

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.