



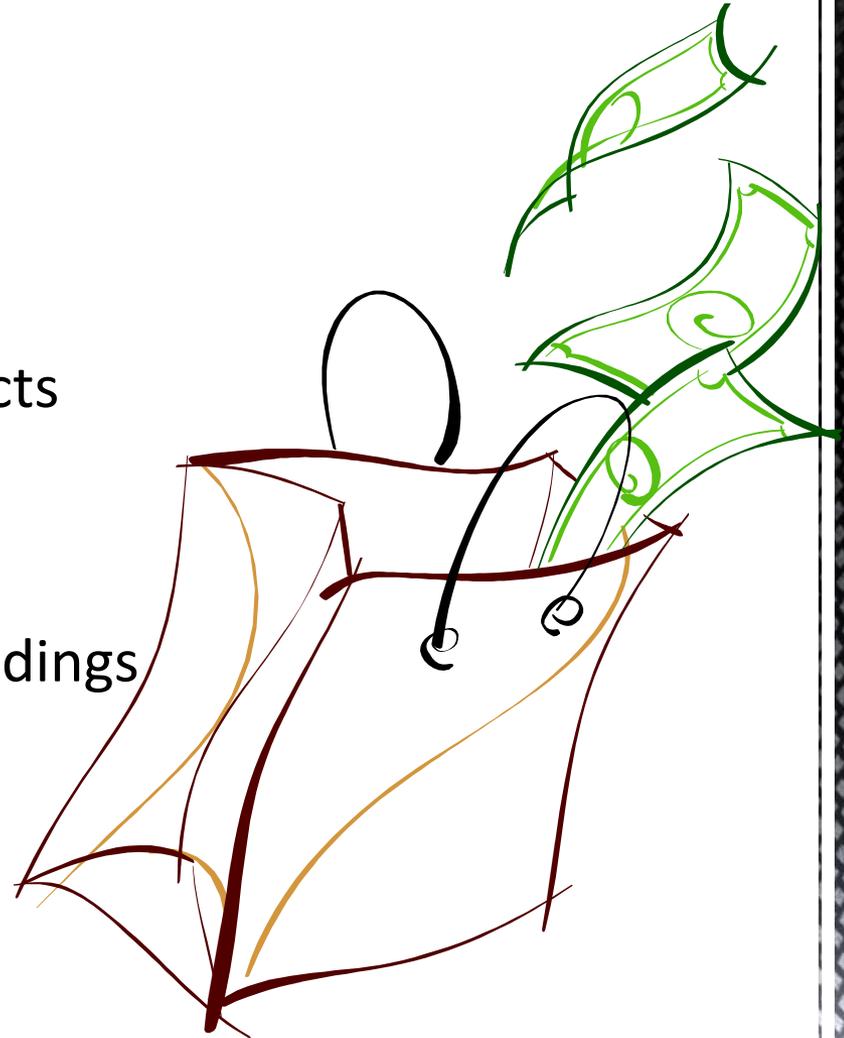
Long Grove PCZBA Workshop

February 4, 2014



- “Internet proofing” through bricks and clicks and restaurants
- Experience Retail
- Pop-up temporary retailing
- Food trucks
- Integrating office, recreation, and classroom uses into shopping districts
- Stronger “indies” through quality
- Integration into open office
- Demolition of obsolete centers/buildings
- Easy ped and bike access

Retail Trends



Market Facts

	Long Grove	0.5 Miles: Downtown Long Grove	5 Minutes: Downtown Long Grove	15 Minutes: Downtown Long Grove
Total Population	8,255	521	10,492	237,632
Total Households	2,548	167	3,507	88,558
Density per Square Mile	823.7	893.0	1625.0	2495.6
Median Age	44.9	47.2	44.3	39.3
Average Household Income	\$210,796	\$195,016	\$166,080	\$118,332
Median Household Income	\$143,164	\$123,201	\$113,774	\$83,611
Employees	2,280	210	3,378	143,638
Spending Potential				
	Long Grove	0.5 Miles: Downtown Long Grove	5 Minutes: Downtown Long Grove	15 Minutes: Downtown Long Grove
Apparel	\$6,364,904		\$8,581,629	\$186,853,054
Restaurants	\$10,890,101		\$14,655,697	\$316,876,225
Household Furnishings	\$5,648,916		\$7,648,767	\$161,626,564
Gifts	\$4,981,340		\$6,505,485	\$124,804,740

- Specialty Destination Cluster Model

- Highwood
- Geneva
- Chicago Neighborhoods

- Historic, Suburban Downtown Model

- Barrington
- Libertyville
- Grayslake

- Unique Combination Approach

- Independent business cluster
- Tourism bonus business
- Suburban Downtown Experiences
 - Professional & personal services
 - Sunset Grove
 - Community defining experiences

Target Market
Possibilities



Market Comparison Facts: Destination

15-minute Drive Time	Downtown Long Grove	Downtown Highwood	Downtown Geneva
Total Population	237,632	92,286	214,029
Median Age	39.3	45.0	38.1
Average Household Income	\$118,332	\$196,472	\$114,921
Median Household Income	\$83,611	\$124,507	\$87,621
Per Capita Income	\$44,206	\$71,735	\$39,445
Employees	143,638	93,990	103,389

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■ Bus Tour Participant

- Daytime Market
- Visits multiple communities
- Specialty tours
- Estimated to spend \$70 per day (Half in Long Grove?)
 - 30,000 participants would generate \$1 million in sales and at most \$15,000 in Village revenue

■ Other Advertising

■ Southern Lake County Hotel

- Current occupancy approximately 65%
- Investigate new properties at 70% build at 75%

Lake County Destination Tourism



	Total Population
Grayslake	21,067
Libertyville	20,424
Barrington	10,160
Long Grove	8,255
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Market Comparison Facts: Downtown

5-minute Drive Time	Downtown Long Grove	Downtown Barrington	Downtown Grayslake	Downtown Libertyville
Total Population	10,492	9,839	14,156	23,502
Median Age	44.3	44.4	36.8	42.3
Renter Occupied Housing	7.3%	21.0%	22.6%	21.9%
Average Household Income	\$166,080	\$153,719	\$106,793	\$141,172
Median Household Income	\$113,774	\$103,924	\$84,981	\$101,183
Per Capita Income	\$55,751	\$58,055	\$38,456	\$52,803
Employees	3,378	9,803	4,833	18,510
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- Destination residential spending matches successful clusters
- Convenience market lags other downtowns
- Low employee counts impact daytime activity
- Tourism can substitute for impaired daytime market
- Opportunity for unique experience
- Independents can compete

Marketplace Summary

Retailer Performance Standards

- Market ready concept
- High quality operation
 - Merchandise
 - Pricing
 - Interior presentation
 - Cleanliness
 - Signage
- Customer friendly hours

Typical Industry Ratios & Profits			
Sales	100%	\$300,000	\$400,000
Cost of Goods	60%	\$180,000	\$240,000
Gross Margin	40%	\$120,000	\$160,000
Payroll	20%	\$60,000	\$60,000
Rent	8%	\$24,000	\$24,000
Marketing	10%	\$30,000	\$30,000
Everything Else		\$6,000	\$6,000
Profit/ROI		????	\$40,000

Property Owner Investment Sample

- 11,600 square feet
 - Bought for \$787,500
 - Seeking 7% return (\$58,000)
 - Investing 15% per year in maintenance and upkeep (\$118,000)
 - Accounting, marketing, and other administration at 10% of income (\$5800)
- **Rent = Return + Up keep+ Administration**
 - Property Rent: \$182,000
 - Average net rent if vacancy is 5% : \$15.70 sf
 - Average net rent if vacancy is 15%: \$16.88 sf
 - Quality and visibility varies net rent: \$12 to \$20 sf
- \$240 to \$400 sales per SF makes rent is 5% of sales

Current Sales Tax Revenue suggests average sales are under \$200 per SF

- Construction Cost: \$1.5 Million
- 11% Return on Investment: \$165,000
- Return per square foot: \$33 (minimum rent)
- Sales per square foot if rent is 8% of sales: \$412.5 (annual sales \$2 million)
- Annual Village sales tax revenue: \$30,000
- Many costs not included
 - Land
 - Permitting
 - Others?

Conceptual Investment Return: New Long Grove Restaurant

RSMean QuickCost Estimator

Project Title:	Long Grove
Model:	Restaurant
Construction:	Wood Siding / Wood Frame
Location:	NORTH SUBURBAN, IL
Stories:	1
Story Height (l.f.):	12
Floor Area (s.f.):	5,000
Data Release:	Year 2012 Quarter 3
Wage Rate:	Union
Basement:	Not included



Costs are derived from a building model with basic components. Scope differences and market conditions can cause costs to vary significantly.

Cost Ranges	Low	Med	High
Total:	\$811,800	\$902,000	\$1,127,500
Contractor's Overhead & Profit:	\$202,950	\$225,500	\$281,875
Architectural Fees:	\$71,100	\$79,000	\$98,750
Total Building Cost:	\$1,085,850	\$1,206,500	\$1,508,125

- Clean and safe buildings
- Ongoing property maintenance
- Reasonable lease terms
- Aggressive tenant recruitment
- Rents that achieve market rate returns

Property Owner Performance Standards

- Existing Public Infrastructure
 - Parking Lots
 - Sewers
 - No public water
 - Private sidewalks on public right of way
 - Not the private sidewalks on private property
- Festivals support
 - Allowing access charge
- Policies assisting a local economy
 - Co-tenants
 - Office
 - Residential
- Regional brand and market enhancement

Government
Investment

- Health and safety of users protected
- Investments fiducially responsible
- Effective regional cooperation
- Continually improving community “Image”

Government
Performance
Standards

- Visitor Center
- Communication
- Tourism & Group Sales
 - Midwest Village coalition
- Festivals
 - Paid
 - Attendance as high as 18,000
- Advocacy
- Marketing
 - Social Media
 - Long Grove Living
 - Web Site
 - PR

LGBCP Investment

- Return on SSA Investment
 - Higher sales
 - Lower expenses
- Better visitor experience
- Quality marketing

Performance
Standards

Permitted Uses

- Current Process
 - Administrative Decision on use vs. special use
 - NAIC Code History
 - 2012 NAICS
 - 2007 NAICS
 - 2002 NAICS
 - 1997 NAICS
 - SIC

- Permitted Uses in Comparison Communities
 - Long Grove: 23
 - Geneva: 32
 - Lake Bluff: 65 (Recently revised)
 - Winnetka: 75 (Revision anticipated)

Permitted Uses Recommendations

- **Adopt NAICS Terminology**
 - Commonly understood
 - Changes every five years
- **Other considerations**
 - Allow Internet sales
 - Customize a special use list
 - 2nd Floor uses
 - Residential and Office
 - All first floor uses

Preliminary Choices

Code	Use Description
448	Clothing and Clothing Accessories Stores
4452	Specialty Food Stores
45121	Book Stores and News Dealers
81211	Hair, Nail and Skin Care Services
442299	All Other Home Furnishings Stores
444220	Nursery, Garden Center, and Farm Supply Stores
446120	Cosmetics, Beauty Supplies, and Perfume Stores
446130	Optical Goods Stores
451120	Hobby, Toy, and Game Stores
451130	Sewing, Needlework, and Piece Goods Stores
451140	Musical Instrument and Supplies Stores
453110	Florists
453220	Gift, Novelty, and Souvenir Stores
453920	Art Dealers
722511	Full-Service Restaurants
722513	Limited-Service Restaurants
722515	Snack and Nonalcoholic Beverage Bars
Potential Special Uses	
4453	Beer, Wine, and Liquor Stores
446191	Food (Health) Supplement Stores
447110	Gasoline Stations with Convenience Stores
722330	Mobile Food Services
722410	Drinking Places (Alcoholic Beverages)
	Used clothing stores

Unnumbered Subcategory Uses

Antique shops
Art supply stores
Bicycle (except motorized) shops
Candle shops
Collectors' items (e.g., autograph, coin, card, stamp) shops
Flower shops, artificial or dried
Golf pro shops
Pet Supplies Stores
Saddlery stores
Used book stores

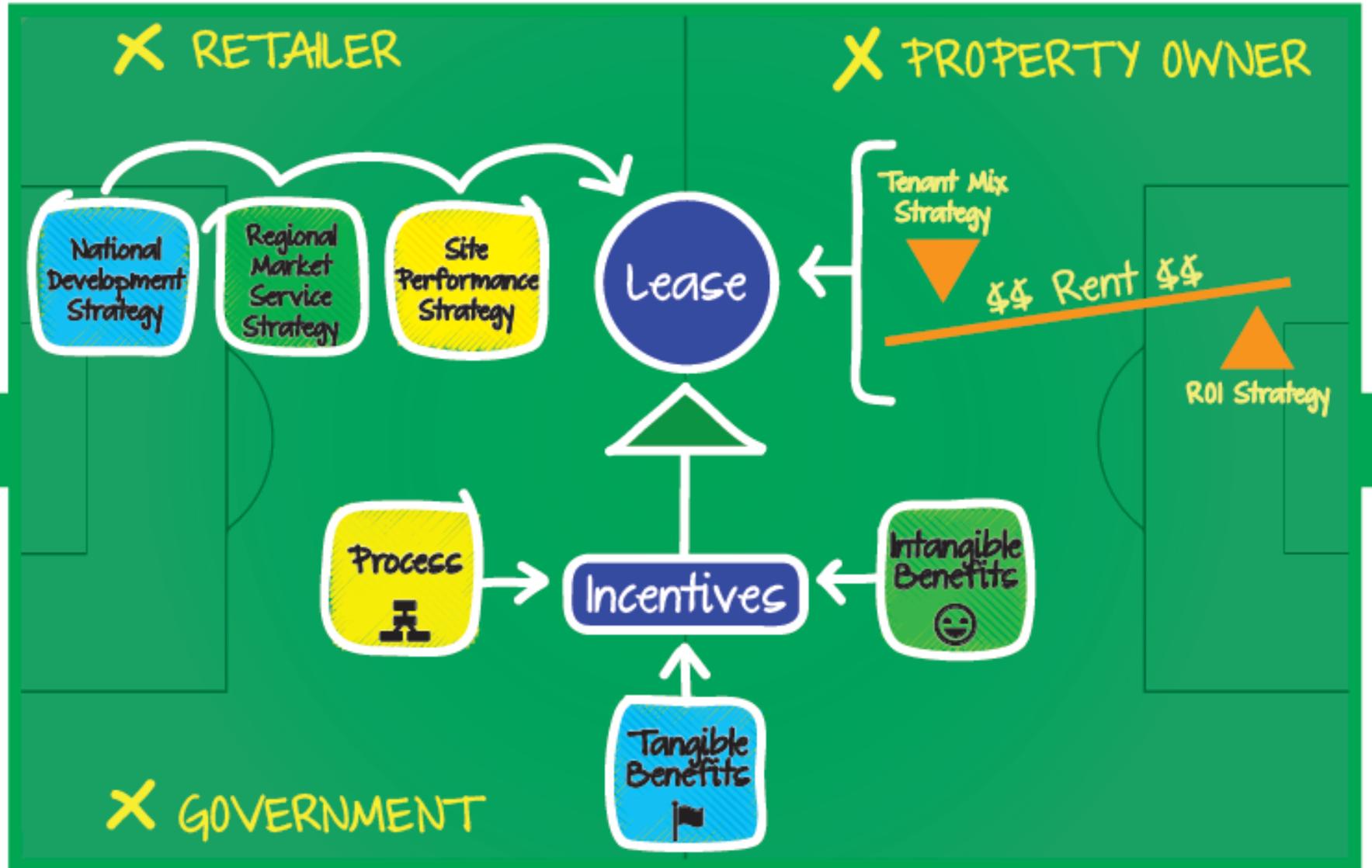
Recommendations

Goal

By 2016, Downtown Long Grove will be a premier collection of independent businesses that attracts residents with convenient goods and services, and attracts Chicagoland destination visitors and tourists with unique experiences.

DECISION MODEL

Creating a Winning Game Plan



■ Government

- Adjust allowable uses
- Strictly enforce codes
 - Village- Building, zoning, property Maintenance
 - Lake County-Health
 - Fire Department Safety
- Assist owners desiring to sell properties
- Partner in streetscape & wayfinding
- Provide & maintain parking
- Enhance regional position

■ Property Owners

- Offer incubator opportunities
- Maintain properties
- Establish rational leasing practices
- Partner in Streetscape

■ Business Owners

- Emphasize the experience
- Increase sales
- Market business

Adopt a Strategic
Approach that Improves
“Playing Field”

Discussion

