

**LITTLE FRIENDS, INC.  
APPEAL TO CITY COUNCIL  
OF THE HISTORIC PRESERVATION COMMISSION  
DENIAL OF THE REQUESTED  
CERTIFICATE OF APPROPRIATENESS FOR DEMOLITION**

Little Friends submits that the single greatest threat to the sustainability of the City of Naperville’s Historic District is not the demolition of old structures that some strongly believe should be preserved. The greater threat to the Historic District is from the unintended consequences that flow from imposing a regulatory preservation scheme that fails to adequately protect private property owners from economic burdens they are incapable of carrying. A mistake on demolition results in a loss of brick and mortar. A mistake on imposing an unreasonable economic burden hurts people. The latter is toxic to the sustainability of historic preservation.

**I. OVERVIEW.**

Little Friends, Inc. (“Little Friends”) requested a Certificate of Appropriateness (“COA”) to demolish a single structure located in the Historic District. In evaluating the COA application, Little Friends believes the Historic Preservation Commission (“HPC”) committed a number of critical errors. First, the HPC disregarded the COA application as filed, and split the structure owned by Little Friends into four separate structures. (*See* HPC video at 12:50, Chairman Peterson states there are four buildings.) As a result, the HPC then deliberated Little Friends’ request for a COA to demolish a single structure into four separate COA applications. Second, the HPC further disregarded the COA application as requested in that Little Friends sought demolition of both structures on the 3.79 acre property as a whole, while the HPC broke the 3.79 acre property into two independently evaluated lots of record.

Third, the HPC failed to consider uncontradicted direct evidence that refusing to allow demolition of the portion of the structure that was once the Kroehler mansion would violate the standard of “economic reasonableness” which must be applied to the COA. Without any basis in fact or law, the HPC disregarded unrebutted testimony that the former Kroehler mansion cannot feasibly be re-created as a marketable home, and with no evidence to the contrary, the HPC then declared the uncontradicted testimony to be “highly inflated.” (*See* HPC video at 4:32:30)

Fourth, the HPC failed to consider how demolition of the building would impact the **character** of the Historic District, and incredibly, actually entered a finding that consideration of the impact on the **character** of the Historic District was **irrelevant** in deciding the COA request for demolition. (*See* HPC video at 4:27) Lastly, the HPC staff exercised what Little Friends submits was unregulated “legislative” discretion in restricting the scope and thereafter editing the content of what was supposed to be an “unbiased third party structural analysis.” As a result, the HPC staff effectively dictated the “weight” of the structural analysis to be balanced against the historical significance of Peter Kroehler’s 18 month residency.

## II. THE HPC FOUND THE KROEHLER MANSION HAD NO ARCHITECTURAL SIGNIFICANCE RELATIVE TO THE “CHARACTER” OF THE HISTORIC DISTRICT.

At the outset, Little Friends believes it is critical for the City Council to be aware that the HPC entered a unanimous finding of fact that **there is no architectural significance to the former Kroehler mansion.** As a result, the HPC inherently acknowledged the Kroehler mansion does not visually or aesthetically benefit the character of the Historic District, and the appearance alone of the former Kroehler mansion does not justify denying it’s demolition. The HPC found the former mansion had only **“historical significance”** and thus should be “saved” and reinvented as a luxury mansion because Peter Kroehler lived in the home for 18 months.

The HPC then went further. Because the HPC chopped the COA application into four separate buildings on two separate independent lots, they made separate findings as to the architectural and historical significance of the Krejci Academy, the gymnasium and the Administration Building. The HPC found **neither architectural nor** historic significance in **any** of these three remaining portions of the structure added onto the Kroehler mansion by North Central College between 1945 and 1956. (See HPC video at 4:29) Finding **no architectural significance** to these wings of the structure is not surprising. Focusing on Peter Kroehler alone in assessing the “historical significance,” on the other hand, is stunning. This finding speaks volumes about the value judgments of the HPC as a deliberative body, and volumes about the “character” of the Historic District the HPC has been entrusted to administer as detailed hereafter.

In 1908, Peter Kroehler was the richest man in Naperville.<sup>1</sup> He was also the most powerful man in Naperville as the president of the Naperville Lounge Company and mayor of the City.<sup>2</sup> He erected a massive 19 room 7,325 square foot luxury mansion on a 3.79 acre property which was the largest home in the entire City of Naperville.<sup>3</sup> That said, Peter Kroehler occupied this trophy estate for only 18 months because of a sex scandal with a young woman who worked for him. Because of the scandal, he left his wife and children, resigned as mayor, moved and surrendered his Naperville residency for the rest of his life. So when the HPC entered a finding that “historical significance” requires re-invention of the former Kroehler mansion, it was **solely** based upon the 18 month residency of a man who left town after what Peter Kroehler’s own minister described as conduct disgracing the entire City.<sup>4</sup>

In stark contrast, North Central College occupied the 3.79 acre property for almost thirty years, from 1945 to 1973. In 1945, North Central College built the south wing of what was called the Kroehler Dormitory (one building) and it initially housed veterans of WWII due to severe housing shortages at the time. The north wing of the Kroehler Dormitory was added in 1956. For decades, North Central College housed thousands of undergrads, most

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<sup>1</sup> Chicago Daily Tribune January 25, 1910

<sup>2</sup> Chicago Daily Tribune January 25, 1910 and Kroehler, Peter, *Our Dad*, 1941 (p. 14-27)

<sup>3</sup> Chicago Daily Tribune January 25, 1910

<sup>4</sup> Chicago Daily Tribune January 26, 1910

of whom likely occupied the site for more than twice as long as Peter Kroehler. Notwithstanding, in the unanimous opinion of the HPC, neither the fact that North Central College built the dormitory structure you see today, nor the residency of thousands of North Central College graduates, nor the nearly three decades of North Central College stewardship to Naperville has **any historical significance of any kind**. This is an incredible value judgment by the HPC. Little Friends certainly does not assert the historical significance of North Central College's tenure should justify preservation of the dormitory demolition. But the HPC finding that Peter Kroehler is historically important while North Central College and its teachers and graduates are not, is a glaring display of how improperly subjective the HPC assignment of "historical significance" is.

Even more glaringly subjective is the fact that the HPC also failed to find any historical significance to Little Friends tenure as the longest occupant of the campus. Little Friends took over the Kroehler Dormitory from North Central College in 1975 after North Central College abandoned the dormitory use in 1973, and after North Central College had been incapable of finding any buyer for the property despite five years of marketing efforts. Over the past 44 years, Little Friends has employed countless dedicated teachers and counselors, and has undertaken the highly rewarding and critically needed task of teaching thousands of boys, girls, men and women with special needs. The fact that the HPC found **no historical significance** to these teachers and students who have occupied this structure over the past 44 years should be recognized as irrefutable proof that the collective judgement of the HPC in evaluating "historical significance" should be viewed with a cautious eye.

Little Friends believes the fact that the HPC treasures the "historical significance" of Peter Kroehler's final 18 months in Naperville, while simultaneously dismissing the historical contributions of North Central College and Little Friends, speaks volumes about the judgment of the HPC who is entrusted with the power to preserve our Naperville heritage. The HPC's division of the building into four separate structures was not only an alarming and inappropriate finding of fact, it conveniently provided a clear pathway for the HPC to approve demolition of every part of the structure occupied by Little Friends and North Central College, while simultaneously denying demolition of the former Kroehler mansion they insist Little Friends must maintain. Little Friends respectfully submits the pre-disposed passion to find a way to re-create the Kroehler mansion as a home dictated the need to award "historic significance" to Peter Kroehler. And the predisposed desire to demolish every brick and addition that obliterated the mansion in 1945 and 1956 dictated that neither North Central College nor Little Friends is "historically significant" to Naperville. This pre-disposition should be apparent to any impartial judge of the HPC's actions.

At the end of the day, the only aspect of significance identified by the HPC as being worthy of consideration is the "historical significance" of Peter Kroehler occupying the former mansion for 18 months. This questionable and obviously subjective judgment sits on one side of the scale. What is supposed to be on the other side of that scale? What is the HPC supposed to weigh against the "historical significance" of an 18 month residency? The answer is the "unbiased third party structural analysis" now required by the City pursuant

to a recent amendment to the Historic Preservation Ordinance. This independent structural analysis is the only thing that can outweigh the “historical significance” of Peter Kroehler’s brief occupancy and allow the HPC to grant Little Friends the COA to demolish the entire building.

**III. THE CODE AMENDMENT AND THE “UNBIASED THIRD PARTY” STRUCTURAL ANALYST.**

This demolition application is the first case the City has processed under the recent June 18, 2019 Historic Preservation Ordinance amendment (“Amendment”) which now compels the applicant to pay for an independent structural analysis. The Amendment was written as a backlash to a prior COA application filed for total demolition of a home in the Historic District located at 26 North Sleight Street. The home was badly run down and experts retained by the applicant advised the HPC it would require approximately \$500,000 to restore the structure and make the home marketable. The HPC denied a COA for demolition in a tie vote of 4-4, but on appeal demolition was approved by the City Council. Various City Council members expressed dismay that the only testimony addressing the cost of restoration to justify demolition came from the applicant. Those City Council members requested an amendment to the Historic Preservation Ordinance to require an “unbiased” opinion of what restoration would cost from an independent expert.

As witnessed firsthand by Little Friends at the June 18, 2019 City Council meeting, the Amendment was adopted on an expedited basis (waiving first reading). The City was aware of the imminent filing of Little Friends’ COA, **and the City wanted to ensure the Amendment would be imposed on Little Friends’ COA application.** (See City Council meeting 06/18/19 video at 51:45). In discussing the Amendment, City staff stated the idea was to have an **unbiased third party opinion as to whether a structure should be demolished** which would be paid for exclusively by the applicant. Staff told City Council that **“the standard is looking at the cost to bring a building up to the current Code requirements.”** (See City Council 06/18/19 video at 43:15)

Notably, the adopted Amendment **did not direct the City consultant to evaluate whether a structure should be demolished. Nor did the Amendment create a standard to bring a building up to the current code.** Instead, the Amendment, in relevant part, reads as follows:

4.2.1 Structural Analysis. Any request to demolish a principal structure in whole, or for certain partial demolitions of the principal structure as determined by the Zoning Administrator, shall require an independent structural analysis. Said analysis shall be conducted by a licensed architect or structural engineer and contracted by the City. Said analysis **shall include, but is not limited to,** the following: detailed conditions of the existing structure, a list of improvements required to restore or repair the structure to a condition that complies **with the standards for issuance of an occupancy permit** under the provision of Title 5, and the estimated cost of said restoration or repairs.

As the Amendment was actually written and finalized, the “unbiased third party structural analyst” was not required to determine the cost to restore a structure to a stage of “real world” marketability, nor to determine if repairs sufficient to obtain an occupancy permit would nevertheless be so minimalistic as to render the finished structure a legitimate “real world” structure. The Amendment simply required, “but was not limited to,” one cost estimate -- the price to obtain an occupancy permit. As first applied to Little Friends’ COA, the HPC staff found that under the Amendment, **only one standard always applies to a COA for demolition** of a structure in the Historic District (it should be noted that Little Friends disagrees). This is Factor 5.5 which states:

5.5 Impact of Proposed Demolition: In evaluating any application for demolition of a principal structure in whole, or for certain partial demolitions as determined by the Zoning Administrator, the Commission shall balance the findings presented in the structural analysis, which includes an analysis of the improvements required to restore or repair the structure to a condition that complies with the standards for issuance of an occupancy permit under the provision of Title 5, and the estimated cost of said restoration or repairs, against the architectural and historical significance of the structure.

The newly minted regulation now requires the HPC to balance the “historic significance” of Peter Kroehler living in the mansion for 18 months 109 years ago, against the findings of an **“unbiased third party structural analysis.”** As a result, it is critically important for the City Council to understand how important the scope and content of the independent structural analysis is to Little Friends’ COA request. The findings in this structural analysis are now the **only thing** the HPC weighs against the “historic significance” of Peter Kroehler’s residency in deciding on demolition. Unfortunately, the structural analysis prepared for this COA was neither unbiased nor written by a true third party.

**IV. THE “UNBIASED THIRD PARTY” STRUCTURAL ANALYSIS WAS DIRECTED, CONTROLLED AND EDITED BY THE HPC ITSELF.**

Little Friends respectfully submits the structural analysis prepared in response to Little Friends’ COA application was neither unbiased nor written by a true third party. As detailed hereafter, in simple terms, the structural analysis was restricted in scope by direction and decisions made by the HPC legal and planning staff. The HPC staff itself even edited the report without revealing to Little Friends what was in the draft, and then refused to disclose what edits were made to the report. This resulted in a substantive impact on the discretion exercised by the HPC. In defense of the HPC staff, they were struggling with an Amendment that was fundamentally unclear. The Amendment included terms clearly designed to address a demolition request for a “normal” single home on a single lot which is obviously not the case in Little Friend’s unique demolition application.

By way of background, the HPC legal and planning staff wrote a Request for Quote (“RFQ”) to help the City select a structural analysis expert to be the unbiased third party

analyst. The RFQ was then tendered to Little Friends before being circulated. Little Friends requested edits, including correcting the fact that the RFQ stated the campus had multiple structures. This edit was approved and the final RFQ specified the proposals submitted would evaluate **one structure** made up of the original Kroehler mansion, the south year 1945 additions and the north year 1956 addition. (Attached hereto and incorporated herein is a copy of the text of the Request for Quote).

Because the Amendment **did not restrict the scope of the structural analyst report to the cost of an occupancy permit**, Little Friends also requested that as part of the RFQ, the consultant be asked to report on the “economic reasonableness” of preserving and re-creating the mansion. Little Friends warned HPC staff that if the direction given to the consultant failed to ask for an evaluation of the “economic reasonableness” of requiring re-creation of the mansion, it would risk the HPC ignoring the “economic reasonableness” testimony given by Little Friends’ consultant, Wight & Company. This request was rejected by HPC staff, and resulted in what Little Friends had warned would be very predictable results.

The Farnsworth Group was ultimately selected by the City as the structural analyst because they were by far the least expensive at \$22,000, with other proposals being as high as \$42,000. Little Friends approved the Farnsworth Group selection. The HPC staff then directed the Farnsworth Group how to process their structural analysis, including what to include and what to exclude. Tellingly, Little Friends filed the Wight & Company report with the City before the Farnsworth Group report was even drafted, and the HPC staff withheld the report from any comment, review or evaluation from the Farnsworth Group. This fact helps explain why there are significant disparities between the reports, including why Wight & Company reported the school currently needs nearly \$5.0 million in renovations over the next two years, with the Farnsworth Group reporting the school can receive an occupancy permit for as little as \$146,000.

The draft report was tendered to the HPC staff on September 23, 2019. The HPC staff then took approximately two weeks to review and edit the draft. Little Friends asked to see the initial draft and this request was denied. Little Friends further asked to see the HPC staff edits to the draft opinions, and this request was also denied notwithstanding the fact that Little Friends was required under the Amendment to pay for the \$22,000 report. And while Little Friends acknowledges and can attest to the dedication and integrity of the HPC staff, editing this report and denying transparency to Little Friends destroys the appearance of fairness.

As a result of this process, Little Friends submits the Farnsworth Group structural analysis was never “unbiased” nor done by a “true” third party. And most critically, notwithstanding the fact that the Farnsworth Group testified under oath at the HPC hearing that they **never evaluated the “economic reasonableness” of converting the Kroehler mansion back into a single-family home**, the HPC cited the Farnsworth Group report in deliberations as somehow supporting the HPC’s conclusion that the economic reasonableness assessed by Wight & Company was “highly inflated.” (See HPC video at 4:32:30) There was absolutely no basis, testimony or evidence supporting this conclusion. In no uncertain terms the HPC

did exactly what Little Friends had predicted and warned against in requesting the Farnsworth Group address economic reasonableness and Factor 5.3 in the Historic Preservation Ordinance.

**V. THE “UNBIASED THIRD PARTY STRUCTURAL REPORT” GENERATES GLARINGLY ABSURD CONCLUSIONS.**

As referenced above, the Amendment was clearly designed to address a scenario like the single-family home demolition on 26 North Sleight Street. As applied to Little Friends’ COA, however, it failed to produce any meaningful information. In this regard, first (and notwithstanding the fact the RFQ specified the evaluation would be of **one structure**), the Farnsworth Group report divided the single structure into **four separate buildings**. It is undisputed that while various additions were made over time, all additions are clearly connected by permanent walls with full foundations.



While the condition of each wing and addition can fairly be analyzed separately, it was improper for the HPC to “create” the fiction that there are four separate “structures” for purposes of the COA demolition request. And this improper fiction allowed the HPC to deliberate the mansion separately from the overall structure of which it is a part.

Second, not only was the structure sliced into separate parts, so too was the 3.79 acre property. The Little Friends single structure sits on two lots of record which comprise the 3.79 acres.

As a result of the severance of the two lots, the Farnsworth Group, at the express direction of the HPC staff, evaluated Lot 1 as having one structure comprised of the north dormitory, with Lot 2 having three separate structures (the mansion, the gymnasium, and the Krejci Academy). This was done despite the fact that all portions are connected and the furnace boiler serving both the gymnasium and the Krejci Academy are located in the “separate” Administration Building. The Farnsworth Group analysis creates an implausible result: finding these are all separate buildings notwithstanding the fact that neither the gymnasium nor the Krejci Academy “buildings” would have any heat but for the furnace boiler located in a “third” separate building located on a separate lot.



Next, with four separate structures on two separate lots, the Farnsworth Group pushed forward to evaluate permitted R2 land uses such as single-family homes, duplexes, schools

and golf courses to determine which uses would be feasible for the price of an occupancy permit. In so doing, the Farnsworth Group reports it is feasible **to convert the Administration Building – which consists of more than 23,205 square feet and dozens of dorm rooms with a kitchen on each floor-- to a single-family home for a total price of \$21,000.**



It must be noted that this “restoration” cost is less than the \$22,000 cost Little Friends had to pay for the Farnsworth Group’s six-page “independent” report. Clearly the “economic reasonableness” and viability of any rational person occupying the Administration Building as a single-family home is wholly unrelated to the cost of the minimalistic level of simply achieving an

occupancy permit. It is beyond reasonable argument to suggest that converting the north wing of the dorm into a single-family home for \$22,000 is anything but ludicrous. Tellingly, when asked at the HPC hearing whether the idea of converting the north wing of the former dormitory into a single-family home for the mere price of an occupancy permit made common sense to the Farnsworth Group, the response was that the HPC staff did not ask them to report on whether the conversion was practical. (See HPC video at 1:08)

The Farnsworth Group then went on to evaluate the Kroehler mansion as a “separate building.” Because the Kroehler mansion sits on Lot 2, which they had been instructed to view independently of Lot 1, the Farnsworth Group concluded there were three separate structures on Lot 2. Because only one structure is permitted per lot in the R2 district, the Farnsworth Group then concluded that two of the three structures must be demolished; namely, the gymnasium and the Krejci Academy, conveniently leaving only the Kroehler mansion to stay.





*Estimated Cost of Renovations to Obtain an Occupancy Permit*

Cost Estimate

Parcel 1

Plumbing modifications	
Administration.....	\$21,080
New masonry single car detached garage	
*Parcel #1.....	\$0
*The existing Carriage House can be used	
	<b>Subtotal \$21,080</b>

Parcel 2

Complete Building Demolition	
The Gymnasium.....	\$59,605
Krejci Academy.....	\$222,706
Plumbing modifications	
The Kroehler Mansion .....	\$10,540
New Kitchen	
The Kroehler Mansion .....	\$39,500
New masonry single car detached garage	
Parcel #2.....	\$42,024
	<b>Subtotal \$374,375</b>
	<b>Total \$395,455</b>

The Farnsworth Group next determined no exterior or roof restoration was needed and the 7,325 square foot Kroehler mansion would only require \$10,540 in plumbing, a \$39,500 kitchen and a \$42,024 single car garage to be “good to go” for an occupancy permit as a single-family home. And what does the final “restored” Kroehler mansion look like if limited to the minimalistic cost of an occupancy permit? First, it would have no front yard. It would have no side yard to the north. And while the Farnsworth Group assumed full demolition of the gymnasium (adding \$59,605) and full demolition of the Krejci Academy (adding another \$222,706), they failed to include any demolition cost for the Administration Building which the mansion would still be connected to.

The mansion “as restored” by the Farnsworth Group would also have a gaping hole on the east wall where the gymnasium was demolished because the Farnsworth Group included nothing for fixing the opening where the mansion and gymnasium were connected. The Farnsworth Group “restored home” would also create the only 7,300+ square foot home in the City, and likely DuPage County, with a **one car garage**. One has to ask: is this “occupancy permit” analysis practical or helpful in any way to the “real world” economic reasonableness and marketability of the mansion? Consistent with their testimony before the HPC, the Farnsworth Group would likely say: “We were not asked to report if our conclusion was practical or made common sense.”

Simply put, the Farnsworth Group report is devoid of any helpful “real world” guidance to the HPC or City Council. The obvious collection of arguably absurd occupancy permit findings was the only thing the HPC weighed against the historical gravitas of Peter Kroehler and his 18 months. The Farnsworth Group findings could have included an educated and qualified opinion on the “economic reasonableness” of re-creating the Kroehler mansion with “finish levels” that would make it marketable. It is beyond fair argument to suggest that by doing so it would have significantly changed the balancing as to Peter Kroehler’s legacy. Because the Farnsworth Group did not, the Wight & Company report **was the only uncontradicted and unrebutted testimony on the topic of economic reasonableness which without any basis, the HPC simply disregarded as “highly inflated.”**

**VI. LITTLE FRIENDS’ UNREBUTTED AND UNCONTRADICTED TESTIMONY THAT RE-CREATION OF THE KROEHLER MANSION IS NOT “ECONOMICALLY REASONABLE”.**

It is important for City Council to note that as included in the Wight & Company report, the former Kroehler mansion is no longer a home and has not been since 1945. The porte cachet has been removed where it once covered the driveway. The north porch has been demolished and a hole was cut to develop a connection to the north dormitory addition. A

hole was punched in the east wall when the south dormitory and dining hall were added by North Central College. A fire escape and doorway were added to the third floor when the house was converted to a dormitory. Block glass windows were added to the third-floor dormers when the rooms were converted to bathrooms for the woman’s dormitory. It has no central air conditioning. It has no air circulating infrastructure because it utilizes a boiler and radiator heating. It has no garage and it has no landscaping. The interior finishes include both lathe and plaster for some original walls and some drywall for walls added to convert spaces to a classroom or dormitory use. None of the electrical or plumbing finishes is current and none of the flooring or lighting fixtures meets the standard of a luxury home. The windows and doors are badly dated and worn. It needs a new roof and frankly, the exterior and façade (which the HPC found to have no architectural significance) looked like a set from a scary movie. By any stretch of the term, it is a “fixer-upper.” And this fixer-upper is 7,325 square feet in size.

Three witnesses testified on behalf of Little Friends that re-creation of the Kroehler mansion as a single-family home would violate COA Factor 5.3 which requires “economic reasonableness” to be evaluated before prohibiting a COA application for demolition. There was no testimony from the City’s independent structural analyst opposing this testimony. None.

The first witness was Leanne Meyer-Smith, an architect with Wight & Company and Board member with the Naperville Heritage Society which manages the City-owned Naper Settlement. She evaluated the cost to re-create the Kroehler mansion as a single-family home. Ms. Meyer-Smith recognized that re-creation of the Kroehler mansion will take up a portion of the overall land before it can be re-created as a single-family home. She considered two different options. First, re-creating the mansion as a marketable home by relocating it to the north west corner of the overall property, and second, re-creating it where it currently exists. In doing this analysis, she offered the following testimony:

Option #1



<b>Budget Opinion 1 Relocate Mansion</b>	
Demolish Buildings	\$413,000
Asbestos Abatement	\$500,000
Move the Mansion	\$400,000
<b>Mansion Renovation</b>	
New Foundation	\$ 166,000
Utilities	\$ 95,000
Interiors /HVAC/ELEC/Plumbing	\$1,447,950
Restore Exterior	\$ 634,200
New Garage	\$105,000
Landscaping / Sitework	\$ 50,000
Land Cost (3 lots)	\$1,200,000
Design Fee/Permits/Contingency	\$624,550
<b>Total:</b>	<b>\$ 4,322,700</b>

Moving the mansion to the north west corner would result in the loss of 3 of the 20 subdivision lots. At \$405,000 each as testified to by Little Friends' second witness, Appraiser Phillip Butler, this would result in a loss of land value of \$1,215,000. Moving the mansion would cost \$400,000 for the movers and would require the construction of a new foundation at a cost of \$166,000. A two or three car garage would add \$105,000 to the relocated home, and new utility connections to the public utilities would cost \$95,000.

As to the interior of the mansion, she included floor resurfacing, some wall removal and wall relocation, installation of a kitchen, replacement of all bathrooms, installation of an HVAC system with central air conditioning and air ducts for air circulation. The interior costs also included new electrical service and new plumbing. Interior improvements ran less than \$200.00 per square foot for a total of \$1,447,950. Exterior restoration would require new windows and doors, restoration of the clay tile roof of the original home, tuckpointing and sand blasting masonry surface, and new gutters and downspouts for a total of \$634,200. Permit fees to the City, contractor contingency and design fees would add \$624,550 to a home this size. Landscaping and site work would add \$50,000 for a site that is three times the size of the neighboring homesites. She concluded that the total cost to relocate the Kroehler mansion to the north west corner and rebuild the house as a marketable, saleable, desirable luxury mansion would therefore be \$4,322,700. This testimony was not contradicted by anyone.

Option #2



Budget Opinion 2 Mansion Current Location	
Demolish Buildings	\$413,000
Asbestos Abatement	\$500,000
<b>Mansion Renovation</b>	
Foundation Repairs	\$ 50,000
Utilities	\$ 95,000
Interiors /HVAC/ELEC/Plumbing	\$1,447,950
Restore Exterior	\$ 634,200
New Garage	\$105,000
Landscaping / Sitework	\$ 50,000
Land Cost (6 lots)	\$2,400,000
Design Fee/Permits/Contingency	\$664,580
<b>Total:</b>	<b>\$ 5,279,730</b>

She then testified that re-establishing the house as a luxury mansion where it exists would actually cost more than relocating it to the corner lot. This seems counter intuitive until one considers the cost of the land. Leaving the mansion where it was originally constructed would require a builder to surrender 6 of the 20 lots in the proposed subdivision. Again, at roughly \$405,000 per lot this would result in the loss of roughly \$2,430,000 in land value compared to half that price at the corner relocation. The balance of costs would be similar to the relocation model, but the foundation would only require \$50,000 in repairs because

in some locations the depth of the basement is so limited an adult cannot stand fully erect. She testified the total cost to re-create the Kroehler mansion as a home at its original location would be \$5,279,730. This testimony was not contradicted by anyone.

Phillip Butler, a MAI designated real estate appraiser was called as the second witness. He testified that he completed a subdivision residual land value analysis of the 3.79 acre property and concluded the lots would likely sell for \$405,000 per lot, and a developer would pay \$5.5 million to Little Friends for the land plus pay for demolition of all structures on the property **assuming the developer was allowed to undertake the demolition**. Mr. Butler also introduced the highest sale prices of the single-family homes that sold in the entire Historic District over a period of 12 years. The highest sale price recorded was \$1,060,000.

The third witness was Matt Ishikawa, Senior Vice President with CBRE/Land Services Group. Mr. Ishikawa testified he has been marketing Little Friends' property for a code-compliant R2 single-family subdivision with lot nearly identical in size, shape and configuration to all adjacent neighboring blocks in the Historic District. This code-compliant subdivision would produce 20 nearly identically sized and shaped lots to those in each of the neighboring blocks. This proposed subdivision would be permitted of right without any HPC or City discretion to deny approval of the subdivision.

In the face of the foregoing uncontradicted testimony offered at the HPC hearing, if a developer were to buy the 3.79 acre property from Little Friends and be obligated to restore the mansion as a single-family home, the developer would have to evaluate the marketability of the re-created mansion. At a minimum cost of \$4,322,700, the developer would need to be prepared to market a home that: (i) is larger than any other home in the Historic District; (ii) is more than four times as expensive as any home that has sold in the Historic District over the past 12 years; and (iii) is architecturally insignificant and somewhat bland. The developer would also need to be willing to be locked into the aesthetics chosen by Peter Kroehler over 100 years ago because the appearance of the mansion could not be altered without the aesthetic consent of whoever happens to be on the HPC in the future.

In marketing the Little Friends' property for nearly half a year, CBRE has received more than half a dozen offers to purchase and develop the site for single-family homes. Every developer has wanted to demolish the entire structure, including the mansion. All but one developer has expressed an unwillingness to purchase any portion of the 3.79 acre property if the HPC requires the mansion to stay. Simply stated, the market has demonstrated that even the presence of the mansion is perceived to be a toxic economic drag on the marketability of the proposed subdivided lots. And the one developer who expressed any willingness to buy the full 3.79 acre property and accept the economic risk of having to re-create the mansion, would do so only in a sale that would result in a loss of \$1.5 million in sale proceeds to Little Friends.<sup>5</sup> This testimony was also un rebutted and uncontradicted.

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<sup>5</sup> This loss could be potentially reduced to a \$1.0 million if the developer were given significant economic incentives from the City that likely equal or exceed \$500,000 in value. But even with a \$1.0 million loss Little Friends cannot afford to move.

The Farnsworth Group should have opined as to the economic reasonableness of re-creating of the mansion as required under Factor 5.3. The Farnsworth Group should have been called upon to either confirm or contradict: (i) that re-creation of the mansion as a home will require a minimum of \$1.2 million in land value alone; (ii) a developer cannot market the mansion without building at least a two or three car garage; and (iii) no 7,300+ square foot mansion can be retrofitted for resale as a luxury home without upgrading bathrooms, electrical service, HVAC, lighting, floor and wall finishes, windows, doors, plumbing and curb appeal. Instead, the Farnsworth Group “analysis” concluded one could reasonably convert the 23,205 square foot north dormitory wing into a single-family home for \$21,000, and the Kroehler mansion could be called a home if someone only added a \$39,500 kitchen, modified plumbing, and built a one car garage on a home with no front or north side yards. Such a conclusion is simply implausible and cannot stand in the face of the only testimony on economic reasonableness as provided by Little Friends’ witnesses.

## **VII. LITTLE FRIENDS DOES NOT OPPOSE HISTORIC PRESERVATION.**

Little Friends’ property has been appraised at \$5.5 million, assuming the sale included the right to demolish all existing improvements. If the mansion must stay, it will result in a minimum of a \$1.0 million - \$1.5 million reduction in the sale price. In order for Little Friends to relocate, Little Friends must receive \$5.5 million. Little Friends has spent the past five months actively marketing the site through CBRE in a diligent effort to find any developer who would pay the \$5.5 million if forced to maintain and restore the mansion as a luxury home. There are no takers. And most developers have told Little Friends they will not undertake the risk of developing any portion of the overall site if the mansion must stay.

In filing this appeal, Little Friends wants City Council to know that it does not oppose those who encourage historic preservation in the Historic District, nor the re-creation of the former Kroehler mansion into a single-family home. There are many ways to do so. First, Little Friends welcomes a \$5.5 million governmental purchase of the 3.79 acre property to preserve whatever is thought to be beneficial to the Historic District. There are no takers. Second, Little Friends welcomes any public or private entity that would accept the mansion as a gift and remove it from the site for preservation in the Historic District or elsewhere in the City so as to allow Little Friends to achieve the \$5.5 million sale price. There are no takers. Third, Little Friends would accept an outright governmental purchase of just the land necessary to provide an adequate lot of record for the mansion, combined with the sale of the balance of the property to a private developer for single-family homes, assuming collectively it generates the needed \$5.5 million. There are no takers. Lastly, Little Friends would welcome a governmental economic incentive provided to a private developer who would then pay Little Friends \$5.5 million and utilize the economic incentive to underwrite the significant loss of trying to re-create the mansion as a single-family home. This has not been offered.

The only objection Little Friends has is to what Little Friends perceives is the HPC’s completely unjustified, unsupported and arbitrary conclusion that it is “economically reasonable” to – in the name of “historic preservation” -- force Little Friends to suffer a

\$1.0 million - \$1.5 million loss because no one else is willing to pay the huge price associated with preserving the Kroehler mansion. Little Friends cannot be made a “prisoner” to the property and be singularly tasked with the burden and enormous cost associated with this “restoration dream.” And to be crystal clear, the economic burden of being forced to stay in their ill-fitted, antiquated, non-code-compliant campus building will eventually crush Little Friends’ mission and those they serve.

#### **VIII. LITTLE FRIENDS NEEDS TO MOVE INTO A NEWER BUILDING.**

Little Friends also wants City Council to have a clear understanding as to why it is critical to obtain the requested COA demolition so they can relocate to new facilities. As discussed earlier, the existing building Little Friends occupies varies in age from year 1908 for the mansion, year 1945 for the south dormitory addition and year 1956 for the north dormitory addition. None of the additions has any air circulation because the entire structure was built with heated water circulated through radiators. As a result, the only way to get air circulation is to open windows which obviously presents problems in the winter. **In 1973, the mansion was evaluated as already suffering from 85% functional and economic obsolescence when appraised for North Central College in an effort to sell the site.** (See Supp. Attach to Attach. 1K, p. 30) None of the additions has an elevator. None of the structure is air conditioned. Concrete walls separate most of the rooms making efforts to establish open floor plan spaces economically and structurally impossible. And it cannot be overlooked that even today, Little Friends is out of space and if forced to stay would need to build another addition which it cannot afford to do.

Little Friends is not economically self-sustaining. Funding from school districts for its students is chronically deficient on an annual basis which forces Little Friends to seek donations and gifts in excess of a million dollars each year to simply “stay afloat” and pay its operating expenses and staff. Little Friends has no extra money to cover deferred maintenance, and each year they start with over a seven-figure projected shortfall unless and until the generosity of benefactors comes through for another year.

And even if Little Friends could somehow figure out how to come up with the nearly \$6.0 million in massive renovations and repairs<sup>6</sup> projected by Wight & Company to be needed over the next five years, in the words of Wight & Company: “No amount of renovation without significant complex restructuring of narrow corridors and rooms designed as student dorms or a major building addition will accommodate the future space needs of Little Friends growing student clientele. The buildings were simply not designed for evolving educational needs to the 21<sup>st</sup> century and beyond.”

In summary, staying in the existing structure presents an enormous and untenable economic challenge to a financially fragile institution. And even if the money somehow appeared, the finished product would not accommodate the evolving educational needs of Little

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<sup>6</sup> It must also be noted that the major renovations needed would result in alterations of the teaching environment (especially changes to heating/electrical and water service) which are disruptive and emotionally harmful to many autistic students. As a result, work of this type is typically limited to five or six weeks of the year when students are not in the building.

Friends' current and future students. Little Friends needs to relocate to survive, and they need the be able to sell their land at \$5.5 million to relocate.

**IX. CONCLUSION.**

The unrebutted, uncontested testimony of Little Friends' three witnesses has established that Little Friends will suffer a huge economic loss if the COA does not allow demolition of the entire structure which includes the Kroehler mansion. This economic loss will prevent Little Friends from moving to new facilities that are critical to Little Friends ability to sustain its special education mission and serve its students now and in the future. For the reasons set forth herein, Little Friends therefore respectfully requests that City Council adopt an ordinance reversing the denial of the requested Certificate of Appropriateness and authorize demolition of the entire structure on the 3.79 acre property, including the former Kroehler mansion.

**REQUEST FOR QUOTE  
STRUCTURAL ANALYSIS PURSUANT TO  
REQUEST FOR DEMOLITION**

Prepared by: Planning Services Team  
Transportation, Engineering, and Development  
Business Group – City of Naperville  
August 5, 2019

Subject Property: 126 and 140 N. Wright and 619 E. Franklin Avenue, Naperville, IL

**I. INTRODUCTION**

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The City of Naperville is seeking to retain the services of a qualified and experienced engineering consulting firm or licensed architect to perform a Structural Analysis as set forth herein relative to **the building** located on the block that is bounded by Wright Street, Franklin Avenue, Columbia Street, and School Street (*\*excluding* the detached garage/carriage house located in the northwest portion of the property which has an address of 148 Wright, Naperville), referenced herein as “**Subject Property**”.

Subject Property PINs: 08-18-309-002, 08-18-422-001

Subject Property Addresses: 126 and 140 N. Wright Street and 619 E. Franklin Avenue, Naperville, IL, 60540.

**The building** (“**Building**”) on the Subject Property is comprised of the following:

- (A) The original building (referenced herein as the “**Kroehler Mansion**”) located at 126 N. Wright Street, Naperville. Constructed in 1908 as a personal residence. Subsequently used for a dormitory/high school.

Currently the Kroehler Mansion is used for a high school for adolescents dealing with social and emotional issues. The owner holds a combination of course-appropriate classes coupled with therapy sessions for students. Little Friends typically supports between 10 and 20 young adults in a school year at any point in time.

- Number of stories: 3 floors
- Total Square Footage: Estimated to be between 4, 993-7,000 sf , exact square footages will be provided once available

- (B) The southern addition to the Kroehler Mansion (“**Southern Addition**”), located at 619 E. Franklin Avenue. Constructed in 1948 as a dormitory for North Central College (referenced as the “Krejci Academy”). Includes the dining hall addition also added in 1948.

Currently the Southern Addition is used for classrooms that support about 110 children and adolescents from age 3 to age 22. Little Friends supports children with intellectual/developmental disabilities and autism and over 80% of the Krejci Academy works with children on the Autism spectrum.



- Number of stories: 3 floors with partial 4<sup>th</sup> floor in both wings
- Total Square Footage: 23,952 sf

(C) The northern addition to the Kroehler Mansion (“**Northern Addition**”) located at 140 N. Wright Street. Constructed in 1956 for North Central College for dormitory purposes. Currently used for combination of uses.

Currently the lower floor of the Northern Addition is used for Administration for all of Little Friends. The second floor and part of the third is used for the Administration of the Residential Services program that involves the management of 38 homes supporting over 100 adults and children with special needs. The balance of the third floor is where the Center for Autism resides. In this section of the Northern Addition, Little Friends provides diagnostic evaluations for children thought to be on the Autism spectrum along with ABA, Speech, and Occupational Therapies. Little Friends also holds training of other service providers in part of the Northern Addition.

- Number of stories: 3 floors
- Total Square Footage: 22, 140 sf

## **II. BACKGROUND**

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The Subject Property is located within the City of Naperville’s Historic District. The owner of the Subject Property, Little Friends, Inc., plans to sell the property and desires to obtain permission to demolish **the Building** on the Subject Property described in Section I A, B, and C above.

Since the Subject Property is in the Historic District, demolition can be done only upon issuance of a Certificate of Appropriateness (*except for the detached garage/carriage house described in the Introduction which is not subject to the requirements for issuance of a Certificate of Appropriateness*).

An Application for a Certificate of Appropriateness (“COA”) to demolish **the Building** described in Section 1, A, B, and C above has been submitted to the City.

Per City of Naperville Ordinance Section 6-11-8:4.2.1, a Structural Analysis of a building for which a COA is required is to be completed by a licensed architect or structural engineer. The completed report will be presented to the Historic Preservation Commission and shall be considered in the findings issued by the Historic Preservation Commission with respect to the requested COA.

### ***Current Use & Zoning***

The Subject Property is used by Little Friends, Inc. as the Little Friends Center for Autism which provides a variety of services for children and adults diagnosed with an Autism Spectrum Disorder. Each portion of **the Building** is used for the purposes described in Section I above.

The Subject Property is zoned R2 (Single-Family and Low-Density Multiple-Family Residence District).

The current use of the Subject Property by Little Friends, Inc. is classified as a nonconforming use in the R2 zoning district.

***Proposed Use of the Subject Property***

Little Friends, Inc. is seeking to sell the Subject Property and to relocate the Little Friends Center for Autism to another location.

Little Friends, Inc. has indicated in its Application for a COA that: “Little Friends does not have a buyer contemplating rezoning from the R-2 District.”

**III. SCOPE OF SERVICES – STRUCTURAL ANALYSIS**

The City is asking the consultant to assess **the Building** described in Section I above and take the steps described below:

**General Notes:**

**Inspection:** Prior to drafting a report, the selected consultant will have an opportunity to inspect **the Building** on the Subject Property. No intrusive testing of **the Building** is permitted.

**“Feasible”:** Where the consultant is asked in the Scope of Services to provide an evaluation as to whether something is or is not “feasible”, feasible is intended to be synonymous with reasonable in the context of the complexity and cost of the necessary renovations and improvements.

**Scope of Services Steps**

**Step 1 (a):** Describe those portion(s), if any, of **the Building** which can be feasibly used for one or more R2 Permitted Uses. Please list each such use for **the Building** as whole, or any portion thereof.

R2 permitted uses (herein “**Permitted Uses**”) include:

- Primary and secondary schools that do not have boarding facilities.
- Preschools, when accessory to a primary or secondary school.
- Golf courses.
- Parks, playgrounds, and forest preserves.
- Single-family detached dwellings.
- Two-family dwelling and duplexes.
- Residential care homes.<sup>1</sup>
- “Permitted Use” for the purposes of this project also includes the continued use of **the Building** for its current purposes.

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<sup>1</sup> *Residential Care Homes are defined as:* Any dwelling unit or living quarters where individuals are provided residential care. The sponsoring agency of the residential care home is required to be licensed or certified by the State, that sponsoring agency must maintain at all times a current and valid Illinois State license or certification by the State to operate residential care homes. Per the 2018 International Building Code, the maximum number of persons to which a Residential Care Home can house is 5 people. (Section 6-1-6 [Definitions] of the Naperville Municipal Code)

**Step 1(b):** Describe those portion(s), if any, of **the Building** which **cannot** feasibly be used for any R2 Permitted Use.

**Step 2:** Attend a meeting with City staff and owner representative (at owner's discretion) to discuss the applicability of City Code Requirements related to the uses identified in Step 1(a). Date to be agreed upon.

**Step 3:** Please document the required renovations or improvements that would be needed in order for an occupancy permit to be issued by the City for **the Building**, or for portions of **the Building**, for each Permitted Use identified in the response to Step 1(a) above based upon applicable code requirements. See Chapters 9 and 10 of the 2018 International Existing Building code for commercial uses identified in the IBC. The 2018 International Residential Code (IRC) should be used for residential (single family detached or duplex) uses.

**Step 4:** Please provide the estimated cost to accomplish the required renovations or improvements identified in Step 3 above for each of the identified R2 Permitted Uses set forth in your response in Step 1(a).

Please include a separate line-item in your report that identifies the estimated cost to bring **the Building** into compliance with accessibility requirements under the law for any identified commercial use. In making your determination, please take into consideration that **the Building** is a Qualified Historic Building under the Illinois Accessibility Code.

Finally, please be aware that you may be asked to discuss and answer questions about your report before the City's Historic Preservation Commission ("HPC") in which case you will be paid separately at the hourly rate identified in your response. HPC meetings are generally held on Thursday evenings at 7 p.m.

#### **ANTICIPATED PROJECT SCHEDULE**

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August 5, 2019	Request for Quotes issued by the City of Naperville.
August 12, 2019	Last day for questions. Questions can be submitted to Gabrielle Mattingly at <a href="mailto:mattinglyg@naperville.il.us">mattinglyg@naperville.il.us</a> and will be accepted until 5:00 PM.
August 19, 2019	Cost proposal due. Cost proposals should be submitted to Gabrielle Mattingly at <a href="mailto:mattinglyg@naperville.il.us">mattinglyg@naperville.il.us</a> and will be accepted until 11:59 PM.
August 22, 2019	Selected consultant notified.
September 16, 2019	Structural Analysis due to the City

## **SUBMITTAL REQUIREMENTS**

Consultants are invited to submit quotes based upon the Scope of Services set forth in Section III. The quote submittal shall include the information listed below. All submittals must be thorough, complete, and accurate. Attached is a draft of the City's General Terms and Conditions that will apply to this project. Cost proposals are due by email to Gabrielle Mattingly at [mattinglyg@naperville.il.us](mailto:mattinglyg@naperville.il.us) by **August 19, 2019 at 11:59 p.m.**

1. A title page that includes the following information: name of firm, local address, telephone number, fax number, name of contact person, and location of branch offices, if any, and states in which you are licensed to practice. The architect or engineer preparing the Structural Analysis must be licensed to practice in Illinois.
2. A listing of any proposed subconsultants to be used on the project.
3. A cost summary for this project, including proposed man hours, staff rates, and the total not-to-exceed amount ("Total Cost"). It is estimated that between 40-60 hours of consultant (including subconsultant) time should be spent on this project.
4. A summary of experience and credentials of the firm and the personnel who will be performing the work if selected.

If you have questions, please direct them to Gabrielle Mattingly at [mattinglyg@naperville.il.us](mailto:mattinglyg@naperville.il.us).

## **SELECTION CRITERIA**

The City will evaluate the responsiveness of the quote submittal. A responsive quote is defined as a quote submittal that includes all four of the items listed above in the Submittal Requirements section. The City reserves the right to reject all quotes. Subject to the foregoing, the City may proceed with an award recommendation to the lowest responsible bidder.

## **ATTACHMENTS**

1. City's General Terms and Conditions
2. Location Map of the Subject Property
3. Historical Survey of Properties Conducted in 2008
4. Chapters 9 and 10 of the 2018 International Existing Building Code
5. Images of the Existing Building