

STAFF REPORT

2021-28P: Zoning Chapter Amendment

Community Development Department

Council Chambers, 7:30 PM, May 5, 2025

To: Paul Luke, Chairman, Skokie Plan Commission

From: Matt Brandmeyer, AICP, Community Development Director

Case: **2021-28P: Zoning Chapter Amendment**

Allow Professional Offices within Mixed-Use District Retail Streets

General Information	
<i>Petitioner</i>	Village of Skokie
<i>Purpose</i>	The Village of Skokie is requesting a Chapter Amendment to the Zoning Ordinance to allow professional offices within Mixed-Use District Retail Streets.

STAFF REVIEW

As discussed at the December 2nd Plan Commission meeting, staff is proposing to update the "Retail Street" requirements to allow additional uses within the Downtown area. The retail street requirement involves streets in the Downtown area where retail, restaurant, and personal services are required on the ground floor of a building. The rationale for this requirement involves several aspects. First, part of the vision for the Downtown is to create a restaurant district and a destination where people will visit during the evening and on weekends. This improves the desirability of the community and expands our tax base. Downtown is also a neighborhood. Personal services, including salons and dry cleaning, are permitted adding to the convenience for nearby residents who can walk to these businesses. From a public parking perspective, retail, restaurant, and personal services involve short visits. This keeps parking spaces from being tied up for too long, which increases the likelihood of a visitor finding a parking space and allows more volume. Lastly, this mix of uses are primarily for-profit enterprises which generate property taxes. If non-profits were prevalent in the Downtown area, the property tax base and the value of the TIF would substantially decrease.

There have been a few undesirable impacts of the Retail Street requirement. The market for new restaurant and retail space is very narrow. Restaurant space is expensive to fill, and much of the available Downtown space is not amenable or fitted-up for a restaurant operation. In addition, small footprint or "boutique" retail is very hard to find. The profit margins for a boutique retail business are slim, and there are only a few high-demand and high-price products that will allow a small retail business to thrive. More recently, with the expansion of online retail sales, the viability of boutique retail is even less likely.

While the Retail Street requirement is not the main cause of these issues, we are experiencing a rise in Downtown vacancies. In some cases, the building owner purposely keeps a building or space vacant in order to save on property taxes while waiting for a developer to acquire the

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property for redevelopment. This rise in vacancies can have a negative impact on the success of new development and deter the attraction of new businesses.

To address these issues, staff proposes adding professional offices as permitted uses within Downtown and along streets with the Retail Street designation. There would be several limitations to this change. Only professional offices would be permitted. This includes retail estate services, property management services, and the broad category of business, professional, scientific, and technical services including accounting, legal, design, and other professional services. By adding professional offices, we would encourage building owners to lease vacant space to a viable user.

Absent from the list are medical and dental offices. While most professional offices require minimal investment, the finish for medical and dental offices typically require major renovations and longer lease terms. Even though we would allow some office to occupy Downtown space, we still want to keep the window open for redevelopment. If a major investment is made to accommodate a medical or dental office, the building becomes a less attractive candidate for redevelopment.

We are also proposing to limit professional offices to interior tenant spaces and not be permitted at building corners where there are two street frontages. Corner units have greater visibility and more on-street parking options and are better utilized for restaurant or retail. Interior spaces are harder to lease and are more susceptible to vacancy. After reviewing the footprints of several tenant spaces, staff also recommends limiting the size of a single professional office space to 2,500 square feet. We generally waive parking requirements in the Downtown for commercial space less than 8,000 square feet since they can take advantage of on-street parking and public parking. Since parking for office users turn over less than restaurant or retail, a restriction on the size of the office will lessen the impact on public parking by adding the use.

Staff also proposes to allow amenities serving mixed-use development on the first floor where retail uses are currently required. The amenities include fitness rooms, management offices, coworking space, and game rooms. While building amenities are not open to the public, these uses will provide a level of activity viewable from the street frontage that could further energize the area. These areas would be restricted to 30% of street frontage.

Lastly, staff proposes to remove Main Street from the Retail Street designation. This is the area between Skokie & Main and CTA rail line. Retail, restaurant, and personal services are less viable in this area, and vacancies have been an issue. This does not include the properties at the intersection, which have Skokie Boulevard addresses.

The Northwest Municipal Conference recently conducted a survey of restrictions on offices uses within Downtowns in the northwest part of the region. 17 municipalities responded to the survey. Of the respondents, only Wilmette, Barrington, and Skokie restricted office uses. Wilmette and Barrington allow office uses with a special use permit. Until recently, Evanston required a special use permit for offices, but the restriction was removed, and offices are now permitted by-right.

STAFF RECOMMENDATION

Staff recommends that Chapter 118 Zoning of the Skokie Village Code be amended with the text in **BOLD** as follows:

Appendix A. – Use Table

Retail Street Column – Add the following as Restricted Uses (R)

- **Retail Estate Services**
- **Property Management Services:**
 - **Commercial Property Management**
 - **Rental Housing Management**
- **Business, Professional, Scientific, and Technical Services**
Professional Services:
 - **Accounting, tax bookkeeping, and payroll services**
 - **Advertising, media, and photography services**
 - **Architectural, engineering, and related services**
 - **Consulting services (management, environmental, etc.)**
 - **Graphic, industrial, interior design services**
 - **Legal Services**

Section 118-183. – Retail streets.

- (a) Retail street designations. The following street segments shall be classified as retail streets.

Main Street	4733	4799	;	
Main Street	4800	4933	;	;

- (b) (3) Uses designated in Appendix A for retail shall be open to the public (**except mixed-use building amenities**) for a minimum of 40 hours per week.

Section 118-185. – Restricted Uses

(c) (1) i. Mixed-use building amenities including only fitness rooms, management offices, coworking spaces, and game rooms.

(j) Real Estate Services, Property Management Services, and Professional Services (including coworking space) may not occupy a space larger than 2,500 square feet or occupy a building’s corner unit with two street frontages.

Section 118-218. – Required number of off-street motor vehicle parking spaces

(7)d. In CX districts, for the following use categories listed in Appendix A: consumer goods, food establishments, health and personal care, **professional offices**, and food services:

1. No additional off-street parking shall be required for new construction and building additions when the total gross floor area after the addition is less than 8,000 ft². The Village Manager or designee, may waive an additional 2,000 ft² (up to 10,000 ft²) or the conversion of the existing second floor to a maximum of 2 dwelling units if it can be demonstrated that appropriate shared parking or Municipal Parking exists in the area.
2. Off-street parking shall be required at 2.0 parking spaces for each 1,000 ft² of gross floor area after the first 8,000 ft².