



Responding to the Growth of E-Commerce

Council of Mayors Executive Committee

August 20, 2019

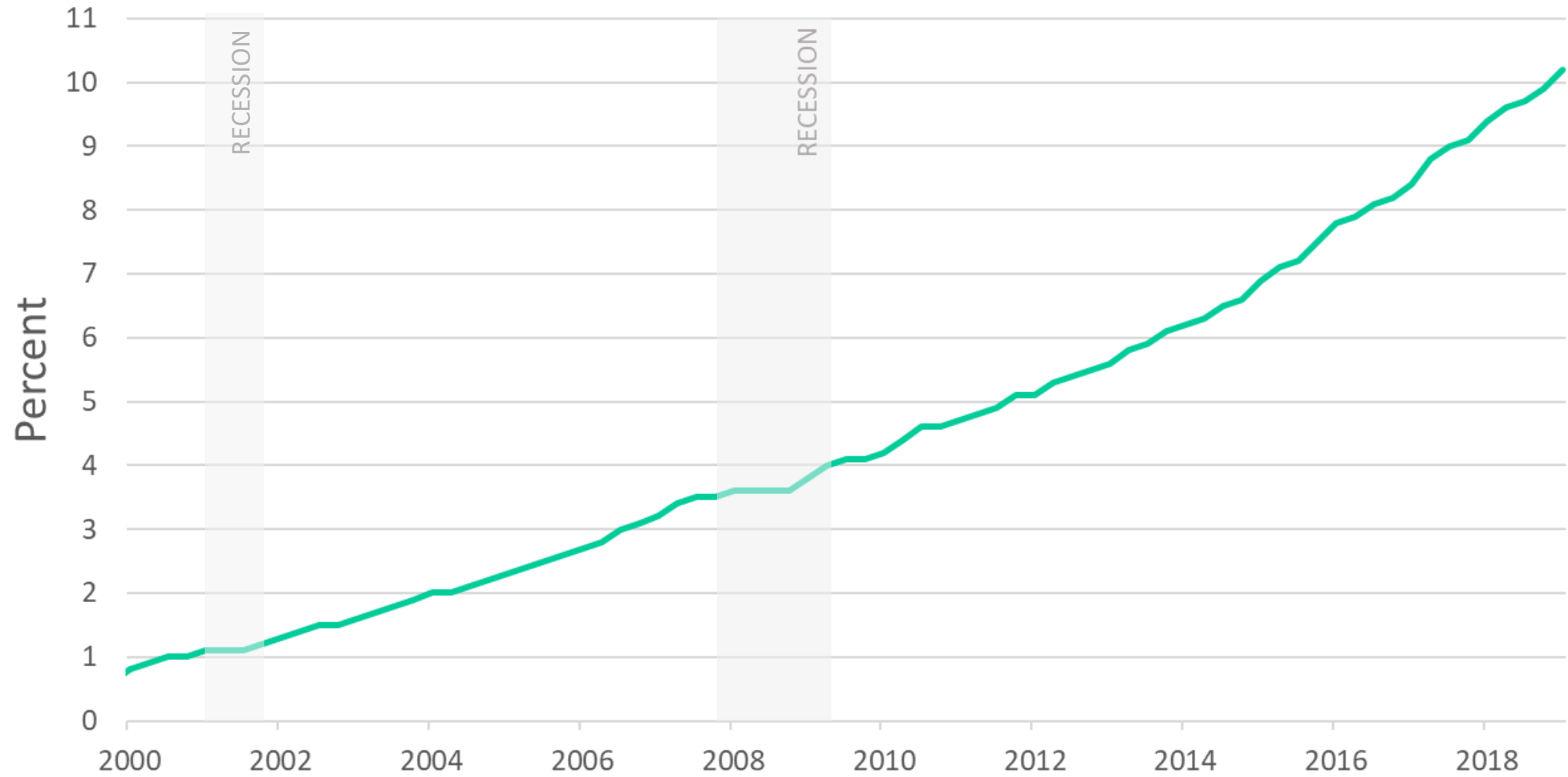


Goals

Understand the impacts that growing e-commerce may have on transportation, land use, fiscal condition, and the environment

Develop local, regional, and state policies, investment strategies, and other responses to direct impacts and take advantage of opportunities

E-Commerce Retail Sales as a Percent of Total Sales



Source: Federal Reserve Bank of St. Louis

What's being sold online?



Source: Digital Commerce 360

Transportation Impacts

Urban VMT

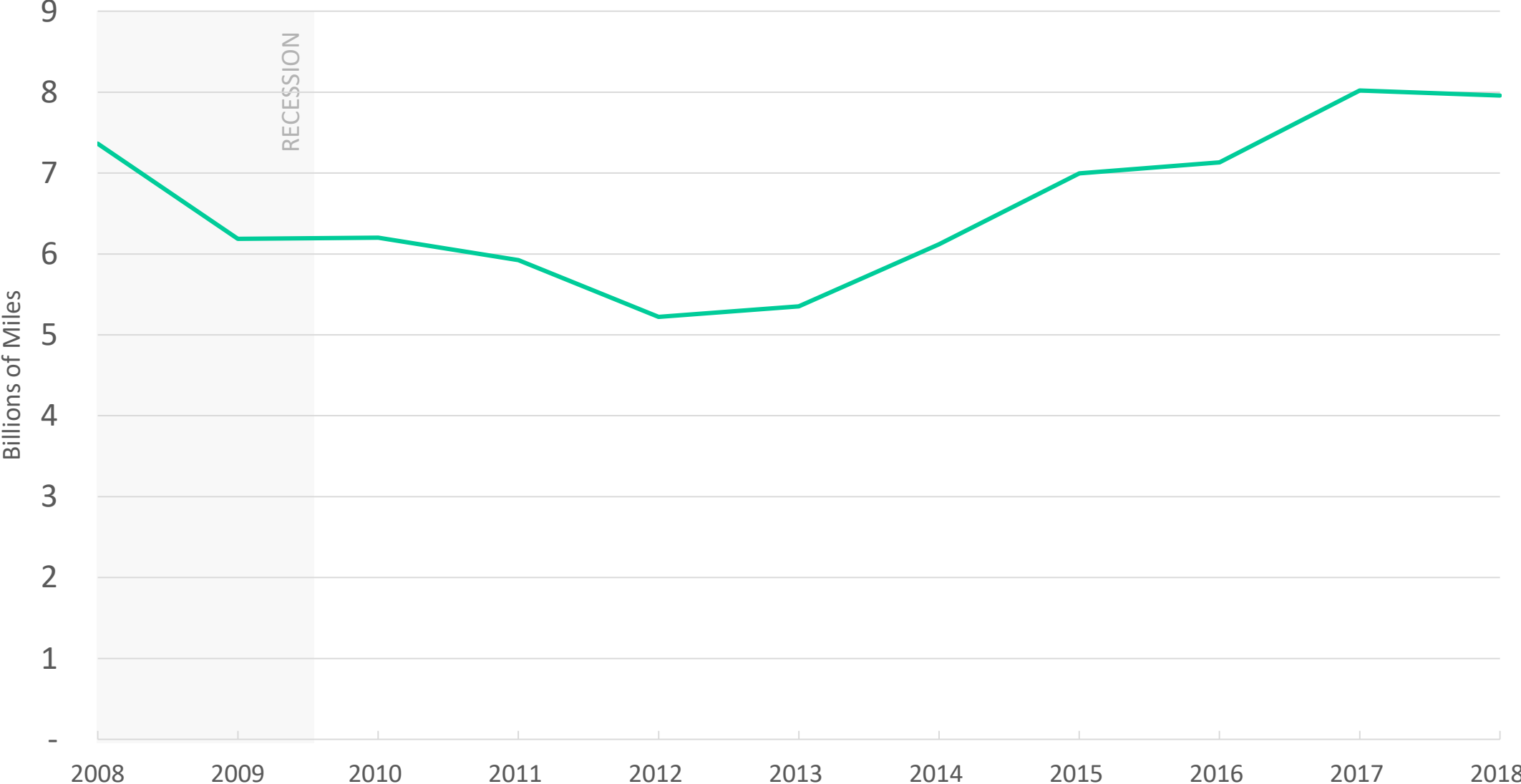
Roadway congestion

Wear and tear on roads

Curb congestion and use conflicts



Annual Urban Truck VMT, Illinois



Source: Illinois Travel Statistics, Table TVT-1

Communities

Retail vacancy and redevelopment

Increased distribution facilities at the edge of the region and now in urban areas

Delivery traffic in downtown and mixed use areas

Fiscal impacts of a changing land use mix

Uncertain Land Use Impacts

How Much Real Estate Does a \$1B Retailer Need?

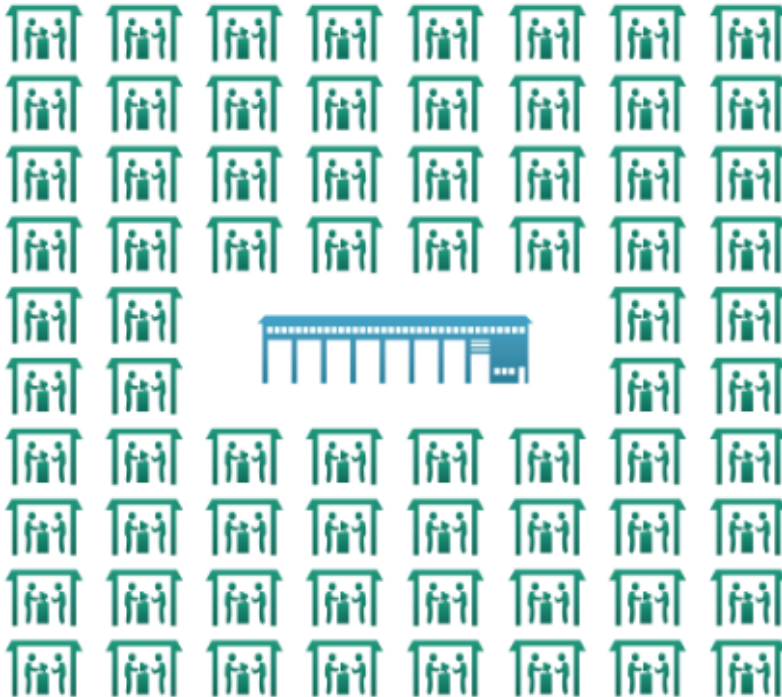
Brick & Mortar Real Estate Footprint: 2.8 MSF



Retail: 2,500,000 SF



Logistics: 325,000 SF



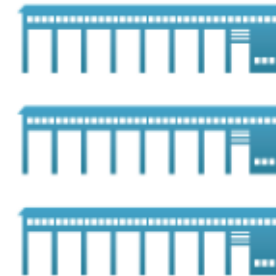
E-commerce Real Estate Footprint: 1.0 MSF



Retail: 0 SF



Logistics: 1,000,000 SF



Environment

An aerial photograph of a city skyline, likely Chicago, featuring numerous skyscrapers and a hazy, overcast sky. The buildings are densely packed, and the overall tone is muted and atmospheric.

Idling and emissions

Energy consumption in warehouses/distribution facilities vs retail stores

Unclear potential for increased land consumption in a switch from retail space to distribution space

The industry is changing

Increased omnichannel approaches (mix of physical and online outlets)

Adaptation by traditional brick and mortar retailers

Shifting distribution strategies and the addition of urban delivery hubs

Changing regulatory environment (sales taxes)

Data resources



ATRI and INRIX data on truck movement

State of Illinois sales tax data, U.S. Census retail sales data

Industrial and retail development trends from CoStar

Further Research

What trends and impacts do you think are most critical for the public sector to further understand?

Are there transportation, land use, community, or environmental impact issues that we have not included?

What resources could help analysis of these issues?

Next steps

Scoping and informational interviews Summer and Fall 2019

Report by end of FY20



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