# **REAL ESTATE APPRAISAL & CONSULTING SERVICES**

#### August 13, 2021

#### Market Evaluation Prepared by Mary M. Linberger, MAI

I have provided real estate appraisal and consulting services for over 30 years with a focus on litigation-related matters. I particularly specialize in evaluating the impacts of various developments on surrounding properties. My clients include public agencies, municipalities, title insurance companies, developers and real estate owners throughout the Chicago area. My qualifications are included in this report.

#### **Assignment and Primary Conclusion**

The Islamic Center of Naperville (ICN) has proposed an approximately 121,000 square foot Development with religious, educational, athletic and event space components to be located on a 13.6 acre site in a low density residential area. It will be constructed in five phases over a period which may extend for decades (or not). Since ICN is seeking full approval for the entire project, I am addressing this scenario.

In considering whether this Development will impact the values of surrounding properties, I evaluated its physical and operational aspects as well as its neighborhood, researched the applicable zoning requirements, considered its likely traffic generation and investigated a range of other religious facilities located throughout metro Chicago including Naperville. I also reviewed numerous research articles addressing the value impact both of religious facilities and of high traffic levels on the values of surrounding properties.

#### **Market Factors**

The real estate market seeksscoconsistency.An element regularlytradiscussed in evaluating a property'srodhighest and best use is whether it isrodconsistent with the surroundingalodevelopments in terms of use, size andscope.scope.In these regards, theDevelopment is substantially larger insize and scope than the surroundingproperties and is a far more intensive land use.

It is my professional opinion that the size and scope of this Development will result in high traffic levels in relation to the capacity of the area roadways and will thereby negatively impact the values of the homes closest to the Development along 248<sup>th</sup> Avenue.

1017 RIDGE AVENUE EVANSTON, ILLINOIS 60202 PHONE 312.968.1017 EMAIL mary@marylinberger.com <u>Religious facilities are not per se injurious to the values of surrounding properties</u>. I found no evidence of value loss associated with any of the religious facilities I investigated and the research I reviewed that addressed the interface of religious properties and their surrounding developments also indicated no evidence of a negative value impact.

There is broad acceptance by professionals brokering, valuing and financing single-family homes that <u>higher traffic levels negatively impact value</u>. Buyers and sellers accept this premise and academic research supports it as well. Value reductions tend to increase in tandem with traffic volumes. This Development represents a large source of new traffic in this area which will primarily impact 248<sup>th</sup> Avenue.

In my experience, more expensive homes are likely to experience a greater adverse impact from high traffic, as these buyers have the financial capacity to be more demanding as to the home itself and its location. For the homes closest to 248<sup>th</sup> Avenue and in the immediate vicinity of the Development, it is my opinion this loss in value could be approximately five percent.

# Inconsistency of the Development with Zoning Requirements and Established Land Use Patterns

The Development will occupy a 13.6-acre interior site in a low density residential neighborhood. Its only road frontage will be on 248<sup>th</sup> Avenue, a mostly two-lane non-commercial roadway with a 24-hour traffic count of 11,500 to 12,000 cars (based on IDOT data gathered in 2019).



**AERIAL VIEW OF PROPOSED DEVELOPMENT SITE AND SURROUNDING AREA** LINBERGER & COMPANY, LLC

The proposed improvements will total approximately 121,000 square feet and include the following components:

	Building	% of Total
	Square Feet	<b>Building Area</b>
Mosque (at completion)	31,665	26.1%
School – 25 classrooms	41,749	34.4%
Multi-Purpose (Event) Space	22,226	18.3%
Gymnasium	25,595	<u>21.1%</u>
Total	121,235	100.0%

Of this total, about 26 percent will be worship space.

As currently proposed, the mosque can accommodate approximately 850 worshipers while the multi-purpose/event space can accommodate about 500 people (although the maximum capacity may be higher). The school is expected to enroll 250 students in grades pre-K through junior high (although the maximum capacity may be higher). This program will operate five days per week during the school year. In addition, there will be religious education on Saturdays with an anticipated enrollment of 500 students (although the maximum capacity may be higher).

Naperville is home to five religious facilities which the Hartford Institute for Religion Research classifies as "mega-churches" where the weekly attendance is estimated at no less than 2,000 adults and children. These facilities are located along major roadways and have access points on more than one street. In these regards, they are clearly distinguishable from the Development which has an interior location on a single secondary roadway.

#### <u>The Development would appear to be similar in operational size to a "mega-church" but lacks</u> the road infrastructure capacity of these large facilities.

This Development is in an R1 zoning district where religious institutions are considered a conditional use. This district does not permit event spaces or gymnasiums.

While event space is a typical component of religious facilities, the Development will include over 22,000 square feet of such space in a dedicated structure. As noted above, it can accommodate at least 500 persons. The scope of this space would seem to be consistent with commercial event venues and will be a major traffic generator. In addition, there will be approximately 8,000 square feet of basement event space in the original mosque.

While gymnasiums are typically included within a school, in this instance, this 25,000 square foot space appears to be a separate element. The school is being developed as the second phase of the Development, while the gymnasium constitutes the fourth phase. Furthermore, ICN has indicated that the gymnasium will be used primarily by adults on nights and weekends,

not by the school. As a result, it will function similarly to a commercial health club or recreation facility.

The Development's event space and gymnasium together constitute almost 40 percent of the total building area, an allocation which would seem to exceed the bounds of what could reasonably be considered "ancillary uses". On this basis, I do not believe the Development complies with the uses permitted under the R1 District.

The Development will include 726 parking spaces. If this site were to be developed with a residential use that required this number of spaces, it would total 323 units (assuming 2.25 off-street spaces per unit), or a density of 23.7 units per acre. This appears to exceed what is allowed under Naperville's highest density multi-family district (R4) and would likely be considered out of place for this single-family area.

#### The Development reflects a density that is out of character with the surrounding area.

There are religious facilities in other low-density residential neighborhoods of Naperville, but they are smaller and have much more green space than the Development. The Development's site plan consists overwhelmingly of buildings and parking lots and most of its limited open space is a detention pond that adjoins some single-family homes to the east. This contrast can be seen by comparing the Development's site plan shown below with the aerial photos of other neighborhood religious facilities in the Addendum to this report.



# <u>Religious facilities in neighborhoods similar to that surrounding the Development are far</u> <u>smaller and less dense.</u>

# **Traffic Study**

ICN provided a Traffic Impact Study prepared by KLOA and dated October 12, 2020. This study addresses traffic conditions surrounding the Development site and makes specific projections as to the traffic flow along 248<sup>th</sup> Avenue (1) at present, (2) at completion of Phase 1 and (3) at full build out.

The following tables summarize the study's projected Levels of Service (LOS) and delays at various times and locations along 248<sup>th</sup> Avenue. These tables appear on pages 22 through 24 of the study and any highlighting has been added. The study predicts that the most significant decline in functioning will occur at build out around the intersection of the Development's south access road and Honey Locust Drive (Table 2). According to experts retained by the surrounding property owners, this traffic situation is unacceptable.

The study appears to assume that Naperville will widen 248th Avenue to four lanes although, to my knowledge, this is not a certainty. However, the surrounding owners' experts believe that even if this work is completed, more improvements will be needed for traffic to flow efficiently.

As a result, these experts believe that Naperville is likely to incur significant future road improvement expenses (beyond what is already contemplated) to accommodate a project that would be better located in an area with greater existing road capacity.

	Weekday Morning Peak Hour		Weekday Afternoon Peak Hour		Weekday Evenin Peak Hour	
	LOS	Delay	LOS	Delay	LOS	Delay
Existing Traffic Volumes						
Eastbound Left Turn	С	22.4	В	12.4	С	21.9
Eastbound Right Turn	В	11.3	В	10.5	С	16.1
Northbound Left Turn	А	8.3	Α	8.1	А	10.0
Year 2025 Projected Traffic	Volum	es <sup>1</sup>				
Eastbound Left Turn	D (C)	29.5 (18.2)	<b>F</b> (D)	80.6 (30.4)	D (D)	32.0 (28.2)
Eastbound Thru/Right Turn	B (B)	11.6 (10.1)	<b>C</b> (C)	1 <mark>9.1</mark> (18.3)	C(B)	17.3 (12.8)
Westbound Left Turn	- (-)	- (-)	<b>F</b> (F)	99+ (99+)	D (C)	31.3 (21.9)
Westbound Thru/Right Turn	- (-)	- (-)	B (B)	14.1 (12.3)	B (B)	14.3 (11.9)
Northbound Left Turn	A(A)	8.3 (8.3)	A (A)	8.2 (8.2)	<b>B</b> (B)	10.2 (10.2)
Southbound Left Turn	- (-)	- (-)	B (B)	10.4 (10.4)	A (A)	9.10 (9.1)
Year 2050 Projected Traffic	Volum	es <sup>1</sup>				
Eastbound Left Turn	(E)	(39.2)	(F)	(85.8)	(E)	(47.0)
Eastbound Thru/Right Turn	(B)	(13.3)	(E)	(42.1)	(C)	(15.5)
Westbound Left Turn	(F)	(55.2)	(F)	(99+)	(E)	(36.0)
Westbound Thru/Right Turn	(C)	(17.3)	(C)	(21.6)	(B)	(13.4)
Northbound Left Turn	(A)	(8.8)	(A)	(8.8)	(B)	(11.7)
Southbound Left Turn	(B)	(13.7)	(B)	(12.0)	(A)	(10.0)

#### Table 2 CAPACITY ANALYSIS RESULTS - 248TH AVENUE WITH HONEY LOCUST DRIVE AND SOUTH ACCESS DRIVE

LOS = Level of Service; Delay = Seconds

XX = Results of LOS and delay assuming existing conditions
(XX) = Results of LOS and delay assuming the 248<sup>th</sup> Avenue improvements
1 – Assumes a southbound left-turn lane will be provided on 248<sup>th</sup> Avenue serving the access drive under both

existing conditions and with the 248th Avenue improvements

#### Table 3

CAPACITY ANALYSIS F	RESULTS	– 248 <sup>th</sup> A'	VENUE W	ITH NORTH	ACCESS I	DRIVE
	Weekday Morning Peak Hour		Weekday Afternoon Peak Hour		Weekday Evening Peak Hour	
	LOS	Delay	LOS	Delay	LOS	Delay
Year 2025 Projected Tra	affic Volu	mes				
Westbound Right Turn	- (-)	- (-)	B(B)	14.3 (11.7)	<mark>B (</mark> B)	13.8 (10.8)
Year 2050 Projected Tra	affic Volu	mes1				
Westbound Left Turn	(E)	(36.0)	(F)	(99+)	(D)	(28.4)
Westbound Right Turn	(C)	(15.8)	(C)	(21.5)	(B)	(12.7)

LOS = Level of Service; Delay = Seconds

Southbound Left Turn

XX = Results of LOS and delay assuming existing conditions

(XX) = Results of LOS and delay assuming the 248th Avenue improvements

(B)

1 - Assumes a southbound left-turn lane will be provided on 248th Avenue serving the access drive with the 248th Avenue improvements

(B)

(13.0)

(B)

(10.5)

#### Table 4

#### CAPACITY ANALYSIS RESULTS - 248TH AVENUE WITH LANDSDOWN AVENUE

(13.4)

	Μ	Weekday Morning Peak Hour		Weekday Afternoon Peak Hour		Weekday Evening Peak Hour	
	LOS	Delay	LOS	Delay	LOS	Delay	
Existing Traffic Volumes							
Westbound Approach	С	20.7	В	12.0	В	14.7	
Southbound Left Turn	А	9.8	А	8.1	А	8.7	
Year 2025 Projected Trat	fic Volum	es					
Westbound Approach	C (B)	22.5 (13.5)	B (B)	14.5 (11.1)	C (B)	15.8 (11.3)	
Southbound Left Turn	B (B)	10.0 (10.0)	A (A)	8.5 (8.6)	A(A)	8.9 (8.9)	
Year 2050 Projected Trat	fic Volum	es					
Westbound Approach	(C)	(17.5)	(B)	(13.0)	(B)	(12.9)	
Southbound Left Turn	(B)	(11.7)	(A)	(9.4)	(A)	(9.8)	
LOS = Level of Service; Delay XX = Results of LOS and delay (XX) = Results of LOS and dela	assuming exi		mprovement	s			

#### Table 5 CAPACITY ANALYSIS RESULTS – 248<sup>TH</sup> AVENUE WITH LAPP LANE

	Μ	Weekday Morning Peak Hour		Weekday Afternoon Peak Hour		Weekday Evening Peak Hour	
	LOS	Delay	LOS	Delay	LOS	Delay	
Existing Traffic Volumes							
Westbound Approach	С	23.2	В	10.2	С	23.0	
Southbound Left Turn	В	10.6	А	8.0	А	8.9	
Year 2025 Projected Trat	fic Volum	es					
Westbound Approach	D (B)	25.0 (14.7)	C (B)	16.8 (11.8)	D (B)	27.7 (13.6)	
Southbound Left Turn	B (B)	10.8 (10.8)	A (A)	8.6 (8.6)	A(A)	9.1 (9.1)	
Year 2050 Projected Trat	fic Volum	es					
Westbound Approach	(C)	(20.1)	(C)	(15.3)	(C)	(16.5)	
Southbound Left Turn	(B)	(13.2)	(A)	(9.6)	(B)	(10.2)	
LOS = Level of Service; Delay XX = Results of LOS and delay (XX) = Results of LOS and dela	assuming exi		mprovement	s			

# **INFORMATION SOURCES**

Among the information sources I considered, are the following:

- Naperville's Zoning Ordinance and Comprehensive Plan (both current and proposed updates),
- Minutes of various public hearings addressing the Development,
- Journal articles and research papers addressing the impact of traffic on surrounding residential property values,
- Journal articles and research papers addressing the impact of religious facilities on surrounding property values,
- Transaction data from the Multiple Listing Service for residential properties surrounding a variety of Chicago-area religious facilities and for residential properties near the Development site,
- KLOA Traffic Impact Study for the Development dated October 12, 2020,
- Structural, parking, and site plan analyses of the Development prepared by Dome Structural Engineers on various dates in April and July 2021,
- Intech Consultants Parking Study of the Development dated July 26, 2011,
- An undated building capacity analysis of the Development provided by representatives of ICN,

- Heager Engineering Memo dated August 13, 2021 and conversations with Joseph Zgnoina on May 10 and August 12, 2021
- Rolf Campbell Associates Planning Memo dated August 13, 2021. Conversations with Al Maiden and Chris Heinen on May 10, 2021, as well as with Chris Heinen on August 12, 2021
- Articles from local news sources relating to ICN's plans over the past several years,
- A power point presentation expressing the concerns of area property owners regarding the Development dated February 17, 2021, and
- Inspection of the subject site and the surrounding area.

# STATEMENT OF QUALIFICATIONS

#### EDUCATION

Ms. Linberger was an undergraduate at LeMoyne College in Syracuse, New York, and a graduate student at the University of Chicago. Her undergraduate and graduate majors were in political science.

She holds the MAI designation from the Appraisal Institute and is a certified general appraiser in Illinois. She is a member of Lambda Alpha, a national land economics fraternity.

#### EXPERIENCE

Ms. Linberger has been engaged in providing real estate appraisal and consulting services for over 30 years. She was initially employed by the Marling Group, a Chicago -based firm that provided appraisal and consulting services to an institutional clientele on a national basis. In 1985, she formed her own firm.

#### AREAS OF SPECIALIZATION

Ms. Linberger specializes in litigation-related matters and has extensive testimony experience in various courts as well as before public bodies. Some of her assignments have included:

- Evaluating the impact of a proposed multi-story residential development on the values of surrounding low-rise properties;
- Evaluating the value impact on surrounding commercial properties of converting private parking lots in a suburban downtown to free, municipally operated parking;
- Evaluating the impact of a proposed pharmacy drive-through window on the values of surrounding residential properties;
- Valuing a golf course and surrounding development land being acquired by a public body;
- Estimating the value of the air rights over a municipally-owned parking garage; and
- Evaluating the value impact of a proposed public utility easement that would cross a prime development parcel.

#### CLIENTS

The following is a representative list of clients with whom she has worked:

#### Law Firms

Dinsmore & Shohl Dykema Gossett Figliulo & Silverman Helm & Wagner Holland & Knight Swanson, Martin & Bell

#### **Public Bodies**

Chicago Department of Aviation Chicago Public Building Commission Chicago Public Schools Chicago Transit Authority Illinois Department of Transportation Metropolitan Pier & Exposition Authority University of Illinois Wheaton Sanitary District

#### **Municipalities**

City of Berwyn City of Chicago City of Elmhurst City of Northlake Village of Oak Park City of West Chicago

#### **Private Companies**

Bank of America Carvana Dogtopia Centrum Properties Fidelity National Financial Gladstone Homes Optima

# ADDENDUM

Photographs of Naperville Churches in Low Density Residential Neighborhoods



Bethany Lutheran Church and School (Grades K-8) 1550 Modaff Road, Naperville



Book Road Baptist Church 2012 Wicklow Road, Naperville



Grace United Methodist Church 300 East Gartner Road, Naperville



Word of Life Lutheran Church 879 Tudor Drive, Naperville



St. Raphael Church and School (Grades K-8) 1215 Modaff Road, Naperville

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