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## STRENGTH OF SALES BOOSTS CHICAGO RETAIL

Given rise in consumer spending, the appetite for both development and investment is healthy.

By Kristin Hiller

The pace of consumer spending is accelerating in Chicago's retail market. Across the metro area, retail sales totaled \$27.4 billion in the first quarter of 2018, compared with \$26.1 billion for the same time period last year — an increase of 5.1 percent.

For all of 2017, retail sales in metro Chicago totaled \$123.5 billion, up 1.3 percent over the prior year, according to John Melaniphy III, founder of retail consulting firm Melaniphy & Associates Inc. and director of economic

development for the Village of Wheeling, a northern suburb of Chicago.

Corporate tax cuts, rising consumer confidence and low unemployment all played a factor in boosting sales during the first quarter. Some of the strongest performing categories included restaurants, grocery, automobiles and apparel.

"Despite rising interest rates, the consumer is feeling very good about the economy," says Melaniphy. "The headlines about the retail apocalypse



Food hall operator Urbanspace will anchor a five-story dining and retail concept set to open in mid-2020 at the base of Willis Tower in Chicago.

see CHICAGO page 24

## REDEVELOP, REPURPOSE AND RETENANT

Retail developers, owners put heavy emphasis on renovation in order to re-energize properties.

By Kristin Hiller

For the retail sector, redevelopment is the name of the game. Whether it's upgrading and repositioning a property or backfilling a vacant department store, developers and owners are keenly aware of the need to adapt to today's retail climate.

Sears Holdings Corp. made headlines with a long list of store closures on more than one occasion this year, even shuttering its remaining store within the city of Chicago. In a partnership with Tucker Development, Sears spinoff Seritage Growth Properties plans to redevelop two Chicago locations into mixed-use developments with retail and residential space.



Tucker Development and Sears spinoff Seritage Growth Properties plan to transform two former Sears stores into mixed-use developments with retail and residential space in Chicago. Pictured is a rendering of the project at 1601 N. Harlem Ave.

see REDEVELOPMENT page 28



Start-ups Drive Strong Fundamentals for Columbus Office Market

page 22

Infrastructure Investments Spur Industrial Development in Chicago

page 18

Oak Brook's Revitalization Opportunity: Life After McDonald's

page 32



# OAK BROOK'S REVITALIZATION OPPORTUNITY: LIFE AFTER MCDONALD'S

What's next for the suburban city after the fast-food chain moved its headquarters to downtown Chicago?

By David Carlin

For decades, McDonald's and Oak Brook were synonymous. But following the move of McDonald's corporate headquarters and its nearly 3,000 employees to Chicago's West Loop, the Village of Oak Brook finds itself at an important crossroads. Amplifying the loss of such a significant employer, the Amazon effect continues to reduce sales tax revenues generated within the village's commercial areas.



**David Carlin**  
Greater Oak Brook Chamber of Commerce

Understanding the unique impact of these challenges requires a bit of historical context. Legendary and visionary business magnate Paul Butler, often referred to as "The Father of Oak Brook," designed a unique mosaic of neighborhood subdivisions with homes on expansive lots paired with open and recreational spaces, all supported by a vibrant — yet separate — commercial area.

For decades, the local sales tax generated in that robust commercial area has offered Oak Brook residents the unique benefit of paying no municipal property taxes. Most village operations, including police and fire services, are funded by sales tax revenues. That special Oak Brook living incentive hangs in the balance, threatened by consumer shifts toward e-commerce and the loss of McDonald's.

Oak Brook's elected officials, business leaders and residents must proactively embrace innovative strategies to renew Oak Brook's commercial areas so that Oak Brook, its residents and its businesses will survive and continue to thrive.

## The master plan

True to Butler's vision and philosophy, Oak Brook is rising to the occasion. It started over a decade ago when the Village Board of Trustees, staff, residents and business leaders created a master plan for the community's future, considering all the potential yet unforeseen changes Oak Brook would inevitably experience.

Since its adoption, the 2007 Commercial Areas Revitalization Plan (CARP) has provided the planning and development framework for Oak Brook's business districts. A lot has changed in the past decade, requiring a fresh look. Thus, two years ago, a leadership team undertook a transparent process to update the 2007 CARP.



Following McDonald's relocation of its headquarters to Chicago's West Loop, a demolition crew tore down the restaurant next to McDonald's Plaza in Oak Brook. Developers and city planners are discussing the opportunities to reinvigorate the commercial district.

The team of elected officials, community leaders, community planning experts and several residential and business leaders have concluded its work and recently introduced a 2018 CARP for public review, deliberation and approval by the Village government. The plan addresses new issues and identifies the most important unmet needs for Oak Brook's residents and business areas.

Both the 2007 plan and the 2018 updated CARP provide guidelines for the community's decision making around new commercial developments, including mixed-use, multifamily residential, office, retail and dining. The 2018 plan also includes updates to walkability, sustainable energy practices and public safety improvements.

It has been a long-term goal to enhance Oak Brook's commercial areas for its roughly 8,000 residents and 80,000+ daily visitors. Making the commercial areas more vibrant, prosperous and bustling will help ensure Oak Brook's financial stability while at the same time protecting the spirit of Butler's vision, preserving the village's residential and open spaces.

What follows are a few of the opportunities presented by the CARP, including recently completed and proposed developments.

### Office

Oak Brook is an important hub of the Chicago suburban office market

and an active area for redevelopment of many existing Class A buildings. Urban amenities are cropping up throughout Oak Brook. For example, the recently completed redevelopment of four office buildings, now dubbed Oak Brook 22, has a fitness center, campus-wide connectivity and a new Michael Jordan's Restaurant. On the other side of the mall, the office campus at 1900 Spring Road is also being redeveloped to enhance the tenant experience, the building exterior and retail potential.

### Mixed-use, luxury condominiums

The transformation of the former McDonald's campus is already underway. Houston-based developer Hines has unveiled its plans to create a "new village center" in place of McDonald's Plaza, one of the many buildings formerly owned by the fast-food giant. Hines is expected to begin the approval and zoning process with the village this year, aiming to build residential, office and retail space on the site.

Another proposed multifamily development is The Butler, a 22-story, Lucien Lagrange-designed luxury condominium across a single crosswalk from Oakbrook Center shopping and dining. The Butler will offer a new solution for people who want to enjoy Oak Brook's community without the upkeep of a big estate.

The high-end condo units and shared amenities are ideal for residents who want to live an upscale and

convenient lifestyle.

### Retail

Oakbrook Center's forward-thinking leaders have enhanced the property by making capital improvements and adding entertainment and experiential offerings to complement the center's retail. As the retail landscape continues to change, the CARP will strengthen Oakbrook Center and the other retail spaces around it.

### Walkability

Focusing on the well-being of residents and the aesthetic of the village, the CARP focuses on solutions to make the village safer and friendlier for pedestrians and cyclists. Improving the sidewalks and bicycle paths to connect the residential, commercial and office village areas will relieve motor traffic congestion and encourage more and new patrons to visit restaurants, shops and employment areas.

Ultimately, it is up to the Village Board of Trustees to approve the proposed updates to the CARP that would usher in a triumphant new era for Oak Brook. I am confident that these measures will ensure that Oak Brook becomes an even stronger draw for those seeking the best experience a suburban community can offer. ■

David Carlin serves as president and CEO of the Greater Oak Brook Chamber of Commerce & Economic Development Partnership.