D. Retail Market Assessment and Development

Like other sections of the Quality of Life (QOL) Plan, this section on the retail market focuses on the Fourth and Fifth City Council Districts of the City of Joliet, the Planning Area for this project. This analysis gives an overview of the market – current demographic and socioeconomic trends, retail categories with strong growth potential, and an examination of prime sites in the Planning Area for commercial development. Furthermore, this analysis also examines existing government and civic retail development programs and makes recommendations for amending or improving these services.

The proposals based on this analysis address four key points:

- **There is considerable unmet demand for a number of key consumer categories:** The Planning Area has several distinct retail shortages – particularly a large grocery store, a produce market, coffee shop, sit-down restaurants, and general house wares – as well as banking and medical services.

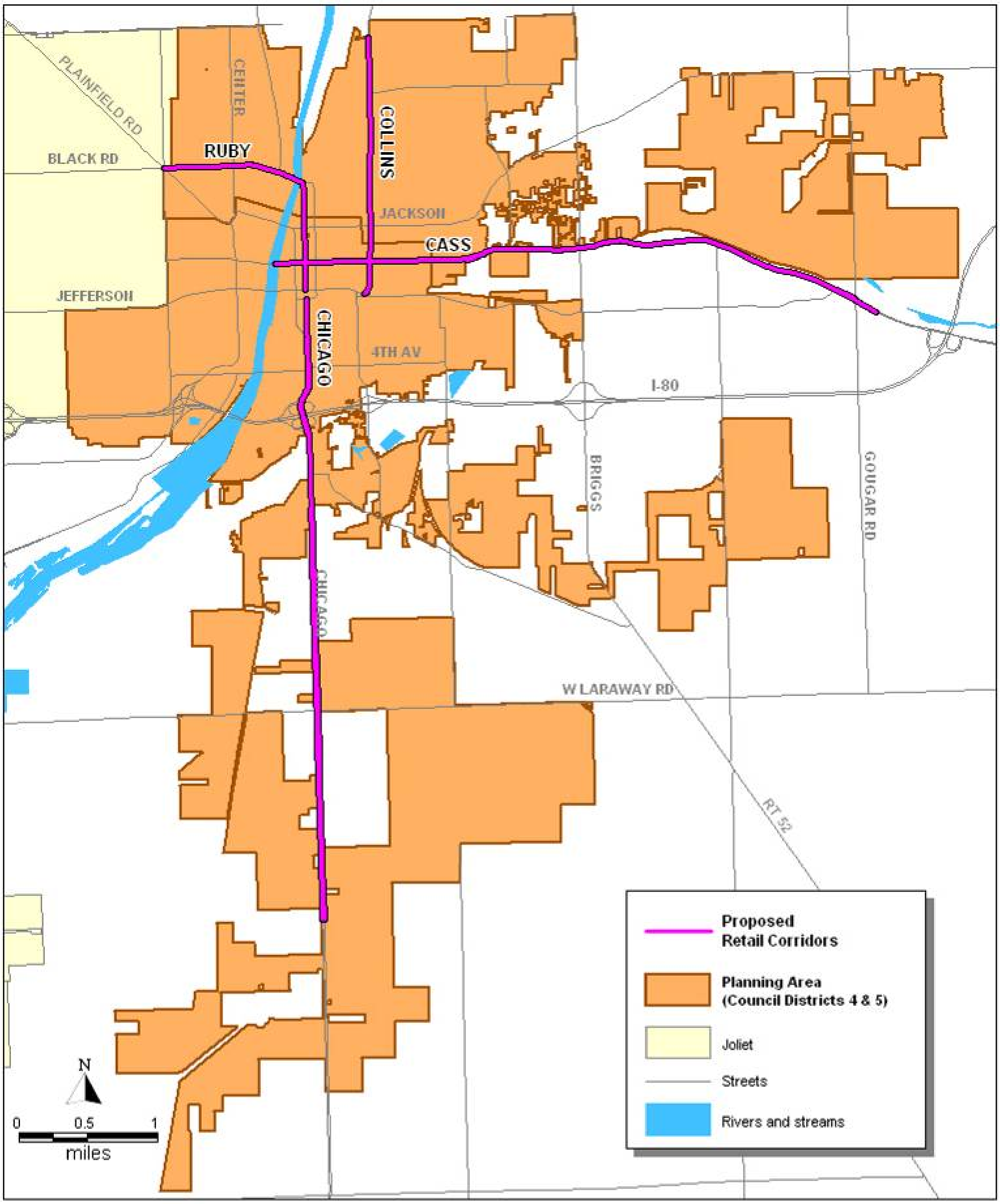
- **Many sites with substantial retail potential are currently operating far below their potential:** This includes sites currently vacant, occupied by extraneous industrial uses, or not yet annexed by the city. An assessment of these properties shows that there are ample opportunities for small-scale, mixed-use, infill development on major corridors and at major intersections throughout the Planning Area, and that there are several areas where large-scale retail development could occur once the land was assembled and made suitable for development.

- **Neither the City's business support programs nor business organizations are focused on the economic development of the Planning Area as a primary mission.** This lack of focused business support impairs business retention and business attraction in the Planning Area. Furthermore, many interview respondents, particularly business owners, felt there was a shortage of small business assistance available. Barriers are even higher for would-be entrepreneurs for whom English is not their first language.

- **The City and its development partners will need to take an aggressive, proactive approach to land assembly and development incentives to attract major retail developments to the Planning Area.** The Planning Area's market opportunities will only draw large scale developments if the problems of incompatible land uses and fragmented land ownership can be minimized by the City and its community partners. Land assembly and incentives – public infrastructure upgrades, grants, low-interest loans, fee waivers, tax abatements, etc. – are an investment strategy and need to be viewed as such. In the competitive regional environment for attracting retail development, other cities and community development organizations have effectively assembled large blocks of land and offer substantial incentives in order to attract new jobs, revitalize communities, and stimulate revenue growth. City and community efforts in the Planning Area will need to meet this standard in order to attract quality developments.

The Metropolitan Planning Council (MPC) identified retail development and market opportunities through interviews with key neighborhood stakeholders, community meetings, and continuous discussion with city staff and other local organizations. In addition, MPC surveyed hundreds of other residents in a statistically valid survey, reviewed existing studies, and analyzed data on pertinent facets of life, and researched comparable community improvement efforts. In order to examine current estimates (2006) and projected estimates (2011) of crucial data, MPC used services provided by SRC, LLC. The leakage analysis was provided by Claritas, Inc.

Figure D-1. Planning Area: Retail Corridors



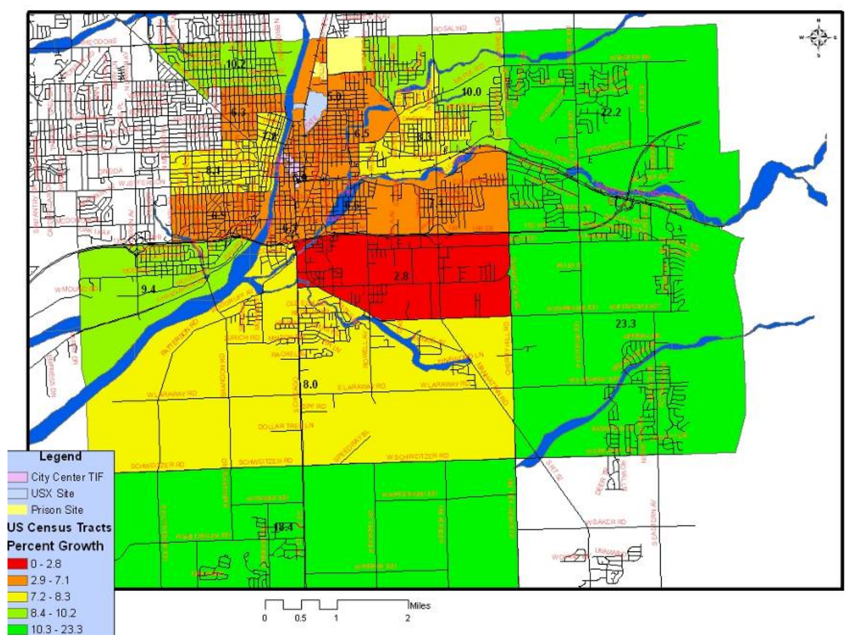
When analyzing markets, it is important to remember that consumer markets rarely stop at municipal borders. This analysis includes data on population growth, consumer expenditure, and other key indicators for a trade area that expands beyond Joliet's formal boundaries. For the purpose of this analysis, two separate geographies were used. The bulk of this element considers the Planning Area to be the 19 US Census Tract areas consistent with the remainder of Quality of Life (QOL) Plan.[20] A different geography was used for the leakage analysis, incorporating market trade areas. In order to capture the amount of consumer dollars being spent outside the study area, MPC examined three concentric circles, with a center point at the intersection of South Briggs Street and East Washington Avenue. These circles had radii of one, three, and five miles (see Appendix D-2 for a map of this area and the complete results of the leakage analysis). This geography was chosen because it enabled the eastern portions of Joliet to be analyzed without influence on the data by retail options in the other portions of Joliet.

Key Findings

<u>Population Growth</u>

As demonstrated in the housing section of this plan, projections indicate overall population growth from 2000 to 2011, when the Planning Area will grown from 88,341 residents to a projected 114,352. While there is currently substantial unmet consumer demand (see below), a growing market could support a larger and more prosperous retail environment, including both large-scale businesses and neighborhood oriented businesses in mixed-use developments at key intersections.

Figure D-2. Percent Growth in Population, 2006-2011



However, as Figure D-3 indicates, the Census tracts closer to the core of the city are expected to grow less quickly than those on the periphery. So if retail development in the Planning Area is

[20] 881103, 881104, 881200, 881300, 881400, 881800, 881900, 882000, 882100, 882200, 882300, 882400, 882500, 882600, 882700, 882900, 883000, 881000, 883302. See Appendix A for a map of this area.

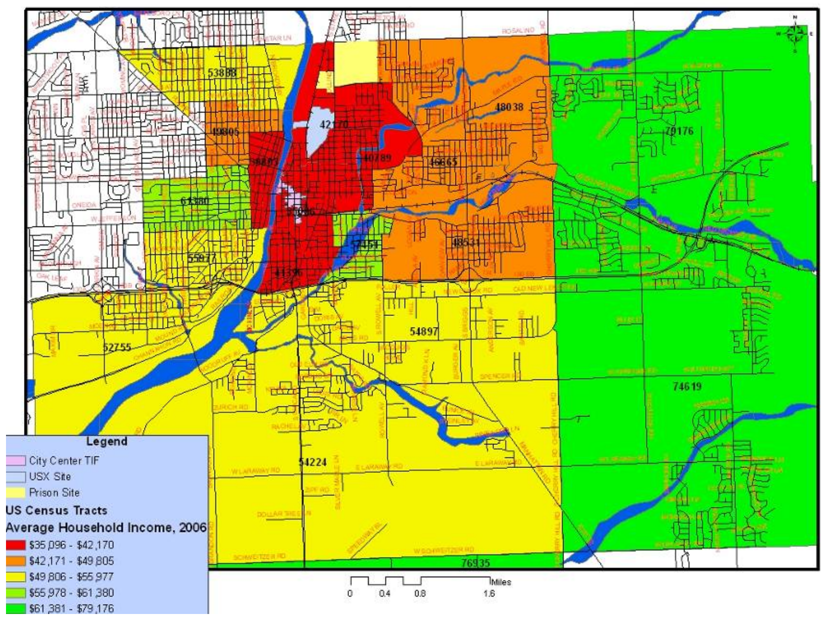
to be sustainable over the long-term, residents in these faster growing areas will need to be assured of easy access, particularly to large-scale developments.

Income

The average household income in the Planning Area has increased rapidly since 1990, though this is not the result of a general 'rising tide' of incomes, but rather an influx of higher-earning households moving into some of the peripheral Census tracts. The general trend from 2006 to 2011 will be stagnant growth in households earning $75,000 or less, and rapid growth in households earning $75,000 or more (see Appendix D-3).

There are substantial differences in average household income from Census tract to Census tract. The estimated 2006 average household income for the entire 19 Census tracts was $53,959, but the average household income was above this figure in only 4 of the individual Census tracts. As Figure D-3 indicates, the core of the Planning Area is generally lower earning, with higher incomes found on the periphery.

Figure D-3. Average Household Income, 2006



Retail growth, particularly large-format developments, will need to be accessible to households on the periphery of the Planning Area, in order to tap their higher buying power, but also to the more densely populated areas closer to the city center, where the aggregate buying power is substantial despite lower individual and household earnings.

Consumer Expenditures

In general, as incomes rise throughout the Planning Area, average consumer expenditure is expected to rise as well. However, the lower a household's average income, the higher its percentage of income spent. This may reflect several things – lower earning households earn just enough to support themselves (perhaps resulting in lower rates of savings), unreported earnings that supplement formal wages, goods sold in the core areas are sold at inflated prices, or households in the core Census tracts spend a greater percentage of income on housing than those on the periphery. Any of these issues merit further investigation.

Table D-1 shows the substantial buying power of the Planning Area, outlining the top 15 expenditure items. Some categories such as shelter and health care encompass a range of goods, including taxes, rents, and insurance. Based on these figures, there is significant (and growing) demand for food and beverages, entertainment, vehicles, and gasoline. Health care options beyond those provided at local hospitals are also in demand: dental care, rehabilitation services, mental health care, optometrists, etc. Such services may not earn sales taxes, but they attract potential consumers to retail corridors or neighborhoods. Currently, these needs are largely unmet by existing options in the Planning Area.

Table D-1. Top 15 Consumer Expenditure Detail For the Planning Area (Average Household Annual Expenditures)

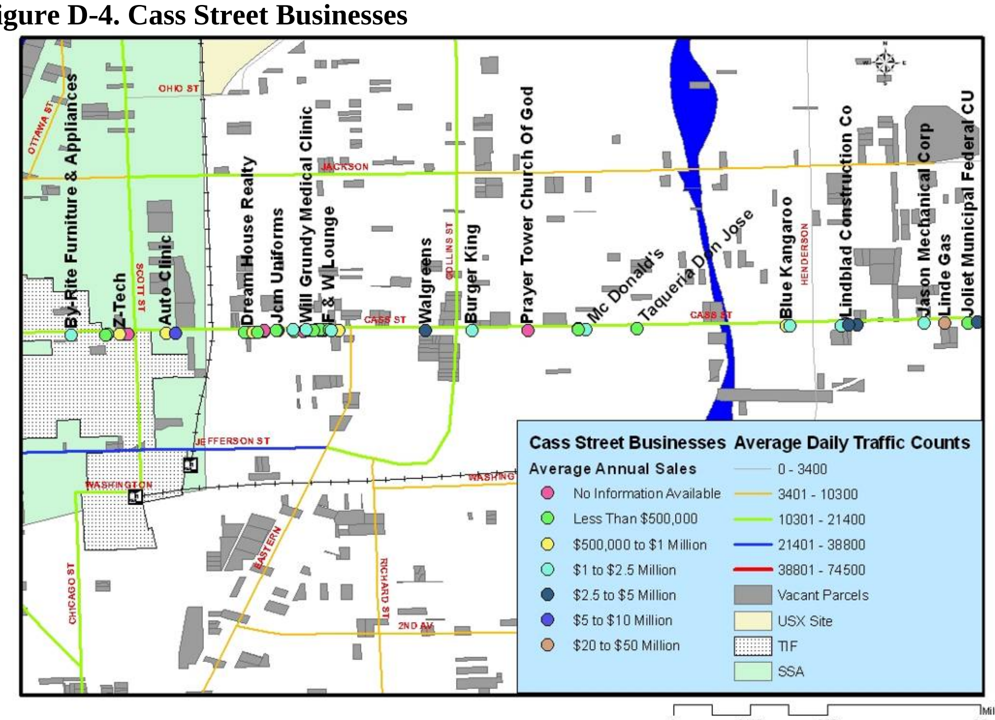
	% of Total Expenses	2006 Estimated Household Expenditure	# of Households	Aggregate Expenditure	2011 Projected Household Expenditure	# of Households	Aggregate Expenditure	% Change 06-11
Shelter	19.9%	$9,521.54	34,397	$327,512,414.82	$9,902.77	37,392	$370,284,379.58	4.0%
Food & Beverages	16.1%	$7,711.70	34,397	$265,259,348.34	$7,931.20	37,392	$296,563,434.14	2.8%
Health Care	6.4%	$3,065.30	34,397	$105,437,127.54	$3,134.52	37,392	$117,205,975.58	2.3%
Entertainment	5.8%	$2,758.09	34,397	$94,870,025.17	$2,869.11	37,392	$107,281,764.86	4.0%
New Vehicle Purchase	5.3%	$2,548.02	34,397	$87,644,247.38	$2,663.24	37,392	$99,583,873.82	4.5%
Gasoline & Oil	4.8%	$2,277.66	34,397	$78,344,674.46	$2,332.59	37,392	$87,220,209.02	2.4%
Contributions	3.6%	$1,730.64	34,397	$59,528,827.52	$1,839.74	37,392	$68,791,561.82	6.3%
Used Vehicle Purchase	3.5%	$1,668.34	34,397	$57,385,894.42	$1,698.81	37,392	$63,521,907.26	1.8%
Gifts	2.6%	$1,254.46	34,397	$43,149,664.06	$1,325.87	37,392	$49,576,934.78	5.7%
Vehicle Insurance	2.4%	$1,144.83	34,397	$39,378,720.95	$1,174.89	37,392	$43,931,490.62	2.6%
Education	2.4%	$1,129.57	34,397	$38,853,822.73	$1,205.96	37,392	$45,093,260.06	6.8%
Recreational Equip & Supplies	2.3%	$1,099.59	34,397	$37,822,600.67	$1,137.90	37,392	$42,548,360.54	3.5%
House Wares & Small App	2.3%	$1,085.72	34,397	$37,345,514.28	$1,136.85	37,392	$42,509,098.94	4.7%
Tuition	2.0%	$971.40	34,397	$33,413,249.24	$1,036.82	37,392	$38,768,777.18	6.7%
Video & Audio Equipment	2.0%	$969.88	34,397	$33,360,965.80	$998.65	37,392	$37,341,524.54	3.0%
Top 15				$1,339,307,097.38			$1,510,222,552.74	
Total				$3,041,424,636.55			$3,424,311,413.50	

Retail Market Overview

The Planning Area has a handful of retail corridors – primarily Cass, Chicago, Collins, and Ruby Streets – in addition to the downtown area. Of these corridors, Chicago is the least developed, with substantial amounts of land that are vacant or put to uses that are far below their development potential. In order to develop retail or mixed-use properties along Chicago, a policy of land assembly, incentives, and likely some brownfield remediation will be necessary. As new commercial development is attracted to the Planning Area, it is highly likely traffic counts and property values will increase. The same can be said of the effects of population growth and higher population density as a result of mixed-use development at key sites. Increased traffic will benefit existing businesses, while more expensive property may become a challenge. The City and other organizations will need to be prepared to work with existing businesses to develop strategies and resources to remain competitive.

Cass Street runs east from the river, all the way out of town. It is a primarily auto-oriented retail strip, with several fast-food restaurants, two small grocers, and a handful of larger retailers (Mike's Furniture, Roanoke Motors, Linde Gas). All but four of the businesses on Cass Street generate less than $5 million in annual sales. According to Illinois Department of Transportation (IDOT) figures, the section of Cass Street with the densest concentration of development has **average daily traffic between 10,300 and 15,200** (see the Ideal Requirements of Development table in the Leakage Analysis section for a contextualization of traffic counts).

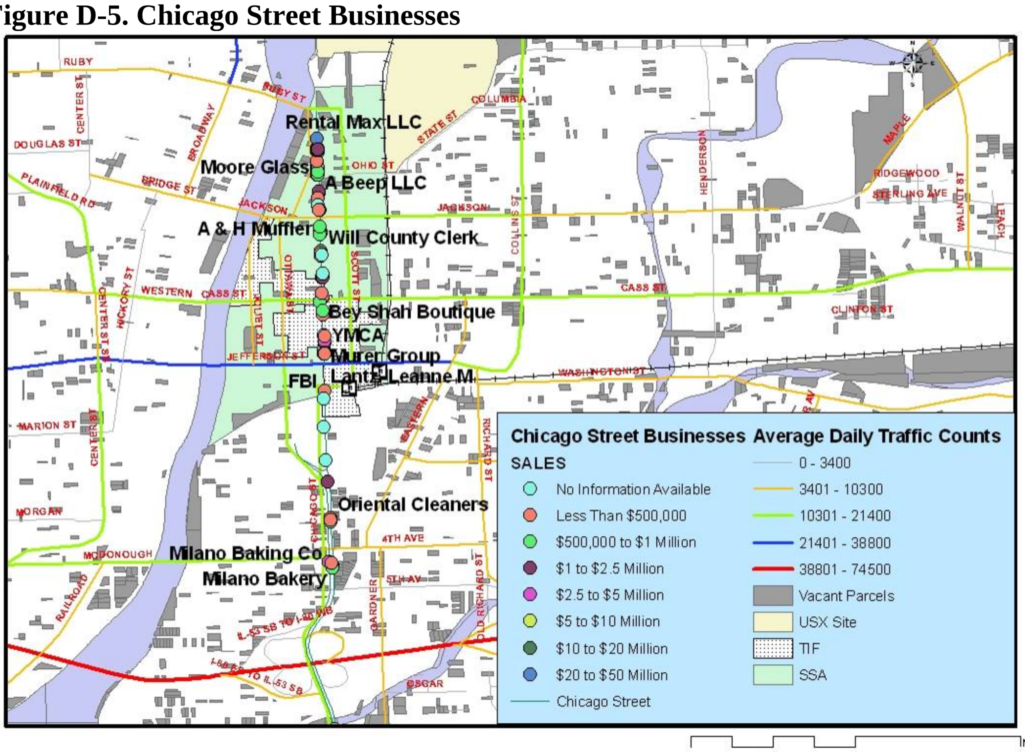
Figure D-4. Cass Street Businesses



Chicago Street runs south from the river, through downtown, intersects I-80, and continues south out of the city. While Chicago Street (from Cass Street south) receives high amounts of **daily traffic –approximately 17,900 a day** according to IDOT – there is relatively little commercial development, particularly close to the downtown**.** The intersection of 4th and Chicago hosts some convenience uses, but generally speaking, the property along Chicago is underutilized. McDonough, which runs from Chicago west to the river, is also underutilized, as it receives substantial daily traffic (**approx. 10,600 a day**) but has little to no substantial retail. Several older industrial facilities (scrap metal storage) and current government facilities (correctional facility, commuter bus facility), occupy large amounts of developable land. The vast majority of Chicago Street businesses generate very little revenue; only 9 of 216 businesses earn more than $5 million per year. Chicago Street has potential for both large-scale development and for neighborhood oriented mixed-use development combing residential, retail, and office uses, particularly between Washington St. and 4th. However, given lot sizes and current usage, substantial investment by the City and its development partners will be necessary to make Chicago Street a valid development opportunity.

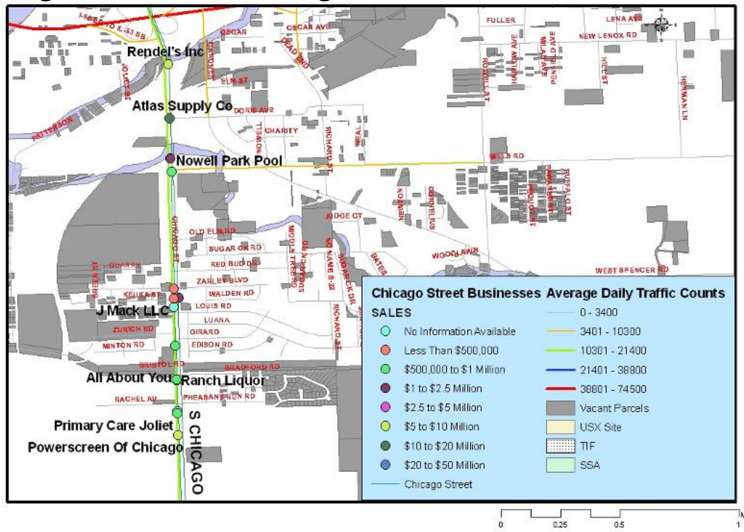
Furthermore, Chicago Street connects directly to I-80, providing easy access to the Planning Area and the downtown. Despite this, Chicago is not currently considered as a main route for entering and exiting the community. When approaching the Chicago Street exit on I-80 there is no signage indicating that Downtown Joliet, Harrah's Casino, the Rialto Theater, Silver Cross Field, or the Metra station are all easily accessed via Chicago. As a result, traffic counts are much lower than they should be, unnecessarily deadening potential commercial activity. Improved signage, as well beautification and infrastructure improvements along Chicago, could make this a vital and vibrant access corridor and spark retail and mixed-use development.

Figure D-5. Chicago Street Businesses



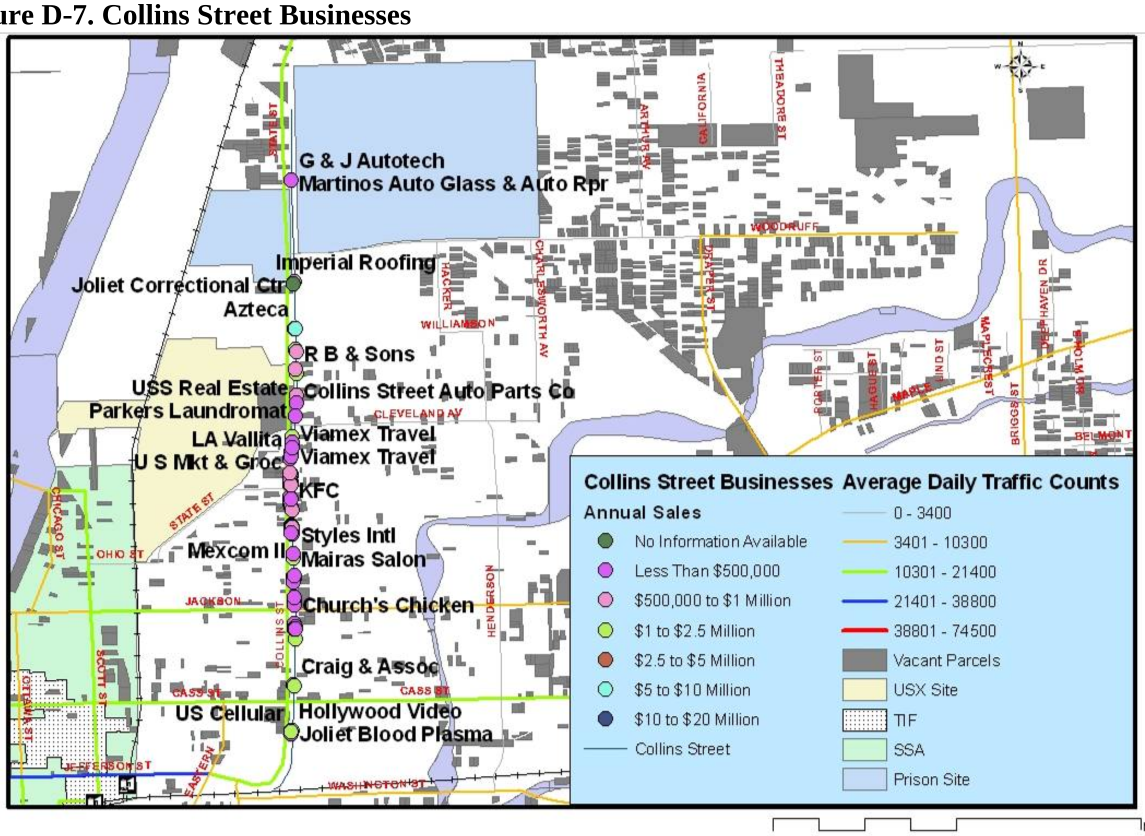
The southern stretches of Chicago Street also have high amounts of daily traffic (**approx. 15,400 a day**) and are close to I-80, but far from Joliet's population centers and downtown. Large-scale, auto-oriented uses, including a mix of retail, office, and light industrial would likely be supported by existing traffic counts.

Figure D-6. South Chicago Street Businesses



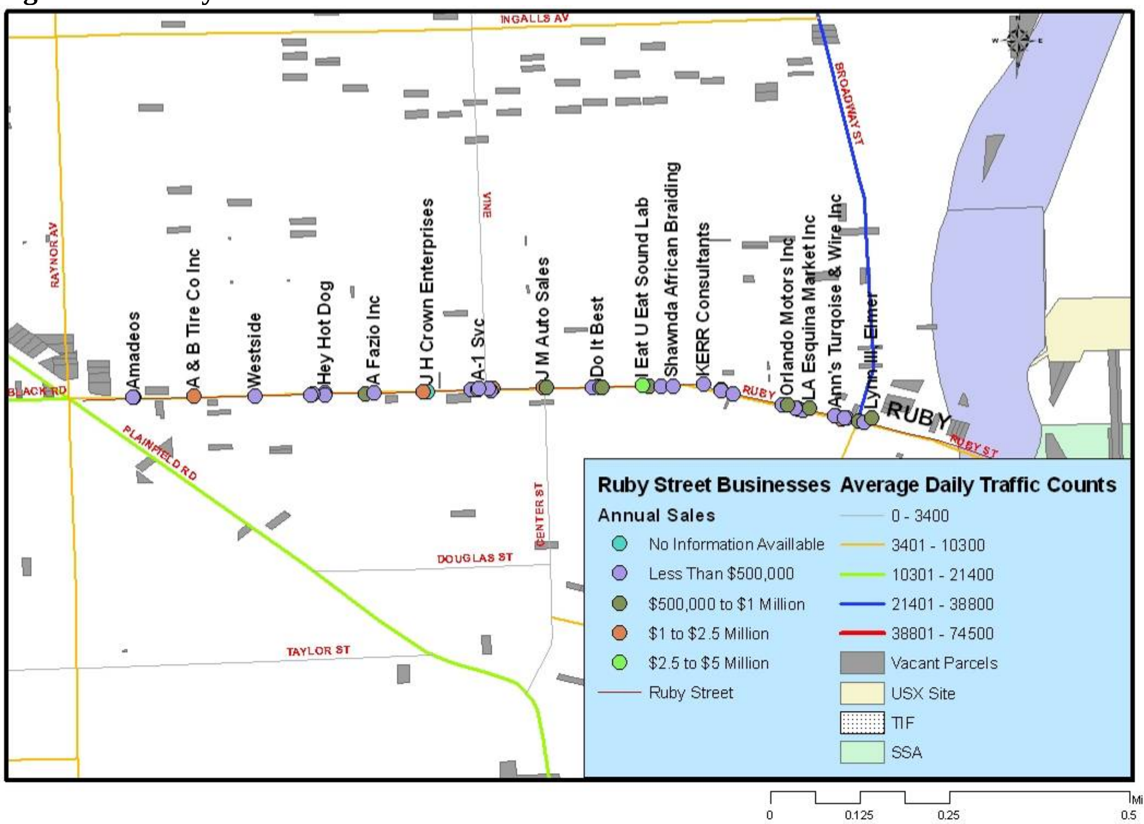
Collins Street is regarded by many interview respondents as a success story of the Planning Area. Several new businesses have opened in the past decades, many either owned by Hispanic entrepreneurs or consciously catering to Hispanic customers. However, the street lacks any substantial earners – only three out of 92 retailers earn $5 million or more in annual sales – and parts of the street are heavily auto-oriented and unwelcoming to pedestrians. Many chain locations have parking lots in front of the stores, impairing a neighborhood feel. Collins Street receives approximately **11,600 cars a day**, which is sufficient to support more retail development, particularly mixed-use and infill, but probably not large-scale development under current land use conditions. Of particular note with Collins Street is its proximity to the former USX Steel Mill and Joliet Correctional Center, both of which will be redeveloped in the near future. Depending on the outcomes of those planning exercises, the face of Collins Street could change dramatically.

Figure D-7. Collins Street Businesses



Ruby Street, the only corridor discussed here that lies west of the river, has **daily traffic of approximately 8,300,** and a more cohesive neighborhood feel. Buildings are close to the street, streets are well lit, and signage is informative and attractive. Given the proximity to larger corridors such as Plainfield Road and Broadway Street, Ruby is a potential target for increased infill and mixed-use development. There are insufficient lots and traffic counts for larger-scale development.

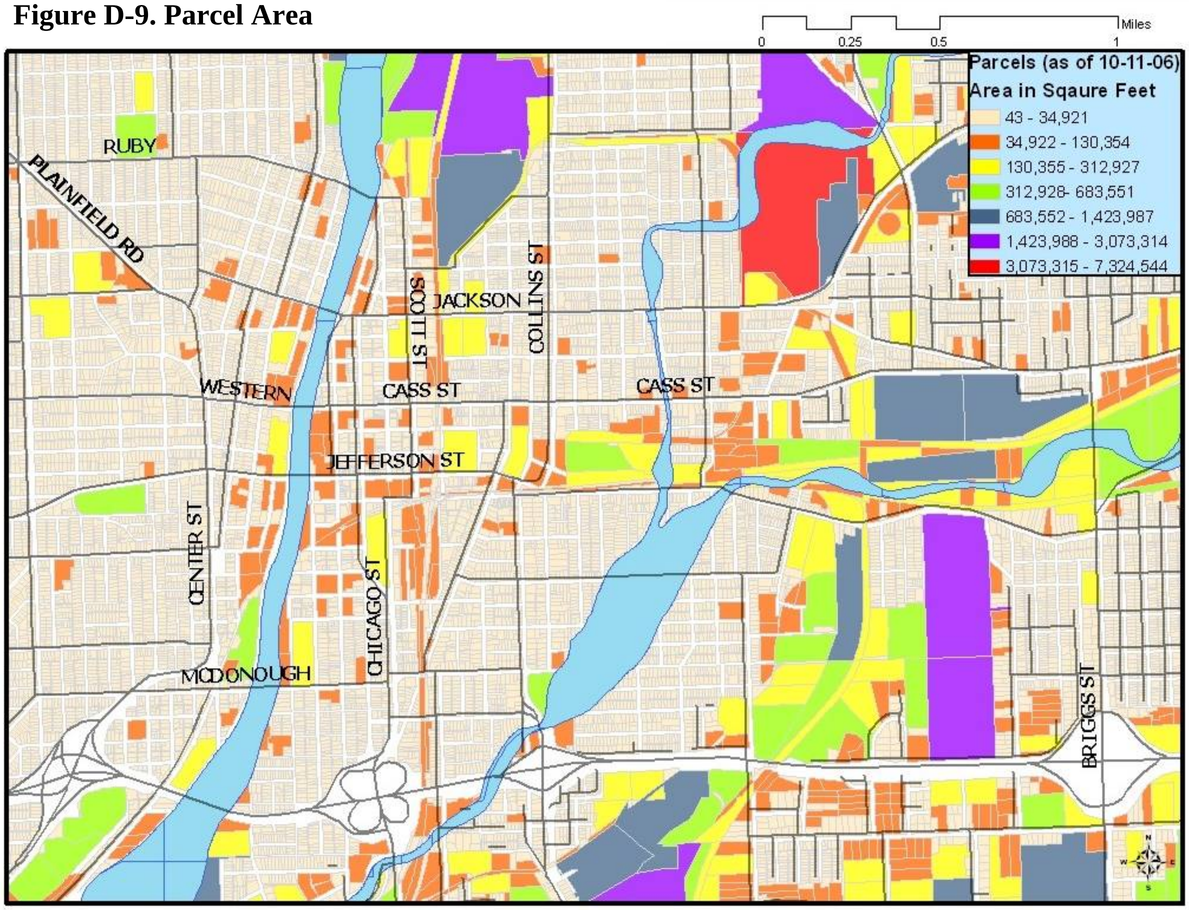
Figure D-8. Ruby Street Businesses



Land Assembly Challenges: Perhaps the largest challenge to substantial retail development in the Planning Area is the assembly of sufficiently large aggregations of land. While market demand and traffic exists, aggregations of vacant land ready for development do not. The difficulty of land assembly, which may require the acquisition of many real estate parcels from different owners, removing incompatible land uses, and variances from current zoning, is a time-consuming, expensive, and high risk process. The difficulties of land assembly are one of the primary factors that drive investors to locate new businesses on green field sites on the urban periphery. If Joliet or any other city hopes to attract substantial retail development it must smooth the way by minimizing the problems of land assembly. In the commercial corridor streets of the Planning Area the difficulties of land assembly are formidable. Figure D-10 gives one very rough indication of the difficulty of this task by showing the distribution of relatively large individual real estate parcels. Parcels of more than 1 acre (43,560 sq ft) on commercial streets stand out; parcels of more than 5 acres are rare; the Planning Area has only a few parcels of more than 10 acres (older industrial or prison sites). Considering that a supermarket development will require more than 5 acres, the need to assemble parcels becomes immediately apparent.

Other communities have had success by assembling priority parcels of land and then deeding those properties to developers for free, writing down the cost of than land entirely in order to stimulate development. This may prove to be an effective strategy in Joliet as well.

Figure D-9. Parcel Area



Key Survey Results

Of the 479 respondents to the mail survey, over 75 percent of the sample grossed less than $75,000 per year; the median household income was between $50,000 and $75,000 per year. This is consistent with income findings above. Key results included:

- 33 percent felt the economy in the Planning Area is changing for the better (versus 58 percent for Joliet's overall economy). 68 percent felt that the Planning Area, relative to the rest of Joliet, continues to be somewhat or much worse.

- 86 percent responded that they could not satisfy the majority of their shopping needs in the Planning Area. This propensity was further demonstrated when respondents were asked how far they normally have to go for good and services (see table).

Table D-2. Distance traveled to meet shopping needs

How far do you normally have to go for the following goods and services?	
Consumption Category	**Percentage Responding They Must Leave the Planning Area**
Groceries	70%
Restaurants	84%
Footwear	96%
Apparel	95%
Gas	67%
Auto Care	73%
Furniture	84%
Banking	62%
Legal Services	64%
Laundry	44%
Dry Cleaning	53%
Child Care	60%
Salon/Barber	63%
Movies	96%

- When asked to cite the top five retail or services they would like to see in the Planning Area, respondents identified coffee shops, house wares, sit-down restaurants, movie theaters, grocery stores, shoes and clothing, and book stores as priorities.

Retail Leakage Analysis

A leakage analysis compares expenditure potential to actual retail sales within a defined trade area. This determines whether that defined trade area is "leaking" dollars to surrounding communities or attracting dollars and in turn, generating a surplus. "Leakage" can also be understood as "opportunity" or "potential retail growth" within the given trade area.

For the Planning Area, the leakage analysis performed here confirmed that people living within one, three, and five miles of the intersection of S. Briggs St. and E. Washington St., are, by and large, spending their money outside of those radii. Thus there is substantial opportunity for retail growth within the defined trade area. Given the low annual earnings of retailers on the main commercial corridors examined above, this is hardly surprising.

The table below shows the largest or most notable areas of leakage/opportunity for the defined trade area (only the difference between potential expenditure and actual retail sales is shown here). These figures illustrate the unmet demand for these consumption categories within the defined area, and thus within the Planning Area. **Bold text** indicates the largest leakage, *text in italics* indicates surplus. The only notable surpluses are for Liquor Stores in every defined trade area, and for Electronics and Appliance Stores in the Five-Mile area.

According to this leakage analysis, there is considerable opportunity for retail growth in many of the categories most desired by interview respondents – including full service restaurants, gas stations, household goods, and most notably, supermarkets and grocery stores. This means that retailers within the Planning Area are not meeting current consumer demand of Planning Area residents. Money leaves the Planning Area because there is a shortage of retail options, as well as a perceived lack of retail quality.

Table D-3. Planning Area Retail Leakage and Surplus

Consumption Category	**Leakage** or ***Surplus*** (for given radius around the intersection of E. Washington St. and S. Briggs St)		
	1 Mile	**3 Miles**	**5 Miles**
Total Retail Sales, Incl. Eating and Drinking	$89,752,964	$406,260,133	**$654,946,306**
Motor Vehicle and Parts Dealers	$21,024,881	**$100,406,202**	$72,911,912
Supermarkets/Grocery (excl. Convenience stores)	$11,381,466	**$58,275,018**	$21,324,054
Gas Stations	$7,788,287	$40,063,693	**$101,057,680**
Drugstores	$3,076,011	**$25,039,840**	$4,015,138
Limited-Service Restaurants	$4,235,861	$6,427,713	**$19,185,352**
Full-Service Restaurants	$3,764,833	$20,625,897	**$43,711,980**
Clothing and Clothing Accessories	$5,146,140	$33,713,183	**$87,463,304**
General Merchandise Stores	$13,569,786	$67,910,173	**$102,835,304**
Furniture and Home Furnishing	$1,525,746	$7,881,633	**$23,886,803**
Building Material, Gardening Equip.	$6,457,222	$13,256,157	**$51,899,870**
Convenience Stores	*$505,872*	$1,960,906	**$2,688,135**
Electronics and Appliance Stores	$109,526	**$6,401,352**	*$7,105,275*
Specialty Food Stores	$491,006	$1,834,157	**$3,011,862**
Sports, Hobby, Book, Music	$1,935,342	$6,464,880	**$10,882,491**
Beer, Wine, and Liquor	*$2,045,812*	*$5,770,987*	*$6,626,497*

However, simply because substantial demand exists does not necessarily mean that the demand can be met. Different categories of stores have different expectations for particular sites (see table below). The key to developing successful retail properties in the Planning Area will be matching unmet demand with appropriate sites. Location requirements must be met. For instance, a large grocery store requires average daily traffic of 25,000 persons/automobiles, as well as 250,000 ft^2 of developable space (considering a ratio of more than 2:1 for parking and access to store area).

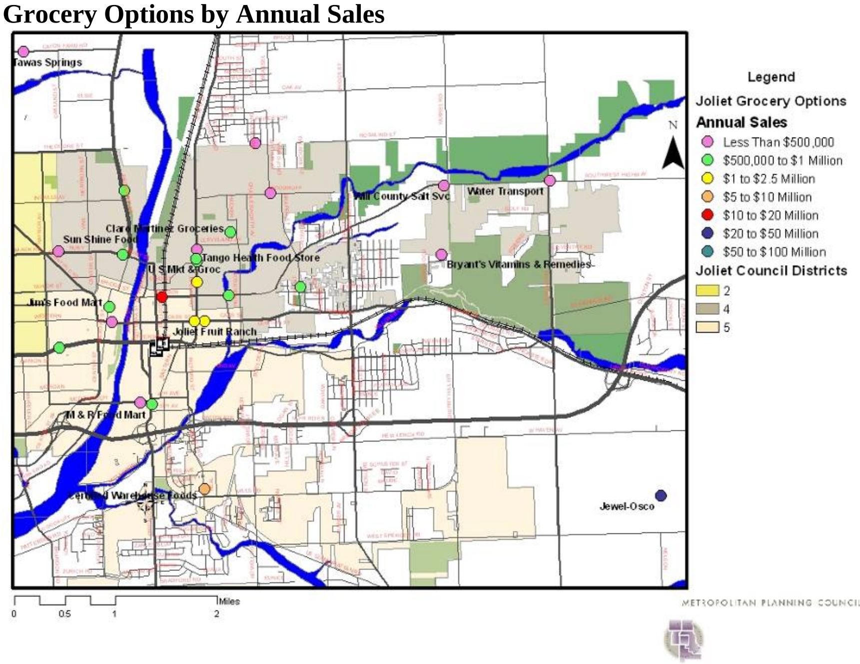
Table D-4. Ideal Requirements of Development						
Consumption Category	**Height (ft)**	**Area (ft^2) (floor) area)**	**Parking (per 1,000 ft^2)**	**Daily Traffic**	**Estimated Annual Sales**	**Sales Tax Revenue**
Large Grocer	25-30	75,000	5-6	25,000	$25,000,000	$375,000
Automotive Dealer	20	100,000	1	30,000	$25,000,000	$473,500
Drugstore	20	10,000	5, plus a drive-thru	15,000	$6,000,000	$90,000
Limited-Service Restaurant	15	2,000-3,000	6, plus a drive-thru	20,000	$1,000,000	$35,000
Gasoline Station	20	2,000	3, plus a corner location	15,000	$700,000	$24,500

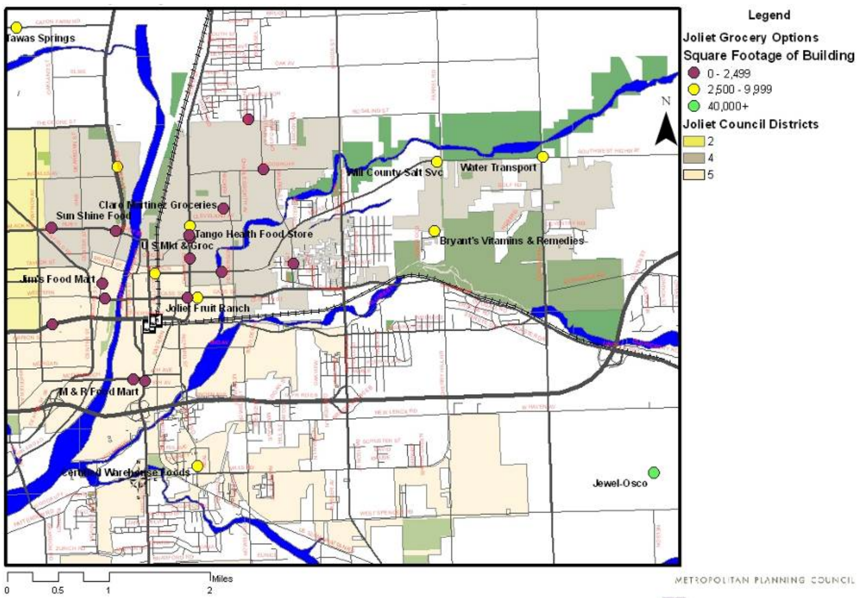
Unmet consumer demand is not always the result of a lack of retail options. It can often be the result of lack of quality options, or of options that do not fully meet consumer demands. For instance, given the choice of meeting all of one's grocery needs at one location versus traveling to multiple locations, many consumers will prefer the efficiency of the former. In the Planning Area, it is often not possible to meet all of one's needs at any given location. This if often the result of store size, particularly in the case of grocery options, and offerings. The maps below illustrate this situation.

This pair of maps (Figure D-9) demonstrates grocery options in the Planning Area, their annual sales, and their square footage. Only five of the grocery options in the area earn more than $1 million annually, which is not a large figure. At the same time, none of the grocery options in the Planning Area exceeded 10,000 ft^2, which is also not large.

Figure D-10. Grocery Options in the Planning Area

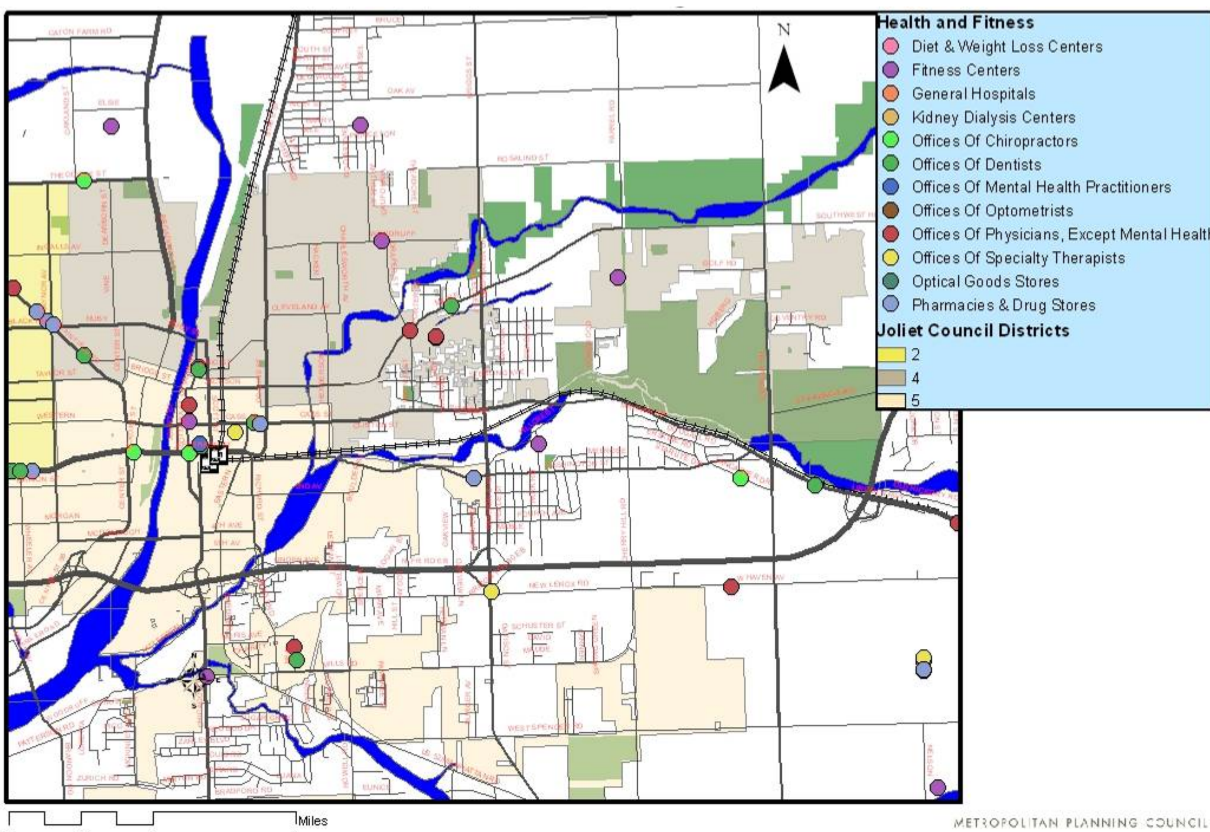
Grocery Options by Annual Sales





The map below shows the locations and types of health and fitness options in the Planning Area. The map reveals that despite the large population, outside of main medical facilities such as Silver Cross Hospital, there are few options for medical care – only a handful of dentists, mental health specialists, chiropractors, and eye doctors have offices in the Planning Area. None of the fitness options is a gym with professional trainers, and there is no kidney dialysis center. Again, while many of these services are not necessarily "retail," they do generate traffic and pedestrian activities, and are good neighbors for more traditional retailers.

Figure D-11. Health and Fitness in the Planning Area



Site Opportunities

Throughout the Planning Area there are large amounts of individual vacant parcels and vacant buildings, but few that are large enough for major retail development. In order to spark the kind of large-scale development that would bring a grocery store or general merchandise store, land assembly by the city will likely be necessary. This does not need to become regular practice, but can be done on selective occasions to jumpstart development. Assembling and preparing one or two large, prominently located parcels, and then making them available to developers at discounted rates (provided that construction, use, and design mesh with the recommendations of this Plan) might be a necessary step. Ideally this should be done through purchase or land swaps, with eminent domain as a last resort. Smaller scale development of mixed-use properties, particularly infill development on existing retail corridors, should also be a priority. However, at present there are no city programs that provide incentives to spur infill development.

Another option would be for the city to deed city-owned vacant parcels to the new neighborhood organization discussed below. This organization would then be responsible for marketing these sites, seeking out development proposals, and ensuring that any proposals be in line with the content of this plan.

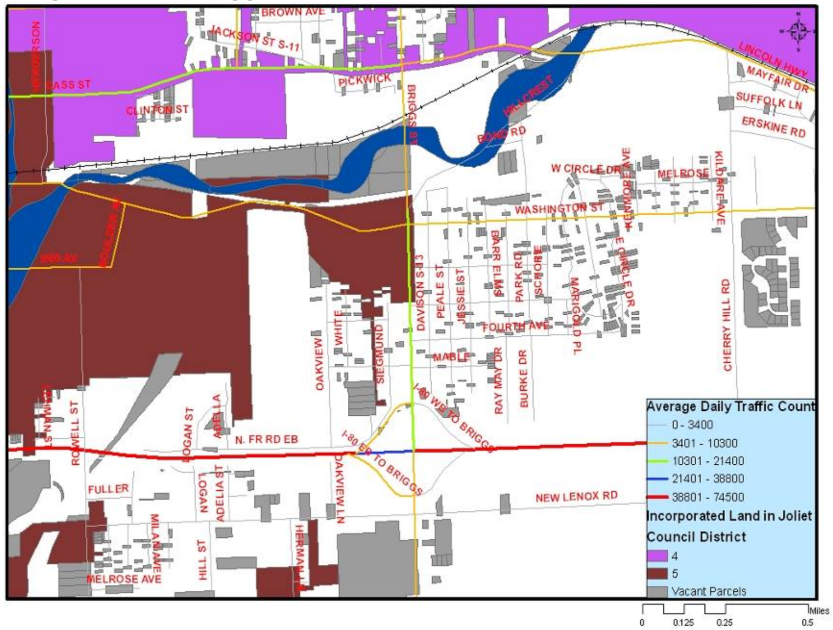
Additionally, a standard packet of regularly updated marketing materials would help developers learn crucial information about sites, incentive policies, and community demographics. If this package included access to a web site through which current information on land use, zoning, vacancy, and ownership information on the parcel level was readily available, potential investors would be encouraged to think seriously about development opportunities in Joliet and the Planning Area. Creation of such a marketing portfolio and information system should be priority in the near term, even as the city pursues larger scale land assemblage.

There are several areas along major corridors such as Chicago, Cass, and Collins in particular, which are currently being used/underused for industrial or government purposes. These facilities would likely operate just as well, if not better, at other sites, and open up large parcels for retail/mixed-use development. Specifically:

- the scrap processing/warehouse/Pace garage on Chicago Street just north of 4th avenue
- the road maintenance facility at (approx.) 800 East Cass Street
- the concentration of warehouses along N. Maple Street, just north of Cass Street

In addition, the unincorporated land around Briggs Street, particularly at the intersection of Cass Street and at the I-80 interchange, presents further opportunities for retail development. High daily traffic counts, proximity to I-80, vacant or underutilized properties, and growing populations in the vicinity all make this area a valuable asset that could likely sustain a mix of homes, commercial properties, entertainment venues, and office spaces. Annexation will be necessary, as will supportive government programs such as a TIF district to generate funds for investment and infrastructure improvements.

Figure D-12. Briggs Street and Environs



Proposals

Expanding on the themes noted above, during the course of research and the interview process for this plan, several issues came up repeatedly:

- **There are market opportunities for a several retail categories.** 86 percent of survey respondents said they could not satisfy the majority of their shopping needs in the Planning Area. As shown above, the Planning Area has several distinct retail shortages – particularly a large grocery store, a produce market, coffee shop, sit-down restaurants, and general house wares – as well as banking and medical services.

- **There are many sites with substantial retail potential.** This includes sites currently vacant, occupied by extraneous industrial uses, or not yet annexed by the city. An assessment of these properties shows that there are ample opportunities for small-scale, mixed-use, infill development on major corridors and at major intersections throughout the Planning Area, and that there are several areas where large-scale retail development could occur once the land was made suitable for development. Yet there is no public plan and no incentives to address these sites. Chicago Street, which is a logical access corridor for the Planning Area and downtown from I-80, is now developed far below its potential.

- **Additional programs are needed to support land assembly and development.** Development in the Planning Area often requires parcel assembly, infrastructure changes, or land remediation. Neither the city, county, nor civic organizations offer incentives or assistance programs to offset these costs, making both local entrepreneurship and development by outside players difficult. By offering incentives and assistance programs in the Planning Area the City could make infill development more financially feasible.

- **No single organization holds the economic development in the Planning Area as its primary mission.** This lack of focus is reflected in the unplanned character of development along the principal retail corridors of the Planning Area. In these corridors currently auto-oriented businesses develop beside pedestrian-oriented ones; industrial uses such as recycling stations operate beside restaurants, some parking faces the street, some is hidden, etc. Existing business organizations offer programs that help the Planning Area, but do not specifically target it. While the City of Joliet, the Joliet Area Chamber of Commerce, and the Will County Center for Economic Development are active in recruiting businesses to Joliet, supporting existing businesses, and advocating for infrastructure improvements, the fact remains that development in the Planning Area is lagging. An organization with a specific focus on ensuring that development in the Planning Area occurs in line with this plan, recruiting new businesses, and acting as an ombudsperson for existing businesses, would expedite reinvestment.

- **Business attraction and retention programs need to be targeted at the Planning Area.** There is no one-stop-shopping for guidance on permitting, incentives, and regulations that entrepreneurs need. There is also no clear strategy for marketing potential sites to developers. Also, many interview respondents who currently own or operate businesses in the Planning Area stressed that more needs to be done to retain existing businesses.

- **The vast majority of existing retail in the Planning Area is single-use and auto-oriented.** Not only does this impair the development of neighborhoods, but it fails to capitalize on the full value of developed sites by not including upper floor offices or residential space. Mixed-use development, particularly in infill situations, maximizes possible venue potential, increases the consumer base, and is conducive to creating neighborhoods.

The underlying objective behind each of the following proposals is to make the Planning Area more attractive for development. The rest of Joliet, as well as many of Joliet's neighbors, is less built-out than the Planning Area, making development of large sites easier, faster, and less expensive. For large-scale development to occur in the Planning Area, the city will need to absorb some of the costs of development, which it can do through land assembly, environmental remediation, and providing a variety of incentives (tax abatements, loans, grants, etc.). Furthermore, information about vacant sites needs to be more readily available to the public – this is a service in which the City, the Chamber, and a new economic development organization could cooperate. The other issue that impairs business development in the Planning Area is its lingering stigma as a crime- and poverty-ridden area. Improved streetscaping, commitment to infill, and a stronger retail presence can help erase this increasingly fallacious stereotype.

Also, many interview respondents were concerned that many business owners were not Planning Area residents (nor even Joliet residents), and thus all the earnings from Planning Area businesses were leaving the Planning Area. The city and civic organizations need to respond to this by enabling Joliet residents to open and maintain businesses throughout the city, but particularly in the Planning Area. This can be done through a low-interest loan program, expanding the activities of Joliet Junior College's Business and Industry Training program, and other programs.

The following recommendations address the issue areas listed above. Many of the recommended programs or strategies should be cross-cutting, addressing multiple goals. In the interest of space, they will only be discussed where most immediately pertinent.

Structure and Stimulate Development

The Joliet City Center Partnership currently offers several incentive programs – grants for retail and entertainment development, a façade improvement grant, and Tax Increment Financing (TIF). There is also a posted list of available properties within the defined area of the City Center. These programs lower start-up costs and enable infrastructure and other improvements, and are self-supporting, funded by a Special Service Area (SSA) and TIF money, which redirect tax revenue for the specific purpose of improving the downtown retail environment. However, these programs exist only in a small geographic area at the core of Joliet. Furthermore, there is no person or organization currently charged with economic development in the Planning Area. The City of Joliet must focus on the whole city, while the Will County Center for Economic Development tends to focus on larger industrial projects, infrastructure development, and projects outside of Joliet. The Chamber of Commerce offers valuable networking opportunities, but the Chamber serves a broad area and is not charged with recruiting new businesses, coordinating site developments, or serving as an advocate for existing businesses in a particular part of the city.

Role of a Planning Area Community Development Corporation (CDC)

One way to get the maximum possible benefit of a city-community partnership would be to create an organization mandated with carrying out the recommendations of this Plan and economic development in the Planning Area more generally. This could be an existing organization that takes on this focused mission, or the creation of a new non-profit or city-sponsored organization. A new organization could take the shape and structure of a Community Development Corporation, and could be instrumental to advancing commercial revitalization in the area.

An organization focused on the Planning Area would use local, state, and federal incentive programs to attract, improve, and retain businesses in the Planning Area only. This organization could be funded through federal Community Development Block Grant (CDBG) funds, a local SSA, TIF revenue, foundation grants, and City revenues. This organization would pursue both corridor and neighborhood development consistent with Land Use and Neighborhood/ Infrastructure element of this plan, seeking to develop both large-scale and neighborhood oriented retail, mixed-use properties, and resolving the industrial legacy of the Planning Area by pursuing infill and site assembly.

This organization should be advised by a commission of city and county officials, Planning Area business owners, and Planning Area residents. This group should meet regularly to weigh in on development proposals, hear reports from the city on SSA or TIF funds, and make recommendations. These meetings should be open to the public and well publicized, encouraging community involvement. The intent of this group is not to create another layer of bureaucracy, but instead to create a single group to coordinate business development and represent existing businesses. This group would work with existing organizations to expedite Planning Area development and ensure that development is in line with the recommendations of this report.

Establish Specific Geographies for Development

Akin to the established City Center geography, a defined space for development in the Planning Area would signal a commitment to development, as well as give transparency and intuitiveness to any city-community activities therein. This would be the domain of the economic development organization discussed above, and could be either a broad Planning Area district, or corridors that include Chicago St. from the I-80 interchange to the Will County Courthouse, Cass St. from Scott to Briggs, and Collins St. from Cass to Woodruff. The funding structure of the existing City Center program could be adapted as necessary; a Special Service Area would generate funds via a small property tax increase, which would be collected and managed by the City. TIF financing is another option. Funding these programs with an SSA or TIF would enable substantial local improvements at little cost to the broader city. Additionally, some portion of annual City revenue could be set aside for specific economic development purposes. Further study of the viability of these funding streams would be necessary.

Land Assembly

In order to lower development costs and spur development at key sites or intersections, the City and its development partners should consider land assembly and discounted sales. The City can assemble a portfolio of vacant properties, and then offer these properties at below-market rates to prospective developers. By making the land available at below-market rates, or even free, the city can tap growth elsewhere to spur community renewal.

Level the Playing Field

By offering a range of incentive programs in the Planning Area, the city and a new economic development organization could offset the costs of infill, spur mixed-use development, and ultimately generate increased revenue for the city while improving the quality of life in the Planning Area. Programs that should be offered include:

- **Retail Grant Program**: Similar to the existing City Center program.
- **Façade Incentive Grant Program**: Similar to the existing City Center program.
- **Enterprise Zone Funds**: Better utilize the Enterprise Zones funds.
- **Revolving Loan Program**: A low-interest loan program could support business start-up, rehabilitation, technology upgrades, expansion, or relocation (within or into the target areas), and would earn interest for the city.
    - Incentive program aimed at attracting new businesses and encouraging existing businesses to expand. Loans available from 25 percent of the project cost, up to $400,000 per project. Discounted interest rates offered at approximately half of the current prime interest rate. Loans offered are for permanent financing, and

can be applied to fixed assets: land acquisition, infrastructure improvements, construction, and equipment. Stipulations may be added to the loan in order to advance other workforce or neighborhood development goals.

    - The Will County Center for Community Concerns has a loan program for small business start up or expansion. The business owner must be working with a bank or other financial organization and be willing to employ low-income individuals. This program is funded by Community Service Block Grants. However, it is not focused in the Planning Area, and it is not listed on the City's economic development Website.

- **Infill Development Program**: The City can expedite infill development by offering a package of incentives to developers/business owners. Infill provides mixed-income and workforce housing near jobs and transit, preserves open space, capitalizes on existing community assets, creates new assets, and reduces blight.
    - Reduce impact fees for infill projects
    - Fast track and streamline permitting
    - Reduce lot sizes, setbacks, and parking requirements
    - Zone for mixed-use development, and encourage mixed-use patterns in establishing Planned Unit Developments (PUD)
    - Increase density allowances
    - *Apply property tax abatement* for infill multi-family housing
    - *Secure grants or loans* (tapping state and federal government sources, including brownfield funds)
- **Building permit discounts**: Provide discounts on a sliding scale, based on the type of development most desired in the community.
- **Market sites**: Provide updated, easily accessible information on available properties, including: available sites, vacant buildings, zoning, ownership, community profile, neighboring assets.
    - Some information is currently available for the City Center, but not for the greater Planning Area or target site opportunities in the Planning Area.

Chicago Street Gateway to Downtown

As discussed above, Chicago Street has the potential to be a main gateway into downtown Joliet and the Planning Area, but is currently an afterthought. There is no signage either on I-80 or on Chicago Street to inform drivers that many of Joliet's key assets are best reached via Chicago Street. As a result traffic counts are far lower than they should be, and development has stalled as a result. Furthermore, Chicago Street itself would require beautification and infrastructure improvements to make it viable for the kind of auto-oriented retail and other uses that one might expect from a main access corridor.

- **Improve signage on I-80 and on Chicago Street**: There should be signs on both roads indicating how to reach the major assets of the Planning Area and Downtown Joliet.
- **Beautification and infrastructure improvements**: Improved sidewalks, streetscaping, and landscaping would make Chicago Street a more attractive gateway. Public art would also serve this end. Because Chicago is a divided street, more turn outs will be necessary

so that traffic flows in both directions have the same access to potential development sites.

- **Land assembly**: Chicago hosts an array of vacant properties and extraneous industrial facilities, as well as some retail and residential that does not fully maximize the potential of the street. A strategy of land assembly and remediation would facilitate development, particularly if done in hand with the recommendations above.

Address Specific Retail Shortages

The #1 complaint of most Planning Area residents, particularly those from the 5th District, was the lack of a quality grocery store. As the leakage analysis above demonstrates, there is sufficient demand to support a medium-to-large grocery store. There are also sites that might prove attractive to a well-respected grocer, but they are currently occupied by industrial or government uses, or, in the case of areas along Briggs Street, unincorporated. Other retail shortages indicated by the leakage analysis and surveys, such as general merchandise, full-service restaurants, apparel, and coffee shops could be accommodated with existing sites through a concerted program of infill and mixed-use development.

Issue Requests for Proposals (RFP) or Requests for Quotations (RFQ)

Once properties are City-owned and ready for development, issue RFPs and/or RFQs for large-scale development of a grocery store, full-service restaurants, and other desired uses. This will spark interest from multiple developers, but also provide options and lower costs. Then the City and its development partners can enter into negotiations with the best fit regarding purchase price, incentives, style considerations, etc. Furthermore, convene a group of developers and retail representatives to tour the sites with city officials. The Chamber of Commerce could be a partner in this recruitment effort. Offer the land at no charge, and offer tax incentives to spur interest.

- **Incentives**: Tax abatements and other incentives for this kind of development need only be a one-time affair, to get the ball rolling on Planning Area redevelopment.
- **Readying the Land**: By clearing multiple sites first, developers and retailers will have a choice, rather than face a this-or-nothing situation. Furthermore, they will get a sense of city commitment to reinvestment.

Provide Assistance for Joliet Entrepreneurs

Many interview respondents, particularly those that own their own businesses, felt there was a shortage of small business assistance available. Many asked, "What programs are available to educate and assist would-be entrepreneurs in Joliet?" There is currently no single conduit for would-be entrepreneurs to access critical information on permitting, financing, zoning, city plans, etc. Entrepreneurship is a daunting task; barriers are even higher for non-native English speakers.

Create a Small Business Development Center Focused on the Planning Area

This could be a collaborative effort between the City, County, Joliet Region Chamber of Commerce and Industry, Latino Business Association, and Joliet Junior College. This program could be funded by state, federal, and local employer dollars and would provide counseling and consulting services to Joliet businesses at no or low cost, offering step-by-step support for would-be entrepreneurs. This would include the development of business plans, assistance in loan and grant application, training in finances and equity building, and other programs geared toward sound, sustainable business practices.

These types of services are commonly offered through a small business development center (SBDC) established within a community college. Joliet Junior College (JJC) serves a broad area that extends beyond Will County. It offers valuable programs on workforce development and skills training, and the programs of its SBDC appear to specialize in support for manufacturing businesses. This service emphasis is appropriate for the overall area served by the JJC SBDC, but the need of Planning Area entrepreneurs is for a distinct small business center geared to city retail and service businesses. JJC would be an invaluable partner in establishing an SBDC with this specialization. Also the Chamber serves a broad area and business constituency, but the Chamber's mandate includes advice and support for small business owners. With its knowledgeable and experienced membership the Chamber would be another major contributor to a collaborative effort to establish a small business service center focused on the needs of Planning Area entrepreneurs.

Address Infrastructure and Land Use Barriers to Retail Development

The recommendations here coincide with the Housing and Land Use and Neighborhood Character/Infrastructure elements of this plan. By emphasizing infill and mixed-use development, a more diverse housing stock can be created, while by engendering the development of cohesive corridors, distinctive neighborhoods, and attractive gateways, the overall retail environment can also be significantly improved.

Continue to Emphasize Mixed-Use and Infill

The proposed incentive programs above already noted the need to ensure that areas, particularly those with heavy concentrations of vacant or underutilized properties along retail corridors, are zoned for mixed-use. The Land Use map indicates potential mixed-use areas, and in general mixed-use should be encouraged at neighborhood intersections, close to transit options, adjacent to public spaces, and throughout the City Center. By zoning for mixed-use, assembling land, making development incentives available explicitly for mixed-use and infill projects, and issuing competitive RFPs and RFQs, the City and the Planning Area economic development organization could maximize the value of Planning Area properties, increase the consumer market, and more effectively create neighborhoods.

Address the Surplus of One-Way Streets

The City Center's complex maze of one-way streets is not only disorienting to drivers, but frustrates retail development. The speed of traffic on one-way streets is generally greater than on two-way streets, often intimidating or discouraging pedestrians and cars from stopping. One-way streets effectively cut traffic counts in half, possibly ruling out some types of retail development. As discussed elsewhere in this plan, a move back to two-way streets in the City Center would benefit retailers, stimulating the kind of downtown development conducive to Joliet's goals.

Annex Unincorporated Lands with High Retail Potential

As discussed above, several parcels of land in proximity to the formal Planning Area are prime for retail development, but not technically part of Joliet. A policy of planned annexation would not only benefit residents, but also enable the city to capture more of the potential revenue that is not currently being captured.

Address the Physical Environment

Greater attentiveness to streetscaping, signage, and lighting would make the Planning Area's potential retail corridors more business friendly, as well as encourage mixed-use development that incorporates residential properties. Consistent with the Land Use and Neighborhood Character/Infrastructure element of this plan, a focus on corridors and gateways would signal to retailers and developers a dedication to providing a healthy retail environment for the long-term.

Timeline and Responsibilities

Proposals Summary

Short Term (0-3 years)	Responsibility	Priority	Completion Date	Estimated Costs	Potential Funding Sources
1) Determine specific geographies for development and create funding/organizational structure (TIF, SSA, BID, etc.)	QOL Task Force, City of Joliet	1		$150,000	City of Joliet, Community Development Block Grants (CDBG)
2) Establish Planning Area community-based organization (possibly a community development corporation (CDC) with a mandate including economic development and commercial revitalization in the Planning Area	QOL Task Force, City of Joliet, Will County Center for Economic Development (CED)	1		$150,000 annually for economic develop-ment component	Tax Increment Financing (TIF), Special Service Area (SSA), City of Joliet, Casino, Will County, Foundation grants, CDBG
3) Extend incentive programs to Planning Area development areas	City of Joliet, CDC	1		$500,000 - $1,000,000 annually	TIF, SSA, City of Joliet, CDBG
4) Market sites to prospective developers, with an eye	City of Joliet,	1		CDC staff	TIF, SSA, City of

toward grocery store development in particular.	CDC, (assistance from MPC/CNT)			time	Joliet, CDBG
5) Zone for mixed-use development around commercial corridors and neighborhood hubs	City of Joliet	1		N/A	N/A
6) Develop land assembly plan and assemble parcels with mixed-use potential	City of Joliet, CDC	1		Cross-cutting, with preceding proposals	TIF, SSA, City of Joliet, CDBG
7) Create a Small Business Development Center	City of Joliet, CDC, Will County CED, Civic organizations, Joliet Junior College	2		TBD Under auspices of Proposal 2?	TIF, SSA, City of Joliet, Casino, Will County, Foundation grants, CDBG
8) Address surplus of one-way streets	City of Joliet, IDOT, Will County	2		Cross-cutting, with preceding proposals	TIF, SSA, City of Joliet, CDBG
9) Develop annexation plan	City of Joliet, CDC	2		Cross-cutting, with preceding proposals	TIF, SSA, City of Joliet, CDBG
10) Raise Chicago Street's stature by improving signage on I-80 and Chicago Street	City of Joliet, IDOT	2		$50,000 - $100,000	City of Joliet, IDOT, TIF, SSA

Long Term (3+ years)	**Responsibility**	**Priority**	**Completion Date**	**Estimated Costs**	**Potential Funding Sources**
11) Continue to assemble parcels with retail or mixed-use potential	City of Joliet, CDC	1		Depends on market	TIF, SSA, City of Joliet, CDBG
12) Issue RFPs and RFQs for development of specific	City of Joliet, CDC	1		N/A	N/A

retail needs					
13) Annex unincorporated land with high retail potential	City of Joliet	1		Cross-cutting, with preceding proposals	N/A
14) Streetscaping, signage, and lighting improvements on retail corridors	City of Joliet, CDC	2		Cross-cutting, with preceding proposals	City, SSA