

Village of Wauconda  
**Retail Demand & Market Analysis-Wauconda Crossings**  
June, 2014



# Retail Demand & Market Analysis-Wauconda Crossings

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# Retail Demand & Market Analysis-Wauconda Crossings

## Section One: Introduction and Overview

### Introduction

DK Mallon (DKM) was hired by the Village of Wauconda Illinois (Wauconda) to undertake a retail demand and market analysis of the former Dominick's store at 600 W. Liberty, Wauconda, Illinois. The former Dominick's store closed in 2004 and is available for a new retail store or potentially could be purchased as a redevelopment



opportunity. The study analyzed the trade area and potential market for retail around the property. DKM performed a grocery store study including market analysis, site evaluation and sales forecasting. This study and findings could lead to the Implementation Strategy which is discussed in further detail in Section Four.

### Study Process

The assignment consisted of three phases. The first phase was the Fact Finding Review. DKM had several meetings with the Village staff and other stakeholders to help develop an understanding of the local and regional market area as well as the history of the property. DKM met with the owners of the property, Inland Real Estate Corporation to discuss the property and their previous redevelopment efforts. A detailed review of all of the underlying documents including the Dominick's Lease, Easement and Maintenance Agreements and tenant information was completed.

The second phase was a Market Assessment and Analysis to determine what type and size (if any) of grocery store is supportable in Wauconda. The analysis encompassed the entire market including the surrounding markets of Crystal Lake, McHenry, Round Lake Beach, Mundelein and Lake Zurich. In addition, DKM undertook a Market Sales Gap Analysis to quantify the demand for Retail and Food and Drink from households within the defined trade area.

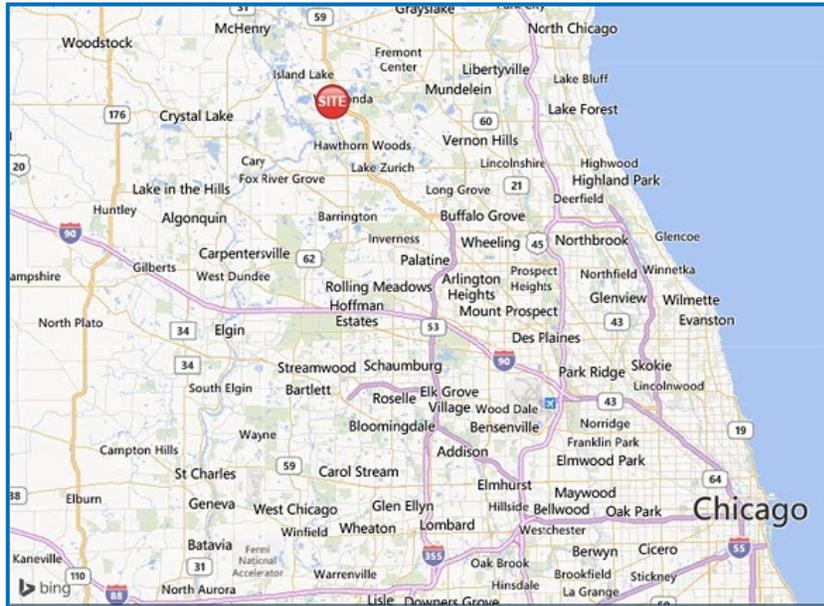
The last phase was the Site Evaluation and Recommendations.

# Retail Demand & Market Analysis-Wauconda Crossings

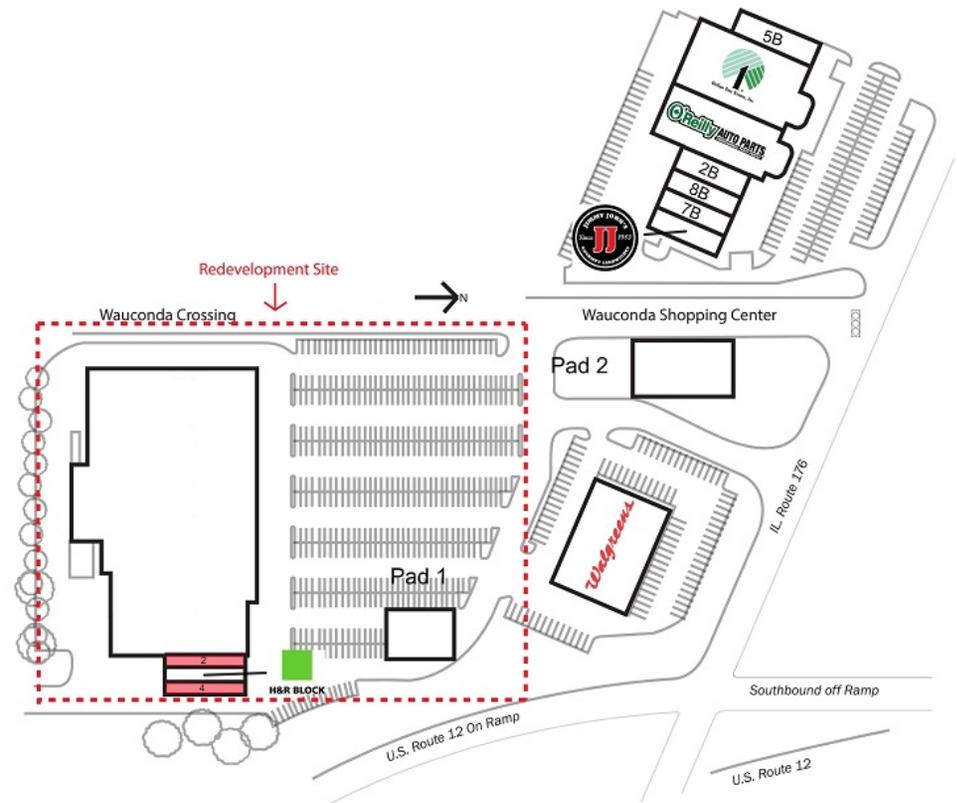
## Section Two: Market Assessment and Analysis

### Market Overview

The Village of Wauconda is located in the northeast section of the state of Illinois. The Village is located approximately forty-five miles northwest of downtown Chicago in the west central portion of Lake County. The

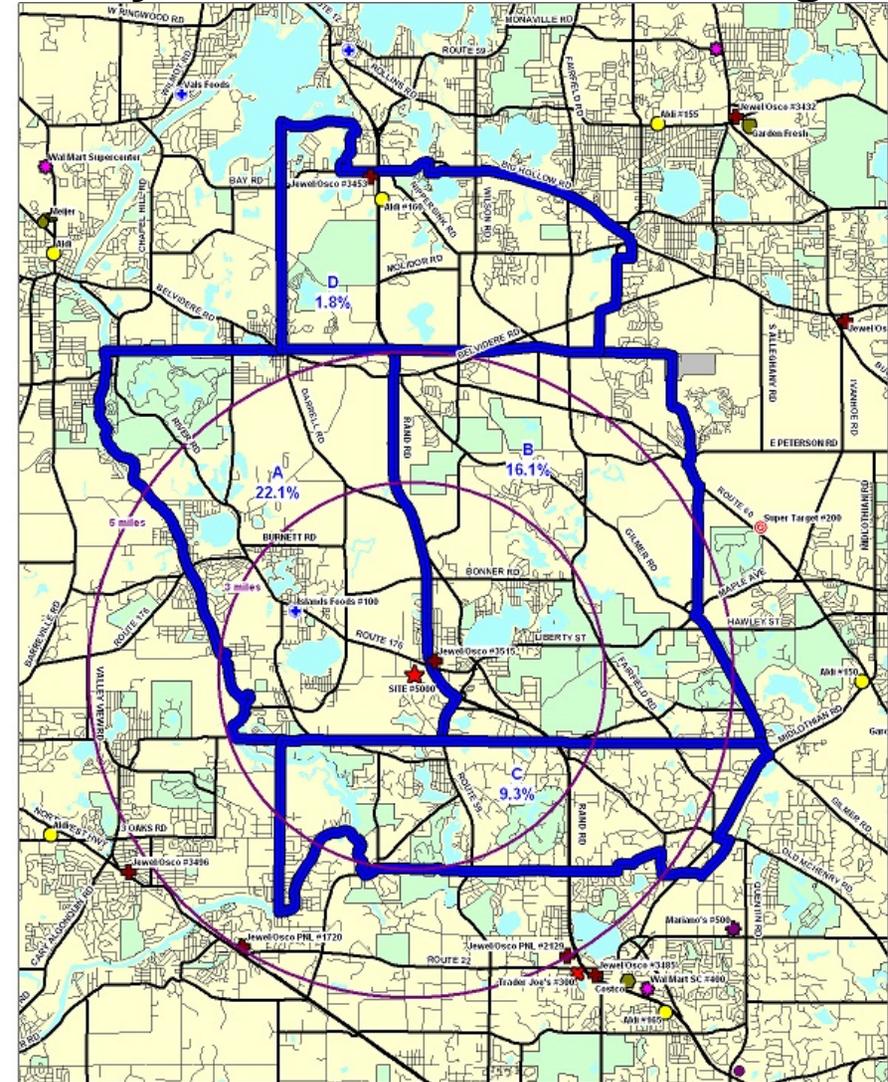


former Dominick's store is located in the Wauconda Crossings at the SWC of Route 12/59 and Liberty St in Wauconda. The population of the Village according to the 2010 U.S. Census is 13,603.



# Retail Demand & Market Analysis-Wauconda Crossings

The trade area for Wauconda as outlined in blue on the following map encompasses approximately seventy eight (78) square miles and includes the communities of Wauconda, Island Lake, Volo and portions of Fox Lake and Lake Zurich as well as unincorporated Lake County, IL. The trade area extends north to Big Hollow Road approximately 7.5 miles, west approximately 3.0 miles to the Fox River, south 3.0 miles to Miller Road, and east 4.5 miles to Gilmer Road. The total population within the trade area is 68,613. A detailed demographic profile to the trade area is included in Section Five – Appendix.



	Trade Area	1 mile radius	3 mile radius	5 mile radius
<b>POPULATION</b>				
2013	68,613	5,895	32,234	75,648
2018 (Proj)	71,058	6,188	32,972	78,579
<b>RACE &amp; ETHNICITY %</b>				
White	78.9%	73.0%	82.1%	83.2%
Black	1.7%	70.0%	90.0%	1.0%
Hispanic	12.4%	23.4%	12.5%	10.1%
Asian	5.3%	1.7%	3.2%	4.3%
Other	1.6%	1.2%	1.4%	1.4%
<b>HOUSEHOLDS</b>				
Totals	25,092	2,130	12,214	26,840
<b>INCOME</b>				
Median HH. Income	\$86,609	\$68,660	\$80,595	\$92,874
<b>GROCERY DOLLARS</b>				
Grocery PCE	\$42.84	\$42.42	\$42.65	\$43.92
Total Potential	\$2,939,272	\$250,066	\$11,374,780	\$3,322,460

# Retail Demand & Market Analysis-Wauconda Crossings

The demographics of the trade area represent a middle income, suburban fringe or exurban trade area. The population density of the trade for a suburban Chicago county is rather low at only 880 people per square mile. Generally most suburban Chicago trade areas have a population density above 1,500 people per square mile and at the inner suburbs surrounding the City of Chicago the density is usually above 4,000 people per square mile. The median household income within the trade area is above the national average, but slightly below the average for Lake County. Thus one would have to assume that the majority of the trade population is going to be rather price sensitive, thus a high-end or pricey organic grocery store probably wouldn't fair to well at the proposed site. The trade area does have noticeable Hispanic population but in total it only represents about 8,000 residents and would not be a large enough population for a grocer to drastically change its merchandising strategy, nor would it be a large enough population to support a Hispanic oriented market.

The study reviewed the retail markets surrounding Wauconda. The markets included Crystal Lake, McHenry, Round Lake Beach, Mundelein and Lake Zurich. An overview of the demographics of the surrounding markets is as follows:

Market	3 mile radius			
	Population	Households	HH Income	Age
Wauconda	32,972	12,214	\$80,595	36.3
Crystal Lake	45,855	16,548	\$79,151	37.8
McHenry	32,392	12,288	\$67,239	38.7
Round Lake Beach	73,669	23,523	\$75,767	34.8
Mundelein	47,893	16,307	\$99,283	38.8
Lake Zurich	38,564	13,282	\$116,458	41.7

A detailed demographic profile of each of the surrounding markets in include in Section Five – Appendix along with a retail map of all anchor tenants including grocery and drug stores.

# Retail Demand & Market Analysis-Wauconda Crossings

## Competitive Environment

At the present time there are currently twelve (12) grocery stores serving the Wauconda trade area and overall these twelve (12) stores capture approximately 82% of the available grocery dollars. The remaining 18% of grocery dollars (leakage) is either



being retained by the population, traveling well beyond the trade area or being spent at secondary food outlets such restaurants, convenience stores, drugs stores, etc. One could argue that the trade area is somewhat underserved for grocery stores. Of the twelve (12) grocery stores that serve the trade area only four of the stores are within the boundaries of the trade area while the remaining eight are located a few miles beyond the trade area boundaries. A detailed review of each of the grocery stores is included in Section Five – Appendix. The largest concentration of stores serving the trade area are located in Lake Zurich which is about 1.5 miles beyond the southern boundary of the trade area, but based on customer origin data from one the stores in Lake Zurich that store draws 40% of its sales from within the trade area. Granted the Lake Zurich community has the largest concentration of all types of retail

establishments in the area which provides the community with additional draw, but it would also suggest that if additional retail were developed in the Wauconda community the population may not feel as much incentive

to travel to Lake Zurich. Using the ratio of gross square feet of grocery space serving the trade area divided by the total population of the trade area yields a ratio of 6.5 square feet of grocery space per person

(444,130/68,613), but if one only took into account the four stores within the trade then that ratio would drop to 2.2 (153,875/68,613). In the event that a new grocery store took over the 72,385 square feet available at the site the ratio would only increase to 3.3. As a general rule a gross square foot to population ratio of less than 4.0 square feet per person would be considered an underserved trade area. 4.0 to 8.0 square feet per person would be considered an adequate amount of competition and options for the consumer, while greater than 8.0 square feet person would suggest that a trade area is oversaturated and that eventually some stores will be forced to close due to a lack of sustainable business. Therefore the trade could support the addition of another grocery store at the proposed site and would still be at the low end of having an adequate amount of grocery space for the population.

# Retail Demand & Market Analysis-Wauconda Crossings

Name / Map Key		Address	City	Total Square Feet	Sales Area	Estimated Sales	Sales PSF.
1	Island Foods #100	223 E State Rd	Island Lake	24,640	16,200	\$190,000	\$7.71
2	Aldi #150	977 Route 83	Mundelein	17,390	12,350	\$210,000	\$12.08
3	Aldi #155	74 W Rollins Rd	Round Lake Beach	16,800	11,760	\$325,000	\$19.35
4	Aldi #160	27415 Hartigan Rd	Volo	12,400	8,680	\$240,000	\$19.35
5	Aldi #165	981 S Rand Rd	Lake Zurich	12,600	9,360	\$225,000	\$17.86
6	Super Target #200	3100 W Route 60	Mundelein	45,815	32,070	\$580,000	\$12.66
7	Trader Joe's #300	735 W Route 22	Lake Zurich	14,250	9,975	\$310,000	\$21.75
8	Wal-mart Supercenter #400	820 S Rand Rd	Lake Zurich	55,640	38,950	\$830,000	\$14.92
9	Mariano's Market #500	1350 E Route 22	Lake Zurich	71,500	50,050	\$740,000	\$10.35
10	Jewel/Osco #3453	1350 S Route 12	Fox Lake	62,300	44,800	\$800,000	\$12.84
11	Jewel/Osco #3485	485 Ela Rd	Lake Zurich	56,260	41,600	\$720,000	\$12.80
12	Jewel/Osco #3515	547 W Liberty St	Wauconda	54,535	41,300	\$640,000	\$11.74
	<b>Total</b>			<b>444,130</b>	<b>317,095</b>	<b>\$5,810,000</b>	<b>\$13.08</b>

# Retail Demand & Market Analysis-Wauconda Crossings

## Background of former Dominick's store

The former Dominick's store has a rather dark history. The store originally opened in September of 1997 as Dominick's Fresh Store and operated at the location until 2004. In terms of sales as a Dominick's the best year the store ever had was when it first opened in 1997 and averaged \$460,000 a week. By the end of 1998 the store was only averaging \$310,000 a week and although that was the same year Safeway acquired Dominick's that deal didn't close until November of 1998, so the Yucaipa management team was mostly responsible for the lackluster sales performance that year. Further Bob Mariano, who now operates Mariano's Fresh Market in Chicago was the CEO at the time and threw everything including the kitchen sink at that store to improve sales. The store in terms of size, specialty departments and amenities was far better than the Jewel/Osco located on the other side of Route 12/59 but still never did better in terms of



sales than the Jewel/Osco. Once Safeway acquired Dominick's and was never able to understand the Chicago area consumer sales consistently declined each year until the store was only averaging \$215,000 a week in the last year of operation. Since 2004 the store has remained dark and has received little to no interest from any type of perspective retail entity.

The issues with the location and the past history of the site when it functioned as a grocery store suggest that in order to be successful any new retail establishment at the location will have to become a primary destination for the residents of the trade area. The problem that Dominick's had was that to the residents of the trade area it offered nothing more than Jewel/Osco or any other grocery store that was more convenient to access. Thus a new grocery store will have to offer significantly better prices, selection and other amenities so that the residents of the trade area are willing to forego the convenience issues and will want to shop the store.

## Estimated Grocery Sales

The estimated sales were derived using a gravity model which projects the sales of a future store within a trade area based on a variety of factors. In order to build the model a trade area needs to be defined. The population, PCW and total potential within the trade area are estimated and then, based on the current amount of sales being generated at the existing stores serving the

## Retail Demand & Market Analysis-Wauconda Crossings

trade area the model can calculate how much of the total current sales within the trade area the new store will capture. The estimated sales have taken into account the past history and other challenges associated with the site, but it should be noted that if none these factors were included the sales estimate would be considerably higher. Basically the large size of the store and the fact that the trade area is somewhat underserved in the gravity model yields a sales estimate of \$620,000 when no drawbacks to the location a simulated in the model. Assuming a similar response from the residents of the trade area regarding the issues associated with the site and the past history at the location the gravity model only yields an estimate of \$496,000. Granted the lower projection is still noticeably higher than the best year Dominick's had at the location, but when taking into account 10 years of population growth and higher sales at the competition as compared to 10 years ago the number can easily be justified.

The sales estimate has also assumed the addition of two new Jewel/Osco stores that will probably be opening within later this year. The two stores are both former Dominick's locations, the store at the NWC of Route 14 & Route 22 in Fox River Grove and the store at the NWC of Rand Rd and Route 22 in Lake Zurich. The Fox River Grove store as a Dominick's averaged throughout its tenure anywhere from \$300,000 to \$390,000 while the store in Lake Zurich averaged \$560,000 in the early part of the 2000's to a low of \$400,000 at the end of 2012. The Fox River Grove attracted about 10% of its sales

from within the trade area while the Lake Zurich store drew 40% of sales from the trade area. The store in Lake Zurich is only 0.6 of mile from Jewel/Osco's other store in the community. According to a manager at that Jewel/Osco the company intends to operate both stores until the end of 2015 when the lease at the existing Jewel/Osco expires and then they will transfer the remaining business to the former Dominick's store. The effect of Jewel/Osco opening these two facilities is reflected in the base case of the sales projection. It should also be noted that the Dominick's in Fox Lake, located 7.8 miles north of Wauconda, and is available as a potential grocery store but little to no interest has been forthcoming with regard to that location.

### Market Sales Gap Analysis

A gap, or leakage, analysis quantifies the demand for Retail and Food and Drink from households within a defined geography (household expenditure potential). That household demand is compared with estimates of retail sales taking place within the same area. Retailers often use the gap analysis as a starting point to gauge potential demand for additional stores or restaurants, although it is by no means a definitive measure of support for a particular retailer or project.

Esri Business Analyst estimates that the Wauconda's Trade Area population has the potential to generate almost \$1.0 billion annually on retail goods. Esri's estimate of retail sales in the Trade Area is \$428 million,

## Retail Demand & Market Analysis-Wauconda Crossings

suggesting that over \$500 million is being spent outside the Trade Area.

As shown on the accompanying table, the Wauconda Trade Area has some notable gaps:

- In **General Merchandise Stores**, a category that includes discount department stores, warehouse clubs, and dollar stores, potential demand from households exceeds supply by \$157 million. This leakage represents a great opportunity for Wauconda.
- In **Food Services & Drinking Places and Full-Service Restaurants**, demand exceeds supply by \$150 million.
- In **Grocery Stores**, demand exceeds supply by \$54 million.
- In **Clothing & Clothing Accessories Stores**, demand exceeds supply by \$72 million.



# Retail Demand & Market Analysis-Wauconda Crossings

SUMMARY:	Demand Retail	Supply (Retail Sales)	Retail Gap
Total Retail Trade and Food & Drink	\$996,452,879	\$428,999,052	\$567,453,827
Total Retail Trade	\$896,533,213	\$408,128,101	\$488,405,112
Total Food & Drink	\$99,919,666	\$20,870,951	\$79,048,715

BY CATEGORY:	Demand Retail	Supply (Retail Sales)	Retail Gap
Motor Vehicle & Parts Dealers	\$171,052,259	\$57,072,619	\$113,979,640
Automobile Dealers	\$147,048,602	\$10,599,925	\$136,448,677
Other Motor Vehicle Dealers	\$10,679,795	\$7,824,335	\$2,855,460
Auto Parts, Accessories & Tire Stores	\$13,323,861	\$2,664,611	\$10,659,250
Furniture & Home Furnishings Stores	\$19,799,525	\$7,824,335	\$11,975,190
Furniture Stores	\$11,675,053	\$2,147,775	\$9,527,278
Home Furnishings Stores	\$8,124,472	\$5,676,559	\$2,447,913
Electronics & Appliance Stores	\$24,574,233	\$3,043,334	\$21,530,899
Bldg Materials, Garden Equip. & Supply	\$32,887,962	\$47,302,745	-\$14,414,783
Bldg Material & Supplies Dealers	\$27,880,086	\$30,867,801	-\$2,987,715
Lawn & Garden Equip & Supply Stores	\$5,007,877	\$16,434,944	-\$11,427,067
Food & Beverage Stores	\$142,216,511	\$85,970,547	\$56,245,964
Grocery Stores	\$126,345,686	\$72,067,844	\$54,277,842
Specialty Food Stores	\$4,230,751	\$1,424,008	\$2,806,743
Beer, Wine & Liquor Stores	\$11,640,074	\$12,478,694	-\$838,620
Health & Personal Care Stores	\$75,546,430	\$146,124,027	-\$70,577,597
Gasoline Stations	\$91,084,292	\$18,475,554	\$72,608,738
Clothing & Clothing Accessories Stores	\$56,880,463	\$14,782,589	\$42,097,874
Clothing Stores	\$40,736,597	\$9,988,584	\$30,748,013

BY CATEGORY:	Demand Retail	Supply (Retail Sales)	Retail Gap
Shoe Stores	\$8,339,701	\$0	\$8,339,701
Jewelry, Luggage & Leather Goods	\$7,804,165	\$4,794,006	\$3,010,159
Sporting Goods, Hobby, Book & Music	\$23,558,831	\$4,419,386	\$19,139,445
Sporting Goods/Hobby/Musical Instr	\$18,302,930	\$4,236,055	\$14,066,875
Book, Periodical & Music Stores	\$5,255,901	\$183,331	\$5,072,570
General Merchandise Stores	\$158,742,143	\$745,071	\$157,997,072
Department Stores Excluding Leased	\$61,524,364	\$0	\$61,524,364
Other General Merchandise Stores	\$97,217,779	\$738,184	\$96,479,595
Miscellaneous Store Retailers	\$19,322,600	\$13,480,280	\$5,842,320
Florists	\$1,132,348	\$138,794	\$993,554
Office Supplies, Stationery & Gift Stores	\$3,255,413	\$798,846	\$2,456,567
Used Merchandise Stores	\$1,851,416	\$3,695,030	-\$1,843,614
Other Miscellaneous Store Retailers	\$13,083,424	\$8,847,610	\$4,235,814
Nonstore Retailers	\$80,867,964	\$8,887,614	\$71,980,350
Electronic Shopping & Mail-Order	\$70,981,595	\$4,774,659	\$66,206,936
Vending Machine Operators	\$2,447,772	\$917,831	\$1,529,941
Direct Selling Establishments	\$7,438,596	\$3,195,124	\$4,243,472
Food Services & Drinking Places	\$99,919,666	\$20,870,951	\$79,048,715
Full-Service Restaurants	\$44,346,090	\$4,949,377	\$39,396,713
Limited-Service Eating Places	\$45,678,848	\$11,359,001	\$34,319,847
Drinking Places - Alcoholic Beverages	\$5,249,323	\$3,366,267	\$1,883,056

Source: Esri and Dun & Bradstreet. Copyright 2013 Dun & Bradstreet, Inc. All rights reserved.

# Retail Demand & Market Analysis-Wauconda Crossings

## Potential Retail Users

Based on the findings of the Grocery Store Analysis and the Market Sales Gap Analysis, DKM has identified a number of larger retail uses that are active within the Chicagoland Market that could be potential target tenants for Wauconda Crossing. The types of retailers include the following use categories:

- Grocery Stores
- Arts & Crafts
- Beverage
- Books
- Children's
- Discount Department Stores
- Electronics
- Furniture
- Health Club
- Home Improvement
- Music
- Pet Supplies
- Resale
- Sporting Goods
- Theater
- Tools

A detailed list of the potential target tenants and their typical square footage requirements is included in Section Five – Appendix. The list is a starting point that would be further developed and explored in Phase II of this study.



# Retail Demand & Market Analysis-Wauconda Crossings

## Section Three: Site Evaluation

### Overview



The site has several challenges as it relates to convenience and serving the trade area. Route 12/59 functions as a divided highway through the Village of Wauconda with on/off ramps at Liberty Street and Barrington Road the two primary thoroughfares within the city. The majority of the population lives east of Route 12/59 as well as Lake Wauconda is east of the roadway and attracts a substantial amount recreational use during the summer. The site is located west of Route 12/59 requiring most residents to travel through a series of stoplights at the interchange of Route 12/59 and Liberty Street as well as travel past the Jewel/Osco which is situated just north of the interchange on the east side of Route 12/59. Although it wouldn't appear as that much of an inconvenience or barrier for people wanting to get to the site, based on the past history when Dominick's was

operating at the location it did prove rather frustrating that the residents of Wauconda avoided crossing under Route 12/59. The other issue is that the west side of Route 12/59 is the wrong side of the freeway for evening commuters. The population that commutes home from Chicago or the northwest suburbs in the evening has to get off the roadway, make a left travel under the freeway and then make another left into the site, while the Jewel/Osco sits immediately off the northbound exit ramp and allows people quick access back onto the freeway once they leave. Finally the site is set back a distance from Liberty Street so even people traveling along Route 12/59 have a hard time seeing the site until they have already past the location and by that time have few options to turn around and go back.

### Benefits:

- Property Availability
- Size of Property
- Municipal Involvement
- Economic Development Assistance Available
- Outlot Availability

# Retail Demand & Market Analysis-Wauconda Crossings

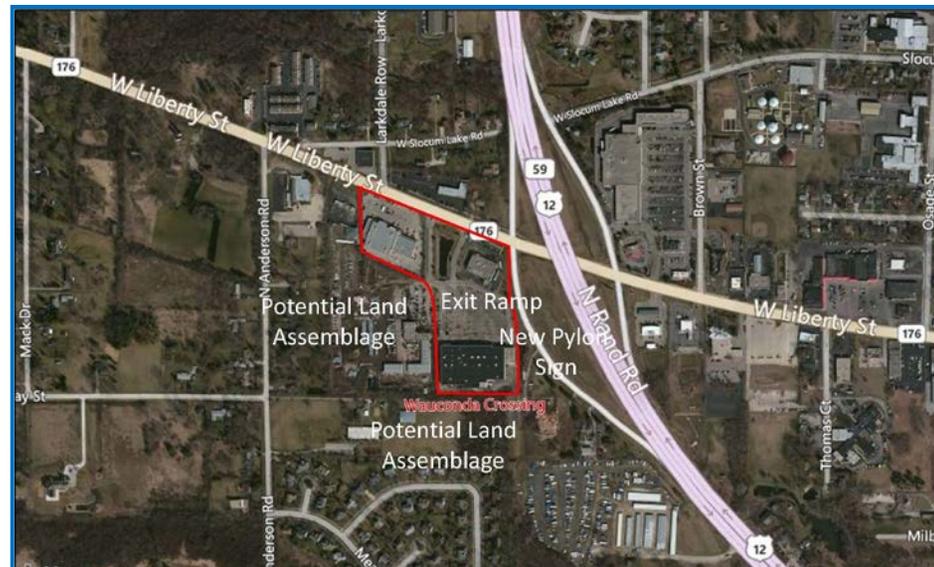
## Challenges:

- Visibility Issues
- Site Access
- Lease controlled by Safeway
- Lack of Retail Synergy
- Population Density

## Site Recommendations

Based on our findings, DKM would recommend the following site improvements as part of the overall redevelopment of Wauconda Crossings:

- 1) Consideration to assembling some of the adjacent land to allow for a larger retail development.
- 2) Provide for an entrance ramp from Wauconda Crossing to Route 12/59.
- 3) Provide for additional outlots along Route 176 and Route 12/59.
- 4) Installation of a taller pylon sign adjacent to Route 12/59.



# Retail Demand & Market Analysis-Wauconda Crossings

## Section Four – Next Steps

### Next Steps – Implementation Strategy

Based on the findings from the Retail Demand & Market Analysis Study, DKM would recommend that the Village consider moving forward with the next step on redeveloping Wauconda Crossings. The findings concluded that the market can support an additional grocer with sales of approximately \$500,000 per week. The proposed impact to the existing Jewel/Osco would be approximately \$52,000 per week or 8.1%. The Market Sales Gap Analysis determined that over \$500 million is being spent outside of the Wauconda Trade Area and that almost every retail category had unmet demand. Wauconda Crossings with the right mix of retail tenants and allowing for the site recommendations could be significant retail shopping center.



The next steps in the redevelopment of Wauconda Crossings could include:

1. Discussions about Wauconda's ongoing role in the redevelopment of Wauconda Crossings including the use of TIF and other economic development tools.
2. Discussions with Inland Real Estate Commercial regarding their continued involvement and potential sale of Wauconda Crossings.
3. Discussions with the adjacent property owners to determine their interest in relocating or sale of their property.
4. Meetings with IDOT to determine the viability of allowing the entrance ramp from Wauconda Crossings to Route 12/59.
5. Working with the property owner assist in the discussions and negotiations with Inland on the termination of the existing Dominick's lease.
6. Aggressively market the property to the Target Tenant List to determine the retailer's interest.

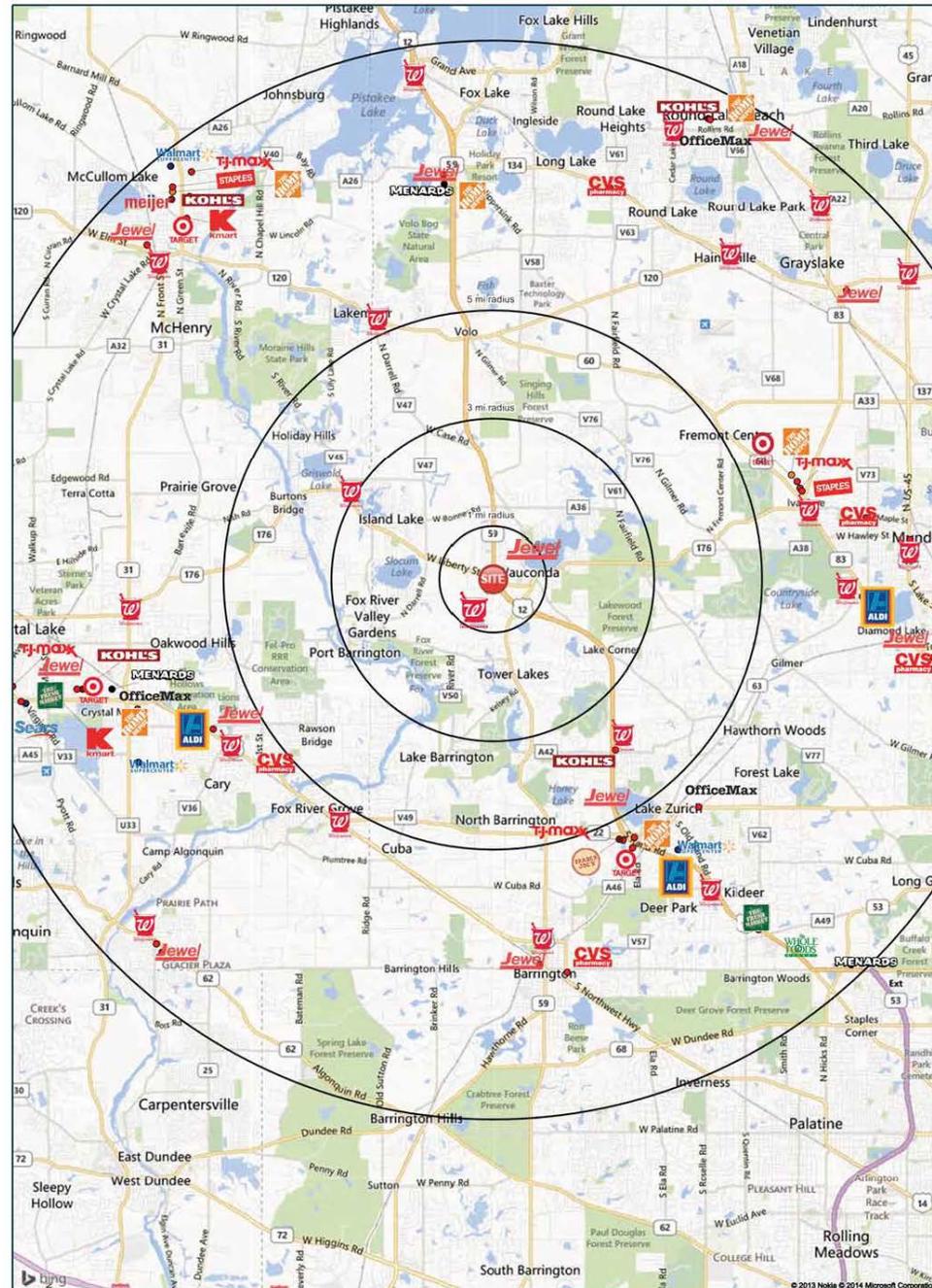
DKM is prepared and excited about the possibility of executing on our findings and looks forward to talking further with the Village of Wauconda about the next steps for Wauconda Crossings.

# Retail Demand & Market Analysis-Wauconda Crossings

- **Demographic Profile – Retailer Map**
  - Wauconda
  - Crystal Lake
  - McHenry
  - Round Lake Beach
  - Mundelein
  - Lake Zurich
- **Grocery Store Overview**
- **Source of Sales**
- **Source of Sales Map**
- **Proposed Target Tenants**

# Retail Demand & Market Analysis-Wauconda Crossings

## Retail Map



# Retail Demand & Market Analysis-Wauconda Crossings

Wauconda, IL: SWC Route 12/59 & Liberty St Demographic Profile

	Trade Area	1-Mile Radius	3-Mile Radius	5-Mile Radius
Population 2018 (Proj)	71,058	6,188	32,972	78,579
Population 2013	68,613	5,895	32,234	75,648
Population 2010	67,309	5,733	31,667	73,927
People per Square Mile (Pop Density)	880	1,877	1,141	964
Growth '13-'18 (Proj)	3.6%	5.0%	2.3%	3.9%
Growth '10-'13	1.9%	2.8%	1.8%	2.3%
Grocery PCE	\$42.84	\$42.42	\$42.65	\$43.92
Total Potential	\$2,939,272	\$250,066	\$1,374,780	\$3,322,460

Population by Race				
White	78.9%	73.0%	82.1%	83.2%
Black	1.7%	0.7%	0.9%	1.0%
Hispanic	12.4%	23.4%	12.5%	10.1%
Asian	5.3%	1.7%	3.2%	4.3%
Other	1.6%	1.2%	1.4%	1.4%
Median Age	35.7	35.6	36.3	36.7

Population by Age				
Less than 5yrs	6.9%	5.7%	6.2%	6.1%
5yrs to 18yrs	18.9%	16.8%	17.3%	19.2%
18yrs to 30yrs	12.9%	14.5%	12.8%	13.2%
30yrs to 40yrs	13.4%	11.9%	12.0%	10.8%
40yrs to 50yrs	15.8%	14.1%	15.2%	16.0%
50yrs to 65yrs	20.8%	21.9%	22.5%	23.1%
65yrs +	11.3%	15.2%	13.9%	11.6%

Group Quarters Population				
Institutionalized	374	139	206	374
College Dormitory	0	0	0	0
Military	0	0	0	0
Other	20	0	4	20

<b>Households 2013</b>	25,092	2,130	12,214	26,840
Persons Per Household	2.7	2.8	2.6	2.8
Renter Occupied	14.6%	24.3%	15.2%	12.0%
Owner Occupied	85.4%	75.7%	84.8%	88.0%

<b>Median HH Income</b>	\$86,609	\$68,660	\$80,595	\$92,874
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Households by Household Income				
\$100,000+	39.9%	24.5%	35.9%	44.0%
\$75,000-\$100,000	16.5%	16.6%	16.1%	14.8%
\$50,000-\$75,000	18.3%	18.6%	17.4%	16.6%
\$35,000-\$50,000	10.9%	10.8%	12.5%	10.1%
\$25,000-\$35,000	5.7%	12.2%	6.8%	5.3%
\$15,000-\$25,000	4.9%	11.3%	6.2%	5.0%
Less than \$15,000	3.8%	6.0%	5.2%	4.3%

Employment/Daytime Population				
White Collar Employment	24,251	1,809	11,346	27,668
Blue Collar Employment	10,410	1,288	4,922	10,867
Workplace Establishments	1,331	291	931	1,700
Daytime Population	16,472	4,289	12,108	20,817

# Retail Demand & Market Analysis-Wauconda Crossings

4447 US-14		1 mi radius	3 mi radius	5 mi radius
Crystal Lake, IL 60014				
POPULATION	2013 Estimated Population	2,982	45,855	124,946
	2018 Projected Population	3,052	46,928	127,884
	2010 Census Population	2,961	45,542	124,078
	2000 Census Population	2,632	42,932	117,953
	Projected Annual Growth 2013 to 2018	0.5%	0.5%	0.5%
	Historical Annual Growth 2000 to 2013	1.0%	0.5%	0.5%
	2013 Median Age	38.3	37.8	38.6
HOUSEHOLDS	2013 Estimated Households	1,105	16,548	44,473
	2018 Projected Households	1,143	17,132	46,046
	2010 Census Households	1,084	16,245	43,662
	2000 Census Households	887	14,769	39,927
	Projected Annual Growth 2013 to 2018	0.7%	0.7%	0.7%
	Historical Annual Growth 2000 to 2013	1.9%	0.9%	0.9%
RACE AND ETHNICITY	2013 Estimated White	89.0%	90.3%	91.3%
	2013 Estimated Black or African American	0.7%	1.0%	1.0%
	2013 Estimated Asian or Pacific Islander	2.2%	2.1%	2.6%
	2013 Estimated American Indian or Native Alaskan	0.3%	0.3%	0.3%
	2013 Estimated Other Races	7.9%	6.3%	4.8%
	2013 Estimated Hispanic	13.8%	13.1%	9.9%
INCOME	2013 Estimated Average Household Income	\$90,502	\$92,126	\$100,843
	2013 Estimated Median Household Income	\$81,661	\$79,151	\$86,125
	2013 Estimated Per Capita Income	\$33,556	\$33,293	\$35,915
EDUCATION (AGE 25+)	2013 Estimated Elementary (Grade Level 0 to 8)	2.2%	2.9%	2.2%
	2013 Estimated Some High School (Grade Level 9 to 11)	5.1%	4.5%	3.8%
	2013 Estimated High School Graduate	24.5%	22.1%	23.7%
	2013 Estimated Some College	21.9%	23.7%	24.1%
	2013 Estimated Associates Degree Only	8.3%	7.3%	7.4%
	2013 Estimated Bachelors Degree Only	24.9%	26.4%	26.2%
	2013 Estimated Graduate Degree	13.2%	13.2%	12.7%
BUSINESS	2013 Estimated Total Businesses	418	2,885	5,451
	2013 Estimated Total Employees	6,162	31,075	54,129
	2013 Estimated Employee Population per Business	14.7	10.8	9.9
	2013 Estimated Residential Population per Business	7.1	15.9	22.9

# Retail Demand & Market Analysis-Wauconda Crossings

2019 N Richmond Rd McHenry, IL 60050		1 mi radius	3 mi radius	5 mi radius
POPULATION	2013 Estimated Population	4,520	32,392	63,586
	2018 Projected Population	4,627	33,150	65,102
	2010 Census Population	4,489	32,172	63,117
	2000 Census Population	3,744	27,671	53,841
	Projected Annual Growth 2013 to 2018	0.5%	0.5%	0.5%
	Historical Annual Growth 2000 to 2013	1.6%	1.3%	1.4%
	2013 Median Age	36.9	38.7	38.8
HOUSEHOLDS	2013 Estimated Households	1,789	12,288	23,970
	2018 Projected Households	1,852	12,723	24,810
	2010 Census Households	1,757	12,066	23,535
	2000 Census Households	1,493	10,177	19,308
	Projected Annual Growth 2013 to 2018	0.7%	0.7%	0.7%
	Historical Annual Growth 2000 to 2013	1.5%	1.6%	1.9%
RACE AND ETHNICITY	2013 Estimated White	88.8%	91.6%	92.8%
	2013 Estimated Black or African American	0.9%	0.6%	0.7%
	2013 Estimated Asian or Pacific Islander	1.0%	1.0%	1.2%
	2013 Estimated American Indian or Native Alaskan	0.4%	0.3%	0.3%
	2013 Estimated Other Races	8.9%	6.4%	5.0%
	2013 Estimated Hispanic	16.4%	12.5%	9.7%
INCOME	2013 Estimated Average Household Income	\$66,133	\$78,643	\$82,281
	2013 Estimated Median Household Income	\$54,975	\$67,239	\$70,708
	2013 Estimated Per Capita Income	\$26,183	\$29,874	\$31,039
EDUCATION (AGE 25+)	2013 Estimated Elementary (Grade Level 0 to 8)	3.7%	3.4%	2.7%
	2013 Estimated Some High School (Grade Level 9 to 11)	8.0%	7.1%	6.3%
	2013 Estimated High School Graduate	34.0%	34.8%	33.8%
	2013 Estimated Some College	25.5%	25.1%	26.5%
	2013 Estimated Associates Degree Only	7.3%	6.8%	7.5%
	2013 Estimated Bachelors Degree Only	17.7%	17.6%	17.2%
	2013 Estimated Graduate Degree	3.8%	5.3%	6.1%
BUSINESS	2013 Estimated Total Businesses	330	1,507	2,612
	2013 Estimated Total Employees	3,356	14,481	26,936
	2013 Estimated Employee Population per Business	10.2	9.6	10.3
	2013 Estimated Residential Population per Business	13.7	21.5	24.3



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# Retail Demand & Market Analysis-Wauconda Crossings

Round Lake Beach, IL		1 mi radius	3 mi radius	5 mi radius
POPULATION	2013 Estimated Population	12,863	73,669	142,765
	2018 Projected Population	13,220	75,736	146,773
	2010 Census Population	12,684	72,639	140,770
	2000 Census Population	11,830	62,720	115,390
	Projected Annual Growth 2013 to 2018	0.6%	0.6%	0.6%
	Historical Annual Growth 2000 to 2013	0.7%	1.3%	1.8%
	2013 Median Age	31.6	32.9	34.8
HOUSEHOLDS	2013 Estimated Households	3,817	23,523	48,335
	2018 Projected Households	3,941	24,277	49,884
	2010 Census Households	3,747	23,087	47,440
	2000 Census Households	3,503	19,629	38,354
	Projected Annual Growth 2013 to 2018	0.6%	0.6%	0.6%
	Historical Annual Growth 2000 to 2013	0.7%	1.5%	2.0%
RACE AND ETHNICITY	2013 Estimated White	72.7%	75.9%	79.0%
	2013 Estimated Black or African American	3.8%	3.6%	3.5%
	2013 Estimated Asian or Pacific Islander	3.8%	4.1%	5.7%
	2013 Estimated American Indian or Native Alaskan	1.0%	0.9%	0.6%
	2013 Estimated Other Races	18.6%	15.6%	11.1%
	2013 Estimated Hispanic	40.2%	32.3%	22.2%
INCOME	2013 Estimated Average Household Income	\$74,419	\$80,285	\$90,772
	2013 Estimated Median Household Income	\$72,066	\$75,787	\$83,069
	2013 Estimated Per Capita Income	\$22,138	\$25,662	\$30,762
EDUCATION (AGE 25+)	2013 Estimated Elementary (Grade Level 0 to 8)	11.9%	8.9%	5.6%
	2013 Estimated Some High School (Grade Level 9 to 11)	7.6%	8.3%	6.5%
	2013 Estimated High School Graduate	26.9%	25.9%	23.6%
	2013 Estimated Some College	23.6%	21.6%	23.1%
	2013 Estimated Associates Degree Only	6.3%	6.0%	6.5%
	2013 Estimated Bachelors Degree Only	15.9%	19.3%	22.8%
	2013 Estimated Graduate Degree	7.8%	10.2%	11.8%
BUSINESS	2013 Estimated Total Businesses	253	1,593	3,707
	2013 Estimated Total Employees	2,322	14,732	35,032
	2013 Estimated Employee Population per Business	9.2	9.2	9.5
	2013 Estimated Residential Population per Business	50.9	46.2	38.5

This report uses various data sources and estimates. This information is provided for informational purposes only and should not be used for any other purpose. The information herein is provided for informational purposes only and should not be used for any other purpose.

# Retail Demand & Market Analysis-Wauconda Crossings

1101 W Maple Ave Mundelein, IL 60060		1 mi radius	3 mi radius	5 mi radius
POPULATION	2013 Estimated Population	10,540	47,893	115,241
	2018 Projected Population	10,838	49,237	118,477
	2010 Census Population	10,393	47,229	113,641
	2000 Census Population	10,819	43,816	99,117
	Projected Annual Growth 2013 to 2018	0.6%	0.6%	0.6%
	Historical Annual Growth 2000 to 2013	-0.2%	0.7%	1.3%
	2013 Median Age	38.5	38.8	39.3
HOUSEHOLDS	2013 Estimated Households	3,711	16,307	41,392
	2018 Projected Households	3,831	16,832	42,722
	2010 Census Households	3,642	16,006	40,628
	2000 Census Households	3,528	14,213	34,328
	Projected Annual Growth 2013 to 2018	0.6%	0.6%	0.6%
	Historical Annual Growth 2000 to 2013	0.4%	1.1%	1.6%
	2013 Estimated White	77.6%	77.3%	79.0%
RACE AND ETHNICITY	2013 Estimated Black or African American	1.3%	1.4%	1.9%
	2013 Estimated Asian or Pacific Islander	7.6%	8.1%	10.1%
	2013 Estimated American Indian or Native Alaskan	0.5%	0.5%	0.3%
	2013 Estimated Other Races	12.9%	12.7%	8.7%
	2013 Estimated Hispanic	21.8%	23.8%	15.7%
	2013 Estimated Average Household Income	\$103,481	\$117,578	\$118,766
INCOME	2013 Estimated Median Household Income	\$93,011	\$99,283	\$98,794
	2013 Estimated Per Capita Income	\$36,442	\$40,071	\$42,697
	2013 Estimated Elementary (Grade Level 0 to 8)	6.5%	6.7%	4.0%
EDUCATION (AGE 25+)	2013 Estimated Some High School (Grade Level 9 to 11)	5.3%	5.1%	4.3%
	2013 Estimated High School Graduate	20.8%	19.1%	17.2%
	2013 Estimated Some College	19.0%	16.8%	17.1%
	2013 Estimated Associates Degree Only	6.4%	5.9%	6.1%
	2013 Estimated Bachelors Degree Only	28.9%	29.7%	32.1%
	2013 Estimated Graduate Degree	13.0%	16.8%	19.1%
	2013 Estimated Total Businesses	289	1,910	5,315
BUSINESS	2013 Estimated Total Employees	2,139	26,697	66,040
	2013 Estimated Employee Population per Business	7.4	14.0	12.4
	2013 Estimated Residential Population per Business	36.5	25.1	21.7

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# Retail Demand & Market Analysis-Wauconda Crossings

670 US-12 W Lake Zurich, IL 60047		1 mi radius	3 mi radius	5 mi radius
POPULATION	2013 Estimated Population	6,618	38,564	96,559
	2018 Projected Population	6,799	39,635	99,137
	2010 Census Population	6,529	38,022	95,060
	2000 Census Population	5,566	36,502	90,638
	Projected Annual Growth 2013 to 2018	0.5%	0.6%	0.5%
	Historical Annual Growth 2000 to 2013	1.5%	0.4%	0.5%
	2013 Median Age	38.9	41.7	41.1
HOUSEHOLDS	2013 Estimated Households	2,239	13,282	35,156
	2018 Projected Households	2,311	13,705	36,209
	2010 Census Households	2,198	13,035	34,454
	2000 Census Households	1,855	11,900	32,177
	Projected Annual Growth 2013 to 2018	0.6%	0.6%	0.6%
	Historical Annual Growth 2000 to 2013	1.6%	0.9%	0.7%
RACE AND ETHNICITY	2013 Estimated White	86.6%	89.4%	85.4%
	2013 Estimated Black or African American	1.5%	0.9%	1.8%
	2013 Estimated Asian or Pacific Islander	6.4%	6.0%	7.2%
	2013 Estimated American Indian or Native Alaskan	0.2%	0.1%	0.2%
	2013 Estimated Other Races	5.3%	3.7%	5.4%
	2013 Estimated Hispanic	9.4%	6.0%	9.7%
INCOME	2013 Estimated Average Household Income	\$118,457	\$143,578	\$134,445
	2013 Estimated Median Household Income	\$106,732	\$116,458	\$106,926
	2013 Estimated Per Capita Income	\$40,230	\$49,504	\$48,990
EDUCATION (AGE 25+)	2013 Estimated Elementary (Grade Level 0 to 8)	3.5%	2.3%	2.6%
	2013 Estimated Some High School (Grade Level 9 to 11)	2.6%	3.0%	2.9%
	2013 Estimated High School Graduate	14.7%	14.4%	16.0%
	2013 Estimated Some College	20.4%	17.6%	17.7%
	2013 Estimated Associates Degree Only	8.3%	6.3%	5.9%
	2013 Estimated Bachelors Degree Only	30.7%	34.6%	33.5%
	2013 Estimated Graduate Degree	19.7%	21.9%	21.5%
BUSINESS	2013 Estimated Total Businesses	396	2,283	4,813
	2013 Estimated Total Employees	3,938	23,511	44,477
	2013 Estimated Employee Population per Business	9.9	10.3	9.2
	2013 Estimated Residential Population per Business	16.7	16.9	20.1

# Retail Demand & Market Analysis-Wauconda Crossings

## Grocery Store Analysis

	Name / Map Key	Address	City	Total Size	Sales Area	Estimated Sales	Sales per Sq. Ft.	Registers	Specialty Departments	Comment	Location Type
1	Island Foods #100	223 E State Rd	Island Lake	24,640	16,200	\$190,000	\$7.71	6 Full Service	Deli, Baker, Liquor	Very old independent, conventional grocery store, that has not been upgraded in many years. Supplied by Centrella which means it's a profitable business. No immediate competition to store.	Freestanding but in SC with closed hardware store other low end shops.
2	Aldi #150	977 Route 83	Mundelein	17,390	12,350	\$210,000	\$12.08	4 Full Service	None: limited produce, package bread, frozen, beer & wine warehouse format	Standard Aldi layout averages \$800,000 to \$850,00 a month.	Freestanding but in SC with Goodwill, Walgreens, other small shops
3	Aldi #155	74 W Rollins Rd	Round Lake Beach	16,800	11,760	\$325,000	\$19.35	6 Full Service	None: limited produce, package bread, frozen, beer & wine warehouse format	Standard Aldi layout averages \$1.3 million a month. Very busy store moving product.	Freestanding but in small shopping center with other small shops
4	Aldi #160	27415 Hartigan Rd	Volo	12,400	8,680	\$240,000	\$19.35	4 Full Service	None: limited produce, package bread, frozen, beer & wine warehouse format	Lower volume Aldi until closure of Dominick's in Fox Lake picked-up close to \$85,000 in sales.	Freestanding on outlot in front of Home Depot
5	Aldi #165	981 S Rand Rd	Lake Zurich	12,600	9,360	\$225,000	\$17.86	5 Full Service	None: limited produce, package bread, frozen, beer & wine warehouse format	Standard Aldi layout averages +/- \$850,000 a month. Low balls prices on milk to compete with Walmart SC down the street.	In strip center with Binny's, La-Z-Boy, Savers, The Tile Store, other small shops
6	Super Target #200	3100 W Route 60	Mundelein	45,815	32,070	\$580,000	\$12.66	28: 20 full service; 8 express	Rx, deli, bakery, beer & wine, Starbucks	One of the better performing Super Targets in area. Picked up \$60k in grocery sales when Dominick's closed.	In power center with Home Depot, Party City, TJ Maxx, Home Goods, Staples, closed Best Buy
7	Trader Joe's #300	735 W Route 22	Lake Zurich	14,250	9,975	\$310,000	\$21.75	7 Full Service	Beer & Wine, Produce, Natural Foods.	Standard Trader Joe's. Does good volume for small size but on lower end of TJ's stores in Chicago.	In strip center with T.J. Maxx, Petco, Office Max, Sports Authority, Party City, other shops.
8	Walmart Supercenter #400	820 S Rand Rd	Lake Zurich	55,640	38,950	\$830,000	\$14.92	27: 17 full service, 6 small grocery, 4 self	Rx, Liquor, Deli, Bakery,	Expanded to Supercenter in 2011. Produce does \$75k with 9% split to grocery/Rx/GMHBC sections \$830,000 comparable.	Primary anchor to shopping center, also has Sears hardware, American Sales, other small shops.

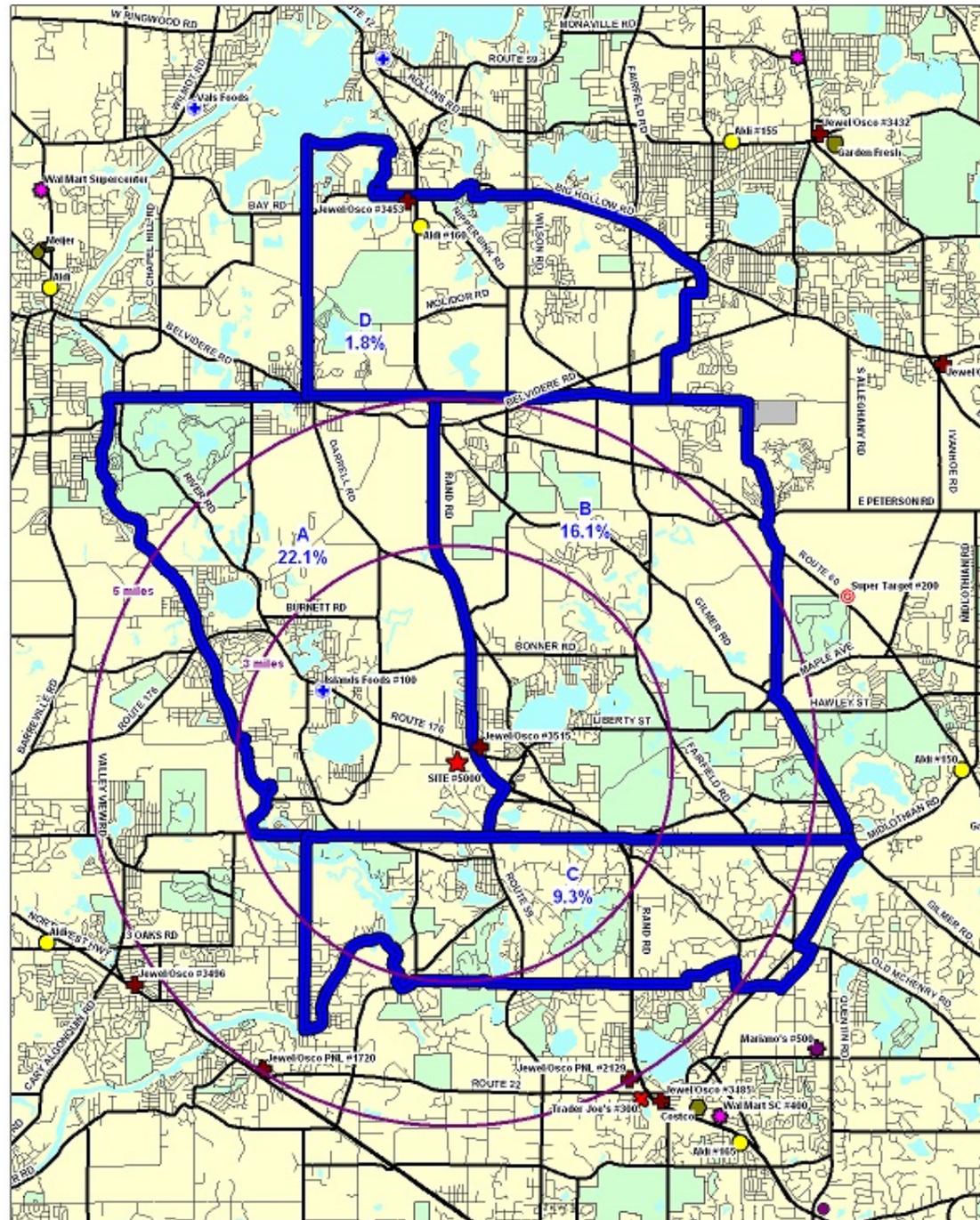
# Retail Demand & Market Analysis-Wauconda Crossings

## Grocery Store Analysis

Name / Map Key	Address	City	Total Size	Sales Area	Estimated Sales	Sales per Sq. Ft.	Registers	Specialty Departments	Comment	Location Type
9 Mariano's Market #500	1350 E Route 22	Lake Zurich	71,500	50,050	\$740,000	\$10.35	18; 5 express, 13 full service	Rx, bakery, deli, liquor, service meat & seafood, coffee bar, salad bar, prepared foods, natural foods, organics, floral, cheese shop	Beautiful store but not living up to expectations. After first few grand opening weeks have had to layoff employees.	Freestanding. Outlot pads may be available in the future.
10 Jewel/Osco #3453	1350 S Route 12	Fox Lake	62,300	44,800	\$800,000	\$12.84	14: 9 full service, 5 self	Rx, deli, bakery, liquor, service meat & seafood, floral, bank.	Picked up \$130,000 in sales from Dominick's closure including 700 Rx prescriptions. Store doing very well.	In shopping center with Menards, other smalls shops.
11 Jewel/Osco #3485	485 Ela Rd	Lake Zurich	56,260	41,600	\$720,000	\$12.80	11: 7 full service, 4 self.	Rx, deli, bakery, liquor, service meat & seafood, floral, bank.	Smaller Jewel will close when lease is up in 2015 and move to former Dominick's site. Sales up 45% after Dom closure, impacted 25% by Mariano's.	Primary anchor in neighborhood strip center with other small shops.
12 Jewel/Osco #3515	547 W Liberty St	Wauconda	54,535	41,300	\$640,000	\$11.74	13: 8 full service, 5 self	Rx, deli, bakery, liquor, service meat & seafood, floral, bank.	Older Jewel/Osco store remodeled a few years back. Store does well because it's the only game in town.	Primary anchor in neighborhood strip center with Post Office, GNC other small shops.
Total			444,130	317,095	\$5,810,000	\$13.08				



# Village of Wauconda Retail Demand & Market Analysis-Wauconda Crossings



# Retail Demand & Market Analysis-Wauconda Crossings

## Proposed Target Tenants

NAME	USE	SQFT.
Michaels	Arts & Crafts	22,000
Hobby Lobby	Arts & Crafts	60,000
Olde Time Pottery	Arts & Crafts	60,000
Binny's Beverage Depot	Beverage	30,000
Books-A-Million	Books	15,000
Babis R Us	Children's	40,000
Buy Bye Baby	Children's	40,000
Toys R Us	Children's	48,000
Conway	Discount	20,000
Ross Dress for Less	Discount	25,000
TJMaxx	Discount	25,000
Marshalls	Discount	25,000
Fallas Discount Stores	Discount	25,000
Big Lots	Discount	30,000
Stein-Mart	Discount	32,000
Forman Mills	Discount	50,000
Bed Bath & Beyond	Discount	50,000
Famsa	Discount	50,000
Sear's Outlet	Discount	50,000
Gordman's	Discount	60,000
Burlington Coat Factory	Discount	70,000
Value City	Discount	100,000
Target	Discount	120,000
Sam's Club	Discount	140,000
Costco	Discount	150,000
Kohl's	Discount	150,000
Walmart	Discount	160,000
Meijer's	Discount	200,000
hh gregg	Electronics	35,000
Best Buy	Electronics	40,000
Thomasville	Furniture	12,000
La-Z-Boy	Furniture	20,000
Ashley's Furniture	Furniture	45,000
Value City Furniture	Furniture	50,000
Art Van Furniture	Furniture	65,000
ALDI	Grocery	18,000
Gordon Food Service	Grocery	25,000

# Retail Demand & Market Analysis-Wauconda Crossings

## Proposed Target Tenants

NAME	USE	SQFT.
Fresh Tyme	Grocery	30,000
Plum Market	Grocery	30,000
Angelo Caputo's	Grocery	35,000
Standard Market	Grocery	35,000
Walmart Neighborhood Market	Grocery	42,000
Heinen's	Grocery	45,000
Joe Caputo's	Grocery	45,000
Butera	Grocery	50,000
Piggly Wiggly	Grocery	50,000
Pete's Fresh Market	Grocery	55,000
Sunset Foods	Grocery	60,000
Tony's Finer Foods	Grocery	65,000
Garden Fresh	Grocery	65,000
Valli Produce	Grocery	65,000
Shop & Save	Grocery	65,000
Mariano's	Grocery	72,000
Food 4Less	Grocery	75,000
Meijer's - Food	Grocery	90,000
Planet Fitness	Health Club	20,000
Xsport Fitness	Health Club	45,000
LA Fitness	Health Club	50,000
Lifetime Fitness	Health Club	108,000
Tile Shop	Home Improvement	18,000
Home Goods	Home Improvement	25,000
HOBO	Home Improvement	60,000
Floor & Décor Outlets	Home Improvement	80,000
Lowe's	Home Improvement	80,000
Guitar Center	Music	25,000
Pet's Supplies Plus	Pet Supplies	10,000
Goodwill Industries	Resale	20,000
Savers	Resale	30,000
Dick's Sporting Goods	Sporting Goods	45,000
Sports Authority	Sporting Goods	50,000
ArLight Theater	Theater	40,000
Studio Movie Grill	Theater	50,000
Harbor Freight	Tools	20,000