

Population and Employment Forecasts Technical Memorandum

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The intent of this memorandum is to discuss the development of the socio-economic data development – population and employment estimates for both the 2040 No-Build and 2040 Build scenarios for the Elgin O’Hare West Bypass project. The memorandum discuss the process, methodology, assumptions and analysis results that was used as an input to the travel demand modeling and the development of traffic forecasts for the project. In addition to travel modeling, the socio-economic data development and analysis was used to evaluate economic impacts both for the overall project study area as well as sub-areas within the project limits. The socio-economic data developed as part of the Tier II analysis was used as in input into the travel demand modeling and forecasting efforts for the Tier II analysis. A detailed discussion of the socio-economic data development process, procedures and analysis results are discussed in **Attachment A** of the memorandum.

A robust travel demand modeling analysis was conducted as part of the Tier Two alternatives development and evaluation process. In Tier Two the system-wide traffic demand model was updated by extending the planning period from 2030 to the year 2040 to be consistent with the region’s *GO TO 2040 Comprehensive Regional Plan* (adopted in October 2010 and developed by the Metropolitan Planning Organization [MPO] for the area, CMAP). The Tier Two travel modeling efforts was performed in conjunction with CMAP’s *GO TO 2040* efforts to maintain consistency between the EOWB project and the region’s long range planning and forecasting efforts with the addition of incorporating project specific population and employment assumptions developed for the project. The *CMAP GO TO 2040 Plan* includes the preferred build alternative identified in the EOWB Tier One EIS.

The socio-economic assumptions for the *GO TO 2040 Plan* in the project study area included the preferred build alternative for the Elgin O’Hare West Bypass corridor from the Tier One EIS efforts. The Tier Two EIS efforts acknowledge that the *GO TO 204 Plan* socio-economic assumptions for the project study area were adequately represented for regional planning purposes. The travel demand forecasts generated by the *GO TO 2040 Plan* efforts support the corridor-sizing recommendations proposed for the project corridor and the associated traffic demand in the project study area. However, a project specific socio-economic data development was performed to better assess economic and off-system traffic impacts, along with testing and evaluating a combination of freeway and tollway strategies in the project study area. Project specific data development was critical to address specific economic and sub-area impacts affecting local area municipalities and their relationship to the project corridor development. The project specific socio-economic forecasts utilized a more detailed parcel-level market driven approach based on land use type, land availability and re-development potential in the project study area. This approach served to balance both market potential and local area municipality long range planning vision. Travel demand generated using project specific socio-economic forecasts represented detailed off-system and local road traffic characteristics which was effectively utilized to support local area municipalities economic and traffic concerns due to the project.

The 2040 No-Build travel demand model run was performed by CMAP that constituted the 2040 No-Build network in conjunction with associated Tier Two project specific socio-economic data. The travel demand generated by CMAP was assigned to the 2040 EOWB No-Build travel demand model to generate 2040 No-Build traffic forecasts which were used to develop system-wide travel performance and evaluations.

Similar to the 2040 No-Build traffic forecast development, a 2040 EOWB Build travel demand network was developed based on the Tier One preferred build alternative. A combination of freeway and tollway strategies were evaluated for the 2040 Build condition using travel demand generated by CMAP using the 2040 Build

network configuration in conjunction with associated Tier Two build socio-economic data. System-wide travel performance and evaluation measures were generated to evaluate build alternative scenarios.

The traffic assignment process, used to generate the 2040 No-build and Build forecast with project specific population and employment information, was performed using CMAP traffic assignment methods and procedures to maintain consistency between the EOWB traffic forecast and regional forecast estimates.

The 2040 traffic forecasts generated for the No-build and Build alternatives were used for assisting with sub-area studies and design hourly volume development which was the basis for the project corridor sizing and traffic analysis.

Attachment A:
Elgin O’Hare West Bypass
Tier Two Environmental Impact Statement
2040 Socio-Economic Forecast Methodology: *Parcel-Level Market Approach*

Introduction and Purpose

As a part of the Tier Two Environmental Impact Statement (EIS) for the Elgin O’Hare West Bypass (EOWB), *SB Friedman* prepared 2040 population and employment forecasts for the EOWB Build Alternative and the EOWB No-Build Alternative. The forecasts fulfill the National Environmental Policy Act (NEPA) requirement to develop discrete population and employment forecasts for each of the alternatives carried forward in the EOWB Tier Two EIS for detailed evaluation.

Each forecast assumes that the proposed Western Terminal at O’Hare International Airport (O’Hare) would be operational within the planning period (by 2040). These forecasts also assume the full implementation of the O’Hare Modernization Program (OMP) by the 2040 planning horizon. The alternatives analyzed in this portion of the process are defined as follows:

- **Build Alternative.** This alternative assumes that the proposed EOWB corridor is constructed and the OMP (including construction of the Western Terminal) is fully implemented by 2018/2019. This alternative is consistent with the CMAP Preferred Scenario in terms of the regional transportation improvements assumed.
- **No-Build Alternative.** In this alternative, the EOWB corridor is not constructed within the planning period, and the Western Terminal at O’Hare is implemented at a more delayed schedule by 2025. The remaining components of the OMP and all other regional improvements assumed are consistent with the *CMAP GO TO 2040* Scenario.

This memorandum summarizes the methodology used to estimate the population and employment projections for the Build and No-Build Alternatives.

Analysis Findings

The EOWB Project Area encompasses more than 120 square miles and overlaps 33 communities (see Project Area map on next page). The long-term economic forecasts were developed for the project area using a “**Parcel-Level Market Approach**” that considered the market position of the Project Area in the context of the proposed transportation improvements, regional employment and population growth forecasts, long-term real estate development trends, community plans and aspirations, the potential for change at the parcel level and suitability of development for various real estate product types.

The two different alternatives of transportation investments are projected to result in two significantly different long-term economic outcomes for the Project Area by 2040. The Table in the following page shows the aggregate long-term economic growth for each alternative, and the difference between the two alternatives represents the net economic impact for the Project Area. The economic growth for each alternative and the net impacts are presented in terms of:

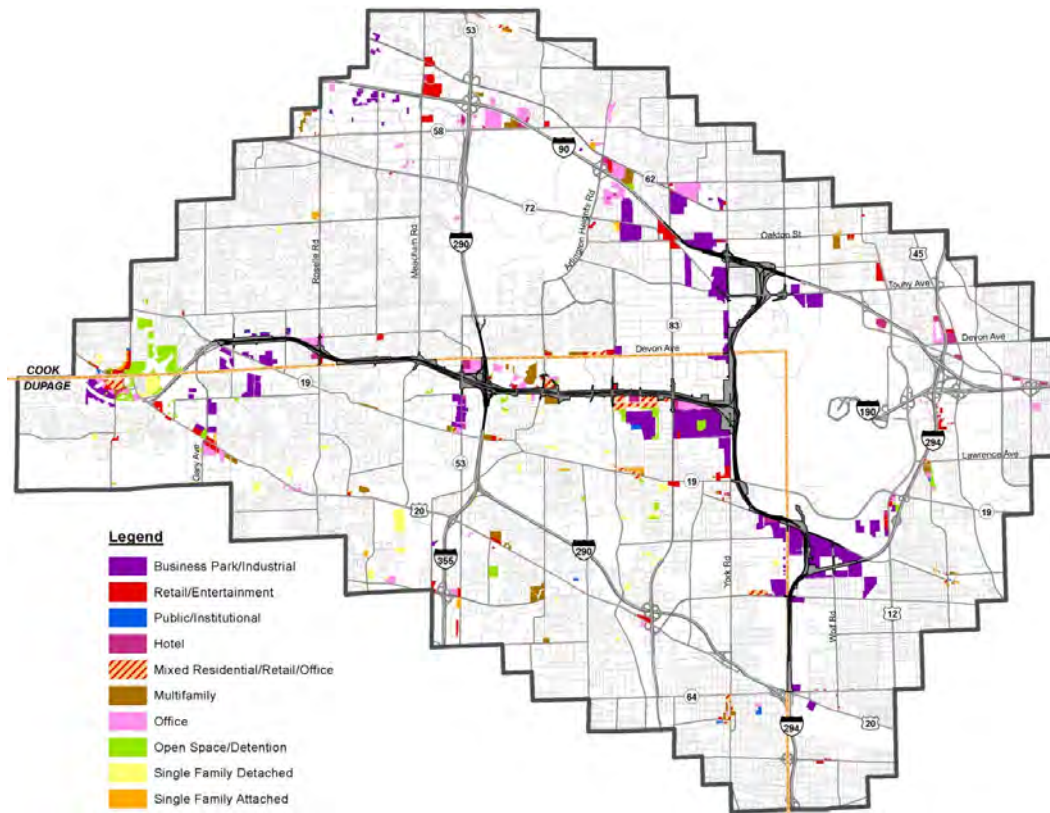
- Net new development potential
- Net new jobs and population added

These impacts were then aggregated to the Transportation Analysis Zone (TAZ) level geographic unit for use in the traffic modeling and reporting of sub-regional socioeconomic impacts.

Long-Term Economic Impact for the Project Area

	Build Alternative	No-Build Alternative	Net Long-Term Economic Impact
Net New Development (2010–2040)			
Office	12,840,000 ft ²	5,870,000 ft ²	7,680,000 ft ²
Retail	2,690,000 ft ²	2,345,000 ft ²	510,000 ft ²
Industrial/business park	3,310,000 ft ²	2,078,000 ft ²	1,470,000 ft ²
Hotel rooms	10,600	9,260	1,340
Residential units	17,600	17,081	200
Job growth (2010–2040)	104,000	62,000	42,000

Spatial Distribution of Build Alternative Forecast Development Impacts within Project Area



Our Build Alternative projections for the Project Area show that the proposed EOWB and the Western Terminal together will fundamentally change the competitive position of the area west of O’Hare and facilitate the development of a new regional employment center that will include corporate offices, hotels, modern industrial/business parks, and retail uses. This new development pattern is a shift away from the current predominance of industrial development directly west of O’Hare to a more modern and diverse commercial center that, on average, has higher job density. This projected shift is based on interviews with developers, brokers and other real estate/economic development professionals and a review of current and historical development patterns along major highways within the region. Additionally, many communities have also started recognizing this development potential and have started actively planning to facilitate this transformation to a modern employment center.

In the No-Build Alternative, without transportation investment in the EOWB, congestion will be exacerbated as the area grows and lead to a stifling of growth potential of the Project Area as a whole once congestion reaches a critical point. New development would still occur but new office would be concentrated along I-90 and east of

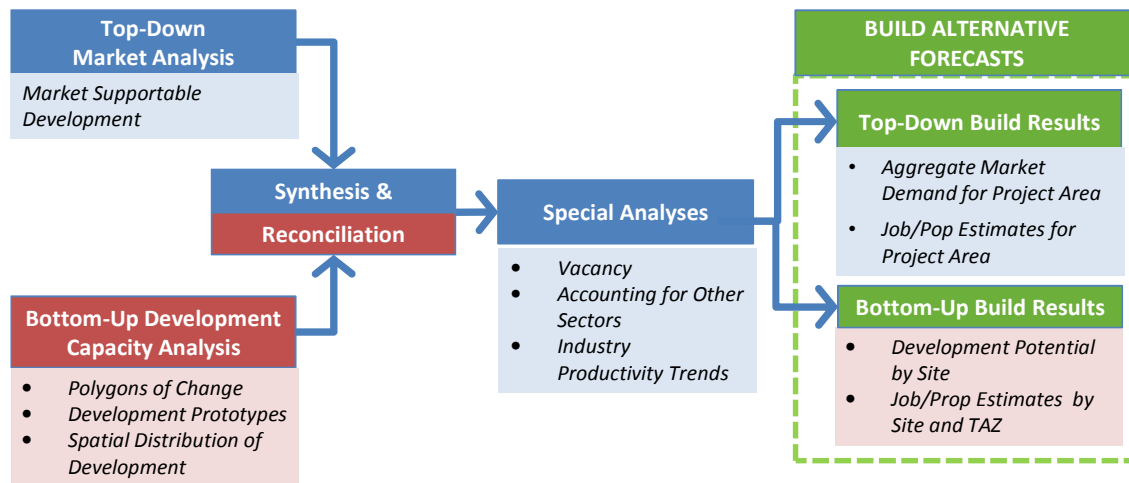
O’Hare. Highway frontage, access and visibility are critical site requirements for major corporate office development in the suburbs. Without the proposed EOWB construction, the area West of O’Hare would continue to be served by Thorndale Avenue as an arterial roadway and this configuration would be inadequate for the development of modern corporate office. While there is likely to be hotel development directly west of O’Hare once the Western Terminal at O’Hare is developed, this area is likely to remain as a predominantly industrial concentration.

Parcel-Level Market Approach for Generating “Build Alternative” Forecasts

Our methodology for forecasting the “Build Alternative” which is conceptually depicted in the diagram below incorporated the following steps:

- A top-down forecast of the real estate market demand for office, hotel, industrial, and retail uses that served as control totals for new development
- A fine-grained bottom-up analysis that included detailed assessments of sites susceptible to change, community goals for future development, site level market review and estimation of population and employment generation for each use
- A reconciliation of the top-down and bottom-up approaches
- Corrections for vacancy, accounting for employment sectors not addressed in private real estate sectors and special treatment for O’Hare employees
- All of the above factors were then synthesized to generate population and employment projections

Each component of analysis is further described below.



TOP-DOWN ANALYSIS OF MARKET DEMAND

The top down analysis involved a forecast of the real estate demand for office, hotel, industrial, and retail uses. Explicit market considerations of visibility, access from the EOWB, and proximity to the Western Terminal are factored into this evaluation. The analysis also included perceptions of future development potential along the proposed EOWB based on interviews with developers and brokers and the likely future state of the corridor without the EOWB. Current vacancy levels and historical absorption rates for each of the above uses were analyzed in detail for the Project Area and the Chicago region as a whole, to identify the extent to which the Project Area captured regional development in the past and could potentially capture demand in the future.

The forecasts of demand drivers used for the analysis and the resulting impacts of these forecasts on the overall real estate demand potential within the Project Area are discussed below for each land use type analyzed.

Office: Because office demand is primarily driven by growth in office workers we used Moody’s Economy.Com historical and forecast employment data for key office-related sectors: Finance and Insurance, Real Estate, Professional Services, Management of Companies and Enterprises, Administrative, and Information. We reviewed historical relationships in occupied office space from Costar, office-sector employees from Moody’s Economy.com, demolition rate of office buildings and other key variables. Using Moody’s employment forecasts for the region we forecast regional office space demand.

To forecast the demand for new space within the Project Area we analyzed the historical capture rates or the shares of new development within Project Area relative to all the development for various time frames and assessed reasonable future capture rates for each alternative.

	Office RBA Developed		Historical Capture Rates
	Project Area	Region	
1980-1989	20,833,504	97,902,194	21.3%
1990-1999	3,581,693	44,791,335	8.0%
2000-2010	4,678,300	48,693,375	9.6%

As shown in the Table above, the Project Area captured over 20% of the regional office development during the 1980s as major office centers along I-90 were developed. Since 1990, the pace of development slowed and the Project Area captured between 8% and 10% of the regional office development. Without a major transportation investment such as the EOWB, we would expect that the current trend of development would continue and could potentially decline as suitable land gets scarcer. From an analytical perspective we projected that the capture rate of the Project Area would continue to be 8% to 10% of the regional demand in the No-Build Alternative (this is discussed further in the next section).

However, based on interviews with developers and brokers and research on development activity occurring along major highways in the region we are projecting that the EOWB will allow the Project Area to capture 15% to 20% of the regional office demand. Historically, individual communities with office centers along major regional highways such as I-90 and East-West Tollway have attracted 1.5% to 4% of the regional office demand along major highways (See Appendix Table: “Capture Rates of Office-Center Communities Along Major Highways”). We expect Wood Dale and Bensenville to have office development potential along the highway accounting for an added capture potential ranging from 3% to 6% in the Build Alternative. Additionally, the existing communities with office centers including Itasca, Schaumburg, Hoffman Estates, Elk Grove and Rosemont are likely to become more competitive because of the enhanced regional accessibility and attract additional office development. Therefore, the 15% to 20% capture rates appear to be a reasonable range for the office development potential for the Build Alternative.

Hotel: HVS Global Hospitality Services were retained to forecast the 2040 hotel development potential along the EOWB. HVS used enplanements as the primary driver of hotel demand within the Project Area. Because both alternatives included the development of the Western terminal and the full implementation of the OMP within the analysis period the forecasts for hotel demand were fairly close for both alternatives. The difference in hotel demand was driven by the delayed implementation of the OMP in the No-Build Alternative. Please see the Hotel Demand Analysis Section of the Appendix and the associated projections for the Build and No-Build Alternatives for more details regarding the hotel demand potential forecast.

Industrial: Industrial demand was forecast using an approach similar to the estimation of office demand described above. Please review Appendix tables for further details.

Residential: Residential growth was estimated based on the bottom-up development capacity approach described below because the supply constraints within the Project Area override demand factors.

Retail: Retail demand was estimated based on the net new residents, office workers and hotel visitors that were projected. The spending pattern of each group was accounted for based on industry sources (Urban land Institute, BLS Consumer Expenditure Survey and Surveys data). Based on the current inventory of various retail typologies (e.g. regional malls, power centers, community centers and neighborhood centers) and the associated sales of these centers we estimated the propensity of consumers to spend at each type of center. Because the Project Area is heavily represented with regional malls, major lifestyle centers and power centers, and because of the planning trends towards mixed use environments we forecast that a significant component of the new retail demand would be for community and neighborhood scale retail in mixed use environments. This was also consistent with the bottom-up analysis described in the next section. Please refer to the Appendix for further detail on the retail market demand forecast.

BOTTOM-UP ANALYSIS

A fine-grained, bottom-up approach was conducted that involved: site-level analysis of susceptibility to change throughout the Project Area; market-based assessment of the type of real estate product suitable for development in these sites; and community plans and goals for the future. These are further described as follows:

- **Identification of “Polygons of Change.”** Over 500 “Polygons of Change” or sites likely to redevelop by 2040 were identified based on:
 - Detailed review of community plans and existing land use. If community plans differed from existing use, this was an indication that communities were trying to facilitate change in these areas.
 - Interviews with community staff (11 interviews conducted) revealed areas in the community likely to change and the proposed community development goal.
 - Because of the limited supply of vacant land in the Project Area, any vacant or underutilized properties were assumed to be redeveloped or in some cases re-occupied by 2040.
 - Identification of low-market value properties. Based on an analysis of the assessed value and the state sales ratio study, the market values of all non-residential properties within the Study Area were determined. These were then compared to the typical land residual¹ value of various “development prototypes” (see section below) to identify at a high level sites that would redevelop without significant public assistance².
 - Review of “Future View” data compiled by CMAP for some communities within the Study Area. Future View is a GIS database compiled by CMAP which, based on community interviews, identifies areas subject to change, projected future development, and associated jobs and population of these developments.

- **Creation of “Development Prototypes.”** This includes job/population generation ratios per acre of land or per square foot of building and reflects the typical density levels of new/future development. The creation of “Development Prototypes” was based on:

¹ Residual Value for a particular type of development is the amount a developer can afford to pay for land while still achieving a market rate of return on investment. It is estimated as the amount left for land after all development costs (site development costs, hard costs, soft costs, developer fee and profit) are deducted from the project sales proceeds or capitalized value.

² When the land/property Residual Value for a particular type of development exceeds the market value or asking price of land then development is infeasible without public assistance. However infill redevelopment typically involves public assistance through tools such as Tax Increment Financing and therefore projects that had community support and did not appear to be a major financing challenge were still retained as a potential “Polygon of Change”.

- Analysis of typical densities levels of new development within the Project Area and the region
- Interviews with developers about the form of future development for various office, hotel, industrial and retail uses
- Census Public Use Micro-data files to estimate population ratios per unit by product type (single family, townhomes, etc.)
- Review of CMAP’s development templates used in the Future View exercise

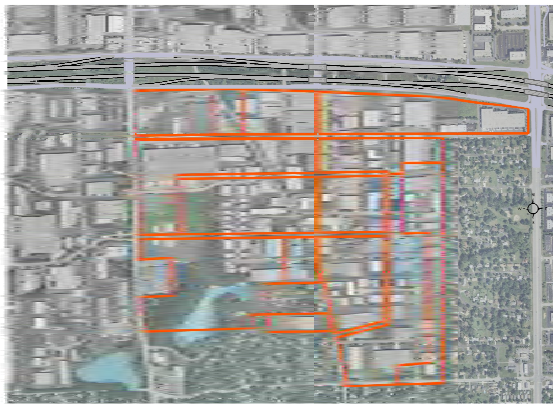
Sample Development Prototypes



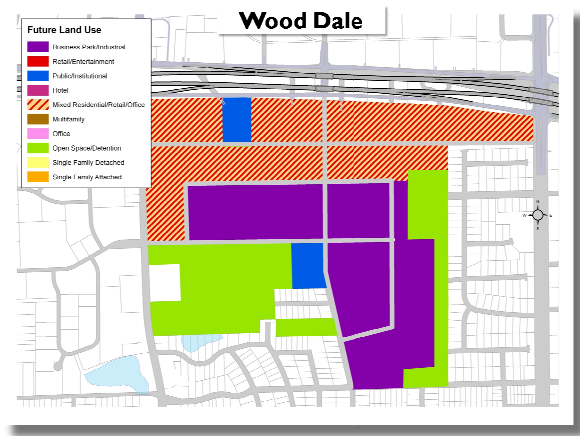
- **Assignment of “Development Prototypes” to “Polygons of Change.”** This was conducted based on:
 - Community plans and interviews with community staff
 - *SB Friedman’s* assessment of market conditions/highest and best use factors for each Polygon of Change
 - The likelihood that the property would redevelop based on a high level residual land value analysis

- **Estimation of Job/Population Losses Related to Redevelopment.** The demolished square feet of existing property and associated job/population losses related to redevelopment of improved properties were estimated, based on:
 - Existing land use and Costar data on building square feet by use
 - County data on building square feet and building footprints provided by CH2MHill
 - InfoUSA data on jobs at the address level by business
 - Illinois Department of Employment Security (IDES) data on existing jobs by subzone (provided to us by CMAP)
 - County data on residential units

Sample Bottom-Up Analysis for a Portion of the Village of Wood Dale along EOWB



Existing Conditions with Polygons of Change Overlaid



Proposed Wood Dale Development Plan

Estimation of Net jobs and Population for a Portion of the Village of Wood Dale along EOWB

	Demolished SF	New Development (SF*)	Net Change in Development (SF*)	Net Jobs/Population
Office	8,000	2,334,000	2,334,700	7,400
Retail	-	120,000	120,000	260
Industrial	4,253,000	1,939,000	-2,314,000	-1,860
Hotel	-	1,125	1,125	920
Residential	-	850	850	1,560

*For hotels, this is estimated in terms of rooms and for residential, in terms of units.

SYNTHESIS OF TOP-DOWN AND BOTTOM-UP ANALYSES

The top-down and bottom-up analyses are reconciled and synthesized such that the market demand-based estimate of development and development capacity-based assessment are not in conflict. If the bottom-up approach provides a development capacity that exceeds market demand for any use, then the development for that use is scaled down to be in line with market demand. If the market demand is higher than development capacity, the development capacity estimate is adhered to.

SPECIAL ANALYSES

The top-down and bottom-up approach describes the methodology for the estimation of employment and population related to net new office, hotel, industrial, and retail development. Additional analyses were required to estimate the employment forecasts associated with projected vacancy reductions on existing real estate space, economic sectors not covered by the core real estate products indicated above and O’Hare airport. These are discussed below.

- Employment Growth from Vacancy Reductions.** Current vacancy levels within the Project Area for office, hotel, industrial, and retail uses are significantly higher than historical levels due to the recent nationwide economic recession. Changes in vacancy levels for the major existing real estate developments within the Project Area are modeled over the next 30 years based on the regional employment forecasts and the Project Area market demand forecasts. The forecast year 2040 is assumed to be a normal year that does not reflect a real estate boom period or a recession period. Employment growth is projected as existing

vacancies by real estate development are reduced to reflect historical levels. The analysis is conducted at the TAZ level based on the existing inventory of each use and current vacancy levels. Vacancy levels of each use by TAZ are modified till the Project Area vacancy is at a normal historical level. By applying the appropriate employment densities by use the vacancy reduction impact is converted into net new employment. The vacancy levels in the No-Build Alternative are forecast to be slightly higher than the EOWB Build Alternative to reflect the competitive disadvantage associated with relatively higher congestion in the Project Area.

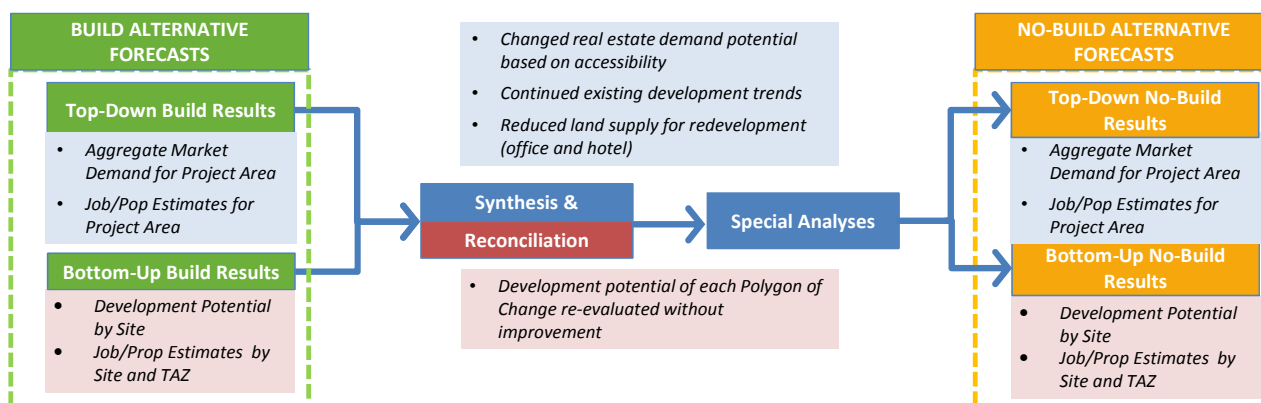
- Other Non-Real Estate Economic Sector Forecasts.** Employment in other economic sectors not covered by the core real estate products, such as healthcare, education, arts and entertainment, other services, and government, are projected separately based on Moody’s regional forecasts. Job losses related to improved productivity enhancements in industrial related sectors are also accounted for in the final 2040 employment forecasts. These are spatially distributed at the TAZ level based on the current allocation of jobs at each TAZ because most of the job growth in sectors such as healthcare and education occur where there are existing hospitals and educations institutions.
- O’Hare Employment Forecasts.** Because of the unique nature of O’Hare airport, 2040 O’Hare Airport employment forecasts were estimated as a discrete exercise. The forecasts for both Build and No-Build Alternatives were prepared assuming that airport employment growth would be proportional to enplanement (passenger boarding) growth, after accounting for productivity changes in the airline industry. However because of variation in the timing of the development of the Western Terminal, there is a marginal difference in enplanement growth and the subsequent O’Hare employment forecasts for 2040.

TABULATION OF FINAL BUILD ALTERNATIVE FORECASTS

The population and employment forecasts from the various analyses are then synthesized and tabulated at the TAZ level to generate the final Build Alternative Forecasts.

Parcel-Level Market Approach for Generating “No-Build Alternative” Forecasts

The No-Build Alternative forecasts were generated using the Build Alternative as the starting point. Like the Build Alternative our approach involved the top-down and bottom-up analyses, synthesis and reconciliation of these results and special analysis for unique situations. The key methodological steps for forecasting the “No-Build Alternative” is conceptually depicted in the diagram and further described in the next page.



TOP-DOWN MARKET DEMAND FORECASTS

For each land use the real estate market demand was forecast for the Project Area using similar techniques detailed in the Build Alternative explanation. The primary premise driving the No-Build Alternative forecast was that the existing use mix in the area directly west of O'Hare along Thorndale Avenue would largely maintain the current use mix and development pattern and the future development pace would largely reflect the development trends in the last two decades. The core assumptions for each use are discussed below.

Office: Without a major transportation investment such as the EOWB, office related development would be concentrated along I-90 and east of O'Hare and no new major regional office center would be created in the Project Area. We would expect that the current trend of development would continue and could potentially decline as suitable land gets scarcer. As previously indicated the Project Area captured between 8% and 10% of the regional office development since 1990. Therefore, for the No-Build office demand we assumed that the capture rate of the Project Area would continue to be 8% to 10% of the regional demand.

Hotel: Because both alternatives included the development of the Western terminal and the full implementation of the OMP within the analysis period the forecasts for hotel demand were fairly close for both alternatives. The difference in hotel demand was driven by the delayed implementation of the OMP in the No-Build Alternative. Please see Hotel Demand Analysis section of the Appendix for further details.

Industrial: The area west of O'Hare would likely remain an industrial hub and experience industrial redevelopment associated with modernization of existing stock. Therefore the pace of industrial redevelopment in No-Build was assumed to be very similar to the Build Alternative.

Residential: As with the Build Alternative, residential development was based on a bottom-up development capacity approach.

Retail: Retail demand was estimated using a similar approach to the Build Alternative based on the buying power of net new residents, office workers and hotel visitors projected for the No-Build Alternative.

BOTTOM-UP FORECASTS

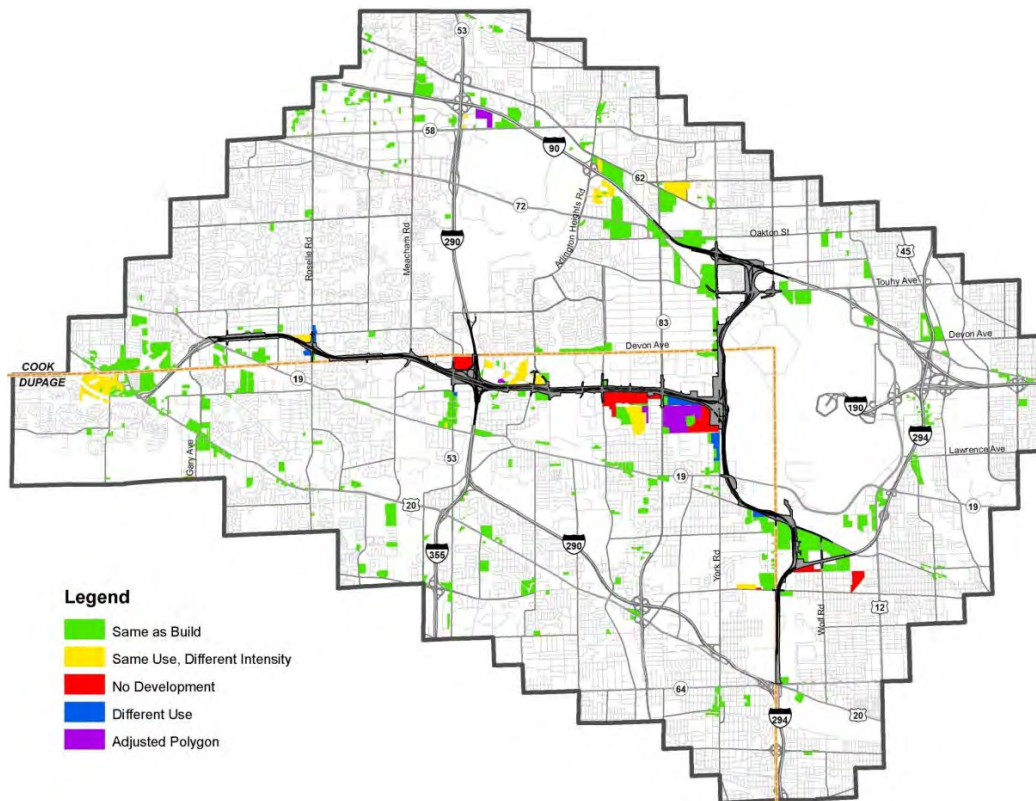
As a part of this analysis, the development envisioned on each Polygon of Change identified in the Build Alternative was re-assessed. This reassessment involved consideration of the marketability of individual developments assumed in the Build Alternative without the proposed EOWB and the associated differences in highway accessibility, highway frontage and congestion levels. Based on this review the development envisioned in the Build Alternative for each Polygon of Change was assigned the following categories based on our professional judgment regarding the market potential without improvement:

- **Same as Build.** All Polygons of Change which were determined to be not dependent on the EOWB were categorized "Same as Build" and were assumed to have the same development outcome in the No-Build Alternative as the Build Alternative.
- **Same Use Different Intensity.** In order to reconcile the top-down demand totals by use to the bottom-up use tabulations some of the higher density redevelopments assumed in the Build Alternative were scaled back and assigned this category based on our professional judgment. This typically involved assigning a lower density development prototype for the same overall use (e.g. low-rise office instead of moderate-rise office).
- **Different Use.** If the development envisioned for the Build Alternative for a particular Polygon of Change was considered infeasible without the EOWB based but some other use was likely to be developed, we

assigned a different more market feasible use to that Polygon of Change for the No-Build Alternative (by choosing from the development prototype templates).

- **No Development.** If in our judgment, redevelopment for a particular Polygon of Change was unlikely to occur without the EOWB investment “No Development” was assigned.
- **Adjusted Polygon.** In some cases the use and density of the development was assumed to remain the same but the scale of the development was either reduced or increased. To account for this the Build Alternative Polygon of Change was accordingly reduced or increased in size.

Assigned Development Categories to Polygons of Change



SYNTHESIS OF TOP-DOWN AND BOTTOM-UP ANALYSES

Based on the assigned categories and the bottom-up development parameters (square feet /units) for each development prototype the associated population and employment data were tabulated and aggregated to the Project Area level. This was iteratively reconciled and synthesized with the refined top-down development estimates for the No-Build Alternative.

SPECIAL ANALYSES

Just like the Build Alternative, the top-down and bottom-up analyses of the No-Build Alternative required special analyses to estimate the employment associated with projected vacancy reductions on existing real estate space, economic sectors not covered by the core real estate products and O’Hare airport.

TABULATION OF FINAL BUILD ALTERNATIVE FORECASTS

The population and employment forecasts from the various analyses were then synthesized and tabulated at the TAZ level to generate the final No-Build Alternative Forecasts.

***Appendix 1:
Office Demand Analysis***

BUILD OFFICE DEMAND ANALYSIS

MSA Office Development (1980-2010)	192,199,072	
Study Area Office Employment Change (1980-2010)	29,212,497	
Historical Capture	15.2%	
Projected Study Area Capture 2010-2018	8% to 10%	
Projected Study Area 2018-2040	15% to 20%	
Projected MSA Office Development	108,834,839	
Low Projected Capture of Study Area	14,229,048	
High Projected Capture of Study Area	18,772,427	

	Office RBA Developed		Historical
	Study Area	Region	Capture Rates
1980-1989	20,833,504	97,902,194	21.3%
1990-1999	3,581,693	44,791,335	8.0%
2000-2010	4,678,300	48,693,375	9.6%

Year	MSA Office Emp	Vacancy	MSA Occupied Space	Emps / 1000 SF	RBA Added	RBA Demolished	Demolition Rate	Estimated Regional RBA	Vacancy	Study Area RBA		Study Area Capture		
1980	604,484	8.6%	223,882,802	2.70	14,279,627	441,128	0.18%	245,071,286	21,188,484	3,745,541		26%		
1981	612,324	10.1%	226,786,506	2.70	7,536,196	453,899	0.18%	252,166,354	25,379,849	1,372,257		18%		
1982	603,042	13.8%	223,348,883	2.70	7,417,237	466,433	0.18%	259,129,692	35,780,808	1,484,062		20%		
1983	631,129	15.9%	225,403,129	2.80	9,448,751	482,602	0.18%	268,112,009	42,708,880	1,253,708		13%		
1984	666,128	14.1%	237,902,942	2.80	9,343,806	498,552	0.18%	276,973,214	39,070,271	1,865,229		20%		
1985	688,584	14.6%	245,922,716	2.80	11,396,989	518,169	0.18%	287,871,651	41,948,935	1,711,826		15%		
1986	728,280	13.6%	260,100,092	2.80	13,609,067	541,733	0.18%	300,962,549	40,862,457	4,697,524		35%		
1987	769,727	11.1%	274,902,386	2.80	8,925,872	556,824	0.18%	309,346,688	34,444,302	1,760,890		20%		
1988	794,338	9.6%	283,692,110	2.80	5,102,247	565,006	0.18%	313,892,111	30,200,001	1,198,270		23%		
1989	818,777	9.8%	292,420,465	2.80	10,842,402	583,505	0.18%	324,169,507	31,749,043	1,744,197		16%		
1990	838,817	13.8%	289,247,175	2.90	11,781,594	603,662	0.18%	335,367,596	46,120,421	688,665		6%		
1991	828,004	10.3%	306,667,974	2.70	7,184,866	615,508	0.18%	341,948,801	35,280,827	746,590		10%		
1992	833,387	14.3%	297,638,339	2.80	6,108,030	625,394	0.18%	347,441,323	49,802,984	112,750		2%		
1993	852,696	18.6%	284,232,056	3.00	2,360,955	628,518	0.18%	349,176,883	64,944,828	131,818		6%		
1994	879,417	16.1%	293,139,107	3.00	793,679	628,816	0.18%	349,342,044	56,202,937	2,700		0%		
1995	901,856	14.2%	300,618,796	3.00	1,645,292	630,645	0.18%	350,358,520	49,739,725	351,289		21%		
1996	928,420	10.4%	315,004,113	2.95	1,844,351	1,253,659	0.36%	351,572,226	36,568,113	117,991		6%		
1997	963,748	8.8%	324,137,855	2.97	4,998,074	1,024,270	0.29%	355,316,641	31,178,786	71,592		1%		
1998	1,007,812	8.4%	328,082,570	3.07	3,689,879	1,051,717	0.29%	357,982,250	29,899,680	524,500		14%		
1999	1,036,210	8.6%	330,420,527	3.14	4,384,615	236,571	0.27%	361,315,148	30,894,621	833,798		19%		
2000	1,049,497	9.7%	332,445,932	3.16	7,189,750	894,093	0.04%	368,268,327	35,822,395	894,052		12%		
2001	1,031,780	13.1%	327,118,538	3.15	8,860,858	225,040	0.06%	376,235,092	49,116,554	1,598,963		18%		
2002	992,490	14.0%	326,653,831	3.04	3,696,391	607,938	0.16%	379,706,443	53,052,612	779,288		21%		
2003	974,563	15.6%	324,488,066	3.00	5,217,923	948,472	0.25%	384,316,428	59,828,362	0		0%		
2004	982,199	15.1%	327,230,531	3.00	2,142,746	154,412	0.04%	385,510,702	58,280,171	16,500		0%		
2005	1,002,339	14.8%	333,399,298	3.01	6,089,237	930,421	0.24%	391,445,527	58,046,229	140,942		7%		
2006	1,027,187	13.7%	340,597,307	3.02	3,983,839	381,636	0.10%	394,498,945	53,901,638	305,219		5%		
2007	1,038,047	12.7%	346,045,941	3.00	2,472,395	432,539	0.11%	396,589,704	50,543,763	41,141		1%		
2008	1,017,047	13.3%	347,607,528	2.93	4,545,315	818,653	0.20%	400,702,480	53,094,952	893,935		36%		
2009	938,364	15.8%	340,364,357	2.76	4,494,921	672,498	0.17%	404,378,748	64,014,391	8,260		0%		
2010	916,101	15.6%	341,554,519	2.68	812,168	728,133	0.18%	404,518,418	62,963,899	119,000		3%		
2011	923,696	14.92%	346,850,073	2.66	3,552,481	407,663	0.10%	407,663,236	60,813,163	284,198	355,248	8.0%	10.0%	
2012	940,064	14.63%	351,688,563	2.67	5,012,140	741,481	0.18%	411,933,895	60,245,332	400,971	501,214	8.0%	10.0%	
2013	973,348	14.38%	356,224,490	2.73	4,896,449	771,373	0.19%	416,058,971	59,834,481	391,716	489,645	8.0%	10.0%	
2014	1,013,524	14.14%	360,479,330	2.81	4,576,008	801,722	0.19%	419,833,256	59,353,927	366,081	457,601	8.0%	10.0%	
2015	1,035,798	13.65%	365,825,264	2.83	4,654,073	833,289	0.20%	423,654,041	57,828,777	372,326	465,407	8.0%	10.0%	
2016	1,047,054	13.55%	369,155,287	2.84	4,239,379	865,123	0.20%	427,028,297	57,873,010	339,150	423,938	8.0%	10.0%	
2017	1,054,681	13.50%	371,196,641	2.84	3,014,873	895,500	0.21%	429,147,669	57,951,028	241,190	301,487	8.0%	10.0%	
2018	1,063,668	13.46%	373,708,474	2.85	3,588,692	928,083	0.21%	431,808,278	58,099,804	538,304	717,738	15%	20%	
2019	1,074,110	13.46%	376,721,917	2.85	4,445,571	963,634	0.22%	435,290,216	58,568,299	666,836	889,114	15%	20%	
2020	1,084,510	13.41%	379,710,617	2.86	4,206,201	999,854	0.23%	438,496,563	58,785,945	630,930	841,240	15%	20%	
2021	1,095,541	13.41%	382,908,916	2.86	4,731,975	1,038,524	0.23%	442,190,015	59,281,099	709,796	946,395	15%	20%	
2022	1,106,419	13.41%	386,043,012	2.87	4,697,745	1,078,435	0.24%	445,809,324	59,766,313	704,662	939,549	15%	20%	
2023	1,115,957	13.41%	388,699,624	2.87	4,186,335	1,118,432	0.25%	448,877,227	60,177,603	627,950	837,267	15%	20%	
2024	1,124,691	13.41%	391,067,715	2.88	3,893,716	1,159,003	0.26%	451,611,940	60,544,226	584,057	778,743	15%	20%	
2025	1,132,010	13.41%	392,936,066	2.88	3,357,082	1,199,477	0.26%	453,769,546	60,833,480	503,562	671,416	15%	20%	
2026	1,139,557	13.41%	394,877,467	2.89	3,483,528	1,241,565	0.27%	456,011,510	61,134,043	522,529	696,706	15%	20%	
2027	1,147,037	13.41%	396,788,885	2.89	3,492,342	1,285,002	0.28%	458,218,849	61,429,964	523,851	698,468	15%	20%	
2028	1,154,828	13.41%	398,800,919	2.90	3,653,797	1,330,264	0.29%	460,542,382	61,741,463	548,069	730,759	15%	20%	
2029	1,162,895	13.41%	400,901,608	2.90	3,803,301	1,377,389	0.30%	462,968,295	62,066,687	570,495	760,660	15%	20%	
2030	1,171,213	13.41%	403,081,189	2.91	3,943,442	1,426,424	0.31%	465,485,314	62,404,125	591,516	788,688	15%	20%	
2031	1,179,224	13.41%	405,148,016	2.91	3,863,558	1,476,750	0.32%	467,872,122	62,724,106	579,534	772,712	15%	20%	
2032	1,187,411	13.41%	407,268,207	2.92	3,977,447	1,529,012	0.33%	470,320,557	63,052,350	596,617	795,489	15%	20%	
2033	1,196,088	13.41%	409,549,085	2.92	4,217,701	1,583,703	0.33%	472,954,555	63,405,470	632,655	843,540	15%	20%	
2034	1,203,627	13.41%	411,433,243	2.93	3,814,577	1,638,718	0.34%	475,130,414	63,697,171	572,186	762,915	15%	20%	
2035	1,210,355	13.41%	413,034,201	2.93	3,543,263	1,694,448	0.36%	476,979,229	63,945,028	531,490	708,653	15%	20%	
2036	1,215,489	13.41%	414,086,588	2.94	2,965,043	1,749,728	0.37%	478,194,545	64,107,956	444,756	593,009	15%	20%	
2037	1,216,582	13.16%	414,508,491	2.94	942,568	1,798,992	0.38%	477,338,121	62,829,630	141,385	188,514	15%	20%	
2038	1,215,758	13.16%	413,945,615	2.94	1,202,251	1,850,446	0.39%	476,689,926	62,744,312	180,338	240,450	15%	20%	
2039	1,214,835	13.16%	413,209,218	2.94	1,054,552	1,902,568	0.40%	475,841,910	62,632,691	158,183	210,910	15%	20%	
2040	1,214,492	13.16%	413,092,557	2.94	1,824,747	1,959,092	0.41%	475,707,565	62,615,008	273,712	364,949	15%	20%	
Project RBA Added in Region 2011-2040					108,834,839	Project RBA Added in Study Area 2011-2040					14,229,048	18,772,427	13%	17%

Source: Moody's Economy.com , CoStar Inc . and SB Friedman and Company

NO BUILD OFFICE DEMAND ANALYSIS

	Office Space Added	
MSA Office Development (1980-2010)	192,660,738	
Study Area Office Employment Change (1980-2010)	29,212,497	
Historical Capture	15%	
Projected Study Area Capture 2010-2030	8.0%	to 10.0%
Projected MSA Office Development	104,708,756	
Low Projected Capture of Study Area	8,376,700	
High Projected Capture of Study Area	10,470,876	

	Office RBA Developed		Historical Capture Rates
	Study Area	Region	
1980-1989	20,833,504	97,902,194	21.3%
1990-1999	3,581,693	44,791,335	8.0%
2000-2010	4,678,300	48,693,375	9.6%

Year	MSA Office Emp	Vacancy	MSA Occupied Space	Emps / 1000 SF	RBA Added	RBA Demolished	Demolition Rate	Estimated Regional RBA	Vacancy	Study Area RBA		Study Area Capture	
1980	604,484	8.6%	223,882,802	2.70	14,279,627	441,128	0.18%	245,071,286	21,188,484	3,745,541		26.2%	
1981	612,324	10.1%	226,786,506	2.70	7,536,196	453,899	0.18%	252,166,354	25,379,849	1,372,257		18.2%	
1982	603,042	13.8%	223,348,883	2.70	7,417,237	466,433	0.18%	259,129,692	35,780,808	1,484,062		20.0%	
1983	631,129	15.9%	225,403,129	2.80	9,448,751	482,602	0.18%	268,112,009	42,708,880	1,253,708		13.3%	
1984	666,128	14.1%	237,902,942	2.80	9,343,806	498,552	0.18%	276,973,214	39,070,271	1,865,229		20.0%	
1985	688,584	14.6%	245,922,716	2.80	11,396,989	518,169	0.18%	287,871,651	41,948,935	1,711,826		15.0%	
1986	728,280	13.6%	260,100,092	2.80	13,609,067	541,733	0.18%	300,962,549	40,862,457	4,697,524		34.5%	
1987	769,727	11.1%	274,902,386	2.80	8,925,872	556,824	0.18%	309,346,688	34,444,302	1,760,890		19.7%	
1988	794,338	9.6%	283,692,110	2.80	5,102,247	565,006	0.18%	313,892,111	30,200,001	1,198,270		23.5%	
1989	818,777	9.8%	292,420,465	2.80	10,842,402	583,505	0.18%	324,169,507	31,749,043	1,744,197		16.1%	
1990	838,817	13.8%	289,247,175	2.90	11,781,594	603,662	0.18%	335,367,596	46,120,421	688,665		5.8%	
1991	828,004	10.3%	306,667,974	2.70	7,184,866	615,508	0.18%	341,948,801	35,280,827	746,590		10.4%	
1992	833,387	14.3%	297,638,339	2.80	6,108,030	625,394	0.18%	347,441,323	49,802,984	112,750		1.8%	
1993	852,696	18.6%	284,232,056	3.00	2,360,955	628,518	0.18%	349,176,883	64,944,828	131,818		5.6%	
1994	879,417	16.1%	293,139,107	3.00	793,679	628,816	0.18%	349,342,044	56,202,937	2,700		0.3%	
1995	901,856	14.2%	300,618,796	3.00	1,645,292	630,645	0.18%	350,358,520	49,739,725	351,289		21.4%	
1996	928,420	10.4%	315,004,113	2.95	1,844,351	1,253,659	0.36%	351,572,226	36,568,113	117,991		6.4%	
1997	963,748	8.8%	324,137,855	2.97	4,998,074	1,024,270	0.29%	355,316,641	31,178,786	71,592		1.4%	
1998	1,007,812	8.4%	328,082,570	3.07	3,689,879	1,051,717	0.29%	357,982,250	29,899,680	524,500		14.2%	
1999	1,036,210	8.6%	330,420,527	3.14	4,384,615	236,571	0.07%	361,315,148	30,894,621	833,798		19.0%	
2000	1,049,497	9.7%	332,445,932	3.16	7,189,750	894,093	0.24%	368,268,327	35,822,395	894,052		12.4%	
2001	1,031,780	13.1%	327,118,538	3.15	8,860,858	225,040	0.06%	376,235,092	49,116,554	1,598,963		18.0%	
2002	992,490	14.0%	326,653,831	3.04	3,696,391	607,938	0.16%	379,706,443	53,052,612	779,288		21.1%	
2003	974,563	15.6%	324,488,066	3.00	5,217,923	948,472	0.25%	384,316,428	59,828,362	0		0.0%	
2004	982,199	15.1%	327,230,531	3.00	2,142,746	154,412	0.04%	385,510,702	58,280,171	16,500		0.3%	
2005	1,002,339	14.8%	333,399,298	3.01	6,089,237	930,421	0.24%	391,445,527	58,046,229	140,942		6.6%	
2006	1,027,187	13.7%	340,597,307	3.02	3,983,839	381,636	0.10%	394,498,945	53,901,638	305,219		5.0%	
2007	1,038,047	12.7%	346,045,941	3.00	2,472,395	432,539	0.11%	396,589,704	50,543,763	41,141		1.0%	
2008	1,017,047	13.3%	347,607,528	2.93	4,545,315	818,653	0.20%	400,702,480	53,094,952	893,935		36.2%	
2009	938,364	15.8%	340,364,357	2.76	4,494,921	672,498	0.17%	404,378,748	64,014,391	8,260		0.2%	
2010	916,101	15.6%	341,554,519	2.68	812,168	728,133	0.18%	404,518,418	62,963,899	119,000		2.6%	
2011	923,696	14.92%	346,850,073	2.66	3,552,481	407,663	0.10%	407,663,236	60,813,163	284,198	355,248	8.0%	10.0%
2012	940,064	14.63%	351,688,563	2.67	5,012,140	741,481	0.18%	411,933,895	60,245,332	400,971	501,214	8.0%	10.0%
2013	973,348	14.38%	356,224,490	2.73	4,896,449	771,373	0.19%	416,058,971	59,834,481	391,716	489,645	8.0%	10.0%
2014	1,013,524	14.14%	360,479,330	2.81	4,576,008	801,722	0.19%	419,833,256	59,353,927	366,081	457,601	8.0%	10.0%
2015	1,035,798	13.65%	365,825,264	2.83	4,654,073	833,289	0.20%	423,654,041	57,828,777	372,326	465,407	8.0%	10.0%
2016	1,047,054	13.55%	369,155,287	2.84	4,239,379	865,123	0.20%	427,028,297	57,873,010	339,150	423,938	8.0%	10.0%
2017	1,054,681	13.50%	371,196,641	2.84	3,014,873	895,500	0.21%	429,147,669	57,951,028	241,190	301,487	8.0%	10.0%
2018	1,063,668	13.46%	373,708,474	2.85	3,588,692	928,083	0.21%	431,808,278	58,099,804	287,095	358,869	8.0%	10.0%
2019	1,073,790	13.46%	376,610,000	2.85	4,315,968	963,347	0.22%	435,160,899	58,550,899	345,277	431,597	8.0%	10.0%
2020	1,083,282	13.41%	379,280,346	2.86	3,837,500	998,721	0.23%	437,999,678	58,719,332	307,000	383,750	8.0%	10.0%
2021	1,092,822	13.41%	381,958,539	2.86	4,128,771	1,035,946	0.23%	441,092,503	59,133,964	330,302	412,877	8.0%	10.0%
2022	1,099,569	13.41%	383,653,157	2.87	3,028,734	1,071,759	0.24%	443,049,478	59,396,321	242,299	302,873	8.0%	10.0%
2023	1,107,538	13.41%	385,767,274	2.87	3,551,414	1,109,994	0.25%	445,490,898	59,723,623	284,113	355,141	8.0%	10.0%
2024	1,114,485	13.41%	387,518,890	2.88	3,171,283	1,148,486	0.26%	447,513,695	59,994,805	253,703	317,128	8.0%	10.0%
2025	1,122,749	13.41%	389,721,606	2.88	3,733,400	1,189,664	0.26%	450,057,430	60,335,824	298,672	373,340	8.0%	10.0%
2026	1,130,235	13.41%	391,647,124	2.89	3,455,031	1,231,408	0.27%	452,281,053	60,633,929	276,402	345,503	8.0%	10.0%
2027	1,137,654	13.41%	393,542,906	2.89	3,463,772	1,274,490	0.28%	454,470,335	60,927,429	277,102	346,377	8.0%	10.0%
2028	1,145,381	13.41%	395,538,481	2.90	3,623,906	1,319,381	0.29%	456,774,860	61,236,380	289,912	362,391	8.0%	10.0%
2029	1,153,382	13.41%	397,621,984	2.90	3,772,188	1,366,121	0.30%	459,180,927	61,558,943	301,775	377,219	8.0%	10.0%
2030	1,161,632	13.41%	399,783,735	2.91	3,911,183	1,414,755	0.31%	461,677,355	61,893,620	312,895	391,118	8.0%	10.0%
2031	1,169,577	13.41%	401,833,654	2.91	3,831,952	1,464,669	0.32%	464,044,638	62,210,984	306,556	383,195	8.0%	10.0%
2032	1,177,697	13.41%	403,936,501	2.92	3,944,910	1,516,504	0.33%	466,473,044	62,536,542	315,593	394,491	8.0%	10.0%
2033	1,186,303	13.41%	406,198,720	2.92	4,183,197	1,570,747	0.33%	469,085,494	62,886,774	334,656	418,320	8.0%	10.0%
2034	1,193,781	13.41%	408,067,464	2.93	3,783,371	1,625,312	0.34%	471,243,552	63,176,089	302,670	378,337	8.0%	10.0%
2035	1,200,454	13.41%	409,655,326	2.93	3,514,277	1,680,586	0.36%	473,077,244	63,421,918	281,142	351,428	8.0%	10.0%
2036	1,205,546	13.41%	410,699,104	2.94	2,940,787	1,735,414	0.37%	474,282,617	63,583,513	235,263	294,079	8.0%	10.0%
2037	1,206,630	13.16%	411,117,554	2.94	934,857	1,784,275	0.38%	473,433,199	62,315,645	74,789	93,486	8.0%	10.0%
2038	1,205,813	13.16%	410,559,283	2.94	1,192,416	1,835,308	0.39%	472,790,307	62,231,024	95,393	119,242	8.0%	10.0%
2039	1,204,897	13.16%	409,828,911	2.94	1,045,925	1,887,004	0.40%	471,949,228	62,120,317	83,674	104,592	8.0%	10.0%
2040	1,204,557	13.16%	409,713,204	2.94	1,809,820	1,943,066	0.41%	471,815,982	62,102,779	144,786	180,982	8.0%	10.0%
Project RBA Added in Region 2011-2040					104,708,756	Project RBA Added in Study Area 2011-2040			8,376,700	10,470,876	8.0%	10.0%	

Source: Moody's Economy.com, CoStar Inc. and SB Friedman and Company

Note: The employment growth rate between 2019 and 2025 has been adjusted to reflect the delay in the development of the Western Terminal (assumed to be developed in 2025). Discussions with OMP Consultants indicate that based on current FAA forecasts, enplanements will be constrained at O'Hare without new gates and a new Terminal by 2019. We made these adjustments based on the economic impact analysis results from the West O'Hare Corridor Economic Development Study that specifically modeled the impacts of constrained enplanements on future employment growth.

Capture Rates of Office-Center Communities Along Major Highways

	I-90 Office Clusters		I-294/I-90	I-290	East-West Tollway Office Clusters					
	Schaumburg	Hoffman Estates	Rosemont	Itasca	Oak Brook	Oakbrook Terrace	Downers Grove	Lisle	Naperville	Warrenville
Total Office Rentable Building Area (RBA)	6,221,685	6,076,980	4,552,219	3,165,303	7,907,117	3,363,648	5,951,229	6,194,676	8,136,150	2,593,577
Office Development 1980-2010										
Number of Buildings/Properties Developed	42	22	18	20	35	16	29	35	55	25
Rentable Building Area Developed	5,223,522	6,076,980	3,591,936	3,165,303	4,006,554	3,230,671	5,667,536	6,098,972	7,715,242	2,473,577
Total Available Space (SF)	1,240,507	784,457	806,052	929,543	1,100,675	841,975	1,496,837	1,993,202	1,691,793	1,134,682
Rental Building Area Developed in Chicago MSA	192,660,738	192,660,738	192,660,738	192,660,738	192,660,738	192,660,738	192,660,738	192,660,738	192,660,738	192,660,738
Estimated Capture of Chicago MSA Development Growth	2.7%	3.2%	1.9%	1.6%	2.1%	1.7%	2.9%	3.2%	4.0%	1.3%

Source: Costar and SB Friedman & Company

***Appendix 2:
Hotel Demand Analysis***



MEMORANDUM

To: Ranadip Bose

From: Hans Detlefsen
HVS Global Hospitality Services

Re: Summary of hotel room growth scenarios for the O'Hare International Airport study area

Date: May 12th, 2011

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Dear Mr. Bose,

At your request, we are pleased to summarize the findings of the four hotel room growth scenarios prepared by HVS: (1) No Build No Terminal scenario, (2) the Build No Terminal scenario, (3) the No Build scenario, and (4) the Build scenario, all pertaining to anticipated future developments surrounding O'Hare. HVS examined future growth estimates of enplanement at O'Hare, population growth forecasts in the study area, office space development trends, and employment growth rates in the study area. We also evaluated historical hotel supply and demand trends near O'Hare. We further characterized the existing and projected hotel supply by chain scale.

Three basic reasons factor into our overall forecast of room growth: (1) general, economic growth trends in the study area, (2) specific enplanement growth forecasts related to the future opening of the Western Terminal and the Elgin O'Hare Expressway/O'Hare Western Bypass, and (3) the expected distribution of traffic between the existing terminal on the eastern side of O'Hare and the new Western Terminal. HVS assumes the Western Terminal will have 19 gates and will be fully integrated with, and conveniently connected to, the existing airport terminals.

HVS made certain assumption to allocate the causes for the anticipated growth in hotel rooms. These potential factors include general economic growth trends, growth related to the Western Terminal, and growth related to the Elgin O'Hare Expressway/O'Hare Western Bypass.

One assumption is that a little over half (we use 53%) of new supply growth related to both the Western Terminal the Elgin O'Hare Expressway/O'Hare Western Bypass would be "net new" to the study



area specifically due to the combined effects of the Western Terminal and the Elgin O'Hare Expressway/O'Hare Western Bypass. The other half (or 47%) would have occurred somewhere in the study area – probably on the East side – even without the Terminal and Expressway as demand trends and enplanements continue to increase. Such growth would be consistent with long-term development trends and our understanding of development opportunities in and around the study area surrounding O'Hare.

A second assumption is that the Terminal's impact is about twice as important as the Expressway's impact. So, of the total net new hotel development anticipated in the study area, we assume roughly two-thirds will be due to the Western Terminal and one-third will be due to the Elgin O'Hare Expressway/O'Hare Western Bypass.

A third assumption is that 35% of total airport traffic would take place at the Western Terminal if the development occurs. Hypothetically, if we could remove 35% of the existing rooms on the East side of O'Hare and relocate them to the West side, then it would be reasonable to assume relatively even supply growth on both sides of O'Hare in the future. Since that's not possible, we try to get roughly the same long-term result by modeling a short-term acceleration in growth on the West side of O'Hare and below-trend growth rates on the East side of O'Hare.

Concurrently, we assume the average occupancy of hotels in the study area recovers to a level consistent with long-term historical levels; we assume a recovery to an average of roughly 65% from the currently depressed level of 60%. (New hotel room construction would have been approximately 2,000 rooms greater without this adjustment, but we felt it was realistic to assume that occupancy rates would need to rise before investors will commit capital to new hotel projects around the airport.)

The following table shows our forecast of hotel room growth from 2010 through 2040 in the study area for the four scenarios.

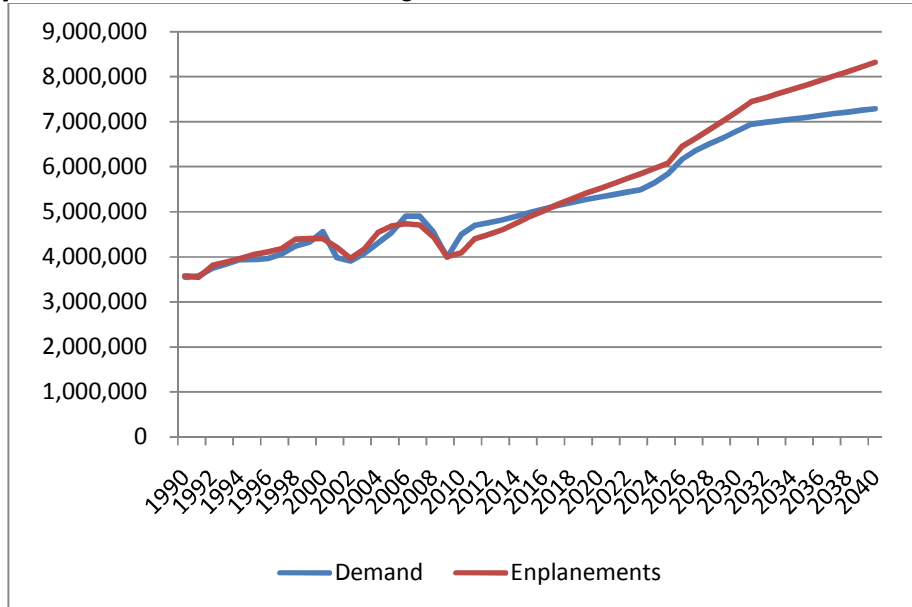


Table 1 – The No Build No Terminal Scenario

Year	Room Night Demand	Enplanements	Enplanements per Room Night Demand	Average Annual Occupancy	Hotel Room Supply	Net Annual Hotel Room Additions	Net Additions per Decade	Cumulative Hotel Room Additions 2010-2040
1990	3,550,530	27,948,463	7.9	65%	15,043			
1991	3,577,316	27,683,681	7.7	64%	15,251	208		
1992	3,745,793	29,737,701	7.9	67%	15,313	62		
1993	3,837,211	30,329,179	7.9	69%	15,296	(17)		
1994	3,941,498	30,920,837	7.8	72%	15,001	(295)		
1995	3,937,506	31,611,635	8.0	73%	14,777	(224)		
1996	3,964,463	32,058,869	8.1	73%	14,846	69		
1997	4,060,644	32,653,838	8.0	73%	15,290	444		
1998	4,238,415	34,275,979	8.1	73%	15,988	699		
1999	4,321,333	34,339,327	7.9	71%	16,745	756		
2000	4,567,303	34,386,718	7.5	69%	18,138	1,393	3,095	
2001	3,980,612	32,861,353	8.3	59%	18,476	338		
2002	3,907,859	30,943,392	7.9	57%	18,850	374		
2003	4,078,746	32,583,255	8.0	58%	19,315	465		
2004	4,318,342	35,485,106	8.2	61%	19,403	88		
2005	4,550,427	36,593,872	8.0	64%	19,447	44		
2006	4,904,459	36,969,264	7.5	67%	19,934	487		
2007	4,902,977	36,742,947	7.5	67%	20,110	176		
2008	4,555,353	34,630,139	7.6	61%	20,564	454		
2009	3,989,768	31,238,592	7.8	52%	21,185	621		
2010	4,498,522	31,882,487	7.1	60%	20,624	(561)	2,486	
2011	4,681,069	34,374,256	7.3	62%	20,652	28		28
2012	4,731,928	35,083,730	7.4	63%	20,677	25		52
2013	4,789,206	35,899,942	7.5	63%	20,761	85		137
2014	4,865,057	37,003,576	7.6	64%	20,762	0		137
2015	4,943,387	38,166,780	7.7	65%	20,836	75		212
2016	5,012,685	39,216,641	7.8	65%	21,128	292		504
2017	5,082,773	40,299,503	7.9	65%	21,424	295		800
2018	5,141,820	41,229,501	8.0	65%	21,673	249		1,048
2019	5,202,133	42,197,521	8.1	65%	21,927	254		1,303
2020	5,251,017	42,996,776	8.2	65%	22,133	206	1,509	1,509
2021	5,301,398	43,835,619	8.3	65%	22,345	212		1,721
2022	5,352,376	44,699,686	8.4	65%	22,560	215		1,936
2023	5,403,667	45,584,471	8.4	65%	22,776	216		2,152
2024	5,455,477	46,493,720	8.5	65%	22,995	218		2,371
2025	5,507,678	47,425,522	8.6	65%	23,215	220		2,591
2026	5,558,996	48,356,943	8.7	65%	23,431	216		2,807
2027	5,610,798	49,312,690	8.8	65%	23,649	218		3,025
2028	5,668,454	50,393,726	8.9	65%	23,892	243		3,268
2029	5,719,696	51,369,894	9.0	65%	24,108	216		3,484
2030	5,776,317	52,465,504	9.1	65%	24,347	239	2,214	3,723
2031	5,800,809	52,946,780	9.1	65%	24,450	103		3,826
2032	5,825,257	53,434,515	9.2	65%	24,553	103		3,929
2033	5,849,515	53,925,745	9.2	65%	24,655	102		4,031
2034	5,868,380	54,313,422	9.3	65%	24,735	80		4,111
2035	5,887,168	54,705,144	9.3	65%	24,814	79		4,190
2036	5,905,849	55,100,248	9.3	65%	24,893	79		4,269
2037	5,924,353	55,497,164	9.4	65%	24,971	78		4,347
2038	5,924,353	55,497,164	9.4	65%	24,971	-		4,347
2039	5,924,353	55,497,164	9.4	65%	24,971	-		4,347
2040	5,924,353	55,497,164	9.4	65%	24,971	-	624	4,347



Figure 1 – Enplanements versus Hotel Room Night Demand: No Build No Terminal Scenario



The enplanements shown in Figure 1 are in units of 7.8 enplanements, which represent the historical average of enplanements per night of room demand.

Table One showed the No Build No Terminal scenario. Our projected growth in hotel rooms in the Study Area for this scenario breaks down onto a few distinct stages.

- 2011-2014 The market is recovering from a severe economic downturn and financing is scarce. While some hotel developments may occur, the construction pipeline is expected to remain restricted during this period. Moreover, a number of properties may close due to economic stress or obsolescence. While occupancy is showing signs of recovery, average daily rates have not yet recovered to pre-recession levels for many hotels.
- 2015-2030 The market is expected to experience development trends more consistent with historical trends. As sites become scarce near O'Hare, development may increasingly take place outside of the Study Area.
- 2030-2040 We assume O'Hare reaches its capacity, demand stabilizes, and hotel room supply stabilizes. New hotels continue to be developed but older hotels will be demolished or converted to other uses to maintain a relatively stable supply of rooms. Enplanement growth decelerates and



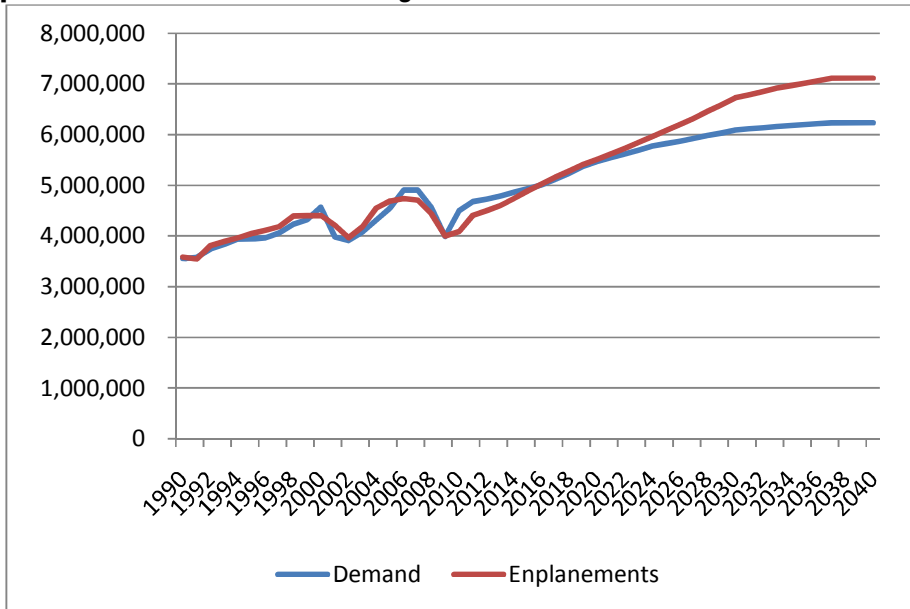
eventually stops in 2038, which results in hotel room growth stopping in 2038 through 2040.

Table 2 – The Build Scenario

Year	Room Night Demand	Enplanements	Enplanements per Room Night Demand	Average Annual Occupancy	Hotel Room Supply	Net Annual Hotel Room Additions	Net Additions per Decade	Cumulative Hotel Room Additions 2010-2040
1990	3,550,530	27,948,463	7.9	65%	15,043			
1991	3,577,316	27,683,681	7.7	64%	15,251	208		
1992	3,745,793	29,737,701	7.9	67%	15,313	62		
1993	3,837,211	30,329,179	7.9	69%	15,296	(17)		
1994	3,941,498	30,920,837	7.8	72%	15,001	(295)		
1995	3,937,506	31,611,635	8.0	73%	14,777	(224)		
1996	3,964,463	32,058,869	8.1	73%	14,846	69		
1997	4,060,644	32,653,838	8.0	73%	15,290	444		
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1999	4,321,333	34,339,327	7.9	71%	16,745	756		
2000	4,567,303	34,386,718	7.5	69%	18,138	1,393	3,095	
2001	3,980,612	32,861,353	8.3	59%	18,476	338		
2002	3,907,859	30,943,392	7.9	57%	18,850	374		
2003	4,078,746	32,583,255	8.0	58%	19,315	465		
2004	4,318,342	35,485,106	8.2	61%	19,403	88		
2005	4,550,427	36,593,872	8.0	64%	19,447	44		
2006	4,904,459	36,969,264	7.5	67%	19,934	487		
2007	4,902,977	36,742,947	7.5	67%	20,110	176		
2008	4,555,353	34,630,139	7.6	61%	20,564	454		
2009	3,989,768	31,238,592	7.8	52%	21,185	621		
2010	4,498,522	31,882,487	7.1	60%	20,624	(561)	2,486	
2011	4,679,085	34,374,256	7.3	62%	20,643	19		19
2012	4,729,402	35,083,730	7.4	63%	20,665	22		41
2013	4,786,084	35,899,942	7.5	63%	20,682	17		58
2014	4,861,161	37,003,576	7.6	64%	20,713	30		89
2015	4,938,708	38,166,780	7.7	65%	20,816	104		192
2016	5,007,326	39,216,641	7.8	65%	21,106	289		482
2017	5,120,554	40,299,503	7.9	65%	21,583	477		959
2018	5,246,252	41,229,501	7.9	65%	22,113	530		1,489
2019	5,374,864	42,197,521	7.9	65%	22,655	542		2,031
2020	5,470,333	42,996,776	7.9	65%	23,057	402	2,433	2,433
2021	5,544,197	43,835,619	7.9	65%	23,369	311		2,744
2022	5,618,983	44,699,686	8.0	65%	23,684	315		3,060
2023	5,694,416	45,584,471	8.0	65%	24,002	318		3,378
2024	5,770,699	46,493,720	8.1	65%	24,323	322		3,699
2025	5,822,466	47,425,522	8.1	65%	24,541	218		3,917
2026	5,873,363	48,356,943	8.2	65%	24,756	215		4,132
2027	5,924,747	49,312,690	8.3	65%	24,973	217		4,349
2028	5,981,945	50,393,726	8.4	65%	25,214	241		4,590
2029	6,032,787	51,369,894	8.5	65%	25,428	214		4,804
2030	6,088,972	52,465,504	8.6	65%	25,665	237	2,608	5,041
2031	6,113,279	52,946,780	8.7	65%	25,767	102		5,143
2032	6,137,545	53,434,515	8.7	65%	25,870	102		5,245
2033	6,161,624	53,925,745	8.8	65%	25,971	101		5,347
2034	6,180,353	54,313,422	8.8	65%	26,050	79		5,426
2035	6,199,006	54,705,144	8.8	65%	26,129	79		5,504
2036	6,217,556	55,100,248	8.9	65%	26,207	78		5,583
2037	6,235,932	55,497,164	8.9	65%	26,284	77		5,660
2038	6,235,932	55,497,164	8.9	65%	26,284	-		5,660
2039	6,235,932	55,497,164	8.9	65%	26,284	-		5,660
2040	6,235,932	55,497,164	8.9	65%	26,284	-	619	5,660



Figure 2 – Enplanements versus Hotel Room Night Demand: Build Scenario



The enplanements shown in Figure 2 are in units of 7.8 enplanements, which represent the historical average of enplanements per night of room demand.

Table Two showed the Build scenario. Our projected growth in hotel rooms in the Study Area for this scenario breaks down onto a few distinctive stages.

- 2011-2014 As indicated previously, the market is recovering from a severe economic downturn and financing is scarce. While some hotel developments may occur, the construction pipeline is expected to remain restricted during this period. Moreover, a number of properties may close due to economic stress or depreciation.
- 2015-2016 Development trends return to levels consistent with long-term historical growth in hotel rooms.
- 2017-2024 The Elgin O’Hare Expressway/O’Hare Western Bypass is expected to open in 2018 but the Western Terminal is not developed. Hotel room construction is expected to increase due to the new access on the western side of O’Hare.
- 2025–2030 Development trends return to levels consistent with long-term historical growth in hotel rooms.



- 2030-2040 HVS projects a reduced growth rate for hotel rooms for this time period, acknowledging a high degree of uncertainty this far in the future. The airport will have neared capacity once again, reducing demand growth rates related to airport traffic. Hotel room development may occur outside of the Study Area on the eastern side of the airport, especially as prime hotel sites for hotels become more difficult to find and acquire on the western side of O'Hare. Enplanement growth stops in 2038, which results in hotel room growth stopping in 2038 through 2040.

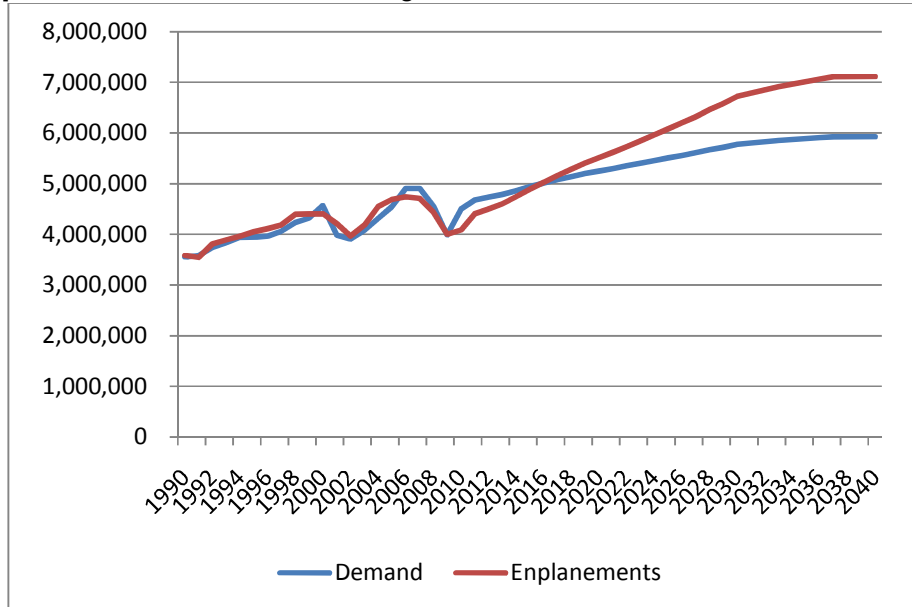


Table 3 – The No Build Scenario

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2008	4,555,353	34,630,139	7.6	61%	20,564	454		
2009	3,989,768	31,238,592	7.8	52%	21,185	621		
2010	4,498,522	31,882,487	7.1	60%	20,624	(561)	2,486	
2011	4,700,448	34,374,256	7.3	62%	20,671	47		47
2012	4,756,577	35,083,730	7.4	63%	20,685	14		61
2013	4,819,654	35,899,942	7.4	64%	20,713	28		89
2014	4,903,010	37,003,576	7.5	65%	20,746	33		122
2015	4,988,919	38,166,780	7.7	65%	21,028	282		404
2016	5,064,776	39,216,641	7.7	65%	21,348	320		724
2017	5,141,357	40,299,503	7.8	65%	21,671	323		1,047
2018	5,205,762	41,229,501	7.9	65%	21,942	271		1,318
2019	5,271,435	42,197,521	8.0	65%	22,219	277		1,595
2020	5,324,577	42,996,776	8.1	65%	22,443	224	1,819	1,819
2021	5,379,260	43,835,619	8.1	65%	22,673	230		2,049
2022	5,434,507	44,699,686	8.2	65%	22,906	233		2,282
2023	5,490,014	45,584,471	8.3	65%	23,140	234		2,516
2024	5,642,078	46,493,720	8.2	65%	23,781	641		3,157
2025	5,846,519	47,425,522	8.1	65%	24,643	862		4,019
2026	6,171,199	50,308,684	8.2	65%	26,011	1,369		5,387
2027	6,363,307	51,750,372	8.1	65%	26,821	810		6,197
2028	6,504,399	53,239,962	8.2	65%	27,416	595		6,792
2029	6,648,086	54,779,328	8.2	65%	28,021	606		7,397
2030	6,794,455	56,370,431	8.3	65%	28,638	617	6,195	8,014
2031	6,943,595	58,015,312	8.4	65%	29,267	629		8,643
2032	6,982,500	58,740,503	8.4	65%	29,431	164		8,807
2033	7,021,268	59,474,760	8.5	65%	29,594	163		8,970
2034	7,059,908	60,218,194	8.5	65%	29,757	163		9,133
2035	7,098,430	60,970,922	8.6	65%	29,920	162		9,296
2036	7,136,844	61,733,058	8.6	65%	30,082	162		9,457
2037	7,175,159	62,504,721	8.7	65%	30,243	161		9,619
2038	7,213,384	63,286,030	8.8	65%	30,404	161		9,780
2039	7,251,526	64,077,106	8.8	65%	30,565	161		9,941
2040	7,289,595	64,878,070	8.9	65%	30,725	160	2,087	10,101



Figure 3 – Enplanements versus Hotel Room Night Demand: No Build Scenario



The enplanements shown in Figure 3 are in units of 7.8 enplanements, which represent the historical average of enplanements per night of room demand.

Table Three showed the No Build scenario. Our projected growth in hotel rooms in the Study Area for the scenario breaks down onto a few distinctive stages.

Our projected growth in hotel rooms in the Study Area breaks down onto a few distinctive stages for each of the development scenarios.

- 2011-2014 As indicated previously, the market is recovering from a severe economic downturn and financing is scarce. While some hotel developments may occur, the construction pipeline is expected to remain restricted during this period. Moreover, a number of properties may close due to economic stress or depreciation.
- 2015-2024 Development trends return to levels consistent with long-term historical growth in hotel rooms.
- 2025-2030 The Western Terminal development combined with the new gates provides a strong motivation for the development of new hotels in locations that best serve customers using the new facilities. The Western Terminal provides a new and unique demand for hotel rooms on the western side of the airport that did not exist prior to the new



access points to the airport. With an estimated 35% of the airport-related traffic flow moving to the western side of O'Hare, two factors are considered: (1) the demand on the eastern side will decrease, removing incentives for the development of new hotel rooms there, and (2) the new opportunities on the western side will aggressively seek any newly available investment capital for hotel development surrounding the airport, as economic conditions improve and financing becomes more available. The increase in capacity of the airport and the resulting anticipated increase in enplanements is a primary factor in estimating the growth rates for the projected increases in room demand and supply.

- 2030-2040 HVS projects a reduced growth rate for hotel rooms for this time period, acknowledging a high degree of uncertainty this far in the future. The airport will have neared capacity once again, reducing demand growth rates related to airport traffic. Hotel room development may occur outside of the Study Area on the eastern side of the airport, especially as prime hotel sites for hotels become more difficult to find and acquire on the western side of O'Hare.

The Western Terminal will still provides a new and unique demand for hotel rooms on the western side of the airport that did not exist prior to the new access points to the airport. With an estimated 35% of the airport-related traffic flow moving to the western side of O'Hare, three factors are considered: (1) the demand on the eastern side will decrease, removing incentives for the development of new hotel rooms there, (2) the new opportunities on the western side will aggressively seek any newly available investment capital for hotel development surrounding the airport, as economic conditions improve and financing becomes more available, and (3) the limitation on new development sites due to the lack of the Elgin O'Hare Expressway/O'Hare Western Bypass. The increase in capacity of the airport and the resulting anticipated increase in enplanements is a primary factor in estimating the growth rates for the projected increases in room demand and supply.

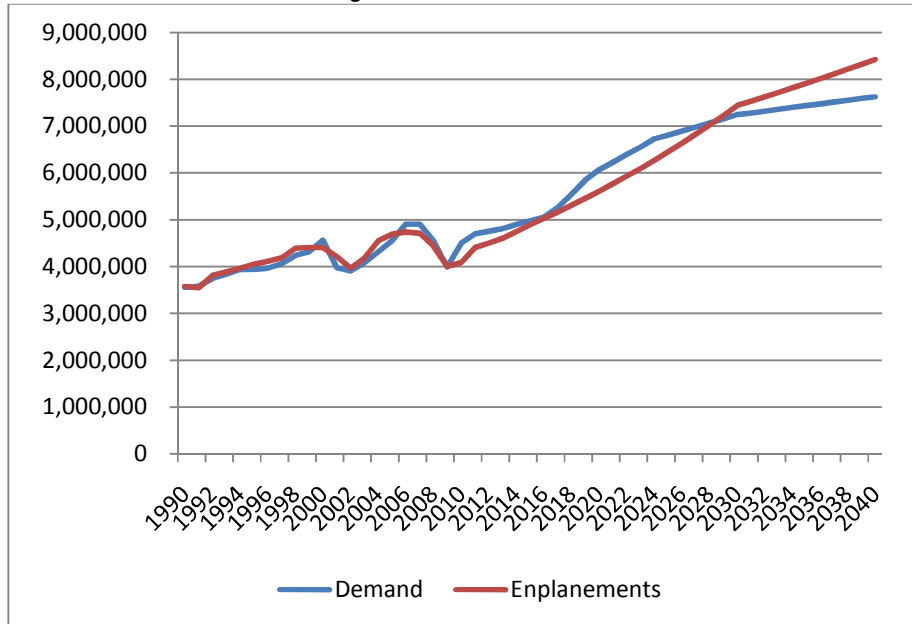


Table 4 – The Build Scenario

Year	Room Night Demand	Enplanements	Enplanements per Room Night Demand	Average Annual Occupancy	Hotel Room Supply	Net Annual Hotel Room Additions	Net Additions per Decade	Cumulative Hotel Room Additions 2010-2040
1990	3,550,530	27,948,463	7.9	65%	15,043			
1991	3,577,316	27,683,681	7.7	64%	15,251	208		
1992	3,745,793	29,737,701	7.9	67%	15,313	62		
1993	3,837,211	30,329,179	7.9	69%	15,296	(17)		
1994	3,941,498	30,920,837	7.8	72%	15,001	(295)		
1995	3,937,506	31,611,635	8.0	73%	14,777	(224)		
1996	3,964,463	32,058,869	8.1	73%	14,846	69		
1997	4,060,644	32,653,838	8.0	73%	15,290	444		
1998	4,238,415	34,275,979	8.1	73%	15,988	699		
1999	4,321,333	34,339,327	7.9	71%	16,745	756		
2000	4,567,303	34,386,718	7.5	69%	18,138	1,393	3,095	
2001	3,980,612	32,861,353	8.3	59%	18,476	338		
2002	3,907,859	30,943,392	7.9	57%	18,850	374		
2003	4,078,746	32,583,255	8.0	58%	19,315	465		
2004	4,318,342	35,485,106	8.2	61%	19,403	88		
2005	4,550,427	36,593,872	8.0	64%	19,447	44		
2006	4,904,459	36,969,264	7.5	67%	19,934	487		
2007	4,902,977	36,742,947	7.5	67%	20,110	176		
2008	4,555,353	34,630,139	7.6	61%	20,564	454		
2009	3,989,768	31,238,592	7.8	52%	21,185	621		
2010	4,498,522	31,882,487	7.1	60%	20,624	(561)	2,486	
2011	4,696,596	34,374,256	7.3	62%	20,654	30		30
2012	4,751,679	35,083,730	7.4	63%	20,664	10		40
2013	4,813,607	35,899,942	7.5	64%	20,687	23		63
2014	4,895,479	37,003,576	7.6	65%	20,714	27		90
2015	4,979,892	38,166,780	7.7	65%	20,990	276		366
2016	5,054,456	39,216,641	7.8	65%	21,304	314		680
2017	5,262,439	40,299,503	7.7	65%	22,181	877		1,557
2018	5,545,743	41,416,587	7.5	65%	23,375	1,194		2,751
2019	5,841,048	42,569,167	7.3	65%	24,620	1,245		3,996
2020	6,072,216	43,758,573	7.2	65%	25,594	974	4,970	4,970
2021	6,230,708	44,986,191	7.2	65%	26,262	668		5,638
2022	6,392,289	46,253,468	7.2	65%	26,943	681		6,319
2023	6,557,056	47,561,914	7.3	65%	27,638	694		7,014
2024	6,725,107	48,913,105	7.3	65%	28,346	708		7,722
2025	6,808,277	50,308,684	7.4	65%	28,697	351		8,073
2026	6,892,685	51,750,372	7.5	65%	29,052	356		8,428
2027	6,978,392	53,239,962	7.6	65%	29,414	361		8,790
2028	7,065,460	54,779,328	7.8	65%	29,781	367		9,157
2029	7,153,953	56,370,431	7.9	65%	30,154	373		9,530
2030	7,243,935	58,015,312	8.0	65%	30,533	379	4,939	9,909
2031	7,282,966	58,740,503	8.1	65%	30,697	165		10,073
2032	7,321,857	59,474,760	8.1	65%	30,861	164		10,237
2033	7,360,618	60,218,194	8.2	65%	31,025	163		10,401
2034	7,399,259	60,970,922	8.2	65%	31,188	163		10,564
2035	7,437,790	61,733,058	8.3	65%	31,350	162		10,726
2036	7,476,219	62,504,721	8.4	65%	31,512	162		10,888
2037	7,514,556	63,286,030	8.4	65%	31,674	162		11,049
2038	7,552,809	64,077,106	8.5	65%	31,835	161		11,211
2039	7,590,987	64,878,070	8.5	65%	31,996	161		11,372
2040	7,629,096	65,689,045	8.6	65%	32,156	161	1,623	11,532



Figure 4 – Enplanements versus Hotel Room Night Demand: Build Scenario



The enplanements shown in Figure 4 are in units of 7.8 enplanements, which represent the historical average of enplanements per night of room demand.

Table Four showed the Build scenario. Our projected growth in hotel rooms in the Study Area for the scenario breaks down onto a few distinctive stages.

Our projected growth in hotel rooms in the Study Area breaks down onto a few distinctive stages for each of the development scenarios.

- 2011-2014 As indicated previously, the market is recovering from a severe economic downturn and financing is scarce. While some hotel developments may occur, the construction pipeline is expected to remain restricted during this period. Moreover, a number of properties may close due to economic stress or depreciation.
- 2015-2016 Development trends return to levels consistent with long-term historical growth in hotel rooms.
- 2017-2024 The Western Terminal development combined with the new gates provides a strong motivation for the development of new hotels in locations that best serve customers using the new facilities. The Western Terminal provides a new and unique demand for hotel rooms on the western side of the airport that did not exist prior to the new



access points to the airport. With an estimated 35% of the airport-related traffic flow moving to the western side of O'Hare, two factors are considered: (1) the demand on the eastern side will decrease, removing incentives for the development of new hotel rooms there, and (2) the new opportunities on the western side will aggressively seek any newly available investment capital for hotel development surrounding the airport, as economic conditions improve and financing becomes more available. The increase in capacity of the airport and the resulting anticipated increase in enplanements is a primary factor in estimating the growth rates for the projected increases in room demand and supply.

- 2017-2024 The Elgin O'Hare Expressway/O'Hare Western Bypass is expected to open in 2018. Hotel room construction is expected to increase due to the new access on the western terminal and access to new hotel sites.
- 2025-2030 Development trends return to levels consistent with long-term historical growth in hotel rooms.
- 2030-2040 HVS projects a reduced growth rate for hotel rooms for this time period, acknowledging a high degree of uncertainty this far in the future. The airport will have neared capacity once again, reducing demand growth rates related to airport traffic. Hotel room development may occur outside of the Study Area on the eastern side of the airport, especially as prime hotel sites for hotels become more difficult to find and acquire on the western side of O'Hare.

HVS developed four scenarios to the projected growth hotel rooms in the study area. The No Build No Terminal scenario is the most restrictive on growth as projected growth in enplanements is lower and the limitation of available hotel site on the eastern side of the study area restricted development in the study area. The Build No Terminal scenario opens up new construction sites on the western side of O'Hare but the lack on a western entry and terminal combined with lower projected enplanements restricts development. The No Build scenario creates significant demand on the western side of O'Hare due to the new western terminal and the projected enplanements are increased, but limitations on access to the new terminal and limited hotel development sites restricts development. The build scenario creates the maximum hotel demand as new sites are created on the western side of O'Hare; the new terminal moves demand to the western side of O'Hare, the increase access on the western site provides more hotel sites, and growth in enplanements is increased



HVS calculated a potential range of results based on the four scenarios.

Table 5 – Potential Range of Results

	No Build No Terminal	Build No Terminal	No Build	Build
Low	3,477	4,528	8,081	9,226
Average	4,347	5,660	10,101	11,532
High	5,216	6,792	12,122	13,839

Please contact us any time with questions or to discuss details.

Sincerely,

A handwritten signature in black ink, appearing to read 'Brian Stewart'.

Director
HVS Global Hospitality Services

A handwritten signature in black ink, appearing to read 'Hans Detlefsen'.

Hans Detlefsen
Managing Director
HVS Global Hospitality Services

***Appendix 3:
Retail Demand Analysis***

Build Retail Demand Model (Low)

Sources of Retail Demand	Net Change 2010-2040
Households	18,340
Office Workers	23,869
Hotel Visitors	898,861
Total Supportable Net New Retail	2,130,000
Community/Freestanding/Power	465,000
Neighborhood/Mixed Use	1,665,000

NAICS Sectors	ULI Category	Household Spending	Office Worker Spending	Hotel Visitor Spending	Total Retail Demand
General Merchandise Stores (NAICS 452)	General merchandise	\$ 64,692,994	\$ -	\$ 19,007,342	\$ 83,700,336
Food & Beverage Stores (NAICS 445)	Food	\$ 89,800,685	\$ 11,952,615	\$ 26,384,191	\$ 128,137,491
Food Services & Drinking Places (NAICS 722)	Food service	\$ 84,331,627	\$ 33,559,284	\$ 103,331,860	\$ 221,222,771
Clothing Stores (NAICS 4481)	Clothing and accessories	\$ 17,779,899	\$ -	\$ 5,223,883	\$ 23,003,781
Shoe Stores (NAICS 4482)	Shoes	\$ 2,496,365	\$ -	\$ 733,453	\$ 3,229,818
Home Furnishings Stores (NAICS 4422)	Home furnishings	\$ 7,342,495	\$ 10,201,750	\$ 2,157,286	\$ 19,701,532
Electronics & Appliance Stores (NAICS 443/NAICS 4431)	Home appliances/music	\$ 15,194,510	\$ -	\$ 4,464,274	\$ 19,658,784
Bldg Materials, Garden Equip. & Supply Stores (NAICS 444)	Building materials/hardware	\$ 20,839,652	\$ -	\$ 6,122,864	\$ 26,962,515
Auto Parts, Accessories, and Tire Stores (NAICS 4413)	Automotive	\$ 6,286,511	\$ -	\$ 1,847,029	\$ 8,133,541
Sporting Goods, Hobby, Book, and Music Stores (NAICS 451)	Hobby/special interest	\$ 6,842,282	\$ 4,080,700	\$ 2,010,320	\$ 12,933,302
Miscellaneous Store Retailers (NAICS 453)	Gifts/specialty	\$ 8,691,112	\$ 4,020,245	\$ 2,553,521	\$ 15,264,878
Jewelry, Luggage, and Leather Goods Stores (NAICS 4483)	Jewelry	\$ 2,889,839	\$ -	\$ 849,059	\$ 3,738,898
Drinking Places - Alcoholic Beverages (NAICS 7224)	Liquor	\$ 3,455,573	\$ -	\$ 1,015,276	\$ 4,470,850
Health & Personal Care Stores (NAICS 446/NAICS 4461)	Drugs	\$ 18,457,512	\$ 10,913,257	\$ 5,422,971	\$ 34,793,740
Miscellaneous Store Retailers (NAICS 453)	Other retail	\$ 8,691,112	\$ 4,020,245	\$ 2,553,521	\$ 15,264,878
TOTALS		\$ 357,792,169	\$ 78,748,096	\$ 183,676,850	\$ 620,217,115

NAICS Sectors	ULI Category	Estimated Percent Distribution of Demand by Center Type				Estimated Distribution of Demand by Center Type					Retail Sales Distribution in Community Center	U.S. Super Community/Community	Neighborhood	Typical Sales/SF		Supportable SF	
		Super Regional (Woodfield Mall)	Regional (Streets of Woodfield)	Super Community/Community/Power Center/Freestanding	Neighborhood/Convenience	Super Regional (Woodfield Mall)	Regional (Streets of Woodfield)	Super Community/Community/Power Center/Freestanding	Neighborhood/Convenience	Neighborhood + Community				U.S. Super Community/Community	Neighborhood	U.S. Super Community/Community	Neighborhood
General Merchandise Stores (NAICS 452)	General merchandise	50%	3%	42%	5%	\$ 41,833,873	\$ 2,483,814	\$ 35,261,365	\$ 4,121,283	\$ 39,382,648	14.3%	\$ 16,254,039	\$ 23,128,609	149.50	102.97	108,723	224,615
Food & Beverage Stores (NAICS 445)	Food	0%	1%	52%	47%	\$ 332,914	\$ 1,216,761	\$ 66,305,262	\$ 60,282,554	\$ 126,587,816	34.8%	\$ 39,402,777	\$ 87,185,038	412.21	430.05	95,589	202,732
Food Services & Drinking Places (NAICS 722)	Food service	10%	8%	58%	24%	\$ 21,979,786	\$ 18,139,813	\$ 128,036,545	\$ 53,066,627	\$ 181,103,172	10.2%	\$ 11,524,489	\$ 169,578,683	314.12	266.65	36,688	635,960
Clothing Stores (NAICS 4481)	Clothing and accessories	25%	16%	53%	6%	\$ 5,823,791	\$ 3,606,956	\$ 12,138,696	\$ 1,434,338	\$ 13,573,034	10.9%	\$ 12,402,545	\$ 1,170,489	232.68	155.59	53,303	7,523
Shoe Stores (NAICS 4482)	Shoes	29%	17%	49%	6%	\$ 924,706	\$ 541,904	\$ 1,569,203	\$ 194,005	\$ 1,763,208	1.6%	\$ 1,756,113	\$ 7,095	192.73	141.51	9,112	50
Home Furnishings Stores (NAICS 4422)	Home furnishings	9%	5%	85%	1%	\$ 1,817,075	\$ 971,517	\$ 16,762,223	\$ 150,717	\$ 16,912,940	5.3%	\$ 6,036,637	\$ 10,876,303	209.28	188.35	28,845	57,745
Electronics & Appliance Stores (NAICS 443/NAICS 4431)	Home appliances/music	19%	17%	61%	3%	\$ 3,698,050	\$ 3,322,602	\$ 11,955,911	\$ 682,220	\$ 12,638,132	2.5%	\$ 2,853,683	\$ 9,784,449	302.20	271.98	9,443	35,975
Bldg Materials, Garden Equip. & Supply Stores (NAICS 444)	Building materials/hardware	2%	0%	93%	6%	\$ 423,232	\$ -	\$ 25,029,769	\$ 1,509,514	\$ 26,539,283	4.0%	\$ 4,500,039	\$ 22,039,245	388.65	349.79	11,579	63,008
Auto Parts, Accessories, and Tire Stores (NAICS 4413)	Automotive	2%	0%	55%	43%	\$ 123,999	\$ -	\$ 4,471,480	\$ 3,538,062	\$ 8,009,542	0.5%	\$ 548,785	\$ 7,460,757	237.92	386.92	2,307	19,282
Sporting Goods, Hobby, Book, and Music Stores (NAICS 451)	Hobby/special interest	14%	10%	67%	8%	\$ 1,811,260	\$ 1,336,642	\$ 8,708,716	\$ 1,076,684	\$ 9,785,400	3.5%	\$ 3,951,253	\$ 5,834,146	219.85	199.45	17,972	29,251
Miscellaneous Store Retailers (NAICS 453)	Gifts/specialty	11%	11%	65%	14%	\$ 1,613,389	\$ 1,686,019	\$ 9,872,971	\$ 2,092,499	\$ 11,965,470	2.7%	\$ 3,073,197	\$ 8,892,273	170.42	127.08	18,033	69,974
Jewelry, Luggage, and Leather Goods Stores (NAICS 4483)	Jewelry	37%	19%	36%	9%	\$ 1,373,056	\$ 696,750	\$ 1,338,200	\$ 330,891	\$ 1,669,091	1.0%	\$ 1,097,570	\$ 571,521	303.37	317.37	3,618	1,801
Drinking Places - Alcoholic Beverages (NAICS 7224)	Liquor	0%	0%	50%	50%	\$ -	\$ -	\$ 2,247,716	\$ 2,223,134	\$ 4,470,850	0.3%	\$ 329,271	\$ 4,141,579	396.27	300.00	831	13,805
Health & Personal Care Stores (NAICS 446/NAICS 4461)	Drugs	1%	2%	50%	47%	\$ 373,880	\$ 668,550	\$ 17,527,121	\$ 16,224,189	\$ 33,751,309	3.8%	\$ 4,280,525	\$ 29,470,785	429.07	429.47	9,976	68,621
Miscellaneous Store Retailers (NAICS 453)	Other retail	13%	9%	65%	13%	\$ 2,029,900	\$ 1,361,154	\$ 9,963,291	\$ 1,910,533	\$ 11,873,824	4.7%	\$ 5,378,095	\$ 6,495,729	247.53	217.25	21,727	29,900
TOTALS						\$ 84,158,912	\$ 36,032,484	\$ 351,188,470	\$ 148,837,249	\$ 500,025,719	100%	\$ 113,389,020	\$ 386,636,699			427,746	1,460,242
														Non-Retail Area		20%	80%
														Total Supportable Retail Centers		8%	12%
																465,224	1,665,107

Build Retail Demand Model (High)

Sources of Retail Demand	Net Change 2010-2040
Households	18,340
Office Workers	23,869
Hotel Visitors	898,861
Total Supportable Net New Retail	3,019,000
Community/Freestanding/Power	657,000
Neighborhood/Mixed Use	2,362,000

NAICS Sectors	ULI Category	Household Spending	Office Worker Spending	Hotel Visitor Spending	Total Retail Demand
General Merchandise Stores (NAICS 452)	General merchandise	\$ 110,899,095	\$ -	\$ 19,378,388	\$ 130,277,483
Food & Beverage Stores (NAICS 445)	Food	\$ 113,353,651	\$ 11,952,615	\$ 19,807,295	\$ 145,113,560
Food Services & Drinking Places (NAICS 722)	Food service	\$ 154,090,885	\$ 33,559,284	\$ 103,331,860	\$ 290,982,029
Clothing Stores (NAICS 4481)	Clothing and accessories	\$ 29,741,270	\$ -	\$ 5,196,957	\$ 34,938,228
Shoe Stores (NAICS 4482)	Shoes	\$ 3,167,712	\$ -	\$ 553,523	\$ 3,721,234
Home Furnishings Stores (NAICS 4422)	Home furnishings	\$ 22,892,442	\$ 10,201,750	\$ 4,000,201	\$ 37,094,393
Electronics & Appliance Stores (NAICS 443/NAICS 4431)	Home appliances/music	\$ 53,872,472	\$ -	\$ 9,413,618	\$ 63,286,090
Bldg Materials, Garden Equip. & Supply Stores (NAICS 444)	Building materials/hardware	\$ 25,929,909	\$ -	\$ 4,530,964	\$ 30,460,873
Auto Parts, Accessories, and Tire Stores (NAICS 4413)	Automotive	\$ 8,616,335	\$ -	\$ 1,505,609	\$ 10,121,944
Sporting Goods, Hobby, Book, and Music Stores (NAICS 451)	Hobby/special interest	\$ 9,465,880	\$ 4,080,700	\$ 1,654,058	\$ 15,200,637
Miscellaneous Store Retailers (NAICS 453)	Gifts/specialty	\$ 17,090,994	\$ 4,020,245	\$ 2,986,462	\$ 24,097,701
Jewelry, Luggage, and Leather Goods Stores (NAICS 4483)	Jewelry	\$ 3,454,610	\$ -	\$ 603,655	\$ 4,058,265
Drinking Places - Alcoholic Beverages (NAICS 7224)	Liquor	\$ 4,020,470	\$ -	\$ 702,533	\$ 4,723,003
Health & Personal Care Stores (NAICS 446/NAICS 4461)	Drugs	\$ 27,909,797	\$ 10,913,257	\$ 4,876,928	\$ 43,699,981
Miscellaneous Store Retailers (NAICS 453)	Other retail	\$ 17,090,994	\$ 4,020,245	\$ 2,986,462	\$ 24,097,701
TOTALS		\$ 601,596,515	\$ 78,748,096	\$ 181,528,511	\$ 861,873,122

NAICS Sectors	ULI Category	Estimated Percent Distribution of Demand by Center Type				Estimated Distribution of Demand by Center Type					Retail Sales Distribution in Community Center	U.S. Super Community/Community	Neighborhood	Typical Sales/SF		Supportable SF	
		Super Regional (Woodfield Mall)	Regional (Streets of WoodField)	Super Community/Community/Power Center/ Freestanding	Neighborhood/Convenience	Super Regional (Woodfield Mall)	Regional (Streets of WoodField)	Super Community/Community/Power Center/ Freestanding	Neighborhood/Convenience	Neighborhood + Community				U.S. Super Community/Community	Neighborhood	U.S. Super Community/Community	Neighborhood
General Merchandise Stores (NAICS 452)	General merchandise	50%	3%	42%	5%	\$ 65,113,380	\$ 3,865,995	\$ 54,883,435	\$ 6,414,674	\$ 61,298,109	14.3%	\$ 23,028,813	\$ 38,269,295	149.50	102.97	154,039	371,655
Food & Beverage Stores (NAICS 445)	Food	0%	1%	52%	47%	\$ 377,020	\$ 1,377,962	\$ 75,089,597	\$ 68,268,981	\$ 143,358,579	34.8%	\$ 55,826,074	\$ 87,532,505	412.21	430.05	135,431	203,540
Food Services & Drinking Places (NAICS 722)	Food service	10%	8%	58%	24%	\$ 28,910,779	\$ 23,859,929	\$ 168,410,935	\$ 69,800,385	\$ 238,211,321	10.2%	\$ 16,327,960	\$ 221,883,361	314.12	266.65	51,980	832,115
Clothing Stores (NAICS 4481)	Clothing and accessories	25%	16%	53%	6%	\$ 8,845,196	\$ 5,478,258	\$ 18,436,296	\$ 2,178,478	\$ 20,614,774	10.9%	\$ 17,571,995	\$ 3,042,779	232.68	155.59	75,520	19,556
Shoe Stores (NAICS 4482)	Shoes	29%	17%	49%	6%	\$ 1,065,399	\$ 624,355	\$ 1,807,957	\$ 223,523	\$ 2,031,480	1.6%	\$ 2,031,480	\$ -	192.73	141.51	10,541	-
Home Furnishings Stores (NAICS 4422)	Home furnishings	9%	5%	85%	1%	\$ 3,421,221	\$ 1,829,189	\$ 31,560,210	\$ 283,773	\$ 31,843,983	5.3%	\$ 8,552,741	\$ 23,291,242	209.28	188.35	40,867	123,658
Electronics & Appliance Stores (NAICS 443/NAICS 4431)	Home appliances/music	19%	17%	61%	3%	\$ 11,904,863	\$ 10,696,212	\$ 38,488,793	\$ 2,196,223	\$ 40,685,016	2.5%	\$ 4,043,114	\$ 36,641,902	302.20	271.98	13,379	134,723
Bldg Materials, Garden Equip. & Supply Stores (NAICS 444)	Building materials/hardware	2%	0%	93%	6%	\$ 478,146	\$ -	\$ 28,277,355	\$ 1,705,372	\$ 29,982,727	4.0%	\$ 6,375,680	\$ 23,607,048	388.65	349.79	16,405	67,490
Auto Parts, Accessories, and Tire Stores (NAICS 4413)	Automotive	2%	0%	55%	43%	\$ 154,312	\$ -	\$ 5,564,621	\$ 4,403,011	\$ 9,967,632	0.5%	\$ 777,522	\$ 9,190,110	237.92	386.92	3,268	23,752
Sporting Goods, Hobby, Book, and Music Stores (NAICS 451)	Hobby/special interest	14%	10%	67%	8%	\$ 2,128,792	\$ 1,570,968	\$ 10,235,440	\$ 1,265,437	\$ 11,500,877	3.5%	\$ 5,598,158	\$ 5,902,719	219.85	199.45	25,464	29,595
Miscellaneous Store Retailers (NAICS 453)	Gifts/specialty	11%	11%	65%	14%	\$ 2,546,956	\$ 2,661,612	\$ 15,585,837	\$ 3,303,296	\$ 18,889,133	2.7%	\$ 4,354,123	\$ 14,535,010	170.42	127.08	25,549	114,377
Jewelry, Luggage, and Leather Goods Stores (NAICS 4483)	Jewelry	37%	19%	36%	9%	\$ 1,490,339	\$ 756,265	\$ 1,452,506	\$ 359,155	\$ 1,811,661	1.0%	\$ 1,555,044	\$ 256,617	303.37	317.37	5,126	809
Drinking Places - Alcoholic Beverages (NAICS 7224)	Liquor	0%	0%	50%	50%	\$ -	\$ -	\$ 2,374,486	\$ 2,348,517	\$ 4,723,003	0.3%	\$ 466,513	\$ 4,256,490	396.27	300.00	1,177	14,188
Health & Personal Care Stores (NAICS 446/NAICS 4461)	Drugs	1%	2%	50%	47%	\$ 469,583	\$ 839,681	\$ 22,013,582	\$ 20,377,135	\$ 42,390,717	3.8%	\$ 6,064,671	\$ 36,326,046	429.07	429.47	14,134	84,583
Miscellaneous Store Retailers (NAICS 453)	Other retail	13%	9%	65%	13%	\$ 3,204,475	\$ 2,148,769	\$ 15,728,419	\$ 3,016,038	\$ 18,744,457	4.7%	\$ 7,619,715	\$ 11,124,742	247.53	217.25	30,783	51,207
TOTALS						\$ 130,110,461	\$ 55,709,194	\$ 489,909,469	\$ 186,143,998	\$ 676,053,467	100%	\$ 160,193,602	\$ 515,859,864			603,663	2,071,248
												\$ 160,494,688	\$ 515,558,778			20%	80%
														Non-Retail Area		8%	12%
														Total Supportable Retail Centers		656,556	2,361,835

No Build Retail Demand Model (Low)

Sources of Retail Demand	Net Change 2010-2040
Households	16,413
Office Workers	13,410
Hotel Visitors	781,320
Total Supportable Net New Retail	1,799,000
Community/Freestanding/Power	393,000
Neighborhood/Mixed Use	1,406,000

NAICS Sectors	ULI Category	Household Spending	Office Worker Spending	Hotel Visitor Spending	Total Retail Demand
General Merchandise Stores (NAICS 452)	General merchandise	\$ 57,893,990	\$ -	\$ 16,521,823	\$ 74,415,813
Food & Beverage Stores (NAICS 445)	Food	\$ 80,362,952	\$ 6,715,453	\$ 22,934,029	\$ 110,012,434
Food Services & Drinking Places (NAICS 722)	Food service	\$ 75,468,673	\$ 18,854,937	\$ 89,819,539	\$ 184,143,149
Clothing Stores (NAICS 4481)	Clothing and accessories	\$ 15,911,295	\$ -	\$ 4,540,775	\$ 20,452,070
Shoe Stores (NAICS 4482)	Shoes	\$ 2,234,006	\$ -	\$ 637,542	\$ 2,871,548
Home Furnishings Stores (NAICS 4422)	Home furnishings	\$ 6,570,825	\$ 5,731,748	\$ 1,875,186	\$ 14,177,759
Electronics & Appliance Stores (NAICS 443/NAICS 4431)	Home appliances/music	\$ 13,597,621	\$ -	\$ 3,880,498	\$ 17,478,119
Bldg Materials, Garden Equip. & Supply Stores (NAICS 444)	Building materials/hardware	\$ 18,649,478	\$ -	\$ 5,322,200	\$ 23,971,678
Auto Parts, Accessories, and Tire Stores (NAICS 4413)	Automotive	\$ 5,625,821	\$ -	\$ 1,605,500	\$ 7,231,322
Sporting Goods, Hobby, Book, and Music Stores (NAICS 451)	Hobby/special interest	\$ 6,123,182	\$ 2,292,699	\$ 1,747,438	\$ 10,163,319
Miscellaneous Store Retailers (NAICS 453)	Gifts/specialty	\$ 7,777,707	\$ 2,258,733	\$ 2,219,607	\$ 12,256,047
Jewelry, Luggage, and Leather Goods Stores (NAICS 4483)	Jewelry	\$ 2,586,127	\$ -	\$ 738,031	\$ 3,324,158
Drinking Places - Alcoholic Beverages (NAICS 7224)	Liquor	\$ 3,092,405	\$ -	\$ 882,512	\$ 3,974,917
Health & Personal Care Stores (NAICS 446/NAICS 4461)	Drugs	\$ 16,517,693	\$ 6,131,501	\$ 4,713,829	\$ 27,363,023
Miscellaneous Store Retailers (NAICS 453)	Other retail	\$ 7,777,707	\$ 2,258,733	\$ 2,219,607	\$ 12,256,047
TOTALS		\$ 320,189,483	\$ 44,243,804	\$ 159,658,115	\$ 524,091,402

NAICS Sectors	ULI Category	Estimated Percent Distribution of Demand by Center Type				Estimated Distribution of Demand by Center Type					Retail Sales Distribution in Community Center	U.S. Super Community/Community	Neighborhood	Typical Sales/SF		Supportable SF	
		Super Regional (Woodfield Mall)	Regional (Streets of Woodfield)	Super Community/Community/Power Center/ Freestanding	Neighborhood/Convenience	Super Regional (Woodfield Mall)	Regional (Streets of Woodfield)	Super Community/Community/Power Center/ Freestanding	Neighborhood/Convenience	Neighborhood + Community				U.S. Super Community/Community	Neighborhood	U.S. Super Community/Community	Neighborhood
General Merchandise Stores (NAICS 452)	General merchandise	50%	3%	42%	5%	\$ 37,193,420	\$ 2,208,295	\$ 31,349,972	\$ 3,664,126	\$ 35,014,098	14.3%	\$ 13,725,140	\$ 21,288,958	149.50	102.97	91,807	206,749
Food & Beverage Stores (NAICS 445)	Food	0%	1%	52%	47%	\$ 285,823	\$ 1,044,650	\$ 56,926,378	\$ 51,755,582	\$ 108,681,961	34.8%	\$ 33,272,262	\$ 75,409,699	412.21	430.05	80,717	175,351
Food Services & Drinking Places (NAICS 722)	Food service	10%	8%	58%	24%	\$ 18,295,707	\$ 15,099,360	\$ 106,576,066	\$ 44,172,016	\$ 150,748,081	10.2%	\$ 9,731,441	\$ 141,016,640	314.12	266.65	30,980	528,845
Clothing Stores (NAICS 4481)	Clothing and accessories	25%	16%	53%	6%	\$ 5,177,783	\$ 3,206,851	\$ 10,792,202	\$ 1,275,233	\$ 12,067,435	10.9%	\$ 10,472,885	\$ 1,594,551	232.68	155.59	45,010	10,248
Shoe Stores (NAICS 4482)	Shoes	29%	17%	49%	6%	\$ 822,132	\$ 481,793	\$ 1,395,138	\$ 172,485	\$ 1,567,623	1.6%	\$ 1,482,886	\$ 84,736	192.73	141.51	7,694	599
Home Furnishings Stores (NAICS 4422)	Home furnishings	9%	5%	85%	1%	\$ 1,307,617	\$ 699,130	\$ 12,062,552	\$ 108,460	\$ 12,171,012	5.3%	\$ 5,097,422	\$ 7,073,591	209.28	188.35	24,357	37,555
Electronics & Appliance Stores (NAICS 443/NAICS 4431)	Home appliances/music	19%	17%	61%	3%	\$ 3,287,841	\$ 2,954,040	\$ 10,629,693	\$ 606,545	\$ 11,236,238	2.5%	\$ 2,409,690	\$ 8,826,547	302.20	271.98	7,974	32,453
Bldg Materials, Garden Equip. & Supply Stores (NAICS 444)	Building materials/hardware	2%	0%	93%	6%	\$ 376,285	\$ -	\$ 22,253,323	\$ 1,342,070	\$ 23,595,393	4.0%	\$ 3,799,896	\$ 19,795,497	388.65	349.79	9,777	56,593
Auto Parts, Accessories, and Tire Stores (NAICS 4413)	Automotive	2%	0%	55%	43%	\$ 110,244	\$ -	\$ 3,975,478	\$ 3,145,600	\$ 7,121,078	0.5%	\$ 463,402	\$ 6,657,676	237.92	386.92	1,948	17,207
Sporting Goods, Hobby, Book, and Music Stores (NAICS 451)	Hobby/special interest	14%	10%	67%	8%	\$ 1,423,335	\$ 1,050,367	\$ 6,843,531	\$ 846,086	\$ 7,689,617	3.5%	\$ 3,336,494	\$ 4,353,123	219.85	199.45	15,176	21,826
Miscellaneous Store Retailers (NAICS 453)	Gifts/specialty	11%	11%	65%	14%	\$ 1,295,377	\$ 1,353,691	\$ 7,926,928	\$ 1,680,050	\$ 9,606,979	2.7%	\$ 2,595,051	\$ 7,011,928	170.42	127.08	15,227	55,177
Jewelry, Luggage, and Leather Goods Stores (NAICS 4483)	Jewelry	37%	19%	36%	9%	\$ 1,220,749	\$ 619,463	\$ 1,189,759	\$ 294,187	\$ 1,483,946	1.0%	\$ 926,804	\$ 557,142	303.37	317.37	3,055	1,755
Drinking Places - Alcoholic Beverages (NAICS 7224)	Liquor	0%	0%	50%	50%	\$ -	\$ -	\$ 1,998,386	\$ 1,976,531	\$ 3,974,917	0.3%	\$ 278,041	\$ 3,696,876	396.27	300.00	702	12,323
Health & Personal Care Stores (NAICS 446/NAICS 4461)	Drugs	1%	2%	50%	47%	\$ 294,033	\$ 525,772	\$ 13,783,945	\$ 12,759,274	\$ 26,543,219	3.8%	\$ 3,614,535	\$ 22,928,683	429.07	429.47	8,424	53,388
Miscellaneous Store Retailers (NAICS 453)	Other retail	13%	9%	65%	13%	\$ 1,629,790	\$ 1,092,860	\$ 7,999,445	\$ 1,533,951	\$ 9,533,397	4.7%	\$ 4,541,339	\$ 4,992,057	247.53	217.25	18,347	22,978
TOTALS						\$ 72,720,135	\$ 30,336,273	\$ 295,702,798	\$ 125,332,196	\$ 421,034,994	100%	\$ 95,747,290	\$ 325,287,704			361,194	1,233,049

Non-Retail Area 20% 80%
 Total Supportable Retail Centers 392,842 8% 12%
1,406,040

No Retail Build Demand Model (High)

Sources of Retail Demand	Net Change 2010-2040
Households	16,413
Office Workers	13,410
Hotel Visitors	781,320
Total Supportable Net New Retail	2,593,000
Community/Freestanding/Power	564,000
Neighborhood/Mixed Use	2,029,000

NAICS Sectors	ULI Category	Household Spending	Office Worker Spending	Hotel Visitor Spending	Total Retail Demand
General Merchandise Stores (NAICS 452)	General merchandise	\$ 99,243,994	\$ -	\$ 16,844,349	\$ 116,088,343
Food & Beverage Stores (NAICS 445)	Food	\$ 101,440,585	\$ 6,715,453	\$ 17,217,169	\$ 125,373,207
Food Services & Drinking Places (NAICS 722)	Food service	\$ 137,896,481	\$ 18,854,937	\$ 89,819,539	\$ 246,570,956
Clothing Stores (NAICS 4481)	Clothing and accessories	\$ 26,615,568	\$ -	\$ 4,517,371	\$ 31,132,939
Shoe Stores (NAICS 4482)	Shoes	\$ 2,834,796	\$ -	\$ 481,140	\$ 3,315,937
Home Furnishings Stores (NAICS 4422)	Home furnishings	\$ 20,486,528	\$ 5,731,748	\$ 3,477,109	\$ 29,695,385
Electronics & Appliance Stores (NAICS 443/NAICS 4431)	Home appliances/music	\$ 48,210,667	\$ -	\$ 8,182,634	\$ 56,393,301
Bldg Materials, Garden Equip. & Supply Stores (NAICS 444)	Building materials/hardware	\$ 23,204,768	\$ -	\$ 3,938,467	\$ 27,143,235
Auto Parts, Accessories, and Tire Stores (NAICS 4413)	Automotive	\$ 7,710,789	\$ -	\$ 1,308,726	\$ 9,019,515
Sporting Goods, Hobby, Book, and Music Stores (NAICS 451)	Hobby/special interest	\$ 8,471,049	\$ 2,292,699	\$ 1,437,763	\$ 12,201,511
Miscellaneous Store Retailers (NAICS 453)	Gifts/specialty	\$ 15,294,791	\$ 2,258,733	\$ 2,595,933	\$ 20,149,457
Jewelry, Luggage, and Leather Goods Stores (NAICS 4483)	Jewelry	\$ 3,091,543	\$ -	\$ 524,717	\$ 3,616,260
Drinking Places - Alcoholic Beverages (NAICS 7224)	Liquor	\$ 3,597,933	\$ -	\$ 610,665	\$ 4,208,598
Health & Personal Care Stores (NAICS 446/NAICS 4461)	Drugs	\$ 24,976,576	\$ 6,131,501	\$ 4,239,190	\$ 35,347,267
Miscellaneous Store Retailers (NAICS 453)	Other retail	\$ 15,294,791	\$ 2,258,733	\$ 2,595,933	\$ 20,149,457
TOTALS		\$ 538,370,858	\$ 44,243,804	\$ 157,790,706	\$ 740,405,369

NAICS Sectors	ULI Category	Estimated Percent Distribution of Demand by Center Type				Estimated Distribution of Demand by Center Type					Retail Sales Distribution in Community Center	U.S. Super Community/Community	Neighborhood	Typical Sales/SF		Supportable SF	
		Super Regional (Woodfield Mall)	Regional (Streets of Woodfield)	Super Community/Community/Power Center/Freestanding	Neighborhood/Convenience	Super Regional (Woodfield Mall)	Regional (Streets of Woodfield)	Super Community/Community/Power Center/Freestanding	Neighborhood/Convenience	Neighborhood + Community				U.S. Super Community/Community	Neighborhood	U.S. Super Community/Community	Neighborhood
General Merchandise Stores (NAICS 452)	General merchandise	50%	3%	42%	5%	\$ 58,021,572	\$ 3,444,931	\$ 48,905,819	\$ 5,716,021	\$ 54,621,840	14.3%	\$ 19,786,497	\$ 34,835,343	149.50	102.97	132,351	338,306
Food & Beverage Stores (NAICS 445)	Food	0%	1%	52%	47%	\$ 325,732	\$ 1,190,512	\$ 64,874,872	\$ 58,982,090	\$ 123,856,962	34.8%	\$ 47,966,105	\$ 75,890,857	412.21	430.05	116,363	176,470
Food Services & Drinking Places (NAICS 722)	Food service	10%	8%	58%	24%	\$ 24,498,277	\$ 20,218,312	\$ 142,707,251	\$ 59,147,116	\$ 201,854,367	10.2%	\$ 14,029,084	\$ 187,825,283	314.12	266.65	44,662	704,389
Clothing Stores (NAICS 4481)	Clothing and accessories	25%	16%	53%	6%	\$ 7,881,823	\$ 4,881,594	\$ 16,428,312	\$ 1,941,210	\$ 18,369,521	10.9%	\$ 15,097,966	\$ 3,271,555	232.68	155.59	64,887	21,027
Shoe Stores (NAICS 4482)	Shoes	29%	17%	49%	6%	\$ 949,362	\$ 556,353	\$ 1,611,044	\$ 199,178	\$ 1,810,222	1.6%	\$ 1,810,222	\$ -	192.73	141.51	9,393	-
Home Furnishings Stores (NAICS 4422)	Home furnishings	9%	5%	85%	1%	\$ 2,738,809	\$ 1,464,331	\$ 25,265,074	\$ 227,171	\$ 25,492,245	5.3%	\$ 7,348,568	\$ 18,143,677	209.28	188.35	35,114	96,329
Electronics & Appliance Stores (NAICS 443/NAICS 4431)	Home appliances/music	19%	17%	61%	3%	\$ 10,608,248	\$ 9,531,236	\$ 34,296,796	\$ 1,957,022	\$ 36,253,817	2.5%	\$ 3,473,868	\$ 32,779,949	302.20	271.98	11,495	120,523
Bldg Materials, Garden Equip. & Supply Stores (NAICS 444)	Building materials/hardware	2%	0%	93%	6%	\$ 426,069	\$ -	\$ 25,197,534	\$ 1,519,632	\$ 26,717,166	4.0%	\$ 5,478,023	\$ 21,239,143	388.65	349.79	14,095	60,721
Auto Parts, Accessories, and Tire Stores (NAICS 4413)	Automotive	2%	0%	55%	43%	\$ 137,506	\$ -	\$ 4,958,552	\$ 3,923,458	\$ 8,882,010	0.5%	\$ 668,052	\$ 8,213,958	237.92	386.92	2,808	21,229
Sporting Goods, Hobby, Book, and Music Stores (NAICS 451)	Hobby/special interest	14%	10%	67%	8%	\$ 1,708,776	\$ 1,261,012	\$ 8,215,960	\$ 1,015,763	\$ 9,231,723	3.5%	\$ 4,809,971	\$ 4,421,752	219.85	199.45	21,878	22,170
Miscellaneous Store Retailers (NAICS 453)	Gifts/specialty	11%	11%	65%	14%	\$ 2,129,655	\$ 2,225,525	\$ 13,032,204	\$ 2,762,074	\$ 15,794,278	2.7%	\$ 3,741,089	\$ 12,053,189	170.42	127.08	21,952	94,847
Jewelry, Luggage, and Leather Goods Stores (NAICS 4483)	Jewelry	37%	19%	36%	9%	\$ 1,328,019	\$ 673,897	\$ 1,294,306	\$ 320,038	\$ 1,614,344	1.0%	\$ 1,336,103	\$ 278,241	303.37	317.37	4,404	877
Drinking Places - Alcoholic Beverages (NAICS 7224)	Liquor	0%	0%	50%	50%	\$ -	\$ -	\$ 2,115,869	\$ 2,092,729	\$ 4,208,598	0.3%	\$ 400,831	\$ 3,807,767	396.27	300.00	1,012	12,693
Health & Personal Care Stores (NAICS 446/NAICS 4461)	Drugs	1%	2%	50%	47%	\$ 379,828	\$ 679,186	\$ 17,805,956	\$ 16,482,296	\$ 34,288,252	3.8%	\$ 5,210,802	\$ 29,077,450	429.07	429.47	12,144	67,705
Miscellaneous Store Retailers (NAICS 453)	Other retail	13%	9%	65%	13%	\$ 2,679,444	\$ 1,796,708	\$ 13,151,425	\$ 2,521,880	\$ 15,673,306	4.7%	\$ 6,546,906	\$ 9,126,400	247.53	217.25	26,449	42,009
TOTALS						\$ 113,813,120	\$ 47,923,599	\$ 419,860,974	\$ 158,807,677	\$ 578,668,650	100%	\$ 137,704,087	\$ 440,964,564			519,007	1,779,293

20% 80%
 Non-Retail Area 8% 12%
Total Supportable Retail Centers 564,482 2,028,920

***Appendix 4:
Industrial Demand Analysis***

**Build Alternative
Supportable Industrial Demand**

	Year	Total RBA	Total Vacant SF	RBA Delivered	RBA Demolished	Demolition Rate	Vacancy	Occupied	Moody's Industrial Employment	Industrial Employment	Employees/1000 SF
Historical Data	1996	869,444,864	52,448,496	1,883,017			6.0%	824,546,147	1,068,382	1068.382	1.296
	1997	886,844,783	53,871,373	18,030,638	630,719	0.1%	6.1%	840,728,008	1,079,758	1079.758	1.284
	1998	903,661,004	55,052,017	18,639,965	1,823,744	0.2%	6.1%	856,533,534	1,089,009	1089.009	1.271
	1999	922,305,263	53,966,111	19,071,726	427,467	0.0%	5.9%	876,107,387	1,089,225	1089.225	1.243
	2000	943,116,388	74,504,261	22,181,968	1,370,843	0.1%	7.9%	879,336,757	1,087,149	1087.149	1.236
	2001	953,095,556	91,301,925	12,097,347	2,118,179	0.2%	9.6%	874,936,227	1,028,189	1028.189	1.175
	2002	965,001,103	106,348,920	13,372,910	1,467,363	0.2%	11.0%	873,960,742	990,804	990.804	1.134
	2003	971,265,910	113,115,241	8,257,493	1,992,686	0.2%	11.6%	874,433,216	950,132	950.132	1.087
	2004	975,143,967	107,344,164	14,890,565	11,012,508	1.1%	11.0%	883,251,624	948,655	948.655	1.074
	2005	989,038,844	110,858,867	16,370,849	2,475,972	0.3%	11.2%	894,137,727	945,756	945.756	1.058
	2006	1,003,115,466	108,864,589	17,734,412	3,657,790	0.4%	10.9%	910,766,293	944,445	944.445	1.037
	2007	1,016,100,356	109,988,099	15,615,799	2,630,909	0.3%	10.8%	922,040,393	936,277	936.277	1.015
	2008	1,026,953,471	128,462,973	15,798,145	4,945,030	0.5%	12.5%	921,773,266	892,055	892.055	0.968
2009	1,027,439,423	153,615,331	5,164,412	4,678,460	0.5%	15.0%	904,835,906	788,113	788.113	0.871	
2010	1,020,308,229	159,875,436	330,212	7,461,406	0.7%	15.7%	898,284,451	774,873	774.873	0.863	
Forecast Data	2011	1,021,518,383	140,458,778	6,317,745	5,107,592	0.5%	13.75%	881,059,605	796,460	796.460	0.904
	2012	1,022,679,033	132,948,274	6,274,046	5,113,395	0.5%	13.00%	889,730,759	803,097	803.097	0.903
	2013	1,026,583,138	130,889,350	9,037,020	5,132,916	0.5%	12.75%	895,693,788	800,752	800.752	0.894
	2014	1,035,891,726	129,486,466	14,488,047	5,179,459	0.5%	12.50%	906,405,260	813,584	813.584	0.898
	2015	1,046,325,571	128,174,882	15,665,473	5,231,628	0.5%	12.25%	918,150,688	829,600	829.600	0.904
	2016	1,052,510,229	126,301,227	11,447,209	5,262,551	0.5%	12.00%	926,209,001	833,330	833.330	0.900
	2017	1,058,452,174	124,368,130	11,234,206	5,292,261	0.5%	11.75%	934,084,043	836,255	836.255	0.895
	2018	1,064,320,268	122,396,831	11,189,696	5,321,601	0.5%	11.50%	941,923,437	838,861	838.861	0.891
	2019	1,065,174,683	119,832,152	6,180,288	5,325,873	0.5%	11.25%	945,342,531	827,321	827.321	0.875
	2020	1,069,977,909	117,697,570	10,153,115	5,349,890	0.5%	11.00%	952,280,339	826,782	826.782	0.868
	2021	1,076,307,089	115,703,012	11,710,716	5,381,535	0.5%	10.75%	960,604,077	830,392	830.392	0.864
	2022	1,085,237,313	113,949,918	14,356,410	5,426,187	0.5%	10.50%	971,287,395	841,164	841.164	0.866
	2023	1,095,093,750	112,247,109	15,331,906	5,475,469	0.5%	10.25%	982,846,640	854,466	854.466	0.869
	2024	1,106,113,075	110,611,307	16,549,890	5,530,565	0.5%	10.00%	995,501,767	871,029	871.029	0.875
	2025	1,115,613,801	108,772,346	15,078,795	5,578,069	0.5%	9.75%	1,006,841,455	883,182	883.182	0.877
	2026	1,110,296,728	105,478,189	234,410	5,551,484	0.5%	9.50%	1,004,818,538	853,851	853.851	0.850
	2027	1,110,565,995	102,727,355	5,822,097	5,552,830	0.5%	9.25%	1,007,838,640	840,242	840.242	0.834
	2028	1,110,704,688	99,963,422	5,692,216	5,553,523	0.5%	9.00%	1,010,741,266	826,482	826.482	0.818
	2029	1,118,339,172	97,854,678	13,226,180	5,591,696	0.5%	8.75%	1,020,484,494	832,766	832.766	0.816
	2030	1,125,660,820	95,681,170	12,949,953	5,628,304	0.5%	8.50%	1,029,979,651	838,092	838.092	0.814
2031	1,126,219,087	92,913,075	6,189,362	5,631,095	0.5%	8.25%	1,033,306,012	825,389	825.389	0.799	
2032	1,126,556,710	90,124,537	5,970,406	5,632,784	0.5%	8.00%	1,036,432,173	812,292	812.292	0.784	
2033	1,126,906,913	87,335,286	5,984,738	5,634,535	0.5%	7.75%	1,039,571,627	799,412	799.412	0.769	
2034	1,130,349,409	84,776,206	9,094,243	5,651,747	0.5%	7.50%	1,045,573,204	794,444	794.444	0.760	
2035	1,134,644,667	82,261,738	9,968,481	5,673,223	0.5%	7.25%	1,052,382,929	791,590	791.590	0.752	
2036	1,139,922,780	79,794,595	10,977,727	5,699,614	0.5%	7.00%	1,060,128,185	791,133	791.133	0.746	
2037	1,144,243,714	77,236,451	10,042,153	5,721,219	0.5%	6.75%	1,067,007,263	788,223	788.223	0.739	
2038	1,147,742,556	74,603,266	9,237,555	5,738,713	0.5%	6.50%	1,073,139,290	783,252	783.252	0.730	
2039	1,151,179,449	71,948,716	9,192,791	5,755,897	0.5%	6.25%	1,079,230,734	778,116	778.116	0.721	
2040	1,154,553,150	69,273,189	9,146,466	5,772,766	0.5%	6.00%	1,085,279,961	772,818	772.818	0.712	
MSA Industrial Development				298,743,341							
Historical Capture Rate (1996-2010)				8.9%							
Study Area Development 1996-2010				26,455,615							
Projected Capture Range				9.0%	to	11.0%					
Supportable Space				26,886,901	32,861,767						

Source: Moody's Economy.com , CoStar Inc. and SB Friedman and Company

**No Build Alternative
Supportable Industrial Demand**

	Year	# Bldgs	Total RBA	Total Vacant SF	RBA Delivered	RBA Demolished	Demolition Rate	Vacancy	Occupied	Moody's Industrial Employment	Industrial Employment	Employees/ 1000 SF
Historical Data	1996	17,601	869,444,864	52,448,496	1,883,017			6.0%	824,546,147	1,068,382	1068.382	1.296
	1997	17,808	886,844,783	53,871,373	18,030,638	630,719	0.1%	6.1%	840,728,008	1,079,758	1079.758	1.284
	1998	18,010	903,661,004	55,052,017	18,639,965	1,823,744	0.2%	6.1%	856,533,534	1,089,009	1089.009	1.271
	1999	18,202	922,305,263	53,966,111	19,071,726	427,467	0.0%	5.9%	876,107,387	1,089,225	1089.225	1.243
	2000	18,411	943,116,388	74,504,261	22,181,968	1,370,843	0.1%	7.9%	879,336,757	1,087,149	1087.149	1.236
	2001	18,545	953,095,556	91,301,925	12,097,347	2,118,179	0.2%	9.6%	874,936,227	1,028,189	1028.189	1.175
	2002	18,673	965,001,103	106,348,920	13,372,910	1,467,363	0.2%	11.0%	873,960,742	990,804	990.804	1.134
	2003	18,736	971,265,910	113,115,241	8,257,493	1,992,686	0.2%	11.6%	874,433,216	950,132	950.132	1.087
	2004	18,811	975,143,967	107,344,164	14,890,565	11,012,508	1.1%	11.0%	883,251,624	948,655	948.655	1.074
	2005	18,954	989,038,844	110,858,867	16,370,849	2,475,972	0.3%	11.2%	894,137,727	945,756	945.756	1.058
	2006	19,065	1,003,115,466	108,864,589	17,734,412	3,657,790	0.4%	10.9%	910,766,293	944,445	944.445	1.037
2007	19,153	1,016,100,356	109,988,099	15,615,799	2,630,909	0.3%	10.8%	922,040,393	936,277	936.277	1.015	
2008	19,204	1,026,953,471	128,462,973	15,798,145	4,945,030	0.5%	12.5%	921,773,266	892,055	892.055	0.968	
2009	19,128	1,027,439,423	153,615,331	5,164,412	4,678,460	0.5%	15.0%	904,835,906	788,113	788.113	0.871	
2010	18,995	1,020,308,229	159,875,436	330,212	7,461,406	0.7%	15.7%	898,284,451	774,873	774.873	0.863	
Forecast Data	2011		1,021,518,383	140,458,778	6,317,745	5,107,592	0.5%	13.75%	881,059,605	796,460	796.460	0.904
	2012		1,022,679,033	132,948,274	6,274,046	5,113,395	0.5%	13.00%	889,730,759	803,097	803.097	0.903
	2013		1,026,583,138	130,889,350	9,037,020	5,132,916	0.5%	12.75%	895,693,788	800,752	800.752	0.894
	2014		1,035,891,726	129,486,466	14,488,047	5,179,459	0.5%	12.50%	906,405,260	813,584	813.584	0.898
	2015		1,046,325,571	128,174,882	15,665,473	5,231,628	0.5%	12.25%	918,150,688	829,600	829.600	0.904
	2016		1,052,510,229	126,301,227	11,447,209	5,262,551	0.5%	12.00%	926,209,001	833,330	833.330	0.900
	2017		1,058,452,174	124,368,130	11,234,206	5,292,261	0.5%	11.75%	934,084,043	836,255	836.255	0.895
	2018		1,064,320,268	122,396,831	11,189,696	5,321,601	0.5%	11.50%	941,923,437	838,861	838.861	0.891
	2019		1,064,884,364	119,799,491	5,888,518	5,324,422	0.5%	11.25%	945,084,873	826,519	826.519	0.875
	2020		1,069,328,907	117,626,180	9,791,187	5,346,645	0.5%	11.00%	951,702,727	824,989	824.989	0.867
	2021		1,071,670,010	115,204,526	7,699,454	5,358,350	0.5%	10.75%	956,465,484	817,622	817.622	0.855
	2022		1,075,405,939	112,917,624	9,112,958	5,377,030	0.5%	10.50%	962,488,315	814,058	814.058	0.846
	2023		1,084,541,434	111,165,497	14,558,203	5,422,707	0.5%	10.25%	973,375,937	825,183	825.183	0.848
	2024		1,094,654,978	109,465,498	15,586,819	5,473,275	0.5%	10.00%	985,189,480	838,943	838.943	0.852
	2025		1,107,453,008	107,976,668	18,335,295	5,537,265	0.5%	9.75%	999,476,340	860,232	860.232	0.861
	2026		1,105,227,946	107,759,725	3,301,077	5,526,140	0.5%	9.75%	997,468,221	831,663	831.663	0.834
	2027		1,105,487,547	105,021,317	5,787,039	5,527,438	0.5%	9.50%	1,000,466,230	818,408	818.408	0.818
	2028		1,105,617,216	102,269,592	5,657,754	5,528,086	0.5%	9.25%	1,003,347,623	805,006	805.006	0.802
	2029		1,113,208,329	100,188,750	13,157,155	5,566,042	0.5%	9.00%	1,013,019,579	811,127	811.127	0.801
	2030		1,120,487,976	98,042,698	12,882,087	5,602,440	0.5%	8.75%	1,022,445,278	816,314	816.314	0.798
2031		1,121,035,308	95,288,001	6,152,509	5,605,177	0.5%	8.50%	1,025,747,307	803,941	803.941	0.784	
2032		1,121,363,051	92,512,452	5,934,558	5,606,815	0.5%	8.25%	1,028,850,599	791,184	791.184	0.769	
2033		1,121,703,357	89,736,269	5,948,823	5,608,517	0.5%	8.00%	1,031,967,089	778,639	778.639	0.755	
2034		1,125,121,694	87,196,931	9,043,946	5,625,608	0.5%	7.75%	1,037,924,763	773,800	773.800	0.746	
2035		1,129,388,837	84,704,163	9,914,087	5,646,944	0.5%	7.50%	1,044,684,674	771,020	771.020	0.738	
2036		1,134,634,257	82,260,984	10,918,592	5,673,171	0.5%	7.25%	1,052,373,274	770,575	770.575	0.732	
2037		1,138,926,915	79,724,884	9,987,292	5,694,635	0.5%	7.00%	1,059,202,031	767,741	767.741	0.725	
2038		1,142,401,288	77,112,087	9,186,380	5,712,006	0.5%	6.75%	1,065,289,201	762,898	762.898	0.716	
2039		1,145,813,996	74,477,910	9,141,778	5,729,070	0.5%	6.50%	1,071,336,086	757,896	757.896	0.707	
2040		1,149,163,800	71,822,738	9,095,623	5,745,819	0.5%	6.25%	1,077,341,063	752,736	752.736	0.699	
MSA Industrial Development					292,734,574							
Historical Capture Rate (1996-2010)					8.9%							
Study Area Development 1996-2010					25,923,500							
Projected Capture Range					7.5%	to	8.5%					
Supportable Space					21,955,093	24,882,439						

Source: *Moody's Economy.com*, *CoStar Inc.* and *SB Friedman and Company*

Note: The employment growth rate between 2019 and 2025 has been adjusted to reflect the delay in the development of the Western Terminal (assumed to be developed in 2025). Discussions with OMP Consultants indicate that based on current FAA forecasts, enplanements will be constrained at O'Hare without new gates and a new Terminal by 2019. We made these adjustments based on the economic impact analysis results from the *West O'Hare Corridor Economic Development Study* that specifically modeled the impacts of constrained enplanements on future employment growth.