



OFFICE OF THE CITY MANAGER



TO: Honorable Mayor and Members of the City Council
FROM: Patrick Urich, City Manager *Patrick Urich*
DATE: November 8, 2013
SUBJECT: Issues Update

The following are issues related to the City for the weekly Issues Update. If there are additional items you believe should be included, please let me know.

Introduction of the Peoria Police Department Resident Officer for the 3rd District

The Peoria Police Department is pleased to announce that the East Bluff Neighborhood Residential Officer residence is now complete. The house is located at 1839 N. Wisconsin and Officer Hightower will reside in the upper level apartment. Officer Hightower will conduct community meetings on the first floor where he will share office space with Krista Gamez, the Executive Director of the East Bluff Neighborhood Housing Services (www.EBNHS.com). Officer Cary Hightower started his new position on October 27, 2013. Please see the attached memo, map, and flyer regarding the new Resident Officer.

City of Peoria's 2013 United Way Campaign Results

The City of Peoria conducted its 2013 Heart of Illinois United Way Campaign during the week of October 31st through November 1st. This year's campaign included 51 new participants who helped to double the City's overall contribution from \$10,379 in 2012 to \$20,802 in 2013. The generosity of local establishments helped to encourage participation through a raffle of donated items including passes to attractions and gift certificates to restaurants. Several Departments exceed \$2,000 in contributions, and the Human Resources Department achieved 100% participation. Thank you to everyone who contributed to the success of the 2013 City of Peoria United Way Campaign!

Emergency Communications Center – Tuesday, November 5, 2013

Tuesday, November 5, 2013 was a very busy day for the staff of the Emergency Communications Center (ECC). Staff of the ECC processed over 1,000 telephone calls (incoming & outgoing) of which 225 were 9-1-1 calls.

At 11:36 am, OSF St Francis Medical Center reported a vehicle inside their parking deck that matched the vehicle that was sought in an abduction from Pekin. It was determined that a female was deceased in the vehicle.

Shortly after the vehicle was found, at 12:22 PM, Peoria Fire responded to a report of two structures on fire in the 2700 block of Malone.

At 1:04 PM, the suspect from the homicide was located at a house in the 700 block of NE Monroe. ECC Staff contacted area residents, schools and businesses to advise them to either lock down or avoid the area of the incident. The Code Red emergency notification system was used to warn residents. The special response team for Peoria Police was notified to respond.

At 3:09 PM the ECC was contacted about a non-custodial parental abduction that had occurred at a residence on NE Madison. The suspect who had taken the child was reportedly en route to Virginia. ECC Supervisor Jeanette Morse and Emergency Communications Telecommunicator Stacy Stear worked for hours to assist Peoria Police officers to locate the child. ECT Stear quickly entered the suspect's vehicle into the Law Enforcement Agencies Data System (LEADS) and the National Crime Information Center (NCIC). When it was determined that the suspect was en route to Virginia, additional resources were used to help locate the child. ECC Supervisor Morse and ECT Stear contacted AT&T, the provider for the suspect's wireless phone, and arranged for the phone to be "pinged" to determine the location. Using Google maps, paper road atlas maps and working with several out-of-state agencies, the suspect was stopped and arrested by police in Point Pleasant, West Virginia. The family called the ECC to thank staff for their assistance and the Peoria Police Department for all of their work that resulted in a successful outcome.

At 9:32 PM the homicide suspect shot himself and the incident in the 700 block of NE Monroe that had started at 1:04 PM ended.

Thank you to the staff of the ECC for their outstanding work during several high risk incidents that helped keep our Police Officers, Firefighters, EMS personnel and citizens safe.

Updated Downtown Housing Demand Study

Over the past few years, the City has worked with Tracy Cross, a nationally recognized housing analyst, to measure the strength of housing demand in downtown and the Warehouse District. The last report was delivered in early 2011. Working with the Tri-County Regional Planning Commission, the City engaged Tracy Cross to update that study. The results are attached.

Tracy Cross continues to believe there is considerable pent up demand for housing, especially rental housing, in downtown Peoria. From their report (emphasis theirs):

“It is our contention that Peoria has yet to fully serve its downtown employment base with adequate housing alternatives. In fact, the downtown area and its Warehouse District still have the potential to absorb 200+ new housing units annually for the next several years, *primarily in the form of rental apartments*. Not only has downtown Peoria’s rental market improved since our previous analysis, but no new apartment product has been introduced. In addition, although the “for sale” sector of the market (overall) is still performing poorly, downtown Peoria continues to be void of any new construction activity, with this sector also having modest potential over time.”

The chart below shows the improvement in the market since 2011:

	2011	2013	Change
Rental Price (per square foot)			
Loft Conversion	\$1.04	\$1.12	\$0.08
New Construction	\$1.11	\$1.22	\$0.11
Sale Price (per square foot)			
Condominiums	\$130.24	\$130.24	\$0.00
Row Homes	\$121.71	\$121.71	\$0.00
Annual Absorption			
Loft Conversion	102	108	6
New Construction	66	84	18
Condominiums	12	12	0
Row Homes	6	6	0
Total	186	210	24

Staff has begun distributing this report to interested parties and will incorporate the report into marketing materials. Please contact Chris Setti at (309) 494-8618 or csetti@peoriagov.org with questions.

**PEORIA POLICE DEPARTMENT
UNIFORMED OPERATIONS DIVISION
FIRST SHIFT PATROL**



TO: Captain Lisa M. Snow
FROM: Lieutenant Earnest McCall
SUBJECT: **Resident Officer Issue Update**
DATE: November 6, 2013

Introduction of the Peoria Police Department Resident Officer for the 3rd District

The Peoria Police Department is pleased to announce that the East Bluff Neighborhood Residential Officer residence is now complete. The house is located at 1839 N. Wisconsin and Officer Hightower will reside in the upper level apartment. Officer Hightower will conduct community meetings on the first floor where he will share office space with Krista Gamez, the Executive Director of the East Bluff Neighborhood Housing Services (www.EBNHS.com). Officer Cary Hightower started his new position on October 27, 2013

We celebrated this event with a Ribbon Cutting Ceremony on November 6th, at 11:00am. The ceremony took place at the Resident Officer's home, located at the corner of Wisconsin and Nebraska

Resident officer selected for 1839 N. Wisconsin Ave (3rd District)



Officer Cary Hightower

Officer Cary Hightower – Badge 920
Fifteen year veteran of the P.P.D
Former Street Crime Officer

Contact Info:
309-265-4807 (Cell)
309-265-4807 (Text)
chightower@peoriagov.org

Resident Officers Supervisors

Sgt. Douglas Hopwood, Badge # 914
Uniformed Operations Division/Neighborhood Services Unit

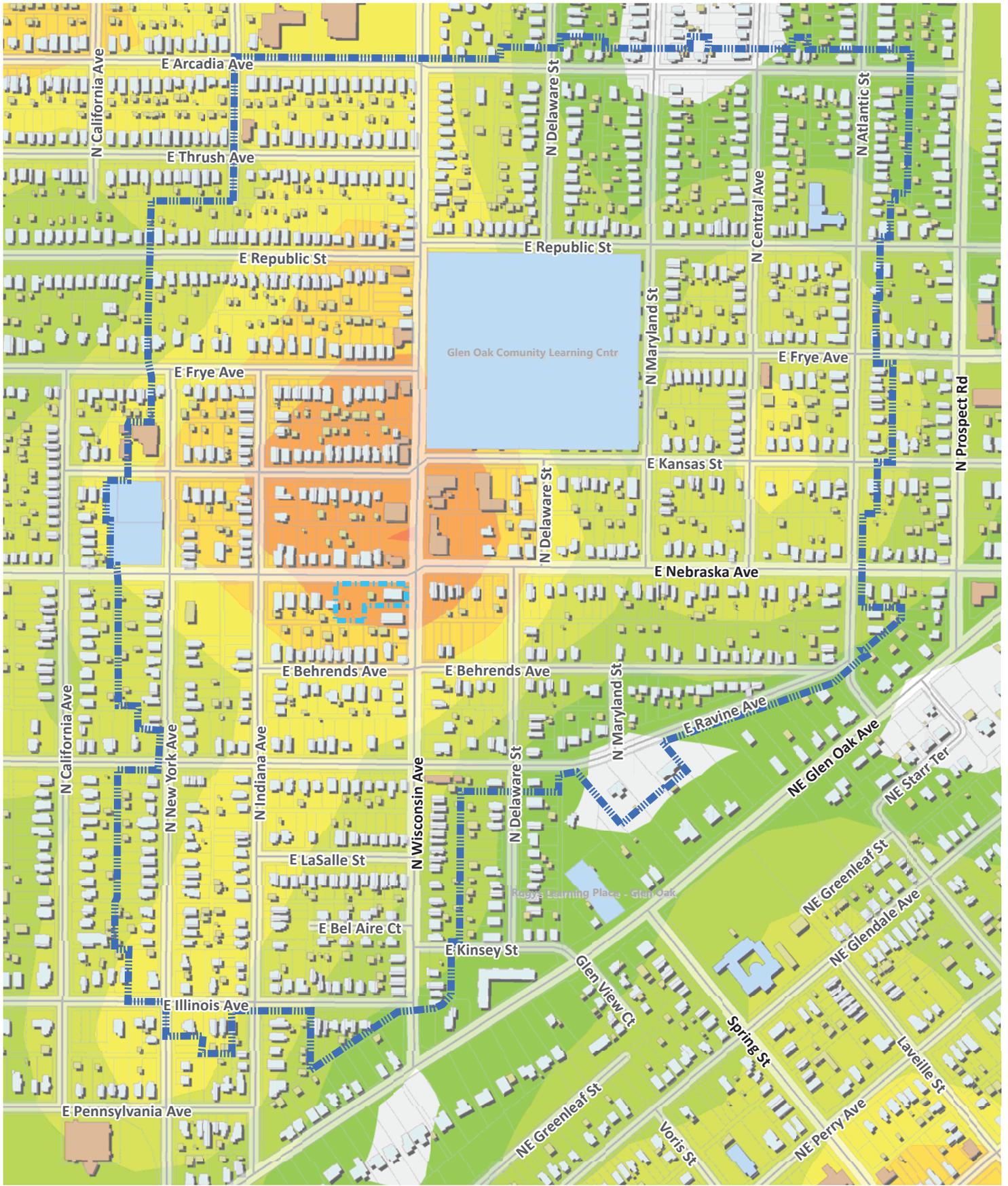
Contact info:
309-494-8201 (office)
dhopwood@peoriagov.org

Lt. Earnest McCall Jr., Badge #968
Uniformed Operations Division/Neighborhood Services Unit

Contact info:
309-303-9071 (Cell)
309-494-8226 (office)
emccall@peoriagov.org

Boundaries for 3rd District Resident officer:

See attachment.



ROP EAST BLUFF 5- CVC PERSON - 10/17/2012-10/16/2013

Query: [PERSON CRIMES CVC]
 Dates: 10/17/2012 - 10/16/2013



	ARMSTRONG	EAST BLUFF 5 (*)	EAST BLUFF 5
SQ FT	9,509,468	7,519,543	-21%
BUILDINGS	1,292	1,205	-7%
RESIDENCES	753	755	0%
POLICE DISPATCHES	1,632	2,281	40%
OFFENSES (CrimeView Community less Retail Theft)	278	352	27%

(*) EAST BLUFF 5

*New York (W) border, running N to - Republic, running E to Indiana
Indiana running N to Arcadia, East on Arcadia as (N) border
south on Atlantic as the (E) border
Ravine (SE) border, running SW to - Wisconsin S to - Illinois (S) border
back to New York*

**Resident Officer's
Supervisors'
Contact Information:**

**Sgt. Douglas Hopwood
Office—309-494-8201
Email—dhopwood@peoriagov.org**

**Lt. Earnest McCall
Office—309-494-8222
Cell—303-9071
Email—emccall@peoriagov.org**

**PEORIA POLICE DEPARTMENT
600 SW ADAMS**

**NON EMERGENCY NUMBER -
673-4521
EMERGENCY— 9-1-1**



**PEORIA POLICE DEPARTMENT
RESIDENT OFFICER PROGRAM**

**1839 N. WISCONSIN
UPPER APARTMENT**

*Apartment, graciously donated by
the Neighborhood Housing Services,
Inc.*

PURPOSE:

The purpose of the Resident Officer Program is to provide unique and individualized police service to citizens in an at-risk neighborhood by a Resident Police Officer who lives and works in the neighborhood. The Resident Officer will utilize necessary resources to improve the quality of life, enabling the citizens to take ownership of the neighborhood, build a mutual trust, and to foster the community self-sufficiency.

Contact Officer Hightower anytime you have a non-emergency call or concern in your neighborhood.

CALL 9-1-1 FOR ALL EMERGENCY CALLS!

Contact Information:

**Officer Cary Hightower
1839 N. Wisconsin-Upper Apt.**

Contact Information:

Cell Phone:

309-265-4807

Email:

chightower@peoriagov.org

GOALS & OBJECTIVES:

The ultimate goal for the Resident Officer is to empower and equip the neighborhood residents toward self sufficiency this will occur by:

- Working closely with residents to develop a mutual trust
- Organizing/participating in youth activities
- Serve as a mentor/role model
- Coordinate with City Departments, social agencies, and other organizations to solve problems



TRACY CROSS & ASSOCIATES, INC.

**RESIDENTIAL MARKET UPDATE
DOWNTOWN PEORIA, ILLINOIS**

TO: Mr. Kyle Smith
Tri-County Regional Planning Commission

Mr. Christopher Setti
City of Peoria

FROM: Mr. Erik A. Doersching
Tracy Cross & Associates, Inc.

SUBJECT: Residential Development Opportunities – *An Update*
Downtown Peoria, Illinois

DATE: November 7, 2013

At the request of the Tri-County Regional Planning Commission and the City of Peoria, Tracy Cross & Associates, Inc. *updated* its previous assessments regarding residential development potentials in the city of Peoria, Illinois. Specifically focusing upon urban-oriented opportunities in Peoria's downtown area, which also encompasses the city's Warehouse District, this *executive summary memorandum* provides details regarding the current state of Peoria's economy and its local housing market, and the relevant impact these forces have upon the conclusions and recommendations previously presented.

A Synopsis

Based upon a detailed evaluation of employment and building permit trends since our analysis dated January 2011, coupled with an updated assessment of competitive market conditions, the potential to develop new housing in downtown Peoria remains strong, particularly for rental apartments. This favorable conclusion is founded on the basis of the following key factors:

- Since our most recent market update, Peoria's economy has showed signs of modest improvement. After erasing 12,300 jobs from employment rosters during the 2008-2010 period, the five-county Peoria Metropolitan Statistical Area (MSA), which includes Marshall, Peoria, Stark, Tazewell, and Woodford counties, added 8,000 new workers from 2010 through 2012. During the first nine months of this year, however, employment growth has stalled with the loss of 2,300 workers reported since the same time period in 2012.
- Residential construction activity, as measured by building permit trends, is also showing signs of moderate improvement. After hitting a low of 470 total permits in 2011, some 727 authorizations occurred in 2012, equal to an increase of 54.7 percent. Additionally, preliminary figures for the first nine months of 2013 show residential activity up another 6.5 percent year-over-year.

- Most importantly, residential indicators in downtown Peoria are clearly signaling an underserved rental market. Since our last evaluation almost three years ago, the downtown area has yet to see any new apartment development. As such, the same four rental communities, containing only 161 total units, are represented downtown, all of which were constructed or completely renovated 10 or more years ago.
- At the same time, downtown Peoria is home to more than 20,000 employees, most of whom occupy positions within the two city hospitals, St. Francis Medical Center and Unity Point Health-Methodist, along with Caterpillar's world headquarters. For these workers, and others employed downtown, the availability of new rental housing within walking distance to their place of work is *almost non-existent*.
- Among the four rental communities located in the downtown area, which include Civic Center Plaza, Twin Towers, Le Vieux Carre, and The Lofts at Waterfront Place, the current vacancy rate stands at a *tight* 0.6 percent down from 1.2 percent 32 months ago. For perspective, a marketplace is generally considered balanced when vacancies range from 5.0 to 6.0 percent, which allows for filtering or movement within the marketplace. In fact, out of 161 units in the market, only one unit was available at the time of survey.



COMPOSITE RENTAL SUMMARY
DOWNTOWN PEORIA APARTMENT COMMUNITIES

Development	Product Type	Year Built	Total Units	Vacancies				Average Plan Size (Sq. Ft.)	Average Monthly Rent		
				January 2011		August 2013			January 2011	August 2013	Percent Change
				Number	Percent	Number	Percent				
Civic Center Plaza	Highrise Flats	1991 ⁽¹⁾	100	0	0.0	1	1.0	604	\$609	\$611	+0.3
Twin Towers	Highrise Flats	1985	20 ⁽²⁾	0	0.0	0	0.0	952	1,020	1,146	+12.4
Le Vieux Carre	Lofts	2003 ⁽¹⁾	18	0	0.0	0	0.0	1,200	1,200	1,200	0.0
The Lofts at Waterfront Place	Lofts	2004 ⁽¹⁾	23	2	8.7	0	0.0	787	1,000	1,055	+5.5
Total/Weighted Average:	---	---	161	2	1.2	1	0.6	737	\$778	\$803	+3.2

⁽¹⁾ Year in which units were renovated/remodeled.
⁽²⁾ Reflects the number of rental units available. Condominiums also available within this building.

Source: Tracy Cross & Associates, Inc.



- Rent levels among downtown Peoria apartment communities have increased by an average of 3.2 percent since our previous evaluation. The highest movement in rents occurred at Twin Towers where a 12.4 percent advance was recorded. Despite this over market increase, Twin Towers was 100 percent occupied.

- In the suburban apartment market, rental conditions can be considered close to balanced. Among 1,682 total apartments distributed among nine communities constructed since 1995, a vacancy rate of 4.5 percent is represented. However, in this sector of the market, rent levels increased by 7.9 percent since our previous analysis. Currently, the average *newer* apartment community in suburban Peoria supports a base lease rate of \$920 monthly for a residence containing 1,012 square feet of livable area. This translates to a value ratio of \$0.91 per square foot.

- At the larger-scale Prairie Lakes community in north Peoria, which is the only suburban development to construct new units since our previous report, 167 apartments were absorbed in 2011 and 2012, equal to an absorption rate of 7.0 per month. In addition, Prairie Lakes began pre-leasing another 46-unit building at the end of July 2013 and, at the close of August, had pre-leased 23 units.

- Demographically, the city of Peoria reported a total of 19,826 renter households as of April 2013. Among these, approximately 30.0 percent (5,948 renter households) will move on an annual basis. If just 50.0 percent of these mobile renter households remain in the rental sector each year, any new apartment development downtown would have an annual pool of more than 2,900 from which to draw, which does not include net new demand based upon renter household formation (previously estimated at 150+/- units annually in the downtown area). Currently, many existing renter households in the city of Peoria, and potentially elsewhere in the five-county metropolitan area, are disenfranchised by the lack of available rental options in the city's central core.

- Like the rental apartment market, no attached for sale communities have been developed in the Peoria downtown area since our previous analysis. In suburban Peoria, however, townhome/condominium/duplex programs just outside city center continue to experience rather lackluster sales volumes; although development sizes are relatively small in scale. Among six attached communities surveyed in suburban Peoria, the average program has generated just 0.2 sales monthly since 2011, a level equal to the 0.2 unit-per-month incremental pace recorded during the May 2008-January 2011 period.





**COMPOSITE FOR SALE SUMMARY
SUBURBAN PEORIA ATTACHED COMMUNITIES**

Development	Product Type	Total Units	Total Sold	Average Plan Size (Sq. Ft.)	Average Base Sales Price	Average Monthly Sales Rate (In Units)	
						Since January 2011 Report	Since Opening
Groves of Grand Prairie	Conventional Townhomes	8	4	1,792	\$199,900	0.2	0.2
Mallard Point	Flats	32	32	1,245	125,100	0.2	0.4
The Villas of Hampton Crossings	Duplexes	30	27	1,580	242,900	0.2	0.2
Weaver Ridge-Phase II	Townhomes & Flats	16	13	1,163	141,400	0.4	0.4
Duplexes at Williamsburg	Duplex	12	12	1,769	240,000	0.2	0.2
Townhomes at Williamsburg	Conventional Townhomes	33	24	1,475	130,000	0.2	0.3
Total/Average:	---	131	112	1,504	\$179,883	0.2	0.3

Source: Tracy Cross & Associates, Inc.

- At the same time, prices have been reduced slightly at several communities, indicative of a townhome/duplex/condominium market that is still struggling to recover from the deep *for sale* housing recession that started in 2008.

Conclusions

It is our contention that Peoria has yet to fully serve its downtown employment base with adequate housing alternatives. In fact, the downtown area and its Warehouse District still have the potential to absorb 200+ new housing units annually over the next several years, *primarily in the form of rental apartments*. Not only has downtown Peoria's rental market improved since our previous analysis, but no new apartment product has been introduced. In addition, although the "for sale" sector of the market (overall) is still performing poorly, downtown Peoria continues to be void of any new construction activity, with this sector also having modest potential over time.



In addition, there have been several important changes to downtown Peoria since our previous evaluation that, too, lend support to future residential development efforts. These include...

- ... the opening of the new Peoria Riverfront Museum and the Caterpillar Visitor Center;
- ... the initial wave of construction in transforming Washington Street to a more “pedestrian friendly” environment; and
- ... the opening of new restaurants/night spots such as the Amsterdam Pub and Tilly’s Martini Bar.

In moving forward, it is still imperative that the Tri-County Regional Planning Commission and the City of Peoria, along with its developer partners, follow the general guidelines offered in our most recent report with some modifications. In this regard, the following sections provide updated recommendations for future residential development downtown.

**A Framework
For Planning**

In order to capitalize on residential opportunities in downtown Peoria, the following criteria/objectives must be met in order to maximize residential absorption potentials near term:

- Downtown Peoria, and the Warehouse District in particular, must offer a wide and varied continuum of product (an established hierarchy) that is capable of penetrating those consumers likely to be attracted to the area (i.e. childless singles and couples of all ages).
- Residential alternatives will need to be positioned competitively against substitutes both downtown and in Peoria’s suburban area.
- Rental apartments must be the primary focus of initial product offerings for the first five years; although a modicum of for sale offerings can also be introduced at strong locations.*** The reason...pent-up demand clearly exists for apartments considering very low vacancies among downtown apartment programs, and an increase in rent levels. In addition, near term demand will be heavily weighted toward rental alternatives, with this weighting reflective of the overall lack of recent (and significant) development activity downtown and the propensity of households willing to make a temporary investment (renters) versus households who would make a more permanent investment (homeowners).
- The strategic scheduling of product forms cannot be overstated. Interest, confidence and, ultimately, rents/prices in urban areas undergoing gentrification are typically ignited with rental housing. The reason for this lies in the psychological costs of making a limited commitment in a residence that one is free to leave after twelve months compared to one that is considered an investment vehicle owned over a period of several years. After the groundwork of attracting rental households into an area is achieved, however, the perceived risk of



investing in ownership forms of housing becomes a great deal less. In fact, after the fifth year, other opportunities will exist for additional “for sale” housing alternatives provided the first thrust of rental development occurs and a residential environment (of scale) is created whereby consumers can walk to and from their homes, their work, and various shopping/dining alternatives.

**Product
Recommendations
And Rent/Price
Guidelines**

In order to meet the objectives outlined in the preceding paragraphs, the original four product lines are still recommended, but with some slight adjustments. As detailed in **Exhibit 1** and further described below, these products include two *rental apartment* programs of larger scale for immediate introduction, along with two smaller-scale *for sale* alternatives for gradual introduction.

Loft Conversion Rentals

Loft rentals converted from older buildings should span from a minimum of 500 square feet to a maximum of 1,200. This type of rental housing will cater to, among others, medical personnel at downtown hospitals, other young professionals, as well as some students and/or artists. As such, the ideal mix of units would consist of 20.0 percent studio/convertible apartments, 50.0 percent one-bedroom residences, and 30.0 percent two-bedroom units. Consistent with the market, project rents, exclusive of enclosed parking, have been set higher than our most recent update and should average very near the \$1.12 per square foot mark, though at premium locations with river views or, as an example, next to O’Brien Field, could extend closer to \$1.20 per square foot. Ideally suited for the Warehouse District and its stock of existing buildings amenable for conversion, this product idiom has the greatest potential for rapid absorption at 9.0 units monthly, or slightly more than 100 units per year.



New Construction Rentals

There is also a market for new construction apartment rentals in Peoria’s downtown and Warehouse District—to compliment the loft conversion rentals. Monthly rent levels will hover somewhat higher than those within the adaptive re-use category primarily resulting from greater flexibility in unit design. New construction product would support an average unit size of 975 square feet and rent





**PRODUCT DEVELOPMENT CRITERIA
DOWNTOWN PEORIA AND ITS WAREHOUSE DISTRICT**

Plan Designation	Percent Distribution	Bedroom/ Bath Mix	Unit Size (Sq. Ft.)	Benchmark Monthly Rent ⁽¹⁾ / Base Sales Price ⁽²⁾ (Current \$)
Loft Conversion Rentals				
LC-A	10.0	--/1.0 (Studio)	500	\$620
LC-B	10.0	--/1.0 (Convertible)	600	715
LC-C	20.0	1/1.0	700	810
LC-D	20.0	1/1.0	800	905
LC-E	10.0	1+Den/1.0	900	1,000
LC-F	10.0	2/2.0	1,000	1,095
LC-G	10.0	2/2.0	1,100	1,190
LC-H	10.0	2/2.0	1,200	1,285
Total/ Weighted Average	100.0	---	835	\$934
----- Rent Per Sq. Ft.: \$1.12 -----				
New Construction Rentals				
NC-A	10.0	Jr. 1/1.0	650	\$885
NC-B	20.0	1/1.0	750	980
NC-C	10.0	1/1.0	850	1,075
NC-D	10.0	1+Den/1.0	950	1,170
NC-E	10.0	2/2.0	1,050	1,265
NC-F	10.0	2/2.0	1,100	1,315
NC-G	10.0	2/2.0 (Dbl. Master)	1,150	1,360
NC-H	10.0	2/2.0 (Dbl. Master)	1,200	1,405
NC-I	10.0	2+Den/2.0	1,300	1,500
Total/ Weighted Average	100.0	---	975	\$1,194
----- Rent Per Sq. Ft.: \$1.22 -----				
Garden Condominiums				
GC-A	25.0	2/2.0	1,100	\$152,990
GC-B	25.0	2/2.0	1,200	159,990
GC-C	25.0	2/2.0	1,300	166,990
GC-D	25.0	2+Den/2.0	1,450	177,990
Total/ Weighted Average	100.0	---	1,263	\$164,490
----- Price Per Sq. Ft.: \$130.24 -----				
Rowhomes				
RH-1	33.3	2+Loft/2.5	1,600	\$202,990
RH-2	33.3	2+Loft/2.5	1,750	212,990
RH-3	33.3	3/2.5	1,900	222,990
Total/ Weighted Average	100.0 ⁽³⁾	---	1,750	\$212,990
----- Price Per Sq. Ft.: \$121.71 -----				
<p>⁽¹⁾ Benchmark monthly rents do not include premiums or enclosed parking.</p> <p>⁽²⁾ Benchmark base sales prices do not include options, upgrades or premiums; but do include one enclosed parking space for garden condominiums, and a two-car garage for the rowhomes.</p> <p>⁽³⁾ Total may not add due to rounding.</p>				

Source: Tracy Cross & Associates, Inc.

for \$1,194 per month, or \$1.22 per square foot with the cost of parking extra. Absorption potentials within these parameters will allow for units to lease at a rate of 7.0 units per month, or 84 annually. Premium locations aligning the river will be able to absorb at a commensurate pace at rents approximating \$1.30 per square foot. New rentals are also an ideal product form to position atop a floor of retail, restaurant or other residentially compatible use.



For both the loft conversion and new construction rental programs, modest recreational components must be configured within the buildings (i.e. a fitness center, cyber café, business center, etc.) depending upon scale.

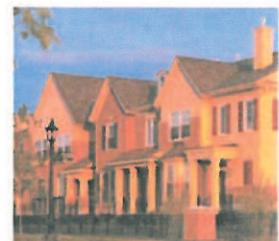
Garden Condominiums

In the absence of competition downtown, it is still our contention that new construction garden condominiums in three-story configurations have the potential to absorb at 8 to 12 units per year, over time, priced between \$152,990 and \$177,990. Residences should start at 1,100 square feet and range up to 1,450 square feet. As priced and sized, the recommended mix of units consists entirely of two bedrooms and two baths, with larger plans including a den within the residence. Prices also include one enclosed parking space. A development of 36 units in, say, three 12-unit buildings could be absorbed within a reasonable 36-month period starting in 2015.



Rowhomes

Attached housing with garages and absent residential units above or below, typically referred to as townhomes or rowhomes, also has potential for development in the city's downtown. At initial price points ranging from \$202,990 to \$222,990 for units extending in size from 1,600 to 1,900 square feet, this product idiom would average 0.5 sales per month, or six units yearly.



With all four product lines running concurrently, a *peak annual absorption rate* of 210 units could be attained as highlighted in the following text table.



**DOWNTOWN PEORIA AND WAREHOUSE DISTRICT
RESIDENTIAL POTENTIALS**

Product Type	Product Form	Annual Absorption Potential	Monthly Absorption Potential	Average Unit Size (Sq. Ft.)	Benchmark Monthly Rent/ Sales Price ⁽¹⁾ (Current \$)	Rent/Price Per Square Foot (Current \$)
Loft Conversion Apartments	Rental	108	9.0	835	\$934	\$1.12
New Construction Apartments	Rental	84	7.0	975	1,194	1.22
New Construction Garden Condominiums	For Sale	12	1.0	1,263	164,490	130.24
New Construction Townhomes/Rowhomes	For Sale	6	0.5	1,750	212,990	121.71
Totals		210	---	---	---	---

⁽¹⁾ Benchmark monthly rents do not include premiums or parking. Benchmark base sales prices do not include options, upgrades or premiums, but do include one enclosed parking space for condominiums and a two-car garage for townhomes/rowhomes.

Source: Tracy Cross & Associates, Inc.

Parking Requirements

While garage parking will be integral to each of the recommended for sale product lines, the City of Peoria must carefully consider its options for providing ample parking for the rental communities. Depending upon the scale of the project, and its status as a loft conversion or new construction idiom, one of three different parking options should be made available. These include:

- Open air (surface) parking adjacent to the residential building(s);
- First floor garage parking integral to the residential buildings; and/or
- Enclosed “structural” parking adjoining the residential building(s).

For enclosed parking allocated to rental apartment programs, an additional \$75 monthly fee could be charged for each assigned space.

Other Planning Considerations

The sole qualification of the conclusions and recommendations offered in this analysis is *orchestration and timing* that will prove integral to the area’s redevelopment, particularly within the Warehouse District. The following points summarize several needed requirements:

- A concerted effort to capitalize on existing areas of redevelopment by positioning new/renovated residential development in close proximity will be essential. A “residential hub” at or very near the intersection of Water and Walnut with connectivity to Washington Street (realigned) would be, as one example, an excellent start.
- To achieve the absorption potentials of the two rental programs, communities of scale must be introduced, i.e. 120+ units for the loft conversion idiom and 85+ units for the new construction alternative. This



has the effect of drawing in the most households into the downtown in the shortest period of time.

- Using “stick built” construction for all housing forms, at least initially, will be critical. This will keep construction costs down. For the same reason, condominium and rowhome association fees should also be kept in the lower ranges.
- The Tri-County Regional Planning Commission/City of Peoria must promote new commercial uses downtown as households are added.

**Alternative Rent/
Price/Absorption
Scenarios**

Please note that absorption forecasts provided for each product line have been based entirely on the updated benchmark rents and prices, which were increased for the apartments and held constant among for sale offerings. However, this is not to suggest that higher, or even lower, rates of absorption would not ultimately yield stronger levels of economic return as a different rental or pricing strategy may prove more advantageous. For this reason, the following text table provides alternative rent/price/absorption scenarios for review:

**A FORECAST OF ABSORPTION AT VARYING RENT/PRICE LEVELS
DOWNTOWN PEORIA HOUSING PRODUCTS**



Rental Apartment Product Lines							
Loft Conversion Rentals ⁽¹⁾				New Construction Rentals ⁽¹⁾			
Average Monthly Rent for 835 Sq. Ft.	Rent Per Sq. Ft.	Variance From Benchmark Rent	Anticipated Monthly Absorption (In Units)	Average Monthly Rent for 975 Sq. Ft.	Rent Per Sq. Ft.	Variance From Benchmark Rent	Anticipated Monthly Absorption (In Units)
\$1,009	\$1.21	+\$75	5.5	\$1,269	\$1.30	+\$75	5.1
984	1.18	+50	6.4	1,244	1.28	+50	5.7
959	1.15	+25	7.6	1,219	1.25	+25	6.3
934	1.12	Benchmark	9.0	1,194	1.22	Benchmark	7.0
909	1.09	-25	9.8	1,169	1.20	-25	7.7
884	1.06	-50	10.9	1,144	1.17	-50	8.5
859	1.03	-75	11.9	1,119	1.15	-75	9.3
For Sale Product Lines							
Garden Condominiums				Rowhomes			
Average Base Price For 1,263 Sq. Ft.	Price Per Sq. Ft.	Variance From Benchmark Price	Anticipated Sales Per Month (In Units)	Average Base Price For 1,750 Sq. Ft.	Price Per Sq. Ft.	Variance From Benchmark Price	Anticipated Sales Per Month (In Units)
\$179,490	\$142.11	+\$15,000	0.6	\$235,490	\$134.57	+\$22,500	0.2
174,490	138.16	+10,000	0.7	227,990	130.28	+15,000	0.3
169,490	134.20	+5,000	0.9	220,490	125.99	+7,500	0.4
164,490	130.24	Benchmark	1.0	212,990	121.71	Benchmark	0.5
159,490	126.28	-5,000	1.2	205,490	117.42	-7,500	0.6
154,490	122.32	-10,000	1.3	197,990	113.14	-15,000	0.7
149,490	118.36	-15,000	1.5	190,490	108.85	-22,500	0.8

⁽¹⁾ Reflects non river-front or river-view sites. For river-front and/or river-view sites, rents could be roughly \$0.10 per square foot higher.

Source: Tracy Cross & Associates, Inc.

