



WHERE HISTORY & PROGRESS MEET

Approved February 11, 2019

MINUTES

DEVELOPMENT COMMITTEE

January 14, 2019, 7:00 P.M.

❖

1. Call to Order, Roll Call, and Establishment of a Quorum.

Alderman Stout called the meeting to order at 7:00 P.M.

Roll call found Aldermen Melissa Birch Ferguson, Michael Ferguson, Bonnie Gagliardi, Matt Garling, Jayme Sheahan and Rebecca Stout present.

Also in attendance was Community Development Director, Tom Dabareiner.

2. Approval of Minutes.

A. December 10, 2018.

Alderman Ferguson moved and Alderman Sheahan seconded a motion to approve the minutes. Voting Aye: Aldermen Birch Ferguson, Ferguson, Gagliardi, Sheahan and Stout. Voting to Abstain: Alderman Garling. Voting Nay: 0.

3. Public Participation. None.

4. Items for Consent. None.

5. Items for Discussion.

A. U-Haul, North Avenue at Neltnor, Revisions to the Concept Plan – Review and Discussion.

Tom Dabareiner provided this item update. U-Haul received support from the Development Committee in March of last year and has since opened a small retail facility at 1867 N. Neltnor in the building formerly occupied by Hobby Lobby. Since then, they have expanded their plans for the property by acquiring an interest in the majority of this

Development Committee Minutes
January 14, 2019

site. Mr. Dabareiner summarized the changes they have proposed, which include increasing the number of storage units from 300 to 950, painting the exterior brick, converting the majority of the currently vacant retail to climate-controlled storage, adding 120 ground-level storage units to a currently empty area, and adding a new 3-story, building to house storage units and a warehousing facility to the northwest corner. He stated staff's concerns about the proposed location of the U-Haul rental vehicles, and he indicated a preference for finding a way to corral them in one location instead. He went on to summarize key points regarding this potential development and pointed out the extraordinary demand for storage units, it being an ideal location due to its high visibility, the fact that storage units are strong revenue generators for the owner, and the various façade enhancements would improve the location's curb appeal. Mr. Dabareiner then reviewed some of the significant challenges staff has identified including the difficulty to recruit future retail once it becomes a storage facility; the expected low traffic would further impact surrounding retail, which thrives on synergistic traffic interaction among its users; the possibility of incompatible uses for other users in the area; the possibility of rezoning to Manufacturing for this area which could open up other potentially objectionable uses; the fact that if this U-Haul location were to close, re-use of the property would be difficult; and the point that storage generates very little tax revenue and job creation. He concluded that the expanded storage facility currently being proposed is much larger than what the Development Committee and staff saw 10 months. Staff is now asking the members for their input on the proposed expansion, although they do not recommend the painting of any brick.

Alderman Garling asked Mr. Dabareiner if he had heard from any other businesses in that corner, and Mr. Dabareiner replied that he had not. Alderman Ferguson stated that the photos provided by the applicant of their other previous building conversions show few changes to the brick color. While West Chicago does not allow for the painting of brick, he said U-Haul should be able to brand themselves without changing the color of the brick, as their orange doors help identify who they are.

Alderman Garling asked Mr. Dabareiner about what would happen to the businesses located in the areas U-Haul proposes to take over. Mr. Dabareiner replied they would stay for the short term, but suggested the applicant answer this question. Angela Farley of U-Haul responded, stating those businesses/tenants would remain as long as they want to be there. She explained their parent company is a property management company and so they look for properties that have tenants already there to supplement their income. In addition, they obtain additional customers from walk-by retail, which is why they like to have symbiotic relationships with the existing businesses nearby. She pointed out they have arrangements like this already and mentioned their location in Montgomery, Illinois where they occupy a property that was once a Kmart and where vacant spaces have been filled. Alderman Garling asked what other retail share the Montgomery site, and Ms. Farley answered there is a Dollar Tree, Planet Fitness, some insurance agencies, a temporary staffing agency and a spa.

Alderman Ferguson stated that he would like to see them come in and make the changes as soon as possible. Any concerns about future uses, were U-Haul to ever vacate the site, should be addressed at that time.

Alderman Stout expressed concerns about the proposed expansion, given staff's analysis about the lack of tax revenue for this use. While she likes the idea of having U-Haul at this location, she does not see a mega storage facility as the best fit for this corner. She recognizes the site is in need of a facelift, but she takes issue with the entire area being used for storage use. She furthered that by changing the zoning to Manufacturing, they open themselves up to future uses that are undesirable. She cautioned to think carefully about potential changes which may limit attracting future investors to that corner. Alderman Birch Ferguson agreed with Alderman Stout's concerns, and she added she does not think it is a good idea to rezone to M; it should stay B-3.

Alderman Garling asked about how many trucks would be on the lot, and Ms. Farley responded 20 to 30, but her preference is they all be out on the road being utilized. He then asked about the ability to corral them in one part of the lot. Ms. Farley replied they prefer visibility on each of the street sides, but if needed for them to be good neighbors, they would do so.

Alderman Stout stated the discussion is really more of a conceptual review, but given the scope of the expansion, she asked the members to share their thoughts. She reiterated her concerns about changing the zoning, and pointed out the potential problem of painting the brick. Alderman Garling stated this concept requires thought and time. He agreed with Alderman Ferguson about not being terribly worried about future uses if U-Haul ever moved out, but he is not sure about changing the zoning to Manufacturing nor about the effects this would have on Old Time Pottery. He stated he is also not sure about an expansion of this scope and size, although he is not opposed to the original 300 storage units proposed. Alderman Sheahan agreed about not wanting to change the zoning either and prefers keeping the size to what they agreed on 10 months ago.

Alderman Stout concurred that the members are in favor of the continued improvements to the site, but not the rezoning nor the proposed expansion. Angela Farley then indicated that she was just made aware that the proposal for a new, three-story building is no longer being considered. Instead, they are considering self-storage on that lot. Alderman Stout remarked that without anything to look at, it would be hard to make an informed decision and provide any direction on it. They would be happy to take a look at any future plans.

Sherwood Blitstein, owner of the property, asked Mr. Dabareiner about the need to change the zoning to M versus modifying the PUD. He answered that good planning practice often requires a change to the underlying zoning when there is a major change to the land use such as this. Storage is not currently an allowable use in the B-3 or in the PUD, but it is allowed as a special use in Manufacturing. It is currently a debate staff is having internally about the best way to proceed; there are not good options either way.

Mr. Blitstein stated ownership is only interested in adding storage in this area. They are not interested in manufacturing and would support any City efforts to impose limits. Mr. Dabareiner stated they may not be able to limit other types of uses in the long run.

Mr. Blitstein made a general comment that while he has been working with U-Haul for quite some time, he continues to market the area. There is very little demand for retail big-box. He asked the members for their opinions.

Alderman Stout responded that everyone liked the idea of storage at the level they submitted originally, but the size of the newly proposed expansion is not what they want. She does not see it being a draw for other, future retail uses in the area. Alderman Garling stated that he is also uncomfortable with the size and scope. U-Haul is a great corporate citizen, and while he would be in favor of 300 units, he has concerns about the additional expansion and its potential effect on the nearby businesses, such as Old Time Pottery. Alderman Stout stated further that until they have a better idea of what the newest changes would entail with the elimination of the three-story building, they cannot provide an answer. Given the information they have right now, she is not in favor of the mass expansion. Alderman Birch Ferguson and Alderman Sheahan both stated that they are not in favor of it either.

B. Greco/DeRosa Concept, Rezone property from B-3 to M between Menards (220 W. North) and former VW Property (560 W. North) – Review and Discussion.

Tom Dabareiner summarized this item for the members. Greco DeRosa Investment Group (GDIG) has acquired an interest in this property and they are seeking a map amendment to a portion of the area. Approximately 14 ½ acres would be re-zoned from B-3 Regional Shopping District to Manufacturing, leaving a two-acre B-3 property along North Avenue. While the proposal has the potential to generate tax revenue on an area that has long been vacant, the City loses the potential for large-scale “greenfield” retail development. Furthermore, it is generally considered poor planning to mix semi-truck traffic on-site with retail traffic. He suggested significant circulation changes and robust buffering to separate traffic, should the Committee view this proposal favorably. Staff has compiled 8 findings of fact for the members’ review, but overall, staff feels it does not meet the intention of the Comprehensive Plan, it creates the potential for unintended and unwelcome uses and it may have negative impacts on the use of the neighboring properties.

Alderman Garling asked if there is another zoning besides Manufacturing that could accomplish these warehouse-type buildings. Mr. Dabareiner replied that Manufacturing is the better way to do that. While ORI is an option, it has not been successful zoning district in the City, and they are working to reduce the amount of it.

Paul Robertson, Project Executive with GDIG, introduced himself and the other members from his company in attendance. He explained that GDIG is the retail development arm

of the Greco company. They have been developing retail properties since the early 1990's, and they continue to develop new retail for their customers and to attract other local and national retailers. They are also a developer of quality industrial parks. He mentioned the shift in the retail landscape and the customer preference for online shopping, which has halted big-box development. There are still some opportunities at key retail locations, however, and the industrial market is strong. The site they have selected would include a retail building on the outlot to complete the frontage along North Avenue. This building would complement the existing retail in the area and be targeted to local and national shop tenants. The rear of the site presents challenges because home improvement retailers are not attractive anchors to other big boxes. He concluded it would be a great economic generator, with estimated real estate tax revenue of over \$150K and additional employment created by the new tenants, who would in turn, bring additional revenue to the existing businesses.

Cameron Trefry, Principal of Ware Malcomb Architects in Oak Brook addressed the members and walked them through the site detail, which includes retail frontage along North Avenue with two precast, industrial buildings to the south of it. All of the offices would face outward in order to contain the truck traffic as much as possible and shield the residents to the south. He then reviewed the access points planned into the site.

Alderman Stout expressed concern with changing the zoning to Manufacturing as it does not fit with the City's Comprehensive Plan. While she likes the look of the plan and loves that they want to be in West Chicago, she feels there are other locations that are better suited for the manufacturing component. Alderman Birch Ferguson indicated this plan would go against their Comprehensive Plan and she agrees with staff about not wanting to give up a "greenfield" for the proposed industrial uses. She asked the applicant if they have looked at any space in the City's Business Center as these types of buildings would be a much better use there.

Ron DeRosa, owner of GDIG, answered the question, stating they looked extensively in West Chicago, and this is why they purchased 40 acres in the DuPage Business Center. The North Avenue location met with tenants' interest in this corridor. He mentioned they could bring in two or three retail tenants immediately. He knows how long the property has been vacant. They were approached by the seller who knew his company does both retail and industrial. They are only interested in building both and not one or the other.

Alderman Garling asked Mr. DeRosa if they have some sister companies who are interested in the industrial buildings already, and he said they may. Alderman Garling stated he likes the fact that they designed the trucking in the middle, and he thinks there might be a way to create a buffer between the residences. He expressed concern about putting Manufacturing next to residential in terms of future uses, and then asked Mr. Dabareiner if there is a way to box in the use. He is cautious of putting in something with the potential to create odors, pollution or even noise. Mr. DeRosa responded that this would be more of warehousing use intended here, and he added that most of the

companies are related to their line of business, such as corrugated boxes, racking companies, etc.

Alderman Stout asked the petitioner if they had considered either the Kuhn property or the Conti property. Mr. DeRosa stated that he is familiar with both, but they are difficult to develop. For his particular tenant, he indicated, this is the only location that would work. Alderman Stout stated that she is not comfortable with the manufacturing component and having to change the zoning. The combination of the two is attractive, just not in that location. Mr. DeRosa asked what she envisions at this site, and she replied that additional residential might work here. Mr. DeRosa reiterated that the proposed use would only be for warehousing and not manufacturing. He stated his company has done mixed use development and has the vision to develop other properties as they were the principal investors for the riverfront in St. Charles.

Alderman Garling stated his concern about the proximity to residential and he provided an example in West Chicago of where the fumes can be smelled throughout the entire neighborhood. His concern is that once they open it to Manufacturing, they open it to anything of that nature or even heavy manufacturing. Mr. DeRosa said they saw another manufacturing area in West Chicago that is adjacent to a residential area, and so they thought the same might be allowed here.

Alderman Stout stated that she loves the vision and the idea, but it is just not the right property for it. Alderman Birch Ferguson indicated that she also believes it is the wrong location and is concerned about the potential impact on the residents, as they already have struggles with truck traffic in that area.

C. Midwest Industrial Funds, 2525/2555 Enterprise Circle, Speculative Manufacturing/Distribution Concept – Review and Discussion.

Mr. Dabareiner furnished the members with a staff update. The applicant has acquired an interest in 29 acres of property along the south side of Fabyan Parkway in the DuPage Business Center. They are seeking conceptual review to construct two speculative single-story buildings made of precast panels. The larger building would measure about 304,000 square feet with a height of approximately 46 to 49 feet. The smaller building would be about 186,000 square feet of a similar height. The buildings would offer truck loading and unloading. In today's market place, staff feels the buildings would be occupied very quickly. Staff is in favor of the development and he noted that a representative of Midwest Industrial was present to answer any questions.

Alderman Birch Ferguson stated she thinks it is great. It is a good location and it looks good to her. Alderman Ferguson asked if the buildings would be broken up into suites for multiple occupants. Pat Shaner of Midwest Industrial Funds answered that they could potentially do so. He pointed out they are under contract for both sites, and

his hope is that they will be going forward with both as he believes current market conditions warrant both of them. He then estimated the north building has the potential for 2 units and the south building has the potential for 3 units.

Alderman Ferguson asked Mr. Shaner if he has any prospective tenants, and he replied that they have submitted proposals to potential users. Mr. Shaner stated it is difficult with users nowadays because there are spaces available and so tenants do not start looking for space as far in advance as the 12 to 15 months it takes a building to be constructed. Alderman Ferguson stated he would be happy to go along with this proposal. Alderman Stout agreed this is the perfect location, perfect fit and it looks great. She thinks it would be a great addition to the area. Aldermen Sheahan, Gagliardi and Garling all agreed.

6. Unfinished Business. None.

7. New Business. None.

8. Reports from Staff.

Mr. Dabareiner informed the members they should see a concept plan from Norix at the February meeting. They will probably also see the Economic Development Work Plan as well.

9. Adjournment.

Alderman Ferguson moved and Alderman Gagliardi seconded the motion to adjourn the Development Committee meeting at 7:53 P.M. The Committee members unanimously agreed and the motion carried.

Respectfully submitted,
Jane Burke