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Title: Consider the Certificate of Appropriateness (COA) Request for Demolition for the buildings located on the Little Friends Campus (140/126 North Wright Street and 619 E. Franklin Avenue) - COA 19-2840

Sponsors:

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Attachments: 1. Structural Analysis, 2. Architectural and Historical Significance Analysis Title Page, 3. Little Friends Application, 4. 2008 Architectural and Historic Survey, 5. Location Map, 6. Public Comment, 7. Supplemental Attachment to Attachment 1K

Date	Ver.	Action By	Action	Result
10/24/2019	1	Historic Preservation Commission		

HISTORIC PRESERVATION COMMISSION AGENDA ITEM

ACTION REQUESTED:

Consider the Certificate of Appropriateness (COA) Request for Demolition for the buildings located on the Little Friends Campus (140/126 North Wright Street and 619 E. Franklin Avenue) - COA 19-2840

DEPARTMENT: Transportation, Engineering and Development

SUBMITTED BY: Gabrielle Mattingly, Community Planner; Allison Laff, TED Deputy Director; and Pat Lord, Senior Assistant City Attorney

BOARD/COMMISSION REVIEW:

Submitted for Historic Preservation Commission (HPC) review.

BACKGROUND:

The owner and petitioner Little Friends, Inc. ("Little Friends" or "Petitioner"), has submitted a request for issuance of a Certificate of Appropriateness ("COA") to demolish four buildings on approximately 3.79 acres of property which is generally located at the northeast corner of Franklin Avenue and Wright Street within the City's local Historic District ("Subject Property"). The four buildings in question are the Administration Building, the Kroehler Mansion, the Krejci Academy, and the Gymnasium - referenced cumulatively by the Petitioner in its application materials as a "dormitory".

The Subject Property is zoned R2 with a conditional use that was granted in 1975 for housing, care, and training of persons with mental disabilities. Since approval of the conditional use, the City's Code was amended to eliminate the use as a conditional use from the R2 zoning district. Therefore, the current use of the Subject Property by Little Friends, Inc. is classified as a legal nonconforming use in the R2 zoning district.

There are two parcels on the Subject Property which are improved with multiple buildings, a park, and associated parking lots. The table below identifies each parcel and the corresponding buildings (a location map has also been included in the attachments):

Property Number	Address	Building Name
Parcel 1	148 N. Wright	*Carriage House
	140 N. Wright	Administration Building
Parcel 2	126 N. Wright	Kroehler Mansion
		Gymnasium
	619 E. Franklin	Krejci Academy

**Note: Demolition of the carriage house/detached garage (located in the northwest portion of the property) does not require review or approval by the Historic Preservation Commission per Section 6-11-7:3 of the Naperville Municipal Code.*

Existing Buildings and Uses

Currently, the Subject Property is being used by Little Friends to operate the Little Friends Center for Autism which provides a variety of services for children and adults diagnosed with an Autism Spectrum Disorder. Details of each building's date of construction and prior/current use can be found below. Note: the building names and their original and current uses referenced below are based on information provided to the City by Little Friends.

- *Kroehler Mansion* - The Kroehler Mansion was the original building constructed on site in 1908 as a personal residence. The building is currently being used as a high school by Little Friends.
- *Krejci Academy* - The Krejci Academy was constructed in 1948 to the south of the Kroehler Mansion. The structure was originally used as a dormitory for North Central College but is currently being used as classrooms for Little Friends.
- *Administration Building* - The Administration building was constructed in 1956 for North Central College for dormitory purposes and is currently used as the Administration Building of Little Friends.
- *Gymnasium* - The Gymnasium was constructed, along with the Krejci Academy, in 1948 and was originally built as a dining hall. It is currently used as a gym for Little Friends' students.

Park - Since approximately 1981, Little Friends has leased approximately 0.23 acres of the Subject Property to the Naperville Park District for "College Park". College Park is located on the east side of Columbia Street just south of School Street and is improved with playground equipment.

Brief History

The Kroehler Mansion was constructed on the Subject Property in 1908 and was occupied by Peter Kroehler and his family. Peter Kroehler was the Mayor of Naperville and the President of the Kroehler Manufacturing Company. Approximately two years after completion of the Mansion, Peter Kroehler moved out of the home, but the home remained occupied by his wife and children until 1945. In 1945, the family donated the Mansion and the land to North Central College ("NCC"). In 1948, NCC

constructed the Krejci Academy and a dining hall (now a gymnasium) on the property and added the Administration Building in 1956. In 1975, Little Friends entered into a lease agreement for the property with NCC. In 1978, the City of Naperville used CDBG (Community Development Block Grant) grant funding on behalf of Little Friends to purchase a portion of the property from NCC, and in furtherance of the CDBG grant leased that property to Little Friends for \$10 a year. In 1989 North Central and the City conveyed their respective portions of the Subject Property to Little Friends.

Historic District

After several years of consideration regarding the potential formation of a local historic district, on August 18, 1986, the Naperville City Council passed Ordinance 86-100 creating the City's local Historic District (effective January 1, 1987). In advance of the creation of the Historic District, the City Council passed Ordinance 84-201 establishing procedures and standards for the purpose of preserving and protecting historic sites, structures, and neighborhoods which serve as visible reminders of the history and cultural heritage of the City, State, or Nation.

In 2008, the City commissioned Granacki Associates to survey the properties located within the local Historic District and any properties that were Landmarked (the "Architectural and Historical Survey" referenced herein as the "Granacki Report"). The Granacki Report ranked the buildings in the Historic District and Landmarked Buildings as: non-contributing, contributing, potentially significant, and significant. The Kroehler Mansion was ranked as being significant and identified as having craftsman-style architecture; the Krejci Academy was identified as potentially significant and classified as Italian renaissance revival architecture; and the Administration Building was ranked as "contributing" and identified as having contemporary architectural style. The survey sheets are attached for reference.

Although Little Friends has noted that they acquired the right to purchase the portion of the Subject Property owned by North Central College before the City's formation of the Historic District was finalized, Little Friends closed on the North Central College portion of the property, as well as the portion of the Subject Property owned by the City, three years after passage of the City Ordinance approving formation of the City's Historic District.

DISCUSSION:

Little Friends is seeking to sell the Subject Property and to relocate the Little Friends Center for Autism to another location. Given the Subject Property's location within the City's Historic District, demolition of the proposed buildings (with the exception of the carriage house/detached garage which may be demolished as of right, as noted above) is subject to HPC review of a COA per Section 6-11-8:2.11 of the Naperville Municipal Code (or "Code").

The Petitioner's COA application and application materials are attached for review by the HPC.

COA Code Requirements

On June 18, 2019, the City Council approved a text amendment to Title 6, Chapter 11, Historic Preservation of the Naperville Municipal Code (Ordinance #19-086). The approved amendment included additional requirements for any proposed demolition in the Historic District. These additional requirements include completion of an independent Structural Analysis and an Architectural and Historical Significance Analysis. The amendment also created a new COA factor in cases where demolition is sought (Section 6-11-8:5.5.5). New Factor 5.5 calls for the HPC to balance the findings in the Structural Analysis against the information included in the Architectural and Historical Significance Analysis, as further described below.

Structural Analysis

Per Section 6-11-8:4.2.1, an independent Structural Analysis is required for a request for demolition in whole within the Historic District. The analysis is required to be conducted by a licensed architect or structural engineer and contracted for by the City. Per Code, the Analysis is required to include, but is not limited to, the following: detailed conditions of the existing structure, a list of improvements required to restore or repair the structure to a condition that complies with the standards for issuance of an occupancy permit under the provision of Title 5 (Building Regulations), and the estimated cost of said restoration or repairs.

On August 5, 2019, the City issued a Request for Quotes (RFQ) to 15 licensed architects/structural engineers. On August 19, 2019, three responses to the RFQ were received. City staff reviewed the submitted RFQ's and selected the Farnsworth Group, who was the lowest qualified bidder, to complete the required analysis. Per Code, Little Friends, Inc. will be required to reimburse the City for the cost of the analysis completed by the Farnsworth Group.

The purpose of the Structural Analysis is to assess the condition of the existing structures on the property as it exists today; identify the portions of the buildings on Parcel 1 and Parcel 2 which can feasibly ¹ be used for any of the permitted uses in the City's R2 zoning District ²; and document the required renovations, and the cost of such renovations, that would be needed in order for an occupancy permit to be issued by the City. A copy of the Farnsworth report is attached. Provided below is an overview of their findings:

¹*Feasible was defined in the RFQ as "synonymous with reasonable in the context of complexity and cost of the necessary renovations and improvements".*

²*In the petitioner's application for a COA, the petition indicated that the intended use of the subject property, if demolition is approved, would remain within the existing R2 zoning district. Therefore, the Structural Analysis was based on any use permitted within the R2 zoning.*

R2 Permitted Uses - Determined to be Feasible:

- *Primary and Secondary Schools that do not have boarding facilities and/or Preschools when accessory to a Primary or Secondary School:* The Farnsworth Group noted that the existing buildings can feasibly be converted to these uses with minimal alteration. The estimated cost for the proposed uses would be approximately \$157,000.
- *Single-Family Detached Dwellings:* A maximum of one single-family home is permitted per parcel and each home will require covered parking, kitchen and bath facilities, and related plumbing work. Accordingly, the Farnsworth Group estimated the cost to convert Parcel 1 to a single-family residence as \$10,540 and the estimated cost to convert Parcel 2 to a single-family residence as \$374,375 (which includes the cost to demolish the Gymnasium and Krejci Academy).
- *Residential Care Homes:* The required renovations and estimated costs are the same as is required in order to convert the existing buildings into a Single Family Detached Dwelling (see above).

R2 Permitted Uses - Determined Not to be Feasible:

- Farnsworth Group found that it would be not feasible to convert the existing buildings on the

campus to *Two Family Dwellings and Duplexes, a Golf Course, or a Park, Playground, or Forest Preserve.*

Architectural and Historical Significance Analysis

Per Section 6-11-8:4.2.2 of the Code, an Architectural and Historical Significance Analysis is to be completed by the applicant for any request to demolish a principal structure in whole. The analysis is required to include the following:

Whether the structure embodies the distinguishing characteristics of an architectural period, style, method of construction, or use of indigenous materials and the structures current architectural integrity; if the existing structure was owned or occupied by a person of historic significance in national, State or local history; if the structure has a direct connection to an important event in national, State or local history; or if the structure represents the notable work of a builder, designer or architect whose individual work has substantially influenced the development of the community.

The Petitioner has advised that its Architectural and Historical Significance Analysis (“Analysis”) is found in the following tabs of their application: 1A, 1B, 1C, 1E 1F, 1G, 1H, 1I, 1J, 1K, 1L, 1M, 1N and 1O.

Factors for Consideration of a Certificate of Appropriateness Application

Per Section 6-11-8.5 of the Code, review of COA applications are conducted based on the Factors for Consideration of a Certificate of Appropriateness Application. Factors 5.1 (Compatibility With District Character), 5.2 (Compatibility With Architectural Style), 5.4 (Energy Conservation Effect), and 5.6 (The City’s Historic Building Design and Resource Manual) are not applicable given the Petitioner’s request for total demolition of the existing buildings on site.

The following is a description of the two applicable Factors for Consideration applicable to the subject request:

5.3. Economic Reasonableness: The Commission and the Zoning Administrator shall consider the economic reasonableness of any recommended changes determined to be necessary to bring the application into conformity with the character of the historic district.

Description: The Code permits the administrative issuance of COAs which result in work that is recommended in and supported by the City’s adopted Historic Building Design and Resource Manual. For those COAs which require HPC review, the Code presumes that a case-by-case basis review is appropriate to ensure that the work proposed is appropriate for the structure and within the context of the District. In those cases where HPC recommends a change to the proposed COA to comply with the design guidelines or to otherwise be consistent with the character of the historic district, this factor directs the HPC to consider the economic impact of such recommended changes.

Accordingly, this factor will not be applicable to the Petitioner’s COA request unless the HPC determines that, based upon the findings of Factor 5.5, the Petitioner’s request for demolition should be denied for one or more buildings on the Subject Property. If Factor 5.3 is triggered in the context of the Petitioner’s COA request, the HPC should consider the costs required to preserve and maintain the building(s) for which demolition is not approved. For example, the Petitioner has provided information about the economic impact of maintaining existing buildings on the Little Friends campus in the report prepared by Wight & Co. (see Tab 1F).

Petitioner has also provided a property appraisal prepared by Phillip J. Butler & Associates (see Tab 1D) which evaluates the fair market value of the Subject Property with the Subject Property being subject to historic preservation regulations as opposed to the fair market value of the Subject Property if it were not subject to historic preservation regulations.

Petitioner contends that if any of the buildings on the Subject Property are not granted a COA for demolition, Little Friends will suffer a regulatory “taking” under the law since they will not be able to sell the property for as much money as they could if they were allowed to demolish all of the buildings on the Subject Property.

Notwithstanding Petitioner’s assertion, formation of historic districts, and regulation and preservation of structures within an historic district are specifically authorized under state law. 65 ILCS 5/11-48.2-1 *et seq.* Under state statute, the denial of an application for a building demolition permit within an historic district does not constitute a taking unless the denial deprives the owner of all reasonable beneficial use or return. 65 ILCS 5/11-48.2-5. In the case of *Tim Thompson, Inc. v. Village of Hinsdale*, 247 Ill. App. 3d 863, 889, (cited at page 31 of Tab 1B of Petitioner’s “Supplemental Request for Demolition”), the Second District Appellate Court dismissed plaintiff’s challenge to Hinsdale’s zoning regulation, which was imposed after plaintiff acquired the property in question, and concluded that “Because the Hinsdale zoning regulation merely denied Thompson its **optimally desired use** of the property, and the regulation otherwise allows that landowner an economically viable use of its property, a regulatory taking has not occurred.” [emphasis added]

5.5. Impact of Proposed Demolition: In evaluating an application for demolition of a principal structure(s) located in the Historic District in whole, the Commission is to balance the findings presented in the Structural Analysis, which includes an analysis of the improvements required to restore or repair the structure to a condition that complies with the standards for issuance of an occupancy permit under the building provisions of Title 5 of the Code, and the estimated cost of said restoration or repairs, against the architectural and historical significance of the structure.

Description: Analysis of Factor 5.5 includes consideration of the findings in the Structural Analysis weighed against the Analysis of the property’s Architectural and Historical Significance. The purpose of this factor is to help the HPC determine if the costs associated with achieving occupancy within a building are appropriate given the building’s degree of historical and/or architectural significance. For example, if the HPC finds that there is a high cost to achieve building occupancy in a building that has limited historical and/or architectural significance, those facts may weigh in favor of demolition. However, if the HPC finds that a building has high architectural and/or historical significance and a relatively low cost to achieve occupancy, those facts may weigh in favor of preservation.

1. Staff Analysis of Factors 5.5 and 5.3 Pertaining to School/Pre-Schools

Based upon a review of the Structural Analysis completed by the Farnsworth Group and the Architectural and Historical Significance Analysis completed by Little Friends, Inc., staff offers the following considerations relative to Factor 5.5 (Impact of Proposed Demolition):

- The only R2 permitted use that would permit the continued use of all of the buildings located on the Subject Property is a school/pre-school with no boarding facilities. The costs to achieve occupancy as a school/pre-school are limited. The Administration Building, Krejci

Academy, and the Gymnasium do not possess a high level of architectural or historical significance. Whether the Kroehler Mansion possesses a high level of architectural or historical significance, thus weighing in favor of preservation, should be evaluated by the HPC.

If the HPC determines that one or more of the building(s) on the Subject Property should be preserved for school/pre-school purposes, staff offers the following considerations with respect to Factor 5.3 (Economic Reasonableness):

- The Wight & Co. report suggests that significant funds will be needed to address the deferred maintenance of the campus buildings, as well as improvements related to ADA compliance.
- Staff believes that requiring preservation of all existing buildings for school purposes significantly limits the permitted use of the property.

2. Staff Analysis of Factors 5.5 and 5.3 Pertaining to Single-Family or Residential Care Homes - Parcel 1

Based upon a review of the Structural Analysis completed by the Farnsworth Group and the Architectural and Historical Significance Analysis completed by Little Friends, Inc., staff offers the following considerations relative to Factor 5.5 (Impact of Proposed Demolition):

- Per Code, only one single-family home or residential care home is permitted on each parcel. As identified in the Structural Analysis, the building most feasible for conversion to a single-family home or residential care home on Parcel 1 is the Administration Building⁵.

While the cost to achieve occupancy of the Administration Building as a single-family home/residential care home as set forth in the Structural Analysis is relatively low, the Petitioner and the findings in the 2008 Granacki Report find that this building has a low degree of architectural and/or historical significance, which findings do not weigh in favor of its preservation.

However, if the HPC determines that the Administration Building should be preserved for re-use as a single-family home/residential care home under the criteria in Factor 5.5, staff offers the following considerations with respect to Factor 5.3 (Economic Reasonableness):

- Wight & Co. report suggests that significant funds will be needed to address the deferred maintenance of the Administration Building.
- Given that the Administration Building was originally constructed for dormitory purposes, it will be significantly less practical to convert to a single-family home.

⁵*Conversion of the Carriage House to a single-family home or residential care home cannot be considered as this building can be demolished by right and is not subject to the HPC's approval of a COA.*

3. Staff Analysis of Factors 5.5 and 5.3 Pertaining to Single-Family or Residential Care Homes - Parcel 2

Based upon a review of the Structural Analysis completed by the Farnsworth Group and the Architectural and Historical Significance Analysis completed by Little Friends, Inc., staff offers the following considerations relative to Factor 5.5 (Impact of Proposed Demolition):

- Per Code, only one single-family home or residential care home is permitted on each parcel. As identified in the Structural Analysis, the building most feasible for conversion to a single-family home or residential care home on Parcel 2 is Kroehler Mansion given its original construction as a single-family home.

The cost to achieve occupancy of the Kroehler Mansion as a single-family home/residential care home, as set forth in the Structural Analysis, is relatively high. That cost includes the cost of repairs and renovations necessary to bring the Mansion up to Code sufficient for issuance of an occupancy permit plus the cost to demolish the Krejci Academy and the Gymnasium.

The Petitioner contends that the Kroehler Mansion has minimal architectural significance given alterations to the exterior of the building and minor craftsman-style architectural detailing; staff concurs with the Petitioner's contention that the Kroehler Mansion is not a strong representation of the Craftsman style. The Petitioner further contends that the Kroehler Mansion has no historical value that would warrant its preservation. Staff notes that of all of the campus buildings, the Kroehler Mansion offers the most historical reference. Whether or not its historical significance outweighs the cost considerations identified in the Structural Analysis, thereby arguing in favor of its preservation, should be evaluated by the HPC.

If the HPC determines that the Kroehler Mansion should be preserved under the criteria in Factor 5.5, staff offers the following considerations with respect to Factor 5.3 (Economic Reasonableness):

- Wight & Co. report suggests that significant funds will be needed to address the deferred maintenance of the Administration Building.
- Staff acknowledges that additional costs would likely be necessary in order to align the home with comparable single-family residences in the surrounding area.

HPC Deliberation

At the conclusion of all presentations and testimony, staff recommends that the HPC close public discussion and begin deliberation of Factor 5.5 (Impact of Proposed Demolition) as it applies to the requested COA. If, after deliberation of Factor 5.5 has been concluded, the HPC has determined that the Petitioner's COA request for demolition of all buildings should be granted, no further analysis is required. Under the Code, that decision would be final. If a COA for demolition is granted, HPC review will be required for any future improvements on the Subject Property which will be visible from the right-of-way.

Alternatively, if after consideration of the criteria set forth in Factor 5.5 the HPC concludes that one or more buildings should be preserved, it should proceed to further consider the possibility of demolition taking into consideration Factor 5.3 (Economic Reasonableness). Following analysis of Factor 5.3, the HPC may deny the Petitioner's request for demolition of all buildings on the Subject Property, or deny the Petitioner's request for demolition as to one or more buildings on the Subject Property. Petitioner may appeal any denial of the proposed COA to the City Council as provided by Code.