



Transit-Oriented
Development Plan

Section 3:
Market Assessment

Downtown Riverside Transit-Oriented Development Plan

MARKET ASSESSMENT

Planning studies that emphasize implementation should include market analysis to identify redevelopment opportunities that are economically feasible and reasonable, given local business and real estate market conditions. This approach tempers creative visions with economic reality, and improves the chances that plans will be implemented. Market analysis findings also provide a framework for the overall redevelopment plan and document the marketplace to interested potential developers. URS prepared a market assessment for Downtown Riverside as part of this plan, which is available in full as an Appendix to this report. An overview of key findings and conclusions are provided below.

Market Area

Retail, residential, and hospitality markets operate outside a wider geographic basis than the immediate Study Area. Current locations of each type of real estate were identified within the Study Area, within the one-quarter mile radius around the station, and within one-mile and three-mile radii around the Station, approximating five-minute and ten-minute drive times. Retail trade areas describe how far people are generally willing to travel to buy a good or service; trade areas vary by specific type of good or service. In order to study the hospitality market, URS inventoried recreation and tourism attractions, interviewed key stakeholders in the recreation and tourism markets, and reviewed data from local tourism bureaus. Real estate market trends were analyzed for the entire Village of Riverside for the past five years for both the detached and attached housing markets. The market assessment also considered trends in Metra ridership, sales tax revenues, and property tax revenues.

Based on the analysis of socio-economic trends and real estate market conditions as described above, URS determined that Riverside has a diverse and strong range of development opportunities for the Study Area. At present, the Study Area contains a variety of land uses, including public/institutional, retail, residential, and open space/parks, though building conditions, styles and ages vary.

An economically feasible development plan for new development in the area will include the following uses: residential, retail/commercial (including restaurants/dining and professional office space), and hospitality/tourism.

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Residential Market Sector Analysis

An assessment of the residential market was conducted using secondary data describing residential real estate trends from sources such as the 2000 US Census, Village of Riverside, and the Multiple Listing Service of Northern Illinois. Additional insight was gathered through interviews with developers and representatives of the real estate industry. A survey of residential development projects that have recently been completed, are under construction, or are in the planning stages, further assisted in determining the future residential market potential for the Study Area.

Residential Overview

- The current average price of a single-family detached home in Riverside is approximately \$455,000.
- The average price of a single-family detached home has increased by 66% (\$180,238) (unadjusted for inflation) between 1999-2004.
- Days on the market have increased in recent years, going from an average of 45 days in 2003 to an average of 75 days in 2004. The trend has been an average of 46.5 days on the market between 1999 and 2004.
- The annual number of units sold has varied somewhat from 104 in 2001 to 142 in 2004.
- The current average price for an attached home is approximately \$207,000.
- The attached market has increased from 14 units to 25 units sold per year, between 1999 and 2004, respectively.
- The average sales price of an attached unit has increased by \$88,467 (or 75%) (unadjusted for inflation) over the last six years.

Residential Conclusions

Riverside’s housing market is very strong overall. Traditionally, Riverside’s strength in the residential market has been with single-family detached homes. However, there are a growing number of buyers looking for other housing products besides detached single family units. Higher density housing is often attractive for young couples or singles as well as empty-nesters looking to downsize their housing space and spend less time and money on home maintenance and repair. These buyers are drawn to “downtown living” because of the goods and services that are available in pedestrian-oriented environments.

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Higher density housing can maximize the number of residents in the area who could take advantage of the train station’s close proximity and the convenience of stores, restaurants and services located in the downtown. Buildings of a medium density scale would retain the historic character of Riverside while balancing the scale of higher density housing. These housing types will help build the immediate population density necessary to create a vibrant and growing downtown.

Residential Recommendations

- 70-100 new units are feasible for Downtown Riverside in addition to its 184 existing residential units.
- Projects types include mixed use structures in the core of downtown with retail, restaurant, or commercial uses on the ground floor, or attached residential structures in transitional areas on the periphery of the central business district in accord with the B2 zoning district.
- Projected absorption would take less than five years.
- Units should offer, on average, 1,250 square foot per unit at an average unit price of \$325,000.
- Projects should attract smaller households such as single professionals, young couples, empty nesters, and retirees.
- There is also a pent-up demand for larger condominium units of 1,500-2,000 sq. ft. to accommodate residents moving out of existing single-family homes at price levels of \$300,000-\$500,000.

Retail/Commercial Market Sector Analysis

To evaluate retail development potential for the Study Area, an inventory of existing retail developments in and near Downtown Riverside was collected, retail sales tax data was analyzed and coverage maps were generated for grocery stores, hotel/motel/bed and breakfasts, fast food restaurants, convenience stores, drug stores, dining establishments, and bookstores. In addition, URS conducted interviews with several area business owners and met with the Chamber of Commerce.

Retail/Commercial Overview

Downtown Riverside has a 2005 inventory of approximately sixty-five retail establishments plus a number of public and semi-public establishments. Most downtown businesses are service-oriented establishments rather than traditional retailers. Many of these occupy first floor space, with several mixed-use buildings containing residential rental units and offices on upper floors.

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There are no national retailers, chain stores or chain restaurants currently in Downtown Riverside. These types of businesses are located along Harlem Avenue, the eastern boundary of Riverside. Seven coverage maps are located in the full Market Study's Appendix, and show the locations of bookstores, convenience stores, dining locations, fast food locations, hotel/motel/bed and breakfasts, grocery stores, and drugstores within one and three-mile radii of the Study Area.

Riverside's retail sales tax revenues were fairly stable throughout the 2005 fiscal year. One large increase occurred in December, likely due to an increased amount of shopping for the winter holidays; the other increases took place during the summer months (May, June, July, and August).

Retail/Commercial Conclusions

The Village should encourage the redevelopment of the opportunity sites around the Riverside Station as shown in Figure 2-12. Residential growth in the Study Area will drive the demand for increased retail and commercial uses. By increasing the number of residents, workers, and transit users in this concentrated area, Downtown Riverside will become a more prominent retail and visitor destination area, attracting a wider business base encouraging longer shopping experiences.

Retail/Commercial Recommendations

- Increase the number of quality restaurants/dining establishments
- Retain a grocery store and facilitate expansion and upgrades.
- Attract additional specialty or niche retail, such as bookstores, gourmet food shops, children's clothing/toy stores, etc.
- Provide new first and second floor professional office space options for professional services in existing buildings as well as new services that will be attracted by the expanding residential population and revitalization of the area.

Based on the market analysis, the inventory of existing retail/ commercial uses, and examination of the B2 zoning district, the following build-out scenario is proposed:

200,000 sf Maximum ground level commercial square footage potential allowed in B2 zoning district
- 80,000 sf Current uses in contributing structures that will not be displaced (ex. Arcade and Tower Buildings, etc.)
=120,000 sf Potential for new or replacement ground level commercial square footage

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An end-state build-out of 80-90,000 square feet is feasible to accommodate balanced parking & circulation improvements in the Study Area, in a two-phased program:

Absorption Target Years 1-5:

40,000 sf Relocation of current uses from obsolete structures into new construction.

+ 20,000 sf New Uses

= 60,000 sf Total

Absorption Target Years 5-10:

+ 20-30,000 sf New Uses

= **80,000-90,000 sf Total**

Hospitality and Tourism Market Sector Analysis

To evaluate the hospitality market environment in the Study Area, the following tasks were completed:

- Reviewed secondary data and previous studies from local tourism bureaus.
- Analyzed the *Oak Park Travel Market* report prepared for the Oak Park Convention and Visitors Bureau in April 2003 and the *Economic Impact of Domestic Travel on Oak Park and Western Cook County 2003* report prepared for the Oak Park Convention and Visitors Bureau, March 2005.
- Inventoried recreation and tourism attractions.
- Interviewed key stakeholders in the recreation and tourism markets.

Hospitality and Tourism Overview

There are a number of organizations that provide tourism, recreational opportunities, and cultural services to the Riverside area, such as:

- The Oak Park Area Convention and Visitors Bureau (OPACVB)
- The Riverside Historical Museum and Historic Water Tower
- The Frederick Law Olmsted Society
- Riverside Parks and Recreation
- Brookfield Zoo
- Riverside Chamber of Commerce

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Tourism Trends

- Most of the trips to the Oak Park Area were short, lasting just one day (64%); however, twenty percent (20.3%) of the visits were three days or longer. The average length of stay was 1.8 days.
- Most of the trips to the Oak Park Area were considered “weekend getaways” (48%), shopping (25%), visiting family/friends (15.2%) and/or festivals and special events (14.3%).
- Almost 63 percent of those visiting the Area indicated that they stayed overnight. As expected, the large majority stayed in a hotel or motel (74%) 26 percent reported staying with family or friends. A significant portion of the overnight visitors stayed in Oak Park (42%) while almost 25 percent indicated they stayed in Downtown Chicago. Another group of respondents indicated that they stayed somewhere else (31%).
- The most popular attractions include restaurants (78%), shops, galleries, and boutiques (67%), Frank Lloyd Wright Home and Studio (41%), Brookfield Zoo (33%) and the Guided Walking Tour of the Frank Lloyd Wright homes (unknown percentage).
- The typical annual household income of visitors surveyed ranged between \$40,000 -\$59,999 (29%). A high percentage of Oak Park Area visitors (29%) reported having total household incomes of \$80,000 or higher.

Hospitality and Tourism Conclusions

- Expand on the historic tourism offerings in Riverside. The Chamber of Commerce, the Economic Development Commission, the Olmsted Society, and the Historical Museum could increase their individual and collaborative marketing and promotion activities.
- Build on other nearby organizations and assets, such as Oak Park Convention and Visitor’s Bureau; Brookfield Zoo; and the architectural offerings in the Chicago Loop. Connections between the Zoo and Riverside should be strengthened so that Riverside has greater visibility to Zoo visitors. The Village and Metra should explore opportunities to co-market Riverside and Brookfield Zoo, such as on-board train advertisements and coordination with the Chicago Cultural Center and the Chicago Architecture Foundation in order to increase patronage and ridership. Shuttle links between Riverside, Oak Park, and Brookfield Zoo should also be explored.
- Explore the possibility of attracting a small hotel/banquet center. A small hotel (15-20 rooms) would be a perfect complement to residential and retail growth in an historic setting such as the Study Area. The affluence of the local population and the number of tourists visiting nearby Brookfield Zoo and Oak Park support the concept of a new hotel. There are very few hotels within Riverside’s market area, so market has room to grow. Small independent hotels and bed and breakfasts are proven successes in nearby Oak Park. Riverside could capitalize on its market strengths and help fill a

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market gap by attracting a boutique hotel. A waterfront location and close proximity to public park facilities would further strengthen the ability to attract a quality boutique hotel.