The background features a stylized map of a city grid in light blue/teal. A thick white wavy line runs horizontally across the middle, separating a dark blue upper section from a teal lower section. The text is positioned in the dark blue section.

# APPENDIX I PUBLIC ENGAGEMENT

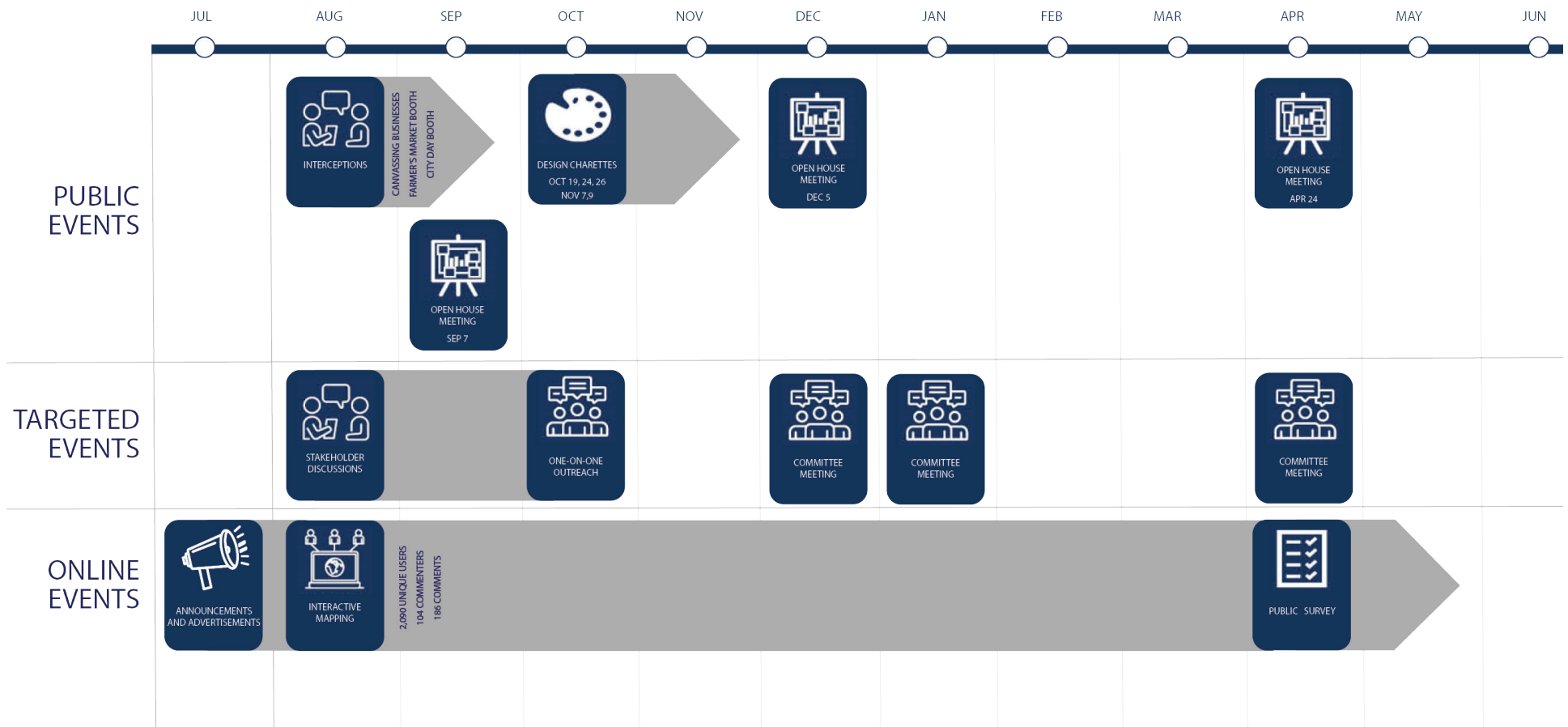
# PUBLIC ENGAGEMENT SUMMARY

The East-West Gateway Council funded the City of O'Fallon's request for a Great Streets Initiative Grant. RDG Planning and Design was selected to conduct the study to strengthen the function and appearance of Highway 50 for the O'Fallon community. StratComm provided engagement support.

Forward 50 included several opportunities for the community to engage in the planning process, including public meetings, interactive online experiences, and more targeted and one-on-one conversations. In total, approximately 410 people participated in an engagement opportunity in-person, while approximately 2,165 participated in an engagement opportunity online. (Note: Some individuals may have participated in multiple events, and may have been counted twice. These numbers are estimates based on sign-in sheets, counting done by members of the Forward 50 team, and website tracking).

## O'FALLON GREAT STREETS PUBLIC ENGAGEMENT BY THE NUMBERS:





Appendix I.1: Public Engagement Timeline Summary

# IN-PERSON ACTIVITIES



Project Management Committee Meeting

## COMMITTEE MEETINGS

**Dates:** December, January, April

**Purpose:** To receive input on the vision for the Highway 50 Corridor, understand conditions and trends, and offer feedback on concepts for the future. Three committees were formed, including:

- **Project Management Committee.** Met near bi-weekly from May to December 2023 and monthly (and as needed) from January to June 2024. Committee included representatives from the city, EWG and consultants to review progress of the plan and provide redirection.
- **Technical Advisory Committee.** Met on Aug. 23, 2023 and Feb. 1, 2024 to discuss the technical aspects of the corridor. Committee included representatives from the City, EWG, Department of Transportation, utility providers and consultant team members.
- **Project Advisory Team.** Met on July 20th, August 23rd, 2023; charrettes in Oct/Nov, and open houses in September 7 and December 5, 2023 and April 24, 2024; and April 24th to discuss the planning process, vision, concepts and plan recommendations.



Booth at O'Fallon City Fest


## O'FALLON CITY FEST

**Date:** August 26, 2023 at O'Fallon City Fest Event

**Purpose:** To encourage City Fest attendees to attend the open house meeting at City Hall on September 7, 2023.

At 12:00 p.m., setup began at O'Fallon City Fest. Throughout the afternoon, traffic around the booth was slow due to weather, as it had been storming all morning, and continued to rain on and off all afternoon. Interested City Fest attendees spoke with members of the Forward 50 team, often resulting in a positive response, with the individuals indicating that they were interested in attending the open house meeting on September 7. For those who had more specific questions, they were encouraged to write them down on sticky notes to be placed on the boards showing the project area, or to attend the upcoming Open House Meeting. At 5:00 p.m., the City Fest ended, and the booth was broken down.





## Project Fact Sheet

*What you need to know about the Forward 50 O'Fallon Great Streets Project*

**What is Forward 50?**  
The City of O'Fallon is studying Highway 50 as a part of the East-West Gateway Council of Government's Great Streets Initiative. This project is known as *Forward 50* and will serve to strengthen the function and appearance of Highway 50 for the O'Fallon community.


**Why study the Highway 50 Corridor?**  
Highway 50 was the main thoroughfare through O'Fallon until I-64 was built in 1975 and its function has changed over the decades. It continues to support local access to businesses, schools, neighborhoods, health facilities, parks, and more for the City's 32,000+ residents. However, segments of the corridor can operate better, especially when it comes to land use and mobility.


**What will the project do?**  
The project will:

- ensure the community is connected and supported throughout all the neighborhoods,
- study market demands and potential changes in land use,
- identify strategies to improve safety for all modes of travel,
- imagine aesthetic improvements to strengthen the area's appeal,
- ...and more

**How can I learn more and participate?**  
We need your input! Numerous community events will be held to allow you to meet with city planners so you can hear information on the project, and they can learn your ideas, concerns, and preferences for the future of Highway 50. See the other side of this page for event details.


**To see a schedule of events, a map of the project area, and more, visit:** <https://bit.ly/OFallonForward50> or scan the QR code here.





EWO fully complies with Title VI of the Civil Rights Act of 1964 and related statutes and regulations in all programs and activities. For more information, or to obtain a Title VI nondiscrimination Complaint Form see [www.eastwestgateway.org/TitleVI](http://www.eastwestgateway.org/TitleVI) or call (314) 421-4228 or (816) 274-2750.

**BUILD IT HERE.** [ofallon.org](http://ofallon.org)



## Forward 50: Schedule of Events

Looking to participate in the planning of Highway 50 through O'Fallon?  
Join us for any or all of the following events.

Date/Time	Location	Event	Description
Thursday, September 7th 5pm-7pm 5:30pm Presentation		Kick-off Open House	Public launch of the project. The event invites participants to learn about the process and share their ideas and concerns.
Thursday, October 19th 5pm-7pm	All events will be held at the following location.  Council Chambers City of O'Fallon City Hall 255 South Lincoln Avenue O'Fallon, IL 62269	Public Design Studio	Overall Study Area - Exploring areas for detailed study, which will be addressed in upcoming Design Studios.
Tuesday, October 24 5pm-7pm		Public Design Studio	<b>West Area</b> - Concepting ideas between I-64 and W 3rd St/Cambridge Blvd.
Thursday, October 26 5pm-7pm		Public Design Studio	<b>Central Area</b> - Concepting ideas between W 3rd St/Cambridge Blvd. and Weber Rd.
Tuesday, November 7th 5pm-7pm		Public Design Studio	<b>East Area</b> - Concepting ideas between Weber Rd. and Scott Troy intersection.
Thursday, November 9th 5pm-7pm		Public Design Studio	Overall Study Area- Pulling all of the concepts together from the past events.
Tuesday, December 5th 5pm-7pm 5:30pm Presentation		Open House	Public to review emerging concepts in a storyboard format.
April TBD		Final Open House	Refined plan concepts based on public feedback and presented in a storyboard format before the plan's final completion in June 2024.

For more information on the project please contact Justin Randall, City of O'Fallon, Community Development Department, [JRandall@ofallon.org](mailto:JRandall@ofallon.org) or (618) 624-4500. Rev 8/2023

## STAKEHOLDER DISCUSSIONS

### Dates:

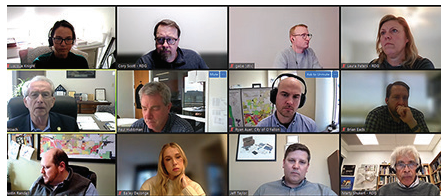
- July 12
- October 23
- August 22-24
- September 20
- October 25
- November 8

**Purpose:** To reach out to stakeholders in the community and inform them about the Forward 50 project and learn about their concerns and priorities.

The project team met with representatives from the City Council, Planning & Zoning Commission, Chamber of Commerce, Downtown District, residents, business leaders, retailers, service providers, schools, faith-based organizations, and developers.

The project team followed-up with select stakeholders who were unable to attend an in-person meeting, contacting them directly. This includes representatives from the schools and faith-based organizations.

Results of those discussions are represented in the recommendations in the plan.



## VINE STREET MARKET TABLING

**Date:** October 21, 2023

**Purpose:** To encourage attendees of the Vine Street Market to attend upcoming community engagement events hosted by the Forward 50 project team. The specific events promoted were the Design Charrettes in October and November 2023.

Set up for the Vine Street Market started at 8:00 a.m. Conversations with many attendees started by asking if they had heard of the Forward 50 project yet. About 50% of attendees responded that they had already heard of the project, and were eager to engage more. For those that were unaware of the project, they received a brief overview that emphasized both the flyer displaying the upcoming dates and the fact sheet. Many individuals indicated their interest in attending the upcoming engagement opportunities meetings on October 24, 26, November 7, and 9. For those that had more specific questions, they were encouraged to attend the meetings to gain more insight into the project and its process.



## OPEN HOUSE: KICK-OFF PUBLIC MEETING

**Date:** September 7, 2023 at City Hall, 5pm-7pm

**Purpose:** To engage with and inform residents and stakeholders about the Forward 50 project, allowing them to ask the project team questions, and provide further insights and ideas.

**Attendee Count:** 111

Attendees were welcomed to the open house at the doors of the Council Chambers, and encouraged to sign in with their name and e-mail address to receive updates on the plan. Fact sheets were also distributed at the door to share information about the plan and future engagement events. Inside the chambers, the exhibit boards were set up in a semi-circle around the room, with the project team dispersed throughout the area available to help explain the project to attendees and to answer any questions. Participants were encouraged to engage with the team and ask any questions in person, or to write down any questions, comments, or concerns they had on index cards for the project team to look over.

At 5:15 p.m., Marty Shukert (RDG) started the presentation that explained the Forward 50 project to the public, described the purpose of the open house, and introduced the project team. The open house ended at 7:00 p.m., when the last of the attendees left City Hall.





## DESIGN CHARETTE PUBLIC MEETINGS

### Dates:

October 19, 5pm-7pm

October 24 and 26, 5pm-7pm

November 7 and 9, 5pm-7pm

**Purpose:** To design solutions for the future of the Highway 50 corridor and receive the public's input and reaction to emerging concepts.

Five multi-day public design studios were held during October and November, 2023. At these public sessions, the consultant team developed many of the major concepts of the physical plan in partnership with community members and stakeholders. Each studio focused on a specific segment of the corridor, and included a multi-disciplinary team of planners, urban designers, engineers, and architects. Results from the studios included hand drawn sketches for:

- Mobility opportunities
- Development opportunities
- Community Character Enhancements

Attendee Count: 75 people across all charrettes





## OPEN HOUSE: EMERGING CONCEPTS PUBLIC MEETING

**Date:** December 5, 2023 at City Hall, 5pm-7pm

**Purpose:** To engage with and inform residents and stakeholders about the Forward 50 project, allowing them to ask the project team questions, and provide further insights and ideas.

**Attendee Count:** 78

Attendees were welcomed to the open house at the doors of the Council Chambers, and encouraged to sign in with their name and e-mail address. Inside the chambers, the exhibit boards were set up in a semi-circle around the room, with the project team dispersed throughout the area available to help explain the project to attendees and to answer any questions. Also on display for guests were the results of the charrettes held prior. The open house ended at 7:00 p.m., when the last of the attendees left City Hall.

To the right are images of the December 5 Open House.





## OPEN HOUSE: FINAL PLAN CONCEPTS PUBLIC MEETING

**Date:** April 24, 2024 at City Hall, 5pm-7pm

**Purpose:** Open house meeting for public to review refined plan concepts, based on public feedback, and presented in a storyboard format, and provide input before the plan's completion in June 2024.

**Attendee Count:** 62

The open house featured storyboards around the room with each segment and projects highlighted. Attendees could see the refinements that had been made, per community feedback, since the prior meetings. They could also add their comments to the boards using sticky notes, and discuss various aspects with the full project team and City staff. A short presentation walked through the full corridor plan as it currently stands. Attendees were encouraged to complete a brief survey online to indicate their top priorities from the project list.



# ONLINE ACTIVITIES

## INTERACTIVE MAPPING

**Date:** August 15–April 30

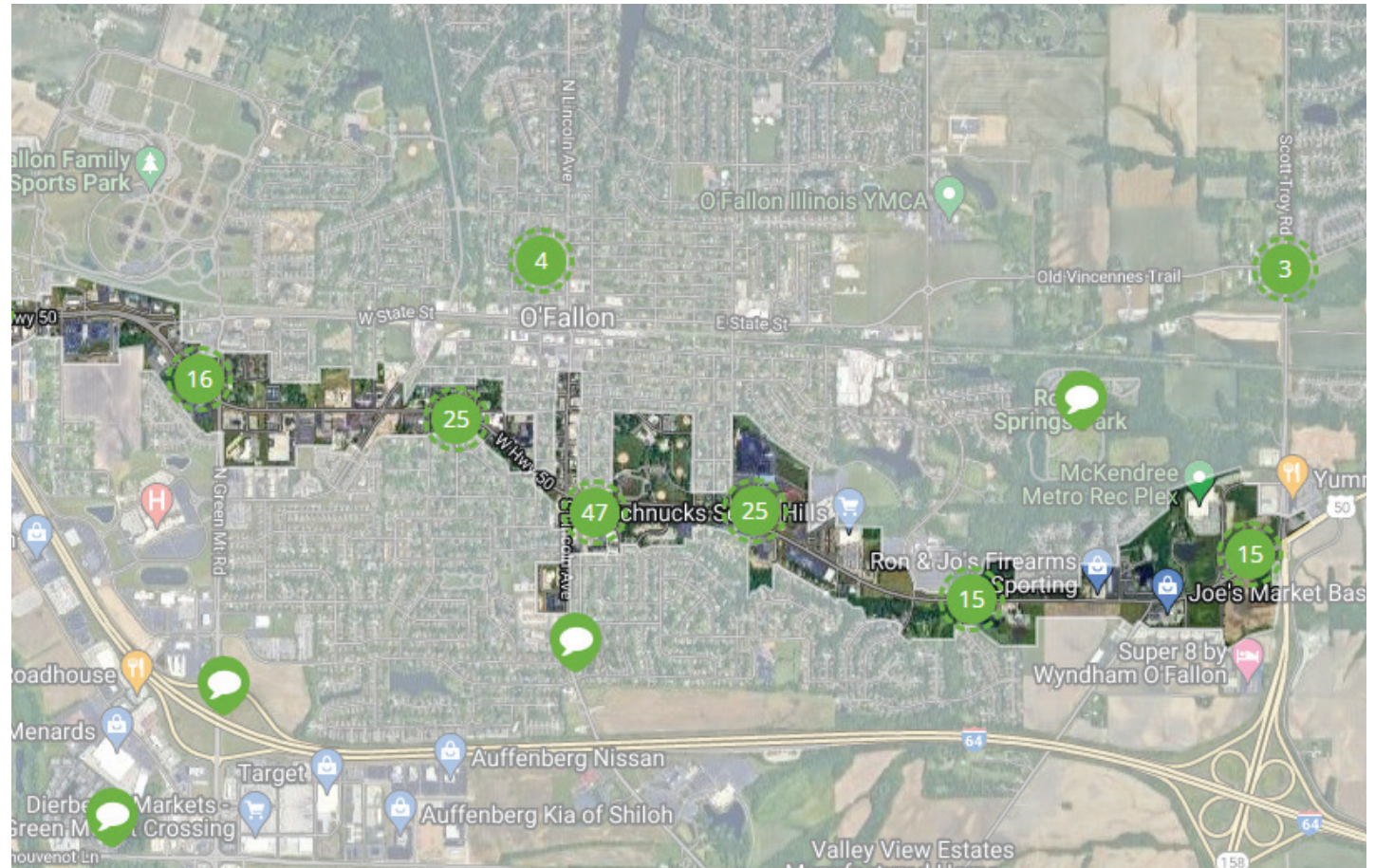
**Purpose:** To provide an online, interactive engagement opportunity for people to share their ideas for Forward 50.

**Unique Site Visitors:** 2,090

**Comments:** 186

A unique option for residents was to engage in the planning process virtually via the Social Pinpoint planning website. By visiting the website, residents could learn about and get involved with the planning process virtually. While on the website, residents had the option to make comments on an interactive map, sharing their ideas and concerns throughout the Highway 50 Corridor. Figure 1.1(right) displays where each of those comments were made.

Maps 1-3. display comments made both virtually and in-person, giving a full scope on resident and stakeholder ideas, issues, concerns, and overarching goals for the community.



Appendix I.1: Interactive Map - Clustered Comments



## INTERACTIVE MAPPING

### New Ideas

Many ideas for the future of the corridor were shared at in-person events and virtually on the Social Pinpoint Interactive Map.

Ideas ranged from a walking bridge over Highway 50 for students to enhanced streetscapes. Beyond of physical improvements, people commented on wanting new ways to attract and retain a quality workforce, and overall enhance the community feeling of O'Fallon.

Specific comments can be viewed in the map to the right.







"Small business walk-up shopping would be great here."

"There is an opportunity to do something interesting and recreational around the park. For example, an urban mountain bike trail."

"A walking bridge for students to cross over Hwy 50."

"Encourage development of the area near the Rec Plex. This is the back door to O'Fallon and should be as inviting as any other area where you enter the community."

"Would love to see a market here - year-round farmers market, Walmart grocery, or mom and pop grocery."

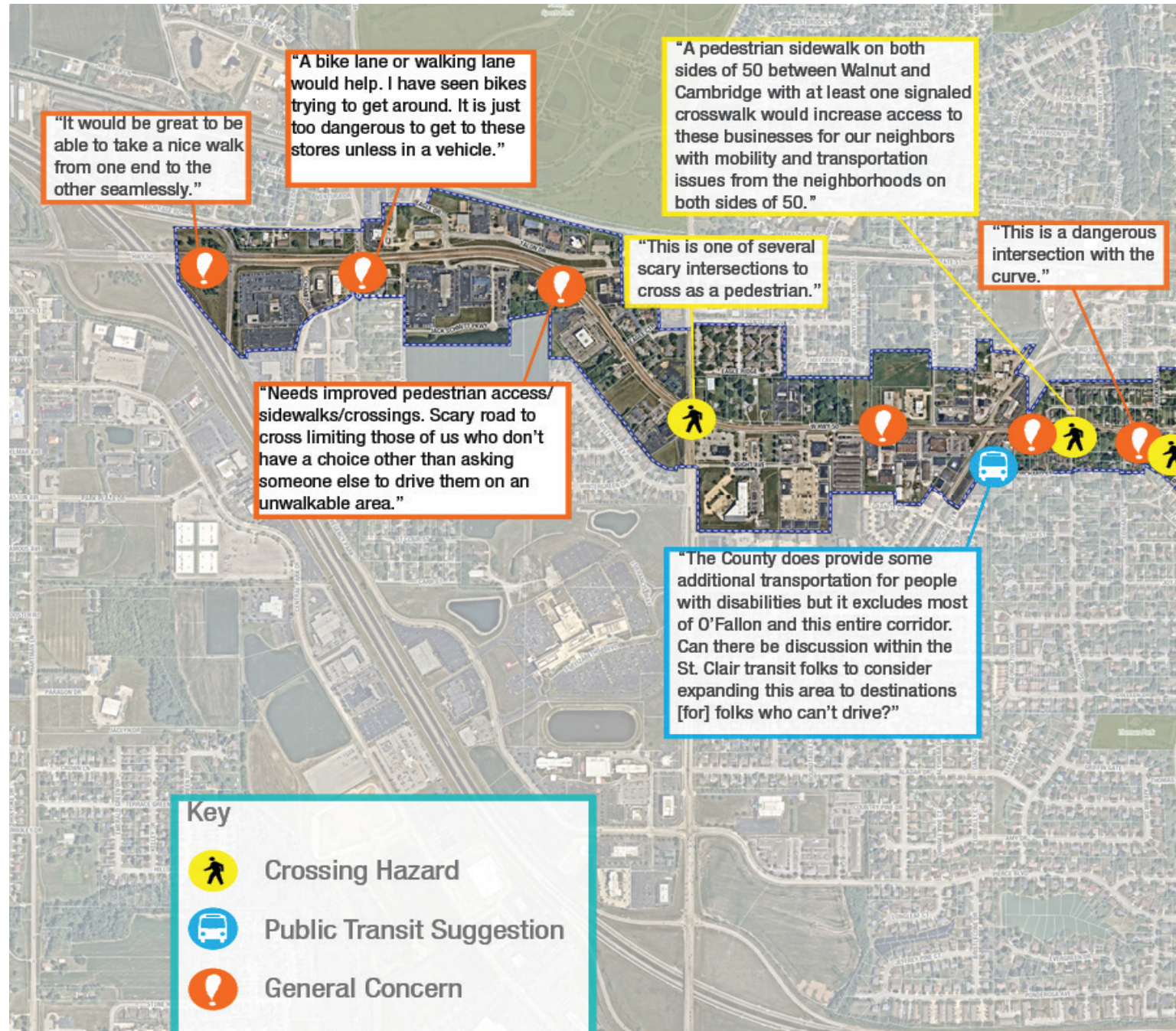
"An indoor sportsplex that can hold basketball, volleyball, etc. tournaments in addition to the RecPlex, to increase sports tourism in the fall/winter."



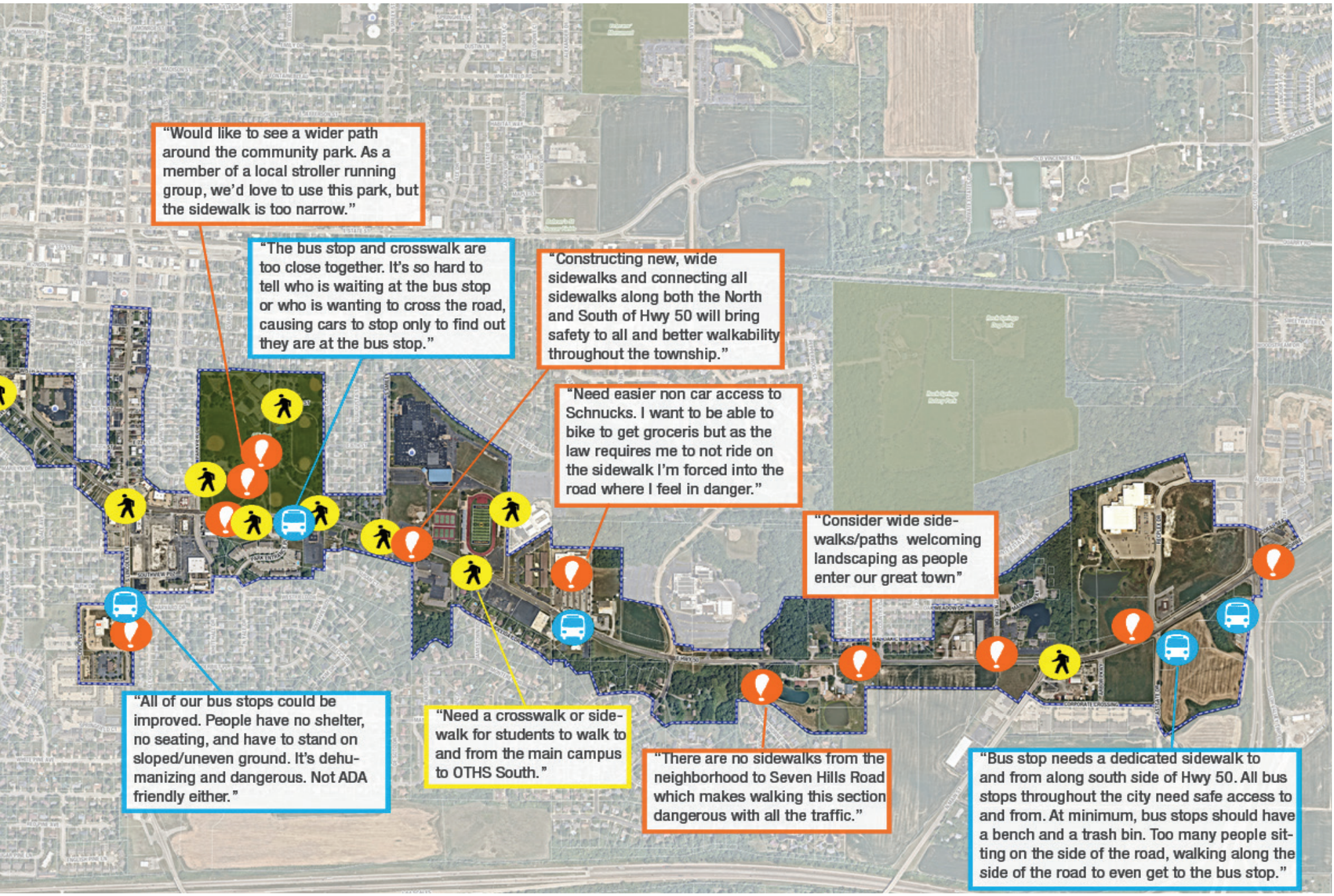
## INTERACTIVE MAPPING Bicycle and Pedestrian Safety

Bicycle and pedestrian safety received more comments than any other topic. Both online and at in-person events, people voiced wants and needs for better walkability throughout the Highway 50 Corridor. There are some areas along Highway 50 claimed to be “uncrossable,” making for a hostile environment for pedestrians. People also shared struggles biking in the area, and issues with using public transit.

Suggestions were made to alleviate some dangers. Specific comments can be viewed in the map to the right.







"Would like to see a wider path around the community park. As a member of a local stroller running group, we'd love to use this park, but the sidewalk is too narrow."

"The bus stop and crosswalk are too close together. It's so hard to tell who is waiting at the bus stop or who is wanting to cross the road, causing cars to stop only to find out they are at the bus stop."

"Constructing new, wide sidewalks and connecting all sidewalks along both the North and South of Hwy 50 will bring safety to all and better walkability throughout the township."

"Need easier non car access to Schnucks. I want to be able to bike to get groceries but as the law requires me to not ride on the sidewalk I'm forced into the road where I feel in danger."

"Consider wide sidewalks/paths welcoming landscaping as people enter our great town"

"All of our bus stops could be improved. People have no shelter, no seating, and have to stand on sloped/uneven ground. It's dehumanizing and dangerous. Not ADA friendly either."

"Need a crosswalk or sidewalk for students to walk to and from the main campus to OTHS South."

"There are no sidewalks from the neighborhood to Seven Hills Road which makes walking this section dangerous with all the traffic."

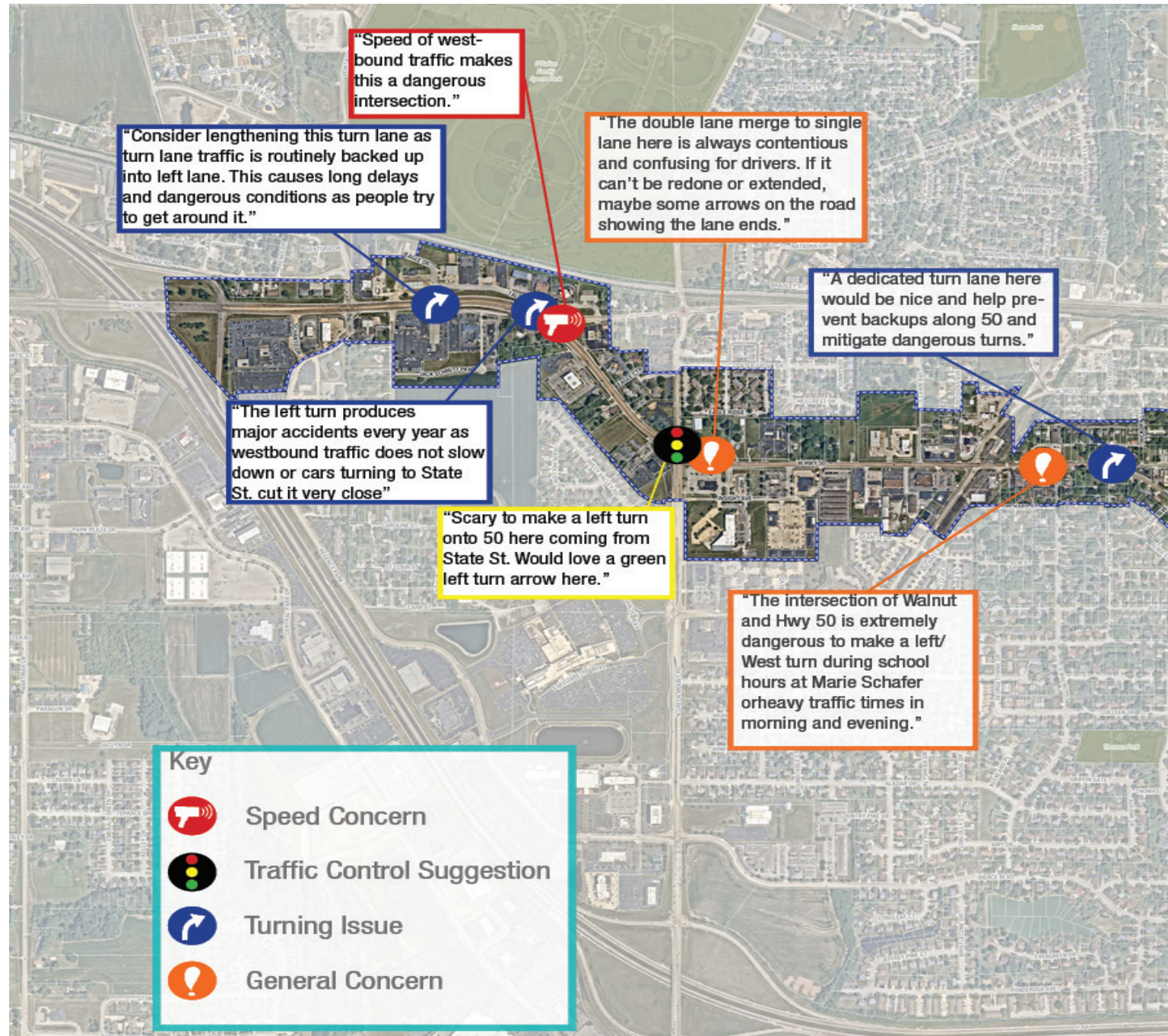
"Bus stop needs a dedicated sidewalk to and from along south side of Hwy 50. All bus stops throughout the city need safe access to and from. At minimum, bus stops should have a bench and a trash bin. Too many people sitting on the side of the road, walking along the side of the road to even get to the bus stop."



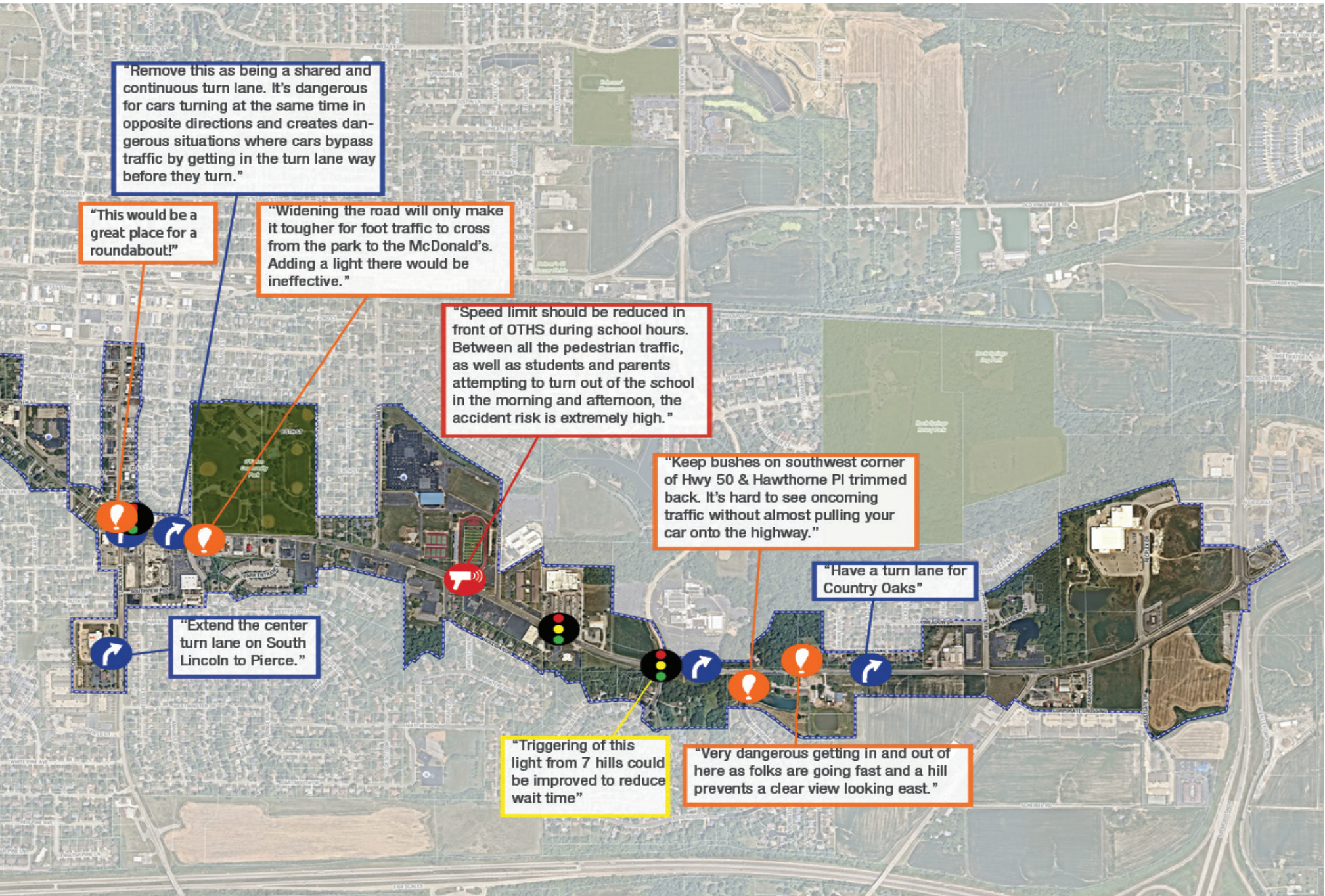
## INTERACTIVE MAPPING Automobile Safety

Safety while driving is a major concern according to comments received at in-person events and on the Social Pinpoint Interactive Map. There are several points people raised issues with turning onto/off of Highway 50, and concerns with the speed at which some drivers travel along the road.

Suggestions were made to alleviate some dangers. Specific comments can be viewed in the map to the right.







"Remove this as being a shared and continuous turn lane. It's dangerous for cars turning at the same time in opposite directions and creates dangerous situations where cars bypass traffic by getting in the turn lane way before they turn."

"This would be a great place for a roundabout!"

"Widening the road will only make it tougher for foot traffic to cross from the park to the McDonald's. Adding a light there would be ineffective."

"Speed limit should be reduced in front of OTHS during school hours. Between all the pedestrian traffic, as well as students and parents attempting to turn out of the school in the morning and afternoon, the accident risk is extremely high."

"Keep bushes on southwest corner of Hwy 50 & Hawthorne PI trimmed back. It's hard to see oncoming traffic without almost pulling your car onto the highway."

"Have a turn lane for Country Oaks"

"Extend the center turn lane on South Lincoln to Pierce."

"Triggering of this light from 7 hills could be improved to reduce wait time"

"Very dangerous getting in and out of here as folks are going fast and a hill prevents a clear view looking east."



Appendix I.5: Priorities Survey

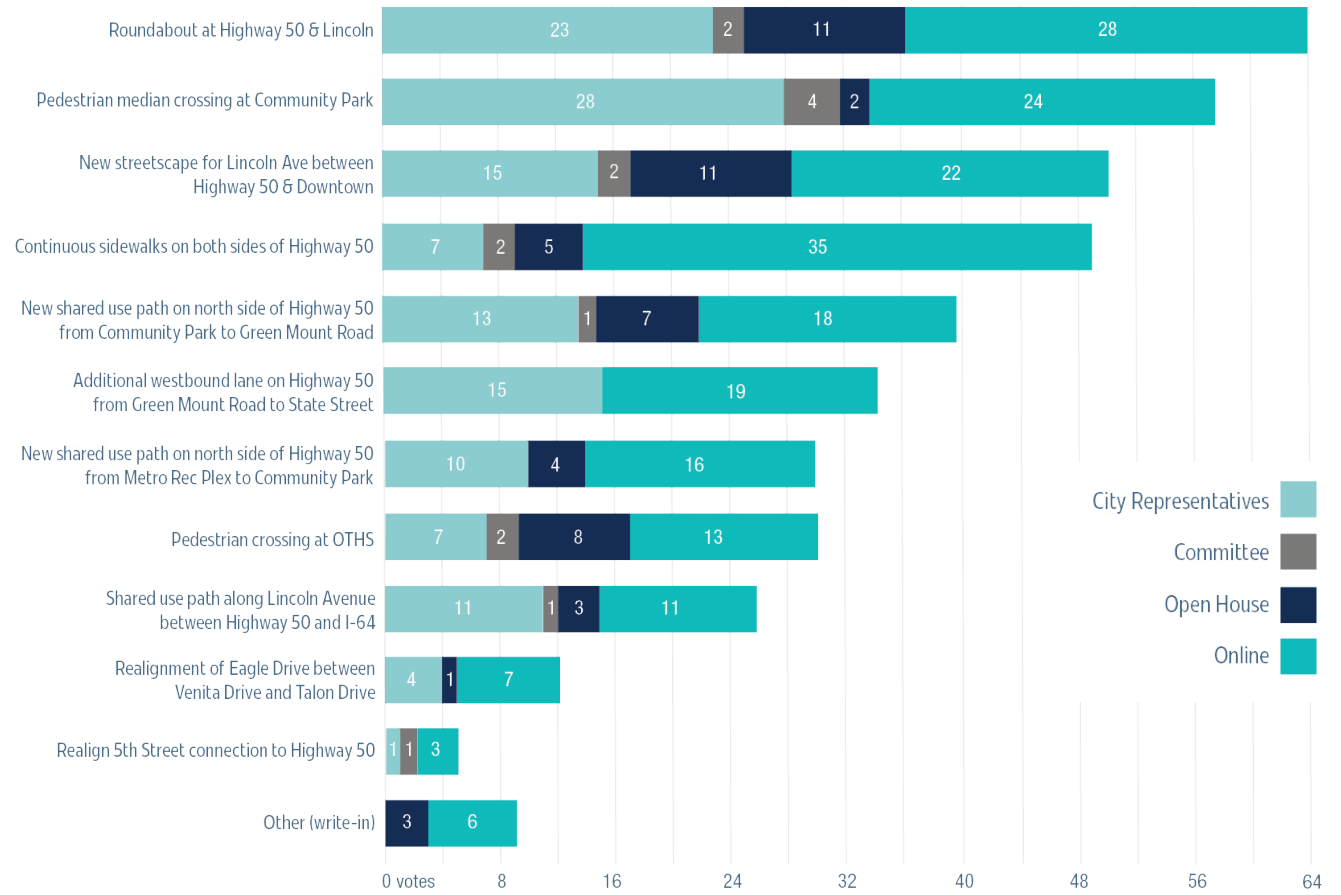
**PRIORITY SURVEY**

Date: April 24-May 30

Purpose: To discover the top projects and programs the community wishes to be prioritized in the corridor.

Responses: 145

A survey was launched at the Open House Meeting on April 24 to gain insight into the priorities the community had. The survey shared eleven projects for the public to rank their Top 3 priorities. Responses were received by attendees from the Open House, Plan Committee, City Council, Planning Commission and online participants.





**APPENDIX II**  
**RETAIL MARKET**  
**ANALYSIS**



In summer 2023, RDG Planning & Design (RDG) retained MJB Consulting (MJB), a New York, NY- and Berkeley, CA-based national retail planning and real estate consultancy, to serve as the retail expert in the preparation of a detailed plan for the Highway 50 corridor in O’Fallon, IL (“Forward 50”) as part of the East-West Gateway Council of Governments’ (EWG) Great Streets Initiative.

As a first step in this process, MJB has performed an initial analysis of “Existing Conditions” that considers the corridor’s current market positioning within the broader retail ecology, delineates the trade area from which it draws the majority of its sales, develops a demographic/psychographic profile of its customer base and outlines the scale, type and form of retail that it should expect in the absence of interventions.

Specific scope items for MJB included the following, with on-site work undertaken during a week-long visit in September 2023.

- **Review of relevant studies and plans (e.g. 2040 Comprehensive Plan)** as well as background research of local secondary-source material (e.g. Belleville News-Democrat, Illinois Business Journal)
- **Guided tour of and follow-up debrief on the study area**, community and region with Township officials and staff
- **Self-guided tour(s) of the study area** so as to develop a finer-grained understanding, including observations on existing retail mix and available spaces, (re)development opportunities, visibility, access, pedestrian experience, aesthetics/cosmetics, etc.).
- **Evaluation of nearby shopping centers and commercial corridors** that compete for consumers and prospective tenants, including sites and areas where new rivals could materialize in the near future.
- **Conversations with developers and leasing professionals** active in the study area and vicinity, including Brad McMillin (McMillin Realty), Tony Smallmon and John Eichenlaub (Barber Murphy), Luke Allen and Kelly Hulvey (Kunkel Commercial), Nick Garavaglia (CBRE) and David Wittenauer (Wittenauer Properties).

- **Development of a demographic/psychographic profile of the customer base**, drawing on ESRI data sets as well as MJB’s proprietary approach to lifestyle segmentation.
- **Review of available information on traffic counts** and non-residential demand generators.
- **Application of MJB’s proprietary scheme** for classifying different kinds of shopping districts within retail ecologies
- **Input and feedback from City and EWG officials**, including Walter Denton (City Administrator), Grant Litteken (Deputy City Administrator), Justin Randall (Community Development Director), Jeff Taylor (Director of Public Works), Abigail Cline (Community Development Coordinator), Ryan Auer (Planner), Paul Hubbman (EWG) and Bailey DeJong (EWG)

This appendix is provided for supplemental guidance towards informing the recommendations found within the Forward 50 plan.

# GLOSSARY OF TERMS

**Anchors:** tenants, often of larger size, that drive foot traffic to a given center, district or cluster

**(Retail) category:** a general type of product or store; examples include grocery, furniture, food and beverage, etc.

**Category killer:** a medium/big-box retailer offering a wide range of options in a particular category of goods, generally at a value price point

**Chain-let:** a business with more than one location that has yet to be perceived as ubiquitous (e.g. fewer than ten); can be local (i.e. across metro St. Louis), regional (i.e. across the Midwest) or national

**Commodities:** goods and services which vary little in price, quality and/or style from one retailer to the next and for which consumers typically choose the closest, most conveniently-located option; examples include prescription drugs, dry cleaning, health clubs as well as wardrobe basics

**Comparison goods:** goods which vary significantly in price, quality and/or style from one retailer to the next and for which consumers generally prefer to “comparison-shop” from among a large number of choices; examples include apparel, footwear, jewelry and furniture

**Convenience goods and services:** daily/weekly essentials and errands; mostly commodities (see above)

**Co-tenancy:** the existing businesses in a given center, which provide a prospective tenant with a sense of the level and kind of cross-traffic that it can expect at that location

**Critical mass:** the presence of enough businesses of a certain type to increase the appeal to would-be customers or prospective tenants exponentially

**(Retail) destination:** a business or collection of businesses capable of attracting customers on its own, without the help of other businesses or uses; generally refers to discretionary goods and experiences (as opposed to conveniences)

**Draw:** the distance from which or extent to which a given store, center, district or cluster is able to attract customers

**Floor-plates:** the sizes and configurations of commercial spaces

**Franchise:** an operating model that an independent owner/operator (“franchisee”) pays a corporate entity (“franchiser”) for the right to use, in the form of fees and royalties; separate from a chain, in which the corporate entity itself acts as the owner/operator and assumes the attendant risks

**Gravitational pull:** the notion that certain anchors, centers, districts or clusters exert a force on would-be consumers or prospective tenants that can compensate for other disadvantages vis-à-vis alternatives

**Ground-up (or “scratch-built” or “new-build”):** refers to the erection of new buildings either on an undeveloped lot or in place of demolished structures

**Inline:** retail space located with retail space on both sides, either in a strip configuration or on a traditional main street; the opposite of “endcap” or “hard corner”

**Niche:** a sub-segment of demand defined by a particular type of customer and/or tenant (in contrast to the “mass market”)

**Positioning:** the ways in which a given business, center, district or cluster presents itself in the marketplace vis-à-vis rivals (in terms of merchandise mix, price point, core customer, etc.).

**Psychographics:** qualitative characteristics of consumers, such as lifestyles, sensibilities and aspirations (as opposed to quantitative ones, like household income and home values)

**Specialty:** a distinctive business or collection of businesses that are not ubiquitous in the marketplace (in contrast to commodities); a type of niche (see above)

**Specialty grocer:** a grocery store banner that focuses on a specific niche (culturally, ethnically and/or socioeconomically-defined), instead of the mass market; examples include Whole Foods, Trader Joe's, The Fresh Market, Fresh Thyme and ALDI

**Submarket:** a portion of an overall market that a given brand or collection of brands deems as sufficient to justify its own location; specifics depend on the retail category or format in question

**Synergy:** the relationship (through cross-traffic or other interactions) between two or more adjacent/nearby businesses so as to produce greater combined levels of customers or sales than the sum of what would have been possible individually

**Trade area:** the geography from which a given center is thought to generate the majority (i.e. 70%) of its sales

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**DEFINITION: "Retail" for the purposes of this memo will be defined broadly, to include any uses that are consumer-facing – that is, welcoming potential customers either on a walk-in or subscription basis. This would encompass, then, personal services, food and beverage as well as entertainment venues, while precluding businesses that operate exclusively or primarily by appointment.**

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# SHOPPING DISTRICTS

Since the early years of postwar suburbanization, trade associations and research organizations have segmented shopping centers into different types based on their size, mix and draw. Drawing on these earlier frameworks, MJB Consulting has developed its own system of classification for shopping districts or precincts, including traditional and scratch-built downtowns.

Clusters centered on a large enclosed mall with traditional full-price department stores and smaller “inline” comparison goods brands are considered regional in nature, capable of drawing customers from more than five miles away. Historically they required trade area populations of at least 250,000, such that a metropolitan area of two million would be capable of supporting eight of them\*.

Typically, the mall would in time spawn the development of large strip malls nearby, dominated by value-oriented big and medium-box specialty stores, including, most notably, the “category killers” (e.g. Lowe’s, Home Depot, Dick’s, Best Buy) and the “off-price” fashion retailers (e.g. T.J. Maxx, Marshalls, Burlington, Ross Dress for Less), which took aim at and initiated the decline of the full-price department stores.

Eventually, these massive strips started to be developed in locations beyond the orbit of the malls, anchored by big box stores like Walmart, Target, Meijer, Costco and Sam’s Club. Not only had these chains become destinations in their own right, but also, as general merchandisers, they are capable of sustaining themselves on much smaller trade areas and would thus also consider opportunities between regional clusters.

Such community-scaled shopping precincts typically do not include full-price department stores or even the full complement of medium-box specialty stores. And like the mall-adjacent strip malls, they are generally not positioned as places to browse, discover or compare different options. Rather, the consumer there tends to be more purpose-driven, focused on specific purchases that he/she knows in advance.

Generally speaking, either a regional or community scale and draw is necessary to support large-scale entertainment and dining concepts like, for instance, a multiplex or a food hall. Such clusters are also the ones most likely to attract the attention of most major franchisers in casual sit-down food and beverage.

*\* As regional malls and department stores have lost some of their allure in recent decades, the population threshold for the former has increased to 400,000 to 500,000 – partly explaining why one (St. Clair Square) has raced ahead of the other (Alton Square) in Metro East (pop. 600,000)—while new centers and their traditional anchors are no longer being built.*



*In Metro East, the premier regional mall, outflanking the Alton Square Mall roughly 25 miles to the northwest, is CBL & Associates' two-level, 1.1 million sq ft St. Clair Square, along IL-159 between I-64 and Lincoln Highway (U.S. 50). While the center is still dealing with an empty Sears, it retains three full-price department stores (having survived previous rounds of store closures by J.C. Penney and Macy's) as well as a healthy 97% occupancy rate (not including the empty Sears). It remains vulnerable, though, to: 1) the shuttering of one or more of these anchors, which could trigger co-tenancy clauses that allow inline tenants to break their leases or demand rent concessions; and 2) the possibility of further shootings and incidents that could deter would-be patrons (CBL & Associates).*



*Not surprisingly, St. Clair Square was later surrounded by large strip malls like Lincoln Place (image), Fairview City Centre, The Marketplace Shopping Center and others, which are filled today with the likes of Kohl's, T.J. Maxx, Marshalls, Ross Dress for Less, Burlington, Old Navy, DSW Shoe Warehouse, Lowe's Home Improvement, Dick's Sporting Goods, Best Buy, etc.*



# NEIGHBORHOOD-LEVEL DISTRICTS

Neighborhood-level districts, in comparison, are more modest in size and aspiration, anchored by grocery, large-format drug, discount-variety (“dollar”), hardware, auto parts and/or big-box fitness, and concentrating almost exclusively on convenience-oriented businesses, with a mostly local draw of less than three miles. A population of 15,000 to 20,000 within that trade area can be sufficient.

Such precincts often also include a host of quick-service food and beverage franchises. Except, however, for family and pizza restaurants (like, say, IHOP, Denny’s and Pizza Hut), sit-down dining is generally limited to independents or small chain-lets.

Note that at each of these levels, the kinds of retailers in the one below can also be found in all of the types above. For example, community-scaled precincts and regional agglomerations will often contain supermarkets as well: the “O’Fallon Business Loop” includes a Dierbergs Market and an ALDI, and the surroundings of St. Clair Square, a Schnucks, Fresh Thyme and an ALDI.

Moreover, these basic categorizations have become more fluid in other ways. For example, the aughts saw the rise of the open-air “lifestyle center”. A traditional strip mall with in-front parking, the format features an assemblage of inline comparison goods brands historically found in enclosed malls, though typically without the department stores or large-format anchors.

Within a matter of years, the phrase “lifestyle center” started to be conflated with a different kind of development, one centered on an open-air, double-sided “Main Street” with on-street (sometimes diagonal) parking stalls and possibly upper-floor office or residential uses. In some cases, this faux “town center” was also surrounded by big/medium boxes along the site’s perimeter, with surface parking between.



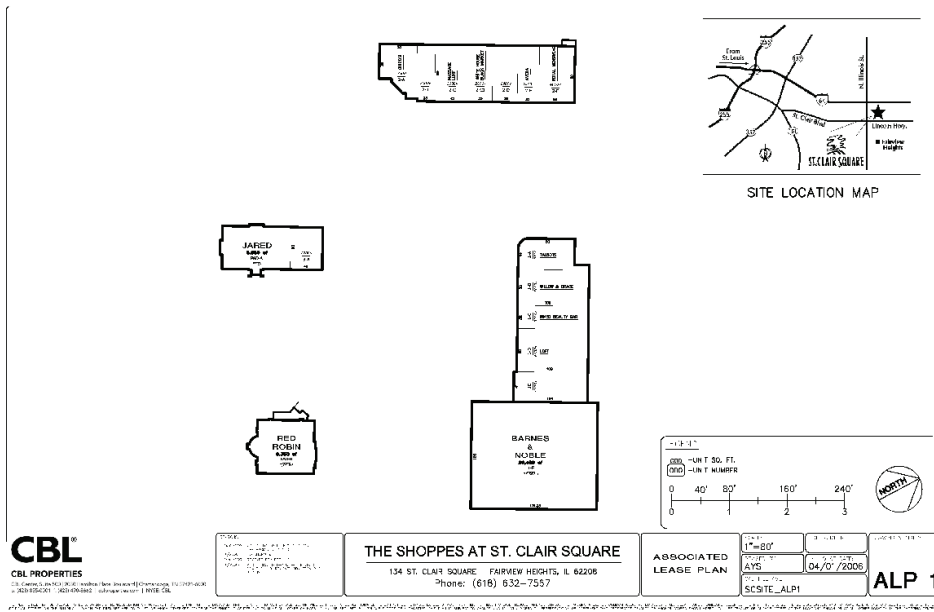
*The retail mix centered on the intersection of Carlyle Avenue (IL-161) and Sherman Street in the eastern corner of Belleville offers an example of a neighborhood-level district, featuring Schnucks, Walgreens, Dollar Tree, Dollar General, Auto Zone, O’Reilly Auto Parts and Club Fitness.*

The stretch from Green Mount Crossing in Shiloh (image) to Lincoln Crossing along Highway 50, connected by the Central Park Drive corridor – also known as the “O’Fallon Business Loop” – is an example of a community-scaled shopping district, with anchors that include Walmart, Target, Sam’s Club and soon, Meijer, as well as Home Depot, Menards, At Home, Academy Sports + Outdoors and Ross Dress for Less. It also boasts large-scale entertainment and dining concepts such as the 15-screen Marcus Cinema, O’Town Food Hall & Tap House and Dogwood Social House. Another such cluster exists to the north in Edwardsville/Glen Carbon along IL-159 and Troy Road (Wittenauer Properties).



The “Business Loop” created by Central Park Drive, Regency Park Drive, Green Mount Road, Hartman Lane, and Hwy 50 connect many of the areas most high profile businesses to create a dynamic business environment that includes retailers like Menards, and Starbucks, St. Elizabeth Hospital, a number of hotels, banks, and many office buildings. The loop brings a synergy to the area and benefits all the businesses located within.





Recognizing the threat that the lifestyle center poses, some regional malls have created their own on-site, using excess or underutilized land within their existing parcels. CBL & Associates, the owner of St. Clair Square, debuted the open-air, 84,000 sq ft Shoppes at St. Clair Square in 2007, complete with many of the brands that had been materializing in lifestyle centers across the country, like Chico's, Ann Taylor LOFT and Talbots – effectively preempting the development of a new competitor within its midst.

Cullinan Properties' The Streets of St. Charles, located along I-70 in the northwestern suburb, is an example of a mixed-use town center development, at least in form if not in retail mix (which, unlike other such projects, does not contain inline comparison goods brands). Initiated in 2007 and opening in 2012, it features 360,000 sq ft of retail, restaurants and entertainment, focused on the extensively landscaped, double-sided Beale Street, as well as 309 apartments on the upper floors, 110,000 sq ft of Class A office space and two hotels. Sitting on a relatively tight 27-acre parcel, it eschews big/medium-box stores and includes a 1,200-space parking garage. Commercial Property Investors' initial proposal for its 29 acres at 1245 Central Park Dr in the O'Fallon Business Loop envisioned a similar sort of project, while Dierbergs Market is considering a lifestyle or town center development on its 160 acres across Frank Scott Parkway from Green Mount Crossing.

# TRADITIONAL DOWNTOWN

## “MAIN STREET”

Finally, there is the traditional Downtown or “Main Street”, dating from the pre-automobile era of the late 1800’s and early 1900’s, that features ensembles of historic mixed-use buildings with street-level storefronts, built to the sidewalk and lacking off-street parking.

Downtowns in general struggled for decades amidst the rise of the shopping center. Belleville’s, for instance, was devastated by the opening of St. Clair Square in 1974. But many have been reemerging more recently by eschewing direct competition with the commodified strip and doubling down instead on their distinctive attributes, like place and patina, food and fun, uniqueness and discovery, urbanity and community.

These points of differentiation, combined with the initiative of stakeholders, have enabled them to reestablish their relevance among local residents in the absence of major national brands and large anchor stores. Some downtowns have also been able to appeal to regional daytrippers and achieve an even wider draw, most commonly with compelling food, beverage and entertainment concepts.



*O'Fallon's traditional Downtown has enjoyed a resurgence in recent years, driven by the success of Vine Street Market, earlier pioneers like Peel Wood Fired Pizza as well as the tireless efforts of the City of O'Fallon, the O'Fallon-Shiloh Chamber of Commerce and local merchants.*



# POSITION IN RETAIL ECOLOGY

## What does all of this mean for Highway 50?

The role that the stretch between I-64 and Scott Troy Rd plays in the current ecology is one of a neighborhood-level district, with anchors that include Schnucks, CVS, Walgreens, Dollar General and ACE Hardware. Most of the retail mix is geared towards essentials and errands, with virtually no comparison goods or destination shopping.

The food and beverage offering fits this profile as well, with a host of quick-service brands and a collection of sit-down dining establishments that includes family restaurant franchises (IHOP, Denny's), small chain-lets (Edley's Bar-B-Que, Hi-Pointe Drive-In) and independents (Casa Azteca, Trip's Thai, etc.). This role is one that the study area will likely continue to play going forward, for a number of reasons. One, except for its westernmost parcels at the I-64 interchange, this stretch of Highway 50 does not enjoy frontage along or visibility to a freeway (like the O'Fallon Business Loop) or even a major four-lane arterial (like IL-159/Troy Rd in Edwardsville/Glen Carbon).

Two, except, again, for the portion just east of the I-64 interchange, Highway 50's traffic counts range from 10,000 to 15,000 cars per day (similar, notably, to the neighborhood-scaled Carlyle Ave district in Belleville referenced previously). By comparison, 25,000 to 30,000 vehicles drive IL-159 in the vicinity of St. Clair Square and Lincoln Place, while 33,000 pass Green Mount Crossing on Green Mount Rd. On the surface, the lower traffic counts appear to reflect the limited capacity of a right-of-way with just two lanes along much of its length. But while the corridor suffers from some congestion at certain points of the weekday, the larger constraint appears to be the precipitous drop in population density to the east of Seven Hills Road, which weakens the pull of motorists in that direction.

Three, unlike, say, Green Mount Crossing, Lincoln Crossing or Lincoln Place, most of the parcels in the study area are not large and deep enough to accommodate bigger anchors or centers without assemblage that

would require the acquisition and demolition of adjacent homes. The primary exceptions are the two car dealerships just east of I-64, the hospital-owned assemblage across from the intersection with State Street and the empty fields to the far east, where again, rooftops remain scarce.

Four, retailers in most categories – especially (but not only) comparison goods – are drawn to existing co-tenancy that can generate cross-traffic from similar sorts of customers, thus providing a built-in advantage to larger, already-established shopping destinations. The study area would be hard-pressed, for instance, to compete with Fairview Heights for the attention of an apparel brand. For all of these reasons, its retail mix is unlikely to become a regional or community-scaled district anytime soon. That said, the study area can compete on price. Existing inventory there typically falls between \$14 to \$16 per sq ft modified-gross (MG), sufficient to support the most basic maintenance but little more. The higher rents possible with new construction are enough to justify redevelopment, yet while they are more expensive – \$28 to \$32 per sq ft triple-net (NNN) at one project – they remain considerably cheaper than the \$38 per sq ft NNN offered at a recent development at Green Mount Rd and Central Park Dr.

Indeed, the relative affordability of properties along this stretch of Highway 50 creates opportunities for smaller brands and franchisees to buy and own their own real estate, perhaps even derive revenue from the leasing of adjacent space – as Jackie Roach of Hi-Pointe Drive-In has done. It also serves as an alternative for the growing number of businesses – eateries, for instance – that ideally wanted to locate in O'Fallon's resurgent downtown district but could not find available space there. Highway 50 is comparatively more expensive but can compensate with higher traffic counts.







Hi-Pointe Drive-In, the fast-growing concept from Sugarfish's Mike Johnson that now boasts eight locations across metro St. Louis, is an example of the kind of restaurant chain-let most likely to materialize in neighborhood-level districts like the study area.



Widening the two or three-lane portions of Highway 50 is unlikely to yield enough of an increase in overall traffic counts to elevate the retail mix to another level. At the same time, it would reduce the size and depth of properties for retail redevelopment.



The study area could benefit from a "flight to quality" if Highway 50 west of I-64 continues to decline. The Walmart-anchored Lincoln Crossing provides stability at present, though existing businesses along the stretch might find the reports of theft, the vacancy at the St. Clair Auto Mall and the presence of certain downmarket tenants increasingly worrisome. At the same time, further deterioration there would have the effect of tarnishing O'Fallon's brand more broadly while also, in the longer term, potentially becoming a contagion that spreads across the freeway interchange and into the study area itself.

# CONSUMER DEMAND IN TRADE AREA

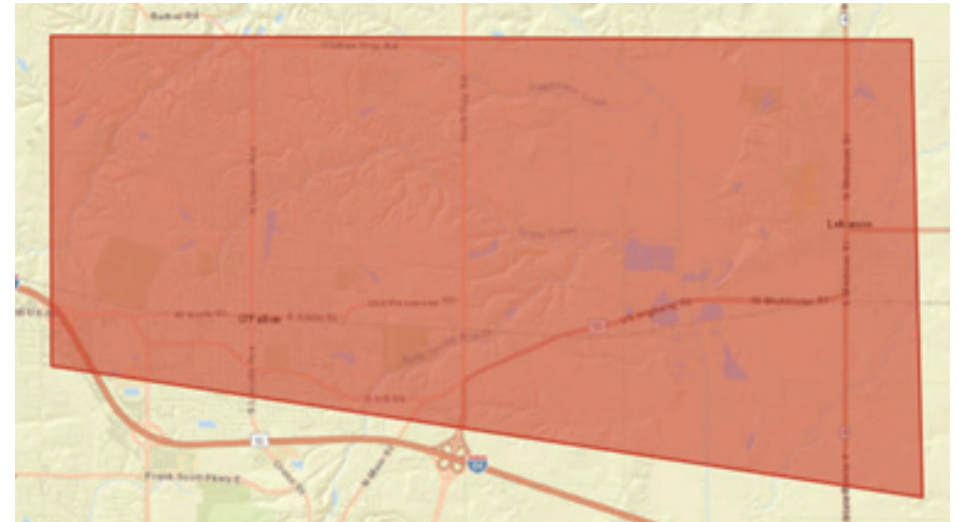
## WALKABLE DOWNTOWN LINK

In order to better understand the residential population that generates the overwhelming majority of retail sales in the study area, we devised a hypothetical “trade area” (map below) that accounts for competing districts, visibility and access considerations, psychological barriers as well as other relevant factors.

Specifically, the boundaries of this polygon reflect the gravitational pull of the regional and community business districts to the west and southwest as well as the relative lack of neighborhood-oriented retail to the north (until Beltline Road in Collinsville and Highway 162 in Troy) and east (until Highway 4 in Lebanon).

As of 2023, roughly 26,600 people live within the trade area (including 1,100 at Scott Air Force Base) – falling below the threshold for the number of rooftops typically needed to support a community-level retail mix, but squarely within the range for a neighborhood-scaled one.

Curiously, the demographics of this catchment call into question some widely-held assumptions about O’Fallon.



| Hypothetical trade area for Highway 50 study area | Source: ESRI, MJB Consulting

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One of the most common approaches to quantifying retail potential involves the comparison of the expenditures of trade area residents in various categories to the gross sales of trade area businesses within those categories, revealing how much of the former is “leaking” to – and could theoretically be “recaptured” from -- other areas, which is, in turn, translated into an amount of additional square footage that can be supported. We have not employed this methodology here, for two reasons. One, we believe that it is fundamentally flawed in a number of respects. And two, data-mining outfits like ESRI, perhaps having drawn the same conclusion, have stopped providing the data needed to make such calculations.

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The trade area population did expand by 7.5% in the 2010s, corroborating the narrative of growth, yet it has shrunk by 2.2% since 2020, with projections to fall another 2.2% by 2028, to 26,000 people – even exceeding Countywide drops of 1.6% and 1.8%, respectively.

This contradicts the projections in the City’s 2022 comprehensive plan, which show O’Fallon’s population rising from 32,289 in 2020 to 34,528 in 2025, translating to a 6.1% per-decade growth rate; then, to 36,923 in 2030, which would represent a 12.4% increase; and arriving at 39,483 by 2035.

Unfortunately, many prospective retailers and retail developers subscribe to ESRI for its demographic forecasts and might dismiss O’Fallon as an opportunity before they even get to the point of reading the City’s planning documents or providing local officials with an opening to present an alternative dataset.

Moreover, approximately 31% of its households have children under the age of 18, according to ESRI – somewhat higher than the 27% for St. Clair County as a whole, yet still considerably lower than other family-oriented suburbs in the U.S., where the percentage is typically in the mid to upper 30’s (Urban Land Institute, 2016).

Less surprisingly, a sizable share of the trade area is both well-educated and well-off. An estimated 8,000 people received bachelor’s degrees (or higher) and now work in high-value knowledge jobs, largely accounting for the 4,700 households that earn annual incomes of \$100,000 or more.

	Trade Area	St. Clair County
Population (2023)	26,544	252,919
Population Growth (2010-2020)	+7.5%	-4.7%
Population Growth (2010-2023)	-2.2%	-1.6%
Projected Population Growth (2023-2028)	-2.2%	-1.8%

Source: ESRI, MJB Consulting

	Trade Area	St. Clair County
Average Household Size (2023)	2.51	2.43
Median Age (2023)	37.7	39.2
Percentage Aged 65+ (2023)	15.3%	17.1%
Percentage Aged 65+ (2028)	17.4%	19.6%
Percentage of Households with Children (2020)	30.9%	27.1%

Source: ESRI, MJB Consulting

	Trade Area	St. Clair County
Percentage with B.A. Degree or Higher (2023)	47.4%	31.4%
Number with B.A. Degree or Higher (2023)	8,588	
Percentage Employed in Management / Business / Financial or Professional Occupations (2023)	53.9%	40.3%
Number Employed in Management / Business / Financial or Professional Occupations (2023)	6,902	
Median Household Income (2023)	\$91,683	\$67,040
Percentage of Households Earning \$100K+ (2023)	46.2%	32.8%
Number of Households Earning \$100K+ (2023)	4,691	
Median Home Value	\$234,795	\$181,057
Percentage of Homes Valued at \$400K (2023)	12.9%	8.0%
Number of Homes Valued at \$400K (2023)	949	

Source: ESRI, MJB Consulting

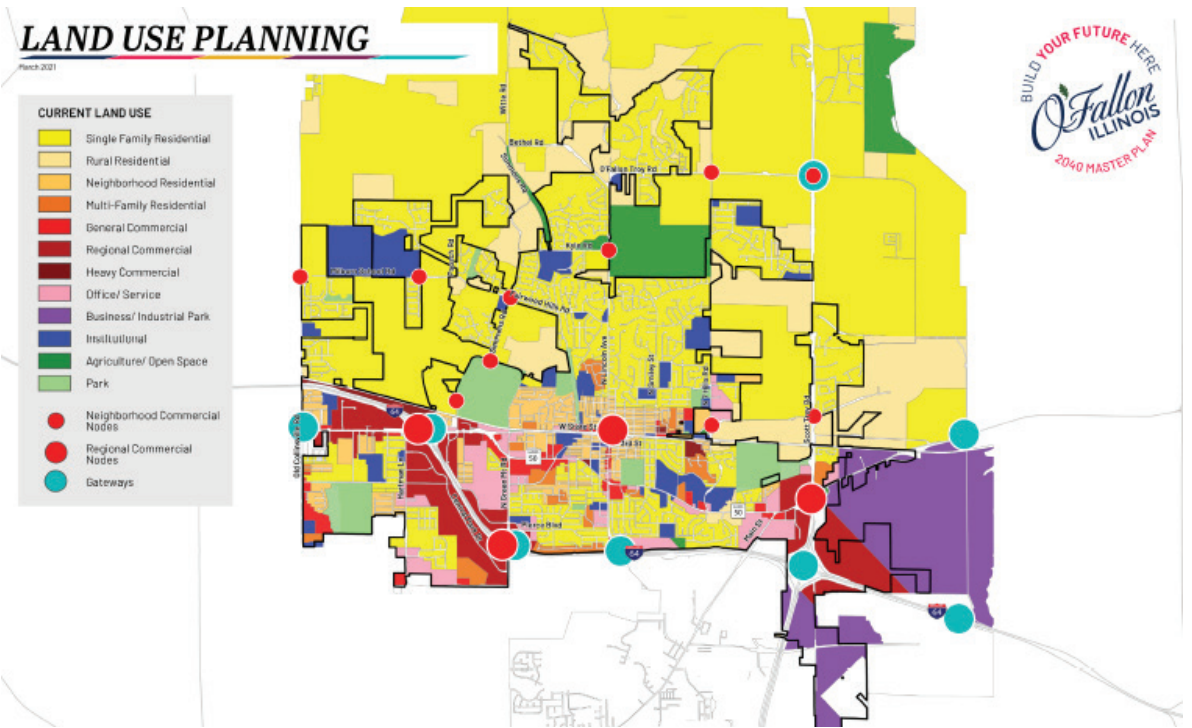
In psychographic terms, the retail mix in the study area appears to cater primarily to the needs and sensibilities of O’Fallon’s longtime residents. Generally speaking, these are middle-class households, consisting of middle-aged and older couples without kids, who own postwar single-family homes. As consumers, they are budget-conscious, eat at home and prefer not to shop or bank online.

It fails, however, to tap the latent demand presented by more affluent families – consisting of two working parents with kids – who have bought newer homes concentrated in the far north of the trade area. While they tend to shop and bank online, they will indulge their “foodie” tastes at restaurants. And they work in the kinds of jobs can be done remotely, meaning that they are likely spending more time these days in O’Fallon.

The consumer demand from trade area residents is supplemented by various non-residential submarkets. This includes roughly 9,000 “non-resident” workers who commute from beyond, concentrated in health care, education and retail trade (including food and beverage). According to 2018 numbers referenced in the 2040 Comprehensive Plan, 85% of the jobs in O’Fallon are held by residents from other communities who commute to O’Fallon. Multiplying the roughly 10,500 total workers (according to ESRI) by 85%, then, yields approximately 9,000 “non-resident” workers.

As of 2020, HSHS St. Elizabeth’s Hospital was O’Fallon’s largest employer, accounting for 1,100 jobs, nearly half of the roughly 2,300 positions in “health services.” And these numbers can be expected to increase in the coming years as the hospital expands on land that it owns to the north of the existing campus.

However, spending by time-pressed physicians, nurses and other medical staff tends to be modest, limited largely to quick-service food and beverage. And in addition to the hospital cafeteria, there are already a considerable number of options along Green Mount Rd



and Central Park Blvd to draw their attention. In truth, the workers at Memorial Hospital Shiloh might represent a more promising target: even though the BJC Healthcare facility is not actually located in the trade area, the route to Highway 50 (via Lincoln Ave) is the more direct, less congested and altogether faster one. The 2040 Comprehensive Plan touts as its organizing concept the “15-minute city”, whereby residents can access basic needs and amenities within no more than a 15-minute walk from their homes. Yet as worthwhile as this may be as a guiding principle for planning purposes, it is unrealistic for a suburban setting like O’Fallon, where the population density within a 15-minute walk-shed never

approaches the levels needed to support most types of convenience-oriented businesses. In an auto-oriented context, it is only when such thresholds can be reached through sufficiently high traffic counts—along Highway 50, for instance— that retail of that kind becomes viable.



Also, while not in the trade area, Scott AFB counts more than 15,000 civilian and military employees, of which roughly 10,250 commute. But most of their daily needs – for food and beverage, conveniences and services – can be serviced on site (e.g. Main Exchange, Commissary), along with evening entertainment (e.g. bowling alley, movie theater).

Meanwhile, though quick-service food and beverage would appeal to the approximately 1,800 students (from 10th to 12th grades) enrolled at O’Fallon Township High School’s main (or “Smiley”) campus, the nearest such offerings require at least a ten-minute walk for those without access to a car. The study area also includes the 615 students at Marie Schaefer Elementary School, though they would be far less likely to leave the campus either for lunch or after school.

Finally, O’Fallon benefits from large numbers of visitors generated by St. Elizabeth’s Hospital and Memorial Hospital Shiloh (with the former claiming that it draws 250,000 per year), Scott AFB, as well as the 200-acre O’Fallon Family Sports Park, which welcomes more than 500,000, most notably for weekend tournaments that pull from other states.

Township data indicates that overnight travelers spend more than three times that of day-trippers on lodging, meals and shopping. Yet while O’Fallon now boasts 14 hotels and roughly 1,250 rooms (along with the Regency O’Fallon event space), none currently exist in the study area. Given their locations, guests are more likely to gravitate to Green Mount Rd and the O’Fallon Business Loop.

These qualifications about non-residential submarkets are not meant to be dismissive of their retail impact – indeed, a fraction of hospital workers will eat lunch in the study area on occasion, while some hotel guests will venture there for dinner or the drug store – but rather, to underscore the challenges and limitations.



*O’Fallon Community Park is in the process of receiving significant upgrades that should increase utilization, generating spin-off, for food and beverage in particular, across the street and nearby.*



*A new 107-room SpringHill Suites by Marriott, slated for the northeast corner of Highway 50 and Green Mount Road, would be the first hotel in the heart of the study area and add incrementally to the consumer demand there.*

# RETAIL POTENTIAL

## CATEGORIES AND TENANCIES

Given the location and formidableness of existing competitors as well as the size and composition of the consumer demand, the study area not only serves today as, but also seems destined to play the role of, the neighborhood-level business district for a limited trade area encompassing most of O'Fallon and Lebanon as well as parts of unincorporated St. Clair County to the east.

In other words, it is the corridor to which trade area residents turn for their weekly essentials and conveniences, implying a retail mix consisting of grocery, drug, discount-variety ("dollar"), hardware and auto-parts stores as well as health clubs, "medical-retail" uses and other personal services.

Its food and beverage offerings will continue to skew towards quick-service formats and family restaurants, though its most promising opportunity for pulling from beyond the trade area as a destination would be independent sit-down restaurants, pubs and dessert emporiums, if, that is, they are able to gain wider notoriety for their especially unique and/or high-quality cuisine.

Appealing to "foodie" tastes is also a way of better leveraging the growing number of affluent (and hybrid-working) households within the trade area. Indeed, the study area could tap such latent demand with more upmarket concepts in some of the other above categories, like, for instance, "fast-casual" food and beverage or boutique fitness studios.

On a related note, O'Fallon appears under-served in "Third Place(s)", that is, places other than home and work where communities gather for a sense of belonging. Vine Street Market, Shooters Bar & BBQ and Peel Wood Fired Pizza play this role to some degree, though the absence of a true coffeehouse is conspicuous, especially with the growth in well-educated professionals and amidst the rise of remote work.

## LEASING AND REDEVELOPMENT

Most of the retail brands that normally anchor neighborhood-scaled business districts are already represented in the study area. Rather, it is the smaller floor plates – ranging in size from 1,000 to 3,000 sq ft – which have been fetching the most demand.

Indeed, even in the absence of an anchor(s), the achievable rents for newly-built smaller spaces – which can reach the low \$30's per sq ft NNN – are considered sufficient to underwrite ground-up construction, suggesting that more redevelopment, along the lines of the 705 Cambridge Blvd and 630 W. Highway 50 projects, would be feasible, especially as interest rates moderate.

This sort of site plan – involving significant setbacks, with in-front parking and/or driving lanes – is what the market wants to build. On the other hand, an emphasis on walkability – and the concept of the 15-minute city – typically implies development much closer to the sidewalk and parked from behind. Such opportunities are unlikely to interest more than a small subset of prospective tenants for the foreseeable future.



*Technically, the trade area can support another grocery store, with calculations by MJB Consulting indicating the potential for another 35,000 to 44,000 sq ft of space in the category (in addition to the existing 42,000 sq ft Schnucks). However, it will be challenged to reduce the above-average sales leakage, given the presence just beyond its boundaries of Dierbergs Market, Target, Sam's Club, Walmart, ALDI and soon Meijer, along with a Fresh Thyme a bit further afield. This leaves some sort of specialty grocer as the only real possibility.*



Again, Highway 50 appeals to most businesses today with the visibility that it offers to and convenience that it provides for passing motorists; both are compromised by such a design. Meanwhile, the nearby densities of residents, workers and guests are simply not enough to generate the necessary level of foot traffic on their own.

While they may believe in the longer-term vision of a more pedestrian-oriented corridor and community, most retailers, especially less well-capitalized ones that operate on lower margins, do not have the luxury of waiting for it to materialize: by that time, they will have long since shuttered. Rather, they need to know that customer volumes will reach the minimum thresholds today, or at least very soon.

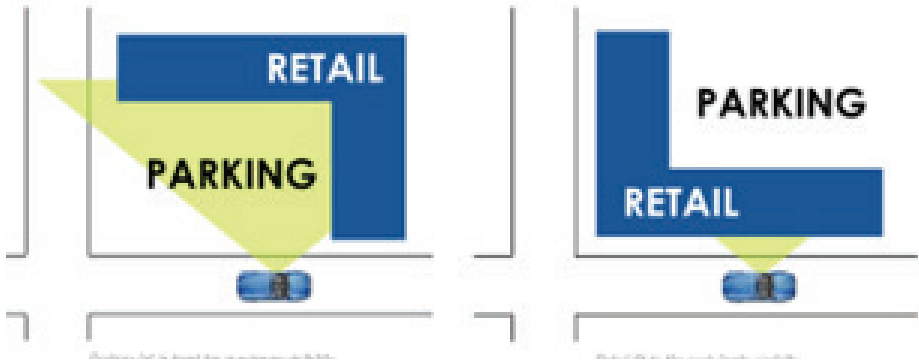
But even as a neighborhood-scaled retail mix in an auto-friendly form, this stretch of Highway 50 faces limitations and risks.



*The study area will soon be welcoming a Starbucks Coffee but the chain has been reorienting towards “grab-and-go” for a while now (and at an accelerated pace since the pandemic), with a focus on drive-thru and pickup: traditional “in-store” consumption accounts for just 26% of its total sales today. In any event, the third place role is, for a number of reasons, one best played by a locally-owned independent operator, like Sacred Grounds Café in downtown Edwardsville.*



*“Fast-casual” refers to a subset of quick-service eateries and beverage purveyors, emerging in the last couple of decades, that use the same counter-service model as traditional fast-food restaurants but offer somewhat healthier and/or higher-quality food or drink in a slightly more upmarket environment, at an elevated price point. Examples include QDOBA Mexican Eats, Panera Bread (f.k.a. St. Louis Bread), Noodles & Co., Chicken Salad Chick, Crazy Bowls & Wraps and Starbucks Coffee. Generally drawing a more affluent and/or well-educated customer, most of the larger brands prefer proximity to anchors like Target and Whole Foods or institutions like hospitals and universities – indeed, all of the above have taken locations at or near the intersection of Green Mount Rd and I-64 – but smaller such concepts, like Hi-Pointe Drive-In, would be realistic for the study area.*



*Basic geometry helps to explain why retail set back from the street and parked in front offers greater visibility to passing motorists than traditional zero-setback storefronts.*



*With continuous sidewalks, appealingly-scaled (and, in some cases, recently-renovated) buildings, slow-moving traffic as well as “anchors” at both ends, the Lincoln Avenue spur from Highway 50 to the downtown district is the portion of the study area where pedestrian-oriented retail might first become viable. Even so, foot traffic remains relatively light today, while the number of daily motorists – roughly in the 7,000 to 8,000 range – falls well below Highway 50 levels.*





## THE SOUTHVIEW PLAZA SITE

From a strictly retail perspective, tenant demand for the remaining 3.64-acre parcel (yellow-dashed boundaries above) is limited somewhat by the need to achieve rents of at least \$30 per sq ft in order to underwrite new construction. While this has been possible elsewhere along Highway 50, it is challenged here by the lack of Highway 50 frontage (taken entirely by the future Starbucks Coffee) and the possibility of community push-back to specific tenancies (like, for instance, fast food) as well as the larger constraints posed by the development economics.

## POSSIBLE LIMITATIONS

In sum, this stretch of Highway 50 offers further runway and can support additional (re)development as a neighborhood-scaled retail mix in an automobile-friendly form. We would be remiss, however, if we did not note the extant challenges to realizing this potential.

One, the existing retail is not continuous, but rather, concentrated in distinct pockets that are separated from each other by patches of single-family homes or by the large footprints of civic uses (e.g. schools, parks, churches), thereby reducing the possible spin-off from anchors and the synergistic potential of co-tenancy. Homogenizing this mix, though, would be undesirable and/or impractical.

Two, several of the “hard corners” at well-trafficked signalized intersections – generally speaking, the most desirable retail locations – are already occupied by other uses with a comparatively lower need for such visibility, like office buildings, a fire station and soon, a hotel. Yet even if there were interest in redevelopment, the economics would in most cases be unworkable.

Three, the curb appeal of the corridor – O’Fallon’s most visible, with out-sized impact on the perceptions of prospective tenants and investors – is inconsistent. Modern structures are interspersed with older strips in need of a refresh (but lacking the revenue stream to undertake one). In the words of one prominent local real estate professional, “it **looks** like an old State highway.”

The city might consider in response the implementation and enforcement of new standards related to beautification as well as the provision of financial and technical assistance to support existing property and business owners in reaching them. Alternatively, it could re-examine current incentives and contemplate new ones in the name of promoting redevelopment.

This could, in turn, help to inoculate the study area against the longer-term possibility that further deterioration on the other side of I-64 spreads east and “jumps” the interchange – though it should apply to all of Highway 50 (within city limits) so as to avoid the risk of accelerating any “flight-to-quality” and hastening decline along a part of the corridor that also sits within O’Fallon’s boundaries.



*The location of Schnucks, at Seven Hills Rd, is traceable to the company's acquisition of Hart Food and Drug in 2008. It also might reflect the need for spacing so as to avoid cannibalization from other stores in Fairview Heights and Swansea. However, that address does little to generate foot traffic for other convenience-oriented businesses in the study area, a role that supermarkets often play as anchors of neighborhood-scaled districts.*



*The city may need to restructure its existing incentives (e.g. TIF) in order to facilitate larger-scale redevelopment going forward. From a strictly retail perspective, tenant demand for the remaining 3.64-acre parcel is limited somewhat by the need to achieve rents of at least \$30 per sq ft in order to underwrite new construction. While this has been possible elsewhere along Highway 50, it is challenged here by the lack of Highway 50 frontage (taken entirely by the Starbucks Coffee) and the likelihood of community push-back to specific tenancies (like, for instance, fast food or a dollar store).*

*There is also the matter of the development economics, which have been complicated by the steep rise in interest rates. Expanding the assemblage to nearly five acres with the acquisition of adjacent properties which would spread the costs somewhat, though the net impact would depend on whether and for how much their owners would be willing to sell. In any event, the city will likely need to restructure the existing TIF package for a future project, the proceeds from which, based on improved value, are unlikely to cover the roughly \$900, 000 that the current owner spent on cleanup.*





APPENDIX III  
**HOUSING MARKET  
ANALYSIS**

# HOUSING MARKET ANALYSIS

A housing market analysis serves several purposes. At a basic level, the analysis evaluates and identifies strategies to address housing issues throughout the city. The housing market impacts the quality of life for residents of the region, people interested in moving to the area, and businesses seeking to recruit (and retain) employees. The analysis summarizes opportunities and identifies potential strategies for the local housing market.

## FOR O'FALLON, THIS HOUSING MARKET ANALYSIS WILL:

- **Leverage Incentives.** The analysis provides evidence for demand for different housing products and offers backing for the city and its partners to apply for various state and federal incentives if available.
- **Identify Housing Gaps Today and Tomorrow.** Evaluating the current housing stock with changing perceptions and community desires identifies housing gaps and establishes strategies for growth through new development, redevelopment, and rehabilitation.
- **Build on Economic Strengths.** Continued business growth is dependent on housing the necessary workforce.
- **Accommodate All Ages.** Older adults, family households, and young professionals contribute to housing market demands. Housing needs for each group vary. This housing analysis helps identify how these needs can be satisfied to make a place for all age ranges to live and enjoy.
- **Guidance for Decision Makers.** A clear understanding of the housing market sets the stage for targeted and feasible housing policies and programs. The housing analysis provides recommended policies and programs to guide decision-makers in allocating funding, resources, or staff time to forge partnerships and solutions.
- **A Resource for the Community.** The housing analysis is a resource, along with the full plan and other documents like the comprehensive plan.





The current state of O’Fallon – its historical trends, population demographics, economy, and housing market conditions – reflects challenges, forecasts future needs, and helps articulate a program to improve the local housing market. A thorough understanding demographics and housing conditions is the first step in crafting a demand forecast.

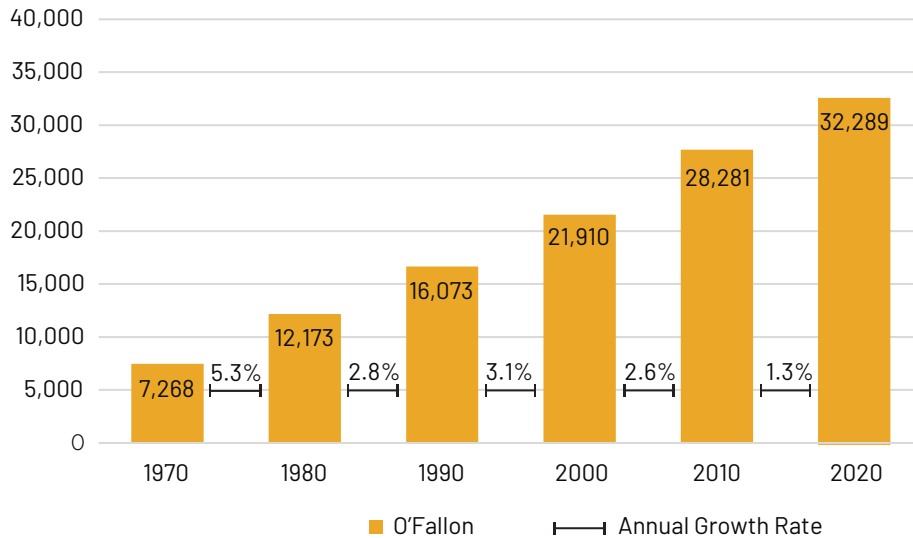
The data for this analysis comes from publicly available sources. Market data gives a quick and straightforward representation of the city and how it compares to comparable cities. It helps explain why conditions are the same or different compared to other areas to tailor successful policies. Census and other objective data have limitations, so they provide only one element of understanding the housing market. Market data does not capture the feelings and observations of residents. It does not indicate how those quantitative conditions affect people in different areas. It does not fully capture the condition of housing or community amenities. Lastly, market data is subject to sampling error and insufficient data. Ultimately, the conclusions and strategic directions compare data with on the ground observations and discussions.

## POPULATION SNAPSHOT

Historical population trends show a rapidly growing population in the past 50+ years. Notable trends include:

- **A robust annual growth rate.** While the rate was the lowest from 2010-2020 at 1.33%, it is still higher than many cities of O’Fallon’s size experience. There continues to be interest in the area versus other nearby communities in the St. Louis metro. Scott Air Force Base plays a large role in population and housing in O’Fallon.
- **Median age is falling slightly, which is an indication of family age groups moving to the city.** Changes in different population age groups have different implications for housing demand and future needs
  - *Since 2010 O’Fallon saw growth in all age cohorts except the 45-54 year old group. There is little explanation for why this group declined.*
  - *The strongest growth in the 65-74 age group reflects the overall aging of the baby boomer generation. It also shows people moving to O’Fallon in their retirement years.*
- **O’Fallon has been growing faster since 2010 than many of its suburban peers in the St. Louis metro** – an annual growth of 1.33% and higher than Edwardsville, Belleville, Collinsville, and St. Peters, MO.

Figure 1.1: Historical Population Change 1960-2020



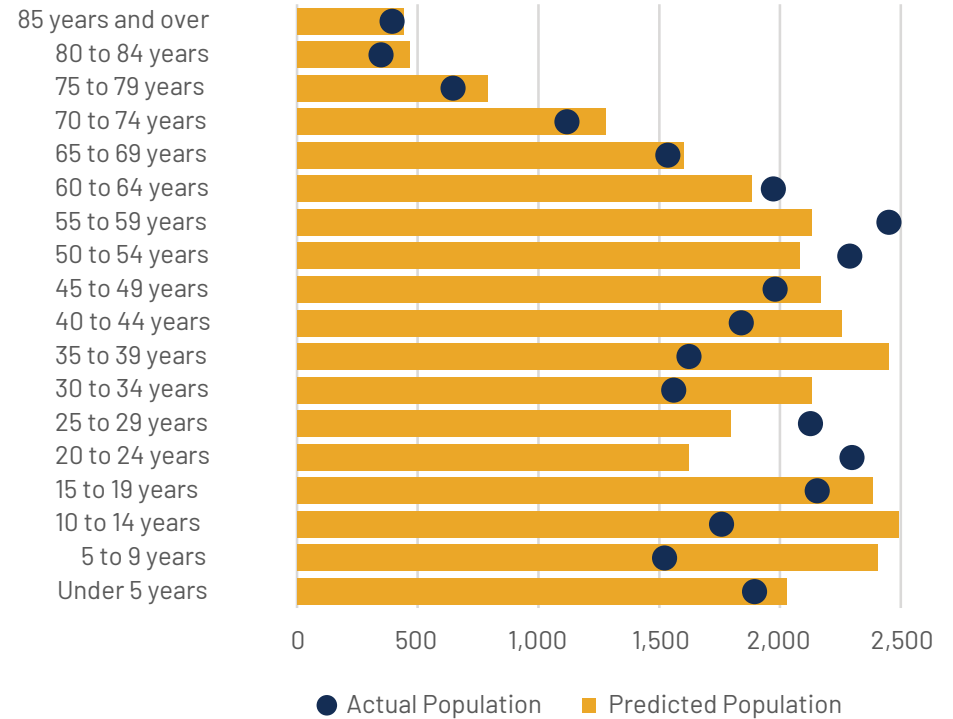
Source: U.S. Census

Figure 1.2 compares the actual change to a prediction based on standard birth and death rates. The prediction assumes natural population growth or loss (children born/residents passing away) without an in-migration or out-migration of residents. The difference between the predicted and actual population highlights which age groups were experiencing in and out-migration.

2020 Census age cohort data is used to reflect the actual population count.

- The prediction for 2020 was lower than the actual population count. This shows that the city did have an in-migration of residents.
- In-migration was the most for 35-44 year olds and their kids. O'Fallon attracted families, most likely associated with the Air Force Base.
- Out-migration in the 20-24 age group reflects students leaving for additional schooling or choosing to enter the workforce elsewhere.
- The out-migration in the 55-64 age group might reflect people wanting to downsize and move elsewhere. It could also be just generally aging trends in the area.

Figure 1.2: Predicted 2020 Population Versus Actual 2020 Population (2010 Base)



Source: U.S. Census

Figure 1.3: Peer Cities Historic Population Change, 1960-2020

	1960	1970	1980	1990	2000	2010	2020	%Change	2010-2020 Annual Growth Rate
O'Fallon	4,018	7,268	12,173	16,073	21,910	28,281	32,289	47.4%	1.33%
Belleville	37,264	41,223	41,580	41,580	41,410	44,478	42,404	2.4%	-0.48%
Collinsville	14,217	18,224	19,475	22,446	24,707	25,579	24,366	-1.4%	-0.48%
Edwardsville	9,996	11,070	12,480	14,579	21,491	24,293	26,808	24.7%	0.99%
St. Peters, MO	404	486	15,700	45,779	51,381	52,575	57,732	12.4%	0.94%

Source: U.S. Census



## ECONOMIC SNAPSHOT

A strong employment base offers many opportunities for a variety of households. Employers need a wide range of positions, from hourly wage earners to high-paid executive positions, that may recruit talent nationwide. The economic snapshot of O'Fallon shows the following indications for the housing market:

- Residents living in O'Fallon work in many different industries. The highest industry employment is in educational and healthcare services (23.9%) and management positions (13.5%).
- The city continues to see very low unemployment rates and a stable labor force participation rate. A large portion (over 67%) of households with children have all parents in the labor force.

- More people leave O'Fallon for work than travel to O'Fallon for work each day. This is typical for cities that are close to a major metro. For O'Fallon, there is still an opportunity to capture some people traveling into the city to work as permanent residents. A portion would likely move if preferable and attainable housing is available. People living elsewhere but employed in O'Fallon purchase homes, spend money, and, more importantly, become comfortable in another community. Should the option to change jobs arise, these households will stay where they are invested.
  - On the other hand, O'Fallon is seen as an attractive place to live for many people working in other cities or at Scott AFB. These people spend about 27 minutes to travel to work. The changing dynamics of hybrid work options could increase demand for living in O'Fallon if people do not have to travel to St. Louis for work as often.

Figure 1.4: O'Fallon Inflow and Outflow of Workers, 2020

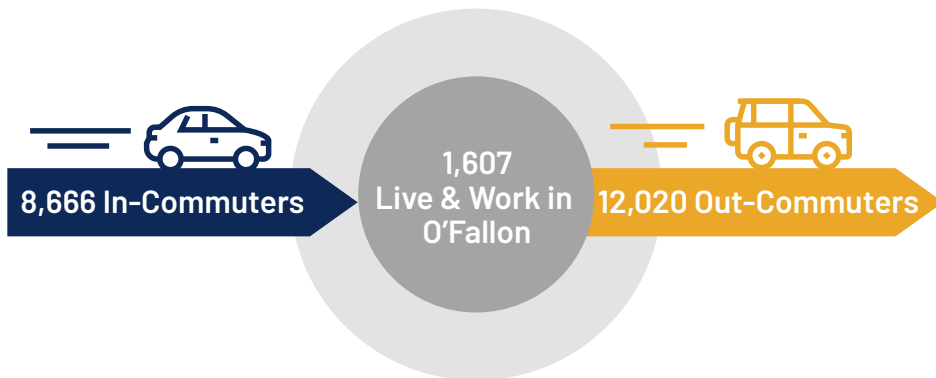
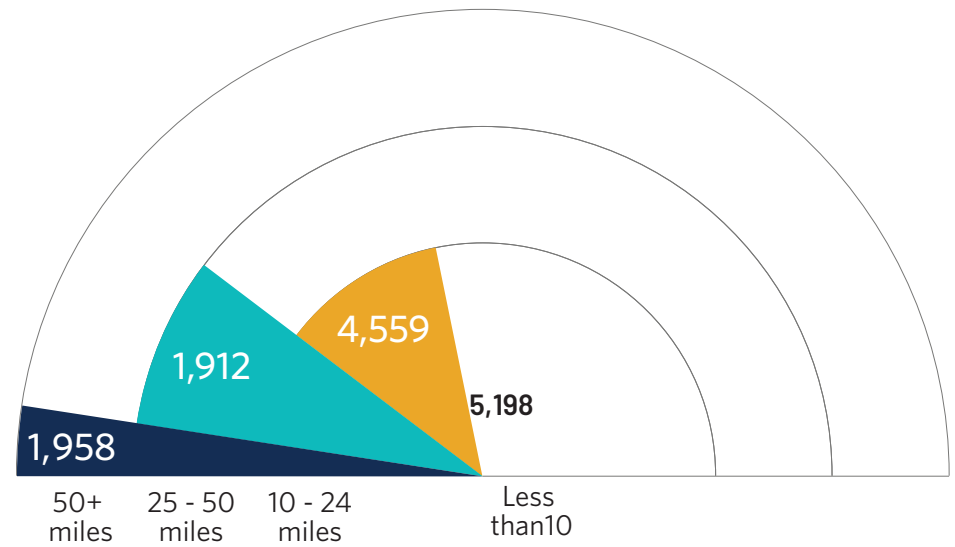


Figure 1.5: Employee Home Destination and Distance, 2020



## O'FALLON'S HOUSEHOLDS

A mix of rental and owner-occupied units creates balance and affordability in the market and accommodates a variety of preferences. Factors like household income and daily living costs influence the type of housing and location people want (or need) to live. Households in O'Fallon range in diversity and abilities:

- **Household incomes are high in O'Fallon and higher than surrounding peers.** People with higher incomes have a higher ability to choose where to live. This shows many residents are choosing O'Fallon over other areas.
- **About 24% of households make below \$50,000 and might struggle with housing costs in O'Fallon.**
- **There is a typical ratio of owner and renter households in O'Fallon.** About 70% of occupied units are owners and 30% renters. The ratio has not changed from what it was in 2000. There may be a need for more rental options to support people with more modest means supporting O'Fallon's economy.
- **Vacancy has always been low in O'Fallon.** It is generally at a rate (5%) slightly below a healthy range to support movement and choices in the housing market. An increase in vacancy can come by bringing new units to the market.
- **Household size has been increasing in O'Fallon since 2010 to an estimated 2.72 people per household in 2021.** This is a higher average than many communities and reinforces the level of family households.

Figure 1.6: O'Fallon Occupancy and Tenure

	2000	% of Occupied Units	2010	% of Occupied Units	2020	% of Occupied Units
Total Units	8,604		11,414		13,225	
Occupied	8,310		10,747		12,559	
Owner-Occupied	5,712	68.7%	7,519	70.0%	8,544	68.0%
Renter-Occupied	2,598	31.3%	3,228	30.0%	4,015	32.0%
Total Vacant	316		667		666	
Vacancy Rate	3.7%		5.8%		5.0%	

Source: U.S. Census

## EXISTING HOUSING STOCK

In many cities, housing conditions relate to the age of structures and housing costs. O'Fallon is a relatively "new" community with longer-term needs for housing upkeep. In O'Fallon:

- **Over 80% of housing was built after 1970. Most of these homes are in relatively good condition. Interior updating and routine exterior maintenance is occurring. Evidence from the 2022 Comprehensive Plan indicated a renovation trend happening to these homes as younger households seek housing that fits their preferences and lifestyles.**



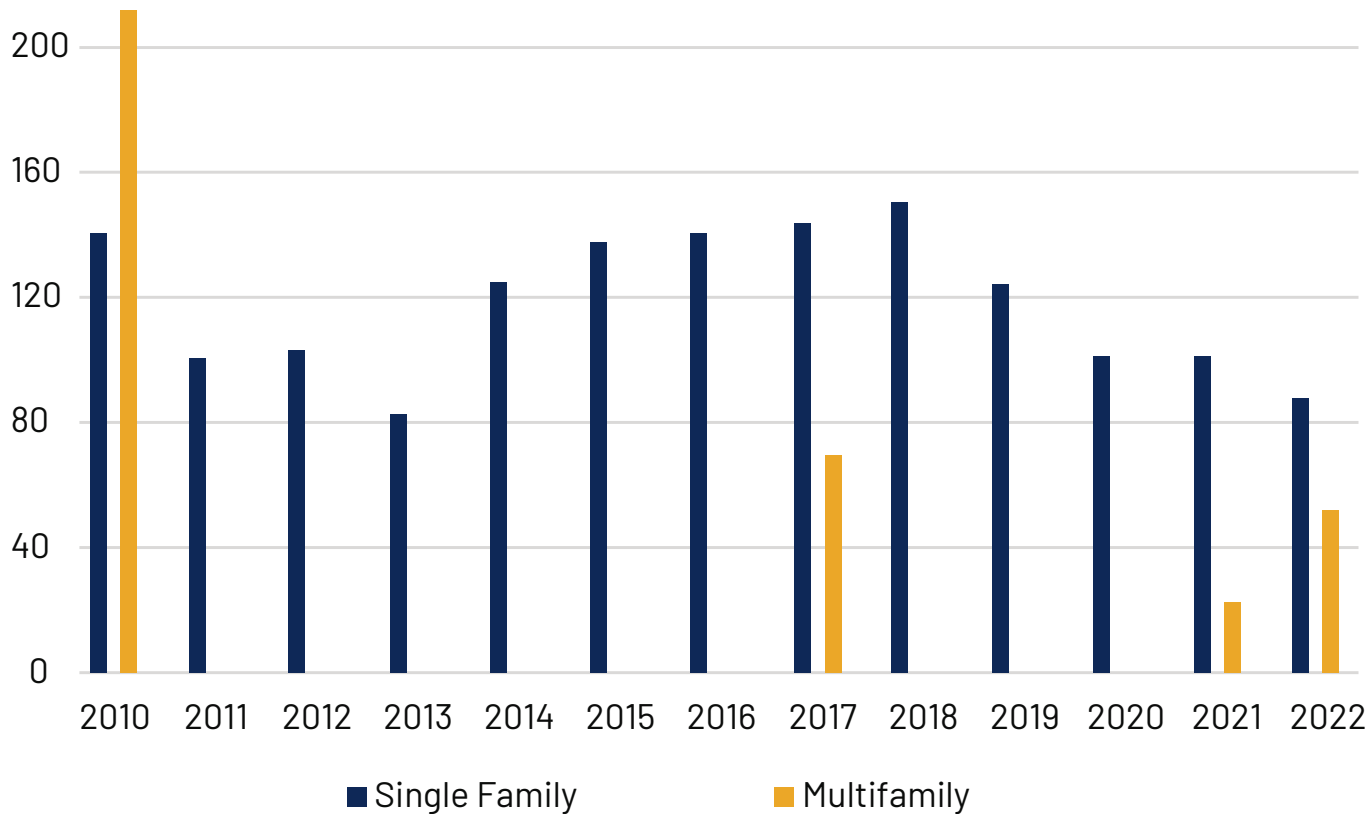


## HOUSING MARKET ACTIVITY

Trends in construction activity, rental rates, and home sales volumes provide a direct short-term indication of the demand for housing.

- **The city is seeing a rebound in housing construction since the 2020 pandemic, with more interest in multifamily development. Constrained sites and development costs contribute to more multifamily unit production across the Midwest.**
  - *Still, since 2010, only about 20% of all units constructed were multifamily.*
- **Single-family construction remains stable aside from a pandemic related dip.**
- **There is no activity in other housing types like duplexes and townhomes.** These are options to explore for barriers in production or regulations.

Figure 1.7: New Units Added, 2010-2022



Source: City of O'Fallon

## HOUSING SALES TRENDS

Data from the Realtor Multiple Listing Service (MLS) indicates the O'Fallon housing market is in high demand. People are searching for listings in the O'Fallon Zip code (62269), and homes are selling fast.

The frequency of home sales shows the level of movement in the housing market. Additionally, the time it takes to sell a home or lease a rental unit shows the level of demand for housing in the local market.

Data in Figures 1.8, 1.9 and 1.10 from the MLS for O'Fallon city limits show the housing market challenges.

- **The total active new listings in O'Fallon have decreased in the past four years, excluding a jump in listings in 2021 coming out of the pandemic.** The decline indicates increased competition for available units in O'Fallon.

- **Sales prices are rising in O'Fallon because of competition and construction costs.** The amount owners are paying as a ratio of the list price is above 100% and increased in the past four years.
- **The number of days on market has been declining significantly.** Homes stay on the market for a short time. This further indicates high competition for units, regardless of quality or match with the buyer's lifestyle. Note, the days spent on the market is defined as the time between the initial listing of a property and either its closing date or the date it is taken off the market. While the 36 days on average reported in 2022 may seem like plenty, there are outlier, unique homes on the market for a long time that pull up the average.

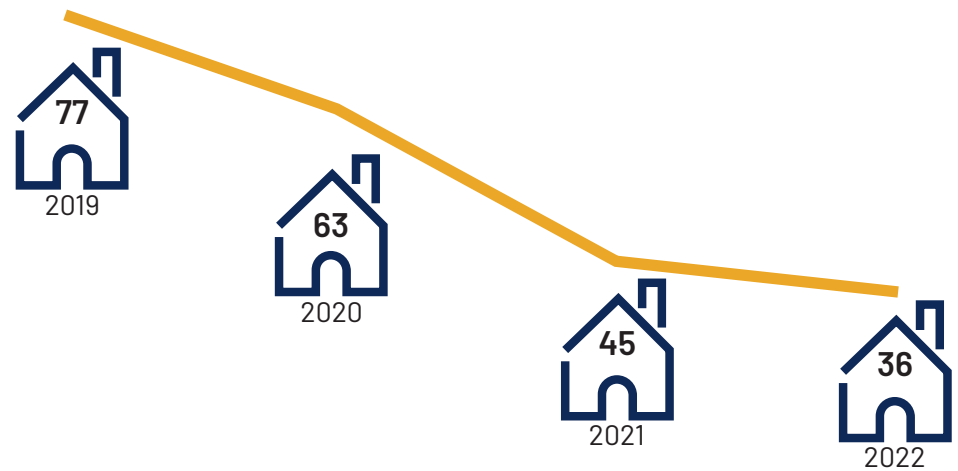
Figure 1.8: Total Number of New Listings in O'Fallon



Figure 1.9: Average Sales Price in O'Fallon



Figure 1.10: Average Days on Market in O'Fallon



Source: Multiple Listings Service



# AFFORDABILITY

Many factors contribute to overall housing affordability, including whether supply and demand are in balance, whether new units efficiently adjust values throughout the market, and whether there is a sufficient vacancy to allow owners and renters to move within the market and allow the lowest quality units to filter out from the market. Each of these requires time to let the market react before it balances at an equilibrium.

For example, suppose 50 rental units were constructed at a much-needed price point. In that case, it may take several years for the full impact of these units to balance into the market. First, those units would fill up, leaving the lower quality units at a similar price point under-occupied, eventually forcing the lowest quality units to be removed from the market, upgraded, or rents adjusted to meet their condition.

- **Overall, O'Fallon's ownership market is in a healthy range.** However, this is mostly because of the higher income households moving to O'Fallon. This point-in-time measurement may lead to accelerated rises in home values in the future as higher-income households compete for the available housing options in O'Fallon. A value-to-income ratio of 2.5 to 3.0 indicates a healthy housing market.

- Peers around 2.0 and below face undervaluation, where it is harder to build new homes appraised at what they cost. These other cities may be more attractive for builders with less risk in low appraisal values.
- Peers around 3.0 and above face more affordability challenges. Housing costs are high relative to household incomes.
- **Median contract rent is higher in O'Fallon as a reflection of recent multifamily units added to the market.** Rents are increasing and can create challenges for people just moving to the community who must rent before purchasing a home. Service workers with lower incomes also face additional challenges when contract rents are this high. There are lower rent options, but these can start to face rising rents, and overall competition for rentals increases with higher demand.
  - Contract rent only includes the cost of rent and not associated utility payments or extra fees.
- **When associating with those paying more than 30% of their income on a mortgage or rent, about 17% of households are housing cost-burdened owners, but about 42% of renters are cost-burdened.** Certain groups of people and workers need to live in O'Fallon and must accept the rental options and prices that are available.

Figure 2.1: Household Affordability Comparison 2021

	Median Household Income	Median House Value	Value / Income Ratio	Median Contract Rent	Median Rent as Pct of Median Income
O'Fallon	\$96,698	\$224,000	2.32	\$895	11.1%
Belleville	\$56,404	\$105,700	1.87	\$640	13.6%
Collinsville	\$60,793	\$130,400	2.14	\$705	13.9%
Edwardsville	\$78,298	\$247,000	3.15	\$822	12.6%
St. Peters, MO	\$83,624	\$206,700	2.47	\$942	13.5%

Source: American Community Survey

## HOUSING AFFORDABILITY SUPPLY GAPS

A housing shortage affects the lowest income households more because of the limited choices they have in the market. When supply is low, middle- or high-income households can always choose a lower-priced home or housing in another community. When higher income households choose to live in homes below their price point, fewer options are available for lower income households, forcing them to live in potentially substandard units or to spend a significant amount of their income on housing.

Figure 2.2 evaluates the number of housing units in different income ranges and the quantity by the price of homes to meet household income levels (where they spend no more than 30% of their income on their mortgage or rent plus utilities). A positive balance indicates a surplus of housing within the affordability range of each respective income group, while a negative balance indicates a shortage.

- **O’Fallon has a housing unit surplus affordable to households earning \$25,000 to \$150,000.**

- **There are significant housing unit gaps in units that could be affordable to households earning over \$150,000.**
  - This means households earning above \$150,000 are not without housing but are living in housing units below what they could reasonably afford. The result pushes those earning less into lower valued or lower quality homes, which in turn pushes those earning less than them into lower valued or lower quality homes.
  - As permanent residents, these households will mostly live in owner-occupied housing options.
  - This is not to say that people should not have the choice to live in houses that are below their means to save money for other things. However, a portion would likely move up to an option that better aligns with their preferences if available.
- **The small gap at the lowest price point for households making under \$25,000 is likely overestimated.** This income category includes older adults on fixed incomes and students who report low incomes. These households may live in homes with paid-off mortgages or rentals subsidized with loans or parent assistance.

Figure 2.2: Household Affordability Analysis 2021

Income Range	% of City Median Income	% of HHs	# HHs in Each Range	Affordable Range for Owner Units	# of Owner Units	Affordable Range for Renter Units	# of Renter Units	Total Affordable Units	Balance
\$0-\$25,000	Under 27%	8.8%	1,037	>\$60,000	391	\$0-499	310	701	-336
\$25,000-\$49,999	27-52%	14.9%	1,757	\$60,000-124,999	1,001	\$500-999	1,603	2,604	847
\$50,000-\$74,999	53-78%	18.0%	2,118	\$125,000-199,999	2,037	\$1,000-1,499	735	2,772	654
\$75-99,999	79-103%	10.6%	1,253	\$200,000-249,999	1,756	\$1,500-1,999	301	2,057	804
\$100,000-\$150,000	104-155%	19.7%	2,323	\$250,000-399,999	2,706	\$2,000-2,999	127	2,833	510
\$150,000+	Over 155%	27.9%	3,281	\$400,000+	651	\$3000+	151	802	-2,479
		100.0%	11,769		8,542		3,227	11,769	0
Median	\$96,698			\$224,000		\$1,129			

Source: American Community Survey



# HOUSING DEMAND FORECAST

Projected future housing needs stem from a demand model that builds on updated population projections from the Comprehensive Plan, housing trends, and conversations to forecast the demand for additional housing. A calculated approach to housing demand helps create policies, partnerships, and strategies to meet these needs and enhance existing strengths in the housing market.

## POPULATION PROJECTIONS

Under a natural birth and death scenario, the population in O'Fallon will grow over time. The presence of younger families with kids is the primary driver of natural growth. O'Fallon also has a trend of strong in-migration of the population.

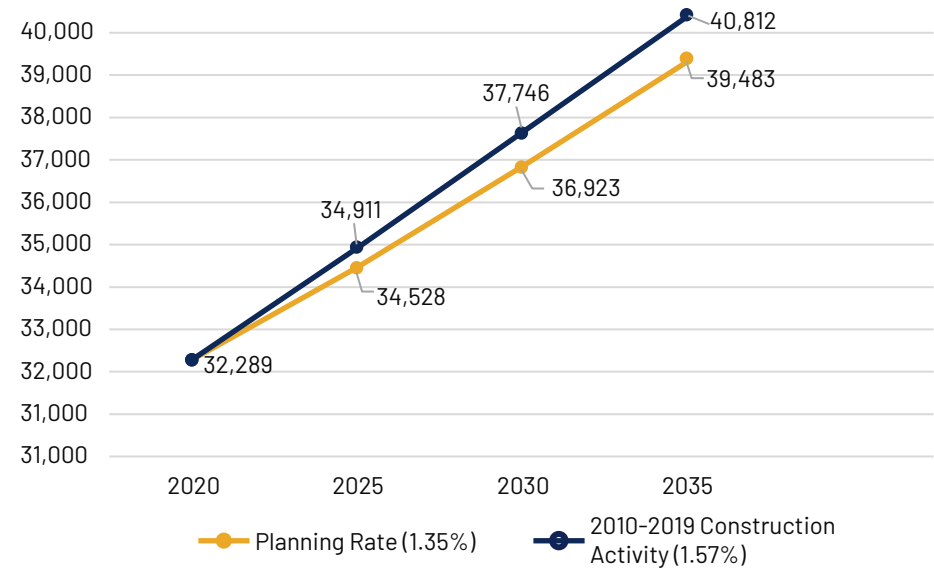
The 2022 Comprehensive Plan led to a planning level population forecast of 42,300 residents by 2040, about a 1.35% annual growth rate. This analysis assumes the same annual population growth rate of 1.35% through 2030 to plan for housing demand. Under the 1.35% annual growth scenario, the 2030 population will grow to about 40,000. The forecast is an average rate with periods of lower growth and potential periods of higher growth.

### Factors contributing to the forecast include:

- There is strong indication with low vacancy rates, low days on market, and low inventory that new units will continue to get filled.
- There is strong general outside interest for people moving to the St. Louis metro and the continued operations of the Scott Air Force Base.
- Construction activity from 2010-2020 translated into population growth based on average household sizes would indicate a 1.57% annual growth rate, with no out-migration.
- The City and its partners taking proactive steps to enhance the community, such as this Great Streets project.
- A statistical item to note is that as cities get larger, regular annual population growth rates above 1% become harder to achieve.

Figure 3.1: Population Forecast

	Annual Rate	2020	2025	2030	2035
Comprehensive Plan Rate	1.35%	32,289	34,528	36,923	39,483
Natural Growth Rate		32,289	32,469	32,584	32,690
Low Growth	0.75%	32,289	33,518	34,794	36,119
2010-2019 Construction Activity	1.57%	32,289	34,911	37,746	40,812



Source: RDG Planning & Design, City of O'Fallon

## HOUSING DEMAND FORECAST

A preliminary analysis indicates the market could add over 1,700 housing units through 2030 to support the 2030 population forecast and meet housing demand (456 units were already constructed or permitted from 2020 through May 2023). A housing demand averaging 195 units a year through 2025 and 229 units a year from 2025-2030 must be split between owner and renter units. Factors of determining the forecast include:

- **A forecasted 1.35% annual population growth rate.**
- **2.72 people per household, which equals the 2021 estimate from the American Community Survey. People per household remains steady in the model through 2030 to reflect the attractiveness of the community for families but balance smaller aging households.**
- **An increasing vacancy rate as the market becomes more in balance with more housing options. However, catching up on possible underproduction in the region will take many years. The model builds in healthier vacancy rates in the 2025-2030 period as unit production continues to catch up.**
- **Replacement need is the number of housing units demolished or converted to other uses. Homes in poor condition or obsolete should be gradually replaced in a city's housing supply. The number of units lost annually is based on probable demolition rates. Any given year could result in more demolitions.**
- **Cumulative need shows the total units needed at the end of 2025 and 2030 and cumulative need. These assumptions generate an average annual construction demand of 216 units through 2030. This exceeds the gross number of permitted units between 2010 and 2022 of 150 annually, which does not include units lost to demolition.**
- **Other short-term housing options are not included and need to be supported in the future. These housing types include transitional housing, housing with physical/mental support services, nursing homes, and similar special needs providers.**

**Figure 3.2: Housing Demand Summary at a 1.35% annual population growth rate**

	2020	2025	2030	Total
Population at End of Period	32,289	34,528	36,923	
Household Population at End of Period	32,289	34,528	36,923	
Average People per Household	2.72	2.72	2.72	
Household Demand at End of Period	11,871	12,694	13,574	
Projected Vacancy Rate	5.0%	5.4%	6.6%	
Unit Needs at End of Period	12,496	13,412	14,534	
Replacement Need (total lost units)		15	25	40
Cumulative Need During Period		584	1,147	1,731
Average Annual Construction		195	229	216

\*456 units were constructed from the beginning of 2020 to May of 2023  
Source: RDG Planning & Design



# HOUSING DEMAND PROGRAM

## HOUSING DEMAND PROGRAM

The housing development program delves into price points and the proportion of units that will be owner-occupied and renter-occupied to translate overall demand into a practical program for what housing types are needed. Figure 4.1 distributes the forecasted demand by price point based on the 2021 distribution of household incomes in O'Fallon. The following assumptions create the program.

- **Over the next several years, greater production of options should focus on pent-up demand and the need to offer more attainable variety beyond traditional single-family detached dwellings. Therefore, the development program has a greater portion of the city's future demand for renter-occupied and alternative owner-occupied options at rates of 55%/45% through 2025 and 60%/40% from 2025-2030, respectively.**
- **The private market will not produce the lowest-priced units. Most of the lowest-priced units are existing units that could open up when new units are added, and some existing higher income residents "move-up" to these new units.**
  - *It is important to note that these are not production goals. For example, more homes constructed at \$400,000 or rents at \$1,200 a month may encourage those living in more affordable units to change housing. Thus indirectly producing more housing at lower price points.*
- **Most below median income residents will be accommodated in rental units.**
- **The allocation of units reflects estimated 2021 income distributions in O'Fallon.**
- **The price ranges should be considered higher with inflation over time or rises in local incomes.** For example, the <\$225,000 category may be close to approaching <\$250,000 if considering the Midwest Housing Consumer Price Index between 2020 and 2022.

The majority of demand is for 2023 market rate owner-occupied units and high end homes. This demand is indicative of the types of higher income households moving to O'Fallon over many years. These households can afford market rate construction.

Other ownership options under \$300,000 are still in need. Price point ranges below \$300,000 are harder to make work in the 2023 market.

Units under \$225,000 most often cannot be produced by the private market alone based on material costs, workforce delays, and financing costs. A combination of public and/or non-profit tools must be paired with the private market to reach these price points. Part of this demand will be filled through the existing housing stock as people move out of existing homes to other options that match their means and lifestyle changes over time.

Rental units are needed at all price points. Opportunities to create rental units priced under \$1,000 is still a demand category to offer in O'Fallon, especially for workers like teachers and nurses and those just moving to the area.

On the high market rate rental spectrum, increases in mortgage rates in 2022 add several hundred dollars to monthly ownership costs. This will drive households to rent longer or choose to rent over owning when first moving to O'Fallon. These households can likely afford higher rents when the ownership market is much more out of reach and increases the demand for market rentals and above.

## MARKET DEFINITIONS

- Affordable-Low Ownership Demand.** Often the best source of affordable housing is the existing housing stock in older neighborhoods. Many higher-income households compete for the same housing stock as lower-income households. The low-income ownership market demand can be met, in part, by providing opportunities for moderate-income households to move up in the market.
- Affordable-Low Rental Demand.** Production of rental units under \$500 (and even up to \$700) will likely need assistance programs like low-income housing tax credits and project-based Section 8, but some may result from market adjustments due to new higher-quality rental units creating competition in the market. Preserving the units existing in this price range today will also be essential.
- Affordable Moderate Ownership Demand.** It will be challenging for the private market to produce housing in this price range. Most will need to come from the existing market when individuals move to other product types that free up homes in this price range. Others can be produced through assistance programs like Habitat for Humanity or through a filter effect created by the production of move-up housing.
- Low Market to High Market.** The private market has successfully produced market rate housing, although not at the level needed. The development community should be encouraged to continue its work in market-rate housing development. These developments should be encouraged to employ innovative practices to create high-quality neighborhoods and new housing products.

Figure 4.1: Housing Demand Development Program

	By end of 2025	2026-2030	Through 2030
<b>Total Need</b>	575-600	1,100-1,200	1,700-1,800
<b>Total Owner Occupied (2023 Dollars)</b>	320-340	675-700	995-1,040
Affordable Low: <\$125,000	Accommodated in the existing housing stock		
Moderate: \$125,000-\$225,000	24%	24%	24%
Low Market: \$225,000-\$300,000	16%	16%	16%
Market: \$300,000-\$400,000	26%	26%	26%
High Market: Over \$400,000	35%	35%	35%
<b>Total Renter Occupied (2023 Dollars)</b>	250-275	450-475	700-750
Low: Less than \$500	Accommodated in the existing housing stock		
Attainable: \$500-\$1,000	34%	34%	34%
Market: \$1,000-\$1,500	40%	40%	40%
High Market: \$1,500+	26%	26%	26%

\*456 units were constructed or permitted from the beginning of 2020 through May of 2023  
 Numbers in the figure are provided in ranges based on the demand summary in Figure 3.2  
 Source: RDG Planning & Design

Figure 4.2: Development Program Target Unit Type

	Single-Unit	Small Lot Detached / Attached	Single-Unit Attached / townhomes	High-Density
<b>Typical Density</b>	<5 du/A	5-8 du/A	8-14 du/A	>12 du/A
<b>Ownership (2023 Dollars)</b>	Accommodated in the existing housing stock			
Affordable Low: <\$125,000	0%	40%	50%	10%
Moderate: \$125,000-\$225,000	10%	40%	40%	10%
Moderate Market: \$225,000-\$300,000	60%	20%	15%	5%
Market: \$300,000-\$400,000	75%	10%	10%	5%
High Market: Over \$400,000				
<b>Rental (2023 Dollars)</b>	A general target is one affordable unit for every three to four market rate units provided			
Low: Less than \$500	N/A	10%	10%	80%
Affordable: \$500-\$1,000	N/A	20%	30%	50%
Market: \$1,000-\$1,500	N/A	40%	30%	30%
High Market: \$1,500+				

Source: RDG Planning & Design

## UNIT TYPE MIX

Figure 4.2 displays a model that distributes the forecast unit demand by types of buildings and density ranges under the development program. It builds on recommendations of the Comprehensive Plan about promoting housing diversity. It will be helpful for more detailed land use planning to guide area developers.

Note that higher-density housing can produce lower unit costs, but these settings do not necessarily result in lower prices. Frequently, townhome or villa developments with very high-quality materials, finishes, and other luxury features produce housing products that can be relatively expensive. Maintenance services provided in these luxury projects also increase the monthly cost of housing.



# USING THE DEVELOPMENT PROGRAM

In an ideal housing market, the supply and demand for housing units would naturally adjust over time to reach a balance where the supply of housing generally meets the demand for housing. Higher demand often triggers the market to supply more housing as builders and developers recognize profits to be made. Procedural challenges, cost barriers, and inefficiencies in the local market lead to an unbalanced market. Several principles help form the housing directions to overcome these challenges and stimulate development that builds on existing opportunities.

- 1. Production should be guided to generate a gradual shift that incrementally overcomes the needs of the current market through 2030.**
- 2. The low- and medium-income markets will require intervention from the public and not-for-profit sectors to supply adequate housing.**
- 3. Production should create availability and movement in the housing market that enables residents to enter O'Fallon's housing market, move up to appropriate options through their life cycle, and then transition to age related options when desired.**
- 4. More parties, along with the city, should be brought to the table to craft solutions.** The Chamber, banks, and employers, among others, all have a vested stake in the housing market and need to be involved in policy and incentive programs.
- 5. O'Fallon must not neglect existing assets as emphasized in the Comprehensive Plan and other efforts like the housing condition inventory and residential design guidelines.** The housing stock is its largest single capital investment. Residents generally form their image of a community on the quality of neighborhoods and the housing in the community. Property maintenance standards need to consider homeowner wages to target revitalization and rehabilitation in specific areas.
- 6. Public education should seek to align the perceptions of homeowners/ landlords and prospective residents with reality.** For example, the costs of rehabilitation versus new construction.



**APPENDIX IV**  
**ZONING REVIEW**

# ZONING RECOMMENDATIONS

## INTRODUCTION

Zoning is a regulatory tool that directs what uses are allowed on a property. Examples of such uses include agricultural, industrial, commercial business, office, and residential, among others. By identifying zoning districts, the city aims to prevent potential conflicts between incompatible uses, mitigate traffic issues, eliminate safety hazards, and prevent declining property values. Zoning ordinances also outline requirements for buildings including density, placement on a site through setback requirements, parking requirements, landscaping, signage, and other elements. The City of O'Fallon is divided into thirteen zoning districts.

Communities often adopt Overlay Zoning Districts to apply an additional layer of standards to a defined boundary area. In O'Fallon, an Airport Overlay District was adopted in 2011 to further regulate uses in the flight path of Scott Air Force Base. The Airport Overlay District is comprised of four subarea districts that establish different levels of restrictions based on airport boundary areas of influence, safety areas based on hazard zones and structure height regulations, and noise contours. Two of these subareas impact the Highway 50 project area as delineated on Map IV.

## Airport Overlay 1: AO-1

Any development applications on properties that fall in the AO-1 District require consultation with the Air Force. Additionally, all properties in the overlay must have a dedicated navigation easement to convey a clear right to maintain flight operations. The easement shall be recorded with the deed and shall run in perpetuity with the land. Lastly, lighting standards are in place for safety.

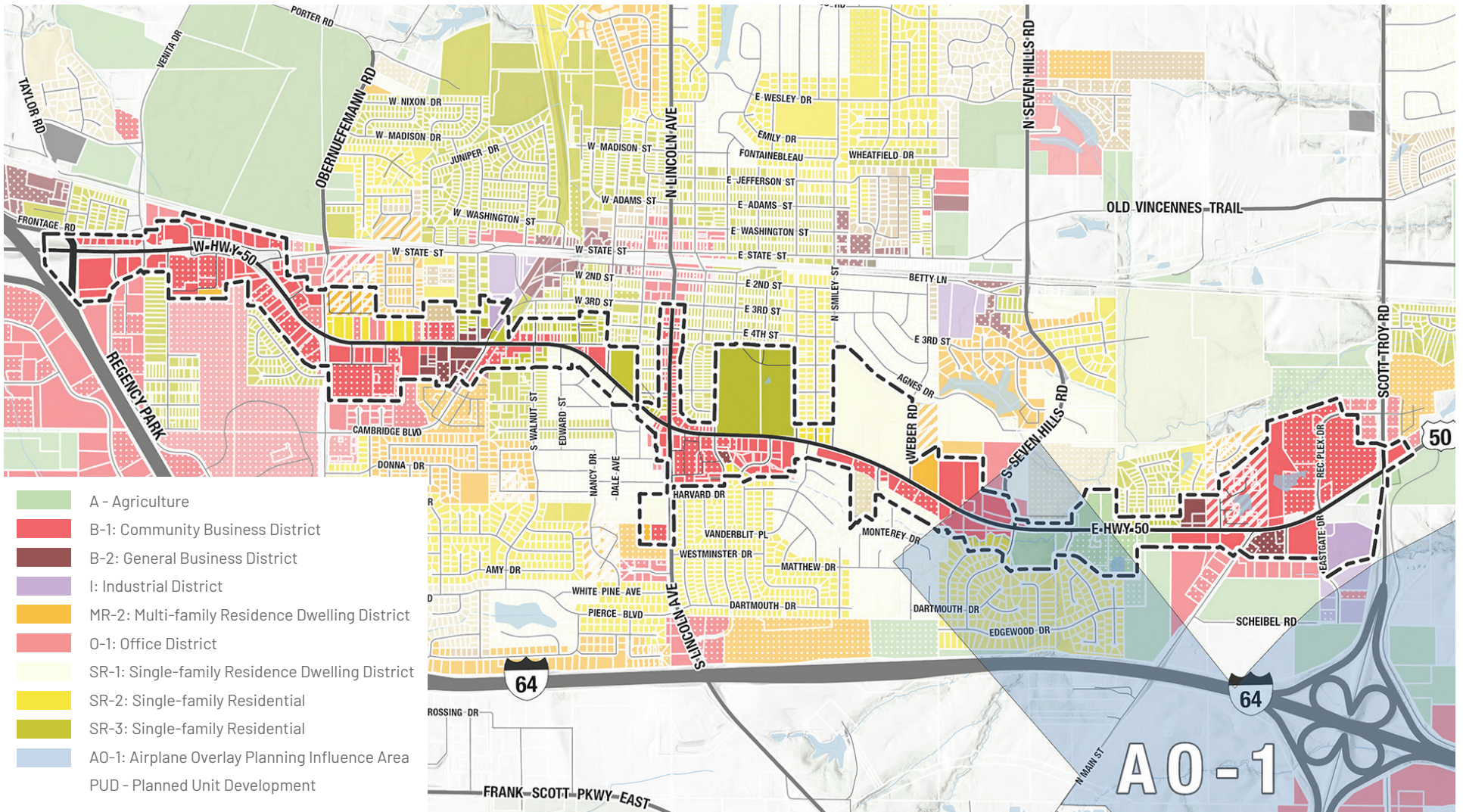
## Accident Potential Zone 2: APZ-2

The Accident Potential Zone 2 (APZ-2) boundary follows the same boundary as AO-1. The intent of this zone is to protect the public in case of an accident by limiting development and density within the zone. APZ-2 also prohibits uses that could cause or compound an accident. In APZ-2, single family houses are limited to one dwelling per acre. Multi-family houses such as duplexes and apartments are prohibited, as are lodging quarters such as hotels and assembly uses such as churches, nursing homes, schools, restaurants, and daycare facilities. Gas stations are also prohibited.

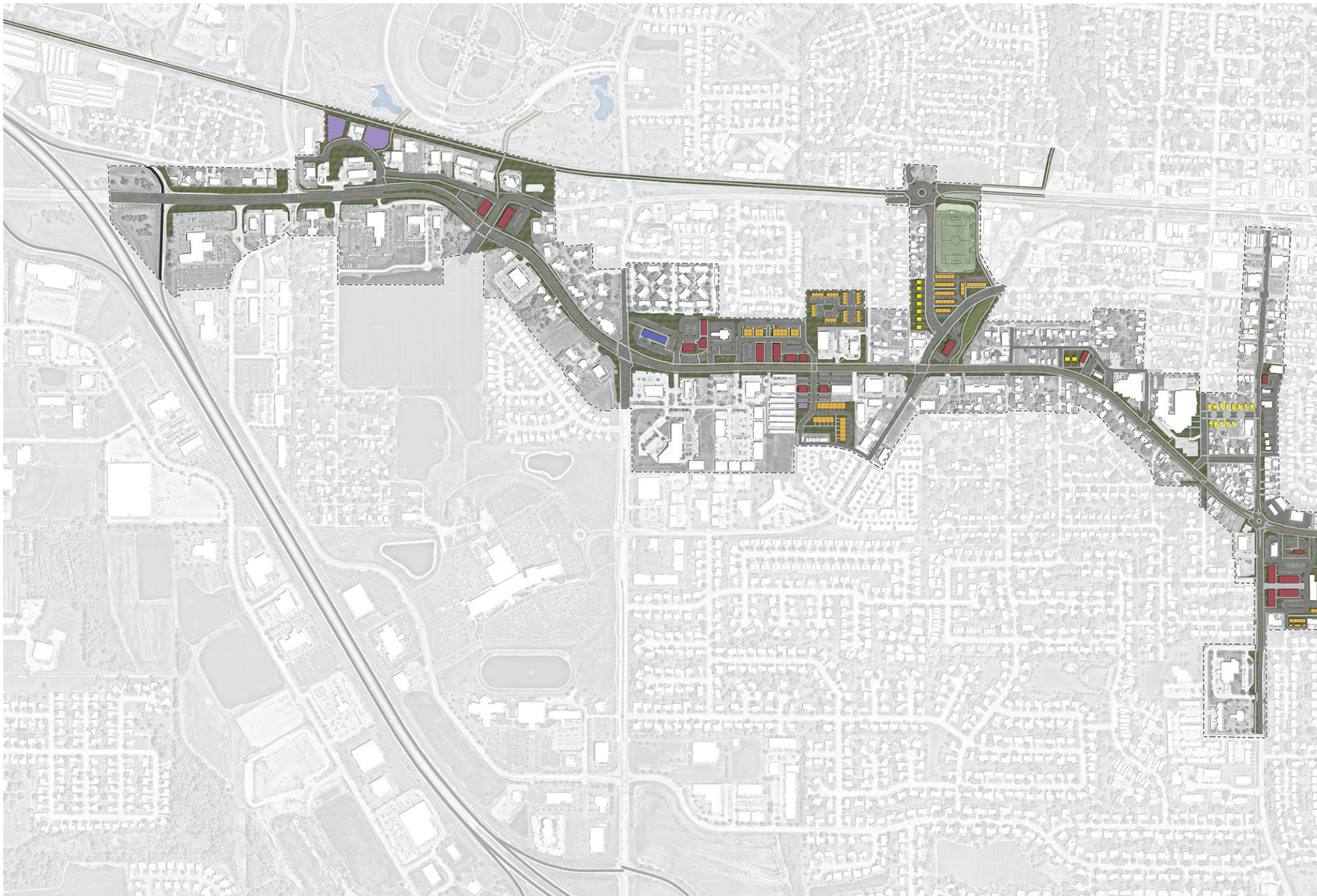
The structures that currently lie within the Airport Overlay District were constructed prior to the ordinance's adoption in 2011. Moving forward, the overlay significantly impacts development opportunities of open space, or redevelopment of commercial space, along the corridor.



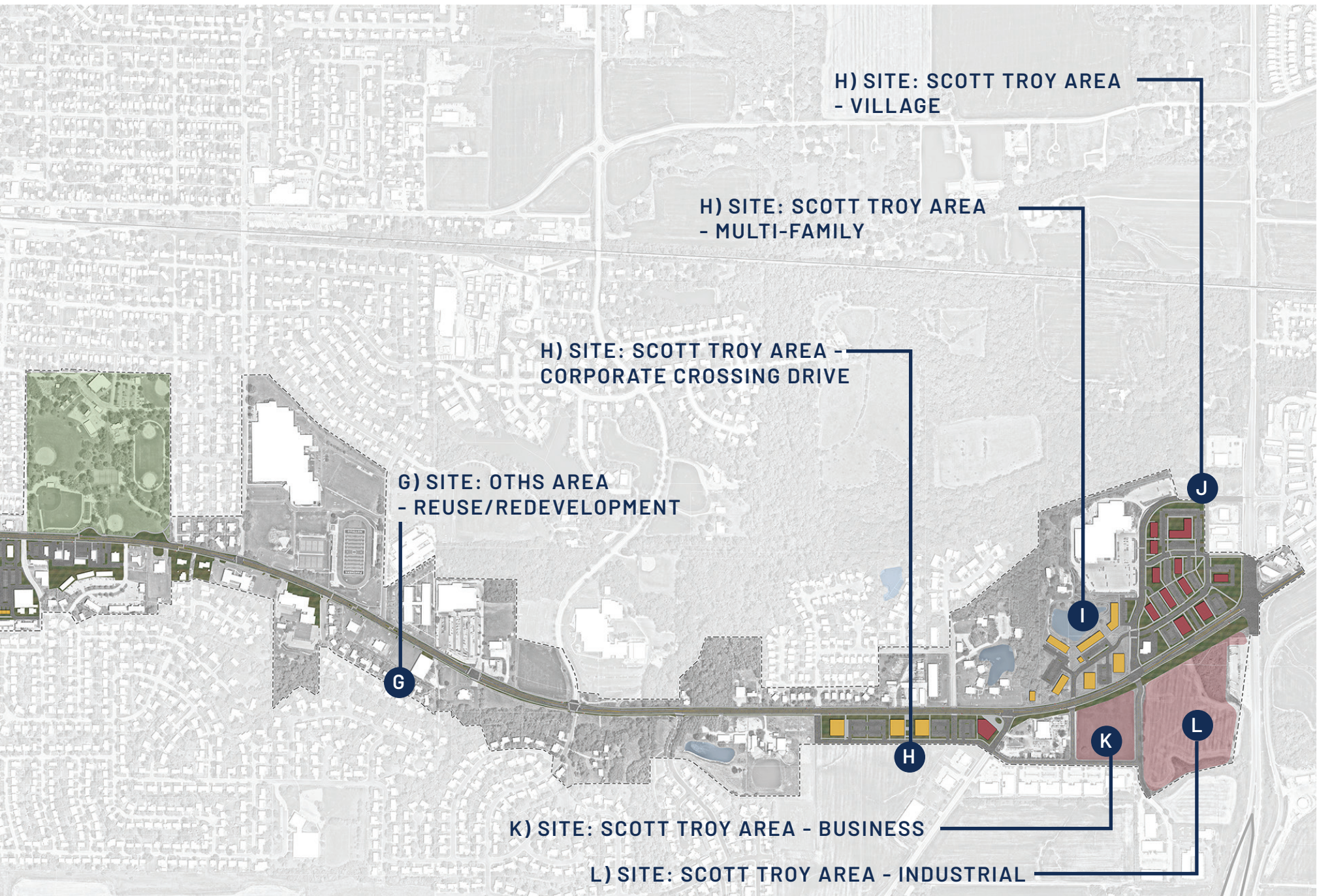
Appendix IV.1: Existing Zoning Map, 2023











H) SITE: SCOTT TROY AREA  
- VILLAGE

H) SITE: SCOTT TROY AREA  
- MULTI-FAMILY

H) SITE: SCOTT TROY AREA -  
CORPORATE CROSSING DRIVE

G) SITE: OTHS AREA  
- REUSE/REDEVELOPMENT

G

J

I

H

K

L

K) SITE: SCOTT TROY AREA - BUSINESS

L) SITE: SCOTT TROY AREA - INDUSTRIAL



## A) STATE STREET AREA

Concept vision – Office and services

- **Current zoning – B-1: Community Business District**
- **Current use – Vacant**
- **Future Land Use – Regional Commercial**
  - *Uses: Regional retail, Restaurant, Hotel/Conference Center, Entertainment/Recreational facilities, Office (ancillary), Apartments.*
  - *Intensity: Max for Office is 0.75; Commercial FAR 2; Downtown FAR 1-2.*
  - *Associated zoning: B-1, MR-2*
- **Limitations**
  - *FAR 2:1 could present challenges for fitting multi-story structures on the site.*

## B) GREEN MOUNT AREA

Concept vision – Commercial

- **Current zoning – SR-2: Single-Family Residence Dwelling District and O-1(P): Planned Office District**
- **Current use – Single-family homes**
- **Future Land Use – General Commercial**
  - *Uses: Community retail, Personal, professional, and business services, Public/institutional uses, Office (ancillary), Apartments*
  - *Intensity: Max for Office is 0.75; Commercial FAR 2; Downtown FAR 1-2.*
  - *Associated zoning: B-1, B-2, MR-2*
- **Limitations**
  - *Rezoning is required to comply with the comprehensive plan. B-1 is likely the most appropriate zoning district.*

## C) GREEN MOUNT AREA

Concept vision – Commercial or mixed-use in front, multi-family in rear

- **Current zoning – SR-2: Single-Family Residence Dwelling District and O-1(P): Planned Office District**
- **Current use – Vacant and residential**
- **Future Land Use – Office/Service**
  - *Uses: Professional Office, General Business Office & Ancillary uses, Light Retail, Office Park*
  - *Intensity: Max for Office FAR 0.75, Commercial FAR 2, Downtown FAR 1-2.*
  - *Associated zoning: O-1*
- **Limitations**
  - *Rezoning is required. Development proposals may need a future land use amendment to permit commercial non-office uses that are more intense than light retail.*
  - *Allowing multi-family in the rear may require a special use exception to avoid a lot or zoning split.*
  - *Mixed-use needs to be easier to do. See general code notes.*

## D) GREEN MOUNT AREA

Concept vision – Townhomes (18 units)

- **Current zoning – B-2(P): Planned General Business District, B-2: General Business District, and B-1: Community Business District**
- **Current use – Warehousing and storage**
- **Future land use – General Commercial**
  - *Uses: Community retail, Personal, professional, and business services, Public/institutional uses, Office (ancillary), Apartments*
  - *Intensity: Max for Office is 0.75; Commercial FAR 2; Downtown FAR 1-2.*
  - *Associated zoning: B-1, B-2, MR-2*
- **Limitations**
  - *The future land use map likely needs to be amended depending on the density of a housing proposal.*
  - *A rezoning is required to allow dwellings in B-2 districts.*

## E) 3RD STREET AREA

Concept vision – Townhomes and single-family

- **Current zoning – I: Industrial and SR-3: Single-Family Residence Dwelling District**
- **Current use – Industrial, concrete mixing pre-cast**
- **Future land use – General Commercial**
  - *Uses: Community retail, Personal, professional, and business services, Public/institutional uses, Office (ancillary), Apartments*
  - *Intensity: Max for Office is 0.75; Commercial FAR 2; Downtown FAR 1-2.*
  - *Associated zoning: B-1, B-2, MR-2*
- **Limitations**
  - *Rezoning of Industrial required.*
  - *Depending on the proposed housing proposal, future land use map changes might be needed. Generally, townhomes do not seem to be what's envisioned for the site.*

## F) 50 & LINCOLN AREA – SOUTHVIEW

Concept vision – Mixed-use with townhomes

- **Current zoning – B-1: Community Business District**
- **Current use – Vacant**
- **Future land use – General Commercial**
  - *Uses: Community retail, Personal, professional, and business services, Public/institutional uses, Office (ancillary), Apartments*
  - *Intensity: Max for Office is 0.75; Commercial FAR 2; Downtown FAR 1-2.*
  - *Associated zoning: B-1, B-2, MR-2*
- **Limitations**
  - *A future land use map change might be needed depending on the density of the housing proposal. Generally, townhomes do not seem to be what's envisioned.*
  - *Mixed-use limitations. See general code notes.*

## G) OTHS AREA

Concept vision – Reuse or redevelopment

- **Current zoning – B-1(P) and AO-2 on the southeast portion**
- **Current use – Vacant commercial buildings, parking lot**
- **Future land use – Office/Service**
  - *Uses: Professional Office, General Business Office & Ancillary uses, Light Retail, Office Park*
  - *Intensity: Max for Office FAR 0.75, Commercial FAR 2, Downtown FAR 1-2.*
  - *Associated zoning: O-1*
- **Limitations**
  - *Rezoning is required to amend the B-1(P) site plan.*
  - *Airport Overlay District approval by Scott Air Force Base required.*
  - *The following uses are not permitted:*
    - » *Single-family residential density less than one dwelling unit per acre.*
    - » *Manufacturing or above-ground bulk storage of flammable liquids, gases or other explosive materials.*
    - » *No use that emits smoke, steam, dust, gases or*

*projectiles of any type that may interfere with safe aircraft operation.*

- » *Higher density housing. This includes multi-family housing, attached single-family housing, short- and long-term hotels, lodgings, campsites, RV parks, mobile home parks, group homes or dormitories.*
- » *Places of large assemblies. Places where the mobility-challenged and youth regularly assemble. These include hospitals, in-patient clinics, nursing homes, child care centers, schools, movie theaters and auditoriums, churches and places of worship or meditation, sports arenas, restaurants and other places of assembly.*
- *Bulk standards limited for the AO-2 district.*
  - » *The maximum gross acreage for all non-residential buildings on any single lot is 20%.*
  - » *Height restrictions might apply at the southeast part of the concept site.*
  - » *And various other limitations listed in the zoning code, 158.367.*



## H) SCOTT TROY ROAD AREA - CORPORATE CROSSING DR.

Concept vision – Commercial office and small box

- **Current zoning – A: Agricultural District and B-1: Community Business District**
- **Current use – Agriculture**
- **Future land use –**
  - Office/Service (west)
  - Uses: Professional Office, General Business Office & Ancillary uses, Light Retail, Office Park
  - Intensity: Max for Office FAR 0.75, Commercial FAR 2, Downtown FAR 1-2.
  - Associated zoning: O-1
  - General Commercial (east)
  - Uses: Community retail, Personal, professional, and business services, Public/institutional uses, Office (ancillary), Apartments
  - Intensity: Max for Office is 0.75; Commercial FAR 2; Downtown FAR 1-2.
  - Associated zoning: B-1, B-2, MR-2
- **Limitations**
  - Rezoning of Agricultural to B-1 appropriate.
  - Possible change to future land use map portion in Office/Service district, depending on the commercial use proposed and desired.

## I) SCOTT TROY ROAD AREA

Concept vision – Multi-family, 3-stories

- **Current zoning – B-1: Community Business District and B-1(P): Planned Community Business District**
- **Current use – Vacant**
- **Future land use – Regional Commercial**
  - Uses: Regional retail, Restaurant, Hotel/Conference Center, Entertainment/Recreational facilities, Office (ancillary), Apartments.
  - Intensity: Max for Office is 0.75; Commercial FAR 2; Downtown FAR 1-2.
  - Associated zoning: B-1, MR-2
- **Limitations**
  - Rezoning is required to amend the B-1(P) site plan.
  - A future land use amendment is needed to a lower intensity district that allows high-density residential.

## J) SCOTT TROY ROAD AREA

Concept vision – Commercial village, hotel

- **Current zoning – B-1(P): Planned Community Business District**
- **Current use – Vacant**
- **Future land use – Regional Commercial**
  - Uses: Regional retail, Restaurant, Hotel/Conference Center, Entertainment/Recreational facilities, Office (ancillary), Apartments.
  - Intensity: Max for Office is 0.75; Commercial FAR 2; Downtown FAR 1-2.
  - Associated zoning: B-1, MR-2
- **Limitations**
  - Rezoning is required to amend the B-1(P) site plan.

## K) SCOTT TROY ROAD AREA

Concept vision – Commercial Flex Space: warehouse space, offices, and retailers

- **Current zoning – B-1: Community Business District**
- **Current use – Agriculture**
- **Future land use – Regional Commercial**
  - *Uses: Regional retail, Restaurant, Hotel/Conference Center, Entertainment/Recreational facilities, Office (ancillary), Apartments.*
  - *Intensity: Max for Office is 0.75; Commercial FAR 2; Downtown FAR 1-2.*
  - *Associated zoning: B-1, MR-2*
- **Limitations**
  - *Rezoning to a higher intensity commercial zoning district would be needed for warehouse spaces.*

## L) SCOTT TROY ROAD AREA

Concept vision – Commercial Flex Space: warehouse space, offices, and retailers

- **Current zoning – I: Industrial District**
- **Current use – Agriculture**
- **Future land use – Regional Commercial**
  - *Uses: Regional retail, Restaurant, Hotel/Conference Center, Entertainment/Recreational facilities, Office (ancillary), Apartments.*
  - *Intensity: Max for Office is 0.75; Commercial FAR 2; Downtown FAR 1-2.*
  - *Associated zoning: B-1, MR-2*
- **Limitations**
  - *Rezoning to a commercial zoning district is preferred.*

## OTHER MUNICIPAL CODE CONSIDERATIONS

### B-1 District

- **Outdoor eating areas limited to a maximum of 15.**

### Mixed-uses

- **Mixed-use does not appear to be a permitted use by right.** Dwelling are explicitly prohibited in the B-2 district and permitted by special use in the B-1 district.
  - *Where allowed as a special use in the B-1 district, they have to have a yard area of at least 120 square feet minimum per each residence dwelling, the yard area shall be provided and maintained in addition to any off-street parking area required for the dwelling and in addition to the lot area required for the non-dwelling use. This requirement could create challenges for making mixed-use development work on smaller sites.*

### Planned Uses

- **Situations that require planned development zones create longer processes, more steps, and more subjectivity.** Planned zoning is required anytime:
  - *Changing a residential to a non-residential use*

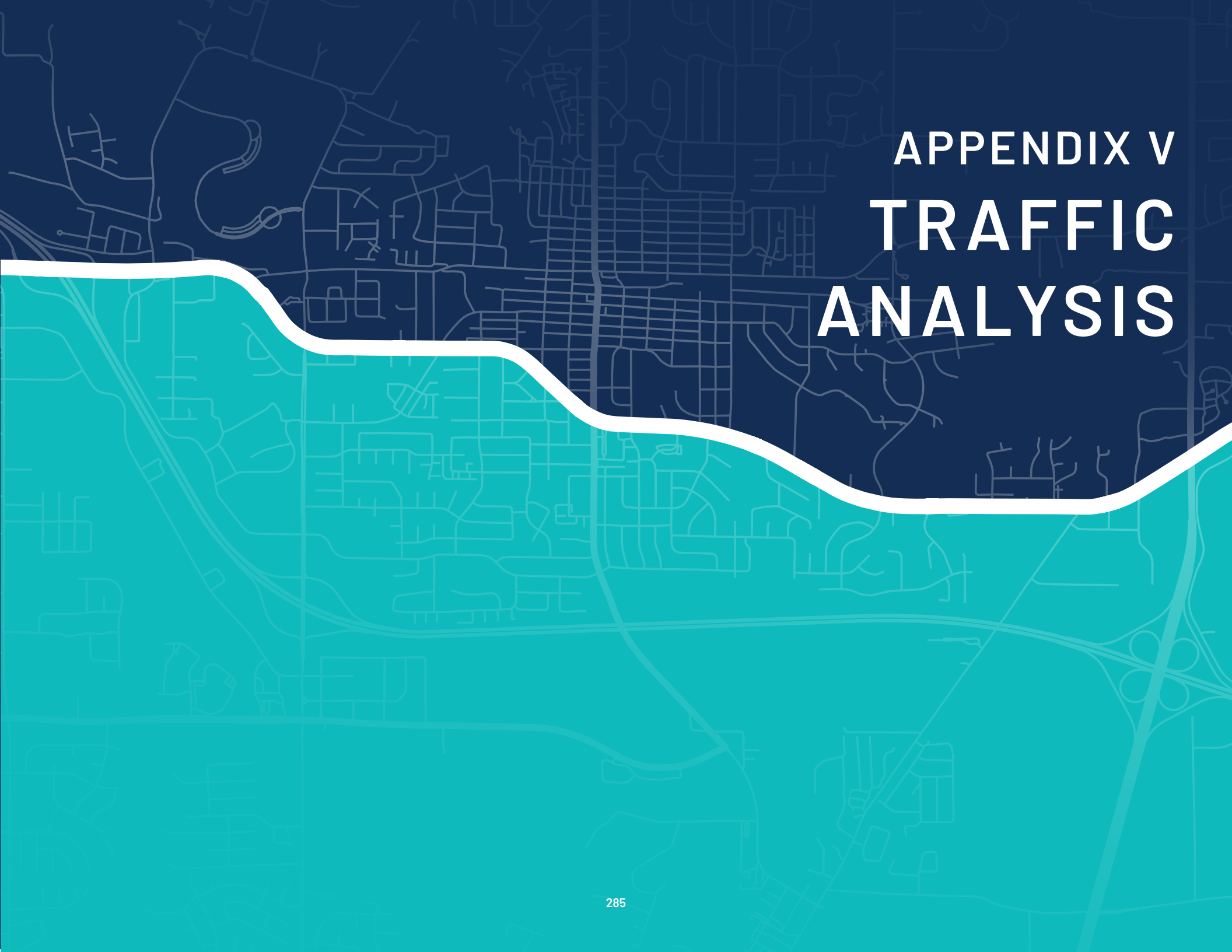
- *When adjacent to or within 250 feet of residential, public assembly*
- *A new structure of 20,000 square feet or more*
- *Two or more buildings are proposed on one lot*
- *Changing uses to a variety of different uses such as:*
  - » *Larger restaurants*
  - » *Hotels*
  - » *Apartment buildings*
  - » *Modular building structures in the SR-3 district*

### Parking

- **Minimum parking requirements can generally be reduced for multi-family and commercial uses. The following are candidates for lowering minimum off-street parking requirements by right.**
  - *Multi-family – 2 per dwelling unit*
  - *General offices – 4 per 1,000 square feet of gross floor area*
  - *Restaurant – 9 per 1,000 square feet of gross floor area*
  - *Retail – 4 per 1,000 square feet of gross floor area*





The background features a stylized map of a city street grid in light blue and white. A prominent white wavy line runs horizontally across the middle of the page, separating the dark blue upper section from the teal lower section. The text is positioned in the upper right quadrant.

# APPENDIX V TRAFFIC ANALYSIS

## STATE STREET

Elimination of the right turn acceleration lane at State Street and Highway 50.

The intersection of Highway 50 and State Street was analyzed based on peak hour traffic counts that were collected. The following table shows the performance for the stopped movements, westbound lefts on State Street and left turns from SB Highway 50. The delays for westbound left turns are high, operating at LOS F during the PM peak period. Based on the counts that were collected this movement is very low, likely due to the difficulty of making a left turn during the peak periods.

The proposed layout for the intersection assumes a 4th leg, signalization, and elimination of westbound (WB) right turn acceleration lane. The following table shows that the intersection should operate at LOS A/B during the peak hours will reasonable queues.

		Existing								
		AM			Midday			PM		
		Delay	LOS	Q	Delay	LOS	Q	Delay	LOS	Q
US 50 & State	WB State	39.8	E	5	49.2	E	7	216.7	F	15
	NB HWY 50									
	SB HWY 50 (left)	9.6	A	23	10.2	B	33	13.5	B	88

		Proposed								
		AM			Midday			PM		
		Delay	LOS	Q	Delay	LOS	Q	Delay	LOS	Q
US 50 & Green Mount	WB State	39.8	E	5	49.2	E	7	216.7	F	15
	NB HWY 50									
	SB HWY 50 (left)	9.6	A	23	10.2	B	33	13.5	B	88

Source: CMT, August 2023

\*Delay in seconds

\*Q is the number of passing vehicles at the specified locaiton and time.

## GREEN MOUNT ROAD INTERSECTION

The addition of another westbound thru lane at Green Mount Road and Highway 50.

The intersection of Highway 50 and Green Mount Road was analyzed based on peak hour traffic counts that were collected. The following table shows the performance for each approach and the overall intersection. Overall the intersection operates relatively well, but with the single lane on the westbound approach the queues are estimated to be longer, exceeding 400 feet during each peak hour. These results assume optimized signal timing and may be slightly more optimistic than actual operations.

The proposed layout for the intersection assumes an additional westbound lane is constructed. The following table shows that the intersection should operate at LOS B/C during the peak hours with more reasonable queues.

		Existing								
		AM			Midday			PM		
		Delay	LOS	Q	Delay	LOS	Q	Delay	LOS	Q
US 50 & Green Mount	EB HWY 50	20.8	C	162	21.6	C	183	31.9	C	215
	WB HWY 50	22.5	C	409	26.0	C	424	26.6	C	450
	NB Green Mnt	16.6	B	94	20.0	C	162	13.1	B	251
	SB Green Mnt	23.8	C	159	26.1	C	165	28.6	C	178
	Overall	21.2	C		23.2	C		26.1	C	

		Proposed								
		AM			Midday			PM		
		Delay	LOS	Q	Delay	LOS	Q	Delay	LOS	Q
US 50 & Green Mount	EB HWY 50	22.6	C	163	23.3	C	182	24.7	C	204
	WB HWY 50	16.5	B	144	16.9	B	148	18.7	B	151
	NB Green Mnt	14.6	B	88	16.9	B	148	20.0	C	214
	SB Green Mnt	21.3	C	148	22.7	C	151	23.2	C	154
	Overall	19.0	B		19.8	B		21.6	C	

		OPTION - Convert EB Thru Lane to Right Turn Lane								
		AM			Midday			PM		
		Delay	LOS	Q	Delay	LOS	Q	Delay	LOS	Q
US 50 & Green Mount	EB HWY 50	29.1	C	359	34.7	C	407	32.7	C	430
	WB HWY 50	25.2	C	418	26.0	C	435	31.4	C	450
	NB Green Mnt	14.9	B	88	17.6	B	149	23.6	C	250
	SB Green Mnt	21.5	C	148	22.9	C	151	24.8	C	157
	Overall	24.0	C		26.3	C		28.7	C	

Source: CMT, August 2023

\*Delay in seconds

\*Q is the number of passing vehicles at the specified location and time.



## LINCOLN AVENUE

Conversion of the intersection of Lincoln and Highway 50 to a roundabout.

The intersection of Highway 50 and Lincoln Avenue was analyzed based on peak hour traffic counts that were collected while school was in session. The initial counts conducted in the Spring were during finals at the high school, so it was recounted in the fall.

The following table shows the performance for each approach and the overall intersection.

The intersection operates with relatively high delays, especially in the evening peak hour. These results assume optimized signal timing and may be slightly more optimistic than actual operations.

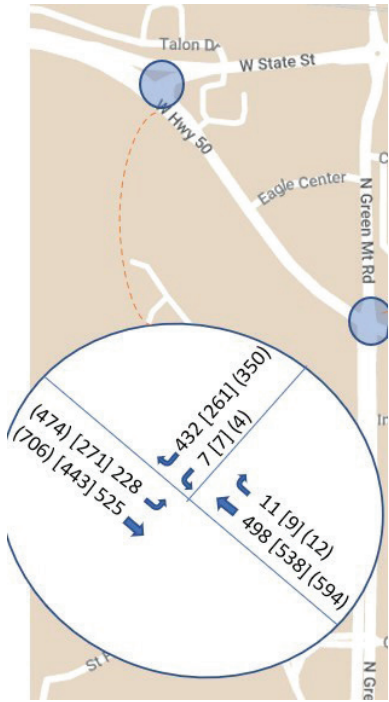
		Existing								
		AM			Midday			PM		
		Delay	LOS	Q	Delay	LOS	Q	Delay	LOS	Q
US 50 & Lincoln	EB HWY 50	44.3	D	325	33.1	C	409	56.9	E	564
	WB HWY 50	35.6	D	317	23.5	C	270	33.7	C	335
	NB Lincoln	23.8	C	216	43.6	D	348	69.9	E	482
	SB Lincoln	25.0	C	172	33.2	C	152	37.7	D	217
	Overall	32.4	C		32.9	C		51.0	D	

		Proposed								
		AM			Midday			PM		
		Delay	LOS	Q	Delay	LOS	Q	Delay	LOS	Q
US 50 & Lincoln	EB HWY 50	10.1	B	112	10.5	B	149	20.1	C	342
	WB HWY 50	9.6	A	159	11.8	B	206	21.8	C	337
	NB Lincoln	7.9	A	64	8.5	A	82	11.1	B	158
	SB Lincoln	12.2	B	108	11.0	B	70	14.0	B	125
	Overall	9.8	A		10.5	B		17.0	C	

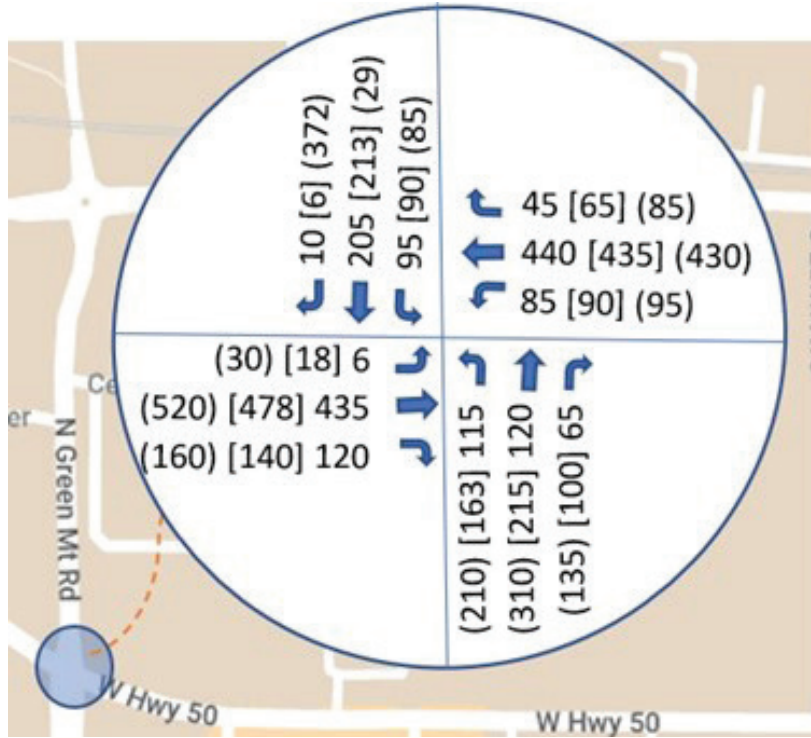
Source: CMT, August 2023

\*Delay in seconds

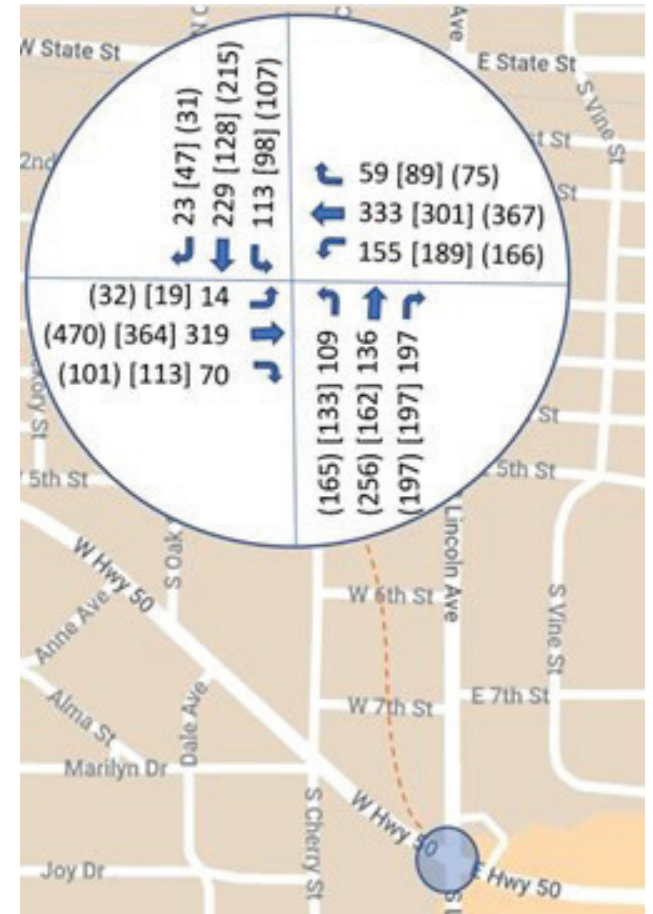
\*Q is the number of passing vehicles at the specified locaiton and time.



Appendix V.1: State Street and Highway 50 Traffic



Appendix V.2: Green Mount Road and Highway 50



Appendix V.3: Lincoln Avenue and Highway 50

For each of these intersections, further analysis will be needed during the design of the intersection and IDOT's Intersection Design Study (IDS) process especially for the analysis of projected traffic volumes. The intent of this analysis is to conduct a proof-of-concept and fatal flaw analysis.

## HIGHWAY 50 & LINCOLN AVENUE INTERSECTION

The crossroads of Highway 50 and Lincoln Avenue creates significant congestion along the Highway. Traffic counts were collected during the fall of 2023 while school was in session. Using these traffic counts, multiple alternatives were considered, including a roundabout, a do nothing treatment, and an offset conventional intersection. Several access points to adjacent developments increase conflict points for pedestrians, as well as congestion and safety concerns at the location. Additionally, the redevelopment of the Southview Plaza site, including the new planned Starbucks, reinforce the idea of this intersection as a key node in the 50 corridor. Lincoln Avenue serves as a critical connection to downtown and provides one of the only crossings north and south across Highway 50. In the current configuration, the intersection operates between a level of service C and D (LOS defines how well vehicle traffic flows along a road). In the proposed roundabout scenario, the LOS is between an A and C. The reduced congestion, coupled with the roundabout design feature, enhance this important node as a key gateway both along the 50 corridor and to downtown via Lincoln Avenue.



Aerial of Highway 50 and Lincoln Avenue



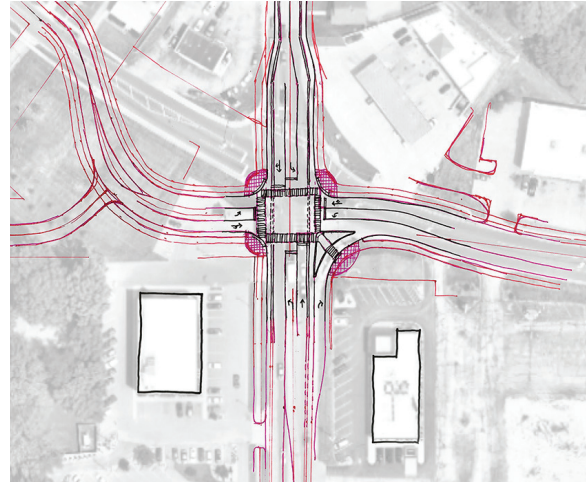
## HIGHWAY 50 & LINCOLN AVENUE DESIGN ALTERNATIVES



| Appendix V.4: No Change Concept

### No Change

- **Advantages.** Cost includes maintenance.
- **Disadvantages.** Continued traffic congestion and increased congestion with future growth. Does not feel like a place where people belong (skewed long crossings, access points close to intersection, no wayfinding).

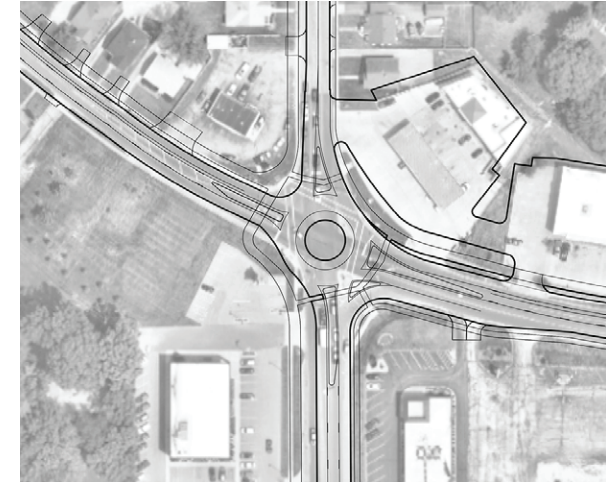


| Appendix V.5: Conventional Intersection Concept

### Conventional Intersection

- **Advantages.** Traditional intersection design that motorists/bikes/peds can navigate.
- **Disadvantages.** Cost includes major reconstruction and property acquisition. The traffic model for this scenario shows marginal improvement over today's configuration. Low return on investment (connectivity, improved congestion, etc.) for cost of improvements.

Outside of the initial design charrette this concept was not studied in detail. Given the high level of project cost, and low level of return on investment, there was very little interest in continuing to pursue this design as a feasible option.



| Appendix V.6: Roundabout Concept

### Roundabout

- **Advantages.** Traffic model for this scenario shows significant level of service improvement over today's configuration. Refuges for bikes/peds to cross the street, and the addition of shared use path. Access closure near intersection minimizes conflict zones for people on foot and bike on the new proposed shared use path. Gateway opportunity for enhanced wayfinding and sense of place. Shorter crossing distances.
- **Disadvantages.** Cost includes major reconstruction. Continuous traffic flow may make gaps for pedestrian and bike crossings harder. However, bikes/peds avoid this intersection in today's configuration and in the new configuration median islands can allow phased crossings.





**APPENDIX VI**  
**SOUTHVIEW**  
**PROFORMAS**



Several scenarios for development were considered for the future build-out of the Southview site. Understanding the potential market demand of the site can help determine the most viable development scenario and provide magnitude to future incentives that might be needed to drive redevelopment of the site.

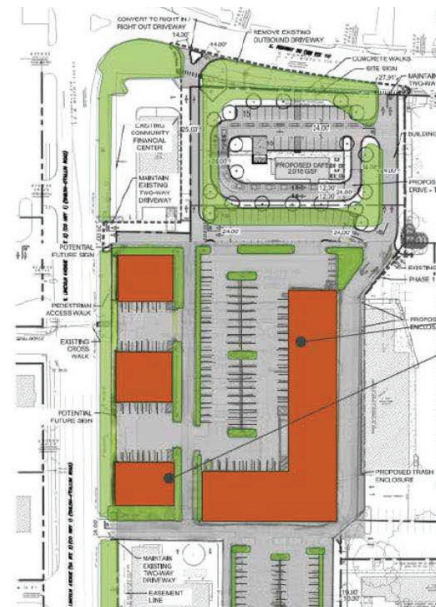
The retail market analysis in the appendix suggests that the most viable retail opportunities along the Highway 50 corridor include neighborhood-level businesses that customers visit on a regular basis for weekly essentials. Restaurants are also a potential option. The retail market analysis also notes, however, that retail development of the Southview Plaza Site would need to capture rents of at least \$30 per square foot to make new development financially feasible. To move commercial development forward, city incentives would be needed.

The housing market analysis reports that current population growth trends, combined with low vacancy rates and low turnover, indicate that multi-family housing will be a growing need in the

community. Constructing multi-family housing or mixed-use development on the Southview Plaza Site can reduce risk to a developer and financially bolster the development proforma.

The challenge for designing a concept that is somewhat favorable for the neighborhood and city was balancing an appropriate level of land use transition from the neighborhood to the typical commercial development patterns along Highway 50. Also, the challenge was presenting a scenario that could creep towards market reality in the future that can attain interest from developers who are taking on risk that does not align with market demand. Ultimately, any development other than multi-family will require significant public subsidy to support a commercial program that previously failed on the site.

Appendix VI.1: Concept 1



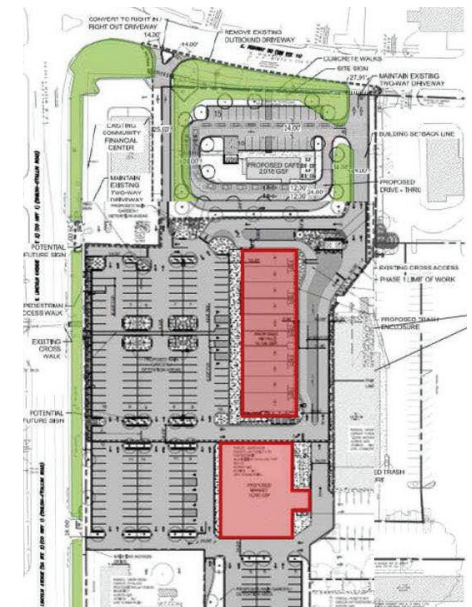
## OUTLOTS & STRIP

Three outlot buildings front Lincoln Avenue, with a single-story strip commercial center enclosing the parcel.

### Yield:

- Commercial: 44,400 SF
- Residential: None

Appendix VI.1: Concept 2



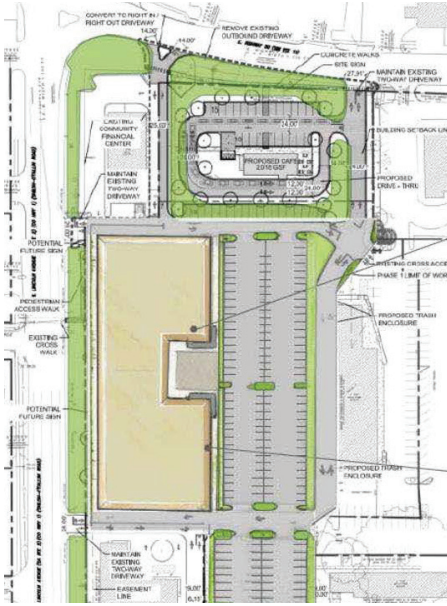
## SMALL BOX & STRIP

A small box store anchor alongside single-story strip commercial.

### Yield:

- Commercial: 28,050 SF
- Residential: None

Appendix VI.1: Concept 3



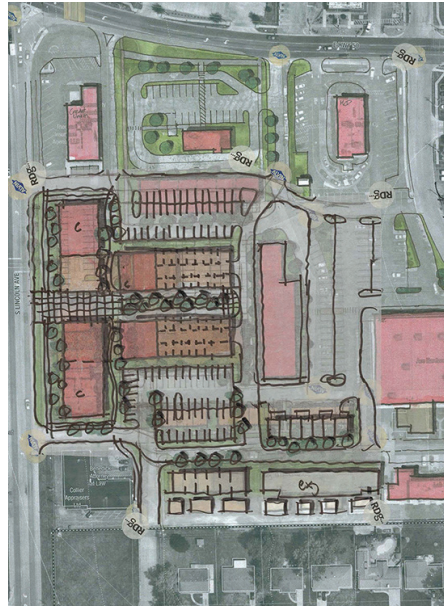
### LARGE MIXED-USE

A large, mixed-use building with first floor commercial space and two floors of apartment units above.

**Yield:**

- Commercial: 54,000 SF
- Residential: 112 units multi-family and no townhomes

Appendix VI.1: Concept 4



### MEDIUM MIXED-USE

Three-story mixed-use buildings face Lincoln Avenue. Interior buildings consists of three-stories with first-floor retail space and podium parking, with residential units above.

**Yield:**

- Commercial: 21,000 SF
- Residential: 96 units multi-family and 13 townhomes

Appendix VI.1: Concept 5



### HIGHER-DENSITY MULTI-FAMILY

A two-story mixed-use building is sited adjacent Starbucks. A four-story multi-family building with first-floor podium parking anchors the site. Mid-scale apartment buildings and townhomes round out the development.

**Yield:**

- Commercial: 12,000 SF
- Residential: 116 units multi-family and 16 townhomes

Appendix VI.1: Concept 6



### MEDIUM-DENSITY MULTI-FAMILY

A two-story mixed-use building is sited adjacent Starbucks. Mid-scale apartment buildings and townhomes round out the development.

**Yield:**

- Commercial: 12,000 SF
- Residential: 78 units multi-family and 16 townhomes

## PROFORMA EVALUATION

There are many factors that influence the financial proforma of a potential development. These are outlined as follows:

- **Land Aquisition Costs.**
- **Soft Costs: Architectural and engineering fees, permitting fees.**
- **Hard Costs: Construction costs of materials and labor, both above ground and below.**
- **Interest rates and financing costs.**
- **Market Demand: Existing supply of commercial and residential spaces, vacancy rates, and future demand based on projects that may already be in the development or construction stages.**
- **Market Rents: Current rents as well as projected rent growth.**
- **Holding costs: Costs of owning a property including taxes, insurance, and maintenance.**
- **Management fees: Expenses related to advertising and a property manager.**
- **Internal Rate of Return (IRR): Each developer and investor has their own tolerance for acceptable financial returns on a project, given the risk of development and potential returns if capital were invested elsewhere.**

These costs can fluctuate greatly, as recently experienced with the high cost of construction materials during the pandemic or after a natural disaster. Construction costs, compounded with rising interest rates, have put mixed-use and multifamily project on hold in communities everywhere. However, using this preliminary data, we can begin to understand how these projects might compare to one another financially. Understanding what types of development scenarios are more financially feasible can help inform the city to both the type of development that is preferred as well as the potential magnitude of incentives needed.



## SOUTHVIEW REDEVELOPMENT: PROFORMA ANALYSIS

	OUTLOTS & STRIP	SMALL BOX & STRIP	LARGE MIXED-USE	MEDIUM MIXED-USE	HIGHER-DENSITY MULTI-FAMILY	MEDIUM-DENSITY MULTI-FAMILY
<b>DEVELOPMENT YIELD:</b>						
Square Footage Commercial Space	44,400	22,000	54,000	21,000	12,000	12,000
Number of Residential Apartment Units	0	0	112	96	116	78
<b>DEVELOPMENT COSTS:</b>						
Land Acquisition	\$1,900,000	\$1,900,000	\$1,900,000	\$1,900,000	\$1,900,000	\$1,900,000
Hard Costs	\$13,684,000	\$9,339,000	\$40,172,000	\$30,327,000	\$36,432,000	\$31,581,000
Soft Costs	\$1,149,720	\$813,120	\$3,268,760	\$2,492,160	\$2,980,560	\$2,592,480
Total Development Costs	\$16,733,720	\$12,052,120	\$45,340,760	\$34,719,160	\$41,312,560	\$36,073,480

