

**ASSESSMENT OF THE DEMOGRAPHIC, ECONOMIC AND RETAIL BASE
AND AN ECONOMIC DEVELOPMENT STRATEGY
FOR THE VILLAGE OF ANTIOCH, ILLINOIS**

A Report to

VILLAGE OF ANTIOCH

from

GRUEN GRUEN + ASSOCIATES

*Urban Economists, Market Strategists & Land Use/Public Analysts
Pre-Development Services*

September 2013

C1363



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TABLE OF CONTENTS

Page

CHAPTER I: EXECUTIVE SUMMARY AND ECONOMIC DEVELOPMENT RECOMMENDATIONS

INTRODUCTION	1
WORK COMPLETED.....	1
REPORT ORGANIZATION.....	2
FINDINGS AND CONCLUSIONS.....	3
Labor Force and Housing Characteristics and Residential Land Availability and Growth Capacity of Antioch	3
Retail and Automotive Sales Trends in Antioch.....	4
Retail Supply in the Primary Market Area.....	4
Retail Demand for Space in the Primary Market Area and Relationship between Retail Space Supply and Space Demand.....	5
Downtown Market Potential	6
Antioch's Employment Base.....	8
The Office and Industrial Space Market and Antioch's Competitive Position as a Location for Office and Industrial Space	8
Business Targets.....	9
STRATEGIC ACTION RECOMMENDATIONS.....	10
Continue to Encourage the Enhancement of Antioch as a Place to Live, Shop, Play and Work in Order to Expand and Diversify Antioch's Economic Base.....	10
Mitigate Infrastructure Constraints.....	10
Encourage the Availability of Building Space for Expansion of Existing and Start-up of Entrepreneurs ...	11
Retention and Expansion Initiatives.....	12
Downtown	12
Monitor Results.....	14

CHAPTER II: AN ANALYSIS OF LABOR FORCE AND HOUSING CHARACTERISTICS OF ANTIOCH

INTRODUCTION.....	15
THE RELATIONSHIP BETWEEN LABOR FORCE CHARACTERISTICS AND TYPES OF JOBS IN ANTIOCH	15
Commutation Patterns.....	18
OCCUPATIONAL MAKE-UP OF THE LABOR FORCE	19
EDUCATIONAL CHARACTERISTICS OF THE LABOR FORCE.....	21
HOUSING CHARACTERISTICS.....	22
Housing Stock Characteristics and Trends	22
Housing Values and Affordability.....	25

TABLE OF CONTENTS

	<u>Page</u>
PAST AND FORECAST POPULATION AND HOUSEHOLD GROWTH AND INCOME CHARACTERISTICS	26
Household Income Characteristics and Trends.....	28
Residential Land Availability and Potential Growth Capacity.....	29
CONCLUSIONS.....	30
 CHAPTER III: ANALYSIS OF RETAIL SALES PATTERNS	
INTRODUCTION	32
HISTORICAL RETAIL SALES BY CATEGORY IN ANTIOCH.....	32
AUTOMOTIVE SALES TRENDS	35
 CHAPTER IV: RETAIL SUPPLY IN PRIMARY MARKET AREA	
PRIMARY MARKET AREA DEFINITION.....	36
RETAIL CENTERS AND MAJOR FREE-STANDING RETAIL SPACE IN ANTIOCH.....	37
EXISTING RETAIL CLUSTERS LIMIT SIZE OF POTENTIAL MARKET AREA.....	41
 CHAPTER V: THE DEMAND FOR RETAIL SPACE AND THE RELATIONSHIP BETWEEN RETAIL SUPPLY AND DEMAND	
INTRODUCTION	48
ESTIMATE OF CURRENT HOUSEHOLDS AND AVAILABLE INCOME WITHIN THE PRIMARY MARKET AREA	48
POTENTIAL FUTURE HOUSEHOLD AND INCOME GROWTH FROM 2013 TO 2033.....	50
ESTIMATE OF EXPENDITURE POTENTIAL FOR RETAIL GOODS	52
Expenditure Rate	52
Estimated Expenditure Potential	53
ESTIMATE OF SUPPORTABLE RETAIL SPACE DEMAND	54
Estimated Sales Per Square Foot Thresholds.....	54
THE RELATIONSHIP BETWEEN RETAIL SUPPLY AND DEMAND AND AN ESTIMATE OF THE AMOUNT OF ADDITIONAL SUPPORTABLE SPACE	56
Relationship Between Estimated Retail Demand and Supply	56
Antioch's Capture Rate of Market Area Demand	56
FUTURE RETAIL DEVELOPMENT AND LAND USE PLANNING IMPLICATIONS.....	57
 CHAPTER VI: DOWNTOWN	
INTRODUCTION	59
ASSESSMENT OF STRENGTHS AND WEAKNESSES	59

TABLE OF CONTENTS

	<u>Page</u>
Primary Disadvantages.....	60
CHALLENGES	60
MARKET NICHES TO CULTIVATE.....	60
CONCLUSIONS AND RECOMMENDATIONS	61
 CHAPTER VII: THE STRUCTURE OF ANTIOCH'S EMPLOYMENT BASE	
INTRODUCTION.....	64
ANTIOCH EMPLOYMENT TRENDS	64
Comparison of Antioch Employment Trends and Growth to Lake County Employment Trends and Growth 2002-2012.....	70
FORECAST EMPLOYMENT GROWTH.....	71
Village of Antioch Employment Forecast.....	71
 CHAPTER VIII: THE MARKET FOR OFFICE AND INDUSTRIAL SPACE AND THE COMPETITIVE POSITION OF ANTIOCH AS A LOCATION FOR OFFICE AND INDUSTRIAL SPACE	
INTRODUCTION.....	73
THE RELEVANT PRIMARY GEOGRAPHIC MARKETS	73
The Primary Geographic Areas Within Which Antioch Competes for Office and Industrial Space Users.....	73
Geographic Origins of Potential Building Space Users.....	73
TYPES OF BUILDING SPACE USERS ATTRACTED.....	73
COMPETITIVE POSITION OF ANTIOCH	74
Primary Comparative Advantages.....	74
Primary Disadvantages.....	74
LAND AND BUILDING SPACE INVENTORY.....	75
LAND INVENTORY IN COMPETING LOCATIONS.....	76
POTENTIAL BUILDING SPACE AND LAND DEMAND	76
POLICY ACTIONS TO IMPROVE COMPETITIVE POSITION AND ABILITY TO CAPTURE DEMAND POTENTIAL IN A HIGHLY COMPETITIVE MARKET.....	77

LIST OF TABLES

	<u>Page</u>
TABLE II-1: Composition of Antioch Labor Force and Employment Base by Industry Sector.....	17
TABLE II-2: Balance Between Labor Force and Job Base of Antioch (2011)	18
TABLE II-3: Work Location of Employed Antioch Residents.....	19
TABLE II-4: Antioch Labor Force by Occupation, 2000-2011	20
TABLE II-5: Population 25+ Years of Age by Educational Attainment.....	22
TABLE II-6: Antioch Housing Stock Characteristics	24
TABLE II-7: Year Housing Structure Built	24
TABLE II-8: Change in Median Homes Values and Gross Rents for Antioch and Lake County	25
TABLE II-9: Cost-Burden Rates for Antioch and Lake County.....	26
TABLE II-10: Historical and Forecast Population and Household Growth Trends.....	27
TABLE II-11: Household and Per Capita Income Comparison for Antioch and Lake County	28
TABLE II-12: Residential Capacity in Antioch for Additional Housing Units Based on Land and Lot Availability.....	30
TABLE III-1: Antioch Non-Automotive Retail Sales Trends (Millions of 2012 Dollars).....	32
TABLE III-2: Distribution of Antioch Retail Sales Base.....	34
TABLE III-4: Automotive and Filling Station Taxable Sales in Antioch (in 2012 Dollars)	35
TABLE IV-1: Shopping Centers and Major Freestanding Stores in Antioch	38
TABLE IV-2: Other Shopping Centers and Major Free-Standing Stores in Market Area.....	41
TABLE IV-3: Supply of Big-Box Retailers by Location.....	45
TABLE V-1: Estimates of Population and Housing Change for Market Area Communities Since 2010.....	49
TABLE V-2: Estimate of Primary Market Area Population, Households ¹ and Income	50
TABLE V-3: Secondary Household Growth Rate Projections	51
TABLE V-4: Projection of Households and Income in Primary Market Area, 2013-2033	52
TABLE V-5: Average Annual Expenditures for the Chicago Metropolitan Statistical Area 2010-2011	53
TABLE V-6: Estimate of Retail Demand for Primary Market Area ¹	54
TABLE V-7: Sales Per Square Foot Productivity of Individual Retailers	55
TABLE V-8: Estimate of Amount of Supportable Retail Space in Primary Market Area	55
TABLE V-9: Relationship Between Retail Space Supply and Demand in the Primary Market Area.....	56
TABLE V-10: Antioch Capture Rate of Non-Local Primary Market Area Retail Demand	57
TABLE VII-1: Private, Non-Farm Employment by Industry for Village of Antioch, 2002-2012	65
TABLE VII-2: Change in Private Non-Farm Employment by Industry Sector in Village of Antioch.....	66
TABLE VII-3: Industry Employment as Percentage of Total Private Employment in Antioch.....	67
TABLE VII-4: Proportion of Antioch Private, Non-Farm Industry Employment in Lake County.....	69
TABLE VII-5: Comparison of Antioch and Lake County Employment Growth Trends	70

LIST OF TABLES

	<u>Page</u>
TABLE VII-6: Forecast Village of Antioch Employment, 2012-2018.....	71
TABLE VIII-1: Antioch Potential Building Space and Land Needs, 2013-2018	77

LIST OF MAPS AND FIGURES

	<u>Page</u>
FIGURE II-1: Comparison of Jobs to Labor in Antioch (2011)	16
FIGURE II-2: Share of Workers Both Living and Employed in Same Community	19
FIGURE II-3: Residential Building Permits Issued by Year	23
FIGURE II-4: Distribution of Households by Income (2011).....	29
MAP IV-1: Primary Market Area	37
MAP IV-2: Shopping Centers and Major Freestanding Stores in Antioch	39
MAP IV-3: Supply of Big-Box Retailers by Location.....	43

CHAPTER I

EXECUTIVE SUMMARY AND ECONOMIC DEVELOPMENT RECOMMENDATIONS

INTRODUCTION

The Village of Antioch leadership recognizes that the Village cannot make development occur unilaterally and that the pace of development will ultimately be determined by market forces not within the control of the Village. The Village, however, can proactively position the Village to be prepared to capitalize on opportunities that arise and to direct policies and programs to encourage firm growth, retention, and attraction and beneficial development and redevelopment. The Village wants to create and maintain the civic, social and physical infrastructure and positive business climate to help beneficial businesses adapt and remain successful and to retain and attract residents upon which innovative companies depend. Village of Antioch leadership recognizes that successful places foster the conditions that allow households, firms and municipalities to embrace change and reinvent themselves to respond to anticipated and unforeseen pressures and opportunities.

The Village of Antioch therefore retained Gruen Gruen + Associates (GG+A) to conduct market and economic research and analysis in order to complete an independent assessment of conditions in and trends affecting Antioch. GG+A's research and analysis was directed toward:

- developing an information base and strategic framework for the implementation of an ongoing economic development program;
- developing forecasts of employment and building space demand to inform land use, infrastructure, and economic development planning;
- identifying opportunities and constraints for attracting and retaining desirable businesses;
- identifying the comparative advantages that these target industries derive from an Antioch location; and
- identifying policies and actions that enhance public and private sector economic conditions and capabilities.

WORK COMPLETED

In order to accomplish the study objectives, GG+A performed the following principal tasks:

1. Data collection and analysis of relevant demographic, housing, and labor force characteristics;
2. Data collection and analysis of employment change and shifts in the share of employment by economic sector over time and between areas within the local and regional economies in order to: (a) derive a profile of the economic structure and employment base of Antioch and its

relative position in the regional economy; (b) prepare projections of employment growth by economic sector; and (c) identify potential growth targets for Antioch;

3. Interviews with a variety of businesses and property owners, real estate developers, real estate brokers, and municipal and economic development professionals to: (a) identify the assets and liabilities of Antioch from the perspective of firms that are currently located in the community; (b) ascertain the factors important in attracting new firms and encouraging the retention of existing firms in Antioch; (c) to identify the factors constraining economic development; and (d) obtain insights on the types of economic activities and land uses likely to be attracted to and expand in Antioch;
4. Analysis of retailing conditions in Antioch to: (a) compile an information base on retail sales activity; (b) complete an assessment of the relative strengths and weaknesses of Antioch's retailing base and the degree to which Antioch's retail base is capturing or leaking more sales dollars than would be expected from local expenditure potential alone; and (c) estimate the demand for retail space;
5. Based on the results of the demographic, labor force, and economic analysis, and interviews, estimated the amount of building space and land required to accommodate forecast employment growth. We identified office and industrial building and land supply conditions and the relationship between demand and supply conditions; and
6. Synthesized the results, conclusions, and recommendations associated with the research and analysis undertaken by GG+A into elements of a strategic action economic development plan. The plan contains: (a) a summary of identified opportunities and constraints; (b) primary target industries; (c) the rationale for their selection; and (d) an identification of the primary geographic areas from which businesses can be expected to be attracted. The plan identifies the locally-implementable policies and actions that will help indigenous and complementary new businesses create and sustain their competitive advantages so they succeed, remain and expand in Antioch and reinforce and enhance the economic base of the community.

REPORT ORGANIZATION

The analysis on which we base the principal findings and conclusions is presented in the following chapters:

- Chapter II presents demographic characteristics, housing stock characteristics, and residential land availability and growth capacity;
- Chapter III presents an analysis of retail and automotive sales trends in Antioch;
- Chapter IV describes the retail supply of the primary market area of which Antioch is a part;
- Chapter V presents estimates of current and potential future retail demand within the primary market area for retail goods and service and the relationship between retail supply and retail demand;

- Chapter VI describes the advantages and disadvantages related to the Downtown and provides an assessment of the opportunities and constraints of the Downtown;
- Chapter VII presents an analysis of the economic structure of Antioch and a forecast of the future employment base of Antioch; and
- Chapter VIII identifies the primary geographic areas from which office and industrial building space users will tend to be attracted and identifies the primary competing locations which many office and industrial space users will consider in selecting locations to which they will move. It also identifies the primary advantages and disadvantages associated with Antioch as a business location and provides a review of the building space inventory and the land capacity to accommodate future building space development.

FINDINGS AND CONCLUSIONS

Labor Force and Housing Characteristics and Residential Land Availability and Growth Capacity of Antioch

- The Village of Antioch contains a labor surplus relative to the size of its job base. The Village contains about 3,000 more resident workers than it does private sector jobs.¹ This is consistent with a community that has more housing than jobs, especially given that 48 percent of Antioch households contain two or more workers.
- Changes over time in the composition of the labor force and employment base differ in that most growth in the resident labor force has been due to the attraction of professional-type workers employed in service sectors, particularly Education and Healthcare and Public Administration, while actual job opportunity growth in the Village has been due to local-serving, retail and food-serving activities (which reflects demand increases due to the attraction of those professional-type workers and their families).
- Given the high rates of residential construction prior to the Great Recession, much of Antioch's housing stock is relatively new. Units built since 1990 are estimated to comprise the majority (53 percent) of the current housing stock.
- A small percentage of both homeowner and renter households in Antioch are cost-burdened, generally indicating that the cost of housing available in Antioch (relative to Lake County) is better aligned with the ability of households to pay for housing.
- Antioch's household base grew at an annual rate of 4.4 percent over the 2000-2010 decade, increasing from approximately 3,200 households in 2000 to just under 5,000 by 2010. This is consistent with the significant amounts of new single-family housing built during the decade.
- Antioch has the land capacity to add an additional 2,100 housing units assuming the same

¹ Some of the gap between available labor and jobs relates to government workers and self-proprietors, which are not accounted for in the estimate of private wage and salary employment.

density pattern as has developed over time.

The high proportion of newer housing stock and availability of land indicates the capacity to respond to contemporary housing preferences of knowledge workers on which growing, innovative industries depend. The growth in the household base will not only be positive in serving as a labor pool for employers but also support the growth of retail and service uses. Antioch will want to consider the effect of the potential diminishment of the land supply on the price of future housing. Currently, Antioch derives an advantage in providing high quality housing at affordable prices. New housing in Antioch historically has been developed and sold at “affordable” prices because of comparatively low land costs and growth-friendly policies. As the land supply diminishes, housing prices will tend to increase as land prices can be expected to escalate, in turn resulting in higher new residential development costs and therefore pricing. Escalating housing prices will make it challenging to attract worker households that are critical to maintaining and enhancing business locations. One implication is that land use regulations regarding zoning at higher densities than is currently occurring in Antioch will need to be reviewed as the housing market recovers and Antioch continues to build-out.

Retail and Automotive Sales Trends in Antioch

- Total non-automotive retail sales in Antioch on a real (i.e. inflation-adjusted) basis increased by \$97.5 million (through 2011) or 76 percent over the past decade. The general merchandise and building material sectors experienced the highest rates of sales growth over the 2003 to 2011 period.
- General merchandise sales represent the largest source of non-automotive sales in Antioch at approximately 42 percent in 2008 (and 37 percent in 2010).
- Following the closure of the Pontiac GM dealer in Antioch in late 2009/early 2010, coupled with a slowly recovering economy, automotive sales increased off a low of \$68 million in 2010 to \$80 million in 2012.

Retail Supply in the Primary Market Area

- The primary market area for retail demand includes the communities of Antioch, Spring Grove, Richmond, Fox Lake, parts of Lindenhurst and Lake Village, and the southern Wisconsin communities of Twin Lakes, Camp Lake, Silver Lake, Salem, and Trevor.
- Antioch contains a total of 1,032,000 square feet of retail space. The primary market area currently contains only one major shopping area outside of Antioch. The majority of retail space in the primary market area is strip or neighborhood type retail space. A total of nearly 980,000 square feet of retail space (in addition to the retail space in Antioch) is located in the primary market area.
- The regional supply of existing big-box and specialty retailing locations within northern Lake County, McHenry County, and southern Wisconsin are likely to constrain the potential market penetration of retail space developed in Antioch into areas beyond the primary market area currently served by Antioch's retail base.

Retail Demand for Space in the Primary Market Area and Relationship between Retail Space Supply and Space Demand

- The market area is estimated to contain approximately 103,000 residents and 39,000 households. The average household income is estimated at just under \$93,000.
- The market area contains land capacity for long-term residential growth.
- Over the next five years, the market area may potentially add 1,000 households or approximately \$93 million in household income. The market area includes current expenditure retail expenditure potential or purchasing power of approximately \$723 million. Over the next 20 years, expenditure potential or demand is projected to grow to \$882 million.
- Retail demand or expenditure potential in 2013 is estimated to support approximately 2.1 million square feet of space in the primary market area. We estimate that by 2018 supportable retail space demand will increase by approximately 60,000 square feet to approximately 2,120,000 square feet. Over the long-term, we estimate that supportable market area retail space demand may grow to 2.5 million square feet. This equates to approximately 450,000 square feet of additional retail space supported within the market area.
- Unmet demand for retail space (i.e., demand for space exceeds supply of space, assuming no growth in supply) is estimated at:
 - 2013 – 292,000 square feet
 - 2018 – 345,000 square feet
 - 2033 – 747,000 square feet
- The comparison of local Antioch retail expenditure potential to actual retail sales indicates that a surplus (i.e. sales exceed expenditure potential) of approximately \$130 million currently exists. This large surplus is generated by market area households attracted to shopping and dining opportunities in Antioch. We estimate that households residing outside of Antioch but within the primary market area definition generate approximately \$626 million in annual retail spending. The relationship implies that Antioch currently captures about 21 percent of non-local retail demand within the market area. This suggests that Antioch has maintained its position as a retail hub, serving demands of non-local households in nearby communities.
- In the short-term, retail development opportunities are unlikely to require more than 15 acres of land. Over the longer term (2013-2033), the Village should, however, anticipate the need for approximately 30 acres of retail land at a minimum.
- Future growth within the community itself is unlikely to warrant or support a considerable amount of additional retail space. The success of Antioch's retail supply base has and continues to be contingent upon its ability to capture the retail demands of non-local households (more than 60 percent of sales originate from beyond Antioch's borders).

Therefore, retail development/recruitment efforts should focus on solidifying and growing Antioch's magnetism as a shopping and dining destination for non-local households while reducing leakage in discretionary retail categories;

- If on-the-ground, or in-store consumer preferences are not well served within Antioch, sales dollars will be lost to preferred retail agglomerations outside of Antioch, to e-tailing, and to non-retail goods and services. The Downtown will lose sales opportunities if fewer shoppers are attracted to Antioch or if existing residents leave Antioch to do more of their discretionary shopping and dining while visiting alternative shopping formats and venues not available in Antioch. Ultimately, a successful retail development strategy should seek to maintain/establish market area dominance and ward-off potential competition from nearby communities, even if this means building somewhat ahead of local demand;
- Retail concentrations prosper because they contain a variety of proximate shopping opportunities whose synergy attracts more customers. That is, the stores grouped together will sell more than the same stores would be able to sell if they were not close to each other. Over the longer term, it would be advantageous for Antioch to have fewer, but larger, well-integrated shopping nodes than numerous smaller strip centers that siphon off relatively small sales dollars so as to make more difficult the development of larger projects with greater trade areas and more frequent visitation, or higher per visit expenditures; and
- The proportion of retail expenditures made online will continue to grow and reduce the need for on-the-ground space. Future retail development will need to be aided by- and integrated with- non-retail activity generators, such as medical and distinctive entertainment-type uses, that provide attractive, experiential, and convenient alternatives to Internet shopping.

Downtown Market Potential

The primary advantages of the Downtown include:

- An accessible location with high-traffic volume and a Metra train station that serves as a center of commerce for smaller proximate communities;
- The presence of businesses which draw individuals more frequently or from a larger area than would normally apply to stores or shopping areas of equivalent size;
- Restaurants and food-related uses provide lunch- and dinner-time traffic and support for retail tenants as well as appeal to office tenants;
- The presence of automobile dealerships east of the Downtown spillover visitors to the Downtown;
- An authentic, compact "main-street", small-town ambience with active street fronts in historic buildings that make a unique sense of place and physical character and strolling and browsing pleasurable;

- The Downtown is perceived as safe and secure;
- The relatively low rents can help to incubate new retail concepts and businesses that cannot afford the high rents of standard malls and large-scale retail centers; and
- Downtown's reputation as a summer festival and events destination and its proximity to recreational amenities serve to attract out-of-town visitors as well as residents.

The disadvantages of the Downtown include the following:

- The Downtown lacks a concentration of residential units and a large amount of office space to help support retail and restaurant space;
- Inconsistent hours of operation for some businesses, which discourages visitation to the Downtown;
- Some properties contain somewhat outdated space and building improvements; and
- The arrival sequence to the Downtown could be more inviting.

The owners of some long-time businesses are aging and do not necessarily have an exit strategy in place for new entrepreneurs to take over and continue to operate the businesses or use the space to operate new businesses. This represents one challenge facing the Downtown.

A second challenge relates to the ongoing and likely to be significant future shifts of population, employment and industrial and retail space development to the east of the Downtown. Much of the future growth in both shopper and convenience/necessity goods can be expected to take place east of the Downtown. Therefore, it is important to increase the scale or critical mass of uses and activities in the Downtown to improve its magnetism to resident and nonresident visitors before the eastern parts of Antioch closer to Interstate 94 are built up with significant retail, industrial, and residential space.

More restaurants and entertainment venues that appeal to younger-aged and family households who currently tend to leave Antioch for their dining and entertainment activities, some of which could also appeal to businesses, would help support the retail uses present in Downtown. Increasing dining and entertainment venues will serve to increase the appeal of the Downtown as a destination for fun and entertainment from a larger geographic market and maintain the Downtown as the "heart and soul" of the community.

Antioch's Employment Base

- From 2002 through 2007, Antioch's total employment grew by 2.1 percent annually increasing by 513 jobs to approximately 5,096 in 2007. From 2007 to 2012, the impacts of the 2008-2010 Great Recession are evident. Antioch's employment base declined by 1,040 jobs from a peak of 5,096 in 2007 to 4,056 jobs in 2012. This decline equates to a 20 percent decrease. Antioch's employment base has not recovered to the level experienced over 10 years ago.
- Retail trade employment makes up approximately one-third of Antioch's employment base. Accommodation and food services and manufacturing employment comprises another 30 percent of total employment.
- If Antioch maintains its same share of capturing additional jobs in the County that it experienced over the 2002 to 2007 period before the recession, based on forecast countywide employment growth, this would result in 700 additional total jobs in Antioch by 2018.
- The lack of available building space has caused some firms to select locations outside of Antioch for expansion. The interviews indicate the potential for certain industrial activities in Antioch to buck the County trends and grow in both employment and space utilized. In addition, retail and service space can be expected to be added in response to additional residential growth.

The Office and Industrial Space Market and Antioch's Competitive Position as a Location for Office and Industrial Space

The primary market area within which owners/developers of industrial and office buildings compete for office and industrial space users includes northern Lake County locations such as Zion, Waukegan, and Wadsworth (at which Center Point plans to develop 220 acres into a business park) and Southeastern Wisconsin, specifically Pleasant Prairie (Lakeview Corporate Park) and Kenosha. Significant and intense competition within the primary market area for industrial and office space users can be expected for the foreseeable future.

Most businesses will originate from within southern and central Lake County and north Cook County and from internal expansion.

Important current or future comparative advantages include:

- Proximity to a diverse set of housing options, and potential for short commute for lower- and higher-skilled workers;
- A location in the path of growth approximately equidistant to both Milwaukee and Chicago with accessibility to Interstate 94 and Metra transit service;
- Available land for development;

- Lower property taxes than for comparable properties in Cook County;
- Reliable electrical service; and
- A safe and secure location in a positive business environment served by a local government with a positive attitude toward business.

Primary disadvantages include the following factors:

- The lack of a full interchange on Route 173 and Interstate 94 and limited number of roadway lanes on Route 173;
- Lake County stormwater requirements raise land development costs giving a cost advantage to business and industrial parks in Kenosha County, Wisconsin;
- The current State of Illinois business climate (tax and workers compensation insurance regime, and governance is not viewed favorably relative to that in Wisconsin) causing many prospective space users to consider locations north of Antioch in Kenosha County, Wisconsin;
- Limited inventory of available contemporary, quality building space; and
- Antioch has not established an image with a critical mass of buildings and services and amenities geared to larger-scale business space users that export their services outside the area.

The employment forecast of 700 additional jobs within the Village over the next five years translates into an estimate of non-residential building space needs of approximately 260,000 square feet. Based upon floor-area-ratio assumptions pertaining to specific land uses, we estimate total non-residential land requirements of approximately 27 to 36 acres within the Village by 2018. We estimate that land demand for industrial and office uses is likely to range from approximately 16 to 20 acres. This estimate of demand represents a very small fraction of the more than 1,200 acres of land available throughout the market area.

Business Targets

Office space users attracted to Antioch are likely to be concentrated in the finance, insurance and real estate and healthcare sectors attracted to the population and household growth and affordable location. Industrial space users are likely to be concentrated in the manufacturing and wholesale trade sectors, including packaging, paper, and plastics industries. Smaller to mid-size privately held firms seeking a safe, secure, and affordable location, near skilled and unskilled labor (existing industrial businesses attract labor from Waukegan and Zion and generally within approximately 20 minutes driving time of Antioch) would find Antioch an advantageous business location.

STRATEGIC ACTION RECOMMENDATIONS

The potential for attracting businesses will increase by Antioch building up a larger base of labor that could work and shop close to home. Workers with short commutes and attractively priced housing tend to have lower turnover and lower salary and wage requirements. This represents an inducement for firms to stay, expand, and enter the Antioch market. Actions that improve the desirability of Antioch as a residential location (including encouraging the maintenance and enhancement of the reputation of the local schools) make sound economic development strategy.

To maintain and enhance the comparative advantages and mitigate the constraints on economic development found to apply, GG+A recommends that the following actions be taken to attract and retain targeted industries and encourage beneficial real estate development and investment.

Continue to Encourage the Enhancement of Antioch as a Place to Live, Shop, Play and Work in Order to Expand and Diversify Antioch's Economic Base

The preservation and enhancement of the locational image or desirability of Antioch as a residential location and for nonresidential building space users will continue as the result of encouraging the type of housing, shopping, restaurants, schools, parks and other community services and amenities that appeal to well-educated and skilled households upon which innovative companies depend. The type of community that appeals to and attracts additional households seeking a high quality of life or economic opportunities will also encourage locally based entrepreneurs to expand their enterprises within Antioch, as well as attract new firms. The new municipal pool built to 21st century standards complete with water slide, competitive lap pool, zero-depth entry point, splash playground, and wading vortex is an example of an investment that will serve to attract and retain households and improve the desirability of Antioch as a residential location.

Mitigate Infrastructure Constraints

Roadway access or congestion constraints reduce the potential for not only attracting and retaining industrial space users but also office and retail space users. To maintain the key quality of life advantages and concurrently serve the evolving economic base requires continuing to plan, finance and implement the appropriate expansion of public infrastructure at least in step with development. Collaborate with the State and Lake County to assist in the development of infrastructure that serves business parks and mixed-use developments that can provide the kind of work place and retail space that will attract and enhance a critical base of industry. While the Village of Antioch should not give developers a “free-ride”, it should indicate a willingness to cooperate in mutually beneficial efforts to stimulate economic development. Industrial revenue bonds and other sources of funding available from Lake County and the State of Illinois should be explored and provided to finance the cost of needed infrastructure to maintain key quality of life advantages and concurrently stimulate the evolving economic base. This suggests the importance of (a) monitoring the potential need for the expansion of Route 173 and as the area evolves and (b) seeking to formulate a cooperative governmental-private partnership, funding and phasing strategy for the expansion. In addition, the Village should continue to explore and monitor opportunities for collaborating with local, regional, and state governmental entities and private interests to plan for and fund the completion of a full, four-way interchange at Route 173 and Interstate 94.

Encourage the development of high speed broadband access and related high-technology infrastructure. The importance of broadband infrastructure and quality of service in Antioch will intensify as the global economy evolves and information technology and digital commerce advancements occur. Competitive broadband infrastructure can also enhance quality of life by improving the delivery of healthcare services, emergency response systems, access to educational opportunities, and even the efficiency of the existing electrical grid. The telecommunication needs of businesses should be monitored closely and the Village and Lake County should collectively begin to address broadband and fiber optic expansion as part of comprehensive planning for growth and infrastructure development.²

Encourage the Availability of Building Space for Expansion of Existing and Start-up of Entrepreneurs

Antioch has historically attracted entrepreneurs which own their businesses and wish to locate their businesses near where they live in relatively low cost, smaller space. This suggests the advisability of encouraging the development of incubator space in or near the Downtown geared to the smaller, cost-sensitive user. Explore the potential for partnering with College of Lake County and Lake County Partners to evaluate, program, fund, and operate the incubator.

The interviews clearly demonstrate the importance of creating an inventory of space to serve existing users requiring additional space as well as new businesses. The Village should also investigate how most effectively and prudently to facilitate the development of “ready-to-go” lots and building space at the Antioch Corporate Center through assistance with capital infrastructure improvements, expediting approvals, or incentives packages assembled in cooperation with Lake County and the State of Illinois.

Facilitate Adaptations of and Enhancements to Existing Industrial Parks

- Given the finding that the older industrial area east of Downtown and south of the Metra station is still a viable location, encourage redevelopment of outdated, functionally obsolete industrial buildings and the grounds/common area environment. Where appropriate, incentives may be required to bridge feasibility gaps.

² *Relevant articles, case studies, and examples:*

- http://www.nytimes.com/2010/09/13/technology/13broadband.html?pagewanted=all&_r=0
- [Dublin, OH dubLINK Broadband Network](#)
- [Broadband and Economic Development: A Municipal Case Study](#)
- [Community Broadband Snapshot Report, IEDC](#)
- [The Effects of Broadband Deployment on Output and Employment: A Cross-sectional Analysis of U.S. Data \(June 2007\)](#)
- [Does Broadband Boost Local Economic Development? \(Jan 2010\)](#)

Relevant websites:

- The National Broadband Plan (<http://www.broadband.gov/plan>)
- Community Broadband Networks (<http://www.muninetworks.org>)

- Form a task force including representatives of existing businesses to evaluate, initiate, and coordinate improvements to the older industrial areas near Downtown including reviewing parking and capital facility requirements, and means for financing improvements. Actions should be directed toward helping building owners and businesses adapt to market changes in a reasonable time, while avoiding the typical downward cycle associated with competitive obsolescence.

Retention and Expansion Initiatives

Commence holding business retention meetings to identify or monitor concerns and recurring issues, including labor and real estate requirements with existing Antioch businesses. Extend the retention program to a recruitment program that will focus on businesses within the broader market, which may have interest in consolidating facilities or opening branch facilities in Antioch. As part of the retention program, coordinate with the State to identify job training and other incentives that can be provided to induce existing companies (and new companies) to expand in Antioch rather than relocate across the border in Pleasant Prairie or elsewhere in Kenosha County and develop a streamlined approach that eliminates as much uncertainty about available incentives as practical.

The importance of automotive-related sales to the taxable sales base of Antioch and its spillover of visitors to the Downtown suggests that it would be advisable for the Village to monitor sales and regularly meet with representatives of the automotive dealerships to keep abreast of changes in market and regulatory conditions that affect dealerships. In particular, the Village should be proactive about helping to respond to changes in facility requirements of dealerships and maintaining the locational accessibility of the dealerships.

Downtown

From a consumer's perspective, a successful downtown serves as an anti-mall agglomeration. People are looking for authentic places where they can share experiences with others and enjoy cultural amenities, dining, and community programming and entertainment for a variety of ages in a vibrant, outdoor ambience.

The Downtown needs to be programmed, operated, and marketed as a place where community, culture and commerce combine to create a place where property owners, businesses and visitors want to be. The combination of commercial, service, dining, and entertainment uses in an environment with aesthetic appeal, authenticity and compelling public spaces.

Continue to promote the addition to and enhancement of the Downtown's base of cultural, entertainment, retail, restaurant, and residential uses. Such amenities will not only serve to augment tourism but also help attract and hold resident knowledge workers.

To help the Downtown capitalize on the further development of the Route 173 corridor requires the design and installation of an exciting way-faring and signing system that can lever the high volume traffic on Route 173 and the presence of the Metra station near the Downtown core to generate more automobile and pedestrian traffic to the Downtown. One approach could include designing gateway artworks that attract people from Route 173 to the core of the Downtown and provide directions to tenancies within the Downtown.³ The addition of creative and unique way-finding

³ <http://www.madisonga.com/index.aspx?NID=431>

structures such as the example of way-finding art bikes constructed in St. Paul, Minnesota, would help to attract and direct both automobile and pedestrian traffic.⁴

Downtown events have and will continue to be important in stimulating residents to view the Downtown as relevant to their sense of community and attracting nonresident visitors to become informed about the offerings in the Downtown. Wherever practical, events should be organized to occur so that visitors see the store fronts rather than take place on the backside of stores. A bike-a-thon that raises money for local charities or schools is another type of event that can differentiate Downtown from standard retail centers while potentially generating sales spillover to merchants and eating and drinking establishments. Given that the interviews suggest adult women are a primary source of demand for the Downtown offerings and that events already include mother and daughter and mother and son activities, another example could be a symposium on women's health topics presented by healthcare professionals from local hospitals such as St. Catherine's Medical Center and medical care providers. The event could include a fashion show or other items of interest to women.

Some merchants do not have websites. The Village should provide assistance and encourage all Downtown businesses to create business profiles on websites such as Google Maps and Yahoo Local. Local businesses should be encouraged to provide contact information, website links, a description of their offerings, and accurate geographic "markers" to help potential customers find their establishments.

In addition, under-utilized sites near the Village Hall and the Metra station should be evaluated and programmed for development that signals continued confidence in the future of the Downtown. This could include encouraging housing products not available elsewhere in the Village that appeal to Gen Yers and empty-nester baby boomers. Additional cultural or entertainment attractions that help further differentiate the Downtown as a place where people come for fun and unique experiences and shopping opportunities would also be desirable.

Just as shopping centers have standard hours of operation, it would help the Downtown if merchants stayed open for an agreed upon minimum of hours and days per week so that the shoppers can count on finding a full array of stores open when they visit.

Organize with property owners and hold and publicize contests to attract independent, unique retail and other experiential concepts to the Downtown. Under this approach, aspiring retailers complete applications and business plans, which are reviewed by a panel of experts, the winners of which are given attractive terms for short-term leases or "free rent" for a year and reduced or abated municipal fees. For example, "winners" of free rent for a year in the "Mill Avenue Retail Contest" in Downtown Tempe, Arizona include Poppa Maize, an independently-owned store that sells 30 homemade flavors of gourmet popcorn, and Counter Culture Café, an independent coffee shop featuring food made with local produce, live music and sell local art.⁵ Madison Marquette, a retail developer, created an incubator program called Retail*Star, which provides opportunities for

⁴ <http://www.thelinemedia.com/devnews/wayfindingartbikes080812.aspx>

⁵ <http://www.azcentral.com/community/tempe/articles/2009/09/10/20090910millwinners-ON.html#ixzz0o7GWvdq0>. This web link to an Arizona Republic article describes the Tempe contest.

entrepreneurs to showcase their retail concepts.⁶ A winner for a contest for prospective tenants of Bayfair Center in San Leandro, California is a tea lounge/education seminar service called TeachBar, which was provided a 1,300-square-foot space at the center with free rent, additional investment capital and a build-out allowance.⁷ In Duluth, Minnesota the “Go Downtown Grow Downtown: The Great Space Giveaway Contest” gave winners of startups a year of free rent for signing a three or more year lease as well as free advertising. Winners of the “Go Downtown Grow Downtown Contest” included Lake Superior Art Glass, a glass blowing gallery, All About Baby, a boutique baby store, and Apricot Lane, a women’s clothing store. In Cleveland, Ohio a “Best Business Plan” competition allows businesses to submit a business startup plan and the winners will receive one year of free rent. Winners have included Campbell’s Sweets Factory, Joy Machines Bicycle Shop, and Wild Orchid Florists. A similar approach could be used to seek protégés for store owners seeking to groom people to take over or help manage their stores.

Monitor Results

Monitor the results of the economic development initiative. The data presented in this report concerning the number of jobs in Antioch and retail sales and amount of building space inventory should be used as benchmarks to evaluate progress and to be alert for demand or growth opportunities or to downward shifts.

⁶ <http://bayfair.mallfinder.com/go/Poolb.cfm?MallID=827&FPURLID=2129966060>. This web link includes a description of the process, and provides the application used in the Retail*Star program.

⁷ <http://www.nbcbayarea.com/news/local-beat/Mall-Rats-New-Role-Model-85986272.html> This web link describes the winning entry and indicates the publicity garnered.

CHAPTER II

AN ANALYSIS OF LABOR FORCE AND HOUSING CHARACTERISTICS OF ANTIOCH

INTRODUCTION

Increased jobs and associated income and the resulting increase in tax revenues contribute to the economic, social, and fiscal vitality of a community. Factors influencing the type and amount of job growth include the base and type of economic activity and history, land use policy, the amount and type of residential development, and the extent of the commute shed. The quality and quantity of the labor force and housing characteristics influence economic development opportunities and constraints. The characteristic of the labor pool, such as educational attainment, and skill mix influence the types of businesses that can thrive in a community. This chapter describes an analysis of the labor force and housing characteristics of Antioch.

THE RELATIONSHIP BETWEEN LABOR FORCE CHARACTERISTICS AND TYPES OF JOBS IN ANTIOCH

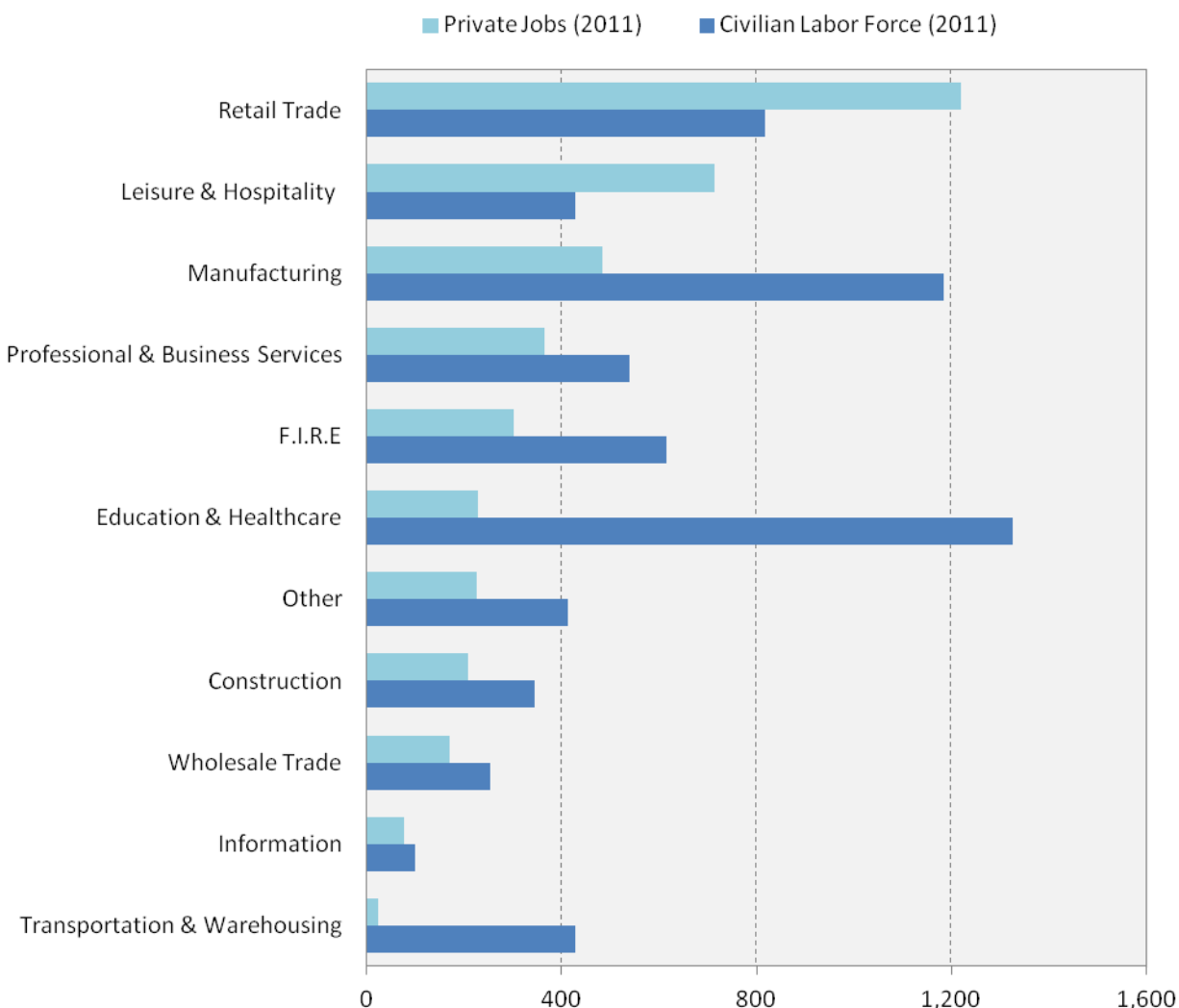
The Village of Antioch contains a labor surplus relative to the size of its job base. The Illinois Department of Employment Security estimates that Antioch contained approximately 4,000 private wage and salary jobs in 2011. The results of the 2011 American Community Survey suggest that Antioch contained an employed civilian labor force of approximately 6,500 workers in 2011 (excluding those engaged in Public Administration). Approximately 500 members of the labor force were estimated to be unemployed. Accordingly, the Village contains about 3,000 more resident workers than it does private sector jobs.⁸ This is consistent with a community that has more housing than jobs, especially given that 48 percent of Antioch households contain two or more workers.

Antioch's two largest employment sectors are Retail Trade and Leisure and Hospitality. According to the Illinois Department of Employment Security, these two sectors contained more than 1,900 jobs in 2011 and represented just under 50 percent of the Village's private employment base. The Village is estimated to contain only 1,250 resident workers employed in these two sectors. In every other sector but Retail Trade and Leisure and Hospitality, Antioch contains a surplus of labor (i.e. more employed residents than local jobs available). The imbalance is particularly large in the Education and Healthcare and Manufacturing sectors. Approximately 2,500 resident labor force members, or 39 percent, are employed in the Education and Healthcare or Manufacturing industry sectors. However, these two sectors of Antioch's employment base contained only 700 private sector jobs in 2011 and comprised less than 18 percent of total private jobs available within the Village.

Figure II-1 below presents a comparison of Antioch's labor force to private job base by industry sector for 2011.

⁸ Some of the gap between available labor and jobs relates to government workers and self-proprietors, which are not accounted for in the estimate of private wage and salary employment.

FIGURE II-1
COMPARISON OF JOBS TO LABOR IN ANTIOCH: 2011



Note: "Other" includes Other Services and Natural Resource industry sectors.

Sources: Illinois Department of Employment Security; U.S. Census Bureau; Gruen Gruen + Associates.

Other industry sectors within which the Village contains at least 50 percent more labor than private employment include: Transportation and Warehousing; Finance, Insurance, and Real Estate; Construction; and Wholesale Trade.

Table II-1 below summarizes how the composition of Antioch's labor force and private employment base has each changed over time.

TABLE II-1: Composition of Antioch Labor Force and Employment Base by Industry Sector

Industry Sector	Civilian Labor Force		Private Employment	
	2000 %	2011 %	2001 %	2011 %
Agriculture, Forestry, Farming, Fishing	0.3	1.0	1.4	1.5
Construction	9.7	5.0	10.3	5.2
Manufacturing	20.8	17.3	18.6	12.0
Subtotal: Goods-Producing	30.8	23.3	30.3	18.7
Wholesale Trade	2.9	3.7	2.6	4.3
Retail Trade	15.8	11.9	21.9	30.4
Transportation, Warehousing, and Utilities	3.5	6.3	0.8	0.6
Subtotal: Trade & Transportation	22.2	21.9	25.2	35.2
Information	2.8	1.4	3.8	1.9
Finance, Insurance and Real Estate	8.0	9.0	5.7	7.5
Professional and Business Services	8.8	7.9	17.9	9.1
Education and Health Care	15.6	19.3		5.7
Leisure and Hospitality	7.5	6.2	14.2	17.7
Other Services	2.7	5.0	2.8	4.1
Public Administration	1.7	5.9	N/A	N/A
Subtotal: Services	47.0	54.7	44.5	46.0
TOTAL	100.0	100.0	100.0	100.0
Sources: U.S. Census Bureau; Illinois Department of Employment Security; Gruen Gruen + Associates.				

Between 2000 and 2011, Antioch's resident labor force shifted away from Goods-Producing activities towards Service-providing industries; following a secular trend that is not unique to Antioch. The proportion of resident workers employed in Trade and Transportation sectors of the local economy remained relatively stable at 22 percent over the period, although the distribution of employed labor shifted away from Retail Trade and to Transportation and Warehousing activities.

During the 2001-2011 period, the Retail Trade and Leisure and Hospitality sectors of the local Antioch economy were the only two sectors that added any substantial number of private wage and salary jobs. The major goods-producing activities, Construction and Manufacturing, both experienced substantial job declines over the period while non-hospitality service employment declined slightly. As such, the composition of the private employment base has shifted strongly in favor of trade and hospitality/food services.

Changes over time in the composition of the labor force and employment base differ in that most growth in the resident labor force has been due to the attraction of professional-type workers employed in service sectors, particularly Education and Healthcare and Public Administration, while actual job opportunity growth in the Village has been due to local-serving, retail and food-serving activities (which reflects demand increases due to the attraction of those professional-type workers and their families).

Commutation Patterns

The Village exports more labor than it imports, which is not surprising given the characteristics reviewed above. Approximately 6,200 resident workers are estimated to leave Antioch for employment while approximately 3,600 non-resident workers are estimated to commute into Antioch for employment. According to U.S. Census Bureau *Longitudinal Employer-Household Dynamics* data, only 10 percent of private resident labor force members are employed within the Village. Table II-2 summarizes the labor flow estimates for Antioch.

TABLE II-2: Balance Between Labor Force and Job Base of Antioch (2011)	
	Private Total ¹
Resident Labor Force	6,936
Employed Within Antioch	703
Out-Commuters (“Exported Labor”) <i>Percent out-commuters</i>	6,233 90%
Employment Base (jobs)	4,277
Jobs Held by Resident Labor	703
In-Commuters (“Imported Labor”) <i>Percent in-commuters</i>	3,574 84%
¹ Not including unemployed members of the labor force and excluding government workers.	
Sources: U.S. Census Bureau, <i>Center for Economic Studies, OnTheMap</i> , Gruen Gruen + Associates.	

The labor force and job base estimates presented above in Table II-2 are indicative of a potential mismatch between jobs available within the community and the education, training, and skill levels of the resident labor force. Private employers in the Village, even with a large labor surplus estimated to exist in nearly every industry sector, still import nearly 85 percent of the labor they need from outside of the Village. The relatively low percentage of labor force members both living and working in Antioch, however, as summarized below in Figure II-2, is not unique to communities in northern Lake County.

FIGURE II-2

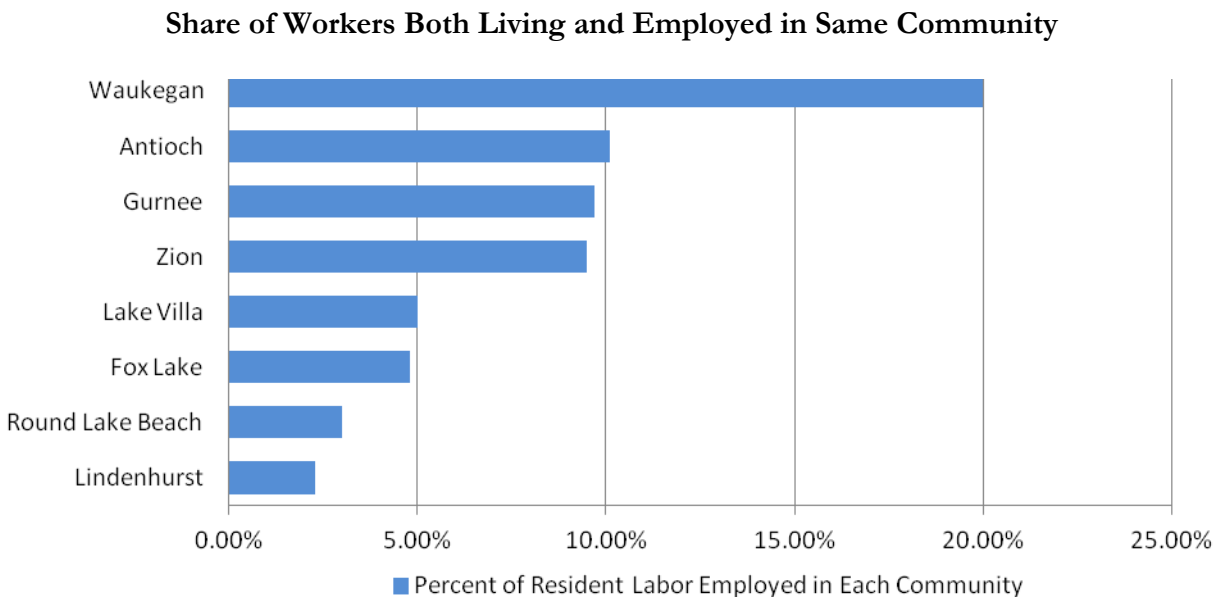


Table II-3 shows the work location of employed Antioch residents, including public employees.

TABLE II-3: Work Location of Employed Antioch Residents	
	2011 %
Worked in Lake County, IL	76.3
Worked outside of Lake County, IL	23.7
Worked in Village of Antioch	18.3
Worked outside Village of Antioch	81.7
Source: U.S. Census Bureau, 2011 American Community Survey.	

According to *2011 American Community Survey* data, approximately 18 percent of all resident labor force members are employed within the Village. More than 76 percent of the labor force is employed within Lake County. Accordingly, about one in four workers leave Lake County for employment.

OCCUPATIONAL MAKE-UP OF THE LABOR FORCE

The most common occupations among Antioch's resident workforce include management, business and financial occupations; office and administrative support occupations; and education, legal, community service, and arts and media occupations. Table II-4 shows the Antioch labor force by occupational category for 2000 and 2011.

TABLE II-4: Antioch Labor Force by Occupation, 2000-2011

OCCUPATION:	2000		2011		Growth 2000-2011	
	#	% of Tot	#	% of Tot	#	%
Management, business, and financial	697	15.8	1,443	21.1	746	107.0
Computer, engineering, and science	314	7.1	577	8.4	263	83.8
Education, legal, community service, arts, and media	489	11.1	866	12.6	377	77.1
Healthcare practitioners and technical	126	2.9	280	4.1	154	122.2
Subtotal: Management, business, science and arts	1,626	36.9	3,166	46.2	1,540	94.7
Healthcare support	44	1.0	108	1.6	64	145.5
Protective service	45	1.0	98	1.4	53	117.8
Food preparation and serving related	179	4.1	193	2.8	14	7.8
Building and grounds cleaning and maintenance	89	2.0	171	2.5	82	92.1
Personal care and service	83	1.9	96	1.4	13	15.7
Subtotal: Services	440	10.0	666	9.7	226	51.4
Sales and related	575	13.1	611	8.9	36	6.3
Office and administrative support	810	18.4	889	13.0	79	9.8
Subtotal: Sales and office	1,385	31.4	1,500	21.9	115	8.3
Farming, fishing, and forestry	7	0.2	34	0.5	27	385.7
Construction and extraction	268	6.1	310	4.5	42	15.7
Installation, maintenance, and repair	175	4.0	299	4.4	124	70.9
Subtotal: Natural resources, construction and maintenance	450	10.2	643	9.4	193	42.9
Production	281	6.4	330	4.8	49	17.4
Transportation and material moving	223	5.1	550	8.0	327	146.6
Subtotal: Production, transportation and material moving	504	11.4	880	12.8	376	74.6
TOTAL	4,405	100.0	6,855	100.0	2,450	55.6
Sources: U.S. Census Bureau, 2000 Census, 2011 American Community Survey; Gruen Gruen + Associates.						

In 2000, management, business, science and arts-related occupations comprised 37 percent of Antioch's labor force. By 2011, these occupations grew to comprise just over 46 percent of the workforce. The number of management, business, science and arts-related workers grew by 95 percent or 1,540 workers over the 11 year period. Although containing a small number of workers, health practitioners and technical workers experienced the fastest growth within this occupational category growing by 122 percent over the period. Management, business, and financial workers also grew robustly over the period by 107 percent.

The share of the labor force engaged in service-type occupations remained stable as a function of the overall base at approximately 10 percent in both 2000 and 2011. The number of service workers grew by 226 or 51 percent over the 2000-2011 period. Healthcare support workers represented the largest source of growth in Antioch over the period, increasing by nearly 150 percent. Sales and office-related occupations represented approximately 31 percent of Antioch's labor force in 2000 but experienced relatively little growth over the 2000-2011 period. In 2011, sales and office-related occupations comprised only 22 percent of the workforce, representing a significant downward shift in the composition of Antioch's labor force. Natural resource, construction and maintenance-related occupations comprised approximately 10 percent of the labor base in 2000 and approximately nine percent in 2011. Installation, maintenance and repair occupations were the largest source of growth in the occupational category.

Production, transportation and material moving occupations represented the second fastest growing segment of Antioch's labor base over the 2000 to 2011 period, growing by 376 workers or approximately 75 percent. In 2000, this occupational category comprised 11.4 percent of the labor base. By 2011, it grew to comprise 12.8 percent of the labor base. Transportation and material moving occupations grew particularly strongly over the period, increasing by approximately 150 percent or 327 workers.

Excluding farming, fishing and forestry occupations which comprise a very small share of the base, the transportation and material moving occupational sector actually experienced the fastest growth rate over the period. On an absolute basis, management, business and financial occupations represented the largest source of growth with an increase of nearly 750 workers over the 2000-2011 period.

EDUCATIONAL CHARACTERISTICS OF THE LABOR FORCE

Table II-5 shows the educational attainment of the population 25 years and older in Antioch and Lake County.

TABLE II-5: Population 25+Years of Age by Educational Attainment

	Antioch		Lake County	
	2000 %	2011 %	2000 %	2011 %
Highest Education Completed				
Less than 12th grade, no diploma	10.5	5.8	13.4	13.4
High school graduate	28.7	26.1	21.4	21.6
Some college, no degree	28.8	23.2	21.2	17.2
Associate's degree	5.3	10.8	5.4	5.8
Bachelor's degree	18.3	20.0	24.0	25.0
Graduate or professional degree	8.4	14.0	14.6	17.0
Subtotals:				
High school graduate or higher	89.5	94.1	86.6	88.6
Bachelor's degree or higher	26.7	34.0	38.6	42.0
Sources: U.S. Census Bureau; Gruen Gruen + Associates.				

In 2000, approximately 90 percent of Antioch residents over the age of 25 were high school graduates. Approximately 27 percent of the population over the age of 25 had obtained at least a Bachelor's degree. In 2000, Lake County had a much higher proportion of college-educated residents with approximately 39 percent holding at least a Bachelor's degree.

Over the 2000-2011 period, the educational attainment level of Antioch's resident base improved. The percentage of the population over the age of 25 having completed a Bachelor's degree grew from 18.3 percent to 20.0 percent; and those holding a graduate or professional degree grew from 8.4 percent to 14.0 percent of the 25 and over population. In 2011, approximately 34 percent of Antioch residents over the age of 25 were college educated. This compared to 42 percent for Lake County as a whole. Although still slightly lower, the growth in educational attainment Antioch over the past decade was much stronger than within Lake County.

HOUSING CHARACTERISTICS

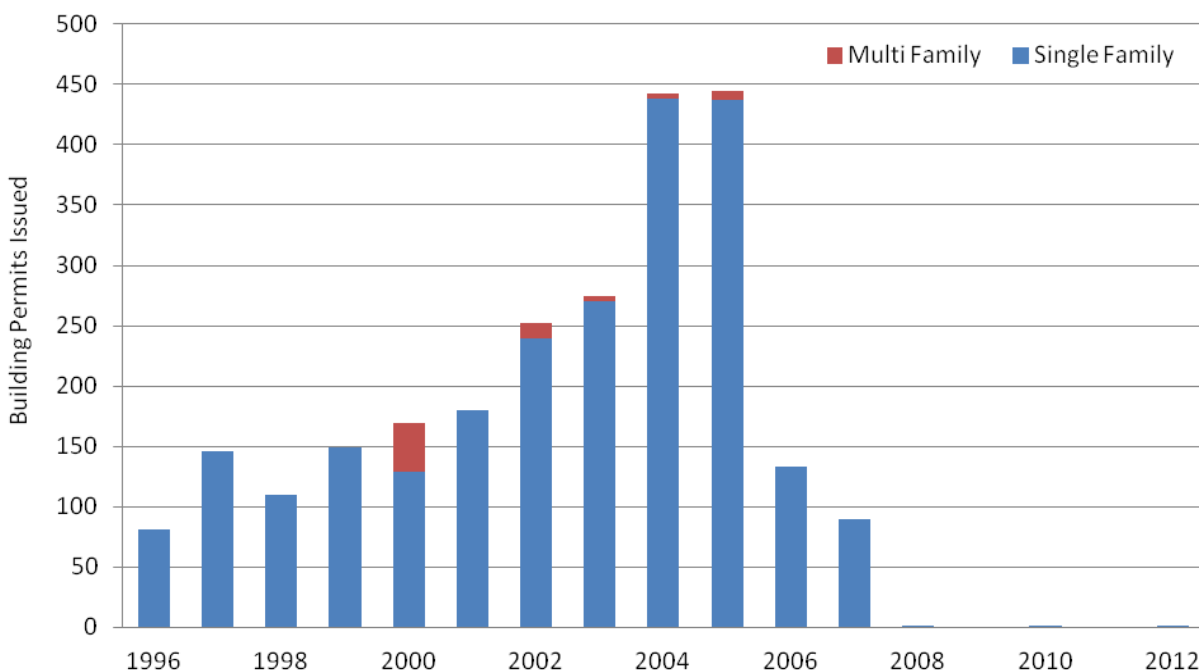
The ability to develop housing influences population capacity while the type, cost and quality of housing influences the demographic characteristics of the population. The quantity and quality of housing therefore bears strongly the type of labor that can be attracted to a community. The quantity of housing available and its composition also affects the level of demand for retail goods and services and influences demand for other types of nonresidential development (e.g. office space).

Housing Stock Characteristics and Trends

According to U.S. Census Bureau building permit estimates, Antioch's peak building years occurred in 2004 and 2005, prior the Great Recession, with 887 residential permits issued in this two year period. In the subsequent two year period (2006-2007), a total of 223 permits were issued. Since 2007, according to the U.S. Census Bureau, only three residential permits have been issued in the Village. As demonstrated below in Figure II-3, single-family housing has comprised nearly all - more than 97 percent - of new residential construction activity over the past 15 years in Antioch.

FIGURE II-3

Residential Building Permits Issued by Year



Sources: U.S. Census Bureau, Building Permit Estimates; Gruen Gruen + Associates.

Antioch is estimated to contain a total of 5,200 housing units, 74 percent of which are estimated to be detached single-family units. Table II-6 shows that the housing inventory is estimated to have increased by 1,837 units or 54 percent between 2000 and 2011. Detached single-family units are estimated to have accounted for more than 88 percent of the net change in housing inventory occurring over the 2000-2011 period, consistent with the residential permit and development trends described above.

TABLE II-6: Antioch Housing Stock Characteristics

Housing Type	2000		2011		Change	
	#	%	#	%	#	%
Detached Single-family	2,253	66.4	3,872	74.0	1,619	71.9
Attached Single-family	244	7.2	311	5.9	67	27.5
Multi-family	896	26.4	1,047	20.0	151	16.9
Total	3,393	100.0	5,230	100.0	1,837	54.1
Source: U.S. Census Bureau, Census 2000 Summary File and U.S. Census Bureau, 2007-2011 American Community Survey; Gruen Gruen + Associates.						

The inventory of detached single-family homes grew by 1,619 units or 72 percent over the 2000-2011 period, from approximately 2,250 units in 2000 to just under 3,900 units by 2011. The inventory of attached single-family homes grew by 67 units or 28 percent. Attached single-family homes comprised 5.9 percent of the total housing stock in 2011, down from 7.2 percent in 2000. The supply of multi-family units increased by 151 units or 17 percent to 1,047 units. The proportion of the total housing stock comprised by multi-family units declined to 20 percent in 2011, compared to 26.4 percent in 2000.

Given the high rates of residential construction prior to the Great Recession, much of Antioch's housing stock is relatively new. Units built since 1990 are estimated to comprise the majority (53 percent) of the current housing stock. Table II-7 summarizes the age of the housing stock in Antioch.

TABLE II-7: Year Housing Structure Built

	Number of Homes #	Percentage of Homes %
1949 and earlier	397	7.6
1950-1959	399	7.6
1960-1969	287	5.5
1970-1979	714	13.7
1980-1989	642	12.3
1990-1999	929	17.8
2000-2004	1,127	21.5
2005 and later	735	14.1
Total	5,230	100.0
Sources: U.S. Census Bureau, 2007-2011 American Community Survey		

Nearly 36 percent of the housing stock has been built within the last decade, indicating the Village has been a growth pole. Another nearly 18 percent of the housing stock was built in the decade of the 1990s, while 26 percent of the housing stock was built in the 1970s and 1980s. Less than 21 percent of the housing stock was built prior to 1970.

Housing Values and Affordability

Table II-8 summarizes median home values and monthly gross rents for Antioch and Lake County in 2000 and 2011.

TABLE II-8: Change in Median Homes Values and Gross Rents for Antioch and Lake County						
	2000		2011		Average Annual Rate of Change 2000-2011	
	Antioch \$	Lake County \$	Antioch \$	Lake County \$	Antioch %	Lake County %
Median Home Value	166,400	198,200	249,700	254,200	3.8	2.3
Median Monthly Gross Rent	678	742	853	1,012	2.1	2.9
Sources: U.S. Census Bureau; Gruen Gruen + Associates.						

Unadjusted for inflation, the median home value in Antioch grew by 3.8 percent annually over the 2000-2011 period, from \$166,400 in 2000 to \$249,700 in 2011. The median home value in Antioch is estimated to have grown by about \$83,000 or 50 percent over the period. Median monthly growth rents, again unadjusted for inflation, grew at an annual rate of 2.1 percent over the period from just under \$680 in 2000 to approximately \$850 in 2011.

The median owner-occupied housing value increased more rapidly in Antioch than it did in Lake County, which experienced a 2.3 percent average annual rate of median value growth over the 2000-2011 period. In 2000, the median Lake County home value was 20 percent greater than the median value in Antioch. By 2011, median values are estimated to have differed by only two percent or about \$4,500. The change from a lower priced location to one that is now comparable in value to the County as a whole (by median standards) reflects Antioch becoming a preferred location for the development of new housing. Newer homes typically sell at a premium to older housing stock, and as described previously, a large share of the Village housing inventory is relatively new.

Antioch has accounted for a disproportionate share of residential housing construction in Lake County over the past decade which explains the convergence in home values. Antioch represents only two percent of total housing units available in Lake County but contains a much higher five percent of countywide units built since 2000.

Table II-9 below shows the cost-burden rates for Antioch and Lake County over time. The cost-burden rate is the percentage of households expending more than 30 percent of their before-tax income on housing and related expenses (e.g. utilities, taxes, insurance).

TABLE II-9: Cost-Burden Rates for Antioch and Lake County¹

	Homeowners		Renters		Total	
	2000 %	2011 %	2000 %	2011 %	2000 %	2011 %
Village of Antioch	27.5	31.2	31.3	40.6	28.7	33.3
Lake County	26.2	36.5	37.5	57.4	28.8	41.2

¹ Cost-burden rates reflect the percent of households paying more than 30 percent of their before-tax income towards housing and related expenses (e.g. utilities, taxes, insurance).

Sources: U.S. Census Bureau; Gruen Gruen + Associates.

In 2000, in both Antioch and Lake County, the overall cost-burden rates were estimated to approximate 29 percent. The cost-burden rates were higher for renters. Over the 2000-2011 period, Antioch's cost-burden rate grew from an estimated 28.7 percent in 2000 to 33.3 percent in 2011. Relative to Lake County as a whole, Antioch's housing stock has remained more affordable. Lake County's cost-burden rate grew from 28.8 percent in 2000 to 41.2 percent in 2011. A smaller percentage of both homeowner and renter households in Antioch are cost-burdened, generally indicating that the cost of housing available in Antioch (relative to Lake County) is much better aligned with the ability of households to pay for housing.

PAST AND FORECAST POPULATION AND HOUSEHOLD GROWTH AND INCOME CHARACTERISTICS

Table II-10 shows historical growth in population and households for Antioch and Lake County over the 2000-2010 period and future growth forecast to occur over the 2010-2040 period.

TABLE II-10: Historical and Forecast Population and Household Growth Trends

	Antioch #	Lake County #	Antioch Share of Lake County %
Population:			
2000	8,788	644,356	1.4
2010	14,430	703,462	2.1
2040	26,624	953,673	2.8
Historical Annual Growth Rate 2000-2010	5.1%	0.9%	
Forecast Annual Growth Rate 2010-2040	2.1%	1.0%	
Households:			
2000	3,235	216,297	1.5
2010	4,993	241,711	2.1
2040	9,815	326,763	3.0
Historical Annual Growth Rate 2000-2010	4.4%	1.1%	
Forecast Annual Growth Rate 2010-2040	2.3%	1.0%	
Average Household Size:			
2000	2.72	2.98	
2010	2.89	2.91	
2040	2.71	2.92	
Sources: U.S. Census Bureau; Chicago Metropolitan Agency for Planning; Gruen Gruen + Associates.			

Over the 2000-2010 decade, Antioch's population base grew at an average annual rate of 5.1 percent, increasing from approximately 8,800 in 2000 to 14,400 in 2010. Antioch comprised 1.4 percent of the Lake County population in 2000 and 2.1 percent of the population in 2010. The Lake County population grew at a slower annual rate of 0.9 percent. Over the long-term 2010-2040 period, the Chicago Metropolitan Planning Agency ("CMAP") forecasts that Antioch's population will grow at an average annual rate of 2.1 percent. By 2040, the population is forecast to approximate 26,600. Lake County's population is forecast to expand at a much slower annual rate of one percent. By 2040, CMAP forecasts indicate that Antioch will grow to comprise approximately 2.8 percent of the Countywide population base (from a 2.1 percent share currently).

Antioch's household base grew at an annual rate of 4.4 percent over the 2000-2010 decade, increasing from approximately 3,200 households in 2000 to just under 5,000 by 2010. This is consistent with the significant amounts of new single-family housing built during the decade. Future household growth in Antioch, according to CMAP, is expected to occur slightly faster due a declining average household size. CMAP forecasts annual household growth of 2.3 percent so that by 2040 Antioch will contain approximately 9,800 households. Lake County households are forecast to grow at a slower annual rate of 1.1 percent over the 2010-2040 period.

Household Income Characteristics and Trends

Antioch households have become considerably more affluent since 2000, as summarized below in Table II-11. Unadjusted for inflation, the median household income grew by \$32,200 or 57 percent over the 2000-2011 period. Over the same period, the median household income in Lake County grew by only \$7,300 or approximately 11 percent.

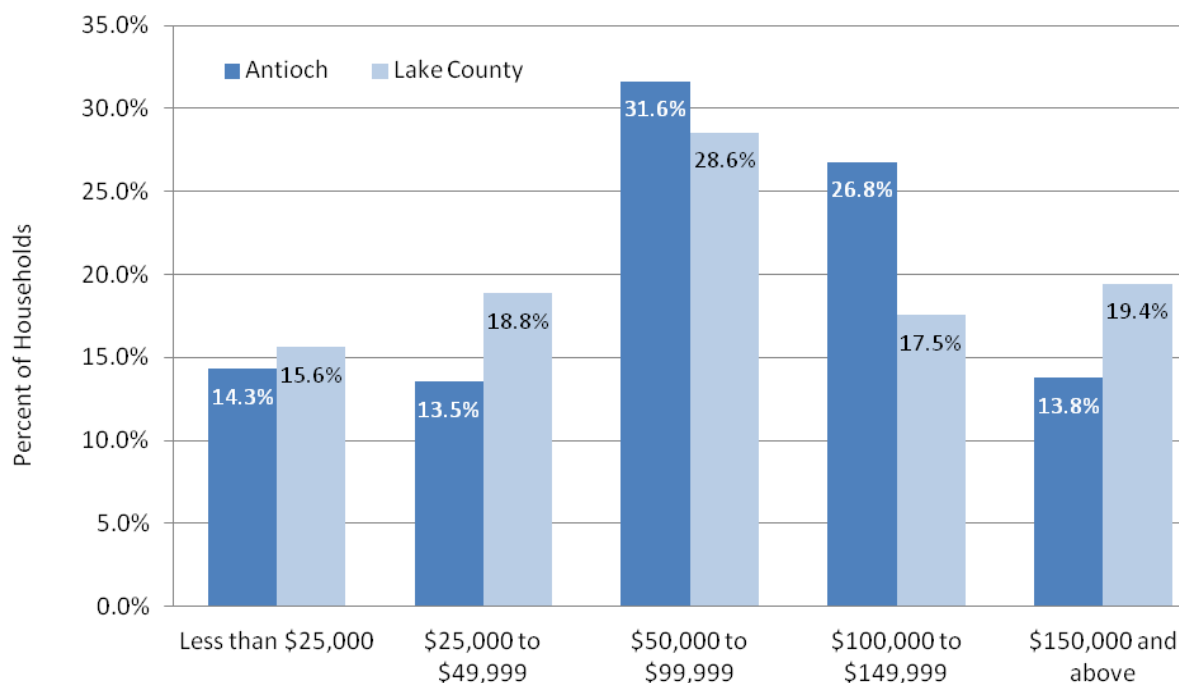
TABLE II-11: Household and Per Capita Income Comparison for Antioch and Lake County			
	Average Household Income \$	Median Household Income \$	Per Capita Income \$
Antioch:			
2000	70,607	56,481	25,711
2011	90,669	88,690	32,060
Change	20,062 28.4%	32,209 57.0%	6,349 24.7%
Lake County:			
2000	90,156	66,973	32,102
2011	102,557	74,266	35,908
Change	12,401 13.8%	7,293 10.9%	3,806 11.9%
Sources: U.S. Census Bureau; Gruen Gruen + Associates.			

Average household income in Antioch grew by \$20,100 or 28 percent over the period from approximately \$70,600 in 2000 to \$90,700 by 2011. Per capita income grew at a similar rate over the period, increasing by \$6,300 or 25 percent. As summarized above, income growth throughout Lake County was considerably lower. Unadjusted for inflation, the average household income grew by only 14 percent over the 2000-2011 period and per capita income grew by 12 percent. The median household income in Antioch today is approximately 20 percent higher than the median income for Lake County.

Figure II-4 below illustrates the household income distribution for Antioch and Lake County in 2011.

FIGURE II-4

Distribution of Households by Income: 2011



Sources: U.S. Census Bureau; Gruen Gruen + Associates.

Approximately 28 percent of Antioch households have annual incomes of less than \$50,000. Just under 32 percent of Antioch households are estimated to have an annual income of \$50,000 to \$99,999. Approximately 27 percent of Antioch households have annual incomes of \$100,000 to \$149,999 and an additional 14 percent are estimated to have annual incomes above \$150,000. Collectively, more than 40 percent of Antioch households are estimated to have annual incomes above \$100,000.

Lake County contains a higher proportion of lower-income households, with approximately 35 percent of households estimated to have annual incomes of less than \$50,000. Approximately 65 percent of Lake County households have annual incomes above \$50,000, compared to 72 percent of households in Antioch. Lake County contains a higher proportion of high-income households (with annual income exceeding \$150,000) than Antioch does but a much smaller share of households with incomes ranging from \$100,000 to \$149,999.

The income characteristics and trends for Antioch are consistent with the type of residential growth that occurred during the prior decade and the shifts in the types of better educated workers (away from goods-producing occupations to professional service-related occupations) that seek housing in Antioch.

Residential Land Availability and Potential Growth Capacity

According to the Community Development Department, residential subdivisions within the Village contain a total of 2,458 acres and 6,111 platted lots. An estimated 810 vacant lots are still available for development in these residential subdivisions; primarily in the Clublands of Antioch subdivision. Designated future growth areas within the Village contain approximately 527 acres of developable land. Potential growth in the Village of Antioch and municipal expansion are constrained by environmental features and political boundaries. The Illinois-Wisconsin state border to the north of the Village precludes annexation in this direction. Lakes to the west and south (such as Lake Marie, Channel Lake, Grass Lake and Loon Lake) and wetland coverage surrounding them limit Village expansion possibilities generally to the west and south. Existing unincorporated development also exists south of the Village. To the east, the presence of lakes and wetlands present a similar constraint, though to a lesser extent. The eastern portion of the Village is also flanked by protected open space features including large forest preserves such the Prairie Stream, Dutch Gap, and Ravens Glen Forest Preserves.

The estimates of available land and platted lots indicate that Antioch is unlikely to possess the capacity to accommodate the level of growth forecast to occur by CMAP. Table III-12 shows the residential capacity for additional housing units based on land and lot availability.

TABLE II-12: Residential Capacity in Antioch for Additional Housing Units Based on Land and Lot Availability	
	Number of Additional Housing Units #
Vacant Residential Lots	810
Land (527 acres) ¹	1,318
Total	2,128
¹ Assumes historical density in Antioch of 2.5 units per acre.	
Sources: Village of Antioch Community Development Department; Gruen Gruen + Associates.	

Assuming density that has historically occurred in Antioch of 2.5 units per acre and 810 vacant lots results in total additional housing units in Antioch of approximately 2,100 units. If the 2,100 additional housing units were added at the same average rate as the historical growth in the household base would result in residential build-out in Antioch in approximately 12 years. This is just an estimate of the time to build-out. Build-out will depend on the pace of the housing recovery.

CONCLUSIONS

CMAP forecasts indicate that Antioch will grow by approximately 4,900 housing units by 2040. Existing zoned residential subdivisions, containing approximately 810 vacant lots, and designated future growth areas totaling 527 net acres suggest that Antioch is unlikely to contain enough residential land to accommodate this long-term growth forecast if future residential development occurs at historical densities (approximately 2.5 units per acre).

The high proportion of newer housing stock and availability of land indicate the ability for the development of future housing stock to respond to contemporary preferences of knowledge workers on which growing, innovative industries depend. The growth in the household base will not only be positive in serving as a labor pool for employers but also support the growth of retail and

service uses. Antioch will want to consider the effect of the potential diminishment of the land supply on the price of future housing. Currently, Antioch derives an advantage in providing high quality housing at affordable prices. As the land supply diminishes housing prices will tend to increase as fewer residents are able to be housed. Escalating housing prices will make it challenging to attract worker households that are critical to maintaining and enhancing business locations. One implication is that land use regulations regarding zoning at higher densities than is currently occurring in Antioch will need to be reviewed as the housing market recovers and Antioch continues to build-out.

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CHAPTER III

ANALYSIS OF RETAIL SALES PATTERNS

INTRODUCTION

An analysis of demographic patterns and retail sales trends provides a framework for assessing the relative strengths, weaknesses, and shifts within the retailing base of Antioch. The analysis of retail sales provide a basis from which to identify the retailing sectors that are capturing or leaking more sales dollars than would be expected from local expenditure potential alone.

HISTORICAL RETAIL SALES BY CATEGORY IN ANTIOCH

Table III-1 summarizes retail sales trends by store category in Antioch from 2003 through 2012.

TABLE III-1: Antioch Non-Automotive Retail Sales Trends (Millions of 2012 Dollars)¹								
Year	General Merchandise \$	Food \$	Drinking and Eating \$	Apparel \$	Furniture and Appliances \$	Building Materials \$	Drugs and Other Retail ² \$	TOTAL ³ \$
2003	3,046,908	50,665,301	16,752,626	1,732,100	1,677,275	12,512,539	41,227,062	127,613,814
2004	21,534,683	48,189,409	17,437,544	1,884,038	2,001,196	8,478,592	41,327,358	140,852,819
2005	91,223,082	40,602,169	20,320,013	2,030,085	1,193,453	9,011,764	46,039,372	127,119,938
2006	102,659,050	37,549,231	24,013,466	2,246,290	1,199,391	8,299,172	47,563,169	223,529,768
2007	109,457,314	35,758,825	23,002,405	1,469,917	1,308,414	27,568,453	50,866,042	249,431,370
2008	106,594,980	35,394,204	22,802,345	1,493,108	952,004	33,343,226	56,583,379	257,163,245
2009	99,815,572	33,850,066	22,220,823	1,425,103	976,586	32,133,468	59,416,199	249,837,816
2010	86,229,966	31,083,990	21,431,020	1,481,950	1,587,267	29,878,995	59,902,177	231,595,364
2011	59,899,520	30,062,569	21,476,640	21,409,982	1,875,190	29,486,516	60,869,851	225,080,267
2012	--	28,842,347	21,526,027	1,722,775	--	29,961,730	65,623,879	147,676,758
Change 2003- 2011 (\$)	NA⁴	(20,602,732)	4,724,014	NA⁴	197,915	16,973,977	19,642,789	97,466,453
<i>Change (%)</i>	<i>186.5</i>	<i>-40.7</i>	<i>28.2</i>		<i>11.8</i>	<i>135.7</i>	<i>47.6</i>	<i>76.4</i>

¹ Figures are rounded. Sales adjusted to current 2012 dollars based on the Consumer Price Index for all urban consumers in the Midwest.

² Includes sporting good, hobby, toy, book and music, and miscellaneous retail.

³ Not including automotive dealer or gas station sales.

⁴ An anomaly appeared in the sales tax revenue data reported for the Village of Antioch that cannot be explained given that no on the ground business changes occurred between 2010 and 2011 that would have decreased general merchandise sales and increased apparel sales by approximately the same amount. This is most likely due to a reporting irregularity.

Sources: Illinois Department of Revenue; Gruen Gruen + Associates.

Total non-automotive retail sales in Antioch on a real (i.e. inflation-adjusted) basis increased by \$97.5 million (through 2011) or 76 percent over the past decade. The general merchandise and building material sectors experienced the highest rates of sales growth over the 2003 to 2011 period. On an inflation-adjusted basis, the food store category was the only store category to experience a sales decline over the period. This drop in food sales may be in part due to the opening of Wal-Mart in Antioch in 2004 and Jewel in Spring Grove in 2007.

We utilized the Consumer Price Index (CPI) for all urban consumers in the Midwest in order to convert prior years' sales to 2012 sales dollars. This index may somewhat overstate the amount of price inflation experienced by the retail sector because the CPI is a composite index that also includes more highly-inflated goods such as transportation and health services. Adjusted for the effects of inflation, total non-automotive retail sales grew from \$97.5 million in 2003 to \$225 million in 2011, representing a 7.4 percent average annual growth rate over the period. Retail sales in Antioch peaked at \$257 million in 2008 and have declined by 12 percent during the Great Recession. We would note that general merchandise sales declined by approximately \$26 million between 2010 and 2011 while apparel sales jumped by \$20 million. According to the Village's Community Development Director, this is likely due to a reporting irregularity in the sales category for which sales were reported given that no on the ground changes (i.e., business opening or closing) occurred in 2011 that would have impacted those two retail sales categories.

Sales in the general merchandise store category, which accounts for over one-third of the Village's retail base, grew at an annual rate of 61 percent over the 2003-2010 period. General merchandise store sales increased by \$56.9 million from approximately \$3.0 million in 2003 to over \$86 million in 2010. General merchandise store sales remained essentially stable over the 2006 to 2008 period, but have been declining since 2008. Wal-Mart opened its 200,000-square-foot store on in 2004 and general merchandise sales in Antioch grew by \$70 million over the following year. Food store sales declined over the 2004-2006 period by more than \$10 million or 22 percent. The sales decline in the food store category likely reflects the opening of Wal-Mart.

The building material category accounted for 17 percent of total non-automotive sales growth in Antioch. Building material sales more than doubled over the 2003-2011 period, growing from \$12.5 million in 2003 to approximately \$30 million by 2011. Much of the growth likely reflects the opening of the 160,000-square-foot Menard's store in 2006. Drug store and other retail sales also grew rapidly, accounting for 20 percent of total non-automotive sales growth. The categories in the other retail store sector are most representative of Downtown merchants. The drug store and other retail store sectors, (unlike other sectors like general merchandise, eating and drinking, food, and building materials), has not experienced any year-over-year declines on an inflation-adjusted basis.

Walgreen's which moved its 15,000-square-foot store across the street on Route 173 and Route 83 in 2012, likely accounts for much of the sales growth occurring over the period. Apparel and accessory store sales grew by 99 percent or \$10.6 million over the 2002-2011 period. Eating and drinking establishment sales also grew by \$18 million or 67 percent from \$27 million in 2002 to \$46 million in 2011.

Table III-2 summarizes how the distribution of Antioch's non-automotive retail sales base has shifted over the 2003-2011 period.

TABLE III-2: Distribution of Antioch Retail Sales Base								
Year	Apparel %	Building Materials %	Drug & Misc. Retail Stores %	Eating and Drinking %	Food Stores %	Furniture and Appliances %	General Merchandise %	TOTAL ² %
2003	1.4	9.8	32.3	13.1	39.7	1.3	2.4	100
2008	0.6	13.0	22.0	8.9	13.8	0.4	41.5	100
2011	NA ³	13.1	27.0	9.5	13.4	0.8	NA ³	100
Shift 2003- 2011	NA ³	+3.3	-5.3	-3.6	-26.3	-0.5	NA ³	
¹ Includes sporting good, hobby, toy, book and music, and miscellaneous retail.								
² Not including automotive dealer and gas station sales.								
³ Proportion of apparel sales and general merchandise sales not made in 2011 due to reporting irregularity in sales tax revenue data for Village of Antioch.								
Sources: Illinois Department of Revenue; Gruen Gruen + Associates.								

With the addition of Menard's and Wal-Mart in Antioch, the proportion of retail sales made in the building materials and general merchandise categories has increased between 2003 and 2011. General merchandise sales represent the largest source of non-automotive sales in Antioch at approximately 42 percent in 2008 (and 37 percent in 2010). Drug and miscellaneous retail sales are the second largest non-automotive source at approximately 27 percent in 2011 down from 32 percent in 2003. Food store sales have decline substantially as a proportion of total sales from nearly 40 percent in 2003 to only 13 percent in 2011.

AUTOMOTIVE SALES TRENDS

Table III-4 summarizes retail sales trends for the automotive and filling station stations in Antioch from 2003 through 2012.

TABLE III-4: Automotive and Filling Station Taxable Sales in Antioch (in 2012 Dollars)	
<i>Year</i>	Sales \$
2003	105,965,647
2004	96,173,580
2005	98,968,053
2006	96,999,568
2007	91,796,416
2008	73,754,420
2009	71,029,712
2010	68,258,525
2011	75,389,534
2012	80,031,882
Change \$ 2003-2012	(25,933,765)
Change % 2003-2012	-24.5
Source: Illinois Department of Revenue; Gruen Gruen + Associates.	

Four automotive dealers for new car sales are located in Antioch, including Kia, Chevrolet, Ford, and Chrysler Dodge Jeep. Automotive sales of approximately \$80 million in 2012 in Antioch represent about 54 percent of non-automotive retail sales. Between 2003 and 2007, automotive sales in Antioch declined from a high of nearly \$106 million in 2003 to about \$92 million in 2007 despite the addition of the Kia dealership eight years ago. With the advent of the Great Recession, automotive sales declined even further, decreasing by approximately 20 percent between 2007 and 2008. Following the closure of the Pontiac GM dealer in Antioch in late 2009/early 2010, coupled with a slowly recovering economy, automotive sales increased off a low of \$68 million in 2010 to \$80 million in 2012.

CHAPTER IV

RETAIL SUPPLY IN PRIMARY MARKET AREA

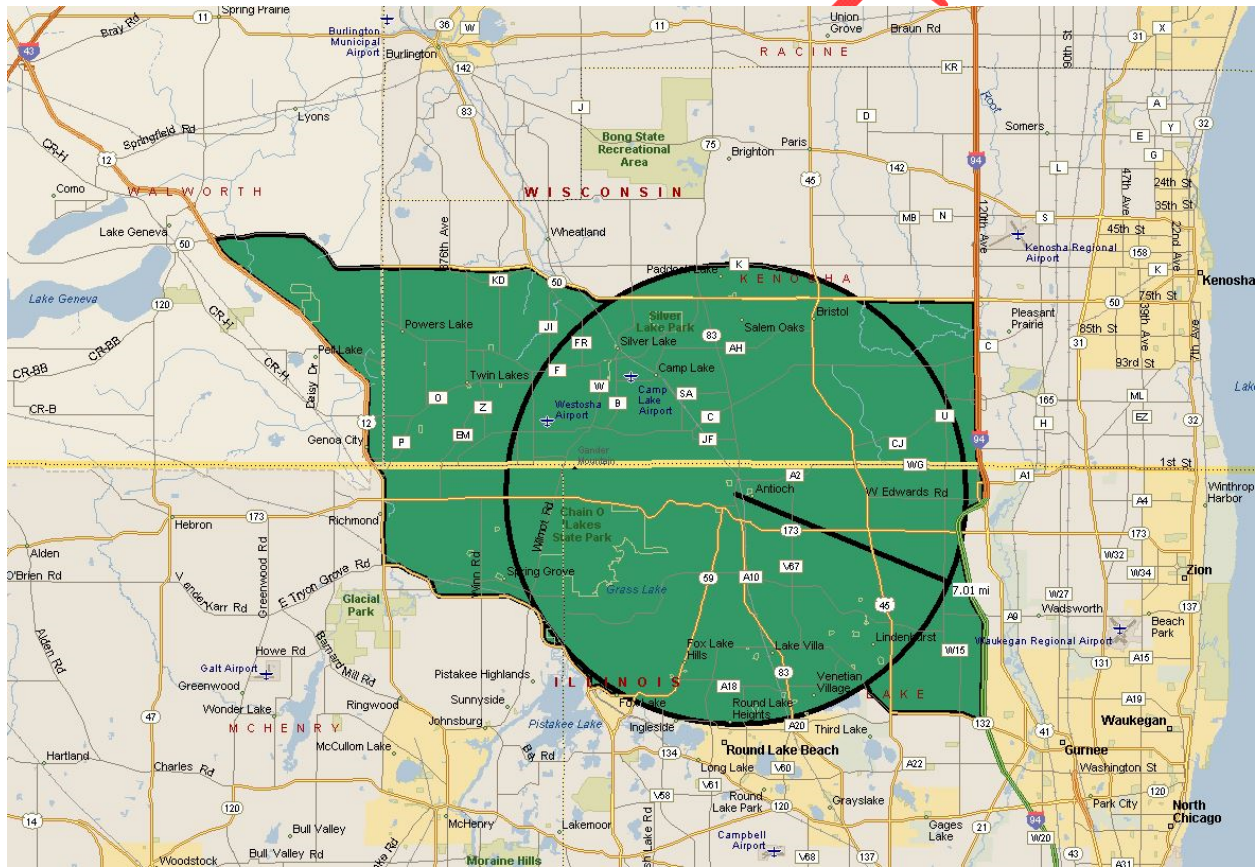
PRIMARY MARKET AREA DEFINITION

A primary market area is defined as the area from which most (i.e., 70 percent or more) customers of a shopping center or shopping area are drawn. The market area for any specific agglomeration or set of stores is a function of the size and tenant make-up of the agglomeration, its accessibility, and the scale and tenancies of competing agglomerations. Therefore, market areas are dynamic and tend to change as a function of the type and supply of competing shopping locations. The travel time people are willing to expend in order to visit a shopping or business location varies as a function of both the size of the destinations. The relative accessibility to the shopping area and ease of getting in-, about-, and out- of the shopping area also influence the market area. Uniqueness, attraction, and accessibility are not measured in the abstract, but are always relative to the specific competition in the area.

To estimate potential demand and supply conditions for goods and services typically found in retail shopping centers and downtowns, we assume based on our interviews and review of supply a primary market area depicted on Map IV-1.

The primary market area extends to Interstate 94 to the East; Route 50 in Kenosha County to the north; Route 12 to the west; and Grand Avenue (Route 132) to the south and southeast. Included in the primary market area definition are the communities of Antioch, Spring Grove, Richmond, Fox Lake, parts of Lindenhurst and Lake Village, and the southern Wisconsin communities of Twin Lakes, Camp Lake, Silver Lake, Salem, and Trevor.

MAP IV-1: Primary Market Area



RETAIL CENTERS AND MAJOR FREE-STANDING RETAIL SPACE IN ANTIOCH

The Antioch retail centers and free-standing and space in the Downtown listed on Table IV-1 and shown on Map IV-2 contain approximately 792,000 square feet of retail space. The identified supply inventory includes four strip centers, one neighborhood shopping center, and freestanding stores such as Menard's, Wal-Mart Supercenter, Jewel-Osco, and Aldi. Antioch's strip centers, freestanding grocery and drug stores, and neighborhood shopping center comprise approximately 42 percent of the identified supply. According to CoStar data, Antioch contains a total of 1,032,000 square feet of retail space.⁹

⁹ See Table 5.2, Page 22, of the "Village of Antioch Lifestyle Corridor Plan" Existing Conditions Report.

TABLE IV-1: Shopping Centers and Major Freestanding Stores in Antioch

Map Key	Retail Center	Type of Center	Yr. Opened/ Last Renovation	Size of Center (# Square Feet)	Occupancy %	Major Tenants
1	Towne Square	Strip	1989	22,900	65	Vacant Walgreen's Fantastic Sam's; Rosati's Pizza
2	Orchard Plaza	Neighborhood	1965	87,800	75	Piggly Wiggly, Dollar General, Baskin Robins, Pizza Hut, United States Postal Service
3	Antioch Rt. 173 Plaza	Strip	1980	21,000		Radio Shack, Great Clips
4	Wal-Mart Super Center and Strip Center	Strip/Freestanding	2004	200,000	100	Wal-Mart, Subway, LA Tan, Great Clips
5	Downtown ¹	Specialty Retail and Restaurants	N/A	43,000		Four Squires, Johnson Jewelers, BJ's Fashions for Men, etc.
6	Hannah's Home Accents (in Downtown Antioch)	Specialty		30,000	100	
7	Walgreen's	Freestanding	2010	15,000	100	
8	Jewel/Osco	Freestanding		65,000	100	
9	Menard's	Freestanding	2006	160,000	100	
10	Aldi	Freestanding	2013	15,000	100	
11	Depot Center 311 Depot Street	Strip		24,000	80	
12	Auto Zone	Freestanding	1993	15,000	100	
13	Napa Auto Parts	Freestanding	1965	10,000	100	
14	985 Rt. 59	Strip	2009-2013	50,000	86	CVS, Ace Hardware, PNC
15	Antioch Crossings 22475 W. Rt. 173	Strip	2013 ³	33,000		
	TOTAL			791,700		

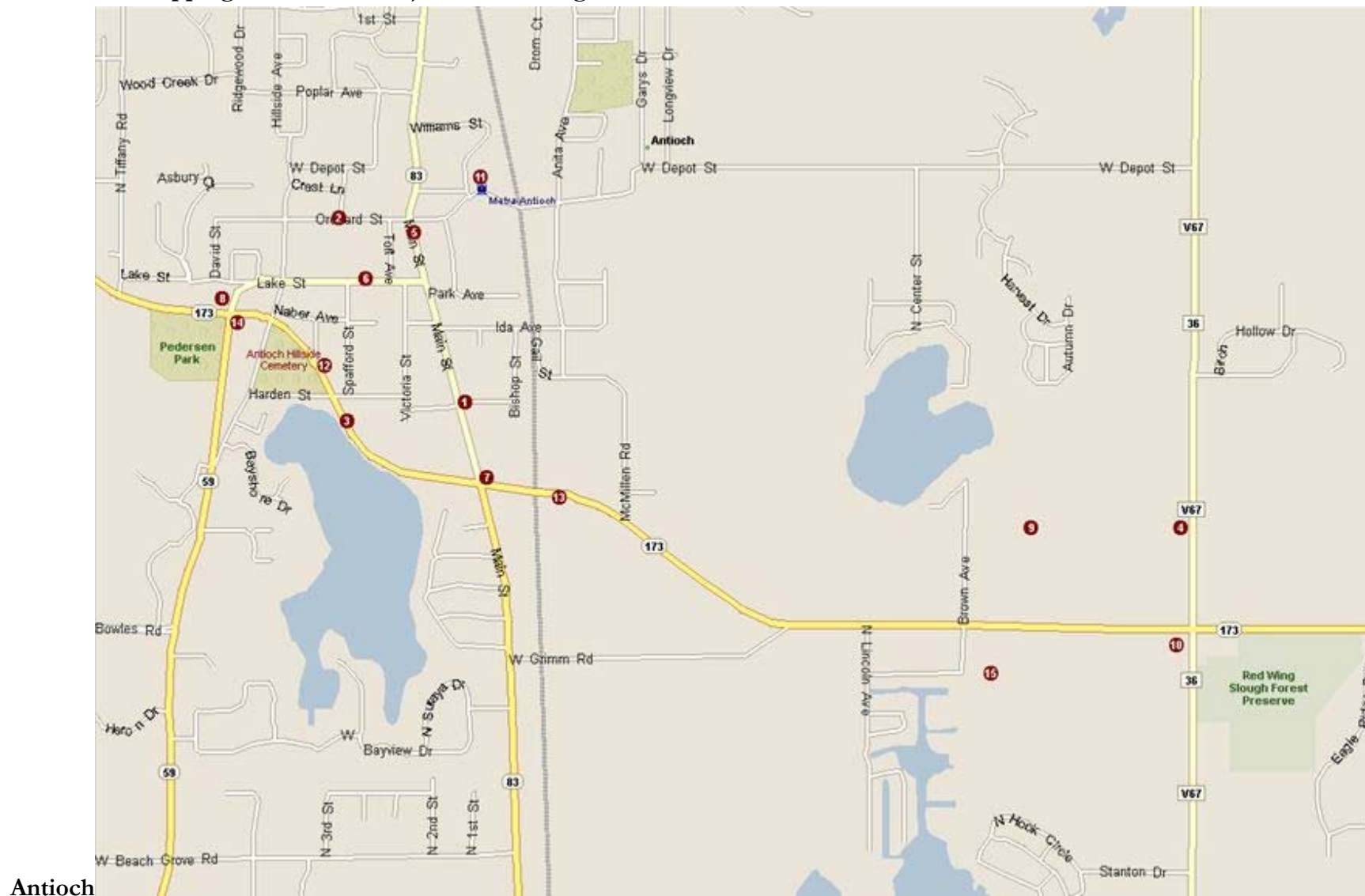
¹Estimate derived using Google Earth spatial analysis tool to estimate building footprints within the Downtown.

²Does not include outlots.

³ Under reconstruction (Previously Antioch Commerce Center).

Sources: Village of Antioch; Lake County Partners; Coldwell Banker; Loopnet.com; Gruen Gruen + Associates.

MAP IV-2: Shopping Centers and Major Freestanding Stores in



Antioch currently contains two freestanding big-box stores, Wal-Mart and Menard's, on Route 173 totaling approximately 360,000 square feet of space. The Wal-Mart opened in late 2004, while the Menard's store opened in 2006. Some strip retail space is located in front of these two stores fronting along Route 173. These centers comprise approximately 43 percent of the identified inventory. The newest retail space developed in Antioch is a 15,000-square-foot free-standing Aldi grocery store at Route 173 and Deep Lake Road which opened early in 2013. Antioch does not presently contain power centers or regional malls. Downtown Antioch located along Main Street (Route 83), primarily between Lake Street and Orchard Street, contains approximately 73,000 square feet of specialty retail and restaurant space. Most of this space is centered along Main Street and Lake Street.

The occupancy rates for the neighborhood and strip retail centers range from 65 to 80 percent. The 40-year-old Orchard Plaza, located adjacent to the core Downtown, is not only the oldest shopping center in the Village but also has experienced the highest vacancies in recent years. Route 173 and Route 59 also contains a free-standing Jewel/Osco and an older free-standing Ace Hardware store.

Orchard Plaza, a nearly 88,000-square-foot neighborhood shopping center, contains a 33,000-square-foot Piggly Wiggly grocery store. According to the grocery store owner, the majority of customers are from Antioch and southern Wisconsin. The leasing agent for the shopping center reported the trade area for the center is about five miles but may penetrate more to the north into southern Wisconsin. The center is currently 75 percent occupied though the leasing agent reported the center has two letters of intent out for signing (one with a fitness center) that may bring the center's occupancy up to 82 percent. Aldi's indicated that the store draws mostly local customers and that its Round Lake Store has higher daily sales though the Antioch store has only been open seven months. A big-box retailer in Antioch its sales come mainly from local area households and that it draws a lot of its business from Wisconsin. The trade area for the retailer draws more to the west and north of the store than south. Summer time is especially busy this retailer due to the presence of vacation homes in the area. Another big-box retailer reported that some of its business is due to recreational users in the area.

Table IV-2 shows the retail supply of space outside of Antioch but within the primary trade area. The primary market area currently contains only one major shopping area outside of Antioch. The 340,000-square-foot Fox Lake Center located at the intersection of Route 59 and 134 is anchored by a Jewel/Osco and two freestanding big-box retailers, Menard's and Home Depot. A 99,000-square-foot neighborhood center with Dominick's and Dollar Tree is also located nearby in Fox Lake.

TABLE IV-2: Other Shopping Centers and Major Free-Standing Stores in Market Area

Retail Center/Village	Type of Center	Yr. Opened/ Last Renovation	Size of Center (# Square Feet)	Major Tenants
Spring Grove Center, Spring Grove	Strip		50,000	Tommy's Sports Pub & Grill
Spring Creek Plaza Spring Grove	Strip	2009	40,000	Meat & Deli, Tobacco & Liquor Store
Jewel-Osco Spring Grove	Freestanding	2006	120,000	
Rosen Retail Center Lake Villa	Strip		11,200	
1007 Route 12 Richmond	Strip		6,600	Shell, Snap Fitness
Fox Lake Town Center Fox Lake	Strip		95,000	Val's Fresh Market, Liquor & Deli, U.S. Bank
Fox Lake Crossing Fox Lake	Neighborhood	2002	99,000	Dominick's, Dollar Tree
Menard's Fox Lake	Freestanding	2001	135,000	
Home Depot Fox Lake	Freestanding	2001	130,000	
Jewel-Osco Fox Lake	Freestanding	2002	65,000	N/A
Linden Plaza Retail Center Lindenhurst	Neighborhood		103,000	CVS, Chase Bank
Butera Lindenhurst	Freestanding	1960	125,000	
TOTAL			979,800	
Sources: Melaniphy & Associates "Retail Market Study and Analysis, Village of Volo"; Loopnet.com; Gruen Gruen + Associates.				

The majority of retail space in the primary market area is strip or neighborhood type retail space. A total of nearly 980,000 square feet of retail space in addition to the retail space in Antioch is located in the primary market area. In addition, some small strip type retail space exists in southern Wisconsin, in the north part of the primary market area, primarily along Highway 83 which has not been quantified in the above table.

EXISTING RETAIL CLUSTERS LIMIT SIZE OF POTENTIAL MARKET AREA

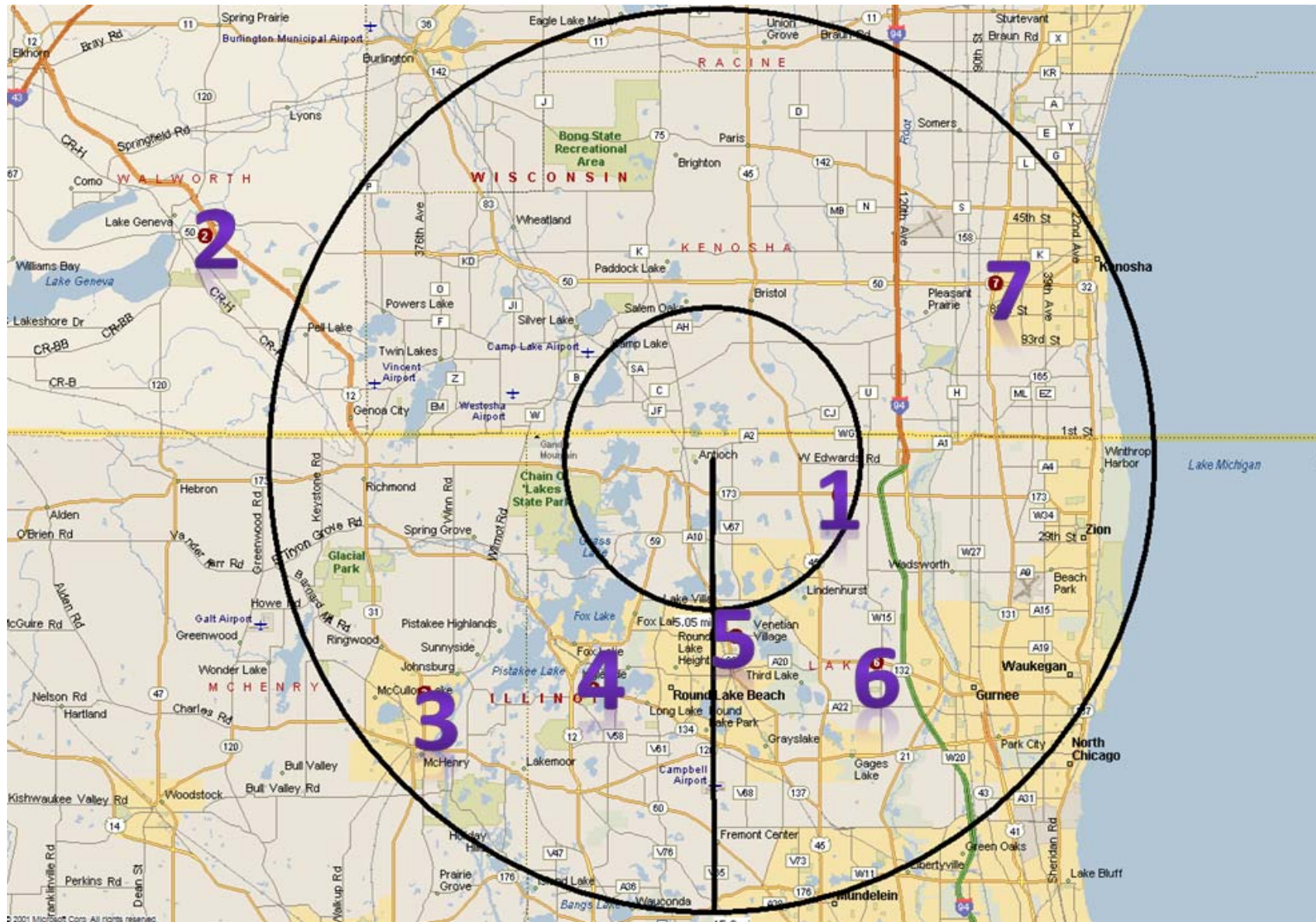
Several regional-serving retail agglomerations exist within approximately 15 miles of Antioch. The supply of existing retail locations within northern Lake County, McHenry County, and southern

Wisconsin are likely to limit the potential market penetration of retail space developed in Antioch into these areas. As indicated by the review of primary shopping locations summarized below, the areas between approximately six miles and 15 miles to the south and east of the site contain a relatively complete supply of big-box and category-leader national retailers in large community, power, and regional center space. Market area dominance primarily depends upon three factors: location, size, and tenant mix. These agglomerations are likely to be able to maintain market area dominance. Table IV-3 and Map IV-3 summarizes the retail supply of these locations.

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**Map IV-3: Supply of Big-Box Retailers by
Location**

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As described below, the regional retail market of northern Lake County and Southern Wisconsin is likely to be highly competitive for big-box space or shopper/comparison-type space. Five Home Depot stores and six Wal-Mart stores are located within Antioch or approximately 15 miles of Antioch. Two Lowe's Home Improvement stores are also located within 15 miles. Target and Kohl's stores are also located in four of these surrounding locations. A big-box pet supplies retailer, PetSmart or PetCo, is located at each of these surrounding agglomerations except for Antioch, and the Route 59 and Route 134 shopping center in Fox Lake. At least one office supply retailer, Office Max or Staples, is located at five of the seven locations. Several of the agglomerations also include soft-goods furnishing retailers such as Bed, Bath & Beyond or big-box electronics retailers such as Best Buy.

TABLE IV-3: Supply of Big-Box Retailers by Location

Map Key Location	1 Route 173 Antioch	2 Route 50/12 Lake Geneva	3 Route 31/120 McHenry/Johnsburg	4 Route 59/134 Fox Lake/Volo	5 Route 83/Rollins Round Lake Beach	6 Grand Ave/ Gurnee Mills Gurnee	7 I-94/Route 50 and Green Bay/Route 50 Kenosha
Wal-Mart							
Target							
Sears							
Kohl's							
Kmart							
Home Depot							
Lowe's							
Menard's							
Meijer							
Office Max/Staples							
PetSmart/PetCo							
Best Buy							
Bed, Bath & Beyond							

Sources: Loopnet.com; Affinity Commercial Real Estate; CB Richard Ellis Milwaukee; The Home Depot; Target; Simon Property Group; Gruen Gruen + Associates.

Summary of Retail Nodes Within or Surrounding Antioch Identified in Table IV-3:

1. *Route 173, Antioch* - Two freestanding big-box stores, Wal-Mart and Menard's, are located on Route 173 totaling approximately 360,000 square feet of space.
2. *Routes 50/12, Lake Geneva* – Geneva Commons, a 180,000-square-foot shopping center built in 2007 and fronting Route 12 and Highway 50 contains a Target and Best Buy. Home Depot, Wal-Mart, Office Max, and Petco are also located in the vicinity of Geneva Commons. An expansion of Geneva Commons is scheduled to open in Fall 2013 with an

additional 55,000 square feet of space which is 100 percent pre-leased to Jo-Ann Fabrics, T.J. Maxx, and several other smaller retailers.

3. *Routes 31/120, McHenry and Route 31, Johnsburg*— Approximately 1.7 million square feet of space with four larger neighborhood and community size shopping centers that include Meijer, Home Depot, Target, and Kohl's. Several large box retailers have closed in McHenry including Circuit City, Border's Books, and Wal-Mart. The McHenry Wal-Mart closed in 2010 and moved one mile north to a new 176,000-square-foot store on Route 31 in Johnsburg. The newest center, Shops at Fox River, opened in 2007 with 300,000 square feet of space including JC Penney, Bed Bath & Beyond, and Best Buy. The vacant Border's store in McHenry is slated to be replaced by a Room Place, but approximately 266,000 square feet of space along the northern stretch of Route 31 in McHenry remains vacant.¹⁰
4. *Routes 59/134, Fox Lake/Volo* — Menard's and Home Depot opened in 2001 and collectively, comprise approximately 265,000 square feet of space. The Village of Volo is encouraging significant amounts of additional retail space but currently the only development taking place is strip retail space.
5. *Route 83/Rollins, Round Lake Beach* - Approximately 1.6 million square feet of retail space, with Wal-Mart relocating to larger 176,000-square-foot store in 2008. Rollins Crossing of approximately 540,000 square feet of space includes Kohl's, Office Max, Regal Cinemas, and a Super Kmart of 190,000 square feet. Mallard Crossings, an older center, has a vacant 100,000-square-foot space (formerly Wal-Mart) and a vacant 74,500-square-foot space (formerly Dominick's). Village of Round Lake Beach plans in its 2009 Comprehensive Plan for an additional 660 acres of land for commercial uses, especially along Rollins Road and near the existing Home Depot on Route 83. The intersection of Rollins Road and Highway 83 is undergoing a major road reconstruction which will depress the roadways under the railroad tracks and improve access to the three nearby shopping centers.
6. *Grand Avenue/Gurnee Mills, Gurnee* — Gurnee Mills, a 22 year old 1.7 million square foot regional outlet mall is located in the northwest quadrant of Interstate 94 and Route 132 (Grand Avenue). Primary anchor tenants include Bass Pro Shop Outdoor World, Kohl's, Bed Bath & Beyond/Best Buy Baby, Sak's Off 5th, TJ Maxx, Neiman Marcus Last Call, Burlington Coat Factory, Sports Authority, Marshalls Home Goods, and Sears Grand. Gurnee Mills has recently added a 130,000-square-foot Macy's. With the addition of Macy's, the mall has added a full price wing as it changes from an outlet mall to a hybrid mall with outlet, retail, and high end retail to encourage more traffic and sales.¹¹ Several big box power centers are located close to Gurnee Mills and contain Target, Sam's Club, Wal-Mart, Home Depot, Lowe's, Best Buy, Office Max, Petsmart, Toys 'R Us, and grocery stores.
7. *I-94/Route 50 and Green Bay Rd./Route 50, Kenosha/Pleasant Prairie* - Contains a relatively complete supply of big box and regional-serving retail including a Super Wal-Mart, Target, Kohl's, Menard's, Gander Mountain, Steinhafel's, and Woodman's Markets. Shoppes at

¹⁰ <http://www.nwherald.com/2013/02/15/retail-vacancy-rates-falling-in-county-albeit-slowly/as596cc/?page=2>

¹¹ http://www.gurnee.il.us/files/11-15-12_EDC_Minutes.pdf and
<http://www.dailyherald.com/article/20130722/business/707229805/>

Prairie Ridge, a 364,000-square-foot center at Highway 50 and 104th Avenue contains Target, JC Penney, Dick's Sporting Goods, and Ulta. Smaller scale retail development including the addition of several restaurants is occurring around the Shoppes at Prairie Ridge.

DRAFT

CHAPTER V

THE DEMAND FOR RETAIL SPACE AND THE RELATIONSHIP BETWEEN RETAIL SUPPLY AND DEMAND

INTRODUCTION

This chapter presents estimates of current and potential future retail demand within the primary market area for retail goods and service. Potential retail demand primarily depends upon the amount of disposable income within the market area. Disposable income is influenced by population and income factors. Estimating potential retail demand also requires the identification of income spent on retail goods. As indicated above, not all internally-generated demand is satisfied in a primary market area. Some potential demand within the market area is lost to retailers outside the market area. Conversely, retail sales in a market area will be made to customers such as nonresident workers and visitors to Antioch. The potential demand estimates are based on the estimated present and forecast households and average income of the primary market area households.

ESTIMATE OF CURRENT HOUSEHOLDS AND AVAILABLE INCOME WITHIN THE PRIMARY MARKET AREA

As described previously, the primary market area extends to Interstate 94 to the East; Route 50 in Kenosha County to the north; Route 12 to the west; and Grand Avenue (Route 132) and Grass Lake Road to the south and southeast. The primary market area definition generally includes the Illinois communities of Antioch, Spring Grove, Fox Lake, parts of Lindenhurst and Lake Villa, and the southern Wisconsin communities of Twin Lakes, Camp Lake, Silver Lake, Salem, and Trevor.

Our review of 2012 population estimates for incorporated municipalities in the primary market area and building permit records indicate that the market area has experienced minimal growth since the 2010 Census. Table V-1 summarizes estimates of population change occurring during the 2010-2012 period for incorporated places in the market area and the number of residential building permits issued.

**TABLE V-1: Estimates of Population and Housing Change for Market Area
Communities Since 2010 Census**

	2010-2012 Population Change #	2010-2012 Building Permits #
Incorporated Place		
Antioch	-21	2
Fox Lake	-28	4
Lake Villa	47	36
Lindenhurst	13	23
Richmond	25	25
Spring Grove	-15	12
Subtotal – Illinois	21	102
Twin Lakes	39	46
Silver Lake	16	6
Subtotal – Wisconsin	55	52
Sources: U.S. Census Bureau; Gruen Gruen + Associates.		

The incorporated places contained wholly or partially within the market area are estimated to have experienced a net population gain of less than 80 residents over the 2010-2012 period. Approximately 150 building permits are reported to have been issued over the three year period.¹² For purposes of this analysis, we assume the market area has not experienced household growth since early 2010. Table V-2 below presents an estimate of current primary market area population, households, and income.

¹² The market area contains approximately 42,000 existing housing units. The recent levels of new housing construction are likely more than offset by housing loss or replacement need rates.

TABLE V-2: Estimate of Primary Market Area Population, Households¹ and Income

	2013 #	Percent of Total %
Antioch:		
Population	14,400	13.9
Households	5,000	12.8
Average Income (\$2013) ²	93,700	----
Total Income (\$2013)	468,500,000	13.0
Outside of Antioch:		
Population	89,000	86.1
Households	34,000	87.2
Average Income (\$2013) ²	92,400	----
Total Income (\$2013)	3,142,900,000	87.0
Market Area Total:		
Population	103,400	100.0
Households	39,000	100.0
Average Income (\$2013)²	92,600	----
Total Income (\$2013)	3,611,400,000	100.0
¹ Estimates are rounded to the nearest hundred.		
² Household income estimates for 2011 have been increased by 3.2 percent to account for CPI inflation over the 2011-2013 period. Based upon 2011 American Community Survey income estimates for Census Tracts comprising the primary market area.		
Sources: U.S. Census Bureau; Bureau of Labor Statistics; Gruen Gruen + Associates.		

The market area is estimated to contain approximately 103,000 residents and 39,000 households. The average household income is estimated at just under \$93,000, based upon American Community Survey estimates for Census Tracts comprising the market area. Accordingly, the market area is estimated to presently contain approximately \$3.6 billion of total available household income. The Village of Antioch is estimated to currently comprise approximately 14 percent of market area population and 13 percent of households and available income.¹³

POTENTIAL FUTURE HOUSEHOLD AND INCOME GROWTH FROM 2013 TO 2033

Based on information obtained from the Village of Antioch and other local municipalities, review of Comprehensive Land Use Plans, and long-term growth forecasts from CMAP and the Southeastern Wisconsin Regional Planning Commission ("SEWRPC"), the market area contains capacity for long-term residential growth. The rate at which growth will occur however is more difficult to predict, especially given the prevailing trends of the past five years. Little if any residential development activity is presently underway within the market area.

¹³ Antioch comprised approximately 12.3 percent of the market area population in 2000.

As summarized below in Table V-3, secondary projections and forecasts of long-term future household growth for portions of the primary market area generally equate to annual household growth rates exceeding one percent annually.

TABLE V-3: Secondary Household Growth Rate Projections			
	Annual Household Growth Rate %	Forecast Period	Source
Village of Antioch	1.77	2010-2040	CMAP
Village of Spring Grove	2.87	2010-2040	CMAP
Village of Fox Lake	0.34	2010-2040	CMAP
Village of Lake Villa	1.84	2010-2040	CMAP
Village of Twin Lakes (WI)	1.90	2005-2024	Comprehensive Plan
Town of Salem (WI)	1.84	2010-2035	Comprehensive Plan
Kenosha County (WI)	1.46 (high) 1.11 (intermediate) 0.84 (low)	2010-2040	SEWRPC
Sources: Chicago Metropolitan Agency for Planning; Southeastern Wisconsin Regional Planning Commission; Town of Salem; Village of Twin Lakes; Gruen Gruen + Associates.			

According to long-term CMAP forecasts, household growth rates for Illinois municipalities in the market area including Antioch, Lake Villa, and Spring Grove are expected to range from 1.8 to 2.9 percent annually. The Fox Lake area is forecast to experience a much slower pace of household growth over the long-term. The Comprehensive Land Use Plans for the two largest Wisconsin communities included in the primary market area definition, Salem and Twin Lakes, are based upon future annual household growth rates of approximately 1.8 and 1.9 percent respectively. Recent SEWRPC projections for all of Kenosha County forecast lower rates of household growth ranging from approximately 0.8 to 1.5 percent annually over the 2010-2040 period.

If the market area were to grow at a moderate longer-term annual rate of 1.0 percent, it would add approximately 8,600 households over the next 20 years or an average of 430 households per year.¹⁴ Communities in the market area appear to have the residential land capacity, and to some extent platted and approved lots available, to accommodate this rate of longer-term growth. However, interviews with representatives of communities such as Lake Villa, Salem (WI) and Spring Grove, in addition to our discussions with Antioch's Community Development Director, suggest near-term residential growth is unlikely to materialize at this rate. Few if any residential projects are currently under construction or proposed.

The Village of Antioch contains the majority of existing platted lots, with approximately 810 platted lots in existing subdivisions but no housing development is currently underway and no additional projects have been proposed at this point. It contains an additional 527 acres of land designated for future growth that, if developed for residential use, could accommodate approximately 1,300 additional units if built at existing densities. The communities of Salem and Lake Villa collectively

¹⁴ The market area household base grew at approximately two percent annually over the peak growth period of 2000-2007, expanding by approximately 650 households per year.

contain fewer than 100 available platted lots and no significant residential developments are proposed or planned at this time. Our interview with the Planning and Land Use Administrator for the Town of Salem indicates that the community does not anticipate strong near-term development activity but that Town can accommodate substantial residential growth. Its Comprehensive Plan allocates an additional 4,200 acres for residential use (predominately estate and low-density single-family) by 2035. The Village of Spring Grove, generally comprising the southwestern portion of the market area, contains approximately 360 existing platted lots and 350 lots in planned or approved developments, with land capacity to accommodate an additional 5,000 housing units according to its Comprehensive Plan. 'Twin Lakes' Comprehensive Plan allocates approximately 3,200 acres to future rural residential and urban residential use and is predicated upon a 1.9 percent annual household growth rate. Richmond, at the far west side of the market area, contains more than 1,200 acres annexed and entitled for future residential use.

Table V-4 summarizes a projection of household and income growth within the primary market area. The projections are based upon an annual household growth rate of 0.5 percent over the short-term (2013-2018) an annual growth rate of 1.0 percent over the longer-term (2013-2033).

TABLE V-4: Projection of Households and Income in Primary Market Area, 2013-2033					
	2013	2018	2033	Change 2013-2018	Change 2018-2033
Households	39,000	40,000	47,600	1,000 2.6%	8,600 22.1%
Total Household Income (\$2013) ¹	\$3,611,400,000	\$3,704,000,000	\$4,407,760,000	\$92,600,000 2.6%	\$796,360,000 22.1%
¹ Assumes no real growth in average household income.					
Source: Gruen Gruen + Associates					

Based upon a moderate 0.5 percent annual growth rate over the next five years, the market area may potentially add 1,000 households or approximately \$93 million in household income (assuming no real average income growth over the period). Assuming a higher one percent annual long-term growth rate, the market area will potentially 8,600 households over the 20-year period from 2013 to 2033. This growth would result in approximately \$800 million of additional income.

ESTIMATE OF EXPENDITURE POTENTIAL FOR RETAIL GOODS

Expenditure Rate

Based on the Bureau of Labor Statistics' *Consumer Expenditure Survey* for the Chicago MSA, Table V-5 shows the estimated expenditure potential for the primary market area households and the percentage of average household income potentially expended on the retail categories.

TABLE V-5: Average Annual Expenditures for the Chicago Metropolitan Statistical Area 2010-2011		
Type of Good	Average Annual Expenditure Per Consumer Unit \$	Percentage of Income Before Taxes ¹ %
Food at home	4,276	5.6
Food away from home	2,882	3.7
Alcoholic beverages	439	0.6
Household furnishings, equipment and supplies	2,144	2.8
Apparel & services ²	2,056	2.7
Entertainment	3,100	4.0
Personal care products & services	726	0.9
Reading	123	0.2
Tobacco products & smoking supplies	263	0.3
TOTAL	16,009	20.8
¹ Income before taxes for the Chicago MSA is reported at \$76,917.		
² Includes clothing items, footwear, jewelry, laundry services.		
Sources: 2010-2011 Consumer Expenditure Survey, Bureau of Labor Statistics; Gruen Gruen + Associates.		

The estimated potential expenditures per household for the selected categories total approximately \$16,000. This amount equates to approximately 21 percent of average household income spent on retail items including groceries, food and beverages, household supplies, personal care products and services, tobacco products, apparel, household furnishings and equipment, books and magazines, pet supplies, and entertainment.

Estimated Expenditure Potential

Table V-6 presents estimates of expenditure potential or purchasing power of the households within the primary market area for 2013, 2018 and 2033.

TABLE V-6: Estimate of Retail Demand for Primary Market Area¹

	2013	2018	2033
Estimated Total Household Income	\$3,611,400,000	\$3,704,000,000	\$4,407,760,000
Potential Purchasing Power for Retail Goods/Services ²	\$722,280,000	\$740,800,000	\$881,552,000
Total Additional Dollars Available for Retail Goods/Services	----	\$18,520,000	\$140,752,000
¹ Figures are rounded.			
² Assumes an expenditure rate of 20 percent.			
Sources: Bureau of Labor Statistics, <i>Consumer Expenditure Survey</i> ; Gruen Gruen + Associates.			

Based upon an expenditure rate of 20 percent of income, the market area includes current expenditure retail expenditure potential or purchasing power of approximately \$723 million. If the market area grows at an annual rate of one percent over the next 20 years, expenditure potential or demand is projected to grow to \$882 million by 2033.

ESTIMATE OF SUPPORTABLE RETAIL SPACE DEMAND

Estimated Sales Per Square Foot Thresholds

In order to convert estimates of expenditure potential or purchasing power into estimates of the amount of on-the-ground retail space, an assumption must be made as to the average sales per square foot required to be generated for tenants to viably operate and landlords to obtain high enough rents to amortize development costs and provide an acceptable return on investment.

Table V-7 presents the average size and average sales per square foot of selected individual retailers.

TABLE V-7: Sales Per Square Foot Productivity of Individual Retailers

	Average Store Size # Square Feet	Average Sales Per Square Foot \$
Wal-Mart	162,215	422
Sam's Club	133,337	609
Target	133,704	290
Home Depot	119,048	300
Kohl's	88,000	213
Ross Dress for Less	29,600	338
Dick's Sporting Goods	57,500	189
Petsmart	21,752	242
CVS	9,801	1,684
Walgreen's	14,500	600

Sources: 2011 and 2012 Annual 10-K Reports from Retailers; Gruen Gruen + Associates.

The sales productivity data is drawn from a review of 10-K annual reports of publicly traded retailers. Sales per square foot range from \$600 to \$1,700 for drug stores; \$213 to \$422 for department and general merchandise stores; \$600 for warehouse club-type store; \$300 for the home improvement category example; \$338 for apparel; \$242 for the pet category example; and \$189 for the sporting good category example.

Table V-8 presents estimates of the amount of potential supportable retail space within the primary market area using the sales per square foot productivity threshold of \$350 per square foot.

TABLE V-8: Estimate of Amount of Supportable Retail Space in Primary Market Area¹

	2013	2018	2033
Potential Retail Purchasing Power @ 20 Percent of Household Income	\$722,280,000	\$740,800,000	\$881,552,000
Supportable Square Feet of Retail Space @ Sales of \$350 per Square Foot	2,063,657	2,116,571	2,518,720

Source: Gruen Gruen + Associates

Based on the assumption that a new retail development in the primary market area would need to generate \$350 per square foot in sales in order to be a financially viable venture, retail demand or expenditure potential in 2013 is estimated to support approximately 2.1 million square feet of space in the primary market area. We estimate that by 2018 supportable retail space demand will increase by approximately 60,000 square feet to approximately 2,120,000 square feet. Over the long-term, we estimate that supportable market area retail space demand may grow to 2.5 million square feet. This equates to approximately 450,000 square feet of additional retail space supported within the market area.

THE RELATIONSHIP BETWEEN RETAIL SUPPLY AND DEMAND AND AN ESTIMATE OF THE AMOUNT OF ADDITIONAL SUPPORTABLE SPACE

Relationship Between Estimated Retail Demand and Supply

Table V-9 presents the relationship between the estimated primary market area retail space demand and the estimated supply of existing retail space within the primary market area.

TABLE V-9: Relationship Between Retail Space Supply and Demand in the Primary Market Area			
	2013 # Square Feet	2018 # Square Feet	2033 # Square Feet
Estimated Supportable Space Demand ¹	2,064,000	2,117,000	2,519,000
Estimated Supply of Space ²	1,772,000	1,772,000	1,772,000
Potential Unmet Demand (Surplus)	292,000	345,000	747,000
¹ Based on sales threshold of \$350 per square foot. Figures are rounded. ² Current supply includes approximately 792,000 square feet in Antioch and 980,000 square feet located elsewhere in the market area. No planned future supply has been identified or included.			
Source: Gruen Gruen + Associates			

Within the primary market area, total supportable space demand is estimated at 2,064,000 square feet. Demand is estimated to currently exceed existing supply by approximately 292,000 square feet. We estimate that supportable space demand will grow slightly to 2,117,000 square feet by 2018, resulting in approximately 345,000 square feet of unmet retail space demand if no supply is added during the period. Over the long-term, we estimate that supportable demand may grow to exceed 2.5 million square feet in the market area. This would exceed the current supply of retail space by approximately 750,000 square feet.

Antioch's Capture Rate of Market Area Demand

Antioch contains a surplus of retail space relative to its household base. Or in other words, the Village contains considerably more on-the-ground retail space than the spending of its resident households can support on their own. As described previously in Chapter II, current non-automotive retail sales in Antioch are estimated at approximately \$225 million. Based on the current demography of the Village, we estimate that resident households generate approximately \$95 million in annual non-auto retail sales. Assuming unrealistically that resident households make all of their retail purchases within the Village, approximately 60 percent of retail sales in Antioch are attributed to the expenditures of non-local consumers; those residing elsewhere in the primary market area. Table V-10 below presents an estimate of non-local primary market area demand captured by Antioch's retail base.

TABLE V-10: Antioch Capture Rate of Non-Local Primary Market Area Retail Demand	
	2013 \$
Retail Expenditure Potential of Antioch Households	94,000,000
Antioch Non-Auto Retail Sales Base ¹	225,000,000
Antioch Non-Auto Retail Sales Surplus	131,000,000
Expenditure Potential of Non-Local Primary Market Area Households ("External Demand")	626,000,000
Antioch Capture Rate of External Primary Market Area Demand	21%
¹ 2011 actual sales inflated to 2013 dollars. Actual 2012 sales are unavailable.	
Source: Gruen Gruen + Associates	

The comparison of local Antioch retail expenditure potential to actual retail sales indicates that a surplus of approximately \$130 million currently exists. This large surplus is generated by market area households that are attracted to shopping and dining opportunities in Antioch. We estimate that households residing outside of Antioch but within the primary market area definition generate approximately \$626 million in annual retail spending. The relationship implies that Antioch currently captures about 21 percent of non-local retail demand within the market area. This suggests that Antioch has maintained its position as a retail hub, serving demands of non-local households in nearby communities (many of which are not large enough to support their own base of larger retail facilities).

FUTURE RETAIL DEVELOPMENT AND LAND USE PLANNING IMPLICATIONS

The retail market research and quantitative analysis of supply-demand conditions, in addition to technological and structural shifts already impacting the retail industry and on-the-ground real estate needs, suggest the following key implications for the beneficial enhancement of Antioch's retail base:

- The results of the quantitative retail supply and demand analysis suggest that, in the short-term, retail development opportunities are unlikely to require more than 15 acres of land. Over the longer term (2013-2033), the Village should however anticipate the need for at least approximately 30 acres of retail land. (These land requirement estimates are premised upon a 33 percent capture of unmet market area demand identified above and a floor-area-ratio of 0.2);
- Future growth within the community itself is unlikely to warrant or support a considerable amount of additional retail space. The success of Antioch's retail supply base has and continues to be contingent upon its ability to capture the retail demands of non-local households (more than 60 percent of sales originate from beyond Antioch's borders). Other currently smaller and more rural communities in the market area with significant residential growth capacity (e.g. Spring Grove, Illinois or Salem, Wisconsin) may also at some point reach the population threshold needed to support their own base of discretionary shopping

and dining agglomerations. Therefore, retail development/recruitment efforts should focus on solidifying and growing Antioch's magnetism as a shopping and dining destination for non-local households while reducing leakage in discretionary retail categories;

- If on-the-ground, or in-store consumer preferences are not well served within Antioch, sales dollars will be lost to preferred retail agglomerations outside of Antioch, to e-tailing, and to non-retail goods and services. The Downtown will lose sales opportunities if fewer shoppers are attracted to Antioch or if existing residents leave Antioch to do more of their discretionary shopping and dining while visiting alternative shopping formats and venues not available in Antioch. Ultimately, a successful retail development strategy should seek to maintain/establish market area dominance and ward-off potential competition from nearby communities, even if this means building somewhat ahead of local demand;
- Retail concentrations prosper because they contain a variety of proximate shopping opportunities whose synergy attracts more customers. That is, the stores grouped together will sell more than the same stores would be able to sell if they were not close to each other. Over the longer term, however, it would be advantageous for Antioch to have fewer, but larger, well-integrated shopping nodes than numerous smaller strip centers that siphon off relatively small sales dollars so as to make more difficult the development of larger projects with greater trade areas and more frequent visitation, or higher per visit expenditures; and
- The proportion of retail expenditures made online will continue to grow and reduce the need for on-the-ground space. Online competition within certain discretionary retail categories in particular (e.g. consumer electronics) will further necessitate the clustering and co-location of retail tenancies in order to be successful. Future retail development will need to be aided by- and integrated with- non-retail activity generators, such as medical and distinctive entertainment-type uses, that provide attractive, experiential, and convenient alternatives to Internet shopping.

CHAPTER VI

DOWNTOWN

INTRODUCTION

Given the importance of Downtown to the social, cultural, and economic fabric of the Village, the Downtown's strengths and weaknesses have been assessed and challenges identified in order to suggest policies likely to make the most of the Downtown's market potential.

ASSESSMENT OF STRENGTHS AND WEAKNESSES

Based on a synthesis of interviews with local merchants and site inspections, the primary advantages of the Downtown include:

- An accessible location with high-traffic volume and a Metra train station that serves as a center of commerce for smaller proximate communities;
- The presence of businesses which draw individuals more frequently or from a larger area than would normally apply to stores or shopping areas of equivalent size. For example, the apparel store, Four Squires, which originally opened in 1972, serves an extensive 20-mile trade area including portions of southeastern Wisconsin. Hannah's Home Accents advertises on WGN radio in Chicago and WSIN in Milwaukee to draw from a wide trade area that includes Chicago, Milwaukee and to a lesser extent Rockford;
- Restaurants and food-related uses provide lunch- and dinner-time traffic and support for retail tenants as well as appeal to office tenants;
- The presence of automobile dealerships east of the Downtown spillover visitors to the Downtown;
- An authentic, compact "main-street", small-town ambience with active street fronts in historic buildings that make a unique sense of place and physical character and strolling and browsing pleasurable;
- The Downtown is perceived as safe and secure;
- The relatively low rents can help to incubate new retail concepts and businesses that cannot afford the high rents of standard malls and large-scale retail centers; and
- Downtown's reputation as a summer festival and events destination and its proximity to recreational amenities serve to attract out-of-town visitors as well as residents.

Primary Disadvantages

The disadvantages of the Downtown include the following:

- The Downtown lacks a concentration of residential units and a large amount of office space to help support retail and restaurant space;
- Inconsistent hours of operation for some businesses, which discourages visitation to the Downtown;
- Some properties contain somewhat outdated space and building improvements; and
- The arrival sequence to the Downtown could be more inviting.

CHALLENGES

One challenge relates to some owners of long-time businesses are aging and do not necessarily have in place an exit strategy for new entrepreneurs to take over and continue to operate the businesses or use the space to operate new businesses.

A second challenge relates to the ongoing and likely to be significant future shifts of population and, employment and industrial and retail space development to the east of the Downtown. Much of the future growth in both shopper and convenience/necessity goods can be expected to take place east of the Downtown. Therefore, it is important to increase the scale or critical mass of uses and activities in the Downtown to improve its magnetism to resident and nonresident visitors before the eastern parts of Antioch closer to Interstate 94 are built up with significant retail, industrial, and residential space.

MARKET NICHEs TO CULTIVATE

The interviews and site inspections reveal that the Downtown is more than a shopping center. The mixed-use aspect including personal, financial, and business services and even the automobile dealerships east of the Downtown help to support the retail and eating and drinking establishments in the Downtown. The Downtown will retain and attract additional service and office space users seeking the ambiance and environment of the Downtown, reasonable rents relative to new office parks, proximately to other services and restaurants as well as convenience to their residences.

More restaurants and entertainment venues that appeal to younger-aged and family households who currently tend to leave Antioch for their dining and entertainment activities, some of which could also appeal to businesses, would help support the retail uses present in Downtown. Increasing dining and entertainment venues will serve to increase the appeal of the Downtown as a destination for fun and entertainment from a larger geographic market and maintain the Downtown as the “heart and soul” of the community.

CONCLUSIONS AND RECOMMENDATIONS

To help the Downtown capitalize on the further development of the Route 173 corridor requires the design and installation of an exciting way-faring and signing system that can lever the high volume traffic on Route 173 and the presence of Metra station near the Downtown core to generate more automobile and pedestrian traffic to the Downtown. One approach could include designing gateway artworks that attract people from Route 173 to the core of the Downtown and provide directions to tenancies within the Downtown.¹⁵ The addition of creative and unique way-finding structures such as the example of way-finding art bikes constructed in St. Paul, Minnesota, would help to attract and direct both automobile and pedestrian traffic.¹⁶

Downtown events have and will continue to be important in stimulating residents to view the Downtown as relevant to their sense of community and attracting nonresident visitors to become informed about the offerings in the Downtown. Wherever practical, events should be organized to occur so that visitors see the store fronts rather than take place on the backside of stores. A bike-athon that raises money for local charities or schools is another type of event that can differentiate Downtown from standard retail centers while potentially generating sales spillover to merchants and eating and drinking establishments. Given that the interviews suggest adult women are a primary source of demand for the Downtown offerings and that events already include mother and daughter and mother and son activities, another example could be a symposium on women's health topics presented by healthcare professionals from local hospitals such as St. Catherine's Medical Center and medical care providers. The event could include a fashion show or other items of interest to women.

Some merchants do not have websites. The Village should provide assistance and encourage all Downtown businesses to create business profiles on websites such as Google Maps and Yahoo Local. Local businesses should be encouraged to provide contact information, website links, a description of their offerings, and accurate geographic "markers" to help potential customers find their establishments.

In addition, under-utilized sites near the Village Hall and the Metra station should be evaluated and programmed for development that signals continued confidence in the future of the Downtown. This could include encouraging housing products not available elsewhere in the Village that appeal to Gen Yers and empty-nester baby boomers. Additional cultural or entertainment attractions that help further differentiate the Downtown as a place where people come for fun and unique experiences and shopping opportunities would also be desirable.

Just as shopping centers have standard hours of operation, it would help the Downtown if merchants stayed open for an agreed upon minimum of hours and days per week so that the shoppers can count on finding a full array of stores open when they visit.

¹⁵ <http://www.madisonga.com/index.aspx?NID=431>

¹⁶ <http://www.thelinemedia.com/devnews/wayfindingartbikes080812.aspx>

Organize with property owners and hold and publicize contests to attract independent, unique retail and other experiential concepts to the Downtown. Under this approach, aspiring retailers complete applications and business plans, which are reviewed by a panel of experts, the winners of which are given attractive terms for short-term leases or “free rent” for a year and reduced or abated municipal fees. For example, “winners” of free rent for a year in the “Mill Avenue Retail Contest” in Downtown Tempe, Arizona include Poppa Maize, an independently-owned store that sells 30 homemade flavors of gourmet popcorn, and Counter Culture Café, an independent coffee shop featuring food made with local produce, live music and sell local art.¹⁷ Madison Marquette, a retail developer, created an incubator program called Retail*Star, which provides opportunities for entrepreneurs to showcase their retail concepts.¹⁸ A winner for a contest for prospective tenants of Bayfair Center in San Leandro, California is a tea lounge/education seminar service called TeachBar, which was provided a 1,300-square-foot space at the center with free rent, additional investment capital and a build-out allowance.¹⁹ In Duluth, Minnesota the “Go Downtown Grow Downtown: The Great Space Giveaway Contest” gave winners of startups a year of free rent for signing a three or more year lease as well as free advertising. Winners of the “Go Downtown Grow Downtown Contest” included Lake Superior Art Glass, a glass blowing gallery, All About Baby, a boutique baby store, and Apricot Lane, a women’s clothing store. In Cleveland, Ohio a “Best Business Plan” competition allows businesses to submit a business startup plan and the winners will receive one year of free rent. Winners have included Campbell’s Sweets Factory, Joy Machines Bicycle Shop, and Wild Orchid Florists. A similar approach could be used to seek protégés for store owners seeking to groom people to take over or help manage their stores.

¹⁷ <http://www.azcentral.com/community/tempe/articles/2009/09/10/20090910millwinners-ON.html#ixzz0o7GWvdq0>. This web link to an Arizona Republic article describes the Tempe contest.

¹⁸ <http://bayfair.mallfinder.com/go/Poolb.cfm?MallID=827&FPURLID=2129966060>. This web link includes a description of the process, and provides the application used in the Retail*Star program.

¹⁹ <http://www.nbcbayarea.com/news/local-beat/Mall-Rats-New-Role-Model-85986272.html> This web link describes the winning entry and indicates the publicity garnered.

EXAMPLES OF WAYFARING SIGNAGE



Wayfinding Corner Signs in Madison, Georgia



Wayfinding Art Bike in Saint Anthony Park Neighborhood in St. Paul, Minnesota

CHAPTER VII

THE STRUCTURE OF ANTIOCH'S EMPLOYMENT BASE

INTRODUCTION

This chapter presents an analysis of the economic structure of Antioch and a forecast of the future employment base of Antioch. The results of the analysis in conjunction with the results of interviews with representatives of businesses, developers, and real estate brokers serve as inputs into the identification of the types of businesses potentially attracted to Antioch and the potential demand for building space and associated land to accommodate the building space in Antioch.

ANTIOCH EMPLOYMENT TRENDS

Table VII-1 and Table VII-2 show private non-farm employment by industry sector for the Village of Antioch from 2002 to 2012. From 2002 through 2007, Antioch's total employment grew by 2.1 percent annually increasing by 513 jobs to approximately 5,096 in 2007. The fastest growing employment sectors were retail (the largest sector, with an average annual growth rate of 5.8 percent); accommodation and food services (the third largest sector in 2002 and the second in 2007 with an average annual growth rate of 3.4 percent); professional, technical, and scientific services (with an average annual growth rate of 6.2 percent, increasing by 70 jobs to 268 jobs in 2007); and wholesale trade (with a nearly 9.0 average annual growth rate off a very small base).

The manufacturing sector, health care sector, and arts, entertainment and recreation sector experienced employment declines. Manufacturing lost 141 jobs or 20 percent of its employment base between 2002 and 2007, declining to 575 jobs in 2007 compared to 716 jobs in 2002.

From 2007 to 2012, the impacts of the 2008-2010 Great Recession are evident. Antioch's employment base declined by 1,040 jobs from a peak of 5,096 in 2007 to 4,056 jobs in 2012. This decline equates to a 20 percent decrease. Antioch's employment base has not recovered to the level experienced over 10 years ago. Manufacturing employment, however, has increased since its low of 2010, while construction employment, which experienced the largest decrease from a peak of 600 jobs in 2007 to a low of 208 jobs in 2011, has begun to recover, albeit weakly. Employment in transportation, warehousing, and information declined by 64 percent from its peak of 229 in 2007 to 83 jobs in 2012. Arts, entertainment, and recreation employment has declined significantly off its peak in 2004 of 105 jobs to a low of 29 jobs in 2011, but in 2012 began a small recovery.

Retail trade employment has declined by about 10 percent since 2007 but has increased over the low of 1,220 jobs in 2011 to 1,266 jobs in 2012. Wholesale trade bucked the trends and has increased its employment compared to 2007 (173 jobs in 2012 versus 160 jobs in 2007). Finance, insurance, and real estate employment held up relatively well, and have increased off its low of 294 jobs in 2010 to 305 jobs in 2012. Professional, technical and scientific services employment has fluctuated, with employment in 2011 and 2012 lower than that in the prior nine years.

TABLE VII-1: Private, Non-Farm Employment by Industry for Village of Antioch, 2002-2012

Industry Sector	2002 #	2003 #	2004 #	2005 #	2006 #	2007 #	2008 #	2009 #	2010 #	2011 #	2012 #
Manufacturing	716	696	650	605	596	575	581	527	469	483	497
Construction	544	518	462	500	584	600	586	410	260	208	235
Transportation & Warehousing & Information	216	223	224	206	180	229	166	124	N/A	102	83
Wholesale Trade	104	95	142	137	160	160	173	148	154	171	173
Retail Trade	1,054	996	1,012	1,375	1,393	1,400	1,499	1,374	1,268	1,220	1,266
Finance, Insurance, and Real Estate	312	341	359	325	327	331	305	296	294	302	305
Professional, Technical and Scientific Services	198	192	208	231	259	268	266	239	262	182	187
Administrative, Support, Waste Management, and Remediation Services	A/	222	202	196	239	244	203	203	182	182	167
Educational Services	48	52	51	55	58	59	61	65	54	51	48
Health Care	184	179	182	179	168	174	177	175	180	178	167
Arts, Entertainment, and Recreation	68	61	105	93	68	52	44	38	43	29	36
Accommodation and Food Services	576	606	637	586	621	681	746	684	670	684	680
Other Services	116	112	116	131	151	N/A	144	141	136	164	174
Total ¹	4,583	4,488	4,570	4,886	5,022	5,096	5,084	4,500	4,155	4,018	4,056

¹ Individual sectors do not add to total due to suppression (non-reporting) of data in unclassified and other sectors and does not include agricultural employment.

Sources: Illinois Department of Employment Security, Where Workers Work; Gruen Gruen + Associates.

TABLE VII-2: Change in Private Non-Farm Employment by Industry Sector in Village of Antioch

Industry Sector	2002 #	2007 #	Change 2002- 2007 #	Change 2002- 2007 %	Average Annual Growth Rate 2002-2007 %	2012 #	Change 2007- 2012 #	Change 2007- 2012 %	Average Annual Growth Rate 2007-2012 %
Manufacturing	716	575	-141	-19.7	-4.3	497	-78	-13.6	-2.8
Construction	544	600	56	10.3	2.0	235	-365	-60.8	-17.1
Transportation & Warehousing & Information	216	229	13	6.0	1.2	83	-146	-63.8	-18.4
Wholesale Trade	104	160	56	53.8	9.0	173	13	8.1	1.6
Retail Trade	1,054	1,400	346	32.8	5.8	1,266	-134	-9.6	-2.0
Finance, Insurance, and Real Estate	312	331	19	6.1	1.2	305	-26	-7.9	-1.6
Professional, Technical and Scientific Services	198	268	70	35.4	6.2	187	-81	-30.2	-6.9
Administrative, Support, Waste Management, and Remediation Services	NA	244	NA	NA	NA	167	-77	-31.6	NA
Educational Services	48	59	11	22.9	4.2	48	-11	-18.6	-4.0
Health Care	184	174	-10	-5.4	-1.1	167	-7	-4.0	-0.8
Arts, Entertainment, and Recreation	68	52	-16	-23.5	-5.2	36	-16	-30.8	-7.1
Accommodation and Food Services	576	681	105	18.2	3.4	680	-1	-0.1	-0.03
Other Services	116	NA	NA	NA	NA	174	NA		NA
Total ¹	4,583	5,096	513	11.2	2.1	4,056	-1,040	-20.4	-4.5

¹ Total change will not add to individual sector change total due to suppression (non-reporting) of data in unclassified and other sectors and does not include agricultural employment.

Sources: Illinois Department of Employment Security, Where Workers Work; Gruen Gruen + Associates.

Educational, health care and accommodation and food service employment have remained relatively stable with slight declines.

Table VII-3 presents private non-farm employment by industry sector as a percentage of total employment in the Village of Antioch for 2002, 2007, and 2012.

TABLE VII-3: Industry Employment as Percentage of Total Private Employment in Antioch				
Industry Sector	2002 %	2007 %	2012 %	Change in Percentage Points from 2002 to 2012
Manufacturing	15.6	11.3	12.3	-3.4
Construction	11.9	11.8	5.8	-6.1
Transportation & Warehousing & Information	4.7	4.5	2.0	-2.7
Wholesale Trade	2.3	3.1	4.3	2.0
Retail Trade	23.0	27.5	31.2	8.2
Finance, Insurance, and Real Estate	6.8	6.5	7.5	0.7
Professional, Technical and Scientific Services	4.3	5.3	4.6	0.3
Administrative, Support, Waste Management, and Remediation Services	NA	4.8	4.1	NA
Educational Services	1.0	1.2	1.2	0.2
Health Care	4.0	3.4	4.1	0.1
Arts, Entertainment, and Recreation	1.5	1.0	0.9	-0.6
Accommodation and Food Services	12.6	13.4	16.8	4.2
Other Services	2.5	NA	4.3	1.8
Total ¹	90.2	93.8	97.7	NA
¹ Total does not add to 100 percent due to suppression (non-reporting) of data in unclassified and other sectors and does not include agricultural employment.				
Sources: Illinois Department of Employment Security, Where Workers Work; Gruen Gruen + Associates.				

The largest sector, retail trade experienced the largest increase of the share of total employment of any sector, increasing from 23 percent of total employment in 2002 to over 31 percent in 2012. Accommodation and food services increased its share of total employment by 4.2 percentage points to 16.8 percent. Manufacturing employment shifted from the second to the third largest source of total employment. Manufacturing employment declined by over three percentage points to a still

high 12 percent of total employment (because the rate of decline for manufacturing employment slowed between 2007 and 2012 as compared to the 2002-2007 period, the proportion of total employment increased from 11 percent to 12 percent). Construction trade employment remained stable as a share of total employment from 2002 through 2007 at nearly 12 percent. The impacts of the Great Recession are clearly evident in the decline of construction employment by over six percentage points of total employment to under six percent in 2012. Wholesale trade nearly doubled its share of total employment off a small base to 4.3 percent.

Finance, insurance, and real estate and professional and technical services slightly increased their shares of total employment to 7.5 percent and 4.6 percent respectively. Healthcare employment comprises an extremely small share of total employment at less than one percent, while educational services maintained its relatively small share of total employment of approximately one percent.

Table VII-4 shows Village of Antioch private employment by industry sector as proportion of Lake County total employment.

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TABLE VII-4: Proportion of Antioch Private, Non-Farm Industry Employment in Lake County

Industry Sector	2002 %	2003 %	2004 %	2005 %	2006 %	2007 %	2008 %	2009 %	2010 %	2011 %	2012 %	Change in Percentage Points from 2002 to 2012
Manufacturing	1.35	1.30	1.27	1.18	1.19	1.12	1.12	1.08	1.00	1.02	1.04	-0.31
Construction	3.62	3.17	2.88	3.11	3.53	3.68	3.83	3.35	2.84	2.40	2.76	-0.86
Transportation & Warehousing & Information	0.42	0.70	0.81	0.71	0.54	1.21	0.49	0.30		0.24	0.23	-0.19
Wholesale Trade	0.44	0.39	0.59	0.64	0.74	0.70	0.75	0.67	0.72	0.80	0.79	0.35
Retail Trade	2.62	2.50	2.53	3.38	3.33	3.25	3.38	3.32	3.29	3.17	3.26	0.64
Finance, Insurance, and Real Estate	1.51	1.72	1.80	1.64	1.57	1.58	1.45	1.44	1.61	1.70	1.68	0.17
Professional, Technical and Scientific Services	1.05	0.97	1.04	1.10	1.21	1.33	1.36	1.32	1.52	0.91	0.93	-0.12
Administrative, Support, Waste Management, and Remediation Services		1.06	1.01	0.92	1.07	1.14	0.97	1.12	1.05	0.95	0.63	0.63
Educational Services	0.87	0.90	0.85	1.00	1.00	1.06	1.04	1.14	1.03	0.95	0.85	-0.02
Health Care	0.76	0.71	0.71	0.68	0.63	0.63	0.63	0.61	0.58	0.57	0.53	-0.23
Arts, Entertainment, and Recreation	1.23	1.11	1.90	1.64	1.31	0.99	0.78	0.69	0.84	0.58	0.67	-0.56
Accommodation and Food Services	3.09	3.20	3.21	2.90	3.01	3.13	3.43	3.11	3.09	3.16	3.10	0.01
Other Services	1.37	1.29	1.32	1.52	1.78		1.61	1.71	1.70	2.03	2.14	0.77
Total	1.70	1.65	1.69	1.78	1.80	1.81	1.79	1.68	1.62	1.54	1.49	-0.21
Source: Illinois Department of Employment Security, Where Workers Work; Gruen Gruen + Associates.												

The share of total employment Antioch comprises of Lake County employment as a whole has remained relatively stable, ranging from a high of 1.81 percent of total Lake County employment in 2007 to a low of 1.49 percent in 2012. In the prior decade, total employment in Antioch ranged from 1.62 percent in 2010 to 1.81 percent in 2007 of total Lake County employment. Retail trade employment increased its share of total retail employment in Lake County to over three percent from 2005 through 2012. The share of County accommodation and food services employment in Antioch has remained relatively stable. In all years other than 2005 Antioch accommodation and food services employment comprised over three percent of County employment in the accommodation and food services category. Construction employment in 2002, 2007, and 2008 approximated nearly four percent of Lake County construction sector employment but since 2010 has declined to under three percent of total Lake County construction employment. None of the other sectors in Antioch comprise more than two percent of total Lake County employment in the various categories.

Comparison of Antioch Employment Trends and Growth to Lake County Employment Trends and Growth 2002-2012

Table VII-5 presents the actual historical employment growth rates and the share of job gains and losses in Antioch compared to that of Lake County over the 2002 to 2012 period.

TABLE VII-5: Comparison of Antioch and Lake County Employment Growth Trends		
	Lake County	Antioch
Annual Employment Growth Rate 2002-2007	0.9%	2.1%
Annual Employment Growth Rate 2007-2012	-0.7%	-4.5%
2002-2007		
Number of Jobs Added	12,295	513
Share of Jobs Added in County	-	4.2%
2007-2012		
Number of Jobs Lost	-10,093	-1,040
Share of Jobs Lost in County		10.3%
Sources: Department of Employment Security; Gruen Gruen + Associates.		

From 2002 to 2007, Antioch employment grew faster than for the County as a whole. Lake County total employment grew by less than one percent annually while Antioch total employment grew by just over two percent annually. Over the five year period, Lake County added over 12,000 jobs and Antioch added over 500 jobs or about 4.2 percent of the jobs added within the County.

From 2007 to 2012, Antioch lost employment faster than for the County as a whole. Lake County employment decreased at just less than one percent annually but Antioch employment (though off a much smaller base of employment) decreased by 4.5 percent annually. Lake County lost over 10,000 jobs between 2007 and 2012 and Antioch lost approximately 1,000 jobs or about 10 percent of the jobs lost within the County.

FORECAST EMPLOYMENT GROWTH

Village of Antioch Employment Forecast

We reviewed an Illinois Department of Employment Security (IDES) employment forecast for Lake County for the 2008 to 2018 period to lend insight into the anticipated employment growth in the broader region and Antioch's ability to capture a share of that growth. The IDES forecast assumes an overall annual employment growth rate of 0.9 percent for Lake County over the 10 year period.

Table VII-6 presents forecast employment potential for Antioch from 2012 to 2018. The forecast reflects the use of judgment in light of the actual historical growth in both Antioch and Lake County and the share of growth trends described above in Table VII-5, the forecast growth rate for Lake County employment, and results of the interviews, and understanding of current land development projects (the interviews and land development projects hold potential for internal expansion and relocation of industries to Antioch).

TABLE VII-6: Forecast Village of Antioch Employment, 2012-2018	
	2012-2018
Number of Jobs Forecast to be Added in Lake County ¹	15,100
<i>Base Forecast</i>	
Estimate of Share of County Jobs Added that can be captured in Antioch	4.5%
Forecast Number of Jobs to Be Added in Antioch ²	<u>700</u>
Goods-Producing jobs	140
Services-Producing jobs	560
<i>High Forecast</i>	
Estimate of Share of County Jobs Added that can be captured in Antioch	7.5%
Forecast Number of Jobs to Be Added in Antioch ²	<u>1,100</u>
Goods-Producing jobs	220
Services-Producing jobs	880
¹ Based on total employment base of 272,836 private sector jobs in Lake County in 2012 and annual employment growth rate assumption of 0.9%. Figure has been rounded. ² Figures have been rounded. Assumes goods-producing sectors is 20 percent of employment base (includes agriculture, forestry & fishing, mining, manufacturing, and construction sectors) and services-producing sectors comprise 80 percent of employment base (includes utilities, wholesale trade, retail trade, transportation and warehousing, information, finance insurance, and real estate, professional & business services, educational services, health care, arts, entertainment & recreational services, accommodation & food services, and other services).	
Sources: Department of Employment Security; Gruen Gruen + Associates.	

Under the assumption that Lake County total employment base grows at its historic pre-recession growth rate of 0.9 percent annually, we forecast that total jobs growth in the County will add over 15,000 jobs by 2018. If Antioch maintains the same share of capturing additional jobs that it experienced over the 2002 to 2007 period before the recession, this would result in 700 additional total jobs in Antioch by 2018. Assuming the same proportion of goods-producing jobs versus

services-producing jobs which currently exists in Antioch results in approximately 140 additional jobs in the goods-producing sectors and 560 additional jobs in the services-producing sectors.

The interviews indicate the lack of available building space has caused some firms to select locations outside of Antioch for expansion. The interviews indicate the potential for certain industrial activities in Antioch to buck the County trends and grow in both employment and space utilized. In addition, retail and service space can be expected to be added in response to additional residential growth. Accordingly Table VII-6 also presents a higher employment growth forecast equivalent to Antioch capturing 7.5 percent of the forecast jobs growth in Lake County as a whole. This would equate to an additional 1,100 jobs to be added in Antioch by 2018 and recapturing all the lost jobs since Antioch's peak employment level in 2007. It assumes that Antioch's employment base would grow significantly faster than has historically occurred. The employment growth scenarios range from a compounded average annual rate of 2.7 percent if 700 jobs are added by 2019 and 4.0 percent if 1,100 jobs are added.

CHAPTER VIII

THE MARKET FOR OFFICE AND INDUSTRIAL SPACE AND THE COMPETITIVE POSITION OF ANTIOCH AS A LOCATION FOR OFFICE AND INDUSTRIAL SPACE

INTRODUCTION

The type and mix of businesses that can benefit from the advantages a location in Antioch provides can be inferred from the identification of businesses that have moved to and stayed in Antioch. This chapter identifies the primary geographic areas from which office and industrial building space users will tend to be attracted and identifies the primary competing locations which many office and industrial space users will consider in selecting locations to which they will move. This chapter also identifies the primary advantages and disadvantages associated with Antioch as a business location. This chapter then reviews the building space inventory and reviews the land capacity to accommodate future building space development.

THE RELEVANT PRIMARY GEOGRAPHIC MARKETS

The Primary Geographic Areas Within Which Antioch Competes for Office and Industrial Space Users

The interviews with knowledgeable real estate brokers and real estate developers and representatives of businesses and economic development entities suggest that primary market area within which owners/developers of industrial and office buildings will compete for office and industrial space users include northern Lake County locations such as Zion (Trumpet Corporate Park), Waukegan, and Wadsworth (at which Center Point plans to develop 220 acres into a business park) and Southeastern Wisconsin, specifically Pleasant Prairie (Lakeview Corporate Park) and Kenosha. A prospective business considering Antioch as a location is also reported to be considering the Trumpet Corporate Park in Zion and the Lakeview Corporate Park. Another business which could not find a suitable facility in Antioch elected to lease distribution space in a business park in Waukegan.

Geographic Origins of Potential Building Space Users

Most businesses will originate from within southern and central Lake County and north Cook County and from internal expansion. One manufacturer based in Antioch moved from Round Lake where it outgrew its former facility. Another local business moved from Cook County. A current prospective manufacturing business considering a location in Antioch is located in Gurnee.

TYPES OF BUILDING SPACE USERS ATTRACTED

Office space users attracted to Antioch are likely to be concentrated in the finance, insurance and real estate and healthcare sectors attracted to the population and household growth and affordable location. Antioch does not currently trend to attract corporate or regional office headquarters that export their services outside the region. Industrial space users are likely to be concentrated in the manufacturing and wholesale trade sectors, including packaging, paper, and plastics industries.

Smaller to mid-size privately held firms seeking a safe and secure and affordable location, near skilled and unskilled labor (existing industrial businesses attract labor from Waukegan and Zion and generally within approximately 20 minutes driving time of Antioch) would find Antioch an advantageous business location.

COMPETITIVE POSITION OF ANTIOCH

Primary Comparative Advantages

Our field research and interviews suggest important current or future comparative advantages include:

- Proximity to a diverse set of housing options, and potential for short commute for lower- and higher-skilled workers;
- A location in the path of growth approximately equidistant to both Milwaukee and Chicago with accessibility to Interstate 94 and Metra transit service;
- Available land for development;
- Lower property taxes than for comparable properties in Cook County;
- Reliable electrical service; and
- A safe and secure location in a positive business environment served by a local government with a positive attitude toward business.

Primary Disadvantages

The field research and interviews suggest primary disadvantages include the following factors:

- The lack of a full interchange on Route 173 and Interstate 94 and limited number of roadway lanes on Route 173;
- Lake County stormwater requirements raise land development costs giving a cost advantage to business and industrial parks in Kenosha County, Wisconsin;
- The current State of Illinois business climate (tax and workers compensation insurance regime, governance is not viewed favorably relative to that in Wisconsin) causing many prospective space users to consider locations north of Antioch in Kenosha County, Wisconsin;
- Limited inventory of available contemporary, quality building space; and

- Antioch has not established an image with a critical mass of buildings and services and amenities geared to larger-scale business space users that export their services outside the area.

LAND AND BUILDING SPACE INVENTORY

The national developer IDI purchased in 2008 right before the Great Recession 100 acres of land at Route 173 in Antioch about 1.5 miles from the Route 173 interchange at Interstate 94 and 4.5 miles from Downtown Antioch. The land has been master planned as a business park to serve firms wishing to stay or move to Lake County Illinois with available sites as small as five acres. Approximately 13 acres of land has been sold to an industrial user but construction has not yet occurred at the Antioch Corporate Center. An illustrative site plan shows the capacity to support approximately 470,000 square feet of industrial space on 23.4 acres within the park. Build-to-suit development options range from 150,000 square feet to 700,000 square feet of building space.

The older industrial area east of Downtown and south of the Metra station contains just over 1,000,000 square feet of nearly fully occupied industrial space, according to CMAP reporting CoStar data. Only 20,000 square feet of industrial space has been added since 2002. Most of the industrial space is over 40 years old with low clear ceiling heights and is used for light manufacturing and assembling as well as administrative and sales functions. Users in the area include Braeside Displays, Fischer Paper, Modern Home Products, Marshall Furniture, and Turo Electrical Construction.

Braeside Displays, for example, moved to Antioch in 1985 occupying a building containing approximately 33,000 square feet of space. Braeside Displays had been renting an adjoining building but in 2012 purchased a 47,000-square-foot building across the street from its original Antioch location that had formerly been occupied by NuWay Speaker so its operations have grown to encompass 80,000 square feet. The manufacturer of display products for store serves primarily the Midwest and trucks products by common carrier. The older industrial area includes Fischer Paper products, a bag maker for the food service industry. Fischer Paper Products has operated within Antioch for over 41 years. Fischer Paper Products occupies 55,000 square feet of building space with 85 employees, the majority of which commute within 20 minutes of Antioch. The geographic market area it serves has expanded from the local region to encompass the Midwest and nation as a whole, including west coast and southeast markets. The limited building inventory caused Fisher Paper Products to lease a 58,000-square-foot distribution facility in Waukegan because it could not secure an adequate amount of suitable additional space in Antioch.

Other long established businesses operating in older building space in Antioch's industrial area include Janis Plastics, a maker of point-of-purchase signs and displays operating within 180,000 square feet of building space; Modern Home Products (based in Antioch since the 1950s, a manufacturer of outdoor grills); a plastic injector molding firm headquartered in Wisconsin, MGS Manufacturing Group; and Marshall Furniture, a wood furniture maker, that has grown from two employees in 1986 to 30 employees in a 26,000-square-foot facility. The Pickard China Company moved its manufacturing facility to Antioch in 1930. The privately-held family owned business is world renowned for manufacturing fine china and collector's plates. An outlet store/museum is located in Antioch next to the plant facility. The company employs over 40 people.

LAND INVENTORY IN COMPETING LOCATIONS

The planned CenterPoint Business Center in Wadsworth consists of 229 acres of land fronting Interstate 94. Sites will accommodate from 65,000 square feet of space to over 500,000 square feet of building space.

Trumpet Corporate Park in Zion built by Panattoni Development Company about 10 years has 120-acres of land “ready-to-go” with utilities and off-site detention in place. Federal Express built a distribution facility approximately eight years ago on 17 acres of land. The Trumpet Corporate Park includes a vacant 150,000-square-foot building. Land prices are \$4.00 to \$6.00 per square foot depending upon the size and location of the parcel. Asking annual rent for the available building space is \$4.25 per square foot net with property taxes estimated at \$1.10 per square foot. The Village has also annexed more than 1,000 acres along Green Bay Road in anticipation of future industrial development.

Pleasant Prairie and the LakeView Corporate Park in particular represent a primary source of competition for Antioch business park and industrial use space. Consisting of 2,400 acres, the LakeView Corporate Park is approximately 90 percent built-out. Approximately 250 acres of land are still available within the park according to the Village of Pleasant Prairie. Approximately 720,000 square feet of industrial building space is currently under construction in the park, including Ta Chen International's 470,000-square-foot Midwest distribution center and a Meijer distribution center expansion of 250,000 square feet. The Village has recently approved the Majestic Badger Logistic Center, not yet under construction, planned for 1,180,480 square feet of warehouse/distribution space on 91 acres in the park. To date, more than 11 million square feet of building space has been developed in the LakeView Corporate Park.

Pleasant Prairie contains an additional 750 acres of industrial and office land (outside of Lakeview) available for future development. This includes approximately 70 acres in the PrairieWood Corporate Park (the location of the 1.4 million square foot Uline Corporate Headquarters and Distribution Center) and 70 acres in the Prairie Ridge Corporate Park. The Village has also approved and entitled a planned development district consisting of approximately 480 acres of additional land, intended to accommodate campus-like healthcare and pharmaceutical research and development uses (including Abbot Labs). All of these parks are situated generally around a 4-way interchange at I-94 just across the Illinois-Wisconsin state border.

Although primarily built-out, the Grand Tri-State Business Park and Centerpoint Business Center to the south of Antioch in Gurnee still contains approximately 40 acres of available industrial and office land.

The examples of land and building space inventory summarized above indicate that significant intense competition within the primary market area for industrial and office space users can be expected for the foreseeable future.

POTENTIAL BUILDING SPACE AND LAND DEMAND

As summarized previously in Chapter VII, Antioch is forecast to grow by approximately 700 jobs over the next five years. Approximately 20 percent or 140 of these jobs are expected to be goods-

producing or industrial in nature. Additional industrial and office space demand may arise from job growth in trade and service-producing industries (e.g. finance, insurance and real estate; medical). Table VIII-1 below presents a summary of potential industrial, office and retail space demand and land needs for the next five years based upon the employment forecast presented in Chapter VII.

TABLE VIII-1: Antioch Potential Building Space and Land Needs, 2013-2018			
	Potential Building Space Demand # Square Feet	Floor Area Ratio ¹	Potential Land Demand # Acres
Light Industrial @ 750 Square Feet Per Worker	105,000	0.30 - 0.35	6.9 - 8.0
Warehouse/Distribution @ 1,500 Square Feet Per Worker	90,000	0.35 - 0.50	4.1 - 5.9
Office @ 300 Square Feet Per Worker	66,000	0.25 - 0.30	5.1 - 6.1
Retail @ 500 Square Feet Per Worker	140,000	0.20 - 0.30	10.7 - 16.1
TOTAL	261,000		26.8 - 36.1
¹ Ratio of gross building area to land area.			
Source: Gruen Gruen + Associates			

We estimate that the employment forecast of 700 additional jobs within the Village over the next five years will translate into non-residential building space needs of approximately 260,000 square feet. Based upon floor-area-ratio assumptions pertaining to specific land uses, we estimate total non-residential land requirements of approximately 27 to 36 acres within the Village by 2018. We estimate that land demand for industrial and office use is likely to range from approximately 16 to 20 acres. This estimate of demand represents a very small fraction of the more than 1,200 acres available land throughout the market area.

Keep in mind that these figures relate to additional employment growth and building space. More jobs will probably be created than forecast but some of these new jobs will be offset by declines in existing employment as the sectoral mix of the employment base changes over time. Similarly, new space will be built to replace obsolete existing space and better accommodate new types of employment.

POLICY ACTIONS TO IMPROVE COMPETITIVE POSITION AND ABILITY TO CAPTURE DEMAND POTENTIAL IN A HIGHLY COMPETITIVE MARKET

The potential for attracting businesses will increase by Antioch building up a larger base of labor that could work and shop close to home. Workers with short commutes and attractively priced housing tend to have lower turnover and lower salary and wage requirements. This represents an inducement for firms to stay, expand, and enter the Antioch market. Actions that improve the desirability of Antioch as a residential location (including encouraging the maintenance and enhancement of the reputation of the local schools) is sound economic development strategy.

Direct policy actions that facilitate the growth of businesses that export at least some of their goods and services. For example:

- Collaborate with the State and Lake County to assist in the development of infrastructure that serves business parks and mixed-use developments that can provide the kind of work place and retail space that will attract and enhance a critical base of industry. While the Village of Antioch should not give developers a “free-ride”, it should indicate a willingness to cooperate in mutually beneficial efforts to stimulate economic development. Industrial revenue bonds and other sources of funding available from Lake County and the State of Illinois should be explored and provided to finance the cost of needed infrastructure to maintain key quality of life advantages and concurrently stimulate the evolving economic base. This could include evaluating the potential benefits of ultimately creating a four-way interchange at Route 173;
- Antioch has historically attracted entrepreneurs which own their businesses and wish to locate their businesses near where they live in relatively low cost, smaller space. This suggests the advisability of encouraging the development of incubator space in or near the Downtown geared to the smaller, cost-sensitive user;
- The Village should explore with the appropriate County and State agencies how to facilitate the development of “ready-to-go” lots and building space through assistance with capital infrastructure improvements, expediting approvals, or even abating a portion of the increased property taxes until the speculative building space achieves a certain level of occupancy. The interviews clearly demonstrate the importance of creating inventory of space to serve existing users requiring additional space as well as new businesses;
- Commence holding business retention meetings at least annually to identify or monitor concerns and recurring issues, including labor and real estate requirements with existing Antioch businesses. In the course of the research, GG+A identified an opportunity to serve the expansion requirements of an existing business. As part of the retention program, coordinate with the State to identify job training and other incentives that can be provided to induce existing companies (and new companies) to expand in Antioch rather than relocate across the border in Pleasant Prairie or elsewhere in Kenosha County and develop a streamlined approach that eliminates as much uncertainty about available incentives as practical; and
- Explore establishing a task force including representatives of existing businesses to evaluate, initiate, and coordinate improvements to the older industrial areas near Downtown and to help property owners and businesses adapt the facilities to limit and avoid wherever feasible the typical downward cycle associated with competitive obsolescence of facilities.



Gruen Gruen + Associates (GG+A) is a firm of economists, sociologists, statisticians and market, financial and fiscal analysts. Developers, public agencies, attorneys and others involved in real estate asset management utilize GG+A research and consulting to make and implement investment, marketing, product, pricing and legal support decisions. The firm's staff has extensive experience and special training in the use of demographic analysis, survey research, econometrics, psychometrics and financial analysis to describe and forecast markets for a wide variety of real estate projects and economic activities.

Since its founding in 1970, GG+A has pioneered the integration of behavioral research and econometric analysis to provide a sound foundation for successful land use policy and economic development actions. GG+A has also pioneered the use of economic, social and fiscal impact analysis. GG+A impact studies accurately and comprehensively portray the effects of public and private real estate developments, land use plans, regulations, annexations and assessments on the affected treasuries, taxpayers, consumers, other residents and property owners.

San Francisco:

(415) 433-7598

E-mail: sf@ggassoc.com

Denver:

(720) 583-2056

E-mail: Denver@ggassoc.com

Deerfield:

(847) 317-0634

E-mail: midwest@ggassoc.com

www.ggassoc.com

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