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2004 Survey of Downtown Evanston

Summary of Findings

Housing Trends
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Retail, Restaurants, and Services
Entertainment Uses

In the spring of 2004, Planning Division staff updated the 1990 Downtown Land Use report by inventorying ground floor retail, restaurants, and services and analyzing changes in these uses, as well as residential and office uses. Preliminary findings served as background information for a Downtown Visioning process that took place in May, 2004 and involved a diverse group of roughly 50 downtown stakeholders. A report on the outcome of the Downtown Visioning process is anticipated to be completed in fall of 2004 and will complement the findings summarized in this report.

Historically, downtown Evanston has been defined by the following boundaries: Emerson Street on the north, Hinman Avenue on the east, Lake Street on the south, and Asbury Avenue on the west. This area has been further divided into a core and fringe area with the fringe including the following corridors where office and retail development has been less intense than the downtown core: Asbury/Ridge, Emerson, Hinman, and Lake Street. Appendix 1 contains a map showing the downtown boundaries and an aerial photo.

Housing Trends

Residential development has been a significant use in the downtown for many years, but the substantial residential development since 2000 has been the subject of considerable discussion and has been recognized as a key component of a successful revitalization strategy. Table 1 shows Census data for the downtown and indicates that there were 2,785 housing units in 1990, which grew to 3,015 units in 2000. Based on data available in May, 2004, City staff estimate the total to be 3,708 units. If units that have been approved but not constructed are included, the total is 4,157.

Table 1. Downtown Housing, 1990-2004.

	<u>1990</u>	<u>2000</u>	<u>2004</u>	<u>Approved But Not Constructed As Of May, 2004</u>
Housing Units	2,785	3,015	3,708	4,157
Owner Occupied	634	607	1,300	1,749
Renter Occupied	1,961	2,273	2,273	2,273
Vacant	190	135	NA	NA

Source: 1990 and 2000 Census, 2004 Estimates from City of Evanston.

Most new units since 1990 are located in the core where there previously were fewer residential units, yet the significant majority of total units remain in the fringe or edge of downtown. Appendix 2 contains maps showing downtown housing units per Census block in 2000 and new housing units constructed from 2000 to 2004. These maps illustrate how new residential development since 2000 has occurred in the downtown core, whereas significant residential development previous to 2000, with the exception of the John Buck Development and the Evanston Place Development, occurred principally in the downtown fringe.

Table 2 indicates another characteristic of new downtown housing constructed since 2000, namely, nearly all new units are owner-occupied. In the past four years, a total of 693 new condo units have been developed in the downtown. Prior to 2000, only 607 of the total 3,015 housing units downtown were owner-occupied.

Table 2. Downtown Housing Constructed Between 2000 and 2004.

<u>Address</u>	<u>Developer</u>	<u>Number of Units</u>	<u>Type</u>
1720 Maple	Optima	207	Condos
1642 Maple	Focus	105	Condos
800 Davis	Optima	105	Condos
800 Elgin	Optima	248	Condos
1572 Maple	Roszak/ADC	<u>28</u>	Condos

Total: 693 Units

Source: City of Evanston.

Table 3 shows the trend continuing since the 449 housing units approved but not yet constructed also are to be condominiums. While some of the new condos are reportedly leased, this has been considered to be a small percentage.

Table 3. Housing Approved But Not Under Construction As Of March, 2004.

<u>Address</u>	<u>Developer</u>	<u>Number of Units</u>	<u>Type</u>
Sherman Plaza	Klutznick	212	Condos
1100 Clark	Roszak/ADC	<u>237</u>	Condos

Total: 449 Units

Source: City of Evanston.

The ownership emphasis of the post-2000 development is a departure from the residential development from 1989 to 1994 when 461 rental units were developed on Chicago Avenue as a result of the construction of Evanston Place (180 units) and the John Buck Development (281 units). Consequently, this new housing development in the downtown core has a greater owner occupancy presence and equity stake in the downtown.

One notable exception to the recent ownership-oriented development trend is the construction of the Reserve at Evanston, located at 1900 Ridge Avenue. Formerly the site of a car dealer and Fresh Fields/Whole Foods, it is now a rental complex comprised of 195 units. Although its location is just outside the north boundary for the downtown (Emerson), it is worth noting because it is the first major rental development in Evanston in ten years.

An important consideration is the potential revenue-generating impact of the new residential development in downtown since 2000. If it is conservatively assumed that the new condos will generate on average \$4,000 per year per unit, then the 693 new units could generate \$2,772,000 annually in real estate taxes. If the 449 units that have been approved are constructed, this could generate an additional \$1,796,000 annually in real estate taxes based on the same assumptions. Given that all recent housing developments include retail components and are near other downtown retail uses, sales tax revenues also are likely to increase.

Office Space

Office development historically has been an important part of downtown Evanston. Employment, business development and the multiplier impact of businesses and office workers spending money has strengthened the economy of the downtown and the city overall. Office development also has been an anchor for other economic activity including housing, restaurants and entertainment uses.

The 1989 Downtown Plan estimated total office square footage to be approximately 2.3 million square feet (s.f.). New office development in the downtown during the period from 1990 to 2004 has included five significant properties totaling an estimated 427,646 s.f. in new office space:

Office properties demolished during the same period include the following totaling an estimated 265,000 s.f.:

This has resulted in a net gain of approximately 162,646 s.f. of office space and a total office space inventory of 2,462,646 s.f.

The current vacancy rate of office space is approximately 18% to 20%. During the period of 1990-2004, the vacancy rate has ranged from approximately 7% to 24% according to various real estate industry sources.

Retail, Restaurants, and Services

A lively and healthy mixed use downtown depends on retail, restaurants, and services. In the spring of 2004, Planning Division staff surveyed downtown Evanston's ground floor uses to update a 1990 study. Findings indicate that today's vibrant downtown results from an impressive array of diverse retail uses and numerous services, as well as a significant growth in restaurants in the past 14 years.

The 1989 Downtown Plan identified 1.2 million square feet (s.f.) of ground floor space in the downtown, including retail uses (619,000 s.f.) and service space (581,000 s.f.). The 2004 survey of downtown ground floor uses identified an increase of 95,178 s.f. devoted to retail (714,178 s.f.) and a decrease of 80,730 s.f. devoted to service uses (500,270 s.f.). Ground floor vacancy is roughly 85,152 s.f. (7%), which has fluctuated since 1990.

Table 4 compares ground floor retail uses (including restaurants) in 1990 and 2004. The overall number of retail uses in the downtown dropped 10% from 221 in 1990 to 200 in 2004. This may be explained by restaurants and other retail uses combining single storefronts and opening larger spaces. One of the most significant changes in the downtown is the 56% increase in the number of restaurants from 46 in 1990 to 72 in 2004. Other retail growth categories include:

- Wireless/phone (0 to 8);
- Antiques (0 to 2);
- Bicycles and gear (1 to 3);
- Coffee shops (0 to 6).

Categories with a drop in the number of uses include:

- Clothing-men/women (4 to 2);
- Clothing-specialty (8 to 4);
- Clothing-women's (13 to 5);
- Grocery store (5 to 1);
- Food/specialty (11 to 6);
- Home furnishings (15 to 6);
- Jewelers (10 to 4);
- Music/retail (5 to 2).

Gallery/framing uses continue to be strong in the downtown with 7 businesses in 2004, although there were 10 uses in this category in 1990.

Retail categories demonstrating consistency in the number of uses between the 1990 and 2004 surveys include:

- shoes (6 in 1990 and 5 in 2004);
- specialty variety and gift (6 in each survey);
- drug stores (4 in 1990 and 3 in 2004);
- florist (5 in each survey);
- books (7 in each survey).

Retail categories that existed in 1990 but not in 2004 include men's clothing, cosmetics and accessories, and office supply.

Table 4. Comparison of Downtown Ground Floor Retail for 1990 and 2004.

<u>Use</u>	<u>2004 Uses</u>	<u>1990 Uses</u>	<u>2004 Sq Ft</u>	<u>1990 Sq Ft</u>
Antiques	2	0	4,734	0
Art Store	1	0	7,809	0
Bicycles & Gear	3	1	6,744	1,200
Books	7	7	36,823	22,395
Cameras/Photo Processing	3	2	3,776	4,090
Clothing--Children	1	0	1,506	0
Clothing--Men/Women	2	4	17,814	11,468
Clothing--Specialty	4	8	7,694	12,040
Clothing--Women	5	13	7,885	39,247
Coin Dealer	1	1	1,204	1,120
Computer	1	3	2,831	7,420
Convenience Shop	1	0	672	0
Drug Store	3	4	33,921	31,700
Electronics	4	4	10,408	11,090
Florist	5	5	10,634	5,026
Food--Bakery	1	3	5,003	5,000
Food--Coffee Shop	6	0	11,613	0
Food--Specialty	6	11	15,678	12,380
For Lease	24	28	85,152	70,387
Gallery/Framing	7	10	25,375	27,644
Grocery Store	1	5	31,927	20,724
Hardware	1	1	7,644	7,655
Hobby Shop	2	1	11,889	12,320
Home Furnishings	6	15	9,766	62,705
Jewelers	4	10	6,104	11,946
Liquor	1	2	3,785	11,480
Music--Retail	2	5	1,943	10,340
Pet Store	1	1	1,411	640
Restaurant	72	46	259,181	167,083
Shoes	5	6	12,937	9,794
Specialty Variety & Gifts	6	6	22,038	8,945
Sporting Goods	1	1	5,416	2,080
Tobacco Shop	1	2	672	3,480
Toys	1	1	1,137	1,640
Warehouse/Storage	1	1	23,000	23,000
Wireless	8	0	18,052	0
TOTAL	200	* See Note	714,178	* See Note

* In 1990, there were a total of 221 retail uses. Categories that existed in 1990 but not in 2004 include: cosmetics & accessories (4 uses, 2,680 s.f.), general merchandise (1 use, 11,250 s.f.), office (3 uses, 5,420 s.f.), office supply (2 uses, 45,140 s.f.), retail (24 uses, 51,107 s.f.), and sewing machines (1 use, 1,560 s.f.). All retail uses combined comprised 651,231 s.f. in 1990.

Significant changes in the amount of ground floor space devoted to retail use categories indicate trends over the past fourteen years. The substantial growth in the number of restaurants is cited above. The growth in retail space devoted to restaurants is also striking, rising from 167,083 s.f. in 1990 to 259,181 s.f. in 2004. Other notable increases in square footage include:

- Specialty variety and gifts (8,945 to 22,038);
- Grocery stores (20,724 to 31,927);
- Wireless stores (0 to 18,052);
- Art stores (0 to 7,809);
- Clothing – men/women (11,468 to 17,814);
- Food-coffee shop (0 to 11,613);
- Florists (5,026 to 10,634);
- Books (22,395 to 36,823).

Categories experiencing decreases in square footage include:

- Clothing-specialty (12,040 to 7,694);
- Clothing-women's (39,247 to 7,885);
- Computers (7,420 to 2,831);
- Jewelers (11,946 to 6,104);
- Music-retail (10,340 to 1,943);
- Home furnishings (62,705 to 9,766).

Categories using about the same quantity of space in 1990 and 2004 include camera stores, electronics, bakeries, galleries/framing, hardware, hobby shops, toys and warehouse/storage.

New construction of retail space from 1990 to 2004 includes two substantial projects, the Church Street Plaza Development (120,000 s.f., which also includes the ground floor space of McDougal Littel) and 50,000 s.f. in the 1660 Chicago Avenue Development (John Buck Co.). The uses occupying the newly constructed space include: the Art Store, Wolfgang Puck, Urban Outfitters, Cost Plus, Chili's, Whole Foods, Peets, and Ixia.

The proposed Sherman Plaza development also will generate substantial new ground floor retail and service user space. In addition, smaller modern retail space was created in the Optima Tower, the Chandler Building, and in two other properties redeveloped by the Davis Street Land Company. Optima Horizons, currently under construction, includes 4,400 s.f. of new ground floor space not reflected in the 2004 study. It is worth noting that the space provided by new construction is somewhat offset by the demolition of existing ground floor retail space over the same time period (Woolworth's, Citibank, Kahler, etc.). There also have been some conversions. For example, the former site of Oak Street Market (7,500 s.f.) was converted from retail to service use (government) after a substantial vacancy period.

Table 5 compares ground floor services in 1990 and 2004. The number of services in the downtown has been relatively constant from 1990-2004, although the total square footage devoted to service uses declined by 14%. There were 114 services identified in the 1990 survey, while 107 service uses were identified in the 2004 ground floor use survey. Growth categories have been:

- Health and wellness (from 3 to 9 uses);
- Medical (from 1 to 6); and
- Nail salons (from 0 to 4).

Service categories experiencing a significant loss include copy shops (from 12 to 5) and travel agencies (from 7 to 2). Services having a relatively constant number of uses include:

- Real estate (6 in both surveys);
- Financial institutions (from 15 to 13);
- Hair/barbers (from 16 to 18);
- Cleaners/tailors (11 in both surveys).

The significant contribution to the downtown from the new movie theater receives special discussion later in this report as an entertainment use.

Demolition of space previously occupied by ground floor services included the First Illinois Bank building at Davis and Sherman (20,000 s.f.), the current site of Optima Towers. The demolition of the Levy Center is reflected in the drop in square footage of the service-government category. Categories of services experiencing a significant decline in square footage devoted to services include government (130,000 to 100,000), financial institutions (137,576 to 71,894), and copy shops (26,384 to 12,092). The most significant increases in ground floor square footage devoted to services include real estate (16,973 to 32,632), hair/barber (17,540 to 41,645) and health/wellness (10,020 to 28,460).

Entertainment Uses

One of the most significant land use changes and contributors to vibrancy in downtown Evanston has been the completion of the Century 12 and CinéArts 6 Movie Theater. Resulting from a unique public/private partnership between the Arthur Hill Company and the City of Evanston, the 18-screen movie theater includes six art screens and anchors the Church Street Plaza development at Church Street and Maple Avenue.

Prior to the Century, entertainment choices included smaller movie theaters and music venues. However, none of these uses approached the scale or economic impact of the Century, with their adjacent retail and restaurant amenities. Since its opening, the Century has generated over 1 million customers per year and created additional business for downtown restaurants and retail uses. The growing entertainment choices

Table 5. Comparison of Downtown Ground Floor Services for 1990 and 2004.

Use	2004 Uses	1990 Uses	2004 Sq Ft	1990 Sq Ft
Service--Auto Rental	1	2	6,322	2,147
Service--Child Care	1	0	1,478	0
Service--Cleaners/Tailors	11	11	16,431	12,232
Service--Copy Shop	5	12	12,092	26,384
Service--Employment	2	4	5,649	4,420
Service--Financial	13	15	71,894	137,576
Service--Funeral Home	1	2	4,013	20,560
Service--Gas Station	1	3	1,896	4,100
Service--Government	5	4	100,797	129,480
Service--Hair/Barber	18	16	41,645	17,540
Service--Health & Wellness	9	3	28,460	10,020
Service--Hotel	5	2	74,264	Resid. in 1990
Service--Insurance	2	0	9,453	0
Service--Internet	1	0	2,378	0
Service--Linen Supply	1	1	16,043	14,600
Service--Locksmith	2	1	2,698	1,200
Service--Mail/Shipping	1	3	1,013	2,980
Service--Medical	6	1	14,189	0
Service--Medical (Dental)	2	1	10,457	0
Service--Medical (Optician)	3	5	6,639	Retail in 1990
Service--Medical (Veterinary)	1	1	3,900	4,240
Service--Movie Theater	1	0	7,809	0
Service--Music Recording Studio	1	0	6,147	0
Service--Nail Salon	4	0	7,776	0
Service--Real Estate	6	6	32,632	16,973
Service--Shoe/Leather Repair	1	2	1,411	1,810
Service--Travel Agency	2	7	11,849	14,119
Service--Video/Movie Rental	1	3	935	4,600
TOTAL	107	* See Note	500,270	* See Note

* In 1990, there were a total of 114 service uses. Categories that existed in 1990 but not in 2004 include: answering service (1 use, 500 s.f.); audio-visual (2 uses, 7,034 s.f.); diet center (2 uses, 1,110 s.f.); hearing aids (1 use, 540 s.f.); importer (1 use, 19,754 s.f.); laundry (1 use, 1,597 s.f.); maintenance & repair (1 use, 17,000 s.f.); miscellaneous (3 uses, 14,700 s.f.); photography (1 use, 720 s.f.); and social services (1 use, 4,517 s.f.). All service uses combined comprised 573,113 s.f. in 1990.

that the movie theater presents have enhanced downtown amenities that are attracting an increasing number of condominium buyers and developers.

In addition to the Century, The Music Institute of Chicago is another enhancement of entertainment and cultural uses in the Downtown in recent years. Located at 1490 Chicago Avenue (Chicago and Grove), the Institute is recognized as an international leader in community music education and sponsors concerts and other performances.

Appendix 1

Map Showing Downtown Boundaries

Appendix 2

Maps Showing Housing Trends