MARKET ASSESSMENT FOR THE KISHWAUKEE CORRIDOR

Prepared for

City of Rockford

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Prepared by

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I. PROJECT OVERVIEW

A. Purpose of the Assignment and Methodology

Valerie S. Kretchmer Associates, Inc. (VSKA) was contracted to prepare a market assessment for the 4.3 mile long Kishwaukee Street Corridor from the Whitman Bridge on the north to Chicago Rockford International Airport on the south as part of an overall plan for the Kishwaukee Corridor being prepared by HNTB. This document provides preliminary market information that incorporates the results of our analysis to date. It supplements the Existing Conditions Analysis prepared by HNTB. A map of the corridor is on the following page.

VSKA conducted field inspections of the Kishwaukee Corridor and competitive locations, and participated in two days of key person interviews with corridor stakeholders, Realtors, developers and public officials. In addition, VSKA obtained and analyzed data on demographic, economic and real estate trends in the corridor and in competitive locations in Rockford.

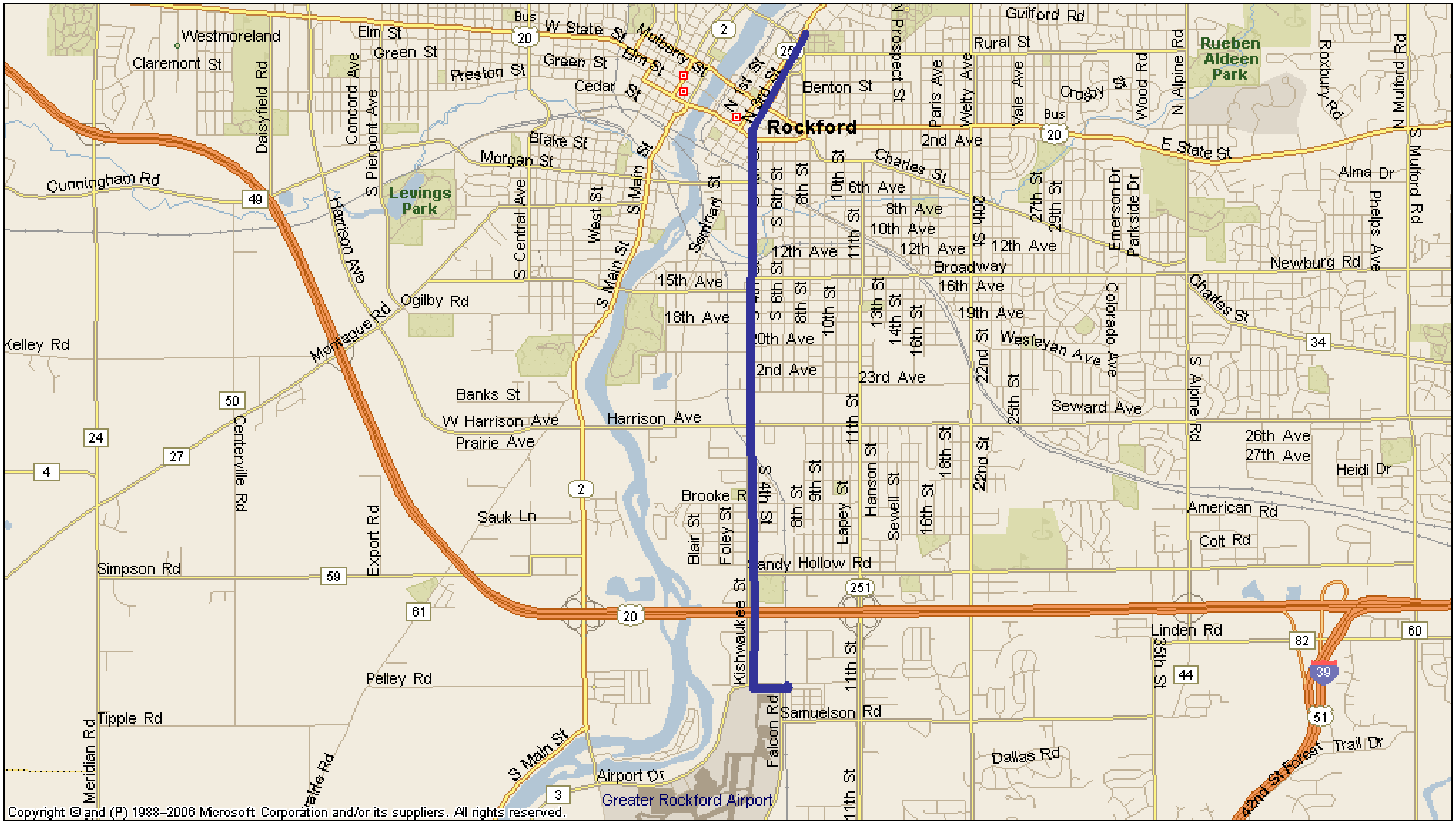
B. Summary

The Kishwaukee Corridor is currently an inconsistent mix of residential, industrial, commercial and institutional uses with many vacant sites and buildings. However, there are also some strong companies and long-standing institutions, along with pockets of quality housing and public spaces. The Chicago Rockford International Airport is a strong anchor for the south end of the corridor.

The Kishwaukee Corridor is considered unsafe and prone to criminal activity, which has been a deterrent to its redevelopment. With the planned reconstruction of the street from Harrison Avenue to 15th Avenue, there is an opportunity to improve the functionality of the road, as well as its physical appearance. These should enhance the marketability of the corridor for development.

The residential population within one and two miles of Kishwaukee Street is lower income, less educated and slightly younger than the population of Rockford as a whole. The area also has lower residential property values and a smaller share of homeowners than the city overall. However, the population within one and two miles has been increasing and the estimated 2007 population is 31,000 in the one mile area and 71,000 in the two mile area. The one and two mile areas are becoming more diverse with over 20% of residents of Hispanic ethnicity.

KISHWAUKEE CORRIDOR LOCATION



Residential property in the corridor is relatively inexpensive and old. There has been little new construction and what has occurred in recent years has been developed with public or private subsidies. While there is no shortage of potential redevelopment sites, the cost of construction or acquisition and rehabilitation exceeds the price that potential buyers could afford unless some form of subsidy is provided. To date, other than activity near Swedish American Hospital and the Mid-Town District, the Kishwaukee Corridor has not been the focus of the City's Community Development Block Grant or other programs.

The Kishwaukee Corridor is competing with downtown Rockford and the River District for residential and retail development. (There is some overlap at the north end of the Kishwaukee Corridor with the east side of the River District.) Redevelopment of existing buildings for residential loft-style condominiums and apartments has occurred in limited numbers downtown with 75 units constructed in the past eight years. However, with many available sites downtown and along both sides of the Rock River, the vacant industrial buildings in the Kishwaukee Corridor are not likely to be redeveloped for housing in the foreseeable future.

There is a need for and a market for new single-family detached houses, townhouses and multi-family housing in the corridor. However, any new development will require some subsidy to keep prices low enough to be affordable. With the metropolitan area's median home price in 2007 at $131,000, there are many good neighborhoods in the city and suburbs that have houses priced lower than what a small new house or condominium costs to build. Two bedroom loft-style condominiums are currently for sale at the Lantow Building on 7th Street for $145,000 and several units have sold to people affiliated with the developer, Zion Development Corporation. This project received subsidies and low-cost financing to make it more affordable. Similar efforts will be needed to build houses that will be marketable in this area of the city.

At present there is very limited retail space along Kishwaukee Street. Walgreens at 15th Avenue is the largest store here. 7th Street and Broadway compete with Kishwaukee Street for smaller, independent merchants and 11th Street has chain grocery and drug stores. The crime and poor image along Kishwaukee Street make it difficult to attract quality retailers here. However, even with potentially large, former industrial sites available, Kishwaukee Street is not a likely location for big box retailers. Those stores have not shown any interest to date in locating along the corridor and it is likely to be difficult to attract them even if subsidies were offered. Renovation of the lower quality centers on 11th Street and reinforcing the nodes at 15th Avenue and Kishwaukee Street, 7th Street, Broadway and downtown Rockford, will be more beneficial than trying to attract large retailers to Kishwaukee Street.

There is no market for office space in the Kishwaukee Corridor at this time. With much available space downtown and on the east side, the corridor is not likely to attract an office building unless it is for a single user such as Swedish American Hospital.

The key economic driver for the corridor is the Chicago Rockford International Airport which continues to grow in terms of employment, air freight and passenger counts. The industrial area south of the U.S. Route 20 Bypass is healthy and the availability of inexpensive greenfield sites south of Route 20 will continue to attract logistics, distribution and aviation-related businesses.

There are a number of successful industrial companies in the central portion of the Kishwaukee Corridor that have expanded and plan to remain in the corridor. Making sure they have room to expand and have easy access during and after the road is reconstructed will be important in keeping the viable businesses here.

II. DEMOGRAPHIC AND ECONOMIC TRENDS

A. Study Area Description

VSKA delineated a one and two mile area around the Kishwaukee Corridor based on discussions with City staff and our assessment of neighborhood characteristics. A map of these areas is on the following page. The one mile area extends from 11th Street on the east to Main Street on the west and from Auburn Street on the north to Blackhawk Road on the south. The two mile area includes the one mile area and extends as far as 20th Street on the east and Central Avenue on the west, from Sauber Avenue on the north to the south side of the Chicago Rockford International Airport on the south.

B. Population and Household Trends

Table 1 shows the population and households for the one and two mile areas as well as the City of Rockford. Rockford's population grew by 2.6% from 2000-2007 and is expected to increase another 1.6% in the next 5 years. The one and two mile areas have grown 0.8% and 0.2% respectively over the past 7 years and are projected to grow very slightly by 0.5% and 0.1% in the next 5 years. The one mile area has approximately 31,000 and the two mile area 71,000 residents as of 2007.

The number of households in Rockford, the one mile and two mile areas has been declining since 2007 and is projected to drop over the next 5 years, albeit at a lesser rate. Rockford experienced a 1.0% decline in households over the past 7 years and is projected to decline by another 0.4% by 2012. The one and two mile areas with 12,300 and 27,100 households respectively are experiencing a steeper decline with losses of 2.8% and 3.3% over the last 7 years, and further decreases of 1.5% and 1.9% projected by 2012.

The median age in the one mile area is slightly younger than in the two mile area or city at 31.8 years, compared to 32.3 and 35.6 years. The one and two mile areas have a higher percentage of their residents under age 20 than the city as a whole and a lower share over 65 years of age.

The one mile area also has smaller households on average than the two mile area and City of Rockford at 2.4 persons vs. 2.6 persons in both the two mile area and city. Not surprisingly, educational attainment is significantly lower in the one mile and two mile areas than in Rockford. Only 17% of the one mile area residents over age 25 completed college, compared to 19% in the two mile area and 27.5% in Rockford.

KISHWAUKEE CORRIDOR 1 AND 2 MILE AREAS

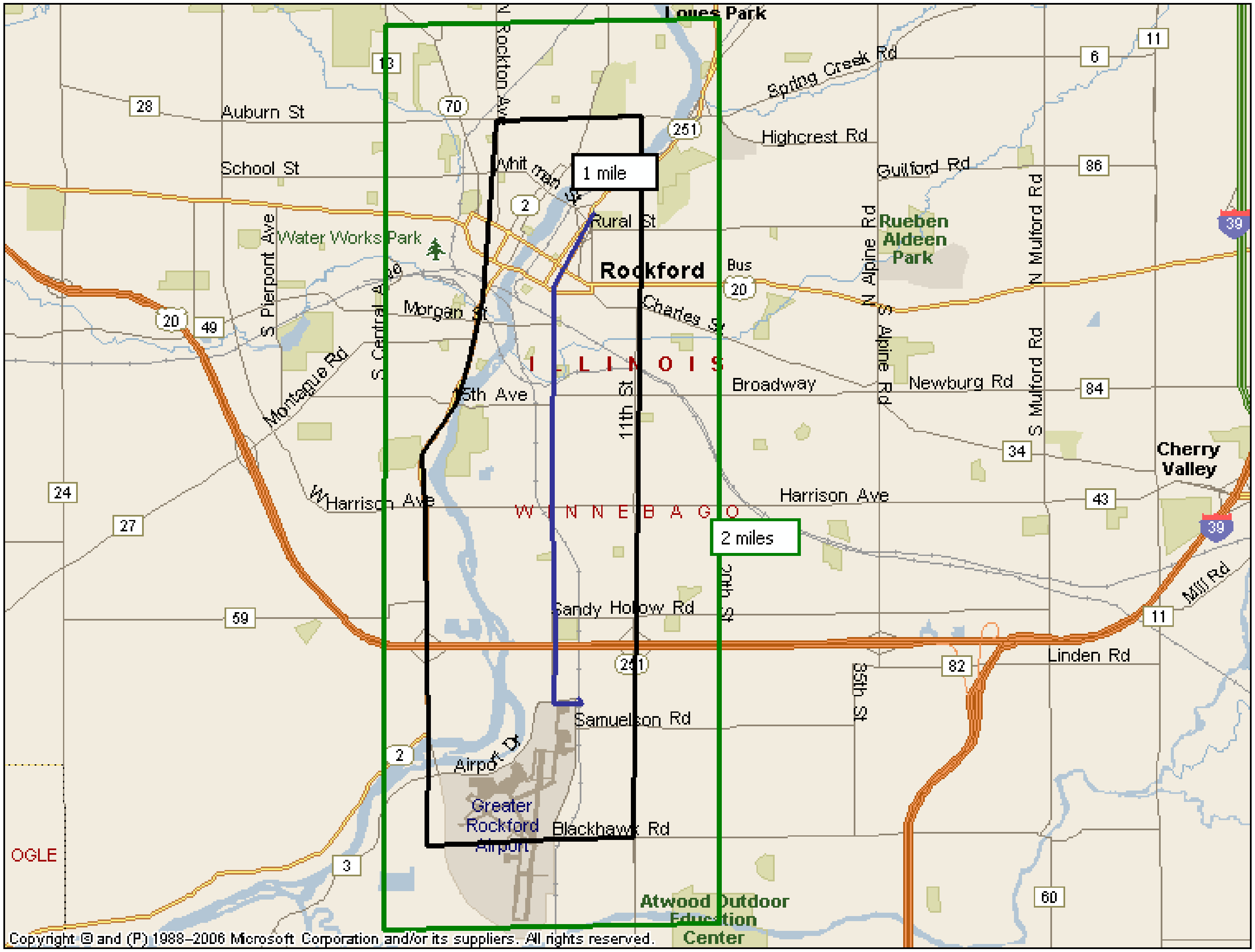


Table 1

KISHWAUKEE CORRIDOR
POPULATION AND HOUSEHOLD CHARACTERISTICS

	1 Mile		2 Miles		City of Rockford	
	Number	Percent	Number	Percent	Number	Percent
Population						
2000 Census	30,470		71,307		150,093	
2007 Estimate	30,709		71,451		153,971	
Change, 2000-2007	239	0.8%	144	0.2%	3,878	2.6%
2012 Projection	30,862		71,524		156,393	
Change, 2007-2012	153	0.5%	73	0.1%	2,422	1.6%
Households						
2000 Census	12,670		28,033		59,150	
2007 Estimate	12,319		27,098		58,564	
Change, 2000-2007	-351	-2.8%	-935	-3.3%	-586	-1.0%
2012 Projection	12,133		26,588		58,337	
Change, 2007-2012	-186	-1.5%	-510	-1.9%	-227	-0.4%
Average Household Size, 2007	2.4		2.6		2.6	
2007 Median Age	31.8		32.3		35.6	
2007 % of Population Aged 65+	10.6%		11.1%		14.7%	
2007 % of Population Under 20	29.7%		30.1%		27.8%	
2007 Educational Attainment						
% High School Graduate	38.8%		39.3%		36.3%	
% Some College	18.0%		19.7%		20.5%	
% College Degree or Higher	17.3%		19.2%		27.5%	

Note: Numbers may not total due to rounding.

Source: U.S. Census, 2000; Estimates and projections from Demographics Now.

The one and two mile areas also have experienced significant increases in the share of residents of Hispanic ethnicity. Between 2000 and 2007, it is estimated that the share increased from 14% to 22% in both areas. The share of African-Americans decreased in both areas during those years and by 2007 was 18% and 19% in the one and two mile areas respectively. In Rockford, the share of Hispanics increased from 10% to 15.5% during the same period while the share of African-Americans declined slightly from 17% to 16%.

C. Income

The 2007 median household income for the City of Rockford was $46,172, significantly higher than the $30,506 for the one mile area and $37,155 for the two mile area. The one and two mile areas have much higher shares of households earning less than $25,000 compared to the City of Rockford. Almost half of Rockford's households earned more than $50,000, compared to only 28% in the one mile area and 36% in the two mile area. Table 2 below provides details of the income distribution for these three areas.

Table 2

2007 HOUSEHOLD INCOME CHARACTERISTICS
KISHWAUKEE CORRIDOR AND CITY OF ROCKFORD

Income	1 Mile		2 Miles		City of Rockford	
	Number	Percent	Number	Percent	Number	Percent
Under $25,000	5,303	43.0%	9,360	34.5%	15,310	26.1%
$25,000-49,999	3,569	29.0%	8,045	29.7%	16,220	27.7%
$50,000-74,999	1,815	14.7%	5,006	18.5%	11,809	20.2%
$75,000-99,999	824	6.7%	2,418	8.9%	6,659	11.4%
$100,000-149,999	516	4.2%	1,474	5.4%	5,261	9.0%
$150,000+	294	2.4%	795	2.9%	3,304	5.6%
Median Household Income	$30,506		$37,155		$46,172	
Households > $50,000	3,449	28.0%	9,693	35.8%	27,033	46.2%

Source: Demographics Now.

D. Employment and Establishments

Table 3 below shows the number of employees and establishments in and near the Kishwaukee Corridor. VSKA analyzed data from the Census in County Business Patterns on employment trends in Winnebago County and in zip codes 61104 and 61109. (Citywide data are not available from this source.) The zip codes do not conform exactly to the Kishwaukee Corridor areas, but they do give a feel for employment trends in the corridor. Zip code 61104 includes the area east of the Rock River to 20th Street from State Street to Harrison Avenue. This is the core of the Kishwaukee Corridor. Zip code 61109 includes the area south of Harrison Avenue from the Rock River to Perryville Road. It includes the south end of the Kishwaukee Corridor but also includes a large area east of the corridor.

Winnebago County experienced a 1% increase in the number of establishments and a 3.4% decline in employment from 2003-2005, the most recent years for which data are available. However, annual payroll increased by 1.8%. In zip code 61104, employment increased by 8.5% to almost 15,000 during the past three years with a 6.6% increase in payroll. The number of establishments declined slightly to 634 in 2005. In zip code 61109, employment was unchanged at 18,400 with a slight decrease in the number of establishments to 647 in 2005. Annual payroll declined by 1.7%.

Table 3

WINNEBAGO COUNTY AND KISHWAUKEE CORRIDOR ZIP CODES
ESTABLISHMENTS AND EMPLOYMENT 2003-2005

Area/Zip Code	Establishments		Employees		Annual Payroll (in $000s)	
	Number	Percent	Number	Percent	Number	Percent
Winnebago County						
2003	6,924		127,918		$4,037,078	
2004	6,973		127,956		$4,091,452	
2005	6,991		123,529		$4,108,033	
Change, 2003-2005	67	1.0%	-4,389	-3.4%	$70,955	1.8%
61104						
2003	643		13,778		$490,590	
2004	645		14,158		$510,098	
2005	634		14,943		$522,943	
Change, 2003-2005	-9	-1.4%	1,165	8.5%	$32,353	6.6%
61109						
2003	663		18,403		$612,112	
2004	660		18,112		$617,125	
2005	647		18,403		$601,621	
Change, 2003-2005	-16	-2.4%	0	0.0%	-$10,491	-1.7%

Source: U.S. Census Bureau, County Business Patterns.

Table 4 on the following page shows the trends in the number of industrial firms in the county and the two zip codes. Zip codes 61104 and 61109 have a significant number of manufacturing firms (116 and 144 respectively). Zip code 61104 has another 56 firms in the wholesale trade, transportation and warehousing industries, while zip code 61109 has 116 firms in these other industries. Both zip codes have a much higher share of businesses in manufacturing at 18% and 22% than in Winnebago County as a whole (10%). The number of manufacturing firms declined slightly in zip code 61104 but increased slightly in zip code 61109 between 2003 and 2005. Winnebago County lost 17 manufacturing firms over the three year period.

In 2005, 87% of the manufacturing firms in zip code 61104 had fewer than 50 employees with only 8 employing more than 100. In zip code 61109, 81% of the manufacturers employed fewer than 50, though 12 had more than 100 employees. As this shows, most of the industrial employers are small.

The largest numbers of manufacturing firms in zip code 61104 are in iron and fabricated metals (60), followed by machinery and tools (23). Zip code 61109 also has 69 firms in iron and fabricated metals and another 39 in machinery and tools. The firms with the largest number of employees are also in these manufacturing sectors.

Table 4

WINNEBAGO COUNTY AND KISHWAUKKE CORRIDOR
MANUFACTURING, WHOLESALE TRADE, TRANSPORTATION & WAREHOUSING ESTABLISHMENTS 2003-2005

Area/Zip Code	Total		Manufacturing		Wholesale Trade		Transportation and Warehousing	
	Number	%	Number	% of Total	Number	% of Total	Number	% of Total
Winnebago County								
2003	6,924		696	10.1%	431	6.2%	186	2.7%
2004	6,973		686	9.8%	432	6.2%	180	2.6%
2005	6,991		679	9.7%	426	6.1%	191	2.7%
Change, 2003-2005	67	1.0%	-17	-2.4%	-5	-1.2%	5	2.7%
61104								
2003	643		119	18.5%	49	7.6%	15	2.3%
2004	645		118	18.3%	46	7.1%	18	2.8%
2005	634		116	18.3%	43	6.8%	13	2.1%
Change, 2003-2005	-9	-1.4%	-3	-2.5%	-6	-12.2%	-2	-13.3%
61109								
2003	663		141	21.3%	77	11.6%	41	6.2%
2004	660		144	21.8%	74	11.2%	42	6.4%
2005	647		144	22.3%	73	11.3%	43	6.6%
Change, 2003-2005	-16	-2.4%	3	2.1%	-4	-5.2%	2	4.9%

Source: U.S. Census Bureau, County Business Patterns.

III. RESIDENTIAL MARKET

A. Characteristics of the Corridor Housing Stock

According to the 2000 Census, the one mile area had 14,400 and the two mile area had 30,900 year round housing units. Both areas had a significantly higher vacancy rate than the City of Rockford with 12% of units vacant in the one mile area and 9% in the two mile area compared to only 7% in the City of Rockford. The one mile area has a significantly higher share of large buildings (20% in buildings with 10+ units) and a much lower share of single-family detached houses (38%). In the two mile area, 54% of housing units were single-family detached and 11% were in larger buildings, while in Rockford, 61% of the housing stock was single-family detached with 11.5% of units in larger buildings.

Consistent with the larger share of units in multi-family structures, the one mile area has a 40% owner-occupancy rate compared to 54% in the two mile area and 62% in the City of Rockford. Housing in the one mile area is also considerably older than in the City with 43% built prior to 1940 compared to 40% in the two mile area and 23% in Rockford. However, between 1990 and 2000, there were almost 400 new units added in the one mile area and 900 in the two mile area. Rockford added 5,200 housing units during the 1990s.

B. Rental Housing

There were over 7,600 renter-occupied housing units in the one mile area and 12,900 in the two mile area at the time of the 2000 Census. The rental vacancy rate in the City of Rockford was 8.5% at the time of the Census, significantly lower than in the one and two mile areas (10.8% and 9.7% respectively). The median cash rent was also much lower in the one and two mile areas than in Rockford overall, at $370 and $387 compared to Rockford's $429.

It is also useful to look at the affordability of the rental housing in the Kishwaukee Corridor. Even with the relatively low median rent, over one third of the renters in the one mile area paid more than 35% of their income a rent, indicating that a significant share of the households are facing problems with affordability. A slightly lower share of renter households in the two mile area (32%) and city (30%) were also rent burdened. Table 6 provides details of the rental housing stock at the time of the Census.

Table 5

2000 HOUSING CHARACTERISTICS
KISHWAUKEE CORRIDOR AND CITY OF ROCKFORD

	1 Mile		2 Miles		Rockford	
	Number	Percent	Number	Percent	Number	Percent
Year Round Housing Units	14,391		30,939		63,553	
Occupied	12,670	88.0%	28,033	90.6%	59,150	93.1%
Vacant	1,721	12.0%	2,906	9.4%	4,403	6.9%
Units in Structure						
Single-Family Detached	5,485	38.1%	16,567	53.5%	38,784	61.0%
Single-Family Attached	196	1.4%	609	2.0%	1,844	2.9%
2-4 Units	4,612	32.1%	8,621	27.9%	12,063	19.0%
5-9 Units	629	4.4%	935	3.0%	3,116	4.9%
10+ Units	2,921	20.3%	3,394	11.0%	7,321	11.5%
Mobile Home, Other	547	3.8%	813	2.6%	424	0.7%
Housing Tenure						
Owner-Occupied Units	5,051	39.9%	15,100	53.9%	36,434	61.6%
Renter-Occupied Units	7,619	60.1%	12,933	46.1%	22,716	38.4%
Year Structure Built						
1990-March 2000	394	2.7%	918	3.0%	5,199	8.2%
1980-1989	533	3.7%	969	3.1%	4,958	7.8%
1970-1979	1,291	9.0%	2,376	7.7%	8,331	13.1%
1960-1969	2,033	14.1%	3,900	12.6%	10,681	16.8%
1940-1959	3,915	27.2%	10,460	33.8%	20,060	31.6%
1939 or earlier	6,225	43.3%	12,314	39.8%	14,324	22.5%

Source: Census 2000.

Table 6

2000 RENTAL CHARACTERISTICS
KISHWAUKEE CORRIDOR AND CITY OF ROCKFORD

	1 Mile		2 Miles		Rockford	
	Number	Percent	Number	Percent	Number	Percent
Specified Renter-Occupied Units	7,619		12,933		22,716	
Rental Vacancy Rate	921	10.8%	1,391	9.7%	2,100	8.5%
Gross Rent						
Less than $200	1,186	15.6%	1,388	10.7%	1,863	8.2%
$200 to $299	653	8.6%	865	6.7%	1,198	5.3%
$300-$499	3,297	43.3%	5,404	41.7%	8,042	35.4%
$500-$749	1,742	22.9%	3,723	28.8%	7,751	34.1%
$750-$999	251	3.3%	706	5.5%	2,118	9.3%
More than $1,000	136	1.8%	259	2.0%	843	3.7%
No Cash Rent	358	4.7%	599	4.6%	914	4.0%
Median Cash Rent	$370		$387		$429	
Gross Rent as % of Income						
Less than 20%	2,821	38.2%	5,070	39.1%	9,402	41.4%
20-24.9%	742	10.0%	1,214	9.4%	2,323	10.2%
25-29.9%	531	7.2%	883	6.8%	1,560	6.9%
30-34.9%	359	4.9%	609	4.7%	1,066	4.7%
35% or more	2,519	34.1%	4,155	32.1%	6,754	29.7%
Not computed	414	5.6%	1,022	7.9%	1,608	7.1%

Source: Census 2000.

VSKA reviewed current rental rates near the Kishwaukee Corridor to see how rents have changed since the 2000 Census. There were very few apartments advertised for rent in the immediate vicinity of Kishwaukee Street. Table 7 on the following page provides a summary of rental rates by unit size for apartments currently advertised for rent. Most of them are within two to three miles of Kishwaukee Street between 20th Street and Alpine Road south of Broadway.

Table 7

APARTMENT RENT SUMMARY

Bedrooms	Rent Range	Square Feet	Rent/SF
Studio	$325-497	500	$0.65-0.99
1	325-609	543-800	0.60-0.76
2	400-880	662-1,109	0.60-0.79
3	500-1,020	1,250-1,700	0.40-0.60

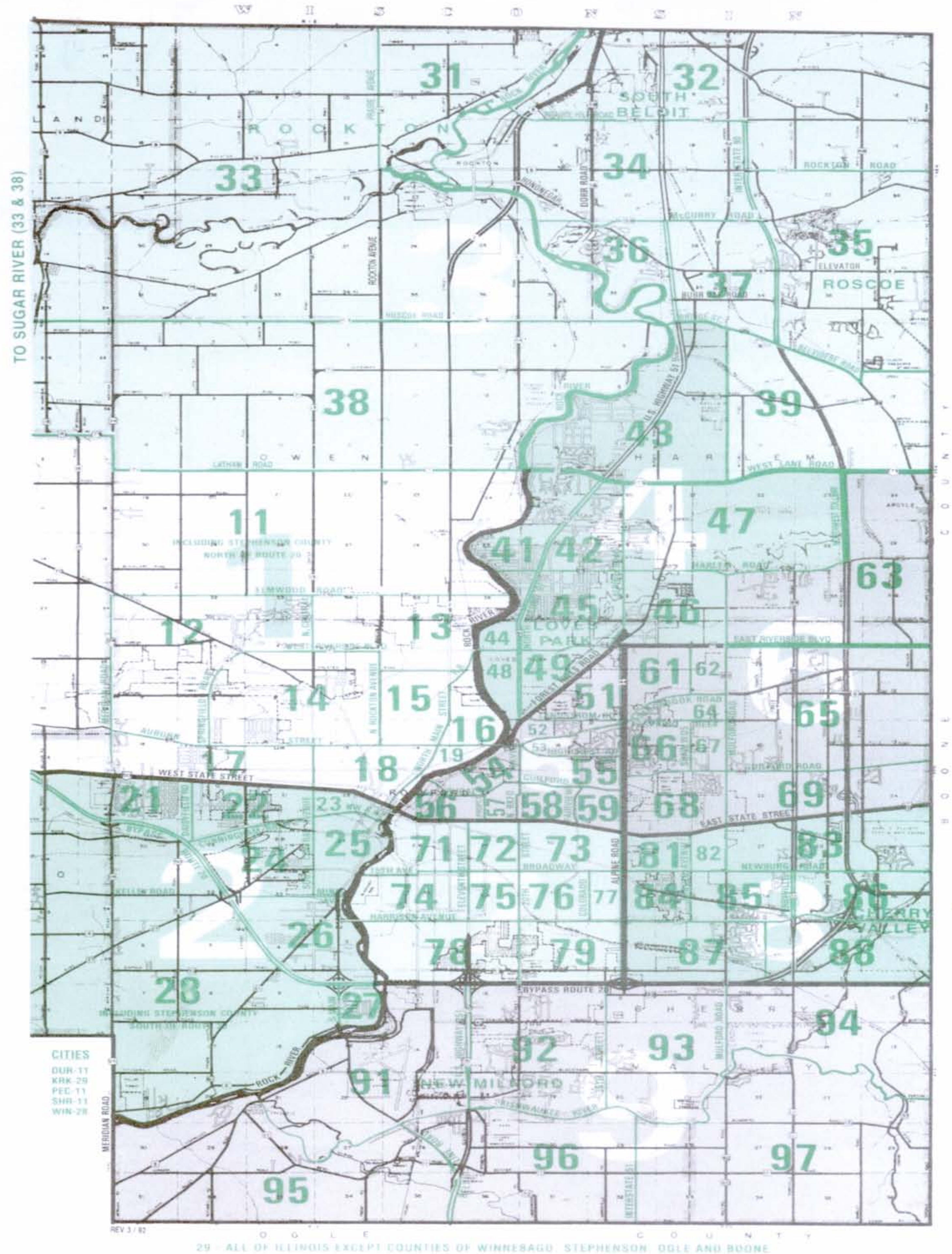
Source: Apartments.com, Rent.com.

VSKA also obtained information from Whitehead Inc., Realtors on sales prices of apartment buildings in the Kishwaukee Corridor area. For properties located north of the U.S. Route 20 Bypass between the Rock River and Alpine Road, the average sales price per unit ranged from $18,000 to $48,000 for the three properties that sold in 2007. There were no sales reported in 2006, but the price per unit was $32,000-34,000 for three properties that sold in 2005. In Area 9 south of U.S. Route 20 and east of the Rock River, the most recent sale in 2006 was at $49,000 per unit.

C. Owner-Occupied Housing

Table 8 below shows the characteristics of owner-occupied housing at the time of the 2000 Census. The median home value in Rockford was $80,000 with the one and two mile areas significantly lower at $56,000 and $63,000 respectively.

VSKA analyzed the residential sales for the Kishwaukee Corridor areas from 2005-2007 as provided by Whitehead Inc., Realtors. The Rockford Association of Realtors divides the metro area into geographic grids. A map of the grids is on the following page. VSKA focused on the area east of the Rock River. The Kishwaukee Corridor one mile area (only east of the river) includes grids 71, 74 and 78 from State Street to the U.S. Route 20 Bypass east of the river. The area from one to two miles includes grids 72, 75 and 92 and extends as far south as the Kishwaukee River. We also analyzed sales in grids 73, 76, 77 and 79, the area from 20th Street to Alpine Road from State Street to the U.S. Route 20 Bypass, as a comparison.



W I S C O N S I N
TO SUGAR RIVER (33 & 38)
SOUTH BELOIT
ROCKTON
ROSCOE
OWEN
HARLEM
LOVES PARK
CHERRY VALLEY
NEW MILFORD
INCLUDING STEPHENSON COUNTY NORTH OF ROUTE 20
INCLUDING STEPHENSON COUNTY SOUTH OF ROUTE 20
CITIES
DUR-11
KRK-29
PEC-11
SHR-11
WIN-28
ROCK RIVER
WEST STATE STREET
EAST STATE STREET
BYPASS ROUTE 20
ROCKTON ROAD
McCURRY ROAD
LATHAM ROAD
ELMWOOD ROAD
WEST LANE ROAD
HARLEM ROAD
EAST RIVERSIDE BLVD
AUBURN STREET
NEWBURG ROAD
HARRISON AVENUE
BROADWAY
ALPINE ROAD
MERIDIAN ROAD
ROCKTON AVENUE
N. ROCKTON AVENUE
NORTH MAIN STREET
MILFORD ROAD
FOREST HILLS ROAD
U.S. HIGHWAY 51
INTERSTATE 90
KELLEY ROAD
ELEVATOR
BOONE COUNTY
OGLE COUNTY
REV 3/92
31 32 33 34 35 36 37 38 39 43 11 41 42 47 63 45 46 12 13 44 48 49 61 62 14 15 51 64 65 16 52 53 66 67 17 18 19 54 55 21 22 23 56 57 58 59 68 69 25 71 72 73 81 82 83 24 74 75 76 77 84 85 86 26 78 79 87 88 28 27 94 92 93 91 96 97 95
29 - ALL OF ILLINOIS EXCEPT COUNTIES OF WINNEBAGO, STEPHENSON, OGLE AND BOONE

Table 8

2000 HOMEOWNER CHARACTERISTICS
KISHWAUKEE CORRIDOR AND CITY OF ROCKFORD

	1 Mile		2 Miles		Rockford	
	Number	Percent	Number	Percent	Number	Percent
Specified Owner-Occupied Units	5,051		15,100		36,434	
Home Value						
Under $25,000	189	3.7%	474	3.1%	607	1.7%
$25,000-49,999	1,220	24.2%	2,885	19.1%	3,882	10.7%
$50,000-79,999	1,679	33.2%	5,964	39.5%	11,707	32.1%
$80,000-99,999	395	7.8%	1,761	11.7%	7,239	19.9%
$100,000-124,999	120	2.4%	719	4.8%	3,944	10.8%
$125,000-149,999	81	1.6%	319	2.1%	2,129	5.8%
$150,000-199,999	66	1.3%	259	1.7%	1,715	4.7%
$200,000+	79	1.6%	215	1.4%	1,179	3.2%
Median Home Value	$56,128		$63,093		$80,010	

Source: Census 2000.

Table 9 below shows the price range and median sales price for homes on the east side of the Rock River within three miles of Kishwaukee Street over the past three years. There were fewer home sales in 2007 than in the preceding years in these grids, though the level of activity was still high. The median price declined in the one and two mile areas but increased 12% in the area further east between 20th Street and Alpine Road.

According to Realtors active in the corridor and the city, the character of the housing stock improves and the home prices increase east of the Kishwaukee Corridor as shown in the median prices for these three areas. The 2007 median sales price of the 268 homes sold in the one mile area east of the Rock River was $55,000. In the area from 11th to 20th Street (one to two miles from Kishwaukee Street), the median sales price for the 249 homes sold in 2007 was twice that of the one mile area at $111,000. In the area from 20th Street to Alpine Road (two to three miles from Kishwaukee Street), the median sales price for the 278 homes sold in 2007 was $103,000.

Table 9

RESIDENTIAL SALES IN THE KISHWAUKEE CORRIDOR
2005-2007

Area/Year	# of Units Sold	Sales Price Range	Median Sales Price
1 Mile Area East of Rock River			
(Grids 71, 74, 78)			
2005	310	$7,000-116,900	$60,000
2006	331	$5,000-184,900	$55,650
2007	268	$7,999-188,000	$55,000
2 Mile Area - 11th - 20th Street			
(Grids 72, 75, 92)			
2005	355	$20,021-410,000	$114,760
2006	354	$16,000-349,999	$126,000
2007	249	$15,000-280,000	$111,000
20th Street to Alpine Road			
(Grids 73, 76, 77, 79)			
2005	375	$25,000-167,000	$91,900
2006	370	$14,500-173,000	$97,450
2007	278	$15,000-281,000	$103,073

Source: Whitehead Inc. Realtors; Valerie S. Kretchmer Associates, Inc.

As a comparison, the median sales price for all single-family homes sold in Winnebago, Boone and Ogle counties from 2005-2007 was significantly higher than in the Kishwaukee Corridor as shown below.

2005 Median Sales Price	2006 Median Sales Price	2007 Median Sales Price
$129,000	$132,375	$131,000

Source: Whitehead Inc., Realtors.

D. Development Activity

Most of the new construction or rehabilitation activity in the Kishwaukee Corridor has been by not-for-profit organizations. Zion Development Corporation, whose focus is on the Mid-Town District, has constructed a number of townhouses and has rehabbed several buildings for seniors and permanent supportive housing. It is finishing the rehabilitation of the Lantow Building for loft condominiums above ground floor retail space on 7th Street. This is the only current residential development project in the corridor. Units with 1,200 square feet are for sale for $145,000, equal to $121 per square foot. Four of the seven units were sold to employees of Zion Development Corporation and Amcore Bank which is across the street from the Lantow Building.

Swedish American Hospital has invested over $4 million in 18 residential projects in the vicinity of its campus at the north end of the Kishwaukee Corridor. They renovated houses and sold them to employees for $60,000-75,000. Habitat for Humanity has built 29 houses in this general area as well. The hospital foundation has bought and demolished 40 problem properties near its campus and has plans to build and/or rehabilitate another 25-35 houses over the next five years. While these will not have any public subsidies, the foundation tries to break even when the houses are sold.

Aside from the Lantow Building, the nearest newer condominium building is located in the River District downtown. According to the River District Association, 4 condominium units were constructed two years ago in the 400 block of Market Street and sold for $50,000-90,000 for one bedroom. Most of the other new development in the River District has been rental with approximately 70 units added in the past eight years.

E. Residential Opportunities

Realtors interviewed during the course of this analysis were unanimous in their opinion that there is little likelihood that currently vacant, old industrial properties in the Kishwaukee Corridor are candidates for rehabilitation for residential use. The City of Rockford has been working to add residential units to the River District and downtown and there are still a number of larger buildings along the river that would be earlier candidates for loft housing than those in the Kishwaukee Corridor.

The River District Framework Plan Implementation Study recommends specific sub-areas and sites for future residential development. There is some overlap between the Kishwaukee Corridor and the River District at the north end of the corridor near Madison Street north of Jefferson Avenue, the Ingersoll/Com Ed Site on Madison Street south of Chestnut/Walnut Street and the East Gateway Theater District on State Street and 1st Avenue west of Kishwaukee Street. The River District has the advantage of river views and a less heavy industrial character. The market for loft conversions is not likely to be deep enough in the near and mid-term to support the conversion of former industrial buildings in the Kishwaukee Corridor and the River District.

However, there is continuing need and an opportunity for new single-family and multi-family construction and rehabilitation of existing houses in the Kishwaukee Corridor. These would require some form of subsidy (either public or private) to keep them affordable to the likely buyers here. New suburban houses not far from the south end of the corridor are for sale in the mid-$100,000 range so prices in the corridor for rehabbed units must be significantly lower to attract buyers. Homes in the Haight Village neighborhood at the north end of the corridor are in the $80,000-100,000 range and there is likely to be additional residential interest here when the nearby Brewington Oaks Housing Authority buildings are demolished.

City officials indicated that they would prefer to see more owner-occupied housing than rental housing in the corridor in the future. While there is a demand for quality rental units, affordable homes will provide more stability to the area.

IV. INDUSTRIAL MARKET

A. Overview

According to real estate market data provided by Colliers Bennett and Kahnweiler, the Rockford area (Boone and Winnebago Counties) has 42.7 million square feet of industrial space as of the third quarter of 2007. The vacancy rate was a relatively low 5.7% (compared to 8.75% for the Chicago metro area). The Rockford area absorbed 1.1 million square feet of industrial space in 2007 as of the third quarter. The average net asking rent was a low $3.03 per square foot (compared to $4.93 in the Chicago metro area) and the average asking sales price was $31.18 per square foot (compared to $62.20 for the Chicago metro area). Rockford's low rents and sales prices are due in part to the age and condition of buildings which are older than in most of the suburban Chicago sub-markets. In addition, land and real estate prices in general are much lower than in Chicago and its suburbs.

Colliers Bennett and Kahnweiler only started to collect data on industrial market conditions in the Rockford area in 2007, therefore there are no historical statistics on industrial market conditions prior to 2007. However, it is noteworthy that this Chicago real estate brokerage firm recognized Rockford's connection to the metropolitan Chicago industrial marketplace.

Rockford has been aggressive in recent years in marketing the city, as well as the I-39 corridor from Janesville, Wisconsin to Bloomington, Illinois, as the Logistics Corridor. The ready availability of lower priced land, proximity to Chicago and excellent highway access, make this area a logical location from which to serve northeastern Illinois and southern Wisconsin. In addition, the Chicago Rockford International Airport has expanded its passenger and cargo service and has been aggressively marketing its Foreign Trade Zone to businesses.

B. Competitiveness of the Kishwaukee Corridor

The Kishwaukee Corridor houses large, mid-sized and small companies in buildings ranging from relatively new to more than 100 years old. The south end of the corridor proximate to the Chicago Rockford International Airport has newer space, while the middle and north portions have much older buildings. The middle portion of the corridor is home to some heavy manufacturing, transportation and warehousing companies such as Joseph Behr, Bourne and Koch, J.L. Clark, Ladd, and McDermaid Roofing that plan to stay at their locations.

VSKA analyzed industrial sales data supplied by Whitehead Inc., Realtors for the Kishwaukee Corridor as well as the industrial area south of the airport and east of Alpine Road. These data do not include every transaction, but they give an indication of sales prices and volume of activity.

Table 10 on the following page provides a summary of these transactions. The data are divided into geographic areas by the Rockford Area Association of Realtors. Area 7 includes most of the Kishwaukee Corridor.

As can be seen, Area 7 had the highest number of transactions over the past 8 years. However, even within each area, there is a significant variation in the price per square foot of the buildings that sold. In Area 7, the 2007 building prices ranged from $14-33 per square foot, whereas in Area 9 (which includes the airport area), prices were notably higher and ranged from $23-43 per square foot in 2006. There were no sales for this area in 2007. Prices in Area 8 east of Alpine Road were higher than in the Kishwaukee Corridor but lower than in Area 9 at $21-37 per square foot.

According to industrial Realtors active in this area, there are many properties for sale that are not listed with local Realtors so it can be difficult to gauge the number of buildings actually for sale. Properties currently for sale range in asking price from $7-30 per square foot in Area 7, $32-37 per square foot in Area 8 and $34 per square foot in Area 9.

Rents for older space along the Kishwaukee Corridor are low, typically in the range of $2-2.50 per square foot plus utilities, though one older building is renting for only $1 per square foot. Rents for older space at the south end of the corridor are slightly higher at $2.50 per square foot net with an additional $.50 per square foot in common area charges. Newer buildings close to the airport command rents ranging from $2.50-4.00 per square foot net with $.50-1.25 in common area charges. Once the rent is higher than $3.50 per square foot for older space, it approaches the price of new space and is no longer marketable. Industrial space east of Alpine Road is currently asking $3-5 per square foot, while new industrial space in Roscoe and Rockton rents for $3.50-4.50 per square foot.

The older buildings in the corridor are not suited to modern industrial standards, making them difficult to lease or sell. They have low ceiling heights, inadequate docks, and many are multi-story. The typical industrial user is looking for 14-16’ ceilings in 2nd to 5th generation space for only $2 per square foot (or less) in rent. At these low rents, it’s not economical to tear down older buildings in the corridor for new construction. However, buildings along Harrison Avenue and Kishwaukee Street and south of the U.S. Route 20 Bypass are well suited for continued industrial use. Many of the vacant industrial parcels in the middle and north end of the corridor are Superfund sites and are expensive to remediate. Some sites are so polluted that they cannot be remediated.

Nearby industrial parks along Sandy Hollow Road, Harrison Avenue and Alpine Road cater to smaller industrial and transportation companies in industries such as welding, tool and die, truck servicing, plumbing products, equipment, machine tools, industrial molds and storage. These industrial parks have land available for smaller and medium sized buildings.

Table 10

KISHWAUKEE CORRIDOR AREA
1999-2007 INDUSTRIAL BUILDING SALES

Area	Year	Price Range	Price/SF Range	# of Sales
7	2007	$90,000 - 1,100,000	$14.40 - 32.90	7
	2006	$57,000 - 1,280,000	$3.88 - 26.25	4
	2005	$50,000 - 225,000	$5.00 - 15.00	5
	2004	$67,000 - 807,645	$2.80 - 72.92	7
	2003	$45,000 - $375,000	$1.23 - 20.95	9
	2002	$45,000 - 1,350,000	$1.30 - 72.27	7
	2001	$190,000 - 795,000	$4.52 - 25.84	4
	2000	$60,000 - 225,000	$5.63 - 12.56	4
	1999	$150,000	$2.29	1
Total				48
8	2007	$480,000 - 750,000	$20.51 - 36.92	3
	2006	$120,000 - 650,000	$22.49 - 53.40	5
	2005	$145,000 - 717,500	$8.26 - $37.37	5
	2004	$10,400 - 340,000	$4.33 - 16.19	2
	2003	$280,000 - 1,650,000	$12.63 - 64.49	6
	2002	$325,000 - 600,000	$16.39 - 27.08	2
	2001	$1,500,000	$23.10	1
	1999	$85,000 - 1,350,000	$33.46	2
Total				26
9	2006	$225,000 - 575,000	$23.33 - 42.86	3
	2005	$120,000 - 795,000	$15.48 - 80.86	4
	2004	$79,000 - 550,000	$6.81 - 29.26	6
	2003	$430,000	$37.21	1
	2002	$95,000	$47.50	1
	2001	$115,000 - 530,000	$5.60 - 21.00	4
	1999	$405,000	$8.44	1
Total				20

Area 7 is bounded by Alpine Road on the east, the Rock River on the west, State Street on the north and U.S. Route 20 Bypass on the south.
Area 8 is between State Street and the U.S. 20 Bypass east of Alpine Road.
Area 9 is south of the U.S. Route 20 Bypass and east of Meridian Road.

Source: Whitehead Inc., Realtors; Valerie S. Kretchmer Associates, Inc.

According to Rockford economic development officials, there is little quality space available in Rockford in the range of 50,000-100,000 square feet with clear ceilings up to 32'. The Rockford Logistics Park near the airport only has 39 acres remaining. On-airport land is desirable for air cargo companies that can offer competitive prices and services to O'Hare. Tandem Development will build a 990,000 square foot 5-building complex in which 10 airplanes can taxi up to the warehouse doors to unload cargo. However, by law, airport property must be leased and the longest lease term is 40 years. Many companies that would be interested in an airport location want to own their building.

There are several competing locations to the Kishwaukee Corridor for new industrial buildings. The Southeast Technical Center east of Alpine Road on Linden Road south of the U.S. Route 20 Bypass has excellent access and offers modern, high quality industrial space. The southeast quadrant of the U.S. Route 20 Bypass and Route 2 is planned for a 168-acre industrial/business park. The land was recently annexed into the City of Rockford and is within a TIF district. It is targeting build-to-suit projects. Land is priced at $30,000-40,000 per acre.

Cherry Valley recently annexed 323 acres for the Rock 39 Industrial Park at the Baxter Road interchange of I-39. The park is being marketed for logistics and distribution with sites of 10-100 acres for facilities ranging in size from 200,000 to 1.2 million square feet. Con-way Freight is the first company to build here with a 110-door trucking and freight facility.

C. Opportunities

As Rockford's industrial base evolves from heavy industry to distribution and logistics, the Chicago Rockford International Airport and highway access become more important in location decisions. As such, the area south of the U.S. Route 20 Bypass will continue to be attractive to companies that want this accessibility. However, with large greenfield sites available within minutes of Route 20, there is little economic incentive to renovate older, multi-story industrial buildings for industrial, office or residential space. Rehabilitation of some older properties makes sense only if the buildings can be purchased very inexpensively and leased at very low rates to cost conscious companies.

However, a number of employers are committed to staying in the middle section of the Kishwaukee Corridor. It will be important for the City to make sure that these businesses are satisfied with their locations, have room to expand if needed, and any problems, such as access during and after the Kishwaukee Street reconstruction project, are addressed.

V. OFFICE AND RETAIL MARKET

A. Office Space in the Kishwaukee Corridor

According to local Realtors, there is a lot of vacant office space in the City of Rockford at the present time, though there is no available data on the market's size and occupancy rate. Realtors indicated that most of the new office space is on the east side of the city near Perryville Road. As an office location, downtown Rockford is a higher priority from the City's perspective than the Kishwaukee Corridor.

Other than medical offices for Swedish American Hospital and Amcore Bank near the north end of the Kishwaukee Corridor, there is very little traditional office space in the corridor. Swedish American Hospital has expanded its offices north of State Street and their 10- year plan is to expand to the south and east. The hospital now has offices on Charles Street and 20th Street and occupies space in a remodeled former Goldblatt's store. The hospital would like to leave that building and could use 15,000-20,000 square feet of modern office space. However, any new space will likely be in the immediate blocks surrounding the hospital.

The rent for new office space on the far east side of the city along Perryville Road is $15-18 per square foot on a net basis. (Net leases require tenants to pay additional expenses for their share of common area maintenance and real estate taxes.) Several downtown buildings have asking rents of $12 per square foot on a gross basis (which includes common area expenses and real estate taxes.) Rents for space on State Street west of Mulford Avenue and on Alpine Road are in the range of $7.50 per square foot on a net basis.

B. Retail Space in the Kishwaukee Corridor

There is little retail space on Kishwaukee Street itself and most of the space is of relatively low quality. The largest store on Kishwaukee Street is Walgreens at the intersection of 15th Avenue. Other retailers along Kishwaukee are small mini-marts, fast food restaurants, used car and auto parts stores that do not present a vibrant image for the street. The largest retail area near Kishwaukee Street is at 11th Street, Harrison Avenue and Sandy Hollow Road where an old Kmart and Gray's IGA anchor a shopping center in poor condition and another nearby center is anchored by Hilander grocery and CVS. Even with rents as slow as $5 per square foot on a net basis, it is difficult to keep these centers fully leased.

There are many storefronts for rent along 7th Street, Broadway, State Street and Charles Street near the Kishwaukee Corridor with asking rents in the $5-12 per square foot net range. Even with rents at the low end of this range, it is difficult to keep space well occupied. The character of the Broadway retail district has changed in recent years with many stores now catering to the growing Hispanic population. The City of Rockford is promoting this area and downtown

Rockford for new retailers. Kishwaukee Street is not viewed as a likely location for any significant retail development. There has not been interest in any of the former industrial sites for retail development as has occurred in the Chicago metropolitan area.

Better quality shopping center space further east on Alpine Road and Harrison Avenue has asking rents of $4-5 per square foot net. Along State Street west of Mulford Avenue, asking rents are in the $8-12 per square foot net range, and at Perryville Road, rents are as high as $18.50 per square foot net.

C. Commercial Property Sales

Table 11 on the following page provides information on recent sales of commercial buildings in the Kishwaukee Corridor and adjacent area. Since 1999, there have been 89 commercial properties sold in Area 7 and another 7 in Area 9. In 2007, prices ranged from $10-93 per square foot in Area 7 and $57 per square foot in Area 9. This wide range in price reflects the variation in size, quality and type of building. Many of the sales are for buildings with less than 5,000 square feet. Of the 18 building sales in 2007, only 7 were for buildings with more than 10,000 square feet and most of the buildings sold were quite old.

D. Retail Sales Potential in the Kishwaukee Corridor

A detailed retail sales potential report for the Kishwaukee Corridor one and two mile areas, as well as the City of Rockford is included in the Appendix to this market assessment. The retail sales potential shows how much money on average a household has to spend at numerous types of retail stores. However, this doesn't indicate where the sales will be made. People shop for some items close to home, while others are purchased near their place of work, while on vacation or elsewhere. The sales potential report shows the average household spending power and the aggregate spending power of the area (average household spending multiplied by the number of households.)

In the City of Rockford, the 2007 average retail sales potential per household is $23,773. Rockford's average household sales potential is 93% of the national average (an index of 93). For the one mile area, the average retail sales potential is only $18,284, 71% of the U.S. average. In the two mile area, the average household sales potential is $20,168, equal to 79% of the national average. While the Kishwaukee Corridor one and two mile areas have below average household spending power, in the aggregate, the residents in the one mile area have $225 million and in the two mile area $545 million in potential retail sales. The one mile area accounts for 16% and the two mile area accounts for 39% of the $1.4 billion in total spending potential for residents of the City of Rockford. Although data are not available on retail sales for the one and two mile areas, given the limited number of retail stores, it is obvious that most of this spending potential is leaving the neighborhood.

Table 11

KISHWAUKEE CORRIDOR AREA
1999-2007 COMMERCIAL BUILDING SALES

Area	Year	Price Range	Price/SF Range	# of Sales
7	2007	$32,000 - 999,500	$10.25 - 93.00	17
	2006	$40,000 - 700,000	$10.34 - 61.78	17
	2005	$30,000 - 1,275,000	$12.28 - 87.93	10
	2004	$25,000 - 465,000	$1.67 - 69.57	10
	2003	$45,000 - 320,000	$5.78 - 109.85	9
	2002	$35,000 - 158,000	$6.15 - 46.67	7
	2001	$52,000 - 175,000	$14.76 - 72.22	9
	2000	$40,000 - 160,000	$8.94 - 62.28	8
	1999	$55,000 - 65,900	$13.10 - 19.97	2
Total				89
9	2007	$185,000	$57.10	1
	2005	$265,000	$84.75	1
	2004	$135,000	$52.02	1
	2003	$125,000 - 345,000	$5.98 - 27.98	2
	1999	$157,000 - 250,000	$73.53 - 82.89	2
Total				7

Area 7 is bounded by Alpine Road on the east, the Rock River on the west, State Street on the north and U.S. Route 20 Bypass on the south.
Area 9 is south of the U.S. Route 20 Bypass and east of Meridian Road.

Source: Whitehead Inc., Realtors; Valerie S. Kretchmer Associates, Inc.

E. Opportunities

The Kishwaukee Corridor is not likely to attract a significant amount of office space unless it is owner-occupied. The vacant industrial buildings are not likely candidates for conversion into quality office space.

Kishwaukee Street is not viewed as a potential retail corridor either. The City of Rockford would like to see Broadway, 7th Street and downtown flourish as retail centers and Kishwaukee Street would be competing with these locations for retail tenants. In addition, there does not appear to be any interest from large stores or developers in purchasing obsolete industrial buildings and tearing them down for a shopping center as has occurred in Chicago and some of its suburbs.

Although there clearly is adequate spending power in the one and two mile areas, improving the existing shopping centers on 11th Street will be more productive than trying to build new ones along Kishwaukee Street. Focusing on filling space at key retail nodes such as 15th Avenue, Broadway and State Street will be more effective in the short term than trying to attract retailers to other sites along Kishwaukee Street. Aesthetic and traffic flow improvements on Kishwaukee Street should improve the retail opportunities at these nodes.

VI. APPENDIX

Retail Store Potential Summary Report for Kishwaukee 1 and 2 Mile Areas and City of Rockford

Date: 02/18/08
Current Geography Selection: (1 Selected) Polygon: Kishwaukee 1 mile
Your title for this geography: Rockford Kishwaukee 1 mile

Retail Sales Potential Summary Report

Index Base Average = 100 | Index Base File: US

Demographic Overview

Total Population	30,709	Total Households	12,319	Median Income	$30,506
% Male Population	50.6%	Average Household Size	2.4	Per Capita Income	$16,358
% Female Population	49.4%	Household Growth from 1990 to 2000	-6.9%	Average Household Income	$38,239
Median Age	31.8	% Owner Occupied Housing Units	37.3%	Employees	32,221
Population Density	2,812.1	% Renter Occupied Housing Units	44.6%	Establishments	2,026
		% Vacant Housing Units	18.1%		

Current Year Annual	**Aggregate Dollars**	**Average Dollars**	**Percent of Total**	**Index**
Appliances and Electronics Stores	$3,446,615	$279.79	1.5%	71
Art Dealers	$12,686	$1.03	0.0%	67
Auto Parts and Accessories	$2,111,795	$171.43	0.9%	73
Book Stores	$1,295,055	$105.13	0.6%	68
Camera and Photography Stores	$330,999	$26.87	0.1%	71
Childrens' and Infant's Clothing Stores	$695,034	$56.42	0.3%	69
Clothing Accessory Stores	$146,599	$11.90	0.1%	69
Computer Stores	$1,899,107	$154.17	0.8%	68
Convenience Stores	$1,667,599	$135.37	0.7%	76
Costmetics and Beauty Stores	$224,288	$18.21	0.1%	72
Department Stores	$17,511,998	$1,421.60	7.8%	70
Drinking Places	$928,990	$75.41	0.4%	70
Family Clothing Stores	$3,696,301	$300.06	1.6%	71
Fish and Seafood Markets	$112,271	$9.11	0.1%	77
Floor Covering Stores	$627,768	$50.96	0.3%	62
Florists	$174,957	$14.20	0.1%	67
Fruit and Vegetable Markets	$220,427	$17.89	0.1%	77
Fuel Dealers	$1,619,314	$131.45	0.7%	73
Full Service Restaurants	$11,056,025	$897.51	4.9%	70
Furniture Stores	$3,869,313	$314.10	1.7%	65
Gasoline Stations with Convenience Stores	$18,476,072	$1,499.86	8.2%	74
Gasoline Stations without Convenience Stores	$8,930,879	$724.99	4.0%	73
Gift and Souvenir Stores	$434,529	$35.27	0.2%	69
Grocery Stores	$36,541,955	$2,966.42	16.2%	75
Hardware Stores	$1,832,060	$148.72	0.8%	68
Hobby, Toy, and Game Stores	$994,889	$80.76	0.4%	70
Home Centers	$4,202,516	$341.15	1.9%	68
Hotels and Other Travel Accomodations	$1,628,271	$132.18	0.7%	70
Jewelry Stores	$1,066,887	$86.61	0.5%	65
Limited Service Restaurants	$11,022,289	$894.77	4.9%	70

Liquor Stores	$1,596,224	$129.58	0.7%	70
Luggage Stores	$56,077	$4.55	0.0%	67
Mail Order and Catalog Stores	$5,430,248	$440.82	2.4%	70
Meat Markets	$470,096	$38.16	0.2%	77
Men's Clothing Stores	$793,301	$64.40	0.4%	70
Mobile Home Dealers	$5,249	$0.43	0.0%	67
Motorcycle and Boat Dealers	$1,706,737	$138.55	0.8%	68
Musical Instrument Stores	$396,518	$32.19	0.2%	73
New Car Dealers	$37,472,991	$3,042.00	16.6%	69
Nursery and Garden Stores	$856,002	$69.49	0.4%	68
Office and Stationary Stores	$451,854	$36.68	0.2%	67
Optical Goods Stores	$1,116,760	$90.66	0.5%	79
Other Apparel Stores	$582,634	$47.30	0.3%	71
Other Building Materials Stores	$5,147,588	$417.87	2.3%	68
Other Direct Selling Establishments	$1,035,018	$84.02	0.5%	72
Other General Merchandise Stores	$2,028,767	$164.69	0.9%	70
Other Health and Personal Care Stores	$457,183	$37.11	0.2%	73
Other Home Furnishing Stores	$938,107	$76.15	0.4%	67
Other Miscellaneous Retail Stores	$460,766	$37.40	0.2%	75
Other Specialty Food Markets	$348,284	$28.27	0.2%	77
Outdoor Power Equipment Stores	$105,830	$8.59	0.0%	67
Paint and Wallpaper Stores	$170,178	$13.81	0.1%	69
Pet and Pet Supply Stores	$611,595	$49.65	0.3%	71
Pharmacy and Drug Stores	$5,386,582	$437.27	2.4%	73
RV Parks	$21,208	$1.72	0.0%	73
Record, Tape, and CD Stores	$760,662	$61.75	0.3%	73
Recreational Vehicle Dealers	$52,299	$4.25	0.0%	71
Rooming and Boarding Houses	$11,341	$0.92	0.0%	70
Sewing and Needlecraft Stores	$163,980	$13.31	0.1%	67
Shoe Stores	$2,018,460	$163.86	0.9%	76
Special Food Services and Catering	$1,848,666	$150.07	0.8%	70
Sporting Goods Stores	$2,027,526	$164.59	0.9%	69
Tire Dealers	$957,727	$77.75	0.4%	73
Used Merchandise Stores	$377,047	$30.61	0.2%	69
User Car Dealers	$2,602,049	$211.23	1.2%	69
Vending Machines	$699,214	$56.76	0.3%	76
Warehouse Superstores	$7,109,323	$577.12	3.2%	74
Women's Clothing Stores	$2,179,501	$176.93	1.0%	71
Total Annual Retail	$225,231,079	$18,283.89	100%	71

Current year data is for the year **2007**, 5 year projected data is for the year **2012**. More About Our Data.
Demographic data © 2007 by Experian/Applied Geographic Solutions.

Valerie S. Kretchmer Associates, Inc.
Real Estate and Planning Consulting

Date: 02/18/08
Current Geography Selection: (1 Selected) Polygon: Kishwaukee 2 mile radii
Your title for this geography: Rockford Kishwaukee 2 mile radii

Retail Sales Potential Summary Report

Index Base Average = 100

Index Base File: US

Demographic Overview

Total Population	71,451	Total Households	27,098	Median Income	$37,155
% Male Population	49.8%	Average Household Size	2.6	Per Capita Income	$17,838
% Female Population	50.2%	Household Growth from 1990 to 2000	-5.0%	Average Household Income	$44,580
Median Age	32.3	% Owner Occupied Housing Units	49.0%	Employees	57,268
Population Density	2,932.1	% Renter Occupied Housing Units	35.3%	Establishments	3,547
		% Vacant Housing Units	15.7%		

Current Year Annual	Aggregate Dollars	Average Dollars	Percent of Total	Index
Appliances and Electronics Stores	$8,369,828	$308.87	1.5%	78
Art Dealers	$30,960	$1.14	0.0%	74
Auto Parts and Accessories	$5,110,277	$188.59	0.9%	80
Book Stores	$3,110,530	$114.79	0.6%	75
Camera and Photography Stores	$806,798	$29.77	0.1%	79
Childrens' and Infant's Clothing Stores	$1,698,204	$62.67	0.3%	77
Clothing Accessory Stores	$355,281	$13.11	0.1%	76
Computer Stores	$4,638,832	$171.19	0.8%	75
Convenience Stores	$3,971,953	$146.58	0.7%	82
Costmetics and Beauty Stores	$539,416	$19.91	0.1%	79
Department Stores	$42,575,981	$1,571.19	7.8%	77
Drinking Places	$2,236,274	$82.53	0.4%	77
Family Clothing Stores	$8,939,639	$329.90	1.6%	78
Fish and Seafood Markets	$266,659	$9.84	0.0%	83
Floor Covering Stores	$1,558,473	$57.51	0.3%	70
Florists	$427,745	$15.79	0.1%	75
Fruit and Vegetable Markets	$523,459	$19.32	0.1%	83
Fuel Dealers	$3,915,808	$144.51	0.7%	81
Full Service Restaurants	$26,793,275	$988.76	4.9%	77
Furniture Stores	$9,633,267	$355.50	1.8%	73
Gasoline Stations with Convenience Stores	$44,621,664	$1,646.68	8.2%	81
Gasoline Stations without Convenience Stores	$21,645,340	$798.78	4.0%	81
Gift and Souvenir Stores	$1,059,970	$39.12	0.2%	76
Grocery Stores	$87,246,619	$3,219.68	16.0%	82
Hardware Stores	$4,475,648	$165.17	0.8%	75
Hobby, Toy, and Game Stores	$2,436,428	$89.91	0.4%	78
Home Centers	$10,318,239	$380.78	1.9%	76
Hotels and Other Travel Accomodations	$3,943,250	$145.52	0.7%	77
Jewelry Stores	$2,608,558	$96.26	0.5%	72
Limited Service Restaurants	$26,733,289	$986.54	4.9%	78

Liquor Stores	$3,851,713	$142.14	0.7%	77
Luggage Stores	$137,744	$5.08	0.0%	75
Mail Order and Catalog Stores	$13,185,422	$486.58	2.4%	77
Meat Markets	$1,116,816	$41.21	0.2%	83
Men's Clothing Stores	$1,918,044	$70.78	0.4%	77
Mobile Home Dealers	$12,956	$0.48	0.0%	75
Motorcycle and Boat Dealers	$4,225,200	$155.92	0.8%	77
Musical Instrument Stores	$951,769	$35.12	0.2%	80
New Car Dealers	$92,497,046	$3,413.43	16.9%	78
Nursery and Garden Stores	$2,090,548	$77.15	0.4%	75
Office and Stationary Stores	$1,111,093	$41.00	0.2%	74
Optical Goods Stores	$2,609,510	$96.30	0.5%	84
Other Apparel Stores	$1,405,510	$51.87	0.3%	78
Other Building Materials Stores	$12,557,820	$463.42	2.3%	75
Other Direct Selling Establishments	$2,497,584	$92.17	0.5%	79
Other General Merchandise Stores	$4,937,066	$182.19	0.9%	77
Other Health and Personal Care Stores	$1,095,690	$40.43	0.2%	80
Other Home Furnishing Stores	$2,311,553	$85.30	0.4%	75
Other Miscellaneous Retail Stores	$1,102,378	$40.68	0.2%	82
Other Specialty Food Markets	$827,550	$30.54	0.2%	83
Outdoor Power Equipment Stores	$258,842	$9.55	0.0%	75
Paint and Wallpaper Stores	$413,247	$15.25	0.1%	76
Pet and Pet Supply Stores	$1,494,827	$55.16	0.3%	79
Pharmacy and Drug Stores	$12,943,621	$477.66	2.4%	79
RV Parks	$50,982	$1.88	0.0%	80
Record, Tape, and CD Stores	$1,827,348	$67.43	0.3%	80
Recreational Vehicle Dealers	$127,490	$4.70	0.0%	79
Rooming and Boarding Houses	$27,500	$1.01	0.0%	78
Sewing and Needlecraft Stores	$401,869	$14.83	0.1%	75
Shoe Stores	$4,781,464	$176.45	0.9%	82
Special Food Services and Catering	$4,482,946	$165.43	0.8%	78
Sporting Goods Stores	$4,990,543	$184.17	0.9%	77
Tire Dealers	$2,318,203	$85.55	0.4%	80
Used Merchandise Stores	$918,937	$33.91	0.2%	76
User Car Dealers	$6,432,248	$237.37	1.2%	78
Vending Machines	$1,666,309	$61.49	0.3%	82
Warehouse Superstores	$17,064,017	$629.72	3.1%	80
Women's Clothing Stores	$5,262,568	$194.21	1.0%	78
Total Annual Retail	$546,497,639	$20,167.50	100%	79

Current year data is for the year **2007**, 5 year projected data is for the year **2012**. More About Our Data.
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