STATE OF ILLINOIS)
)
COUNTY OF DUPAGE)
)
CITY OF NAPERVILLE)

PETITION TO THE CITY OF NAPERVILLE FOR LAND USE ENTITLEMENTS

THE UNDERSIGNED Petitioner, M/I Homes of Chicago, LLC, a Delaware limited liability company (hereinafter, "M/I" or the "Petitioner"), as the contract purchaser of the property legally described on **Exhibit A** (the "Property") respectfully petitions the City of Naperville to grant the following entitlements pursuant to the appropriate provisions of the City of Naperville Code of Ordinances (hereinafter, the "Code") to: (i) rezone the Property from RD to the City's OCI District; (ii) approve a conditional use for single-family attached dwellings in the OCI District; (iii) approve a preliminary plat of subdivision with associated deviations; and (iv) such other variances, departures, and deviations as may be necessary and appropriate to develop the Property and as depicted on the plans submitted herewith pursuant to the appropriate provisions of the Code.

BACKGROUND INFORMATION

In support of this petition, the Petitioner represents to the City of Naperville as follows:

- 1. The owner of the Property is Illinois Health and Hospital Association, an Illinois not-for-profit corporation (hereinafter, the "IHA").
- 2. The Petitioner, M/I Homes of Chicago, LLC, whose address is 2135 City Gate Lane, Suite 620, Naperville, Illinois 60563, is the Petitioner and contract purchaser of the Property.
- 3. The Property consists of approximately 12.18 acres located at 1151 E. Warrenville Road, Naperville, Illinois.

- 4. The Property is currently zoned RD (Research/Development District).
- 5. The existing zoning districts and land uses surrounding the Property are as follows:
 - a. North: R-2 Unincorporated DuPage County (Single-Family Detached)
 - b. East: R-2 Unincorporated DuPage County (Single-Family Detached); and ORI in the City of Naperville (Chervon Offices)
 - c. South: ORI City of Naperville BMO Harris Bank Corporate Offices
 - d. West: E-1 City of Naperville DuPage County Forest Preserve & OCI DuPage Montessori School
- 6. The Property is improved with an approximately 3-story 61,000 square foot office building constructed circa 1980 that is owned and occupied by the IHA.
- 7. The Property is effectively a flag lot, with a limited 66' wide frontage along Warrenville Road.

DEVELOPMENT SUMMARY

The Property is located in the City of Naperville, just north of Warrenville Road. The Property is presently improved with a 3-story 68,000 square foot office building originally constructed circa 1980. The Property is uniquely positioned without direct frontage on a public right-of-way (Warrenville Road). In fact, the office building is located almost 800 feet north of Warrenville Road, with zero visibility from Warrenville Road. Access to the Property is obtained via a shared private road which transgresses across adjacent property. While this remote location creates an idyllic setting, it also creates practical operational difficulties and distinct disadvantages in a very competitive office marketplace. By way of example, the lack of visibility, the remote parking field, and inaccessibility to amenities, puts the building at a competitive disadvantage to other office property in the corridor.

IHA, as the owner of the Property, currently occupies approximately 48,000 square feet in the building. However, IHA has implemented an alternative workplace strategy which reduces its space needs by almost 50%. As a result, IHA has elected to sell the Property but maintain a

Naperville address with the lease of space at 1120 E. Diehl Road, a space that is appropriately sized and meets employee needs with a modern amenitized building. IHA's real estate advisors at Avison Young marketed the Property for sale, ultimately determining that the highest and best use of the Property was for redevelopment.

The Petitioner and contract purchaser of the Property is M/I Homes ("M/I"). M/I has been building homes for over 40 years, with operations in 9 states and 16 different markets. In Illinois, M/I will close on the sale of nearly 700 homes in 2024, making it one of the top homebuilders in the Chicagoland market. M/I brings decades of construction and development experience to each project and has found success building communities that offer quality housing options designed to serve individuals at various stages of their lives. M/I proposes to develop the Property as a unique new enclave in north Naperville, targeting young professionals looking to establish a presence in Naperville and move-down buyers who have raised a family in Naperville and seek to maintain their lifestyle in Naperville, albeit in a new low-maintenance community.

To be known as Northwoods, M/I proposes a new residential community which consists of sixty-four (64) single-family townhomes located on approximately 12.18 acres (the "Development"). Northwoods, as its name suggests, is envisioned as a unique enclave surrounded by nature, but only minutes from the many amenities offered by life in Naperville. The proposed Development is consistent with the City's Land Use Master Plan which designates the Property for "medium density residential." Under the Land Use Master Plan, Medium Density Residential correlates to typical densities up to 12 units/acre (Page 42) and is intended to "transition from more intensive land uses to quiet single family and duplex residential neighborhoods" (Page 66). At approximately 5 units/acre, Northwoods represents a conscientious transition between the I-88 corridor and lower intensity uses adjacent (Forest Preserve and County residential).

In developing a plan for Northwoods, Petitioner has taken great care to minimize the impact of the project on the natural context of the Property. While the Property includes a 66' corridor which aligns with an existing lighted access to Warrenville Road, Petitioner proposes minor upgrades to the existing private road. A new public road would entail significant grading of the Property, the removal of quality trees, and the placement of a road along the boundary of the Danada Forest Preserve. In lieu of constructing a new public road, Petitioner proposes minor widening of the existing private road surface, the addition of curb-and-gutter, and the installation of a pedestrian walkway; all of which can be done in a manner which appropriately serves the new residential development while minimizing the disturbance of existing grades and surrounding vegetation. Consistent with this theme, Petitioner has strategically minimized the scope of disturbance associated with the overall development of Northwoods. The total area of the Property is over 530,000 square feet, but Petitioner's net new impervious area is just 21,000 square feet. Petitioner proposes the establishment of a large "Preservation Covenant" which will forever protect the natural resources on the eastern portion of the Property. Along the shared property line with the Danada Forest Preserve, Petitioner proposes a 15' native planting buffer zone which will create a natural transition between development and the Forest Preserve Property. In total, the plan for Northwoods incorporates 7.85 acres of open space (as measured per Naperville Code), representing approximately 65% of the total area of the Property.

Northwoods includes two unique townhome products. Two-story front-load townhomes line the east and north perimeter of the private entrance drive. These units are strategically located to appropriately transition to the adjacent County residential north of the Property. These two-story townhomes are part of M/I's "Revival Series", which includes units ranging from 1,994 to 2,436 square feet. Notably, one end-unit in each building in the Revival Series is a first-floor master

bedroom model. Given the unique topography of the Property, all of the Revival Series buildings will include a look-out or walk-out basement condition. The units west of the private entrance drive area are all rear-load three-story townhomes. The three-story townhomes are part of M/I's "Urban Series", which includes units ranging from 2,474 sq ft. to 3,111 sq ft. The Urban Series townhomes will be built slab-on-grade, but will have an accessible rooftop deck with an associated bonus room. The proposed buildings all meet and in most-cases exceed applicable setbacks of the underlying zoning district. The Lot Area associated with each dwelling unit is 8,289 square feet, which is more than 2x the minimum threshold established under the zoning ordinance.

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.

CONDITIONAL USE TO ALLOW SINGLE-FAMILY ATTACHED HOMES IN THE OCI ZONING DISTRICT

- 1. The proposed development meets the requirements for a conditional use as follows:
 - a. The establishment, maintenance or operation of the conditional use will not be detrimental to, or endanger the public health, safety and general welfare; and

The conditional use will enable the development of the Subject Property to facilitate the logical growth and extension of the City in a creative and innovative fashion, in support of the general welfare of the City. Petitioner's proposal is the product of modern innovative planning, resulting in a unique environment sought out by young professionals and empty nesters. Petitioner's proposed planned unit development is consistent with the City's land use master plan which anticipates this property as medium density residential. Petitioner's proposed development at this particular location is situated to provide desirable housing in the interest of the Naperville public and will contribute to the general welfare of the community. Notably, there has been an influx of suburban, single family attached homebuyers, and a lack of housing stock to satisfy the

recent demand. M/I believes that the proposed development will be very successful at this location provided the adjacent land uses. The development will provide a natural transition from the single-family homes to the north and office/business uses to the south, all of which is in line with the purpose of the OCI district and the designated future land use under the City's land use master plan. Accordingly, M/I's proposed Development will contribute to the general welfare of the neighborhood and community by providing a diverse housing stock and additional residents to continue to support the City's tax base and the business community, which will ultimately support the long-term viability of the Corridor.

b. The conditional use will not be injurious to the use and enjoyment of other property in the immediate area for the purposes already permitted, nor substantially diminish and impair property values within the neighborhood; and

The proposed demolition of the existing structure on the Subject Property is a net benefit to other properties in the area. In reducing the supply of office space, the market will move closer toward balance of supply and demand. Only after supply and demand reach equilibrium will the office market begin to rebound to a point where reinvestment begins to make economic sense. The redevelopment of the Subject Property as a townhome community will support the ultimate turn-around of the office market by creating a more dynamic and vibrant community. Recognizing the Subject Property's shortcomings provided its lack of Warrenville Road frontage allows Petitioner to repurpose the Subject Property in a way much more compatible with the surrounding areas. The proposal removes blighted conditions that are not viable for future users while addressing the growing need for diverse housing in Naperville. In turn, the proposal ultimately supports the long-term viability of the I-88 Corridor as an employment center by way of helping to balance the supply and demand of available offices.

Petitioner has strategically minimized the scope of disturbance associated with the overall

development of Northwoods. The total area of the Property is over 530,000 square feet, but Petitioner's net new impervious area is just 21,000 square feet. Petitioner proposes the establishment of a large "Preservation Covenant" which will forever protect the natural resources on the eastern portion of the Property. Along the shared property line with the Danada Forest Preserve, Petitioner proposes a 15' native planting buffer zone which will create a natural transition between development and the Forest Preserve Property. In total, the plan for Northwoods incorporates 7.85 acres of open space (as measured per Naperville Code), representing approximately 65% of the total area of the Property. Accordingly, the conditional use will not be injurious to adjacent properties.

c. The establishment of the conditional use will not impede the normal and orderly development and improvement of the adjacent property for uses permitted in the district; and

The proposed development will not impede normal and orderly development or improvement of adjacent property. The adjacent properties to the north are single family residential in unincorporated DuPage County. In addition, Petitioner proposes the establishment of a large "Preservation Covenant" which will forever protect the natural resources on the eastern portion of the Property adjacent to the eastern wetlands. The Property west is owned by the Forest Preserve District of DuPage County and will not be developed. South of the Property and east of the entrance drive are large office users — namely Chervon and BMO Harris Bank. These offices have Warrenville Road frontage and BMO even has visibility from I-88. The proposed community makes it possible for these offices with prime frontage within the Corridor to have a better chance at occupancy success by removing a competing and available office building and replacing it with a use that provides a logical land use transition and is much more compatible with its surrounding properties in accordance with the Land Use Master Plan.

d. The establishment of the conditional use is not in conflict with the adopted comprehensive master plan.

The Subject Property is designated for "medium density residential" under the City's future land use plan. The goal of medium density residential designated properties is to respect the character of existing neighborhoods while supporting the City's changing demographics and market. Notably, the primary use identified for medium density residential designated properties are single-family attached homes. The City's land use master plan's guiding principle #1 is "ensuring housing is diverse, responsive to community needs, and accessible to everybody." To achieve this goal, the City notes the importance of preservation of neighborhood character and natural areas and supporting redevelopment that is compatible with natural resources. Not only will the proposed townhome community enhance the diversity of the City's housing stock and address the needs of buyers in all stages of life, but Petitioner has also taken great care to preserve the site's natural features to create a unique residential enclave to provide the appropriate transitions between uses, all in line with the adopted land use master plan.

APPROVAL OF A PRELIMINARY PLAT OF SUBDIVISION

- 1. Petitioner seeks approval of the Preliminary Plat of Subdivision, a copy of which has been submitted herewith.
- 2. The proposed subdivision meets the standards for a subdivision consistent with the standards set forth in the Code with the exception of the following deviations to permit private roads and a pedestrian walkway in accordance with the plans submitted herewith. The requested deviations meet the standards for granting a subdivision deviation as follows:
 - a. The Petitioner has shown that strict adherence to the provisions of this Title would cause unnecessary hardship due to conditions which are unique to the site and not caused by the owner or Petitioner.

The Subject Property is unique in that it is situated 800 feet north of Warrenville Road and

is surrounded by unincorporated single-family residences to the north, wetlands to the east, and the DuPage County Forest Preserve to the west. While the Property includes a 66' corridor which aligns with an existing lighted access to Warrenville Road, Petitioner proposes minor upgrades to the existing private road. A new public road would entail significant grading of the Property, the removal of quality trees, and the placement of a road along the boundary of the Danada Forest Preserve. In lieu of constructing a new public road, Petitioner proposes minor widening of the existing private road surface, the addition of curb-and-gutter, and the installation of a pedestrian walkway; all of which can be done in a manner which appropriately serves the new residential development while minimizing the disturbance of existing grades and surrounding vegetation. In lieu of a traditional sidewalk, the pedestrian walkway will extend along the western property line adjacent to the forest preserve and thus efficiently separate vehicular from pedestrian traffic in accordance with the City's Code regulations. In addition, the private drive and walkway will be owned and maintained by the community's homeowner's association thereby relieving the City's municipal services from any obligation to maintain. Due to the limited frontage along Warrenville Road, the surrounding uses, and the private nature of the proposed subdivision, a private drive and configuration of the pedestrian walkway serving the community will be more well-suited in this location.

b. The requested subdivision deviation is not contrary to the intent and purpose of the provisions of this Title.

The purpose of this provision is to afford convenient access to all property within the subdivision and to effectively separate vehicle and pedestrian traffic from one another. The proposed private drive will maintain 24' width to effectively accommodate two moving lanes of traffic and thus will provide efficient traffic circulation throughout the community. In addition, the pedestrian walkway is designed to extend around the community to provide a recreational

amenity separate from vehicular traffic.

WHEREFORE, by reason of the foregoing, and based on any testimony that may be

proffered at the public hearing, the undersigned Petitioner requests the Village take the necessary

steps to: (i) rezone the Property from RD to the City's OCI District; (ii) approve a conditional use

for single-family attached dwellings in the OCI District; (iii) approve a preliminary plat of

subdivision with associated deviations; and (iv) such other variances, departures, and deviations

as may be necessary and appropriate to develop the Property and as depicted on the plans submitted

herewith pursuant to the appropriate provisions of the Code.

RESPECTFULLY SUBMITTED this 3^{rd} day of January, 2025

PETITIONER:

M/I HOMES OF CHICAGO, LLC

inte 9. Coul

Attorney for Petitioner

EXHIBIT A LEGAL DESCRIPTION

ALL OF LOT 1 IN I.H.A. SUBDIVISION BEING A SUBDIVISION OF PART OF SECTION 5, TOWNSHIP 38 NORTH RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN. ACCORDING TO THE PLAT THEREOF RECORDED DECEMBER 10, 1982 AS DOCUMENT NO. R82-57652, EXCEPT THAT PART LOCATED IN "PARCEL B" CONVEYED TO CHRISTIANITY TODAY, INC. AND DESCRIBED AS FOLLOWS: THAT PART OF LOT 1 AND ALL OF LOT 2 IN I.H.A. SUBDIVISION, BEING A SUBDIVISION OF PART OF SECTION 5, TOWNSHIP 38 NORTH RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED DECEMBER 10, 1982 AS DOCUMENT NO. R82-57652 DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHEAST CORNER OF SAID LOT 1; THENCE SOUTH 88 DEGREES 39 MINUTES 02 SECONDS VEST, ALONG THE SOUTH LINE OF SAID LOT 1, A DISTANCE OF 133.98 FEET TO A LINE THAT IS 66.00 FEET EASTERLY, AS MEASURED PERPENDICULAR TO, OF THE WEST LINE OF SAID LOT 1; THENCE NORTH 00 DEGREES 07 MINUTES 00 SECONDS WEST, PARALLEL TO SAID WEST LINE OF LOT 1, A DISTANCE 470.00 FEET; THENCE NORTH 88 DEGREES 39 MINUTES 02 SECONDS EAST, PARALLEL TO THE SOUTH LINE OF SAID LOTS 1 AND 2, A DISTANCE OF 443.91 FEET TO THE NORTHWESTERLY LINE OF SAID LOT 2; THENCE NORTH 62 DEGREES IN 18 MINUTES 03 SECONDS EAST, ALONG SAID NORTHWESTERLY LINE OF LOT 2, A DISTANCE OF 285.41 FEET TO THE NORTHEAST CORNER OF SAID LOT 2; THENCE SOUTH 27 DEGREES 41 MINUTES 57 SECONDS EAST, ALONG THE NORTHEASTERLY LINE OF SAID LOT 2, A DISTANCE OF 665.74 FEET TO THE SOUTHEAST CORNER OF SAID LOT 2; THENCE SOUTH 88 DEGREES 39 MINUTES 02 SECONDS WEST, ALONG THE SOUTH LINE OF SAID LOT 2. A DISTANCE OF 871.28 FEET TO THE POINT OF BEGINNING BEING SITUATED IN THE VILLAGE OF NAPERVILLE, DUPAGE COUNTY, ILLINOIS.

PIN: 08-05-100-028

Commonly Known As: 1151 E. Warrenville Road, Naperville, Illinois 60563