Urban Land Institute Chicago

Park Forest, Illinois

Building on the Legacy: Creating a New DownTown

2003 Technical Assistance Panel

Co-Sponsored by

Campaign for Sensible Growth

ULI Chicago

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The Chicago District Council consists of more than 800 ULI members living and working in the Chicago region. One of the first ULI District Councils formed, today it is one of the largest in the nation. The Chicago District Council presents annual lifetime achievement awards, holds monthly leadership breakfast meetings and leads periodic advisory workshop panels for local governments. The Public Policy Committee, formed in early 2002, oversees technical assistance for the Chicago District Council.

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The Campaign for Sensible Growth is a coalition of government, civic and business groups. The Campaign promotes strategies to enhance the economic vitality of the six-county Chicago region while preserving open space, minimizing the need for costly new infrastructure and improving the livability of communities. Among the goals of the Campaign is the revitalization of existing communities. The ULI Chicago District Council was an original Steering Committee member of the Campaign for Sensible Growth and has partnered with the Campaign for the past four years on symposiums and forums exploring matters of joint interest.

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For more information on the series visit www.growingsensibly.org or call 312/922-5616.

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Executive Summary

Village officials in Park Forest, Ill., a town of fewer than 24,000 people, located 35 miles south of Chicago, asked the Urban Land Institute (ULI) Chicago and Campaign for Sensible Growth to organize a panel of experts to give recommendations on how to move forward with redeveloping its central business district, called DownTown Park Forest. Initially constructed in the early 1950s as one of the country's first shopping malls, the once-thriving Park Forest Plaza had gone into an extended period of decline in the 1970s when shopping centers located closer to major roadways provided overwhelming competition. After a series of owners failed to revive it, the Village purchased the facility in 1995 and began to redevelop it as a traditional downtown: creating a Main Street where none had existed, beginning the process of selling commercial buildings to individual owners, and launching efforts to create new housing on the perimeter of the 50-acre site, which was bounded by Western Avenue on the east, Orchard Drive on the west, Lakewood Boulevard on the north and Indianwood Boulevard on the south (see map, page 20).

Although some progress has been made since the Village moved forward with its redevelopment in 1997, local officials were looking for assistance to increase the viability of the newly created DownTown. To address the issue, ULI Chicago and the Campaign for Sensible Growth convened a two-day Technical Assistance Panel on July 30 and 31, 2003, bringing together a variety of experts in residential and commercial real estate development that included financiers, architects, engineers, lawyers and planners. The panel was asked how to improve the tenant mix of commercial space; finance and develop vacant parcels; pursue residential development; and deal with the disadvantages of Cook County's classification system, which adversely affect investment; and work to improve some dilapidated properties adjacent to a portion of the DownTown area.

After reviewing detailed briefing books ahead of time, meeting with village officials and residents, taking a bus tour of the village and discussing the issues in depth amongst themselves, the panel members formulated a presentation delivered at the end of the two-day session to the Village Board of Trustees, community leaders and public. The highlights of those recommendations, which are examined in more detail later in this report, hold that the Village should:

- Reduce the 300,000-plus square feet of retail space to approximately 150,000 to 200,000 square feet, recognizing that Park Forest is no longer a regional shopping destination.
- Market DownTown as a specialty convenience center with niche retailers as well as service businesses and entertainment destinations, building on its already thriving arts community.
- Package three parcels of land together — totaling 18 to 20 acres — for residential development, and investigate the market for increased density of 10 to 15 dwelling units per acre, creating the potential for approximately 325 housing units and 700 new residents.
- Preserve the historic façade of the former Marshall Field's site, but consider razing at least a portion of the outdated building to claim space for housing.
- Lengthen terms for Village Board members — who run for three-year terms in annual elections — to build continuity of political support for the project.

History

Park Forest, founded in 1948, came of age during the post-World War II boom. As in many quickly growing communities of that era, village planners eschewed the traditional grid streetscape in favor of winding, curvilinear streets punctuated with wide swaths of green space. The south suburban community was also at the forefront of its era in another important sense: instead of being built around a classic Main Street-centered downtown, Park Forest was planned around one of the first regional shopping malls in the United States.

The shopping center, known as the Park Forest Plaza and developed in the early 1950s by the Klutznick and Manilow families, was the town's economic engine for a quarter-century, serving returning GIs and their families who had settled in the new community, as well as others from around the region. The plaza made national news, drawing shoppers, planners, reporters and tourists from across the country, and serving as a regional hub for shopping in the southern suburbs. Such prominent retailers as Sears Roebuck & Co., Marshall Field and Co. and Goldblatt's anchored the site, which featured a variety of smaller retailers in the interior and abundant parking around the exterior.

Starting in the early 1970s, however, the Park Forest Plaza began a quarter-century of steady decline. The 1973 opening of the Lincoln Mall, at the intersection of Interstate 57 and U.S. Route 30 in neighboring Matteson, proved to be the beginning of the end of the Plaza's regional dominance. The development of another regional center in Orland Park also took its toll, as did the Plaza's distance from the interstates and major arterial roadways. Hefty mortgage debt placed on the property by the first owner, who had sold it in the mid-1980s, was debilitating. In 1985, the Cordish-Embry Co. from Baltimore purchased the property and negotiated the establishment of a Tax Increment Financing (TIF) district with the Village. Cordish & Embry attempted to revive the plaza's fortunes as a regional mall, but the marketing realities of the region worked against that plan. In 1993, it was sold to Parkside Land Co.

Upon taking ownership, Parkside unveiled plans to convert the decaying mall into the traditional downtown the village had never had. The Village contributed $3.8 million to this effort, but by late 1994 it was clear no progress had been made — and the Village learned the developer had not paid current taxes. The Village sued and, in late 1995, purchased the back taxes. Based on its minority ownership position, the Village then asked the courts to place the property in receivership. The owner offered to sell the property for $100,000 plus the remaining back taxes, $764, 331. The Village quickly accepted. In the meantime, however, Park Forest received more bad news: Sears announced it was leaving.

That departure opened the door to a new beginning. Sears agreed to donate its land and buildings, valued at more than $6 million, as well as $2.6 million more for "lost" sales and property taxes, to the Village. The Village used the money to compensate for lost taxes and fund the shopping center's purchase. In 1996, the Village embarked on a year-long planning process, working first with the planning firm of Trkla, Pettigrew, Allen and Payne and later the Lakota Group. Concept and master plans were created based on the DownTown model first broached by Parkside. Through the planning process, several development principles were articulated, including the ideas that a downtown — unlike a mall — should include: multiple ownership; mixed uses that include residences; access to storefronts by car, on foot or by bicycle; convenience parking; and a draw such as entertainment and/or arts and culture.

Progress and Dilemmas

The Village, which today has a population of 23,462, a median income of $64,680 and an average housing price of $92,853, began the DownTown redevelopment in 1997 based on the principles articulated in the 1996 planning process. Over the past six years, there has been progress on several fronts: the Sears and Goldblatt's buildings at either end of the old Plaza and several other buildings (totaling 363,000 square feet) have been demolished, and Main Street has been cut through the middle of the plot from Orchard Drive on the west to Western Avenue on the east. Two of the seven DownTown retail buildings have been sold, and several out-lying lots have been sold and developed. Two mid-rise senior apartment houses, one with 95 units of independent living and the other with 79 units of assisted living homes, have been built on the former Sears parking lot on the east end. The 116,000-square-foot Marshall Field's building was under contract in July 2003 to Morando Berrettini of Berco Realty. The Village has created a village green, with a lighted stage and gazebo, in front of the Marshall Field's building. It is designed for special events such as concerts or holiday celebrations, which are held on a regular basis.

Park Forest's Village Green provides a strong identity for the DownTown, and a place for the community to hold special events.

The Village has reached 73 percent occupancy in the buildings it still owns, although that includes significant government- and nonprofit-organization-occupied space that is off the tax rolls. Within that nonprofit realm, however, is perhaps the DownTown's crown jewel: its thriving regional arts community. The area is host to the Illinois Theatre Center — a professional theater company — the juried Tall Grass Arts Association gallery and school, and the offices and board rooms of the Illinois Philharmonic Orchestra (which plays at nearby Governors State University), and Grande Prairie Choral Arts. Retail and office uses include three banks; Sterk's Super Foods Grocery Store; Walgreens and Osco pharmacies; two caterers; a coffee shop bookstore; a movie theater; a re-sale shop, a university reading program, two real estate brokers, two beauty shops, a barber, a senior citizen center, a Fannie Mae Candy store and a sandwich/ice cream shop. The progress thus far has won Park Forest planning awards from the Illinois Chapter of the American Planning Association and the Illinois Chapter of the American Public Works Association in 1999, and in 2000, the Metropolitan Planning Council's prestigious Burnham Award for Excellence in Planning.

Empty storefronts pock-mark Main Street and adjacent side streets with the overall occupancy rate for the DownTown's 312,263 square feet of space at a disappointingly low 40 percent. Foot traffic during a typical summer weekday is minimal. The village's redevelopment also must overcome the stalled Victoria Place housing complex, on the northwest corner of DownTown. The owner of that 10-acre parcel planned to build vertical-style, single-family homes with small yards at $185,000 to $190,000, about $60,000 higher than the norm for Park Forest. Seniors in the area, who have quickly bought up other townhomes and co-ops in the vicinity of DownTown, were not interested because of the stairs involved, while young families either wanted larger yards or could not get financing for the mortgages. The developer installed in-ground infrastructure, such a sewer lines, for the entire parcel. The current owner is facing the problem of trying to sell the property, while forestalling bank foreclosure for back taxes.

The area faces political challenges, as well, both at the local and countywide levels. For much of the past two decades, as the area continued its steady decline, candidates for village trustee have run "against" the DownTown, with some advocating razing the entire complex and starting anew, and others advancing grand plans such as turning the former Plaza into an outlet mall. Continuity of support from the trustees is difficult, in part, because terms last only three years, with turnover of one-third of the board every year.

The Village's commitment to completing the DownTown project as funds became available, rather than borrowing to do so, has resulted in a lengthy redevelopment process.

At the county level, Park Forest faces another sticky issue in property taxes. Village residents have approved every tax levy increase to support schools except one in 53 years, giving the village one of the highest tax rates in the county. Cook County assessment levels exacerbate the situation for commercial development by assessing residential properties at 16 percent of fair market rate and commercial properties at 36 percent. The county also seems to assume that all commercial property owners will appeal their assessments, which prompts the assessor's office to aim high on initial assessments. As one example, when the Park Forest movie theater was purchased from the village for $300,000, the owner received a tax bill for $450,000, based on an assessed value of $1.7 million. The Village advocated on the owner's behalf and was told that the assessor's office did not believe the transaction had been "arm's length;" after working for three years to rectify the situation, the owner quickly sold the building.

Finally, Park Forest faces a complex set of challenges related to race, class and age. While the original World War II generation, most of whom are white, have stayed in the village, their children generally have gone elsewhere, many in search of larger, more modern homes and stronger schools. Simultaneously, younger African-American families have been migrating westward from Chicago Heights and other, older communities. Park Forest is now 41 percent black. Town leaders speak of being proud of their diversity, and that should be taken into account in terms of finding the right mix of DownTown tenants to serve the diverse population.

The Panel's Charge

Prior to each ULI Chicago/Campaign Technical Assistance Panel (TAP), the community develops a problem statement, identifying issues for the panel to address. TAPs are two-day sessions in which a panel of ULI Chicago members, selected for their expertise, come together to provide advice on land-use and development issues. The panel analyzes the problem and offers recommendations at a public meeting at the end of the two-day session. The TAP program provides ULI Chicago members and other professionals with an avenue for giving back to a local community by providing planning expertise that supports the Campaign's goal of coordinated planning for growth. The Park Forest TAP was the first of two preceding a panel in Riverdale August 20 and 21.

With the aforementioned challenges in mind, Park Forest asked the panel to address the following questions in its report:

(1) How can the Village improve the tenant mix and lease-up of the DownTown?
(2) How should the Village develop vacant parcels, including the site at Forest Boulevard and Main Street? What is the highest and best use of currently vacant land? What financing options are available to the Village?
(3) How should the Village pursue residential development? What product types make most sense for the new development? Is there anything the Village can do to jump-start the Victoria Place development? Are there any funding sources available to help jump-start it?
(4) There is a fear that as the project moves into the private sector with the sales of land and buildings, the assessments (and resulting property taxes) will have a chilling effect on further sales. Is there something the Village can do to prevent that situation?
(5) What opportunities are there to improve surrounding properties, such as Thorn Creek Town Homes, to reinforce the strength of DownTown? What is the appropriate role of the Village?

The TAP participants received a large briefing binder in advance of the panel that contained facts and figures about the community, maps of previous redevelopment plans including the Lakota Group's recent "audit" of the village's progress in 2002, and much of the history, progress and challenges contained in the earlier sections of this report. The two-day session consisted of meetings with top village officials, a bus tour of the community, meetings with citizen groups, and discussions among the panel both as a full group and in breakout sessions focusing on the separate retail, residential and physical plans, and culminated in a public presentation and discussion with community leaders.

Village Presentations

On the first morning, the panel heard from Ed Paesel, executive director of the 43-member South Suburban Mayors and Managers Association, who gave a regional perspective on Park Forest's strengths and challenges. Compared to communities in general, Park Forest has stronger-than-usual political leadership and professional expertise, Paesel said, as well as a noteworthy history of community involvement. Given the average income, he wondered why the village has so little quality retail development, and noted that more troubled communities tend to negatively affect perceptions of the south suburbs as a group. Paesel asserted that the region is nonetheless proud of its diversity — economic, racial and social. "We make the rest of the region diverse," he said. "There is no affordable housing crisis here."

Village Manager Janet Muchnik presented a synopsis of the Village's history and current challenges. She identified "politically touchy" issues. The first was that the concentration of arts organizations that were drawn into the downtown with extremely low rents occurred during the terms of one group of trustees. The next group of trustees was interested in higher rentals. Another political dilemma was the movie theater owner's sticker shock at receiving his tax bill, which made the Village realize it needs to find a way to make the assessor understand "what we're trying to do here."

Village President John Ostenburg elaborated on the ever-shifting political situation in Park Forest, noting that 17 people have served on the board since the Lakota Group's plan was first implemented in 1997. Board members run on a nonpartisan basis and spend no money on their campaigns. "The staff has had to implement this plan with a lot of changing input," he said. Referring to progress thus far, Ostenburg noted the community has not been "overly successful" in attracting retail business, but has attracted services. In spite of the failure of Victoria Place, the board is aware that residential development is needed close to the downtown, he said. The Village remains interested in selling more of the retail buildings from the old mall, Ostenburg said. "Our goal is to mix a lot of owners into the complex — like a traditional downtown."

The panel also heard from two consultants to the Village: John LaMotte of the Lakota Group, who spoke about the village's progress thus far, and Terry Jenkins, of Business Districts Inc. LaMotte noted that when his firm first came on the scene in 1996, the village had 750,000 square feet of space, stores with their backs to the community and a "sea of parking." Now, the retail space has been cut in half and a Main Street has taken shape. "A lot of us work in towns where they talk for five years and don't do anything," he said. "This is a classic greyfield to goldfield situation," he said, referring to the transformation of a dying shopping center (mall or strip center) to a newly revived and healthy shopping area.

Jenkins explained how he had examined a potential niche for the downtown based on competition, inherent strengths and the state of the economy. He concluded the majority of potential tenants should not be regional but perhaps "a step above mom-and-pop." The overall potential was "mostly a five-minute drive, community-based market," Jenkins said, advising the Village not to spend 70 or 80 percent of its time seeking retail renters. "You need a better daytime market here," before seeking retailers, he said. "You need people here who buy lunches and put cars in parking lots," which could come from adding residential development. And, the community needs to improve the physical appearance of the downtown — which still looks like a mall. Run the DownTown "like a developer, based on business and banking principles," he said: maintain the existing infrastructure and prime the (business) pump. Improve the signage and way-finding and make it easier for people to find their way around. Formalize multi-ethnic involvement with stores aimed at different ethnicities. "Park Forest legitimately celebrates its diversity," he said, "strengthen and build on that asset."

During the lunch session, the panel heard from three other village employees: Mary Dankowski, Deputy Village Manager and Finance Director; Paulette Daniels, economic developer; and Sharon Bellino, property manager. Bellino said the Village has marketed DownTown through word-of-mouth and some newspaper advertisements but recognizes that "we do need more of an outreach." The Village is working on brochures and has attended trade shows. One attempt at working with a broker ended unhappily, as the broker attempted to lease not just the Village's properties, but his other properties to tenants in DownTown as well. She noted that many of the tenant failures came from poor management, insufficient capital and lack of marketing expertise.

Typical rents are $9 per square foot net on Main Street, $7 on the side streets, Daniels said, asserting that the Village has "no problem renting if we can get people in here." Staff has difficulty finding time to visit potential tenants in other centers. And, startup businesses, which are often interested in the space, have proved not to be long-term tenants.

Muchnik added that the Village was in a "vicious cycle" in leasing, and needed a broker who both knew the market and had the Village's interest at heart. "We're getting better at it, but we're not commercial developers," she said. After watching a slew of startup business go under, she said, the Village now requires business plans before renting. Ostenburg noted that developers of nearby strip malls regularly solicit the village's tenants, and, "folks with the perfect business plan are looking for more traffic." He said he located his own business in DownTown primarily due to his dedication to the area. "We did it with our heart, not our head."

Village Tour

To get a better sense of Park Forest's physical layout both within and beyond downtown, panel members took a bus tour led by Muchnik and Ostenburg. Muchnik noted that Park Forest has the highest number of cooperative housing units outside of New York and Washington, D.C., a series of buildings that are quite well maintained. Ostenburg said young couples often have bought into the co-ops, moved out when they have families, and then returned as empty-nesters for maintenance-free living. "There is never a problem marketing the co-ops," he said, although their size — two- to three-bedrooms but usually only one bath — makes them difficult for families. The rental housing alongside it, just outside the DownTown area, is up to code but not as well maintained or attractively landscaped as compared to the co-ops. In all, the community has 9,600 housing units, 5,700 single family and 3,800 multifamily, of which 2,000 are co-ops.

Older sections of town are characterized by small homes and yards in neighborhoods with large swaths of parks and open lands, partly by design and partly due to peat bogs that make the land undevelopable. The newer parts of town have somewhat larger homes that sell for $129,000 to $139,000, a relatively affordable price point for the Chicago region. "You talk about affordable housing — these are affordable," Muchnik said. The most recent developments, south of the county line into Will County, can cost $200,000 and up. On the commercial side, the village has little manufacturing base, although there is an industrial park. And, in addition to the struggling DownTown area, Park Forest faces another commercial challenge: the Norwood Square Shopping Center, a 20-year-old strip center on Western Avenue that once contained a Dominick's food store but is now virtually vacant and scheduled for a property auction. What to do about redeveloping that center went beyond the scope of the TAP, although at least one resident who was interviewed thought the two issues were intertwined.

Resident Comments

The panel members met with several groups of citizens to broaden its understanding of the challenges Park Forest faces. These discussions revealed angst about the downtown's fate but a commitment to seeing it through its redevelopment. "In its day, it was quite a feature," said one resident, who echoed the comments of several others. "As time went on, it became an eyesore in many ways." Now, he added, "It's a downtown, but it feels like a mall. The perceptions, without a doubt, are the most difficult to eliminate. It will never be a national-type (or regional) downtown, but it still has the ability to service the community better." He added that the village rightfully received the Burnham Award for taking a risk, but it needs to keep pushing. "It's the things you did from 1995 to 2003 that got you this far. But that won't get you to 2008."

Other residents acknowledged the challenge of finding the right mix of retail tenants for the DownTown. "That's been hard to define," one said. "You would probably get as many variations as there are people. People remember what was, and they try to hold onto it. But it's going to be mom-and-pop, not regional." The problem the village faces, this person added, is that "the only reason to locate here is that the village is going to give you cheap rent and welcome you with open arms. These (renters) are also people who don't have two nickels to rub together." Such tenants don't have a sense of the "soft costs" of doing business and, when the going gets rough, they cut advertising first rather than last. If tenants go out of business, people view it as another indication that the DownTown area doesn't work. Another citizen expressed the view that the DownTown needs a larger tenant of some sort to act as a draw, saying, "If you don't have an anchor, you're sunk."

But she also said, “It’s a different time and a different place. Our location is against us.” Residents said the village needs to keep a fair amount of parking, but recommended developing the DownTown Center out-lots to add population and improve the aesthetics. “If you say you have a downtown but you have the parking like a mall, it’s always going to look that way,” one said. Another strongly recommended tearing down some of the retail space to create vibrancy. “There’s too much space,” he said. “It will never be filled. Ever.” He advocated for less space that is more densely leased. “Suddenly, you’ve got the look that will give you some momentum,” he said.

Many interviewees lamented the stalled Victoria Place housing development, shaking their heads at the way the developer had proceeded. “The contractor was trying to be all things to all people,” one said. “He did not have it priced right. But the idea of putting a development close to downtown was good.” Another citizen said, “When I walked through those [model] units, I said, ‘This is not what I would want.’ He didn’t do it at the right time or the right place.”

Residents spoke highly of the cooperative housing ringing DownTown, with an average buy-in price of $22,000-$23,000, plus maintenance fees.

High taxes present a significant challenge for the village, citizens agreed. One said she had bought a townhouse and received a first installment tax bill of $6,000 and a second for $7,000. “We’ve voted for every single referendum for the schools,” she acknowledged, “and three-quarters of it goes there.” The town’s original planners paid little attention to industrial development, another said, and a third identified the village’s amenities — sidewalks, parks and cheap rounds of golf — as “what keeps me here.”

Panel members also met informally with citizens during a reception at the end of the first day. One issue that was brought up was of safety concerns in and around DownTown. Although the village’s police chief says there are no more crime problems in DownTown than when it was a mall, a perception of an unsafe area has to be overcome. More stores should provide shopper and parent comfort, allowing for more teens to frequent the movies and shops.

Panelists, sharing comments amongst themselves the next morning, noted that citizens are looking for a bold plan and should be ready to embrace the panel's recommendations.

Final Presentation to the Community

After spending the better part of a working day — the first afternoon and second morning — sifting through and analyzing the information they had received and heard from residents and village leaders, the panel made recommendations for each of three aspects of the challenge: retail, residential and physical. The panel chose representatives to present each portion of the recommendations, then took questions from the audience of about 100 people assembled inside Village Hall.

Village President Ostenburg began the proceedings, welcoming the public. He acknowledged that the village recognizes its DownTown will never return to its heyday as a regional shopping attraction, given that traffic patterns flow elsewhere. The village is looking at a downtown-type mix, he said, with smaller shops rather than large, anchor-type stores. He also noted that "it's important for us to hear from individuals who are at arm's length from us," referring to the panel. "These are individuals who are volunteering their time. They are at liberty to say whatever they want."

Panel chair John Mays praised the village's efforts thus far, noting that many of the principles of the Campaign for Sensible Growth have been followed for years. But he pointedly did not promise that what would follow would be all positive. "We tell you the truth," he said. "It may not be what you want to hear. We have to be blunt."

Introducing the presentation, Mays identified Park Forest's assets: a strong, nearly unified commitment to its DownTown, based partly on the longevity of so many of its residents; solid plans in place from consultants Lakota Group and BDI and excellent local leadership. "That's not a stroke to the elected officials or the staff, it's just a fact," he added. The panel's directive was to help narrow and refine the existing vision rather than changing course. "You're not doing poorly at all," Mays said. "Our goal here is not to turn you around."

Retail

Michael Mallon of Dominick's Finer Foods delivered the retail-oriented presentation section. Echoing Mays' comments, he noted that the panel did not come up with any "completely outlandish" ideas for the downtown. "There is no easy answer," he said. "We looked at trying to not reinvent it but enhance it."

Several market realities influenced the panel's thinking. While Park Forest and its surroundings boast a strong average household income of $75,000 within five miles of the DownTown, the larger area's population of 139,000 is not sufficiently dense to support a regional shopping area. Competitive retailing activity along heavily trafficked corridors like Lincoln Highway (U.S. Route 30) and Western Avenue also has sapped the potential for a return to the area's heyday. While the economy is soft now, which may have limited DownTown's success until this point, the retail industry is quite cyclical, Mallon pointed out. "What happens yesterday is probably going to be different from tomorrow," Mallon said. "You need to have a plan and you need to have flexibility to be able to capture that cyclical nature." Cook County property taxes create an "excessive burden" that Park Forest cannot ignore, he added. "That is a cost of business that frames how successful business can be here." While taxes on retail properties are currently $3 per square foot, they may rise due to reassessments.

Tall Grass Art Gallery is a juried gallery and shop, which draws visitors from around the region.

Mallon listed several commercial assets that Park Forest should leverage. The 50-acre plot of land the village has to work with is one of the largest in the Chicago region. "There are very few of those opportunities," he said. "That's a real plus." The DownTown's core of arts organizations and its movie theater provide in-place destinations, and the Village should work to maximize their draw.

Concentrating "like" tenants in certain areas of the DownTown can generate more foot traffic and help draw additional retail users.

The potential for programming along Main Street and on the Village Green has drawing power for more than just the 24,000 residents of the village. "The social aspects that (the arts assets) provide to you is unmatched," Mallon said, noting that many municipalities would "kill" for such a resource. The village's current mix of national and independent tenants, mostly the latter, along with service, office and government users is generally the right direction in which to be going. Mallon commended the Village for both the design of Village Green and its programming.

The panel's commercial vision positions the DownTown as a specialty and convenience center. Park Forest must reduce its retail square footage to between 150,000 and 200,000 to match demand, based on the rule of thumb that a retail area needs about 8 square feet of space per person (using the village's 24,000 population as a yardstick). "It is crucial that we go ahead and reduce the amount of square footage" from its current 312,000 square feet, Mallon said. "That's way too much square footage for the overall area. The tenants brought in must appeal to diverse market segments, he said, including seniors, empty-nesters, young adults and families with children. The environment should also appeal to all ethnicities and be a meeting place for the entire community.


A hand-written sign on the main entry of the movie theater, in the core of the DownTown, instructs patrons to walk around the back entrance off the parking lot. Instead, the front door should be used to encourage movie-goers to patronize the nearby stores.

Potential commercial uses the panel identified should encompass convenience retail that supports existing and future residential areas, such as dry cleaners, prepared foods or video rental; service businesses like salons, medical and dental offices, a mailing outlet or office space; and destination uses to attract people from a larger area, such as restaurants, food and beverage shops, indoor sports and other amusements, specialty schools or health clubs. As a destination location for the larger area, the DownTown can leverage attendance from the movie and live theaters. While some might frown at the idea of using DownTown for office space, Mallon said, “We think the right types of offices in the right places can be a benefit.” He added office workers would tend to shop and eat nearby. Mallon noted that the panel had walked around the area and seen that some of the potential uses are already in place. “Most of the folks, from what we can tell, are doing pretty well,” he said. “Could they do better? Sure.”

The panel’s commercial strategy hinged heavily on hiring a professional leasing and management director, or an outside firm, to complement the village’s existing staff. “It is crucial,” Mallon said. “That is not a comment on your efforts to date or your dedicated staff. This is an investment that you’ve got here. Why not bring in another degree of expertise?” Another important step would be developing an annual leasing plan, to give everyone involved a yardstick and create a mechanism for accountability. The village also should develop an annual marketing budget that includes line items for informational materials and public relations, trips to trade shows, and paid advertising. “You have to have dollars somewhere, some way. That is so crucial. Without that, you’re going to be spinning your wheels,” Mallon said. “The dollars you spend will pay off in dividends.”

With retail space reduced, the panel recommended clustering commercial spaces and grouping “like uses” in the three major clusters of arts, food and entertainment, and services for synergies. Each cluster should be situated in close proximity to residences and parking. "You should be able to create a more vibrant and energetic [retail] corridor" by doing so, Mallon said. "If you have a tenant here, and a tenant here, and a tenant here (with empty storefronts in between), you don't create a sense of mass." The village also should build upon the physical improvements it already has undertaken by focusing on improved façades, landscaping and signage. Finally, the village should convince the theater owner to place the marquee on Main Street, rather than on the back of his building facing the parking lot. This would drive pedestrian traffic to the Main Street entrance — now closed off and exit-only. "The theater is clearly one of the strengths," Mallon said. "Making it better benefits everybody."

Housing

Panelist Karen Butler of General Growth Properties, Inc. presented the residential segment of the panel's recommendations. She listed the DownTown's assets, including its "Main Street appeal," the strong housing mix that exists with a combination of co-ops, rental and single-family homes, and available land for redevelopment opportunities. Converting a former mall into a Main Street to give an area more charm "takes enormous courage," Butler said. "You've done that in a way that we think is first-rate. Orienting activity toward the street is an ace-in-the-hole." In addition, the village's openness to different types of housing "is a strength you can build upon," and the available land it has to offer for development is "hard to come by."

The panel's residential strategy inherently linked to the commercial strategy, since reducing the retail space would help boost the land availability to a total of 18- to 20-plus acres, a stronger attraction for developers. Additional housing "is critical to increasing the vibrancy" of the area, Butler said. Creating a package of the existing three major open space parcels "is a really good-sized collection. Better builders like to see a couple-hundred units (of housing) or more. That's what's economically viable. You also will be able to absorb some of the excess parking that some folks feel has a blighting effect," she said. To achieve the 18 to 20 acres, the panel envisioned combining the vacant Victoria Place site, the undeveloped parcel at Forest and Main, and a portion of the Marshall Field's


Housing near the DownTown is surrounded by green space.

site, which together could be bid out to local homebuilders. The village should investigate the market for residences with 10 to 15 dwelling units per acre, assuming two- to four-story buildings, with a mix of multi-family mid-rises and townhouses. “There are different products you could bring that would be complementary to the senior housing already here and would bring some life and energy to the DownTown,” Butler said. Before moving ahead, the village would need to work with the current owner of Victoria Place since his sign-off would be critical as that site is the largest of the three. The village also was advised to interview market consultants as well as south suburban homebuilders to receive aid in formulating the most appealing mix before going out for an offer. The panel estimated the final package would be about 325 dwelling units, which would bring about 700 new residents to DownTown. The scope “is very appealing to folks who are in this business,” Butler said.

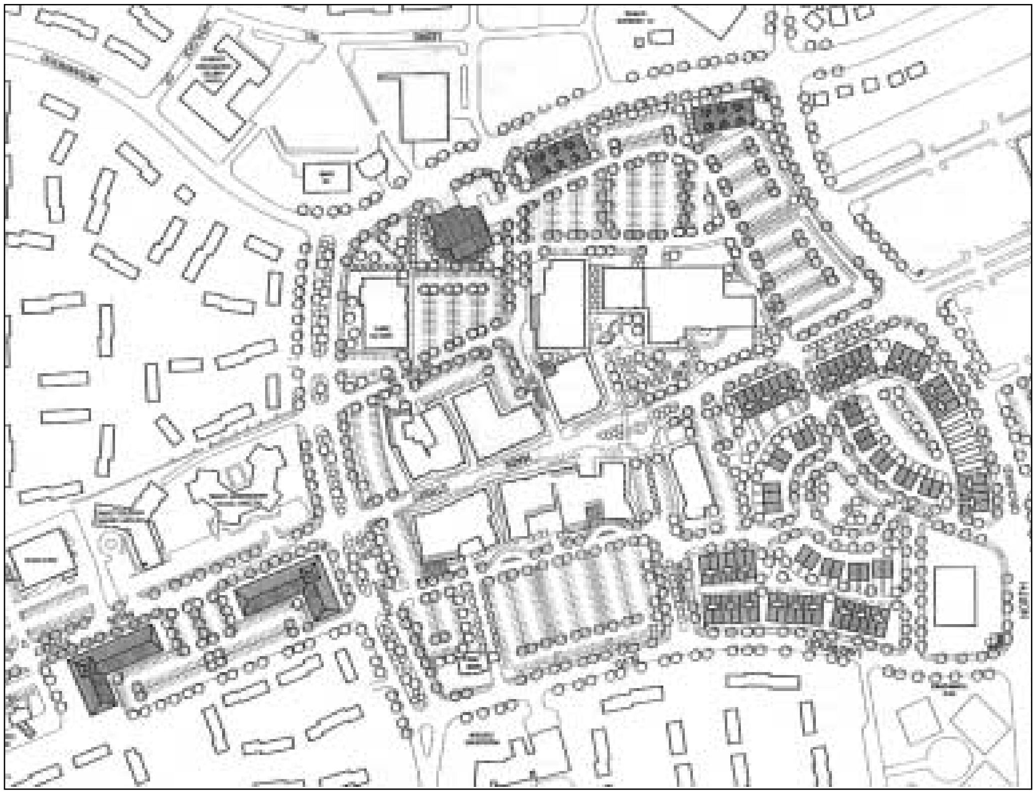
To finance the residential transaction, the panel recommended allowing developers to pay less for the land, if necessary, employing earn-outs, and other creative financing tools. “The consultants you bring on board will help you figure out the right price,” said Butler. The panel urged the Village to reserve its existing TIF increment for commercial and infrastructure use, and to continue to pursue grants and low-floater financing programs to allow for DownTown development and reduce infrastructure costs to developers.

The Village had asked the panel to focus particularly on what to do with the site that had housed the Marshall Field's department store until it closed in the mid-1990s. With a contract on the table in July, the first step would be to review that and test the viability of the business or other use in question, panelists said. If that contract does not work out, the Village, bearing in mind that many residents have fond memories of Marshall Field's and the idea of razing the structure might provoke sharply negative reaction, should look at perhaps razing the back portion, preserving the historic façade on the Village Green. "That gives a lovely feel to the downtown," Butler said. "The materials that were used were top quality." For the remainder, the village should consider the best commercial-residential mix and be flexible, she said.

To further improve the overall area's appearance, the panel recommended exploring a partnership with the owner of the Thorn Creek rental properties just outside the DownTown and work together to upgrade those units' appearance through painting and landscaping. Working cooperatively on this project can be a community-building event to bring together Thorn Creek tenants and nearby co-op and single-family homeowners. Finally, Butler said, the Village should enlist a national brokerage firm to attract people transferring to the Chicago area from other parts of the country.

Implementation

In moving forward, the Village should start by hiring a development advisor to direct retail and residential development and manage other consultants who would handle tax, finance, leasing and marketing. The advisor should report to the village manager. Various scenarios of organizational structure could be used, including creating a public-private partnership to pursue the redevelopment. The panel recommended a structure building on the strengths of the Village, rather than creating an independent structure. The Village also should hire additional dedicated staff in the person of a downtown redevelopment director who could focus 100 percent of his or her time on the area, working closely with existing staff.



Current plan developed by the Lakota Group for the Village.

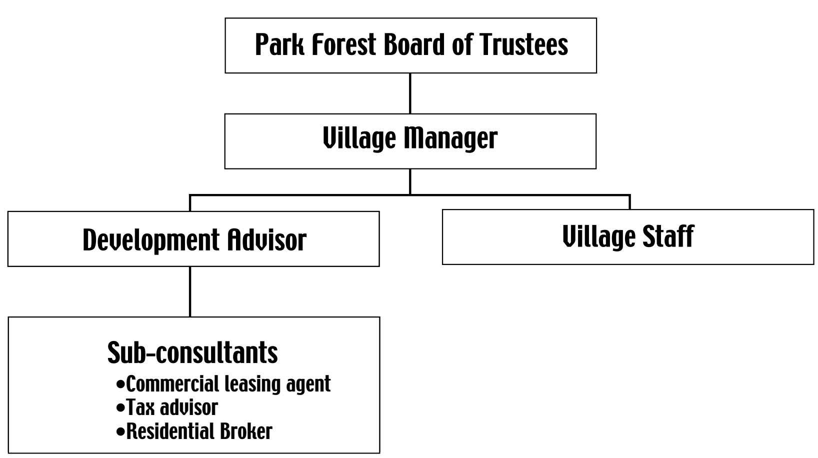
Revised plan developed by the panel recommends reducing retail space, a new layout for housing that flows through the site and better transitions to the surrounding area.

In order to create more continuity and predictability with the development community, the Village should lengthen the terms of its board members to four years, so they get more thoroughly invested in the project and understand its history. “Cohesive management from your leadership is a really critical thing,” Butler said. “The learning curve is too steep to have turnover every year.”

Physical Plan

Architect Bill McBride of McBride Kelley Baurer Architects was the last to speak, offering residents and Village officials the visual “after” picture (see map on page 20). While the plans to date have been well thought out, McBride said, the DownTown still looks like a mall from a distance. “We like the idea of getting rid of the parking and expanding housing to the south and across from the senior complex,” he said, and with that accomplished, “you don’t look across the sea of parking and you bring more people to DownTown.” By removing the back portion of the Marshall Field’s building and perhaps one or two other smaller buildings, new parking could be created closer to Main Street to replace some of what would be lost. The plan includes an optional opening of the row of buildings to one side of the movie theater, allowing for easier pedestrian access from the remaining rear parking lots to Main Street. The DownTown would be "compressed" to provide greater cohesion and character.

Proposed Organizational Structure



Questions and Answers

Residents and Village officials took the opportunity to ask questions ranging from concerns about the Village budget to the overall retail-residence strategy. In answer to the questions, Mallon told the group that it was not easy to specify a percentage of the overall budget that should go toward marketing. Rather, the Village should plan on spending somewhere between $75,000 and $100,000 overall. Noting that there are different ways to structure a marketing plan, panelist Linda Goodman of the Goodman Williams Group noted that the Village will have to figure out how to pay the costs, but the investment is essential. The panel did not tackle the issue of costs, Mallon explained. It was assembled to challenge assumptions and point out issues to consider.

Another resident asked what made the panel think that nightclubs or restaurants would work, noting that a jazz club and restaurant had recently failed. Panel members said another owner might make such ventures work. “Things change. Things evolve,” Mallon remarked. “Market opportunities are constantly created. . . . Does that mean [a particular restaurant] is going to succeed? Not at all.” Goodman pointed out that suburban downtowns increasingly have been incorporating food, drink and entertainment establishments, but it helps to have a cluster of such destinations. “That is increasingly replacing retailing” in downtowns, she said. “The opportunities are different from even ten years ago,” Goodman added. Panelist Penny Wallingford of the Shaw Company encouraged village officials and others to interview nearby restaurateurs to ask, “What would make you move here? What about opening a second restaurant? Then take a hard look,” she said, “and figure out whether [a given restaurant] will work.”

Another questioner asked what the area’s strengths and challenges would be from a developer’s standpoint, aside from the large size of the plot involved. Mays pointed to the area’s high taxes as well as the infrastructure at Victoria Place as downsides (since the infrastructure only provides for a low number of units). While developing three sites would be more difficult than one, on the plus side it increases the likelihood of a phased development, which means the Village can react to market conditions as it moves forward. Goodman said the area’s affordability would be both an asset, in terms of finding qualified buyers, and a challenge, in terms of the developer making the project work.

"Those of us from Chicago and the North Side were blown away" at the area's prices, she said. Murray Alscher, a ULI member who helped organize the panel, said the community will need to prove that new housing can be absorbed, although he suspects there is a latent demand since so few residences have been built lately. "You could establish that (demand) through market studies," he said.

The panel ended by John Mays thanking the community for the opportunity to advise the village and offering continued interest by the panelists who would be available for further consultation as the Village moves forward with its plans.

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