VILLAGE BOARD
COMMITTEE OF THE WHOLE MEETING

MAY 20, 2013 – 8:00 P.M.
LEMONT VILLAGE HALL
418 MAIN ST.
LEMONT, IL 60439

I. **CALL TO ORDER**

II. **ROLL CALL**

III. **UNFINISHED BUSINESS**

IV. **DISCUSSION ITEMS**

A. **DISCUSSION OF TWO DRAFT CHAPTERS FOR COMPREHENSIVE PLAN (PLANNING & ED)(STAPLETON)(BROWN/JONES)**

V. **NEW BUSINESS**

VI. **AUDIENCE PARTICIPATION**

VII. **MOTION TO ENTER EXECUTIVE SESSION – PERSONNEL**

VIII. **ADJOURN**

Village of Lemont
Planning & Economic Development Department

418 Main Street · Lemont, Illinois 60439
phone 630-257-1595 · fax 630-257-1598

TO: Committee of the Whole #045-13

FROM: James A. Brown, Planning & Economic Development Director

THRU

SUBJECT: **Two Draft Chapters for Comprehensive Plan**

DATE: 15 May 2013

Background

Two draft chapters for the comprehensive plan update are attached: the chapter on housing and the chapter on economic development. Both have been reviewed by the Planning & Zoning Commission. The COW say a portion of the economic development chapter--the Target Industries Report--at its February meeting.

The Housing Chapter

The housing chapter is presented in the format that I intend to use for the comprehensive plan, i.e. other chapters will imitate the design and layout, use of sidebars, use of black and white photos, charts and graphs. The housing section in the 2002 comprehensive plan was one paragraph. This chapter, if adopted, would offer the most comprehensive statement on Village housing policies to yet appear. It includes recommendations for several shifts in the way that the Village Board, PZC, and staff should think about housing:

- Lemont should expand its range of housing options and increase affordable housing
- Lemont should re-think how it wants the remaining potential greenfield sites to be developed. Smaller lots within a conservation design--like Kettering--should be the default. The Village should also consider, if not push for, plans that fully integrate various housing types, rather than segregate housing types.
- Re-investment in Lemont's housing is extremely desirable. The floor area ratio that placed limits on house sizes within the R-4A appears to be working--it has not stifled new construction or re-investment in this area. Housing re-investment should be continually monitored by staff and reviewed by the elected officials.
- Preserve single-family character while allowing for increase in the amount of townhomes, duplexes, apartment buildings. Additionally, the Village should consider appropriate areas for two-flats, a housing product that is almost absent from the area.

- The Village needs to be more of a champion for fair housing, i.e. ensuring equal access to housing.
- The Village needs to adopt a "rehabilitation code" for the downtown in order to make it easier for property owners to convert commercial space into residential space.

Good design of both housing and the sites remains paramount, regardless of the housing product, and is especially important for any affordable housing development.

Economic Prosperity Chapter

Much of this chapter and its recommendations are centered on "target industries," and the "Target Industries Report" will be attached to the plan as an appendix. This chapter also provides commentary and recommendations for marketing of the town.

COW Action and Next Steps

Review draft chapters and provide feedback. The chapters will be revised accordingly and, upon the discretion of the COW, either be inserted into the draft comprehensive plan that will be presented to the public for review and comment, or will be re-presented to the COW.

Since the COW has viewed the Target Industries Report previously, and because most of the recommendations in the Economic Prosperity chapter have been discussed over the last few years in various settings, I request that most discussion focus on the Housing chapter.

Attachments
1. Housing chapter
2. Economic Prosperity chapter
3. Target Industries Report

Chapter 3

Our Homes

In 2030, Lemont will have cohesive mix of housing products that provides financially obtainable options for various income groups and that ensures people in all stages of life can call Lemont home.

Lemont Profiles

Pat and John Jurinek
Owners
New Horizon Homes

Pat and John Jurinek (to the right in the photograph) had had nearly a decade of experience as home builders when they started the first phase of Rolling Meadows on the- -need to complete this section and align with points in chapter. Alternatively, use photo of young family and explain why the moved to Lemont.

photograph by Rachel Owen, Imageicon

Guiding Principles for Chapter 3

Continued population growth is desirable and important for Lemont's economic prosperity.

The social vibrancy and economic health of our community can be greatly enhanced by a cohesive mix of housing types.

The creation of housing options—including multi-generational products—is important to maintaining and enhancing family and communal ties, and ensuring that people in all stages of life can call Lemont home.

Housing products with higher densities help fulfill several strategic goals of the Village and are therefore viewed as desirable, so long as they do not detract from the aesthetics or small-town charm of the community.

By providing housing that is financially attainable to a wider range of income levels and ensuring equal access to housing, Lemont helps to support the overall vitality of the larger Chicago region.

The purpose of the housing element of the Comprehensive Plan is to provide a plan for housing creation and preservation in order to meet the needs of the current and future populations. The plan should reflect the community's vision for itself, and it needs to account for land use patterns and how the Village will grow. Ideally, the plan should address several inter-related issues concerning housing:

Growth management. How much new housing is appropriate, where should it go, and what form should it take? Responses to these concerns are found in this element as well as the chapter on land use.

Preservation of community character. Almost any community's identity is forged by the type, quality, and maintenance of its housing stock. Lemont is no different. How does the housing stock define Lemont's character? How should this character be altered or maintained?

Affordable housing. Housing within our community should accommodate individuals and families with a range of incomes, including those who serve the community in relatively lower-paying jobs, and those who have not reached their peak income-producing years of employment. Younger members of our community should not be forced to leave because they cannot find affordable housing.

Fair housing. Fair housing refers to equal access to housing. While seldom addressed in comprehensive plans, the Village nevertheless believes a discussion of fair housing should be included here.

Lemont's Housing and Growth in a Regional Perspective

For most of its existence, Lemont has been a quite little town of under 5,000 people. Over the last 30 or so years Lemont has seen tremendous growth in the number of residents, the number of acres developed, and the number of dwelling units. (See Figures 3-1, 3-2 and 3-3.)

The housing boom in Lemont, while nevertheless impressive, did not match the building frenzy witnessed by nearby communities. Contributing to the more guarded pace of development in Lemont were: a *relative* shortage of large greenfield sites; the community's aversion to tract housing and higher density housing; an insistence on lot sizes of at least 12,500 square feet; and the Village's propensity to negotiate all facets of site design, density, and architectural standards into annexation agreements.

Lemont's growth was not unique, but rather part of broader regional trends that emerged by the mid-1980s and continued until the mid-2000s. From 1980 to 2007 the metropolitan Chicago area experienced tremendous population growth and expansion of suburban areas. The population increase and suburban expansion were fueled by: a significant influx of Hispanic immigrants into Chicago and inner ring suburbs and attendant movement of others to outer ring suburbs and the fringes of the Chicago metro area; an ever-increasing motorized transportation network; favorable interest rates and lending policies that made homes attractive to people who otherwise may not have qualified for a house or for a house at a particular price. The largest share of the region's residential growth occurred in the outlying

Figure 3-1. Lemont Population, 1920-2010. *Source: US Census*

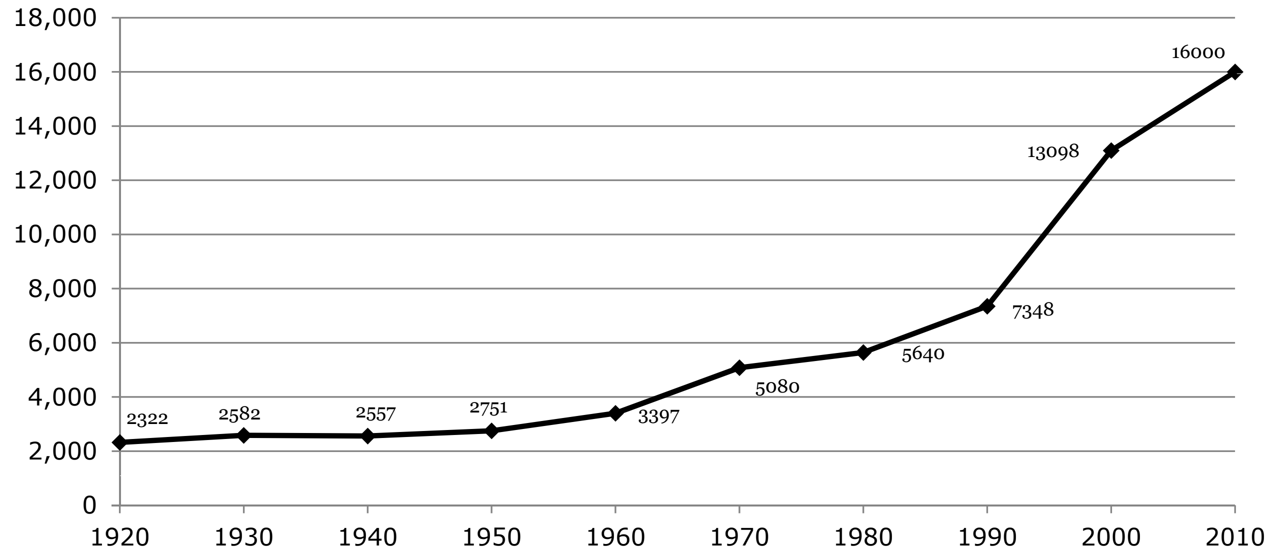
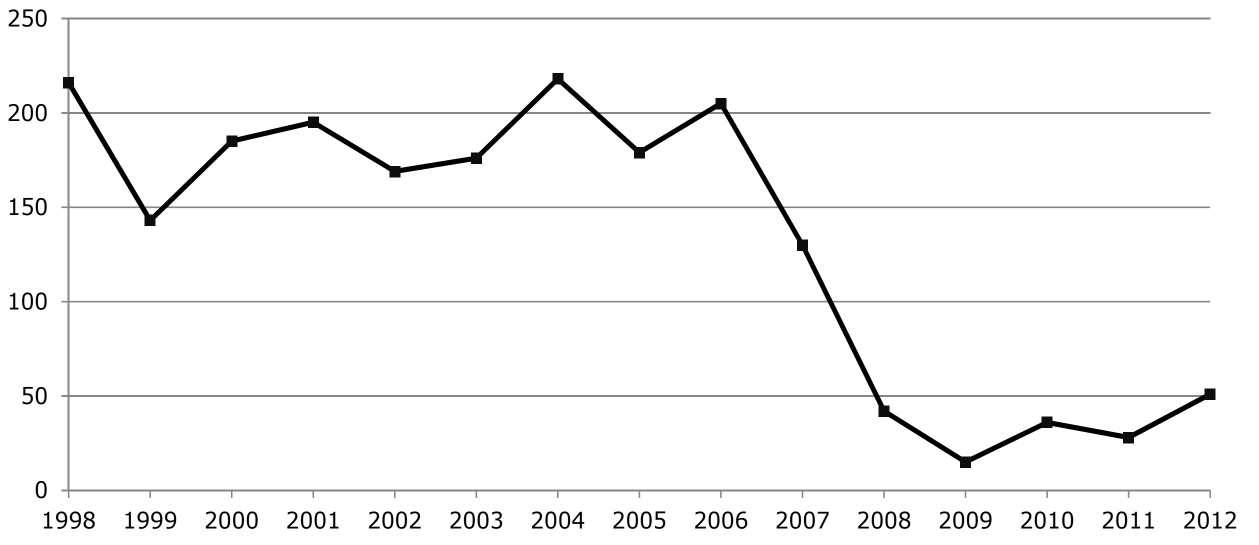


Figure 3-2. Lemont Building Permits for New Dwelling Units, 1998-2012 *Source: Village of Lemont Building Department.*



Village Size	in Sq Mi	in Acres
End of 1998	6.64	4,250
Added 1999-2012	1.78	1141
End of 2012	8.42	5,389

Figure 3-3. Village Size, 1998-2012

western and southwestern suburbs. The population of Will County grew almost 35 percent from 2000 to 2010. In that same period the population of Kendall County doubled. Meanwhile, Chicago's population decreased by nearly 7 percent, and Cook County's population fell by 3.4 percent. The trend of growth was away from Cook County, which has been the region's center of population since Illinois statehood. To a large extent, the increase in suburban population was accommodated by new single-family construction on greenfield sites. Numerous communities in the southwest metropolitan region, such as Plainfield, Frankfort, New Lenox, Mokena and Homer Glen, experienced significant growth not only in population but in land area as well. (See Figure 3-4.)

Concern over the dispersed, large-lot development patterns in the region and throughout the nation led to campaigns for Smart Growth and traditional neighborhood design. Nationally, the American Planning Association (APA) was a proponent of Smart Growth. In 2002 the APA declared:

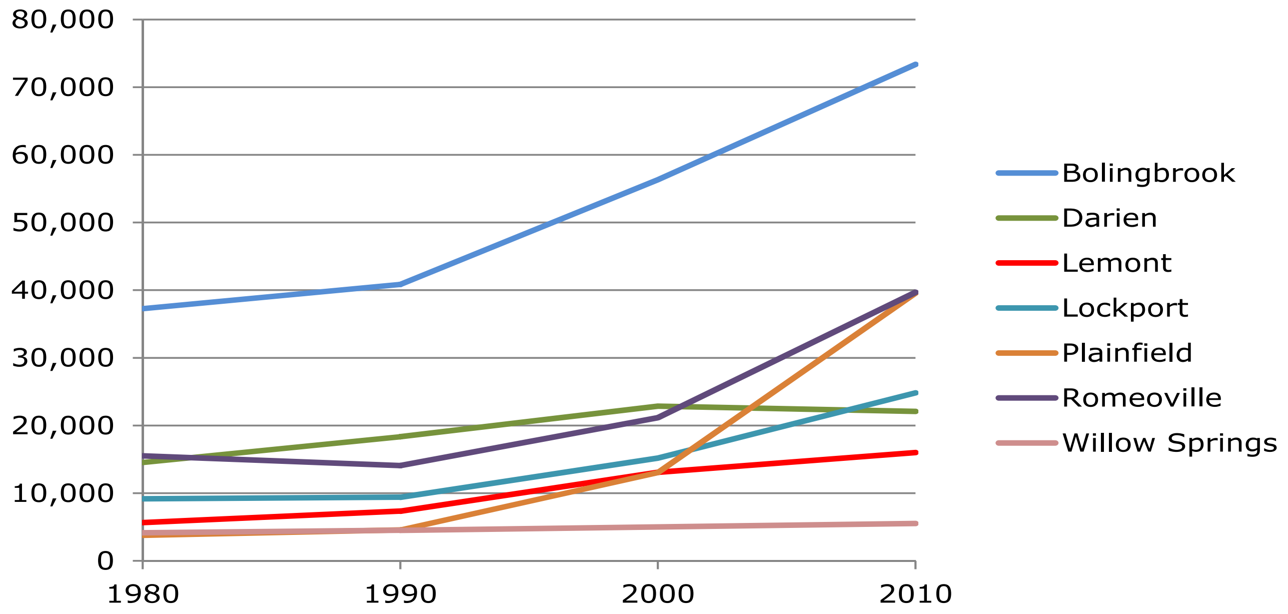


Figure 3-4. Comparison of Population Growth in Lemont with Nearby Towns, 1980-2010. *Source: US Census.*

> The American Planning Association supports the development of mixed use, mixed income livable communities where people choose to live, work, and play because they are attractive and economical options rather than forced decisions. The American Planning Association identifies Smart Growth as that which supports choice and opportunity by promoting efficient and sustainable land development, incorporates redevelopment patterns that optimize prior infrastructure investments, and consumes less land that is otherwise available for agriculture, open space, natural systems, and rural lifestyles. Supporting the right of Americans to choose where and how they live, work, and play enables economic freedom for all Americans.[1]

The Congress for New Urbanism, formed by a group of architects in 1993 who declared that they were "working against the conventional, predominant sprawl-oriented dogma of the post-WWII period," became perhaps the leading national organization promoting traditional neighborhood design (TND), i.e. walkable, mixed-use neighborhood development on relatively small lots.[2] Regionally, the Metropolitan Planning Council and CMAP championed both Smart Growth and TND.

Lemont flirted with SmartGrowth. The 2002 Comprehensive Plan urged the creation of open space, cluster and conservation design and cautioned against a pattern of scattered development. Neither the development pattern that has evolved over the last decades nor specific developments could be characterized as SmartGrowth. The most controversial development proposal concerned the old Leona Farm, a 131-acre site at the southwest corner of 131st Street and Parker Road. Development proposals floated by Montalbano Homes, the owner and prospective developer of the property, met stiff resistance from neighbors in Homer Glen and unincorporated Lemont Township. To be sure, much of the opposition was simply NIMBYism (Not In My Back Yard), but the neighbors nevertheless raised valid concerns over storm water management, density, housing product, and traffic. At one point an architecture/planning firm from Chicago was brought in to sell a land use plan that combined conservation design with traditional neighborhood design, but the plan and concepts were not warmly received.

Density on greenfield sites provoked local development controversy. In the 1980s St. Vincent DePaul High School and Litas Investing Co., Inc. sued the Village of Lemont over the development of territory north of 127th Street. The issue was settled by a Consent Decree in 1986, which allowed the creation of a large subdivision that eventually became known as Covington Knolls. In 2005 a proposal for development of the Ludwig farm to the north of 131st Street failed to gain traction, in large part because of the proposed density and a product mix including townhouses and rowhouses.

Transit-Oriented Development (TOD)

By no means did greenfield development account for all of the growth in Lemont or the region. Regionally, the booming housing market included the construction of condos and apartments centered on commuter rail transit in downtown areas (such as Naperville, Downers Grove, Orland Park, Arlington Heights and Des Plaines). The planning and construction of high-density housing

1 American Planning Association, "Policy Guide on Smart Growth," originally ratified by Board of Directors, April 15, 2002. Updated Guide adopted by Chapter Delegate Assembly and ratified by Board of Directors, April 14, 2012. The full text of the Guide can be found at: http://www.planning.org/policy/guides/adopted/smartgrowth.htm.

2 The quote is from CNU's website. More on CNU and its promotion of "walkable, mixed-use neighborhood development, sustainable communities and healthier living conditions" can be found at: http://www.cnu.org/.

near public transit, known as transit-oriented development (TOD), often involved public-private partnerships, and TOD was hailed as effective public policy.

Figure 3-5. The Lofts under construction, 2007. The photograph is of the westernmost building in the development.

Lemont undertook a couple of studies and efforts aimed at capitalizing on the location of the downtown along Metra's Heritage Corridor line. In the early 2000s the Village conducted two planning efforts that incorporated TOD principles: "Opportunities on the Waterfront" in 2002 and "Lemont Station Area Plan" in 2004.[3] "Opportunities on the Waterfront" examined the potential for reclamation and redevelopment of underutilized industrial properties for residential and commercial uses. Two years later the "Lemont Area Station Plan" expanded the geographic and thematic scopes of the 2002 planning effort by studying the interconnected themes of transportation, land use, and economic development in the downtown. This plan proposed the creation of approximately 241 dwelling units over two phases. The plan, however, was largely a study in transportation and urban design, and did not address the housing needs of specific demographic groups. The new housing units, for example, were to be simply "high-quality" townhouse and condominium units. Neither "Opportunities on the Waterfront" nor "Lemont Area Station Plan" were formally adopted or approved by the Village Board.

Also in late 2004 the Village embarked on a public-private planning and mixed-use development effort with Marquette Companies. To be sure, the effort followed TOD principles, and the partnership resulted in the creation of 82 condominium units along the I&M Canal, not far from the Metra station. But the collaboration with Marquette was mainly an attempt to boost

3 "Opportunities on the Waterfront" was completed with the assistance of Hitchcock Design Group. "Lemont Area Station Plan" was financed in part through a grant from the U.S. Department of Transportation, Federal Transit Administration, and the Regional Transit Authority. URS Corporation partnered with BauerLatoza Studio in completing the study. The document is dated November 5, 2004.

the economic vitality of the downtown. Other than marketing efforts that targeted first-time home buyers and empty nesters to the downtown, there was little emphasis on addressing the needs of specific demographics or anticipated housing needs of the entire community. Again, no formal plan was ever adopted.

Regionally, transit-oriented development usually manifested itself in mixed-use projects--condo or apartments on top of ground-floor retail—near Metra stations. In 2005, two small, mixed-use projects reintroduced a housing type that had been conspicuously absent from the housing boom of the 1990s and early 2000s: the multi-family dwelling. Building permits were issued for ten such dwelling units were permitted that year. The following year, when Marquette's Lofts mixed-use development got off the ground, building

Figure 3-6. Comparison of Lemont Housing Data with Selected Communities

	Burr Ridge	Hinsdale	LaGrange	Lemont	Naperville	Western Springs	Illinois
Population, 2011 estimate	10,559	16,816	15,550	16,000	141,853	12,975	12,869,275
Housing units, 2010	4,289	5,966	5,944	6,102	52,270	4,590	5,296,715
Ownership rate, 2006-2010	95.8%	84.2%	82.2%	87.1%	77.3%	96.2%	69.2%
Housing units in multi-unit structures, percent	10.6%	16.2%	29.6%	10.7%	24.8%	3.7%	33.0%
Median value of owner-occupied units, 2006-2010	$706,700	$829,400	$456,700	$375,500	$402,900	$557,600	$202,500
Persons below poverty level, percent, 2006-2010	2.4%	1.5%	4.1%	1.7%	3.4%	2.5%	12.6%

Definitions

A **housing unit** is a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied (or if vacant, is intended for occupancy) as separate living quarters. Separate living quarters are those in which the occupants live and eat separately from any other persons in the building and which have direct access from the outside of the building or through a common hall.

Housing units in multi-unit structures are units in structures containing 2 or more housing units. Some tabulations further categorized them as units in structures with 2, 3 or 4, 5 to 9, 10 to 19, 20 to 49, and 50 or more units. Excluded from this category are single-family homes, mobile homes, and occupied living quarters that do not fit in the previous categories, such as houseboats, railroad cars, campers, and vans.

A **housing unit is owner-occupied if** the owner or co-owner lives in the unit, even if it is mortaged or not fully paid for.

Value is the respondent's estimate of how much the property (house and lot) would sell for if it were for sale. This tabulation includes only specified owner-occupied housing units--one-family houses on less than 10 acres without a business or medical office on the property. These data exclude mobile homes, houses with a business or medical office, houses on 10 or more acres, and housing units in multi-unit structures. Certain tabulations elsewhere include the value of all owner-occupied housing units and vacant-for-sale housing units. Also available are data on mortgage status and selected monthly owner costs.

The **median** divides the value distribution into two equal parts: one-half of the cases falling below the median value of the property (house and lot) and one-half above the median. Median value calculations are rounded to the nearest hundred dollars.

Poverty status is determined by comparing annual income to a set of dollar values called poverty thresholds that vary by family size, number of children and age of householder. If a family's before tax money income is less than the dollar value of their threshold, then that family and every individual in it are considered to be in poverty. For people not living in families, poverty status is determined by comparing the individual's income to his or her poverty threshold. The poverty thresholds are updated annually to allow for changes in the cost of living using the Consumer Price Index (CPI-U). They do not vary geographically. The ACS is a continuous survey and people respond throughout the year. Since income is reported for the previous 12 months, the appropriate poverty threshold for each family is determined by multiplying the base-year poverty threshold (1982) by the average of monthly CPI values for the 12 months preceding the survey month.

Scope and Methodology

These data are collected in the American Community Survey (ACS). The data are estimates and are subject to sampling variability. The data for each geographic area are presented together with margins of error at factfinder2.census.gov. Some of the data are period estimates, that is, they represent the characteristics of the housing over a specific 60-month data collection period.

Source: US Census Bureau, http://quickfacts.census.gov/qfd/states/17

Figure 3-6. Duplexes at Woodglen, 2010. The Woodglen subdivision is comprised of duplex units with walkout basements.

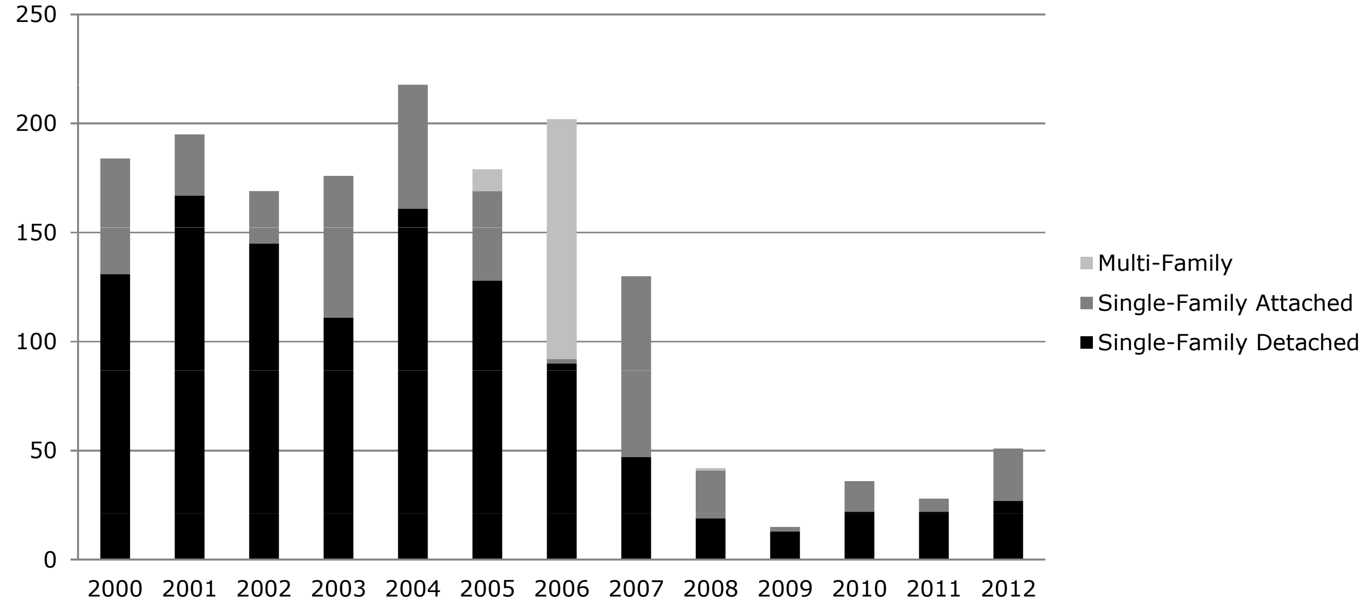


Figure 3-7. Number of Lemont Building Permits for Types of Units, 2000-2012.

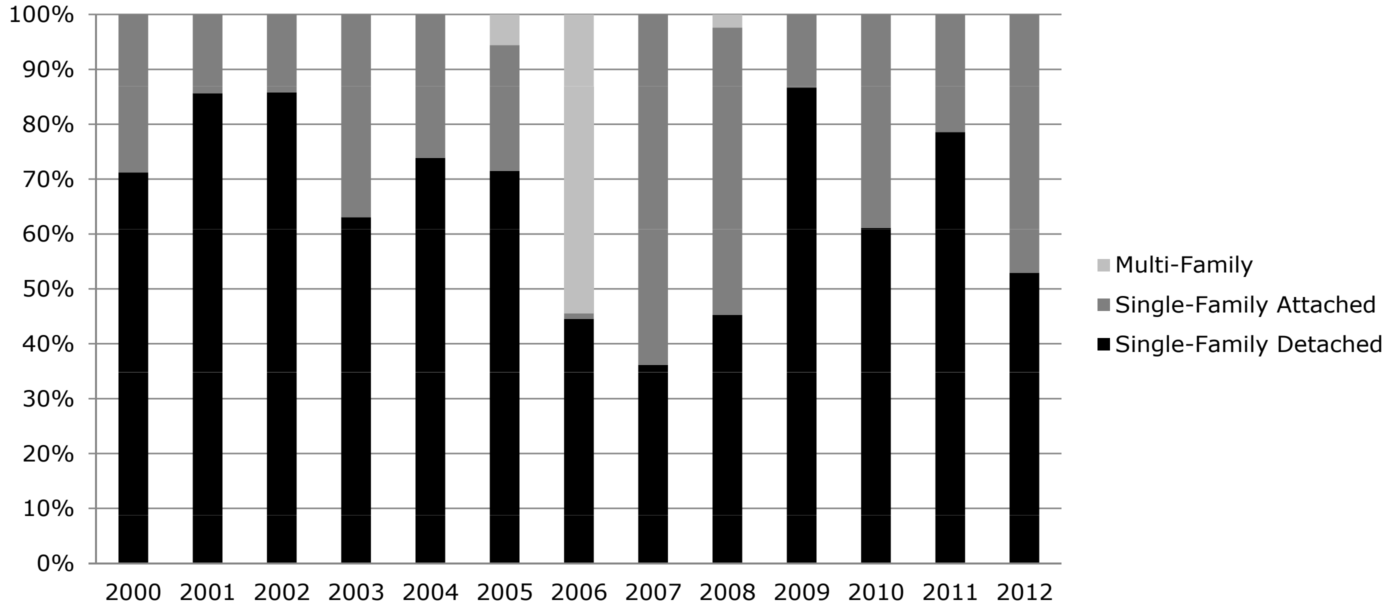


Figure 3-8. Percentage of Lemont Building Permits for Types of Units, 2000-2012.

While overall permit numbers have fallen since 2006, the percentage of units that are single-family attached (townhouse, duplex) and multi-family has generally shown a great increase. *Source for both charts: Village of Lemont Building Department.*

permits were issued for 110 multi-family dwelling units. Despite this surge in multi-family units, today Lemont's percentage of multi-family units remains relatively low (see Figures 3-6, 3-7 and 3-8 .)

Teardowns

The thriving economy and the accumulation of household wealth also fueled a demand for increasingly larger houses. The average floor area for a new single-family home in the Midwest region peaked at 2,331 square feet in 2008. This average was up from 1,655 square feet in 1982.[4] In 2002 the National Trust for Historic Preservation noted that a "disturbing new pattern of demolitions [was] approaching epidemic proportions in many historic neighborhoods across America." As the demand for larger houses grew, so did the search for alternatives to home sites that were not on the suburban fringe and thus would not require lengthy commutes. Older, smaller homes in established neighborhoods in communities with good transit connections or close to downtown became attractive as sites for newer, substantially larger homes. While many of these new homes replaced sub-standard housing stock, they were often viewed as being out of character with the surrounding homes. And as noted by the National Trust, many charming and historic homes were being lost to this "teardown" trend. Hinsdale and several North Shore communities were particularly hit with teardowns. A teardown frenzy in Kenilworth resulted in the town being placed on the National Trust's list of "11 Most Endangered Places" in 2006.

Analysis by the Village's Planning & Economic Development Department shows over 60 instances of what might be considered a "teardown" occurring in the Village from 2002-through early 2012. The demolitions were concentrated in the following areas: between Illinois Street and McCarthy Road and Julia and Holmes Streets; generally near the intersection of Czacki and Division Streets; Freehauf Street east of State Street; in the corridor between State Street and Singer Avenue, from Division Street to Peiffer Street. The Village made two attempts to limit the size of replacement homes. The first attempt was a zoning amendment that imposed a floor area ratio on homes in select areas of town. The second attempt—which ultimately appeared to satisfy those who had been concerned about oversized houses—was the creation of the R-4A zoning district and a revised formula for the permissible allowance of floor area. (See sidebar on Teardowns and the R-4A zoning district.)

Affordable Housing

In many communities in the region, the demand for housing and the construction of larger, more expensive homes resulted in increased housing values that effectively put housing out of reach for moderate and low-income households. Young adults starting new households often found it difficult to find affordable housing in the communities where they grew up. Single-parent families often struggled due to a drop in income attributed to divorce or loss of a spouse. Northeastern Illinois saw the number of rental units in the region decrease by over 7 percent from 1990 to 2006; in that same period the number of owner-occupied units increased by over 28 percent. In northeastern Illinois, since 1990, household incomes did not kept pace with increases in housing values. The gulf between household income and housing values dramatically grew wider in the region between 2000 and 2005.[5] Such trends have been abated, if not reversed, since the collapse of the housing market circa 2007.

Many people connote the term "affordable

4 U.S. Census Bureau.

5 CMAP, "Housing Preservation Strategy Report," Nov 2008.

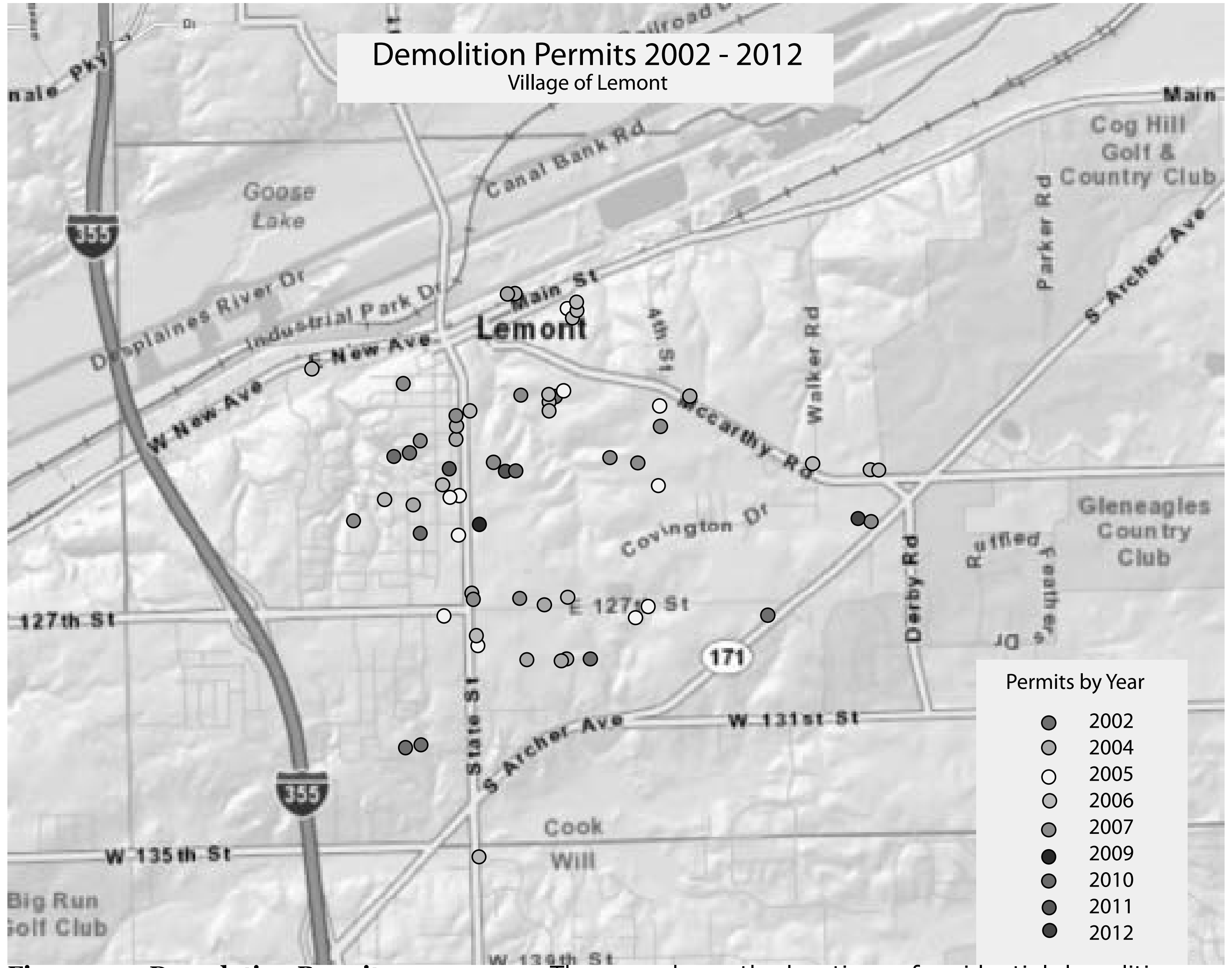


Figure 3-9. Demolotion Permits 2002-2012. The map shows the locations of residential demolitions in Lemont from 2002 through 2012. Most of these permits were associated with "teardowns," i.e. the replacement of an older, smaller home with a substantially larger one. *Source: Village of Lemont Building Department.*

Teardowns and the R-4A Zoning District

In response to the construction of several homes that were perceived to be out of character with the one of Lemont's older neighborhoods, and in anticipation of a tear-down trend that has swept other suburban communities, the Village of Lemont created the Residential Preservation and Enhancement Overly District in 2004. This area, commonly referred to as "the Infill District," contained a portion of the Historic District.

The Infill District had standards that sought to limit the bulk of new homes. During the re-drafting of Lemont's zoning regulations in 2006, the public voiced concern that these standards insufficiently inhibited teardowns and still allowed homes out of scale with the surrounding area. Residents—and in particular residents along or in the vicinity of Custer Street—felt these provisions would ultimately obliterate much of what they find appealing about the older areas of Lemont: quaint and charming (if not historically significant) homes; mature trees that dominate parcels and parkways; and houses in a variety of styles from the late 19th century through this decade.

Due to both the substantial geographic scope and nature of the Infill District, where large lots were sometimes interspersed with generally smaller lots, the Zoning Commission felt that an entirely new zoning district was warranted for the area. This new zoning district, called the R-4A, offered a new approach to bulk restrictions. Rather than the usual floor area ratio formula that was based solely on a pecentage of the lot size, the new approach granted a base house size of 1,600 square feet plus 16% of the lot size.

Example of Differences Between Former and Current Standards for House Size in the Infill District/R-4A:

<u>Former Infill District Calcuation</u>
Lot size 7,400 square feet
Maximum FAR = 0.50
7,400 x 0.50 = 3,700 sq. ft. maximum house size

<u>Current R-4A District Calculation</u>
Lot size 7,400 square feet
(7,400 x 0.16) + 1,600 = 2,784 sq. ft. maximum house size

The new formula tried to strike a balance between allowing homes that would meet today's demands for house space, yet prevent situations where someone could build a home that was out of character with surrounding rows of homes on smaller lots.

The R-4A and the new calcuation for maximum floor area did not halt teardowns, but both developers and residents appear satisifed with the new formula for determining maximum floor area.

housing" with multi-family rental housing, and such housing indeed comprises a large portion of affordable housing in the region. Unfortunately, community resistance to multi-family rental housing is common throughout the Chicagoland area and the United States. Some of this resistance is undoubtedly fueled by citizen sentiments against any type of local development. Often, the resistance is driven by fears that the multi-family housing will attract undesirable socio-economic, racial, and ethnic groups, and by fears that multi-family housing will lead to increased crime, burdened schools, and decreased property values. Opposition frequently is quite vocal and vigorous, and local appointed and elected officials often fail to support proposals for multi-family rental housing. Moreover, local land use policies and zoning regulations are often hostile to the introduction or expansion of multi-family housing in a community.

Advocates for affordable housing had long been concerned that local zoning and land use regulations were increasing social and racial stratification in the region. The practice of exclusionary zoning—the deliberate or non-deliberate exclusion of affordable housing through land use regulations—has been recognized for some time.[6] In an effort to increase the supply of affordable housing, the State of Illinois passed the Illinois Affordable Housing Planning and Appeal Act in 2003 (310 ILCS67/). The law mandated that municipalities and counties without at least 10 percent of their housing stock classified as affordable create and adopt an affordable housing plan by 2005.

Responsibility for the implementation of the law went to the Illinois Housing Development Agency (IHDA). The agency identified 49 communities in the state that failed to meet the 10% affordable dwelling threshold. All of the 49 communities were in the Chicago metro region, most in the northern suburbs. IHDA's latest list of non-compliant communities, based on the 2010 census, also includes 49 communities. Most of these communities have complied with the mandate and prepared affordable housing plans. However, a planning professor from UIC who studied local government responses to the state's affordable housing mandate concluded that "the copycat quality of the policy and implementation portions of the plans evidence little practical commitment to providing more affordable housing."[7]

The Village of Lemont met the threshold on both lists, i.e. based on the formula used by IHDA, over 10% of the housing in Lemont is considered affordable. Affordable housing for Lemont should nevertheless remain a concern. Lemont's absence from the non-compliant list may have more to do with the presence of many senior housing units in town than any actual policy efforts to stimulate the construction affordable housing. Indeed, many of Lemont's zoning regulations and land use policies appear to be inimical to the construction of affordable housing.

The issues concerning sprawl, teardowns, and affordability abated with the housing market collapse and economic downturn beginning circa 2007. Nevertheless the planning principles raised with these issues remain valid.

6 For a further discussion of national and regional affordable housing issues, see: Meck, Stuart, Rebecca Retzlaff and James Schwab, *Regional Approaches to Affordable Housing*, Planning Advisory Service Report Number 513/514 (2003), American Planning Association.

7 Hoch, Charles, "How Plan Mandates Work," *Journal of the American Planning Association*, Vol 73, No 1 (Winter 2007), p86-99.

Fair Housing

Often confused with affordable housing is fair housing. While affordable housing policy addresses the economic attainability of housing for all segments of the community, fair housing policy addresses equal access to housing. "Equal and free access to residential housing (housing choice) is fundamental to meeting essential needs and pursuing personal, educational, employment, or other goals. Because housing choice is so critical, fair housing is a goal that Government, public officials, and private citizens must achieve if equality of opportunity is to become a reality."[8]

As a recipient of community development funds from the U.S. Department of Housing and Urban Development (HUD), Cook County is required to "affirmatively further fair housing." The definition of "affirmatively furthering fair housing" has not been codified, but HUD has defined it through obligations of the funding recipients:

Conduct an analysis to identify impediments to fair housing choice within the jurisdiction

Take appropriate actions to overcome the effects of any impediments identified through the analysis

Maintain records reflecting the analysis and actions taken in this regard.[9]

The Village of Lemont has had a fair housing ordinance since at least 1992. This ordinance, however, does not include all of the protected classes as listed in federal, state, and county regulations and policies. Over the years the Village has undertaken various efforts to publicize its fair housing ordinance, but these efforts have been sporadic and uncoordinated. Nevertheless, the Village remains committed to fair housing, and its policy is hereby re-stated:

It is the policy of the Village that all individuals shall have an equal opportunity to purchase, own, lease, and occupy housing within the Village without being discriminated against based on race, color, religion, sex, national origin, ancestry, age, marital status, familial status, physical or mental handicap or disability, military status, sexual orientation, or legal source of income. It is also the policy of the Village that members of those protected classes shall have the right to be free from discriminatory practices when engaging in real estate transactions and seeking access to financial credit for real estate transactions. The Village's fair housing regulations shall be consistent with and, in some cases, more stringent than the provisions of the Fair Housing Act (42 USC Section 3601 et seq., as amended) and the Illinois Human Rights Act.

Accessibility and Visitability

Associated with fair housing is housing that is accessible to those with disabilities. "Accessible housing increases housing opportunities and choices for the elderly and persons with physical disabilities, and enhances convenience for non-disabled persons and children." A continuing issue is the lack of accessibility in single-family detached homes. Although most multi-family housing is now required to comply with the accessibility provisions of the Fair Housing Act, single-family housing and multifamily developments less than four units are not required to be accessible or have adaptable units. Visitability is a housing design strategy to provide a basic level of accessibility for single-family housing, thus allowing people of all abilities to interact with each other. Visitability standards do not require that all features be made accessible. As the population trends toward an older demographic, visitability and universal design will increase in importance.

8 *Fair Housing Planning Guide, Volume 1*, U.S. Department of Housing and Urban Development, Office of Fair Housing and Equal Opportunity.

9 Ibid.

Quality of Housing Stock

Historically, Americans have been extremely mobile. While one recent study suggests that internal migration is at a 30-year low, "the latest Census data reveal that that young people aged 25 to 29 are increasingly more mobile and willing to move to new cities, very often in new states, in search of jobs."[10]

People's choices on where they live are based on many factors, including family and ethnic ties, individual preferences, commuting options, and proximity to amenities and conveniences. The quality of local schools, perceptions of personal safety, and the anticipated stability or increase in their housing investment are also important. As family size and household financial resources change, households have varying options in housing reinvestment. Households can either reinvest in their current dwelling units, or enhance their housing quality by moving, thus leaving their dwellings and neighborhoods behind. Residential mobility thus has many and important implications for communities, and it remains one of the most important behavioral aspects to analyze when considering long-range planning and policy decisions. As stated over a decade ago by national housing experts:

For most households, housing characteristics, interacting with evolving stage-of-life preferences for various sizes, styles, cost, and quality of housing, are the dominant reasons for moving. Housing characteristics, therefore, also influence whether current or future residents will choose to reinvest in existing dwellings or purchase new ones. The small size of dwellings built in the 25 years after World War II may be a major obstacle to effecting enough housing reinvestments to achieve neighborhood stability…Every dwelling needs reinvestment to avoid being discarded when the first vital system (roof, walls, heating, water, sewer, electricity) no longer functions adequately (National Association of Home Builders, 1997). The well-being of neighborhoods, local governments, and regions is linked to reinvestment in structures. If the reinvestment motivation and capacity of too many current owners is insufficient, neighborhoods, local governments, and regions will suffer.

Jurisdictions with large concentrations of 40- to 50-year-old, 1,100-square-foot housing units are vulnerable to substantial reductions in median family (and per capita and per household) income from their relative income standing in the previous decades. "The abundance of small, middle-aged housing units in some suburbs probably caused them to decline faster in relative income than their central cities. It follows from this speculation that indicators of housing age and size should be used in assessments of dangers in strategic planning."[11]

As indicated above, the choice of households to not invest in its community and instead pack up and leave can have serious implications for neighborhoods

10 Molley, Raven, Christopher L. Smith and Abigail Wozniak, "Internal Migration in the United States," Journal of Economic Perspectives, Vol 25, No 3 (Summer 2011), p173-196, suggest that "migration rates have fallen for most distances, demographic and socioeconomic groups, and geographic areas." On the other hand, William H. Frey, senior fellow at the Brookings Institute, notes that young people are increasingly mobile. See Frey, William H. "America's Young Adults: A Genertion on the Move," at http://www.brookings.edu/research/expert-qa/2012/11/20-frey-qa.

11 Lucy, William H. and David L. Phillips, *Confronting Suburban Decline: Strategic Planning for Metropolitan Renewal*, Washington DC Island Press, 2000, p.16-17; 62. The authors advice examining housing value, household income and owner occupancy. On p.231 the authors note that an interpretation of a community's movement away from the region's measures of central tendency is more useful than measuring only increases or decreases from their own previous levels. Increases in population or population density are not good indicators of the attractiveness and health of a community.

and towns. Across the Chicago region, municipalities are increasingly competing to retain and attract affluent and middle-income residents with sufficient financial means to pay taxes, invest in housing, locally purchase goods and services, and continue to populate public schools. The quality of the housing stock in the community, and hence the measuring and monitoring of that quality, become important as well. To remain attractive for new residents—and retain current ones—both the range and quality of Lemont's housing stock need to be continually assessed and addressed as necessary.

The housing age and quality of Lemont's housing are not homogeneous; indeed the age of Lemont homes is truly diverse. The historic district contains a couple of residences that date from the 1850s and 1860s and numerous homes from the 1870s and 1880s. Other areas near the historic core of the town are filled with both modest and substantial homes from the 1890s through 1920s. Subdivisions on the fringes of town are lined with two-and-a-half story, masonry homes of substantial size and bulk. These homes are, in general, extremely well maintained and filled with the numerous modern amenities.

Throughout the town, Lemont homes are well maintained, and there is hardly a neighborhood or residential block in town that one would characterize as blighted. The one area of town that might raise immediate concern in the R-4A zoning district, which contains an abundance of small one-story frame homes built in the immediate years after World War II. As noted above, the small size of the homes built in the 25 years after World War II pose "a major obstacle to effecting enough housing reinvestments to achieve neighborhood stability." While many of these homes appear to be the most tired-looking of residences in Lemont, a review by the Planning & Economic Development Department indicates that home re-investment is nevertheless occurring within the R-4A.[12] Indeed, the review did not reveal any particular neighborhoods in town where substantial reinvestment in homes was lacking. (See Figure 3-9). As previously noted, most of the teardown activity in town is occurring within the R-4A—another indication that the area remains attractive for residential property reinvestment.

The Planning & Economic Development Department also compared the number of permtis for new dwelling units to the number of permits selected remodeling activities for the years 2006-2012. Permit applications for home improvements and renovations dipped in 2009-2011, the drop was not nearly as significant as the decrease in new home construction permits. Again we see that despite the economic downturn and lack of new home construction during this period, Lemont's homeowners continued to maintain or improve their properties.

For the moment, it appears that neither the age nor the quality of Lemont's housing stock poses a threat to the long-term social and economic stability of any of the Village's neighborhoods. Nevertheless, as Lemont's existing housing stock continues to age and as the availability of new homes increases, reinvestment in the older homes in town will remain important.

Building and fire codes sometimes do not support the rehabilitation of older units, particularly in multi-family buildings. Similarly, building and fire codes often inhibit the conversion of office or other commercial space into residential uses. See the sidebar [in the downtown chapter] for an examination of this issue.

12 The review looked at the number and geographic distribution of permits for major home remodeling or renovation projects: basements, room additions, window replacement, roof replacement, or room remodeling.

Looking Ahead—Regional Housing Issues

A decade ago there was a major shortage of affordable housing in the region. Large tracts of farmland were being consumed for development. Housing was viewed as an excellent investment. Credit was easy, and a home could be purchased with virtually no money down. In the last seven years, however, the regional housing market has changed dramatically. Foreclosures have hit the region hard, and 282,000 homes or apartments remained vacant, many abandoned by homeowners and lenders. Home prices, on average, dropped an alarming 33 percent from 2007 to 2011, and 25 percent of homes were "underwater," i.e. the mortgage was more than the resale value of the home.[13]

The regional and local housing markets perked up in 2012. Over 50 dwelling units were created in Lemont in 2012, and the last half of that year was especially strong. M/I Homes started construction of the Courtyards of Briarcliffe, the first new residential subdivision to begin since 2006.

Looking ahead, the current glut of foreclosed and vacant homes will subside. According to CMAP, population in the six-county Chicago region is projected to increase from eight to ten million by 2035. Both the current senior and Latino populations will double by 2035.

The broad demographic shifts in the nation and the Chicago region will also affect Lemont. Up until the 1960s, half of US households had children. Today only one-third of households have children, and the share of households with children is expected to continue its decline, perhaps sinking to one quarter. The greatest housing demand will be generated by households without children, and it is possible that these households will prefer something rather than single-family detached homes on large lots in homogeneous subdivisions. In general, however, Americans still want their castle. According to a 2011 study by the National Association of Realtors (NAR), 80 percent of respondents would prefer to live in a single-family detached home if they had the option.[14]

Nationally, as preferences for the castles meet the new demographic and economic realities, a large unmet demand for housing other than single-family detached residences on large lots is emerging. The housing market, long dominated by baby boomers, will be more affected by the post-baby boom generations and immigrants. And despite that desire for a castle, numerous polls, including a 2004 NAR survey, indicate that people desire neighborhood attributes more akin to mixed-housing and small-lot development: access to transit, ability to walk to school and shops, less yard maintenance. (See sidebar on Gen-X and Gen-Y housing preferences.)

Figure 3-8. Preference for a castle. New home construction in the Braircliffe subdivision, 2012.

13 Figures in this section is from *Homes for a Changing Region, Phase 3: Implementing Affordable Housing Plans at the Local Level*, Metropolitan Mayors Caucus, MPC and CMAP, 2012.

14 Nelson, Arthur C., "The New California Dream: How Demographic and Economic Trends May Shape the Housing Market," 2011, Urban Land Insititute, 2011, p.15-26. Despite the title of the report, Nelson is here discussing trends for the entire United States.

Figure 3-9. Preference for a castle. New home in the Glens of Conemarra subdivision, 2012.

Recent mistakes that contributed to the housing market collapse were identified in *Homes for a Changing Region*, produced by the Metropolitan Mayors Caucus, the Metropolitan Planning Council, and the Chicago Metropolitan Planning Agency. The mistakes made throughout the region were:

- Building too many large-lot, single-family homes priced beyond the reach of moderate and middle-income families.
- Building too few moderately-priced dwelling units, whether small-sized detached homes or attached homes.
- Not creating housing options for multi-generational families that want to live together.
- Not focusing on the need for rental housing, especially affordable rental housing.

These lessons learned help inform the recommendations and implementation action items below.

Recommendations

Lemont's largest housing-related challenges for the horizon of this plan will be: creating and maintaining an appropriate mix of housing types, including affordable housing; managing growth on greenfield sites, spurring more infill development; and monitoring and maintaining reinvestment in Lemont's housing stock.

Increase the Range of Housing Options and Affordable Housing

The US Census for 2010 reported that Lemont has 6,100 housing units. The housing stock consists predominately of single-family detached dwellings. The geographic distribution of these single-family homes is widespread, covering every area of the community, including the downtown. Certain areas in the heart of the downtown—the northern end of Stephen Street or Talcott Street, for example—include rows of small, wooden-frame, single-family homes dating from the late 19th and early 20th centuries. Two-flats are pervasive in certain areas of the Village, particularly in and near the downtown and the older residential areas east and west of State Street to the north of Peiffer Street. It is uncertain how many of these two flats may have been legally established decades ago prior to the adoption of the first Lemont Zoning Ordinance in 1958. Despite the awareness of two-flats in areas where zoning regulations prohibit them, the Village has not aggressively pursued their removal.

While not sharing the ubiquity of the single-family detached dwelling units, clusters of townhouse units are nevertheless found in many areas of the Village. The territory to the southeast of Archer Avenue contains only one exclusively townhouse development (but another three have relatively small components of townhouses). The 2002 Comprehensive Plan (p. 30) stated:

This area [southeast of Archer Ave] is relatively low-density, dominated by single-family residential subdivisions, scattered rural estate lots (typically done by assessment plats), golf courses and cemetery, and forest preserve use. It appears to have the greatest potential for development. This plan recommends that a distinction be made between "town" and "country", with Archer Avenue in general as the break between the two.

By and large elected officials followed this recommendation, approving only a senior housing development along 131st Street (see paragraph below) and one small townhouse development to the immediate south of Archer Avenue.[15] Other applications or inquires for attached single-family housing in this area were not favorably received.

Multi-family housing, i.e. apartments and condominiums, are limited in both number and geographic distribution within the Village. This statement is especially true of one eliminates senior housing from consideration. The downtown area offers apartments or condominiums primarily in mixed-use buildings. Two other clusters of apartment buildings are found in the State Street/Eureka Street area and along the eastern end of Short Street. The only multi-family housing found south of 127th Street is along St. Andrews Court. Senior housing is located in several areas throughout town, including the downtown, the Franciscan Village at the corner of Main Street and Walker Road, the southeast corner of Walker Road and McCarthy Road, and the Lithuanian World Center. In 2008 the Village annexed territory and approved a senior housing development at the southeast corner of 131st Street and Parker Road. The downturn in the housing market, with seniors being unable to sell their homes and downsize into such senior housing developments, meant that this proposed project never broke ground.

15 The townhouse development, Prairie Ridge, was on a 4.6-acre site at 13201-03 Archer Avenue. It was granted preliminary approved by Ordinance O-45-06 on July 24, 2006. A final plat and plans were never submitted, and the preliminary PUD approval has since expired.

Generally, the Village should be more receptive and do more to encourage single-family attached and multi-family housing. Such housing will meet the changing demands of a local housing market that has been dominated by baby boomers for the last 40 years. These different housing options should also prove attractive to the baby boomers, whether from Lemont or elsewhere, who will increasingly seek to shed their large single-family detached homes.

Additionally, the Village should be more receptive development proposals that mix housing types. Developments that offer single-family detached homes alongside duplexes or townhouses, for example, offer many social benefits, e.g. options for extended families with members at different life stages to live in proximity to one another, and have proven attractive in the marketplace. A step in this direction was taken when the Village amended the Glen Oak Estates annexation agreement. During the stakeholder meetings that were part of the amended annexation agreement negotiations, it was clear that a development mixing single-family detached homes, townhouses and duplexes was acceptable. The developer ultimately decided to limit the product to single-family detached homes, but still provide three different options. The amended plans for the development—now known as Kettering—provide for three different types of single-family homes: large homes on 12,500 square foot lots; slightly smaller homes on 10,000 square foot lots; and small one-story homes on 6,000 square foot lots intended to attract empty-nesters.

In the near-term, the existing supply of entitled but undeveloped subdivisions will need to be absorbed. The aforementioned Kettering development was the first example of an unbuilt subdivision's plans being drastically altered. The Village should remain open to proposals that would modify the housing product and site plans for other approved developments.

Likewise, the Village should re-evaluate the policy and zoning restrictions on location of single-family attached housing: townhouses, duplexes, two-flats. Infill sites in and near the downtown or on yet-to-be-annexed greenfield sites on the periphery of the Village could be appropriate for such developments.

The Village should re-consider granny flats or two-flats as housing products aimed at accommodating multi-generational families who want to live together. The two-flat has proven popular in the immigrant communities, and their availability in Lemont could help continue to attract immigrant groups such as the Lithuanians and Polish to town.

Another housing product that is missing from the Village's mix is rowhouses. Rowhouses were intentionally excluded from the mix when Lemont's zoning regulations were overhauled in 2006-2008. The Lemont Unified Development Ordinance of 2008 defines townhouses as "Three to five dwellings that are attached to each other by vertical party walls…" The limit to five dwellings in a row effectively means no rowhouses can be built in town. The Village should amend its zoning regulations to allow the inclusion of rowhouses—six or more dwellings attached to each other by vertical party walls—in the R-5 and R-6 zoning districts.

While the number of townhomes has increased within the community over the past 15 years, the number of apartment or condominium units has remained relatively flat. The one big boost to multi-family units came

Rehab Codes and New Apartments

According to *Rebuilding Community: A Best Practices Toolkit for Historic Preservation and Redevelopment* by the National Trust for Historic Preservation, "[m]ost states have building codes designed only for new construction. These regulations can force people who are rehabilitating older buildings into undertaking costly and unnecessary work, especially in mixed-use buildings."

Attempts to reconcile the rehabilitation of older, existing buildings with building codes drafted to regulate new construction go back to the 1960s, when initiatives to fight blight and encourage redevelopment where stymied by stringent local building codes. Initially, in the 1960s, the patchwork of local building codes was seen as inimical to fighting blight and expanding the availability of affordable houing. Later, conservative economists and others opposed to excessive government regulation began attacking building codes. Still later, focus shifted to developing new codes to address housing rehabilitation and to addressing environmental concerns by encouraging the preservation of existing buildings. The greenest building, it is said, is one that already exists.

We often think of regulation as simply a governmental concern, but in the case of the building construction industry that has not been the case. Long ago insurance companies promoted standards for construction, and today municipalities in many states usually adopt model codes developed by one or more of a variety of private groups (e.g. Building Officials Conference of America, International Code Council). Some states have developed their own set of building and fire codes. As early as the late 1970s Massachusetts adopted a new section for its building codes to address work on existing buildings.

By the early 1980s there was recognition by HUD as well as others in the housing, construction, and code-producing industries that two common triggers for building and fire code measures—the change of use and the 50% cost of construction rule—were perhaps inappropriate to use on older buildings.

In response to some of the concerns over building codes expressed above, regional code bodies began to modify their model codes or create new ones devoted to existing buildings. BOCA issued the Existing Structures Code in 1984 and the ICBO issued the Uniform Code for Building Conservation in 1985. Local building and fire code officials did not embrace these new existing-building codes.

The State of New Jersey was the first state in the country to adopt a subcode to deal with improvements to older buildings. The 1999 New Jersey Rehabilitation Subcode, or "Rehab Code," requires structural and safety regulations that work with the existing buildings' height, area, construction type, fire resistance ratings, zoning, and fixed dimensions, rather than demanding alterations that are costly for older buildings. The Rehab Code has proved wildly successful at accomplishing its economic development goal: during the first year of its implementation renovation work in New Jersey's 16 largest cities increased from $363 million to $511 million.

The Rehab Code has been successful "because it works with the existing characteristics of a building. The code does not require that work done to an existing building meet the same code as a newly constructed building, thus making adaptive use more feasible and encouraging urban reinvestment" (NTHP, p.13). In short, the Rehab Code has proven to be more affordable while simultaneously ensuring building safety.

In an effort to promote these existing building, or "rehab codes," HUD commissioned an effort that led to the release of the Nationally Applicable Recommended Rehabilitation Provisions (NARRP). According to HUD:

The purpose of NARRP is to set forth a regulatory framework that will encourage the continued use or re-use of legally existing buildings through a predictable system of requirements that will maintain or improve public health, safety, and welfare. The intention is to clarify the requirements that apply when different types of work are performed in existing buildings, and to establish proportionality between the work an owner of an existing building intends to do on a voluntary basis and the additional improvements required to accompany that work as a matter of regulatory policy. A regulatory framework that achieves such proportionality will go far towards ensuring that building rehabilitation work will be both affordable and cost effective.

NARRP was not a code itself, but rather a framework on which other codes could be built. Instead of lumping all potential work on a building together under one regulatory set of standards, NARRP advocated creating more precise categories of redevelopment and then also creating corresponding regulatory requirements for each of those categories. NARRP broke potential work on a building out as: repair, renovation, alteration, reconstruction, change of occupancy, and addition.

In 1999 the ICC responded to the growing interest in rehab codes by forming a drafting committee to develop its own such code. The result was the International Existing Building Code (IEBC), first issued in 2003. The IEBC built on the concepts and philosophies of NARRP and the New Jersey Rehab Code. The IEBC was designed to fit nicely into the family of the other I-codes, and it is continuously updated. The changes are coordinated with updates to the other I-codes. At least 13 states of adopted the IEBC.

Not to be outdone, the National Fire Protection Association developed its model code for existing buildings, the NFPA 5000.

There have been several case studies involving the implementation and benefits of these model codes. However, most of these case studies dealt with saving associated with elevators, electrical work, or building materials rather than fire safety.

in 2006-07 with the construction of the 82-unit, mixed use Front Street Lofts in the downtown. (See Figure 3-7.) Proposals for multi-family dwellings have aroused resistance and suspicion. Rental housing, it is feared, will attract undesirable elements to the community.

The Village should encourage products and developments aimed at expanding affordable housing options within the community. To be sure, Lemont was not among the 49 Illinois communities failing to meet the 10% affordable dwelling threshold. The Village's staff and elected officials must educate citizens on housing issues and assuage fears over multi-family project proposals. The Village should also re-evaluate its allocation of land devoted to R-6 zoing. (See Land Use chapter for further discussion.)

Poor site design and poor architecture contribute greatly to people's unfavorable perceptions of affordable housing. Good design, therefore, could go a long way to assuaging such concerns over a potential project. This chapter contains specific recommendations for the design of multi-family housing.

And finally, the Village should remain open to inter-jurisdictional discussions aimed at addressing a regional fair share of affordable housing distribution.

Re-evaluate and Manage Greenfield Development

To meet the anticipated housing needs over the next decades, will need to re-evaluate its policies toward greenfield sites that remain for potential annexation and development. Specifically, the Village should modify and clarify the goal of maintaining the area southeast of Archer as "country." The Village should no longer feel the need to match existing product types or housing densities when encouraging or evaluating specific development proposals for these greenfield sites. This topic is further discussed in the Land Use chapter.

Encourage Infill Development

The cost burdens of converting office space to residential units should be reduced. The Village and Lemont Fire Protection District should explore the adoption of the International Rehabilitation Code and/or amendments to existing building and fire codes. R-4A zoning could be amended to allow two-flats on corner lots. Additionally, the Village should examine expanding the territory devoted to R-5 zoning. (See the Land Use chapter for additional discussion.)

Reinvestment in Lemont's Housing

The Village should seek to preserve the community's existing housing stock. The following statement should be applied to Lemont: "The preservation of older market-rate owner-occupied and renter-occupied housing, much of which is affordable to low-income households, should be used as a filter whereby land use choices and decisions are made on new development or proposed redevelopment projects."[16] The impact of stringent building and fire codes on the rehabilitation of existing housing should be addressed. The focus should be on making the requirements of such codes more supportive of rehabilitation. The Village should adopt the International Rehabilitation Code.

Furthermore, the Village should continue to monitor reinvestment in its existing homes, particularly the residences in the DD and R-4A zoning districts that contain the Village's oldest homes and the largest share of the Village's homes built in the decade following World War II. Lack of re-investment should be addressed through various programs, including, where feasible, the use of Community Development Block Grant money.

16 American Planning Association, "Policy Guide to Housing," p. 7.

Re-invigorate Fair Housing Efforts

Lemont's policy on fair housing remains consistent with federal, state, and county policies. The Village's Fair Housing Ordinance from 1992 nevertheless needs review and updating. Moreover, the Village should adopt a Fair Housing Plan. Such a plan should seek to increase awareness of fair housing issues and ensure that potential fair housing violations can be easily reported. And despite staffing and budget constraints, the Village should analyze impediments to fair housing choice in Lemont. Training of staff and workshops with local real estate brokers should also be considered as part of a Fair Housing Plan. The table below, Implementation Action Area #4—Fair Housing, lists specific recommendations for inclusion in a Fair Housing Plan and for bolstering the Village's fair housing policy.

Preserve the Single-Family Character

Almost any community's identity is forged by the type, quality, and maintenance of its housing stock. Lemont is no different, and for decades our town has been one of predominately single-family detached homes. This should remain so. Other recommenations contained within this chapter for a varied housing mix should not be considered in conflict with this recommendation to preserve the single-family character. The Village should plan for and regulate the orderly integration of urban single-family attached and multi-family building forms within suburban single-family residential neighborhoods.

Implementation Action Areas

The tables on the next pages summarize the housing element's recommendations and responsible parties for addressing housing issues.

Implementation Action Area #1 - Amend Zoning Regulations

Change zoning standards for R-4 zoning to allow smaller lots with reduced yard setbacks **LEAD IMPLEMENTERS:** Planning & Economic Development Dept Planning & Zoning Commission	As part of the effort to re-evaluate greenfield development, the Village should consider the creation of a new zoning district, R-4B, aimed at allowing single-family home construction on smaller lots. Requirements for lot size, width and setbacks should be slightly reduced from the current R-4 zoning standards. Zoning standards for this new zoning district could be: minimum lot size of 10,500; minimum lot width of 80 feet; minimum side yard setback of 12 feet; minimum front yard setback of 20 feet. Smaller lot sizes should be tied to controls over the size of the house on the lot, e.g. standards similar to the Village's floor area allowance in the R-4A. Additionally, subdivisions with such lot standards should be required, though PUD, annexation, or other zoning control, to contain adequate open space.
Change zoning regulations and definitions to allow the construction of "rowhouses" **LEAD IMPLEMENTERS:** Planning & Economic Development Dept Planning & Zoning Commission	The Village should do more to encourage single-family attached and multi-family housing. Current zoning regulations effectively prohibit the construction of rowhouses, i.e. groups of townhouse units more than three abreast. The rowhouse product should be allowed as of right in the R-5 and R-6 zoning districts. The allowance for rowhouses should be coupled with a requirement for articulation of the façade, i.e. one or more units should protrude from the plane of the other façades.
Allow construction of two-flats and/or duplexes on corner locations within otherwise exclusively single-family zoning districts **LEAD IMPLEMENTERS:** Planning & Economic Development Dept Planning & Zoning Commission	The Village should do more to encourage single-family attached and multi-family housing. Two-flats—at least legal ones—are uncommon in Lemont. This housing product offers great opportunities for multi-generational usage, or provides an income-producing opportunity for homeowners. Two-flats have been successfully blended within the fabric of single-family neighborhoods in many urban environments, and with attendant design controls, need not appear out of place. The placement of such buildings on corner locations can greatly imrprove the integration of the buildng form into a more suburban environment and thus help preserve the single-family home character of the town.

Implementation Action Area #2—Achieve and Maintain Right Housing Mix

Encourage and favorably consider residential planned unit development proposals that contain a range of housing products **LEAD IMPLEMENTERS:** Planning & Economic Development Dept Planning & Zoning Commission Village Board of Trustees	In Lemont, planned unit development proposals have—with only two exceptions over the last 15 years—contained only one type of housing product, e.g. all townhouse units or all single-family homes. Additionally, approval of annexations and planned unit developments should be more closely tied to considerations of the balance of housing products.
Staff should monitor dwelling unit construction and home buying trends and periodically provide elected officials with reports of those trends **LEAD IMPLEMENTERS:** Planning & Economic Development Dept Building Department	The Building Department tracks construction activity. Staff, primarily through functions with the Lemont Area Chamber of Commerce, receives antidotal information on home buying activities in town. Planning & Economic Development staff should meet periodically with real estate brokers to obtain information on home buying trends in Lemont. Likewise, staff should track regional home construction and home buying trends. The data from on housing construction and the information from the realtors should be analyzed and reported to elected officials on at least an annual basis. Such reports should form the basis for continuing discussions of the appropriate housing balance and potential amendments to the comprehensive plan.
Encourage Two-Flats **LEAD IMPLEMENTERS:** Planning & Economic Development Dept Planning & Zoning Commission	Two-flats—at least legal ones—are uncommon in Lemont. This housing product offers great opportunities for multi-generational usage, or provides an income-producing opportunity for homeowners. Two-flats have been successfully blended within the fabric of single-family neighborhoods in many urban environments, and with attendant design controls, need not appear out of place.

Implementation Action Area #3—Increase the Supply of Affordable Housing

Reduce the practice of incorporating provisions in development approvals that result in more expensive construction **LEAD IMPLEMENTERS:** Planning & Economic Development Dept Planning & Zoning Commission Village Board of Trustees	In Lemont, annexation agreements and planned unit development ordinances of often include requirements that increase the cost of home construction. The most common manifestation of this has been provisions for brick facades or high percentages of brick on exteriors. Likewise, the Village should reconsider its recent prohibition on vinyl siding on construction on new single-family homes. To be sure, there will be subdivisions and developments that seek to attract high-end buyers. However, the Village should limit the incorporation of such provisions to a select number of new developments or perhaps require them on only a portion or certain phases of new developments. The Village avoid requirements for minimum house size, minimum number of bedrooms, or other such minimum requirements.
In the downtown, remove regulatory barriers to the conversion of commercial space to residential space. **LEAD IMPLEMENTERS:** Planning & Economic Development Dept Building Department, Lemont Fire Protection District	Recent attempts of downtown property owners to convert office space to apartments have run afoul of the Lemont Fire Protection District's fire code and/or the Lemont Building Code. The Village and LFPD should adopt the International Rehabilitation Code or make other appropriate changes to the existing building and fire codes.
Improve citizen perceptions of affordable housing by ensuring good design **LEAD IMPLEMENTERS:** Planning & Economic Development Dept	Poor site design and poor architecture contribute greatly to people's unfavorable perceptions of affordable housing. Good design, therefore, could go a long way to assuaging such concerns over a potential project. See sidebar on specific recommendations for the design of multi-family housing.

Implementation Action Area #4—Re-invegorate Fair Housing

Appoint a Fair Housing Officer; publicize the officer's role. **LEAD IMPLEMENTERS:** Mayor Village Administrator Planning & Economic Development Dept	The mayor should appoint a Fair Housing Officer who will have oversight of the Village's Fair Housing policy and who will function as the initial point of contact for those having inquiries or concerns about fair housing. The appointment of the officer and the officer's function should be publicized. Residents should be encouraged to contact the Fair Housing Officer, and contact information and details on fair housing should be prominently displayed on the Village's website and in other appropriate Village documents or media.
Consider the use of CDBG grant money for purposes other than water/sewer repair **LEAD IMPLEMENTERS:** Planning & Economic Development Dept Village Engineer Village Administrator	Like many eligible municipalities in Cook County, the Village has used CDBG grant money for projects related to water main replacement. The Village should consider the use of CDBG money for other eligible projects, such as: streetscape improvements, housing rehabilitation, and correction of building and fire code deficiencies.
Consider visitability programs and building code amendments to improve accessibility in single-family homes. **LEAD IMPLEMENTERS:** Building Department	Accessibility can be improved with the concept of visitability and even more so with universal design. Universal design incorporates features that make homes adaptable to persons who require handicapped access without negatively impacting curb appeal or value. Many universal design features make a home more convenient and mitigate common household safety hazards (American Planning Association, "Policy Guide to Housing")

Economic Prosperity Element

VISION

In 2030, Lemont will have a thriving business community with few vacant commercial buildings. Downtown Lemont will be a vibrant mixed-use district full of unique shops, restaurants, offices, and homes. Lemont will be a desired destination for visitors from outside the community.

GUIDING PRINCIPLES

1. Village codes and permitting processes should strike an appropriate balance between facilitating development and protecting public health and safety.
2. Patronizing local businesses keeps money circulating in our local economy, thereby benefitting local businesses and local taxing bodies. "Shop Lemont First" should be the ethic of government agencies, local businesses and residents.
3. By providing retail development consistent with local demand, Lemont residents will have adequate choices within the community to meet most of their retail shopping needs.
4. The Village should adopt an aggressive approach to business attraction and retention in order to overcome challenges to achieving our vision for economic prosperity.
5. Creating local employment opportunities for residents provides many benefits to our community including environmental benefits from shorter commutes and strengthened social ties among citizens who live and work locally.
6. The downtown, I&M Canal, and the Heritage Quarries Recreation Area are unique assets and should be further cultivated to be attractive destinations for residents and visitors.
7. The Village, along with other partners like the Chamber of Commerce, should actively promote Lemont as a destination for visitors as a way to import spending to our local economy.

INTRODUCTION

In many ways, any local community's economy is a reflection of larger regional, national, and international trends, driven by forces far beyond the control of a local municipal government. Lemont, like the region and the nation, does not have the same level of manufacturing activity and the accompanying manufacturing jobs that it once had. The health care industry has grown locally and nationally as a reflection of the increasingly complex nature of health care and the aging population in the United States. Regionally and locally there has been limited total job growth over the last ten years.[1]

Although all local economies are pushed and pulled by larger trends, each place has its own unique assets and challenges. While Lemont is in one of the most educated metropolitan areas in the country, Lemont's residents and local workforce have higher rates of educational attainment than the Chicago

[1] US Census Bureau, Longitudinal Employer-Household Dynamics (LEHD) Program, http:onthemap.ces.census.gov/

region (38.7% of population 25 and over with a bachelor's degree or higher vs. 34% for the region).[2] Although Lemont is located within the second most populous county in the country, we are unique in that we still have hundreds of acres of land available for new residential or commercial development within Lemont township.[3] Many of Lemont's neighbors like Woodridge and Darien, were not developed until the 1950's -60's; Lemont's origins go back to the 1830's. Our neighbors do not face the same challenges of replacing and updating aging infrastructure as Lemont.[4]

How do we take advantage of our unique assets and overcome our unique challenges to reach our vision for economic prosperity? This plan suggests an ongoing, comprehensive economic development effort focusing on: (1) specific industries that are likely to be attracted to Lemont's unique strengths; and (2) key areas in and around Lemont with the highest potential for current and future economic activity.

TARGET INDUSTRIES

Target Industries are industries or groups of industries that are compatible with our community vision and are likely to choose to locate, remain, or grow in Lemont because of our economic, geographic, or other comparative advantages. The practice of targeting has become increasingly commonplace among local governments and regional economic development organizations, as agencies seek ways to make the most efficient use of limited resources.[5]

In preparation of this comprehensive plan, a Target Industries Report was created based on a careful examination of Lemont's competitive position in the marketplace, its assets and its liabilities.[6] The report examines each of the 20 North American Industrial Classification System (NAICS) industry sectors. Each industry sector was evaluated on the following quantitative factors: whether the sector is experiencing positive national, regional and local employment trends; whether regional economic development agencies are targeting the sector for future growth; whether there is a relative concentration of local employment in the sector when compared to the Chicago metropolitan region and the state; whether local jobs the sector represents a significant portion of total local employment; and whether local resident employment in the sector represents a significant portion of total resident jobs. Each sector was also evaluated on two qualitative factors: whether the sector aligns with the Lemont 2030 vision and whether the sector is compatible with Lemont's unique strengths, weaknesses, opportunities and threats.

The Target Industries Report ultimately identifies six industry sectors toward which the Village should concentrate its economic development efforts. Four sectors are identified as growth targets, while two sectors are identified as preservation targets. The growth targets include: Health Care and Social Assistance (NAICS 62); Retail Trade (NAICS 44-45); Professional, Scientific and Technical services (NAICS 54); and Arts, Entertainment and Recreation (NAICS 71). The preservation targets are Manufacturing (NAICS 31-33) and Transportation and Warehousing (NAICS 48-49).

Based on the findings of the Target Industries Report, Lemont should seek to increase the proportion of growth target industry sectors in the local economy. Preservation target industry sectors are those which are not expected to increase as a percent of the total local economy, but are still vital

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[2] Chicago ranks 45th among all 374 Census Bureau Census Metropolitan Statistical Areas for the number of people age 25 or older with a bachelor's degree or higher. U.S. Census Bureau, 2010 Census.

[3] U.S. Census Bureau, 2010 Census.

[4] Village of Woodridge incorporated in 1959; City of Darien incorporated 1969.

[5] Swager, R. J. "The Targeting Study in Economic Development Practice." Economic Development Review, Vol. 5, Issue 2 (1987): 56-60.

[6] Lemont Target Industries Report, 2012 - Insert web address where target industries report can be accessed

components of the local economy. The Village should seek retention and expansion of existing businesses and limited attraction of new businesses in these industry sectors. The target industry sectors contained within the Target Industries Report should take priority as the Village considers implementation of the Comprehensive Plan recommendations.

Below is a summary of each growth target industry sector, including a synopsis of national trends, regional efforts to target these sectors, and Lemont's competitive position.

Health Care & Social Assistance

The Health Care and Social Assistance sector (NAICS 62) is comprised of establishments providing health care and social assistance for individuals. Examples of businesses in this sector are: doctor's offices, hospitals, mental health treatment facilities, home health care services, medical laboratories, nursing homes, and day care centers. The Health Care and Social Assistance sector has been and continues to be a growing component of the U.S. economy. From 2010 to 2020, it is projected to add more jobs than any other sector in the U.S. economy.[7] The Chicago Metropolitan Agency for Planning (CMAP) reports that this sector is a major source of employment in the region and continues to grow, but that the region as a whole does not exhibit a high concentration of health care industries.[8] This lack of concentration indicates that at the regional level, industries in the health care and social assistance sector are servicing local needs (i.e. they are not bringing new dollars into the region). Although pursuit of the health care and social assistance sector may not be a strategic opportunity for the region, the same is not true for Lemont. Lemont shows strong concentration within the health care and social assistance sector when compared to both the Chicago region and Illinois.[9] Lemont has important locational advantages for the development of health care industry businesses. It is located nearly equidistant from two new hospital campuses. Adventist Bolingbrook Hospital in Bolingbrook is approximately seven and a half miles (10 minute drive time) from Lemont's 127th Street interchange onto I-355 and Silver Cross Hospital in New Lenox is nine and a half miles (12 minute drive time) from the same point. These facilities represent major expansions of health care services in the southwest suburbs. Lemont would make an attractive location for health care industry businesses that seek close, but not immediate, proximity to hospital facilities.

Retail Trade

The Retail Trade sector is comprised of establishments engaged in retailing merchandise and rendering services incidental to the sale of merchandise. Although not growing at as fast a rate as other sectors, the retail sector is a large and growing component of the national economy. In fact, retail employment growth from 2010 to 2020 is projected to be outpaced only by employment growth in the construction sector.[10]

Despite this large projected growth, the regional planning organizations do not target the retail sector. At a regional scale, new retail development often draws customers from existing retail developments; economic activity is simply redistributed within the region. At the local level, however, retail does attract dollars from outside the local economy. For Lemont, retail development fits the Village's economic vision and can generate positive economic impact for the local community through increased sales tax revenue. The Village receives 1% of sales tax collected on retail sales. Although this is a small

[7] United States Bureau of Labor Statistics, Employment Projections 2010-2020, USDL-12-0160, released February 01, 2012

[8] CMAP Industry Clusters Technical Report, p.10

[9] Significant Location quotients (>1.25) revealed using Census On the Map data, smaller LQs shown using ILDES datasets

[10] United States Bureau of Labor Statistics, Employment Projections 2010-2020, USDL-12-0160, released February 01, 2012

portion of the overall sales tax collected on an individual purchase, it is an important source of revenue for the Village's budget. Sales tax accounted for 14.3% of all Village revenue collected in FY 2011 and was the highest single source of revenue, second only to property tax.[11]

Lemont faces challenges in attracting retail development. Cook County's higher commercial property tax and sales tax are perceived as a disincentive for retail investment in border communities like Lemont. Additionally, national and franchise retailers often require a minimum number of households and/or daytime population within a certain radius to consider developing on a site. The fact that Lemont is bordered by thousands of acres of forest preserve and large industrial sites means that the Village has to rely primarily Lemont's local population to meet those minimum requirements. Lemont's relative isolation is uncommon among suburban communities and creates a challenge to attracting national retailers.

Despite these challenges, Lemont also has characteristics that are assets to retail development. Attractive retail centers are distributed throughout the community. Several strategic sites in and near the downtown are opportunities for redevelopment. The community has both infill and greenfield sites to accommodate significant residential growth, and many of the current households enjoy high disposable income. Since retail is such an important source of local tax revenue and an important part of the 2030 vision, the Village should build on its assets, strive to overcome its challenges and increase the retail sector as a proportion of the local economy.

Professional, Scientific, and Technical Services

The Professional, Scientific, and Technical Services sector is comprised of establishments that specialize in performing professional, scientific, and technical activities for others. These activities require a high degree of expertise and training. Examples include: legal advice and representation; accounting; architectural, engineering, and specialized design services; computer services; consulting services; advertising services; photographic services; veterinary services; etc.

The Professional, Scientific and Technical Services sector is projected to add employment at a rate twice that of the total national economy from 2010 to 2020.[12] CMAP and Choose DuPage target only industries within the professional, scientific, and technical services sector that are related to their larger cluster targets such as energy or printing and publishing. The Will County Center for Economic Development (Will CED) targets the entire professional and business services supersector, which includes two other sectors in addition to the professional, scientific, and technical services sector.

Lemont's current local employment does not show any concentration of jobs within the professional, scientific, and technical services sector. However, 7.7% of working residents of Lemont are employed in this sector.[13] Jobs in the professional, scientific and technical services sector often require advanced degrees, and residents of Lemont are well suited to fill these positions.[14] Businesses in this sector are often small. The Census Bureau's 2009 Nonemployer statistics reveal that approximately 14% of all businesses with no paid employees (e.g. individual proprietorships, partnerships, etc.) are in the professional, scientific, and technical services sector. Nonemployer establishments are often well suited for home occupations; Lemont's desirability for homeowners in the professional, scientific and technical

[11] Village of Lemont 2011 Comprehensive Annual Financial Report, p.9

[12] www.bls.gov, accessed 06/15/12

[13] US Census Bureau, Longitudinal Employer-Household Dynamics (LEHD) Program, http:onthemap.ces.census.gov/

[14] U.S. Census Bureau, 2010 Census, ACS 1-yr estimates, ACS 5-yr estimates

services sector makes it an attractive location for home occupations in this sector. Additionally, Lemont offers small, affordable office space that suits this sector's primarily small business needs. Many businesses in this sector, e.g. law practices, accounting firms, rely on nearby population for their customer base. Although Lemont does not offer high concentrations of businesses and residents for these businesses to serve, it is well situated among a diverse set of communities that together could supply a sufficient customer base. Lemont also provides a unique and attractive destination for client visits. Lemont may not be a prime location for a business that relies on very near local population, like an accountant's office, but may be an excellent location for a business with a somewhat larger service area, like an advertising agency.

Arts, Entertainment, and Recreation

The Arts, Entertainment, and Recreation sector includes a wide range of establishments that operate facilities or provide services to meet varied cultural, entertainment, and recreational interests of their patrons. This sector comprises: (1) establishments that are involved in producing, promoting, or participating in live performances, events, or exhibits intended for public viewing; (2) establishments that preserve and exhibit objects and sites of historical, cultural, or educational interest; and (3) establishments that operate facilities or provide services that enable patrons to participate in recreational activities or pursue amusement, hobby, and leisure-time interests.

Employment in the arts, entertainment, and recreation sector is projected to grow slightly faster than the total economy from 2010 to 2010 (1.7 percent vs. 1.3 percent annual growth).[15] World Business Chicago is the only other regional entity seeking to target the tourism and entertainment industry. Although Chicago does not show a strong concentration of employment in this sector when compared to the nation, tourism and entertainment are significant components of the city's economy. Lemont does show a strong concentration of employment in the arts, entertainment and recreation sector when compared to the Chicago region and the state. In 2010, 520 jobs, or 8.4% of all jobs in Lemont, were in this sector.[16] The many outdoor recreational amenities in and near Lemont support its position as a potential center for recreation-based businesses. Additionally, Lemont has a long history of community engagement in the arts, including public art projects, local art galleries, and a recently approved small performing arts center.

Limitations

As noted, the Target Industries Report is based on an evaluation of NAICS industry sectors. Industry sectors can include several industry groups, called subsectors, which in turn each contain individual industries. For example, NAICS Sector 62 Health Care and Social Assistance includes four subsectors: Ambulatory Health Care Services, Hospitals, Nursing and Residential Care Facilities, and Social Assistance. Within these subsectors are industries such as: physician's offices, medical and diagnostic laboratories, hospitals, and nursing care facilities. Where possible, the Target Industries Report provides recommendations for more detailed targeting within a sector. For example, it recommends the Village focus retail attraction efforts on convenience retail uses with a trade area of approximately seven minutes. However, detailed targeting recommendations are difficult because of a lack of available data at the local level. Because Lemont is a small community, Census and other data providers do not make detailed business and industry data available. In part, this is to protect the privacy of the individual business establishments reporting the data. It is also because of the administrative burden associated with providing data at the local level. However, the foundation for Lemont to achieve its economic

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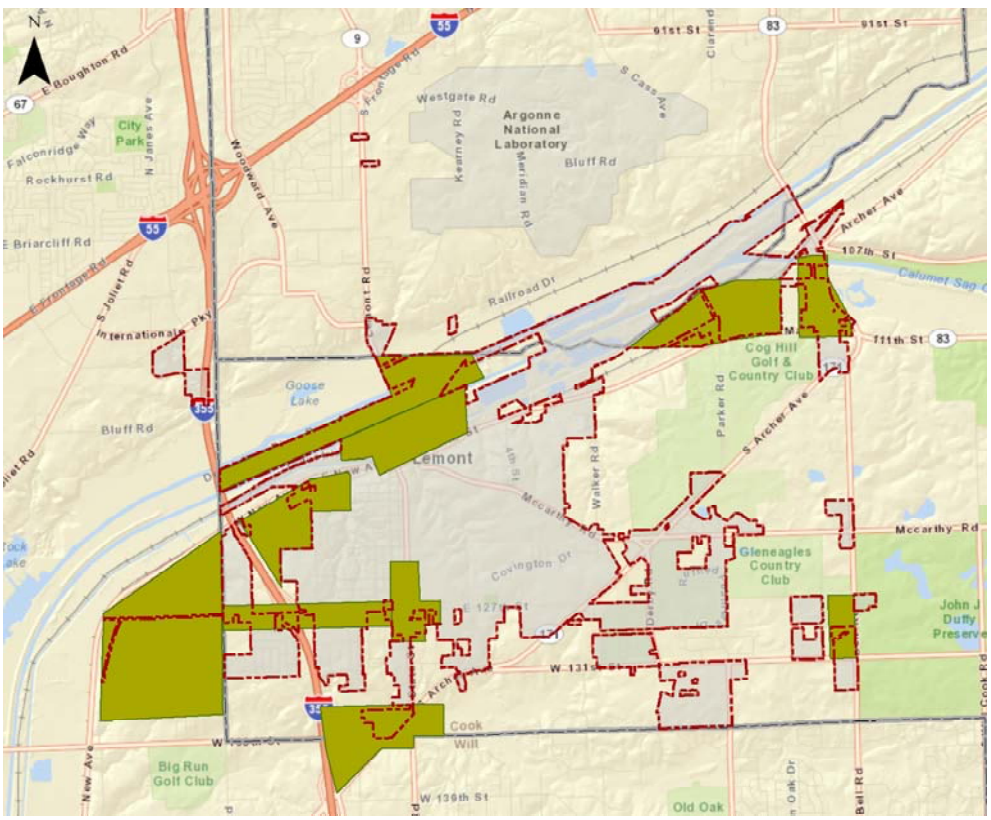
[15] www.bls.gov, accessed 06/15/12

[16] US Census Bureau, Longitudinal Employer-Household Dynamics (LEHD) Program, http:onthemap.ces.census.gov/

vision is a strong understanding of our local economy. Therefore, local data collection on land, buildings, and businesses should be a priority as the Village considers implementation of the Comprehensive Plan recommendations.

ECONOMIC ACTIVITY CENTERS

The Target Industries Report identifies ten locations within the Village or its planning area as economic activity centers. Economic activity centers are existing or potential future hubs of business activity; they are not intended to represent the locations of all commercial activity within the Village, but rather those areas where there already are or may in the future be significant concentrations of economic activity. These economic activity centers are the locations where the Village's targeted industries are already located or may be located in the future. The map below shows the economic activity centers in green; the Village boundary is illustrated as a red dashed line and the grey dashed line is the county boundary.



The following matrix joins the target industries to Lemont's economic activity centers. Cells shaded in green indicate that a given target industry is appropriate for a given activity center. These recommended locations should be considered in future annexation, planning and economic development efforts.

Target Industries						
Economic Activity Areas	Growth Targets				Preservation Targets	
	Health Care	Retail	Professional, Scientific & Tech. Ass't.	Arts, Ent. & Recreation	Manufacturing	Transportation & Wholesale
Downtown						
Sanitary & Ship Canal						
Citgo						
Timberline						
W. 127th Street						
State & 127th						
Archer / I-355						
Bell Road						
Maley Road						
Route 83						

INDICATORS/TARGETS

- The ratio of local employment to population will be increased.
- Overall retail sales trends will be equal to or above the average of an index of retail sales trends for similar communities.
- Local employment within growth target industries will account for a larger proportion of total local employment.
- Annexation and development/redevelopment of at least half of Lemont's economic activity centers.

RECOMMENDATIONS

To achieve the Village's vision for economic prosperity and to increase the proportion of target industry activity in Lemont, the Village should focus its economic development efforts on the following goals.

Develop Lemont's "Product" Just as the Chicago region competes with other regions in the country to attract businesses, residents, and visitors, Lemont competes with other communities for such resources. To enhance our competitive advantage, Lemont should create both a physical and a policy environment that supports economic growth. The Village's physical environment includes the appearance of commercial districts, the gateways into our community, and other physical attributes that are key to making a good impression on visitors and residents, including visitors who might consider opening or expanding a business in Lemont. The Village's policy environment includes zoning and building regulations, Village procedures, policies regarding incentives, and other non-physical considerations that are equally important to businesses seeking to open or expand in Lemont.

Branding While the Village is making tangible physical and policy changes to support growth, it should simultaneously pursue an effort to identify the Village's brand and promote that brand through a comprehensive and ongoing brand strategy. Branding and marketing help a community distinguish itself from other communities and help the region develop a sense of the community's identity. Branding has become increasingly important for cities, as they compete against one another for residents, businesses, and visitors. "This competitive environment is a reality of our times, and how a city stakes out and communicates its distinctive place within it largely decides which cities succeed and which falter in the race for economic prosperity. To this end, places are just like companies: those with a strong brand find it much easier to sell their products and services and attract people and investment."[17]
Although branding is often thought to be simply a logo or a tagline, logos and taglines are marketing tools used to implement a brand strategy. CEOs for Cities describes branding efforts as, "anchored in a community's societal, political or economic objectives … identifying the core promise that it makes to key audiences, and developing and consistently communicating the core, positive attributes of the place. Whether a place is looking to rebuild, enhance or reinvigorate its image, the first step is a comprehensive brand strategy."[18]

Develop Downtown as a Destination for Residents and Visitors As Lemont's historic core and a key area of commercial activity, additional efforts should be dedicated to develop downtown's assets. The continued vitality of downtown was a key priority expressed during the public visioning process. Additionally, downtown represents an area of significant prior investment by the Village. From 1999 to 2010 in the downtown TIF district, over $5.4 million of TIF funding has been spent on public infrastructure improvements, and nearly $1 million has been spent on marketing, façade grants, and other improvement efforts.[19] Significant private investment has also taken place during this time period, the most obvious of which is the 82-unit Front Street Lofts condominium project. But many smaller, yet substantial other private investments have been made to update and restore the many smaller and often historic buildings downtown. Over $250,000 in private funds has been spent just by participants in the downtown façade and site improvement grant program. For all of these reasons, downtown warrants dedicated economic development efforts. Both physical improvements and policy changes will help Lemont realize its vision for downtown by 2030.

Develop and Implement a Business Retention & Expansion Program The Village currently does not have a formal business retention and expansion program. Establishing such a program, with a designated staff coordinator, is an important step toward achieving our economic vision. Generally, it is less expensive for a community to retain and grow its existing businesses than to attract new businesses. Also, business retention and expansion efforts honor the prior investment made by local businesses. Central to any business retention and expansion program is annual surveys of local businesses. Surveys serve three functions. The surveys help collect important information that otherwise may not be available at the local level, or may not be available at the necessary level of detail. Surveys help build rapport between the business community and the economic development team conducting the surveys; they are a way to show businesses that the Village values their input. Finally, surveys help identify mid and long-term issues facing local businesses and provide an opportunity for the Village to assist the businesses with these issues. For example, a survey may reveal that an owner of a successful local business wants to retire; with that knowledge, the Village can assist the owner in succession planning and/or marketing the business for sale. Although annual business surveys should be the Village's first step, a successful business retention and expansion program should include other

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[17] CEOs for Cities, Branding Your City, p.2
[18] CEOs for Cities, Branding Your City, p.3
[19] Downtown TIF District Annual Reports FYE 2000 to FYE 2010

initiatives and services to support existing businesses, particularly those within Lemont's targeted industry sectors.

Develop and Implement a Business Attraction Program While expansion of existing businesses will provide new economic growth, new businesses are also needed. New businesses will help expand the local tax base and add to the variety of locally available goods and services. Through straightforward strategies, like maintaining a complete inventory of commercial and industrial property in the Village, the Village can help match new or growing businesses in our targeted industry sectors to opportunities for development in Lemont.

IMPLEMENTATION ACTION AREAS

Implementation Action Area 1: Develop Lemont's "Product" – Physical & Policy Improvements

Develop inviting gateways into Lemont Lead Implementer(s): Planning & Economic Development Dept.	Gateways are key intersections/corridors that represent major points of entry into a community. Ensuring that these points are attractive is key to creating a positive first impression of Lemont for visitors. The Village should enhance our gateways through streetscaping, signage, and other physical improvements. Private development at gateways should reinforce the public improvements and further enhance the aesthetics of the areas.
Allow amendments to Planned Unit Developments for infill commercial development Lead Implementer(s): Planning & Economic Development Dept.	Many of the Village's shopping centers and other commercial developments were approved as planned unit developments. As such, many of the sites are restricted to specific site designs and/or parking ratios. Often the PUDs require more parking than recommended by current Village standards or best planning practices. On these sites, PUD amendments should generally be granted to incorporate additional commercial buildings.
Create master plans for Lemont's economic activity centers Lead Implementer(s): Planning & Economic Development Dept.	Each site has its own unique assets and challenges. For those centers which are undeveloped, or require significant redevelopment to become a hub of economic activity, master development (aka sub area) plans should be developed. In addition to land use and design considerations, these plans should address infrastructure capacity and economic feasibility of any plan proposals.
Annex economic activity centers that are not already within the Village Lead Implementer(s): Planning & Economic Development Dept.	Many of the economic activity centers that are key to the Village's future economic growth are not currently within Village limits. Annexation of these areas is an important first step to add the necessary acreage for new commercial development.
Vigorously enforce existing property maintenance codes and pursue additional codes as needed	Attractive commercial districts are key to creating a positive impression for shoppers; unattractive districts are unlikely to be successful. The Village should prioritize enforcement of property maintenance in commercial districts, including the noncommercial properties located

Lead Implementer(s): Planning & Economic Development Dept., Code Enforcement	within or adjacent to those districts.
Establish a community-wide façade and site improvement program Lead Implementer(s): Planning & Economic Development Dept.	The downtown façade and site improvement grant has been widely successful in helping business and property owners make needed improvements to downtown buildings and businesses. A similar program could encourage reinvestment in older commercial properties throughout the community. The program could be structured as a grant or low interest loan.
Create a "white elephant" ordinance Lead Implementer(s): Planning & Economic Development Dept., Village Attorney	It is not uncommon for large retailers to close and leave a vacant building behind, known as a "white elephant". Many communities have addressed the problem of white elephants through ordinances that require large retail developments to submit a detailed reuse plan before site plan approval or pay an annual fee into a redevelopment fund. Some ordinances prohibit the use of restrictive covenants, which often prevent efficient reuse of vacant commercial properties. The Village should explore the development of a "white elephant" ordinance to be applicable to future large-scale commercial development.
Annually review the Unified Development Ordinance and Village development review procedures Lead Implementer(s): Planning & Economic Development Dept., Building Dept.	At least once a year, Village staff should review any needed changes to the Unified Development Ordinance and internal development review procedures to see if any improvements can be made to increase efficiency or reduce unnecessary regulation. Contractors, builders and other stakeholders should be given an opportunity to provide input.
Revise the Unified Development Ordinance support increased daytime and resident population Lead Implementer(s): Planning & Economic Development Dept.	To support additional retail services the Village needs to increase its daytime population and residential population near its commercial districts. Revisions to the Unified Development Ordinance such as smaller minimum lot sizes for single-family homes and areas zoned for multi-family housing near commercial development would support residential population growth. Such revisions should be implemented, so long as they are not in conflict with other housing or land use goals of this plan.
Create a comprehensive incentives policy Lead Implementer(s): Planning & Economic Development Dept., Village Administration, Finance	A comprehensive incentives policy will let businesses and residents know what kinds of incentives will be considered by the Village and for what kinds of projects. The policy should include consideration of in-kind as well as direct monetary incentives. Generally, incentives should only be available to businesses within Lemont's targeted industries (growth or preservation) and/or businesses that will redevelop an underutilized or brownfield site. More detailed/narrower criteria may be included for specific types of incentives (e.g. the criteria for receiving in-kind incentives may be different than tax abatement). Incentive requests

	should be evaluated using a cost-benefit analysis.
Promote the development of health care sector businesses, even over retail, along 127th Street, west of State Street. Lead Implementer(s): Planning & Economic Development Dept., Village Administration,	Typically sales tax generating uses are the preferred land use for commercial corridors. However, the area along 127th Street, west of State Street has two characteristics that make it particularly attractive for the development of health care businesses; it is located along I-355 in close proximity to two major hospitals and several medical uses already exist within the corridor. Conversely, the area is not particularly attractive for retail development due to its low traffic counts, which are unlikely to change. For these reasons, the Village should prefer medical office and other health care industry development along this corridor when making land use decisions, including incentive and planned unit development requests.
Maintain existing industrial zoning with very limited expansion Lead Implementer(s): Planning & Economic Development Dept.	Manufacturing and transportation & warehousing are Lemont's two targeted preservation industries. These industries, located on the Village's manufacturing and B-4 zoned properties, provide local jobs and play an important role in the regional economy. To retain this important component of our local economy, the Village should not reduce the amount of manufacturing zoned property, with the exception of properties within and immediately adjacent to the Route 83 & Main Gateway TIF area and downtown Lemont. The Village should seek to increase our total acreage of industrial land use through annexation when the areas of annexation that are adjacent to existing industrial/manufacturing areas and such zoning will not create a conflict with existing residential development. The Village should refrain from rezoning existing territory to manufacturing, with the exception of B-4 zoned properties, discussed below. Any new industrial development should comply with the Village's high standards for site design and aesthetics.
Revise the B-4 zoning district regulations and the Canal Overlay District Lead Implementer(s): Planning & Economic Development Dept.	The B-4 zoning district is intended for outdoor commercial recreation. However 67% of B-4 zoned properties are within the Canal Overlay District, which allows for uses related to water-borne shipments and the barge industry along the Sanitary and Ship Canal and is completely unrelated to outdoor recreation. The zoning district and overlay cause unnecessary confusion and should be revised. The uses allowed within the Canal Overlay District should still be allowed along the Sanitary and Ship Canal, but new zoning districts should be created to distinguish between the currently B-4 zoned areas truly intended for recreation, and those intended for industrial and/or transportation related uses
Annex Nearby Arts, Entertainment and Recreation Employment Centers Lead Implementer(s): Planning & Economic Development Dept.	Where owners are willing, the Village should annex existing nearby employment centers within the Arts, Entertainment, and Recreation growth target industry sector.

Implementation Action Area 2: Branding

Define Lemont's Current Brand Image	Define the current perceptions of the community.
Define Lemont's Aspirational Brand Identity	Define the perceptions we want people to have of Lemont in the future. The aspirational brand identity is a goal the Village will strive to achieve.
Create a Brand Positioning Strategy	The gap between the current brand image and the aspirational brand identity influences the brand positioning strategy. The brand positioning strategy begins to move the village toward the aspirational identity, but communicates a credible image of Lemont as it is today. The brand positioning strategy is used to drive communications and the marketing plan.
Execute a brand-based marketing plan	The marketing plan will execute the brand positioning strategy, and will change over time as the brand positioning strategy changes. A brand-based marketing plan will include advertising, but should also include other opportunities to enhance the Village's brand (e.g. customer service interactions).

Implementation Action Area 2: Develop Downtown as a Destination for Residents and Visitors

Stabilize the I&M Canal wall and improve water conditions in the canal. Lead Implementer(s): Planning & Economic Development Dept.	The I&M Canal is the reason Lemont was founded and the nationally historic canal still cuts through the downtown. The Village has installed miles of walking paths on either side of the canal and planted extensive landscaping along the canal in heart of downtown. However, the canal and its original limestone canal walls are in need of repair. Restoring water to the canal and stabilizing the limestone canal walls, at least in the heart of downtown, will honor the past investments made by the Village and ensure the canal serves as an asset to the downtown, rather than a liability.
Create an "open air museum" within the downtown Lead Implementer(s): Planning & Economic Development Dept., Historic Preservation Commission, Lemont Area Historical Society?, Lemont Art & Culture Commission?	Downtown has many historic structures with rich histories and various works of public art depicting aspects of Lemont's past. However, visitors do not have information to help them realize the historical significance of these buildings and displays. By adding historic interpretation (e.g. signs, self-guided tour maps, podcasts) the Village can create opportunities for people to interact with downtown's existing historic features and enhance the visitor experience. The Village should also add features in the downtown that use Lemont's history to engage and inform visitors.

Continue to support increased commuter rail service Lead Implementer(s): Administration	The Village has long recognized that increased Metra service would enhance the economic vitality of downtown, and the entire community. As such, the Village has supported increased service on the Metra Heritage Corridor Line. Efforts in support of increased service should continue.
Market downtown as a visitor destination Lead Implementer(s): Planning & Economic Development Dept.	Downtown Lemont is a unique, historic traditional business district. It is also host to most of the Village's special events. To take advantage of downtown's unique assets, promote attendance at special events, and remain competitive with other nearby downtown districts, the Village should create print and online advertising campaigns to market downtown to local residents, visitors from nearby communities, and heritage tourists.
Revise UDO as needed to continue support of a mixed use environment, consistent with historic development patterns Lead Implementer(s): Planning & Economic Development Dept.	In 2005 Lemont adopted new zoning standards for the downtown. The standards are designed to use and bulk standards are designed to maintain the area's mixed use, pedestrian oriented environment. The standards are also designed to allow new construction, but with design features and setbacks that fit with the historic patterns of development downtown. The use standards have generally been successful to date, but in some instances the bulk regulations may allow construction that would be incompatible with existing buildings. The bulk standards should be re-evaluated and amended as deemed prudent. The standards should strike a balance between preserving the character of the downtown and stimulating investment in the area.
Adopt a vacant storefront ordinance Lead Implementer(s): Planning & Economic Development Dept.	Vacant storefronts are particularly detrimental to the vitality of a downtown district; because shops are close together and buildings are close to the street the storefront windows are highly visible. Vacant storefront ordinances require building owners to place artwork or other signs in the storefront windows of a building that has been vacant for a given period of time. The required signs or art displays serve to reduce the visual impact of the vacant storefront window in the streetscape.
Create a funding plan to continue maintenance of TIF improvements upon expiration of the downtown TIF. Lead Implementer(s): Administration, Planning & Economic Development Dept.	The downtown TIF district expires in May 2014. Upon the expiration of the TIF, the Village will need to develop a plan to maintain and continue improvements to the public amenities in the downtown.

Implementation Action Area 4: Develop and Implement a Business Retention & Expansion Program

Conduct Annual Business Retention Surveys	Annual business surveys are the foundation of most business retention and expansion programs. Surveys serve three functions. They help local communities collect important information that otherwise may not be

Lead Implementer(s): Planning & Economic Development Dept.	available at the local level, or may not be available at the necessary level of detail. Surveys help build rapport between the business community and the economic development team conducting the surveys; they are a way to show businesses that the Village values their input. Finally, surveys help identify mid and long-term issues facing local businesses and provide an opportunity for the Village to assist the businesses with these issues. For example, a survey may reveal that an owner of a successful local business wants to retire; with that knowledge, the Village can assist the owner in succession planning and/or marketing the business for sale. Due to resource constraints, some surveys will be conducted electronically or by paper. But in-person surveys should also be conducted, particularly for businesses within the Village's growth target industries.
Increase local shopping Lead Implementer(s): Planning & Economic Development Dept.	Increasing the percentage of total disposable income spent within the community will increase local tax revenue and support local businesses. The Village should seek to increase local shopping through 1) a marketing campaign to educate residents on the benefits of local shopping and 2) assisting local businesses to match their inventory and services to those in demand by local residents.
Support retail clusters through advertising Lead Implementer(s): Planning & Economic Development Dept.	The Village should create targeted advertising campaigns aimed at supporting existing local retail clusters that draw people into the trade area. For example, a "lunch in Lemont" campaign directed to nearby employment centers to enhance spending at Lemont's limited service eating places.
Identify and assist home-based businesses Lead Implementer(s): Planning & Economic Development Dept., Chamber of Commerce	Working with the Chamber of Commerce, the Village should begin a program to identify existing home based businesses in Lemont in the professional, scientific, and technical services target industry sector. Once identifies, the Village should survey the businesses to discover common needs and interests, and work to create programs and/or services to assist the businesses and, if desired, transition to an office-based business with employees.
Support the Lemont Art & Culture Commission to further growth in Arts, Entertainment, & Recreation Lead Implementer(s): Planning & Economic Development Dept., Lemont Art & Culture Commission Chamber of Commerce	Lemont should build on its existing assets to promote economic growth within the Arts, Entertainment & Recreation target industry sector. One of these assets is the Lemont Art & Culture Commission. The Commission has been successful in developing several public art projects. It also provides art classes and features works of local artists in the recently opened Lemont Center for the Arts. The Commission works collaboratively with the Lemont Artists Guild, a group of local artists. The Village should support the continued work of the Art & Culture Commission by providing a staff liason to assist with grant applications and programming aimed at promoting economic growth in the arts and entertainment sector. The Village should also support the Commission in its efforts to raise funds for a permanent Lemont Center for the Arts in the downtown.

Implementation Action Area 5: Develop and Implement a Business Attraction Program

Create and maintain a sites and buildings inventory Lead Implementer(s): Planning & Economic Development Dept.	In order to quickly respond to requests for information from real estate brokers, developers, retailers and others, the Village should create and maintain an inventory of all commercial and industrial property in the Village. The inventory should also include properties currently outside the village limits that have development potential and could be annexed.
Cultivate a positive reputation for Lemont in the region Lead Implementer(s): Planning & Economic Development Dept., Administration	The Village should participate in industry group events, particularly real estate industry events. Participation in such events provides opportunities for Village staff to interact with these communities, make Lemont more known in the region, and cultivate a positive, pro-active reputation for the community.
Pursue Health Care Industry Businesses Lead Implementer(s): Planning & Economic Development Dept.,	Lemont has many existing health care industry businesses, particularly along the 127th Street corridor. The Village should work with these businesses to identify other kinds of health care businesses that would be complimentary to the existing business mix. Working with business and property owners, the Village should develop marketing materials targeted toward these kinds of health care industry businesses and develop outreach strategies to recruit the businesses to Lemont.





Village of Lemont Target Industries Report

February 2013
Village of Lemont
Planning & Econmic Development Department

photos courtesy of Village of Lemont

Table of Contents

Report Summary

The Village of Lemont is in the process of updating its comprehensive plan and has identified an economic development vision for the community and several related economic development goals. This report is intended to provide guidance for the Village to begin achieving its economic development goals in a way that makes efficient use of limited resources. It identifies six industry sectors toward which the Village should concentrate its economic development efforts. These target industry sectors are industries or groups of industries that are compatible with Lemont's community vision and are likely to choose to locate, remain, or grow in Lemont because of its economic, geographic, or other comparative advantages. The report also delineates ten geographic areas, called economic activity centers, within which sustained or increasing economic activity should occur.

This report is divided into four parts. First is an overview of the Village's economic development vision and goals that were identified through a public visioning process that occurred in the fall of 2011. Second is a list of target industries that the Village can seek to cultivate or retain and an explanation of the methodology used to identify these target industries. Third is a set of proposed economic activity centers, locations that are well suited to accommodate the target industries. Finally, the report concludes with a matrix showing the desirable locations for the various target industries.

Economic Development Vision & Goals

In 2030, Lemont will have a thriving business community with few vacant commercial buildings. Downtown Lemont will be characterized by round the clock activity. Lemont will be a desired destination for visitors from outside the community.

The above statement is to be the vision for the Economic Prosperity section of Lemont's new Comprehensive Plan – Lemont2030. It was developed based on extensive public input gathered during the fall of 2011. In addition to this general vision statement, the public process resulted in several goals that support the community vision for economic prosperity. Among these goals, are:

- The Village will have an aggressive approach to business attraction and retention.
- Lemont residents will have adequate choices within the community to meet most of their retail shopping needs.
- The ratio of local employment to population will be increased.
- The Village will have annexed areas of strategic importance to the Village's current or future economy.
- The Village will continue to make enhancements to the downtown, the I&M Canal, and the Heritage Quarries Recreation Area to make these areas attractive destinations for residents and visitors.
- The Village, along with other partners like the Chamber of Commerce, will actively promote Lemont as a destination for visitors.
- The Village will have more businesses that provide goods or services for teenagers in the community.

These statements reflect a community desire for 1) broader retail choices, 2) increased business and industry activity, particularly activity resulting in new jobs, and 3) pro-active planning to provide locations for new business and industry. The statements also reflect a desire for stronger public sector involvement in economic development efforts.

Target Industries

Overview

In order to address community desires and the economic development goals that resulted from the Village's visioning process, this report identifies target industries for Lemont. Target Industries are industries or groups of industries that are compatible with Lemont's community vision and are likely to choose to locate, remain, or grow in Lemont because of its economic, geographic, or other comparative advantages. The practice of targeting certain areas of economic activity has become increasingly commonplace among local governments and regional economic development organizations to most efficiently use limited resources in economic development.[1] This report is based on a careful examination of Lemont's competitive position in the marketplace, its assets and its liabilities. The targeted industries chosen are divided into two categories: growth targets and preservation targets. Lemont should seek to increase the proportion of growth target industries in the total local economy. The majority of the Village's economic development resources should be devoted to sustaining and growing activity within the growth target industries. Preservation target industries are those which are not expected to increase significantly as a percent of the total local economy, but are still vital components of the local economy. The Village should seek retention and expansion of existing businesses and limited attraction of new businesses in the preservation target industry sectors, with a goal of keeping existing sites in productive use. The targeted industries contained within this report should take priority as the Village considers future marketing, incentives, tax reductions, or other economic development efforts.

Defining Industries

This report focuses on industry sectors as defined by the North American Industrial Classification System (NAICS), which was created by federal agencies in the United States, Canada and Mexico to provide a standardized system for classifying business establishments.[2] Industry sectors can include several industry groups, called subsectors, which in turn each contain individual industries. Industries and industry groups within a given industry sector all engage in similar activities. For example, NAICS Sector 62 – Health Care and Social Assistance includes four subsectors – Ambulatory Health Care Services, Hospitals, Nursing and Residential Care Facilities, and Social Assistance. Within these subsectors are industries such as: physician's offices, medical and diagnostic laboratories, hospitals, nursing care facilities, vocational rehabilitation services, etc.

A Note on Clusters. As a part of the industry targeting trend mentioned previously, many local and regional economic development agencies have adopted a cluster based strategy. Clusters are groups of related industries located in proximity to one another that share common labor pools, infrastructure, or other resources; they are also related through upstream (suppliers) and downstream (buyers) linkages.[3] Businesses within the cluster benefit by being near one another. Examples of two well known clusters are the Research Triangle area in North Carolina and Silicon Valley in California. To properly target clusters, an economic development organization must define which business types fit within each cluster. This involves an understanding of intra and inter-industry linkages as well as supply chain dynamics. Such an analysis is possible at the regional scale and organizations like the Chicago Metropolitan Agency for Planning (CMAP) and Choose DuPage have adopted this approach. For a community the size of Lemont, such an analysis is not feasible. To define a cluster taxonomy requires comprehensive data regarding specific types of industries (e.g. 4-digit or greater NAICS codes); for smaller geographies data at this level of detail is often suppressed to protect confidentiality of the establishments reporting the data. Additionally, clusters are defined as a combination of many different types of establishments (e.g. 100+ NAICS 6-digit industry codes).[4] Even if the necessary data were available, Lemont's local economy is so small it is unlikely that enough components of any given cluster would be present to draw reasonable conclusions from the analysis. However, where feasible, this report provides more detailed targeting within a given sector by accounting for national trends, regional dynamics (trends and targeted industries) and local competitive position. In the retail sector specifically, the availability of proprietary data allowed for more detailed targeting.

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1 Swager, R. J. "The Targeting Study in Economic Development Practice." Economic Development Review, Vol. 5, Issue 2 (1987): 56-60.
2 http://www.census.gov/eos/www/naics/, accessed 07/18/12
3 Porter, Michael. "Clusters and the New Economics of Competition." Harvard Business Review, Vol. 76 Issue 6 (1998): p77-90.
4 http://www.ibrc.indiana.edu/innovation/clusters.html, accessed 07/23/12

Identifying Targets
To begin to identify potential target industry sectors, each NAICS industry sector was analyzed against five criteria:

1. Whether resident employment within the sector was significant (defined as 7% or more of working residents employed in the sector).[5]

2. Whether the percentage of local jobs within the sector was a significant component of all Lemont jobs (defined as 7% or more of all local jobs).

3. Whether the sector had experienced positive local employment growth from 2002 to 2010.

4. Whether Lemont exhibited a high location quotient (greater than or equal to 1.25) for the sector, as compared to both the region and the state.

5. Whether the industry sector aligned with the Village's stated economic development vision and goals.

Of the 20 total NAICS industry sectors, seven sectors met three of the five preliminary selection criteria. The seven industry sectors were then further evaluated based on the following:

1. National industry sector employment trends, both past and projected.

2. Whether regional industry targeting efforts included the industry sector.

3. Regional industry sector employment trends.

4. A qualitative analysis of Lemont's unique strengths, weaknesses, opportunities and threats.

Based on the analysis of these factors, in combination with the preliminary criteria, six industry sectors were chosen. Four sectors are identified as growth targets, while two sectors are identified as preservation targets. The growth targets include: health care and social assistance; retail trade; professional, scientific and technical services; and arts, entertainment and recreation. The preservation targets are manufacturing and transportation and warehousing. The attached appendices provide the data upon which these determinations were based.

The following section of this report provides a summary analysis of each target industry. For each industry, a description[6] is provided, followed by an examination of national trends, regional dynamics including targeting efforts by regional economic development agencies, and local factors that influence Lemont's competitive position. Each target industry section concludes with recommended actions specific to that industry.

5 Industry sectors with 7% or more of total employment represented 50% of total workforce.
6 All industry sector descriptions provided by NAICS through the Bureau of Labor Statistics - http://www.census.gov/cgi-bin/sssd/naics/naicsrch?chart=2012, accessed 06/25/12

Growth Target 1: Health Care & Social Assistance

Description

The Health Care and Social Assistance sector (NAICS 62) comprises establishments providing health care and social assistance for individuals. The sector includes both health care and social assistance because it is sometimes difficult to distinguish between the boundaries of these two activities. The industries in this sector are arranged on a continuum starting with those establishments providing medical care exclusively, continuing with those providing health care and social assistance, and finally finishing with those providing only social assistance. The services provided by establishments in this sector are delivered by trained professionals. All industries in the sector share this commonality of process, namely, labor inputs of health practitioners or social workers with the requisite expertise. Many of the industries in the sector are defined based on the educational degree held by the practitioners included in the industry. Excluded from this sector are aerobic classes and nonmedical diet and weight reducing centers.

Examples of businesses in this sector are: doctor's offices, hospitals, mental health treatment facilities, home health care services, medical laboratories, nursing homes, social service agencies, and day care centers.

National Trends

The Health Care and Social Assistance sector has been and continues to be a growing component of the U.S. economy. From 2000 to 2010, while national employment shrank by .2% annually, employment within the Health Care and Social Assistance sector grew by 2.6% annually.[7] From 2010 to 2020, it is projected to add more jobs than any other sector in the U.S. economy.[8] As the baby-boom generation moves entirely into the 55-years-and-older age group by 2020, continued increases in demand for health care services is expected.[9]

Within the Health Care and Social Services Sector, specific industries are among the fastest growing in the U.S. economy, meaning they are predicted to have the highest percentage increase in employment from 2010 to 2020. They make up six of the 20 fastest growing industries:

Industries With the Fastest Growing Wage and Salary Employment – Health Care & Social Assistance Sector

Industry description	2007 NAICS Codes	Thousands of jobs		Change	Annual rate of change
		2010	2020	2010-20	2010-20
Home health care services	6216	1,080.6	1,952.4	871.8	6.1
Individual and family services	6241	1,215.0	2,066.4	851.4	5.5
Outpatient, laboratory, and other ambulatory care services	6214, 6215, 6219	1,077.1	1,471.2	394.1	3.2
Offices of health practitioners	6211, 6212, 6213	3,818.2	5,209.6	1,391.4	3.2
Community and vocational rehabilitation services	6242, 6243	557.5	738.4	180.9	2.9
Child day care services	6244	851.8	1,101.3	249.5	2.6

Source: US Bureau of Labor Statistics Table 1.3 Fastest growing occupations, 2010 and projected 2020

A related measure of growth is the total number of jobs predicted to be added in each industry from 2010 to 2020. Here again, industries in the Health Care and Social Assistance Sector rank highly, accounting for seven of the 20 largest employment growth industries. The table on the following page lists these industries.

7 www.bls.gov, accessed 06/15/12
8 United States Bureau of Labor Statistics, Employment Projections 2010-2020, USDL-12-0160, released February 01, 2012
9 United States Bureau of Labor Statistics, Employment Projections 2010-2020, USDL-12-0160, released February 01, 2012

Industries With the Largest Wage and Salary Employment Growth – Health Care & Social Assistance Sector					
Industry description	**2007 NAICS Codes**	**Thousands of jobs**		**Change**	**Annual rate of change**
		2010	**2020**	**2010-20**	**2010-20**
Offices of health practitioners	6211, 6212, 6213	3818.2	5209.6	1391.4	3.2
Hospitals	622	4685.3	5563.6	878.3	1.7
Home health care services	6216	1080.6	1952.4	871.8	6.1
Individual and family services	6241	1215.0	2066.4	851.4	5.5
Nursing and residential care facilities	623	3129.0	3951.0	822.0	2.4
Outpatient, laboratory, and other ambulatory care services	6214, 6215, 6219	1077.1	1471.2	394.1	3.2
Child day care services	6244	851.8	1101.3	249.5	2.6

Source: US Bureau of Labor Statistics Table 1.4 Occupations with the largest job growth, 2010 and projected 2020

Regional Dynamics

Regionally, the Chicago Metropolitan Agency for Planning (CMAP) and Choose DuPage target a portion of industries within the Health Care & Social Services sector. Industries within the Ambulatory Care Services subsector are targeted, but doctors' and other medical professionals' offices are excluded. Other components of the Health Care & Social Assistance sector, like hospitals and residential care facilities, are also excluded from regional targeting. The lack of regional targeting for a majority of industries within the Health Care and Social Assistance sector is not because these industries are not growing. In fact, CMAP reports that this sector is a major source of employment in the region and continues to grow.[10] However, CMAP also reports that the region as a whole does not exhibit a high concentration of health care industries.[11] This lack of concentration indicates that at the regional level, industries in the health care and social assistance sector are servicing local needs, i.e. they are not bringing new dollars into the region.

Lemont's Competitive Position

Although pursuit of the health care and social assistance sector may not be a strategic opportunity for the region, the same is not true for Lemont. Lemont shows strong concentration within the health care and social assistance sector when compared to both the Chicago region and Illinois.[12]

The Health Care and Social Assistance sector is also a major source of employment for workers in Lemont, representing 18.5% of all jobs in Lemont in 2010.[13] Some of Lemont's largest employers, like Timberline Knolls residential treatment facility, Franciscan Village, and Lemont Nursing & Rehabilitation are in the Health Care and Social Assistance sector. In fact, more workers in Lemont are employed in this sector than in any other industry sector. The same is true for Lemont residents, many of whom work outside the Lemont area. These residents represent a local potential labor pool for new businesses in this sector.

Lemont has important locational advantages for the development of health care industry businesses. It is located nearly equidistant from two new hospital campuses. Adventist Bolingbrook Hospital in Bolingbrook is approximately seven and a half miles (10 minute drive time) from Lemont's 127th Street interchange onto I-355 and Silver Cross Hospital in New Lenox is nine and a half miles (12 minute drive time) from the same point. Adventist Bolingbrook is a 310,000 square foot, 138 bed hospital that opened in 2008.[14] It is the first new (non-replacement) hospital built in Illinois since the 1970's.[15] In 2007, Silver Cross Hospital opened in New Lenox.[16] The 76-acre campus includes a 289 bed hospital and is significantly larger than its previous facility located in Joliet.[17] These facilities represent major expansions of health care services in the southwest suburbs.

10 CMAP Industry Clusters Technical Report, p.10
11 CMAP Industry Clusters Technical Report, p.10
12 Significant Location quotients (>1.25) revealed using Census On the Map data, smaller LQs shown using ILDES datasets
13 US Census Bureau, Longitudinal Employer-Household Dynamics (LEHD) Program, http:onthemap.ces.census.gov/
14 http://www.chicagobusiness.com/article/20071103/ISSUE01/100028735
15 http://articles.chicagotribune.com/2008-01-15/news/0801140687_1_new-hospital-facility-hinsdale-hospital
16 http://www.silvercross.org/about-us/replacement-hospital
17 http://www.silvercross.org/about-us/replacement-hospital

Targets Within Sector
Within the Health Care & Social Assistance growth target industry sector, the Village may have the most success focusing on the following industries or business types:

- Health Care & Social Assistance sector businesses that offer above average incomes and/or are high growth industries within the sector, such as those shown in the tables on the preceeding pages.
- Health Care & Social Assistance sector businesses that would benefit from proximity to hospitals, yet do not rely on immediate hospital access, and do not rely on high population within immediate (1-3 mile) area. Further research is needed on this topic, but preliminary recommendations include: physician's offices (NAICS 6211), particularly specialists; outpatient facilities (NAICS 6214); medical and diagnostic laboratories (NAICS 6215); and other health practitioners' offices (NAICS 6213).

Growth Target 2: Retail Trade

Description
The Retail Trade sector comprises establishments engaged in retailing merchandise and rendering services incidental to the sale of merchandise. The retailing process is the final step in the distribution of merchandise; retailers are, therefore, organized to sell merchandise in small quantities to the general public. This sector comprises two main types of retailers: store and nonstore retailers. This analysis focuses on store retailers.

Store retailers operate fixed point-of-sale locations, located and designed to attract a high volume of walk-in customers. In general, retail stores have extensive displays of merchandise and use mass-media advertising to attract customers. They typically sell merchandise to the general public for personal or household consumption, but some also serve business and institutional clients. In addition to retailing merchandise, some types of store retailers are also engaged in the provision of after-sales services, such as repair and installation.

National Trends
The retail sector is a large and growing component of the US economy. Although not growing at as fast a rate as other sectors, employment in the retail sector is second only to construction as projected to add the most jobs to the national economy from 2010 to 2020.

Regional Dynamics

None of the regional organizations target the retail sector. This is not surprising, as retail is typically considered to be a local-serving component of an economy; therefore, these organizations would probably not consider it to be a major driver of new economic growth at the regional scale. Moreover, at a regional scale, new retail development often draws customers from existing retail developments; as opposed to growing, economic activity is simply redistributed within the region.

Lemont's Competitive Position
At the local level, retail can serve the local residents, but it can also draw dollars from outside the community. For Lemont, retail development fits the Village's economic goals and can generate positive economic impact for the local community through increased sales tax revenue. The Village receives 1% of sales tax collected on retail sales. Although this is a small portion of the overall sales tax collected, it is an important source of revenue for the Village's budget. Sales tax accounted for 14.3% of all Village revenue collected in FY 2011 and was the highest single source of revenue, second only to property tax.[18] Therefore it is appropriate that this report include a detailed analysis of Lemont's current retail environment, community perceptions of Lemont's retail offerings, and its competitive position relative to its neighbors and other similar communities.

Current Retail Environment. Lemont currently has approximately 1.2 million square feet of gross retail space. While small retail spaces are located along major thoroughfares throughout the Village, retail development is primarily clustered in four districts – Downtown, 127th & State, the Eastside, and Long Run Creek:

18 Village of Lemont 2011 Comprehensive Annual Financial Report, p.9

- Downtown Lemont is a charming historic district, primarily comprised of older buildings each containing 1,000 sf or less of ground floor retail. The downtown also includes a recently constructed five story mixed use building with approximately 24,000 sf of ground floor retail.

- The intersection of 127th Street and State Street in Lemont is the hub of retail space in Lemont. There are three shopping centers clustered around the intersection, each anchored by a grocery store. Lemont Plaza, built in 1983, is the oldest of the three shopping centers. It contains an approximately 117,000 sf building, with two outlots. Lemont Plaza is anchored by Chipain's, a locally owned independent grocery store. Centennial Plaza, built in 1997, is anchored by Jewel-Osco and contains approximately 92,000 sf in the main building. Centennial Plaza also includes one outlot, which is occupied by a Burger King. Lemont Village Square, constructed in 2007, is the newest shopping center built in Lemont. Lemont Village Square's main 50,000 sf building is anchored by ALDI. Other national tenants like Starbucks and Jimmy John's occupy the 3,700 sf outbuilding. The size and anchor tenants of these shopping centers fit the International Council of Shopping Center's (ICSC) description of neighborhood shopping centers.

- Lemont's Eastside retail district is primarily comprised of two small strip shopping centers. Rilly's Pointe is a 16,000 sf center that is anchored by 3 Corners Grill & Tap, a locally owned restaurant. Across from Rilly's Pointe is the Derby Plaza development. Derby Plaza's retail building contains approximately 15,000 sf and is anchored by an ethnic grocery store. The Derby Plaza development also contains approximately 22,000 sf of Class B office space.

- The Long Run Creek retail district is the Long Run Marketplace shopping center. Long Run Marketplace includes an approximately 264,000 sf building containing a Target, Kohl's, Home Goods and Office Max. The center also includes two outbuildings; one is 6,400 sf and the other is 7,400 sf.

Most of the retail space in Lemont is relatively modern and regularly configured. Lemont Plaza underwent a façade update in 2005; however, the larger site has not been improved. The expansive parking lot with poor striping and limited landscaping creates a dated appearance. Additionally both outbuildings are vacant. The other shopping centers have more modern appearances, although Centennial Plaza and Long Run Marketplace would both benefit from added landscaping to improve the aesthetics of their expansive parking lots. The majority of the available retail space in the community has previously been occupied, so most tenants are not facing build out of raw spaces. The major exceptions to this rule would be the developments in Lemont's Eastside District and the Front Street Lofts in downtown Lemont; these are raw spaces. Additionally, downtown Lemont has many older spaces that are functionally obsolete for many retailers. However, because most of the older downtown buildings have avoided total obsolescence through proper maintenance and/or renovation, many independent start-up businesses thrive in the smaller footprints provided within the downtown district.

Lemont is primarily a local serving, convenience retail district with an average trade area of three miles, or approximately seven minutes. This conclusion is supported by the type of retailers presently located in Lemont. As noted, Lemont's major shopping centers fall within the ICSC neighborhood shopping center category; centers in this category have average trade area of three miles. There are also many salons and other personal services businesses, which are convenience type uses. Lemont has several national chain retailers, but aside from fast food restaurants, all of the dining establishments in the community are locally owned or small Chicago-area chains (one to five locations). Of 11 chain retail establishments located in Lemont, the average trade area per store (as measured by the location of existing stores in the Chicago market) is approximately three miles. Lemont's taxable retail sales are not concentrated in any one particular SIC code (e.g. drinking and eating places), indicating that it is not a strong niche market.

Community Perceptions. As noted previously in this report, in fall 2011 Village staff conducted a community survey as part of the Village's update to the Lemont Comprehensive Plan. Over 400 people, or approximately 2.5% of the total village population, responded. Although the survey respondents do not reflect a true statistical representation of the community, they did reflect a diverse segment of the overall population. Among businesses owners who responded to the survey, the most negative aspects of owning a business in Lemont were a lack of traffic downtown and a lack of support from residents; taxes came in third. Among residents, the largest complaints regarding businesses were that there are too few in town and the existing businesses lack variety. Residents were also concerned about perceived high vacancy rates, particularly in the downtown. Approximately 64% of survey respondents stated that when they shop, they do so outside the community. Approximately 76% of respondents stated that when they go out to eat or drink, they do so outside the community.

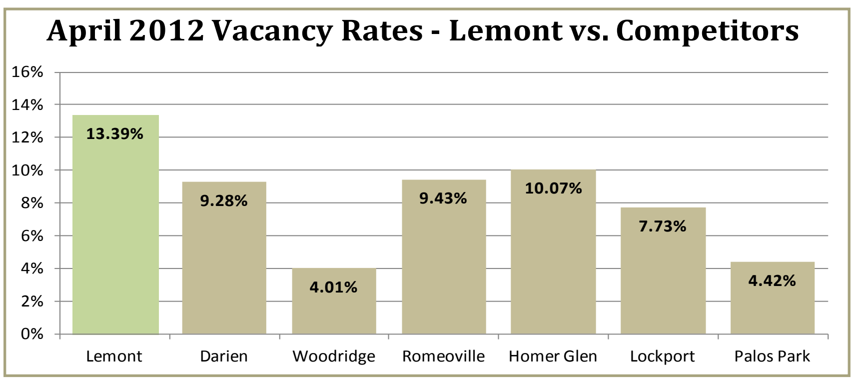
The Comprehensive Plan survey reflects a desire for greater variety in Lemont's retail offerings. Lemont is unique among the typical Chicago suburbs in that it is not homogeneous with regard to household income. Lemont's residents are spread along the economic spectrum. What one group desires is often derided by the other (e.g. an Aldi grocery store). This presents a challenge in attracting some retailers and satisfying consumer desires.

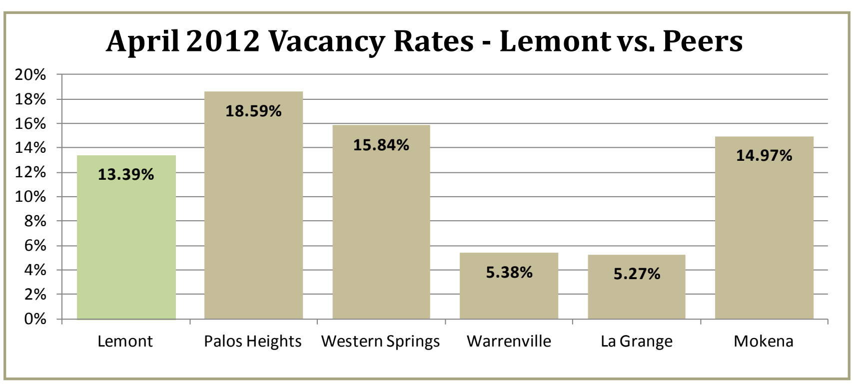
Specifically, survey responses indicate a general desire for more national or large regional chain eating places. This may be because Lemont's residents truly want these particular chains, or may be that national and large regional chains are an easy way to reference a particular type of desired eatery (e.g. a family oriented sit-down format).

According to attendees of a real estate broker focus group in 2011 (see local SWOT Analysis for more details), filling vacant retail space in Lemont can be challenging due to a lack of nearby residential density, a lack of vehicular traffic through the community, and Cook County's higher tax rates than neighboring counties.

Retail Performance – Comparison to Peers and Competitors. This report analyzes Lemont's retail performance compared to five peer communities and six competitor communities. Competitor communities are those that are close enough to compete with Lemont for retail activity (e.g. a retailer would most likely not place a location in both communities). Peer communities were chosen based on their proximity to Lemont, their physical environment, their population, median household income, and total 2011 taxable retail sales.

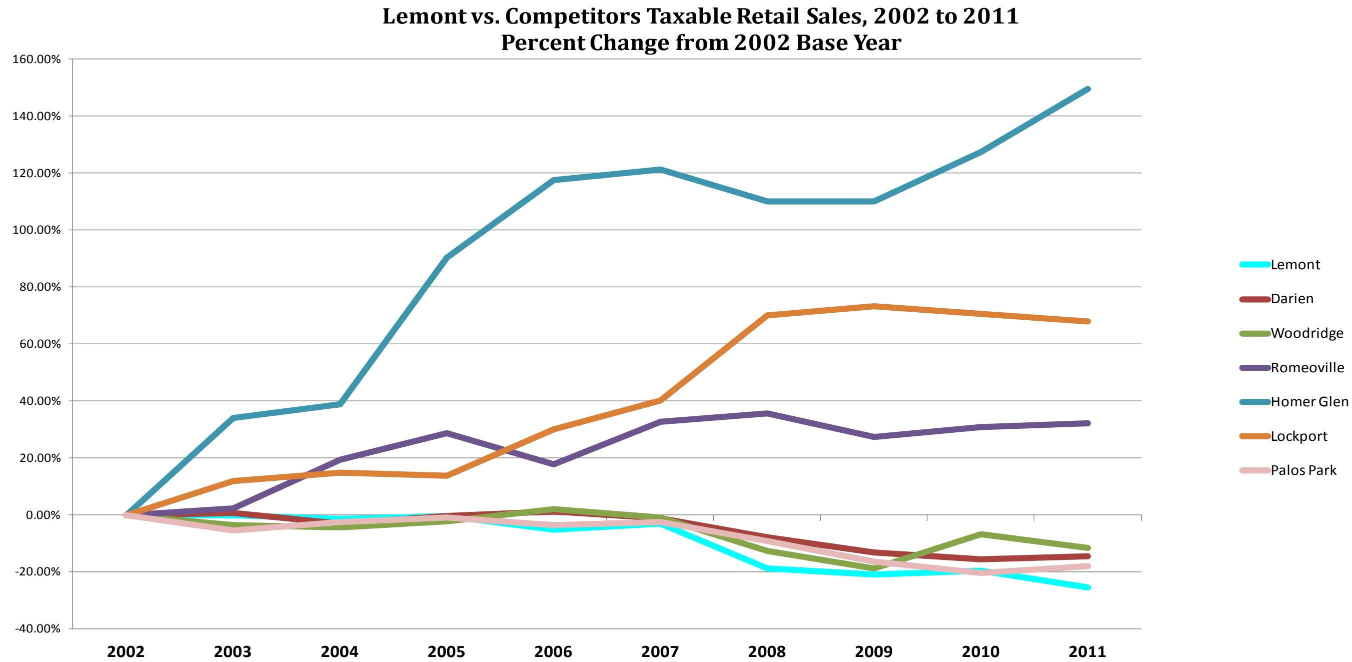
As compared to its peers and competitors Lemont's retail is underperforming, but not drastically so. Lemont's retail vacancy rate as of April was higher than any of its competitors. Among its peers, Lemont's vacancy rate was closer to average.





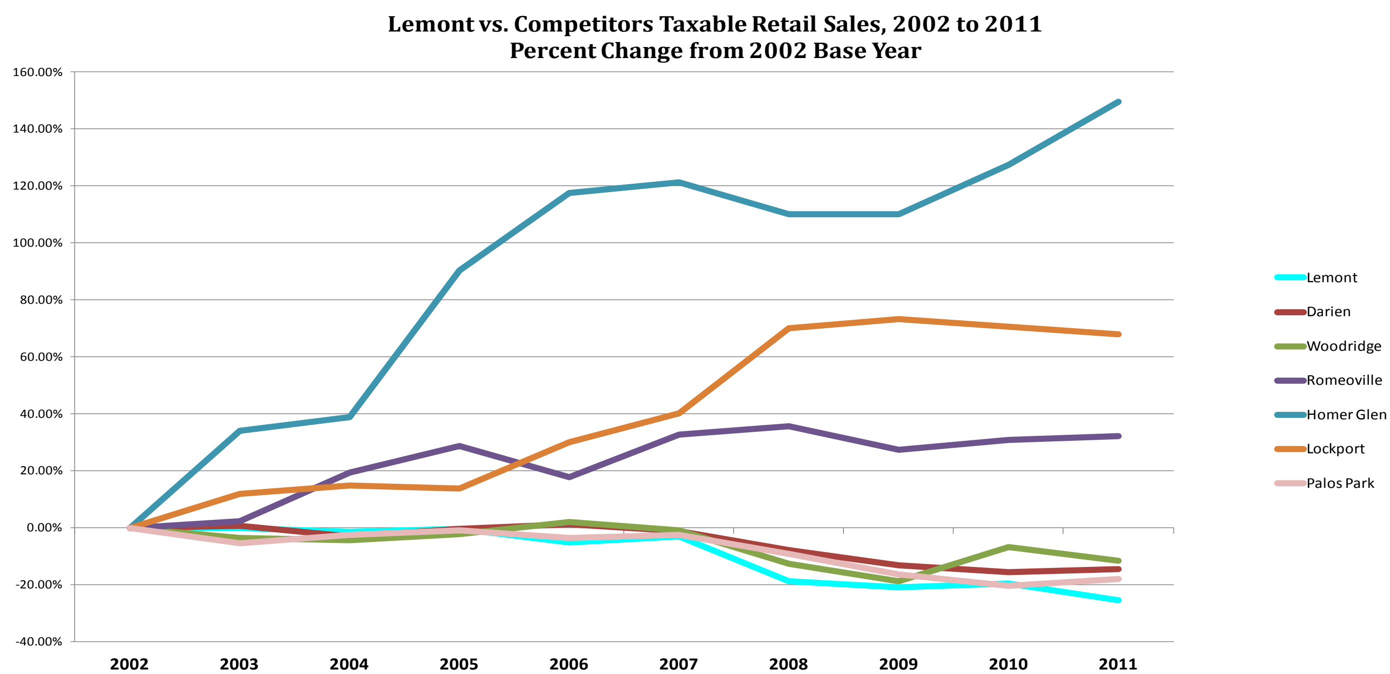
Source: Costar.com

Since 2002, Lemont's total taxable retail sales have declined (as evaluated using constant 2012 dollars). The 2008 recession hit Lemont particularly hard, creating a 16.33% drop in taxable retail sales from 2007 totals. Comparatively, surrounding competitor communities saw only an approximately 5% decline in 2008 and two communities actually increased taxable retail sales in 2008. Among competitor communities from 2002 to 2011, Lemont, Darien, Woodridge, and Palos Park have experienced a general decline in retail sales while Romeoville, Lockport, and Homer Glen have increased sales. This is due in large part to the fact that Romeoville, Lockport and Homer Glen have all had significant areas of new development over the last ten years.



Source: IL Department of Revenue

Lemont fares better against its competitors than against its peers. Most of Lemont's peers finished 2011 with higher taxable retail sales than were received in 2002. Again, some of the growth for communities like Mokena and Warrenville came from new development. However, even Palos Heights and Western Springs, which are both substantially more built- out than Lemont, fared better than Lemont over the study period.



Source: IL Department of Revenue

It appears from this analysis that many peer and competitor communities experienced growth in retail sales in the years leading up to the recession. Even though many communities' sales have been in a declining trend since 2008, the earlier growth has helped to soften the blow. It appears that Lemont, along with some of the other communities, missed out of this period of investment and growth.

Attached as Appendix E is a document containing charts, graphs, and tables that illustrate the data used to support the selection of the peer and competitor communities and the foregoing analysis.

Targets Within Sector

Within the Retail Trade growth target industry sector, the Village may have the most success focusing on the following industries or business types:

- Convenience retail uses, with a trade area of approximately seven minutes; begin by targeting those specific types of retailers where our local trade area exhibits unmet demand. The Buxton Retail Leakage and Surplus Analysis attached as Appendix F shows the current supply of and demand for various types of retailers in Lemont's primary trade area, a 7-minute drive time from the intersection of 127th Street and State Street. Retail categories showing leakage are areas where consumer demand within the trade area is not being met within the trade area. These retail categories are potential opportunities for new retailers to meet the unmet demand. Retail categories showing surpluses are those categories where supply within the trade area exceeds demand within the trade area. A surplus means that customers are coming from outside the trade area to purchase goods and services in these categories.

- Auto parts, accessory and tire stores and full service restaurants show unmet demand sufficient to support at least one additional retailer in each category.

- Clothing stores and clothing accessories are in demand in the local trade area. Although large national clothing chains are unlikely to locate to Lemont, the Village should consider pursuing smaller independent stores, or stores that are particularly well suited to service Lemont's demographics.

- Supply of and demand for various types of retailers will change constantly as consumer preferences change and retail establishments within the Village's trade area are opened and closed. The Village should continue to use analytics like those offered through Buxton to guide retail attraction efforts.

Growth Target 3: Professional, Scientific and Technical Services

Description

The Professional, Scientific, and Technical Services sector comprises establishments that specialize in performing professional, scientific, and technical activities for others. These activities require a high degree of expertise and training. The establishments in this sector specialize according to expertise and provide these services to clients in a variety of industries and, in some cases, to households. Activities performed include: legal advice and representation; accounting, bookkeeping, and payroll services; architectural, engineering, and specialized design services; computer services; consulting services; research services; advertising services; photographic services; translation and interpretation services; veterinary services; and other professional, scientific, and technical services.

National Trends

The Professional, Scientific and Technical Services sector is projected to add employment at a rate twice that of the total national economy from 2010 to 2020.[19] Three specific industries within this sector are projected to be among the 20 fastest growing in the economy: management, scientific, and technical consulting services; computer systems design and related services; and other professional, scientific, and technical services.[20] Three industries within this sector are also among the 20 industries projected to have the largest employment growth nationally: management, scientific, and technical consulting services; computer systems design and related services; and architectural, engineering, and related

19 www.bls.gov, accessed 06/15/12

20 US Bureau of Labor Statistics, Table 1.3 Fastest growing occupations, 2010 and projected 2020

services.[21] No industries within this sector are project to be among the industries experiencing the most rapidly decline, i.e., largest employment losses from 2010 to 2020.

Regional Dynamics
Because CMAP and Choose DuPage employ a cluster approach to industry targeting, they only target industries within the professional, scientific, and technical services sector that are related to the larger cluster targets like energy or printing and publishing. The Will County Center for Economic Development (Will CED) targets the entire professional and business services supersector, which includes the management of companies and enterprises sector and the administrative and support and waste management and remediation services sector in addition to the professional, scientific, and technical services sector.

Lemont's Competitive Position
Lemont's current local employment does not show any concentration of jobs within the professional, scientific, and technical services sector. However, 7.7% of working residents of Lemont are employed in this sector.[22] Jobs in the professional, scientific and technical services sector often require advanced degrees, and residents of Lemont are well suited to fill these positions.

Businesses in this sector are often small; according to the 2007 Economic Census, the average establishment size (i.e. number of employees) in this sector was nine. While the Economic Census includes all establishments with one or more employees, the Census Bureau's 2009 Nonemployer statistics reveal that approximately 14% of all businesses with no paid employees (e.g. individual proprietorships, partnerships, etc.) are in the professional, scientific, and technical services sector. Nonemployer establishments are often well suited for home occupations; Lemont's desirability for homeowners in the professional, scientific and technical services sector makes it an attractive location for home occupations in this sector. Additionally, Lemont offers small, affordable office space that suits this sector's primarily small business needs.

Many businesses in this sector, attorneys, accountants, etc., rely on nearby population for a customer base. Although Lemont does not offer high concentrations of businesses and residents for these businesses to serve, it is well situated among a diverse set of communities that together could provide a sufficient customer base. Will County's continued growth will provide more new customers in the coming years. Good interstate access makes it easy to get to and from Lemont to service clients outside the immediate area. Additionally, Lemont's position as picturesque and historic community makes it a unique and attractive destination for clients' visits. Therefore, Lemont may not be a prime location for a business that relies on very near local population, like an accountant's office, but may be an excellent location for a business with a somewhat larger service area, like an advertising agency.

Targets Within Sector

- Businessess with ten or less employees and in fields that are not highly dependent on immediately surrounding customer base (e.g. engineering firms, architectural services, computer design services, advertising, etc.).
- Businesses that service or are otherwise related to other target growth industries.

Growth Target 4: Arts, Entertainment and Recreation

Description
The Arts, Entertainment, and Recreation sector includes a wide range of establishments that operate facilities or provide services to meet varied cultural, entertainment, and recreational interests of their patrons. This sector comprises (1) establishments that are involved in producing, promoting, or participating in live performances, events, or exhibits intended for public viewing; (2) establishments that preserve and exhibit objects and sites of historical, cultural, or educational interest; and (3) establishments that operate facilities or provide services that enable patrons to participate in recreational activities or pursue amusement, hobby, and leisure-time interests.

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21 Source: US Bureau of Labor Statistics Table 1.4 Occupations with the largest job growth, 2010 and projected 2020
22 US Census Bureau, Longitudinal Employer-Household Dynamics (LEHD) Program, http:onthemap.ces.census.gov/

Some establishments that provide cultural, entertainment, or recreational facilities and services are classified in other sectors.

National Trends
Employment in the arts, entertainment, and recreation sector is projected to grow slightly faster than the total economy from 2010 to 2010 (1.7 percent vs. 1.3 percent annual growth).[23] It represents a very small portion of total US economy, accounting for only 1.3 percent of total employment and less than 1 percent of total economic output.[24]

Regional Dynamics
World Business Chicago is the only other regional economic development entity seeking to target the tourism and entertainment industry. Although Chicago does not show a strong concentration of employment in this sector when compared to the nation, tourism and entertainment is a significant component of the city's economy with increasing economic output and employment. This sector also provides significant tax revenues for the city.

Lemont's Competitive Position
Lemont shows a strong concentration of employment in the arts, entertainment and recreation sector when compared to the Chicago region and the state. In 2010, 520 jobs, 8.4% of all jobs in Lemont, were in this sector.[25] Although Lemont's many golf courses may be assumed to comprise majority of the employment in this sector, only Ruffled Feathers should be captured in this data because it is the only golf course within the village limits. More research is needed to determine the remaining employment centers within this sector, although the sector does include businesses like bowling alleys, recreational sports teams/organizations, fitness centers, museums, etc.

The many outdoor recreational amenities in and near Lemont support its position as a potential center for recreation based businesses. Additionally, Lemont has a long history of community engagement in the arts including public art projects, local art galleries, and a recently approved small performing arts center.

Targets Within Sector
Within the Arts, Entertainment & Recreation growth target industry sector, the Village may have the most success focusing on the following industries or business types:

- Businesses that support the economic prosperity vision priorities of enhancing the downtown, the I&M Canal, and the Heritage Quarries Recreation Area.
- Businesses that support the economic prosperity vision priority of providing services for the youth of the community.

Preservation Target 1: Manufacturing

Description
Manufacturing is a very broad sector of the economy. The Manufacturing sector comprises establishments engaged in the mechanical, physical, or chemical transformation of materials, substances, or components into new products.

Establishments in the Manufacturing sector are often described as plants, factories, or mills and characteristically use power-driven machines and materials-handling equipment. However, establishments that transform materials or substances into new products by hand or in the worker's home and those engaged in selling to the general public products made on the same premises from which they are sold, such as bakeries, candy stores, and custom tailors, may also be included in this sector. Manufacturing establishments may process materials or may contract with other establishments to process their materials for them. Both types of establishments are included in manufacturing.

National Trends
The manufacturing sector has seen declining employment in recent years and that trend is not predicted to change; the

23 www.bls.gov, accessed 06/15/12
24 www.bls.gov, accessed 06/15/12
25 US Census Bureau, Longitudinal Employer-Household Dynamics (LEHD) Program, http:onthemap.ces.census.gov/

20 detailed industries projected to lose the largest numbers of jobs from 2010 to 2020 are primarily in the manufacturing sector.[26] Employment in the manufacturing sector as a whole is projected to decrease by .1% by 2020.[27] However, some industries within manufacturing (e.g. cement and concrete product manufacturing) are projected to increase employment through 2020. The highest employment growth subsectors/industries in manufacturing are: veneer, plywood, and engineered wood product manufacturing; cement and concrete product manufacturing; sawmills and wood preservation; and other transportation equipment manufacturing.

Although the manufacturing sector is losing employment, it is increasingly productive with growing outputs projected through 2020.[28]

Regional Dynamics

CMAP acknowledges that the manufacturing sector is a large part of the region's economy and is one of the region's largest employment sectors. However, CMAP also acknowledges that regionally the manufacturing sector mirrors national trends in that productivity is increasing, while employment has continued to shrink.[29]

Nonetheless, components of the manufacturing sector are targeted for growth by CMAP and other regional organizations. The following table shows which type of manufacturing activity is being targeted by each regional economic development organization. While there is overlap among the various organizations' targets, each entity has based its targets on the specific workforce and built environment characteristics unique to each organization's jurisdiction.

Manufacturing Industry Targets of Regional Economic Development Organizations				
Manufacturing Industries *(either NAICS subsector or generalized grouping based on cluster definitions)*	**CMAP**	**Choose DuPage**	**Will CED**	**World Business Chicago**
Health Care Related	X	X	X	X
Advanced Manufacturing[1]	X	X		
Energy Related	X[2]	X		
Printing		X	X	
Primary Metals		X		X
Fabricated Metals		X	X	X
Machinery		X	X	X
Defense Related		X		
Food			X	
Plastic and Rubber Products			X	
Chemical			X	X

1 Advanced Manufacturing includes a broad spectrum of manufacturing industries, all using advanced processes.

2 Includes green energy manufacturing only

Lemont's Competitive Position

Employment in Lemont reflects a strong concentration in the chemical manufacturing subsector (LQ = 1.45) when compared to statewide employment data. When compared to the Chicago metro area, Lemont still shows a concentration, but to a lesser degree (LQ = 1.34).

Lemont current has 1.18 square miles of land zoned for manufacturing/industrial purposes. Most of this land is currently in use and has been used by industrial businesses for decades. Because of this long history, many sites have environmental constraints that dampen their potential for other uses. Additionally, the existing buildings and

26 United States Bureau of Labor Statistics, Employment Projections 2010-2020, USDL-12-0160, released February 01, 2012
27 www.bls.gov, accessed 06/15/12
28 www.bls.gov, accessed 06/15/12
29 CMAP Industry Cluster Snapshot, p.6

transportation access (road, water, or rail) on these sites represent significant prior investment, which also makes the sites more economically viable for continued industrial use than conversion to other uses.

Lemont's industrial properties are well situated to accommodate manufacturing uses. Rail, water and interstate access are all in close proximity to industrial sites. Also, although Cook County taxes are higher than surrounding collar counties, Lemont offers closer proximity to Chicago. Finally, Lemont is a safer community than many industrial areas near Chicago and the community's available housing is attractive to owners and managerial staff of manufacturing facilities.

Lemont's manufacturing sites are small, however, when compared to average plant size requirements.
The buildings on many of the sites are older and in some cases functionally outdated. Therefore, redevelopment and parcel assembly may be necessary to meet the needs of new occupants.

Targets Within Sector
Within the Manufacturing preservation target industry sector, the Village should limit its efforts to industries or business types with the following characteritics:

- Operations that can generate sales tax revenue for the Village;
- Businesses or industries with higher than average employment for the sector;
- Industries aligned with CMAP target manufacturing industries;
- Buildings and sites with exceptional design/aesthetics; and/or
- Businesses with limited environmental impacts.

Preservation Target 2: Transportation & Warehousing

Description
The Transportation and Warehousing sector includes industries providing transportation of passengers and cargo, warehousing and storage for goods, scenic and sightseeing transportation, and support activities related to modes of transportation. Establishments in these industries use transportation equipment or transportation related facilities as a productive asset. The type of equipment depends on the mode of transportation. The modes of transportation are air, rail, water, road, and pipeline.

National Trends
Nationally, the transportation and warehousing sector is growing, but not at a rate that is substantially higher than the rest of the economy.[30] None of the industries in this sector are among the 20 fastest growing. However, truck transportation is among the top 20 industries projected to add the most jobs between 2010 and 2020.

Regional Dynamics
The Chicago area has been an important transportation hub since the opening of the Illinois and Michigan Canal in 1848 and transportation and warehousing continues to be an important sector in our regional economy. As CMAP reports, employment in transportation and warehousing is more concentrated in the Chicago region than in the nation as a whole. Employment in the transportation and warehousing sector represents approximately 4% of total regional employment and employment within the sector has grown by slightly over 2% from 2005 to 2010.[31]

Although all the regional economic development organizations mention transportation as either a specifically targeted industry or an industry needed to support other industries' growth, Will County has arguably most actively engaged in expanding the transportation sector in its economy. Since 2002, 1,750 acres of intermodal facilities with 3,700 of industrial park facilities have been developed.[32] The transportation and warehousing sector is the third largest source

30 www.bls.gov, accessed 06/15/12
31 US Census Bureau, Longitudinal Employer-Household Dynamics (LEHD) Program, http:onthemap.ces.census.gov/
32 Will CED Inland Port Impact Study, September 2010

of employment in Will County and totaled 28,281 jobs in 2010.[33] But perhaps in part because local activity in the transportation and warehousing sector has grown so large, Will County is now focusing its economic development efforts on other industries; transportation and warehousing is not a primary target for attraction or expansion/retention except in that it impacts the County's ability to successfully attract and expand other targeted industries.[34]

Lemont's Competitive Position

Lemont has unique assets to support transportation and warehousing uses. Specifically Lemont's location along the Sanitary & Ship Canal makes it a logical location for businesses that rely on water-based freight. Lemont has .88 square miles of land within the Canal Overlay District, which is intended to support water transportation related industries. Lemont also offers close proximity to Chicago while remaining outside much of the worst congested areas. Additionally, because Lemont has always been engaged in transportation, there is an existing community of established businesses in the area. In fact, Lemont shows very strong concentrations of employment in the transportation and warehousing sector when compared to the region or state (LQ of 1.75 or higher).

However, many of Lemont's industrially zoned properties are not large or new enough to compete with the vast amount of warehouse space constructed within the last ten years in Will County. Also, Cook County taxes are a disadvantage to all industrial properties when compared to Will or DuPage County properties.

Additionally, Lemont has limited industrially zoned property and therefore needs to carefully choose its targets so they best equip the community to reach its economic development goals. One of Lemont's economic development goals is to create local employment. A related goal is to expand retail options; national and regional retailers often require a minimum amount of daytime (i.e. workforce) population to support a location decision. The transportation and warehousing sector, or at least portions of it, may not be the best target to help Lemont achieve these goals. Warehousing tends to create less employment than other industrial uses given the same amount of space. For example, one land planning model assumes 5,000 sf per employee for warehouse uses and 2,500 sf per employee for all other industrial uses.[35]

Targets Within Sector

Within the Manufacturing preservation target industry sector, the Village should limit its efforts to industries or business types with the following characteritics:

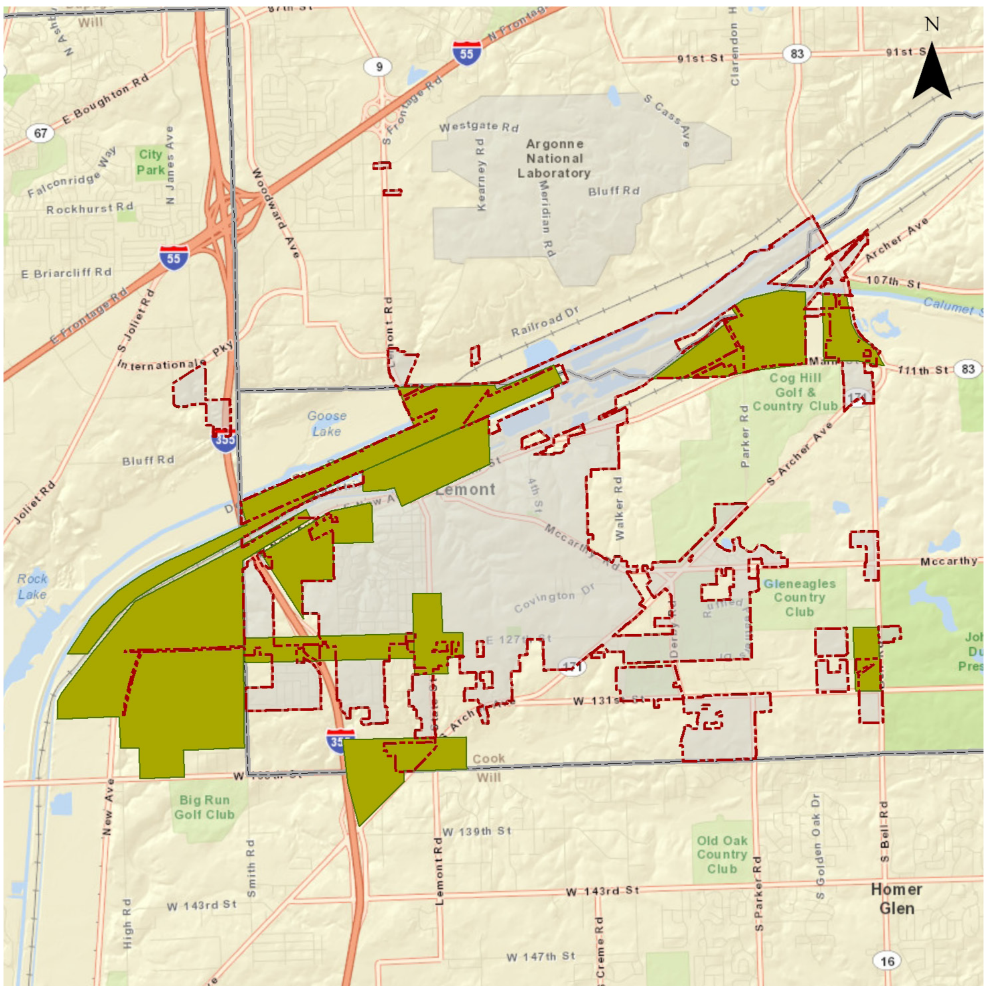
- Barge / canal related industries, such as those within NAICS 483: Water Transportation;
- Warehousing, logistics, and truck transportation industries that include ancillary services (e.g. accounting, dispatching, managerial offices, etc.), which provide higher ratios of employment than simply a warehouse or freight terminal; and/or
- Buildings and sites with exceptional design/aesthetics.

33 Will CED Inland Port Impact Study, September 2010
34 Will County Target Industry & Workforce Analysis, Executive Summary, January 2008, p.1
35 Fiscal Impact Analysis Model, Fishkind & Associates, accessed through South Florida Regional Planning Council, http://www.sfrpc.com/fiam.htm

Economic Activity Centers

The preceding section of this report identified industries that the Village should target for retention or attraction efforts. This section of the report identifies existing and potential locations where the targeted industries are already or may be located. In all, ten locations have been identified as economic activity centers. Economic activity centers are existing or potential future hubs of business activity; they are not intended to capture all commercial activity within the Village but rather to focus on those areas where there are or may in the future be significant concentrations of activity. The map below shows the economic activity centers in green. The Village boundary is illustrated as a red dashed line and the grey dashed line is the county boundary.

Village of Lemont – Location Map & Economic Activity Centers



Downtown Economic Activity Center

Downtown Lemont is a historic, mixed use district with many retail and small office uses. To the west side of downtown is the former Tri-Central Marine property, an approximately 48 acre brownfield site owned by MWRD. Tri-Central Marine closed in 1992, and the chemical storage tanks were removed by 1999. Redevelopment of the site has been limited by soil contamination and long-standing MWRD policies that did not favorably view the sale or short-term leases of its properties. In January 2013 the Village announced intentions to re-develop the site with an indoor-outdoor sports complex. Successful pursuit and fulfillment of such a plan could have significant and long-term positive impacts on the downtown Elsewhere in downtown older, non-historic buildings are used for light industry and offer additional sites for potential infill redevelopment. The existing Metra station in downtown is an asset, but its full potential remains unrealized because of limited commuter service on the Heritage Corridor line.

Sanitary & Ship Canal Economic Activity Center

Most of the properties within this center are adjacent to the Sanitary and Ship Canal; these sites they are largely owned by MWRD and leased to various businesses. Most the existing businesses in the area are related to the transportation industry sector, particularly water-borne trasnportation. Near I-355 is a 40-acre vacant site that, despite its acreage, is hampered by it's long, narrow shape.

Municipal water and sewer are not currently available to a majority of these sites, limiting their potential for some uses. In the past these properties were not well maintained by tenants, but more recent developments have been held to higher site design standards.

Citgo Economic Activity Center

The area within this center is dominated by the Citgo Lemont refinery. North of the refinery are some heavy industrial uses and acres of underutilized property, which could be developed for industrial purposes. In particular, the 50-acre former CECO/ Thomas/Austeel steel mill site has great inustrial redevelopment potential but remains grossly underutilized.

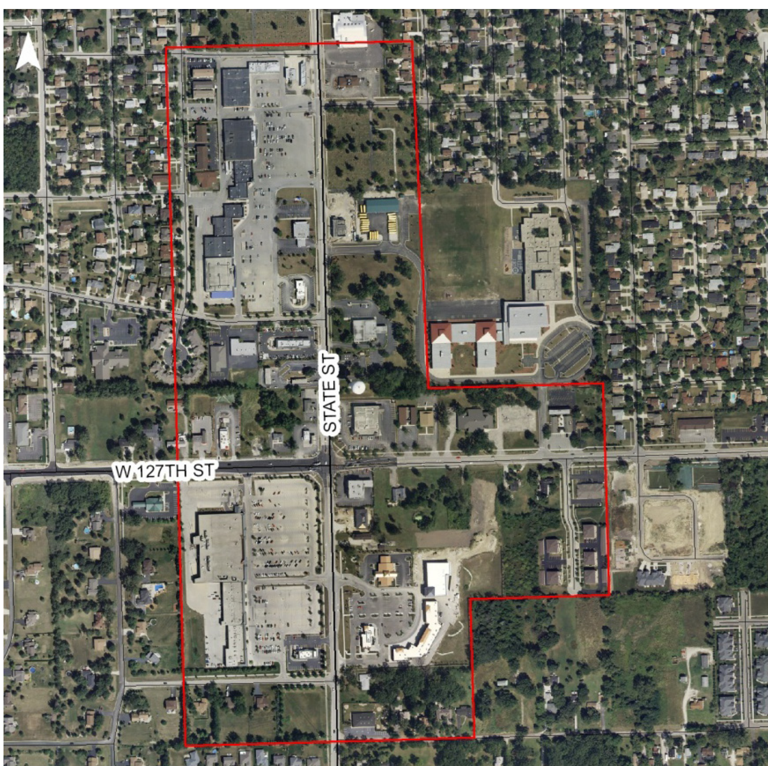
In addition to the refinery itself, Citgo controls the vacant property east and south of the refinery. Citgo would not allow any development that creates high concentrations of people, due to emergency concerns. In the past Citgo representatives have expressed a willingness to allow other industrial users in the vicinity. However, nearby existing residential development could complicate any future industrial development.

Timberline Economic Activity Center

The Timberline economic activity center is home to Timberline Knolls, a nationally renowned residential psychiatric treatment facility offering support for women with mental health issues, particularly eating disorders. West of Timberline Knolls is over 140 acres of vacant or marginally utilized land. Development of this property is challenged by the site's highly variable topography, including a bluff near the north end of the site. However, the Timberline Knolls facility is built on similar topography and the facility's unique setting is an asset touted to prospective clients.

West 127th Economic Activity Center

127th Street corridor, west of State Street is primarily occupied by civic uses and medical facilities. The Lemont Park District, Lemont Township and Old Quarry Middle School are all located along the corridor. Additionally, the Advocate Oupatient Center and several other medical offices are located in the area. The corridor still has over 20 acres of vacant property available. Recently, medical users have shown interest in the area and the area is well suited to accommodate medical establishments. The I-355 interchange is located near the middle of the corridor. Due to lack of traffic volumes, sites west of the interstate are of limited retail potential. Sites east of the interstate are of modest retail potential.

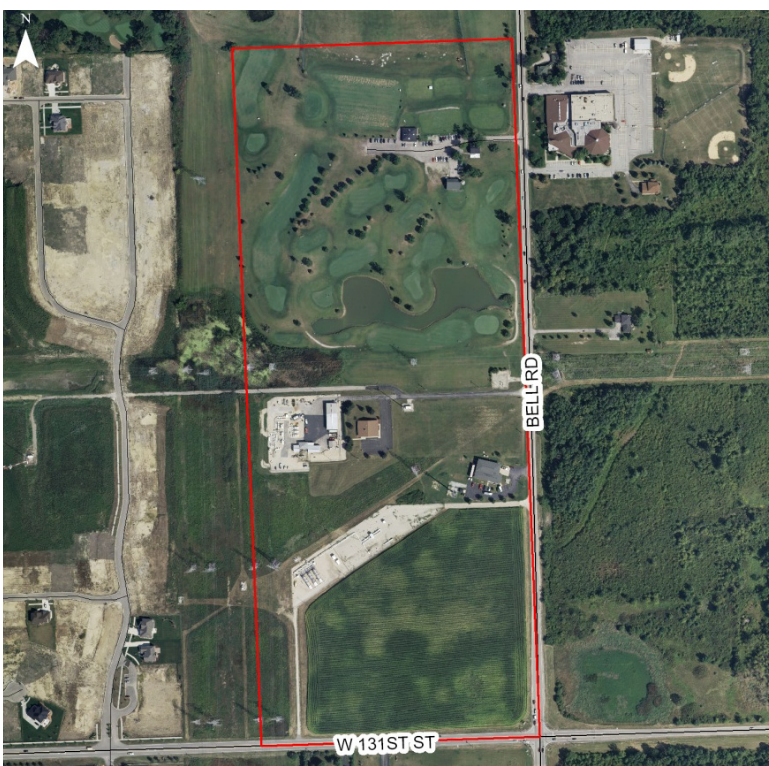


State & 127th Economic Activity Center

The State & 127th area is primarily developed with retail uses. The community's three major retail shopping centers are located in the area. There are a few smaller vacant parcels and several vacant or underutilized sites appropriate for infill retail development. A few parcels in this area remain unincorporated and should be targeted for annexation and appropriate rezoning.

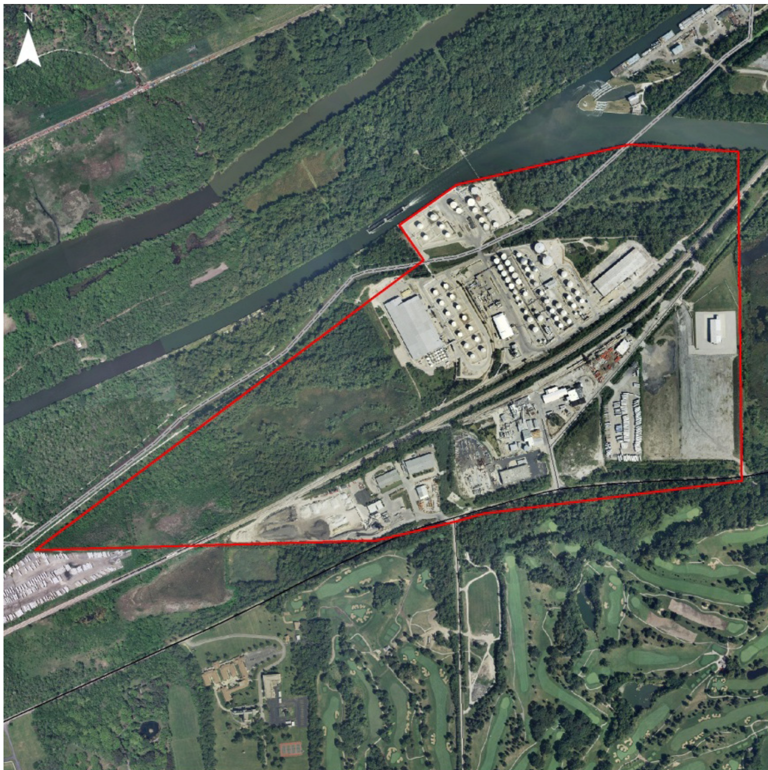
Archer / I-355 Economic Activity Center

The Archer / I-355 area presently has a 264,000 sf retail center, anchored by Target. There is an interchange onto I-355 at Archer Avenue. This interstate access could be an asset to future development in the area. However, this area has had flooding problems in the past and portions of the area are unbuildable due to floodplain restrictions. Additionally, ownership is dispersed; parcel assembly would be a challenge to any significant development. Finally, providing sewer service to any areas south of 135th Street would require a facilities planning area amendment for MWRD; this is also a challenge to development.



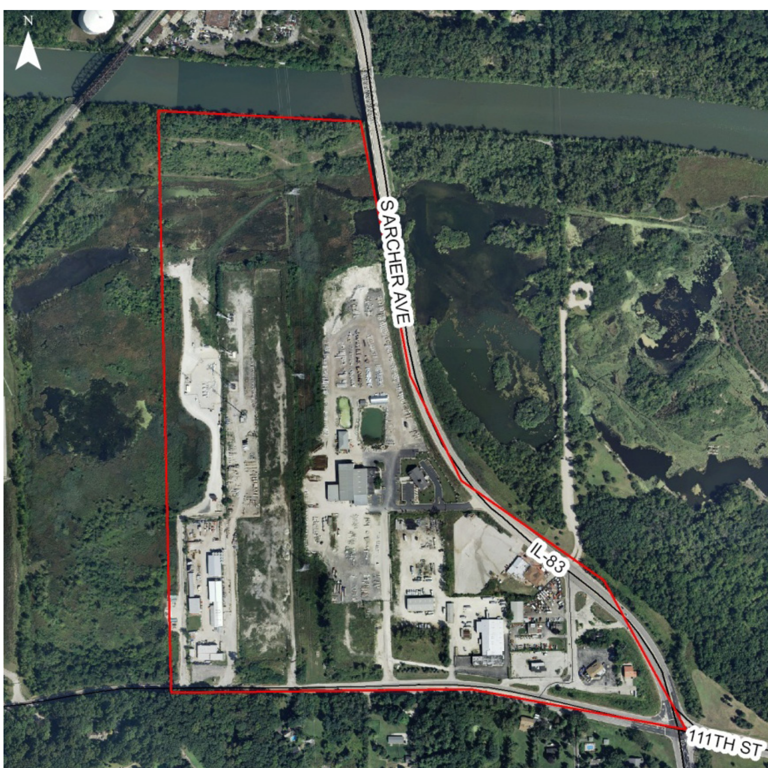
Bell Road Economic Activity Center

Approximately half of the Bell Road center is already zoned for commercial use. The north half is a golf course whose owners have expressed interest in redeveloping the site for an alternate use. The area is not serviced by Village utilities, but sufficient water and sewer are available nearby and the Village has plans to extend service to the area. Bell Road has reasonable traffic volumes to support retail development, and long-range plans include a widening of Bell Road, but existing retail to the south may already satisfy retail demand in the immediate area. Approved and contemplated residential development in the area could nevertheless make the Bell Road corridor increasingly attractive for some commercial development.



Maley Road Economic Activity Center

The Maley Road center is presently dominated with industrial uses. The largest of these uses is the IMTT chemical storage facility. The area is well served by both the Sanitary and Ship Canal and rail. Route 83 is also very nearby. The existing industrial sites and buildings are generally older and not up to current Village site development standards. Several of the sites have environmental restrictions.



Route 83 Economic Activity Center

Most of the property within the Route 83 center is within the Village's newly established Gateway TIF district. The Village has acquired several underutilized or vacant sites with a goal of assembling most property in the TIF under single ownership. Utilities were recently extended to the area. With these improvements, the site may be viable for local serving retail development or other institutional or commercial use.

Industry / Location Matrix

The following matrix joins the target industries to Lemont's economic activity centers. Cells shaded in green indicate that a given target industry is appropriate for a given activity center. These recommended locations should be considered in future annexation, planning and economic development efforts. Detailed area plans for each of the activity centers may be appropriate to successfully accommodate new or expanding businesses. Additionally, the Village should explore the feasibility of annexing areas within Economic Activity Centers that are not in currently within the municipal boundary.

	Target Industries					
	Growth Targets				Preservation Targets	
Economic Activity Areas	Health Care	Retail	Professional, Scientific & Tech. Ass't.	Arts, Ent. & Recreation	Manufacturing	Transportation & Wholesale
Downtown						
Sanitary & Ship Canal						
Citgo						
Timberline						
W. 127th Street						
State & 127th						
Archer / I-355						
Bell Road						
Maley Road						
Route 83						

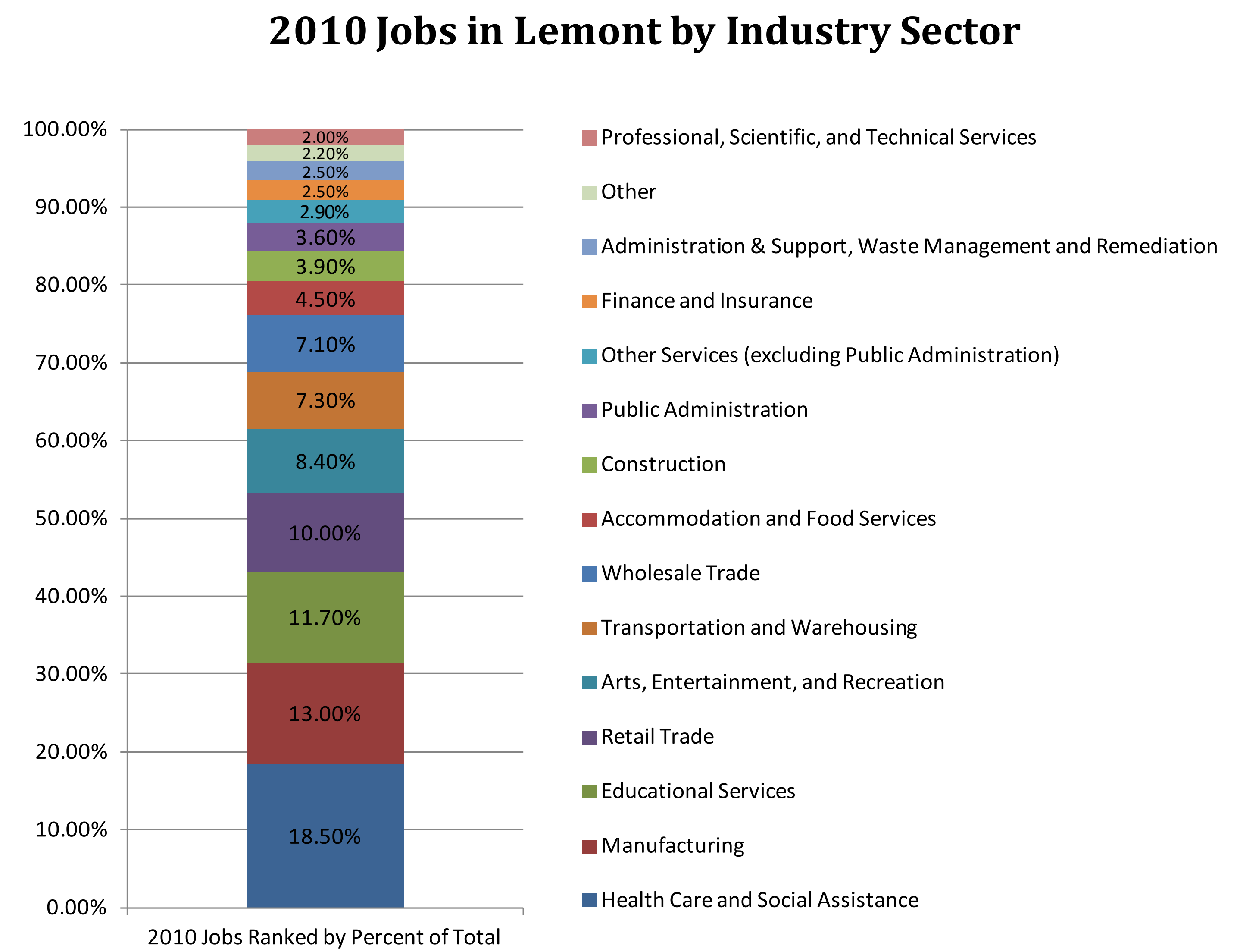
Appendices

Appendix A	Local Employment Composition & Trends
Appendix B	Lemont Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis
Appendix C	Location Quotients
Appendix D	Regionally Targeted Industries
Appendix E	Retail Peer and Competitor Community Data
Appendix F	Lemont Detailed Retail Analysis, including Buxton Retail Leakage and Surplus Report

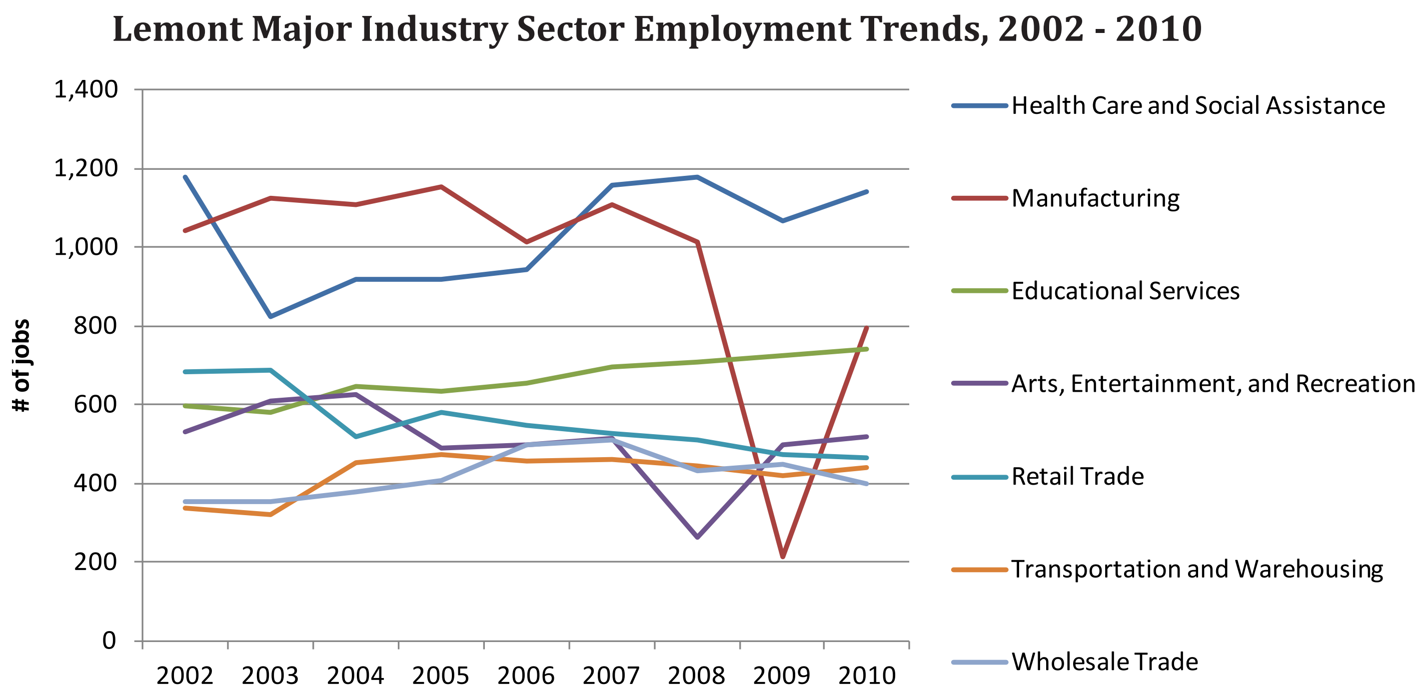
Lemont Local Employment Composition & Trends

Note: Unless otherwise noted, data is from US Census Bureau, Longitudinal Employer-Household Dynamics (LEHD) Program, http:onthemap.ces.census.gov/

In 2010, there were a total of 6,156 jobs located within the Village of Lemont. Over 50% of the total jobs were divided among just four industry sectors: health care and social assistance; manufacturing; educational services; and retail trade. The chart below shows the distribution of jobs among various industry sectors. Industry sectors with 1% or less of total local jobs are grouped as "other."

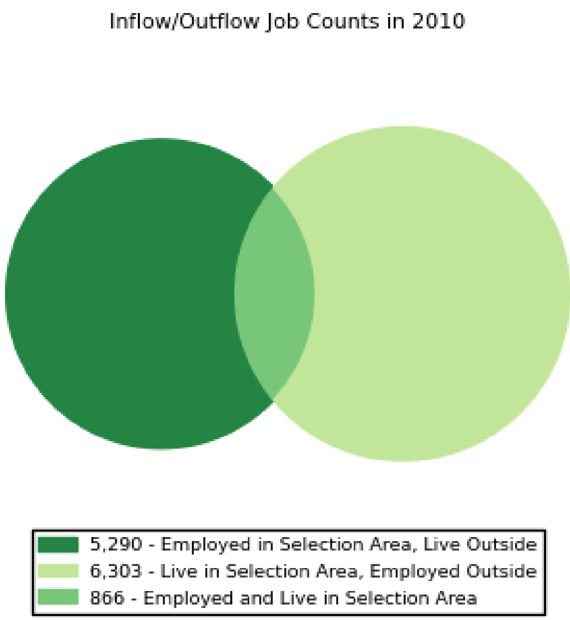


Annual local employment data from 2002 to 2010 reveals that about half of industries in Lemont have experienced positive employment growth. The chart below illustrates the employment trends of industries accounting for at least 5% of total local jobs in 2010, while the table, *Lemont Jobs by NAICS Sector 2002 to 2010*, shows employment trends for all industry sectors in Lemont.



Lemont Jobs by NAICS Industry Sector, 2002 to 2010

Industry Sector	% Change 2002 - 12	2010	2009	2008	2007	2006	2005	2004	2003	2002
Health Care and Social Assistance	-3.14%	1,141	1,067	1,176	1,157	943	916	917	822	1,178
Manufacturing	-23.54%	796	213	1,014	1,107	1,013	1,154	1,106	1,123	1,041
Educational Services	23.95%	740	724	708	695	655	634	644	579	597
Arts, Ent., and Recreation	-1.89%	519	497	264	516	498	488	624	610	529
Retail Trade	-32.06%	464	471	511	526	546	580	518	686	683
Transportation and Warehousing	31.64%	441	418	442	462	456	474	451	319	335
Wholesale Trade	13.31%	400	449	430	510	498	405	377	353	353
Accommodation and Food Services	-57.48%	273	456	423	485	526	652	661	657	642
Construction	-70.98%	238	310	406	608	717	736	756	642	820
Public Administration	10.61%	219	224	231	200	215	206	122	195	198
Other Services (excluding Public Administration)	61.26%	179	168	214	196	170	175	156	133	111
Finance and Insurance	-7.93%	151	190	180	175	196	195	168	162	164
Administration & Support, Waste Management and Remediation	-19.87%	125	158	194	162	151	129	133	130	156
Professional, Scientific, and Technical Services	2.48%	124	120	126	157	147	132	130	106	121
Information	26.67%	57	67	48	46	41	49	39	42	45
Real Estate and Rental and Leasing	86.36%	41	35	39	46	35	33	27	25	22
Mining, Quarrying, and Oil and Gas Extraction	4.35%	24	23	20	15	23	21	17	23	23
Utilities	n/a	10	0	5	2	0	0	0	2	0
Management of Companies and Enterprises	0.00%	1	0	5	7	1	4	2	1	1
Agriculture, Forestry, Fishing and Hunting	n/a	0	0	0	1	0	1	0	0	0

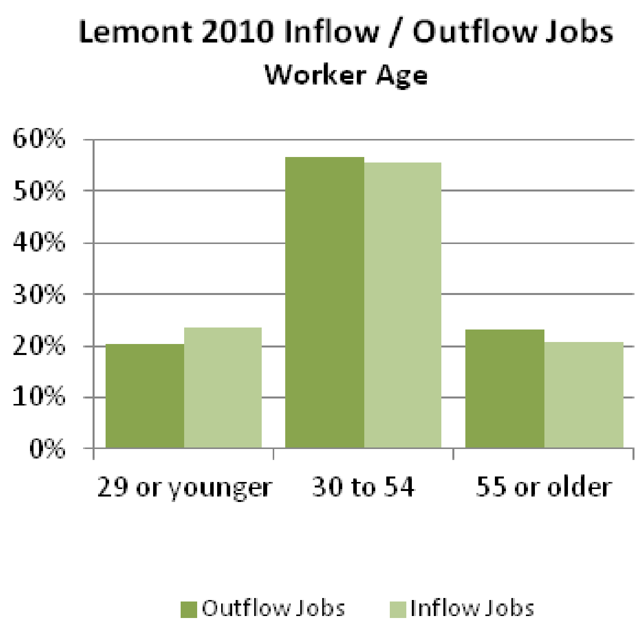


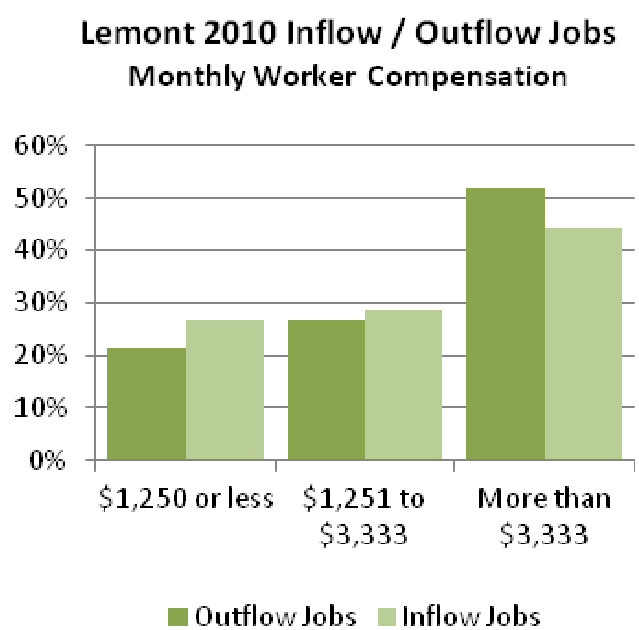
Note: chart generated by http:onthemap.ces.census.gov/

The vast majority of jobs in Lemont (85.9%) are filled by workers who do not live in Lemont. Conversely, Lemont's local residents largely work outside of Lemont. Of 7,169 workers living in Lemont, only 12% also work in Lemont; the other 88% work outside the community. The chart to the left illustrates the relationship between workers who live in Lemont and workers who are employed in Lemont.

One of the Village's economic development goals is to increase the number of local jobs in relationship to the local population. Ideally, these jobs would be filled by local residents. The Village may be able to increase local employment by targeting industries that hire workers matching the local population's education and experience. Doing so would have multiple benefits. First, it links new industry with the existing labor pool. Second, it provides opportunities for reduced commute times and increased quality of life for residents. Third, it achieves several of the village's economic development goals: increasing daytime population, which supports increased retail development; providing jobs for residents within the community; and keeping people in the community, which increases the propensity to spend locally.

In order to ensure that these jobs are attainable to local residents, it is important to understand the characteristics of the jobs available in Lemont and the jobs currently held by our residents. The two following charts represent the age distribution and income for jobs in Lemont held by residents from outside the area (inflow jobs) and jobs outside the area held by Lemont residents (outflow jobs). The majority of inflow and outflow jobs have similar characteristics. The largest difference is in jobs paying over $3,333 a month; more residents are leaving Lemont for jobs in this category. $3,333 a month equates to $39,996 per year; although there is certain a wide range of salaries above this point, annual pay of $39,996 is close to area averages. The average annual earnings for all workers in the Chicago area (CBSA) is $31,757.[1] For males in the Chicago area that are employed full-time the average annual wage is $57,769; for females employed full-time the average is $41,130.[2]





1 2010 American Community Survey, 1 Year Estimates

2 2010 American Community Survey, 1 Year Estimates

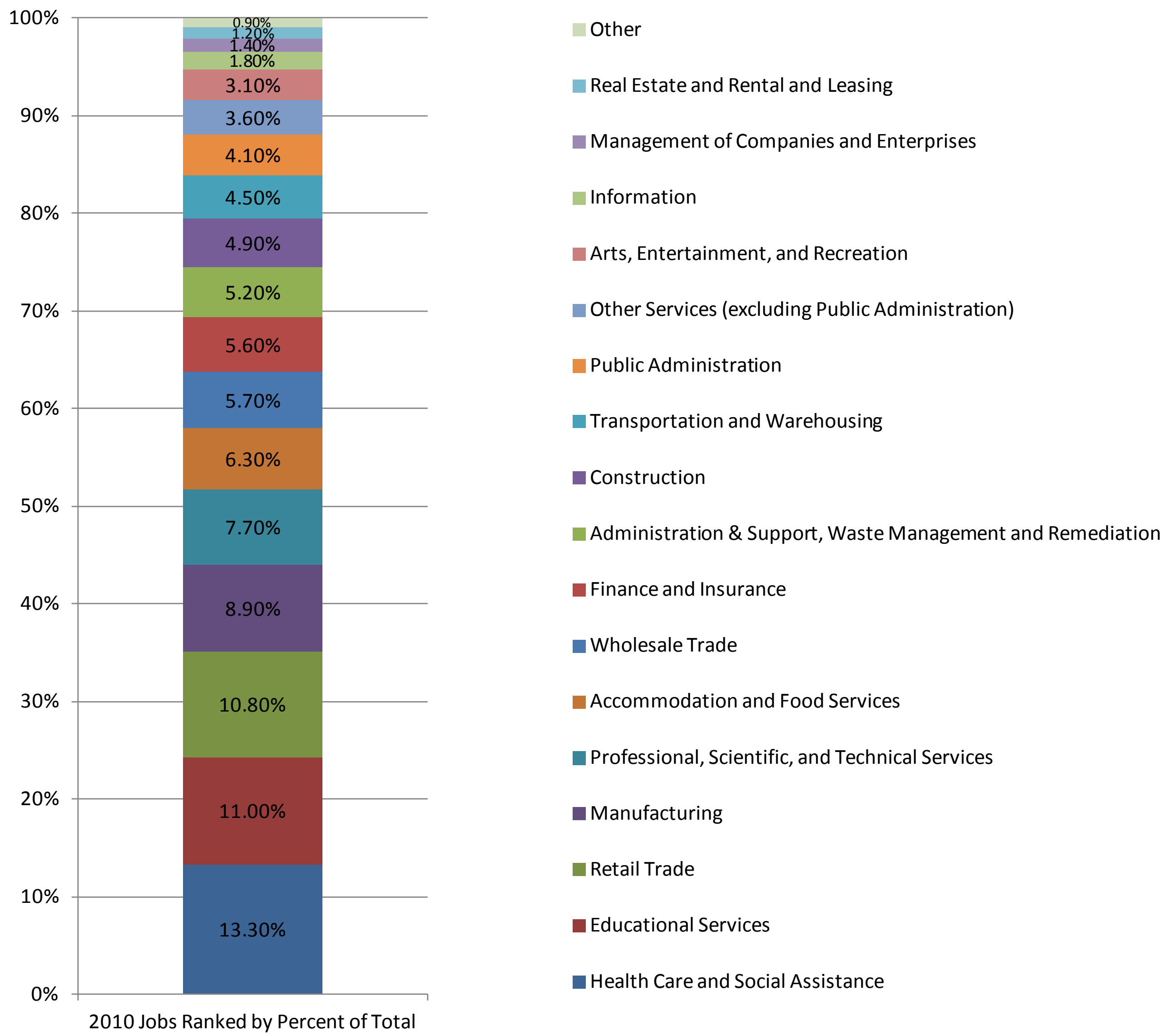
Lemont residents likely occupy high paying jobs because they are well educated as compared to state averages, as shown in the table below.

Educational Attainment		
	Illinois	Lemont
Percent high school graduate or higher	86.9%	98.7%
Percent bachelor's degree or higher	30.8%	40.0%

Source: 2010 American Community Survey, 1yr and 5 yr estimates

The following chart illustrates the various industry sectors within which Lemont residents are employed. Over 50% of workers are concentrated in five industry sectors: health care and social assistance; educational services; retail trade; manufacturing; and professional, scientific, and technical services. As noted previously, over 50% of jobs in Lemont are within these industry sectors, with the exception of the professional, scientific, and technical services sector.

2010 Lemont Residents' Employment by Industry Sector



Lemont, IL – Local Community SWOT Analysis

Local Demographics and Population

As a location for employers, one of Lemont's strengths is that it has an educated workforce; it's percent of residents with high school and bachelor's degrees far exceeds state and metro area averages. For retailers, Lemont has above average household incomes, indicating more disposable income to support local retail activity.

Lemont's weaknesses include its lack of diversity. Although lacking in racial diversity, Lemont does have ethnic diversity represented in large Polish and Lithuanian populations. Additionally, the community has a diversity of faith institutions, including the Hindu Temple of Greater Chicago.

Demographic Profile of Lemont vs Illinois and the Chicago Metro Area

	Illinois	Chicago MSA	Lemont, IL
Median Household Income ($)	52,972	57,104	89,309
Median Age (years)	36.6	34.5	42.6
Percent White	71.5	65.4	95.9
Educational Attainment (pop. Age 25 and over)			
Percent high school graduate or higher	86.9	86.4	92.4
Percent bachelor's degree or higher	30.8	34.0	38.7

Sources: U.S. Census Bureau, 2010 Census, ACS 1-yr estimates, ACS 5-yr estimates

School Performance

Lemont has two public school districts that serve the local community. Lemont-Bromberek Combined School District 113A serves grades K-8 and Lemont High School District 210 serves grades 9-12. The high school district is considered medium sized by the IL State Department of Education standards, while the grade school district is considered large.

Lemont School District 113A has recently suffered from fiscal management issues that have placed the school on the Illinois State Board of Education's (ISBE) watch list; the ISBE threatened to take over District 113A unless the district got its fiscal house in order. Consequently, the district has lower expenditures per pupil than the state average and higher average classroom sizes. However, District 113A's students still perform well on reading and math exams; the district continues to make adequate yearly progress under the terms of the No Child Left Behind law.

According to the evaluation metrics chosen, the state of School District 210 is the opposite of District 113A. School District 210 spends more per pupil than the state average and has comparable average class sizes. It also has a higher graduation rate than the state average. However, the district did not make adequate yearly progress in 2011, and less of its students met or exceeded state reading and math standards than the state average. Interestingly, the district achieved its highest ever average ACT composite score in 2011, 23.0 pts.[1] This score is almost three full points higher than the 2011 state average of 20.9.[2]

1 http://www.lhs210.net/news/default.aspx?ArticleId=518, accessed 02/15/12

2 http://www.isbe.net/news/2011/aug17.htm, accessed 02/15/12

Comparison of Lemont School Districts vs. Statewide Averages (2011 data)

Evaluation Metric	Statewide	SD113A	SD210
% of Students Meeting or Exceeding Standards in Reading	75.0	87.6	73.6
% of Students Meeting or Exceeding Standards in Math	80.8	95.8	72.3
Attendance	94.0	95.8	Not avail.
Graduation Rate	83.8	n/a	91.2
Adequate Yearly Progress Met?	No	Yes	No
Average Class Size – Kindergarten	20.9	28.1	n/a
Average Class Size – Grade 3	22.3	34.1	n/a
Average Class Size – Grade 8	21.3	33.1	n/a
Average Class Size – High School	19.2	n/a	20.8
Instructional Expenditure per Pupil ($)	6,773	5,879	8,693
Operational Expenditure per Pupil ($)	11,537	10,472	15,497

Source: 2011 Illinois Interactive Report Card, Northern Illinois University, with support from the Illinois State Board of Education. Updated: Sunday, February 12, 2012

Tax Burden

Lemont struggles to compete with nearby communities for commercial and industrial development due to its disadvantageous tax situation. Property taxes for commercial and industrial properties are typically higher in Cook County than in nearby Will or DuPage counties. This is due in large part to the Cook County 10/25 Ordinance, which assesses commercial and industrial properties at 25% of market value and residential properties at 10% of market value. Will and DuPage counties assess all properties as 33.33% of market value. This situation would appear to be advantageous for properties in Cook County, but state law requires that the total assessed value for property within counties equal 33.33% of the market value of all property within each county. To achieve this standard, the state applies an equalization factor to all assessments. Because Cook County purposefully assesses all of its properties below the 33.33% standard, its equalization factor is high. Since residential properties are assessed at a lower rate than commercial and industrial properties, the tax burden is disproportionately shifted to industrial and commercial properties.

Sales tax is another comparative weakness for Lemont versus surrounding communities. Lemont actually lies within three different counties: Will, DuPage, and Cook, but the vast majority of Lemont's territory is in Cook County. Lemont's sales tax rate in Cook County is 8.5%. By comparison, if retail properties were located in the DuPage or Will County portions of Lemont, their sales tax rate would be 7%.

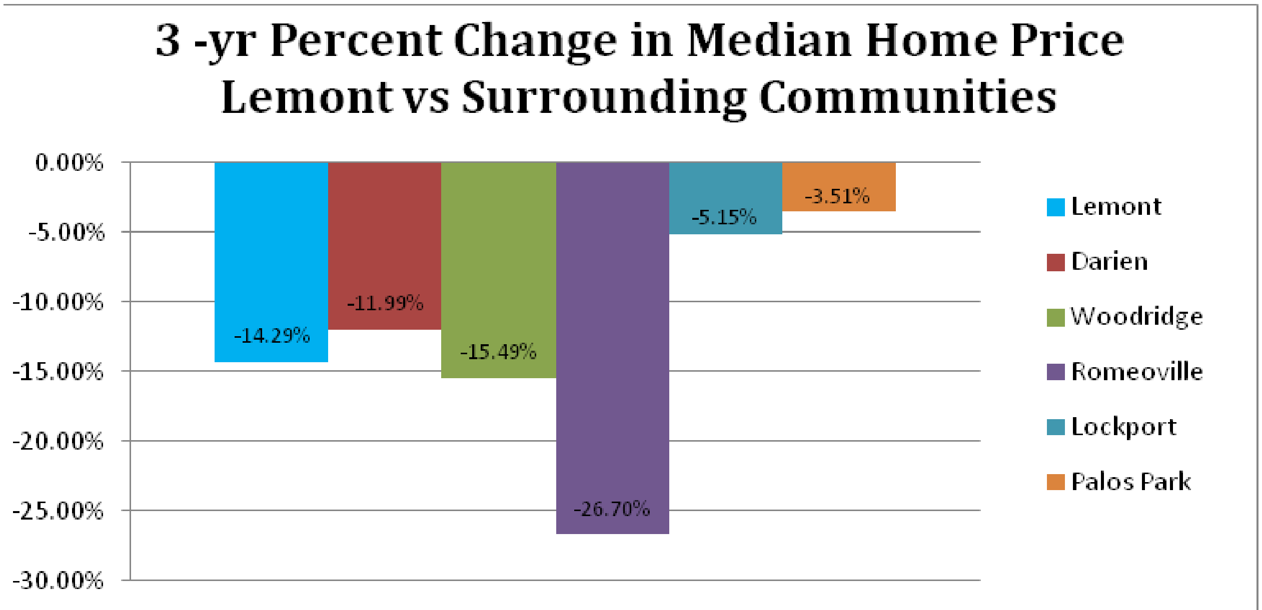
Available Infrastructure

One of Lemont's strengths is that it provides its own water service and has excess capacity to meet daily demand. This allows for new development to proceed without costly upgrades to Village facilities. Most of the Village and its adjacent planning area is serviced by water and sewer, or has service within a reasonable distance. The Village has recently made plans to extend water and sewer service into a portion of its unincorporated planning area, opening this area up to additional development opportunities.

One limitation for Lemont is its inability to provide sewer service to adjacent sites in Will and DuPage counties. Any extension of service into those areas requires an amendment to the Water Reclamation District of Greater Chicago's (MWRD) facilities planning area. Another limitation for Lemont is that it is considerably older than many neighboring communities; its aging infrastructure is insufficient for new development in some parts of the community. In particular, this is an issue near the historic downtown retail district. The Village has taken proactive steps to improve infrastructure in these areas, but more work remains.

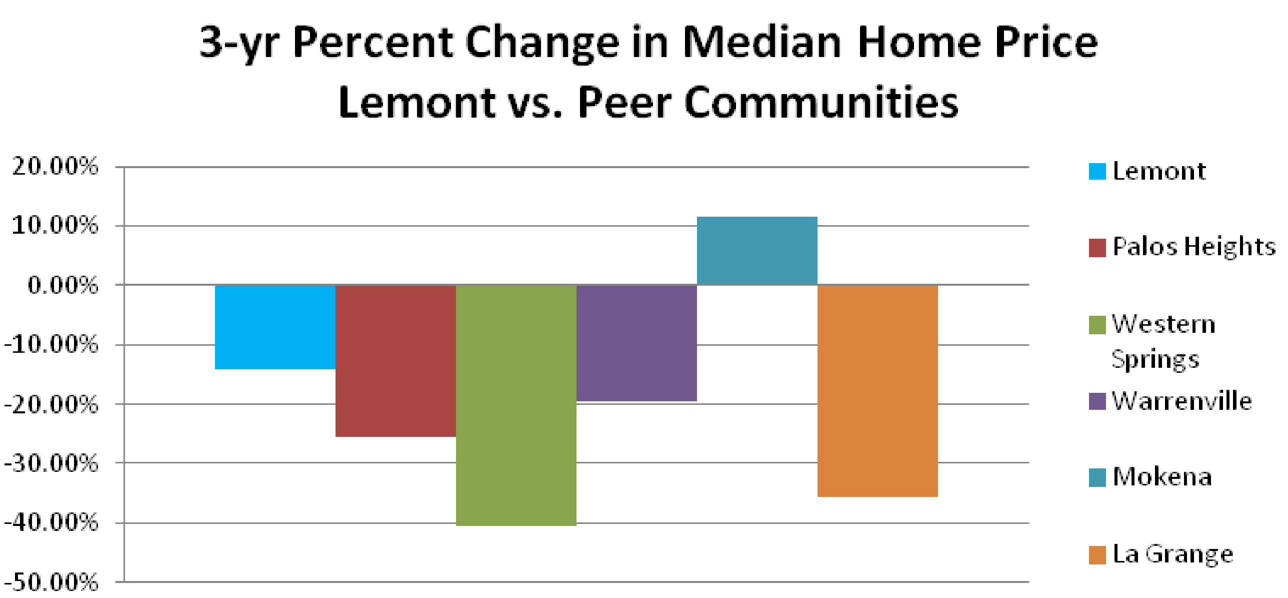
Home Value Trends

When compared to its surrounding neighbors, Lemont retains high residential real estate values, as represented by current median home price and by the price per square foot for homes sold in 2011. However, Lemont has the third largest decline in median home price among its five nearest neighbors over the last three years.



Source: ChicagoTribune.com/classified/realestate/transactions

When comparing Lemont to other western and southwestern suburban communities with similar population and median household incomes, Lemont compares more favorably. Although Lemont shows a negative change in median home price over three years, its decline is smaller than all other declining communities. Mokena is the only community with rising home prices over the study period.



Source: ChicagoTribune.com/classified/realestate/transactions

Broker Analysis

On April 6, 2011, the Village met with 10 commercial real estate brokers who represent properties for sale or lease in Lemont. Invitations were sent to all brokers or property owners who represent property or buildings currently for sale or lease in Lemont; approximately 30 total. The purpose of this meeting was to 1) begin to build relationships between the Village and the commercial real estate community, 2) educate the brokers on how the Village works to promote available sites and buildings, and 3) gather input from the brokers on the challenges and opportunities of marketing properties in Lemont and how the Village and the commercial real estate community can better work together to fill available sites & buildings. Below is a list of the comments received, grouped by the type of property in question.

Office Properties

- Many office uses (e.g. medical) rely on nearby population growth to create demand. Lemont's relative geographic isolation and the overall slowing of area population growth are challenges to filling office space.
- I-355 is an asset, but Cook County taxes make Lemont's properties less competitive against comparable Will or DuPage County properties.
- Office users now are less location-specific; they are more focused on getting a good deal and moving in quickly. Anything the Village can do to speed up the build-out process will make Lemont's office properties more competitive. One thing that might help is to modify building permits to allow partial build-out permits.
- The brokerage community understands that the Village is not in a position to do anything about the Cook County tax structure, and likely can offer minimal, if any, local financial incentives. However, cultivating a pro-business reputation among the brokerage community will help compensate for these things.

Retail Properties

- Lemont's lower population density is a challenge to brining in retail, as is Cook County taxes. County taxes are particularly challenging in filling ground lease properties (e.g. shopping center outlots).
- I-355 is both a positive and a negative for retail. It has made Lemont more accessible, but also has reduced traffic volumes on Lemont roads.
- The Village needs to develop marketing materials focused on the Village as a whole that can be used to attract retailers. This would supplement site-specific marketing materials created by brokers for individual sites.
- The Village should be more proactive in recruiting businesses to Lemont (e.g. consider attending ICSC events, direct marketing campaign to retailers, etc.).
- Permitting is also a concern for retail properties, particularly streamlining the process and providing a single point of contact for permit reviews.

Industrial Properties

- The Class 6b property tax exemption is an asset available to Cook County industrial properties. The Village should have a single point of contact on Village staff for all 6b questions; this person should be well versed in the 6b program.
- The Village should inventory its industrial sites, and consider marketing prime properties to industrial users.
- The industrial brokerage community is relatively small and close-knit. By cultivating positive relationships with industrial brokers the Village will improve the likelihood of new industrial development in Lemont.

Lemont Location Quotients

Location quotients (LQ) are used to measure the relative concentration of local employment in a given industry or occupation as compared to employment in the same industry in a larger reference region. When applied to employment, location quotients measure the ratio of a sector's share of total local employment to that sector's share of total reference region employment.

$$LQ = \frac{\text{(Local Employment in Sector / Total Local Employment)}}{\text{(Reference Region Employment in Sector / Total Reference Region Employment)}}$$

In many cases, the reference region is the United States. In this case, since we are examining a local municipality, a smaller reference region was chosen. This study calculated location quotients using the State of Illinois, the Chicago-Joliet-Naperville, IL-IN-WI Metropolitan Areas (CBSA), and the Chicago metro area (Cook, DuPage, Lake, Will, Kane, and McHenry counties) as reference regions.

An industry with an LQ equal to 1.0 possesses exactly the same share of total local employment as that sector's share of the reference region's employment. When an industry possesses a location quotient greater than 1.0, this signals that the sector is more concentrated in the local area than it is in the reference region. Conversely, a location quotient less than 1.0 indicates that the sector is less concentrated in the local area than it is in the reference region. The higher the location quotient, the more concentrated the employment in that industry for the local area. Typically a location quotient of 1.25 or higher would a significant concentration of employment within a given industry sector. However, because this study is examining smaller geographies, the location quotients are more susceptible to large variation than if examining a larger regional economy vs. national employment.

Therefore, these location quotients are used as just one factor among many to provide an introductory examination of Lemont's competitive position. Those industry sectors with large location quotients (1.25 or higher) as compared to both the region and the state for are considered for targeting, but the final determination of the appropriate target industries for Lemont are based on many other factors.

US Census Bureau, Longitudinal Employer-Household Dynamics (LEHD) Program

Lemont Location Quotients - 2010 Employment Data

NAICS Industry Sector	Lemont Jobs	Chicago CBSA Jobs	LQ - Chicago CBSA	IL Jobs	LQ - IL
Agriculture, Forestry, Fishing and Hunting	0	4,992	0.00	15,466	0.00
Mining, Quarrying, and Oil and Gas Extraction	24	1,699	9.55	8,900	2.40
Utilities	10	18,849	0.36	27,575	0.32
Construction	239	135,610	1.19	188,118	1.13
Manufacturing	799	411,436	1.31	567,370	1.25
Wholesale Trade	435	227,758	1.29	287,456	1.35
Retail Trade	615	451,827	0.92	594,956	0.92
Transportation and Warehousing	448	174,949	1.73	224,545	1.78
Information	60	92,759	0.44	115,866	0.46
Finance and Insurance	151	233,651	0.44	296,609	0.45
Real Estate and Rental and Leasing	40	60,145	0.45	71,431	0.50
Professional, Scientific, and Technical Services	124	300,084	0.28	347,667	0.32
Management of Companies and Enterprises	1	79,817	0.01	97,194	0.01
Administration & Support, Waste Management and Remediation	151	290,821	0.35	342,220	0.39
Educational Services	723	422,791	1.16	578,417	1.11
Health Care and Social Assistance	1,141	539,698	1.43	737,998	1.38
Arts, Entertainment, and Recreation	520	85,129	4.13	98,084	4.72
Accommodation and Food Services	275	321,470	0.58	429,713	0.57
Other Services (excluding Public Administration)	181	153,633	0.80	196,825	0.82
Public Administration	219	154,392	0.96	253,823	0.77
All Industries	6,156	4,161,510	1.00	5,480,233	1.00

Source: US Census Bureau, onthemap.ces.census.gov/

IL Department of Employment Security, Quarterly Census of Employment & Wages					
Lemont Location Quotients - March 2011 Employment Data					
NAICS Industry Sector or Subsector	**Lemont Jobs** (Cook Co. portion only)	**Chicago Metro Area Jobs** (Cook, DuPage, Lake, Will, Kane, & McHenry)	**LQ - Chicago Metro Area**	**IL Jobs**	**LQ - IL**
Agriculture, Forestry, Fishing and Hunting	0	2,125	0.00	13,346	0.00
Mining, Quarrying, and Oil and Gas Extraction	A/	928	n/a	8,900	n/a
Utilities	0	10,001	0.00	23,479	0.00
Construction	395	105,050	2.29	176,934	1.98
Manufacturing	804	356,069	1.37	568,117	1.26
Food	0	44,576	0.00	75,664	0.00
Beverage & Tobacco	0	3,378	0.00	5,374	0.00
Textile Mills	0	659	0.00	966	0.00
Textile Product Mills	A/	2,608	n/a	2,965	n/a
Apparel	0	2,708	0.00	3,663	0.00
Leather & Allied Products	0	572	0.00	1,235	0.00
Wood Products	A/	1,985	n/a	5,976	n/a
Paper	0	16,596	0.00	20,138	0.00
Printing & Related Support	A/	22,082	n/a	30,547	n/a
Petroleum & Coal Products	A/	2,808	n/a	5,264	n/a
Chemical	76	34,544	1.34	45,054	1.50
Plastics & Rubber Products	A/	27,147	n/a	39,117	n/a
Nonmetallic Mineral Products	A/	6,401	n/a	12,161	n/a
Primary Metal Products	0	8,190	0.00	18,766	0.00
Fabricated Metal Products	A/	59055	n/a	90,823	n/a
Machinery	A/	34096	n/a	77,234	n/a
Computer & Electronic Products	0	25638	0.00	34,510	0.00
Electrical Equipment, Appliance & Components	0	18107	0.00	23,197	0.00
Transportation Equipment	A/	13998	n/a	34,688	n/a
Furniture & Related Products	0	7590	0.00	12,458	0.00
Miscellaneous	A/	23331	n/a	28,317	n/a
Wholesale Trade	406	194765	1.27	285,547	1.26
Retail Trade	702	377492	1.13	579,465	1.08
Transportation & Warehousing	553	148134	2.27	216,377	2.27
Information	19	72590	0.16	100,004	0.17
Finance & Insurance	111	204383	0.33	277,723	0.35
Real Estate & Rental and Leasing	52	54411	0.58	69,357	0.67
Professional, Scientific, & Technical Services	110	273860	0.24	350,776	0.28
Management of Companies & Enterprises	0	75976	0.00	97,166	0.00
Administrative & Support & Waste Management and Reme	151	265874	0.35	355,396	0.38
Educational Services	138	116500	0.72	140,714	0.87
Health Care & Social Assistance	855	455205	1.14	695,196	1.09
Arts, Entertainment, & Recreation	317	49016	3.93	66,291	4.25
Accomodations & Food Services	351	288728	0.74	432,925	0.72
Other Services (except Public Administration)	256	136559	1.14	196,228	1.16
Unclassified	A/	4760	n/a	5,919	n/a
ALL INDUSTRIES - Private Employment Total	5247	3,192,426	1.00	4,659,860	1.00

Source: IL DES, QCEW and Where Workers Work data sets, http://www.ides.illinois.gov/page.aspx?module=17&item=31

Note: A/ indicates suppressed data

Regionally Targeted Industries

Lemont is located within Cook, DuPage and Will counties, so each county's target industries were identified and examined. Additionally, World Business Chicago provides target industries for the City of Chicago and the Chicago Metropolitan Agency for Planning (CMAP) identifies industry targets for the seven county region. All of these targeting efforts were examined.

CMAP and the DuPage County Economic Development Corporation, Choose DuPage, employ a cluster based approach to industry targeting. Both entities define clusters using a framework developed by the Purdue Center for Regional Development and the Indiana Business Research Center. The various clusters identified within the framework are each comprised of a specific combination of 6-digit NAICS industry codes; data at this level of detail is generally either unavailable or suppressed for a geography as small as Lemont. Therefore, Lemont cannot know if its local industries comprise all or a portion of any of the regionally targeted clusters. Additionally, I have reservations regarding the cluster framework used by CMAP and Choose DuPage; the originators of the framework specifically state that it was developed as a tool for rural regions and I therefore question it's applicability to a metropolitan region like Chicago.[1]

CMAP's GoTo2040 Plan does not provide a full list of clusters on which to focus regional economic development efforts. Rather, it states that freight/logistics, advanced manufacturing, and biomedical/biotechnical are three "clusters of particular importance" but that "additional sectors should also be targeted to identify specific actions for implementation."[2] The report also notes that fostering a green energy/technology cluster could be important to the region.

CMAP Target Clusters

Cluster Title	Brief Description	Example of Industries Included in Cluster
Advanced Manufacturing[1]	Primarily a variety of manufacturing industries; also includes testing labs and scientific research and development services.	33271- Machine shops 333313 - Office machinery manufacturing 3344 - Semiconductor and other electronic component manufacturing 33511 - Electric lamp bulb and part manufacturing 335921 - Fiber optic cable manufacturing 339112 - Surgical and medical instrument manufacturing
BioMedical/ BioTechnical	Manufacturing related to health care, sales of items related to health care, and Ambulatory Health Care Services (excluding medical professionals' offices)	3254 Pharmaceutical and medicine manufacturing 334517 Irradiation apparatus manufacturing 446 Health and personal care stores 562211 Hazardous waste treatment and disposal 6214 Outpatient Care Centers 6216 Home Health Care Services
Freight / Logistics[2]	Nearly all industries located within the Transportation and Warehousing sector (NAICS 48-49), excluding postal, scenic / sightseeing, and most transit services.	481 Air transportation 482 Rail transportation 483 Water transportation 485112 Commuter rail systems 4855 Charter bus industry 486 Pipeline transportation
Green Energy / Technology[3]	As a subset of the Energy cluster, primarily services related to the development of energy.	533 Lessors of nonfinancial intangible assets (except copyrighted works) 54133 Engineering services 54136 Geophysical surveying and mapping services 54138 Testing laboratories 54162 Environmental consulting services

1 http://www.ibrc.indiana.edu/innovation/index.html

2 GoTo2040, p.190

3 Advanced Manufacturing is not a cluster identified in either the CMAP Industrial Cluster Snapshot Report, or the Purdue cluster framework employed by CMAP; Advanced Materials is a cluster identified in both. Therefore it is assumed that the final GoTo 2040 report intended "advanced manufacturing" to mean "advanced materials".

4 Freight/Logistics is not a cluster identified in either the CMAP Industrial Cluster Snapshot Report, or the Purdue cluster framework employed by CMAP; Transportation and Logistics is a cluster identified in both. Therefore it is assumed that the final GoTo 2040 report intended "freight/logistics" to mean "transportation and logistics".

5 Green Energy is not a cluster identified in either the CMAP Industrial Cluster Snapshot Report, or the Purdue cluster framework employed by CMAP. It is assumed that Green Energy would be a subset of the Energy (fossil and renewable) cluster identified by the Purdue cluster framework.

Choose DuPage indentifies nine target industry clusters. Choose DuPage's targeted clusters include all of the CMAP targeted clusters identified in GoTo 2040, with the difference that CMAP only targets green energy but Choose DuPage targets all of the energy cluster. Choose DuPage includes an additional five clusters not identified by CMAP: business and financial services; information technology and telecommunications; manufacturing (fabricated metals, machinery & primary metals); printing and publishing; and defense and security.

Choose DuPage Clusters, In Addition to CMAP Clusters

Cluster Title	Brief Description	Example of Industries Included in Cluster
Business & Financial Services	Professional and specialized services and printing	323115 Digital printing 518 Internet service providers, web search portals, and data processing services 524 Insurance carriers and related activities 525 Funds, trusts, and other financial vehicles 5411 Legal services 5413 Architectural, engineering, and related services 5415 Computer systems design and related services
Information Technology & Telecomm-unications	Communications related manufacturing and telecom-munications services	23821 Electrical contractors 3342 Communications equipment manufacturing 3343 Audio and video equipment manufacturing 334518 Watch, clock, and part manufacturing 5112 Software publishers 5172 Wireless Telecommunications Carriers (except Satellite) 518 Internet service providers, web search portals, and data processing services 5415 Computer systems design and related services
Manufacturing	Within the manufacturing supercluster, fabricated met-als, machinery & primary metals manufacturing	331 Primary metal manufacturing 332 Fabricated metal product manufacturing **(except 332992, 3, 4, 5)** 333 Machinery manufacturing
Printing & Publishing	Services and manufactur-ing related to communica-tions media (books, tv, etc.) excluding internet commu-nications.	339950 Sign manufacturing 51511 Radio broadcasting 51521 Cable and other subscription programming 516 Internet publishing and broadcasting 51911 News syndicates 54143 Graphic design services 541613 Marketing consulting services
Defense & Security	Manufacturing, sales and services related to national defense.	212291 Uranium-radium-vanadium ore mining 32592 Explosives manufacturing 332992 Small arms ammunition manufacturing 4231 Motor vehicle and motor vehicle parts and supplies merchant wholesalers 5616 Investigation and security services 927 Space research and technology

Will County's Center for Economic Development (Will CED) identifies six industry sectors in their targeting materials. The titles for each of the "industry sectors" are marketing oriented and do not necessarily relate to any NAICS code, cluster framework, or other standardized identification tool. However, each industry sector generally correlates to one or more NAICS sectors or subsectors. Often, the Will CED also includes NAICS codes of particular industries that are to be specifically targeted within a target industry sector. Sometimes these industries are located in a NAICS sector outside the primary sector identified, but are usually closely related to the work done by industries in the primary sector. Therefore, in most cases, it is possible to relate Lemont's industry data to Will CED's targeted industry sectors.

Will CED Target Industry Sectors

Sector Title	Primary NAICS Codes comprising Sector	Specifically Targeted Industries
Professional & Business Services	54 – Professional, Scientific, and Technical Services 55 – Management of Companies and Enterprises 56 – Administrative & Support & Waste Management & Remediation	518 - Internet Service Providers, Web Search Portals, and Data Processing Services 541214 - Payroll Services 5413 - Architectural, Engineering, and Related Services 5414 - Specialized Design Services 5415 - Computer Systems Design and Related Services 5416 - Management, Scientific, and Technical Consulting Services 5417 - Scientific Research and Development Services 5419 - Other Professional, Scientific, and Technical Services 561 - Administrative and Support Services
Food Processing	311 – Food Manufacturing	3112 - Grain Milling 3113 - Sugar and Confectionary Product Manufacturing 3114 - Fruit and Vegetable Preserving and Specialty Food Manufacturing 3115 - Dairy Product Manufacturing 3119 - Miscellaneous Food Manufacturing 333294 - Food Product Machinery Manufacturing 333100 - Agriculture, Construction, and Mining Machining Manufacturing
Life Sciences	334 – Computer and Electronic Product Manufacturing	334510 - Electro-medical and Electrotherapeutic Apparatus Manufacturing 334511 - Search, Detection, Navigation, Guidance Aeronautical & Nautical System Instrument Manufacturing 334516 - Analytical Laboratory Instrument Manufacturing 334517 - Irradiation Apparatus Manufacturing 3391 - Medical Equipment and Supplies Manufacturing 62151 - Medical and Diagnostic Laboratories
Advanced Manufacturing	326 – Plastic and Rubber Product Manufacturing 323 – Printing and Related Support Activities 325 - Chemical Manufacturing 333 – Machinery Manufacturing 332 – Fabricated Metal Product Manufacturing	3335 - Metalworking Machinery Manufacturing 333298 - All Other Industrial Machinery Manufacturing 325211 - Plastics Material & Resins 333220 - Plastics and Rubber Industry Machinery Manufacturing 3261 - Plastics Product Manufacturing 5417 - Scientific Research & Development Services 333293 - Printing Machinery and Equipment Manufacturing 333291 - Paper Industry Machinery Manufacturing

The Cook County Bureau of Economic Development does not provide any industry targeting.

World Business Chicago employs a primarily sector based approach to identify target industries, but blends cluster principles into its analysis. It identifies seven industry "asset" sectors to target for further growth and development in Chicago: manufacturing, finance and insurance, professional and business services, wholesale trade, administration & support, waste management and remediation, transportation & warehousing, and management of companies and enterprises. Within the manufacturing sector, World Business Chicago notes that Chicago has high location quotient and projected growth in the chemicals manufacturing subsector.

WBC identifies the entire professional and business services supersector as a target for growth. Within the supersector, WBC targets the management, scientific and technical consulting services industry as one with a high location quotient and growth projections. The management, scientific and technical consulting services industry is within the professional, scientific, and technical services sector, within which Lemont residents are heavily concentrated.

Transportation and logistics is also a targeted sector for WBC, with a particular focus on air transportation, general freight trucking, and freight transportation arrangement. Lemont workers are also concentrated in transportation and logistics.

Finally, although not a high location quotient for Chicago, WBC targets a tourism and entertainment cluster, as it is the city's fourth highest exporting industry group.

World Business Chicago Target Industries

Sector Title	Primary NAICS Codes comprising Sector	Specifically Targeted Industries
Tourism & Entertainment	71 – Arts, Entertainment & Recreation 72 – Accommodation and Food Services	No specific targets mentioned
Transportation & Logistics	481 – Air transportation 482 – Rail transportation 483 – Water transportation 484 – Truck transportation	4811 - Scheduled air transportation 4885 - Freight transportation arrangement 4841 - General freight trucking
Headquarters & Business Services	54 – Professional, Scientific, and Technical Services 55 – Management of Companies and Enterprises 56 – Administrative & Support & Waste Management & Remediation	5416 - Management, scientific and technical consulting services 5242 - Agencies, brokerages and other insurance-related activities 5613 - Employment services
Manufacturing	31- 33, all Manufacturing sectors	3335 - Metals and Machine Manufacturing 325 - Chemicals and Advanced Materials 3254 - Pharmaceutical and Medical Device Manufacturing

Lemont Detailed Retail Analysis

Lemont's Current Retail Environment

Retail Space Overview
Lemont has approximately 1.2 million square feet of gross retail space. Retail development is primarily clustered in four districts – Downtown, 127th & State, the Eastside, and Long Run Creek.

Downtown Lemont is a charming historic district, primarily comprised of older buildings each containing 1,000 sf or less of ground floor retail. The downtown also includes a recently constructed five story mixed use building with approximately 24,000 sf of ground floor retail.

The intersection of 127th Street and State Street in Lemont is the hub of retail space in Lemont. There are three shopping centers clustered around the intersection, each anchored by a grocery store. Lemont Plaza, built in 1983, is the oldest of the three shopping centers. It contains an approximately 117,000 sf building, with two outlots. Lemont Plaza is anchored by Chipain's, a locally owned independent grocery store. Centennial Plaza, built in 1997, is anchored by Jewel-Osco and contains approximately 92,000 sf in the main building. Centennial Plaza also includes one outlot, which is occupied by a Burger King. Lemont Village Square, constructed in 2007, is the newest shopping center built in Lemont. Lemont Village Square's main 50,000 sf building is anchored by ALDI. Other national tenants like Starbucks and Jimmy John's occupy the 3,700 sf outbuilding. The size and anchor tenants of these shopping centers fit the International Council of Shopping Center's (ICSC) description of neighborhood shopping centers.

Lemont's Eastside retail district is primarily comprised of two small strip shopping centers. Rilly's Pointe is a 16,000 sf center that is anchored by 3 Corners Grill & Tap, a locally owned restaurant. Across from Rilly's Pointe is the Derby Plaza development. Derby Plaza's retail building contains approximately 15,000 sf and is anchored by an ethnic grocery store. The Derby Plaza development also contains approximately 22,000 sf of Class B office space.

The Long Run Creek retail district is the Long Run Marketplace shopping center. Long Run Marketplace includes an approximately 264,000 sf building containing a Target, Kohl's, Home Goods and Office Max. The center also includes two outbuildings; one is 6,400 sf and the other is 7,400 sf.

Other small retail spaces are located along major thoroughfares throughout the Village.

Physical Characteristics
Most of the retail space in Lemont is relatively modern and regularly configured. Lemont Plaza underwent a façade update in 2005; however, the larger site has not been improved. The expansive parking lot with poor striping and limited landscaping creates an dated appearance. Additionally both outbuildings are vacant. The other shopping centers have more modern appearances, although Centennial Plaza and Long Run Marketplace would both benefit from added landscaping. The majority of the available retail space in the community has previously been occupied, so most tenants are not facing build out of raw spaces. The major exceptions to this rule would be the developments in Lemont's Eastside District and the Front Street Lofts in downtown Lemont; these are raw spaces. Additionally, downtown Lemont has many older spaces that are functionally obsolete for many retailers. However, because most of the older downtown buildings have avoided total obsolescence through proper maintenance and/or renovation, many independent start-up businesses thrive in the smaller footprints provided within the downtown district.

Retail Tenant Mix and Trade Area
Lemont is primarily a local serving, convenience retail district with an average trade area of three miles, or approximately seven minutes. This conclusion is supported by the type of retailers presently located in Lemont. Grocery stores anchor three of the four largest shopping centers in the village. As noted, these shopping centers fall within the ISCS neighborhood shopping center category; centers in this category have average trade area of three miles. There are also many salons and other personal services businesses, which are convenience type uses. Lemont has several national chain retailers, but aside from fast food restaurants, all of the dining establishments in the community locally owned or small Chicago-area chains (one to five locations). Of 11 chain retail establishments located in Lemont, the average trade area per store (as measured by the location of existing stores in the Chicago market) is approximately three miles. Lemont's

taxable retail sales are not concentrated in any one particular SIC code (e.g. drinking in eating places), indicating that is it not a strong niche market.

Community Perceptions of Lemont Retail

In fall 2011, Village staff conducted a community survey as part of the Village's update to the Lemont Comprehensive Plan. Over 400 people, or approximately 2.5% of the total village population, responded. Although the survey respondents do not reflect a true statistical representation of the community, they did reflect a diverse segment of the overall population. Among businesses owners who responded to the survey, the most negative aspects of owning a business in Lemont were a lack of traffic downtown and a lack of support from residents; taxes came in third. Among residents, the largest complaints regarding businesses were that there are too few in town and the existing businesses lack variety. Residents were also concerned about perceived high vacancy rates, particularly in the downtown. Approximately 64% of survey respondents stated that when they shop, they do so outside the community. Approximately 76% of respondents stated that when they go out to eat or drink, they do so outside the community.

The Comprehensive Plan survey reflects a desire for greater variety in Lemont's retail offerings. Lemont is unique among the typical Chicago suburbs in that it is not homogeneous with regard to household income. Lemont's residents are spread along the economic spectrum. What one group desires is often derided by the other (e.g. an Aldi grocery store). This presents a challenge in attracting some retailers and satisfying consumer desires.

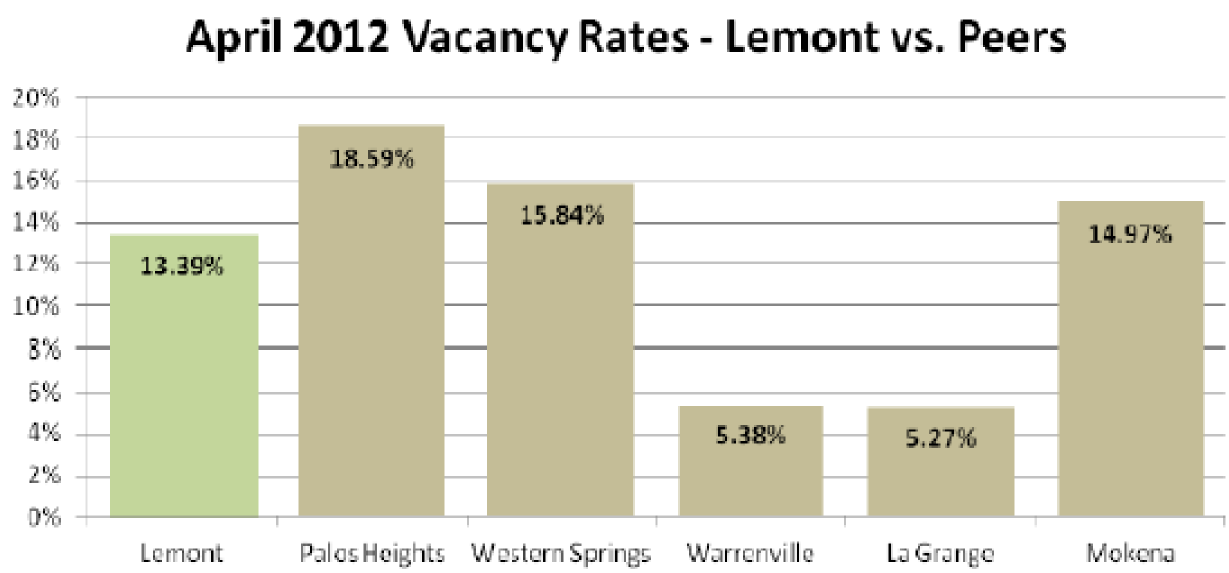
Specifically, survey responses indicate a general desire for more national or large regional chain eating places. This may be because Lemont's residents truly want these particular chains, or may be that national and large regional chains are an easy way to reference a particular type of desired eatery (e.g. a family oriented sit-down format).

According to attendees of a real estate broker focus group in 2011, filling vacant retail space in Lemont can be challenging due to a lack of nearby residential density, a lack of vehicular traffic through the community, and Cook County's higher tax rate than neighboring counties.

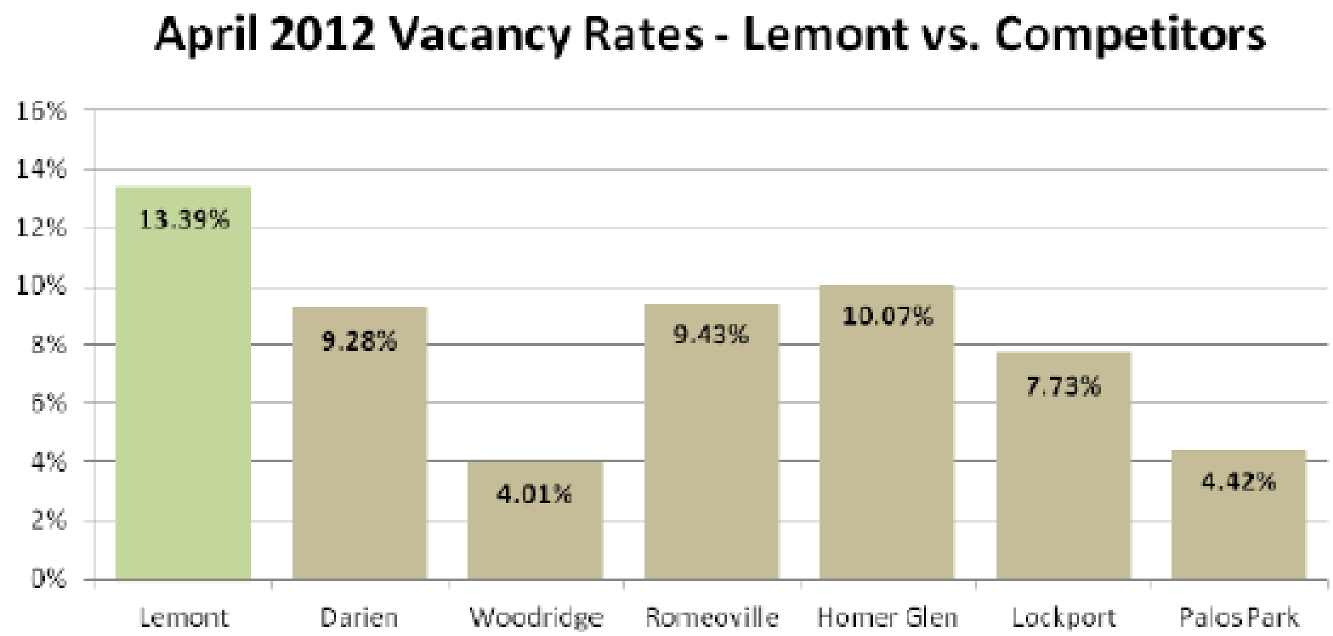
Lemont Retail Performance – Comparison to Peers and Competitors

This report analyzes Lemont's retail performance compared to five peer communities and six competitor communities. Competitor communities are those that are close enough to compete with Lemont for retail activity (e.g. a retailer would most likely not place a location in both communities). Peer communities were chosen based on their proximity to Lemont, their physical environment, their population, median household income, and total 2011 taxable retail sales.

As compared to its peers and competitors Lemont's retail is underperforming, but not drastically so. Lemont's retail vacancy rate as of April was higher than any of its competitors. Among its peers, Lemont's vacancy rate was closer to average.

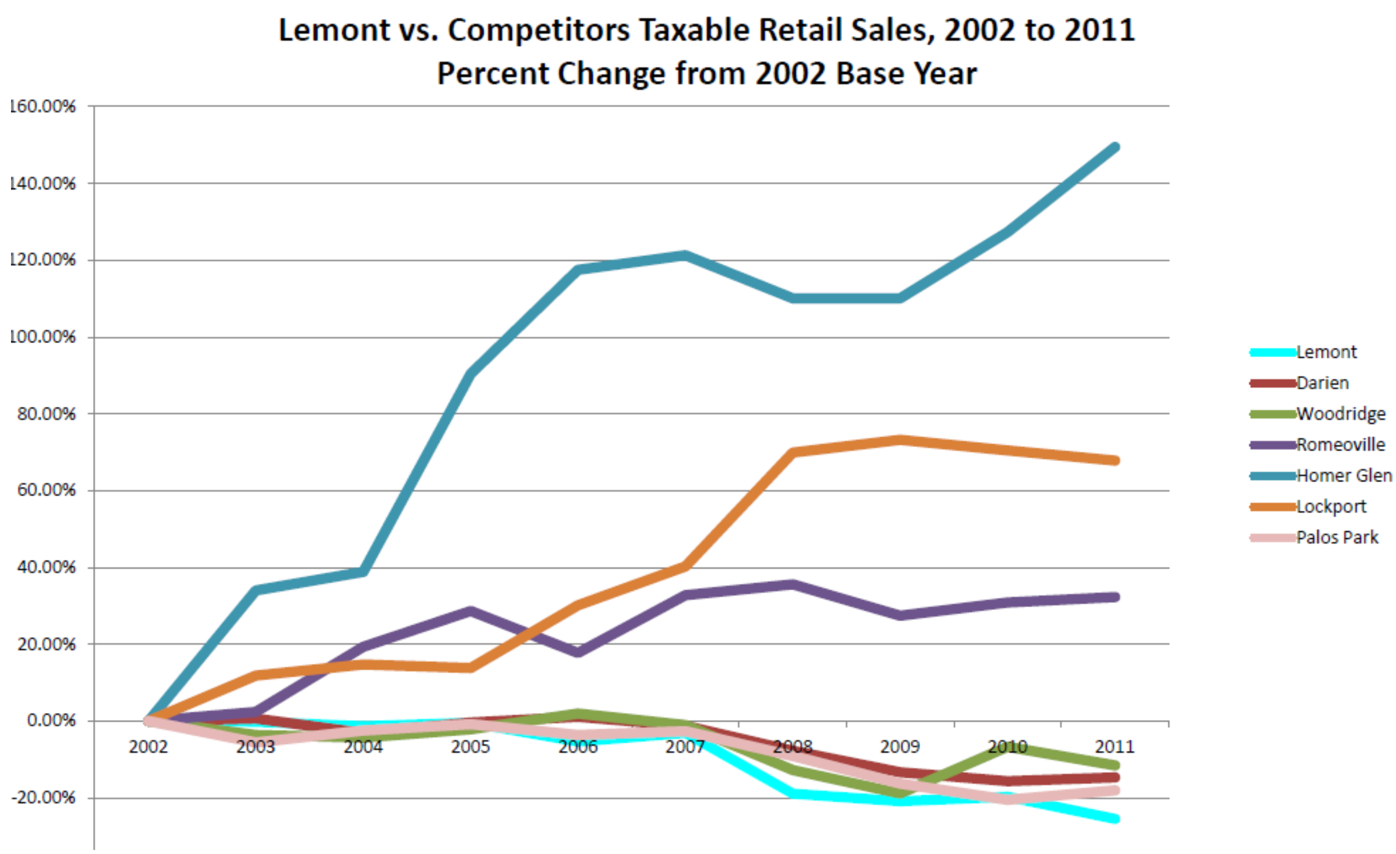


Source: Costar.com



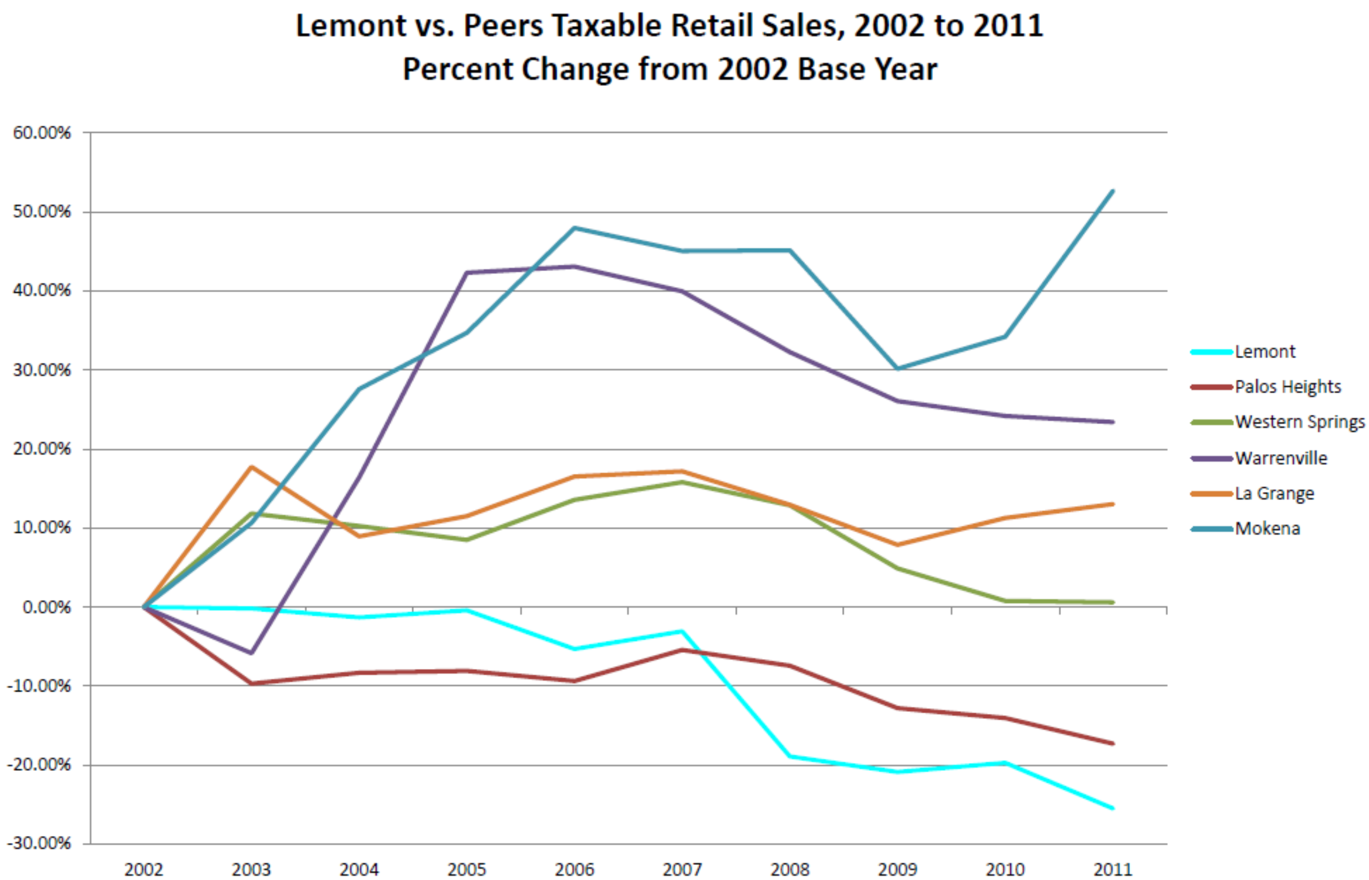
Source: Costar.com

Since 2002, Lemont's total taxable retail sales have declined (as evaluated using constant 2012 dollars). The 2008 recession hit Lemont particularly hard, creating a 16.33% drop in taxable retail sales from 2007 totals. Comparatively, surrounding competitor communities saw only an approximately 5% decline in 2008 and two communities actually increased taxable retail sales in 2008. Among competitor communities from 2002 to 2011, Lemont, Darien, Woodridge, and Palos Park have experienced a general decline in retail sales while Romeoville, Lockport, and Homer Glen have increased sales. This is due in large part to the fact that Romeoville, Lockport and Homer Glen have all had significant areas of new development over the last ten years.



Source: IL Department of Revenue

Lemont fares better against its competitors than against its peers. Most of Lemont's peers finished 2011 with higher taxable retail sales than were received in 2002. Again, some of the growth for communities like Mokena and Warrenville came from new development. However, even Palos Heights and Western Springs, which are both substantially more built- out than Lemont, fared better than Lemont over the study period.

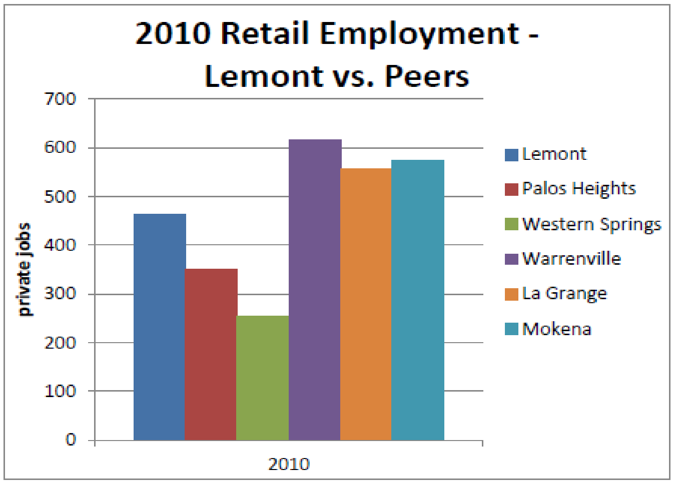


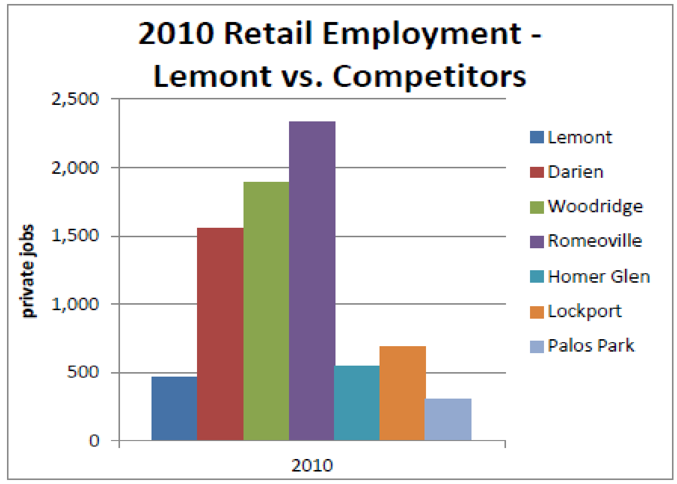
Source: IL Department of Revenue

It appears from this analysis that many peer and competitor communities experienced growth in retail sales in the years leading up to the recession. Even though many communities' sales have been in a declining trend since 2008, the earlier growth has helped to soften the blow. It appears that Lemont, along with some of the other communities, missed out of this period of investment and growth.

Lemont's retail employment data over the study period also confirms a declining amount of retail activity in the Village. It is interesting to note that while 2008 represented a large decrease in retail sales, there was not a correspondingly large decrease in retail employment.

US Census Bureau, Longitudinal Employer-Household Dynamics (LEHD) Program, http:onthemap.ces.census.gov/





US Census Bureau, Longitudinal Employer-Household Dynamics (LEHD) Program, http:onthemap.ces.census.gov/

Additional charts, graphs, and tables representing the data used to support the selection of the peer and competitor communities and the foregoing analysis are available upon request.

Lemont Retail Opportunities

Lemont already excels in providing certain retail goods and services, as indicated by a Buxton Retail Leakage and Surplus Analysis. Within the village limits, Lemont shows a surplus of electronics and appliance stores, food and beverage stores, health and personal care stores, and food service and drinking places. This surplus means that people are coming from outside the village limits to shop and dine in Lemont.

More important than looking at retail surplus or leakage for the village limit is to examine the village's retail trade area. The attached Buxton Retail Leakage and Surplus Analysis, shows the existing sale and consumer demand within the Village's primary trade area, a 7-minute drive time of 127th and State Streets. Retail categories showing leakage are areas where consumer demand within the trade area is not being met within the trade area. These retail categories are potential opportunities for new retailers to meet the unmet demand. Retail categories showing surpluses are those categories where supply within the trade area exceeds demand within the trade area. As noted, this means that customers are coming from outside the trade area to purchase goods and services in these categories.

The Buxton Retail Leakage and Surplus Analysis indicates unmet demand for businesses like automobile dealers, furniture stores, bookstores, etc. It is unlikely that these represent real opportunities for Lemont, as they are either declining retail types (e.g. bookstores) or require traffic and retail density not feasible for the village (e.g. auto dealers).

The report does provide some guidance for types of retail that Lemont could feasibly pursue. Auto parts, accessory and tire stores and full service restaurants show unmet demand sufficient to support at least one additional retailer in each category. Also, clothing stores and clothing accessories are in demand in the local trade area. Although large national clothing chains are unlikely to locate to Lemont, perhaps the Village could pursue smaller independent stores, or stores that are particularly well suited to service Lemont's demographics. The report also indicates significant unmet demand for general merchandise stores; more research would be needed to see what type of retailer within this category is truly needed to serve the unmet demand. The Village should continue to use analytics like those offered through Buxton to guide retail attraction efforts.

Retail Leakage and Surplus Analysis

The Retail Leakage and Surplus Analysis examines the quantitative aspect of the community's retail opportunities. It is a guide to understanding retail opportunities but it is not an analysis that indicates unconditional opportunities. The analysis is sometimes called "a gap analysis" or "a supply and demand analysis" and can aid in the following:

-Indicating how well the retail needs of local residents are being met
-Uncovering unmet demand and possible opportunities
-Understanding the strengths and weaknesses of the local retail sector
-Measuring the difference between actual and potential retail sales

<u>Understanding Retail Leakage</u>

Retail leakage means that residents are spending more for products than local businesses capture. Retail sales leakage suggests that there is unmet demand in the trade area and that the community can support additional store space for that type of business.

However, retail leakage does not necessarily translate into opportunity. For example, there could be a strong competitor in a neighboring community that dominates the market for that type of product or store.

<u>Understanding Retail Surplus</u>

A retail surplus means that the community's trade area is capturing the local market plus attracting non-local shoppers. A retail surplus does not necessarily mean that the community cannot support additional business. Many communities have developed strong clusters of stores that have broad geographic appeal. Examples of these types of retailers include: sporting goods stores, home furnishing stores, restaurants, and other specialty operations that become destination retailers and draw customers from outside the trade area.

Examining the quantitative aspects (Leakage/Surplus) is only part of the evaluation of community's retail opportunities. Before any conclusions can be drawn about potential business expansion or recruitment opportunities, qualitative considerations such as trade area psychographics and buying habits must be analyzed in context of other market factors.

<u>Interpreting Leakage Index</u>

1.0 = equilibrium, meaning that demand and sales in the area being analyzed are in balance.

.80 = demand exceeds sales by 20%, meaning that consumers are leaving the area being analyzed.

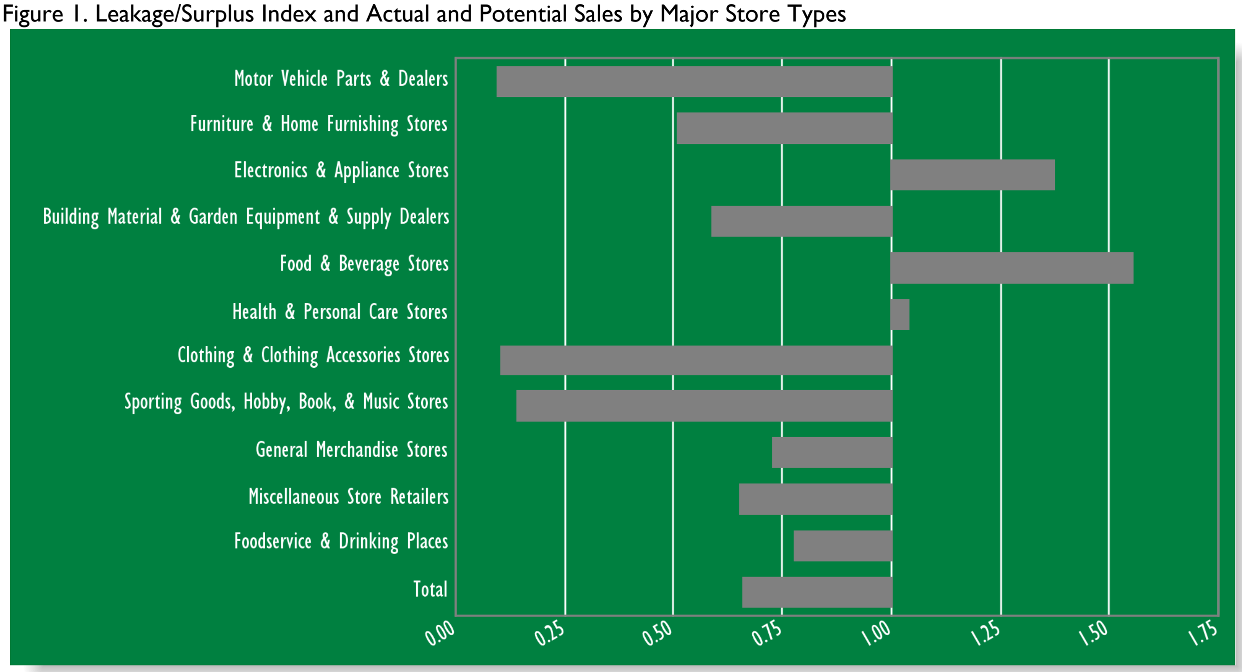
1.2 = sales exceed demand by 20%, meaning that consumers are coming from outside the area being analyzed.

Leakage/Surplus Index by Major Store Type

The quantitative comparison of retail leakage and surplus in the twelve major store types shown in the chart and table below provides an initial measure of market opportunities. Combining this analysis with the knowledge of the local retail situation will take the process of identifying retail possibilities one step further.

Figure 1 provides the leakage/surplus indices and following is the sales potential and actual sales for major store types.

Figure 1. Leakage/Surplus Index and Actual and Potential Sales by Major Store Types

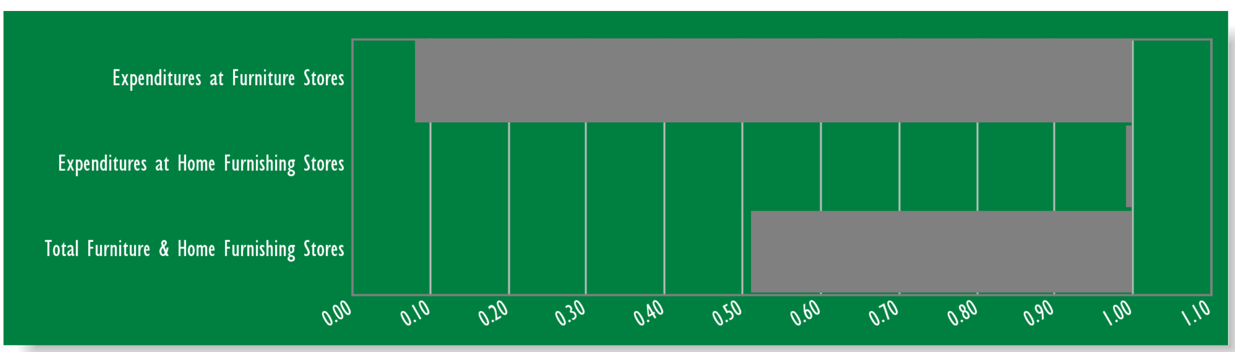


Store Type	Potential	Actual Sales	Leakage
Motor Vehicle Parts & Dealers	79,858,590	7,641,929	0.1
Furniture & Home Furnishing Stores	13,409,875	6,850,584	0.5
Electronics & Appliance Stores	11,104,836	15,255,899	1.4
Building Material & Garden Equipment & Supply Dealers	55,954,955	33,141,708	0.6
Food & Beverage Stores	49,436,982	76,834,796	1.6
Health & Personal Care Stores	20,875,174	21,631,350	1.0
Clothing & Clothing Accessories Stores	24,186,973	2,541,663	0.1
Sporting Goods, Hobby, Book, & Music Stores	8,864,911	1,252,707	0.1
General Merchandise Stores	55,654,680	40,489,918	0.7
Miscellaneous Store Retailers	12,054,647	7,880,802	0.7
Foodservice & Drinking Places	43,815,339	34,182,156	0.8
Total	375,216,963	247,703,513	0.7

Sub-Categories of Motor Vehicle Parts & Dealers

Store Type	Potential	Actual Sales	Leakage
Expenditures at Automotive Dealers	68,368,152	2,023,528	0.0
Expenditures at Other Motor Vehicle Dealers	5,433,329	1,072,704	0.2
Expenditures at Automotive Parts, Accessories, and Tire Stores	6,057,109	4,545,697	0.8
Total Motor Vehicle Parts & Dealers	79,858,590	7,641,929	0.1

Sub-Categories of Furniture & Home Furnishing Stores



Store Type	Potential	Actual Sales	Leakage
Expenditures at Furniture Stores	7,104,603	586,829	0.1
Expenditures at Home Furnishing Stores	6,305,271	6,263,756	1.0
Total Furniture & Home Furnishing Stores	13,409,875	6,850,584	0.5

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Sub-Categories of Electronics & Appliance Stores

Store Type	Potential	Actual Sales	Leakage
Expenditures at Appliance, Television, and Other Electronics Stores	8,315,972	14,149,490	1.7
Expenditures at Computer and Software Stores	2,319,860	1,106,409	0.5
Expenditures at Camera and Photographic Equipment Stores	469,004	0	0.0
Total Electronics & Appliance Stores	11,104,836	15,255,899	1.4

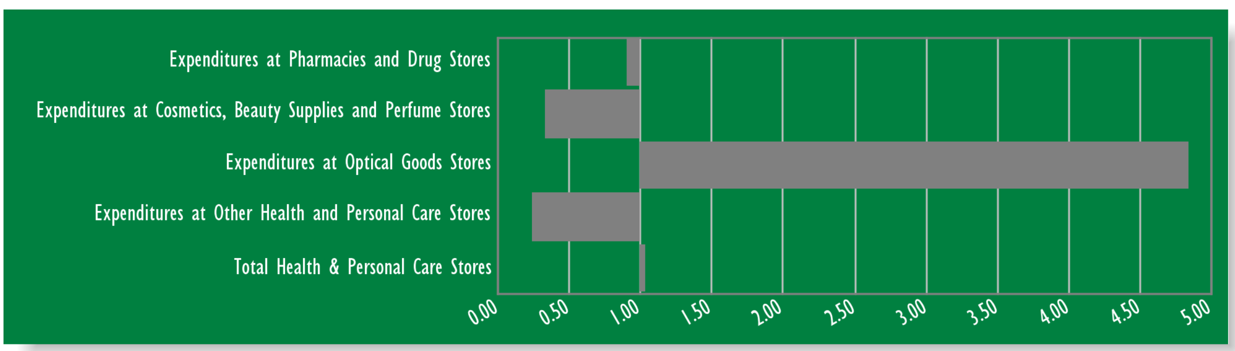
Sub-Categories of Building Material & Garden Equipment & Supply Dealers

Store Type	Potential	Actual Sales	Leakage
Expenditures at Home Centers	20,387,310	3,115,148	0.2
Expenditures at Paint and Wallpaper Stores	1,246,414	0	0.0
Expenditures at Hardware Stores	4,052,635	815,903	0.2
Expenditures at Other Building Materials Dealers	25,848,962	25,791,117	1.0
Expenditures at Outdoor Power Equipment Stores	628,162	703,306	1.1
Expenditures at Nursery and Garden Centers	3,791,472	2,716,233	0.7
Total Building Material & Garden Equipment & Supply Dealers	55,954,955	33,141,708	0.6

Sub-Categories of Food & Beverage Stores

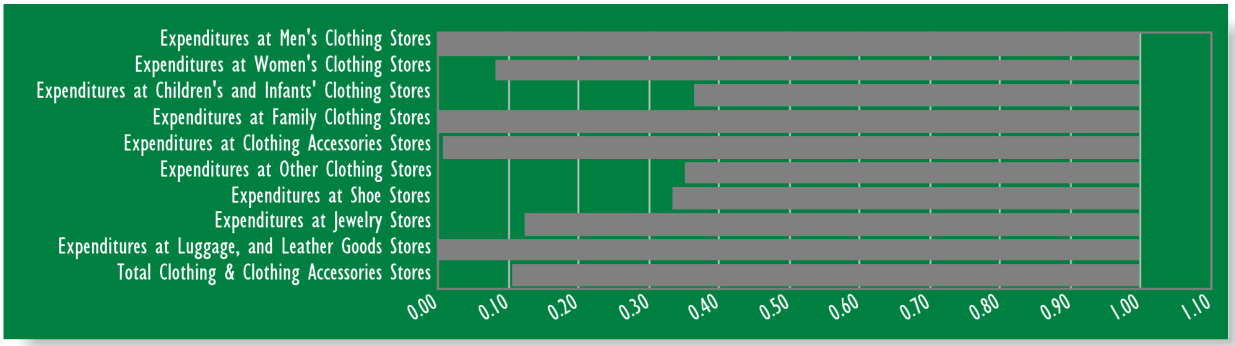
Store Type	Potential	Actual Sales	Leakage
Expenditures at Supermarkets and Other Grocery (except Convenience) Stores	42,568,249	69,305,038	1.6
Expenditures at Convenience Stores	2,290,156	0	0.0
Expenditures at Specialty Food Stores	1,390,998	308,369	0.2
Expenditures at Beer, Wine, and Liquor Stores	3,187,579	7,221,388	2.3
Total Food & Beverage Stores	49,436,982	76,834,796	1.6

Sub-Categories of Health & Personal Care Stores



Store Type	Potential	Actual Sales	Leakage
Expenditures at Pharmacies and Drug Stores	17,924,074	16,199,601	0.9
Expenditures at Cosmetics, Beauty Supplies and Perfume Stores	703,050	236,172	0.3
Expenditures at Optical Goods Stores	1,009,258	4,892,484	4.8
Expenditures at Other Health and Personal Care Stores	1,238,793	303,092	0.2
Total Health & Personal Care Stores	20,875,174	21,631,350	1.0

Sub-Categories of Clothing & Clothing Accessories Stores



Store Type	Potential	Actual Sales	Leakage
Expenditures at Men's Clothing Stores	1,092,012	0	0.0
Expenditures at Women's Clothing Stores	4,455,059	368,680	0.1
Expenditures at Children's and Infants' Clothing Stores	861,415	314,161	0.4
Expenditures at Family Clothing Stores	9,144,763	0	0.0
Expenditures at Clothing Accessories Stores	431,587	3,429	0.0
Expenditures at Other Clothing Stores	1,104,870	388,518	0.4
Expenditures at Shoe Stores	2,934,211	982,628	0.3
Expenditures at Jewelry Stores	3,866,953	484,247	0.1
Expenditures at Luggage, and Leather Goods Stores	296,104	0	0.0
Total Clothing & Clothing Accessories Stores	24,186,973	2,541,663	0.1

Sub-Categories of Sporting Goods, Hobby, Book, & Music Stores

Store Type	Potential	Actual Sales	Leakage
Expenditures at Sporting Goods Stores	3,212,910	538,007	0.2
Expenditures at Hobby, Toys and Games Stores	1,942,279	298,136	0.2
Expenditures at Sew/Needlework/Piece Goods Stores	465,219	640	0.0
Expenditures at Musical Instrument and Supplies Stores	570,561	355,444	0.6
Expenditures at Book Stores and News Dealers	1,875,377	60,481	0.0
Expenditures at Prerecorded Tape, Compact Disc, and Record Stores	798,565	0	0.0
Total Sporting Goods, Hobby, Book, & Music Stores	8,864,911	1,252,707	0.1

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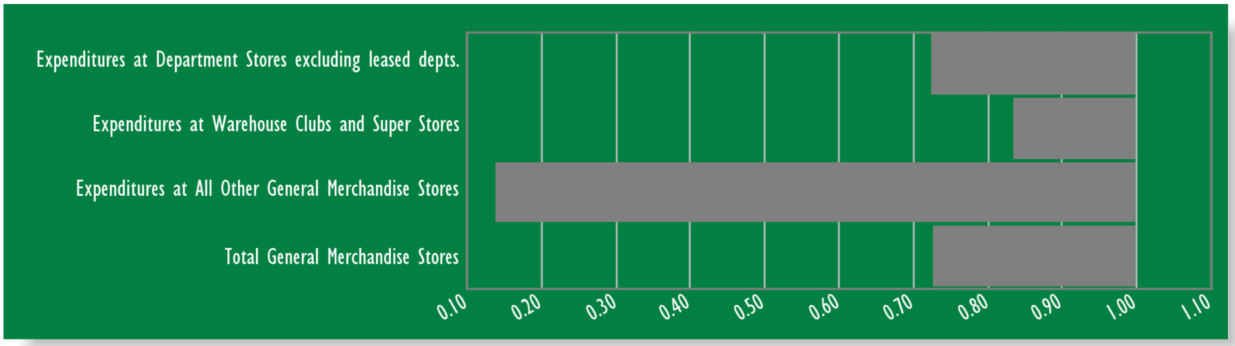
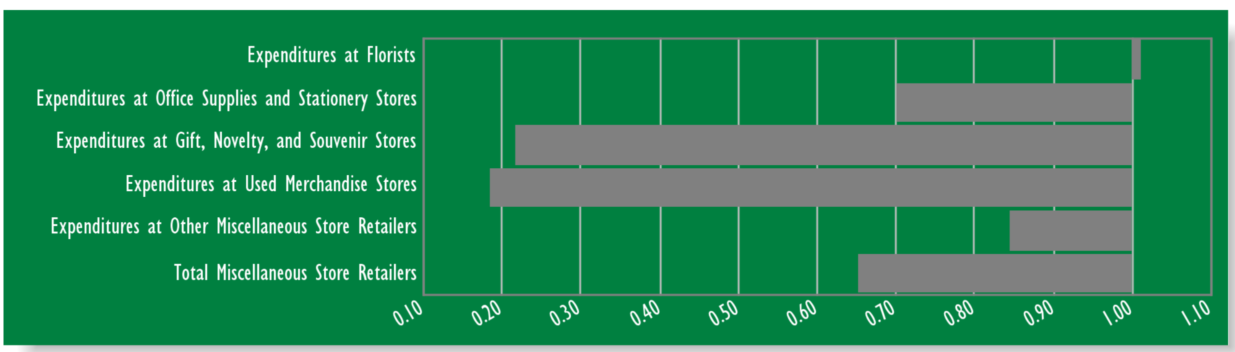
Sub-Categories of General Merchandise Stores



Store Type	Potential	Actual Sales	Leakage
Expenditures at Department Stores excluding leased depts.	27,676,606	20,087,494	0.7
Expenditures at Warehouse Clubs and Super Stores	23,680,775	19,801,832	0.8
Expenditures at All Other General Merchandise Stores	4,297,298	600,593	0.1
Total General Merchandise Stores	55,654,680	40,489,918	0.7

Sub-Categories of Miscellaneous Store Retailers



Store Type	Potential	Actual Sales	Leakage
Expenditures at Florists	908,801	920,351	1.0
Expenditures at Office Supplies and Stationery Stores	2,771,748	1,947,265	0.7
Expenditures at Gift, Novelty, and Souvenir Stores	2,163,161	471,974	0.2
Expenditures at Used Merchandise Stores	1,082,003	202,109	0.2
Expenditures at Other Miscellaneous Store Retailers	5,128,933	4,339,103	0.8
Total Miscellaneous Store Retailers	12,054,647	7,880,802	0.7

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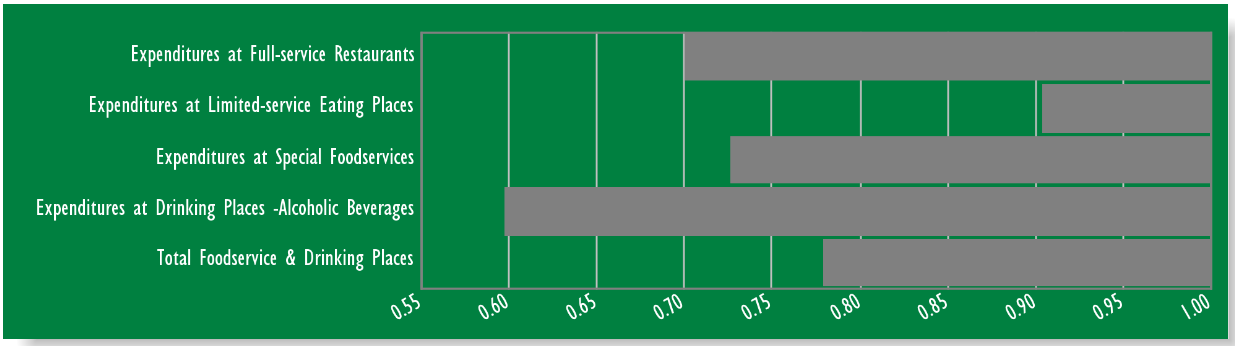
Sub-Categories of Foodservice & Drinking Places



Store Type	Potential	Actual Sales	Leakage
Expenditures at Full-service Restaurants	20,219,013	14,164,188	0.7
Expenditures at Limited-service Eating Places	17,733,599	16,043,531	0.9
Expenditures at Special Foodservices	3,647,918	2,649,572	0.7
Expenditures at Drinking Places -Alcoholic Beverages	2,214,810	1,324,866	0.6
Total Foodservice & Drinking Places	43,815,339	34,182,156	0.8

Sources and Methodology

The primary data sources used in the construction of the database include:

- Current year AGS (Applied Geographic Solutions) Consumer Expenditure Estimates
- Census of Retail Trade, Merchandise Line Sales
- Census Bureau Monthly Retail Trade

The Census of Retail Trade presents a table known as the Merchandise Line summary, which relates approximately 120 merchandise lines (e.g. hardware) to each of the store types. For each merchandise line, the distribution of sales by store type can be computed, yielding a conversion table which apportions merchandise line sales by store type.

The AGS (Applied Geographic Solutions) Consumer Expenditure database was re-computed to these merchandise lines by aggregating both whole and partial categories, yielding, at the block group level, a series of merchandise line estimates which are consistent with the AGS Consumer Expenditure database.

These two components were then combined in order to derive estimated potential by store type. The results were then compared to current retail trade statistics to ensure consistency and completeness.