

PROPOSED ZONING VARIANCES

The Applicant seeks the following zoning variances for the Property:

1. An increase in the maximum floor area ratio (“FAR”) for Lot 3 from 0.325 to 0.70 Lot 4 from 0.325 to 1.5;
2. To allow parking for Lot 1 to 3 to be considered collectively even though not all parcels are adjacent and may not continue to meet the requirement that all impacted parcels remain under single ownership and control;
3. A reduction in the minimum number of required parking spaces for Lots 1 to 3 from 1,066 spaces to 1,006 spaces;
4. To allow parking for Lots 4 to 6 to be considered collectively even though not all parcels are adjacent and may not continue to meet the requirement that all impacted parcels remain under single ownership and control;
5. A reduction in the minimum number of required parking spaces for Lots 4 to 6 from 1,405 spaces to 1,243 spaces; and
6. A reduction in the minimum number of loading berths for Lot 3 and Lot 4 from one berth to zero berths.

ADHERENCE TO ZONING VARIANCE STANDARDS

A. Increase in Maximum Floor Area Ratio

The requested variance meets the applicable standards set forth in Section 6-3-6:2 of the City of Naperville Municipal Code as follows:

The variance is in harmony with the general purpose and intent of this Title and the adopted comprehensive master plan; and

The proposed variance is in harmony with the general purposes and intent of the City of Naperville Zoning Ordinance (the “Zoning Ordinance”). Section 6-2-1 of the Zoning Ordinance provides that this section of the City’s Municipal Code was adopted with the purpose and intent of “improving and protecting the public health, safety, comfort, convenience and general welfare of the people” of the City of Naperville. The Property will continue to be used as it does today i.e., a shopping center with diverse retail and service opportunities which create jobs, solidify the City’s tax base and provide convenience to the City’s residents. The shopping center was developed in accordance with City codes and is laid out in such a manner that it promotes a healthy and safe retail environment. The density will nominally increase on a lot by lot basis but remains within the limits of the B2 Community Shopping District on a blended basis.

In addition, the proposed variances are in harmony with the City’s Comprehensive Master Plan for the Northwest Sector (the “Plan”). At the time that the Plan was adopted in 1996, the Westridge Court shopping center had been developed on the Property. The Plan sought to further solidify commercial and mixed use development along Illinois Route 59. The Property will continue to be used as a shopping center and thus it will remain consistent with the Plan.

Strict enforcement of this Title would result in practical difficulties or impose exceptional hardships due to special and unusual conditions which are not generally found on other properties in the same zoning district; and

The Applicant faces a significant hardship if the City strictly enforced the Zoning Ordinance and Subdivision Ordinance. It is well known that owners of large shopping centers, such as the Applicant, face an increasingly competitive market. Many shopping center owners face increasing vacancies as tenants consolidate locations, go out of business or reduce their footprint. In general, there is a lot of retail space that is competing for a shrinking pool of tenants. The rapidly shifting retail market has put significant pressure on shopping center owners to adapt and manage their assets in new ways in order to ensure long-term success. One of those strategies is to sell portions of shopping centers to buyers with specific users for smaller spaces. This approach not only provides a small, more manageable asset but also frees up capital for reinvestment. If the Applicant is unable to reposition different portions of the Property, both for disposition and redevelopment, it faces significant challenges going forward. The Applicant will face difficult decisions about whether it is economically prudent to invest capital in an outdated or inefficient asset. Moreover, as other shopping center owners take similar steps, the Applicant risks being left behind in the marketplace as other property owners can offer more flexible and efficient options to tenants.

If the Applicant were forced to comply with the strict FAR limits, it would have to substantially increase the size of the two smaller lots, Lot 3 and Lot 4. Increasing the size of those lots would in turn increase their price which would have a chilling effect on potential buyers.

Moreover, these hardships are unique to the Property and not generally applicable to other properties with the same zoning classification. While the retail market's difficult conditions are widespread, they are particularly acute for owners of large shopping centers. The City certainly has other properties with the B2 Community Shopping District zoning classification, but the challenges facing the Applicant are exponentially magnified. Thus, the hardships faced by the Applicant are not generally applicable to similarly zoned properties.

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

The variances, if granted, will not alter the essential character of the neighborhood and will not be a substantial detriment to adjacent property. The area surrounding the Property is largely improved business, commercial and industrial uses. With or without the variances, the Property will continue to be used as a shopping center which is wholly consistent with the character of the surrounding area, particularly the uses along Illinois Route 59. Given that the Property will continue to be used in the same manner as it is today, there will not be any detrimental impacts to adjacent properties. Moreover, the aggregate FAR across all of the lots will remain the same for the overall center and will be consistent with other properties in the area.

B. Collective Parking for Lots 1 to 3

The requested variance meets the applicable standards set forth in Section 6-3-6:2 of the City of Naperville Municipal Code as follows:

The variance is in harmony with the general purpose and intent of this Title and the adopted comprehensive master plan; and

The proposed zoning variance is in harmony with the general purposes and intent of the Zoning Ordinance. Section 6-2-1 of the Zoning Ordinance provides that this section of the City's Municipal Code was adopted with the purpose and intent of "improving and protecting the public health, safety, comfort, convenience and general welfare of the people" of the City of Naperville. The Property will continue to be used as it does today i.e., a shopping center. The different ownership of the parking fields will not be discernable to the general public and the REA will ensure full cross access and parking rights to patrons of the shopping center. Moreover, by aggregating parking requirements across Lots 1 to 3, there will be greater assurances that this portion of the Property will remain in compliance with the applicable parking requirements.

In addition, the proposed variance is in harmony with the City's Comprehensive Master Plan (the "Plan"). The Property will continue to be used as a shopping center with more than adequate parking and thus it will remain consistent with the Plan.

Strict enforcement of this Title would result in practical difficulties or impose exceptional hardships due to special and unusual conditions which are not generally found on other properties in the same zoning district; and

The Applicant faces a significant hardship if the City strictly enforced the Zoning Ordinance. If the Applicant were required to account for required parking on a lot by lot basis, it would substantially hinder its ability (and other owner's ability) to manage the tenant mix, particularly where multiple owners are involved. By allowing required parking to be measured in this manner, the shopping center will operate with greater efficiency. Because of the potential for future division of ownership of different parts of the shopping center, this parking condition presents a unique situation not found at other similarly zoned properties. Also, because of the V-shaped configuration of the shopping center, the tenant spaces in proposed Lots 1, 2 and 3 effectively function as a single shopping center even though they are part of a larger center, Governance of parking by an REA a collective approach to required parking across all three lots promotes the most efficient documentation of parking rights and obligations across multiple lots.

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

The variances, if granted, will not alter the essential character of the neighborhood and will not be a substantial detriment to adjacent property. The area surrounding the Property is largely improved business, commercial and industrial uses. With or without the variances, the Property will continue to be used as a shopping center which is wholly consistent with the character of the surrounding area, particularly the uses along Illinois Route 59. Given that the Property will continue to be used in the same manner as it is today, there will not be any detrimental impacts to adjacent properties.

C. Decrease in the Number of Required Parking Spaces for Lots 1 to 3

The requested variance meets the applicable standards set forth in Section 6-3-6:2 of the City of Naperville Municipal Code as follows:

The variance is in harmony with the general purpose and intent of this Title and the adopted comprehensive master plan; and

The proposed variance is in harmony with the general purposes and intent of the City of Naperville Zoning Ordinance (the “Zoning Ordinance”). Section 6-2-1 of the Zoning Ordinance provides that this section of the City’s Municipal Code was adopted with the purpose and intent of “improving and protecting the public health, safety, comfort, convenience and general welfare of the people” of the City of Naperville. The Property will continue to be used as it does today i.e., a shopping center with diverse retail and service opportunities which create jobs, solidify the City’s tax base and provide convenience to the City’s residents. The shopping center was developed in accordance with City codes and is laid out in such a manner that it promotes a healthy and safe retail environment. For the purposes of meeting required parking, the Applicant has grouped Lots 1 to 3 together (see Item B above). The Applicant has also studied the actual usage of parking by individual tenants across Lots 1 to 3 and the peak times of such usage. That study revealed that even during peak hours, the parking area utilization on Lots 1 to 3 is at most 65%. Even allowing for a 20% margin in the Applicant’s observations, there remains sufficient parking to meet the demands of this portion of the shopping center. Here, the Applicant is actually seeking slightly less than a 10% overall reduction.

In addition, the proposed variances are in harmony with the City’s Comprehensive Master Plan for the Northwest Sector (the “Plan”). At the time that the Plan was adopted in 1996, the Westridge Court shopping center had been developed on the Property. The Plan sought to further solidify commercial and mixed use development along Illinois Route 59. The Property will continue to be used as a shopping center and thus it will remain consistent with the Plan.

Strict enforcement of this Title would result in practical difficulties or impose exceptional hardships due to special and unusual conditions which are not generally found on other properties in the same zoning district; and

The Applicant faces a significant hardship if the City strictly enforced the Zoning Ordinance. It is well known that owners of large shopping centers, such as the Applicant, face an increasingly competitive market. Many shopping center owners face increasing vacancies as tenants consolidate locations, go out of business or reduce their footprint. In general, there is a lot of retail space that is competing for a shrinking pool of tenants. The rapidly shifting retail market has put significant pressure on shopping center owners to adapt and manage their assets in new ways in order to ensure long-term success. One of those strategies is to sell portions of shopping centers to buyers with specific users for smaller spaces. This approach not only provides a small, more manageable asset but also frees up capital for reinvestment. If the Applicant is unable to reposition different portions of the Property, both for disposition and redevelopment, it faces significant challenges going forward. The Applicant will face difficult decisions about whether it is economically prudent to invest capital in an outdated or inefficient asset. Moreover, as other

shopping center owners take similar steps, the Applicant risks being left behind in the marketplace as other property owners can offer more flexible and efficient options to tenants.

If the Applicant were forced to comply with the strict parking requirements, its ability to adapt to different re-tenanting opportunities would be significantly constrained. The Applicant would face further hardship in having to meet parking standards which do not reflect the actual parking demands for today's shopping centers.

Moreover, these hardships are unique to the Property and not generally applicable to other properties with the same zoning classification. The Applicant is seeking to position the center for potential disposition and redevelopment. It has grouped Lots 1 to 3 for the purposes of meeting parking requirements. If parking were considered across the entire shopping center, there would be a significant surplus of parking spaces. Because of the Applicant's repositioning efforts, it encounters hardships with respect to parking that is not generally applicable to similarly zoned properties.

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

The variances, if granted, will not alter the essential character of the neighborhood and will not be a substantial detriment to adjacent property. The area surrounding the Property is largely improved business, commercial and industrial uses. With or without the variances, the Property will continue to be used as a shopping center which is wholly consistent with the character of the surrounding area, particularly the uses along Illinois Route 59. Given that the Property will continue to be used in the same manner as it is today, there will not be any detrimental impacts to adjacent properties.

D. Collective Parking for Lots 4 to 6

The requested variance meets the applicable standards set forth in Section 6-3-6:2 of the City of Naperville Municipal Code as follows:

The variance is in harmony with the general purpose and intent of this Title and the adopted comprehensive master plan; and

The proposed zoning variance is in harmony with the general purposes and intent of the Zoning Ordinance. Section 6-2-1 of the Zoning Ordinance provides that this section of the City's Municipal Code was adopted with the purpose and intent of "improving and protecting the public health, safety, comfort, convenience and general welfare of the people" of the City of Naperville. The Property will continue to be used as it does today i.e., a shopping center. The different ownership of the parking fields will not be discernable to the general public and the REA will ensure full cross access and parking rights to patrons of the shopping center. Moreover, by aggregating parking requirements across Lots 4 to 6, there will be greater assurances that this portion of the Property will remain in compliance with the applicable parking requirements.

In addition, the proposed variance is in harmony with the City's Comprehensive Master Plan (the "Plan"). The Property will continue to be used as a shopping center with more than adequate parking and thus it will remain consistent with the Plan.

Strict enforcement of this Title would result in practical difficulties or impose exceptional hardships due to special and unusual conditions which are not generally found on other properties in the same zoning district; and

The Applicant faces a significant hardship if the City strictly enforced the Zoning Ordinance. If the Applicant were required to account for required parking on a lot by lot basis, it would substantially hinder its ability (and other owner's ability) to manage the tenant mix, particularly where multiple owners are involved. By allowing required parking to be measured in this manner, the shopping center will operate with greater efficiency. Because of the potential for future division of ownership of different parts of the shopping center, this parking condition presents a unique situation not found at other similarly zoned properties. Also, because of the V-shaped configuration of the shopping center, the tenant spaces in proposed Lots 4 to 6 effectively function as a single shopping center even though they are part of a larger center. Governance of parking by an REA a collective approach to required parking across all three lots promotes the most efficient documentation of parking rights and obligations across multiple lots.

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

The variances, if granted, will not alter the essential character of the neighborhood and will not be a substantial detriment to adjacent property. The area surrounding the Property is largely improved business, commercial and industrial uses. With or without the variances, the Property will continue to be used as a shopping center which is wholly consistent with the character of the surrounding area, particularly the uses along Illinois Route 59. Given that the Property will continue to be used in the same manner as it is today, there will not be any detrimental impacts to adjacent properties.

E. Decrease in the Number of Required Parking Spaces for Lots 4 to 6

The requested variance meets the applicable standards set forth in Section 6-3-6:2 of the City of Naperville Municipal Code as follows:

The variance is in harmony with the general purpose and intent of this Title and the adopted comprehensive master plan; and

The proposed variance is in harmony with the general purposes and intent of the City of Naperville Zoning Ordinance (the "Zoning Ordinance"). Section 6-2-1 of the Zoning Ordinance provides that this section of the City's Municipal Code was adopted with the purpose and intent of "improving and protecting the public health, safety, comfort, convenience and general welfare of the people" of the City of Naperville. The Property will continue to be used as it does today i.e., a shopping center with diverse retail and service opportunities which create jobs, solidify the City's tax base and provide convenience to the City's residents. The shopping center was developed in accordance with City codes and is laid out in such a manner that it promotes a healthy and safe retail environment. The density will nominally increase on a lot by lot basis but remains within the limits of the B2 Community Shopping District on a blended basis.

In addition, the proposed variances are in harmony with the City's Comprehensive Master Plan for the Northwest Sector (the "Plan"). At the time that the Plan was adopted in 1996, the

Westridge Court shopping center had been developed on the Property. The Plan sought to further solidify commercial and mixed use development along Illinois Route 59. The Property will continue to be used as a shopping center and thus it will remain consistent with the Plan.

Strict enforcement of this Title would result in practical difficulties or impose exceptional hardships due to special and unusual conditions which are not generally found on other properties in the same zoning district; and

The Applicant faces a significant hardship if the City strictly enforced the Zoning Ordinance. It is well known that owners of large shopping centers, such as the Applicant, face an increasingly competitive market. Many shopping center owners face increasing vacancies as tenants consolidate locations, go out of business or reduce their footprint. In general, there is a lot of retail space that is competing for a shrinking pool of tenants. The rapidly shifting retail market has put significant pressure on shopping center owners to adapt and manage their assets in new ways in order to ensure long-term success. One of those strategies is to sell portions of shopping centers to buyers with specific users for smaller spaces. This approach not only provides a small, more manageable asset but also frees up capital for reinvestment. If the Applicant is unable to reposition different portions of the Property, both for disposition and redevelopment, it faces significant challenges going forward. The Applicant will face difficult decisions about whether it is economically prudent to invest capital in an outdated or inefficient asset. Moreover, as other shopping center owners take similar steps, the Applicant risks being left behind in the marketplace as other property owners can offer more flexible and efficient options to tenants.

If the Applicant were forced to comply with the strict parking requirements, its ability to adapt to different re-tenanting opportunities would be significantly constrained. The Applicant would face further hardship in having to meet parking standards which do not reflect the actual parking demands for today's shopping centers. A key tenant that drives this inconsistency is Funtopia which is classified as an "entertainment use" with a 10 space per 1,000 square foot parking requirement. Funtopia, however, is more akin to a "fitness use" which has a requirement of 4 spaces per 1,000 square foot parking requirement. Moreover, the typical patron of Funtopia is group of children arriving with one or more adult in a vehicle. While the use may have a high occupancy, it generally involves less vehicular traffic which means less parking demand.

Moreover, these hardships are unique to the Property and not generally applicable to other properties with the same zoning classification. The Applicant is seeking to position the center for potential disposition and redevelopment. It has grouped Lots 4 to 6 for the purposes of meeting parking requirements. If parking were considered across the entire shopping center, there would be a significant surplus of parking spaces even with the overparking of the Funtopia use. Because of the Applicant's repositioning efforts, it encounters hardships with respect to parking that is not generally applicable to similarly zoned properties and with respect to particular uses on the Property.

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

The variances, if granted, will not alter the essential character of the neighborhood and will not be a substantial detriment to adjacent property. The area surrounding the Property is largely

improved business, commercial and industrial uses. With or without the variances, the Property will continue to be used as a shopping center which is wholly consistent with the character of the surrounding area, particularly the uses along Illinois Route 59. Given that the Property will continue to be used in the same manner as it is today, there will not be any detrimental impacts to adjacent properties. Moreover, the aggregate FAR across all of the lots will remain the same for the overall center and will be consistent with other properties in the area.

F. Reduction of Off Street Loading Berths

The requested variance meets the applicable standards set forth in Section 6-3-6:2 of the City of Naperville Municipal Code as follows:

The variance is in harmony with the general purpose and intent of this Title and the adopted comprehensive master plan; and

The proposed zoning variance is in harmony with the general purposes and intent of the City of Naperville Zoning Ordinance (the “Zoning Ordinance”). Section 6-2-1 of the Zoning Ordinance provides that this section of the City’s Municipal Code was adopted with the purpose and intent of “improving and protecting the public health, safety, comfort, convenience and general welfare of the people” of the City of Naperville. The Property will continue to be used as it does today i.e., a shopping center with diverse retail and service opportunities which create jobs, solidify the City’s tax base and provide convenience to the City’s residents. The shopping center was developed in accordance with City codes and is laid out in such a manner that it promotes a healthy and safe retail environment. In addition, the size of retailers on Lot 3 does not demand a dedicated loading berth. Most retailers are serviced by 14-foot trucks or smaller panen trucks. Those trucks can be safely parked, loaded and unloaded in the parking fields adjacent to Lot 3 without any adverse impact on public health, safety or welfare. Similarly, Lot 4 can be serviced from the rear of the building in the little used parking area without adverse impact to the public.

In addition, the proposed variances are in harmony with the City’s Comprehensive Master Plan for the Northwest Sector (the “Plan”). At the time that the Plan was adopted in 1996, the Westridge Court shopping center had been developed on the Property. The Plan sought to further solidify commercial and mixed use development along Illinois Route 59. The Property will continue to be used as a shopping center and thus it will remain consistent with the Plan.

Strict enforcement of this Title would result in practical difficulties or impose exceptional hardships due to special and unusual conditions which are not generally found on other properties in the same zoning district; and

The Applicant faces a significant hardship if the City strictly enforced the Zoning Ordinance. If the Applicant were required to create separate loading berths for Lot 3 and Lot 4, it would necessarily have to increase the size of the lots which would lead to inefficient pricing of these lots. In addition, it may require reconfiguration of parking areas in and around the lots which could adversely impact the convenience of patron parking for tenants on these lots.

Moreover, these hardships are unique to the Property and not generally applicable to other properties with the same zoning classification. The division of the shopping center into multiple lots presents unique challenges in terms of the operation of the businesses on the Property. Most

larger retail centers are under common ownership and do not have to consider market forces for individual portions of those centers while at the same time ensuring the viability of operations of existing and future tenants. The Applicant faces just those challenges here.

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

The variances, if granted, will not alter the essential character of the neighborhood and will not be a substantial detriment to adjacent property. The area surrounding the Property is largely improved business, commercial and industrial uses. With or without the variances, the Property will continue to be used as a shopping center which is wholly consistent with the character of the surrounding area, particularly the uses along Illinois Route 59. Given that the Property will continue to be used in the same manner as it is today, there will not be any detrimental impacts to adjacent properties.