

APPROVAL OF REZONING THE PROPERTY TO OCI

1. The Property is currently zoned RD in the City of Naperville.
2. The proposed OCI zoning designation will facilitate a unique townhome development creating a unique residential enclave surrounded by the Danada Forest Preserve.
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 RD zoning designation. The approximately 61,000 square foot building was previously the home to the Illinois Hospital Association. No longer needing an entire office campus, IHA has since relocated to 1120 E. Diehl Road in Naperville. Since IHA'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. Though the remote location of the Property creates an idyllic setting, its lack of visibility, remote parking field, and lack of amenities create

significant disadvantages in the competitive office marketplace. The City's land use master plan identifies the Subject Property as "medium density residential. The purpose of medium density residential designations is to respect the character of existing neighborhoods while supporting the City's changing demographics and market. 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 townhome development in line with the intent of the Subject Property's designation under the City's land use master plan. Further, the development will take advantage of the remote and idyllic location and act as a transitional use between the County residences to the north and office/business uses to the south, in line with the purpose and intent of the OCI district as set forth in the Code. 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 who actually have frontage along Warrenville Road.

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: Unincorporated DuPage County (R2)– Single Family
- b. East: Unincorporated DuPage County (R2) – Single Family and City of Naperville – Zoning ORI (Office)
- c. South: City of Naperville – Zoning ORI - Office
- d. West: City of Naperville – Zoning E1 - Danada Forest Preserve

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 essentially a flag lot and has only 66' of frontage along Warrenville Road. As such, the actual office building is

situated nearly 800 feet north of Warrenville Road. The lack of frontage and visibility creates challenges for the marketability of the Property as an appropriate office or business use in an area that is already facing unprecedented numbers in terms of high office vacancy rates. Offices with visibility along I-88, Warrenville Road, and Diehl Road are no exception to the surge of office vacancies and with that, the Property faces its own set of unique challenges in terms of marketability. However, the 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 south of the Property and along Warrenville Road, areas to the north and east are county residences and wetlands, and areas to the west are owned by the Forest Preserve District of DuPage County. The purpose of the OCI district is to “act as a transitional zone between intensive business areas and residential neighborhoods.” The subject property provides an excellent canvas for a unique townhome community in line with the City’s goals and objectives for this Property under the City’s land use master plan.

South of I-88, 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. 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 and is comprised of a mix of townhomes and single-family homes adjacent to the Danada Forest Preserve. The configuration of the proposed development, with the buildings along the perimeter of the Property facing vast amounts of open space and wooded areas, will create a unique and quiet residential enclave and provide an appropriate transition of land uses as intended under the City’s land use master plan.

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 RD zoning designation have historically included offices,

pilot plants, engineering and testing laboratories, and cannabis dispensing organizations. With the only property frontage being that 66' of entrance drive along Warrenville Road, the marketability of the Property to any future businesses or users permitted under the RD district has proven to be extraordinarily challenging. The existing building located on the Subject Property is obsolete in today's office market. The 61,000 square foot 3-story building is located approximately 800 feet north of Warrenville Road. Even as a multi-tenant building, the lack of frontage creates a unique set of challenges for marketing the building. In addition, there are no amenities to the building, which has been a primary driver of new occupancy in the corridor. With corporations continuing a decades long trend of reducing footprint in the corridor, the existing building has little prospect for productive use in its current configuration and in particular, at this challenging location. 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 and single-family attached dwellings as conditional uses. The proposal will allow for a unique residential enclave adjacent to wooded areas and the forest preserve that will also provide the necessary land use transitions contemplated in the City's land use master plan. In addition, reducing the office footprint makes room for better marketability of other nearby offices struggling with occupancy and thus, result in the necessary support for the long-term viability of the Corridor. The proposed uses and development are much more suitable under OCI zoning than the current RD zoning, which otherwise prompts the potential for land uses permitted by right that are not viable in this particular location.

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

Though zoned RD, the rezoning request stems from the need for the Subject Property to evolve with the needs of the Corridor. The RD zoning was established for this area alongside the ORI designations immediately adjacent with the intent to make the Corridor the “Silicon Valley” of the Midwest and home to large corporate headquarters and tech businesses.¹ 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 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. The City also acknowledged this when granting approvals for Naper Commons, which included rezoning to R2 and R3 for a residential Planned Unit Development in the former Nokia site. 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 transitional 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.*

¹ <https://www.choosedupage.com/not-your-fathers-corridor-the-re-reinvention-of-the-i-88-region/>

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. The rezoning will facilitate the appropriate transition from single family residences to the north to the intensive office and business uses to the south. 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.