

STATE OF ILLINOIS)
)
COUNTY OF DUPAGE)
)
CITY OF NAPERVILLE)

PETITION TO THE NAPERVILLE PLAN COMMISSION AND CITY COUNCIL FOR DEVELOPMENT APPROVAL

THE UNDERSIGNED Petitioner, Hines Acquisitions LLC (hereinafter “Hines” or “Petitioner”), respectfully petitions the City of Naperville to: (i) rezone the property with a common address of 1200 E. Diehl Road, Naperville, Illinois, legally described on Exhibit A (the “Subject Property”) from ORI to the OCI zoning district; (ii) approve a conditional use for a Planned Unit Development; (iii) approve conditional uses to permit multi-family dwellings, general retail, and eating establishments in the City’s OCI zoning district; (iv) approve a conditional use to allow parking as a principal use; (v) approve a preliminary plat of subdivision; (vi) approve a planned unit development plat and plan with associated deviations, all pursuant to the plans submitted herewith; (vii) and such other deviations or departures as may be necessary to develop the Subject Property as depicted on the plans submitted herewith pursuant to the appropriate provisions of the Naperville Municipal Code, as amended (hereinafter the “Code”).

BACKGROUND INFORMATION

1. Hines, having an office at 444 W. Lake Street, Suite 2400, Chicago, Illinois 60606 is the contract purchaser of the Subject Property.
2. Hines is an experienced global real estate company with integrated expertise in investment, development, engineering, and management.
3. Hines is active across all real estate product types, with acquisition and development projects representing 351 million SF of office, 160 million SF of industrial, 92 million SF of housing, 33 million SF of retail, and 44 million SF of other mixed-use.

4. Hines has a long history of completing successful projects in the Chicagoland region, with recent signature projects such as Oak Brook Commons and Wolf Point in the City of Chicago.
5. Adtalem Global Education, Inc., a Delaware Corporation is the owner of the Subject Property (“Owner”).
6. The Subject Property consists of approximately 9.5 acres and is improved with a 2-story building comprising approximately 100,000 square feet with an associated 2-story parking structure.
7. The existing building was purpose-built for a single tenant and has always been utilized by a single tenant.
8. Most recently, the Subject Property was the home of the DeVry University – Naperville Campus which was closed as of December, 2023.
9. The existing building has no amenities and is ill-suited for adaptation for multi-tenant use, making the building obsolete in the existing office/institutional market that is challenged with high vacancy rates.
10. The Subject Property is well suited for a mixed-use redevelopment given its transitional location, providing the opportunity to develop a vibrant mixed-use community between Freedom Commons to the north, employment corridors to the east and west, and commercial and residential corridors to the south.
11. The proposed mixed-use development consists of two commercial buildings flanking the main entrance to the mixed-use community and a single five (5) story multi-family building to the south.
12. The single-story commercial buildings are a natural extension of Freedom Commons/Freedom Plaza to the north, which will add to the City’s dining scene and

build upon the corridor as mixed-use community.

13. The 5-story residential building will be oriented to the I-88 corridor and take an urban form which is complementary to the multi-story flat-roof offices buildings that predominate the area while diversifying land-use and traffic patterns in an efficient manner and provide new housing supply that is complementary to City's long-term vision of the I-88 corridor as an employment center.
14. The jurisdiction, existing land use, and zoning of properties surrounding the Subject Property are as follows:
 - a. North: City of Naperville – Zoning B2 PUD (Freedom Commons) and ORI (offices)
 - b. East: City of Naperville – Zoning ORI PUD (Offices)
 - c. South: City of Naperville – Zoning R3 (Iroquois Club Condominiums) and B2 (Costco)
 - d. West: City of Naperville – Zoning RD PUD (Office)
15. While surrounding property is uniformly located in the City of Naperville, the underlying zoning and existing land uses associated with that property are extraordinarily diverse.
16. The proposed mixed-use development will reduce extraordinary vacancy rates in the I-88 corridor, return the Subject Property to active utilization, and provide some much-needed vibrancy within the corridor.

REQUIRED DEVELOPMENT ENTITLEMENTS

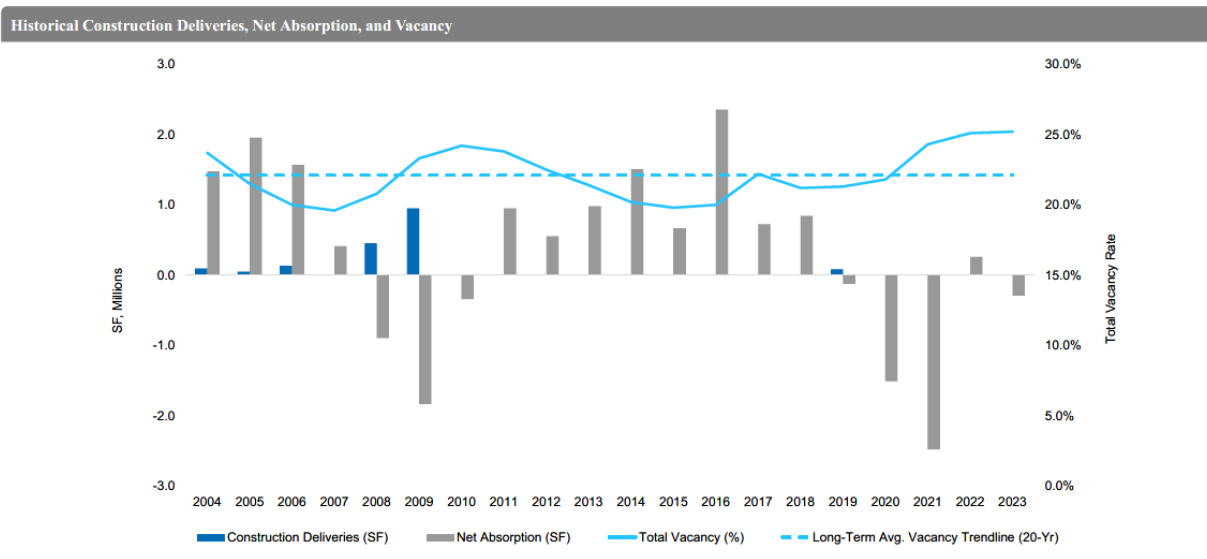
1. The Petitioner seeks approval to rezone the Subject Property to OCI.
2. The Petitioner seeks approval of a conditional use for a Planned Unit Development.
3. The Petitioner seeks conditional uses to permit a multi-family dwellings, general retail and eating establishments, and parking as a principal use in the City's OCI zoning district.
4. The Petitioner seeks approval of a Planned Unit Development Plat and Plan, and in association therewith seeks the following deviations:

- a. to reduce the required parking ratio from 2.25 spaces per unit to 1.6 spaces per unit;
- b. to permit a maximum building height of 58 feet;
- c. to permit a maximum floor area ratio of 2.4;
- d. to reduce the minimum lot area per dwelling unit to 440 square feet;
- e. to reduce the percentage of masonry material required for a multi-family building to twenty-three percent (23%);
- f. to eliminate a fence along the rear property line;
- g. to reduce the required front and interior side yard setbacks;
- h. to allow wall signage on a residential building;
- i. to not require a public utility and drainage easement around each subdivided lot; and
- j. such other deviations or departures as may be necessary to develop the Subject Property pursuant to the plans submitted herewith.

SUMMARY OF DEVELOPMENT

The Subject Property is located in the City's I-88 employment Corridor (the "Corridor"). Development of the Corridor dates back to the 1960s when Nicor and AT&T moved their respective headquarters to Naperville and evolved through the tech boom of the 1980s and 1990s. Over the last 2+ decades, the Corridor has suffered from substantial office vacancy rates often in excess of 20%. In the 2000's, the tech bubble resulted in transformation of companies that had been the primary employers in the area. Huge blocks of office space in single-tenant buildings became available. Through the 2010's, corridor vacancy was driven by employers' flight to the City of Chicago in search of young talent. The office market of the 2020's has been defined by the lingering effects of COVID-19. In January of 2024, Jones Lange Lasalle's fourth quarter 2023 office summary identified a suburban Chicago vacancy rate in excess of 30%. Redevelopment of suburban office

campuses has become commonplace throughout the market. As a result of the sustained and substantial vacancy rates, there is little stratification in prevailing rents between Class-A, Class-B, and Class-C office buildings. Almost weekly, Crain’s Chicago Business is reporting on distress in the suburban office market.



Source: Newmark Research

The area proximate to the Subject Property is a prime example of developers taking initiative to evolve and provide a mix of uses to help support the long-term viability of the Corridor. This includes hotel uses along Diehl Road along with dining and entertainment uses offered at Freedom Commons. Originally designated for office construction, Freedom Commons and the adjacent Freedom Plaza, have created a vibrant commercial market which stands as a bright spot within the corridor. Petitioner’s plan for development of the Subject Property seeks to expand and build-upon the success of Freedom Commons and Freedom Plaza with a new destination mixed-use development. Through this type of mixed-use development Petitioner can create not only a vibrant use of the Subject Property, but help to build a broader mixed-use community that will enliven the City’s corridor and attract future employers.

Hines is the contract purchaser of the Subject Property. Hines is a global real estate

development, investment, and management firm which operates its U.S. Midwest Region out of Chicago. Established in 1986, the U.S. Midwest Region of Hines has 363 employees and \$5.4 billion of real estate under management. Hines is an expert in office, retail, and residential development. Recent local experience includes Wolf Point in Chicago (figure 1) and Oak Brook Commons, a large-scale mixed-use development on the site of the former McDonald's world headquarters site. At Oak Brook Commons, Hines has executed on a 16-acre master-planned development including retail, restaurants, medical office, and top-of-market multifamily developments. In Naperville, Hines seeks to expand its suburban footprint with a new mixed-use project that builds upon the success of Oak Brook Commons.



Figure 1

The proposed development of the Subject Property will consist of two approximately 7,500 square foot commercial pads at the entrance to the development. These commercial pads will provide significant commercial frontage at the important intersection of Diehl Road and Freedom Drive. While Petitioner anticipates destination type restaurant users, Petitioner seeks

the flexibility to include general retail type uses should there be market demand. Situated behind the two commercial pads will be a 5-story 306 unit “Class A” apartment community. The apartment community will provide a new urban form housing opportunity to an underserved segment of Naperville’s population sometimes referred to as “Renters by Choice”. This segment is composed of predominantly young professionals or empty nesters looking to avoid the daily responsibilities of home ownership but who require an upscale living environment and associated amenities in close proximity to a variety of employment opportunities, retail, entertainment and convenience uses. The proposed development will create an optimum use of the Subject Property, diversifying the housing market, providing this segment of the housing market with an opportunity to reside in Naperville while also enhancing our real estate tax base, infusing our local economy with additional income and improving our work force.

The Petitioner’s goal is to provide high quality residences in an intelligently designed living environment. As such, the community will be functionally designed to meet the needs of its residents. The proposed development will utilize the 392-space existing parking deck and will provide additional on-site surface parking to serve the development. A declaration of covenants, conditions, and restrictions will be recorded against the Subject Property governing the function of the shared parking between the residential and commercial users. Adequate parking will be reserved for the residences and will be clearly identified as such. Residential parking will be assigned via lease agreement and residents will be restricted from utilizing parking that is intended for the commercial uses. The existing parking deck will be connected to the residential building via breezeway, to provide residents with access to their daily functions as well as recreation, fitness, socialization areas and other amenity areas. Recreational amenities, including activity areas, health facilities, dog runs, private event space, and a pool, are central to the operation of the community. The proposed development will combine attractive architectural design features, on-site amenities and active

management. The residences will consist of a unit mix of approximately 83 studio/convertible units, 111 one bedroom units, 102 two bedroom units, and 10 three bedroom units. The units will range in size from approximately 470 square feet up to 1,350 square feet. The predominance of one- and two-bedroom units is indicative of a housing choice that will primarily suit young professionals and empty nesters.

With regard to architecture and the surrounding environment, the community was designed by Hines to enhance the mixed-use area around Freedom Commons. The building's exterior expression communicates a signature presence for the community that respects Naperville building traditions. The facades of the commercial buildings are predominantly brick and feature 4-sided architecture that respects the unique positioning of these buildings. The design of the commercial buildings is consistent with the character of similarly positioned buildings in Freedom Commons such as Morton's and White Chocolate Grill. The residential building features use of articulated brick planes, at the building base and at upper levels. The use of dark windows and charcoal-color fiber cement panel and metal panel trim creates contrast to the brick and helps blend tradition with modern style appropriate for redevelopment in the I-88 corridor and enhances the mixed-use environment necessary to reinvent the area with new modern architectural features.

The residential component will include an abundant amount of outdoor space and gathering areas for the residents. This includes courtyards, seating areas, grilling areas, fire pits, a dog run, and exceptional pool amenities. In addition to exceptional architecture and outdoor amenities offered, an extensive landscape plan has been created to enhance the view to the Subject Property. The landscape plan will include substantial landscape treatments along all four sides of the property including parkway trees, planter boxes and extensive decorative materials. Sidewalks will be incorporated throughout the development and will connect to the existing sidewalk system, consistent with what one would expect in a "Live, Work & Play" environment. This connection

will further promote pedestrian activity and will provide the residents with access to the conveniences along Ogden Avenue.

Access will be provided via the existing access at the intersection of Diehl Road and Freedom Drive. The petitioner will utilize the existing parking garage, repurposing existing infrastructure in a sustainable manner. The parking garage will be accessed from ground level and will accommodate the parking needs of the residents and commercial users on site. Additional surface parking will be available. A declaration of covenants conditions and restrictions will govern the shared parking for the proposed development to ensure parking functions seamlessly. Additionally, a drop-off area is provided at the main entrance to the residential facility.

APPROVAL OF REZONING THE PROPERTY TO OCI

1. The Property is currently zoned ORI in the City of Naperville.
2. The proposed OCI zoning designation will facilitate a unique mixed-use development in this important location within the I-88 employment corridor.
3. The proposed zoning meets the City standards as follows:
 - a. *The amendment promotes the public health, safety, comfort, convenience and general welfare and complies with the policies and official land use plan and other official plans of the City; and*

The Subject Property has been vacant and underperforming under its current ORI zoning designation. The approximately 100,000 square foot building was previously the home to the DeVry University (“DeVry”) headquarters. No longer needing an entire office campus, DeVry relocated and downsized to a new location in Lisle. Since DeVry’s relocation, the Subject Property has remained unoccupied, with no new office user prospects on the horizon and thus, provides no benefit to the public health, safety, comfort, and general welfare. The comprehensive plan identifies the Subject Property as “regional center.” The purpose of regional center designated properties is to feature a diverse mix of uses to draw customers and visitors

throughout the City and surrounding region. Given the increasing office vacancy rates within the Corridor, this area does not generate the foot traffic it once did when it was the home to many large companies. Rezoning the Subject Property to OCI will facilitate a unique mixed-use development intended to drive young professionals from the City to the Corridor where they can expect a modern and urban environment to live, work, and play. This development will fulfill the intent of “regional center” designated properties under the Comprehensive Plan and OCI zoning is supported as an applicable zoning district necessary to carry out the comprehensive plan’s goals and objectives for the Subject Property. The rezoning will ensure the Subject Property is developed as its highest and best use, and will provide much-needed support to the declining office users within the Corridor.

b. The trend of development in the area of the subject property is consistent with the requested amendment; and

The existing land uses surrounding the Subject Property are as follows:

- a. North: City of Naperville – Zoning B2 PUD (Freedom Commons) and ORI (offices)
- b. East: City of Naperville – Zoning ORI PUD (Offices)
- c. South: City of Naperville – Zoning R3 (Iroquois Club Condominiums) and B2 (Costco)
- d. West: City of Naperville – Zoning RD PUD (Office)

The Subject Property is located within the I-88 corridor which is dominated by buildings utilized for office or institutional purposes. At the same time, the Subject Property is located at a transitional point, with significant diversity in land uses surrounding the Subject Property. While office and institutional uses are predominant to the east and west of the Subject Property, areas to the north and south of the Subject Property are predominantly commercial (Freedom Commons,

Freedom Plaza, and Costco) and residential (Iroquois Club) in nature. The office development to the east and west predated the trend toward institutional uses (Harvest Bible and Naperville Yard). More recent development has trended toward commercial uses (Freedom Commons and Freedom Plaza) that have helped to diversify the land use in the City's portion of the I-88 corridor. The Costco development south of the Subject Property has led to revitalization of a primary commercial corridor along Ogden Avenue. On the north side of I-88, the most recent development in the corridor is the conversion of part of the Nokia campus for residential purposes. The configuration of the proposed development, with commercial buildings oriented along Diehl Road and residential to the south, builds upon the trend of development in the area. The request to rezone the Subject Property to OCI will build upon the trend of development to create a vibrant mixed-use area that can support nearby offices to ensure long-term sustainability of the Corridor.

c. The requested zoning classification permits uses which are more suitable than the uses permitted under the existing zoning classification; and

Permitted uses under the current ORI zoning designation have historically included offices, warehouses and storage facilities, self-storage facilities, and cannabis dispensing organizations. The City has taken definitive action to amend the ORI District to prevent the conversion of corridor property for industrial purposes. City officials expressed belief that industrial redevelopment would negatively impact nearby residential and office properties in the Corridor, citing concerns related to truck traffic, noise, light pollution and poor visual aesthetics¹.

The existing building located on the Subject Property is obsolete in today's office market. The 100,000 square foot building is comprised of two 50,000 square foot floor plates which are ill-suited for conversion toward multi-tenant use. There are no amenities to the building, which has been a primary driver of new occupancy in the corridor. With corporations continuing a

¹ <https://www.chicagotribune.com/2023/06/06/naperville-wants-strict-zoning-to-stop-warehouses-and-distribution-centers-from-being-built-along-i-88/>

decades long trend of reducing footprint in the corridor, the existing building has little prospect for productive use in its current configuration. Per the Newmark study referenced above, redevelopment for new office is highly unlikely. There has not been new office development in the suburbs since 2019 due to continuously declining office occupancy rates and prevailing rents.

To achieve the City's stated objectives for this specific area, Petitioner is requesting an OCI zoning designation, which allows planned unit developments, multi-family dwellings, and restaurants as conditional uses. The combination of these uses will allow for a unique urban mixed-use development that will provide the support necessary for the long-term viability of the Corridor. The proposed uses and development are much more suitable under OCI zoning than the current ORI zoning, which otherwise prompts the potential for land uses permitted by right that are not viable nor wanted when considering the future of the Corridor.

d. The subject property has not been utilized under the existing zoning classification for a substantial period of time; and

Though zoned ORI, the rezoning request stems from the need for the Subject Property to evolve with the needs of the Corridor. The ORI zoning was established for this area with the intent to make the Corridor the "Silicon Valley" of the Midwest and home to large corporate headquarters and tech businesses.² However, throughout the years, several of these regional centers have relocated and sold their large campus properties within the Corridor for redevelopment. The remaining office users in the Corridor continue to struggle as rental rates are stagnant and vacancy rates are at unhealthy levels and continue to increase. Status quo is resulting in deferred investment, which if not presently obvious, will exacerbate problems in the coming decade. The City acknowledged the need for changes to the area dating back to 2006

² <https://www.choosedupage.com/not-your-fathers-corridor-the-re-reinvention-of-the-i-88-region/>

when approving Freedom Commons. The Freedom Commons approvals included a rezone of that property from ORI to B2 zoning, and a conditional use for a planned unit development to allow all of the dining and entertainment uses that exist there today and provide day-to-day support for the Corridor. As a global real estate developer and expert in its field, Petitioner is cognizant of the ongoing shift in the suburban office market and seeks to rezone the Subject Property to facilitate a development that will aim to serve and support the Corridor – not take away from it. As the area continues to evolve with more mixed uses to support the Corridor, strategic zoning changes are required.

e. The amendment, if granted, will not alter the essential character of the neighborhood and will not be a substantial detriment to adjacent property.

OCI zoning will not alter the essential character of the neighborhood. In fact, the proposed zoning will build upon the trend toward a more diverse mix of land uses in the corridor. Freedom Commons was rezoned from ORI to B2 under a planned unit development in 2006 and has since provided support to the local businesses and office users with its dining, service, and entertainment options. The proposed OCI rezoning will build upon this trend. The rezoning will facilitate a mixed-use development intended to provide the “live” and “play” components necessary to achieve a more urban, more vibrant corridor synonymous with the characterization of a “live, work, and play” environment that is attracting both investment dollars in today’s market and young employees that are essential toward the long-term success of the corridor as an employment center. Failure to grant the rezoning request will result in the Subject Property remaining vacant, which is a detriment to the adjacent properties and surrounding areas as the Corridor continues to experience a vast decline in interest from office/research users.

CONDITIONAL USE FOR A PLANNED UNIT DEVELOPMENT

1. The purpose of a planned unit development is to allow land to be redeveloped with innovation, imagination, and creative architectural design.

2. Planned unit developments are also established to encourage a higher level of design and amenity than is possible to achieve under strict application of the zoning ordinance, while fulfilling the objectives of the City's comprehensive plan.

3. The Property is designated as regional center under the City's comprehensive plan, which specifically supports OCI zoning and planned unit developments.

4. The proposed development meets the requirements for a conditional use as follows:

a. The establishment, maintenance or operation of the conditional use will not be detrimental to, or endanger the public health, safety and general welfare; and

The conditional use for a planned unit development will enable the development of a mixed-use development of the Subject Property to facilitate the logical growth and extension of the City in a creative and innovative fashion, in support of the general welfare of the City. Petitioner's proposal is the product of modern innovative planning, resulting in a unique urban environment sought out by young professionals and empty nesters. Petitioner is an expert in office, retail and residential development. Petitioner thoughtfully evaluated the conditions of the general area of the Subject Property and proposes this mixed-use development as the highest and best use of the Property. In turn, approval of the conditional use will generate the interest of young professionals and empty nesters seeking low maintenance living, high-end amenities, and proximity to work, dining, entertainment, and daily conveniences in an urban setting. The conditional use will establish the "live" and "play" component to a "live, work, play" environment, which will support the long-term viability of the Corridor.

b. The conditional use will not be injurious to the use and enjoyment of other property

in the immediate area for the purposes already permitted, nor substantially diminish and impair property values within the neighborhood; and

The office market that comprises the core land use in the I-88 corridor has long suffered from unsustainable vacancy rates hovering at or above twenty percent. Vacancy rates have spiked above thirty percent following fundamental shifts in the market stemming from COVID-19. Rental rates are flat to negative despite costs rising with inflation, resulting in real declines in revenue. Existing office buildings are being returned to lenders. Lenders are selling properties at values that represent a small fraction of replacement costs. Buildings are being demolished not because there is a present alternative, but because owners recognize that current conditions are not sustainable. Despite both removal of square footage from the market and significant devaluation of property in the corridor, there is no sustained evidence of a market rebound.

The proposed demolition of the existing structure on the Subject Property is a net benefit to other properties in the area. In reducing the supply of office space, the market will move closer toward balance of supply and demand. Only after supply and demand reach equilibrium will the office market begin to rebound to a point where reinvestment begins to make economic sense.

The redevelopment of the Subject Property as a mixed-use community will also support the ultimate turn-around of the office market by creating a more dynamic and vibrant community. Large employers have historically left the I-88 corridor for a variety of reasons. One reason often cited for loss of employers is the search for young talent concentrated in the City of Chicago. Naperville needs to attract and retain young talent. While Naperville is recognized as a great place to raise a family, as a City of 150,000 people, Naperville can and should be much more. The proposed development of the Subject Property with a more urban

form, within a dynamic commercial corridor will broaden the City's appeal. In adding commercial uses to the corridor, the City continues to create a more attractive destination for office users while building the City's tax base. In adding a new and unique residential form to the City's housing supply, the City will attract new residents and create a more active and vibrant office corridor.

Petitioner's vast experience and recent suburban experience establishes credibility around the design and selection of the appropriate land use(s) for the Subject Property in light of context of the immediate area. Here, Hines will facilitate the development of a mixed-use development comprised of commercial space and a high-end multi-family apartment community. The proposal addresses the growing need for diverse housing in Naperville, while simultaneously supporting the long-term viability of the I-88 Corridor as an employment center.

c. The establishment of the conditional use will not impede the normal and orderly development and improvement of the adjacent property for uses permitted in the district; and

The proposed development will not impede normal and orderly development or improvement of adjacent property. The area surrounding the Subject Property is largely developed for office uses. However, over the last several years, this specific area of the Corridor has seen evolution with more dining, entertainment, and commercial uses to support those offices. Petitioner's proposal builds upon the vision of Freedom Commons and is no different in terms of providing a supporting use for the existing offices. The proposed use will create the environment essential to establish a successful "live, work, play" corridor, which is necessary for the restoration of the existing suburban offices spaces as an attractive investment for local businesses.

d. The establishment of the conditional use is not in conflict with the adopted

comprehensive master plan.

The Subject Property is designated for Regional Center under the City's future land use plan. The applicable zoning districts for property designated for regional center includes B-2, B-3, OCI, RD, ORI, and Planned Unit Development, which is consistent with Petitioner's rezoning and development requests. The goal of the regional center designated properties is to feature a diverse mix of uses to draw visitors from throughout the City and surrounding region. Specifically, the planned unit development will enhance the housing stock for our population and will draw attention to young professionals seeking to relocate to the suburbs, but retain the urban nature of "City living" by way of incorporating pedestrian experiences to encourage a "live, work, and play" environment. In addition, the City's comprehensive plan identifies primary and supporting uses for regional center designated properties. The primary uses are identified as commercial, restaurant, entertainment, corporate and professional offices. Properties in the immediate vicinity are primarily comprised of the primary uses identified under Regional Center in the comprehensive plan. In addition, the Petitioner proposes a prominent commercial entrance to the proposed mixed-use development at this important intersection of Freedom Drive and Diehl Road, which meets the intent of the "primary uses" under a Regional Center designated property. The residential component of the development is perfectly slated as a supporting use under the comprehensive plan for regional center designated properties. The residential component will be located on the south end of the Subject Property and will be comprised of high-end apartments expected to generate spending power in the area and create a more pedestrian-oriented environment to support the local offices, restaurants, and entertainment options in the vicinity.

5. The proposed planned unit development meets the standards set forth in

the Code as follows:

- a. *The design of the planned unit development presents an innovative and creative approach to the development of land and living environments.*

The Subject Property is located in the City's I-88 employment Corridor. Though there is a significant office presence, the recent trend of development has been institutional or mixed-use. This includes hotel users along Diehl Road, along with dining and entertainment uses offered at Freedom Commons and Freedom Plaza. In addition, the Subject Property is proximate to Interstate 88 as well as all of the conveniences of Ogden Avenue. Though there is a significant office presence in this general area, larger users seek tollway frontage and the remaining offices are experiencing significant vacancies due to their lack of lifestyle amenities being offered and the trend of remote working as a result of the COVID-19 pandemic. As such, the Subject Property presents an excellent canvas to create a unique mixed-use and living environment to reignite activity and add supporting uses to the existing offices and business located within the I-88 corridor. To this end, extensive care was taken in the development of the site plan to fit harmoniously in this area.

The proposed development will consist of two approximately 7,500 square foot commercial pads at the entrance to the development offering significant commercial frontage at this important intersection. Situated behind the two commercial pads will be a five (5) story, three hundred and six (306) unit "Class A" apartment community which will provide an additional housing opportunity to an underserved segment of Naperville's population sometimes referred to as "Renters by Choice". This segment is composed of predominantly young professionals or empty nesters looking to avoid the daily responsibilities of home ownership but who require an upscale living environment and associated amenities in close proximity to a variety of employment opportunities, retail, entertainment and convenience uses. The proposed development will create an optimum use of the Subject Property by providing this segment of the

housing market with an opportunity to reside in Naperville while also enhancing our real estate tax base, infusing our local economy with additional income and improving our work force.

The Petitioner's goal is to provide high quality residences in an intelligently designed living environment. As such, the community will be functionally designed to meet the needs of its residents. The proposed development will utilize the existing 392-space existing parking deck and will provide additional on-site surface parking to serve the development. A declaration of covenants, conditions, and restrictions will be recorded against the property governing the function of the shared parking between the residential and commercial users. The existing parking deck will be connected to the residential building via breezeway, to provide residents with access to their daily functions as well as recreation, fitness, socialization areas and other amenity areas. Recreational amenities, including activity areas, health facilities, dog runs, private event space, and a pool, are central to the operation of the community. The residence building will include a unit mix of approximately 83 studio/convertible units, 111 one-bedroom units, 102 two-bedroom units, and 10 three-bedroom units. The units will range in size from approximately 470 square feet up to 1,350 square feet. The predominance of one and two-bedroom units is indicative of a housing choice that will primarily suit young professionals and empty nesters.

With regard to architecture and the surrounding environment, the community was designed by Hines to kickstart revitalization and a new vision for this area, which is primarily comprised of underutilized office buildings constructed as early as the 1980s. The building's exterior expression communicates a signature presence for the community that respects Naperville building traditions. The facades feature use of articulated brick planes, at the building base and at upper levels. The use of dark windows and charcoal-color fiber cement panel and metal panel trim creates contrast to the brick and helps to blend tradition with a modern urban environment. The building employs a rich material palette and sophisticated modern detailing.

The residential component will include an abundant amount of outdoor space and gathering areas for the residents. This includes courtyards, seating areas, grilling areas, fire pits, a dog run, and exceptional pool amenities. In addition to exceptional architecture and outdoor amenities offered, an extensive landscape plan has been created to enhance the view to the Subject Property. The landscape plan will include substantial landscape treatments along all four sides of the property including parkway trees, planter boxes and extensive decorative materials. Sidewalks will be incorporated throughout the development and will connect to the existing sidewalk system, consistent with what one would expect in a “Live, Work & Play” environment.

Access will be provided via the existing access at the intersection of Diehl Road and Freedom Drive. The parking garage will be accessed from ground level and will accommodate the parking needs of the residents and commercial users on site. Additional surface parking will be available. A declaration of covenants conditions and restrictions will govern the shared parking for the proposed development to ensure parking functions seamlessly. Additionally, a drop-off area is provided at the main entrance to the residential facility.

b. The planned unit development meets the requirements and standards of the planned unit development regulations.

The proposed planned unit development meets the requirements and standards of the planned unit development regulations as follows:

- (i) Ownership and Control: The proposed development meets the ownership and control requirements.
- (ii) Area, Lot Width, Yard, and Height/Bulk Requirements: The proposed development meets all lot width and yard requirements.
- (iii) Common Open Space: Common open space will be included in the development consisting of resort style amenities such as an exclusive pool

area, courtyard areas, a dog run, fitness area, outdoor decks, socialization areas and recreation areas. In addition, sidewalks will be interconnected throughout the development to further enhance the “Live, Work, Play” objectives this development is designed to achieve. The open space exhibit submitted with application materials details how the project meets and exceeds the City’s open space requirements for a mixed-use development.

- (iv) Landscaping, Screening, and Tree Preservation: A landscape plan has been submitted in compliance with the City’s requirements for landscaping and screening on the Subject Property.
- (v) Lighting: A lighting plan will be submitted in compliance with the City’s lighting requirements.
- (vi) Pedestrian and Bicycle Circulation: The provisions pertaining to Pedestrian and Bicycle Circulation have been met. The development will include sidewalks, and the proposed development will include bicycle parking.
- (vii) Relationship to Adjoining Land: The proposed use is complimentary to the surrounding uses and will support the existing users in the area and enhance the overall vibrancy of the commercial and office uses in the Corridor to encourage a “live, work, play” environment.
- (viii) Density Bonuses: Petitioner seeks a variance from the lot area requirement as otherwise set forth herein.

(ix) Park and School Sites: Park and School donations will be paid pursuant to applicable ordinances.

(x) Public Improvements: All public improvements will be provided for as part of the development.

c. The physical design of the planned unit development efficiently utilizes the land and adequately provides for transportation and public facilities while preserving the natural features of the site.

There are no existing natural features on the site. The existing site consists of a vacant office building, configured for single-tenant institutional use, currently providing little residual community value. Petitioner's proposed planned unit development will reposition the Subject Property as a mixed-use community building upon the trend of development in the immediate area. Developed thoughtfully, Petitioner believes that a mixed-use project, bringing together commercial and residential uses, can help elevate the energy and vibrancy of the I-88 Corridor.

d. Open Space, outdoor common area, and recreational facilities are provided.

Open space, outdoor common areas, and recreational facilities have been incorporated into the development and exceed applicable code requirements. The open space areas will include safe and secure resort-style amenities unique to the development. These amenities will include private event space, fitness/yoga facilities, wellness/spa facilities, and socialization areas such as a game and club lounge, outdoor areas with fire pits, grilling areas, a dog run, and an exceptional pool area. Additionally, the Subject Property is located proximate to Freedom Commons, which offers an array of recreational activities, dining, and entertainment options.

e. The modifications in design standards from the subdivision control regulations and the waivers in bulk regulations from the zoning regulations fulfill the intent of those regulations.

The proposed modifications under the PUD fulfill the intent of those regulations. Petitioner seeks four deviations, all of which relate to the more urban, mixed-use character of the project. Petitioner seeks a reduction in the lot area requirement and an increase in the allowable building height. These requests are critical to the more urban type of environment that Petitioner seeks to create with the mixed-use development. The proposed building height is generally consistent with the character of the surrounding neighborhood. In this context, Petitioner believes that the increased height is a net benefit to the project, translating to prominence and providing a unique character that is not readily available in the Naperville housing market. The reduction to the lot area requirement, from 2,600 SF/dwelling unit to 1,365 SF/dwelling unit is a product of both project economics and project character. Petitioner believes that the proposed density is essential for the creation of a more lively or active atmosphere, which is critical to the purpose and intent of the project. To foster this type of environment, to create a unique urban ethos for the development, Petitioner proposes a significant investment in common area amenities that will help breed the social network of the community. The proposed parking modification is consistent with the anticipated demand based on the unit mix and renter demographics as well as proven precedent ratios at comparable communities. The proposed masonry deviation relates back to the urban character of the project. Petitioner proposes large brick sections on the front elevation to incorporate traditional Naperville building products but utilizes other high-quality materials such as masonry siding and metal cladding in larger quantities to drive a more modern glass-centric aesthetic. Collectively, the deviations are consistent with the intended character of the development and will facilitate a creative approach to diversify and improve the character of the Naperville community, all of which is consistent with the purpose and intent of the applicable PUD regulations.

- f. The planned unit development is compatible with the adjacent properties and nearby land uses.*

The proposed use of the Subject Property is complementary to the area. The commercial use of the Diehl Road frontage will build upon and expand what has become a very successful commercial corridor in Freedom Commons and Freedom Plaza. The proposed residential component of the development will provide housing diversity for the community, providing opportunity for a more urban living environment for within the I-88 employment Corridor. This unique mixed-use development will support the existing uses surrounding the Subject Property and help to create a livelier environment that will make the surrounding office community more attractive.

- g. The planned unit development fulfills the objectives of the comprehensive plan and planning policies of the City.*

The Subject Property is designated for “Regional Center” under the City’s Comprehensive Plan. The applicable zoning districts for properties designated as Regional Center under the Comprehensive Plan include B-2, B-3, OCI, RD, ORI, and Planned Unit Development. The Petitioner’s proposed OCI PUD zoning is consistent with the Comprehensive Plan. The goal of the Regional Center designated properties is to feature a diverse mix of uses to draw visitors from throughout the City and surrounding region. Specifically, the planned unit development will enhance the housing stock for our population and will draw attention to young professionals seeking to relocate to the suburbs, but retain the urban nature of “City living” by way of incorporating pedestrian experiences to encourage a “live, work, and play” environment. In addition, the City’s comprehensive plan identifies primary and supporting uses for regional center designated properties. The primary uses are identified as commercial, restaurant, entertainment, corporate and professional offices. Properties in the immediate vicinity are

primarily comprised of the primary uses identified under Regional Center in the comprehensive plan. In addition, the Petitioner proposes a prominent commercial entrance to the proposed mixed-use development at Freedom Drive and Diehl Road, which meets the intent of the “primary uses” under a Regional Center designated property. The residential component of the development is situated as a supporting use, not only for the proposed commercial outlots, but for the broader I-88 corridor consistent with the purpose and intent of the comprehensive plan.

DEVIATION TO REDUCE THE REQUIRED OFF-STREET PARKING FROM 2.25 SPACES PER UNIT TO APPROXIMATELY 1 SPACE PER UNIT FOR THE RESIDENTIAL COMPONENT OF THE PROPOSED DEVELOPMENT

- a. The requested deviation would not undermine the intent and purpose of the underlying zoning district.*

The proposed deviation to reduce the required off-street parking from 2.25 spaces to 1.6 spaces per unit is consistent with the purpose and intent of the zoning regulations to provide sufficient parking to meet anticipated demand of the development. There will be a total of six hundred and fifty-six (656) parking spaces provided on site. Three hundred and ninety-two (392) of those spaces are located in the 2-story parking structure, 12 spaces are located in private garages, and the balance of the spaces are provided in surface parking areas. 75 surface parking spaces will be dedicated to the western commercial building, complying with the Code requirement for 10 spaces per 1,000 square feet of gross floor area for a restaurant use. 24 surface parking spaces and 51 garage spaces (total of 75) will also be dedicated to the eastern commercial use, again meeting the Code requirement for restaurant parking. The balance of the parking spaces, being 506 total spaces, will be reserved for the residential component of the project. The proposed parking ratio is consistent with precedent ratios at comparable communities that have proven to operate efficiently. The parking study that is provided as a component of the Traffic Impact Study submitted in support of the project, finds that the proposed parking is sufficient to meet anticipated demand for the unique, more urban residential component of the project. The proposed parking will meet the anticipated demand of the

development.

b. The requested deviation will not be a detriment to the provision of municipal services and infrastructure.

Great care was taken in site and building design. All parking areas have been placed internal to the site and will be regulated by a declaration of covenants, conditions, and restrictions to ensure parking, access, and shared expenses are governed seamlessly throughout the development. Strict enforcement of this parking requirement would require the Petitioner to install and maintain excess parking areas that would increase impervious area and be underutilized. The proposed parking deviation will contribute to a development that both offers a superior design and provides environmental benefit by maximizing open space while providing sufficient infrastructure in support of the project.

c. The requested deviation will contribute to a planned unit development which offers a superior level of design, amenity enhancement, or environmental benefit, or would enhance the community vitality through the inclusion of attainable or barrier free housing.

The proposed deviation will contribute to a planned development which maximizes open space, increasing housing diversity, and efficiently meets infrastructure demands of the proposed development. This deviation will be indiscernible to the broader community. As set forth in the Traffic Impact Study, the proposed parking will meet anticipated demand of the development based on a variety of applicable metrics. The Petitioner has designed the proposed development to facilitate pedestrian and bicycle access to and from the retail, employment and entertainment options located in proximity to the Subject Property, reducing reliance on the automobile. Absent the proposed deviation, Petitioner would be required to both reduce unit count and provide additional on-site parking. The loss of units will negatively affect the Petitioner's project and thereby affect the ability to provide the level of recreational amenity that is presently contemplated for the development. This diminution in service will negatively impact future residents of the

community. Similarly, additional parking would increase development costs, reduce open space, and increase storm water requirements. The construction of additional parking spaces would, according to the aforementioned parking needs analysis, provide no benefit to the residents of the development but would negatively impact the overall design and amenity presently programmed for the community.

DEVIATION TO INCREASE THE PERMITTED HEIGHT IN THE OCI ZONING DISTRICT FROM 43' TO 58' AND DEVIATION TO INCREASE THE MAXIMUM FLOOR AREA RATIO FROM 1.5 TO 2.4.

- a. The requested deviation would not undermine the intent and purpose of the underlying zoning district.*

The Subject Property is located entirely within the I-88 employment Corridor and adjacent to structures that range in size from 1 story to 10+ stories. The Petitioner is proposing a five (5) story building with a height of 58' feet and FAR of 2.4, which is on-par with existing buildings in the vicinity of the Subject Property. As a result, Petitioner's request for the height and FAR deviations will not alter the essential character of the neighborhood. In fact, Petitioner believes that the proposed height will be a net benefit to the community, adding to its prominence and unique character.

- b. The requested deviation will not be a detriment to the provision of municipal services and infrastructure.*

The requested deviation will have no effect on the provisions of municipal service or infrastructure.

- c. The requested deviation will contribute to a planned unit development which offers a superior level of design, amenity enhancement, or environmental benefit, or would enhance the community vitality through the inclusion of attainable or barrier free housing.*

The height and FAR deviations are critical to the creation of a more urban character, which underlies the purpose and intent of the of the proposed mixed-use development. Naperville has many traditional garden style apartment communities. These 2 and 3-story communities are typical of a

suburbia, providing affordable or entry-level 2 and 3-bedroom units often geared to families. Petitioner's proposed mixed-use development targets a different demographic, with a majority of the dwelling units being studio and 1-bed units. Only 112 of the 306 dwelling units will be 2 or 3-bedroom dwelling units. The height, the unit mix, and the mixed-use nature of the project collectively position the project as a more urban form that will be attractive to both young workers and empty-nesters, both being renters by choice. Renters who prioritize the type of lifestyle afforded with the proposed project.

DEVIATION TO REDUCE THE REQUIRED LOT AREA

- a. The requested deviation would not undermine the intent and purpose of the underlying zoning district.*

The lot area requirement is a measurement of density. The lot area requirement establishes the number of dwelling units permitted on any given property. Density limitations ensure that public facilities, be it utilities, schools, parks, or roadway infrastructure, are not overwhelmed by the number of people output from a development. Petitioner proposes to construct three hundred and six (306) multi-family dwelling units on the approximately 9.5-acre Subject Property, as part of a mixed-use community. This equates to approximately 1,365 square feet of lot area per dwelling unit across the PUD. However, the residential building will be situated on Lot 3 as depicted on the Preliminary Plat of Subdivision submitted herewith ("Preliminary Plat"). As a result, density is measured solely based upon the 3.09-acre lot yielding approximately 440 square feet of lot area per dwelling unit. Due to this hyper technicality, the requested relief appears much more extreme due to the way Petitioner is subdividing the Property. However, the entire PUD should be viewed holistically as the proposal is a mixed-use development comprising both commercial and residential uses along with offsite detention which benefits the entire 9.5-acre Subject Property. As such, the actual density proposed is 1,365 square feet of area per dwelling unit for the whole Subject Property.

Of the 306 units, approximately 112 will be either 2-bed or 3-bed units, reflecting a unique unit mix which is reflective of Petitioner's purpose and intent for a more urban form mixed-use development. This unique unit mix will translate to lesser total resident population from the project. This reduction in resident population translates to a lesser impact on public facilities. Petitioner's studies submitted with the application materials evidence that there will be no negative impact on the provision of municipal services or infrastructure.

The requested deviation is essential to the overall concept of the project. Without a minimum density threshold, the overall concept of the project and the delivery of a financeable yet high-quality living environment is undermined as essential on-site amenities are removed from the plan. The density of the project is the mechanism that allows the cost of the unique and creative components of the project to be spread across a sufficient number of residential units and that the cost does not negatively affect the viability of the development. Greater density is consistent with a greater vision in which the corridor becomes a true live-work-play type environment with activity that supports the diverse mix of uses.

b. The requested deviation will not be a detriment to the provision of municipal services and infrastructure.

The requested deviation will not be a detriment to municipal services or infrastructure. Petitioner has coordinated with both the Park District and the School District, both of which have adequate facilities to support the development. The Petitioner's traffic study shows that the roadway network can support the anticipated traffic from the proposed mixed-use development. In diversifying land use in the corridor, the project will move away from more monolithic traffic patterns associated with employees traveling to/from work, thereby spreading traffic over a broader time period. Water, sewer, and electric facilities are readily available.

c. The requested deviation will contribute to a planned unit development which offers a superior level of design, amenity enhancement, or environmental benefit, or would

enhance the community vitality through the inclusion of attainable or barrier free housing.

The deviation will help pave the way for a mixed-use development that efficiently utilizes a transitional property, located at the confluence of retail, restaurant, office and residential uses. The proposed residential structure will transition between the more intensive commercial frontage on Diehl Road and the residential and commercial uses south of the Subject Property. The proposed density is critical to the purpose of the development as a more urban type development that diversifies the City's housing stock.

**DEVIATION FROM SECTION 5-10-3:5.2.4.1 TO ELIMINATE A FENCE ALONG THE
REAR PROPERTY LINE**

- a. The requested deviation would not undermine the intent and purpose of the underlying zoning district.*

The Code requires a fence be placed in the rear yard where a parking lot abuts residential property. Parking for the PUD will be located on the south perimeter of the Subject Property, which abuts the Iroquois Club condominiums, zoned R3. The purpose of the OCI district is to act as a transitional zone between intensive business areas and residential neighborhoods. The proposed mixed-use development comprises both residential and commercial uses to act as a transition to the commercial and business uses along Diehl Road and Freedom drive along with the residential uses to the south of the Subject Property. The design of the project incorporates parking along the south perimeter of the Subject Property to meet the parking needs of the planned unit development. The purpose of the requirement to install a fence between parking areas and residential use is to screen the parking lot from the residential area. However, in this instance, Petitioner is coordinating with Iroquois Club to install cross-access between the PUD and the Iroquois Club property to create accessibility for the benefit of the properties. In such an event, Petitioner seeks to eliminate the sense of a "barrier" between the properties that fence

would create, and instead install transitional landscaping to buffer headlights from the parked cars along the southern perimeter. Said landscaping will meet the intent of this requirement and reinforces the intent and purpose of the OCI district as a transitional zone.

- b. The requested deviation will not be a detriment to the provision of municipal services and infrastructure.*

The proposed deviation to eliminate a required fence along the southern perimeter of the Subject Property will not be detrimental to the provision of municipal services and infrastructure.

The requested deviation will have no impact on municipal services.

- c. The requested deviation will contribute to a planned unit development which offers a superior level of design, amenity enhancement, or environmental benefit, or would enhance the community vitality through the inclusion of attainable or barrier free housing.*

The requested deviation will contribute to an exceptionally designed planned unit development. The deviation will allow the Petitioner to meet the parking needs of this unique and vibrant mixed-use development, while accommodating cross-access between the Subject Property and Iroquois Club to the south. Elimination of the fence requirement will create a more inviting transition between the adjacent properties and will allow a mutual benefit where the residents of the proposed development gain access to the conveniences of Ogden Avenue and the residents of Iroquois Club can gain access to the commercial uses of the Development and Freedom Drive.

DEVIATION FROM SECTION 6-7F-7 TO REDUCE THE FRONT YARD AND INTERIOR

SIDE YARD SETBACKS

- a. The requested deviation would not undermine the intent and purpose of the underlying zoning district.*

The requested deviation will not undermine the intent of the OCI Zoning district. OCI zoning is put in place to provide a transitional zoning between commercial, office, and residential uses. The proposed development is designed in harmony with those goals and

objectives of the OCI zoning district. Setback requirements are established to ensure there is appropriate separation between adjacent properties and uses. In this instance, the setbacks internal to the development are a hyper technicality by virtue of the way in which the Subject Property is being subdivided. In actual reality, the subdivision lines will not be apparent from the naked eye and the entire PUD will function jointly and not as individual lots. When viewing the project wholistically, we should be focusing on the setbacks located along the perimeter of the development. Under the proposed plans, appropriate setbacks are maintained from adjacent properties. In the case of the front yard setback, it is important to note the existing conditions of this setback are the result of a governmental taking. Prior to the taking, the property previously extended 20-feet into Diehl Road right-of-way. DuPage County acquired that 20-feet of property for additional right-of-way, which incorporated a utility easement. As a result, the size of the Subject Property was reduced and the existing drive aisles are now located on the property line with no setbacks.

The Petitioner will repurpose the existing parking garage to serve the proposed development, which will improve blighted conditions with a unique mixed-use development in line with the intent of the OCI district. However, this leaves the existing condition of the drive aisles being located on the property line. Petitioner is improving conditions by way of installing curb that is setback further from the existing condition to allow for additional landscape screening along the property line. Petitioner is seeking to match this condition throughout the remainder of the development to provide congruence and uniformity throughout the project and as a result, requires the requested deviation from the Code. Again, the purpose of setbacks are to ensure adequate separation from adjacent properties and uses.

In the case of the front yard setback, no adjacent properties will be impacted given the Subject Property's location at the intersection of Diehl Road and Freedom Drive.

b. The requested deviation will not be a detriment to the provision of municipal services and infrastructure.

The proposed deviation to permit a reduction in the required setbacks will not be detrimental to the provision of municipal services and infrastructure. The requested deviation will have no impact on municipal services including those public utility and drainage easements granted as a result of the subdivision.

c. The requested deviation will contribute to a planned unit development which offers a superior level of design, amenity enhancement, or environmental benefit, or would enhance the community vitality through the inclusion of attainable or barrier free housing.

Granting the relief will allow the Petitioner to develop the Subject Property with setback uniformity. The current setback conditions along the front property line are the result of a governmental taking which is a hardship created outside the Petitioner's control. The Petitioner is repurposing the existing parking structure to serve the parking needs of the project, which is necessary for the long-term success of this development. With this, the existing conditions will remain along the eastern end of the Subject Property. Requiring Petitioner to demolish the existing parking structure to bring the Subject Property into compliance as a result of this governmental taking would result in an exceptional hardship and would significantly reduce the available parking for the development, ultimately leaving the project unviable. Granting the requested relief will allow the Petitioner to utilize the existing parking structure to serve the project and develop the remainder of the property under the current conditions presented, resulting in setback uniformity along the entire property frontage. In fact, Petitioner will be improving the current conditions by way of installing curb away from the property line to allow

for additional landscape and screening in this area. This condition will also result in a cleaner and more congruent appearance for the development. In addition, the reduced setback will improve the layout of the commercial buildings in the PUD allowing for adequate patio space, which in turn will add to the vibrancy and activity we are seeking to achieve within the development, ultimately yielding a superior level of design.

**DEVIATION TO REDUCE THE REQUIRED MASONRY PERCENTAGE
FROM 50% TO 23%.**

- c. The requested deviation would not undermine the intent and purpose of the underlying zoning district.*

In 2002 the City of Naperville amended its Municipal Code to require masonry construction on fifty percent (50%) of the exterior of all multiple-family and multiple single-family dwellings. The Ordinance, Ordinance 02-66, includes a finding that “having a requirement for brick or other masonry products promotes the appearance of multiple-family developments and helps maintain long-term property values.” In today’s environment, masonry building materials do not automatically equate to better design or higher values. Here, the fifty percent (50%) masonry requirement does not align with the unique design or the intended urban character of the proposed mixed-use development. The proposed architecture reflects a variety of building materials, including brick, significant glass elements, masonry or composite siding, and metal cladding to blend traditional building materials with a more modern design aesthetic that is consistent with trends in the marketplace. All of the building materials are high-quality and will maintain long-term value of the project, consistent with the underlying purpose of the masonry requirement.

- d. The requested deviation will not be a detriment to the provision of municipal services and infrastructure.*

The proposed deviation to permit a reduction in the required percentage of masonry on the

multi-family building will not be detrimental to the provision of municipal services and infrastructure. The alternative building materials proposed by Petitioner, which include masonry or composite siding, EIFS, and metal cladding, are high quality building materials on-par with the quality and durability of traditional masonry product. The requested deviation will have no impact on municipal services.

- d. The requested deviation will contribute to a planned unit development which offers a superior level of design, amenity enhancement, or environmental benefit, or would enhance the community vitality through the inclusion of attainable or barrier free housing.*

The deviation will allow the Petitioner to construct a building which offers a superior level of design and amenity. Traditional masonry building materials such as brick and stone tend to make a building feel heavy. On larger buildings in particular, high percentages of brick and stone can create problems with massing, making the building feel out-of-place. Here, Petitioner has incorporated a substantial percentage of masonry to reflect Naperville tradition, but has incorporated other building materials to break-up the massing and help to “lighten” the feel of the building. Petitioner believes that the variety of building materials incorporated in the project creates a better aesthetic that is consistent with the theme of the mixed-use project. It should also be noted that the two commercial buildings will utilize complimentary building materials, but are nearly 100% masonry, helping to ground the overall project in that traditional building material.

**DEVIATION TO ALLOW A 20 SQUARE FOOT WALL SIGN
ON A RESIDENTIAL BUILDING**

- a. The requested deviation would not undermine the intent and purpose of the underlying zoning district.*

The OCI Zoning District is a transitional zone between intensive business areas and residential neighborhoods. As such, the OCI District contains a range of land uses including office, residential, institutional, and commercial facilities. The proposed mixed-use development is an exemplary

model of a land use meeting the intent of the underlying zoning district. However, the City's sign code does not provide guidance as to allowable signage on a transitional mixed-use development and instead has strict (separate) standards for residential and commercial uses. As such, wall signage is not technically permitted on a residential building. In viewing the project holistically, Petitioner seeks to install an approximately 20 square foot sign to be installed over the entry on the residential building. The proposed signage will keep harmony with the design and intent of the overall project to identify each element of the development, while still keeping the harmonious appearance of a single development intended to operate cohesively.

b. The requested deviation will not be a detriment to the provision of municipal services and infrastructure.

The requested deviation to install a 20 square foot wall sign on residential property will have no impact on municipal services and infrastructure.

c. The requested deviation will contribute to a planned unit development which offers a superior level of design, amenity enhancement, or environmental benefit, or would enhance the community vitality through the inclusion of attainable or barrier free housing.

The deviation will help pave the way for a mixed-use development that efficiently utilizes a transitional property, located at the confluence of retail, restaurant, office and residential uses. The proposed residential signage is intended to complement the proposed signage on the commercial buildings to create a cohesive appearance for the identification of this unique mixed-use development.

DEVIATION FROM SECTION 7-4-3:6.1 TO NOT REQUIRE A PUBLIC UTILITY AND DRAINAGE EASEMENT AROUND EACH SUBDIVIDED LOT

a. The requested deviation would not undermine the intent and purpose of the underlying zoning district.

The requested deviation will not undermine the intent of the OCI Zoning district. OCI zoning is put in place to provide a transitional zoning between commercial, office, and

residential uses. The proposed development is designed in harmony with those goals and objectives of the OCI zoning district. The City's subdivision regulations require public utility and drainage easements ("PU&DE") be granted in the side yard and rear yard of each newly subdivided lot. This requirement does not take into account instances where a planned unit development such as the proposed plan represents one mixed-use development comprised of commercial and residential uses. Petitioner is subdividing the Property as proposed to account for ownership structure and maintenance. In actual reality, the subdivision lines will not be apparent from the naked eye and the entire PUD will function jointly. Had Petitioner sought PUD approvals under the Property's current parameters, Petitioner would only be required to maintain a PU&DE around the perimeter of the site and in doing so, no deviation would be required. By virtue of resubdividing the Property, the functional use of the site does not change and the PUD is still intended to be viewed and operated as one single mixed-use development. Accordingly, granting the PU&DE as proposed on the Plat of Subdivision is appropriate and will grant the City the requisite access to manage and maintain public utilities to serve the Development.

b. The requested deviation will not be a detriment to the provision of municipal services and infrastructure.

The proposed deviation will not be detrimental to the provision of municipal services and infrastructure. The requested deviation is only required due to the way in which Petitioner is subdividing the Property. Functionally, the development will operate as one single mixed-use development and accordingly, granting the PU&DE as proposed will have no impact on municipal services as a result of the subdivision.

c. The requested deviation will contribute to a planned unit development which offers a superior level of design, amenity enhancement, or environmental benefit, or would

enhance the community vitality through the inclusion of attainable or barrier free housing.

Granting the relief will allow the Petitioner to subdivide the Property as proposed to account for future ownership and maintenance purposes. The proposed subdivision is necessary and required for the long-term success and operation of the proposed development. Had the subdivision not be requested, the current PU&DE would be appropriate to serve the whole development site. Accordingly, the proposed PU&DE grant will ensure the development is appropriately serviced by the necessary utilities and in turn will allow the internal function of the development to thrive from an operational standpoint.

CONDITIONAL USE TO ALLOW MULTIFAMILY, GENERAL RETAIL AND EATING

ESTABLISHMENTS IN THE OCI ZONING DISTRICT

- a. The establishment, maintenance or operation of the conditional use will not be detrimental to, or endanger the public health, safety and general welfare.*

The proposed conditional uses will not be detrimental to or endanger public health, safety or the general welfare. The City's I-88 corridor is saturated with vacant office buildings. The supply of office space has caused vacancy to rise above 30% while rents have fallen to levels far below those necessary to support new construction. To create a healthy market, Naperville needs to reduce the supply of office space and diversify land use within the corridor to create a more attractive "live, work, play" type of environment. Petitioner's proposed unique mixed-use development is consistent with the direction of the Comprehensive Plan. The mixed-use development will build-upon the trend of adding commercial uses in the corridor, uses which provide an amenity that helps to attract employers to the market. The multi-family component of the mixed-use project will provide new and unique housing product which incorporates a more urban form at a transitional location between existing office, institutional, commercial, and residential uses. This type of housing product will attract young professionals and empty nesters seeking both a high-end living environment and

convenience associated with a more urban type lifestyle. Given the resident profile and associated lifestyle, impacts on public facilities are likely lesser than more traditional suburban development. The establishment and maintenance of the mixed-use community with multi-family residences, general retail and eating establishments will not be detrimental to or endanger the public health, safety, and general welfare.

- b. The conditional use will not be injurious to the use and enjoyment of other property in the immediate area for the purposes already permitted, nor substantially diminish and impair property values within the neighborhood.*

The Subject Property is vacant and underutilized. Vacant buildings are detrimental to the character of the corridor, sapping energy and ultimately leading to blighted conditions. With the oversupply of office space in the corridor, the removal of nearly 100,000 square feet of office space will benefit the broader market, bringing supply closer to demand. Addition by subtraction. At the same time, the proposed mixed-use development will create a new and vibrant destination within the corridor. The vibrancy and activity associated with the mixed-use development will be beneficial to the corridor. At the same time, these vibrant uses will support the ongoing and predominant office use in the corridor with new amenities (retail and/or eating establishments) and new housing product that will help to fortify the City's employee population. Accordingly, the conditional uses will not be injurious to the use and enjoyment of property in the immediate area nor will it impair property values.

- c. The establishment of the conditional use will not impede the normal and orderly development and improvement of the adjacent property for uses permitted in the district.*

The proposed development will create the highest and best use of the Subject Property and the conditional use will not impede the normal and orderly development in the corridor. To the contrary, the demolition of the existing structure will help to balance supply and demand in the office market. At the same time, proposed mixed-use development will diversify land use in support of the existing office uses consistent with the vision set forth in the Comprehensive Plan.

- d. The establishment of the conditional use is not in conflict with the adopted comprehensive master plan.*

Establishment of the conditional use to allow multi-family residential, general retail and eating establishments is not in conflict with the adopted comprehensive master plan. The Subject Property is designated for Regional Center under the City's future land use plan. The applicable zoning districts for property designated for regional center includes B-2, B-3, OCI, RD, ORI, and Planned Unit Development, which is consistent with Petitioner's rezoning and development requests. The goal of the regional center designated properties is to feature a diverse mix of uses to draw visitors from throughout the City and surrounding region. Specifically, the planned unit development will enhance the housing stock for our population and will draw attention to young professionals seeking to relocate to the suburbs, but retain the urban nature of "City living" by way of incorporating pedestrian experiences to encourage a "live, work, and play" environment. In addition, the City's comprehensive plan identifies primary and supporting uses for regional center designated properties. The primary uses are identified as commercial, restaurant, entertainment, corporate and professional offices. Properties in the immediate vicinity are primarily comprised of the primary uses identified under Regional Center in the comprehensive plan. Granting a conditional use to allow general retail and eating establishments in the OCI district is consistent with the primary uses listed for regional center-designated properties. The residential component of the development is perfectly slated as a supporting use under the comprehensive plan for regional center designated properties. The residential component will be located on the south end of the Subject Property and will be comprised of high-end apartments expected to generate spending power in the area and create a more pedestrian-oriented environment to support the local offices, restaurants, and entertainment options in the vicinity. Accordingly, establishment of the conditional uses are consistent with the goals and objectives of

the City's comprehensive plan.

CONDITIONAL USE TO ALLOW PARKING AS A

PRINCIPAL USE ON LOTS 4 AND 5

- a. The establishment, maintenance or operation of the conditional use will not be detrimental to, or endanger the public health, safety and general welfare.*

The proposed conditional uses will not be detrimental to or endanger public health, safety or the general welfare. Petitioner is seeking to diversify land use within the corridor by providing a unique mixed-use development consistent with the direction of the Comprehensive Plan. The proposal repurposes the existing parking structure, which will serve to benefit both the residential and commercial uses of the development. Upon subdivision of the Property, the parking structure will be the only use located on Lot 4 and a surface parking lot will be solely located on Lot 5 and as a result, requires relief from the Code. Once again, viewing the Property wholistically and not on a lot-by-lot basis illustrates the practical functionality of the parking structure as an accessory to commercial and residential uses proposed for this PUD. However, due to the technical interpretation of the Code, Petitioner requires a conditional use to allow the parking deck to remain on its own subdivided lot. The repurposing and maintenance of the existing parking structure will provide available parking to support the mixed-use community with multi-family residences, general retail and eating establishments, which will not be detrimental to or endanger the public health, safety, and general welfare.

- b. The conditional use will not be injurious to the use and enjoyment of other property in the immediate area for the purposes already permitted, nor substantially diminish and impair property values within the neighborhood.*

The Petitioner is required to subdivide the Subject Property as depicted on the Preliminary Plat to facilitate individual ownership of different classes of assets. Although the parking structure will provide parking to all uses within the PUD, the mechanism in which the Subject Property is subdivided places the existing parking structure on its own lot and a separate lot is created solely for

surface parking. This creates the need for the conditional use. Currently, Subject Property is vacant and underutilized. The proposed mixed-use development will eliminate blighted conditions and will create a new and vibrant destination within the corridor. The vibrancy and activity associated with the mixed-use development will be beneficial to the corridor and the conditional use will allow the parking structure to serve all users within the mixed-use development. Accordingly, the conditional use will not be injurious to the use and enjoyment of property in the immediate area nor will it impair property values.

c. The establishment of the conditional use will not impede the normal and orderly development and improvement of the adjacent property for uses permitted in the district.

The proposed development will create the highest and best use of the Subject Property and the conditional use will not impede the normal and orderly development in the corridor. To the contrary, the conditional use will allow the existing parking structure and surface parking to be located on its own lot to meet and serve the parking needs of the overall mixed-use development. With this, the proposed mixed-use development will diversify land use in support of the existing office uses consistent with the vision set forth in the Comprehensive Plan.

d. The establishment of the conditional use is not in conflict with the adopted comprehensive master plan.

The conditional use will allow the existing parking structure and surface parking to be located on its own lot, which is required for future ownership purposes. Further, the conditional use is not in conflict with the comprehensive plan. On the contrary, the proposed parking areas will exist to serve the parking needs of the whole development, which will ensure the success of this unique and vibrant mixed-use development consistent with the Subject Property's "regional center" designation under the comprehensive plan.

APPROVAL OF A PRELIMINARY PLAT OF SUBDIVISION

1. Petitioner seeks approval of the Preliminary Plat of Subdivision, a copy of which

has been submitted herewith.

2. The proposed subdivision meets the standards for a subdivision consistent with the standards set forth in the Code.

WHEREFORE, by reason of the foregoing, the undersigned Petitioner requests the City Council and Plan Commission take the necessary steps to: (i) rezoning the Subject Property from ORI to the OCI zoning district; (ii) a conditional use for a Planned Unit Development; (iii) a Planned Unit Development Plan and Plat with associated deviations for parking, density, height, and amount of masonry as further detailed herein; (iii) approve conditional uses to allow for a highly appointed 306-unit multifamily building, general retail and eating establishments in the OCI Zoning District; (iv) approve a conditional use to allow parking as a principal use (v) approve a preliminary plat of subdivision; and (vi) approve a planned unit development plat and plan with associated deviations, all pursuant to the plans submitted herewith; (vii) and such other deviations or departures as may be necessary to develop the Subject Property as depicted on the plans submitted herewith pursuant to the appropriate provisions of the Naperville Municipal Code, as amended (hereinafter the “Code”).

RESPECTFULLY SUBMITTED this 18th day of July, 2024

PETITIONER:

Hines Acquisitions, LLC



Rosanova & Whitaker, Ltd.
Attorneys for the Petitioner

EXHIBIT A
LEGAL DESCRIPTION OF SUBJECT PROPERTY

LOT 1 IN HEWLETT PACKARD SUBDIVISION IN SECTION 5, TOWNSHIP 39 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED JANUARY 6, 1987 AS DOCUMENT NO. R87-001296 IN DUPAGE COUNTY, ILLINOIS. EXCEPTING THAT PART TAKEN FOR ROAD PURPOSES AS DESCRIBED IN THE FINAL JUDGEMENT ORDER RECORDED JANUARY 10, 2005 AS DOCUMENT R2005-5859.

PIN: 08-05-302-023

ADDRESS: 1200 E. DIEHL RD., NAPERVILLE, IL 60563