



## Legislation Text

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File #: 21-168D, Version: 1

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### **CITY COUNCIL AGENDA ITEM**

#### **ACTION REQUESTED:**

Pass the ordinance rezoning the subject property from I District to OCI District for City Gate West and approving a Preliminary Plat of Subdivision; conditional use for a PUD and Preliminary PUD Plat; conditional uses for retail, restaurants, residential, and two hotels; and various deviations for City Gate West (PZC 20-1-022)

**DEPARTMENT:** Transportation, Engineering and Development

**SUBMITTED BY:** Allison Laff, AICP, Deputy Director and Pat Lord, Senior Assistant City Attorney

#### **BOARD/COMMISSION REVIEW:**

City Council first considered PZC 20-1-022 on February 2, 2021 and tabled the discussion to April 7, 2021 to allow the Petitioner additional time to work with staff on key concerns identified. On April 7, 2021, the Petitioner requested that the case be continued to the May 18, 2021 City Council meeting.

#### **BACKGROUND:**

##### ***Project Context***

The subject property consists of approximately 60.226 acres at the southwest corner of IL Route 59 and Ferry Road. The property is currently zoned I (Industrial District) and consists largely of vacant land as well as the vacant Odyssey Fun World building. The owners of the property, through Inter-Continental Real Estate & Development Corporation (Petitioner), propose City Gate West (CGW), a development that includes: 7 restaurant sites; 1 multi-tenant retail/restaurant site; 19 acres of open space; 2 5-story mixed-use buildings with a combined total of 410 residential units; 1 medical office building; and 2 hotels (one on Lot 11 and one on Lot 15).

Petitioner's requested approvals for CGW are detailed in the attached (see List of Requested Entitlements).

#### **DISCUSSION:**

##### ***Entitlement Process Summary***

- The Planning and Zoning Commission (PZC) considered PZC 20-1-022 on November 18, 2020 and December 16, 2020 and voted to recommend approval of the requested entitlements other than a limited service hotel proposed on Lot 11, subject to the conditions reviewed by the PZC (approved 9-0).
- City Council first considered PZC 20-1-022 on February 2, 2021. Immediately prior to issuance of the meeting packet, Petitioner's attorney advised that his clients did not support the rezoning of the subject property unless the hotel on Lot 11 was included in the approval.

In addition, Petitioner’s attorney also advised that they were opposed to the inclusion of phasing requirements in the ordinance. Based on these items, staff changed their position and recommended denial of the CGW petition at the February 2 City Council meeting.

- Following the discussion, the Council tabled the item to the April 7, 2021 meeting to allow the Petitioner additional time to work with staff on key concerns identified.

Key concerns discussed at the City Council meeting included the following:

1. The number of entitlements requested - specific concerns with the lack of a clear timeline/phasing plan and concern with the parking variances;
2. Lack of maintenance of the Odyssey Fun World site;
3. Disconnect with School District 204 and key stakeholders in the community;
4. Petitioner’s continued reliance on the amenities offered by Top Golf and Whirlyball (which are not a part of the City Gate West PUD) to satisfy the requirements of two full service hotels.

- On April 7, 2021, the Petitioner requested that the CGW project be continued to the May 18, 2021 City Council meeting.

**Development Modifications**

Following the meeting on February 2, 2021, Petitioner worked with staff to revise the proposal to address the concerns raised by staff and the City Council. These changes were presented in the staff report prepared for the April 7 City Council meeting (and again reflected below); however, these changes were not discussed at that time because the Petitioner requested the case be continued to May 18 meeting.

\*Since April 7<sup>th</sup>, the Petitioner has proposed additional plan modifications which are also included below and denoted as **\*new**.

1. **[\*New] Micro-Units.** The Petitioner has proposed revising the residential units on Lot 4 as provided below:

Unit Type	Number of Units Proposed at 4/7 Meeting	Number of Units Proposed at 5/18 Meeting
Micro-Units (485 sq.ft.)	None	41 units
Studios (500-575 sq.ft.)	82 units	41 units
1-bedroom (775 sq.ft.)	224 units	224 units
2-bedroom (1,150 sq.ft.)	104 units	104 units
<b>Total</b>	<b>410 units</b>	<b>410 units</b>

Petitioner is proposing that 41 (or 10%) of the 410 residential units on Lot 4 of the CGW development be constructed as micro-units since their smaller size will result in a lower monthly rent, with the intent that these units would support the City’s attainable/affordable housing initiative. Construction of the proposed micro-units would be a substitute for the \$200,000 voluntary cash contribution to the City’s attainable/affordable housing initiative previously offered by Petitioner. Please see the attached letter from attorney Mike Roth dated May 21, 2021.

**2. New full-service hotel on enlarged Lot 11.** The Petitioner consolidated Lots 11 and 12 to accommodate a full-service hotel (Hampton Inn & Suites) with an 8,500 sq. ft. convention center. Convention center room capacity is proposed as follows:

Meeting/reception style (standing/high tops):	500 people
Theater style seating (chairs):	400 people
Banquet seating (10 top tables):	350 people

The new hotel proposed for Lot 11 may or may not have a restaurant within its physical confines. As an alternative, Petitioner agrees to have at least one restaurant within the PUD operational prior to the Lot 11 full-service hotel. Petitioner has also agreed to a condition that the Lot 11 hotel and its associated banquet facility be simultaneously constructed and operational.

Based on the above changes, staff is supportive of the Lot 11 hotel. *Note: final building elevations for the hotel will need to be submitted in compliance with the Citywide Building Design Guidelines; the preliminary elevations do not comply with the City's building material requirements. This condition is reflected in the approval ordinance as well.*

*The consolidation of Lots 11 and 12 also results in a reduction in the overall number of entitlements requested. Previous conditional uses for restaurants and retail on Lot 12 are eliminated, as well as a deviation to drive-through stacking on Lot 12.*

*\*New: The Code requires that full service hotels include at least 150,000 square feet of hotel, commercial, or service floor areas, banquet and/or meeting space, either within a single building or multiple buildings located in a campus setting (defined as a single lot or planned unit development). While staff previously identified that a deviation was required to permit a full service hotel totaling less than 150,000 square feet in size, upon further review of the proposed CGW development, staff has confirmed that buildings within the proposed City Gate West campus will include uses that will satisfy the minimum 150,000 square feet requirement. Therefore, this deviation has been removed from the list of required entitlement for CGW.*

**3. Lot 15 full-service hotel and Lot 15 hotel event venue.** Petitioner agrees that the hotel and hotel event venue (reused Odyssey Fun World building) on Lot 15 will be simultaneously constructed and operational. A separate banquet facility is also planned for Lot 15. *Please note that the second banquet facility may, or may not, be operational at the same time the hotel and hotel event venue are operational; concurrent operation of the banquet facility is not required because the event venue will provide seating for at least 500 persons.*

**4. Multi-family residential as a later phase.** Petitioner agrees that no permits will be issued for vertical construction on Lot 4 (residential apartment buildings with ancillary office and retail) until construction of another phase of the CGW Development has been completed. This is also reflected in the Recommended Conditions in the attached ordinance.

**5. Odyssey Fun World site improvements.** Petitioner agrees to complete the improvements to the Odyssey Fun World site identified in the List of Improvements (see List of Improvements in the approval ordinance) within 18 months after approval of the CGW Preliminary PUD Ordinance.

**6. Restaurant commitment.** Petitioner agrees to have at least one restaurant within the PUD operational prior to the hotels on lots 11 or 15 becoming operational.

**7. Land-Cash Donations** - The ordinance provides that the Petitioner will specify whether they will make a lump sum or per permit payment for land-cash payments due within the development as provided by City Code. Lot 4 will have two apartment structures with up to 205 units in each structure; each structure will receive one permit. The ordinance further specifies that land-cash payments will not be paid under protest and payments will be made in compliance with the City Code provisions then in effect.

## **CONCLUSION**

Staff is supportive of the City Gate West proposal due to plan modifications the Petitioner has made and their agreement to staff's Recommended Conditions. Because the CGW project is large and includes multiple independent components, it is staff's position that it is critical that if the development is approved, it is subject to the Conditions presented in the ordinance. Petitioner has indicated agreement with the conditions as proposed.

Per the Recommended Conditions, the Final PUD Plats for any phase of CGW will not be deemed to be in substantial conformance with the approved Preliminary PUD Plat until Petitioner satisfies those Conditions. This approach allows for a detailed future review and approval process.

## **FISCAL IMPACT:**

N/A