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Valerie S. Kretchmer *Associates, Inc.*

*Real Estate and Planning Consulting*

**VILLAGE-WIDE MARKET ANALYSIS**

**Prepared for**

**VILLAGE OF WILMETTE**

**March 2005**

**Prepared by**

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March 31, 2005

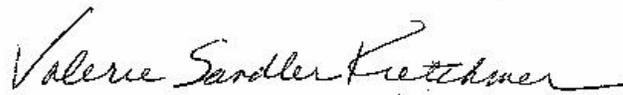
Mr. John Adler  
Village of Wilmette  
1200 Wilmette Avenue  
Wilmette, IL 60091

Dear John:

Valerie S. Kretchmer Associates, Inc. (VSKA) is pleased to submit this final report on the Village-wide market analysis.

Thank you for the opportunity to work for you and the Village of Wilmette on this interesting assignment.

Sincerely,



Valerie Sandler Kretchmer  
President

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## **I. SUMMARY AND CONCLUSIONS**

### **A. Purpose of this Report**

Valerie S. Kretchmer Associates, Inc. (VSKA) was retained by the Village of Wilmette to prepare a market analysis for the village overall and for the individual business districts. The purpose was to provide the Village staff, elected officials and members of the Business Development Advisory Group (BDAG) with objective information on the strengths and weaknesses of the Village's businesses and districts and the competitive position of the business districts in relation to other business districts along the North Shore.

This report is one of three commissioned by the Village in 2004 relative to business district planning. The other two are the Fourth and Linden Plan (completed in November 2004) and the Green Bay Corridor Plan now underway. For these two plans, VSKA is working in conjunction with Hitchcock Design Group, an urban design and landscape architecture firm, and TY Lin International, a transportation and traffic engineering firm to look at the broader range of issues affecting these two business districts. The Village-wide Market Analysis is an important component in these two comprehensive plans.

### **B. Methodology and Organization of this Report**

VSKA conducted a wide ranging analysis for this report that included field inspections of all of the business districts and competing business districts; interviews with Village staff, business and property owners in all of the business districts; analysis of retail sales and employment data for Wilmette and surrounding communities; analysis of demographic trends for Wilmette and nearby areas; and an analysis of office and retail market conditions affecting Wilmette and the individual business districts.

This report is organized into two volumes. The first includes the key findings and conclusions as well as summary data for all of the business districts. Volume 2 is the Appendix which includes detailed demographic tables for each of the business districts, lists of businesses in each district, detailed tables on employment, retail sales and office buildings in Wilmette.

A map showing the location of the business districts is on the following page.



### **C. Summary and Conclusions**

Wilmette is an affluent and extremely well educated community with demographic characteristics that are highly coveted by retailers and developers. Village residents have more than \$500 million in retail sales potential, which puts their spending power at more than twice the national average for all categories of retail goods.

As a mature suburb, there is little developable land and any new development is the result of redevelopment, not unlike most first tier suburbs in the Chicago metro area. What sets Wilmette apart from many of these other communities are its very high property values, relatively high retail and commercial rents, and until fairly recently, its laissez-faire attitude towards its business districts.

Wilmette's retail sales increased by a modest .8% since 2000. The Village has the opportunity to capture a higher share of retail sales from its own residents as well as those in some of its neighboring communities, most notably those living to the north in Kenilworth and Winnetka. While the Village can not (and should not) become Old Orchard or downtown Evanston, its business districts can offer residents a reasonable alternative to those venues for many shopping and dining trips. There is additional opportunity to add new stores in the food, eating and drinking, apparel, home improvement, and drugs and miscellaneous retail categories. These could be in existing storefronts or in new development.

In highly desirable business districts, non-retail tenants will often pay higher rents for prime ground floor spaces, often driving up rents in an area. Occupancy costs for these banks, financial service, real estate or other service firms are not as directly related to the sales generated by those storefronts in the same way that retailers' businesses are. Savvy shopping center managers understand that they need a good mix of tenants to bring people into their center and increase traffic for all of the tenants at the center.

Smaller landlords in business districts do not always evaluate potential leases that way. As a result, they will rent space to the tenant willing to pay the highest rent for each individual space, even if the tenants don't provide each other with cross-traffic and synergy for the building or business district overall. Most retailers can't afford to pay more than 10% of their sales in rent (including real estate taxes and common area expenses) and white table cloth restaurants can't afford to pay more than 6-8% of their sales in rent. Landlords and/or the Village must be willing to recognize these realities in order to attract these kinds of tenants.

Some Villages, including Wilmette, have tried to regulate the amount of ground floor space that can be devoted to non-retail use in their business districts. This has met with varied degrees of success. In highly sought after locations it can work, while in other locations it has resulted in higher vacancies, particularly in less desirable sections of a

business district. It may be appropriate to re-visit this issue in the Village Center and other commercial districts; at a minimum to look at the percentage of non-retail space that should be allowed on which blocks.

Not all retail space is created equally and not all space, even within the same shopping center or retail district, can command the same rent. Even within ½ or 1 block, a space can be worth a very different rent depending on visibility, traffic patterns, proximity to parking, nearby stores etc. Landlords need to recognize this to make sure that they are realistic in setting their asking rents. In addition, landlords must make sure that their available space is in truly rentable condition. In many cases, vacant spaces need to be improved to be brought up to move-in or “plain vanilla box” condition.

Parking is always an issue in suburban downtowns and often in neighborhood business districts, particularly in older pedestrian-oriented districts where buildings were constructed prior to the 1950s. It is often impossible for individual property owners to provide adequate off-street parking for customers and for employees. In these cases, public parking lots can be more advantageous. VSKA made recommendations in the Fourth and Linden Plan relative to easing parking requirements in certain circumstances for new construction or for new tenants in existing buildings. The Village should consider if these recommendations may be applicable to some of the other neighborhood business districts.

The mix of stores at Edens Plaza and Plaza del Lago draw shoppers from throughout the village and nearby communities. The smaller business districts are likely to remain neighborhood convenience-oriented districts, though they may have one or more business with a wider draw. This includes the districts at Ridge and Wilmette Avenue, Ridge and Lake Avenue, Fourth and Linden, and West Lake Avenue at Laramie. The district at Ridge and Lake Avenue has the potential for upgrading the Ridgecrest Court Shopping Center, particularly with the construction of the senior citizen condominiums on the Mallinkrodt campus.

The west side of the village is lacking in a drug store and grocery store. Edens Plaza has plans to lease the vacant Petco space to Fresh Market, a small, specialty grocer and that will help this situation. There is definite potential for a drug store, possibly in the West Lake Avenue area on the site of the shuttered gas station or at another location on or near Skokie Boulevard.

Redevelopment along the Green Bay Road corridor, especially on the block with the now vacant North Shore Ford (between Wilmette and Central Avenues) and the Kohl Museum site, can provide the village with excellent opportunities to attract new, modern retail development at highly visible and accessible sites. The compatible redevelopment of these sites should be a priority. If possible, the Village should encourage a

comprehensive, rather than piecemeal, approach to the block between Wilmette and Central Avenues as recommended by the 1999-2000 West Village Center plan. Property taxes, especially for retail space along Skokie Boulevard, are quite high in relation to retail space in some of the other competitive areas, particularly in Skokie and Winnetka. This puts the centers at Old Glenview Road at a competitive disadvantage relative to the nearby centers in Skokie.

There is a continuing demand for good quality, small office space. The tight Class B market (average quality, older) and lack of new construction in 15 years would indicate potential for a limited amount of new office space in the village targeted to smaller office tenants. This could be 15,000-20,000 square feet of office space in the near term. One possible development scenario would be office condominiums, a concept that is gaining favor in some parts of the Chicago metro area, but one that has not been used in this area. It can be an attractive option in an area such as Wilmette where business and professional people are affluent and have the financial capability to purchase property, but may not be able to find a suitable building to buy. Small professionals who do not expect to expand significantly are prospective buyers for office condominiums. This concept could be a free-standing structure or could be part of a larger mixed-use project.

Wilmette has not been as pro-active in business or developer recruitment compared to some other municipalities. The village's limited business development promotional materials should be updated. Wilmette's (and New Trier's) name and location are synonymous with affluence and prestige, thus there has not been the need to "sell" the community. However, some of the business districts have become "tired" and some commercial buildings no longer meet modern retail needs. The time is right for the Village to become more pro-active.

There is a wide spectrum of potential municipal involvement from public relations and advertising (which the Village is doing in conjunction with the Chamber of Commerce) to active redevelopment. More consistent advertising and public relations are needed to make residents of Wilmette as well as neighboring communities aware of the range of stores in the different business districts. Businesses in Edens Plaza want to attract east Wilmette residents as much as Village Center and other east side business districts want to attract the west Wilmette customers. Since only a small percentage of village merchants are members of the Chamber of Commerce (this is not unusual), the Village should consider a more active role here.

As other North Shore communities including Highland Park, Deerfield and Evanston have demonstrated, major publicly initiated redevelopment has made a huge impact on those downtowns, though the developments were controversial at the time. Certainly less aggressive actions can be taken, such as creation of special service areas to provide additional funds targeted to business development efforts, but doing nothing is probably no longer a viable option.

## II. OVERVIEW OF VILLAGE-WIDE TRENDS

### A. Demographic Trends

VSKA analyzed demographic trends for the Village of Wilmette as well as for the different business districts within the Village. Detailed demographics for the village are included in the Appendix.

Wilmette is an affluent community with a high level of education, housing values, income and purchasing power. The table below summarizes some key demographic characteristics for the village as a whole and the changes that have occurred over the past four years.

#### SELECTED WILMETTE DEMOGRAPHICS

	2000 Census	2004 Estimate
Population	27,640	27,628
Households	10,035	10,024
Median Age (Years)	42.3	43.0
% of Population Under Age 15	24.9%	24.2%
% of Population Age 65+	17.1%	16.8%
Median Household Income	\$106,903	\$115,044
% Age 25+ with College or Graduate Degree	72.4%	71.3%
% Owner-Occupied Housing	84.4%	84.5%

Source: 2000 Census; 2000 County Business Patterns; Demographics Now.

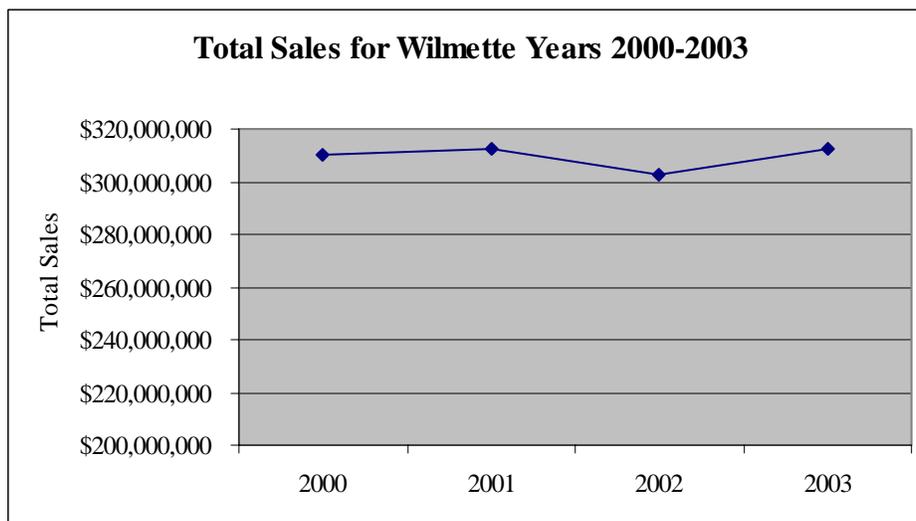
As can be seen, the village is quite stable in terms of population and households, indicative of a mature community with limited land for new development and limited large-scale redevelopment. The median age has increased, though the share of seniors

has decreased at the same time the share of school-aged children has also decreased. The median household income continues to rise, 7.6% over the past four years.

According to the Multiple Listing Service, as of the end of 2004, the median single-family home sales price in the village was a very high \$700,000, an increase of 17.7% over the previous year's median sales price, a significant jump in just one year. The median condominium and townhouse sales price for 2004 was \$350,000, an increase of 2.3% over 2003's median sales price.

## B. Retail Sales Trends

Valerie S. Kretchmer Associates, Inc. analyzed retail sales trends for the Village of Wilmette and neighboring communities for the past four years (2000-2003) based on reported sales tax receipts collected by the Illinois Department of Revenue. (Data from 2004 are not yet available.) Detailed tables are included in the Appendix of this report. The graph below shows these trends for total retail sales as well as for the key retail categories.

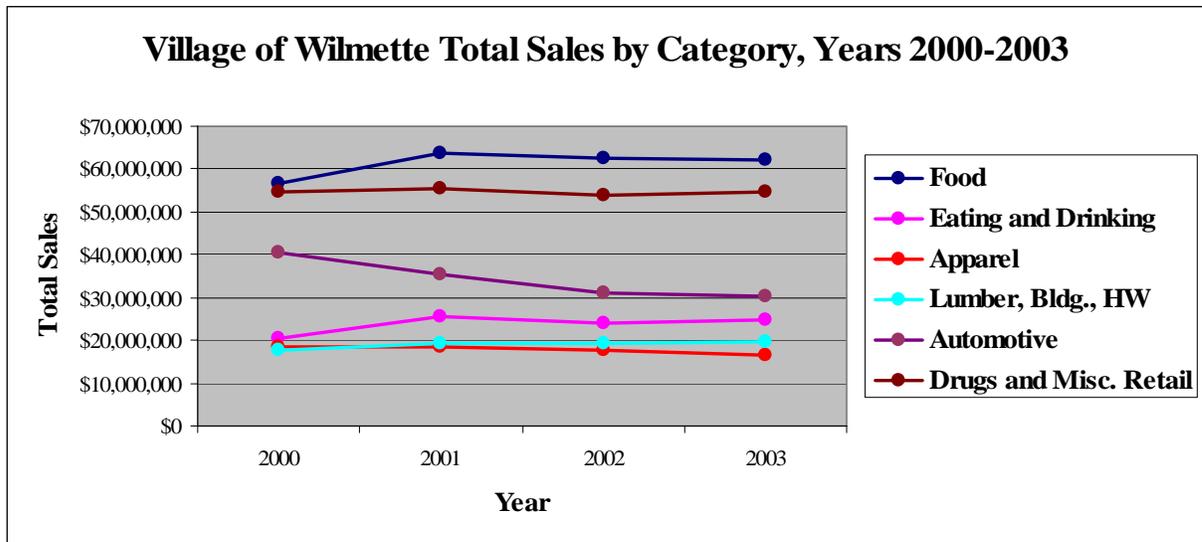


Source: Illinois Department of Revenue, "Report of Sales Tax Receipts," 2001-2003.

Overall, the village's sales increased by a modest .8% over the past four years, though food sales increased by almost 10% during this period. Also increasing during this period was lumber, building and hardware (12%). (The data show a very large increase in general merchandise sales and significant decrease in furniture sales. However, discussions with the Finance Director indicate that these are probably a miscoding of

sales by the Illinois Department of Revenue – possibly by Carson’s Furniture Store and Carson Pirie Scott Department Store in recent years.)

However, several retail categories experienced declining retail sales over the past four years. These included significant drops in automotive sales (25%), furniture, household and radio (24%) and apparel (10%). Sales in the drugs and miscellaneous retail category were stable between 2000 and 2003.



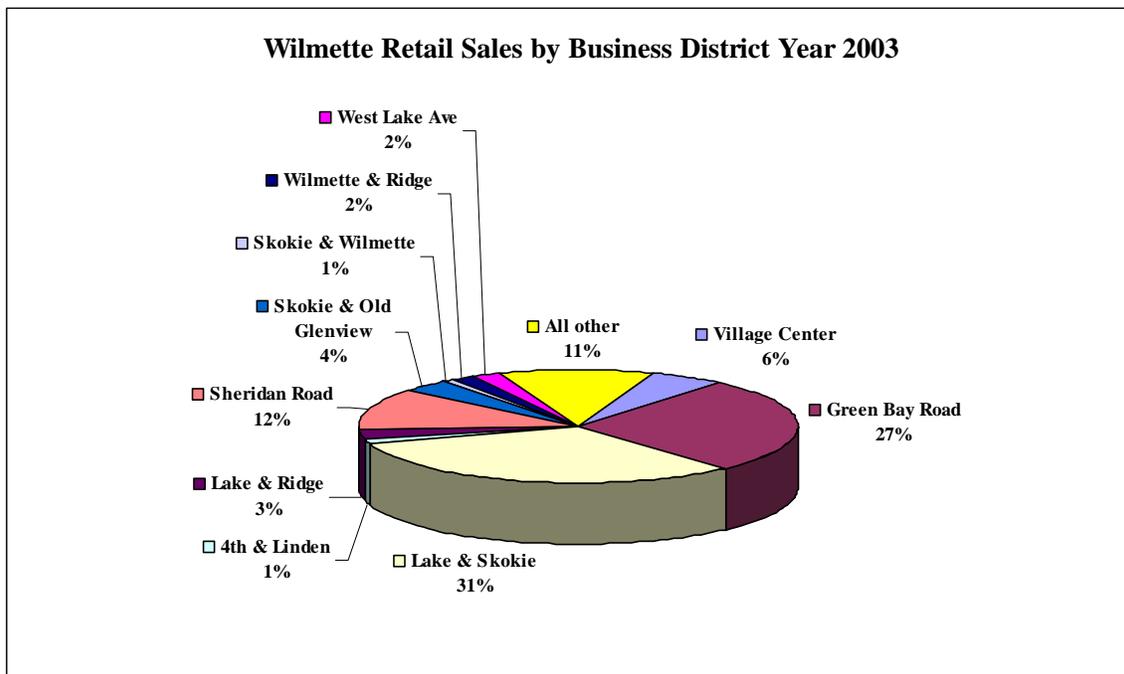
Source: Illinois Department of Revenue, “Report of Sales Tax Receipts,” 2001-2003.

According to the Village (based on data received by the Illinois Department of Revenue) the largest retail sales tax generators (in alphabetical order) are:

- Bed Bath and Beyond
- Borders Books
- Carson, Pirie, Scott
- Chalet Nursery
- Crate & Barrel
- Imperial Motors
- Jewel Food Stores
- North Shore Ford
- Treasure Island
- Walgreens

It should be noted that the list of the top 10 sales tax generators has been consistent for the past three years. North Shore Ford closed its doors as of late January 2004 and is not likely to be replaced by another car dealer. These top ten sales taxpayers accounted for half of the sales tax revenue generated in 2003.

The Illinois Department of Revenue also provided the village a breakdown of the sales by retail district. The graph below shows the distribution of retail sales by business district for 2003. Not surprisingly, the Lake Avenue and Skokie Boulevard district (which includes Edens Plaza and West Lake Plaza) is the largest generator of sales, followed by the Green Bay Road corridor. Sheridan Road includes Plaza del Lago. These are also the largest in terms of retail square footage.

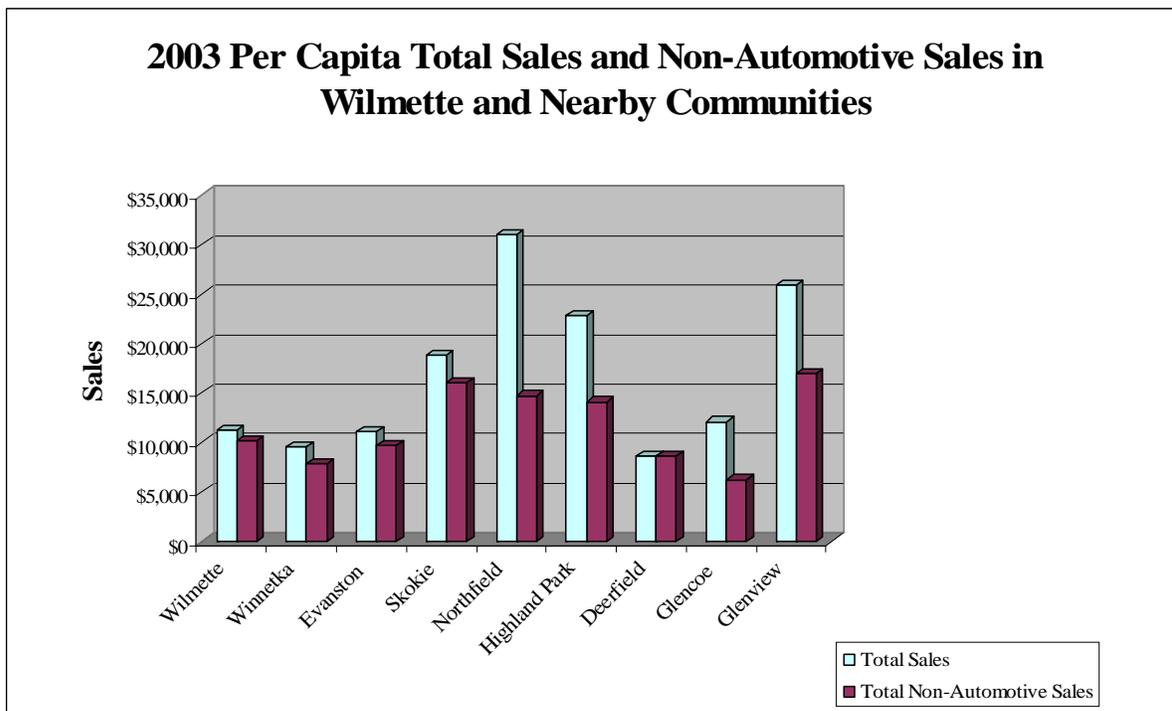


Source: Village of Wilmette

It is also useful to look at Wilmette’s retail sales compared to those of nearby municipalities and to see the direction of retail sales in those towns over the past several years. Evanston’s retail sales increased by a similar level to Wilmette, while those in Skokie and Northfield declined by .8% and sales in Winnetka decreased by 8%. Sales in Highland Park dropped by 4% during that period, while Deerfield, Glenview and Glencoe registered increases. These increases were due to significant new retail development in Deerfield; Abt moving to Glenview from Morton Grove; and a car dealer opening in Glencoe. A single retailer or new retail development project can have a major impact on a municipality’s retail sales. On the flip side, the loss of Abt caused a significant loss in retail sales and sales tax dollars in Morton Grove.

It is also useful to look at per capita retail sales for Wilmette and the neighboring communities. This also shows the extent to which a given municipality is attracting shoppers into the community or is losing retail sales to other municipalities.

Wilmette’s per capita retail sales at \$11,279 in 2003 were about average for North Shore communities, similar to the per capita sales in Evanston, higher than those in Winnetka and Deerfield, and well above the Cook County average of \$9,913. Again, the effect of car dealers and major malls is apparent with Skokie’s per capita sales at \$18,832 and Highland Park’s at \$22,869. Northfield’s small population and high volume auto dealers result in very high per capita retail sales of \$31,033. The graph below illustrates the differences for total per capita retail sales and the non-automotive per capita retail sales for Wilmette and nearby communities.



Wilmette’s per capita retail sales are average to strong in the food and furniture categories, average in the drug and miscellaneous retail category. However, its per capita sales are low in the eating and drinking category and on the lower end for apparel compared to other North Shore communities. A detailed table showing per capita sales by category is included in the Appendix.

**C. Retail Stores**

VSKA conducted an analysis of retail stores in Wilmette based on field inspections as well as an analysis of U.S. Census data from the U.S. Census report “County Business Patterns” on the number of stores by type as of 2001 in Wilmette Zip Code 60091. A summary of these data are shown below.

**RETAIL TRADE ESTABLISHMENTS AND RESTAURANTS IN  
WILMETTE ZIP CODE 60091 IN 2001**

<b>Category</b>	<b># of Stores</b>
<b>Retail Trade</b>	<b>136</b>
New car dealers	2
Used car dealers	2
Boat dealers	1
Furniture stores	3
Floor covering stores	4
Window treatment stores	2
All other home furnishings stores	8
Household appliance stores	2
Radio, television & other electronics stores	3
Computer & software stores	1
Camera & photographic supplies stores	1
Paint & wallpaper stores	2
Hardware stores	2
Other building material dealers	7
Nursery & garden centers	1
Grocery (except convenience) stores	4
Convenience stores	2
Meat markets	3
Fish & seafood markets	1
Baked goods stores	1
All other specialty food stores	2
Beer, wine & liquor stores	1
Pharmacies & drug stores	5
Optical goods stores	4
Food (health) supplement stores	2
All other health & personal care stores	1
Gasoline stations with convenience stores	2
Other gasoline stations	7
Men's clothing stores	2
Women's clothing stores	4
Children's & infants' clothing stores	2
Family clothing stores	3
Clothing accessories stores	1
Other clothing stores	2
Shoe stores	5
Jewelry stores	5
Luggage & leather goods stores	1
Sporting goods stores	1
Sewing, needlework & piece goods stores	1

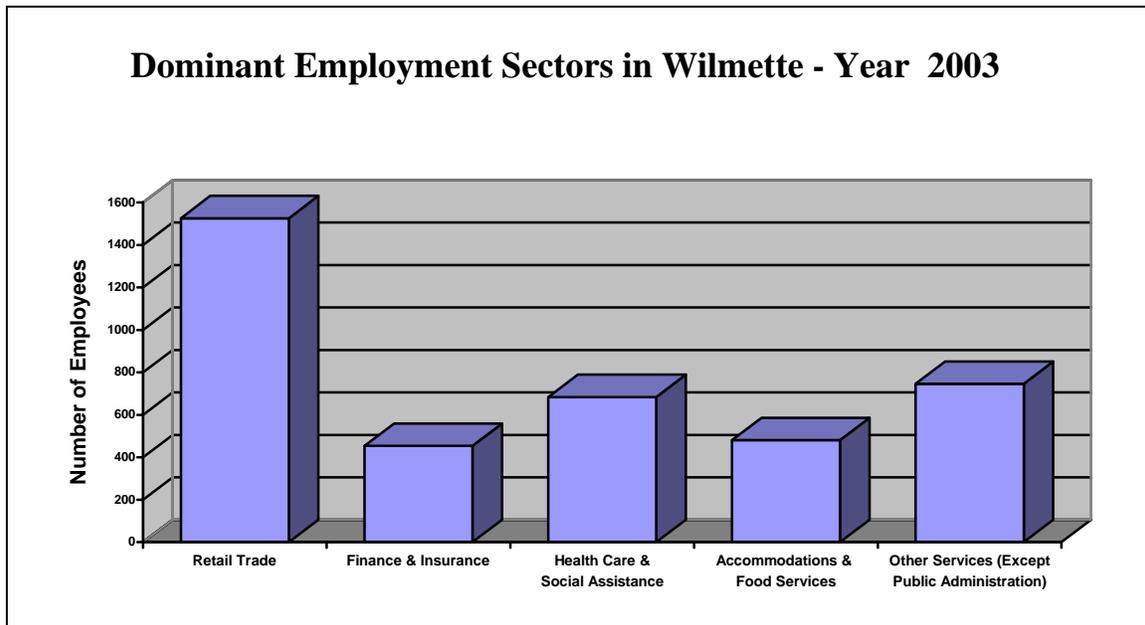
<b>Category</b>	<b># of Stores</b>
Musical instrument & supplies stores	1
Book stores	3
Department stores	1
Florists	3
Office supplies & stationery stores	1
Gift, novelty & souvenir stores	6
Used merchandise stores	6
Pet & pet supplies stores	3
Art dealers	2
Tobacco stores	2
All other misc store retailers (exc tobacco)	3
Vending machine operators	2
<b>Restaurants</b>	<b>41</b>
Full-service restaurants	19
Limited-service restaurants	14
Snack & nonalcoholic beverage bars	6
Food service contractors	1
Caterers	1
<b>Total Retail and Restaurants</b>	<b>177</b>

Source: U.S. Census Bureau.

A complete listing of stores in each business district as of the Summer-Fall 2004 is included in the Appendix. As this chart shows, with almost 200 retail stores and restaurants, Wilmette does offer a wide range of shopping though there is the perception that there may not be as strong a retail base as desired by some residents.

#### **D. Employment**

Valerie S. Kretchmer Associates, Inc. analyzed employment trends for Wilmette over the past three years based on data from the Illinois Department of Employment Security. Detailed employment data are included in the Appendix. Wilmette had over 6,000 employees in 2003 employed in non-government jobs, a 1.7% increase in jobs since 2001. The largest employment categories were retail trade, health care and other services (excluding public administration) as shown in the graph below.



Source: Illinois Department of Employment Security, "Where Workers Work;" Valerie S. Kretchmer Associates, Inc.

Notable changes over the past three years include:

- Retail Trade – 7% decrease
- Finance and Insurance – 17% increase
- Accommodations and Food Services – 7% increase
- Educational Services – 10% increase
- Other Services (not including Public Administration) – 11% increase

Manufacturing employment in Wilmette also increased by 16% though its base is relatively low at only 126 employees and there are limited land and buildings suitable for industrial employment in the Village.

VSKA compared employment trends in Wilmette to those in neighboring Northfield, Winnetka and Evanston. Northfield's employment base is slightly larger than that of Wilmette despite its much smaller population, while Winnetka's employment base is much smaller. Evanston's base is more than six times larger than Wilmette's. Wilmette's base is more heavily dominated by retail trade and health care compared to Northfield and Winnetka, while Winnetka has a much higher share of its employment base in food service and educational services. Not surprisingly, Evanston has a disproportionately high share of its employment in health care and education.

**E. Characteristics of Wilmette Employers**

VSKA analyzed the characteristics of employers in the Wilmette zip code to gain a better understanding of the type and size of businesses in the city. The trends in total number of establishments for the Wilmette zip code from 1998-2001 are shown below. The data are from the U. S. Census from “County Business Patterns.”

**TOTAL NUMBER OF BUSINESS ESTABLISHMENTS  
WILMETTE ZIP CODE 60091  
1998-2001**

Year	Total # of Establishments
2001	936
2000	933
1999	932
1998	920
<u>Change 1998-2001</u>	
Number	16
Percent	1.7%

Source: U. S. Census Bureau; Valerie S. Kretchmer Associates, Inc.

The table that follows shows the number of establishments by industry from 1998-2001 in Wilmette. This includes non-governmental entities. The largest number of firms are in the professional, scientific and technical services category (170), followed by retail trade (136), health care and social assistance (114), other services (99), and finance and insurance (76). The largest increase was in the number of firms in the finance and insurance category (10), which is consistent with increases in employment in this sector. Small numbers of firms are in manufacturing, transportation and warehousing, presumably manufacturers representatives, public storage and taxi and bus companies.

It is worth noting that two thirds of the businesses in the village employ fewer than 5 employees and 92% employ fewer than 20 employees. Only 4 employ more than 100 people. The larger employers tend to be in retail trade, health care and social assistance, educational services, food services and other services. The profile of employers has implications for the office market as will be discussed in a later section of this report. The table that follows shows the distribution of firms by size and industry category.

**NUMBER OF ESTABLISHMENTS IN WILMETTE ZIP CODE 60091  
1998-2001**

Industry Code	Industry	Number of Establishments				Change 1998-2001	
		2001	2000	1999	1998	#	%
-----	Total Employment	936	933	932	920	16	1.7%
11----	Forestry, fishing, hunting, and agriculture	0	0	1	1	(1)	-100.0%
23----	Construction	60	57	63	63	(3)	-4.8%
31----	Manufacturing	19	17	17	17	2	11.8%
42----	Wholesale trade	51	48	47	47	4	8.5%
44----	Retail trade	136	135	131	135	1	0.7%
48----	Transportation & warehousing	6	5	6	7	(1)	-14.3%
51----	Information	20	21	21	20	0	0.0%
52----	Finance & insurance	76	84	73	66	10	15.2%
53----	Real estate & rental & leasing	54	56	60	57	(3)	-5.3%
54----	Professional, scientific & technical services	170	167	169	173	(3)	-1.7%
55----	Management of companies & enterprises	1	3	1	1	0	0.0%
56----	Admin, support, waste mgt, remediation ser	41	50	50	48	(7)	-14.6%
61----	Educational services	14	12	12	13	1	7.7%
62----	Health care and social assistance	114	108	114	112	2	1.8%
71----	Arts, entertainment & recreation	21	21	19	18	3	16.7%
72----	Accommodation & food services	42	46	43	42	0	0.0%
81----	Other services (except public administration)	99	96	95	93	6	6.5%
95----	Auxiliaries (exc corporate, subsidiary & r)	1	1	1	1	0	0.0%
99----	Unclassified establishments	11	6	9	6	5	83.3%

Source: U.S. Census Bureau; Valerie S. Kretchmer Associates, Inc.

**NUMBER OF ESTABLISHMENTS BY EMPLOYMENT SIZE CLASS -- 2001  
WILMETTE ZIP CODE 60091**

Industry Code	Industry Code Description	Total # of Establishments	Number of Employees					Establishments as % of Total	
			1-4	5-9	10-19	20-49	50-99		100-249
-----	<b>Total</b>	936	624	152	88	51	17	4	
23----	Construction	60	45	6	5	3	1	0	6.4%
31----	Manufacturing	19	12	0	5	2	0	0	2.0%
42----	Wholesale trade	51	40	8	2	1	0	0	5.4%
44----	Retail trade	136	57	45	20	10	3	1	14.5%
48----	Transportation & warehousing	6	4	2	0	0	0	0	0.6%
51----	Information	20	14	2	4	0	0	0	2.1%
52----	Finance & insurance	76	53	11	6	5	1	0	8.1%
53----	Real estate & rental & leasing	54	45	7	0	1	0	1	5.8%
54----	Professional, scientific & technical services	170	147	14	9	0	0	0	18.2%
55----	Management of companies & enterprises	1	0	0	1	0	0	0	0.1%
56----	Admin, support, waste mgt, remediation services)	41	28	4	5	2	1	1	4.4%
61----	Educational services	14	8	2	0	1	2	1	1.5%
62----	Health care and social assistance	114	70	22	11	7	4	0	12.2%
71----	Arts, entertainment & recreation	21	18	1	0	1	1	0	2.2%
72----	Accommodation & food services	42	16	5	9	9	3	0	4.5%
81----	Other services (except public administration)	99	55	23	11	9	1	0	10.6%
95----	Auxiliaries (exc corporate, subsidiary & regional)	1	1	0	0	0	0	0	0.1%
99----	Unclassified establishments	11	11	0	0	0	0	0	1.2%
	Percent of Total Establishments		66.7%	16.2%	9.4%	5.4%	1.8%	0.4%	
	Source: U.S. Census Bureau								

### **III. DESCRIPTION OF WILMETTE BUSINESS DISTRICTS**

#### **A. Overview**

VSKA looked at the different business districts based on the districts' size, location and type of tenants in each area. While each district has its own niche, there are overlaps among the districts given the relative proximity of many of the business areas.

The following sections provide a brief description of each of the districts, their demographic characteristics and a map of the market area for each area. Different radii were used for each district based on the type and size of the district. A detailed list of tenants and detailed demographic table for each district is included in the Appendix.

#### **B. Village Center**

Located east of the railroad tracks along Wilmette and Central Avenues, the Village Center is the primary retail area on the east side of Wilmette and the historic retail core for the village. With approximately 120 retail and office businesses, the Village Center houses small specialty shops, restaurants, services, business and medical professionals. The Wilmette Theater is an important anchor for the district with its two screens showing foreign and art films. According to data from the Illinois Department of Revenue, the Village Center contributed 5.6% of the total retail sales in the village.

The district is characterized mostly by one and two story older commercial buildings, with ground floor retail or commercial space and second floor office space and/or apartments. Other than the Optima Center on the corner of Central Avenue and 11<sup>th</sup> Street, the Verona on Greenleaf west of 11<sup>th</sup> Street and the small strip of stores between Wilmette Avenue and Greenleaf facing Poplar, there has been limited new development in the Village Center.

The majority of retailers in the Village Center are independently owned, many by local residents. Some of the destination retailers include gift stores such as Senses Gallery, Crystal Cave and Dinner at Eight; jewelers including Lambrecht's, Antiques and Jewelry by Weber and Wilmette Jewelers; apparel and shoe stores including Lad and Lassie, Country Cobbler, Jos. A. Banks and Chantilly Lace; home stores including DeGuilio Kitchen Design and Backyard Barbeque; and restaurants including Kama Kura, The Noodle, Old Ouilmette Depot and C.J. Arthur's.

Convenience goods and services are also important to the mix in the Village Center with businesses offering coffee, baked goods, meats, ice cream, flowers, casual dining and

carry-out food, shoe repair, appliance repair, cleaners and laundromat, hair salons, banks and copying services.

Since the Village Center is located along two major roads and is adjacent to Green Bay Road, one of the primary north-south roads through the north suburbs, it has good visibility and reasonable access. It is also centrally located within the village and is home to Village Hall and the Metra station. Average daily traffic counts for Wilmette and Central Avenues are:

Wilmette Avenue at Green Bay Road	13,400 vehicles
Central Avenue at Green Bay Road	6,000

Occupancy is strong in the Village Center though there has been turnover, not unusual for an older suburban business district. There is interest by fast food and casual dining establishments in locating in the Village Center though some of these require zoning approval.

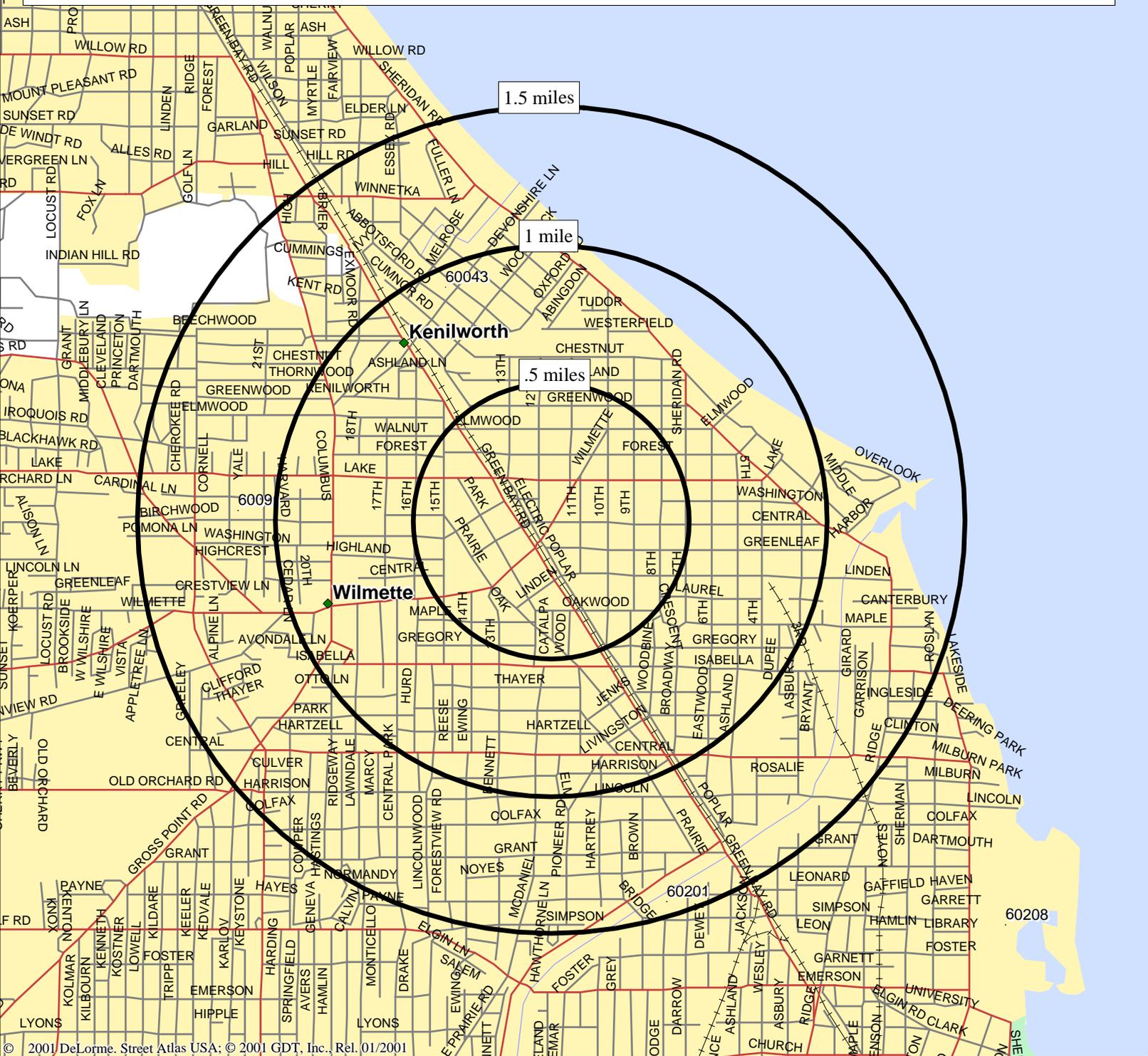
The Village Center’s draw is from the entire village for some of its businesses, but from a tighter radius on the east side and central area of Wilmette and Kenilworth for more frequent visitors. Demographics for the ½, 1 and 1 ½ mile radii are shown below.

**SELECTED 2004 DEMOGRAPHIC CHARACTERISTICS FOR WILMETTE AND VILLAGE CENTER RADII**

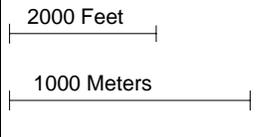
	Wilmette	½ Mile	1 Mile	1 ½ Miles
Population	27,628	4,933	20,015	34,891
Households	10,024	1,690	7,709	13,086
Median Age (Years)	43.0	40.3	41.5	41.3
% of Population Under Age 15	24.2%	27.4%	25.0%	24.1%
% of Population Age 65+	16.8%	13.9%	15.4%	15.0%
Median Household Income	\$115,044	\$119,572	\$116,666	\$116,325
% Age 25+ with College or Graduate Degree	71.3%	74.6%	76.4%	75.3%
% Owner-Occupied Housing	84.5%	77.1%	80.4%	79.8%

Source: Valerie S. Kretchmer Associates, Inc.; Demographics Now.

# Wilmette Village Center Radii



Mag 14.00  
 Tue Jan 11 11:50 2005  
 Scale 1:31,250 (at center)



- Local Road
- Major Connector
- US Highway
- Railroad
- Small Town
- Population Center
- Water
- River/Canal
- City Park

### **C. West Village Center/Green Bay Road**

The West Village Center is located on the west side of Green Bay Road across from the Village Center between Wilmette and Lake Avenues and extending one block west of Green Bay Road. This area is an extension of the Village Center, though the railroad tracks separate the two areas. Businesses are also located along Wilmette Avenue, Central Avenue, Washington and Lake Avenue, though the primary focus of this district is along Green Bay Road. The area south of Wilmette Avenue to Isabella Street along Green Bay Road is considered a separate portion of this district, as is the small cluster at the north end of the road near Kenilworth Avenue. The West Village Center and Green Bay Road corridor south of Lake Avenue have approximately 300,000 square feet of ground floor space.

The West Village Center area has approximately 40 businesses, the largest of which is Imperial Motors. Other notable retailers in this area include Walgreens, Wilmette Bicycle & Sport Shop, Wilmette Pet and Millen's Ace Hardware. The area has several other specialty shops including camera, florist, art and antiques, television, as well as convenience-oriented services and restaurants such as cleaners, hair salon, barber shop and auto repair. Other business services include banks, Realtors, stockbrokers and dance studio. The West Village Center serves as an extension of the Village Center, especially with its strong public uses including the Library and Post Office adding to the draw of this retail location.

The south end of the Green Bay Road corridor between Isabella Street and Wilmette Avenue is home to approximately 22 businesses, the largest and most well known of which are Jewel-Osco and Walker Bros. Pancake House, a local institution. Other businesses along Green Bay Road include Prather Paint, Kurt Saphir Pianos, A la Carte, Garden House Casual Furniture, Al Bar, Calico Corners and Foremost Liquors. The Kohl Children's Museum, a major destination for the area, will be relocating its facility to Glenview later this year. At this time, the future of the site is uncertain. Several businesses along Green Bay Road are significant destinations in their own right (Kurt Saphir Pianos), while others are more convenience in nature (Jewel-Osco, Foremost Liquors).

The far north end of the corridor between Greenwood and 16<sup>th</sup> Street just south of the Kenilworth border is home to Homer's restaurant and ice cream shop, a long-standing Wilmette restaurant, North Shore Yoga and Fitness, a veterinarian, occupational therapist, two gas stations and heating and cooling contractor.

The total Green Bay Road corridor, including the West Village Center, contributes 27.2% of the retail sales in the village, second only to the area along Skokie Boulevard and Lake Avenue.

Green Bay Road is the major north-south thoroughfare in the central part of the village and connects Wilmette with Evanston and Chicago on the south and the rest of the North Shore to the north. As such, it carries a significant volume of traffic. The average daily traffic counts are shown below for key intersections.

Green Bay Road at Isabella	17,600 vehicles
Green Bay Road at Wilmette Avenue	17,600
Green Bay Road at Lake Avenue	17,600

Similar to the Village Center, some of the businesses along Green Bay Road in the West Village Center draw from residents throughout the village, while others draw from a tighter geographic area, primarily 1-1 ½ miles. However, a potential redevelopment along Green Bay Road would have a larger draw, more likely 2 1/2 miles, pulling into Winnetka and into Evanston. Several retailers and restaurants along Green Bay Road have draws that are far beyond 2 1/2 miles, but these are the exceptions.

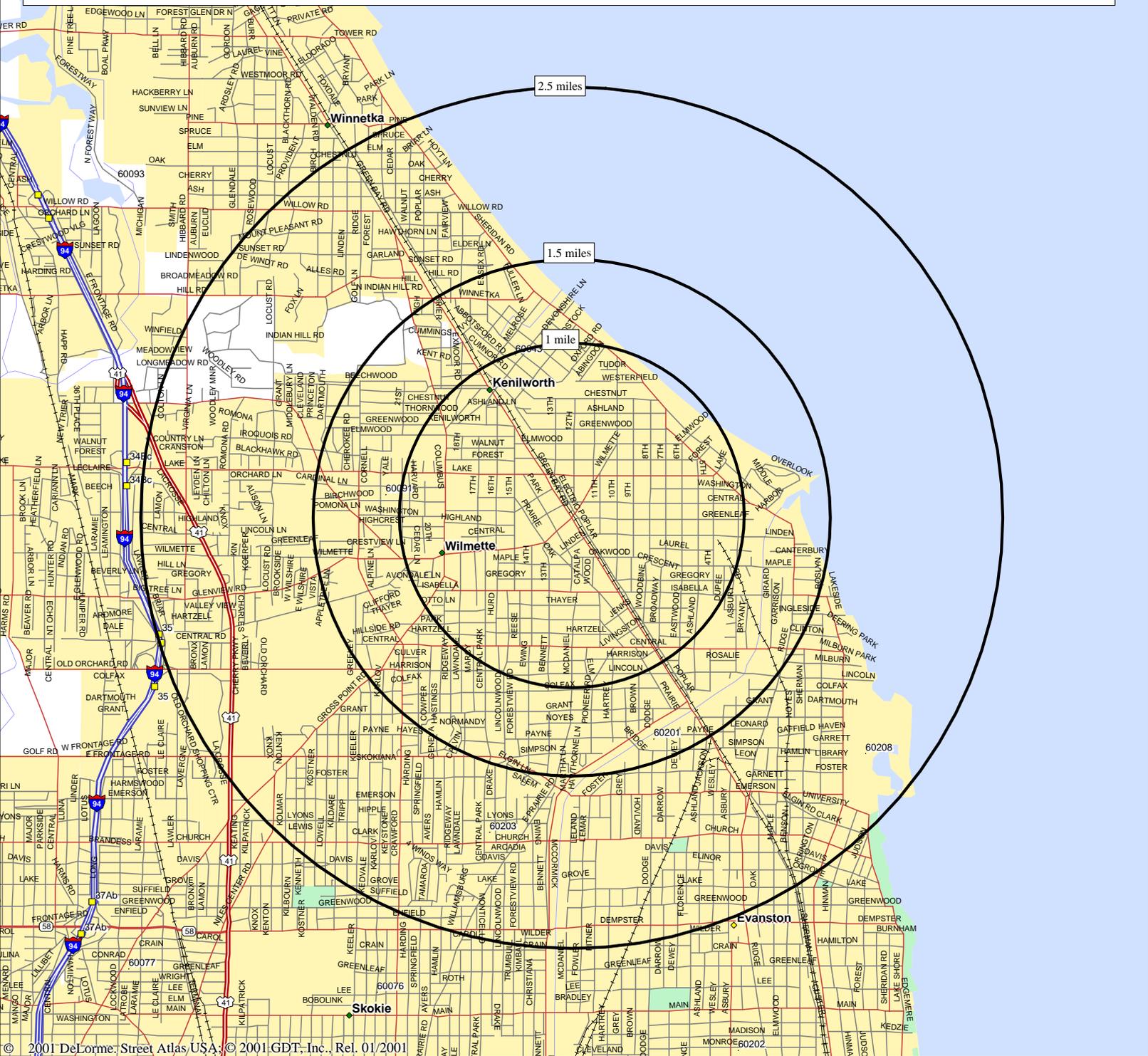
The demographics for these radii are shown in the table below. As can be seen, the population density increases considerably within 2 ½ miles of the area, and includes many younger households from Evanston.

**SELECTED 2004 DEMOGRAPHIC CHARACTERISTICS FOR WILMETTE AND GREEN BAY ROAD - WEST VILLAGE CENTER RADII**

	Wilmette	1 Mile	1 ½ Mile	2 ½ Miles
Population	27,628	20,887	36,670	87,265
Households	10,024	8,100	13,801	31,237
Median Age (Years)	43.0	41.5	41.3	38.2
% of Population Under Age 15	24.2%	24.7%	23.9%	20.3%
% of Population Age 65+	16.8%	15.3%	15.3%	14.8%
Median Household Income	\$115,044	\$114,560	\$114,334	\$88,199
% Age 25+ with College or Graduate Degree	71.3%	76.1%	74.1%	66.1%
% Owner-Occupied Housing	84.5%	79.8%	79.2%	69.7%

Source: Valerie S. Kretchmer Associates, Inc.; Demographics Now.

# Green Bay Road - West Village Center Radii



Mag 14.00

Wed Feb 09 08:16 2005

Scale 1:50,000 (at center)

5000 Feet

1000 Meters

-  Local Road
-  Major Connector
-  State Route
-  Interstate/Limited Access
-  US Highway
-  Exit
-  Railroad
-  Small Town
-  City
-  Population Center
-  Land
-  Water
-  River/Canal
-  City Park

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#### **D. Plaza del Lago**

Considered to be one of the region's specialty shopping center gems, Plaza del Lago on Sheridan Road at the north end of the village has been admired for its Spanish style architecture and mix of high quality specialty and convenience tenants. The center has 100,000 square feet of retail and small office space with approximately 40 businesses and 17 apartments on the second level. The Plaza is anchored by a smaller Jewel grocery store and Crate and Barrel, one of the chain's first stores and its first furniture store. Other tenants are a mix of specialty and convenience-oriented tenants including Chico's, Huntley's, Umbria Ceramics, Betise, Convito Italiano, Yellow Bird, Burhop's Seafood, Char Crews, Long Grove Confectionery, Helix Camera, Blockbuster Video, Starbucks, the Artisan Shop and del Lago Pharmacy. Plaza del Lago contributes 11.6% of the retail sales in the village.

Occupancy is always high at Plaza del Lago with only small vacancies in the Arcade building that caters primarily to doctors, service businesses and office users. The Plaza draws customers from the immediate neighborhood surrounding it for convenience shopping, especially from residents in the high-rises across the street on Sheridan Road, northeast Wilmette and Kenilworth. The specialty shops draw from a wider distance including Winnetka, Glencoe, the rest of Wilmette and northeast Evanston.

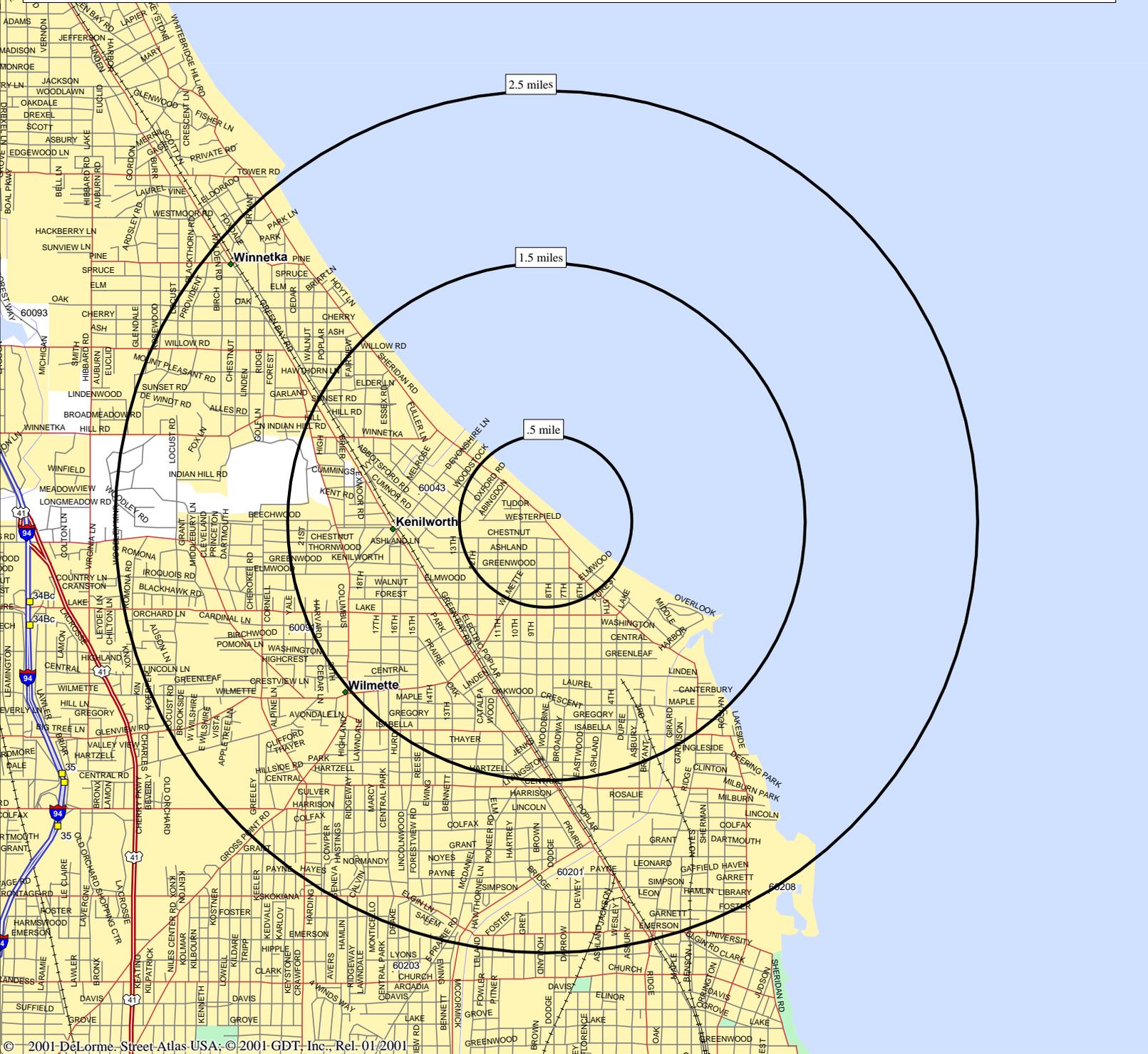
The table below shows the draw of Plaza del Lago from a ½, 1 ½ and 2 ½ mile radii. The older age profile in close proximity to Plaza del Lago is not surprising given the large number of seniors living in the high-rises along Sheridan Road.

**SELECTED 2004 DEMOGRAPHIC CHARACTERISTICS FOR WILMETTE  
AND PLAZA DEL LAGO**

	<b>Wilmette</b>	<b>½ Mile</b>	<b>1 ½ Mile</b>	<b>2 ½ Miles</b>
Population	27,628	3,068	20,846	58,085
Households	10,024	1,228	7,450	20,898
Median Age (Years)	43.0	45.8	41.1	39.0
% of Population Under Age 15	24.2%	24.6%	25.9%	22.4%
% of Population Age 65+	16.8%	22.7%	14.6%	14.1%
Median Household Income	\$115,044	\$151,591	\$129,848	\$106,402
% Age 25+ with College or Graduate Degree	71.3%	80.4%	77.9%	71.9%
% Owner-Occupied Housing	84.5%	90.7%	82.2%	73.3%

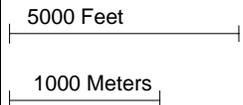
Source: Valerie S. Kretchmer Associates, Inc.; Demographics Now.

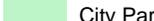
# Plaza del Lago Radii



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Mag 14.00  
 Tue Jan 11 11:47 2005  
 Scale 1:50,000 (at center)



-  Local Road
-  Major Connector
-  Interstate/Limited Access
-  US Highway
-  Exit
-  Railroad
-  Small Town
-  Population Center
-  Water
-  River/Canal
-  City Park

## **E. Fourth and Linden**

The Fourth and Linden neighborhood business district was the focus of a detailed plan released in November 2004. These paragraphs provide a brief summary of key issues relative to the business district. The reader is referred to the Fourth and Linden Plan for further detail on existing conditions and plans for this area.

There is a limited variety of businesses at Fourth and Linden so residents must go elsewhere for some basic convenience shopping. Of about fifty commercial spaces at Fourth and Linden, four storefronts are vacant, three are restaurants with retail uses occupying only seven spaces. The retail uses include a hardware store, small grocery store, florist, comic book store, frame store, women's clothing and a used clothing store. One of the restaurants is open, but has been for sale. While some of the businesses primarily serve the local residents, others draw from a larger area. Some non-retail uses occupy the upper floors of buildings, but several of the street level storefronts are occupied by non-retail uses. This district contributes only 1.4% of the retail sales of the village.

The non-retail uses include health services (dentists, doctors, psychologist, acupuncturist and fitness), business services (bank, insurance, investment, real estate), six general offices (attorney, architect, interior designers, contractor), personal service uses (travel agency, music lessons, pet grooming, barber shop, beauty salon, dry cleaners and tailor) automotive service or repair establishments and three religious-affiliated uses. Average daily traffic volumes here are relatively low, on the order of 2,000-3,000 vehicles per day.

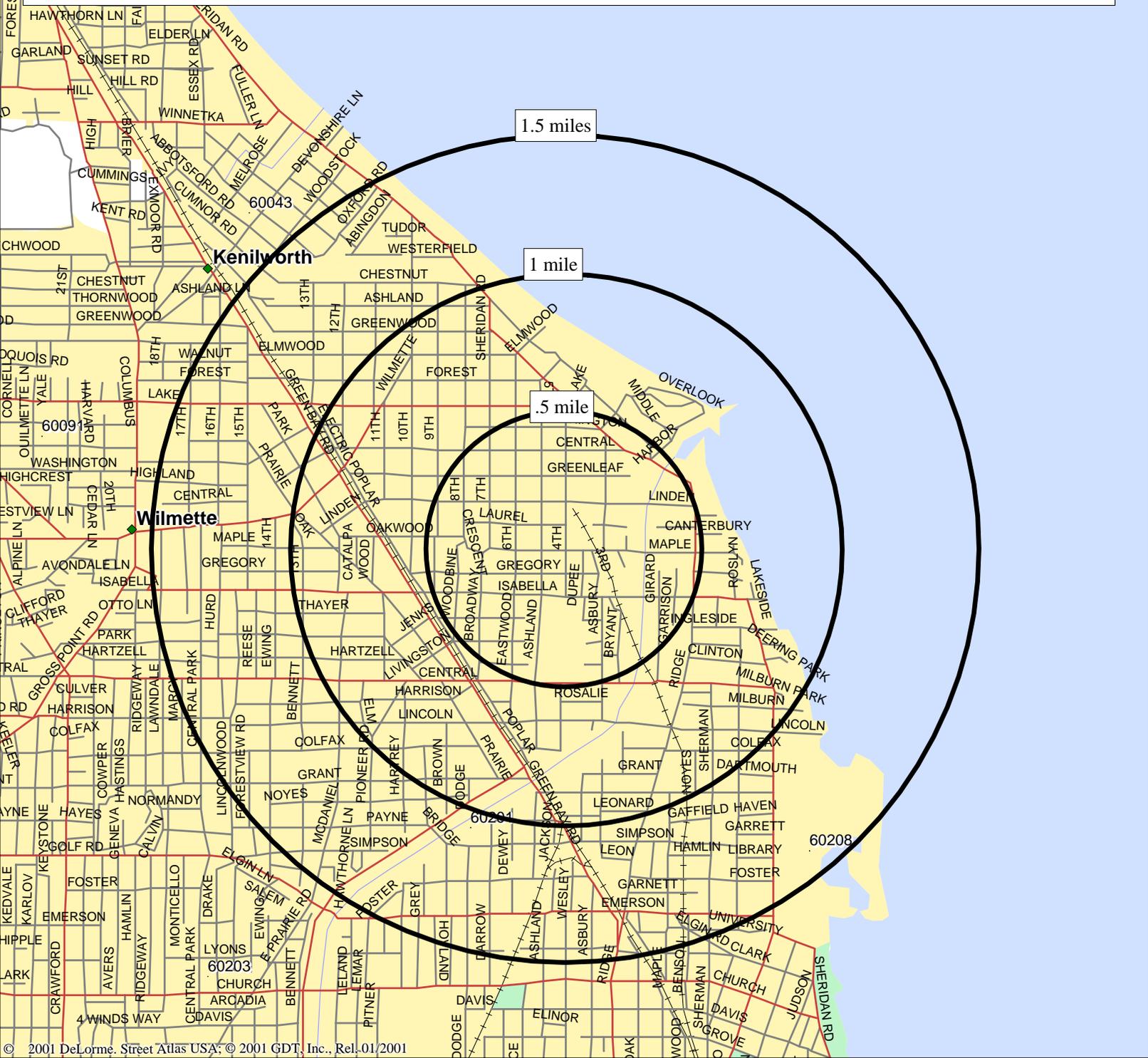
The draw for the 4<sup>th</sup> and Linden area will be primarily from residents of southeast Wilmette within ½ to 1 mile of the business district. Some retailers and restaurants will be able to draw from the area within 1 ½ miles and even farther, but this will be on a less regular basis.

**SELECTED 2004 DEMOGRAPHIC CHARACTERISTICS FOR WILMETTE  
AND 4<sup>TH</sup> AND LINDEN RADII**

	<b>Wilmette</b>	<b>½ Mile</b>	<b>1 Mile</b>	<b>1 ½ Miles</b>
Population	27,628	3,881	13,538	32,077
Households	10,024	1,378	5,284	11,556
Median Age (Years)	43.0	41.3	40.3	36.8
% of Population Under Age 15	24.2%	26.0%	23.3%	21.1%
% of Population Age 65+	16.8%	13.7%	14.3%	13.1%
Median Household Income	\$115,044	\$132,085	\$112,670	\$97,944
% Age 25+ with College or Graduate Degree	71.3%	78.8%	77.9%	73.5%
% Owner-Occupied Housing	84.5%	79.7%	73.8%	68.3%

Source: Valerie S. Kretchmer Associates, Inc.; Demographics Now.

# 4th and Linden Radii



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Mag 14.00  
 Tue Jan 11 11:52 2005  
 Scale 1:31,250 (at center)

2000 Feet  
 1000 Meters

-  Local Road
-  Major Connector
-  Interstate/Limited Access
-  Railroad
-  Small Town
-  Population Center
-  Water
-  River/Canal
-  City Park

**F. Wilmette Avenue and Ridge Road**

The Wilmette and Ridge Road district is one of the smaller districts in the village with 40,000-45,000 square feet of space. It consists of the 20,000 square foot Wil-Ridge Plaza at the southwest corner of the intersection as well as a 10,000 square foot convenience center on the east side of the street. It serves a primarily convenience-oriented niche with the exception of the 7,000 square foot Heritage Trail Antique Mall on the northeast side of the intersection that draws customers from a much wider geographic area, including those from outside of the North Shore. Key businesses here include Gross Point Café, Tokyo & Beijing Restaurant, White Hen Pantry, Runners Edge, Parkway Drugs, Norshore Meats, and Dieter & Denmark Salon. Saville Flowers closed at the beginning of this year after being at this location for decades.

Average daily traffic counts for Wilmette Avenue and Ridge Road are shown below.

Wilmette Avenue      12,300 vehicles  
 Ridge Road              9,600

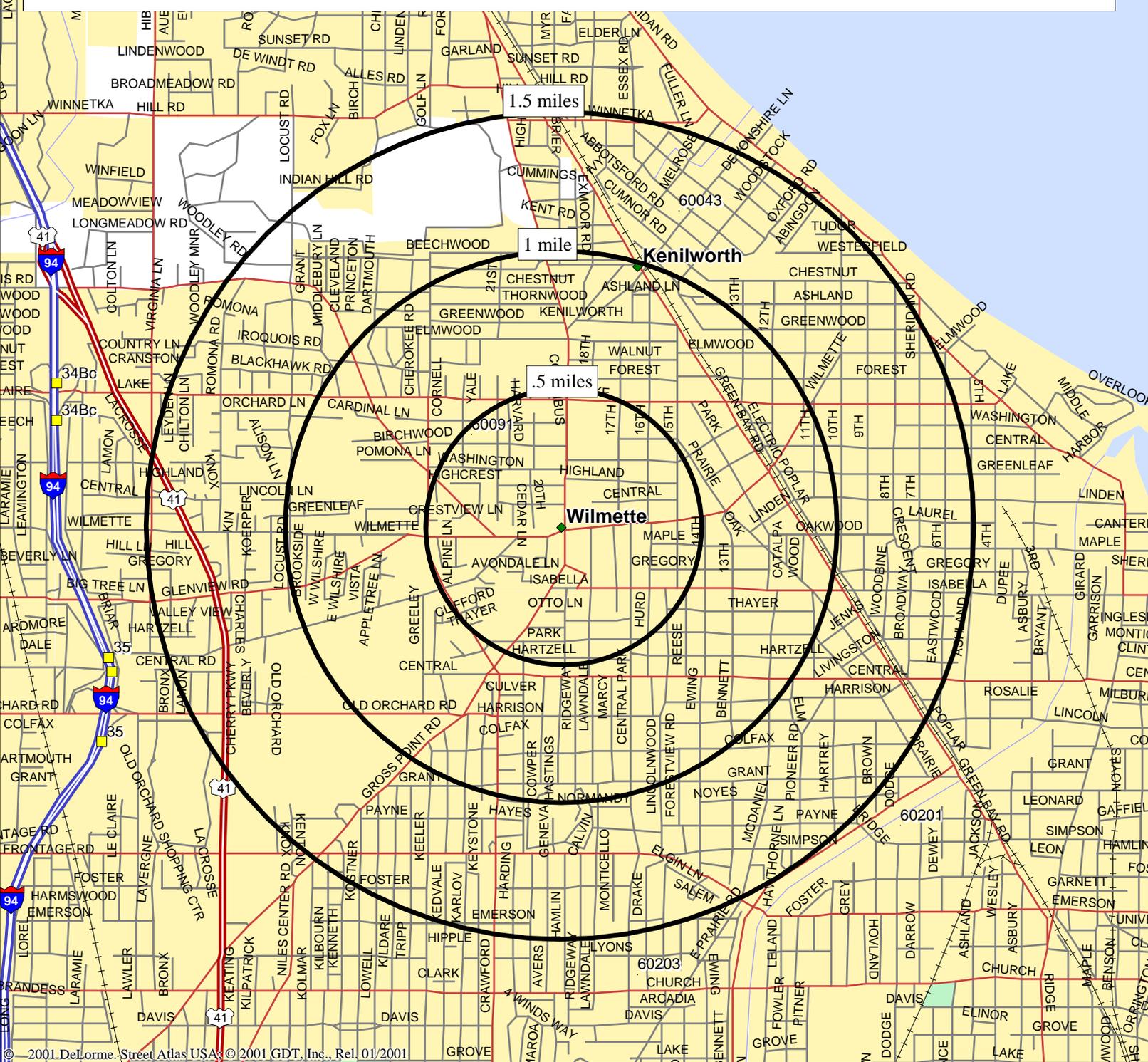
The majority of businesses draw from central Wilmette and northwest Evanston within a ½ to 1 ½ mile radius. The table below shows the demographics of these radii.

**SELECTED 2004 DEMOGRAPHIC CHARACTERISTICS FOR WILMETTE AND WILMETTE AVENUE AND RIDGE ROAD RADII**

	<b>Wilmette</b>	<b>½ Mile</b>	<b>1 Mile</b>	<b>1 ½ Miles</b>
Population	27,628	5,593	19,441	40,581
Households	10,024	2,126	7,270	15,101
Median Age (Years)	43.0	42.1	41.9	42.6
% of Population Under Age 15	24.2%	23.9%	23.9%	23.2%
% of Population Age 65+	16.8%	15.3%	15.9%	16.8%
Median Household Income	\$115,044	\$103,195	\$108,941	\$110,800
% Age 25+ with College or Graduate Degree	71.3%	71.3%	71.7%	71.6%
% Owner-Occupied Housing	84.5%	82.1%	81.6%	81.7%

Source: Valerie S. Kretchmer Associates, Inc.; Demographics Now.

# Wilmette Avenue and Ridge Road Radii



Mag 14.00  
 Tue Jan 11 11:49 2005  
 Scale 1:31,250 (at center)  
 2000 Feet  
 1000 Meters

- Local Road
- Major Connector
- Interstate/Limited Access
- US Highway
- Exit
- Railroad
- Small Town
- Population Center
- Water
- River/Canal
- City Park

**G. Lake Avenue and Ridge Road**

Slightly larger than the district at Wilmette Avenue and Ridge Road, this district centered at Lake Avenue and Ridge Road is primarily convenience-oriented, with Treasure Island grocery store, Zier’s Prime Meats, Ridgeview Grill, She Beads, cleaners, Kerrigan Plumbing, Wilmette Bowling Center and Ridge Pharmacy. Several property owners have made improvements to their buildings over the past few years, including historic renovations, which have greatly enhanced the appearance of the business district. Other uses include medical offices and lower intensity service uses. The Ridgecrest Shopping Center housing Treasure Island and small tenants is in need of physical improvement and refurbishment to bring it up to modern retail standards. This district accounted for 3.1% of the sales in the village in 2003.

Average daily traffic counts for Lake and Ridge are shown below.

Lake Avenue	21,200 vehicles
Ridge Road	8,300

The market area for the district is primarily central and west Wilmette and Kenilworth, with a similar ½, 1 and 1 ½ mile draw as the district at Wilmette and Ridge Road. The construction of senior housing at the Mallinkrodt site one block north of the district will provide new customers for the convenience-oriented businesses located here.

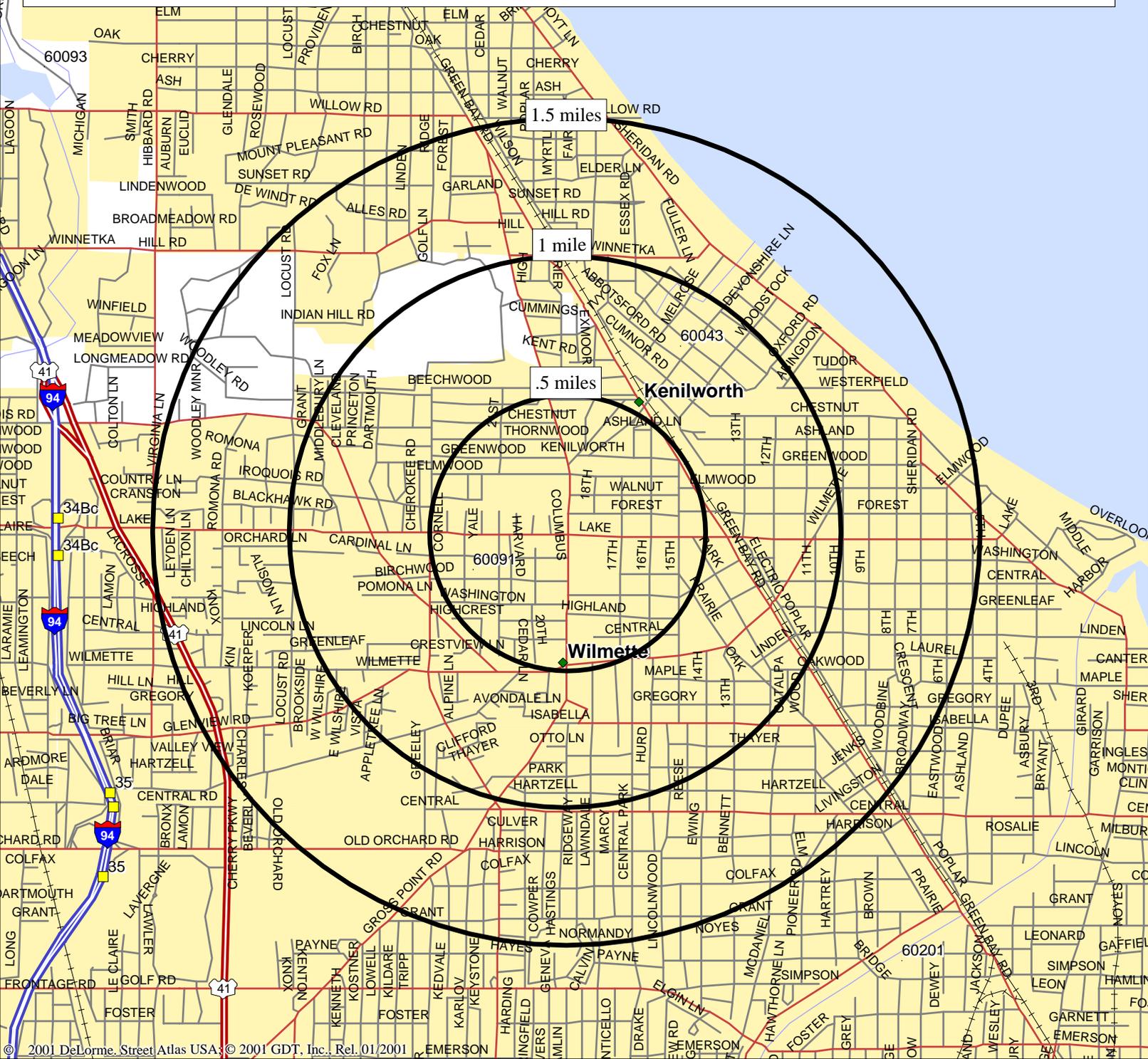
The table below shows the demographics for this market area.

**SELECTED 2004 DEMOGRAPHIC CHARACTERISTICS FOR WILMETTE  
AND LAKE AVENUE AND RIDGE ROAD RADII**

	<b>Wilmette</b>	<b>½ Mile</b>	<b>1 Mile</b>	<b>1 ½ Miles</b>
Population	27,628	5,584	17,824	35,371
Households	10,024	1,957	6,285	12,996
Median Age (Years)	43.0	40.3	41.6	42.4
% of Population Under Age 15	24.2%	27.0%	25.3%	24.3%
% of Population Age 65+	16.8%	14.1%	15.3%	16.2%
Median Household Income	\$115,044	\$114,859	\$119,042	\$118,590
% Age 25+ with College or Graduate Degree	71.3%	71.3%	73.4%	74.1%
% Owner-Occupied Housing	84.5%	84.0%	83.9%	82.8%

Source: Valerie S. Kretchmer Associates, Inc.; Demographics Now.

# Lake Avenue and Ridge Road Radii



Mag 14.00  
 Tue Jan 11 11:46 2005  
 Scale 1:31,250 (at center)  
 2000 Feet  
 1000 Meters

-  Local Road
-  Major Connector
-  Interstate/Limited Access
-  US Highway
-  Exit
-  Railroad
-  Small Town
-  Population Center
-  Water
-  River/Canal

## **H. Skokie Boulevard and Lake Avenue – Edens Plaza and West Lake Plaza**

The intersection of Skokie Boulevard and Lake Avenue on the west side of Wilmette has two shopping centers, Edens Plaza and West Lake Plaza, as well as the free-standing Chalet garden center for a total of 426,000 square feet of space. With a four-way interchange at I-94, this location benefits from excellent local, as well as regional access from the north and south. Access is also good from the west via Lake Avenue.

Edens Plaza is a sub-regional shopping center with 369,000 square feet, anchored by Carson Pirie Scott, Bed Bath and Beyond, Borders Books and Music, Carsons Furniture Gallery, Mens Wearhouse, Tweeter, Brunswick Home & Billiards, Bliss Salon & Day Spa, Chicago Home Fitness and Corner Bakery. The center was revamped and re-tenanted ten years ago and has been a successful center, bringing many new tenants to Wilmette. Petco closed in the fall of 2004 and is being replaced by Fresh Market, a 15,000 square foot grocer. Plans to add a 28,500 square foot building in the parking lot on the northwest side of the center are being reviewed by the Village.

West Lake Plaza, built 30 years ago, consists of three buildings with a total of 42,000 square feet. The center is well-occupied with small tenants including Irving's for Red Hot Lovers, Dunkin Donuts, Shabahang Royal Carpets, Oreck Home Care, Sea Ranch Grocery, Akai Hana restaurant, Lou Malnati's Pizzeria and other small tenants. Over time, the center has added more Asian merchants. Parking has been a problem at this center, as it was developed at a time when people drove less. There is always interest in leasing space in the center and care is being taken not to lease to tenants that will exacerbate the tight parking situation.

The Chalet garden center is a 15,000 square foot store on a 4.8 acre site that offers a wide range of plants, gardening supplies, pet supplies and gift items. The business has been at this location for over 40 years and has no plans to relocate despite repeated offers by larger retail companies and developers.

Not surprisingly, this area is the largest generator of retail sales in the village, contributing 31.4% of the village's retail sales in 2003. It is also the largest retail area in the village.

This location has the highest traffic counts in the village providing excellent visibility for these centers. Average daily traffic counts near these centers are shown below:

Edens Expressway at Lake Avenue	167,500 vehicles
Lake Avenue at Skokie Boulevard	29,400
Skokie Boulevard at Lake Avenue	21,700

Given the high visibility and accessibility from a four way interchange at I-94, Edens Plaza is able to draw from a geographic area that includes Northfield, Winnetka, Kenilworth and Glenview as well as Wilmette. Some of the retailers also draw from Evanston and Skokie, though competition from the regional shopping center at Old Orchard, just over one mile to the south, limits Edens Plaza's draw a bit in that direction. Northbrook Court, approximately five miles to the north at Lake-Cook Road, limits Edens Plaza's draw north of Winnetka. The recently opened shops in and near The Glen in Glenview also limit Edens Plaza's draw from the west.

The table below shows the demographics for the 1, 2 and 3 mile radii from Lake and Skokie Boulevard.

**SELECTED 2004 DEMOGRAPHIC CHARACTERISTICS FOR WILMETTE  
AND LAKE AND SKOKIE BOULEVARD**

	Wilmette	1 Mile	2 Miles	3 Miles
Population	27,628	10,704	42,031	108,643
Households	10,024	3,782	15,310	40,250
Median Age (Years)	43.0	44.7	43.9	43.0
% of Population Under Age 15	24.2%	21.1%	22.1%	22.0%
% of Population Age 65+	16.8%	17.1%	18.2%	17.6%
Median Household Income	\$115,044	\$106,077	\$104,762	\$95,348
% Age 25+ with College or Graduate Degree	71.3%	65.6%	64.7%	62.0%
% Owner-Occupied Housing	84.5%	91.3%	86.6%	82.5%

Source: Valerie S. Kretchmer Associates, Inc.; Demographics Now.

The demographics of this area are consistent with those of the other business districts, though it is surprisingly older with a higher median age than in the districts east of here and a higher share of residents over 65, only surpassed by the area immediately adjacent to Plaza del Lago and the area around Skokie Boulevard and Old Glenview Road.



## **I. Skokie Boulevard and Old Glenview Road**

Located within one mile of Edens Plaza and West Lake Plaza and less than ½ mile from Old Orchard shopping center, the small shopping centers at Skokie Boulevard and Old Glenview Road have a mix of destination and convenience stores and services with a total of 42,500 square feet. On the east side of Skokie Boulevard, Wilmette Commons, the larger of the two centers with 35,000 square feet, is anchored by Schwartz's Intimate Apparel, two banks, Moto Photo, Irv's Luggage and several smaller tenants. Until recently, Mr. Eddie's, a men's clothing store had been a long time tenant. As of 2004 the center is under new management and is being marketed more aggressively. Most of the available spaces are small to medium in size.

On the west side of Skokie Boulevard, a small strip center with 7,500 square feet of space has small, convenience oriented businesses, including North Shore Seafood Co., Cigary, Opart's Thai restaurant and tailors. Baker's Square is also at this intersection. According to the leasing agent, space here is more difficult to keep leased due to very high real estate taxes. The space is just far enough away from Old Orchard that it doesn't benefit from the direct visibility of that center. This area contributed 3.6% of the Village's retail sales in 2003.

There are also a couple of stores located along Skokie Boulevard at Wilmette Avenue, including a gas station and 7-11 convenience store and Christian book store.

The market area for most of the tenants in this area is ½ to 2 miles. Skokie Boulevard provides excellent visibility for these centers so that shoppers driving from the north to Old Orchard will drive by. However, potential customers south of Old Orchard are less likely to drive past Old Orchard to come here.

Average daily traffic counts on Skokie Boulevard are 23,700 vehicles per day.

The demographics for the ½, 1 and 2 mile radii are shown in the table below.

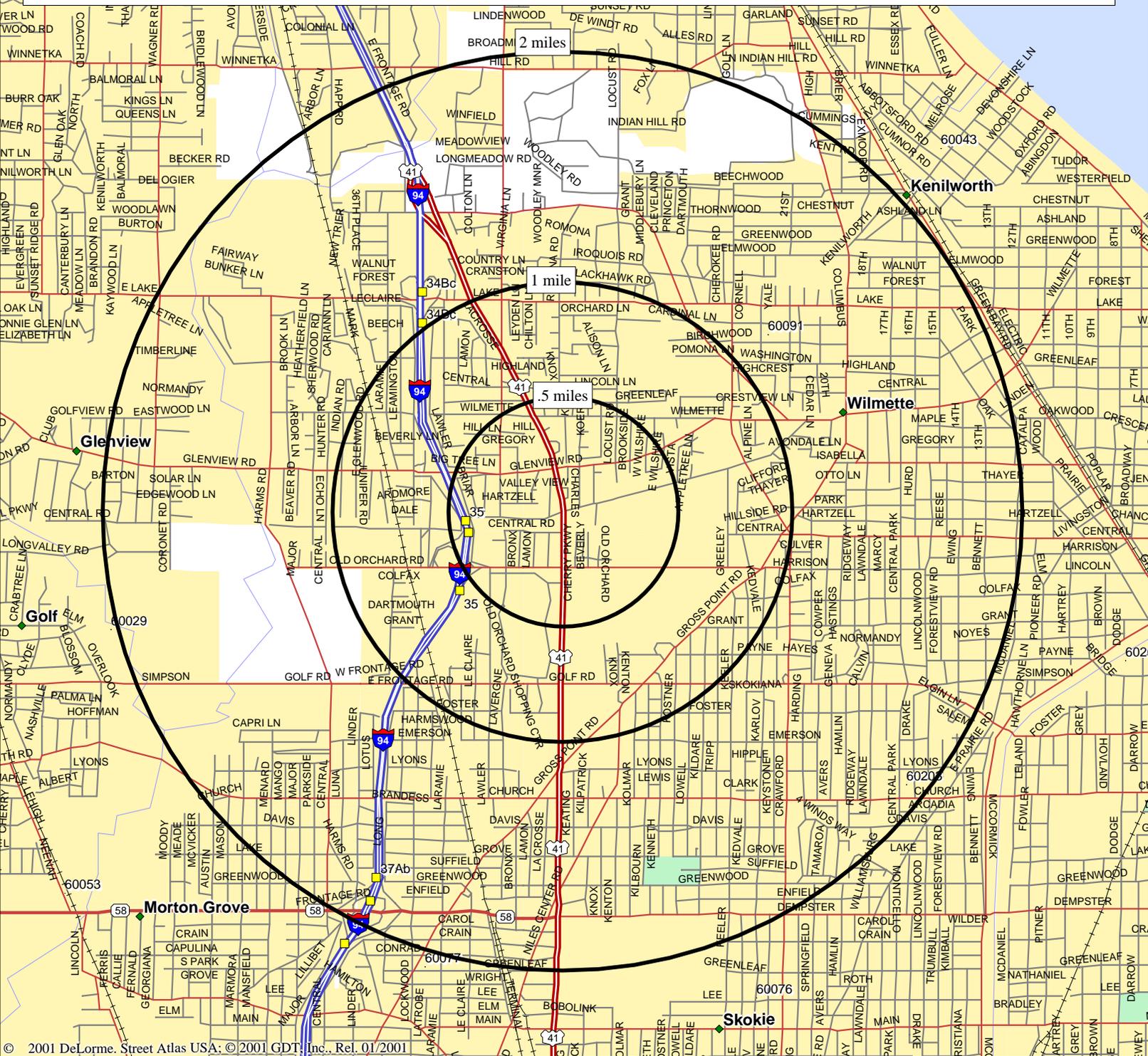
**SELECTED 2004 DEMOGRAPHIC CHARACTERISTICS FOR WILMETTE  
AND OLD GLENVIEW ROAD AND SKOKIE BOULEVARD**

	<b>Wilmette</b>	<b>½ Mile</b>	<b>1 Miles</b>	<b>2 Miles</b>
Population	27,628	3,728	13,017	58,336
Households	10,024	1,505	4,787	21,327
Median Age (Years)	43.0	45.8	46.5	43.3
% of Population Under Age 15	24.2%	17.0%	18.1%	20.7%
% of Population Age 65+	16.8%	21.1%	22.5%	18.3%
Median Household Income	\$115,044	\$81,087	\$82,778	\$85,521
% Age 25+ with College or Graduate Degree	71.3%	55.8%	55.0%	57.5%
% Owner-Occupied Housing	84.5%	75.1%	83.4%	80.6%

Source: Valerie S. Kretchmer Associates, Inc.; Demographics Now.

The demographics for this area show an older age profile with a much higher share of residents over 65 than any other area of the village due in part to the residents of the nearby Fairfield Court retirement home. The median household income, while still quite high, is lower than the median income for the trade areas of the other business districts since it takes in a portion of Skokie where incomes are lower.

# Skokie Boulevard-Old Glenview Rd. Radii



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Mag 14.00

Tue Jan 11 11:43 2005

Scale 1:37,500 (at center)

2000 Feet

1000 Meters

-  Local Road
-  Major Connector
-  State Route
-  Interstate/Limited Access
-  US Highway
-  Exit
-  Railroad
-  Small Town
-  Population Center
-  Water
-  River/Canal
-  City Park

**J. West Lake Avenue west of Laramie**

This is an office area primarily with a small retail presence that includes Dairy Queen, a gas station and a small strip shopping center with a convenience store, Family Pantry. A cleaners, Edward Jones office, and auto shop are also in this area. A vacant Amoco gas station at the northwest corner has potential for convenience retail or restaurant use. This small district contributed 2.2% of the Village’s retail sales, a high share considering the small number of establishments.

The other commercial buildings in this area are small office buildings housing primarily medical professionals. One office building recently sold; its medical tenant moved and the building is available for lease. The ground floor may be converted to retail space. The convenience businesses draw from the immediate neighborhood (within ½ mile), though Dairy Queen draws from a much wider area. A potential redevelopment of the gas station site would likely draw from within 1-1 ½ miles as shown below.

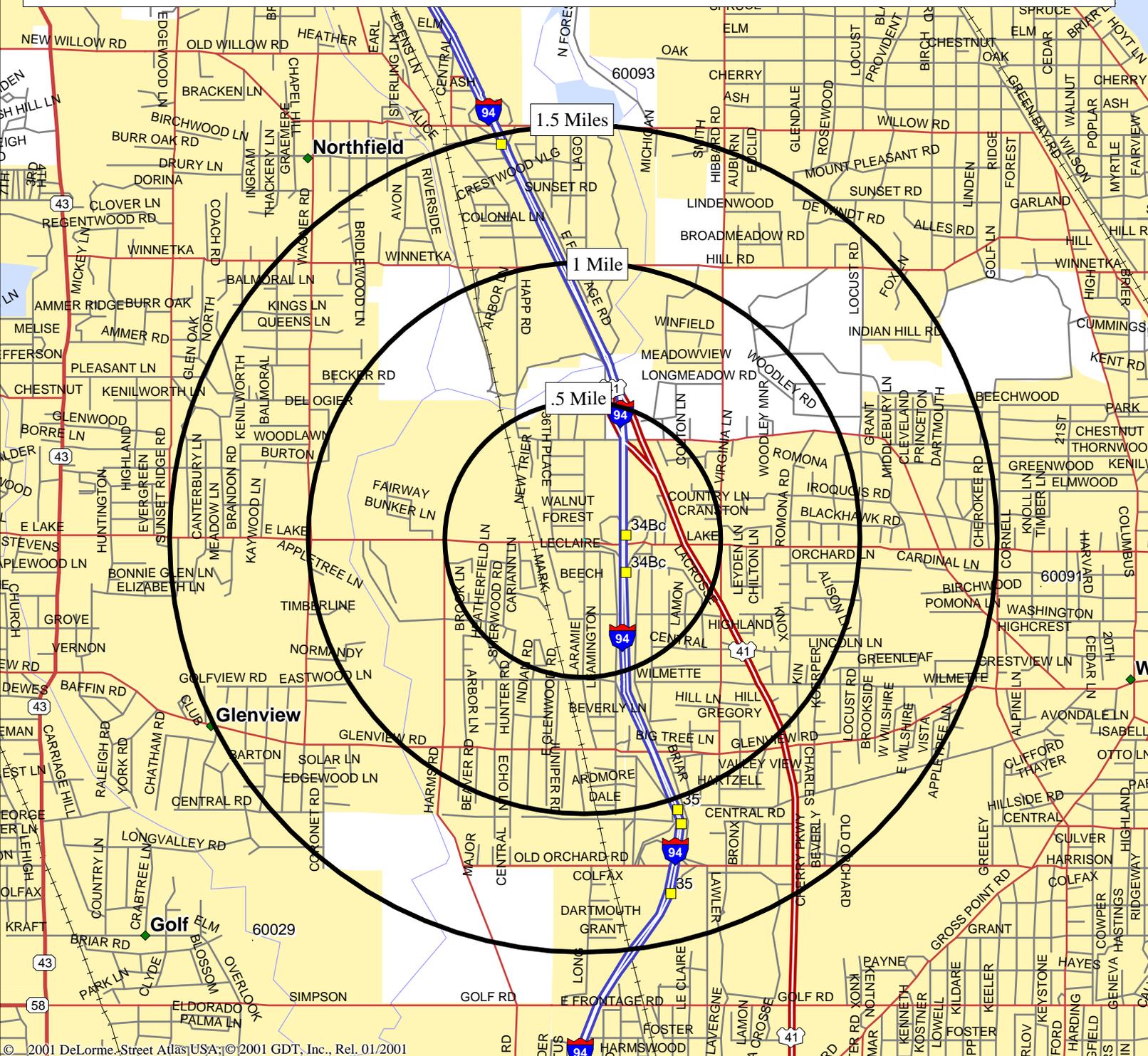
**SELECTED 2004 DEMOGRAPHIC CHARACTERISTICS FOR WILMETTE AND LAKE AVENUE AND LARAMIE AVENUE**

	Wilmette	½ Mile	1 Miles	1 ½ Miles
Population	27,628	2,917	9,306	19,320
Households	10,024	1,031	3,383	7,151
Median Age (Years)	43.0	44.9	44.6	44.5
% of Population Under Age 15	24.2%	20.0%	20.7%	21.3%
% of Population Age 65+	16.8%	16.5%	16.6%	17.4%
Median Household Income	\$115,044	\$98,667	\$105,101	\$105,307
% Age 25+ with College or Graduate Degree	71.3%	61.2%	64.5%	64.9%
% Owner-Occupied Housing	84.5%	89.9%	91.8%	89.3%

Source: Valerie S. Kretchmer Associates, Inc.; Demographics Now.

Average traffic counts here are:  
 Lake Avenue 23,900 vehicles  
 Laramie Avenue 4,000

# West Lake Avenue - Laramie Radii



Mag 14.00  
 Fri Feb 18 15:49 2005  
 Scale 1:31,250 (at center)  
 2000 Feet  
 1000 Meters

- Local Road
- Major Connector
- State Route
- Interstate/Limited Access
- US Highway
- Exit
- Railroad
- Small Town
- Population Center
- Land
- Water
- River/Canal

**K. Old Glenview Road west of the Edens Expressway**

There is one office building west of the Edens Expressway at Old Glenview Road. While the building has excellent visibility, access is awkward as one winds around to the building off of Old Orchard Road. The Class A building is well occupied with Koenig and Strey GMAC as the anchor tenant in the building. The building functions more within the Northfield/Skokie office market along the Edens Expressway than it does within the small office building market within the Village Center or the other office locations within the Village.

**IV. COMPETITIVE RETAIL AREAS AND RETAIL MARKET CONDITIONS**

**A. North Suburban Retail Trends**

VSKA analyzed retail occupancy and rent trends for the north suburbs from 2000-2004. The table below provides a summary of these trends. The data include space in retail centers with more than 50,000 square feet, thus much of the space in the business districts in Wilmette would not be included in these figures. (Space in Edens Plaza and Plaza del Lago would be included here.)

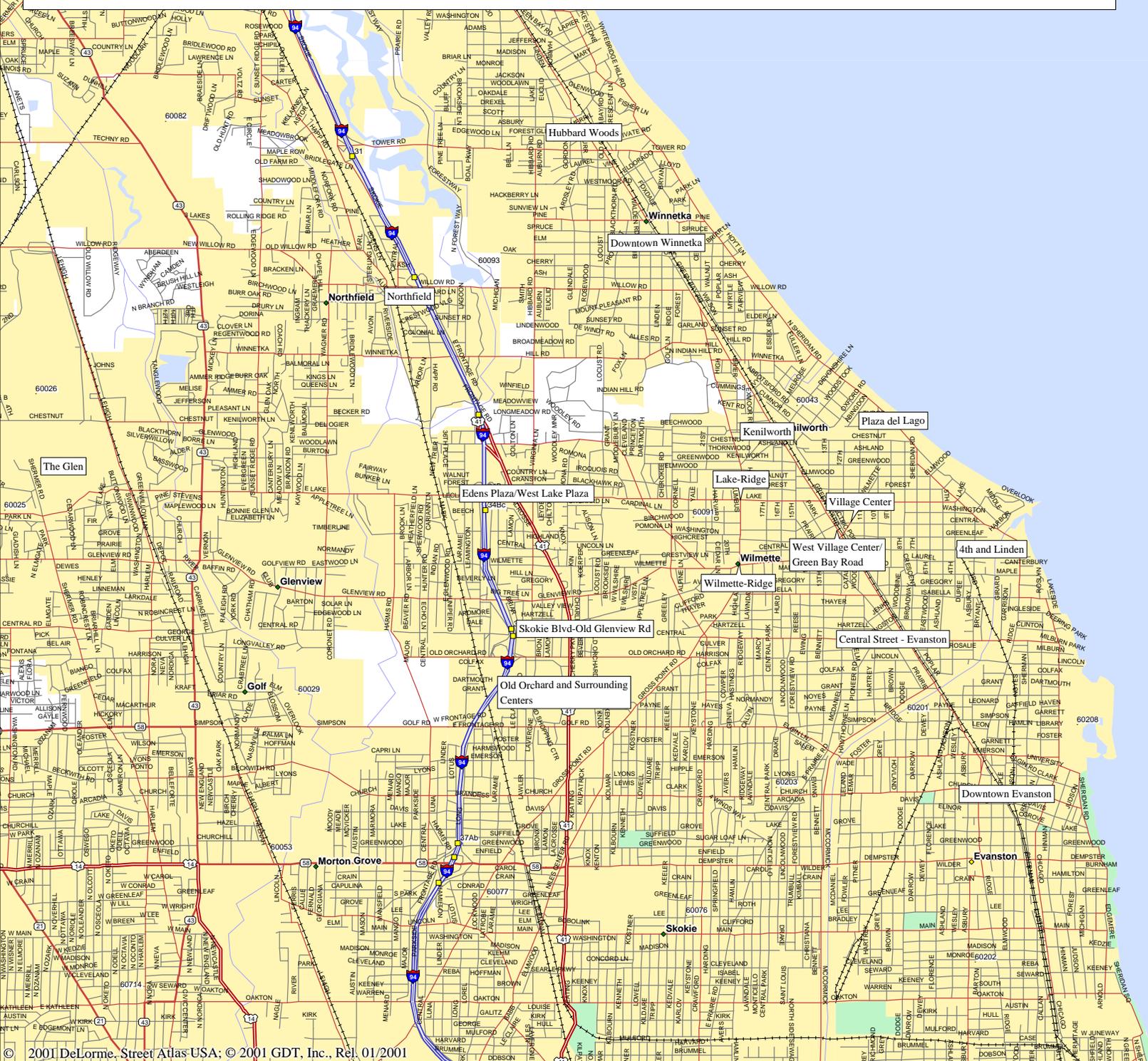
<b>NORTH SUBURBAN RETAIL SPACE TRENDS</b>				
<b>2000-2004</b>				
<b>Year</b>	<b>Quarter</b>	<b>Gross Building Area (S.F.)</b>	<b>Vacancy Rate</b>	<b>Avg. Gross Asking Rent Range</b>
2000	2nd	6,254,509	6.7%	\$20.25-\$20.25
2001	4th	7,664,804	9.3%	\$19.00-\$23.00
2002	4th	7,613,971	13.3%	\$22.00-\$25.00
2003	4th	8,804,493	7.3%	\$23.18-\$24.85
2004	4th	8,833,518	7.1%	\$22.01-\$26.08

Source: CB Richard Ellis

The north suburban retail market has stabilized since 2002 when the vacancy rate hit a high of 13%. The area included here is from Howard Street on the south to Lake-Cook Road on the north, from Lake Michigan on the east to the I-294 on the west. There was significant new construction in this area, including centers in Glenview on Willow Road and in the Glen, in Skokie on Golf Road and in Niles on Touhy Avenue. Wilmette’s shopping center vacancy rate falls within the north suburban average 7% vacancy rate.

The different business districts in the village also compete with retail areas outside of the village boundaries in neighboring municipalities. The primary competitive areas are located in Evanston, Winnetka, Skokie and Glenview. A map of these areas is on the following page.

# Wilmette and Competitive Retail Areas



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Fri Feb 18 13:00 2005

Scale 1:62,500 (at center)

1 Miles

2 km

- Local Road
- Major Connector
- State Route
- Interstate/Limited Access
- Toll Highway
- US Highway
- Exit
- Railroad
- Small Town
- City
- Population Center
- Land
- Water
- River/Canal
- City Park

## **B. Evanston**

*Downtown Evanston*, with its 21 blocks of shops, 18 movie screens and restaurants, is the primary competition for entertainment and dining to Wilmette. Residents report that Downtown Evanston is often their primary destination for dining, as well as for first run movies and for many of the specialty shops. While most acknowledge that parking in Downtown Evanston is not easy and can be relatively expensive at its garages and parking meters, the variety of uses and vitality is a big draw.

According to data from the City of Evanston and Evmark, the downtown marketing organization, downtown Evanston has approximately 1.2 million square feet of ground floor space, of which approximately 31% is devoted to retail space, 26% to restaurants and 37% to services. Another 7% was vacant as of October 2004. Of the 307 storefronts downtown, 95 were occupied by retail stores with another 79 occupied by restaurants and 112 by a wide range of services including personal services, medical offices, business services and government.

In addition to the Century Theatres, key retailers include Border's Books, Barnes & Noble, Cost Plus World Market, Uncle Dan's, Whole Foods, Active Endeavors, Urban Outfitters, Gap, CVS, Mostly Handmade, Radio Shack, and numerous independent and specialty stores. With over 70 restaurants, ranging from coffee shops to fine dining establishments, Downtown Evanston markets itself as the dining capital of the North Shore. It is worth noting that the number of restaurants in downtown Evanston increased from 49 in 1990 to 79 in 2004.

The long-awaited construction of Sherman Plaza, a mixed-use retail and residential development on Sherman Avenue between Davis and Church Street has started construction. The development will include 156,000 square feet of retail space including a 90,000 square foot health club. Retail tenants will include a relocated Barnes & Noble (30,000 square feet), Pier One (10,000 square feet), Ann Taylor Loft (6,000 square feet), Elizabeth Arden Red Door Salon and Spa (7,700 square feet) and smaller retailers. According to city officials, it will not include restaurants. The focus is on soft goods retailers to complement the strong restaurant core.

*Central Street* in north Evanston is located within a few blocks of the Wilmette village line and within a few blocks of the Green Bay Road corridor. The core of the shopping district is along Central Street from Green Bay Road west to Hartrey Street and along Green Bay Road north and south of Central Street. It comprises a small neighborhood business district that attracts many residents from southeast Wilmette for basic shopping. The two blocks of Central Street have a mix of convenience-oriented and specialty shops and services that cater to the basic needs of area residents. Some of the most popular businesses here include Foodstuffs, Great Harvest Bread, Tag's Bakery, Video Adventure, Prairie Joe's diner, The Spice House, Mud Pies, Vose-Sanders Bootery, Lois and Co.,

Bluestone Café, Symphony's and Perennials. Along Green Bay Road, two of the larger retailers include Dominick's and Office Depot.

### **C. Winnetka**

Winnetka has two main business districts that compete to some extent with the Wilmette Village Center and other neighborhood shopping districts in the village. *Downtown Winnetka*, centered along Elm Street east and west of Green Bay Road, as well as Lincoln Avenue and Chestnut Street, is a quaint district with a mix of small retailers, banks and service businesses. The district has some unique specialty stores, including women's, children's and men's apparel stores, in addition to the popular T. L. Fritts Sporting Goods store and Kaehler Travelworks store. It also has two independent grocers and an independent book store. The district is well occupied with a few vacancies in less desirable locations. The Laundry Mall, a building with many small shops lacking street frontage, has a difficult time keeping its spaces leased. Rents are high in this district.

*Hubbard Woods*, located on the north side of Winnetka along Green Bay Road north of Tower Road, has developed a niche as an antique, furniture and home furnishings district, in addition to that of a neighborhood business district. The furniture and antique stores attract customers from a wide trade area. Some boutiques with expensive clothing attract an upscale North Shore clientele.

### **D. Kenilworth**

Located directly north of Wilmette on Green Bay Road, centered along Kenilworth Avenue and Green Bay Road, Kenilworth has very limited retailing at the present time. Most of the ground floor space is occupied by personal and business services. However, a new building on Green Bay Road is under construction and available for either retail or office users.

### **E. Northfield**

Northfield has some retail space centered in the area south of Willow Road along Happ Road west of the Edens Expressway. Residents of the west side of Wilmette are as close to the Dominick's grocery store here as they are to the Jewel grocery store on Green Bay Road. South of Dominick's, are two small shopping centers with specialty retailers including restaurants (MK North, Seul's Tavern, Meson Sabika), boutiques, personal and professional services. On the north side of Willow Road are Walgreens, Bess Hardware and Starbucks.

## **F. Skokie**

The Skokie Boulevard corridor centered around Old Orchard Road and Golf Road is the primary competition to Edens Plaza and the retail corridor along Skokie Boulevard in Wilmette. The largest competitor to Edens Plaza is *Westfield Shoppingtown Old Orchard*, the largest regional mall serving the North Shore suburbs. Anchored by Marshall Fields, Nordstroms, Bloomingdales, Lord & Taylor and Saks Fifth Avenue, Old Orchard has approximately 150 stores, restaurants and movie theaters with over 1.8 million square feet of space. The almost 50-year old shopping center has been renovated and expanded over the years, most recently in 2002 with the addition of movie theaters on the west side of the center. According to the Village of Skokie, Old Orchard generated over \$7.96 million in sales tax revenues in 2003. There are rumors of the closing of the Saks store here, as it has converted a portion of the store to its off-price outlet.

Generally mall-based tenants have radius restriction clauses in their leases that prohibit them from locating stores within 5 miles. This generally precludes mall tenants from locating in suburban downtowns. However, some tenants at Old Orchard do have stores in Wilmette and neighboring suburban business communities, including Chico's, Crate and Barrel, Gap, Starbucks, Kaehler Travelworks and Talbots. Several of these stores, including Crate and Barrel and Kaehler were in Wilmette and Winnetka before they had stores in Old Orchard.

Generally the cost of occupancy is far higher at regional malls such as Old Orchard than at the smaller suburban business districts or at smaller strip shopping centers. This is due to the significantly higher common area maintenance expenses and promotional expenses at the top tier regional malls such as Old Orchard. In some cases, these occupancy expenses can double a tenant's base rent. Some merchants have been re-thinking whether the additional foot traffic and exposure they get by being in a regional mall such as Old Orchard warrants the higher occupancy cost.

Old Orchard is one of the premier shopping centers in the Chicago metro area and it is expected to continue to be a powerful competitor in the north suburbs. However, shoppers routinely complain about the traffic in and around the center, and difficulty in parking, especially on weekends and during holidays. This provides opportunities for other business locations such as Wilmette to offer an easier shopping experience. In fact, part of Downtown Evanston's success with its movie theaters and restaurants results from the easier time patrons have of parking close to the theaters and finding a place to eat before or after a movie.

Other smaller centers have opened near the mall with some of the big box retailers that compete directly with tenants at Edens Plaza. The newest center, *Shops at Orchard Place*, is at the northeast corner of Skokie Boulevard and Golf Road across the street from Old Orchard. It has 165,000 square feet of space, and is anchored by Best Buy and

DSW. Other tenants include Smithe Furniture, Nordic Track, Pier One and Back to Bed. Petco moved from Edens Plaza to a space vacated by Zany Brainy. The center stays well occupied, though Erewhon, an outdoor and sporting goods retailer went out of business last year, leaving a 13,000 square foot vacancy.

*Skokie Fashion Square*, located south of Old Orchard on Skokie Boulevard, is an 85,000 square foot community center anchored by Cost Plus World Market, Catherine's Plus Sizes and Sally Beauty Supply. An older center than Shops at Orchard Place, it attracts second tier tenants, and its rents, approximately \$10 lower than the Shops at Orchard Place, reflect this. It has lost major tenants in recent years, including Old Navy, to newer shopping centers nearby, though it manages to stay well occupied with the exception of a few stores with limited visibility.

Other key tenants along Skokie Boulevard south of Old Orchard include Jewel-Osco, Marshalls and Old Navy occupying 136,000 square feet at *Skokie Point Shopping Center*. Across the street on the west side of Skokie Boulevard is a small new center, *Old Sienna*, with a recently opened Portillo's restaurant, Fifth Third Bank and a few small stores. On Golf Road just west of Skokie Boulevard are Circuit City and Linens N Things in the 90,000 square foot center, *Orchard Place*. These centers are full or have small vacancies. However, Circuit City has just announced that it will be closing this store.

## **G. The Glen**

The newest shopping center to open west of Wilmette is *The Glen Town Center*, north of Lake Avenue on Patriot Way on the west side of Glenview in the newly developed master planned community of The Glen. This 470,000 square foot Main Street lifestyle center has a mix of restaurants, specialty shops, a department store, movie theaters and convenience-oriented stores catering to the population that lives at The Glen as well as those in nearby areas. Key tenants include the area's first Von Maur department store, Galyans sporting goods store, Crown Theatres, Ann Taylor Loft, Jos. A. Bank and numerous restaurants. Galyans was recently purchased by Dick's Sporting Goods, thus the look of this store could change in the coming year. Reportedly the upscale grocer Market Foods and Café closed due to the bankruptcy of the chain.

The restaurants here have been extremely successful and many are new to the Chicago metro area market. Other retailers have not been as successful to date, though most of the space has been leased. The attractively designed center is a mix of new construction and adaptive re-use of old buildings from the Glenview Naval Air Station.

## **H. Retail Rents**

VSKA looked at the typical asking rents for retail space in business districts in Wilmette and the competitive areas to Wilmette as shown in the table that follows. Most retail rents are quoted on a net basis whereby the tenant is responsible for paying their pro-rata share of real estate taxes, common area maintenance and building insurance costs. Depending on the age and location of a building, these can add anywhere from a few dollars per square foot to more than \$10 per square foot to the annual rental cost. Newer buildings typically have higher real estate taxes than older buildings. In addition, when buildings are sold, the Cook County Assessor typically increases the real estate taxes on the building to reflect the new property value. Buildings that have not sold in many years typically have lower property taxes.

Since some landlords quote rents on a gross basis (in which all operating costs and taxes are included), VSKA converted rents where possible to gross rents. Some newer properties don't yet know what their real estate taxes will be, so in those cases net rents are shown.

Overall, retail rents in Wilmette and other competing North Shore communities are high given the quality of the space. Compared to the average gross rates noted for the north suburbs overall in the previous section (\$22-26), the rents shown below have a wider range, but can reach much higher levels, particularly for better quality space in high profile locations. Even some of the older spaces have rents that are well above the north suburban average gross rates.

As can be seen from the table below, compared to the average rents for shopping centers in the north suburbs (as shown in the earlier table in Section A of this chapter), the rents in most of the retail districts in Wilmette are on the high side, particularly when factoring in the quality of the space. Many of the older spaces do not meet modern retail needs and are not in "plain vanilla box" condition, what is known in the retail industry as move-in condition.

**TYPICAL RETAIL RENTS AT COMPETITIVE BUSINESS DISTRICTS  
Fall 2004**

<b>Business District</b>	<b>Typical Gross Rent Per Square Foot Range</b>
<b>Wilmette</b>	
4 <sup>th</sup> and Linden	\$12-27
Village Center and West Village Center	\$16-34
Ridge Road/Wilmette and Lake	\$18-30
Plaza del Lago	\$40-46
Edens Plaza	\$20-40
Skokie Boulevard – Old Glenview Road	\$36-40
<b>Neighboring Communities</b>	
Central Street – Evanston	\$28-36
Downtown Evanston	\$12-45
Winnetka	\$16-40
Skokie – Skokie Boulevard (excluding Old Orchard)	\$21-40
Northfield	Mid \$20s-low 30s
Glenview – The Glen (small shops)	Mid \$30s <b>net</b> (\$45+ gross)

Source: Valerie S. Kretchmer Associates, Inc.

## **V. RETAIL SALES POTENTIAL AND IMPLICATIONS FOR WILMETTE'S BUSINESS DISTRICTS**

### **A. Retail Sales Potential**

VSKA examined the retail sales potential for 2004 for Wilmette. While the previous chapter on the individual business districts showed that some of the districts do draw customers from beyond the boundaries of the village, it is helpful to look at the spending potential of Village residents to compare it to the retail sales being spent within the Village, as reported by the Illinois Department of Revenue sales tax data.

The retail sales potential figures are based on household characteristics, income, age and population density and are estimated from national averages adjusted for these local demographic variables. VSKA obtained these estimates from Demographics Now, a vendor of demographic data. These figures are derived from the U. S. Bureau of Labor Statistics' *Consumer Expenditure Survey* that annually surveys households across the country on their spending patterns.

Data are shown on both a per household and aggregate basis. No one area or shopping center will capture 100% of the sales potential for any category of merchandise. People have many shopping and dining options and will spend money outside of Wilmette at other shopping centers such as Old Orchard or Northbrook Court, as well as in Evanston, downtown Chicago, or outside of the area while on trips. The data provide an indication of the depth of the market for a particular type of store compared to retail sales data from the Illinois Department of Revenue shown earlier in this report. The table on the following pages provides average household expenditures and aggregate expenditures for all households in Wilmette for 68 different store types and restaurants.

As can be seen, Wilmette residents have over \$500 million in retail sales potential. On a national index, their spending power is over two times the national average for all categories of retail goods.

It is also useful to look at the retail sales potential for residents of Kenilworth, Winnetka and Northfield, three nearby communities much smaller than Wilmette, but ones that fall within a reasonable distance of most of Wilmette's business districts. Many business owners indicated that they draw customers from these communities. New retail development, especially anything sizable along Green Bay Road could draw customers from Kenilworth and Winnetka. The table below shows the aggregate sales potential for Wilmette, Kenilworth, Winnetka and Northfield. The addition of these three municipalities adds another \$400 million in spending potential to this area, a portion of which can be tapped by Wilmette merchants. Thus the combined spending power of the four municipalities is over \$900 million.

**WILMETTE RETAIL SALES POTENTIAL BY STORE TYPE - 2004**

<b>Store Type</b>	<b>Aggregate Dollars</b>	<b>Average Household Dollars</b>	<b>Percent of Total</b>
Appliances and Electronics Stores	\$7,066,079	\$704.94	1.40%
Art Dealers	\$27,468	\$2.74	0.01%
Auto Parts and Accessories	\$6,453,492	\$643.83	1.28%
Book Stores	\$3,206,637	\$319.91	0.64%
Camera and Photography Stores	\$732,063	\$73.03	0.15%
Childrens' and Infant's Clothing Stores	\$1,788,854	\$178.46	0.36%
Clothing Accessory Stores	\$361,590	\$36.07	0.07%
Computer Stores	\$3,969,813	\$396.04	0.79%
Convenience Stores	\$4,077,070	\$406.74	0.81%
Costmetics and Beauty Stores	\$471,780	\$47.07	0.09%
Department Stores	\$41,755,161	\$4,165.66	8.29%
Drinking Places	\$1,643,557	\$163.97	0.33%
Family Clothing Stores	\$9,151,602	\$913.00	1.82%
Fish and Seafood Markets	\$268,236	\$26.76	0.05%
Floor Covering Stores	\$1,441,568	\$143.82	0.29%
Florists	\$435,693	\$43.47	0.09%
Fruit and Vegetable Markets	\$529,022	\$52.78	0.11%
Fuel Dealers	\$2,709,036	\$270.26	0.54%
Full Service Restaurants	\$21,978,305	\$2,192.64	4.36%
Furniture Stores	\$7,933,123	\$791.44	1.58%
Gasoline Stations with Convenience Stores	\$35,502,402	\$3,541.86	7.05%
Gasoline Stations without Convenience Stores	\$15,694,775	\$1,565.77	3.12%
Gift and Souvenir Stores	\$1,010,767	\$100.84	0.20%
Grocery Stores	\$87,626,950	\$8,742.01	17.40%
Hardware Stores	\$3,315,214	\$330.74	0.66%
Hobby, Toy, and Game Stores	\$2,117,288	\$211.23	0.42%
Home Centers	\$8,606,895	\$858.66	1.71%
Hotels and Other Travel Accomodations	\$3,213,515	\$320.59	0.64%
Jewelry Stores	\$2,647,030	\$264.08	0.53%
Limited Service Restaurants	\$22,304,676	\$2,225.20	4.43%
Liquor Stores	\$3,093,666	\$308.64	0.61%
Luggage Stores	\$268,199	\$26.76	0.05%
Mail Order and Catalog Stores	\$11,981,101	\$1,195.28	2.38%
Meat Markets	\$1,122,988	\$112.03	0.22%
Men's Clothing Stores	\$1,958,707	\$195.41	0.39%
Mobile Home Dealers	\$10,556	\$1.05	0.00%
Motorcycle and Boat Dealers	\$3,720,828	\$371.20	0.74%
Musical Instrument Stores	\$824,607	\$82.27	0.16%
New Car Dealers	\$93,067,596	\$9,284.79	18.48%
Nursery and Garden Stores	\$2,076,114	\$207.12	0.41%
Office and Stationary Stores	\$939,664	\$93.74	0.19%
Optical Goods Stores	\$1,966,759	\$196.21	0.39%
Other Apparel Stores	\$1,434,033	\$143.06	0.28%
Other Building Materials Stores	\$8,431,071	\$841.12	1.67%
Other Direct Selling Establishments	\$2,334,213	\$232.87	0.46%

**WILMETTE RETAIL SALES POTENTIAL BY STORE TYPE - 2004**

<b>Store Type</b>	<b>Aggregate Dollars</b>	<b>Average Household Dollars</b>	<b>Percent of Total</b>
Other General Merchandise Stores	\$4,668,413	\$465.74	0.93%
Other Health and Personal Care Stores	\$985,797	\$98.35	0.20%
Other Home Furnishing Stores	\$2,037,934	\$203.31	0.40%
Other Miscellaneous Retail Stores	\$1,109,717	\$110.71	0.22%
Other Specialty Food Markets	\$831,505	\$82.95	0.17%
Outdoor Power Equipment Stores	\$264,521	\$26.39	0.05%
Paint and Wallpaper Stores	\$287,727	\$28.70	0.06%
Pet and Pet Supply Stores	\$1,347,563	\$134.44	0.27%
Pharmacy and Drug Stores	\$11,565,696	\$1,153.84	2.30%
RV Parks	\$45,634	\$4.55	0.01%
Record, Tape, and CD Stores	\$1,569,857	\$156.62	0.31%
Recreational Vehicle Dealers	\$148,092	\$14.77	0.03%
Rooming and Boarding Houses	\$22,785	\$2.27	0.00%
Sewing and Needlecraft Stores	\$292,304	\$29.16	0.06%
Shoe Stores	\$5,105,283	\$509.32	1.01%
Special Food Services and Catering	\$3,729,602	\$372.08	0.74%
Sporting Goods Stores	\$4,245,665	\$423.56	0.84%
Tire Dealers	\$2,987,148	\$298.01	0.59%
Used Merchandise Stores	\$876,369	\$87.43	0.17%
User Car Dealers	\$6,333,125	\$631.82	1.26%
Vending Machines	\$1,631,889	\$162.80	0.32%
Warehouse Superstores	\$16,854,002	\$1,681.42	3.35%
Women's Clothing Stores	\$5,371,235	\$535.86	1.07%
<b>Total Annual Retail Potential</b>	<b>\$503,581,631</b>	<b>\$50,239.27</b>	<b>100%</b>

Source: Demographics Now.

<b>2004 AGGREGATE RETAIL SALES POTENTIAL BY STORE TYPE WILMETTE, KENILWORTH, WINNETKA AND NORTHFIELD</b>			
<b>Store Type</b>	<b>Wilmette</b>	<b>Kenilworth, Winnetka and Northfield</b>	<b>Total of all communities</b>
Appliances and Electronics Stores	\$7,066,079	\$5,831,890	\$12,897,969
Art Dealers	\$27,468	\$22,789	\$50,257
Auto Parts and Accessories	\$6,453,492	\$5,309,000	\$11,762,492
Book Stores	\$3,206,637	\$2,638,012	\$5,844,649
Camera and Photography Stores	\$732,063	\$605,836	\$1,337,899
Childrens' and Infant's Clothing Stores	\$1,788,854	\$1,475,539	\$3,264,393
Clothing Accessory Stores	\$361,590	\$298,439	\$660,029
Computer Stores	\$3,969,813	\$3,258,246	\$7,228,059
Convenience Stores	\$4,077,070	\$3,363,370	\$7,440,440
Costmetics and Beauty Stores	\$471,780	\$389,541	\$861,321
Department Stores	\$41,755,161	\$34,480,760	\$76,235,921
Drinking Places	\$1,643,557	\$1,352,621	\$2,996,178
Family Clothing Stores	\$9,151,602	\$7,540,159	\$16,691,761
Fish and Seafood Markets	\$268,236	\$221,204	\$489,440
Floor Covering Stores	\$1,441,568	\$1,196,538	\$2,638,106
Florists	\$435,693	\$359,283	\$794,976
Fruit and Vegetable Markets	\$529,022	\$436,246	\$965,268
Fuel Dealers	\$2,709,036	\$2,256,401	\$4,965,437
Full Service Restaurants	\$21,978,305	\$18,155,560	\$40,133,865
Furniture Stores	\$7,933,123	\$6,590,078	\$14,523,201
Gasoline Stations with Convenience Stores	\$35,502,402	\$29,396,864	\$64,899,266
Gasoline Stations without Convenience Stores	\$15,694,775	\$13,019,883	\$28,714,658
Gift and Souvenir Stores	\$1,010,767	\$835,574	\$1,846,341
Grocery Stores	\$87,626,950	\$72,319,127	\$159,946,077
Hardware Stores	\$3,315,214	\$2,753,947	\$6,069,161
Hobby, Toy, and Game Stores	\$2,117,288	\$1,752,084	\$3,869,372
Home Centers	\$8,606,895	\$7,137,977	\$15,744,872
Hotels and Other Travel Accomodations	\$3,213,515	\$2,653,882	\$5,867,397
Jewelry Stores	\$2,647,030	\$2,190,294	\$4,837,324
Limited Service Restaurants	\$22,304,676	\$18,433,744	\$40,738,420
Liquor Stores	\$3,093,666	\$2,554,739	\$5,648,405
Luggage Stores	\$268,199	\$222,444	\$490,643
Mail Order and Catalog Stores	\$11,981,101	\$9,867,761	\$21,848,862
Meat Markets	\$1,122,988	\$926,116	\$2,049,104
Men's Clothing Stores	\$1,958,707	\$1,611,680	\$3,570,387
Mobile Home Dealers	\$10,556	\$8,781	\$19,337
Motorcycle and Boat Dealers	\$3,720,828	\$3,089,552	\$6,810,380
Musical Instrument Stores	\$824,607	\$676,341	\$1,500,948
New Car Dealers	\$93,067,596	\$76,725,519	\$169,793,115
Nursery and Garden Stores	\$2,076,114	\$1,712,494	\$3,788,608
Office and Stationary Stores	\$939,664	\$775,119	\$1,714,783
Optical Goods Stores	\$1,966,759	\$1,608,360	\$3,575,119

<b>2004 AGGREGATE RETAIL SALES POTENTIAL BY STORE TYPE</b>			
<b>Store Type</b>	<b>Wilmette</b>	<b>Kenilworth, Winnetka and Northfield</b>	<b>Total of all communities</b>
Other Apparel Stores	\$1,434,033	\$1,181,621	\$2,615,654
Other Building Materials Stores	\$8,431,071	\$7,021,766	\$15,452,837
Other Direct Selling Establishments	\$2,334,213	\$1,927,416	\$4,261,629
Other General Merchandise Stores	\$4,668,413	\$3,859,587	\$8,528,000
Other Health and Personal Care Stores	\$985,797	\$813,594	\$1,799,391
Other Home Furnishing Stores	\$2,037,934	\$1,687,458	\$3,725,392
Other Miscellaneous Retail Stores	\$1,109,717	\$918,178	\$2,027,895
Other Specialty Food Markets	\$831,505	\$685,734	\$1,517,239
Outdoor Power Equipment Stores	\$264,521	\$218,108	\$482,629
Paint and Wallpaper Stores	\$287,727	\$238,636	\$526,363
Pet and Pet Supply Stores	\$1,347,563	\$1,114,789	\$2,462,352
Pharmacy and Drug Stores	\$11,565,696	\$9,549,765	\$21,115,461
RV Parks	\$45,634	\$37,651	\$83,285
Record, Tape, and CD Stores	\$1,569,857	\$1,289,268	\$2,859,125
Recreational Vehicle Dealers	\$148,092	\$122,060	\$270,152
Rooming and Boarding Houses	\$22,785	\$18,823	\$41,608
Sewing and Needlecraft Stores	\$292,304	\$242,050	\$534,354
Shoe Stores	\$5,105,283	\$4,195,438	\$9,300,721
Special Food Services and Catering	\$3,729,602	\$3,082,086	\$6,811,688
Sporting Goods Stores	\$4,245,665	\$3,530,239	\$7,775,904
Tire Dealers	\$2,987,148	\$2,457,354	\$5,444,502
Used Merchandise Stores	\$876,369	\$723,664	\$1,600,033
User Car Dealers	\$6,333,125	\$5,222,225	\$11,555,350
Vending Machines	\$1,631,889	\$1,346,263	\$2,978,152
Warehouse Superstores	\$16,854,002	\$13,914,850	\$30,768,852
Women's Clothing Stores	\$5,371,235	\$4,428,280	\$9,799,515
<b>Total Annual Retail Potential</b>	<b>\$503,581,631</b>	<b>\$415,880,695</b>	<b>\$919,462,326</b>

Source: Demographics Now.

#### **D. Comparison of Retail Sales Potential with 2003 Retail Sales**

It is useful to look at the difference in potential sales from area residents with the actual sales reported to the Illinois Department of Revenue for 2003. The analysis that follows provides this comparison for the categories used by the Department of Revenue. VSKA combined the retail store categories above to most closely resemble the categories used by the Department of Revenue.

COMPARISON OF 2004 RETAIL SALES POTENTIAL WITH 2003 RETAIL SALES FOR WILMETTE AND NEARBY COMMUNITIES									
Retail Category	Sales Potential	<u>Wilmette</u>		<u>Kenilworth, Winnetka &amp; Northfield</u>			<u>All Municipalities</u>		
		Sales	Difference	Potential	Sales	Difference	Potential	Sales	Difference
General Merchandise	\$63,277,576	\$47,080,700	\$16,196,876	\$52,255,197	\$0	\$52,255,197	\$115,532,773	\$47,080,700	\$68,452,073
Food	94,455,771	62,086,700	32,369,071	77,951,797	53,809,000	24,142,797	172,407,568	115,895,700	56,511,868
Eating and Drinking	49,656,140	24,724,500	24,931,640	25,244,149	15,869,200	9,374,949	74,900,289	40,593,700	34,306,589
Apparel	25,171,304	16,498,100	8,673,204	20,731,156	22,482,800	(1,751,644)	45,902,460	38,980,900	6,921,560
Furniture, Household, Radio	24,842,981	28,699,700	(3,856,719)	20,529,819	12,856,300	7,673,519	45,372,800	41,556,000	3,816,800
Lumber, Building, Hardware	22,981,542	19,615,900	3,365,642	19,082,928	9,864,400	9,218,528	42,064,470	29,480,300	12,584,170
Automotive	166,627,050	30,373,100	136,253,950	137,607,639	109,739,200	27,868,439	304,234,689	140,112,300	164,122,389
Drugs and Miscellaneous Retail	39,674,338	54,617,500	(14,943,162)	32,773,770	38,966,600	(6,192,830)	72,448,108	93,584,100	(21,135,992)

Source: Demographics Now; Illinois Department of Revenue; Valerie S. Kretchmer Associates, Inc.

As can be seen, Wilmette captures a higher level of retail sales than its resident-based sales potential in the furniture, household and radio category and in the drugs and miscellaneous retail category. However, the latter category includes so many different types of stores, that there are many categories that may be doing well and others that could be augmented. To the extent that the Village's retail sales exceed the sales potential from Village residents, it is attracting sales dollars from outside of the community.

The Village is losing a significant volume of potential sales in the food category, one in which it should be able to capture a higher share. This is due to the proximity of the Dominick's grocery store just outside of the village on Green Bay Road in Evanston, but it is also due to the fact that there is no grocery store on the west side. Residents of West Wilmette are closer to grocery stores in Northfield, Glenview and Skokie, thus grocery sales are leaving the village.

Significant sales leakage is also occurring in the eating and drinking category, not surprising given the relative lack of restaurants in Wilmette. However, the Village is capturing less than half of the potential sales in this category. The Village is capturing a small fraction of potential sales in the automotive category and that share will decline now that North Shore Ford has closed. Given the lack of suitable sites for car dealers who need substantial land for their inventory, it is unlikely that the Village will be able to capture a more significant share of the automotive potential. (Gasoline sales and auto parts sales are still an important source of sales in this category.) The Village captures approximately two thirds of the potential retail sales in the apparel category, a reasonable share for a municipality without a large regional mall. This share has the potential to be expanded.

VSKA also examined the sales and sales potential for Kenilworth, Winnetka and Northfield. As indicated in previous sections of this report, Kenilworth has almost no shopping, while Winnetka has two major and one minor retail district and Northfield has one. When we analyze the sales and sales potential for Wilmette with these other municipalities, there is still unmet retail potential in almost all of the retail categories. Notable is the high sales level in the apparel category, particularly in Winnetka in relation to the apparel sales potential. However, there is still potential for additional apparel retailers. There is also a wide gap in both the food and eating and drinking categories, both of which Wilmette has the capacity to attract.

While the data show that the sales potential in the drugs and miscellaneous retail category are being met by stores in Wilmette and the other communities, VSKA thinks that this is misleading. The Illinois Department of Revenue numbers include store types that are not specifically included in the Retail Sales Potential report.

The table below shows the additional retail space that could be supported in Wilmette based on the Village’s ability to capture the difference in the current retail sales and the retail potential in several retail categories. VSKA applied a sales productivity level of \$250-400 per square foot for different retail categories. National chains tend to have higher sales per square foot than small, independently-owned stores. Thus, the actual supportable square footage could be higher if there are more independently owned stores. Food stores tend to have higher sales per square foot than other retail categories. The numbers included in this table are a general guide to the amount of additional space that could be supported without taking away sales from existing stores. We did not include general merchandise (e.g., department or discount stores) since it is unlikely that new ones would be attracted to the village given the size required for a new store, even in a Green Bay Road redevelopment scenario.

<b>ADDITIONAL RETAIL STORE POTENTIAL</b> (Square Feet of Supportable Space)*		
<b>Retail Category</b>	<b>Wilmette, Kenilworth, Winnetka &amp; Northfield</b>	<b>Wilmette Only</b>
Food	141,280	80,923
Eating and Drinking	114,355	83,105
Apparel	23,072	28,911
Lumber, Building, Hardware	50,337	13,463
*Based on sales per square foot of \$400 for food, \$250 per square foot for lumber, building and hardware, and \$300 per square foot for the other categories.		

Source: Valerie S. Kretchmer Associates, Inc.

The numbers are meant to give an order of magnitude to the amount of additional supportable space in the village. Food stores could include a wide range of stores including grocery, bakery, butcher and specialty foods. Eating and drinking includes all types of restaurants such as sit-down, fast food, carry-out, fine dining, casual dining and bars. Apparel includes shoes and clothing. Lumber, building and hardware also includes paint, wallpaper and other specialized home improvement retailers.

If a redevelopment occurs along Green Bay Road, a portion of this potential demand could be met at that location. Additional development or redevelopment elsewhere in the village or in the neighboring villages could also absorb some of the projected demand.

## **E. Implications**

As shown by the analysis of the retail sales, sales potential, competition and characteristics of the various business districts and their market areas, the Village has the opportunity to capture a higher share of retail sales from its own residents as well as those of residents in some of its neighboring communities, most notably those living to the north. While the Village can not (and should not) become Old Orchard or downtown Evanston, its business districts can offer residents a reasonable alternative to those venues for many shopping and dining trips.

In highly desirable business districts, non-retail tenants will often pay higher rents for prime ground floor spaces, often driving up rents in an area. Occupancy costs for these banks, financial service, real estate or other service firms are not as directly related to the sales generated by those storefronts in the same way that retailers' businesses are. Savvy shopping center managers understand that they need a good mix of tenants to bring people into their center and increase traffic for all of the tenants at the center. Smaller landlords in business districts do not always evaluate potential leases that way. As a result, they will rent space to the tenant willing to pay the highest rent for each individual space, even if the tenants don't provide each other with cross-traffic and synergy for the building or business district overall. Most retailers can't afford to pay more than 10% of their sales in rent (including real estate taxes and common area expenses) and white table cloth restaurants can't afford to pay more than 6-8% of their sales in rent. Landlords and/or the Village must be willing to recognize these realities in order to attract these kinds of tenants.

Some villages, including Wilmette, have tried to regulate the amount of ground floor space that can be devoted to non-retail use in their business districts. This has met with varied degrees of success. In highly sought after locations it can work, while in other locations it has resulted in higher vacancies, particularly in less desirable sections of a business district. It may be appropriate to re-visit this issue in the Village Center and other commercial districts; at a minimum to look at the percentage of non-retail space that should be allowed on which blocks.

Landlords must make sure that their available space is in truly rentable condition. In many cases, vacant spaces need to be improved to be brought up to "plain vanilla box" condition.

Not all retail space is created equally and not all space, even within the same shopping center or retail district, can command the same rent. Even within ½ or 1 block, a space can be worth a very different rent depending on visibility, traffic patterns, proximity to parking, nearby stores etc. Landlords need to recognize this to make sure that they are realistic in setting their asking rents.

Parking is always an issue in suburban downtowns and often in neighborhood business districts, particularly in older pedestrian-oriented districts where buildings were constructed prior to the 1950s. It is often impossible for individual property owners to provide adequate off-street parking for customers and for employees. In these cases, public parking lots can be more advantageous. VSKA made recommendations in the Fourth and Linden Plan relative to easing parking requirements in certain circumstances for new construction or for new tenants in existing buildings. The Village should consider if these recommendations may be applicable to some of the other neighborhood business districts.

The smaller business districts are likely to remain neighborhood convenience-oriented districts, though they may have one or more business with a wider draw. This includes the districts at Ridge and Wilmette Avenue, Ridge and Lake Avenue, Fourth and Linden, and West Lake Avenue at Laramie. The district at Ridge and Lake Avenue has the potential for upgrading the Ridgecrest Court Shopping Center, particularly with the construction of the senior citizen condominiums on the Mallinkrodt campus.

The west side of the village is lacking in a drug store and grocery store. Edens Plaza has plans to lease the vacant Petco space to Fresh Market, a small, specialty grocer and that will help this situation. There is definite potential for a drug store, possibly in the West Lake Avenue area on the site of the shuttered gas station or at another location on or near Skokie Boulevard.

Redevelopment along the Green Bay Road corridor, especially on the block with the now vacant North Shore Ford (between Wilmette and Central Avenues) and the Kohl Museum site, can provide the village with excellent opportunities to attract new, modern retail development at highly visible and accessible sites. The compatible redevelopment of these sites should be a priority. If possible, the Village should encourage a comprehensive, rather than piecemeal, approach to the block between Wilmette and Central Avenues as recommended by the 1999-2000 West Village Center plan.

Property taxes, especially for retail space along Skokie Boulevard, are quite high in relation to retail space in some of the other competitive areas, particularly in Skokie and in Winnetka. This puts the centers at Old Glenview Road at a competitive disadvantage relative to the nearby centers in Skokie.

Compared to some other municipalities, Wilmette has not been especially pro-active in business or developer recruitment. The Village's limited business development promotional materials should be updated. Wilmette's (and New Trier's) name and location are synonymous with affluence and prestige, thus there has not been the need to "sell" the community. However, some of the business districts have become "tired" and some commercial buildings no longer meet modern retail needs. The time is right for the Village to become more pro-active.

There is a wide spectrum of potential municipal involvement from public relations and advertising (which the Village is doing in conjunction with the Chamber of Commerce) to active redevelopment. More consistent advertising and public relations are needed to make residents of Wilmette as well as neighboring communities aware of the range of stores in the different business districts. Businesses in Edens Plaza want to attract east Wilmette residents as much as Village Center and other east side business districts want to attract the west Wilmette customers. Since only a small percentage of village merchants are members of the Chamber of Commerce (this is not unusual), the Village should consider a more active role here.

As other North Shore communities including Highland Park, Deerfield and Evanston have demonstrated, major publicly initiated redevelopment has made a huge impact on those downtowns, though the developments were controversial at the time. (These tools were discussed in the Fourth and Linden Plan dated November 2004.) Certainly less aggressive actions can be taken, such as creation of special service areas to provide additional funds targeted to business development efforts, but doing nothing is probably no longer a viable option.

The residents expect a high level of service from local government. Wilmette does not have an industrial base and single-family homeowners feel they are paying enough in property taxes. The Village's recent attempts to explore cutting certain services were not well received. An increase in the real estate transfer tax paid by the buyer of property was defeated by the voters. It is appropriate that the Village is looking to its commercial districts to generate additional sales and property taxes to support the quality of life demanded by the residents.

## VI. OFFICE MARKET ANALYSIS

### A. North Suburban Office Market Trends

Wilmette is located within the North Suburban office market as delineated by CB Richard Ellis, one of the Chicago metro area's leading real estate brokerage companies. The North Suburban sub-market includes the area north of Howard Street to the Wisconsin border and includes the suburbs that straddle I-294 north of O'Hare Airport.

According to data from the 4<sup>th</sup> quarter of 2004, the vacancy rate stood at 15.6% in the North Suburbs, a significant improvement over the previous year's 17.6% vacancy rate, though still on the high side. However, the north suburbs are faring better than the Chicago suburbs overall where the vacancy rate stood at 17.9% at the end of 2004.

The average asking rate for Class A space has stayed the same over the past year ranging from \$14-17 per square foot, while the range for Class B space has actually decreased to \$10-13 per square foot. Since 2000, the average asking lease rate for Class A and B space has declined (when it was \$18-19.25 and \$14.50-17 respectively). However, in 2000 the market was much stronger; the vacancy rate was only 9.1%. The softer market has resulted in lower lease rates across the board.

NORTH SUBURBAN OFFICE SPACE TRENDS 2000-2004					
Year 4th Quarter	Net Rentable Area (S.F.)	Vacancy Rate	Net Absorption (S.F.)	Avg. Asking Lease Rate Class A	Avg. Asking Lease Rate Class B
2000	18,914,172	9.1%	9,034	\$18.00-\$19.25	\$14.50-\$17.00
2001	20,120,386	14.1%	117,105	\$17.00-\$19.00	\$12.00-\$16.50
2002	20,328,344	14.3%	10,092	\$16.00-\$18.50	\$12.50-\$15.00
2003	20,741,931	17.6%	(128,764)	\$14.00-\$17.00	\$12.00-\$14.00
2004	20,541,931	15.6%	97,147	\$14.00-\$17.00	\$10.00-\$13.00

Source: CB Richard Ellis.

### B. Trends in Wilmette and Surrounding Suburbs

Wilmette competes within a much smaller market area, primarily with small buildings in neighboring municipalities including Winnetka and Northfield, or with buildings along the Edens Expressway in Skokie or Northfield, or with Evanston. The table below shows the characteristics of the office inventory in Wilmette and these neighboring communities as of the summer of 2004 and the winter of 2005.

<b>WILMETTE AND SURROUNDING SUBURBS OFFICE MARKET DATA</b>					
<b>Municipality</b>	<b>Month/ Year</b>	<b>Total Rentable Area (S.F.)</b>	<b># of Buildings</b>	<b>Direct Vacancy Rate (%)</b>	<b>Vacancy Rate Inc. Sublet Space (%)</b>
Wilmette	Jul-04	334,322	16	7.0%	9.3%
	Feb-05	347,757	17	6.7%	6.9%
Northfield	Jul-04	1,069,494	34	6.1%	6.1%
	Feb-05	1,068,372	34	6.6%	6.6%
Winnetka	Jul-04	106,542	12	0.0%	0.0%
	Feb-05	120,607	13	0.0%	0.8%
Evanston	Jul-04	2,775,190	90	12.8%	13.5%
	Feb-05	2,782,420	89	10.4%	11.1%
Skokie	Jul-04	2,846,024	97	22.0%	27.0%
	Feb-05	2,955,949	102	26.1%	31.8%

Source: Cheryl Stein Inc. Commercial Real Estate; Co-Star Group.

As these data show, office buildings in Wilmette are well occupied with very little space available. Only Winnetka, with a very small inventory of space, has a tighter market. The Northfield market is also considered to be very healthy with a vacancy rate similar to that of Wilmette's but with a much larger office base.

The high vacancy rate in Skokie is the result of cutbacks at Searle which put large blocks of Class A office space on the market (The Class A vacancy rate in Skokie is 58%). This space is considered to be very different in character from almost all of the office space in Wilmette. Evanston's vacancy rate at 10.4% is higher than Wilmette's, but still well below that of the suburban market overall and of the North Suburban sub-market. Both Skokie and Evanston have significantly larger inventories of office space than Wilmette. Over the past six months, Wilmette and surrounding municipalities, with the exception of Skokie, have experienced improved office market conditions.

The following table provides details on the characteristics of the Wilmette office market by building class.

<b>WILMETTE OFFICE MARKET DATA</b>					
<b>Building Class</b>	<b>Month/Year</b>	<b># of Buildings</b>	<b>Total Rentable Area (S.F.)</b>	<b>Direct Vacancy Rate (%)</b>	<b>Vacancy Rate Inc. Sublet Space (%)</b>
Class A	Jul-04	1	58,237	14.3%	14.3%
	Feb-05	1	58,237	12.4%	12.4%
Class B	Jul-04	9	216,435	3.5%	3.8%
	Feb-05	10	229,870	4.7%	4.9%
Class C	Jul-04	6	59,650	12.5%	12.5%
	Feb-05	6	59,650	9.2%	9.2%
Total Space	Jul-04	16	334,322	7.0%	9.3%
	Feb-05	17	347,757	6.7%	6.9%

Source: Cheryl Stein Inc. Commercial Real Estate; Co-Star Group.

As shown, Wilmette has only one Class A (highest quality) building (3201 Old Glenview Road west of the Edens Expressway), while 66% of the gross rentable area is Class B (average) in quality. While there is some vacancy in the one Class A building, the Class B buildings have relatively little vacancy. Class C buildings, generally the oldest buildings with the fewest amenities, also have a relatively high vacancy rate. As of November 2004, the building at 3520 W. Lake Avenue was purchased by an investor from a medical practice that used the entire building. The building will be converted to multi-tenant space and is now included in the inventory of Class B space.

There has been no new construction of office space in Wilmette since the late 1980s when the buildings at 825 Green Bay Road (1987) and 3545 W. Lake Avenue (1989) were constructed. A detailed listing of Wilmette's office buildings is included in the Appendix to this report.

Rents in Wilmette office buildings vary widely depending on the age, quality and location of the building as well as the size of the space. Typical asking rents for older space in the Village Center, West Village Center and along Ridge Road (typically upper level space over stores), range from \$10-18 gross which includes the cost of common area maintenance expenses and real estate taxes. Some of these spaces do not have an elevator. The better quality Class A and B buildings quote asking rents ranging from \$21-28 per square foot gross.

### **C. Wilmette's Office Niche and Development Potential**

Office tenants in Wilmette tend to be small companies, many of which are professional services firms whose principals live in or near the village. Data provided earlier in this report showed that 2/3 of Wilmette's employers have fewer than 5 employees and 83% have fewer than 10 employees. Of the more than 600 employers in office prone industries in the village, 86% have fewer than 10 employees.

According to building owners and property managers of office space in Wilmette, it is not difficult to keep the better maintained buildings leased. There is a continuing demand for good quality, small office space. The tight Class B market, lack of new construction in 15 years and lack of available space in Winnetka would indicate potential for a limited amount of new office space in the village targeted to smaller office tenants. This could be 15,000-20,000 square feet of office space in the near term.

One possible development scenario would be office condominiums, a concept that is gaining favor in some parts of the Chicago metro area, but one that has not been used in this area. It can be an attractive option in an area such as Wilmette where business and professional people are affluent and have the financial capability to purchase property, but may not be able to find a suitable building to buy. Small professionals who do not expect to expand significantly are prospective buyers for office condominiums. This concept could be a free-standing structure or could be part of a larger mixed-use project.