



SOUTH CHICAGO HEIGHTS



ECONOMIC DEVELOPMENT STRATEGY PLAN



Prepared by Teska Associates | December 2023





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EXECUTIVE SUMMARY

Chicago Road and Sauk Trail are the economic, cultural and social crossroads of South Chicago Heights. The Village seeks to attract investment to these corridors to expand economic opportunities and put Village-owned properties back to productive use. The Village engaged Teska Associates to develop market-based strategies to enhance economic development opportunities. This plan lays out a direction to retain and support existing businesses, beautify South Chicago Heights' corridors, and create community gathering spaces.

Building on South Chicago Heights' Assets

Both Chicago Road and Sauk Trail are well-traveled with 14,000 +/- vehicles per day. They connect directly to the larger market area, making them ideal locations for business and industry. Chicago Road is a well-established commercial corridor with long-standing, local businesses but also several vacant buildings and parcels. The industrial center along Sauk Trail is a major employment cluster, with 1,000+ employees working in Manufacturing and Wholesale Trade. With three TIF Districts and an Enterprise Zone, South Chicago Heights is an attractive location to invest.

Challenges are Opportunities

Vacant Storefronts are Available Storefronts. Commercial uses look for their best fit to serve the widest market possible. Available storefronts in South Chicago Heights need to be marketed to the right audiences and made aware of available funding and grant opportunities. Investments on the part of the Village along the corridor through streetscaping, lighting and parking will be a sign to businesses that the community is well cared for and open for investment.

Village-Owned Properties and Ready Development Sites. The Village has assembled several development sites along Chicago Road. By doing so, the Village is positioned to play an integral role in reshaping the urban design of the corridor and the mix of uses. The Village can now seek development partners who share a common vision to work together. Structures can be repurposed where feasible, vacant lots can be redeveloped and set the standard going forward.

Vision

Identity and Marketing: Create a clear vision for these corridors and use marketing tools to guide site-appropriate uses that enhance the environment.

Placemaking and Urban Design: Use design elements, streetscaping, and the creation of people places to bring residents and visitors to the corridors.

DRAFT FOR VILLAGE BOARD REVIEW

Business Attraction: Learn from current business owners about assets, challenges and opportunities. Improvements will help retain existing businesses and attract newcomers.

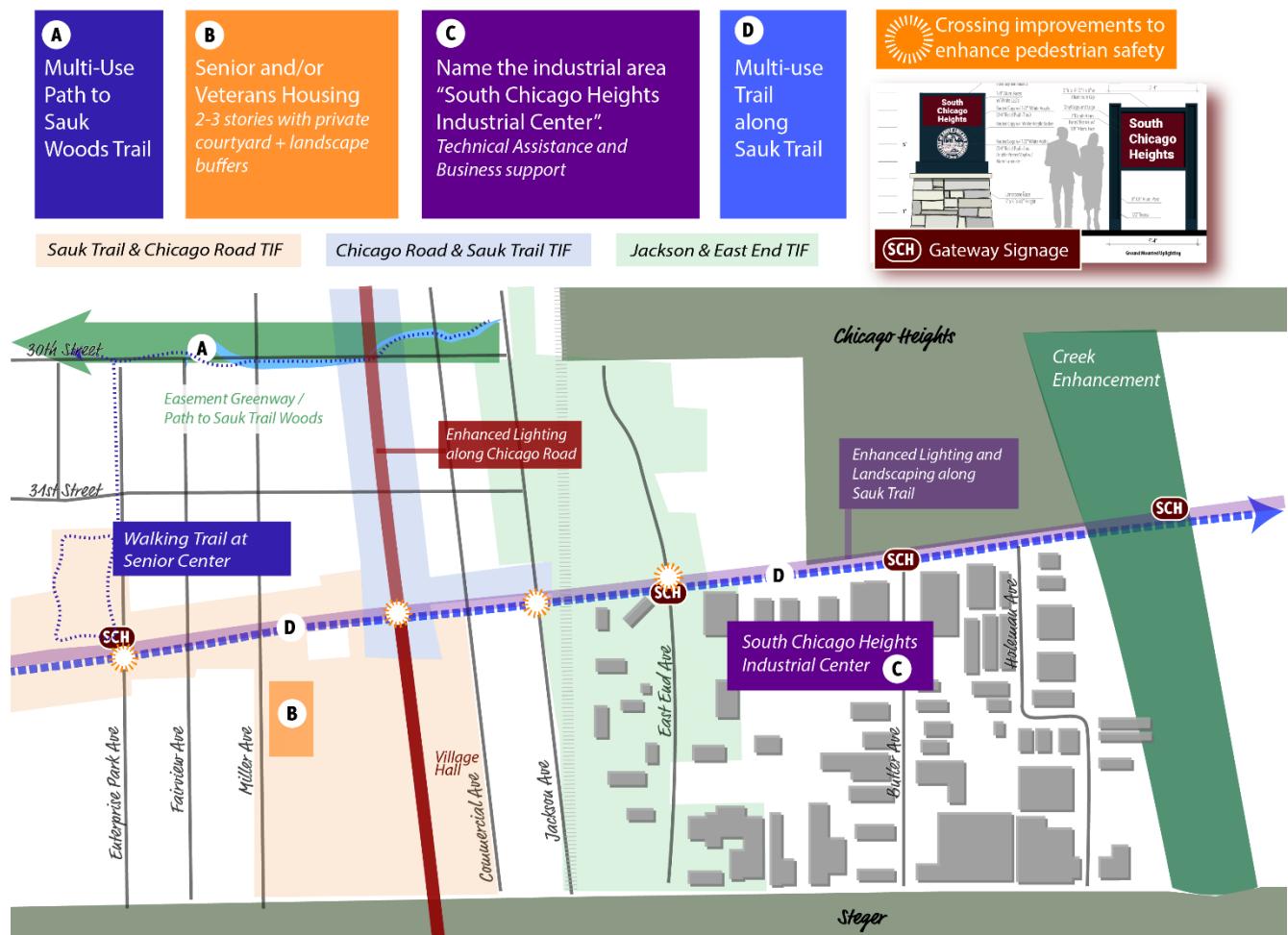
Circulation and Parking: With the intent to attract more visitors, shoppers and employees to these corridors, preparing for enhanced circulation and parking availability is paramount. Enhanced pedestrian crosswalks and additional, convenient public parking will make Chicago Road a more appealing place to visit.

Recommendations are summarized in the following graphics:

Figure A: Chicago Road Summary Framework Plan



Figure B: Sauk Trail Summary Framework Plan



PART I: CURRENT CONDITIONS

1. Introduction

The Village of South Chicago Heights is at a pivotal juncture. The community of 4,026 residents is located at the intersection of two major roadways - Chicago Road and Sauk Trail - which has provided economic opportunities for commercial and industrial businesses. Changes in retail patterns have made it difficult for local stores to survive, particularly in smaller floorplates in older buildings on Chicago Rd. north of Sauk Trail.

Along Chicago Rd. south of 31st St., a number of national and regional retailers and businesses remain strong, including Walgreens, Domino's Pizza, AutoZone Jewel-Osco, Save A Lot, McDonald's, Family Dollar, Wingstop, Chase, and Fifth Third Bank.

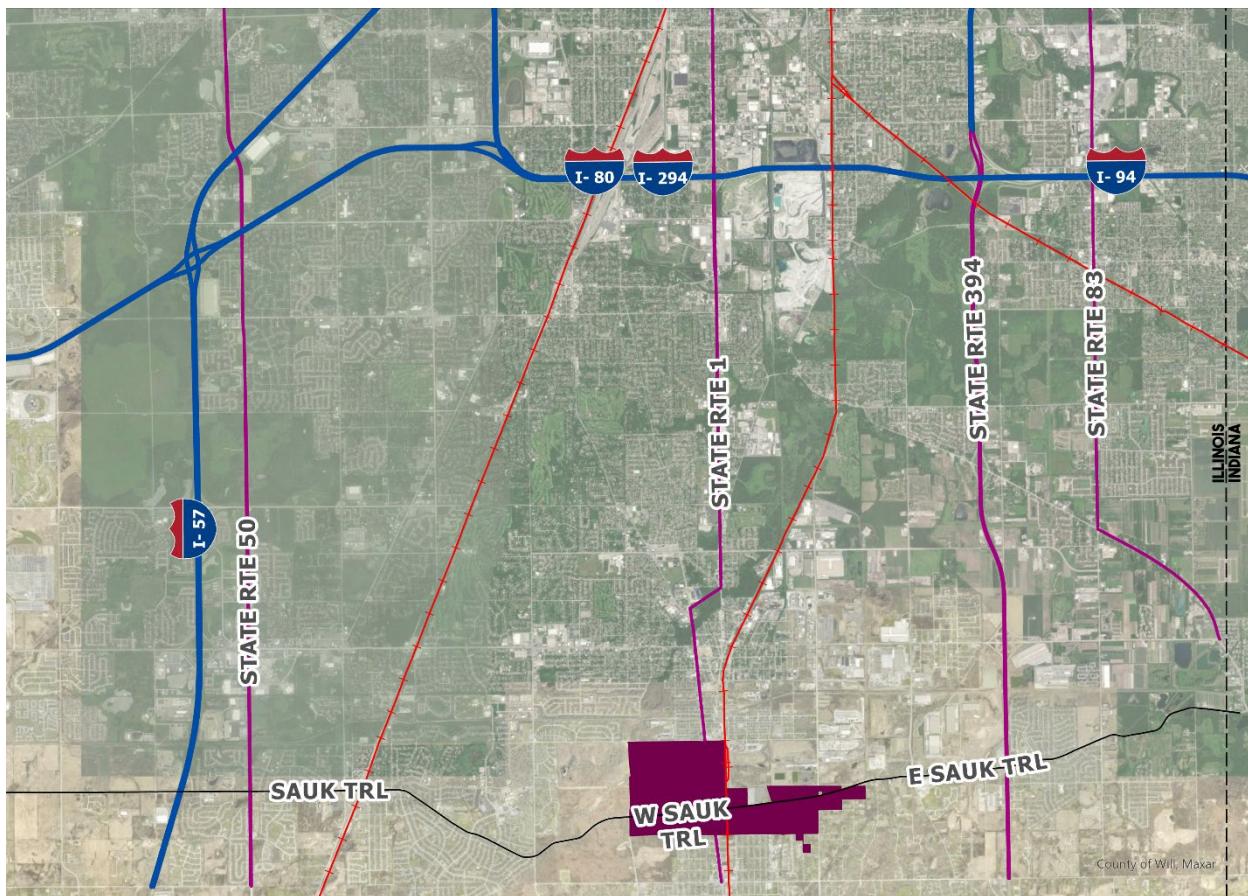
Just east of the Village's core, an industrial center has been successful in attracting local and regional industries including Do-Rite Die and Engineering, Winpak, Hi Tech Fastener, Tufts Grinding, Inc. and many others.

The Village asked Teska Associates to develop market-based strategies to enhance economic development opportunities. In particular, the Village wants to address vacant properties and put Village-owned properties along Chicago Road, between the Village's northern border and Sauk Trail, back to use. In addition, this plan lays out a direction to retain and support existing businesses, including retailers along the southern portion of Chicago Road and the industrial center to the east.

The Vision of this strategy is to:

Provide economic opportunities for businesses to locate and thrive in South Chicago Heights while providing an attractive, high-quality environment for local residents and visitors to enjoy an active, vibrant “Main Street” that supports local businesses.

Figure 1.1: Regional Context Map



Source: Teska Associates, Inc.

2. Village Assets

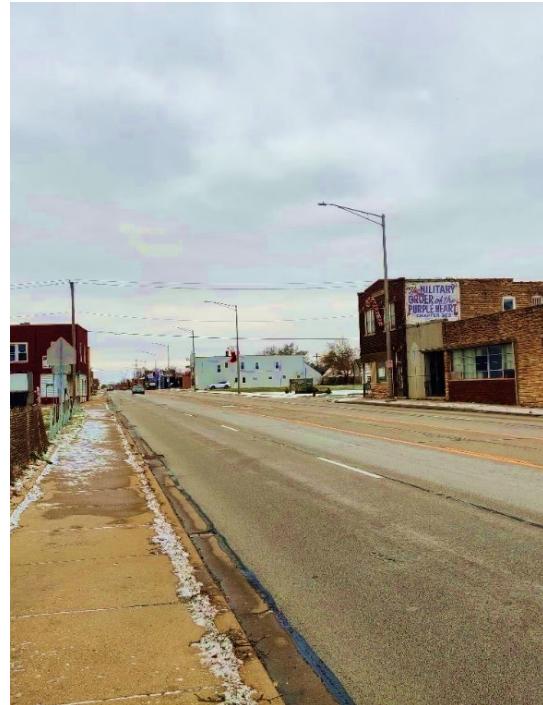
In order to attract economic development to the Village, it is important to first identify and describe existing assets. Strategies are then formulated around leveraging and building on those assets. The following sections describe these assets, broken into 'strengths' and 'opportunities' for both the Chicago Road Corridor and the Sauk Trail Corridor.

Chicago Road Corridor

Chicago Road acts as a continuous 'main street' through multiple communities, including South Chicago Heights. The strengths and opportunities of the roadway within the Village include:

Strengths

- 5-lane IDOT roadway (middle turn lane)
- 14,700 ADT north of Sauk Trail; 13,500 south of Sauk Trail
- Seamless transitions between Chicago Heights and Steger
- Main commercial corridor in the Village with long-standing, local businesses
- Continuous, though narrow sidewalks
- Existing Village TIF Districts + Enterprise Zone



Opportunities

- Significant number of Village-owned properties
- Vacant lots + empty storefronts / buildings
- Existing horizontal and vertical Mixed-Use (commercial + residential)
- Truck Route
- Partner with IDOT on improvements to raise roadway to more modern standards

Chicago Road is an extension of Highway 1, which begins in the City of Chicago at 95th Street and extends south to Will County. The corridor connects communities to I-57 and I-294 via Rt 394 and Lincoln Highway/US 30, respectively. Highway 1 also connects to Highway 17 near Grant Park.

Sauk Trail Corridor

An historic trade route running through Illinois, Indiana and Michigan, Sauk Trail largely follows natural geography and is an east-west connector. From South Chicago Heights, Sauk Trail connects to I-57 to the west and Rt 394 to the east.

The corridor does not have any one land use character; however, there are pockets of industrial users / parks along the corridor within the trade area. The strengths and opportunities of the roadway within the Village include:

Strengths

- 13,000 ADT west of Chicago Road; 14,600 east of Chicago Road
- Access to an industrial corridor & proximate to industrial businesses north, south, and east
- Provides access to major employment cluster within the Village – an estimated 800 employees work in Manufacturing and 270 in Wholesale Trade
- Existing Village TIF districts and part of Enterprise Zone



Opportunities

- Direct connection to the Forest Preserves
- Need for a strong & marketable industrial character east of Chicago Road
- Strong residential character west of Chicago Road
- Western and eastern gateways could be improved.

3. Economic Development Toolbox

While the use of economic development tools cannot ensure development, they can encourage investments by increasing predictability and reducing obstacles.

Tax Increment Financing (TIF) Districts

TIF Districts can be established if and only when proven to meet eligibility criteria, and where it is determined that *but for* the establishment of a TIF, the area will not redevelop. Once established, increases in property values lead to TIF funding which is then only available for project costs / improvements that benefit the district, such as:

- Property assembly
- Not direct funding of new private construction costs – although façade and remodeling can be funded.
- Utilities & road improvements, traffic signalization
- Environmental clean-up
- Taxing district capital costs, student impact compensation

Examples of eligible project costs:

- The administration of the TIF (planning, legal, reports, etc.)
- Property assembly
- Rehabilitation or renovation of existing public and private buildings
- Construction of public works or improvements
- Job training
- Relocation
- Financing costs, including interest assistance
- Studies, surveys and plans
- Marketing sites within the TIF
- Professional services
- Demolition and site preparation

South Chicago Heights' TIF Districts

There are three (3) active Tax Increment Financing Districts within South Chicago Heights which include properties along Chicago Road and Sauk Trail:

Chicago Road / Sauk Tail TIF shown in Figure 3.1 in blue.

- Expires December 31, 2023
- Fund Balance (Committed): \$1,941,509*
- Total Revenue: \$6,569,356

Sauk Trail / Chicago Road TIF (#4) shown in Figure 3.1 in orange.

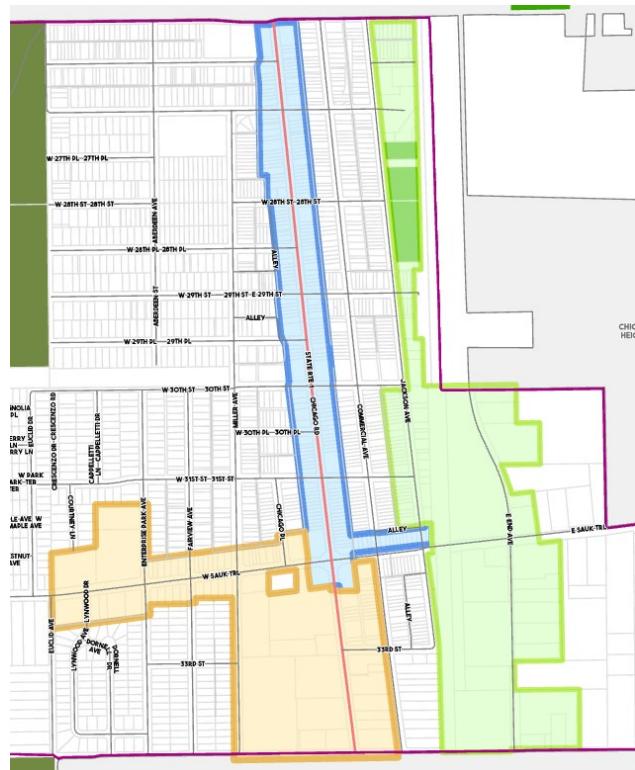
- Expires December 31, 2038
- Fund Balance: \$370,904*
- Total Revenue: \$734,943

Jackson Ave / East End TIF (#2) shown in Figure 3.1 in light green.

- Expires December 31, 2032
- Fund Balance: \$64,473*
- Total Revenue: \$258,833

* FY 2021 Fund Balances, as reported in annual TIF Reports

Figure 3.1: TIF Districts in South Chicago



Source: Teska Associates, Inc.

Enterprise Zones (EZs)

Enterprise Zones are geographical areas eligible for a variety of tax assistance including:

- Sales tax abatement on building materials for projects in the zone with valid IDOR (Illinois Department of Revenue) building material sales tax exemption certificate.
- 50% abatement of the municipal portion of real estate taxes on the added tax value the project creates, for 5 years. NOTE: Projects in a TIF District or receiving other substantial property tax abatements are NOT eligible for this benefit.
- 50% discount on local building permit fees. (All other fees and inspection procedures follow local ordinances).

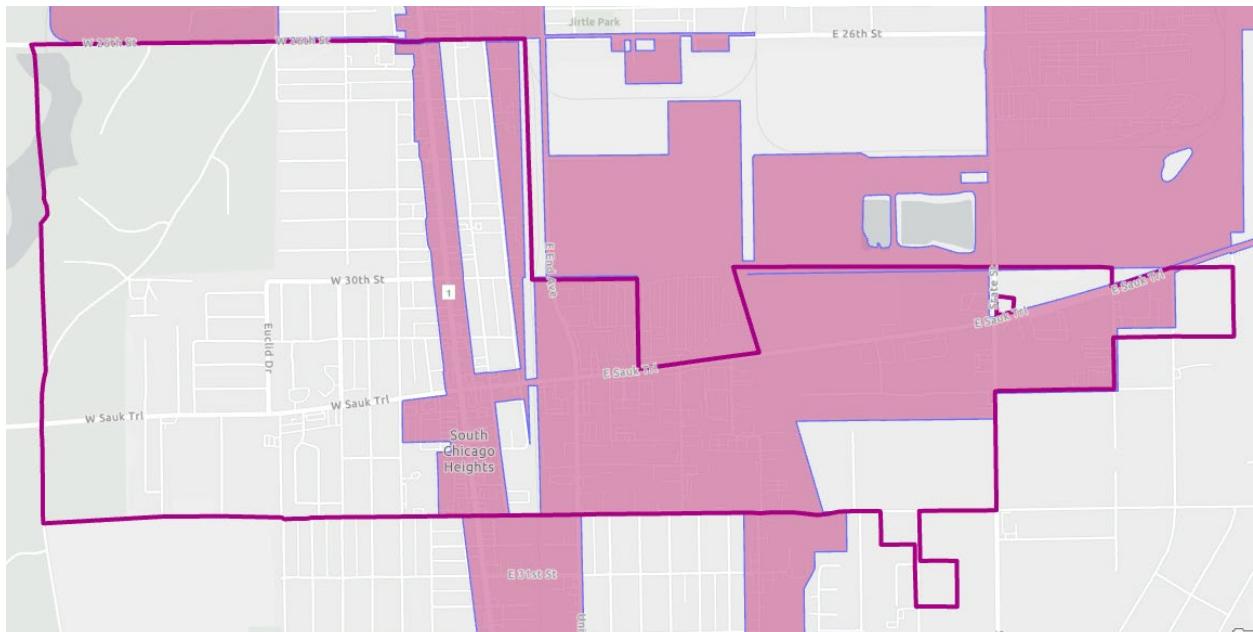
- Investment Tax Credit which allows for a 0.5 percent credit against the state income tax for investments in qualified property.
- The Manufacturing Machinery and Equipment / Pollution Control (MM&E) provides a 6.25 percent state sales tax exemption on all tangible personal property which is consumed within an enterprise zone in the process of manufacturing.
- The Utility / Telecommunications Tax Exemption provides a 5 percent state tax exemption on gas, electricity as well as an exemption of the Illinois Commerce Commission 0.1 percent administrative charge and excise taxes on the act or privilege of originating or receiving telecommunications.

Lincoln & 394 Enterprise Zone

Properties on either side of the full length of Chicago Road within South Chicago Heights and the vast majority of properties east Chicago Road (on either side of Sauk Trail) are located within the Lincoln & 394 Enterprise Zone (EZ).

While the EZ offers numerous benefits, there are some restrictions for properties also located within local TIF Districts along Chicago Road and Sauk Trail.

Figure 3.2: Lincoln & 394 Enterprise Zone within South Chicago Heights



Source: Enterprise Zone Atlas, SSMMA [[link](#)]

4. Market Analysis Summary

A Market Analysis of the Village of South Chicago Heights was undertaken along with a comparison of trends in a 10-Minute Trade Area. Highlights of Market Analysis are listed below. See Section 11 of this report for a detailed Market Analysis.

Key findings include:

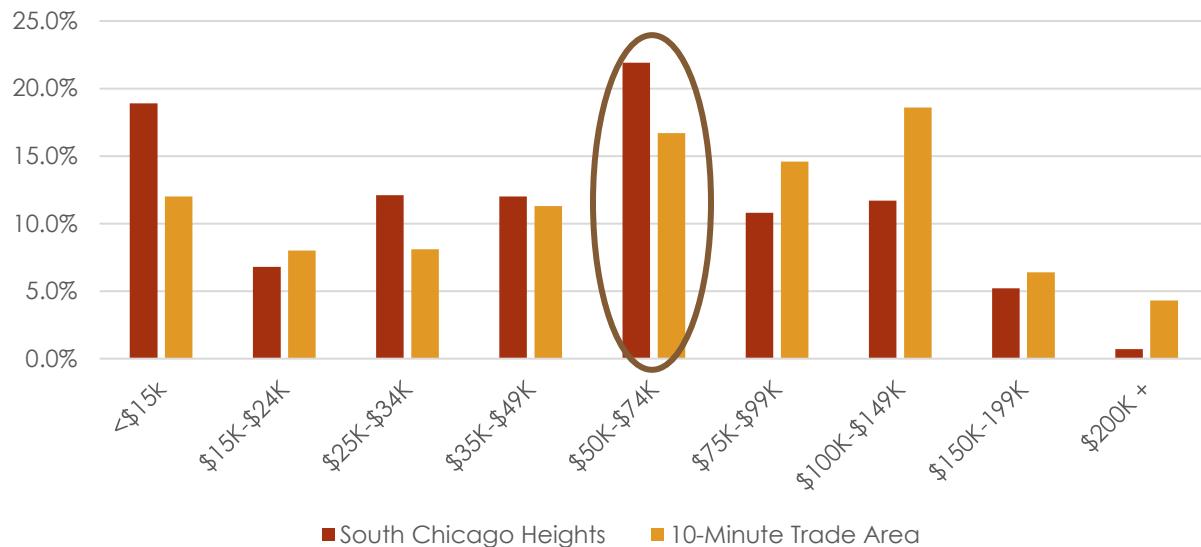
Demographics

- The Village has 4,026 residents compared with 105,289 residents within the 10-Minute Trade Area. The population has been relatively stable over the past 10 years, with a decline of just 148 residents from 2010-2022 within the Village. Successful economic development strategies need to reach the larger Market Area to support retailers and commercial development.
- There are 1,505 households within the Village compared with 39,235 households in the 10-Minute Trade Area.
- The Village is very diverse with approximately equal shares of White (Non-Hispanic), Hispanic or Latino (of Any Race), and Black (Non-Hispanic). These demographics can support a wide variety of businesses and restaurants that can serve different markets within the Village and the larger Trade Area.

Income

- Median household income is \$50,188 within the Village compared with \$63,696 in the Trade Area. The largest share of South Chicago Heights households is within the \$50,000 - \$75,000 income bracket. These households have relatively high disposable income and can support local businesses if the products are available. To be successful, reaching a broader spectrum in the Trade Area can reach additional higher incomes.

Figure 4.1: Share of Household Income Brackets



Housing

- Two-thirds of housing stock is owner-occupied in both the Village and Trade Area. The vacancy rate is just 8% in the Village and Trade Area.
- Median rent is \$1,080/month in the Village. Most rental units are older and there is demand for higher-quality, newer products with more amenities which younger households expect in the current marketplace.

Retail Demand

- South Chicago Heights is located in the Far South submarket of the Chicago region as defined by Moody's Analytics Commercial Real Estate.¹ The submarket contains 7.6 million square feet, or 7.2% of the metro area's total inventory of neighborhood and community shopping center space. Since 2013, there has been 153,000 square feet of new retail constructed while 320,000 square feet were removed by developer activity.
- Average asking rent in the Submarket is \$16.11/SF. Average retail vacancy remains high at 24%, indicating an over-built marketplace.
- Between now and year-end 2024, developers are expected to deliver a total of 10,000 square feet of neighborhood and community shopping center space to the submarket amounting to 1.2% of the new construction introduced to the Chicago metro area.
- Within South Chicago Heights, top retail demand is concentrated in Food, Entertainment & Recreation, and Apparel & Services. Additional demand is concentrated in Furniture, Child Care, Lawn and Garden and Personal Care Products.
- Forecasted retail demand is:

	South Chicago Heights	15-Minute Trade Area
Food	\$11.4 million	\$858 million
Entertainment + Recreation	\$3.8 million	\$301 million
Apparel and Services	\$2.6 million	\$198 million
Furniture	\$775,000	\$60 million
Personal Care Products	\$609,000	\$21 million
Lawn and Garden	\$546,000	\$48 million

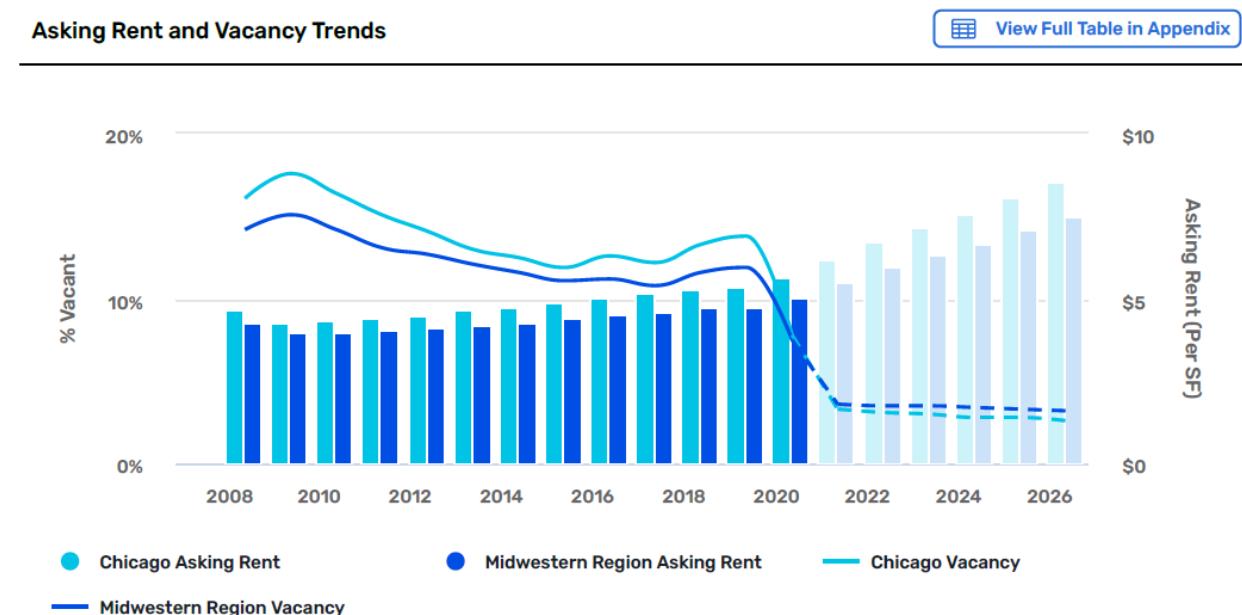
¹ Moody's Analytics CRE Far South Submarket Retail Report, Q4 2022, produced February 20, 2023

Industrial Demand

South Chicago Heights is located in the Southwest Cook submarket of the Chicago region as defined by Moody's Analytics Commercial Real Estate.² The submarket contains 22.4 million square feet, or 4.3% of the metro area's total inventory of industrial space (warehousing, distribution, manufacturing and assembly).

Key statistics:	Southwest Cook	Metro Area
Effective rent:	\$4.22 / SF	\$5.77 / SF
Vacancy ³ :	4.9%	3.9%

Figure 4.2: Asking Rent and Vacancy Trends



Source: Moody's Analytics Warehouse / Distribution Report Q3 2022

² Moody's Analytics CRE Warehouse/Distribution Report, Q3 2022, produced February 20, 2023

³ As of Q3 of 2022

5. Challenges and Opportunities

When it comes to economic development, challenges are really opportunities in disguise. Fluctuation in demand is inevitable, as are changes in community needs and desires. While some fluctuation is natural, the greatest challenge is for communities to take note and guide transitions. This chapter describes the opportunities in South Chicago Heights.

Vacant Storefronts → Available Storefronts

Save for a few vacant restaurant spaces near the intersection at Sauk Trail, available retail space in South Chicago Heights is primarily within the northern 'main street' section of Chicago Road. True to a more traditional main street, available storefronts are primarily single-story standalone buildings with either office or residential above retail in some cases.

Commercial uses look for their best fit. Available storefronts in South Chicago Heights need to be marketed to the right audience and business owners made aware of available funding and grant opportunities. Investments on the part of the Village in streetscaping are a sign to others that the main street is still in business, still well cared for, and ready to welcome others.

Changes in Consumer Shopping in the last decade certainly facilitated the ongoing reorganization of brick-and-mortar retailing. But there was already more retail space than could truly be absorbed by the market in the long term. This surplus has become more visible as online retail purchases continue to become a greater proportion of overall sales. At the same time, the consumer has begun to spend more time in open-air and main street shopping districts, leading to the demise of many regional malls. Some big box stores now seek smaller store footprints, and companies without a strong online retailing environment either quickly created one or began closing stores.

Village-Owned Properties → Ready Development Sites

The Village has been proactive in taking control of properties facing challenges throughout the community, but especially along Chicago Road. The result is that the Village, ahead of would-be developers, has assembled development sites and can play a more integral role in reshaping the mix of uses present along the corridor.

These actions have put the Village in a position to reshape the urban design of the corridor, not just look for property buyers. The Village can now seek development partners who share a common vision to work together. Structures can be repurposed where feasible; vacant lots can be entirely redeveloped and set the standard going forward.

PART II: ENHANCEMENT STRATEGIES

6. Identity and Marketing

This chapter describes the role of marketing in changing and reinforcing public perception of South Chicago Heights' identity to enable economic development.

Identity

The *identity* of places is formed and reinforced by the stories we tell and often changes over time. We then associate places with their identity – a place to relax, a place to be with family, or even a place to avoid. Public perception, or the stories we hear about a place, plays a significant role in reinforcing or contradicting branding and marketing. However, public perceptions are not always made up of personal experiences and places change over time.

South Chicago Heights is no longer simply a bedroom community close to major job centers – it is a community with a successful industrial center, and a bustling shopping district with limited vacancies south of Sauk Trail. This strategy recognizes the need to use marketing and branding to increase awareness of this new identity for South Chicago Heights.

In particular, marketing and branding will reinforce distinct identities for the commercial and industrial areas of South Chicago Heights:

- 'Chicago Road North' is a walkable, main street of local businesses, personal services, and eateries.
- 'Chicago Road / Sauk Trail Shopping District' is an auto-oriented shopping area serving local residents, employees, and anyone moving through the Village.
- 'South Chicago Heights Industrial Center' is a conveniently located industrial center with a variety of leading industries and distribution facilities.

Marketing

Marketing brochures highlight opportunities (e.g., available space, redevelopment sites) and illustrate the community's vision. The Village can easily communicate key data, metrics and unique assets. With constrained funding, many catalytic and turnkey projects are public-private partnerships which take advantage of funding tools already in place. Brochures can be easily updated and shared online.

Commercial And Industrial Real Estate Resources

The Chicago-area market has several commercial and industrial real estate organizations that South Chicago Heights can become involved in to attract new investment. They include:

International Council of Shopping Centers (ICSC) – the leading local and national organization for retail and commercial investment. ICSC@CENTRAL is an annual event in October that South Chicago Heights should attend. A wide variety of local, regional and national retailers attend who are looking for sites in the Chicago metro. <https://www.icsc.com/attend-and-learn/events/details/central-2022>

Urban Land Institute is one of the largest multi-sector real estate organizations. By sharing best practices, networking with developers and real estate organizations, and working with other public sector entities, South Chicago Heights can expand its relationships and learn more about state of the art public private partnerships. Visit ULI Chicago at <https://chicago.ulic.org/>

NAIOP, the Commercial Real Estate Development Association, is a national trade association for developers, owners, investors, asset managers and other professionals in industrial, office and mixed-use commercial development. Visit <http://www.naiopchicago.org/>

Website and Social Media

With access to more information than ever, targeting proper audiences and using clear messaging are essential. The Village can support property and business owners immensely just by providing information on the Village website, via e-newsletters, and/or on social media, including:

- available commercial / industrial space
- development opportunities
- marketing events and business promotions
- highlighting new businesses / ribbon cuttings
- sharing grants and funding opportunities

7. Placemaking and Urban Design

This chapter describes how placemaking and urban design fit into South Chicago Heights' economic development strategy.

What makes a Place?

The concept of placemaking is to make intentional changes or improvements that make a place somewhere people want to be or go to regularly. Chicago Road and Sauk Trail corridors both have existing elements, uses and characters which communicate that they are places. This strategy identifies ways to enhance these places and create focal points.

How does “urban design” fit in South Chicago Heights?

Urban design actually has little to do with the size or population of a community and more to do with designing spaces that are functional, beautiful, and memorable. This is done by looking at landscape and streetscape, roadways and walkways; and how places to live, work (or learn), and play are connected.

Streetscape

The traditional “main street” generally started as a main thoroughfare and grew into a pedestrian shopping district. In South Chicago Heights, that road is Chicago Road, however, much of the traffic is passing through or heading to the auto-oriented regional shopping surrounding the intersection with Sauk Trail. In contrast, the northern portion of Chicago Road has remained more pedestrian in nature. The character of these two sections of the roadway is distinct, but streetscape elements can be used to celebrate differences and provide cohesion along the corridor.

What is Streetscape?

Streetscape is the collection of elements between the roadway and buildings, including sidewalks, benches, landscaping and parkway trees, pedestrian crossings, public art, lighting, wayfinding signage, and more. A good streetscape makes this an inviting and safe space whereas a poor streetscape makes it feel inhospitable and dangerous, as if the pedestrian does not belong.

Design Strategies

Despite a great number of best practices, streetscape improvements are very much tied to their context. This often presents unique opportunities and sometimes unique limitations. The following are urban design + placemaking elements and recommendations on how they could be incorporated along Chicago Road and Sauk Trail.

- **Lighting:** While light poles are necessary to illuminate the roadway and sidewalks, lighting is also used to create interest, capture attention, and enhance feelings of safety for pedestrians. Creative, illuminated signage is important for businesses to remain visible and attractive after dark. Encourage businesses to maintain illuminated signs and think about the auto and pedestrian scales.
- **Landscaping + Street Furniture:** To counteract the tendency of the built environment to be monochromatic, the addition of landscaping and street furniture can offer much needed relief. Landscaping can range from street trees to strategically placed planters to flower boxes on 2nd stories to handing flower baskets from utility/light poles. Benches, waste / recycling receptables, and bike racks should be located wherever people are desired. Drivers and bikers need parking, and pedestrians need a place to rest or tie their shoes.
- **Public Art:** Art in the public way adds visual interest and can change the role of blank or unsightly facades or features. Public art can be employed to celebrate history or local artisans. Some communities have created permanent locations to affix art so that it can be changed over time. Others seek community art projects, such as painting utility boxes or murals with local students.
- **Symbols + Gateways:** The repetition of symbols or styles communicates consistency and is a way to connect larger spaces together. Community gateways are often major corridors and to reinforce location within a community, consistent gateway signs and features communicate location. While signs use written language, design is an effective way to communicate consistency without. Where the Village wants to create feelings of place and consistency, use unique and creative design.

- **Wayfinding Signage:** Wayfinding is less about giving directions and more about showcasing what the community has to offer. The goal is to communicate opportunities and help people discover community assets. Wayfinding signage can also be informational, such as indicating the walk time to from Chicago Road to Jackson Park along 28th Street. Signs can be mounted on a pole, posted on a wall/window, or even placed on the ground.
- **Historic / Iconic Elements:** Urban design and placemaking focus on bringing out the history and unique character of a place. To that end, iconic and historic elements such as signs and architecture are important to preserve and/or celebrate. The Hi Way Bakery neon sign is a great example of this.

With limited ground space, incorporating elements vertically and using blank or open facades are preferred such as the examples featured below. Light poles can be used to hang banners, flower planters, and even wayfinding signage. Blank walls facing parking lots can host murals. Communities have also often used sidewalks for temporary informational markers.

Identity · Landscaping · Streetscaping



Public Art



Landscaping + Street Furniture



Repeating Symbols



Iconic Facades/Signs



Public Parking Directions



Wayfinding Signage

Central Nodes + Green Space



Green Spaces

While much emphasis in the past has been to concentrate shopping and restaurants together with business and personal services, communities have also recognized the need to include passive green spaces and parks in these same areas to create gathering spaces for the community. There are many benefits of doing so:

- Flex open spaces create opportunities for community events, farmer's markets, etc. with the potential for spillover spending in commercial areas.
- Increases green space / parkland near residential neighborhoods and often acts as a buffer between them.
- Reduces impermeable land uses in areas where there is often little.
- Opportunity to increase tree cover, create natural stormwater catchments (bioswales, rain gardens).
- Creates a reason for residents (and visitors) to spend time in the area, perhaps for the first time or after a long time.

8. Business Attraction

This chapter discusses how South Chicago Heights can attract new businesses and why the Village's vision for economic development is important.

Business Retention Assessment

While the goal may ultimately be to attract new businesses and put vacant spaces back to use, retaining existing businesses is just as important. Long-standing shops, retailers and local entrepreneurs often have a good handle on local business dynamics, local economic strengths, and key insights about what efforts or improvements are most needed. A good rule of thumb is to maintain open communication with local businesses to periodically assess the positive forces keeping businesses in the Village and the forces of friction that contribute to businesses leaving. Communities have done this in a variety of ways, including a business survey, annual breakfasts, informal calls or visits and others.

The most important topics to assess are 1) what brought/keeps businesses here, 2) what causes businesses to leave or avoid the community, and 3) what is holding the business back or causing friction.

Example Assessment Questions

Why did you choose to locate your business in South Chicago Heights?

If you looked at multiple options in the Village, what was the reason you chose this specific location over others?

Is your current space sufficient for your needs?

If you currently rent your storefront, is there something holding you back from purchasing your own space? (e.g., lack of options, continued challenges due to COVID)

What types of support or assistance does your business need most that the Village could facilitate or provide? (e.g., façade grant for signage, lighting, walls)

If you know of a business which has moved out of South Chicago Heights, or chooses not to locate in the Village, please share the reasons why.

Incentives

As discussed in more detail in Chapter 3, Tax Increment Financing Districts, Enterprise Zones, and other incentives can help reduce the costs of (re)development and opening new businesses in the Village.

Land Assembly

The Village has already assembled several redevelopment sites through acquisition of properties along Chicago Road. Land assembly is often a significant hurdle and through proactively acquiring tax delinquent properties, the Village is well positioned to attract the types of development needed.

RFQ vs. RFP

This Strategy lays out a vision for economic development in South Chicago Heights, but not all developments and not all businesses will align with that vision. The Village needs flexibility and qualified partners to meet its goals.

A traditional approach to redevelopment of Village-owned property would be to issue a Request for Proposals (RFP) for each development site. However, this process is best employed when seeking the best fit development for a single site.

Less traditional, but perhaps a more appropriate approach for South Chicago Heights, is to seek qualified development partners through a Request for Qualifications (RFQ) process. This approach would provide the Village the opportunity to select partners whose vision aligns with the Village's and work together in an "open book" process toward new development that has public benefits for the community.

9. Circulation and Parking

While major roadway connections and sidewalks bring customers to and through South Chicago Heights, the experience of circulation and parking impact customer behavior.

Safety

In general, wider streets discourage cars from stopping along main streets. Cars tend to travel faster even with lower speed limits. Also, the closer pedestrians are to the road, the less safe and comfortable they feel. Chicago Road has four lanes of travel and a center turn lane and the speed limit is 35 mph. Right-of-way is extremely limited, and many buildings were constructed with no setback which has resulted in very narrow sidewalks. Lighting and utility poles are generally located within the sidewalk and pedestrians have no protection from vehicles on the roadway.

Enhancing safety in this context is a challenge because of the limited right-of-way. To enhance safety for pedestrians, crossing improvements are recommended at all intersections, signalized and unsignalized. Pedestrian crossings need to be highly visible independent of the presence of a pedestrian. The maintenance and repair of sidewalks is crucial, as is ensuring lighting, constructing bus stop shelters and street furniture where possible.

To enhance safety for vehicles, signage is crucial to clearly mark public parking areas and enhance circulation. Business signage should be appropriately placed, sized and visible for drivers. Signage is especially important for vehicles making left turns from the center turn lane.

Stop, Park and Shop

Chicago Road North functions primarily as a main street, whereas Chicago Road South functions more as a suburban shopping district. The customer experience is distinct, but there is a need in both areas to incentivize customers to stop, park and shop at multiple businesses in one trip.

There is often a gap between the perception and availability of parking. Wayfinding signage helps guide customers to parking areas. Pedestrian scale wayfinding signage can also help direct visitors to amenities they may not be aware of or provide pedestrian or bike travel times.

There is no on-street parking and active businesses generally have limited parking areas adjacent to their property, creating a cavern effect.

Amenities

Attracting visitors and future residents is highly correlated with the experiences and lifestyle a community offers. Walkability, bike paths, access to parks and open space – these have all become highly sought after amenities. People are increasingly choosing to visit and live in walkable communities connected to recreation and green spaces. Enhancing walkability and connections between Chicago Road and points of interest is recommended.

Enhance Public Parking

Parking requirements can be a barrier to attracting new businesses and actual parking demand can be a challenge for existing businesses. In areas where parking is limited, clearly identifying public parking is very important. Attractive, consistent signage is invaluable. Also, given that many structures have limited or 0 setback, parking lots can often give a sense of holes along the street. To counteract this feeling, creative screening such as trellises or decorative fencing can be used to better connect uses. The Village also could implement new ideas into public parking areas and be the example to follow. For example, the parking lots could be highly landscaped, be well designed for pedestrians, and potentially include permeable pavers, bioswales or other BMPs.

Public Parking



PART III: ECONOMIC DEVELOPMENT STRATEGY

10. Vision, Goals and Strategies

Vision

Provide economic opportunities for businesses to locate and thrive in South Chicago Heights while providing an attractive, high-quality environment for local residents and visitors to enjoy an active, vibrant “Main Street” that supports local businesses.

Goals - Chicago Road North

1. Reinforce awareness of Chicago Road as the commercial “Main Street” of South Chicago Heights.

Strategy: Develop branding and marketing campaign focused on South Chicago’s Heights’ “Main Street”

Taking Action:

- Distribute marketing materials to brokers.
- Connect brokers to property owners.
- Create a facade improvement program.
- Encourage property owners to list properties.
- Attend ICSC@Central – Chicago Dealmaking annually each Fall to recruit retailers.

A campaign for Chicago Road North would drive attention to the area and highlight opportunities for businesses and developers. This includes marketing available storefronts and redevelopment sites, highlighting existing businesses, and getting the word out about investments occurring in the area.

2. Attract new commercial and mixed-use development to fill vacancies along Chicago Road.

Strategy: Focus on small businesses and mixed-use development between 26th Street and Sauk Trail

Taking Action: Market vacant storefronts for reoccupation and Village-owned sites for mixed-use redevelopment.

This Village has proactively assembled property along Chicago Road resulting in multiple Village-owned sites ready for new development. Many

of these sites are located at intersections, making them prime redevelopment locations for mixed-use development. Privately owned vacant storefronts can be actively marketed for complementary 'main street' uses, such as restaurants, personal and business services, etc.

3. Attract more customers and visitors to South Chicago Heights.

Strategy: Beautify the corridor and create placemaking opportunities.

Taking Action:

- a. Create a Plaza and Landscaped Parking Lot at Chicago Road and 27th St.
- b. Create a Village Square on Chicago Road between 29th St. and 29th Pl.

To support adjacent businesses, Village-owned property at the southwest corner of Chicago Road and 27th Street is planned for redevelopment as a surface public parking lot. This space can be designed as a Flex Plaza to create additional opportunities to activate the area, including pop-up events wherein the road could be temporarily closed to create a pedestrian space.

Village-owned property between 29th Street and 29th Place on the west side of Chicago Road is appropriate for a permanent community gathering space. This would include passive park space, an outdoor amphitheater, and restaurant/café space with ample outdoor seating. On-site parking would be provided and could support a farmer's market, food trucks, and other pop-up events.

Strategy: Enhance streetscape along Chicago Road.

Taking Action: Create and implement a streetscape and signage plan for Chicago Road within South Chicago Heights, between 26th Street and 30th Street.

To create a feeling of comfort and cohesivity along Chicago Road, a streetscape and signage plan will identify ways to enhance the public right-of-way – the space between storefronts and the roadway. The plan would consider pedestrian and crosswalk enhancements, the addition of planters, public art opportunities, street furniture (e.g., benches, receptables) and signage design and function. Gateway and wayfinding signage is used to

welcome and guide visitors (pedestrians, cyclists, public transit users, and motorists) to points of interest.

4. Retain existing businesses in South Chicago Heights.

Strategy: Provide support to local businesses to address challenges.

Taking Action:

- a. Create a façade improvement grant program.
- b. Assist businesses in accessing low-interest loans and grants.
- c. Promote events and marketing.

Facade improvement grant programs incentivize investments in property upkeep and modernization. The storefront is the first impression of a business, and together, a corridor of businesses can create a first impression of a community.

Access to capital, especially low-interest loans and grant funding can be the difference between a business staying open or closing, or in helping an entrepreneur take a business idea and make it into a business.

The value of event promotion and marketing cannot be overstated. The Village is in a unique position to support local businesses and property owners.

5. Enhance pedestrian connections between the 'Main Street', community institutions, and open spaces.

Strategy: Improve landscaping and wayfinding.

Taking Action:

- a. Enhance landscaping and wayfinding signage on 28th St. between Ulysses S. Grant School and Jackson Park, across Chicago Road.
- b. Establish a multi-use path within the ComEd right-of-way to strengthen the connection to the Sauk Trail Woods, which includes the Thorn Creek Trail System, shaded picnic groves, and a 29-acre lake for fishing and spotting migratory birds.

Increasing landscaping along roadways (hardscaping) helps create a softer look and a more comfortable environment for pedestrians. 28th Street provides a direct connection between Grant Elementary School and Jackson Park. This connection can be made stronger, safer, and more

accommodating to youth and community at large with additional trees and landscaping in the parkway.

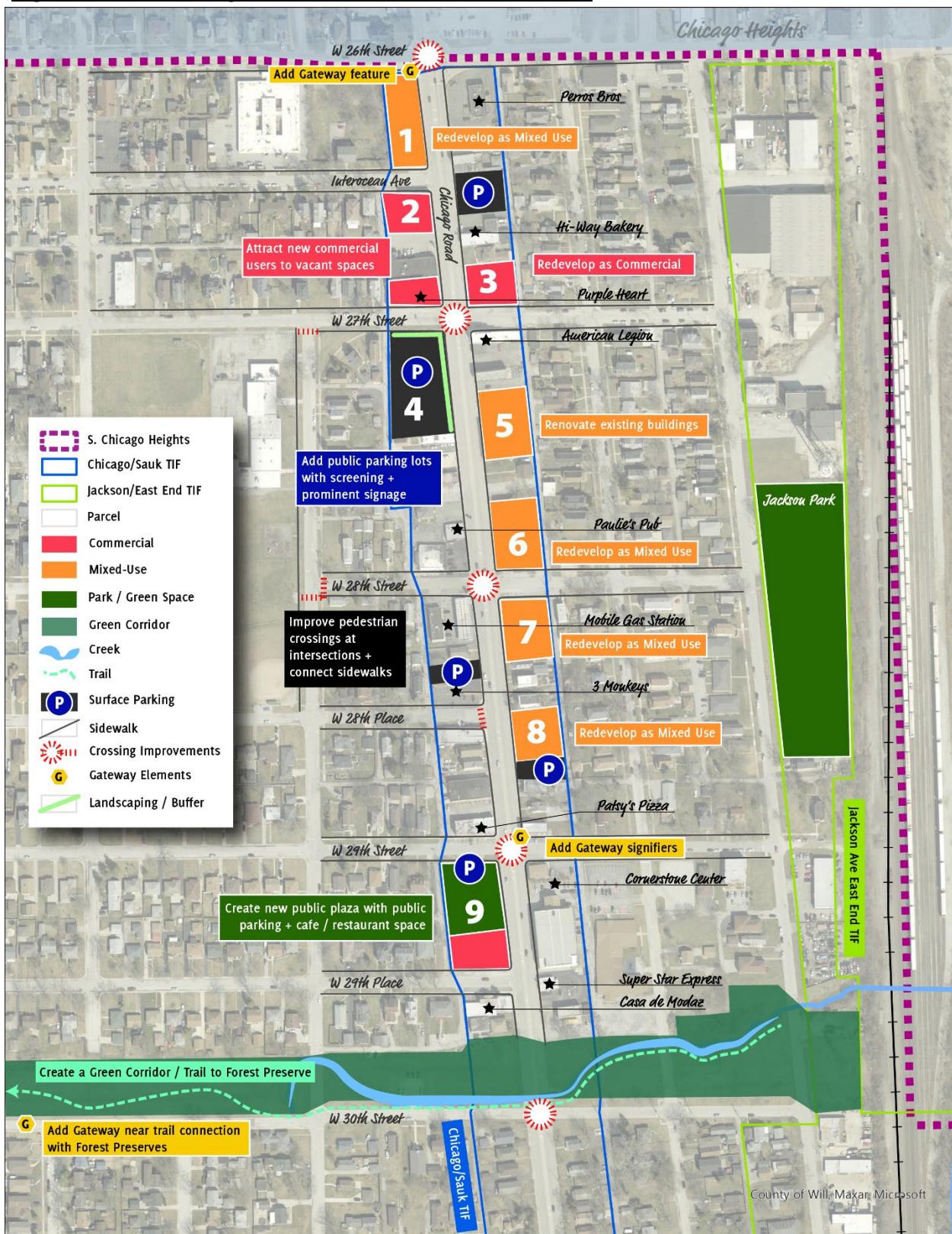
Another connection which could be strengthened is between Chicago Road and the Thorn Creek Trail System. A multi-use path could be constructed within the existing ComEd right-of-way between 29th Place and 30th Street as has been done in other communities. A path would not only enhance direct connections to the trail system but create a bike and pedestrian friendly route which leads to the Village's main street.

Framework Plan

The Chicago Road North framework plan identifies sites and improvements. Sites include Village-owned properties for redevelopment and available storefronts to be reoccupied or renovated. The Plan also identifies where crosswalks should be maintained or added to enhance the pedestrian network. Other improvements include a greenway along 28th Street connecting Jackson Park to Grant Elementary, a new multi-use path / green corridor connecting to the Forest Preserves, and gateway recommendations.

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Figure 10.1: Chicago Road North Framework Plan



Opportunity Site: Village Green at Chicago Road

See Concept Plan on the following page.

Concept Plan Legend

1. Nature Play Playground
2. Nature Play Playground
3. Landscape Buffer
4. Amphitheater Seating Area
5. Pavilion including stage, concessions, and bathroom facilities.
6. New Parking Lot
7. Repurposed existing structure with covered outdoor seating
8. Flex Plaza Space
9. Street Trees and Planters

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Figure 10.2: Village Green at Chicago Road



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Figure 10.3: Chicago Road Plaza and Streetscape Enhancement Concepts



Pedestrian Crosswalks with Flashing lights recommended along Chicago Avenue

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Decorative paving along W 29th Place and 29th Street.
Color to match Village Branding



Landscaped bump outs



Updated street lighting along plaza block

Circulation Opportunity: Enhancing Pedestrian Connections & Trails

Access to open space, trails, and walking paths are increasingly in demand to enhance quality of life. People want to be close to parks and open space and safe, easy access is often limited. The Village shares a significant border with Cook County Forest Preserves and has vehicular access in town at 26th St, 30th St, and Sauk Trail. However, neither of these access points are particularly inviting or safe for pedestrians or cyclists.

Running adjacent to the utility easement, 30th Street is a natural route for establishing a greater connection between the Village and the Sauk Trail Woods / Bike Path. Additionally, enhancing the pedestrian connections to this trail along Enterprise Park Avenue would connect it to the senior center. The Village previously worked with Baxter & Woodman Consulting Engineers on planning for a connection to the Sauk Trail Woods Bike Path. The Village applied to receive funding assistance through the Illinois Transportation Enhancement Grant Program (ITEP). The program is competitive, and this project was not selected that year; however, future applications for the project can be submitted and is recommended. Wayfinding and directional signage are recommended to enhance awareness of the trail access within the Village and of the shops / restaurants along Chicago Road.

Goals - Main Street South / Sauk Trail Commercial District

1. Reinforce awareness of the Chicago Road / Sauk Trail Commercial District.

Strategy: Attract retailers and restaurants to available sites.

Taking Action: Develop branding and marketing with large retailers on Chicago Road.

A focused marketing campaign for this commercial district alongside anchor businesses such as Jewel-Osco and Walgreens. This effort would continue to drive attention to the area and highlight opportunities for businesses to locate here. This includes marketing available sites, highlighting existing businesses, and tracking market area demographics and traffic.

2. Concentrate commercial uses along the frontages at the intersection of Sauk Trail and Chicago Avenue.

Strategy: Attract new, complementary development to vacant land.

Taking Action: Bring veterans housing to vacant land on Miller Street, just south of Sauk Trail.

The intersection of Chicago Road and Sauk Trail is the meeting place of traffic within the Village and is the natural focal point for commerce. As such, this intersection should remain 100% commercial intersection, with additional commercial uses along the frontage of Chicago Road, and extending along the frontage of Sauk Trail between Miller and East End Avenues.

The Village owns a roughly 2-acre lot on Miller Avenue between the future Taco Bell on Sauk Trail and Steger Primary Center and is an appropriate site for future residential uses. There is a need for veterans housing, and this is a potential site for the development of a midrise structure with multiple units and a courtyard. The site would be significantly buffered from adjacent commercial uses.

3. Attract more customers and visitors to South Chicago Heights.

Strategy: Beautify properties within the Commercial District and create a more pedestrian-friendly environment.

Taking Action:

- a. Work with commercial property owners to install perimeter landscaping along Chicago Rd.

- b. Encourage façade improvements, including signage, to present a more modern look and feel.
- c. Add signage and branding to Village Hall site along Chicago Rd.
- d. Extend Main Street streetscaping from Sauk Trail to 30th St.
 - i. Improve lighting for pedestrians.
 - ii. Extend banners along Sauk Trail to 30th St.
 - iii. Street furniture

Beyond regular maintenance, investments in modernization of commercial districts help older centers thrive in the face of competition from newer construction. While the old adage that location is the most important ingredient in successful real estate is true, investments in signage, facades and beautification are a sign to tenants and customers that they are valued.

By the same token, investments that improve the pedestrian experience not only create a greater sense of comfort but also a sense of safety and convenience. Perimeter landscaping, streetscaping, lighting, and street furniture will also enhance the safety and comfort of pedestrians making the commercial district convenient for pedestrians, bikers, and cars.

The Village Hall is in a convenient location but can be difficult to distinguish between adjacent businesses. More prominent signage and branding of the Village Hall is recommended to make it stand out.

4. Retain existing businesses in South Chicago Heights.

Strategy: Improve pedestrian infrastructure to and within the Chicago Road / Sauk Trail Commercial District.

Taking Action:

- a. Add continuous sidewalks to the south side of Sauk Trail.
- b. Improve pedestrian crossings at intersections.

While South Chicago Heights is primarily an auto-oriented community, enhancements to improve pedestrian and bike infrastructure would bring multiple benefits (e.g., ADA access, health, reduced parking demand). For many South Chicago Heights residents, businesses along Sauk trail and Chicago Road are just a 10 minute walk (about a half mile). Recommendations include closing sidewalk gaps, constructing continuous sidewalks along the south side of Sauk Trail, and improving pedestrian crossings at intersections to enhance safety and establish ADA-compliant mobility.

5. Enhance connections between the 'Main Street', community institutions, and open spaces.

Strategy: Provide support to local businesses and commercial properties to address connection challenges.

Taking Action:

- a. Improve pedestrian experience in commercial property lots.
- b. Add landscaped islands in parking lots.
- c. Encourage property owners to improve rear parking lots at Chicago Road and Sauk Trail
- d. Create a closed loop walking trail at the senior center on Sauk Trail.

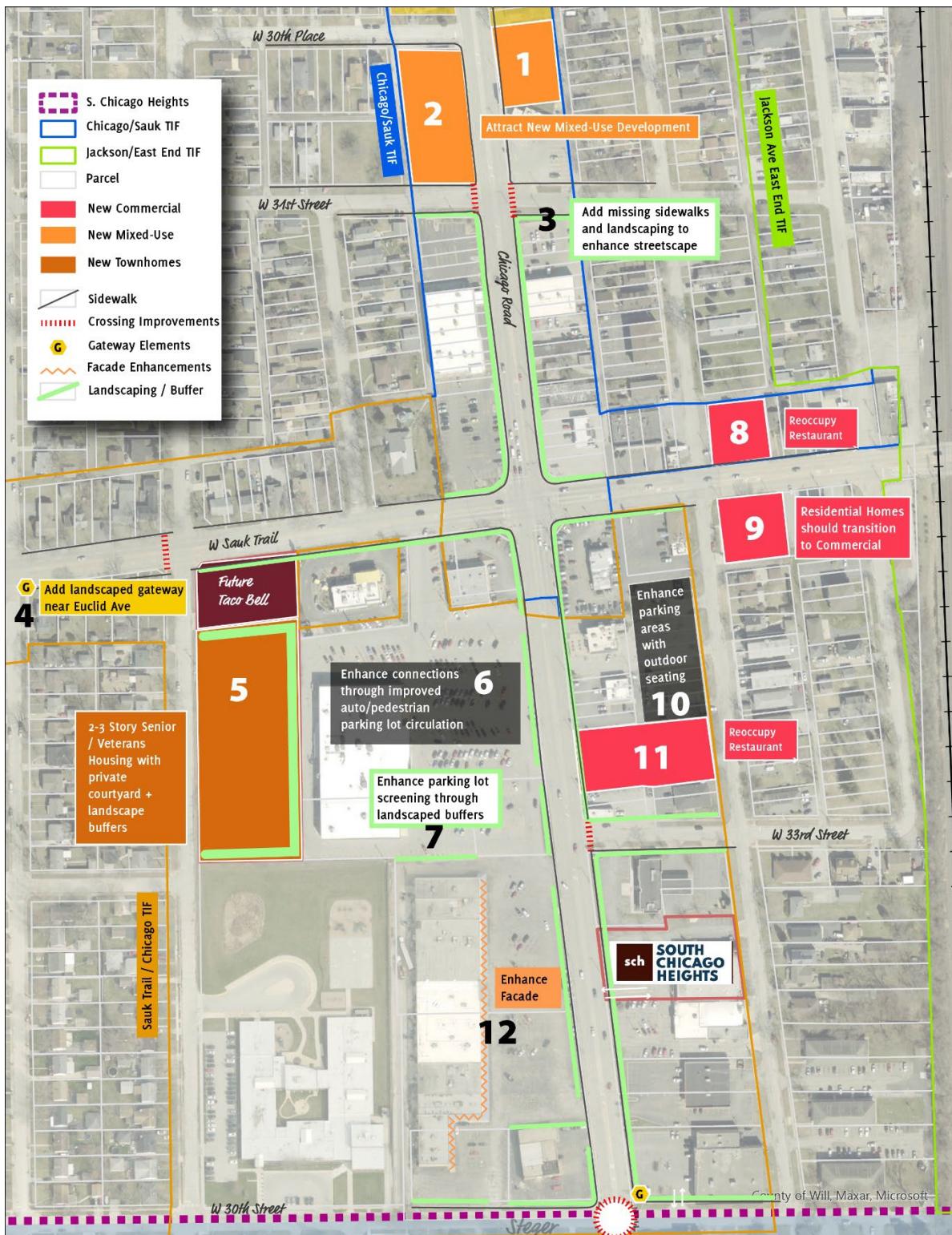
Increasing pedestrian infrastructure to and within the commercial district will help enhance access, comfort, and the overall experience for all customers. Pervious surfaces, landscaping and trees are very limited in this area. Landscaped islands and pedestrian paths within parking lots enhance the look of large parking areas and create shade to increase comfort in the summer months. Transitioning impervious surfaces to pervious areas and additional landscaping simultaneously would be a cost-effective way to enhance the overall look of the area, mitigate the impacts of heat retention, and contribute stormwater management by increasing onsite capacity.

Framework Plan

The Framework Plan identifies available commercial spaces and storefronts to be reoccupied. The Plan also identifies where crosswalks should be maintained or added to enhance the pedestrian network.

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Figure 10.4: Chicago Road South Framework Plan



Opportunity Site: Senior / Veterans Housing

Site #5 on the Framework Map is an available site which could be used to develop a mix of senior and veteran targeted housing. This site could support a 2-3 story development which could include on-site parking and outdoor recreation / green space.

An example of the vision for this property is Hope Manor in Joliet, IL, which opened in 2017. Hope Manor Joliet (*pictured below*) is a multi-building, 67-unit housing development. Learn more about Hope Manor Joliet here:

https://www.huduser.gov/portal/casestudies/study_110220.html



Images Source: Hope Manor Joliet Case Study on HUD USER; Credit: Volunteers of America Illinois, courtesy of Worn Jerabek Witse Architects

Circulation Opportunity: Enhancing the Pedestrian Environment

This section of Chicago Road is primarily designed for the circulation of vehicles, but regardless of how a customer or employee arrives, everyone becomes a pedestrian in a parking lot. Investments that improve the pedestrian experience create a greater sense of comfort, safety, and convenience – all of which make commercial areas attractive to patronize. Recommended enhancements include perimeter and interior landscaping, pedestrian walkways, shade trees, and enhanced connections to sidewalks.

Goals - Sauk Trail Industrial Center

1. Reinforce awareness of the industrial center on Sauk Trail within South Chicago Heights and its unique offerings.

Strategy: Create a "South Chicago Heights Industrial Center" brand and lead a marketing campaign.

Taking Action:

- a. Determine market niche and audiences for brand.
- b. Recruit industrial property owners to collaborate on branding and marketing campaign.
- c. Create marketing sheets (electronic and print).
- d. Reach out to regional industrial brokers as part of marketing campaign.

The industrial center has been successful despite operating as independent, private entities. To continue to support existing businesses and industrial property owners, the Village will lead a branding and marketing campaign. This effort will identify market niches and prepare marketing materials and a strategic approach to reaching audiences.

Strategy: Improve appearance and landscaping to enhance its perception as an attractive, user-friendly industrial center.

Taking Action:

- a. Add gateway feature to industrial center with signage and landscaping at Butler Ave
- b. Encourage property owners to improve landscaping, especially along the frontages on the south side of Sauk Trail

The modern industrial center is comprised more of warehousing, distribution and assembly uses operating indoors - referred to as "light industrial" uses. The modern industrial center now resembles a business or office park, with attractive facades and signage, landscaping, and a generally well-kempt appearance. Gateway features, landscaping and lighting communicate organization, safety, and a respectful business climate.

2. Attract new development and investment along Sauk Trail.

Strategy: Attract commercial businesses and development to Sauk Trail between Chicago Road and East End Ave.

Taking Action: Target restaurants, retailers and business services.

This area is presently commercial but has some available commercial spaces ready for reoccupation or potentially redevelopment. Restaurants,

retailers, and business services would be especially appropriate here due to proximity to the industrial center.

Strategy: Support industrial property owners and businesses through marketing.

Taking Action:

- a. Add gateway signifiers on Sauk Trail that identify the industrial center.
- b. Provide brokers the opportunity to list industrial and commercial properties on a Village-maintained webpage.

Gateway signifiers create visibility of the industrial center and communicate an engaged and respectful business climate. Signifiers need not be large or extravagant but should be consistent with the overall branding for the industrial center and in keeping with other gateway features.

A dedicated Village-maintained webpage *listing* available properties is easy to keep up to date and share with appropriate audiences. The page can be a simple *list* with contacts and/or hyperlinks to additional information.

3. Provide incentives for new industrial development in South Chicago Heights.

Strategy: Support new development or expansion of existing industries

Taking Action:

- a. Provide information about eligibility and benefits of the I-394 Enterprise Zone and the Jackson / East End TIF to property owners.
- b. Work with businesses and property owners applying for I-394 Enterprise Zone incentives.

While many property owners and businesses may be aware of the enterprise zone and the TIF districts, newcomers may not be as familiar with or understand eligibility and benefits. Sharing information regularly can help keep the opportunities top of mind and enhance the working relationship between the Village and businesses. Making this information easy to locate on the Village's website benefits existing and potential businesses.

Framework Plan

The Framework Plan identifies available industrial spaces to be reoccupied. The Plan also identifies recommendations to enhance landscaping along Sauk Trail, build a multi-use path along the corridor and enhance identity of the industrial center through branding and signage.

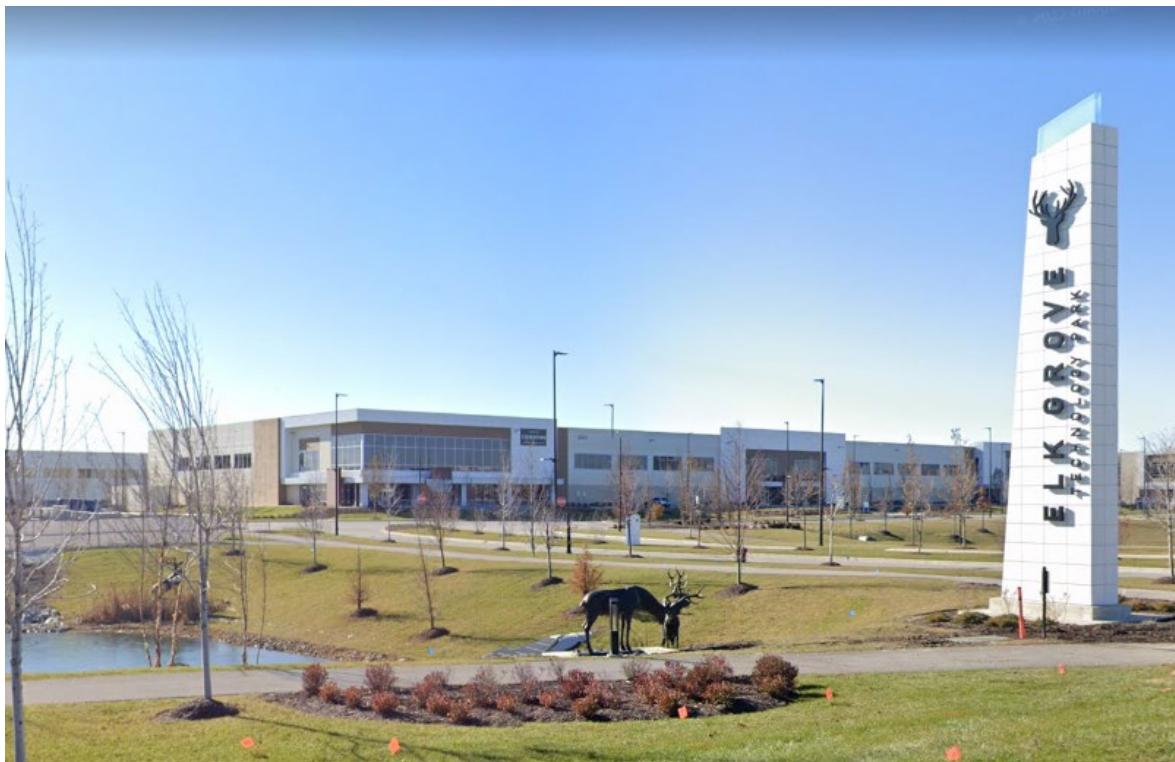
Figure 10.5: Sauk Trail Framework Plan



Branding Opportunity: Gateway Signifiers

Good design captures attention and gateway signage and signifiers for business and industrial parks do just this. The following are only a few of many examples from the region of how these parks have made themselves visible along main roads, and how they have used design to brand the park, and ultimately the community.

Elk Grove Technology Park – Elk Grove Village, IL



Source: Google Street View

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Lake Center Corporate Park – Mount Prospect, IL



Source: Google Street View

Internationale Centre Woodridge – Village of Woodridge, IL



Source: Google Street View

Circulation Opportunity: Sauk Trail Streetscape Enhancements

Sauk Trail has a distinctly different character, different uses, and different needs compared to Chicago Road. While enhancing the streetscape for both corridors are recommended strategies, the intended results are different. Sauk Trail is a place of business and industry with more limited customers on-site and activities are more focused on readying products and materials for transport. Streetscaping recommendations along Sauk Trail focus on increasing landscaping, enhanced lighting, and adding wayfinding signage. Whereas the goal along Chicago Road is to make the corridor a walkable, main street, the goal along Sauk Trail is to create a unified look to the corridor. These enhancements communicate that the South Chicago Heights Industrial Center is a respectful place to do business – one which is organized and well-cared for.

Internationale Centre Woodridge – Village of Woodridge, IL

View from Lemont Road near Internationale Parkway

Streetscape / Buffer elements:

- Berming
- Continuous Sidewalk
- Tidy, buffered landscaping with shrubs and trees



Source: Google Street View

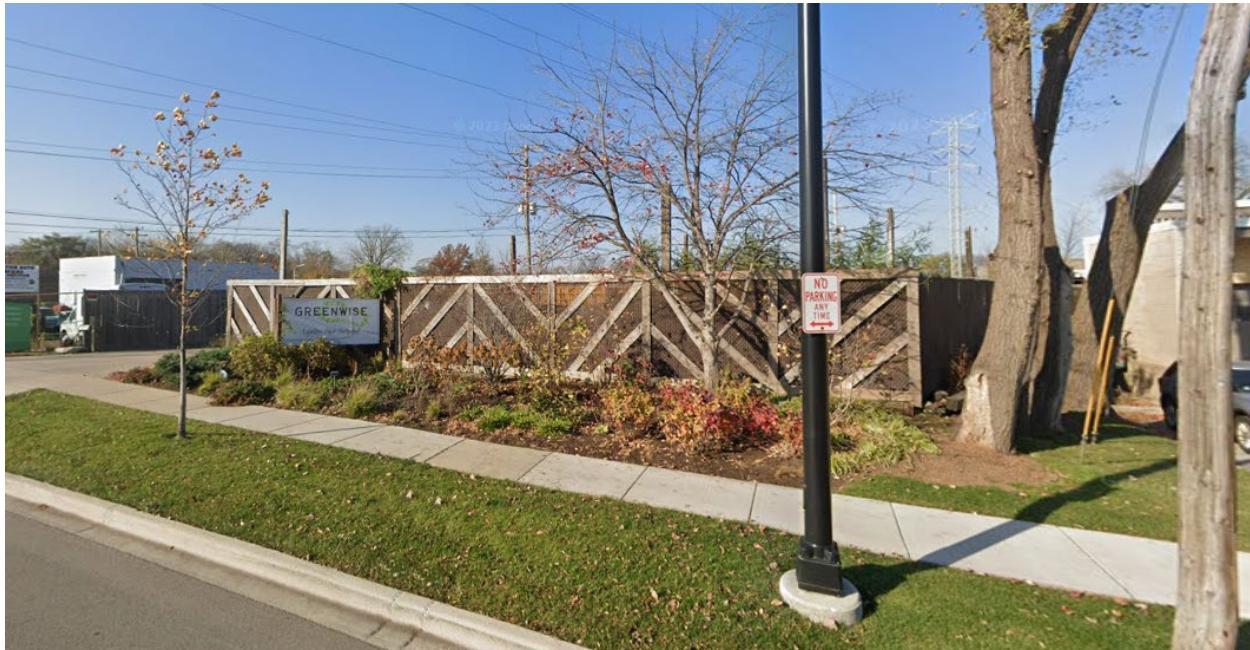
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Evanston West End Industrial Area – City of Evanston, IL

View from Main Street between Dodge Ave and McCormick Blvd

Streetscape / Buffer elements:

- Decorative fencing
- Attractive business signage
- Continuous Sidewalk
- Tidy, buffered landscaping with shrubs and trees



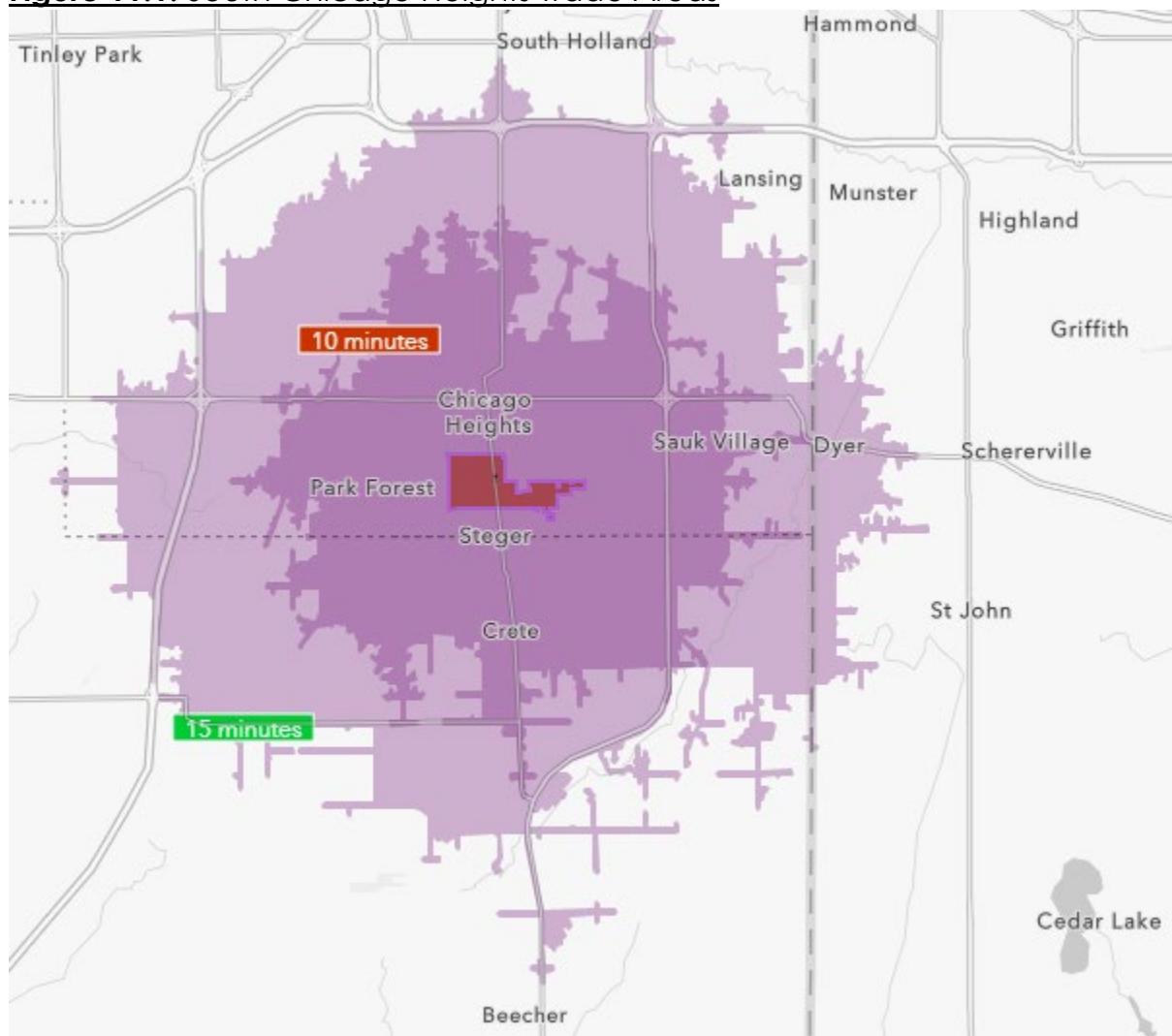
Source: Google Street View

APPENDIX

11. Market Analysis

The following market analysis of demographic trends, retail demand and supply, industrial demand and supply and mixed-use development was conducted to inform the Economic Development Strategy. The map below shows South Chicago Heights in the center (red), surrounded by a 10-Minute Trade Area and a 15-Minute Trade Area.

Figure 11.1: South Chicago Heights Trade Areas



Demographic Trends

The Village of South Chicago Heights is home to 4,026 residents and 1,520 households as of the 2020 Census. This is compared with a population of 105,289 residents within a 10-Minute Trade Area. As shown in the table below, there has been a slight decrease in population since 2010, but the population remains higher than the level in 2000. Due to the small size of South Chicago Heights, it is critical to draw in population from the larger trade area to support local businesses.

Table 11.1: Population Trends

Year	South Chicago Heights	10-Minute Trade Area
2000	3,971	N/A
2010	4,174	110,916
2020	4,026	105,289
Change 2010-2022	-148	-5,627
% Change	-4%	-5%

Source: Esri Business Analyst 2022

The number of households has also declined slightly, from 1,531 in the year 2000 to 1,505 in 2022. The lack in growth of households makes it difficult for many retailers to survive, particularly small, locally owned retailers. Larger, national chains can draw from the larger Trade Area due to their marketing and convenience.

Table 11.2: Number of Households

Year	South Chicago Heights	10-Minute Trade Area
2010	1,531	39,827
2020	1,520	39,478
2022	1,505	39,235
Change 2010-2022	-26	-592
% Change	-2%	-1%

Source: Esri Business Analyst 2022

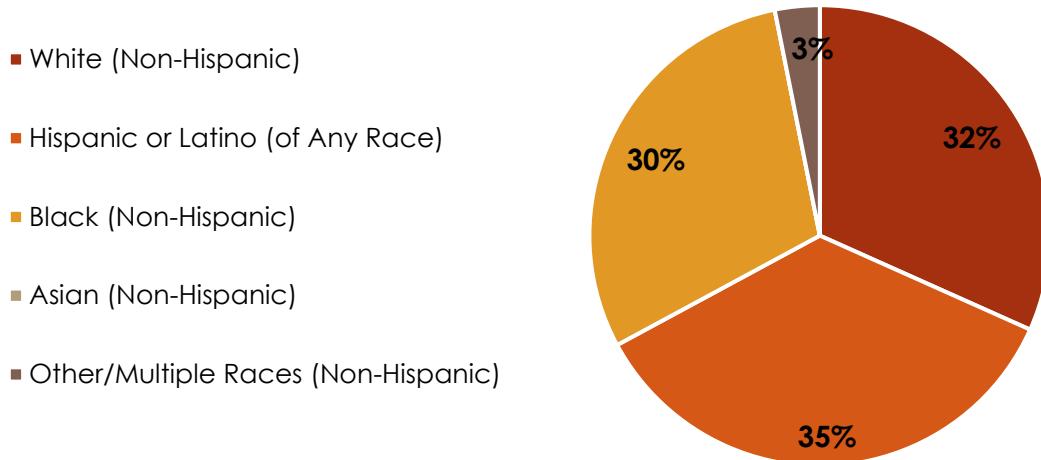
There has also been a slight decline in housing units within the Village of South Chicago Heights, but positive growth of 1,216 units in the 10-Minute Trade Area. One of the questions is to determine if there are ways South Chicago Heights can increase its share of regional housing growth to capture local demand.

Table 11.3: Number of Housing Units

Number of Housing Units	South Chicago Heights	10-Minute Trade Area
2010	1,668	44,373
2020	1,644	43,741
2022	1,631	45,589
Change 2000-2022	-37	1,216
% Change	-2%	3%

Source: Esri Business Analyst 2022

The Village of Chicago Heights is a very diverse community, roughly 1/3 each White (Not Hispanic), Hispanic (of Any Race) and Black (Non-Hispanic). This diversity can attract a range of local businesses – whether restaurants, retailers, or grocers.

Figure 11.2: Race and Ethnicity

Source: Esri Business Analyst 2022

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The Median Household Income in South Chicago Heights is \$50,188, compared with \$63,696 in the 10-Minute Trade Area. This points to a strategy of both serving the local community as well as households with greater disposable income in the Trade Area.

Table 11.4: Median Household Income

Location	Median HH Income	Per Capita Income
South Chicago Heights	\$50,188	\$23,409
10 Minute Trade Area	\$63,696	\$31,465

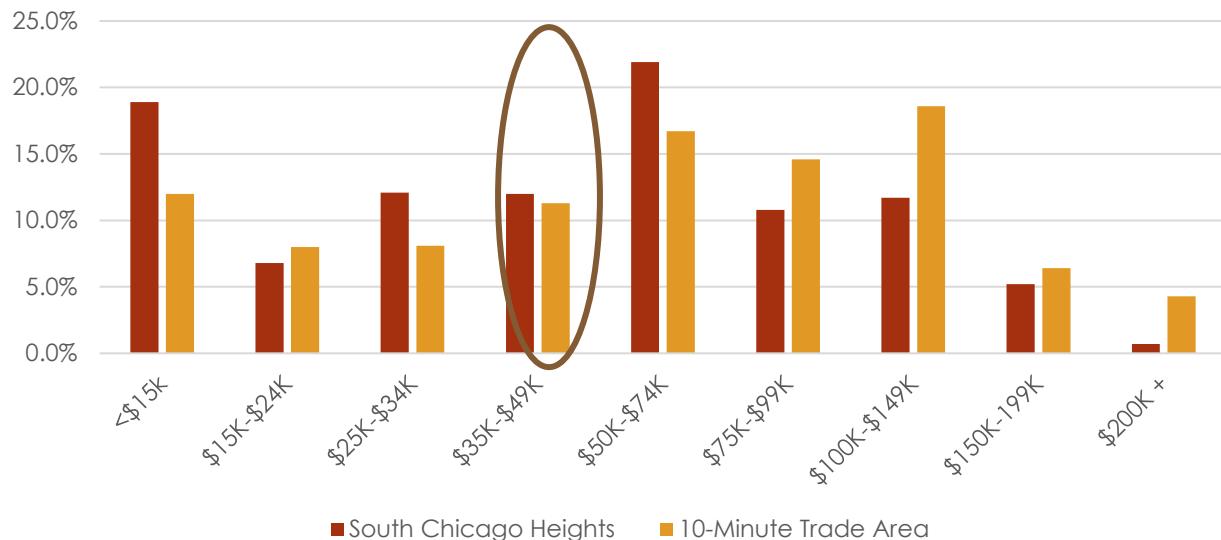
Source: Esri Business Analyst 2022

Perhaps what is more interesting in steering successful economic strategies is understanding the clusters of spending power. As shown in the highlighted row, the largest share of South Chicago Heights households is in the \$50,000-\$74,999 income bracket. These households have relatively high disposable income and can support local businesses if the products they desire can be found locally. The next largest share is households under \$15,000; these are likely to be seniors on fixed incomes, who may still own their homes. In addition, 28% of South Chicago Heights households earn over \$75,000 – many of whom may be shopping in the Village for groceries and other necessities but are likely leaving the Village to do much of their shopping.

Table 11.5: Household Income Brackets

2022 Household Income	South Chicago Heights	10-Minute Trade Area
<\$15k	18.9%	12.0%
\$15K-\$24K	6.8%	8.0%
\$25K-\$34K	12.1%	8.1%
\$35K-\$49K	12.0%	11.3%
\$50K-\$74K	21.9%	16.7%
\$75K-\$99K	10.8%	14.6%
\$100K-\$149K	11.7%	18.6%
\$150K-199K	5.2%	6.4%
\$200K +	0.7%	4.3%

Source: Esri Business Analyst 2022

Figure 11.3: Share of Household Income Brackets

Source: Esri Business Analyst 2022

One of the greatest strengths of the Village is its high homeownership rate. Two-thirds of all residents own their homes, approximately the same as the Trade Area. While this is a positive statistic, there is a lack of high-quality, high-amenity, newer apartments. Trends show that younger households are looking for high-end, new product, which means they are likely bypassing South Chicago Heights for other suburban communities that are building this product.

Table 11.6: Housing Tenure

2022 Housing Tenure (Units)	South Chicago Heights	10-Minute Trade Area
Owner-Occupied Housing	66%	67%
Renter-Occupied Housing	26%	25%
Vacancy	8%	8%
Total Housing Units	1,631	85,164

Source: Esri Business Analyst 2022

A related strength of the Village is the relative affordability of for-sale homes. South Chicago Heights' homes are ranked 139 compared to a national norm of 100 (meaning that homes are 39% more affordable than the national average). And the percentage of household income required to purchase a home is only 13.7%, compared with a national standard of 30%.

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Table 11.7: Housing Indicators

Indicator	South Chicago Heights	10-Minute Trade Area
Housing Affordability Index	139	121
Percent of Income for Mortgage	13.7%	13.9%

Source: Esri Business Analyst 2022

The median gross rent in the Village of South Chicago Heights is \$1,080, with a majority of units renting over \$1,000, indicating demand for additional rental units. As discussed above, higher end, newer products can attract households with greater disposable income.

Table 11.8: Median Gross Rent

Village of South Chicago Heights Median Gross Rent		
	Number of Units	Percentage of Units
Under \$500	49	10%
\$500-\$599	42	8%
\$600-\$699	52	10%
\$700-\$799	18	4%
\$800-\$899	17	3%
\$900-1,000	12	2%
\$1,000-\$1249	155	31%
\$1250 - \$1,499	97	19%
\$1,500 - \$1,999	58	12%
Total	500	100%

Source: Esri Business Analyst 2022

Retail Supply and Demand

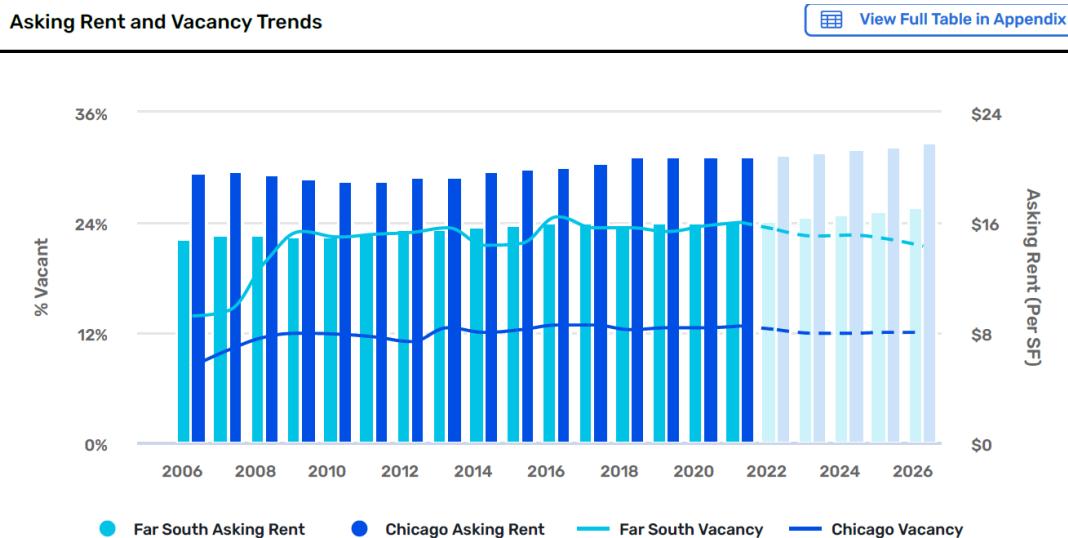
Retail Overview

South Chicago Heights is located in the Far South submarket of the Chicago region as defined by Moody's Analytics Commercial Real Estate.⁴ The submarket contains 7.6 million square feet, or 7.2% of the metro area's total inventory of neighborhood and community shopping center space. Since 2013, there has been 153,000 square feet of new retail constructed while 320,000 square feet were removed by developer activity.

Key statistics:

Average asking rent:	\$16.11 / SF
Effective rent:	\$13.59 / SF
Average vacancy:	24%
Year-over-year rent change:	+ 0.9%
Income growth per household:	+1.1%
Job growth:	+ 0.4%

Figure 11.4: Asking Rent and Vacancy Trends



Source: Moody's Analytics Far South Retail Report Q4 2022

⁴ Moody's Analytics CRE Far South Submarket Retail Report, Q4 2022, produced February 20, 2023

Recent Performance of Far South Submarket

Since the beginning of Q1 2013, the Chicago metro posted an average annual absorption rate of 197,100 square feet. During December, the metro experienced negative absorption of 55,000 square feet, but absorption was flat in the Far South submarket. December's unchanged occupancy total in the submarket follows two consecutive months of negative absorption, amounting to 88,000 square feet. The submarket saw absorption totaling negative 27,000 square feet over the past 12 months; in historical perspective, this recent rate of tenant outmigration represents an acceleration over the annual average since the beginning of Q1 2013 of negative 22,700 square feet. The submarket's average vacancy rate held steady at 24.0% during December, which is 1.1 percentage points higher than the long-term average, and 11.3 percentage points higher than the current metro average.

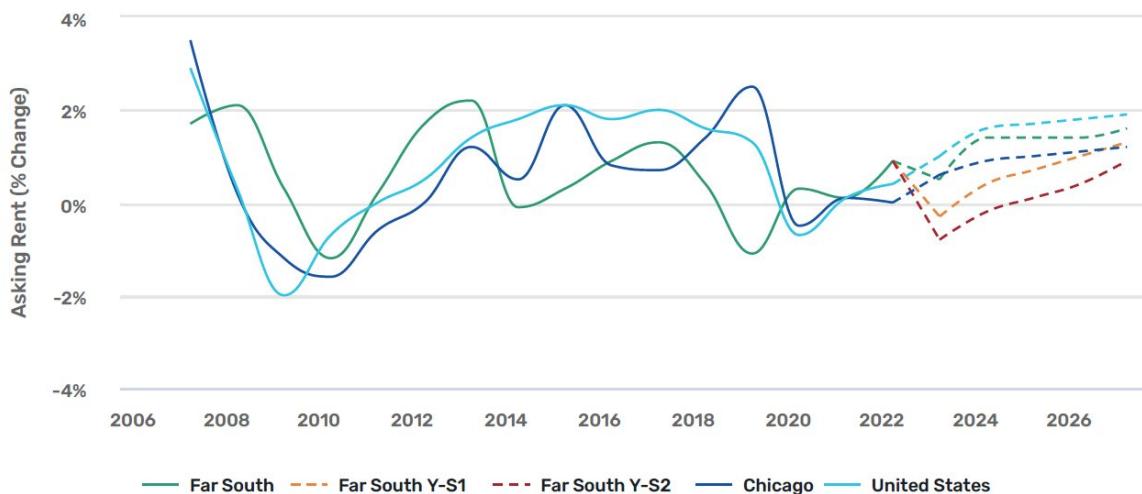
Retail Outlook

Between now and year-end 2024, developers are expected to deliver a total of 10,000 square feet of neighborhood and community shopping center space to the submarket amounting to 1.2% of the new construction introduced to Chicago metro. Total employment growth over the same period is projected to average 0.5% annually, while household formations are expected to average an increase of 0.0% per year.

The Far South submarket will capture 7.6% of this absorption. The submarket vacancy rate finished 2023 at 23.2% and will decline 0.7 percentage points to 22.5% by year end 2024. Thereafter, Moody's anticipates that asking rent growth will hold steady to an annualized average of 0.9% during 2023 and 2024 to reach a level of \$16.41 per square foot. Effective rents will advance by a more rapid annualized average rate of 1.4%, as landlords begin to trim the value of their concessions packages.

Moody's is forecasting scenarios from possible decline in rent followed by a rebound, to continued growth in rent reaching close to 2% annually in 2026.

Figure 11.5: Rent Change Scenarios



Source: Moody's Analytics Far South Retail Report Q4 2022

There has been very little retail development built in the Far South submarket in the five years ending in 2021, with annual construction averaging 12,000 SF and annual absorption at 10,000 SF. Moody's is forecasting construction through 2026 to continue to be modest at 8,400 SF per year, but absorption to increase to 46,000 SF annually through 2026.

Table 11.9: Retail Construction and Absorption

Annualized Construction/Absorption (Historical 5 Year and Forecasted)

	5 Year History			5 Year Forecast		
	SF Built Ending 12/31/2021	SF Absorbed Ending 12/31/2021	Con/Abs Ratio Ending 12/31/2021	SF Built Ending 12/31/2026	SF Absorbed Ending 12/31/2026	Con/Abs Ratio Ending 12/31/2026
Far South	12,000	10,000	1.2	8,400	46,000	0.18
Chicago	224,000	443,000	0.5	253,800	365,000	0.7
Midwestern Region	644,000	858,000	0.75	1,144,600	1,233,400	0.93

Source: Moody's Analytics Far South Retail Report Q4 2022

Retail Opportunities

ESRI Business Analyst captures data on current consumer demand and projects demand. Within South Chicago Heights alone, top retail demand is concentrated in Food, Entertainment & Recreation, and Apparel & Services. Additional demand is concentrated in Furniture, Child Care, Lawn and Garden and Personal Care Products.

In some cases, subcategories provide a clearer picture – such as for Entertainment & Recreation. Significant expenditures are concentrated on purchases related to pets, sports/recreation/exercise equipment, and fees for recreational lessons.

Forecasted demand has been broken down by an estimate of households (1,500) and per capita (4,000) to illustrate the average increases in purchases. For example, as shown in Table 2.3, the forecasted increase in demand (by 2027) for Food Away from Home is an additional \$2,618 per household or \$982 per person.

Table 11.10: Forecasted Demand for South Chicago Heights

	2022 Consumer Demand	2027 Forecasted Demand	Per Household Increase (est. 1,500)	Per Capita Increase (est. 4,000)
Food	\$9,553,161	\$11,379,163	\$6,369	\$2,388
Food at Home	\$5,625,953	\$6,701,467	\$3,751	\$1,406
Food Away from Home	\$3,927,208	\$4,677,697	\$2,618	\$982
Entertainment & Recreation	\$3,204,030	\$3,816,852	\$2,136	\$801
Pets	\$685,618	\$816,862	\$457	\$171
Sports/Recreation/Exercise Equipment	\$173,912	\$207,151	\$116	\$43
Fees for Recreational Lessons	\$142,021	\$169,079	\$95	\$36
Apparel and Services	\$2,191,460	\$2,610,579	\$1,461	\$548
Women's	\$751,051	\$894,718	\$501	\$188
Children's	\$328,056	\$390,818	\$219	\$82
Footwear	\$538,175	\$641,099	\$359	\$135
Furniture	\$650,404	\$774,803	\$434	\$163
Child Care	\$540,518	\$643,730	\$360	\$135
Personal Care Products	\$511,674	\$609,538	\$341	\$128
Lawn and Garden	\$458,269	\$546,029	\$306	\$115

Source: ESRI Business Analyst 2022

As shown in Table 11.10, Food and Entertainment & Recreation are among the highest spending categories, \$740 million and \$260 million respectively, are

anticipated to grow to \$858 million and \$300 million by 2027 in the 15-minute drive time. Among this spending, Food at Home accounts for an additional \$507 million and \$15 million is for Sports/Recreation/Exercise Equipment in the 15-minute drive time.

Table 11.11: Forecasted Demand for Retail in 15-min Trade Area

	2022 Consumer Demand	2027 Forecasted Demand	Projected Increase in Demand (\$)
Food	\$740,000,955	\$857,752,943	\$117,751,988
Food at Home	\$437,699,276	\$507,321,338	\$69,622,062
Food Away from Home	\$302,301,679	\$350,431,605	\$48,129,926
Entertainment & Recreation	\$259,647,405	\$300,992,187	\$41,344,782
Pets	\$57,297,764	\$66,424,035	\$9,126,271
Sports/Recreation/Exercise Equipment	\$13,507,333	\$15,669,456	\$2,162,123
Fees for Recreational Lessons	\$11,075,148	\$12,838,808	\$1,763,660
Apparel and Services	\$170,861,518	\$198,050,496	\$27,188,978
Women's	\$60,299,703	\$69,894,296	\$9,594,593
Children's	\$24,557,863	\$28,477,120	\$3,919,257
Footwear	\$40,604,376	\$47,057,554	\$6,453,178
Furniture	\$51,885,988	\$60,152,706	\$8,266,718
Child Care	\$41,718,243	\$48,387,602	\$6,669,359
Lawn and Garden	\$41,432,122	\$48,030,149	\$6,598,027
Personal Care Products	\$18,074,354	\$20,865,266	\$2,790,912

Source: ESRI Business Analyst 2022

How does this compare with South Chicago Heights?

Existing Commercial Retail

Chicago Road – north of W 30th Street

- **The Village's northern boundary begins at 26th Street.** The first block (to 27th Street) includes the region-famous Hi-Way Bakery, Perros Brothers Gyros, House of African Hair Braids, Lang's Auto Parts.
- The next block, **27th through 28th Street**, includes American Legion, Be-You-Tiful Hair Studio, Nate's Barber Shop, Paulie's Pub and Stop N Go Convenience Store.
- An Exxon Gas Station, 3 Monkeys Bar, Patsy's Pizza, ACG Construction Co., Auto Electric, Jae's Place and Pat's Barber Shop are located **between 28th and 29th Streets.**
- The final block, **29th through 30th Streets**, is home to the Cornerstone Christian Center, Super Star Express, Casa De Modaz Bridal Shop, and Holly's Auto Repair.

Chicago Road – south of W 30th Street

- At the **intersection of Chicago Road and Sauk Trail**, all four corners are occupied by commercial uses, including Walgreens, Chase Bank, a used car dealer, and Cricket Wireless.
- Other uses north of Sauk Trail along Chicago Road include R&B Automotive Group, KFC, Essence of Beauty Salon, Foot & Ankle Clinic, AutoZone, Oasis Space and Nail Salon, and Isabel Beauty Zone.
- Just south of the intersection on Chicago Road is **a Jewel-Osco** on the west, and a Burger King and Dunkin Donuts on the east.
- **American Plaza** is a fully occupied strip commercial center located on the western side of Chicago Road, between 30th St and 33rd Street, at the southernmost boundary of the Village. Tenants include Family Dollar, Rent-a-Center, Save-a-Lot, Subway, Dozeli Pizzeria.
- Immediately across American Plaza is South Chicago Heights Village Hall, Dollar Tree, Lucky Bernie's, Advance Auto Parts, and Fifth Third Bank.

Sauk Trail – west of railroad

- **La Petite Plaza** is located just west of Enterprise Park Avenue on the south side of Sauk Trail. Tenants include Bap's Sports Bar, Sauk Trail Food & Liquors, Jabaay's Windows & Doors Store, and Dean Gyros.

- **Wingstop** (44 W Sauk Trail) purchased a former restaurant property and redeveloped the property in 2019.
- Additional business **located between the railroad and Chicago Road** include Prisco's Lounge, Southside Auto Bath, Marathon Gas Station, Honest Guys Heating & Cooling, and Domino's Pizza.

Sauk Trail – east of railroad

- At the **southeast corner of Sauk Trail and State Street**, there is a small strip center. This center is located within the I-1 Zoning District but appears to be occupied by a range of recreation (indoor batting cages), auto service uses (muffler shop, car wash, and auto detailer).
- Additional commercial uses are located along the **west side of State Street** (zoned B-1). These include On Target Archery, Millennium Metal, and a used car dealer.

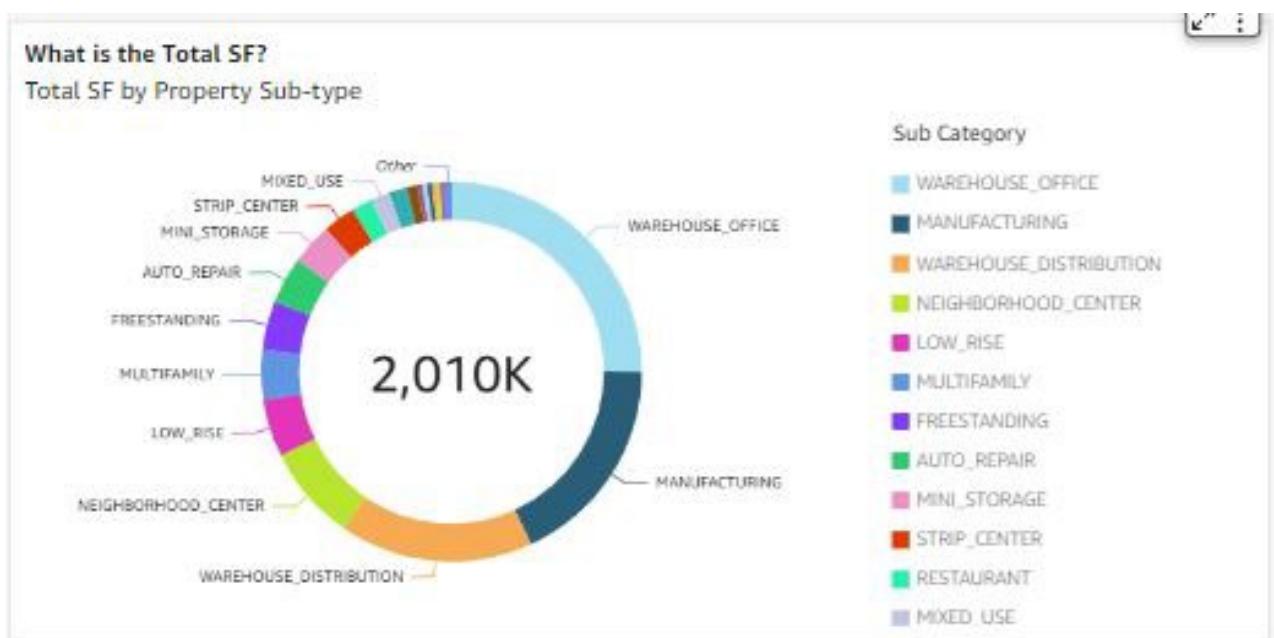
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Teska analyzed commercial real estate properties in a 0.5 mile radius from Chicago Road and Sauk Trail.

Figure 11.6: Commercial Real Estate within 0.5 Mile Radius



Source: Moody's Catalyst 2023

Figure 11.7: Type of Commercial Real Estate within 0.5 Mile Radius

Source: Moody's Catalyst 2023

Teska compared fourteen properties identified by Moody's Analytics Catalyst. Many of these properties reflect characteristics of the Far South submarket with neighborhood commercial facilities. There is only one property currently for lease at 3300-3332 Chicago Rd. within American Plaza. It was built in 1963 and currently has 3,750 SF for rent at \$10.00 / SF.

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Figure 11.8: Representative Real Estate Properties



Source: Moody's Catelist 2023

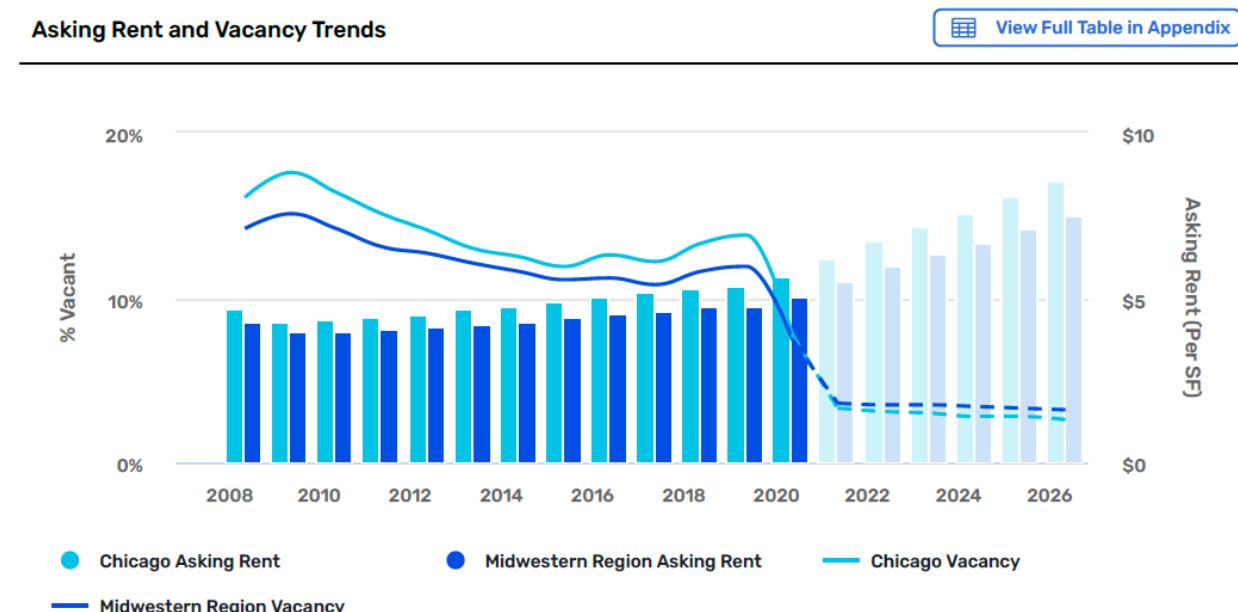
Industrial Supply and Demand

Industrial Overview

South Chicago Heights is located in the Southwest Cook submarket of the Chicago region as defined by Moody's Analytics Commercial Real Estate.⁵ The submarket contains 22.4 million square feet, or 4.3% of the metro area's total inventory of industrial space (warehousing, distribution, manufacturing and assembly).

Key statistics:	Southwest Cook	Metro Area
Effective rent:	\$4.22 / SF	\$5.77 / SF
Vacancy ⁶ :	4.9%	3.9%

Figure 11.9: Asking Rent and Vacancy Trends



Source: Moody's Analytics Warehouse / Distribution Report Q3 2022

⁵ Moody's Analytics CRE Warehouse/Distribution Report, Q3 2022, produced February 20, 2023

⁶ As of Q3 of 2022

Recent Performance of Southwest Cook Submarket

Since the beginning of Q1 2013, the Chicago metro posted an average annual absorption rate of 197,100 square feet. During December, the metro experienced negative absorption of 55,000 square feet, but absorption was flat in the Far South submarket. December's unchanged occupancy total in the submarket follows two consecutive months of negative absorption, amounting to 88,000 square feet. The submarket saw absorption totaling negative 27,000 square feet over the past 12 months; in historical perspective, this recent rate of tenant outmigration represents an acceleration over the annual average since the beginning of Q1 2013 of negative 22,700 square feet. The submarket's average vacancy rate held steady at 24.0% during December, which is 1.1 percentage points higher than the long-term average, and 11.3 percentage points higher than the current metro average.

As shown in the figure below, Moody's provides two scenarios for rent changes, both showing a peak in asking rent change in price in 2023 and levelling off to historic patterns of approximately 8% growth in rent annually in 2024-2026.

Figure 11.10: Rent Change Scenarios



Source: Moody's Analytics Warehouse/Distribution Report Q3 2022

Existing Industrial Users in South Chicago Heights Industrial Center

Industrial uses are primarily located in the southeastern part of the Village, along Saul Trail, and between Sauk Trail, East End Avenue, 30th Street, and Holeman Avenue. There are additional businesses along Jackson Ave and East End Avenue.

There are numerous industrial businesses operating in South Chicago Heights which are primarily manufacturing, warehousing, and auto-repair and trucking/logistics. The logos below represent only a portion, ranging from recycling to die cutting to packaging to fasteners and beyond.



Residential Supply and Demand

Residential Overview

Neither Chicago Road nor Sauk Trail are residential corridors, but each have uses directly accessed or adjacent. Mixed-use development, with a mix of commercial and office, or commercial and residential uses either vertically stacked or side-by-side, is appropriate to consider along these corridors. The following paragraphs describe the existing housing stock and demand within South Chicago Heights and the 15-minute drive-time trade area.

Housing Stock

The predominant housing character in South Chicago Heights and the surrounding market area is single-family detached units, accounting for **71.4%** of all units in the 15-minute trade area and 83.6% of all units in the Village. The rest of the housing stock in the trade area is widely distributed between attached units, large apartment buildings (50+ units), small apartment buildings (2-9 units) and mobile homes. While there is slightly less variety of residential structure types within the Village compared to the larger trade area, the community has preserved 'missing middle housing' types which were largely prohibited through single-family detached only zoning districts in other communities. These units are a community asset and should be maintained and preserved.

Table 11.12: Housing Structure Types

	S. Chicago Heights		10-min Trade Area		15-min Trade Area	
	Count	%	Count	%	Count	%
1 Detached Unit	1,402	83.6%	31,034	69.6%	61,076	71.4%
1 Attached Unit	0	0.0%	3,770	8.5%	6,356	7.4%
2 Units	40	2.4%	2,088	4.7%	2,731	3.2%
3 or 4 Units	12	0.7%	1,456	3.3%	2,660	3.1%
5 to 9 Units	126	7.5%	1,421	3.2%	2,876	3.4%
10 to 19 Units	14	0.8%	935	2.1%	1,647	1.9%
20 to 49 Units	40	2.4%	796	1.8%	1,530	1.8%
50 or More Units	0	0.0%	2,370	5.3%	3,515	4.1%
Mobile Homes	43	2.6%	702	1.6%	3,121	3.7%
Boat/RV/Van/etc.	0	0.0%	10	0.0%	26	0.0%
Total Structures	1,644		43,741		85,263	

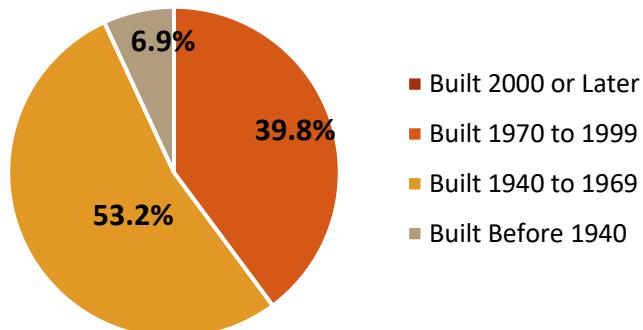
Source: U.S. Census, American Community Survey, 2016-2020

Most units in the Village are owner-occupied (68%) and the vacancy rate (7%, 117 units) is lower than Cook County (9.4%).

Since 2000, there have been no new housing units constructed within the Village, while there were an estimated 8,400 new units constructed in the 15-minute trade area.

In South Chicago Heights, 60% of housing units were built before 1969, and 39.8% built between 1970 and 1999 (Figure 11.12).

Figure 11.12: Housing Stock Age

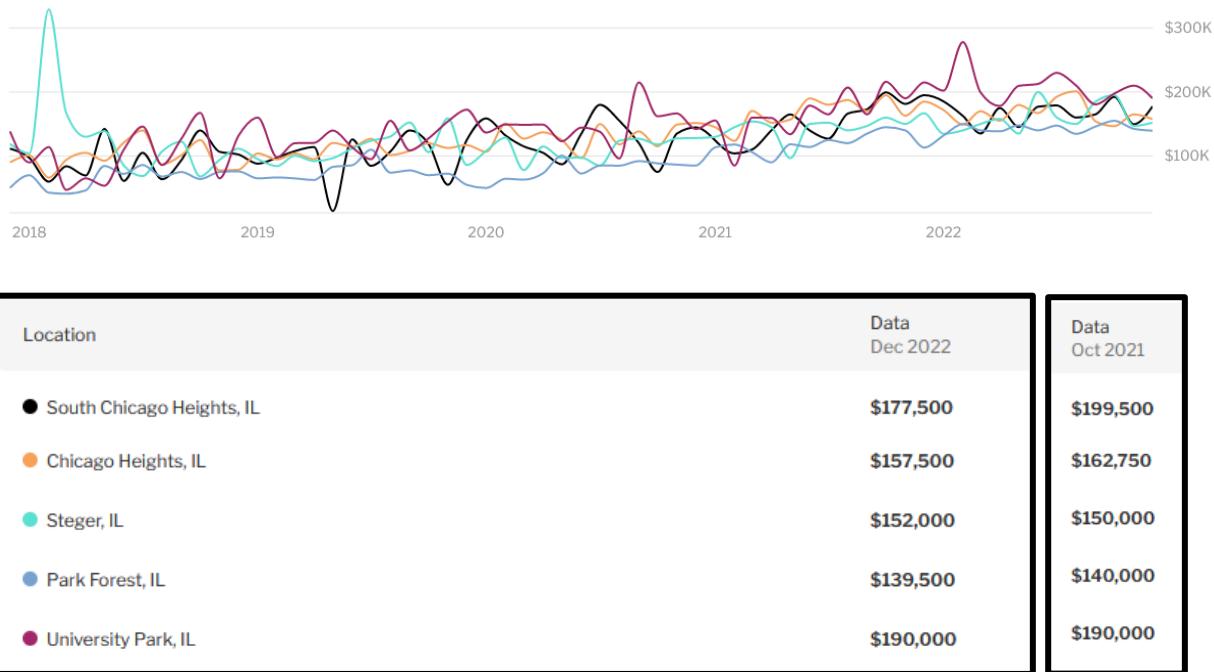


Source: Esri Business Analyst, 2022

Nearly half of all units are 3-bedroom (49.4%); followed by 2-bedroom units (26%), 4-bedroom units (14.4%), and studios or 1-bedroom units (9.2%).

Home Sales Trends (single-family)

While total home sales and sale prices increased dramatically in many communities since 2020, the same trend was less dramatic in South Chicago Heights. Median sale prices in the Village and adjacent communities have risen each year since 2018, peaking in October 2021.

Figure 11.13: Single-Family Home Sales Trends, 2018-December 2022

Source: Redfin.com based on calculations of home data from MLS and/or public records

Rental Residential Trends

Rental options within South Chicago Heights are mostly single-family homes rather than multifamily units. As a result, rental data is more limited. However, as of January 2023, Zillow.com estimates median rent at **\$1,495** in the Village. The 15-minute trade area includes surrounding communities indicate similar median rent figures: Sauk Village (\$1,399), Chicago Heights (\$1,425), Steger (\$1,595), and Forest Park (\$1,740).

The availability of housing options impacts the composition of the community. If the desired housing product is unavailable, a would-be household will often move elsewhere.

Residential Opportunities

There are several opportunities to expand South Chicago Heights' housing stock and provide additional product types to attract new residents. Most notably, high-quality multi-family units which cater to young professionals who are not yet in the market to buy a home. Secondarily, lower maintenance living options such as townhomes and single-story homes with limited yards are increasingly in demand for seniors looking to transition out of family homes.

Homeownership Programs

A variety of programs are available to make homes more affordable to purchasers, to assist existing property owners underwater in their mortgages, and to provide owners with funds for home repairs. These include the following IHDA programs:

- **Single-Family Rehabilitation (SFR) Program** - provides funding to units of local government and non-profit organizations throughout the State to help homeowners make necessary repairs to their homes. IHDA does not directly fund homeowners. Through a network of participating agencies, IHDA provides assistance for homeowners to repair their homes. The homeowner must meet the income and property value limits and continue to live in the home as their primary residence after repairs are complete.
- **Home Accessibility Program (HAP)** - provides funding to units of local government and non-profit organizations throughout the State to provide home accessibility grants to their local constituency. These grants help people stay in their homes and prevent premature or unnecessary institutionalization of the elderly and people with disabilities. IHDA does not directly fund homeowners but works through funded organizations.
- **Illinois Hardest Hit Program (HHF)** - assists homeowners who have experienced loss of income due to unemployment, underemployment, temporary disability, death or divorce. Eligible homeowners receive up to \$35,000 in assistance to reinstate delinquent mortgages and/or up to twelve months of mortgage payments. All services are free.
- **Abandoned Property Program (APP)** - IHDA will make grants to municipalities, counties, and land banks for the maintenance and demolition of abandoned residential properties within their jurisdictions to assist with revitalization efforts. Funds are distributed throughout the state geographically, as determined by the enabling legislation. To be eligible, applicants must be a municipality, county, or land bank. Grant funds may be used for securing, maintaining, demolishing, or rehabilitating abandoned residential properties. IHDA has application rounds and funding based on geographic set-asides throughout the state.

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Cook County also offers a number of programs funded through CDBG and HOME for homebuyer assistance, housing rehabilitation, and new rental and homeowner construction. Programs that can assist existing homeowners or buyers of homes in need of repairs should be included as part of a larger residential stabilization approach. Cook County CDBG funds may be available for this.

For owners of small apartment buildings, Community Investment Corporation (CIC) provides landlord training as well as financing, which can be used for acquisition and for building repairs.