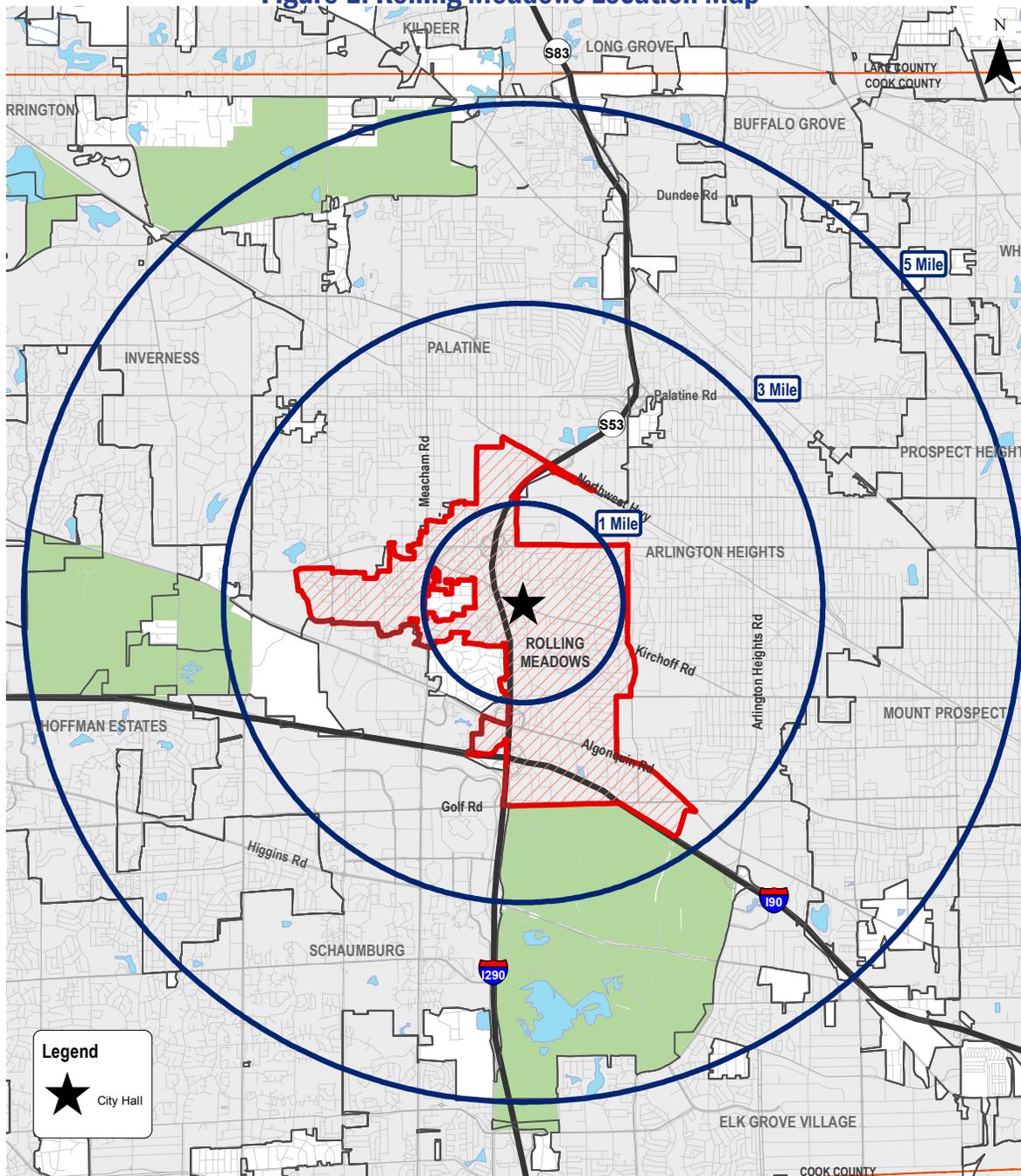


City of Rolling Meadows

Market Summary

Rolling Meadows is a northwest suburban community in Cook County, located approximately 30 miles from Downtown Chicago and 8 miles northwest of O'Hare International Airport. Rolling Meadows enjoys excellent regional transportation connections via the Jane Addams Memorial Tollway (I-90), I-290 to the south, and Route 53 to the north. Several prime business parks and light industrial properties line the major corridors, which include Route 53, Golf Road (Route 58), and Algonquin Road (Route 62). Nearly 290,000 people live within 5 miles of downtown Rolling Meadows and another 149,000 work within that radius.

Figure 1: Rolling Meadows Location Map



0 0.75 1.5 3 Miles
1:81,109

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Demographic Characteristics

Rolling Meadows is a mature community with an estimated 2013 population of 24,419. Key demographic data are highlighted in Figures 2 - 5, below.

- The population has remained relatively stable since 2000, dipping slightly in the 2010 Census but rebounding in 2013 estimates.
- Family households comprise more than two-thirds (67.2%) of all Rolling Meadows households.
- Rolling Meadows is an economically diverse community. The median household income is estimated to be approximately \$58,000, higher than the median for Cook County and comparable to income levels in the 7 county metropolitan area.
- 82% of the adult population in Rolling Meadows has a high school degree or higher level of educational achievement.

Figure 2: Rolling Meadows Demographics Profile

	2000	2010	2013 Estimate
Population	24,604	24,099	24,419
Households	8,923	8,939	9,068
Families	6,173	6,087	6,091
Average Household Size	2.72	2.66	2.67
Median Household Income	\$59,535	\$63,258	\$57,996
Median Age	34.4	37.4	38.4

Source: U.S. Census and Esri Business Analyst

Figure 3: Area Demographics

	Rolling Meadows	1 Mile Radius	3 Mile Radius	5 Mile Radius
Population	24,419	10,603	98,146	289,814
Households	9,068	4,145	39,471	115,513
Average Household Size	2.67	2.48	2.46	2.49
Median Household Income	\$57,996	\$63,146	\$73,465	\$68,769
Average Household Income	\$79,266	\$87,351	\$96,902	\$91,596
Median Age	38.4	44.9	41.5	39.7
Daytime Employment	16,514	6,021	70,894	149,175

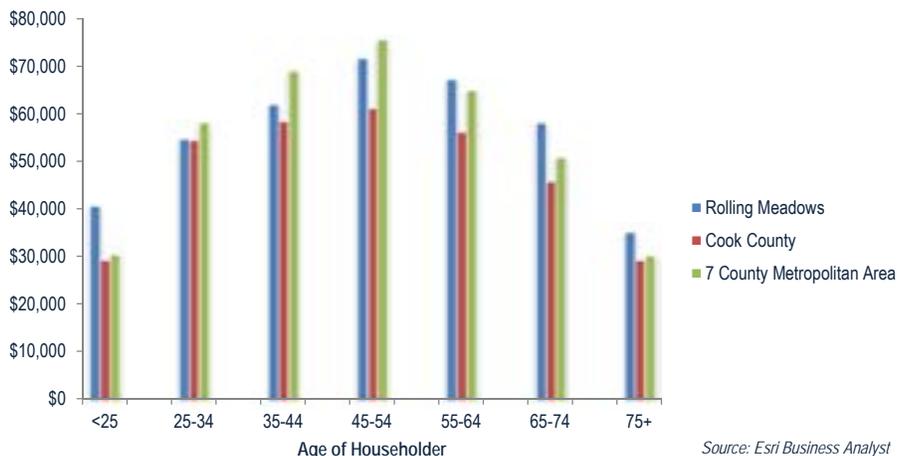
Source: Esri Business Analyst estimates 2013

Figure 4: Rolling Meadows Population and Household Characteristics

	Number	Percent
Total Population	24,419	
Total Households	9,068	
Family	6,091	67.2%
Nonfamily	2,977	32.8%
Households with children under 18	3,066	33.8%
Race and Ethnicity		
White Alone	18,799	77.0%
Black Alone	528	2.2%
American Indian Alone	78	0.3%
Asian Alone	2,221	9.1%
Pacific Islander Alone	6	0.0%
Some Other Race Alone	1,969	8.1%
Two or More Races	818	3.3%
Hispanic Origin (Any Race)	6,224	25.5%

Source: Esri Business Analyst

Figure 5: 2013 Median Household Income



Source: Esri Business Analyst

Major Employment Centers

Rolling Meadows' daytime employment is estimated at 16,514, with just over 6,000 employees working within one mile of City Hall. The remaining 10,000 employees are clustered in office and light industrial developments fronting the Jane Addams Tollway (I-90) and Route 53. These high density employment centers include:

- Continental Towers and Crossroads Corporate Center, located between the Jane Addams Tollway (I-90) and Algonquin Road,
- Meadows Corporate Center and Atrium Corporate Center between the Jane Addams Tollway (I-90) and Golf Road,
- West of Route 53 between Euclid Avenue and Northwest Highway (Route 14), and
- Meacham/S Plum Grove Road.

Northrop Grumman Corp, located at 600 Hicks Road, is the largest employer in Rolling Meadows with an estimated 2,100 employees (See Figure 6). Other major employers include Capital One, Houghton Mifflin Harcourt, Komatsu, and Panasonic.

A number of companies have recently chosen to invest in Rolling Meadows including Arthur J Gallagher and Weber Grill Restaurants. Rational USA, a high-end

German oven producer, has recently moved its North American headquarters from Schaumburg to Continental Towers in Rolling Meadows.

The largest employment sector in Rolling Meadows is Health Care and Social Services (See Figure 7). Numerous health care offices and social agencies, as well as Plum Grove Junior High School, have found the Meacham/S Plum Grove Road corridor an attractive location.

Figure 6: Top 10 Employers

Employer	Address	Employees
Northrop Grumman Corp	600 Hicks Road	2,100
Capital One	3800 Golf Road	625
Houghton Mifflin Harcourt (Formerly Riverside Publishing Co)	3800 Golf Road	350
Komatsu	1701 Golf Road	325
Meijer	1301 Meijer Drive	274
A.H. Management Group	1151 Rohlwing Road	268
RTC	2800 Golf Road	246
Panasonic	5201 Tollview Drive	235
Methode Electronics	1700 Hicks Road	230
Walmart	1460 Golf Road	217

Source: Rolling Meadows Chamber of Commerce February 2014

Figure 7: 2011 Employment by Industry

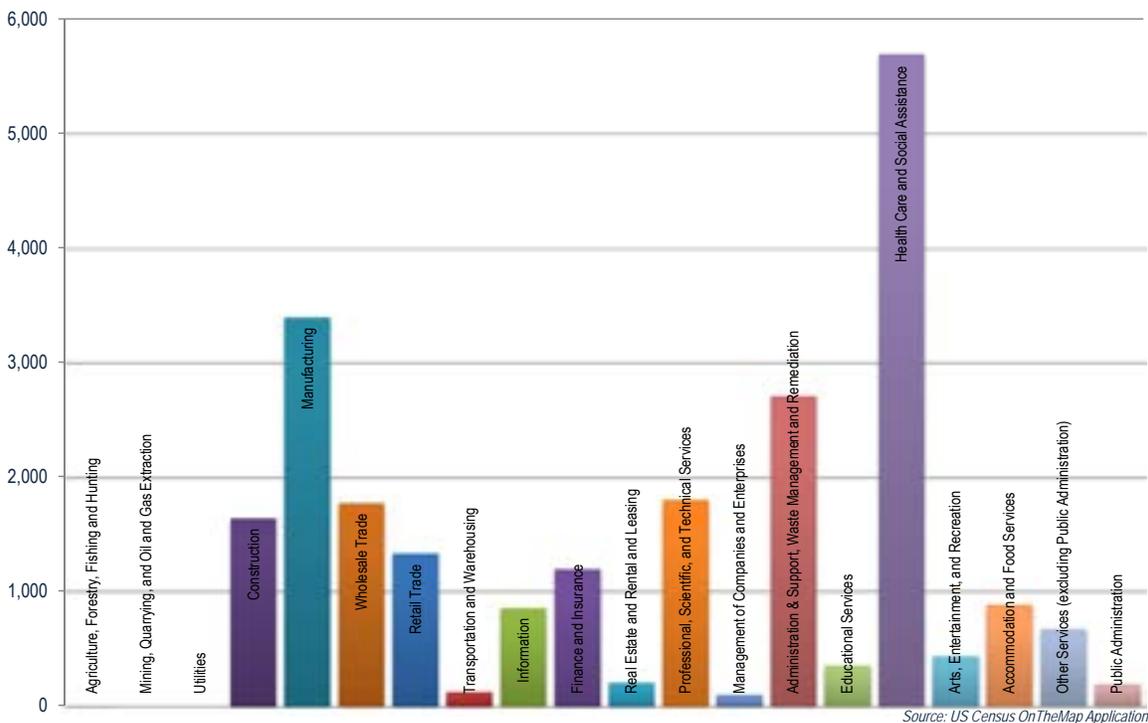
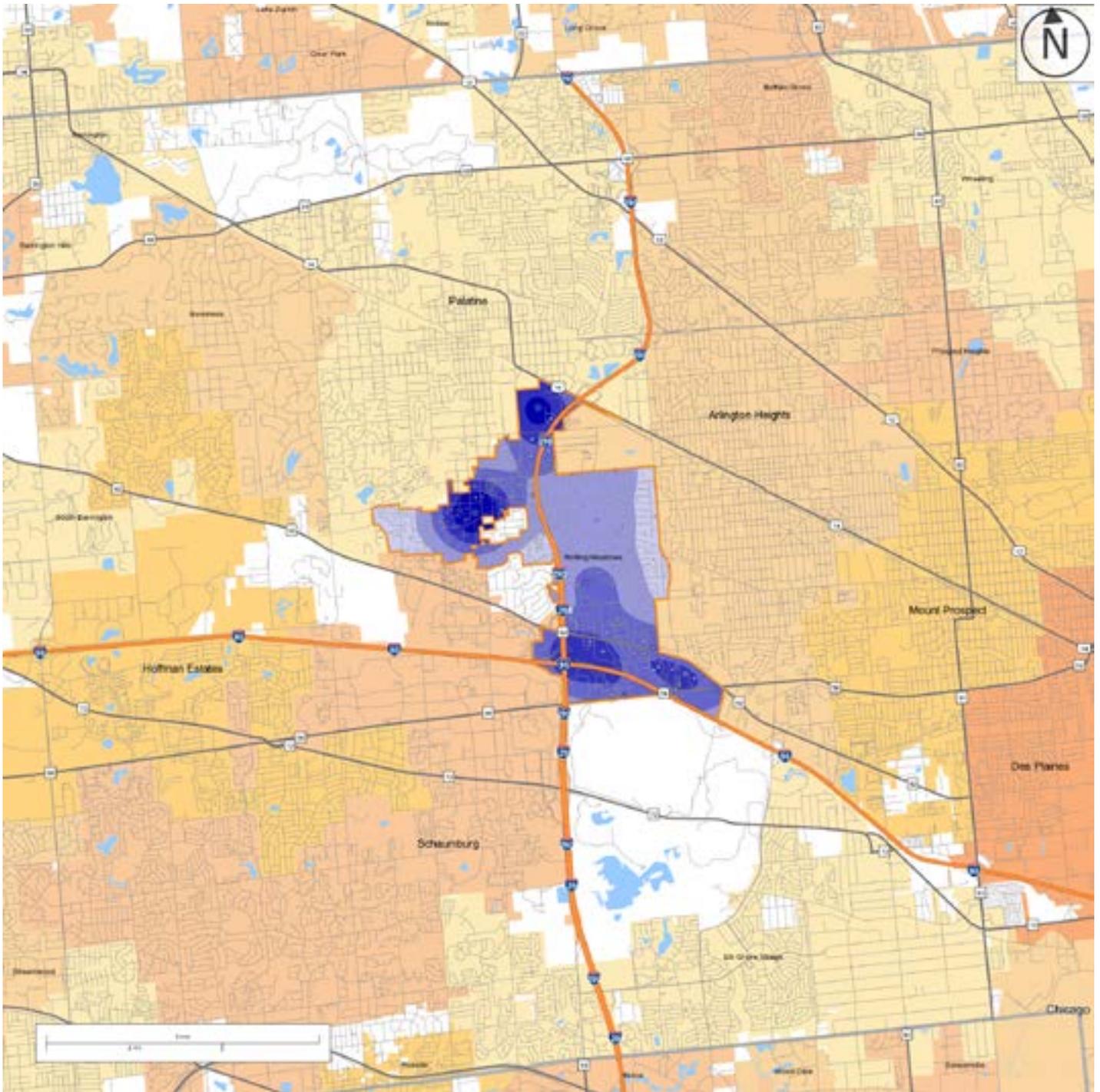


Figure 8: Rolling Meadows Employment Density Map



N Analysis Selection

Source: US Census OnTheMap Application

Retail Concentrations in Rolling Meadows

Rolling Meadows' primary retail corridors are Kirchoff Road, Algonquin Road, and Plum Grove Road. Strip retail centers front these arterials, and big box retailers are located near the intersection of Algonquin and Golf Roads.

- Walmart anchors The Marketplace of Rolling Meadows, a 340,000 square foot shopping center near the intersection of Algonquin and Golf Roads. A Sam's Club had been located in the southern portion of the development until the store closed in 2010.
- Meadows Crossing Shopping Center occupies the site south of Golf Road and west of Algonquin Road in front of Meijer and includes Panera, Chipotle, and Noodles & Company.
- Lowe's anchors Surrey Ridge Shopping Center, a 100,000 square foot retail destination located on the east side of Algonquin Road in Arlington Heights.

Adjacent Retail Concentrations

Within three miles of City Hall are several major retail concentrations that provide competition to Rolling Meadows. The following map (Figure 9) illustrates their locations and they are briefly described below. An accompanying table (Figure 10) provides additional information on the shopping centers.

- **Woodfield Mall and Adjacent Retail.** Located in the southwest quadrant of the intersection of the Jane Addams Tollway (I-90) and I-290, Woodfield Mall is the largest regional mall in the Chicago area with 2.2 million square feet. Together with nearby shopping centers Streets of Woodfield, Woodfield Commons, and Woodfield Plaza, there is over 4 million square feet of retail in this area. Major anchors, such as Nordstrom, Lord & Taylor, Dick's Sporting Goods, Saks Off Fifth Ave, and Costco, attract shoppers from throughout the northwest suburbs.
- The area near the intersection of **Rand, Arlington Heights, and Palatine Roads** in Arlington Heights has 1.1 million square feet of retail.

Burlington Coat Factory, Value City Furniture, Dick's Sporting Goods and Best Buy are a few of the major retailers anchoring this retail corridor.

Available Properties

CoStar, an online provider of available commercial properties, reveals some of the retail properties currently for sale and for lease in Rolling Meadows. Most of the properties for lease are located east of Route 53 on Kirchoff Road, as shown in the following map (Figure 11). The largest properties are Rolling Meadows Plaza on Kirchoff Road, which formerly was anchored by Dominick's and the former Sam's Club on Golf Road. The majority of for sale properties are small buildings on Algonquin Road. The accompanying tables (Figures 12 - 13) present additional information on the available properties.

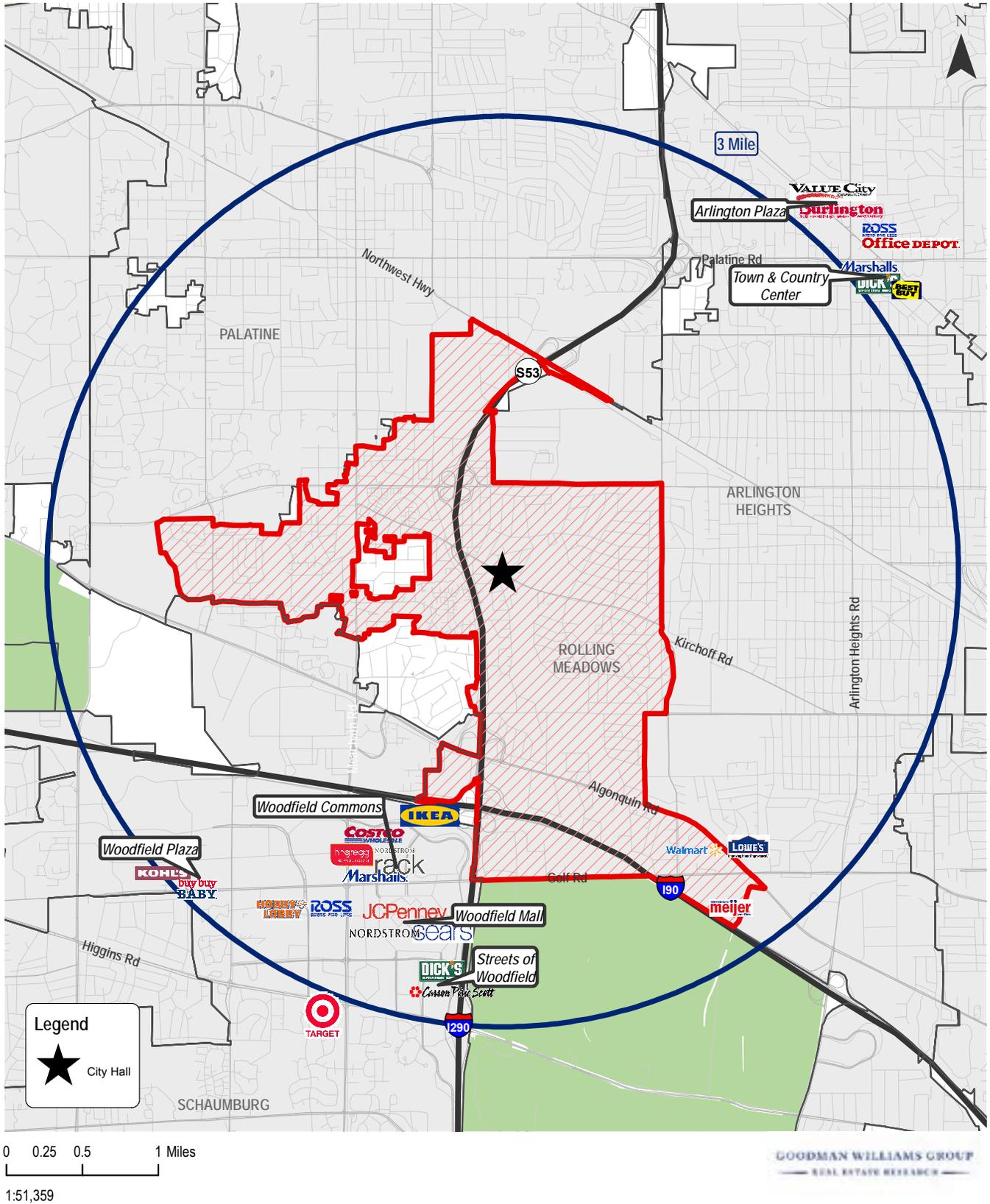
Leakage Analysis

One method of estimating the potential for additional retail development in Rolling Meadows is to determine the expenditure potential of households within the City and compare it to estimates of actual sales that take place within its borders. If certain categories are "leaking" sales to shopping districts outside the City, it may represent an opportunity for additional stores in Rolling Meadows.

Figure 14 shows household expenditure and sales estimates from Esri, a national vendor of business data.

Rolling Meadows' households spend an estimated \$300.1 million annually on retail expenditures including restaurants (labeled on the table as Demand). Business establishments located within Rolling Meadows report an estimated \$243.8 million in sales (labeled on the table as Supply). More than \$56 million of the total potential demand is not being captured in Rolling Meadows (shown on the table in green and labeled Retail Gap), indicating retail leakage and potential opportunity. This expenditure can be viewed as an opportunity for additional retail establishments in the community.

Figure 9: Major Shopping Centers Location Map



Major Shopping Centers

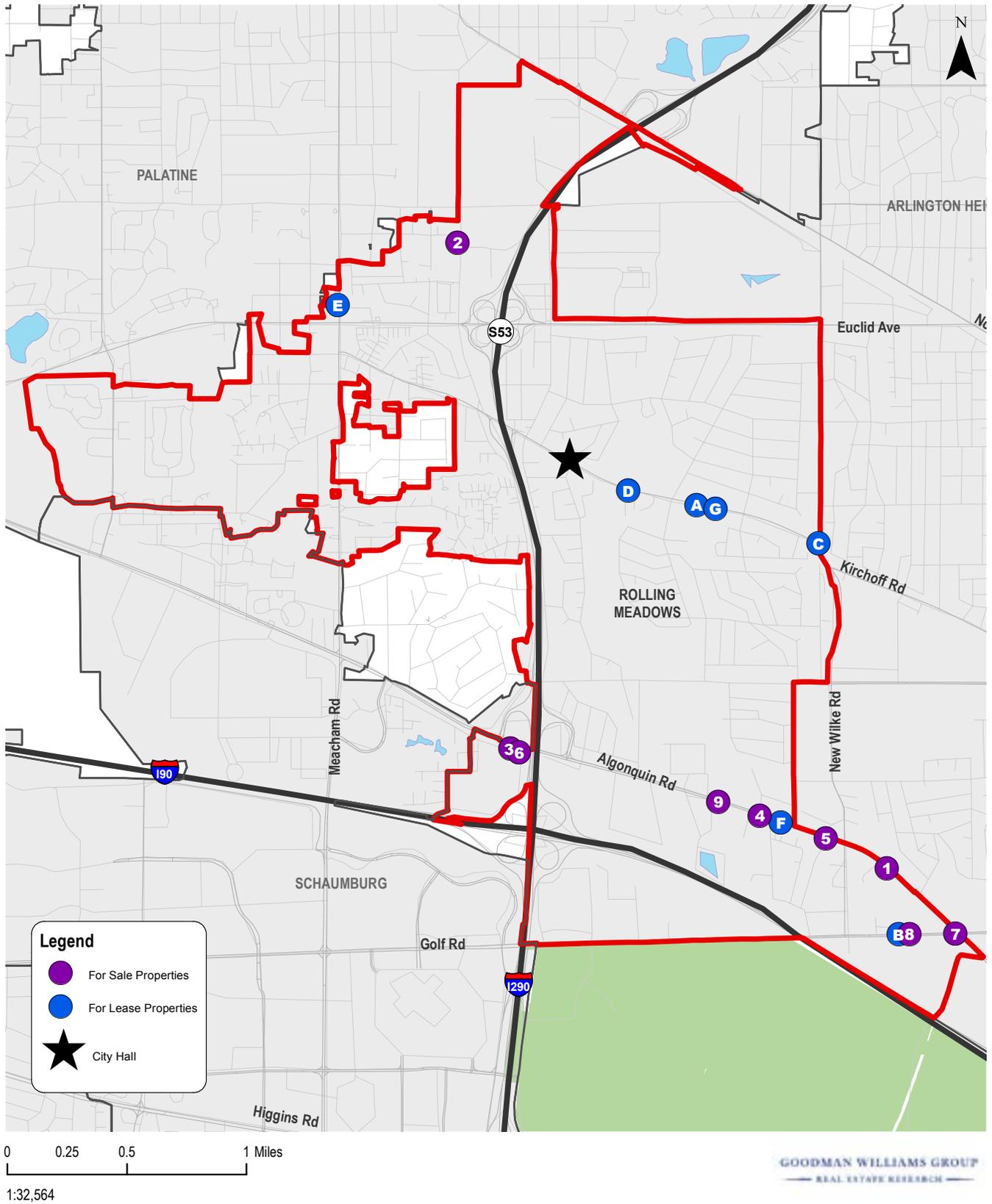
Figure 10: Major Shopping Centers within 3 Miles of Rolling Meadows

Name	Address	City	Anchors	Stores	Distance*	Year Open / Renovation	GLA
Surrey Ridge Shopping Center	Algonquin & Golf Rd	Arlington Heights	Lowe's Home Improvement, Goodwill	10	2.0	1970	173,385
Marketplace of Rolling Meadows	Algonquin & Golf Rd	Rolling Meadows	Walmart, GNC, Staples	27	2.1	2000 / 2006	340,000
Meadows Crossing	Algonquin & Golf Rd	Rolling Meadows	Meijer, Panera, Chipotle, Noodles & Company	10	2.1	2011	200,000
Woodfield Village Green	Meacham & Golf Rd	Schaumburg	Costco, Nordstrom Rack, Saks Fifth Ave OFF 5th, HomeGoods, h.h.gregg, The Container Store	32	2.2	1993 / 1998	674,647
Woodfield Mall	Woodfield Dr	Schaumburg	Macy's, Nordstrom, Lord & Taylor, jcpenny, Sears	300	2.4	1971 / 1995	2,174,000
Woodfield Commons	Golf Rd & National Pkwy	Schaumburg	Hobby Lobby, Toys 'R' Us, Ross Dress for Less, REI	13	2.6	1973	207,452
Streets of Woodfield	Woodfield, Higgins, Martingale	Schaumburg	Dick's Sporting Goods, Carson Pirie Scott, AMC Theaters, Whole Foods, Crate and Barrel, Legoland	25	2.7	1991 / 2010	713,260
Woodfield Plaza	Golf Rd	Schaumburg	Kohl's, Buy Buy Baby, Barnes & Noble, David's Bridal	12	2.9	2003	177,160
Town & Country Center	Palatine, Rand & Arlington Heights Rd	Arlington Heights	Dick's Sporting Goods, Marshall's, Ashley Furniture, Best Buy, Joe Caputo & Sons Fruit Market (replacing Dominick's)	18	2.9	1981 / 2003	330,306
Northpoint Shopping Center	Rand, Palatine & Arlington Heights Rd	Arlington Heights	Jewel-Osco, Ross Dress for Less, Office Depot, Ulta, Shoe Carnival	26	3.1	1965 / 1992	251,442
Southpoint Shopping Center	Rand & Palatine Rds	Arlington Heights	American Mattress, Pearle Vision Center, Olive Garden	12	3.1	1989	234,882
Arlington Plaza	Arlington Heights & Rand Rds	Arlington Heights	Burlington Coat Factory, Value City Furniture, Room Place Furniture, Harvest Fresh International Farmers Market	21	3.2	1970	300,000

*Miles from Rolling Meadows City Hall

Source: Goodman Williams Group based on sources deemed to be reliable

Figure 11: Select Retail Properties for Sale and for Lease



Available Retail Properties

Figure 12: Selected Retail Properties For Lease

<u>Map Key</u>	<u>Property Name</u>	<u>Address</u>	<u>Land Area (AC)</u>	<u>Leasing Company</u>	<u>Leasing Company Contact</u>	<u>Building Size (SF)</u>
A	Rolling Meadows Plaza	2801-2915 Kirchoff Road	6.62	Clark Street Development, LLC	Peter Eisenberg	144,000
B	Sam's Club	1460 Golf Road	8.7996	Wal-Mart Stores, Inc.	-	129,601
C	Rolling Meadows Shopping Center	3104-3266 Kirchoff Road	14	Ramco-Gershenson Properties Trust	-	109,026
D	AMF Bowling Alley	3245 Kirchoff Road	2.5135	Kimco Realty Corporation	Scott Tucker	37,225
E	Squire Court Shopping Center	1913-1947 S Plum Grove Road	2	-	-	23,000
F	Meadowview Shopping Center	2211-2223 Algonquin Road	1.963	Walsh Partners	Charlie Walsh	21,055
G	Kirchoff Market	2631-2655 Kirchoff Road	1.3335	Metro Commercial Real Estate	William Dooley	12,900

Source: CoStar & City of Rolling Meadows April 2014

Figure 13: Selected Retail Properties For Sale

<u>Map Key</u>	<u>Property Name / Address</u>	<u>Rent/SF/yr</u>	<u>For Sale Price</u>	<u>Land Area (AC)</u>	<u>Leasing Company</u>	<u>Company Contact</u>	<u>Building Size (SF)</u>	<u>Total Available Space (SF)</u>
1	1673-1697 Algonquin Road	-	\$3,200,000	0.7455	Avalon Realty Associates, L.L.C.	Joseph Santucci	10,147	0
2	1600 Hicks Road	\$7.50	\$2,390,000	2.2	Vandon Forbes LLC	Aaron Kaplan	25,000	25,000
3	3985-3995 Algonquin Road	Withheld	\$1,900,000	0.7628	Caton Commercial Real Estate Group	Brett Hardt	11,178	3,500
4	2765 Algonquin Road	-	\$1,000,000	1.75	Ritzys Cafe Katsoulis	George Katsoulis	8,000	8,000
5	1921 Algonquin Road	-	\$455,000	0.88	Mega USA Properties, Inc.	Adrienne Han	5,600	5,600
6	3975 Algonquin Road	-	\$420,000	0.5115	Brian Properties, Inc.	Scott A. Whisler CCIM	6,207	6,207
7	1155 Golf Road	Withheld	-	1.031	Vandon Forbes LLC	Steven Baer	4,244	4,244
8	1440 Golf Road	\$18.00	-	1.54	Brian Properties, Inc.	Marielee Macapagal	9,125	9,120
9	2885 Algonquin Road	-	-	1.35	Sierra US	John Bollentine	7,630	7,630

Source: CoStar & City of Rolling Meadows April 2014

Leakage Analysis

Figure 14: Leakage Analysis for City of Rolling Meadows

Industry Summary	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap
Total Retail Trade and Food & Drink	\$300,109,976	\$243,792,153	\$56,317,823
Total Retail Trade	\$269,792,659	\$192,161,471	\$77,631,188
Total Food & Drink	\$30,317,316	\$51,630,682	\$21,313,366
By Category:			
Motor Vehicle & Parts Dealers	\$50,486,221	\$34,523,392	\$15,962,829
Furniture & Home Furnishings Stores	\$5,870,636	\$2,671,200	\$3,199,436
Electronics & Appliance Stores	\$7,297,339	\$7,998,944	\$701,605
Bldg Materials, Garden Equip. & Supply Stores	\$9,331,784	\$818,628	\$8,513,156
Food & Beverage Stores	\$43,841,618	\$29,747,309	\$14,094,309
Grocery Stores	\$39,021,525	\$27,307,007	\$11,714,518
Specialty Food Stores	\$1,310,321	\$530,818	\$779,503
Beer, Wine & Liquor Stores	\$3,509,771	\$1,909,484	\$1,600,287
Health & Personal Care Stores	\$22,805,138	\$38,273,511	\$15,468,373
Gasoline Stations	\$27,530,291	\$24,518,846	\$3,011,445
Clothing & Clothing Accessories Stores	\$17,200,378	\$3,701,571	\$13,498,807
Sporting Goods, Hobby, Book & Music Stores	\$7,030,055	\$2,811,238	\$4,218,817
General Merchandise Stores	\$48,245,439	\$11,893,643	\$36,351,796
Miscellaneous Store Retailers	\$5,719,938	\$9,473,407	\$3,753,469
Nonstore Retailers	\$24,433,822	\$25,729,782	\$1,295,960
Food Services & Drinking Places	\$30,317,316	\$51,630,682	\$21,313,366
Full-Service Restaurants	\$13,444,687	\$16,591,464	\$3,146,777
Limited-Service Eating Places	\$13,889,958	\$30,659,132	\$16,769,174
Special Food Services	\$1,390,867	\$3,922,917	\$2,532,050
Drinking Places - Alcoholic Beverages	\$1,591,804	\$457,169	\$1,134,635

Source: Esri Business Analyst

Residential Market

Homeownership is predominant in Rolling Meadows as approximately 70% of households are owner-occupied (See Figure 15). The community also has a supply of rental apartments that serve various segments of the population.

As with most communities, the sale prices of Rolling Meadows' housing dropped precipitously during the recent recession. Recent data on homes sold by Realtors in Rolling Meadows (Figure 16) indicate a turnaround in the housing market. The median sale price for detached single family housing bounced back to \$200,000, a new high for the last three years

Figure 15: Rolling Meadow Housing Occupancy and Tenure

	<u>Total</u>	<u>Percent</u>
Total housing units	9,764	
Occupied housing units	8,931	91%
Owner-occupied	6,224	70%
Renter-occupied	2,707	30%
Vacant housing units	833	9%

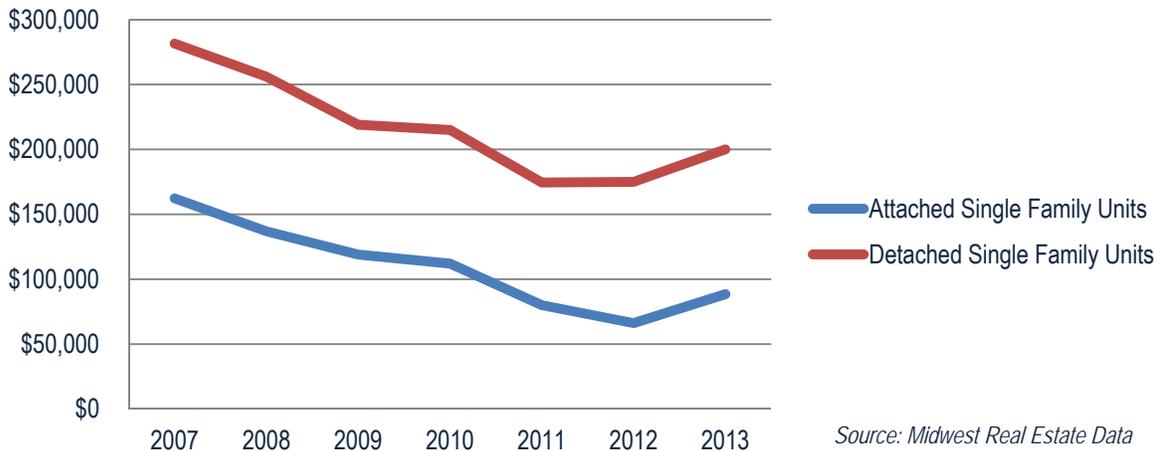
Source: U.S. Census Bureau, American Community Survey

Figure 16: Median Sales Price Trends

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Attached Single Family Units	\$162,250	\$136,900	\$119,000	\$112,000	\$80,000	\$66,200	\$88,500
Detached Single Family Units	\$281,500	\$256,000	\$219,000	\$215,000	\$174,500	\$175,000	\$200,000

Source: Midwest Real Estate Data

Median Sales Price Trends



Source: Midwest Real Estate Data

Rolling Meadows Public Assets

Rolling Meadows is strategically located eight miles northwest of O'Hare International Airport and 30 miles from Downtown Chicago, accessible via the Janes Addams Memorial Tollway (I-90). The extensive roadway network facilitates connections to attractions, including the following colleges, universities, and hospitals:

- Olivet Nazarene University and Northwest Suburban College in Rolling Meadows,
- DeVry University, Roosevelt University, University of Phoenix, and Argosy University campuses in Schaumburg,
- Harper College in Palatine,
- Inertia Health Center in Rolling Meadows,
- Regency Medical Center in Palatine, and
- Northwest Community Hospital in Arlington Heights.

Rolling Meadows' robust park and recreational system attracts users from a number of northwest suburbs. The 11 public parks and 6 community facilities provide residents of Rolling Meadows numerous parks and playgrounds, sports leagues and classes. Reciprocity agreements with neighboring communities encourage residents to take advantage of the many recreational facilities and offerings at in-resident rates, such as hockey leagues at the West Meadows Ice Arena and R.E. Nelson Sports Complex.

The Euclid Avenue exit on Route 53 provides direct access to the Arlington International Racecourse, one of few racetrack facilities in the Chicago area.

Infrastructure Enhancements

Current infrastructure projects will further enhance access to Rolling Meadows. As part of the ongoing \$2.5 billion Jane Addams Memorial Tollway (I-90) Rebuilding and Widening Project, new westbound exit and entrance ramps will be constructed in 2016 at Meacham Road. These new ramps will create new access points to Rolling Meadows.

Heavily trafficked Golf Road is undergoing renovation that will improve access to its major employment centers and retail destinations. A partnership with the Regional Transportation Authority (RTA) helped the City recently secure a \$1.2 million grant. The Golf Road Access to

Transit Improvement Project will encourage greater use of public transit, particularly PACE buses, reduce traffic congestion, and enhance pedestrian safety. The two mile stretch between Route 53 and New Wilke Road will receive new sidewalks, five crosswalks and two pedestrian crossing signals. The enhancements will improve connections between commuters and employment destinations on Golf Road.



