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Title: Conduct the public hearing for CityGate West - PZC 20-1-022 (Item 1 of 4)

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Date	Ver.	Action By	Action	Result
11/18/2020	1	Planning and Zoning Commission	approved	Pass

PLANNING AND ZONING COMMISSION AGENDA ITEM

ACTION REQUESTED:

Conduct the public hearing for CityGate West - PZC 20-1-022 (Item 1 of 4)

DEPARTMENT: Transportation, Engineering and Development

SUBMITTED BY: Sara Kopinski, AICP

BOARD/COMMISSION REVIEW:

Official notice for the public hearing for PZC 20-1-022 was published in the Daily Herald on August 3, 2020.

BACKGROUND:

Inter-Continental Real Estate & Development Corporation is the petitioner proposing CityGate West, a mixed-use development planned to offer a live, work, play environment that complements the surrounding area.

The subject property is located at the southwest corner of IL Route 59 and Ferry Road, and consists of approximately 60.226 acres. The property is currently zoned I (Industrial District) and consists largely of vacant land. Renovations to the Odyssey Fun World site are proposed as part of the project, as well as improved connectivity with the nearby Top Golf and Whirlyball establishments.

The Northwest Sector Plan designates the subject property as Business Park. Per the City’s Land Use Master Plan update, this area is generally recommended for a diverse mix of uses including

shopping, service, entertainment, and employment destinations, to draw customers and visitors from throughout the City and surrounding region; however, the Master Plan update has not yet been reviewed by the City Council. Staff finds that the proposed mix of uses could collectively create a regional destination with a unique character and synergy between the differing uses.

DISCUSSION:

Several entitlements are requested as part of the CityGate West development and are identified in the **Entitlement Request Table** attached to this agenda item. Staff is generally supportive of the development and finds it to be consistent with the City's long-range vision, as identified in the pending update; however, there are multiple features of the development that staff does not support based on the information and lack of detail provided. These components are detailed in the **Key Development Components** section of this report.

Key Development Components

Full Service Hotels

Full service hotels are identified as a conditional use within the OCI zoning district, and limited service hotels are not permitted. [Section 6-7F-4 \(Required Conditions\)](https://library.municode.com/il/naperville/codes/code_of_ordinances?nodet=TIT6ZORE_CH7BUDI_ARTFOCOFCOINDI_6-7F-4RECOALUS) <https://library.municode.com/il/naperville/codes/code_of_ordinances?nodet=TIT6ZORE_CH7BUDI_ARTFOCOFCOINDI_6-7F-4RECOALUS> of the Code outlines requirements for full service hotels within the OCI zoning district, which include a minimum size of 150,000 square feet, banquet and/or meeting space for at least 500 persons; a swimming pool and/or exercise facilities; and, a restaurant within the physical confines of the hotel that also provides room service.

The petitioner has requested approval of a conditional use for two hotels on Lots 11 and 15 of CityGate West; however, since these hotels does not meet the full-service hotel requirements established in the code, the petitioner is also seeking deviations to these required conditions as follows:

- The petition states that the hotel planned for Lot 11 will have a swimming pool and exercise facilities, and that room service will be provided; however, it does not meet the minimum size of 150,000 square feet, does not provide banquet and/or meeting space for at least 500 persons, and does not have a restaurant within the physical confines of the hotel.
- The petition states that the hotel planned for Lot 15 will have a swimming pool and exercise facilities, and that room service will be provided; however, it does not meet the minimum size of 150,000 square feet, does not provide banquet and/or meeting space for at least 500 persons, and does not have a restaurant within the physical confines of the hotel.

Based on the information provided, staff does not feel the proposed hotels meet the intent of full service hotels as identified for the OCI zoning district, and is not supportive of the hotels as proposed. The petitioner's responses to the necessary standards for each entitlement pertaining to full service hotels can be found in the attachments. Staff does not concur with the petitioner's findings for the reasons noted below:

- The petition states that Top Golf and WhirlyBall provide restaurants and event space within the CityGate West grounds; however, Top Golf and Whirlyball are not included in the proposed PUD and will not be governed by any ordinances associated with CityGate West. Staff has communicated to the petitioner that these banquet facilities cannot satisfy the Code's required

conditions for full service hotels unless the CityGate West PUD is expanded to include these properties. Without inclusion in the PUD, there is no ability to address concerns that banquet/meeting space as required within the OCI zoning district be maintained should these separate, neighboring facilities cease to exist.

- The Municipal Code requires meeting or banquet space for at least 500 people for each full service hotel. Based on information provided by the petitioner, Top Golf has meeting space for 520 people and Whirly Ball has meeting space for 347 people. Accordingly, even if these facilities were counted towards the banquet space requirement, only one of these facilities has a meeting space capacity of more than 500 persons. Therefore, staff does not find these facilities sufficient enough to satisfy the requirements of two separate hotels.
- General details have been provided for a music/theater venue with up to 1,195 seats, a wine bar, restaurant, fine dining, retail and private meeting rooms all totaling to 49,878 square feet on Lot 15 of the development. A 7,200 square foot event facility for up to 360 people is also planned. No elevations or timing/phasing details have been provided for either of these venues, and staff notes they are planned to operate independently from the hotel.

While staff finds these venues to be desirable amenities within the development, they do not meet staff's interpretation of Code requirements for banquet/meeting space with a 500-person capacity nor do they provide assurances as to how/when these amenities may be constructed within the development.

Mixed-use/Multi-family Buildings (Lots 4 and 5)

The petitioner requests approval of a conditional use for multi-family residential on two lots of CityGate West, along with deviations to required lot area, building height, FAR, and parking provisions. Staff is supportive of a residential use so long as it remains secondary in nature and part of a larger, mixed-use development; however, staff finds the proposed density to be inconsistent with previous approvals in the area and recommends a reduction in the number of dwelling units and a reduction in the height deviation requested.

The petitioner's responses to the necessary standards for each residential entitlement can be found in the attachments. Staff does not concur with the responses to the standards submitted by the petitioner for the reasons noted below:

Density

- The petitioner proposes a total of 410 multi-family residential dwelling units to be constructed on the upper floors of two mixed-use buildings. The resulting density is approximately 635 sq. ft. per dwelling unit on Lot 4 (*68.6 dwelling units per acre*), and 615 sq. ft. per dwelling unit on Lot 5 (*70.8 dwelling units per acre*). The OCI zoning district requires 2,600 sq. ft. of lot area per dwelling unit (*16.75 dwelling units per acre*) for multi-family residential; therefore, the petitioner proposes approximately four times more residential dwelling units than would otherwise be permissible by Code.
- In the development petition, the petitioner has noted that Naperville School District 204 has voiced an objection to the CityGate West project because it will generate additional unanticipated school children.
- In August of 2019, City Council approved a major change to the nearby CityGate Centre PUD

(located east of Route 59) to permit a multi-family residential development with a density of approximately 773 sq. ft. per dwelling unit (*56.4 dwelling units per acre*). Staff finds the density proposed for CityGate West to be inconsistent with these approvals and recommends the petitioner reduce the number of dwelling units to achieve a lower density. (*To achieve a density of 750 sq. ft. per dwelling unit, the proposal would need to eliminate approximately 69 dwelling units, for a grand total of 341 dwelling units between the two lots.*) The petitioner has identified that their proposed density is preferable for marketability and does not agree to eliminating any units at this time.

Height

- The petitioner requests approval of a height deviation to allow the buildings to exceed the maximum permitted height of 43 feet in the OCI zoning district and measure 77 feet in height; however, the elevations included in the development proposal illustrate buildings measuring 66 feet in height. It is staff's understanding that a height of 77 feet is desired for consistency with the Lincoln at CityGate development. In the absence of elevations detailing a building that measures 77 feet tall, staff is not supportive of this deviation request.
- Staff does not see a benefit to approving the building elevations provided by the petitioner with an additional 11 feet of height flexibility. The building elevations included in the petitioner's current proposal will be approved as part of the overall PUD request. In order to modify the controlling building elevations within a PUD, the petitioner will be required to return to City Council (and potentially the Planning and Zoning Commission should any additional entitlements be identified at the time of the height increase), meaning additional entitlements would be necessary regardless.
- Staff recommends that a deviation allowing the buildings to exceed the maximum permitted height of 43 feet and measure 66 feet (as illustrated on the building elevations) be approved at this time.

Shared Parking

Staff is supportive of the parking layout as proposed, subject to the condition that a shared parking and cross access be provided throughout the development. The petitioner agrees with staff on these items and details will be addressed at the time of final approvals.

Additional Entitlements

Text Amendment - Eating establishments in the OCI Zoning District

The intent of the OCI zoning district is to act as a transitional zone between intensive business areas and residential neighborhoods. This district should contain office, residential, institutional and support commercial facilities. Currently, several commercial uses including offices, financial institutions, civic buildings, daycare centers, fitness facilities, and services such as barber shops, cleaners, pet grooming, repair shops, and similar businesses are permissible uses in the OCI zoning district. Full-service hotels, general retail, multi-family residential, and other uses are conditional uses in the OCI district.

The petitioner requests approval of a text amendment to designate eating establishments as a conditional use in the OCI zoning district when they are part of a PUD. The petitioner believes that restaurants are a complementary use to those already permitted and that they offer a supporting amenity. Additionally, full-service hotels within the OCI zoning district are required to have eating establishments available to them (whether they are internal to the hotel or provided within a campus or PUD setting).

Staff agrees that eating establishments are appropriate within the OCI zoning district and notes that these uses are often a critical component of a regional destination, such as the anticipated CityGate West development. Staff believes that amending [Section 6-7F-3 \(OCI/Conditional Uses\)](https://library.municode.com/il/naperville/codes/code_of_ordinances?nodeId=TIT6ZORE_CH7BUDI_ARTFOCOFCOINDI_6-7F-3COUS) <https://library.municode.com/il/naperville/codes/code_of_ordinances?nodeId=TIT6ZORE_CH7BUDI_ARTFOCOFCOINDI_6-7F-3COUS> of the Naperville Municipal Code to allow eating establishments as conditional uses when they are part of a PUD will benefit properties zoned OCI without changing the intent of previous amendments or disrupting surrounding residential neighborhoods.

Following the Planning and Zoning Commission's consideration, a proposed text amendment will be forwarded to the City Council for a final decision.

Rezoning to OCI

The petitioner is seeking to rezone the subject property to OCI (Office Commercial and Institutional District). The following zoning districts and land uses abut the subject property:

- the adjacent property to the east is zoned OCI PUD and is developed with CityGate Centre;
- the properties to the northeast are zoned OCI PUD are developed with Monarch Landing and have been entitled for a multi-use sport and entertainment facility;
- the properties to the north are unincorporated and developed with a mix of commercial and office uses; and,
- the properties to the south are separated from the subject property by Interstate 88 and are zoned I (Industrial), B3 (General Commercial), and ORI (Office, Research, and Light Industry), and include offices, restaurants, hotels, and industrial buildings.

This collection of nearby land uses is reflective of the area's function as a destination within the Naperville community. The City's future land use plans recommend that this area feature a diverse mix of uses to draw customers and visitors from throughout Naperville and the surrounding region. Staff finds the proposed OCI zoning district to be accommodating of these goals and compatible with properties in the surrounding area.

Preliminary Planned Unit Development (PUD) & Preliminary PUD Plat

The Municipal Code identifies that the objective of a PUD is to encourage a higher level of design and amenity than is possible to achieve under otherwise applicable zoning regulations. A PUD is intended to permit and encourage flexibility so long as the design criteria identified in Section 6-4-3 (Planned Unit Developments/Design Standards and Criteria) of the Municipal Code are met. The proposed development will accommodate a sixty acre, mixed-use development with common open spaces and modern technologies. Staff believes that as a whole, the proposed design and open space areas satisfy the intent of the City's PUD standards.

Common Open Space

Section 6-4-3:3 of the Municipal Code requires that mixed-use PUDs provide outdoor common areas covering a minimum of 20% of the site. The proposed site layout provides approximately 27.8 acres of common open space area, which is equivalent to 54% of the total lot coverage. These open space areas include: outdoor amenities for hotel guests; pathways through stormwater management areas; and, a multi-purpose, centralized plaza. The petitioner has also identified that the development will be branded in cooperation with Naperville Century Walk and will feature public art displays.

Associated Deviations

Several deviations are requested in conjunction with the PUD request, as listed in the **Entitlement Requests** table in this report. The petitioner believes that the deviations requested will help facilitate the unique destination CityGate West is intended to be.

Conclusions

Staff's support for the overall project is based on the fact that the site plan includes a diverse mix of uses. Should any of the uses proposed be eliminated as the project evolves, staff's level of support and recommendations to City Council may change. To provide the City the assurances staff believes are necessary for this project and all of the associated entitlements to continue to move forward, staff recommends the petitioner be required to provide the following:

1. A detailed phasing plan for the entire PUD, committing to a development sequence that ensures a mix of land uses is maintained.
2. A phasing plan specific to the full service hotels proposed that includes commitments to timing conditions and details about how the CityGate West banquet facilities and hotel(s) will be associated with one another. Staff notes that the support of neighboring property owners (ie Whirlyball) is helpful but since these adjacent properties will not be governed by CityGate West ordinances do not find that these nearby uses satisfy the intent of two full service hotels.
3. Colored building elevations and a floor plan for the proposed event facility on Lot 15 since this will include reuse of the existing Odyssey Fun World building.
4. Revised plans reflecting a reduced residential density and reduced overall building height of 66', as noted above.

Related Files

The following agenda items are related to PZC 20-1-022:

- Consider rezoning the subject property from I District to OCI District for CityGate West - PZC 20-1-022 (Item 2 of 4)
- Initiate a text amendment to designate restaurants as a conditional use within PUDs in the OCI district (CityGate West) - PZC 20-1-022 (Item 3 of 4)
- Consider a conditional use to establish the CityGate West PUD and a preliminary PUD plat; a conditional use to allow multi-family residential on Lots 4 and 5; a conditional use to allow full service hotels on Lots 11 and 15; a conditional use to allow restaurants (subject to approval of Text Amendment) on Lots 1, 2, 6, 7, 8, 9, 12, 13, and 16; a conditional use to allow retail uses on Lots 4, 5, 12, and 13; and, multiple deviations to the Naperville Municipal Code for CityGate West - PZC 20-1-022 (Item 4 of 4)