pedestrian underpass
- Streetscape and landscaping enhancements
- Redesign of the existing surface parking lot

It is important to note that the reconfiguration of the parking lot was prepared to ensure that no spaces are lost. While Metra's goal of gaining parking spaces is attained in the larger redevelopment scenario, it is not possible to add spaces on the station site without the construction of a parking deck. However, as previously mentioned, the accessibility of spaces on the north side of the tracks along Burlington is enhanced by the presence of the underpass.

All of the referenced site improvements significantly enhance and redefine the train station area, create a prominent focal point for the Downtown and have the potential to have a catalytic effect on other Downtown development. It also allows the Village to focus redevelopment and recruitment efforts on existing vacant property until such time that development is feasible at the station site. The following graphics highlight elements of the short-term concept.

Short-Term Development Concept

View from Southwest

Short-Term Development Concept – Station Detail

View from Southwest

Short-Term Development Concept – Pedestrian Underpass

View from Southwest

Short-Term Development Concept – Pedestrian Underpass Detail

View from Southwest

Short-Term Plan Construction Cost Estimate

The estimated cost for the short-term site improvements range from approximately $5.0 to $6.2 million of which the pedestrian underpass represents more than half of that cost. A more detailed breakdown of costs is contained in the following table.

The key to the short-term plan is that it does not preclude development of the larger scale plan at a later date. However, in the meantime, with minimal investment (particularly if grant funds can be secured for the underpass) the existing train station site can be transformed into an attractive community asset.

As with all cost estimates, these are preliminary and would be subject to more detailed engineering and site analysis at the time of development. Costs of the Metra station facility are estimated based on a per square amount and include: exterior renovations: (new building façade, windows, doors and roof) and interior renovations including a new waiting area, furniture and ticket agent office consistent with BNSF and Metra requirements.

Clarendon Hills Train Station Redevelopment Cost Estimates
May 2012

	LOW	*HIGH*
Infrastructure and Engineering Related Costs	**$168,000**	**$240,000**
Metra Underpass Entrance Utility relocation		
Ann St. roadway improvements		
Prospect Ave improvements (east side)		
Burlington Ave roadway improvements (south side)		
Includes all soft costs and contingency		
Parking Lot	**$90,000**	**$300,000**
Resurface versus total reconstruction		
Includes all soft costs and contingency		
Streetscape and Related Improvements	**$204,700**	**$256,450**
Pavers at key locations and crosswalks		
Tree grates/infiltration planters		
Site lighting		
Benches and site furnishings		
Site landscaping		
Includes all soft costs and contingency		
Station Related Building Costs	**$1,218,643**	**$1,347,477**
Metra Station component buildout		
Station platform		
Warming shelters		
Includes: (GC@6%; Design Fess @7% and Contingency @ 10%		
Underpass and Ramps	**$3,362,205**	**$3,977,820**
Includes: (GC@6%; Design Fess @7% and Contingency @ 10%		
TOTAL ESTIMATED PROJECT COST	***$5,043,548***	***$6,121,747***
TOTAL COST EXCLUDING UNDERPASS	***$1,681,343***	***$2,143,927***

Long Term Development Concept

The analysis centered on incorporating the train station facility into a mixed use building with a three story parking deck. The concept also included a pedestrian underpass leading from Burlington to the parking deck on the south side of the tracks as well as public space adjacent to the station facility.

The following delineates a breakdown of the project components.

Two story retail building with second floor office space.

- 8,770 square feet of retail
- 8,925 square feet of office

Three Story parking deck with room for 190 parking spaces

The next step was to ascertain a better understanding of construction costs and the potential need for public subsidy. Construction costs were prepared for all project elements from streetscape improvements to cost of building a new facility.

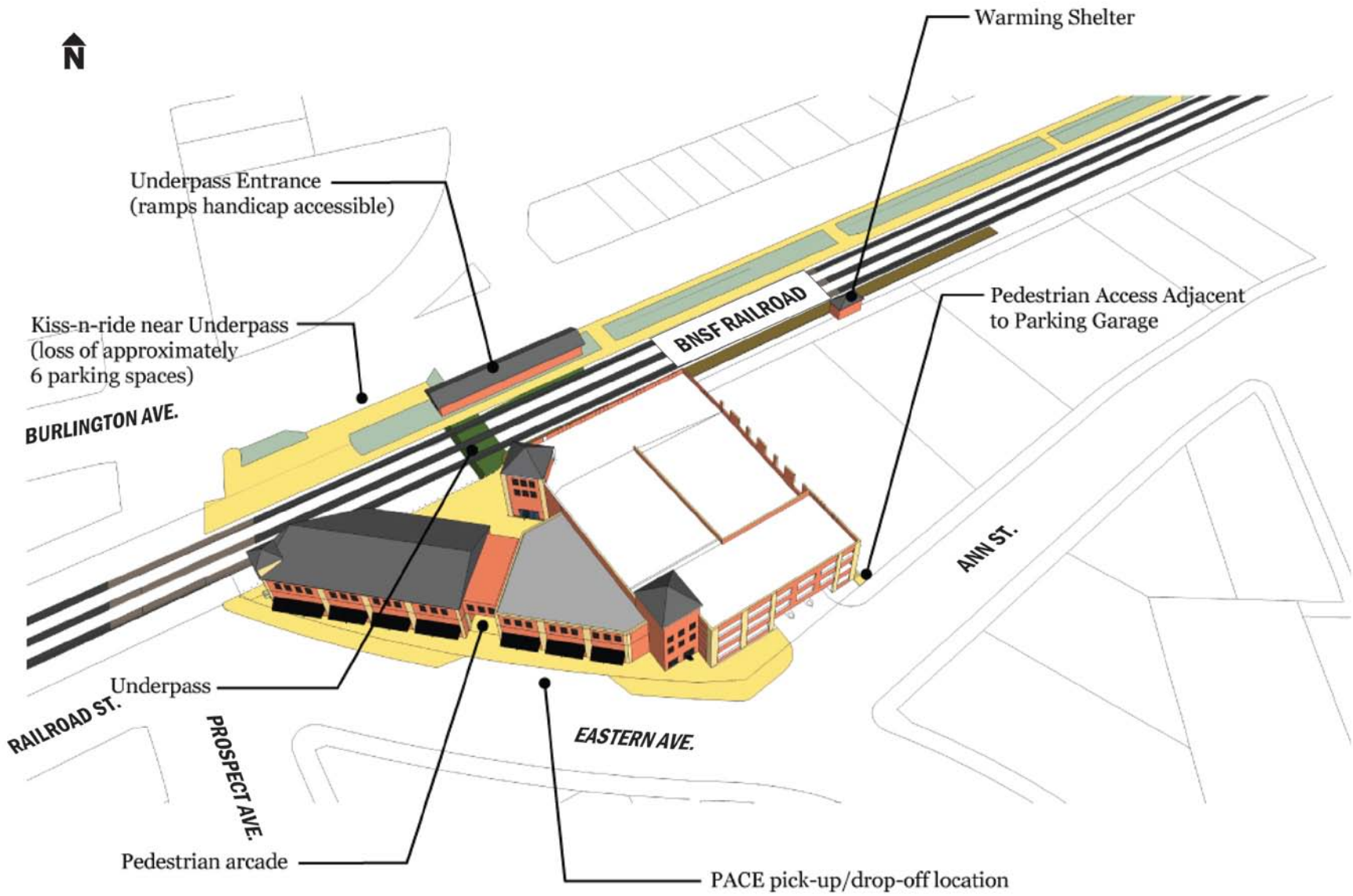
The following provides several perspectives of the larger scale long-term development plan.

Long Term Development Concept

View from Southwest

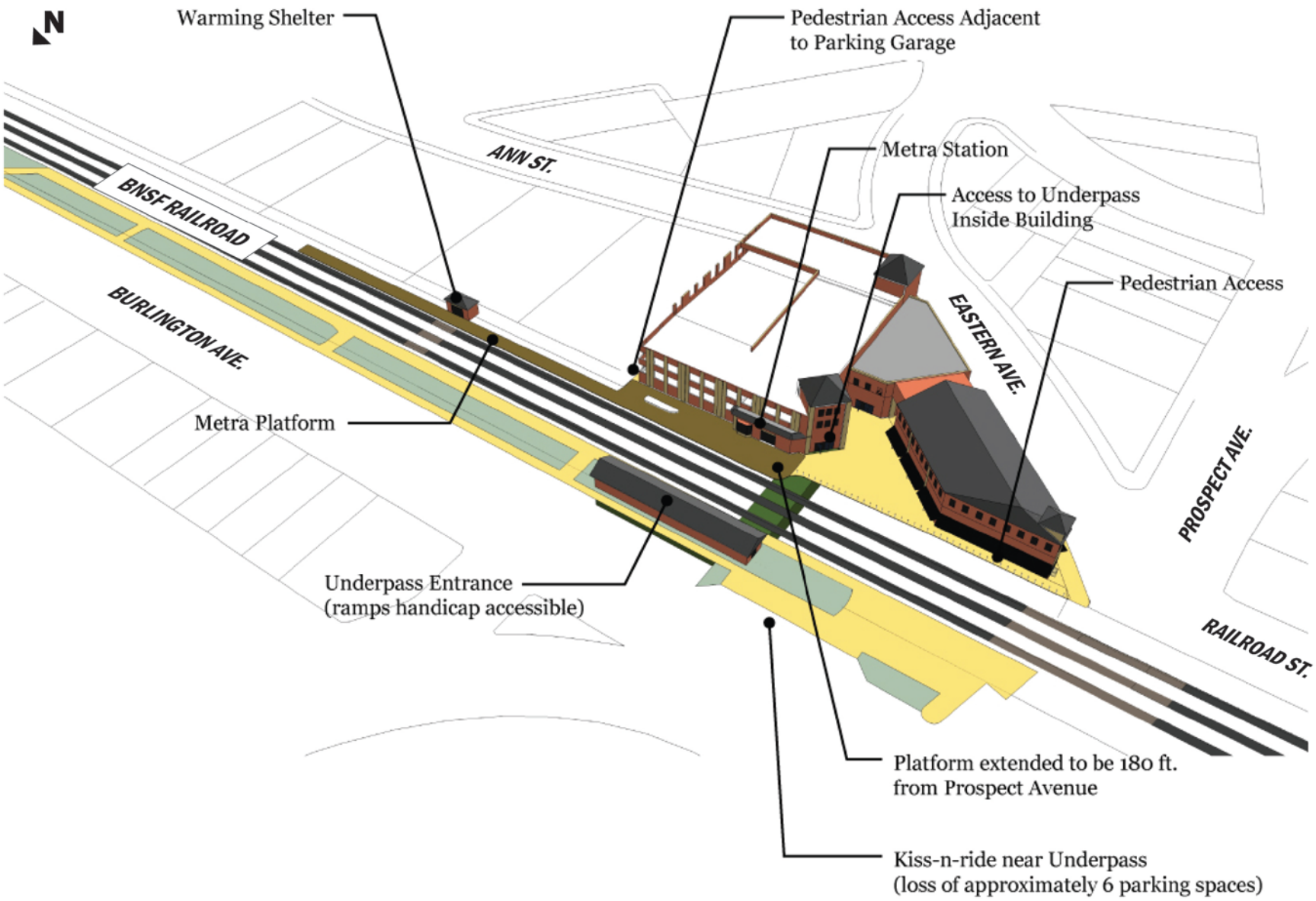
Long Term Development Concept – Key Elements

View from Southwest



Long Term Development Concept – Key Elements

View from Northwest



Construction Cost Estimates

The purpose of this section is threefold:

- Provide an estimate of the cost to develop the train station site as depicted in the long-term concept plan;
- Provide an estimate of potential revenue generation from the development; and
- Assess potential funding strategies and options.

This analysis is designed to provide the foundation for policy decisions regarding plan elements and the likely need for financial assistance.

The total project cost including site preparation, demolition and construction of all building components is estimated to range between $15.2 million and $18.5 million. Actual figures may differ based on the timing of construction, development programming, project finishes and other variables.

This cost is based on a clean site without the need for environmental remediation or cleanup. Cost estimates do not include potential site acquisition for the subject site or development of properties east of the train station site.

Infrastructure and Site Related Costs

The following narrative is provided for further clarification of what is included in these cost projections. A further line item detail is contained in the table.

Streetscape and Related Improvements

- Insertion of pavers at key locations throughout the site and in crosswalks
- Placement of tree grates and infiltration planters including planting vaults, drainage, soil mixtures and cast grates
- Decorative planter walls using stone veneer planters and ornamental metal top rails complementing existing Village uses
- Site lighting complementing existing Village uses
- Installation of ornamental fencing along rail platform
- Ornamental piers intermittent with fencing
- Gateway features at entrance to site
- Benches and site furnishings in common area and along platform that are consistent with existing Village improvements
- Installation of wayfinding signage and kiosks at station site providing information and directions to important Downtown and Village locations
- Planting of trees, shrubs, perennials and seasonal plantings

Utility Relocations

- Relocations and burial of overhead lines from Prospect to east property line
- Relocations of all dry utility ducts and storm sewer for underpass (Note: BNSF has recently removed overhead signal and communication lines on the north side of the tracks (south of Burlington) and that the existing poles will be removed). Station area development cost estimates assume that those buried utility ducts will need to be relocated as part of the underpass construction.
- Underground stormwater detention vault within parking deck

Roadway Improvements

- Eastern Avenue improvements including:
  - Pace pickup /drop-off land and streetscape in full right-of-way
  - Pavement grind and overlay of full pavement width
- Ann Street Improvements including:
  - Parking garage access and streetscape in full right-of-way
  - Pavement grind and overlay of full pavement width
- Prospect Avenue Improvements including:
  - Curb/gutter sidewalk on east side of street
- Burlington Avenue improvements including:
  - Kiss-N-Ride Lane and Streetscape along South Side street
  - Pavement grind and overlay of south half of pavement width

Mixed-Use Retail / Office Building

A two-story building, providing space for retail / commercial occupancy on the first floor and office / commercial space on the second floor.

Program

- "Core and Shell" Construction, including:
  - Two fire-exit stairs, single elevator, elevator machine room,
  - Incoming utilities (water, electric, gas)
  - Toilet rooms for 2nd floor office space
  - Mechanical and lighting equipment for office space, stairways, ground floor office entry, and office toilet rooms.
  - "Arcade" gateway between street and station plaza.
  - 18 ft first floor height, 14 ft second floor height.

All retail or office build-outs, including mechanical, electrical, and plumbing distribution will be provided separately or by tenants. Those costs are not included in this estimate.

Structure

- Slab on grade with spread footings.
- Steel Frame 2nd and roof framing. Concrete on Metal Deck Floor.

Exterior Wall

Architectural character of building will be compatible with the character of nearby buildings in downtown Clarendon Hills. The exterior wall will be predominately masonry exterior consisting of modular brick with cast stone or limestone detailing and include generous fenestration and a variety of detail and relief in masonry and storefront design. The use of an Exterior Insulation and Finishing System (EIFS) will not be allowed on the exterior wall.

Metra Station Facility and Parking Deck

This development contains a multi-story open air parking deck, incorporating a Metra Station ticketing and waiting room. The architectural character of the garage will be compatible with nearby buildings. All sides of the building will have architectural patterned precast concrete panels. Elevator and Stair tower connected to railroad underpass. Tower to serve as architectural marker and icon for the village and downtown district. Interior of structure shall be painted.

Program

- Parking Spaces for +/-190 cars.
  (120 spaces will be reserved for Metra commuters resulting in a net increase of 23 spaces)
- Metra Station with waiting space for passengers, as well as an office and toilet room for a ticketing agent.
- Parking management office and mechanical support spaces will be provided.

Structure

Cast in place concrete or precast concrete.

Exterior Wall

Architectural Precast Concrete panels with embossed masonry pattern and masonry color stain.

Pedestrian Underpass under Metra tracks

On the north side of the tracks an accessible ramp and stairway will provide commuter access under the tracks to the station plaza area and station. The poured in place concrete ramp and stairway will be covered with glazed roof and sidewalls.

The recently completed (2009) Winfield Metra Station underpass was used as a benchmark for cost estimates. While this is used as a benchmark, the design, construction and function will differ. Based on public records, the Winfield Tunnel and ramps had a total estimated cost of $3,949,134.

From visual comparison, the Winfield tunnel has two ramps on either side of the tracks. The Clarendon Hills station will have one ramp, and a lower level connection to a stair and elevator within the Parking Deck. The lower level stair and elevator construction of the deck should be apportioned to the tunnel, which would likely be less cost than a full ramp and stair.

We use a range of $3.5 to $4.2 million as a preliminary cost estimate for the Clarendon Hills underpass. The larger long-term project cost also varies slightly from the short-term project estimate due to the connection between the underpass and the new station facility/parking deck.

Clarendon Hills Train Station Redevelopment Cost Estimates
June 2011

	LOW	HIGH
Infrastructure and Engineering Related Costs		
Train station site utility relocation	$ 900,000	$ 1,250,000
Metra Underpass Entrance Utility relocation	$ 55,000	$ 90,000
Stormwater detention vault for site	$ 150,000	$ 200,000
Eastern Ave roadway improvements	$ 112,500	$ 147,000
Ann St. roadway improvements	$ 30,700	$ 41,500
Prospect Ave improvements (east side)	$ 14,000	$ 19,000
Burlington Ave improvements (south side)	$ 53,000	$ 65,500
Subtotal	$ *1,315,200*	$ *1,813,000*
Contingency @ 20%	$ *263,040*	$ *362,600*
Total	***$ 1,578,240***	***$ 2,175,600***
Streetscape and Related Improvements		
Pavers at key locations and crosswalks	$ 50,000	$ 60,000
Tree grates/infiltration planters	$ 43,000	$ 48,000
Planter walls (consistent with Village standa	$ 35,000	$ 40,000
Site lighting	$ 95,000	$ 110,000
Ornamental fencing	$ 12,000	$ 20,000
Site gateway feature	$ 20,000	$ 30,000
Common area features (sculpture/fountain	$ 185,000	$ 220,000
Benches and site furnishings	$ 20,000	$ 30,000
Wayfinidng signage and kiosks	$ 15,000	$ 18,000
Site landscaping	$ 30,000	$ 40,000
Landscape, design and oversight	$ 70,000	$ 75,000
Subtotal	$ *575,000*	$ *691,000*
Contingency @ 15%	$ *86,250*	$ *103,650*
Total	***$ 661,250***	***$ 794,650***

Clarendon Hills Train Station Redevelopment Cost Estimates
June 2011

Building Costs		
Site prep and demolition	$ 75,000	$ 100,000
Parking Deck	$ 4,620,000	$ 5,390,000
Retail/Office Building	$ 2,124,000	$ 2,478,000
Metra Station component buildout	$ 93,500	$ 102,000
Station platform	$ 112,000	$ 118,000
Warming shelters (3)	$ 90,000	$ 120,000
Underpass and ramps	$ 3,500,000	$ 4,200,000
Subtotal	$ *10,614,500*	$ *12,508,000*
GC Fee & Profit @ 6%	$ *636,870*	$ *750,480*
Design Fees @ 7%	$ *743,015*	$ *875,560*
Contingency @ 10%	$ *1,061,450*	$ *1,250,800*
Total	***$ 13,055,835***	***$ 15,384,840***
TOTAL ESTIMATED PROJECT COST	***$ 15,295,325***	***$ 18,355,090***

Revenue Generation

Tax Revenue and Fee Generation

Utilizing industry benchmarks and property tax data for comparable development, it is estimated that the proposed project would generate approximately $32,000 in property taxes in a stabilized year (based on 2010 EAV and tax rates). The Village's actual share would amount to approximately $3,800. In addition the retail component would generate approximately $35,000 annually in sales tax revenue to the Village. That number could fluctuate depending on the types of uses present. For example, a restaurant use would generate an additional one-percent tax. Moreover, if the Village were to become a Home Rule community through voter referendum, it would have the authority to approve additional taxes such as municipal retailers and service occupation tax.

While commuter parking permit fees would generate revenue, it is anticipated that this will be largely offset by the maintenance and upkeep of the parking structure.

Future Tax Revenue Estimates
June 2011

	Building Size (Sq. Ft.)[1]	Estimated Future Property Tax[2]	Future Annual Sales Tax Revenue[3]
Total	*20,349*	*$21,469 - $32,204*	*$35,080*
Retail Space	8,770	$9,253 - $13,879	$35,080
Office Space	8,925	$9,416 - $14,124	-

FOOTNOTE:
1. Includes 15% increase for common area space.
2. Based on an assessed value of between $20 to $30 per sq. ft. and a property tax rate of 5.2752%.
3. Based on an average sales per square foot of $400 and a municipal sales tax rate of 1.0%.

Source: Houseal Lavigne Associates; DuPage County Assessor

Mixed Use Building Revenues

As indicated in the development concept, it is anticipated that the station site will consist of a mix of retail/restaurant and office uses. Preliminarily, it is envisioned that the development will include 8,770 square feet of retail/restaurant space and 8,925 square feet of office space. The actual program and uses are not prescribed in order to maintain flexibility for the ultimate development team.

Building off of our earlier market study, potential lease rates are estimated at $25 per square foot (net) for purposes of analysis. This would, therefore, translate to approximately $442,000 in annual revenue. A project proforma detailing rents, build-out, tenant improvements, maintenance costs, etc. would be required to project actual net revenue. However, these figures are provided as a starting point for better understanding how potential developers will view the development. It is assumed that the parking structure will not generate any private sector revenue.

Development Feasibility and Funding

As highlighted in the preceding section, development cost is anticipated to range from $15.2 million to $18.4 million, with projected stabilized annual revenue of approximately $440,000 generated by the retail/office building. Due to the large percentage of non revenue generating public uses involved in the project, the development economics do not result in a suitable rate of return for a private developer to construct the project without significant public subsidy, even if parceling out the mixed use building. From a fiscal standpoint, this would also be the only tax generating component of the project (the parking deck would be fee based). The combined stabilized property and sales tax revenue is estimated at approximately $35,000 annually, which would not be enough to offset and subsidize development cost.

As it relates to the train station facility and parking deck; in the past, federal funds have been used to defer the cost of construction for similar projects. The SAFETEA LU program has technically expired, but the federal surface transportation reauthorization, as it is otherwise referred continues, temporarily, to extend some program funding. This umbrella program, of which many transportation funding programs fall, remains in somewhat of state of flux regarding its future. While there is general agreement that some type of program is necessary, the structure, funding and duration continues to be debated. Speculation is that a replacement program may be structured less as earmarking and more as a competitive process similar to the Transportation Investment Generating Economic Recovery (TIGER) grant program.

The Village previously submitted TIGER grant applications in relation to this project, but was unsuccessful. The TIGER program, administered by the U.S. Department of Transportation, provides grants, loans and loan guarantees to states and local governments for transportation related projects.

Underpass Funding

The pedestrian underpass could be funded separately and independent of other improvements. The Illinois Commerce Commission (ICC) administers the Grade Crossing Safety Improvement Program for which the Clarendon Hills underpass would be eligible. According to Metra sources, ICC funding is capped at 60% of total cost. It is likely that BNSF participation would require elimination of the existing at grade pedestrian crossing east of the station facility.

Alternative Funding Sources

In the interim period of waiting to see what federal assistance may be available, the Village should begin the process of exploring alternative funding sources. Regardless of the extent and amount of federal funds that may become available, the entire project would not be eligible given that the station improvements would be incorporated into the mixed use building and parking structure.

Metra has indicated that, at this time, funding is not available for the replacement of the existing station facility. While the Village should continue to work with RTA, Metra and BNSF on potential funding alternatives, local tools and strategies should be emphasized.

TIF

The most applicable local development tool available, given the size and scale of the project, would be the use of Tax Increment Financing (TIF). While the establishment and use of TIF in and of itself will be a Board policy decision, an additional consideration would be how much of the Downtown a potential TIF should cover. At a minimum, a TIF District should include the existing apartment buildings to the east to allow for the Village to incentivize redevelopment of those properties at the appropriate time.

Extending a TIF to other areas of the Downtown, would afford the ability to capture the anticipated increase in increment from those properties during the life of the TIF allowing for funds to be used for improvements and reinvestment throughout Downtown. The first step in this process would be to conduct a TIF eligibility study to determine the existence of factors present within the Downtown. This analysis can take place without obligating the Village to any formalized program.

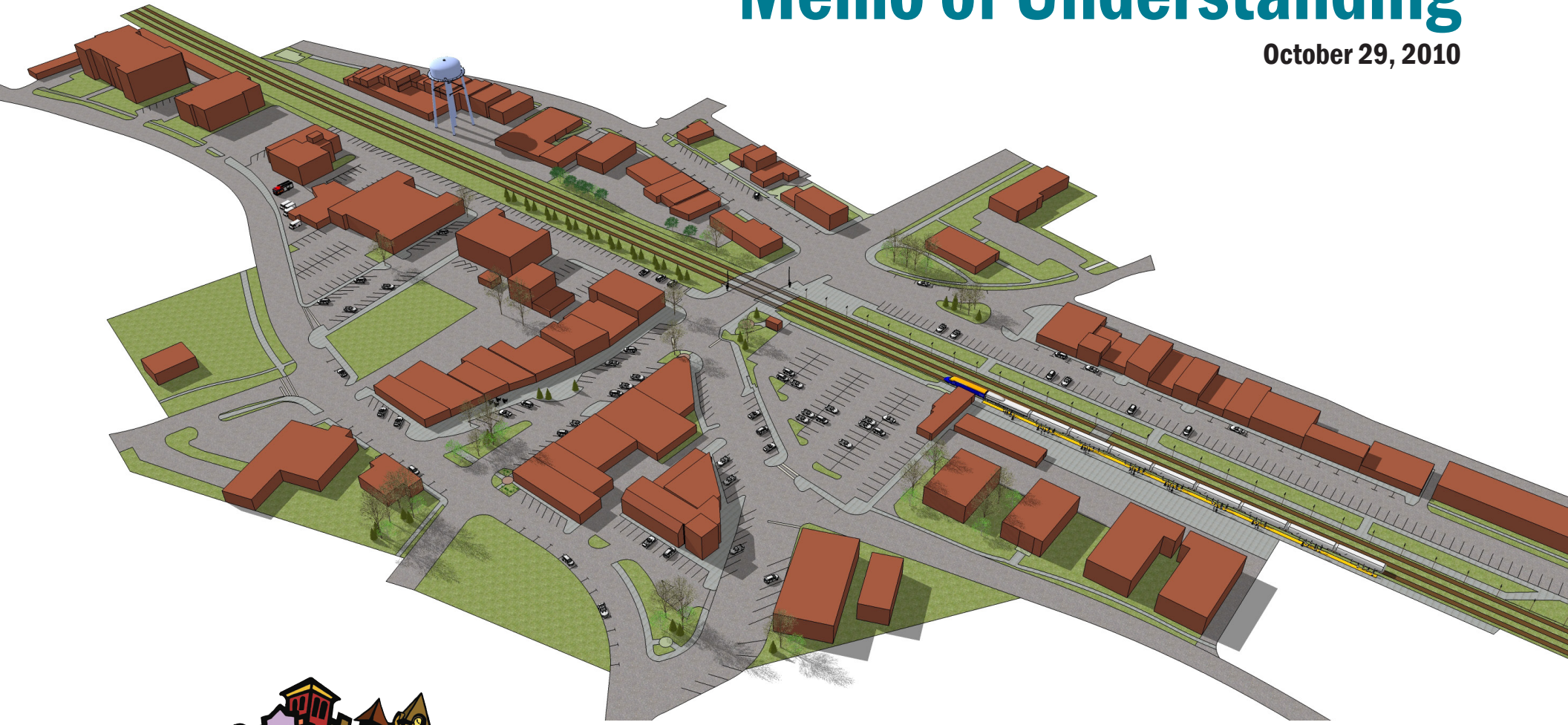
Appendix

Village of Clarendon Hills

Train Station Redevelopment Plan

Memo of Understanding

October 29, 2010



Clarendon Hills
Building a Brighter Future

HOUSEAL LAVIGNE ASSOCIATES

with assistance provided by:
Gary R. Weber Associates
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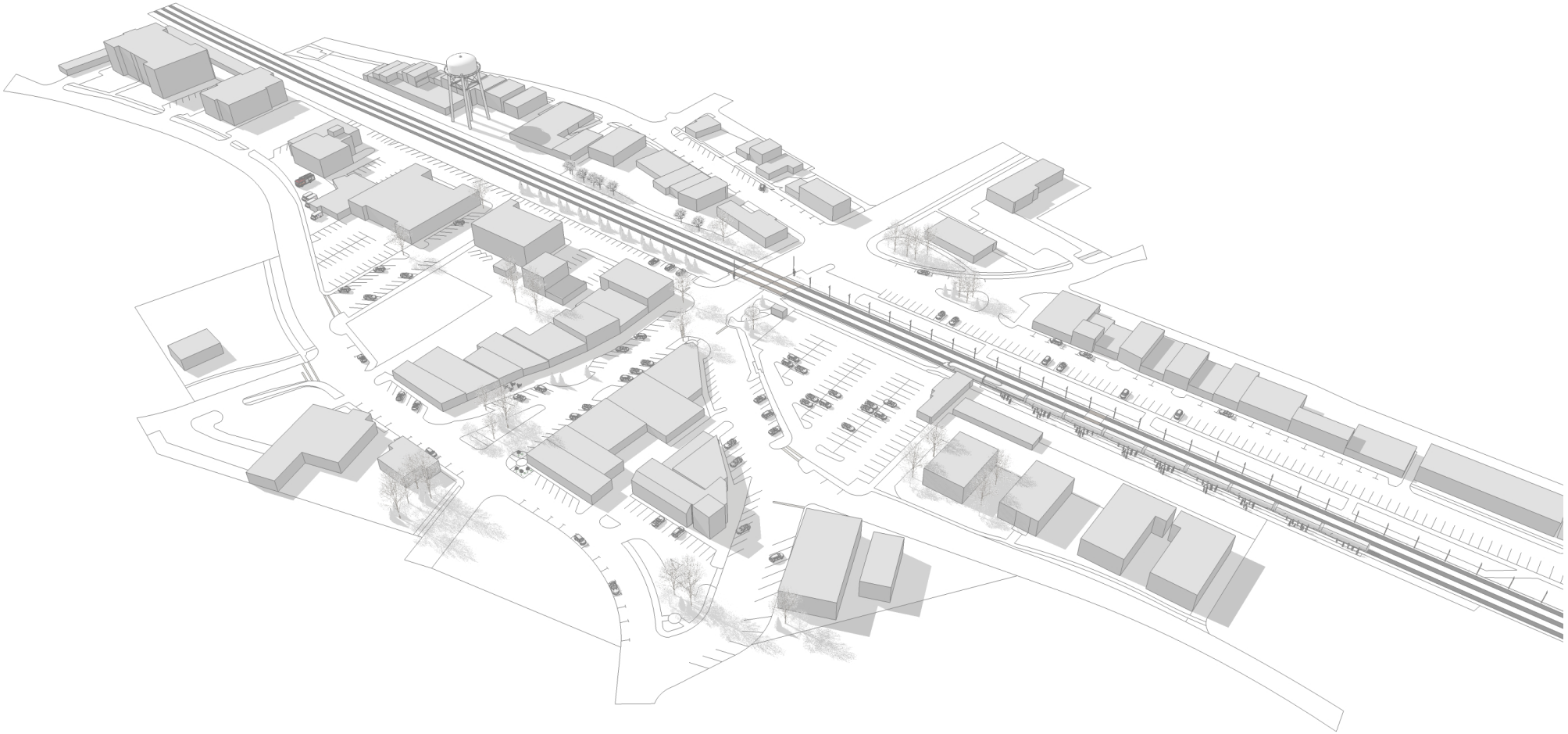


section one

INTRODUCTION

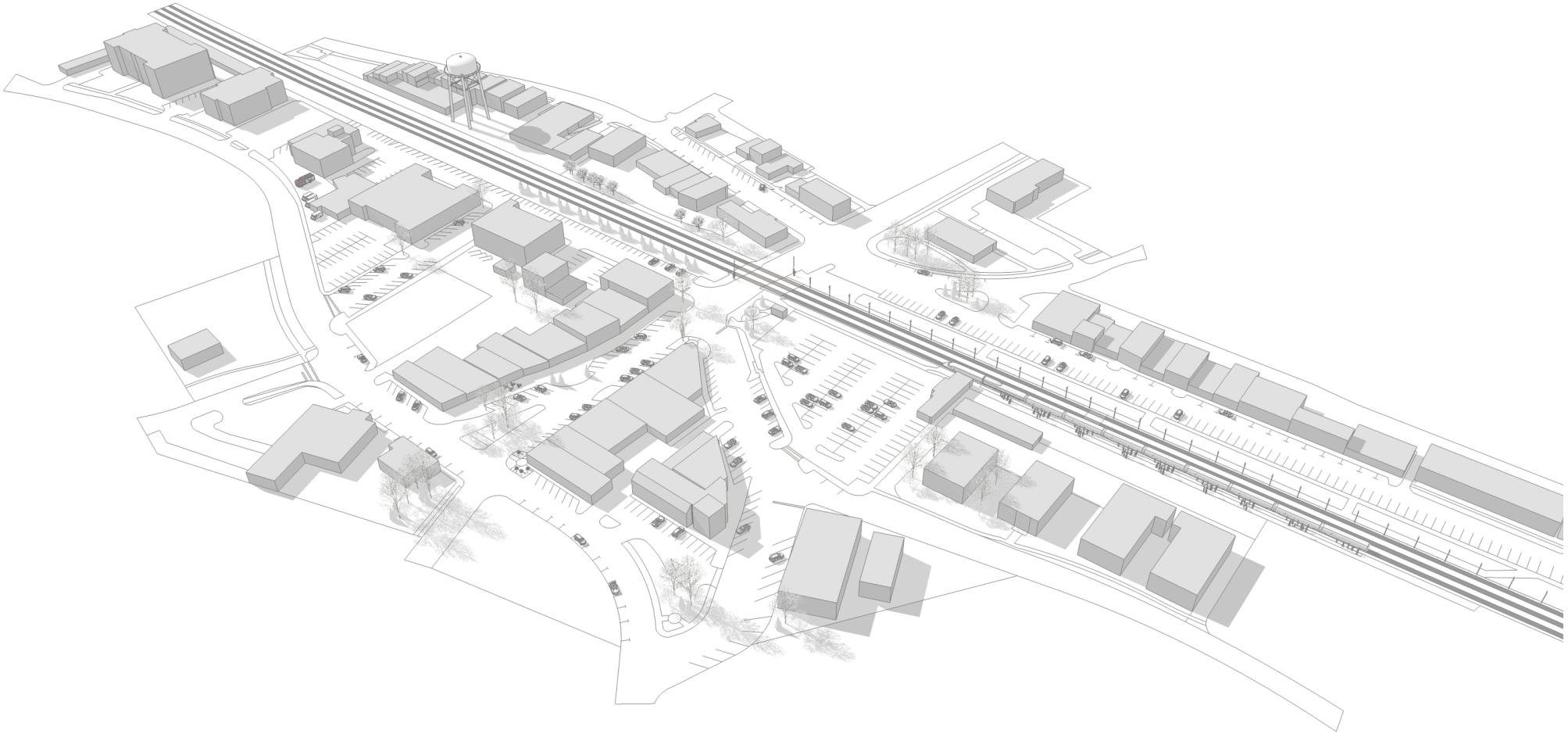
INTRODUCTION

This document presents an assessment of existing conditions and development influences within Downtown Clarendon Hills and the Train Station area. The information and findings contained in this analysis have been utilized to better inform the planning process related to the potential redevelopment of the train station site. While this analysis does not reassess the Downtown Master Plan, it does examine the site within the context of the existing Downtown environment.

Key components of this report include but are not limited to:

- an inventory of existing land use and development;
- pedestrian orientation;
- assessment of building heights;
- urban design and streetscape; and,
- an updated market analysis.

Initial concepts reflect this analysis as well as an examination of preliminary engineering and site issues. Further analysis will be conducted as plans are refined and preferred concept components are established.



section two

EXISTING CONDITIONS

EXISTING CONDITIONS

Existing Land Use & Development

The Downtown area surrounding the Train Station redevelopment site consists of a concentration of uses that collectively distinguish the area from the rest of the Village. Together, these uses have an influence on the future redevelopment of the site. Achieving an appropriate mix of land uses is key to ensuring the long-term sustainability of the redevelopment site and Downtown. Based on reconnaissance undertaken by the consultant in the summer of 2010, an inventory of the built environment is summarized in the following section. This information provides a basis for assessing how redevelopment of the station site will fit into the context of the existing built environment.

Parks & Open Space

Parks and open space areas are key features that enhance an area's overall character. While no large-scale parks or open space areas exist within the Downtown, there is a mix of small plazas and pocket parks. The most notable of these is the J. Kenneth Sloan Memorial Triangle on Prospect Avenue. Circular plazas complemented by seasonal landscaping, planters, benches and other pedestrian amenities are located at various intersections in the project study area.

Depending on Train Station site capacity, the incorporation of a public space or plaza component could serve to enhance the development's sense of place while improving the area's character and aesthetics.

Single Family Residential

Few single family homes exist within the project study area; rather, compact and denser development patterns dominate the Downtown. Single family homes exist on the fringe and in residential neighborhoods adjacent to the study area. These areas are not anticipated to undergo significant change in the future. While the single family land use itself will have minimal influence on the redevelopment of the Train Station site, Downtown enhancement efforts and redevelopment should be sensitive to the desires of residents in these neighborhoods.

Multi-family Residential

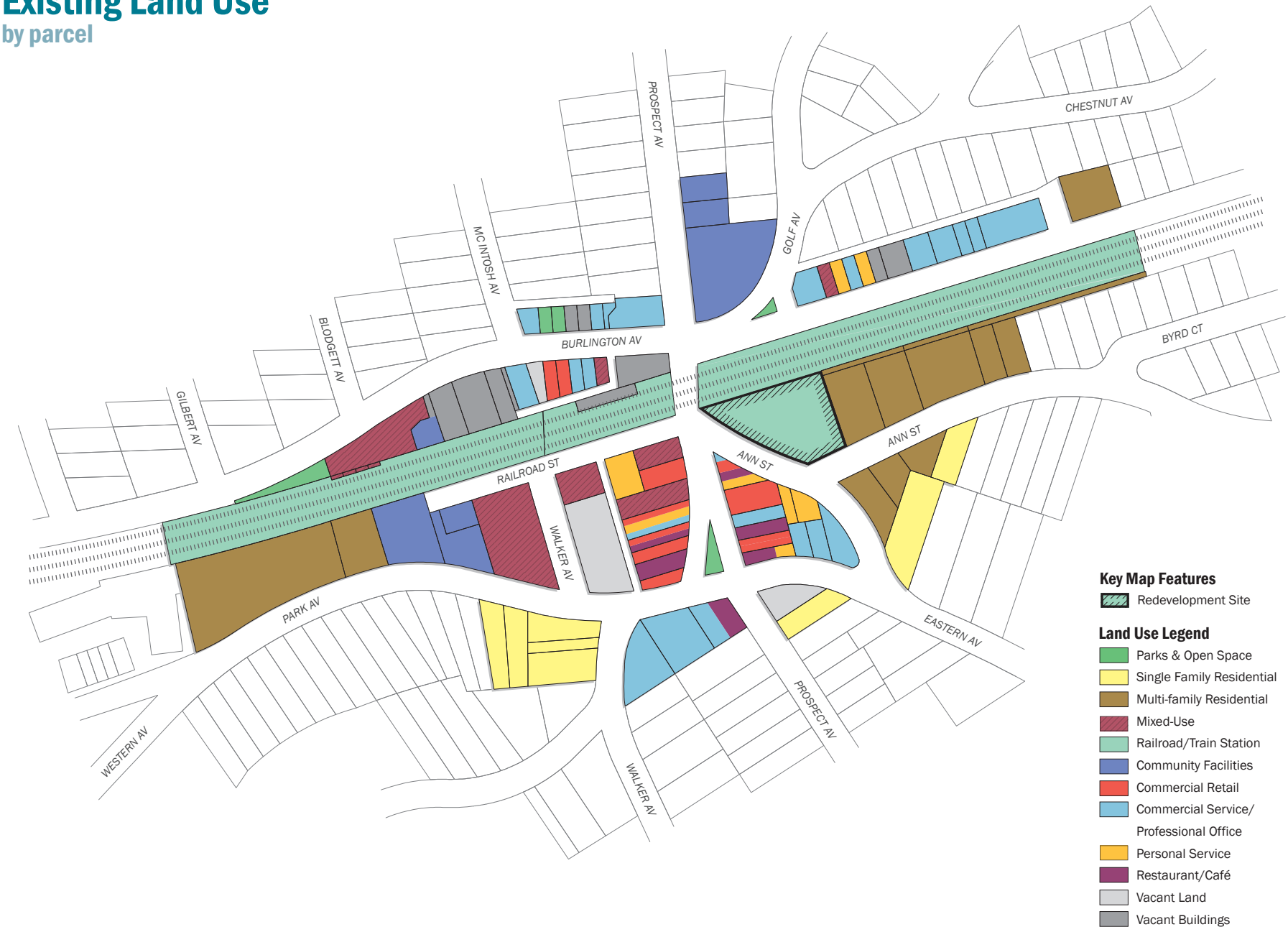
Multi-Family residential uses are contained mostly on the fringe of Downtown and include owner occupied condominiums and rental units. In some instances, multi-family residential units are incorporated on the upper floors of mixed-use buildings along Prospect Avenue, Burlington Avenue and Railroad Avenue. Three older, standalone multi-family buildings are located immediately east of the Train Station site along Ann Street, and several newer multi-family buildings are located west of the Fire station along Park Avenue.

An important component of many successful, vibrant downtowns is multi-family residential because it provides a consistent customer base to patronize nearby businesses. The inclusion of multi-family housing could be desirable on the Train Station site on the upper floors of a mixed-use building to increase the residential density Downtown and create a healthy mix of uses.

Figure 1.

Existing Land Use

by parcel



Mixed-Use

Mixed -use buildings are buildings with ground floor uses that differ from upper floor uses. An example of this could be retail on the ground floor and residential uses above. While there are several buildings that accommodate multiple uses Downtown, there is not a true mixed-use project adjacent to the redevelopment site.

Mixed-use development contributes to the vibrancy of a downtown because it promotes compact built form and a pedestrian-oriented environment. Opportunities for a mixed-use development should be considered for the Train Station site to enhance the liveliness and vitality of the area.

Community Facilities

Community facilities function as important anchors in a downtown by establishing and strengthening its role as a community focal point. These types of uses have the ability to attract people that may then patronize nearby shops and restaurants.

The most prominent community facility Downtown is the Village Hall at the northeast corner of Prospect Avenue and Burlington Avenue. Other facilities located within the project study area include the Fire Station, U.S. Post Office and the Clarendon Hills Public Library. Previously, the Clarendon Hills Police Department was located in a facility situated at the southwest corner of Burlington Avenue and Prospect Avenue, but it was recently relocated.

Commercial Retail

Commercial retail is the defining characteristic of a downtown. Retail uses generate activity and create a destination environment that is critical to a downtown's success. In general, the Downtown's commercial businesses consist of specialty shops or locally owned businesses that help to enhance the unique character of the area and provide an atmosphere that cannot be duplicated in other retail centers. Examples of commercial retail users Downtown include the locally owned Do It Best Hardware; Ebenezer's Gift House; Amazing Grace; and, Ashley's Custom Stationary & More.

Personal Service

Personal service providers are commercial businesses that provide a particular service to consumers. These uses complement commercial retail uses and generate traffic for local businesses. Downtown Clarendon Hills has a proportionate number of personal service uses including several hair salons, dry cleaners, and a gym. The majority of the Train Station area's personal service uses are located along Prospect Avenue, however there are also some located on east Burlington Avenue.

Commercial Service / Professional Office

Commercial service and professional office uses are distinguished from commercial retailers and personal service providers in that they sell or provide professional services to consumers as opposed to a commodity. These uses are an important component of the Train Station area's fabric as they provide a consistent customer base for nearby commercial businesses during the work day.

Currently, a number of commercial service providers and professional office uses exist Downtown including a mix of financial/banking institutions, printing services, architects, and others. The majority of the Downtown's office uses are located in multi-tenant buildings along Burlington Avenue and Railroad Avenue.

Restaurant/Café

Several restaurants and cafés exist within the project study area, including: Maijean Restaurant; Starbuck's; Tres Agaves; Village Gourmet Café; The Daily Scoop; Quinn's Coffeehouse; and, Scapa Italian Kitchen. A Domino's pizza is also located along Prospect. Restaurants, cafes, coffee shops and related uses are essential to creating a destination environment that exists beyond daytime business hours.

Vacancies

Currently, there are a small number of vacant buildings in the Train Station area. With the exception of a vacant storefront along Prospect Avenue, all vacant buildings are located along Burlington Avenue. In addition, there are two vacant parcels located in the study area; at the northeast corner of Walker and Park Avenues, and at the southeast corner of Prospect and Park Avenues.

These properties are likely to be occupied and/or developed prior to the Train Station site. If development is properly addressed, these sites should serve to complement rather than compete with the Train Station site.

Figure 2.
Existing Land Use
by building

Urban Design

Urban design gives form to the public realm in terms of its aesthetics and function. Specifically, it is concerned with the location, mass and design of various urban components. While the concentration of land uses in the Train Station area has the ability to foster a distinct community destination, urban design principles are vital to achieve a unified and attractive atmosphere. To accomplish this, the area should have vibrant, livable streets combined with attractively designed buildings, storefronts and public places. Public places are spaces that are used freely on an everyday basis by the general public including streets, plazas, parks and public infrastructure.

Based on reconnaissance undertaken by the consultant in the summer of 2010, an inventory of the following urban design elements is summarized in the following section.

- Streetwall & Building Placement
- Building Height
- Pedestrian Amenities/Street furniture
- Gateway Signage
- Wayfinding Signage

Streetwall & Building Placement

A key design feature of traditional downtowns is the streetwall and building placement. A streetwall is a term used to describe a continuous row of buildings, side-by-side, that are located at or near the sidewalk, with little or no side yard setback. When a continuous streetwall is maintained, a more inviting pedestrian environment is provided. Pedestrian amenities, in combination with a strong streetwall, enhance the character and experience of the project study area.

The Downtown's streetwall is enhanced with the following:

- Windows on the ground floor.
- High quality materials and architecture.
- Attractive lighting fixtures at a pedestrian scale.
- Attractive, high quality signage.

Overall, building design and placement along Prospect Avenue maintains a consistent streetwall. However, enhancing and encouraging a consistent look and feel on both sides of the street leading up to the Train Station could help foster a better feeling of connectivity. Other blocks, including Park, Walker, Railroad, and Eastern Avenues and to some extent Ann Street, do not have a consistent streetwall or the sense of connection that exists along Prospect Avenue.

With no existing streetwall, the Train Station site and railroad tracks create a visual and geographic divide marking the northern boundary of Downtown.

Building Height

The station area contains buildings ranging in height from one to four stories. Prospect Avenue, which is the station area's primary north-south roadway, is framed by one story buildings on both sides with two, two-story mixed-use buildings near Railroad Avenue. Buildings to the west of Prospect Avenue along Railroad and Burlington Avenues are predominantly three stories. The area to the east of Prospect Avenue along Ann Street and Eastern Avenue is mainly composed of two story structures.

The majority of the buildings adjacent to the Station Site are two stories with the exception of a single story building that fronts Prospect Avenue and a three story building located on the southeast corner of Eastern Avenue and Ann Street. A change in grade also adds to the height of the two-story, multi-family buildings to the east of the Station Site.

Existing streetwall on the west side of Prospect Avenue

Figure 3.
Building Height

Building Height

- 1 Story
- 2 Stories
- 3 Stories
- 4 Stories

Pedestrian Orientation

Pedestrian orientation is an important component of the Train Station area's design. In traditional downtown settings such as Clarendon Hills, wide sidewalks are desirable adjacent to a continuous streetwall in order to promote pedestrian activity and provide space for amenities such as outdoor seating, street furniture and public art. These elements help to promote an environment that encourages strolling, window-shopping, and other pedestrian activities.

In the project study area, wide sidewalks are prevalent along Prospect Avenue, proximate to the Train Station redevelopment site. These sidewalks feature outdoor dining areas and pedestrian amenities (as outlined below). However, current orientation in and around the existing train station is not as pedestrian friendly as the rest of Downtown. Vehicles and pedestrians simultaneously navigating the station, tracks and parking areas create conflicts that currently cause this area to feel less inviting than the areas immediately south and west.

Pedestrian Amenities

Pedestrian amenities in the Train Station area are small in scale, located in the public realm and enhance the pedestrian environment. They include standalone benches, tables and chairs, trash receptacles, drinking fountains and other items. Pedestrian amenities are oftentimes located near the sidewalk curb, but may also be situated in the walkway portion as well. They are generally clustered at intersections or mid-block locations, as well as other areas where pedestrians tend to congregate.

Gateway Features and Signage

Gateway features announce one's arrival into an area and should be employed at visible intersections and at the area's boundaries. Gateway features can be achieved through signage at the ground level or through unique architectural or urban design elements. They should be complemented by attractive landscaping and lighting, and blend nicely into the surrounding environment to contribute positively to the area's character.

The J. Kenneth Sloan Memorial Triangle functions as a gateway into the Train Station area for visitors entering Downtown from the south. No additional gateway features are present within the project study area at this time.

Wayfinding Signage

Wayfinding signage assists people in finding important community landmarks, while enhancing the streetscape and "sense of place" of an area. Creating a sense of place" is different than committing to enhancing an area; rather, it is taking advantage of available opportunities to design a destination where people want to live, work, and enjoy themselves. It will make Downtown Clarendon Hills unique from surrounding areas. In a traditional downtown setting, wayfinding features are desirable at key locations to direct people to destinations such as a Village Hall, library, or popular shopping district.

Currently, the project study area lacks wayfinding signage; however, key transportation corridors in other areas of the Village have wayfinding signage directing residents and visitors to Downtown.

J. Kenneth Sloan Memorial Triangle on Prospect Avenue

Existing Streetscape Palette

In general, Downtown Clarendon Hills has a well defined streetscape palette composed of the following:

- Street trees
- Street lighting
- Unique pavement
- Street furniture
- Circular pedestrian plazas
- Raised planters

Street Trees

Street trees are one of the most effective ways to enhance a streetscape and beautify an area because they add four-season color, visual interest and texture to a street. They can be complemented with planted landscape beds or raised planters with seasonal flowers and decorative fencing.

A number of streets in the Train Station area have continuous rows of street trees in place. Coordinated street trees are most apparent in the areas around the J. Kenneth Sloan Memorial Triangle.

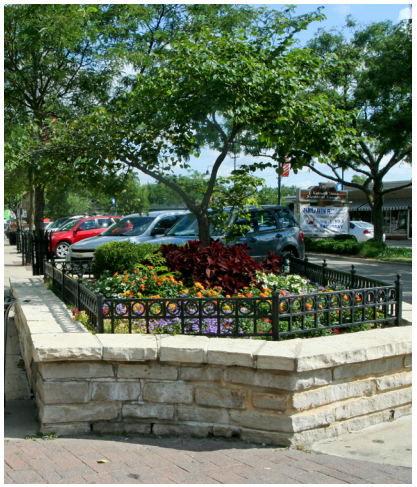
Street Lighting

Street lighting is an important contributor to the overall character of an area and contributes to a safe and attractive environment. The Village has implemented an attractive, decorative streetlight program throughout the entire project study area.

Unique Paving
Red brick pavers have been integrated into the Village's Downtown streetscape scheme in key pedestrian areas along sidewalks and in public plazas. These clearly demarcated areas reinforce the unique character of the area.

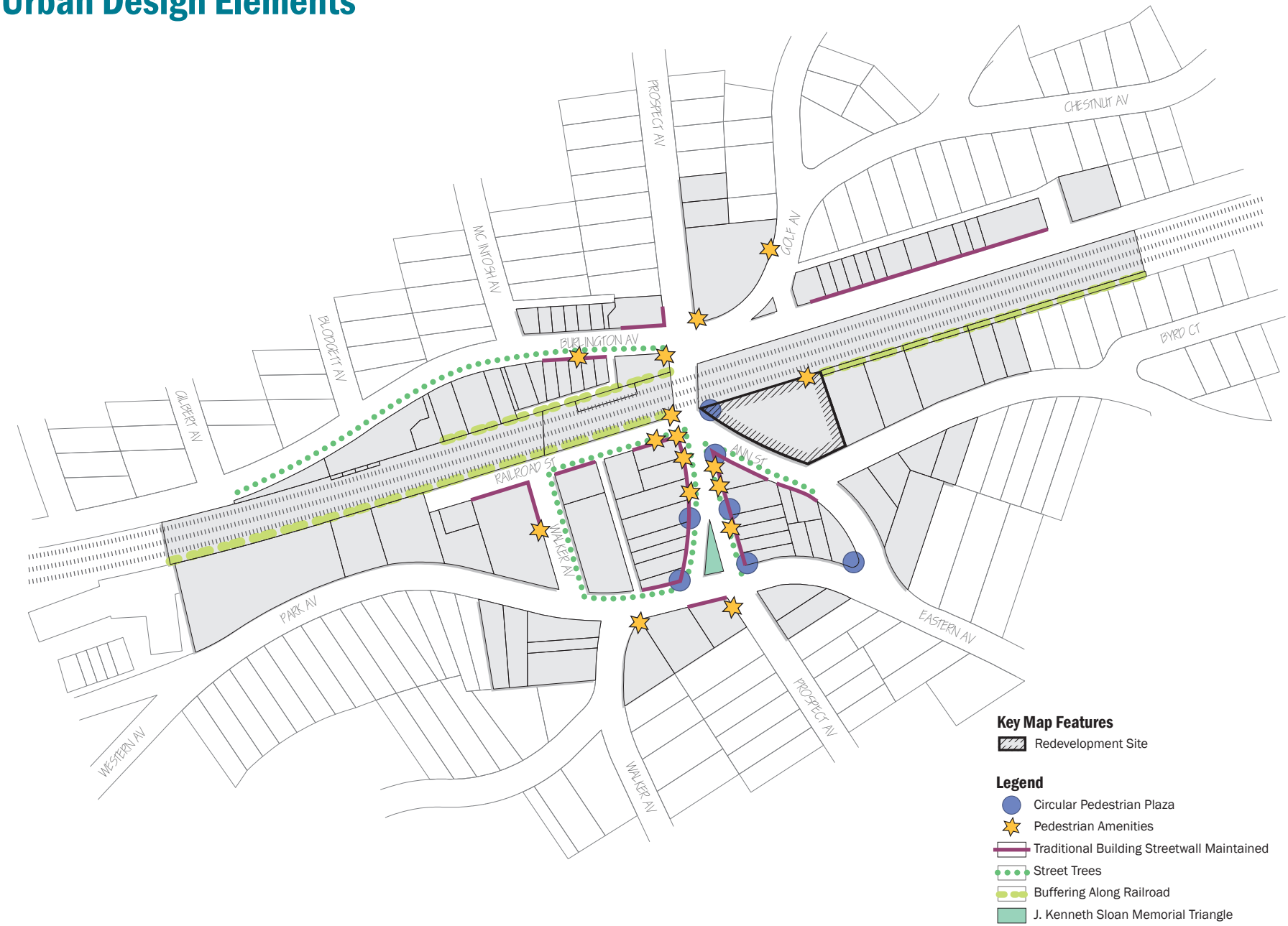
Street Furniture
High quality street furniture has been successfully installed throughout Downtown Clarendon Hills including black wrought iron trash receptacles, benches, and tree guards. This design scheme promotes the unique character of the area and maintains a sense of uniformity Downtown.

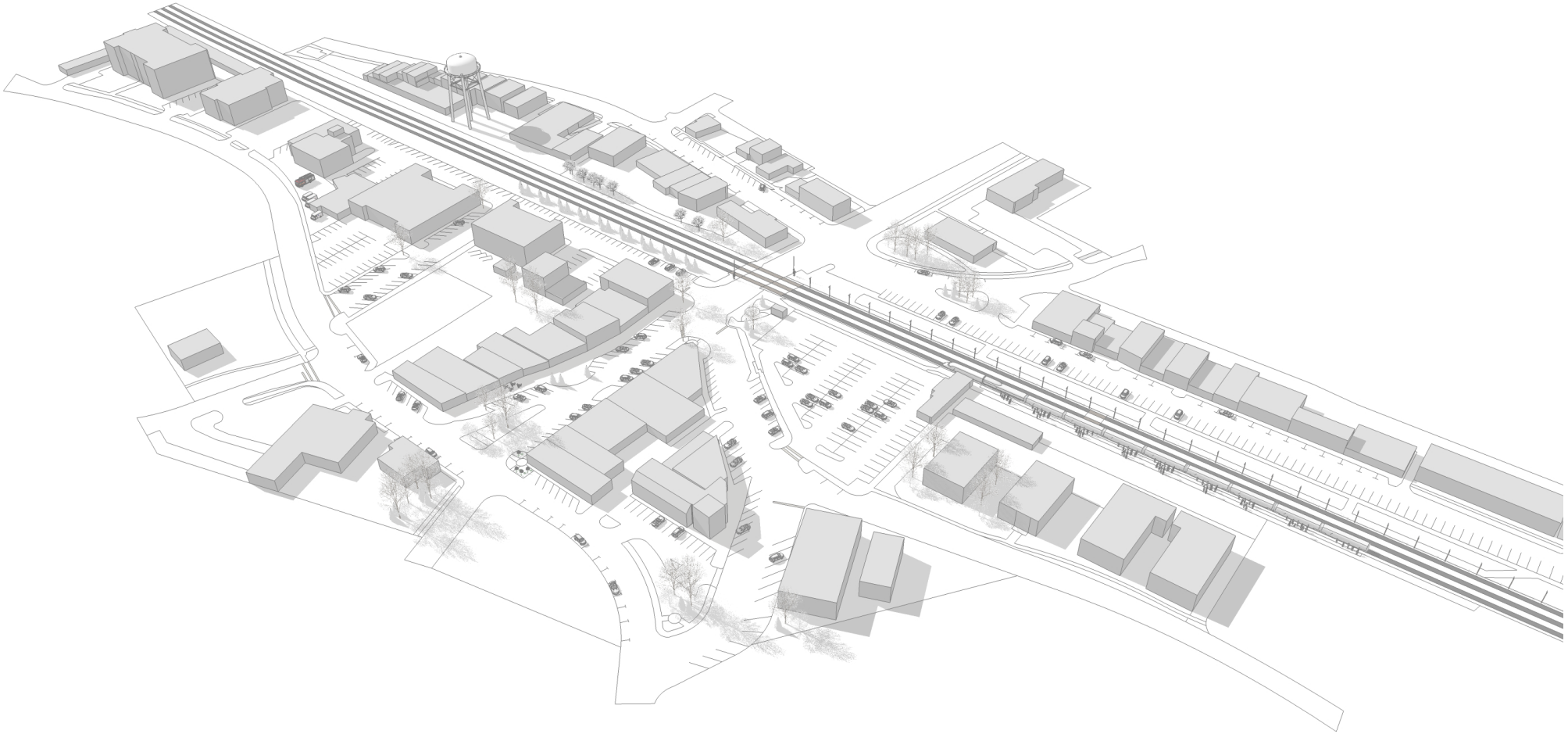
Pedestrian Plazas
Key corners and mid-block locations within the study area feature attractive pedestrian plazas that are integrated seamlessly with the rest of the streetscape. These plazas are circular in shape and feature planters, benches, trash receptacles, and red brick pavers demarcate the plazas and seasonal plantings bring life and color to them. These plazas and other elements add a human element to Downtown Clarendon Hill's streetscape.



Raised Planters
Raised limestone planters enhance the Train Station area's streetscape in terms of aesthetics and functionality. The monumental design is attractive and draws attention to colorful seasonal landscaping lining Downtown streets. Additionally, the planters separate pedestrian and vehicular areas, making the area more pedestrian oriented. The planters are multi-functional in that they can also serve as a seat or bench for Downtown visitors and residents.

Figure 4.
Urban Design Elements





section three

MARKET ANALYSIS

MARKET ANALYSIS

The following market analysis assesses potential for residential, retail, restaurant, entertainment and office uses in the Station Site and surrounding downtown area. The assessment includes a comprehensive inventory of existing and planned development within the defined market area for each respective use as well as a detailed analysis of demographic data and projections. Analysis includes the identification of site availability and the examination of trends in building permit activity, vacancy rates, rents, and price points. Market observations and findings have been supplemented with input from local real estate brokers and other members of the development community.

Each section of the market analysis concludes with the establishment of a preliminary development program that defines market viable and supportable uses by type, square footage, total units and other criteria. This development program has been used to inform development concepts presented elsewhere in this report.

Downtown Master Plan

A market analysis of Downtown Clarendon Hills was conducted as a component of the Village's 2006 Downtown Master Plan. The 2006 market study serves as a starting point for this market analysis update.

Market Areas

Markets behave differently dependent upon use, thus separate market areas have been defined and analyzed with regard to residential and commercial uses. The market analysis utilizes data from several geographies including the Village of Clarendon Hills, surrounding municipalities, and areas within a 5 to 10 minute drive of Downtown Clarendon Hills.

Demographic Data and Residential Market Area

Demographic data has been utilized to compare the Village of Clarendon Hills to neighboring communities having an influence on the Station Site and surrounding downtown area. Potential demand for residential development at the Station Site has also been assessed using this data.

For the purposes of this study, the Residential Primary Market Area (PMA) is defined as the Village of Clarendon Hills and the neighboring community of Hinsdale. The Residential Secondary Market Area (SMA) is made up of the communities of Westmont, Downers Grove, Burr Ridge, Oak Brook, LaGrange and Western Springs.

Figure 5 illustrates the boundaries of the primary and secondary residential market areas.

Retail Market Area

The retail market area is defined as the area within a 5 to 10 minute drive of the intersection of Prospect and Railroad Avenues. The retail market area incorporates the majority of the residential market area communities.

Retail demand estimates and the attributes of competing commercial development within this area have been examined to assess the potential for office, retail, restaurants and entertainment uses. Figure 6 illustrates the boundaries of the retail market area.

Figure 5.

Residential Market Area Figure

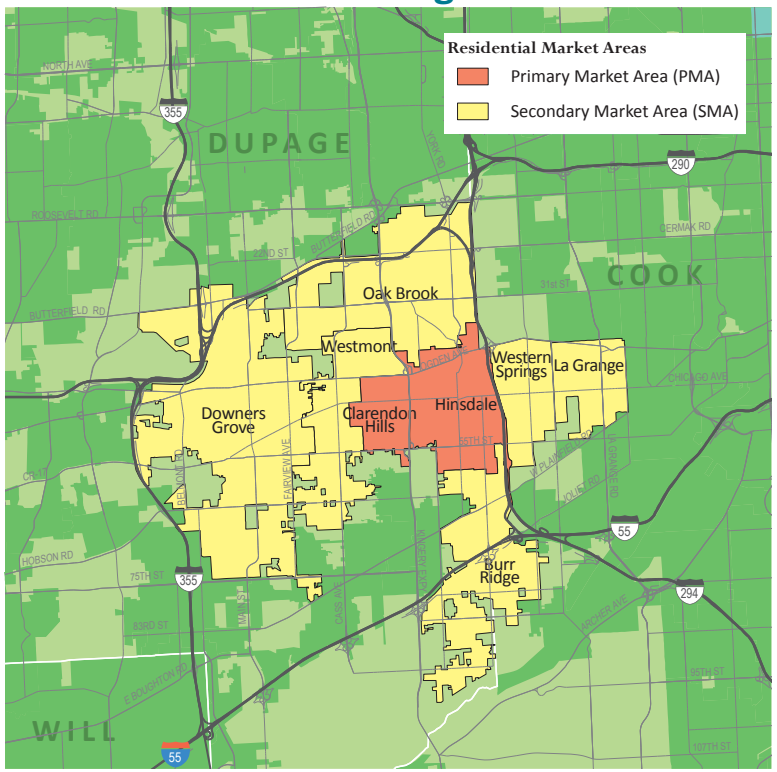
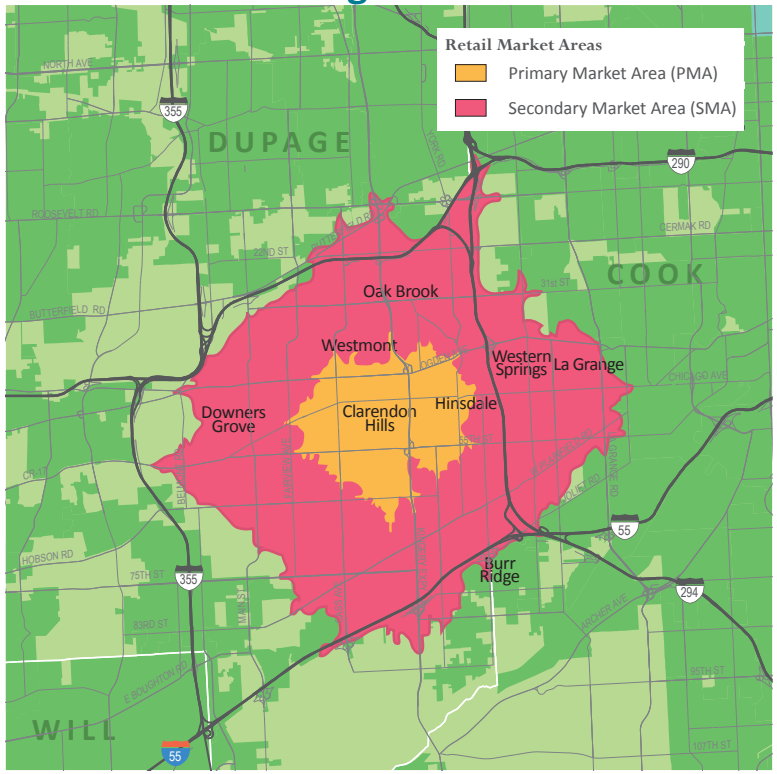


Figure 6.

Retail Market Area Figure



Executive Summary

The demographic overview and market analysis provide the basis for observations regarding development potential at the Station Site. These preliminary recommendations are used to inform the planning process and alternative concept plans presented later in this report. Preliminary market potential for residential and commercial development and the anticipated site requirements of potential users have been integrated with the land use and development, urban design, parking, access and circulation elements of each concept.

Market Context

One advantage of a downtown commercial district is its ability to offer a wide range of goods and services within a relatively compact area. Clarendon Hills has a smaller number of businesses in its downtown area and is geographically smaller compared to neighboring communities, effectively limiting the range and variety of retailers and service providers that shoppers can visit in a single location.

In addition, easy access to nearby downtowns and retail corridors such as Ogden Avenue, 75th Street, and Butterfield Road and proximity to Oak Brook mall, limits the station area's ability to capture a proportionate share of market potential.

The station area's potential consumer base, however, is relatively affluent and market area purchasing power is projected to increase. Clarendon Hills has the potential to create a more quaint destination retail environment that cannot be emulated in larger commercial settings or other downtowns. The station area has the potential to act as the anchor to the downtown that complements other development and uses.

Residential Development

Additional housing within the station area may also serve to increase daytime and nighttime activity within the station area. Residential development is desirable given projected growth in upper income households in the market area and the station area's downtown location.

While activity in the local and regional housing market has declined significantly in recent years, multi-family development has been especially limited. Growth among upper income, 'empty nester' households may be indicative of increasing demand for multi-family residential development.

The residential market analysis estimates demand for single family attached housing in the Village at a rate of approximately 9 to 12 units per year. This estimated annual demand for condominium of rowhome product is moderate, translating to an absorption rate of less than one unit per month. The large majority of rental units within the market are in multifamily buildings and demand for rental units within the market area may provide an interim use for homes that cannot be sold in the near term.

Preliminary observations also indicate growing support for senior housing among the market area's aging population. Regardless of housing type, the success of any residential development constructed in the station area will require a phased approach that minimizes the number of units being marketed at any one time and maintains flexibility with regard to the target market.

Retail Development

Retail development in Downtown Clarendon Hills faces competition from nearby retail concentrations that have developed along Ogden Avenue and other major corridors. Combined traffic counts for the Station Site of between 5,000 and 5,500 ADT are low compared to most other commercial areas within the primary and secondary market areas including nearby downtowns. Development at the Station Site should be designed to maximize retail tenant exposure along Prospect Avenue, the primary north-south roadway in the downtown area.

Potential Uses

The retail gap analysis, which compares projected spending by market area households to the existing supply of retail space, indicates leakage in several retail categories within both the primary and secondary market areas. However, the nearby location of existing retail competition may limit development potential at the Station Site.

Given the proper site configuration, access and visibility, the Station Site could potentially capture a portion of the unmet demand in the following retail categories:

- Furniture & Home Furnishings
- Electronics
- Building Materials, Garden Equipment & Personal Supply Stores.
- Health & Personal Care Stores
- Limited-service Restaurants
- Full-Service Restaurants

All of these store types have small to mid-size footprints, ranging from 2,500 to 12,500 square feet, and could be accommodated within a downtown environment such as the station area. The ability to attract tenants in these retail categories and anchor retail development at the Station Site will require providing easy access to, and maximizing visibility along, Prospect Avenue.

Small office users may also be interested in occupying space at the Station Site and would represent good in line tenants. Given traffic counts and existing retail competition, a limited- or full-service restaurant may represent the most readily marketable use for any proposed commercial development in the station area .

Observations made and data assessed during the retail market analysis indicate that the Station Site could support between 7,500 and 15,000 square feet of retail and restaurant space. A marketable mix of uses for the space would likely include a fine dining restaurant and/or a limited-service restaurant complemented by a mix of smaller retailers and personal service providers.

In addition to retail space, office uses should be encouraged at the Station Site. The station area has a healthy base of professional office uses from which to build. While office uses do not typically anchor a mixed-use development, second floor office space is a good ancillary use to ground floor retailers and restaurants.

Downtown Context

While the focus of this analysis is on the Station Site, it is important to understand the context within which it exists in the larger Downtown area. The influence of the Station Site on other downtown development and the potential for other properties to redevelop sooner must be considered. Currently, there are two vacant properties that are or have recently been the subject of development proposals; the southeast corner of Park and Prospect; and the east side of Walker between Park and Railroad.

In addition the former Police station building at the southwest corner of Prospect and Burlington is also available for redevelopment. These sites represent the most likely short term redevelopment opportunities in the Downtown. It is important to note that it is not anticipated that the collective redevelopment of the sites would negatively impact longer-term development potential of the Station Site. Equally, the Station Site is not anticipated to compete with those locations or any other Downtown Clarendon Hills business. To the contrary, it is expected that each of these developments will serve to strengthen the Downtown and serve as catalysts for additional reinvestment.

Demographic Overview

Demographic data has been assessed to document any anticipated growth or change within the primary and secondary market area populations. 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. Projections have not been made beyond this time frame as the degree of accuracy in which market potential can be assessed would be reduced. Potential implications regarding demand for residential and commercial development have also been assessed using this data.

Market data for this analysis were obtained from ESRI Business Analyst, a nationally recognized provider of market and demographic data.

Population Change

Table 1 summarizes population and household growth within the primary and secondary market areas. Both market area populations are projected to experience a minimal decrease over the next five years. Conversely, it is anticipated that income levels will increase among households in both market areas.

- The PMA population is projected to lose 179 individuals (-0.7% decrease) and 69 households (-0.8% decrease) between 2010 and 2015.
- The population within the SMA is also projected to experience a decline over the next five years, but to a slightly lesser degree of 441 individuals (0.4% decrease) and 86 households (-0.2% decrease).
- Differing trends in median age indicate that, overall, the PMA population will grow slightly younger while the SMA population will grow older.
- Over the next five years, the PMA median household income is projected to grow at an annual rate of 3.04% to $142,490 in 2015.
- Median income among SMA households is projected to grow at an annual rate of 3.66% between 2010 and 2015 to $100,645.

Table 1. Demographic Summary
Village of Clarendon Hills & Surrounding Communities, 2010 - 2015

	2010		2015		Total Change 2009 - 2014	
	Primary Market Area	*Secondary Market Area*	*Primary Market Area*	*Secondary Market Area*	*Primary Market Area*	*Secondary Market Area*
Population	25,350	121,131	25,171	120,690	-179 (-0.7%)	-441 (-0.4%)
Households	8,900	46,168	8,831	46,082	-69 (-0.8%)	-86 (-0.2%)
Median Age	39.9	42.1	39.7	42.4	-0.2 (-0.5%)	0.3 (0.7%)
Median Household Income	$122,652	$84,108	$142,490	$100,645	$19,838 (16.2%)	$16,537 (19.7%)
Average Household Income	$178,082	$113,738	$204,419	$130,345	$26,337 (14.8%)	$16,607 (14.6%)
Per Capita Income	$61,777	$44,128	$70,824	$50,682	$9,047 (14.6%)	$6,554 (14.9%)

Source: ESRI Business Analyst; Houseal Lavigne Associates

Age Profile

Charts 1 and 2 summarize changes in population by age cohort within the PMA and SMA. Both the PMA and SMA are projected to experience similar age shifts within their populations. In general, the number of individuals under the age of 35 or over the age of 54 is expected to increase moderately. It is anticipated that these population gains will be offset by larger decreases among individuals aged between 35 and 54, resulting in a minor net population loss of less than 1%.

- It is anticipated that populations under the age of 35 within both the PMA and SMA will grow slightly, with projected increases of 0.2% and 0.5% respectively.
- Within the PMA and SMA, the number of individuals aged 55 and up is projected to increase by 12.5% and 7.1% respectively.
- Between 2010 and 2015, the PMA is expected to lose 988 individuals (-12.8% decrease) between the ages of 35 and 54. The SMA is projected to lose 3,269 individuals (-9.3%) within the same age cohort.
- Within both the PMA and SMA, the population aged 45 to 54 is projected to provide the largest decrease in population among all age cohorts.

Chart 1. Change in Population by Age
Primary Market Area, 2010 - 2015

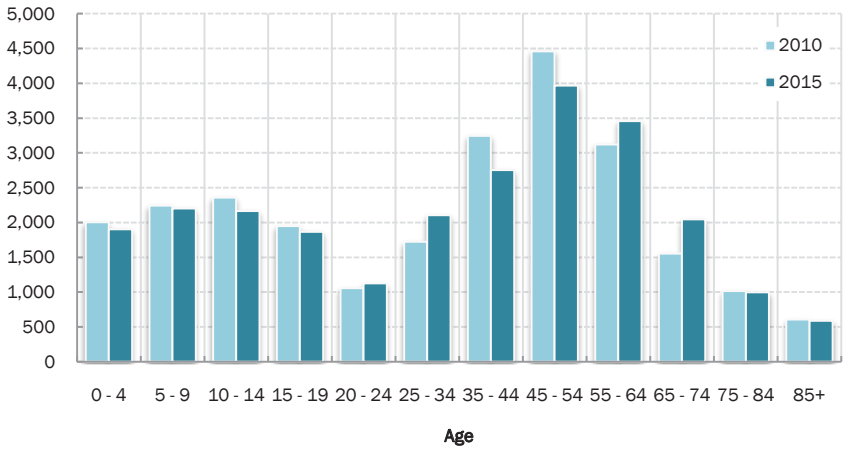
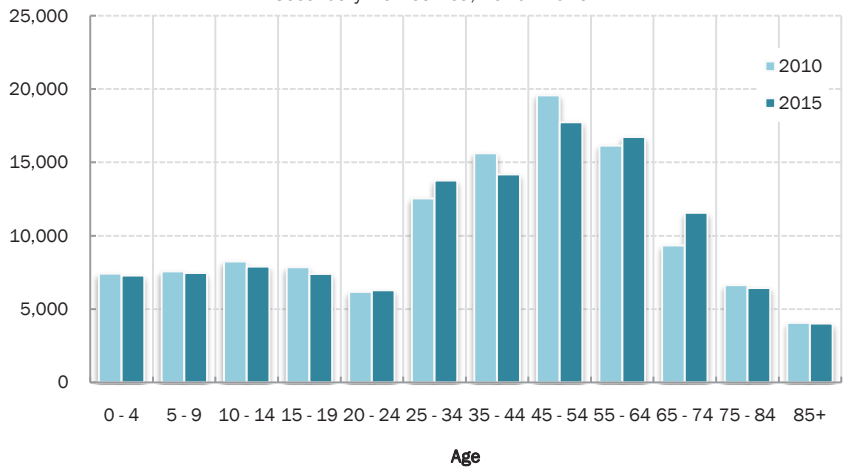


Chart 2. Change in Population by Age
Secondary Market Area, 2010 - 2015



Household Growth

Charts 3 and 4 illustrate projected change in the number households by income group within the primary and secondary market areas. Within both the PMA and SMA, it is projected that low and middle income households will decrease in number while the number of upper income households is expected to increase. Despite an anticipated overall decrease in the number of households within the PMA and SMA, it is anticipated that the buying power of both areas will increase over the next five years.

- The number of PMA households earning less than $100,000 per year is projected to decrease by 891, or -24.1%, between 2010 and 2015. The SMA is projected to lose 4,672 (-17.0% decrease) households within this income group over the same period.
- Over the next five years, it is anticipated that the PMA will gain 823 households (15.8% increase) earning more than $100,000 per year. The SMA is projected to gain 4,581 (24.5% increase) households in this income group over the same period.
- The total income generated by households within both the PMA and SMA is projected to increase by 14% between 2010 and 2015.

Chart 4. Change in Households by Income
Secondary Market Area, 2009-2014

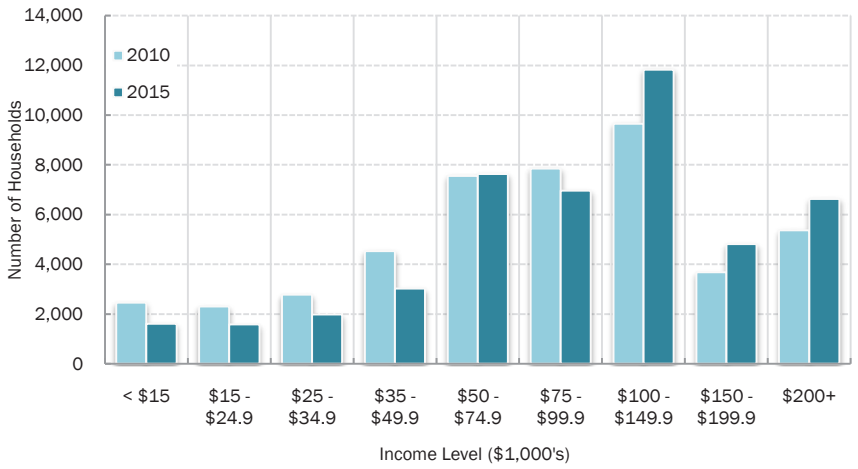
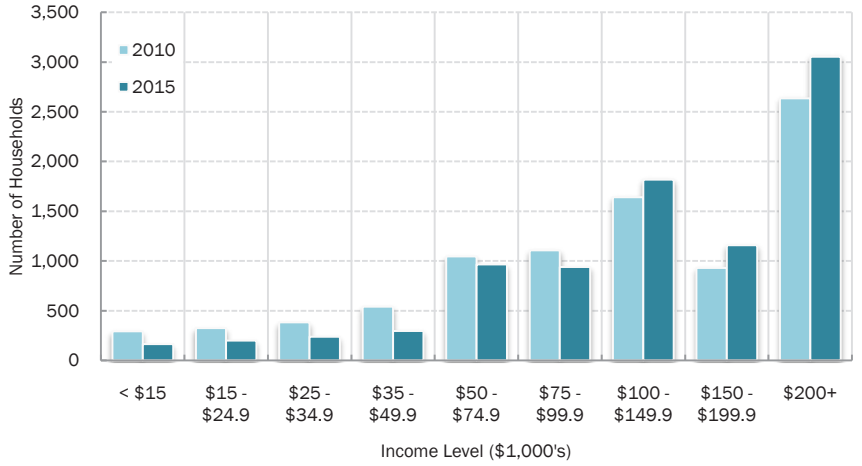


Chart 3. Change in Households by Income
Primary Market Area, 2009-2014



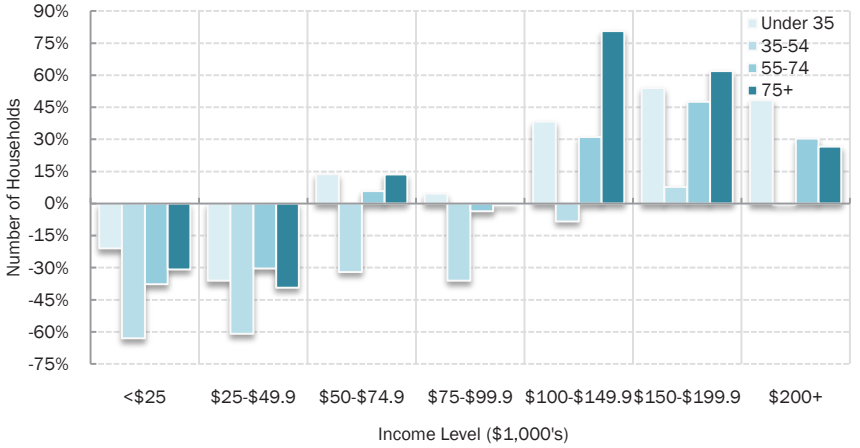
Age by Income

Charts 5 and 6 summarize projected change (%) in the number of 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 primary and secondary market areas. For example, the dark blue columns indicate change within the market area householder population over the age of 75. 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, both market areas are experiencing significant decline among lower and middle income households with significant increases among upper income households. Shifts in household income are projected to occur uniformly across all age cohorts with few age groups deviating from the larger pattern of growth or decline. As a result, market area populations are becoming more affluent on average with little change in overall age composition.

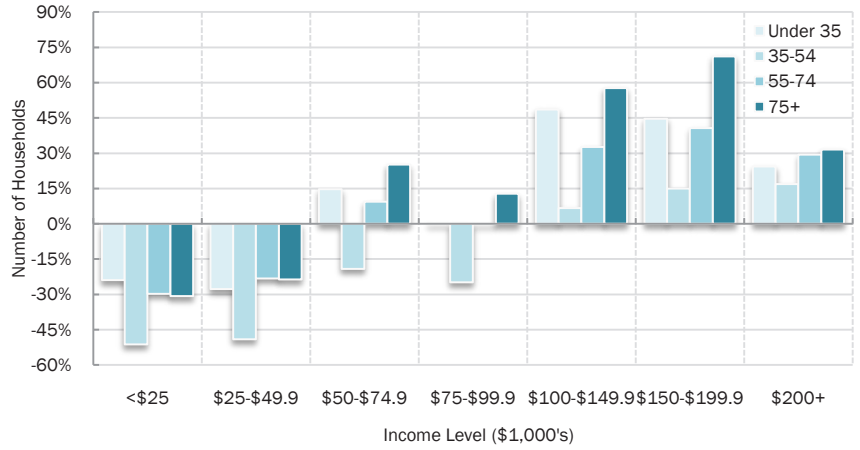
- For both market areas, the number of households earning more than $100,000 is projected to increase across all age cohorts. Projected increases in these upper income households are most significant among householders aged 75 and up which are expected to grow by 52.0% within the PMA and 46.8% within the SMA.
- Changes among middle income households earning between $50,000 and $100,000 will be less significant among age cohorts in both market areas. Changes among age cohorts in this income group range between a decrease of 36% and an increase of 25%. Overall, middle income households will decrease by 11.4% and 5.3% in the PMA and SMA respectively.
- Within both the PMA and SMA, the number of households earning less than $50,000 is projected to decrease across all age cohorts. Projected increases in lower income households are most significant among householders aged 35 to 54, which are expected to decrease by 41.5% within the PMA and 31.9% within the SMA.

Chart 5. Households by Age and Income Level
Primary Market Area, 2010 - 2015



of increased demand for multi-family

Chart 6. Households by Age and Income Level
Secondary Market Area, 2010 - 2015



Residential Market

Housing Profile

As indicated in Table 2, the majority of housing units in the Village are owner-occupied, detached single family homes with three bedrooms. The data is from the 2000 US Census, which is the most recent data available regarding detailed housing characteristics in the Village.

- Owner-occupancy in the Village (81.7%) is slightly higher than in surrounding DuPage County (76.9%).
- Nearly three-quarters of all units in the Village are single family detached homes, less than 7% are single family attached units such as townhomes or duplexes, and the remaining 20% are in multi-family buildings with three or more units.
- Three-bedroom units are common within the Village, making up 33.6% of all units. Over half of all renter-occupied units are one-bedroom units (52.6%) while owner-occupied units are predominantly three- (41.4%) and four-bedroom units (36.2%).

Table 2. Housing by Tenure, Type & Number of Bedrooms
Village of Clarendon Hills, 2000

Occupied Housing Units	*2,836*	*100.0%*
Owner Occupied	2,316	81.7%
Renter Occupied	520	18.3%
Units in Structure - All Units	*2,982*	*100.0%*
Single Family Detached	2,203	73.9%
Single Family Attached	187	6.3%
Multi Family	584	19.6%
Mobile Home or Other	8	0.3%

Number of Bedrooms by Tenure	*2,891*	*100.0%*
Owner Occupied	**2,347**	**100.0%**
Studio	0	0.0%
One Bedroom	0	0.0%
Two Bedrooms	415	17.7%
Three Bedrooms	971	41.4%
Four Bedrooms	849	36.2%
Five+ Bedrooms	112	4.8%
Renter Occupied	**544**	**100.0%**
Studio	11	2.0%
One Bedroom	286	52.6%
Two Bedrooms	196	36.0%
Three Bedrooms	31	5.7%
Four Bedrooms	20	3.7%
Five+ Bedrooms	0	0.0%

Source: 2000 US Census; Houseal Lavigne Associates

Age of Housing Stock

Chart 7 illustrates the distribution of the age of housing units within the Village. With the exception of the 1950s, the Village's housing stock is divided evenly among each of the last seven decades. A diverse age range within the local housing stock is typically indicative of a wider range of home prices and affordability.

- Approximately 11% of the Village's homes were built prior to 1940.
- Over one-quarter (27.0%) of the Village's housing units were built between 1950 and 1959 with no other decade accounting for more than 15% of the units in the Village's current housing stock.
- Nearly 58% of all housing units in Mundelein were constructed over the thirty year period between 1970 and 1999.
- New construction permits issued between 2000 and 2009, which is the most recent data available, indicate that the majority of recent housing constructed in the Village has been comprised of detached single family home development. 399 permits were issued for single family homes over the period.
- There were 5 multi-family projects with a combined total of 105 units permitted in the Village between 2000 and 2009.

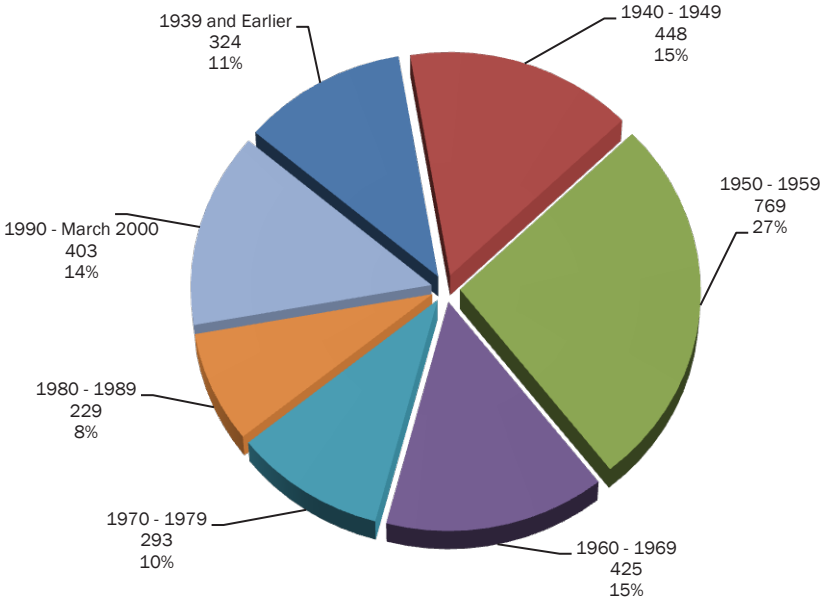
Market Implications

As of 2000, approximately one in five units in the Village is in a multi-family structure. Building permit data discussed in the next section indicate that new construction has been predominantly single family and that the proportion of multi-family units has remained near 20% since 2000. At just over 18%, the proportion of renter-occupied units is similar to that of multi-family buildings. Rental units are predominantly one- and two-bedroom units.

Given the size and downtown location, multi-family housing (i.e. condominiums and apartments) are the most appropriate type of residential development for the station area.

Figure 7 illustrates the inventory of existing businesses located within Downtown Clarendon Hills.

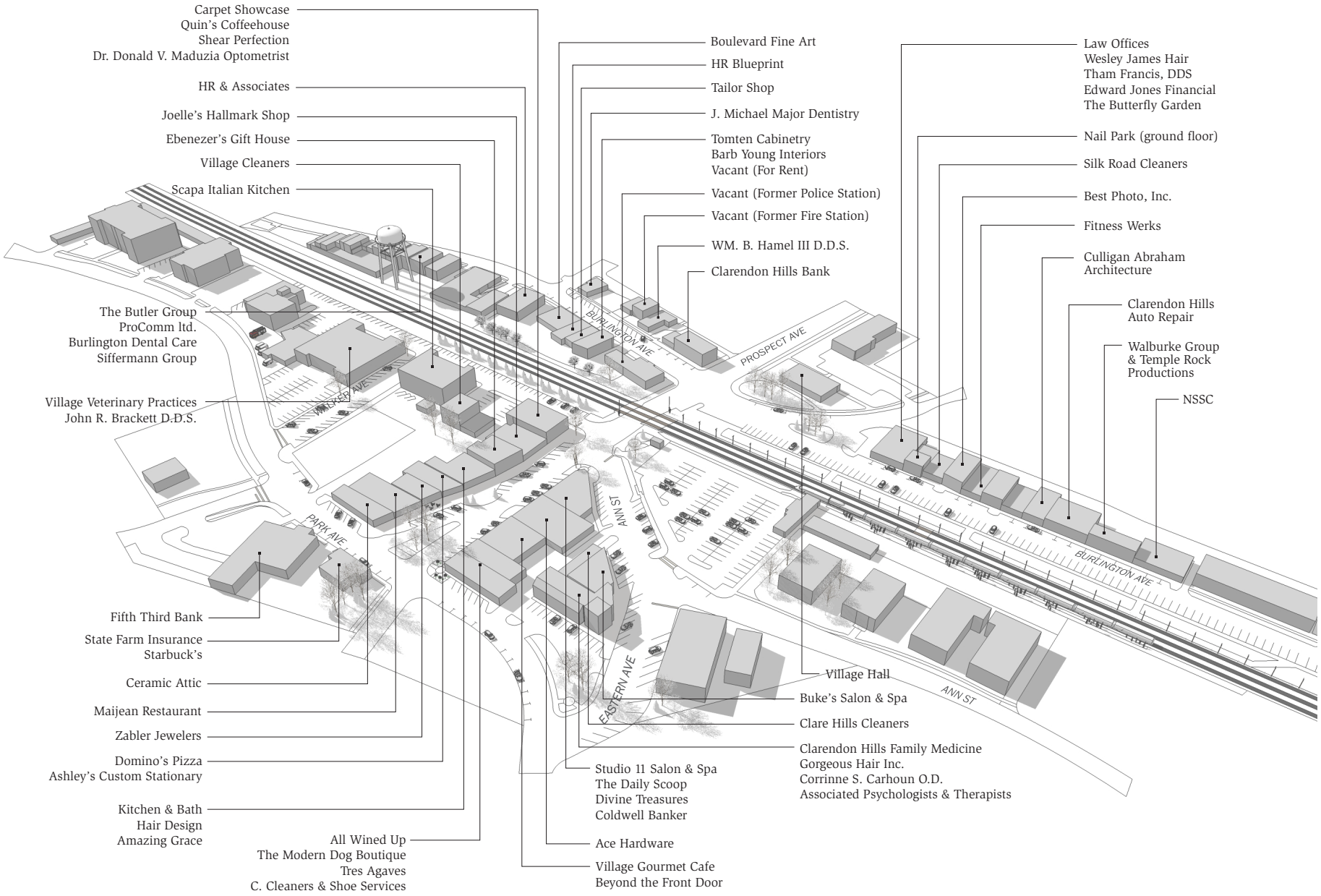
Chart 7. Age of Housing Structure
Village of Clarendon Hills, 2000



Source: US Census 2000

Figure 7.

Downtown Clarendon Hills Businesses



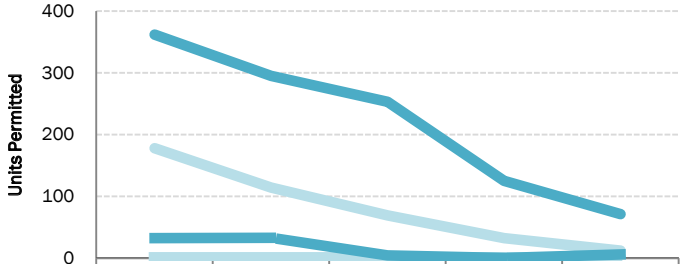
New Construction Building Permits

Data for new construction permits for residential units were gathered for the Village of Clarendon Hills as well as the surrounding communities that make up the PMA and SMA. Chart 8 compares combined total permitting activity for PMA communities to the combined total permitting activity of SMA communities.

Between 2005 and 2009 (the most recent data available at the time of this analysis), negative trends can be observed regarding the number of new construction residential building permits issued for single family homes in both the PMA and SMA. Permitting activity for multi-family units, which compose a small portion of total activity, has also steadily declined since 2005.

- 2005 marked the height of permitting activity, accounting for nearly 44% of all units permitted within the PMA and over 33% of all units permitted in the SMA.
- Over the five year period, the total number of permits issued within the PMA declined by 93% to 12 units in 2009.
- The total number of permits issued by SMA communities has declined significantly from 394 in 2005 to 77 in 2009. This represents a decline of 317 units (-80.5%).
- No multi-family units were permitted within the PMA between 2005 and 2009. Multi-family units made up 6.4% of all units permitted in the SMA over the same period.

Chart 8. New Construction Building Permits
Primary & Secondary Market Area Communities, 2005 - 2009



	2005	2006	2007	2008	2009
PMA Single Family	178	114	69	32	12
PMA Multi-Family	0	0	0	0	0
SMA Single Family	362	295	253	125	71
SMA Multi-Family	32	33	4	0	6

Source: US Census; Houseal Lavigne Associates

Home Sales

There are no significant new condominium projects currently being marketed in Clarendon Hills or the surrounding market area communities. There is a large number of existing homes available in the market and the gap between the sales prices of new homes and existing homes has decreased significantly. Given the current downturn in the housing market, the resale of existing homes offers the best means of understanding housing costs and near term demand in the PMA and SMA.

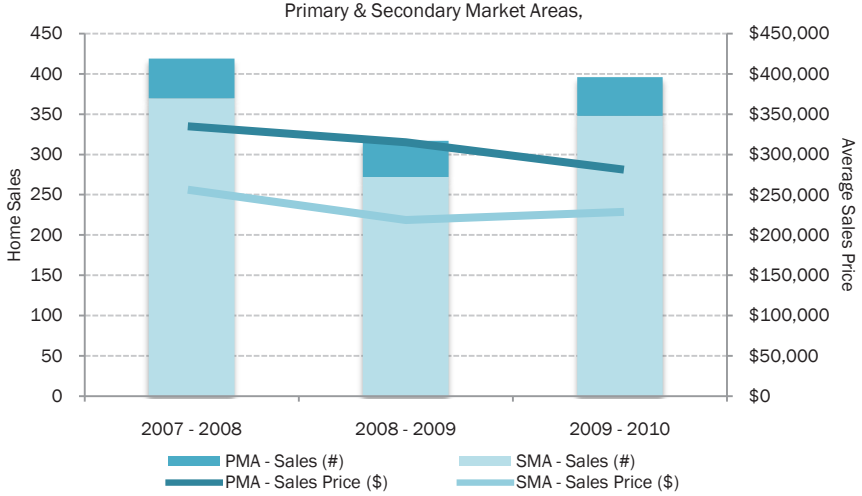
This section of the market analysis assesses trends in home sales for the PMA communities of Clarendon Hills and Hinsdale as well as the surrounding SMA communities of Burr Ridge, Downers Grove, La Grange, Oak Brook, Western Springs, and Westmont.

Data detailed in Table 3 from the Multiple Listing Service has been collected for each community regarding the annual total number of sales, average sales price, median sales price, and average market time (in days).

Chart 9 illustrates the total number of attached single family homes sold and overall average sales price for both the PMA and SMA between July 1, 2007 and July 1, 2010.

- The number of homes sold in the PMA communities has remained steady over the past three years ranging between 45 and 49 each year.
- Among SMA communities, the total number of sales had been less stable, with 348 homes sold between July 2009 and July 2010. This represents a 28% increase over the previous year, but a 6% decrease from 2007-2008.
- The average sales price among PMA communities was $282,000 in 2009-2010. This is 10.6% lower than the previous year and 15.7% lower than in 2007-2008.
- Between July 2007 and July 2010, the SMA average sales price decreased by 10.6%, representing a slower rate of decline than that of the PMA.
- There has also been a corresponding increase in the average market time. In Clarendon Hills, average market time has gone from a low of approximately 7.5 months (225 days) in 2008-2009, to a high of nearly 10 months (296 days) in 2009-2010.

Chart 9. Attached Single Family Home Sales
Primary & Secondary Market Areas,



A closer examination of the MLS activity in the primary market area reveals that nearly three-quarters (73.5%) of the single family attached homes sold over the past 12 months have sold for less than $350,000 (Table 4). Single family attached homes priced between $200,000 and $250,000 or between $300,000 and $350,000 each made up nearly 20% of total sales.

Table 4. Attached Single Family Home Sales
Primary Market Area, July 2009 - July 2010

Sales Price	*Number*	*Percent*
Less than $149,999	6	12.2%
$150,000 - $199,999	6	12.2%
$200,000 - $249,999	9	18.4%
$250,000 - $299,999	6	12.2%
$300,000 - $349,999	9	18.4%
$350,000 - $399,999	2	4.1%
$400,000 - $449,999	2	4.1%
$450,000 - $499,999	1	2.0%
$500,000 - $549,999	1	2.0%
$550,000 or Greater	7	14.3%

Source: MLS of Northeaastern Illinois; Houseal Lavigne Associates

Table 3. Attached Single Family Home Sales
Primary & Secondary Market Area Communities, July 2007 - July 2010

Sales

	Primary Market Area		Secondary Market Area					
	Clarendon Hills	Hinsdale	Burr Ridge	Downers Grove	La Grange	Oak Brook	Western Springs	Westmont
2007 - 2008	20	29	21	160	46	61	9	73
2008 - 2009	13	32	16	134	24	29	6	63
2009 - 2010	15	33	39	157	35	41	11	65

Median Sales Price

	Primary Market Area		Secondary Market Area					
	Clarendon Hills	Hinsdale	Burr Ridge	Downers Grove	La Grange	Oak Brook	Western Springs	Westmont
2007 - 2008	$260,250	$300,000	$374,650	$168,750	$203,950	$365,000	$301,000	$205,000
2008 - 2009	$242,500	$307,500	$338,500	$141,250	$171,700	$380,000	$265,000	$195,000
2009 - 2010	$224,900	$225,000	$310,000	$142,500	$170,000	$285,000	$260,000	$190,000

Average Sales Price

	Primary Market Area		Secondary Market Area					
	Clarendon Hills	Hinsdale	Burr Ridge	Downers Grove	La Grange	Oak Brook	Western Springs	Westmont
2007 - 2008	$272,238	$377,587	$392,127	$213,559	226,053	$350,951	$333,167	$238,450
2008 - 2009	$269,385	$333,994	$335,625	$172,598	203,138	$378,397	$300,667	$211,425
2009 - 2010	$258,257	$292,727	$327,396	$182,285	196,034	$339,358	$313,227	$215,044

Average Market Time (Days)

	Primary Market Area		Secondary Market Area					
	Clarendon Hills	Hinsdale	Burr Ridge	Downers Grove	La Grange	Oak Brook	Western Springs	Westmont
2007 - 2008	242	192	191	147	144	129	249	148
2008 - 2009	225	214	271	197	216	175	272	157
2009 - 2010	296	256	189	199	266	304	185	249

Source: Multiple Listing Service of Northeaastern Illinois; Houseal Lavigne Associates

Senior Housing

Several senior housing facilities that offer independent and assisted living services were inventoried in the primary and secondary market areas (See Table 5). While Continuing Care Retirement Communities (CCRC) were inventoried and interviewed, data for these communities is not shown as the pricing structures and fees charged by these developments vary widely. Moreover, given a downtown location and the limited size of potential development sites, senior housing in the station area would most likely take the form of a mix of independent and assisted living senior apartments and not a CCRC project.

Occupancy rates at two of the properties inventoried were between 90% and 96%. One property, which opened approximately one year ago, had an occupancy rate of 48% among its independent living units. Another property, which offers only independent living units, has an occupancy rate of approximately 50%.

One-bedroom, one-bath units are most common, ranging in size from 500 to 700 square feet, with typical monthly rents ranging from $3,500 to $4,000. Two-bedroom, two-bath units typically range between 800 and 1,100 square feet with rents between $4,000 and $5,500 per month. Most properties charge an entry fee of one month's rent.

Pointe at Clarendon Hills

A previous proposal for the property at 5-23 Walker Avenue in Downtown Clarendon Hills highlighted the market potential for senior housing development in the station area. Inland Real Estate proposed the Pointe at Clarendon Hills which was to be a three-story, mixed-use development with 11,650 square feet of ground floor retail and 31 senior housing units on the upper floors.

Plans were approved by the Village Board in October 2008 and granted a one-year extension to start construction in September 2009. The site, which is located on the northeast corner of Park Avenue and Walker Avenue in downtown Clarendon Hills, is currently a cleared and vacant. Inland sold the property to Blue Ridge Mountain, LLC which is owned by Evanston-based Sherwin Real Estate, in early 2010.

Table 5. Select Senior Housing Facilities
Primary and Secondary Market Areas, August 2010

			Independent Living									
						Unit Type						
Property	Location	Services Offered	Age (years)	# of Units	Occupancy	BR	BA	Rent	Size (sf)	Rent per SF	Entry Fee
The Birches	Clarendon Hills	Independent	10	58	90%	Studio	1	$3,500	400	$8.75	$3,500
		Assisted				1	1	$4,500	500	$9.00	$4,500
		Memory Care				2	2	$5,900	800	$7.38	$5,900
LaGrange Pointe	La Grange	Independent	1	30	50%	1	1	$1,350 - $1,900	640 - 833	$2.10 - $2.28	$4,710
						2	2	$2,500 - $3950	909 - 1257	$2.75 - $3.14	$6,450
Cordia Senior Living	Westmont	Independent	8	116	90%	Studio	1	$3,000	475	$6.32	$4,000
		Assisted				1	1	$3,500	600	$5.83	$4,000
						2	2	$4,500	750	$6.00	$4,000
Sunrise at Fountain Square	Lombard	Independent	1	62	48.4%	Studio	1	$2,350	450 - 500	$4.70 - $5.22	$2,350
		Assisted				1	1	$3,250	700	$4.64	$3,250
		Memory Care				1	1.5	$4,000	900	$4.44	$4,000
						2	2	$5,000	1,100 - 1,300	$3.85 - $4.55	$5,000
Average						Studio		$2,950	$450	$6.67	$3,283
						1 Bedroom		$3,313	$659	$5.39	$4,209
						2 Bedroom		$4,656	$958	$5.13	$5,338

Source: Houseal Lavigne Associates

Inland Real Estate has built similar projects in other Chicago-area downtowns including LaGrange Pointe, a 30 unit urban senior living concept located on the northeast corner of LaGrange Road and Cossitt Avenue and the 32-unit Elmhurst Pointe built in 2008 and 2009. These two projects are currently approximately 50% occupied.

Another project, the Pointe at Lombard (51 units) was scheduled to break ground in the spring 2009, but construction has yet to begin. All three of these developments, as well as the Pointe at Clarendon Hills projects, were designed by HPD Cambridge, the developer of the Naper Place senior housing development in downtown Naperville which is now student apartment housing for North Central College upperclassmen.

Assistant Care Services

Assisted living arrangements are typically offered as additional services and amenities in addition to cost of independent living. Residents requiring these additional assistant care services either pay an increased monthly rent, for example one facility charges an additional flat monthly fee of $1,000, or fees for a la carte services on a per day or per visit basis. For example, medication reminders may cost $10 per day dressing and bathing assistance may cost $15 per visit.

Comments from marketing personnel at these facilities indicate that at least some level of assistant care is needed to meet the needs of the senior population. Properties being marketed as solely independent living communities are uncommon as this is believed to limit the potential pool of occupants to seniors who are relatively young and in good health.

One representative indicated that the average age of their resident is 87.6 years and that all residents take advantage of at least some of the assistant care services they offer. In combination with the overall market downturn, the exclusive offering of independent living units at the Pointe at Clarendon Hills and the vacancy rates at their existing projects may have had an influence on Inland Real Estate's decision to halt the project.

Rental

As shown in Table 6, it is estimated that 15% of all PMA occupied housing units and 22% of all SMA occupied housing units are rental units. These proportions are projected to remain steady through 2015. Within the Village of Clarendon Hills, rental units made up nearly 85% of all multi-family units at the time of the 2000 Census. The lack of any multi-family permitting activity since 2000 indicates that this ratio has likely remained relatively unchanged. Given the predominance of rental housing within the multi-family market, rental units could be considered for at least a component of residential development at the Station Site.

Table 6. Tenure by Units in Structure
Clarendon Hills, 2000

Owner Occupied Units	***2,347***	***100.0%***
Single Family Detached	2,072	88.3%
Single Family Attached	187	8.0%
Multi Family	88	3.7%
Mobile Home or Other	0	0.0%
Renter Occupied Units	***544***	***100.0%***
Single Family Detached	81	14.9%
Single Family Attached	0	0.0%
Multi Family	455	83.6%
Mobile Home or Other	8	1.5%
Total Multi Family Units	***543***	***100.0%***
Owner Occupied	88	***16.2%***
Renter Occupied	455	***83.8%***

Source: 2000 US Census; Houseal Lavigne Associates

Median Rents

As shown in Table 7, the median rent for properties currently marketing in Clarendon Hills is $1,650. This is generally on par with rental rates in neighboring market area communities. Census data indicate that the typical rental unit within the Village has one- or two-bedrooms and median rents for such a unit currently ranges between $1,275 and $1,400 per month.

Table 7. Rental Market Statistics
Primary & Secondary Market Area Communities, July 2010

	Median Rent					
	All	Studio	1 BR	2 BR	3 BR	4 BR
Clarendon Hills	$1,650	-	$1,275	$1,400	$2,495	$4,000
Hinsdale	$1,050	$697	$948	$1,100	$1,395	$1,800
Burr Ridge	$1,910	$1,070	$1,505	$2,170	$1,098	$1,495
Downers Grove	$1,075	$695	$1,030	$1,195	$1,850	$2,300
La Grange	$815	-	$800	$1,400	$2,250	$3,600
Oak Brook	$3,100	-	$1,789	$2,500	$2,200	$4,000
Western Springs	-	-	-	-	-	-
Westmont	$915	$620	$785	$1,050	$1,497	$4,500

Source: Hotpads.com; Houseal Lavigne Associates

Residential Demand

The next step in analysis of the residential market is assessing the number of households that would be "eligible" to purchase or rent units in the station area based on household income and age of householder. Put simply, the demand for housing will be determined by the lease rates or sales price of residential units and the types of product offered. Traditionally, young professionals (under 35) and empty nester (age 55 and over) households are the predominant occupants of multi-family units while families (age 35 to 54) are the predominant buyer of single family homes. By examining how many householders fall into various age and income cohorts, the demand for units of a given type of housing can be estimated.

Home Pricing & Minimum Income Requirements

Condominiums

For the residential demand analysis, a base price of $335,000 was selected to determine the minimum income requirements for potential home buyers. Home prices within the PMA peaked at an average of $335,000 between July 2007 and July 2008 and using a value from the high point of the market will avoid overstating demand.

Recent sales data for the PMA indicate that homes priced between $300,000 and $350,000 are some of the most common in the market and that only one quarter of all single family attached units sold in the PMA were priced above $350,000. As shown in Table 8, it is estimated that a home price of $335,000 requires a minimum household income of approximately $107,000 to afford a market supportable condominium unit.

Minimum income requirements consider the ability to put at least 15% down toward the purchase of a home, various housing expenses in addition to a mortgage payment, and acceptable benchmarks of percentage of income allocated toward housing (30%). As well as minimum income requirements, a maximum income threshold of $250,000 was also used so as not to overstate the market. Those households earning greater than $250,000 may still be attracted to a unit located in the station area, but most will likely seek the opportunity to purchase a single family home or more expensive unit elsewhere.

Apartments

Table 8 also estimates minimum income requirements for households who rent their homes. Typical rent for a two bedroom unit is near $1,400 per month within Clarendon Hills. Assuming an annual rent increase of 3%, typical rents in 2015 would be near $1,625. Affording this rent would require a minimum household income of approximately $65,000.

Table 8. New Home Pricing
Housing Demand Income Requirements

Condominium Pricing		Apartment Pricing	
Asking Price	$335,000	Monthly Rent	$1,625
Downpayment	15%	Annual Rent	$19,500
Interest Rate	7.00%	Housing Costs as % of Income	30%
Monthly Mortgage Payment	$1,894		
Annual Mortgage Payment	$22,733	***Minimum Income Required***	***$65,000***
Annual PMI	$1,082		
Annual Assessments	$2,400	**Senior Housing Pricing**	
Annual Property Taxes	$6,000	Monthly Rent	$4,650
Housing Costs as % of Income	30%	Annual Rent	$55,800
		Housing Costs as % of Income	70%
Minimum Income Required	***$107,385***		
		Minimum Income Required	***$79,714***

Source: Houseal Lavigne Associates

Market Area Demand

The following section further refines the "pool" of income qualifying buyers and renters using various factors to derive estimated market area demand for single-family attached housing in the station area. The outcomes of the various steps of the market area demand calculation discussed here are highlighted in Tables X through Y located at the end of this section. A market area demand table has been created for three types of housing: condominiums, apartments, and independent/assisted living senior housing.

Age Cohort

Estimates for market area demand should exclude those households that do not meet the probable age cohort of someone seeking a condominium or apartment unit in the defined market area. Multi-family units in downtown locations are typically occupied by a combination of young professionals, first-time home buyers looking for a more affordable means of building equity, empty nester households looking to downsize and those individuals who want to own their own home without the maintenance responsibilities. These buyers are typically aged between 25 to 34 and 55 and older respectively.

Mobility Index

After establishing a base line of those households able to afford and likely to purchase or rent a unit, a "mobility index" is used to ascertain the percentage of households moving each year within given age cohorts. This index has been derived and further refined from historic patterns recorded by the US Census for the Midwest region. It identifies the propensity for a household in a given age bracket to move from their current residence. For the purposes of this analysis, it was determined that 16.4% of young (under 25) households would be likely to move while 20.5% of households aged 25 to 34 would be likely to move. Lastly, it is estimated that only 3% to 4% of those households aged 55 and older would be likely to move in any given year.

Home Ownership Rates

The next step of the analysis is to determine what proportion of households, of those deemed eligible, are homeowners or renters. In other words, of those meeting age and minimum income requirements who are moving, which households are in the financial position to obtain a mortgage and finance a home?

Table 9 estimates the proportion of owner- and renter-occupied units according to the age of the head of household among all PMA and SMA households. Essentially, the table shows the propensity of a household to rent versus own based on the age of the householder.

The home ownership and rental rates in Table 8 are used to further refine the market and potential buyers and renters of units in each respective market area.

Table 9. Tenure by Age of Householder
Primary & Secondary Market Area Households, 2000

Age Cohort	Occupied Units	Owner Occupied Units	% Owner Occupied	% Renter Occupied
< 25	1,031	141	13.7%	86.3%
25 - 34	7,072	3,709	52.4%	47.6%
35 - 44	12,757	10,338	81.0%	19.0%
45 - 54	12,755	11,175	87.6%	12.4%
55 - 64	8,086	7,309	90.4%	9.6%
65 - 74	5,916	5,185	87.6%	12.4%
75+	6,682	4,941	73.9%	26.1%

Source: ESRI Business Analyst; Houseal Lavigne Associates

Clarendon Hills Market Share

It is assumed that approximately 33.0% of the eligible households in the PMA and 5.7% of the SMA will purchase or rent a home in the Village of Clarendon Hills. These market share estimates are based on the proportion of households in Clarendon Hills compared to the number of households in the larger primary and secondary market areas.

This percentage is applied to the pool of potential qualifying home buyers and renters to estimate the annual demand for similarly priced housing in the Village of Clarendon Hills as a whole. Given this market share, it is estimated that there is potential annual demand for between 40 and 45 rental unit transactions and 40 to 55 condominium transactions per year.

Capture Rate

While there is raw demand for housing, a new development at the Station Site would have to compete against both the turnover of existing supply as well other newer units being offered in the market. The ability for any development to attract potential buyers/tenants is typically described as a capture rate which represents the likelihood of a qualified buyer or renter choosing a unit within a specific location.

As indicated by building permit data and other market observations, multi-family development has been limited within both the PMA and SMA. Within the PMA there have been no new condominium projects built since 2005. Within the SMA, multi-family construction has been limited to a handful of projects in Downers Grove and Westmont.

Economic conditions and the ability for both developers and purchasers to obtain financing have been a primary factor in the limited number of new units coming on line. Ultimately, this will have a residual impact on the future market potential and absorption of new construction. Assuming a comparable site location and amenities, competitively priced new construction will sell faster than resale units in most cases. This becomes even more pronounced the older the existing supply. As a development ages, the less likely it is to compete head-to-head with new construction. Once financing becomes more readily available and markets open up, the relative dearth of new units in the last few years will benefit those future developments.

Given the limited volume of new product in the PMA and SMA, data on existing home sales in PMA and SMA communities can be used to provide an indication as to the likelihood of a market area household to purchase a condominium or townhome unit. Approximately 11.5% of all homes sold between July 2009 and July 2010 in the PMA were single-family attached units. In addition, an estimated 26.3% of homes sold within the SMA over the same period were single-family attached units. These proportions have been applied as capture rates to the pool of potential home buyers in Clarendon Hills to yield an estimated annual demand for condominium units in the Village.

Preliminary Feasibility

Condominiums

Based on the capture rates, household projections and the methodology described above, the potential buyer pool for condominiums in the combined PMA and SMA is between 9 and 12 units per year. This amounts to a total of 45 and 60 condominium transactions over the next five years (2010-2015). This estimated annual condominium demand is similar to the number of single family attached transactions (15) that occurred in the Village between July 2009 and July 2010.

Estimated annual demand is such that units would likely be absorbed at a rate of less than one per month. This moderate demand may make it difficult to support a large scale development; however, it could be sufficient to support incremental development. Phased development is recommended to match the pace of development with the anticipated level of demand and facilitate gradual absorption over several years. Residential development could take several forms such as new units located above ground floor commercial space, standalone buildings and/or rowhomes that are immediately proximate to commercial uses.

Table 10. Household Demand & Affordability - Condominiums
Primary & Secondary Residential Market Areas, 2010 - 2015

Primary Market Area - Condominium Demand

Age Cohort	*< 25*	*25-34*	*35-44*	*45-54*	*55-64*	*65-74*	*75+*	TOTAL
2010 Income Qualifying Households	29	201	-	-	733	-	-	963
2015 Income Qualifying Households	31	310	-	-	929	-	-	1,270
Mobility Index = Income Qualifiers x	*16.4%*	*20.5%*	*11.1%*	*7.1%*	*3.9%*	*3.0%*	*4.0%*	
2010 Movers	5	41	-	-	29	-	-	75
2015 Movers	5	64	-	-	36	-	-	105
Ownership Rate = Movers x	*13.7%*	*52.4%*	*81.0%*	*87.6%*	*90.4%*	*87.6%*	*73.9%*	
2010 Home Buyers	1	22	-	-	26	-	-	48
2015 Home Buyers	1	33	-	-	33	-	-	67
Clarendon Hills Market Share = Buyers x	*33.0%*							
	0	7	-	-	9	-	-	16
	0	11	-	-	11	-	-	22

Secondary Market Area - Condominium Demand

Age Cohort	*< 25*	*25-34*	*35-44*	*45-54*	*55-64*	*65-74*	*75+*	TOTAL
2010 Income Qualifying Households	353	2,662	-	-	5,328	-	-	8,343
2015 Income Qualifying Households	411	3,394	-	-	6,028	-	-	9,833
Mobility Index = Income Qualifiers x	*16.4%*	*20.5%*	*11.1%*	*7.1%*	*3.9%*	*3.0%*	*4.0%*	
2010 Movers	58	547	-	-	208	-	-	813
2015 Movers	67	697	-	-	236	-	-	1,000
Ownership Rate = Movers x	*13.7%*	*52.4%*	*81.0%*	*87.6%*	*90.4%*	*87.6%*	*73.9%*	
2010 Home Buyers	8	286	-	-	188	-	-	483
2015 Home Buyers	9	365	-	-	213	-	-	587
Clarendon Hills Market Share = Buyers x	*5.7%*							
	0	16	-	-	11	-	-	28
	1	21	-	-	12	-	-	33

Income & Age Qualifying Households	*Capture Rate*	*Annual Demand*
Primary Market Area	11.5%	2 - 3
Secondary Market Area	26.3%	7 - 9

Source: ESRI Business Analysts; Houseal Lavigne Associates

Rental Units

A precise capture rate for rental product is difficult to estimate, however the significant proportion of rental units that are in multi-family buildings indicate that a capture rate higher than that of condominiums may be warranted. It is estimated that 85% of all rental homes in Clarendon Hills are in multi-family structures. As such, Table 11 shows a range of capture rates from 10% to 20% to indicate the annual potential demand for rental units in the PMA and SMA. It is estimated that the annual occupant pool is 3 and 9 which could amount to between 15 and 45 rental unit leases over a five-year period.

In the current housing downturn, the rental market has remained comparatively healthy in the Chicago area with suburban vacancy rates hovering around 5.5%. As home prices have declined, low vacancies in the rental market have allowed landlords to maintain or increase rents in some instances.

Units at the Station Site could be constructed for later owner-occupancy while marketed in the shorter-term as higher end rental. Quality finishes, indoor secured parking and a downtown location could potentially enable the project to capture rents at the high end of the market.

Table 11. Household Demand & Affordability - Apartments
Primary & Secondary Residential Market Areas, 2010 - 2015

Primary Market Area - Rental Demand

Age Cohort	*< 25*	*25-34*	*35-44*	*45-54*	*55-64*	*65-74*	*75+*	TOTAL
2010 Income Qualifying Households	67	377	-	-	786	322	263	1,815
2015 Income Qualifying Households	56	318	-	-	331	284	240	1,229
Mobility Index = Income Qualifiers x	*16.4%*	*20.5%*	*11.1%*	*7.1%*	*3.9%*	*3.0%*	*4.0%*	
2010 Movers	11	77	-	-	31	10	11	139
2015 Movers	9	65	-	-	13	8	10	105
Rental Rate = Movers x	*86.3%*	*47.6%*	*19.0%*	*12.4%*	*9.6%*	*12.4%*	*26.1%*	
2010 Renters	9	37	-	-	3	1	3	53
2015 Renters	8	31	-	-	1	1	3	44
Clarendon Hills Market Share = Renters x	*33.0%*							
	3	12	-	-	1	0	1	18
	3	10	-	-	0	0	1	14

Secondary Market Area - Rental Demand

Age Cohort	*< 25*	*25-34*	*35-44*	*45-54*	*55-64*	*65-74*	*75+*	TOTAL
2010 Income Qualifying Households	428	3,520	-	-	5,045	1,701	1,350	12,044
2015 Income Qualifying Households	515	3,085	-	-	3,086	1,756	1,611	10,053
Mobility Index = Income Qualifiers x	*16.4%*	*20.5%*	*11.1%*	*7.1%*	*3.9%*	*3.0%*	*4.0%*	
2010 Movers	70	723	-	-	197	51	54	1,095
2015 Movers	84	634	-	-	121	52	64	955
Rental Rate = Movers x	*86.3%*	*47.6%*	*19.0%*	*12.4%*	*9.6%*	*12.4%*	*26.1%*	
2010 Renters	60	344	-	-	19	6	14	444
2015 Renters	73	302	-	-	12	6	17	409
Clarendon Hills Market Share = Renters x	*5.7%*							
	3	20	-	-	1	0	1	25
	4	17	-	-	1	0	1	23

			Apartment Capture Rate		
Income & Age Qualifying Households			*10%*	*15%*	*20%*
Primary Market Area Demand	14	18	1 - 2	2 - 3	3 - 4
Secondary Market Area Demand	23	25	2 - 3	3 - 4	5 - 5

Source: ESRI Business Analysts; Houseal Lavigne Associates

Senior Housing

Although a detailed senior housing market study has not been prepared, demographic data indicate that affluent seniors are a growing population within the PMA and SMA and market support for independent and assisted living units is growing. Table 12 estimates the number of senior households with incomes between $75,000 and $250,000 that are likely to move and pursue a rental unit within the PMA and SMA. It is estimated that these households, which were excluded from the previous rental demand analysis, create demand for between 21 and 38 senior housing units per year.

Senior housing is appropriate for the Station Site provided that the project includes a mix of independent and assisted living units with on-site assistant care and amenities available. Input from the business community has also indicated a desire for senior housing in the station area as a means of increasing the daytime population and enhancing activity within Downtown Clarendon Hills.

Senior housing units are typically smaller than a comparable owner-occupied unit and amenities typically include an attached dining facility or restaurant, meeting space and on-site or easily accessible assistant care staff and resources. Much of the potential for senior housing within the station area will depend on the current and future locations of competing senior living communities and CCRCs.

Table 12. Household Demand & Affordability -Senior Housing
Primary & Secondary Residential Market Areas, 2010 - 2015

Primary Market Area - Rental Demand

Age Cohort	*< 25*	*25-34*	*35-44*	*45-54*	*55-64*	*65-74*	*75+*	TOTAL
2010 Income Qualifying Households	-	-	-	-	-	336	230	**566**
2015 Income Qualifying Households	-	-	-	-	-	529	354	**883**
Mobility Index = Income Qualifiers x	*16.4%*	*20.5%*	*11.1%*	*7.1%*	*3.9%*	*3.0%*	*4.0%*	
2010 Movers	-	-	-	-	-	10	9	**19**
2015 Movers	-	-	-	-	-	16	14	**30**
Rental Rate = Movers x	*86.3%*	*47.6%*	*19.0%*	*12.4%*	*9.6%*	*12.4%*	*26.1%*	
2010 Renters	-	-	-	-	-	1	2	**4**
2015 Renters	-	-	-	-	-	2	4	**6**

Secondary Market Area - Rental Demand

Age Cohort	*< 25*	*25-34*	*35-44*	*45-54*	*55-64*	*65-74*	*75+*	TOTAL
2010 Income Qualifying Households	-	-	-	-	-	1,665	1,044	**2,709**
2015 Income Qualifying Households	-	-	-	-	-	3,074	1,981	**5,055**
Mobility Index = Income Qualifiers x	*16.4%*	*20.5%*	*11.1%*	*7.1%*	*3.9%*	*3.0%*	*4.0%*	
2010 Movers	-	-	-	-	-	50	42	**91**
2015 Movers	-	-	-	-	-	92	79	**171**
Rental Rate = Movers x	*86.3%*	*47.6%*	*19.0%*	*12.4%*	*9.6%*	*12.4%*	*26.1%*	
2010 Renters	-	-	-	-	-	6	11	**17**
2015 Renters	-	-	-	-	-	11	21	**32**

Source: ESRI Business Analysts; Houseal Lavigne Associates

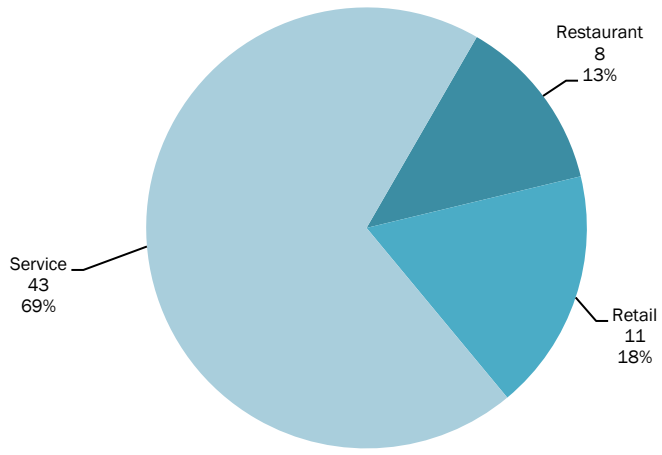
Commercial Market

Downtown Businesses

A total of 62 businesses were inventoried within the station area and surrounding Downtown Clarendon Hills (See Chart 10). The majority (69%) of these businesses are service providers, 18% are retailers, and 13% are restaurants. This mix of service providers, retailers, and restaurants is similar to other suburban downtowns; however the overall number of businesses within Downtown Clarendon Hills is significantly smaller.

Downtown Hinsdale, according to the Hinsdale EDC, has approximately 136 businesses located within a four block area, while Downtown Western Springs has 79 businesses along a three block area (according to a January 2007 market assessment). Based on data from DG Downtown Management, Downtown Downers Grove has over 300 businesses located within an area of approximately 15 blocks. Downtown Westmont is similar in scale to Downtown Clarendon Hills, but is more linear in nature with a single row of commercial businesses located on either side of Cass Avenue as it approaches the Burlington Northern Railroad tracks.

Chart 10. Business Inventory
Downtown Clarendon Hills



Competitive Retail

Primary Market Area

The majority of potential customers for retailers located in the station area will come from within a relatively short driving distance of up to 5 minutes. This area, which is referred to as the primary retail market area, encompasses Downtown Clarendon Hills as well the downtown areas of Westmont and Hinsdale and a portion of the Ogden Avenue corridor. The primary market area represents the region within which the station area must compete for customers and potential retail tenants. Table 13 identifies the major retail centers and retail concentrations within both the PMA and SMA.

Competing Downtowns

Downtown Westmont and Downtown Hinsdale are similar in character to Downtown Clarendon Hills and have neighborhood scale retailers that serve the local community. In addition to traditional mixed use development with a mix of independent retailers, Downtown Hinsdale is also the location of the Grant Square Plaza shopping center which is made up of two buildings with several in-line retail tenants. Downtown Hinsdale is also more of a destination environment and supported by a larger market area.

Ogden Avenue

Ogden Avenue is a major commercial corridor throughout the region and also represents the most significant source of retail competition within the PMA. Ogden Avenue is characterized by a mix of auto-oriented retailers and strip retail centers.

Nearby Retailers

There are several large retailers located within the PMA that are outside of competing downtown commercial districts or the Ogden Avenue corridor. A Jewel-Osco is located less than a mile to the southeast at the corner of 55th Street and Holmes Avenue. The 175,000 square foot Hinsdale Lake Commons shopping center, which is anchored by a Dominick's, is also located within the PMA at the southwest corner of 63rd Street and Kingery Highway (IL Route 83).

Secondary Market Area

The secondary market area is defined as the area within a 10 minute drive time of the station area. Retail development in the SMA is primarily concentrated along Ogden Avenue as well as two other commercial corridors, 75th Street and Butterfield Road/22nd Street. There are also several shopping centers scattered throughout the SMA including the Roosevelt Corridor and Burr Ridge Village Center development.

75th Street

The 75th Street corridor is the location of several community scale shopping centers and big box retailers. The most significant cluster of commercial development in this corridor is located at Lemont Road where major tenants include Best Buy, Dress Barn, Marshall's, Michaels, TJ Maxx, Old Navy, Toys R' Us, Ultra Foods. Other major tenants along this corridor include Kohls, Home Depot, PetsMart, Circuit City, and Wal-Mart.

Butterfield Road/22nd Street

The Butterfield Road/22nd Street corridor is the location of several community scale and life style shopping centers. Major retailers in the corridor include Kohls, PetsMart, Home Depot, The Great Indoors, Best Buy, Dick's Sporting Goods, and Target. The Butterfield Road corridor is the location of the 1.5 million square foot Yorktown Mall in Lombard as well as Oakbrook Shopping Center, a 2.1 million square foot regional shopping mall.

Other Retailers

The SMA has several significant retail areas outside of the Ogden Avenue, 75th Street, and Butterfield Road corridors. Burr Ridge Village Center is a 239,000 square foot community shopping center located in Burr Ridge, approximately 4.0 miles to the southeast of downtown Clarendon Hills. The center is part of a mixed-use development that includes retail, office and residential development.

The Roosevelt Road corridor, which is located approximately one mile north of 22nd Street and less than five miles north of downtown Clarendon Hills, is similar in character to the Ogden Avenue corridor with a mix of neighborhood and community scale retail centers and auto-oriented retail.

Table 13. Retail Competition
5 & 10 Minute Drive Time, 2010

	Shopping Center	Address	Community	Size Range[1]
Primary Market Area	Ogden Cass Plaza	645 N Cass Ave	Westmont	37,500
	St. James Crossing	800-844 Ogden Ave	Westmont	49,994
	Grant Square Plaza	15 Grant Square	Hinsdale	50,000 - 100,000
	838 E Ogden Ave	838 E Ogden Ave	Westmont	50,000 - 100,000
	Westmont Village	NWC Cass Ave & 63rd St	Westmont	100,000 - 250,000
	Hinsdale Lake Commons	63rd St & Rte 83	Willowbrook	174,425
75th Street Corridor	Fairview Plaza Shopping Center	75th St & Fairview	Downers Grove	38,171
	7601 Kingery Hwy	7601 Kingery Hwy	Willowbrook	50,000 - 100,000
	1530 75th St	1530 75th St	Darien	50,000 - 100,000
	7450 S Cass Ave	7450 S Cass Ave	Darien	50,000 - 100,000
	Willow Commons	329 75th St	Willowbrook	58,497
	1212 75th St	1212 75th St	Downers Grove	76,640
	Downers Grove Center	Lemont Rd & 75th St	Downers Grove	141,906
	Woodgrove Festival	75th St And Lemont Rd	Chicago	161,272
	Willowbrook Towncenter	Rte 83 & Plainfield Road	Willowbrook	200,000
	Darien Town Center	2189 75th St	Darien	217,505
Butterfield/22nd	1508 Butterfield Rd	1508 Butterfield Rd	Downers Grove	35,943
	10 Oak Brook Center	10 Oak Brook Center	Oak Brook	50,000 - 100,000
	Oaks of Oak Brook	1600 W 16th St	Oak Brook	67,143
	Algonquin Town Center	1300 Butterfield Rd	Downers Grove	103,226
	Butterfield Plaza	1300-1418 Butterfield	Downers Grove	114,780
	22nd Street Plaza	17W734 22nd St	Oak Brook	164,903
	17w160 22nd St	17w160 22nd St	Oakbrook Terrace	250,000 - 500,000
	York Town Mall	NEC Hioghland and Butterfield	Lombard	1,390,000
	Oakbrook Center	100 Oakbrook Ctr	Oak Brook	2,100,000
Ogden Avenue	Gateway Square	777 North York Rd	Hinsdale	40,170
	Downers Plaza	146 Ogden Ave	Downers Grove	85,000
	60 Ogden Ave	60 Ogden Ave	Downers Grove	100,000 - 250,000
	Downers Grove Market	42-76 Ogden Ave	Downers Grove	104,449
Roosevelt Road	100 E Roosevelt Rd	100 E Roosevelt Rd	Villa Park	57,356
	700-800 E Roosevelt Rd	700-800 E Roosevelt Rd	Lombard	60,651
	Lombard Square Shopping Center	800 East Roosevelt Rd	Lombard	61,186
	Oak Brook Terrace Shopping Center	17 W 675 Roosevelt Rd	Villa Park	147,755
	Villa Oaks Shopping Center	200 West Roosevelt Rd	Villa Park	289,860
Other	4700 Gilbert Rd	4700 Gilbert Rd	Western Springs	25,000 - 50,000
	72 S La Grange Rd	72 S La Grange Rd	La Grange	25,000 - 50,000
	Maple Plaza	2241-2311 Maple Ave	Downers Grove	31,196
	840 Plainfield Road	840 Plainfield Road	Willowbrook	50,000 - 100,000
	LaGrange Crossing	25 N Lagrange Rd	La Grange	67,696
	5555 S Brainard Ave	5555 S Brainard Ave	Countryside	100,000 - 250,000
	Countryside Plaza	La Grange Rd & Joliet Rd	La Grange	114,000
	Westbrook Commons	3001 Wolf Rd	Westchester	121,588
	Garden Market	47th & Willow Springs Rd	Countryside	133,516
	Burr Ridge Village Center	570 Village Center Dr	Burr Ridge	239,000

[1] Where information on detailed gross lease area could not be obtained, general size ranges have been provided.

Source: ESRI Business Analyst; Loopnet; Houseal Lavigne Associates

Traffic Counts

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. In a neighborhood retail setting, lower thresholds near 15,000 ADT can also considered. Given these criteria, key intersections and corridors with significant traffic counts are also the current location of major retail centers throughout the market primary and secondary market areas.

- *Prospect Avenue*, which is the primary through street in Downtown Clarendon Hills and would serve as the primary source of traffic for station area retailers, has an ADT of approximately 2,200. Burlington Avenue, immediately north of the Station Site, has an estimated ADT of 3,050. Based on these counts, the combined traffic count for the station area is estimated to be between 5,000 and 5,500 per day.
- Traffic counts in nearby *Downtown Westmont* range between nearly 13,000 and 15,000 ADT at intersections along Cass Avenue while Downtown Hinsdale has traffic counts that approach 15,000 ADT at the intersection of Chicago and Garfield Avenues.
- *Ogden Avenue* has consistent traffic counts of between 30,000 and 32,000 ADT as it travels through the PMA. Cass Avenue, which is a significant intersection with Ogden Avenue within the PMA, has an average daily traffic count of between 11,600 and 15,500. This results in a combined traffic count of between 40,000 and 45,000 for businesses located at the intersection of Ogden and Cass Avenues.
- ADT estimates for *75th Street*, a significant commercial corridor within the SMA, range from 17,000 near Kingery Highway to 34,000 at Lemont Road. Lemont Road has traffic counts of 25,000 as it intersects 75th Street, creating combined traffic volume of nearly 50,000 vehicles per day.
- *Butterfield Road* is one of the most heavily travelled roadways in the region outside of the area's major expressways. Butterfield Road has traffic counts of over 47,000 ADT as it approaches York Town Mall and Oakbrook Center Mall, and counts of nearly 51,000 to the east of its interchange with I-355.

Market Implications

Downtown Clarendon Hills experiences lower combined traffic counts than most other commercial areas within the primary market. Within the secondary market area, the Station Site has approximately one-tenth of the average daily traffic of that at intersections along major corridors. In addition, traffic counts in nearby downtown areas are also two-to-three times higher.

The volume of traffic passing by the Station Site (between 5,000 and 5,500 ADT) is on the lower end of what would normally be expected in a neighborhood scale commercial setting and will have an influence on tenants likely to consider locating at the site. In addition to traffic counts, site characteristics such as the size and amenities of available space and potential co-tenants will be contributing factors in a potential retail tenant's decision to locate in the station area.

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 the potential for retail development in the station area and the primary and secondary market areas. 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. It is important, however, to distinguish between support in the market and development potential of a specific site or location.

As outlined previously, retail competition is significant within both the primary and secondary market areas. Access, visibility, traffic counts, competition, specifications of particular retailers, and related issues dictate whether market potential can be successfully translated to development potential at the Station Site.

Primary Market Area

As shown in Table 14, in analyzing existing retail supply and demand within a 5 minute drive time (the primary market area), it is estimated that there is currently an unmet demand for retail goods and services totaling approximately $26.9 million. The primary market area has an estimated 13,712 households in 2010. With an estimated retail demand of $612.0 million, this equates to a potential expenditure per household of $44,630, with a current supply of only $42,671 per household. This figure includes all retail, eating and drinking establishments.

Secondary Market Area

In analyzing existing retail supply and demand within a 10 minute drive time (the secondary market area), there is currently a surplus of retail space totaling approximately $113.8 million. Within the secondary market area, there are approximately 64,138 households contributing to a current retail demand of $2.75 billion. This demand equates to a potential expenditure per household of $42,828, with a current supply of $44,602 per household. This figure also includes all retail, eating, and drinking establishments.

Development Potential

Annual sales-per-square-foot can be utilized to equate consumer expenditures to a preliminary indication of development potential. While sales-per-square-foot revenues vary by individual retailer and industry sources, including the Urban Land Institute (ULI) and Costar, general assumptions of supportable square footage can be made by using a benchmark average.

A generally accepted range for national retailers is $200 to $400 per-square-foot. The use of a per-square-foot amount on the higher end of this range allows for a more conservative approach so as not to overstate retail potential. As shown in Table 14, when a per-square-foot amount of $400 is applied, demand is effectively translated to a potential number of square feet that could be supported within both the primary and secondary market areas.

The typical market area for each retail tenant type is also indicated in Table 14. The customer base for the majority of store types within these retail categories is composed of the population within a 10 minute drive of their location. There are some store types, mostly convenience oriented, that will serve residents located within a shorter drive time of near 5 minutes. Retail uses with a smaller market area, including restaurants, are the most likely targets for retail space within the Station Site or elsewhere in surrounding Downtown Clarendon Hills.

Unmet Demand

Data indicate unmet demand for new retail development in both the primary and secondary market areas. As highlighted in Table 14, there are several categories that demonstrate potential market support for additional retail development within the larger market area. Although the volume of retail leakage varies, some degree of market potential is indicated for almost every single retail category including Furniture & Home Furnishings Stores; Electronics & Appliance Stores; Building Materials, Garden Equipment, and Supply Stores; Health & Personal Care Stores (e.g. pharmacy or cosmetics supply stores); and Full- and Limited-Service Restaurants.

The majority of unmet demand will be accommodated outside of the boundaries of the station area and Downtown Clarendon Hills. This is due to the proximity to competing downtown locations and the type and scale of existing retail concentrations, such as the Ogden Avenue and 75th Street corridors, within the primary and secondary market areas.

Table 14. Retail Gap Analysis Profile
Primary & Secondary Market Area, 2010

Summary Demographics	5 Minute Drive	10 Minute Drive
2010 Population	35,031	166,248
2010 Households	13,712	64,138
2010 Median Disposable Income	$68,480	$65,991
2010 Per Capita Income	$49,550	$46,097

	Retail Gap by Drive Time ($M)	
Summary	5 Minute	10 Minute
Total Retail Trade and Food & Drink	***$26.9***	***($113.8)***
Total Retail Trade	($13.9)	($186.0)
Total Food & Drink	$40.8	$72.2

	5 Minute		10 Minute		Typical
Industry Group	Retail Gap ($M)	Potential[1]	Retail Gap ($M)	Potential[1]	Market Area Drive Time
Motor Vehicle & Parts Dealers	***($86.9)***	***(217,237)***	***($162.2)***	(405,572)	
Furniture & Home Furnishings Stores	***$10.0***	*24,879*	***$3.8***	*9,526*	***10***
Furniture Stores	$8.9	22,214	$19.1	47,774	
Home Furnishings Stores	$1.1	2,665	($15.3)	(38,248)	
Electronics & Appliance Stores	***$13.7***	***34,202***	***($13.8)***	*(34,419)*	***5-10***
Bldg Materials, Garden Equip. & Supply Stores	***$14.7***	***36,782***	***$53.3***	***133,141***	
Building Material and Supplies Dealers	$13.5	33,826	$52.4	130,971	
Lawn and Garden Equipment and Supplies Stores	$1.2	2,957	$0.9	2,171	
Food & Beverage Stores	***($45.1)***	***(112,740)***	***($153.0)***	(382,556)	**5 - 10**
Grocery Stores	($48.1)	(120,154)	($166.1)	(415,148)	10
Specialty Food Stores	$1.7	4,163	$8.4	21,046	10
Beer, Wine, and Liquor Stores	$1.3	3,251	$4.6	11,546	5
Health & Personal Care Stores	***$8.2***	***20,573***	***$14.3***	*35,626*	***5-Jan***
Gasoline Stations	***$14.3***	***35,687***	***$52.9***	132,208	
Clothing and Clothing Accessories Stores	***($3.1)***	***(7,872)***	***($77.1)***	(192,669)	**5 - 10**
Clothing Stores	($4.8)	(11,926)	($75.2)	(187,936)	5 - 10
Shoe Stores	$0.6	1,566	($0.6)	(1,482)	5 - 10
Jewelry, Luggage, and Leather Goods Stores	$1.0	2,488	($1.3)	(3,250)	5 - 10
Sporting Goods, Hobby, Book, and Music Stores	***$3.4***	***8,530***	***$4.3***	***10,648***	***5 - 10***
Sporting Goods/Hobby/Musical Instrument Stores	$1.9	4,838	$5.6	14,118	10
Book, Periodical, and Music Stores	$1.5	3,692	($1.4)	(3,470)	5
General Merchandise Stores	***$55.0***	***137,539***	***$55.7***	***139,161***	***10***
Department Stores Excluding Leased Depts.	$25.5	63,852	($49.1)	(122,721)	10
Other General Merchandise Stores	$29.5	73,687	$104.8	261,882	5 - 10
Miscellaneous Store Retailers	***($2.2)***	***(5,520)***	***($14.9)***	*(37,295)*	***5***
Florists	($2.9)	(7,143)	($11.9)	(29,717)	5
Office Supplies, Stationery, and Gift Stores	($0.8)	(1,925)	($8.8)	(21,934)	5
Used Merchandise Stores	($0.8)	(1,947)	($1.2)	(2,896)	5
Other Miscellaneous Store Retailers	$2.2	5,494	$6.9	17,252	5
Nonstore Retailers	***$4.2***	***10,406***	***$50.9***	***127,277***	
Food Services & Drinking Places	***$40.8***	***101,918***	***$72.2***	***180,470***	***5 - 10***
Full-Service Restaurants	$8.7	21,789	$13.5	33,852	5 - 10
Limited-Service Eating Places	$19.1	47,736	$31.5	78,838	5
Special Food Services	$12.3	30,839	$21.8	54,393	10
Drinking Places - Alcoholic Beverages	$0.6	1,555	$5.4	13,387	5

[1] Potential based on an average annual sales per-square-foot of $400.

Source: ESRI Business Analyst ; ULI; and Houseal Lavigne Associates

Neighborhood Shopping Center Tenants

While preliminary estimates for general retail demand indicate market support for a variety of potential retail tenants, the ability to capture this demand depends on the needs of individual retailers, such as minimum traffic count and minimum frontage requirements, and the availability suitable retail space. While there is potential for destination retailers and fine dining restaurants in the market, tenants must be identified within each retail category that would consider locating in the station area.

Table 15 identifies the median gross leasable area (GLA), sales-per-square-foot, and median rents and total charges (i.e. gross rents) for neighborhood retail center tenants in each retail category identified in the previous section. With the exception of Supermarkets and Drugstores, the preliminary universal estimate of $400 is higher than typical sales-per-square-foot for most neighborhood retail center tenants. This means that the potential development estimates outlined in the previous table (Table14) are conservative estimates and do not overstate market demand. As indicated in Table 15, given the level of unmet demand and typical tenant size, there appears to be sufficient market support for additional retail space in several retail categories within the larger market area.

Tenants who demonstrate particular potential to lease space in a neighborhood retail environment within the market area include:

Furniture & Home Furnishings

Demand for additional furniture and home furnishings retail has been estimated for both the primary and secondary market areas, but there is significant competition in the secondary market area along the Ogden Avenue and Butterfield Road corridors. Based on primary market area demand and a typical store size of between 7,000 and 8,000 square feet, there may be sufficient market area support for a furniture or home furnishings store. A furniture store tenant would likely require use of a loading bay which may limit the range of tenants, such as lighting, décor and home accessories stores that could utilize space within the station area. As indicated in Table 15, these users typically pay rents in the range of $11 per square foot.

Electronics

While the potential for a big box electronics store such as a Best Buy is limited in both the primary and secondary market areas, there may be potential for smaller in-line retailers within this retail category. Typical store size of a general electronics store is less than 3,000 square feet. Although a RadioShack is currently located within the SMA, near the intersection of Ogden and Fairview Avenues, there may be an opportunity for an independent retailer within this category. A more specialized retailer, such as a Game Stop, may also find opportunity in this retail category.

Building Materials, Garden Equipment & Personal Supply Stores

Both the primary and secondary market areas demonstrate additional demand for building material and supplies dealers. This group includes retailers selling building materials, hardware, paint, wallpaper and related supplies. There is currently a Do It Best hardware store located near the Station Site along Prospect Avenue in Downtown Clarendon Hills.

While locating a competing hardware store may not be desirable, the retail analysis indicates there may be an opportunity to expand the existing hardware store. There may also be a market area opportunity for more specialized retailers such as a paint and wall paper retailer. Within a neighborhood shopping center context, the typical size for stores in the building materials and supplies category range between 4,000 and 6,500 square feet.

Health & Personal Care Stores

Demand for health and personal care stores has been estimated for both the primary and secondary market areas. Based on primary market area demand and a typical store size of 12,500 square feet, there may be sufficient market area support for a pharmacy. It should be noted that there several competing retailers in this category located throughout the primary market including a Jewel-Osco on 55th Street, a CVS Pharmacy on Ogden Avenue, and a Walgreen's in Downtown Hinsdale

Full-Service Restaurants

The retail gap analysis indicates potential for full-service restaurants in both the primary and secondary market areas. Full-service restaurants have a typical footprint of between 3,000 and 5,000 square feet and, when located within a neighborhood commercial center, tend to be on the smaller end of this range. Restaurants typically require frontage along main thoroughfares and prominent locations within neighborhood retail centers.

Given these two requirements, a location along Prospect Avenue would be most desirable for this use. Full-service restaurants also typically pay a higher rent of around $20 per square foot. Examples of full-service restaurants within this size range include Ruby Tuesday's or Applebee's, which both have an average size of 5,000 square feet.

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, but can be larger.

Casual dining options are limited in Downtown Clarendon Hills and there may be an opportunity for a sit-down limited service restaurant in the station area. Examples of this type of restaurant include Peet's Coffee & Tea which has a typical size of 1,800 square feet, Potbelly Sandwich Works, which has an average size of 2,200 square feet, Corner Bakery at 3,250 and Panera on the larger end at 4,500 square feet.

Table 15. Retail Potential
Primary & Secondary Market Area, 2010

	5 Minute		10 Minute		Typical Market
Industry Group	Retail Gap ($M)	Potential[1]	Retail Gap ($M)	Potential[1]	Area Drive Time
Furniture & Home Furnishings Stores	***$10.0***	*24,879*	***$3.8***	*9,526*	***10***
Furniture Stores	$8.9	22,214	$19.1	47,774	
Home Furnishings Stores	$1.1	2,665	($15.3)	(38,248)	
Electronics & Appliance Stores	***$13.7***	***34,202***	***($13.8)***	*(34,419)*	***10***
Bldg Materials, Garden Equip. & Supply Stores	***$14.7***	***36,782***	***$53.3***	***133,141***	
Building Material and Supplies Dealers	$13.5	33,826	$52.4	130,971	
Lawn and Garden Equipment and Supplies Stores	$1.2	2,957	$0.9	2,171	
Health & Personal Care Stores	***$8.2***	***20,573***	***$14.3***	35,626	**5**
Food Services & Drinking Places	***$40.8***	***101,918***	***$72.2***	***180,470***	***5 - 10***
Full-Service Restaurants	$8.7	21,789	$13.5	33,852	5 - 10
Limited-Service Eating Places	$19.1	47,736	$31.5	78,838	5
Special Food Services	$12.3	30,839	$21.8	54,393	10
Drinking Places - Alcoholic Beverages	$0.6	1,555	$5.4	13,387	5

Source: ESRI Business Analyst ; ULI; and Houseal Lavigne Associates

Office Market

Downtown Clarendon Hills and the larger retail market area are located in the Oak Brook submarket of the Chicago Suburban office market as defined by Colliers International, a nationally recognized provider of commercial real estate research. The Oak Brook submarket is roughly defined as the area bound by I-290 to the north, US 45 (LaGrange Road/Mannheim Road) to the east, I-55 to the south, and I-355 to the west. Table 16 summarizes key office market statistics for the Oak Brook 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.

Within the Oak Brook submarket, Class A office space is primarily located in office park development with visibility from the I-88, I-55, I-294 and I-355 corridors. Office space located in Downtown Clarendon Hills would likely be considered Class B space.

Table 16 provides inventory and vacancy information, as of second quarter 2010, for office space in all three classes of the Oak Brook submarket. Rental information is also provided for all properties, regardless of class, within each suburban submarket. Average, full-service lease rates are also included as an indicator of relative demand for office space in the Oak Brook submarket compared to neighboring submarkets.

Table 16. Office Market Statistics
Suburban Chicago Market, Second Quarter 2010

Submarket	Buildings	Inventory	Total (sf)	Direct Vacancy	Net Absorption (sf)	Under Construction (sf)	Asking Lease Rates (per sf)
Oak Brook	***243***	***23,472,122***	***21.1%***	***(214,239)***	***-***	***$20.13***
Class A	67	13,215,041	22.0%	4,873	-	$27.35
Class B	154	9,149,405	20.0%	2,820	-	$18.15
Class C	22	1,107,676	19.1%	(212,186)	-	$14.90
Lisle/Naperville	198	14,749,671	20.9%	(35,998)	-	$20.61
North	322	27,925,108	18.7%	73,529	110,000	$20.90
Northwest	274	25,720,498	24.8%	(58,559)	-	$19.80
O'Hare	101	13,580,649	23.7%	150,213	-	$21.80
Chicago Suburban Market	***1138***	***105,448,048***	***21.7%***	***(83,001)***	***110,000***	***$20.65***
Class A	326	57,236,170	21.9%	(194,722)	110,000	$27.66
Class B	682	41,577,095	22.7%	(70,703)	-	$18.16
Class C	130	6,634,783	13.0%	182,424	-	$16.13

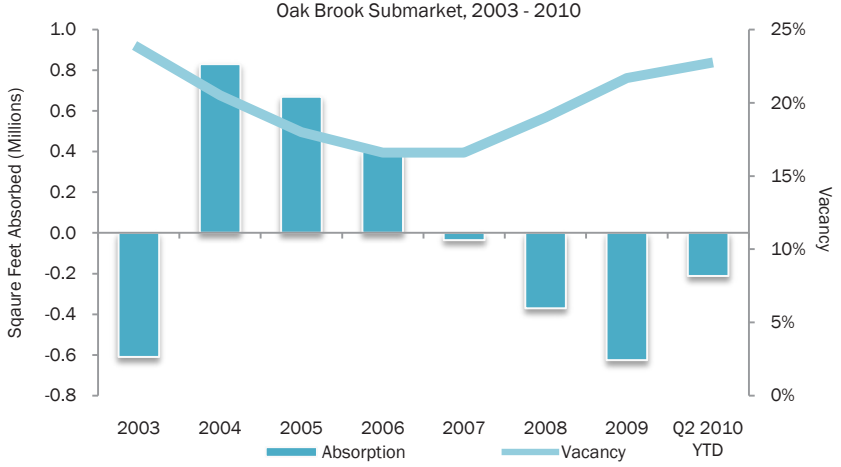
Source: Colliers International; Houseal Lavigne Associates

Chart 11 illustrates vacancy and absorption within the Oak Brook submarket over the seven and a half-year period between 2003 and the second quarter of 2010.

Increases in vacancy rates and negative absorption have occurred across the larger suburban market over the last two and a half years. These region-wide patterns have been largely reflected in the Oak Brook submarket which has vacancy rates and asking rents that are on par with the average for the larger Chicago suburban market.

- In the second quarter of 2010, office space in the Oak Brook submarket (23.5 million square feet) made up 22.3% of all space in the Chicago suburban market.
- The Oak Brook submarket, with an overall vacancy rate of 21.1% in the second quarter of 2010, is the submarket that most closely mirrors overall vacancy rates for the larger suburban office market (21.7%).
- In the second quarter of 2010, the average full-service asking lease rate for Class A office space in the Oak Brook submarket was $27.35 per square foot. This is slightly lower than the average asking rent of $27.66 among all Class A properties in the Chicago suburban market.
- Vacancy rates within the Oak Brook submarket declined to a nearly eight-year low of approximately 16% in 2006 and 2007 before climbing to 22.7% in the second quarter of 2010.
- The Oak Brook submarket experienced three years of negative absorption between 2007 and 2009 and, as of second quarter 2010, has added 212,186 square feet of space to existing inventories.
- At 20%, the current vacancy rate in Class B space within the Oak Brook submarket is slightly lower than Class A spaces. Rents for Class B space in the oak Brook submarket ($18.15) are also on par with asking rents for similar space in all submarkets ($18.16).

Chart 11. Office Market Statistics
Oak Brook Submarket, 2003 - 2010



Source: Colliers International; Houseal Lavigne Associates

Downtown Lease Rates & Availability

Table 17 (located at the end of this section) includes lease information for office and retail spaces throughout downtown districts within the market area including Downtown Clarendon Hills. Data including available space, building size, and asking rents have been included. In general, two types of lease rates were encountered within this inventory.

- *Net* – A net lease typically requires a tenant to pay property expenses such as taxes, insurance, maintenance, utilities, etc. For the purposes of this analysis, modified net leases have also been included in this category. In a modified net lease, the landlord and tenant typically split an agreed upon portion of maintenance expenses, while the tenant agrees to pay taxes and insurance.
- *Gross* – A gross lease requires that the tenant pay a flat sum for rent out of which the landlord must pay all expenses such as taxes, insurance, maintenance, utilities, etc. For the purposes of this analysis modified gross leases and full service leases have also been included in this category. In a modified gross lease, a tenant typically only pays base rent during the first calendar year, but in subsequent years also pays a percentage of increases in building property taxes, insurance, utilities, and other operating expenses.

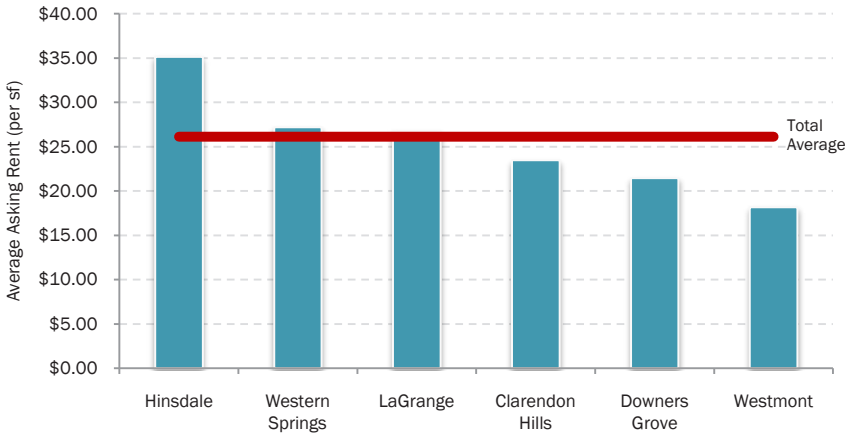
Net asking rents have been adjusted upwards by 20% to better accommodate comparison with gross asking rents. Chart 12 illustrates the average adjusted asking rent for office and retail spaces located in market area downtowns.

- Average asking rents for properties marketing in Downtown Clarendon Hills are estimated to be near $23.50 per square foot. This is slightly less than the average of $26.00 for all properties surveyed in the market area.
- There is over 141,000 square feet of commercial space currently for lease within the market area downtowns.
- The largest space currently available among all properties is 13,000 square feet and the median size of currently marketing spaces is 1,400 square feet.
- Three-quarters of all space currently for lease is located in spaces smaller than 3,500 square feet.

Office Market Implications

As indicated by the Downtown Clarendon Hills business inventory, a location in the station area is best suited for small professional office space. The majority of office spaces currently being marketed in Downtown Clarendon Hills and neighboring downtown areas are less than 3,500 square feet in size which is ideal given the size of the station area site. Furthermore, the larger Oak Brook submarket is also stable and performing better than other areas in the region with regard to vacancies and lease rates. While building speculative office space is not advisable within the station area, second floor above retail or "flex" (retail or office) space that does not occupy a prime retail location may be appropriate.

Chart 12. Typical Asking Rents for Commercial Properties
Market Area Downtowns, July 2010



Commercial Development Program

Station area businesses face significant competition from nearby commercial corridors such as Ogden Avenue and downtowns such as Westmont, Hinsdale and Downers Grove. In addition to this general competition, the ability of station area development to take advantage of potential opportunities for retail expansion is further limited by low traffic counts and the nearby location of several retailers in specific categories for which additional market support exists. For example, while there is raw potential for a pharmacy, the location of several pharmacies within a short drive of Downtown Clarendon Hills decreases the likelihood of such a retailer locating in the station area.

Despite existing competition, the market support in a few select retail categories indicates that additional retail space would be feasible over the near term. A specialized electronics retailer, building supply retailer, or specialty clothing store are all examples of niche retailers that could be successful within the station area and the Downtown Clarendon Hills environment.

Perhaps the most attractive potential users for retail space at the station area, with regard to raw market support and a downtown location, are limited- and full-service restaurants. The footprints of restaurants range from 500 to 5,000 square feet, which make this a relatively flexible use well-suited for the scale of development that could be accommodated at the Station Site. Moreover, the addition of both casual and fine dining establishments could help further establish Downtown Clarendon Hills as a destination within the region.

In addition, a new high profile development in a location with a strong demographic has the potential to attract users from other locations. Even though the larger market area may be saturated in certain categories, retailers may shift from a corridor, mall or downtown location in another community.

Taking all factors into consideration (including demographic shifts, existing competition, traffic volume, leakage, etc.), it is estimated that the station area could support between 7,500 and 15,000 square feet. If larger users, such as a fine dining restaurant, can be attracted to the site, then it is likely that the station could support additional commercial space on the higher end of this range. Conversely, a mix of small users without an 'anchor tenant' would likely be accommodated in a smaller combined space of less than 10,000 square feet.

While retail tax generating uses should be encouraged, some service or office uses can be acceptable if they are capable of generating activity that will support nearby businesses.

Table 17. Commercial Properties for Lease
Market Area Downtowns, July 2010

Property	Size	Availability	Adjusted Gross Asking Rent[1]
Clarendon Hills		***6,083***	***$23.45***
8 S Prospect Avenuenue	-	1,624	$22.16
6 S Walker	15,000	3,359	$18.75
241 Burlington Avenuenue	-	1,100	$29.45
Hinsdale		***40,124***	***$35.14***
23 N Lincoln Street	-	2,000	$45.00
40 E Hinsdale Avenue	20,000	1,620	$26.00
37 S Washington Street	4,300	2,100	$35.00
14-16 W. Hinsdale Avenue	11,000	5,800	-
29 E. First Street	20,000	4,000	$47.50
9 E First Street	8,734	900	-
5 E First Street	8,734	1,820	-
26-32 E First Street	-	13,000	$50.00
116-118 S Washington Street	4,884	4,884	$27.50
17 W Maple	4,000	4,000	$15.00
Downers Grove		***26,400***	***$21.46***
5100 ForeStreet Avenue	13,000	9,000	$15.00
5150 S Main Street	4,071	1,778	$23.62
5151 Mochel Drive	29,700	7,017	$22.50
5201 Washington Street	3,200	887	-
5201 Washington Street	3,200	681	-
928 Warren Avenue	675	327	$31.00
928 Warren Avenue	675	131	$31.15
928 Warren Avenue	675	217	$21.01
924-926 Warren Avenue	3,000	589	$12.50
924-926 Warren Avenue	3,000	1,466	$12.50
900 Warren Avenue	1,570	219	-
719 Rogers Street	13,000	2,500	$12.00
633 Rogers Street	4,000	192	$30.00
633 Rogers Street	4,000	192	$30.00
633 Rogers Street	4,000	168	-
5008 Fairview	12,000	1,036	$16.25
LaGrange		***39,057***	***$26.76***
322 W Burlington Avenue	12,000	6,150	$30.00
318 W Burlington Avenue	-	3,434	$25.00
103 Hillgrove	15,000	-	-
18 W Burlington Avenue	11,200	3,590	$28.13
14 W Burlington Avenue	14,000	777	$28.00
14 W Burlington Avenue	14,000	182	$28.00
14 W Burlington Avenue	14,000	150	$28.00
14 W Burlington Avenue	14,000	150	$28.00
14 W Burlington Avenue	14,000	150	$28.00
14 W Burlington Avenue	14,000	120	$28.00
30 S La Grange Road	6,300	3,000	$18.00
33 S La Grange Road	8,818	5,188	$18.00
15 W Harris	16,665	3,010	$30.00
47 S 6th Avenue	23,695	7,675	$26.25
130 N La Grange Road	6,500	611	-
130 N La Grange Road	6,500	540	-
130 N La Grange Road	6,500	330	-
93 S La Grange Road	10,607	4,000	$31.25
Westmont		***5,090***	***$18.18***
232 N Cass Avenue	2,010	990	$20.00
212 E Chicago Avenue	16,592	1,100	$16.36
20 E Chicago Ave	7,500	3,000	-
Western Springs		***24,317***	***$27.18***
1000 Hillgrove Avenue	4,160	1,034	$30.00
1000 Hillgrove Avenue	4,160	1,046	$30.00
4471 Lawn Avenue	12,000	4,950	$31.25
4471 Lawn Avenue	12,000	900	$31.25
4441-4453 Wolf Road	15,070	2,280	$25.00
4441-4453 Wolf Road	15,070	12,790	$25.00
604 Hillgrove Avenue	2,900	1,317	$17.77
Total		***141,071***	***$26.11***

[1] Net asking rents have been multiplied by 125% to enable comparison with modified gross asking rents.

Source: Loopnet; Houseal Lavigne Associates