

Will County.

6. The Property is governed by the Will County Zoning Code and is zoned Agricultural (A-1) in Will County.

7. The Property is presently unimproved farmland.

8. Petitioner recently entered into a contract to sell that portion of the Property located at the corner of 103rd Street and Route 59 and consisting of approximately 8.05 acres, which property is legally described on Exhibit B (the "Church Parcel"), to The Compass Evangelical Free Church ("Compass") for the development of an approximately 38,000 square foot church.

9. Petitioner desires to develop the remaining 105 acres of the Property, which property is legally described on Exhibit C (Residential Parcel"), with a detached single family home subdivision to be known as Wagner Farms.

10. To facilitate the intended development of the Church Parcel and the Residential Parcel, Petitioner respectfully requests that the City: i) zone the Residential Parcel R-2 Single Family and Low Density Multiple-family Residence District upon annexation; and ii) zone the Church Parcel OCI Office, Commercial and Institutional District upon annexation.

ZONING OF THE PROPERTY

R2 Single Family and Low Density Multiple Family Residence District

11. Upon annexation of the Property to the City of Naperville, Petitioner respectfully requests that the Residential Parcel be zoned R2, Single-Family and Low Density Multiple-Family Residence District and that the Church Parcel be zoned OCI, Office, Commercial and Institutional District.

12. 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*

Petitioner proposes that the Residential Parcel be zoned R-2, Single Family and Low Density Multiple-Family Residence District and that the Church Parcel be zoned OCI, Office, Commercial and Institutional District, upon annexation to the City of Naperville. The proposed zoning will promote the public health, safety & general welfare of the City.

The Property is governed by the Southwest Community Area Plan. The Southwest Community Area Plan designates the future land use for the Property as commercial, senior housing and mixed density residential. Petitioner's proposed zoning of the Residential Parcel and the Church Parcel generally follows the transitional development pattern (lower intensity uses transitioning to higher intensity uses) established in the Southwest Community Area Plan, but deviates from the more specific use recommendations set forth in the plan.

The Southwest Community Area Plan was originally adopted in May of 2002. The plan was then updated as the result of Macom Development Corporation's proposal for the Ashwood Assemblage and a land use study that had been prepared by the Department of Community Development. At that time, the Sector G Plan, which was the prior land use plan for the area, was only eight years old. However, the City recognized the need to adapt the plan based on evolving market conditions. Today, the Southwest Sector Plan is 16 years old- twice the age of the Sector G Plan when it was updated. During that 16 year span we've experienced marked societal changes that impact the way that we interact with property. These changes have rendered the Southwest Community Area Plan outdated.

The Great Recession fundamentally altered the residential real estate market. Today, people aren't buying houses on a short-term outlook, which was prevalent in the 1990's and early 2000's. Today, people generally elect to rent in the short-term or purchase a home with a long-term view. In fact, homeownership rates rose dramatically through the 1990's and 2000's, but

have regressed by three to four percentage points toward more historic rates near 65%. Speculation that previously occurred in the residential market did not return in the same fashion following the Great Recession.

The more dramatic shift in the market has occurred in the commercial marketplace. In 2002, when the Southwest Community Area Plan was approved, ecommerce represented roughly \$45 billion in sales, representing roughly 1% of retail sales nationallyⁱ. Technological advances have fundamentally altered this market. Consider that in 2002, for the first time, cell phones were adapted to include a camera and a full color displayⁱⁱ.

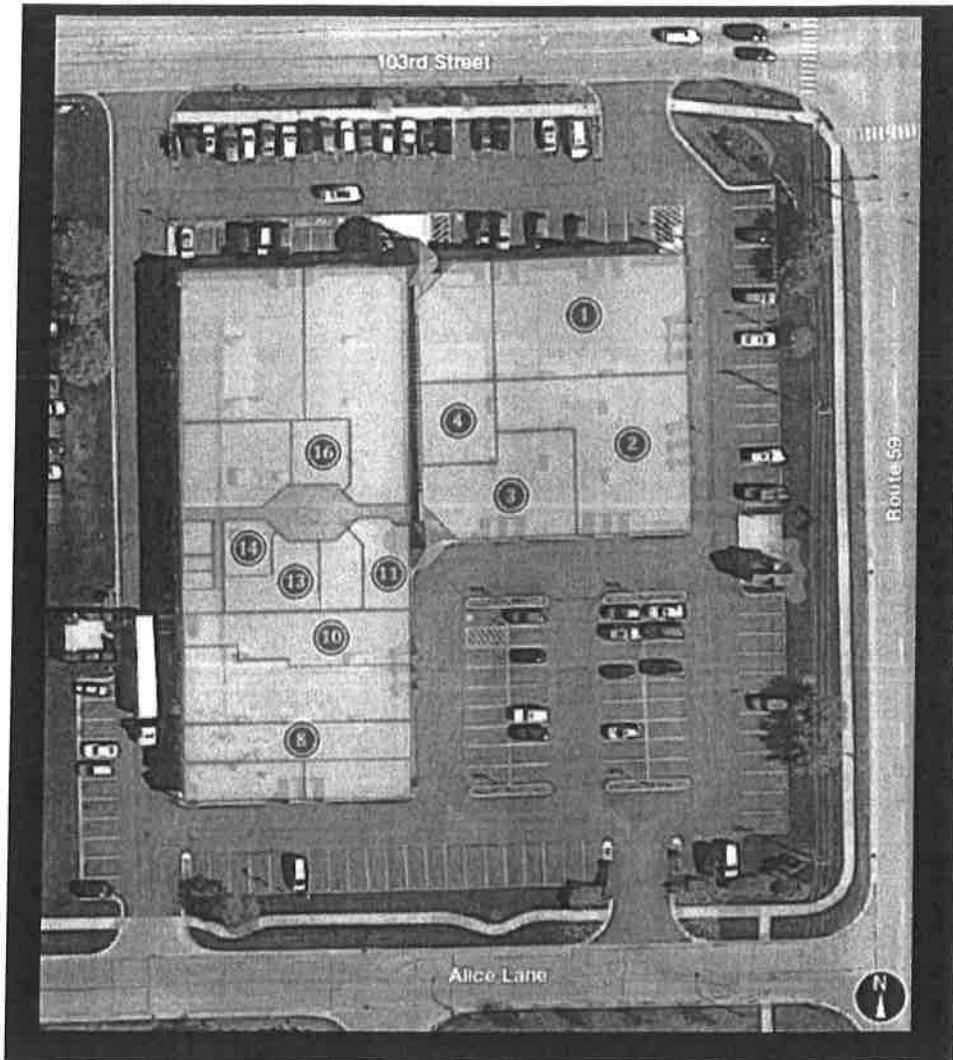


EXHIBIT C

Sixteen years later, over 75% of the American adults own a cell phone and over 50% of American adults report making online purchases via their smartphoneⁱⁱⁱ. In 2017, ecommerce accounted for roughly \$2.3 trillion in sales and is expected to hit \$4.5 trillion by 2021. Today, e-commerce represents roughly 10% of all retail sales and is expected to continue growing at a rate of 15% a year. This growth in ecommerce has dramatically impacted traditional brick-and-mortar retailers, and in-turn, the commercial real estate market. In 2017, there were over 8,000 store closings. In 2018, over 10,000 additional store closings are expected by year end^{iv}. Melaniphy & Associates, a nationally recognized retail market consultant, attributes the decline in brick and mortar retailing to four major factors: i) the acceleration of e-commerce; ii) over saturation of the retail market; race to the bottom discounting; and iii) millennial shopping patterns^v. Whatever the cause, the decline is readily apparent when evaluating the overall market. In 2017, the Chicago Metropolitan Area added approximately 1.0 million square feet of new retail development. Melody Farm, a mixed-use project in Vernon Hills, accounted for roughly 25% of that growth. By way of comparison, the Chicago Metropolitan Area typically added 5.0 to 8.0 million square feet of new retail space annually prior to the Great Recession.

The natural conclusion here is that the Southwest Community Area Plan is outdated. The commercial real estate market has fundamentally shifted since adoption of the plan 16 years ago. The Preliminary Retail Market Study Wagner Farms, prepared by Melaniphy & Associates, Inc., which has been submitted to the City in support of this zoning Petition, substantiates this shift and the current market dynamics. While the Melaniphy study ultimately concludes that the site could support a gas station convenience store and a small scale strip retail building, Petitioner does not believe such use is in the public welfare. A new gas station and convenience store is planned for 111th Street and Route 59. The Saddlewood Shopping, located at southwest corner of 103rd Street

and Route 59 suffers from deferred maintenance. The shopping center is currently bank owned and a majority of the spaces are empty as depicted in the marketing brochure depicted below, including those spaces with direct frontage along Route 59.



CBRE, the world's largest commercial real estate services and investment firm, also evaluated the commercial viability of the Property in its Retail Viability Report for 114 acres at the NEC Route 59 & 103rd, Naperville, IL, a copy of which has been submitted in support of this Petition. The report finds that metro Chicago has a higher percentage of vacant retail space than national average or compared to other metro areas. The report goes on to state "while unfortunate,

this trend is hardly surprising- the State’s current tax structure promotes an excessive reliance on retail sales tax as a revenue source for local governments, making retail by far the most lucrative land-use type. Therefore, suburbs in the Chicago region frequently zone large areas for retail, even though they might be better suited for other land uses.^{vi}”

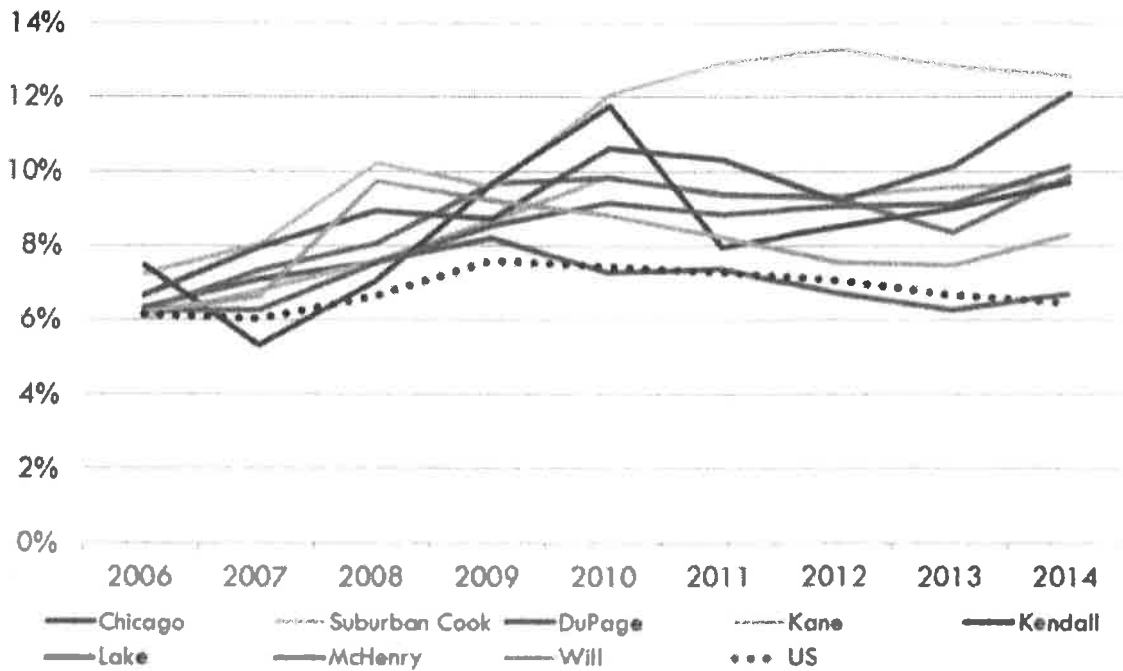


Figure 4: National and Chicago Area Counties Retail Vacancy Rates, 2000-14
 Source: Chicago Metropolitan Agency for Planning (CMAP) analysis of CoStar Data, 2014

This finding dovetails with the Urban Land Institute Chicago’s report UL Chicago’s Retail Initiative, which found that attracting and maintaining vibrant commercial centers is a challenge that has become significantly greater in the past decade largely due to dramatic shifts in consumer behavior and retail delivery trends. The same report notes a long-term shift in personal consumption, with Americans dedicating a much larger percentage of their spending on services than goods.

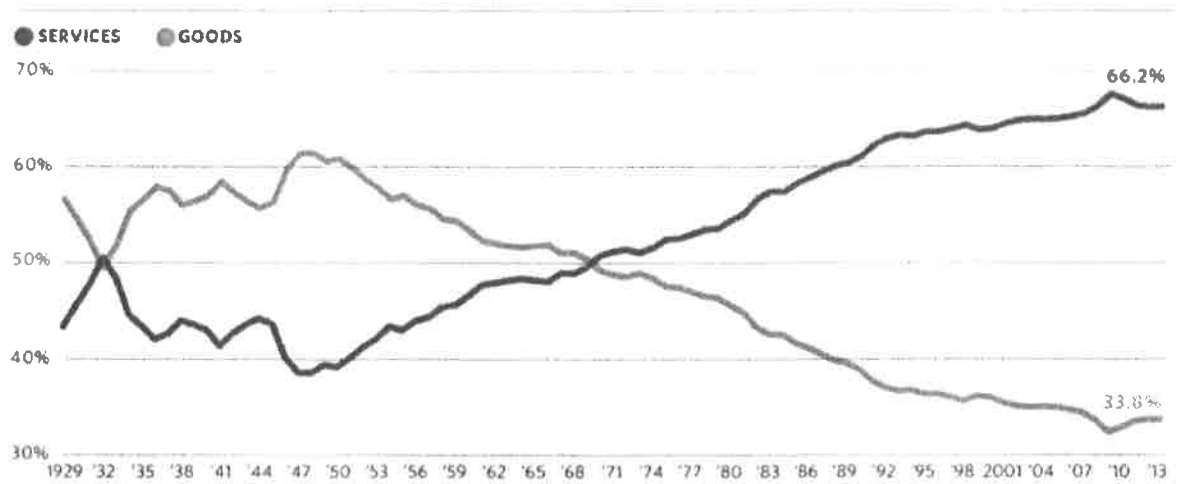
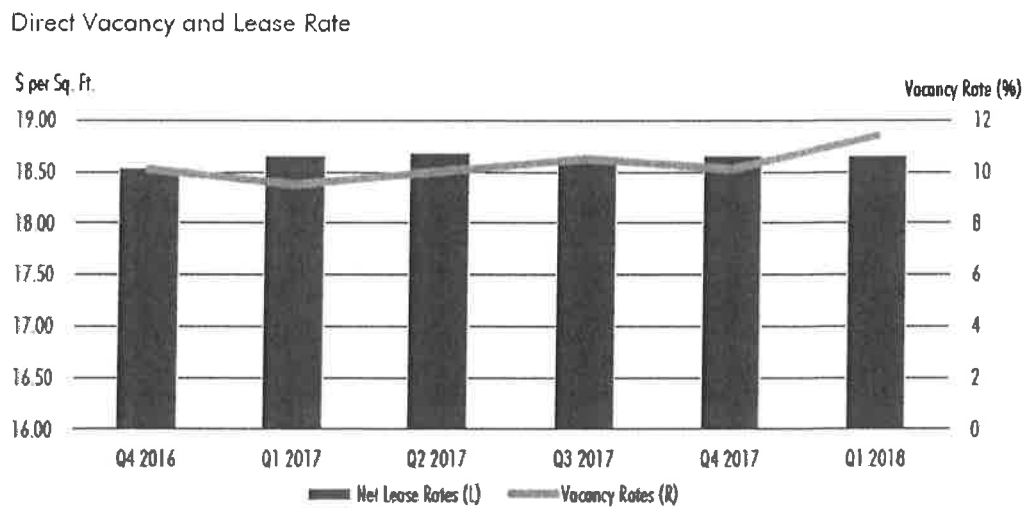


Figure 3 U.S. Personal Consumption Expenditures, 1929-2013, proportion of total personal consumption
 Source: Chicago Metropolitan Agency for Planning (CMAP) analysis of U.S. Bureau of Economic Analysis data March 2014

While these macroeconomic conditions are important to understand, the CBRE Report also provides good perspective on the commercial leasing in the Far West Suburban Market as depicted on the graph below.



Source: CBRE Research, Q1 2018.

The U.S. economy is in a growth mode, posting a 4.1% increase in GDP for Q2 2018; however, the commercial real estate market continues to struggle. According to CBRE, vacancy rates are roughly 10% and rents are roughly \$18 PSF. While these numbers have been relatively stable over a two year period, they reflect significant changes from pre-recession numbers of 7% vacancy and \$24 PSF rents. Based on these numbers, CBRE ultimately concludes that the market

does justify nor can it support the risk/costs associated with new commercial development.

Given the dynamic outlined above, Petitioner does not believe that commercial development of the Property is viable. However, Petitioner acknowledges the value of establishing a higher intensity use at a hard corner such as 103rd Street and Route 59. To this end, Petitioner proposes to zone approximately 8.05 acres of the Property as OCI, Office, Commercial and Institutional District. The proposed zoning would permit development of this portion of the Property as a "Religious Institution". Compass proposes to develop the Church Parcel with a new two-story church building consisting of roughly 38,000 square feet with an approximately 600 seat worship center. Petitioner and Compass believe that the use is consistent with the public welfare. It will establish a higher intensity or transitional use on the hard corner. The Religious Institution is compatible with education uses located at the northwest corner of the intersection and governmental uses located at the southwest corner of the intersection. Additionally, Petitioner and Compass believe that the use will be additive to the Route 59 commercial corridor by establishing a new destination use that will attract patrons to the area.

Petitioner proposes that the remainder of the Property, or the Residential Parcel, is zoned R-2. The R-2 zoning will permit development of the Residential Parcel for 312 single family detached homes. The homes will be divided into two different product lines to allow Petitioner to segment the market and reach a broader buyer pool. Both of the product lines are consistent with all of the underlying requirements of the R-2 zoning district. While the use technically deviates from the recommendations of the Southwest Community Area Plan, it reflects a significant reduction in the intensity of the land use and is consistent in character with both of the single family subdivisions that immediately abut the Property.

Petitioner does not believe that additional senior housing or mixed-density residential is

necessary or appropriate. Since the Southwest Community Area Plan was adopted significant new senior housing developments have occurred in the study area. Carillon Club was expanded beyond the scope originally contemplated in the Plan. Ashwood Crossings was developed immediately across the street from Carillon Club. At 111th Street and 248th Avenue, for-rent age-targeted ranch townhomes were recently completed. Capitol Senior Housing also recently opened Arbor Terrace Naperville- a new assisted living and memory care community. While there will be capacity for additional senior housing in south Naperville, there are ample opportunities available in the current market. Further, Petitioner believes that higher density would be more appropriately located in more intensive areas- proximate to major transportation nodes or shopping centers.

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

The Property is located on the northeast corner of 103rd street and Route 59. While Route 59 is designated as a Strategic Regional Arterial, 103rd Street is an east-west minor arterial consisting of two lanes. 103rd Street is only about 2-miles in length, extending from Book Road on the east to 248th Avenue on the west. The intersection of 103rd Street and Route 59 is improved as follows:

- i) Northeast corner- vacant and unincorporated (the Property);
- ii) Southeast corner- vacant, but zoned B-2 in the City of Naperville. This property is owned by the City of Naperville and is commonly known as the "South 40." However, the vacant parcel is closer to 20 acres given fire station, water tower and township uses that have been established on the east side of this City owned property;
- iii) Southwest corner- Saddlewood Center, zoned B-2 in the City of Naperville and improved with an approximately 41,000 square foot commercial complex. The

property is substantially vacant as depicted on the marketing brochure depicted above. The property is currently occupied by a liquor store and medical office users.

- iv) Northwest Corner. Zoned OCI in the City of Naperville and is improved with Thomas C. Scullen Middle School. A portion of this property was previously utilized as District 204's maintenance facility, but is expected to be repositioned for educational purposes in the near-term.

There is no clear trend of development at the intersection of 103rd and Route 59. In fact, modern commercial development seems to have entirely bypassed this intersection. However, major arterials located both north and south of the Property have developed with significant commercial uses. To the south there are regional shopping centers located at 111th Street, 119th Street, 127th Street, and 135th Street. Likewise, the trend continues to the north at 95th Street, 75th Street, Ogden Avenue and New York Street. While commercial shopping centers are located all along Route 59, they clearly tend to appear at more significant intersections where east-west arterials provide a secondary means of access to the shopping center.

In surveying these major arterial intersections linking to Route 59 in Aurora, Naperville, and Plainfield there are both vacant developed lots and raw land that is readily available for development. These developed lot and raw land opportunities are both superior to commercial development along a minor arterial, such as the Property. To the extent that additional commercial development will occur in this market, the development is much more likely to occur at one of these major arterial intersections with existing commercial development than it is to occur at the Property. Accordingly, Petitioner believes that there is no real opportunity cost associated with the proposed zoning and residential use of the Property.

The proposed OCI zoning for the Church Parcel is consistent with the existing zoning of the property located at the northwest corner of 103rd Street and Route 59. It provides a business district designation that is appropriate at a “hard corner” and transitions toward lower intensity residential uses.

The proposed R2 zoning of the Residential Parcel is consistent with the detached single-family use which is the predominant land use in the general vicinity of the Property. Immediately adjacent to the Property are two single family residential subdivisions. Crestview Knolls is located south and west of the Property along 103rd Street and is located in the City of Naperville. Wheatland South is located west of the Property and is located in unincorporated Will County. While the lots proposed for the Property are slightly smaller than the adjacent subdivisions, the proposed development incorporates nearly 19% open space. This open space includes a large stormwater management facility that runs north-south through the Property and generous buffer areas strategically located throughout the subdivision. This calculation does not include open space that will ultimately be located on the Church Parcel or pedestrian path improvements that are located within the oversized right-of-way for Daybreak Drive. While additional park land was originally considered, the Park District has requested a fee in lieu of dedication of additional land. Petitioner is actively working with the Park District toward a public-private partnership that would facilitate the development of a large public plaza proximate to the library adjacent to Frontier Park. This new public plaza would serve as a regional attraction and further reinforce the 95th Street area as the epicenter of south Naperville.

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

Petitioner does not seek to rezone the Property, but seeks to establish the preliminary zoning of the Property under City ordinances following annexation of the Property to the City of

Naperville. Because the Property does not have an existing City zoning designation we look to the City's Southwest Community Area Plan for guidance on the intended future land use of property in this region of the City. As outlined above, the Southwest Community Area Plan designates the future land use of the Property as a combination of commercial, senior housing and mixed-density residential. The Southwest Community Area Plan defines those uses as follows:

i. Commercial Land Uses:

a. Commercial- commercial land use areas are intended to be a blend of the following uses: retail shopping and service uses such as grocery and home improvement stores, entertainment uses, discount department stores, dry cleaners and other personal services, restaurants, and specialty retail stores.

b. Office- Professional, business service, and related uses, possibly developed in conjunction with other commercial uses.

ii. Senior Housing: Intended for attached and detached "active adult" housing developments, along with independent living and assisted living facilities.

iii. Mixed Density Residential: the mixed density residential area shown in the future land use plan is intended to provide for a mix of housing types to meet various lifestyle needs. These areas are recommended near community facilities, such as the future commuter rail station. The mixed density residential area is a blend of low density, medium density and high density housing types.

The suitability of the Property for commercial development is largely addressed in subsections "a" and "b" above. The abundance of senior housing recently developed in this

quadrant is also addressed in subsection “b” above. With respect to the mixed density residential designation, it is important to note that Petitioner is proposing a significantly less intensive use of the Property than is suggested under the Southwest Community Area Plan. Given the densities allotted under the Southwest Community Area Plan, a mixed residential density community could be expected to be developed at roughly 8.5 units/acre. This would equate to roughly 800-1,000 units depending on whether there was a commercial component to the project. Petitioner believes that such a development would be inconsistent with character of the area. While this type of density may be appropriate at 95th Street proximate to Naperville Crossings, it is an awkward fit for the Property absent a significant commercial core or some other significant community facility (such as a train station), that would support this type of density.

Petitioner is proposing two standard lot configurations for the Residential Parcel. The Springs is the smaller series of home designs that will generally be built west of the detention basins. The homes will range from roughly 2,300 square feet to 3,300 square feet. Standard lot sizes in The Springs are 57' x 120'. The Estates is the larger series of home designs that will generally be constructed east of the detention basin. The homes in The Estates will range from 3,120 square feet to 3,539 square feet. Multiple floor plans will be offered in each series. Each floor plan will likely have four or five different exterior elevations, providing a nice variety of housing types, colors and elevations throughout the subdivision.

The Church Parcel will be developed with a two-story building consisting of approximately 38,000 square feet. The principal use of the building will be for religious services held on Saturday evenings and Sunday mornings. These religious services will be held in a worship center with as many as 600 seats. Ancillary to the traditional religious services, the building will house space for children's ministry, a multi-purpose room or gymnasium, a small coffee shop (not to exceed 5,000

square feet) and second floor offices (not to exceed 10,000 square feet). Based on these use designations, which are considered maximums, a total of 253 parking spaces are required. 307 parking spaces are accommodated in the current site plan, well in excess of Naperville requirements. Additionally, the proposed use will comply with applicable signage and setback requirements. A generous landscape buffer is included between the Church Parcel and the Residential Parcel. While the building has yet to be designed, it is anticipated that the architecture will be generally consistent with the existing Compass Church building located on Hobson Road in the City of Naperville.

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

The Property is presently located in unincorporated Will County and is zoned A-1 Agricultural. The Property has been utilized as a farm for as long as aerial photography is available (1939). The Property was purchased by the Wagner family in 1961 and has been continuously operated by the family for the last 57 years. When the Wagner family originally purchased the property in 1961 it was operated as a wholesale vegetable farm. In fact, the Wagner Family farmed the Property along with adjacent properties extending north to 95th Street and west to Book Road. Product from the family's farming operations were sold wholesale to Campbell Soup. However, as the character of the area has changed the family lost control of acreage and was forced to transform their business model from a wholesale farming operation to a retail farmstand. Through the 1990's and 2000's the area around Wagner Farms continued to transform and ultimately led to the conclusion that even a retail farmstand was no longer viable in the market. While once part of the rural countryside, today the Property is an infill parcel within a heavily developed suburban landscape. Given the changes that have occurred surrounding the Property, it is not a question of whether the Property will develop, but one of when and how the Property will develop.

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

The amendment, if granted, will not alter the essential character of the neighborhood and will not be a substantial detriment to adjacent property. The aerials attached as Exhibits D and E depict i) the character of the area in 1961 when the Wagner family initially purchased the Property, and ii) the changes that have occurred around the Wagner family through 2015. The one constant has been Wagner Farms while the character of the area surrounding the farm has become something that was probably unimaginable 57 years ago when the family first acquired the Property. As the Wagner family looks to sell the Property and move on, the historic operation of the Property is not a viable option given the changes that have occurred around them. Accordingly, the Wagner family seeks to sell the Property for development just as was done with all of the neighborhoods that now surround them.

The Petitioner's proposed OCI and R2 zoning for the Property is consistent with surrounding land uses. The District 204 property located at the northwest corner of 103rd Street and Route 59 is zoned OCI- consistent with the proposed zoning of the Church Parcel. Nearby residential parcels in the City of Naperville are zoned R3A and R1B (west of Route 59) and R1A (east of 59). While Petitioner proposes slightly smaller lots than some of the adjacent residential, the smaller lots are much more consistent with the adjacent subdivisions that the "mixed-density residential" that was originally contemplated under the Southwest Sector Area Plan. The proposed amendment will not alter the character of the neighborhood and will not be a substantial detriment to adjacent property.

APPROVAL OF A PRELIMINARY PLAT OF SUBDIVISION

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