

TO: The Sycamore Plan Commission

FROM: Bill Nicklas
City Administrator

DATE: April 9, 2003

RE: April 14, 2003 Plan Commission Meeting

The regular meeting agenda for April 14 has five action items and two workshop items.

New Business

I Action Items

A. Consideration of a Petition from B&B Development, Inc. for the Review of the Final Plat of Phase Six of the Heron Creek Planned Unit Development.

Phase Six of the Heron Creek P.U.D. comprises the entire north quadrant of the original preliminary plat. This area constitutes about 81 acres and is bounded on the south by the DeKalb Clinic property, on the west by Illinois Route 23, on the east by the Kocher Farm and on the north by the future North Grove Road extension. The plat depicts the 140 lots that are zoned "R-1" Single Family, plus one large park lot (Lot 286) and one multiple family area (Lot 314). The average size of the single family lots is 12,864 square feet. The 8-acre parcel at the northwest corner that is zoned "R-3" Multiple Family (Lot 314) has no development plan and will be processed through the public P.U.D. planning and approval process at a later time, as the developer presents a concept plan.

The plat also features a large 8.78-acre detention area south of the proposed Boynton Park, and several irregular-sized open areas on either side of the main entrance from Illinois Route 23. The plat generally conforms to the preliminary plan, but some minor revisions are necessary. Specifically, "Ellwood" Street should be re-named to avoid confusion with the existing Elmwood Street. The north-south street shown as "Charles O. Boynton" Street might be re-named "Boynton" Street or, alternatively, the first name might be substantially diminished on any street signage to avoid any confusion with "Charles" Street.

A favorable Plan Commission recommendation is requested.

B. Consideration of a Petition from B&B Development for the Review of the Final Plat of Phase One of the Heron Creek Country Estates Subdivision of the Heron Creek Planned Unit Development.

The final plat of Phase One comprises the largest estate-sized housing area within the Heron Creek P.U.D. and includes 55 lots averaging about 26,179 square feet (0.60 acre). These lots are bounded on the south by a dedicated green space, on the east by Illinois Route 23, on the north by commercial zoning and more park development, and on the west by Phase One of Heron Creek Estates, that was approved by the Council on December 16, 2002.

The proposed plat conforms to the preliminary plan approved in December and locally adopted codes and ordinances. The only change recommended by the staff is to drop ‘Merry Oaks Court’ in favor of Heron Creek Drive. A favorable Plan Commission recommendation is requested.

C. Consideration of a Petition from Stonebreaker Builders for the Review of the Final Plat of Phase One of the Stonegate at Heron Creek Planned Unit Development.

On October 21, 2002, the City Council approved the preliminary plan for the Stonegate townhouse development, which involved that portion of the Heron Creek P.U.D. lying north of Peace Road and west of Frantum Road. The land was annexed and zoned ‘R-3’ in March of 1999 with a special use permit for attached townhouses.

The land area is 14.83 acres and the approved preliminary plan anticipates the development of 130 units for a density of 8.76 units per gross acre. Two half-acre private parks were also included in the preliminary plan.

The first final plat involves 40 units—four 6-unit buildings and four 4-unit buildings, plus one of the private parks. Access is provided by portions of Stonegate Drive and Clayton Circle.

The final plat conforms to the approved preliminary plan. A favorable Plan Commission recommendation is requested.

D. Consideration of a Petition from William and Rosemary Swedberg et al For the Annexation of Property Located at 1125, 1135 and 1155 East State Street.

Bill, Rosemary, Luther, Linda, Steve and Lynette Swedberg constitute the Swedberg Estate and have petitioned to annex 5.79 acres on East State Street. A draft of an annexation agreement has been prepared that identifies the terms of annexation. The terms are as follows:

- ◆ The entire property will be zoned ‘M-1’ Light Manufacturing, which is consistent with the zoning to the west of the parcel and the uses to the east of the parcel.
- ◆ The residential uses currently on the property may be continued for 10 years from the date of annexation, with the additional provision that Bill and Rosemary Swedberg may continue to reside on the property as long as either may live.

- ◆ The petitioner is responsible for paying all annexation and engineering fees then in effect.
- ◆ The portion of the annexation area comprising the residence of Bill and Rosemary Swedberg is entitled to one connection to the City sanitary sewer main; the remaining portion of the site may be served by 4 connections.
- ◆ The site may be served by three water connections, but the use of the existing well may continue until residential use is discontinued.
- ◆ The existing gravel driveways and parking areas can remain if properly maintained for ten years, after which they must be surfaced. Any additions or alterations to these gravel surfaces will require that they be immediately brought into compliance with the City's paving standards.

Two annexation plats are attached. The legal description of each parcel extends to the centerline of Illinois Route 64. Because all of the Rt. 64 right-of-way was previously annexed each annexation plat refers to a small area as "previously annexed." The plat with the smaller area comprises the Swedberg home. The plat with the larger land area comprises the shop and grounds of Swedberg & Associates as well as a rental home.

A favorable Plan Commission recommendation is requested.

E. Consideration of a Petition from Dahlco, LLC for an Amendment to the Annexation Agreement Dated March 27, 1996 and for the Annexation of Property Along the West Side of Hopkins Lane, South of Mt. Hunger Road.

At the Plan Commission meeting of March 10, the Commission tabled the discussion of Mr. Dahl's petition until the City Attorney could clarify the most restrictive land use designation within the City's Zoning Code. The City Attorney reasons that the most restrictive land use as defined by the City's Zoning Code is the "A-1" Agricultural District, rather than "R-1" One Family Residence District as the petitioner maintained. Accordingly, if the petitioner wishes to develop single family homes on the non-annexed 3.71-acre parcel that lies immediately west of Hopkins Lane, an annexation and a re-zoning are required.

After the March Plan Commission meeting, a number of informal negotiations occurred between the developer, nearby residents, and the City staff. At this writing, no firm consensus has been reached among the interested parties, but one proposal has more favor than others do. This particular proposal has the following features:

- ◆ The developer re-configures the adjacent plat so that no lots have access to Hopkins Lane (see the attached exhibit);
- ◆ Hopkins Lane is improved by Sycamore Township with a new roadbed and asphalt surface, but a "rural" design for stormwater runoff through a ditch system rather than curb and gutter;
- ◆ About six lots have back yards that would abut the Hopkins Lane right-of-way;
- ◆ A landscaped berm is installed on the west edge of the Hopkins Lane right-of-way to shield the new development from the rural subdivision on the east side of Hopkins Lane.

The City Administrator does not recommend Commission action until a consensus is reached among the interested parties. If such agreement is reached, this item might be addressed by the Commission on April 14, provided there is time to prepare the proper exhibits and findings of fact. If not, the Administrator will recommend a continuance of this item to a future agenda.

II Workshop Items

A. Consideration of a Report from the Plat Officer Regarding Plats Processed Since July, 2002.

On July 15, 2002, with the unanimous support of the Plan Commission, the City Council created authority for the administrative processing of certain limited re-subdivisions of land. A new position was not created but the authority to review and make minor subdivisions was delegated to current staff members who are familiar with such requests. Examples of such minor subdivisions include common wall housing units such as townhouses or duplexes offered for sale in fee simple.

The new staff authority did not extend to special use permitting, annexation, rezoning or other actions for which public hearings and Council action is required by state statute. The designated plat officer, John Brady, has compiled a table (attached) showing the types and locations of minor subdivisions since early September of 2002.

B. Consideration of a Draft Plan for the Future Growth of the City of Sycamore.

Since the Plan Commission meeting of March 10, the City Administrator, City Engineer, and Chuck Hanlon of Land Vision have been working on a more detailed northeast regional planning map and the text for such a sub area plan. In addition, progress has been made in the revision of the Comp Plan chapters, and the Comp Plan text has been re-formatted to incorporate the Bethany Road Regional Plan and the Urban Design Guidelines that were approved after the last Plan was adopted in 2000, and which became part of the Comp Plan by law.

The first draft of a completely revised Comprehensive Plan is appended for the Plan Commission's review. At the meeting on April 14, no action is anticipated. Since this is a first draft and the text extends to over 80 pages, action on the text will be deferred until the meeting of May 12. On April 14, the City Administrator will highlight the main substantive revisions in Chapters Three through Seven. Some of the salient points will be familiar, either because they represent objectives that have not been realized in the past three years, or because they represent goals that still resonate, and will continue to do so, for the foreseeable future. A special meeting of the Plan Commission could be held on Monday, April 28, to facilitate further discussion.

In Chapter 5 of the proposed Plan (page 58), the text calls for a regulatory "trigger" to pace residential development. It is argued that by regulating the pace of new housing starts in any given year, the fiscal impact of residential development can be more successfully addressed by the various local taxing jurisdictions. In addition, the balance of residential, commercial and industrial values can be steadied and perhaps eased in the

direction of a higher relative proportion of commercial and industrial assessed values. Other communities in growth corridors in northern Illinois have experimented with such triggers. This report addresses several of the more common triggers and recommends a unique “Sycamore” option for the Commission’s consideration. Ultimately, any regulatory action to enforce a certain pace of residential development will be rooted in the Zoning Code and other development ordinances that carry the “teeth” of the City’s enforcement powers.

Option A: Let the Market Dictate the Timing, Volume, and Variety of Development Proposals.

This has been the de facto policy of the City. The analogue of this policy has been: “Let the Building Department’s efficiency control the pace of permitting and inspection.” From 1998 through 2001, the City’s permitting statistics were steady at an average of about 140 units of all types each year (see the table on page 9 of the Comp Plan). In 2002, the total spiked to 193 units, including a disproportionately high number of single family detached units (113 vs. an average of 74 from 1998 through 2001). In 2003, it is expected that the Wiseman-Hughes and B&B developments will together generate about 75 single-family detached house permits. The number of townhouse permits will also likely keep pace with the historically high number of permits issued in 2002. In other words, the “natural” level of permit growth has not recently been constrained by staff limitations. Low home mortgage and bank interest rates have certainly contributed to the recent boomlet. It remains to be seen what rising interest rates will do to the local housing market and housing starts, should they materialize later this year or next year as predicted.

Option B: Impose An Annual Limit on the Number of Housing Units That Can Be Permitted in a Particular Development.

To cite one example, Elburn recently put growth controls in place that are tied to an arithmetic: no more than ten percent of the lots in any given subdivision can be permitted in a calendar year. The clock starts with annexation. There is one caveat: the system acknowledges that lots are not ready for sale upon annexation and that a period of a year or more may ensue with larger developments before final plats are presented for approval. Accordingly, Elburn allows a developer to “bank” any unused allocation up to a certain number of lots, then permits the developer to blend these lots into the annual allocation for the first three years.

This option clearly establishes a predictable pace. It also tends to fall more heavily on smaller developers or developments, and skews the marketplace in favor of large tract investors. For instance, an infill area of 50 acres could not be profitably developed if the maximum number of houses that could be permitted in any given year was limited to 5. The upfront engineering, grading, and infrastructure installation, which costs about the same per acre as in larger developments so long as the City codes are evenly applied, could not be amortized profitably over so few lots.

Option C: Impose An Annual Limit on the Number of Housing Units That Can Be Permitted, In the Aggregate, Across All Developments.

This is basically a first-come, first-served approach. It could potentially offset the downside of the arithmetic outlined in Option B where smaller developments are concerned. On the other hand any first-come, first-served approach has a “sudden death” impact: at some point in any given year, the permitting stops. There is no distinction with respect to the quality of the homes built or the quality of the homes that might go unpermitted until a few more moons come and go. This approach would also encourage production builders to flood the Building Department with home permits early in the year to assure their share--and more--of the overall allowance.

Option D: Impose An Annual Limit on Each of the Types of Housing Units That Can Be Permitted, In the Aggregate, Across All Developments.

This option focuses on the housing mix as well as the housing volume. For example, the City might set a limit of 8 to 10 single-family homes per month, or 96 to 100 per year, and set monthly limits on the other housing types as well. Since single-family homes have historically generated more school-aged children than attached townhouses or apartments in Sycamore, this approach could steer local residential development toward more certain outcomes. However, equity issues still attend this option. Larger, production-style builders ready to submit permits for their range of models each Spring could control the pace in their favor in any given month or year.

Option E. Increase the Impact Fees Imposed on New Housing Development.

This option has been used by communities in the collar counties over the years. Depending on the level of fees, it can be very effective in slowing or even stopping growth. One downside is that if a community is unhappy with the results—e.g. if there is a sharper drop in housing starts than desired—it is not easy to undo the system without raising equity concerns among those who already “paid the price.” The system also has a history of skewing sales to larger lot developments whose purchasers are in a better financial position to pay the higher exaction.

Option F. Target Certain Areas To Be Developed and Establish a Sequence of Annexation That Conforms to Such Priorities.

This is possibly the most intrusive government intervention in the marketplace, and may well be illegal. Though the approach might be logical and well-intended—as for instance if the City wanted to focus on infill areas before moving to development of the City’s edges—the result would be a heavy-handed preference for one or more property owners over others. It is difficult to imagine how this approach could withstand a court challenge from the “losers” in this scheme, namely, the owners of contiguous agricultural land who are not targeted but who may be interested in developing their properties or selling them to achieve certain family and estate goals.

RECOMMENDATION

The City Administrator recommends a variation of Option B using a sliding scale that adjusts the percentage in relation to the number of housing units in the development. Here's how it might work:

Number of Dwelling Units on the Preliminary Plan	Dwelling Units Permitted Per Year As A Percentage of the Total Lots on the Preliminary Plan
Up to 50 dwelling units	No More Than 15 Units In Any Year
51 to 75 dwelling units	25%
76 to 100 dwelling units	20%
101 to 125 dwelling units	18%
126 to 150 dwelling units	16%
151 to 175 dwelling units	15%
176 to 200 dwelling units	14%
201 to 250 dwelling units	13%
251 to 300 dwelling units	12%
301 to 400 dwelling units	10%
401 to 500 dwelling units	9%
Over 500 dwelling units	8%

The sliding scale would pose some statistical anomalies. For instance, according to the scale above, the developer of a plan with 301 units could request permits for 30 units in a year; the developer of a 251-unit development could also request permits for 30 units per year. Practically speaking, however, the difference is less problematic than the dilemmas presented by the imposition of a flat, across-the-board percentage for all developments, regardless of size. Another advantage of this approach is its applicability to any type of residential development—whether it features detached single family homes or attached units or condominiums or apartments.

Do we need another growth control tool? The City increased fiscal impact fees by 44% in the Spring of 2002; tripled annexation fees in April of this year; and the Plan Commission's review has thus far reduced the amount of land slated for residential development in the City's planning area by about 1,800 acres. Still, the market for single-family homes remains strong. Judging by the permit applications submitted to date, the pace of housing starts in 2003 promises to duplicate that of 2002, short of a major economic recession. In addition, preliminary plans approved in the past six years project a catalog of about 1,300 single-family lots and about 800 townhouse units that may show up on final plats in the coming years—which represents an inventory that could last 10-11 years at the 2002 pace of permitting. This inventory is positive in terms of attracting commercial development, but it is important to make sure that the pace of development does not adversely affect local public services and the taxing power to sustain those services.

Because no regulatory "triggers" were contemplated in annexation agreements prior to this point, it is probably not legal or ethical to retroactively impose arithmetical limits on

land that is already annexed and zoned. However, a regulatory scheme to pace future growth should be considered.

Plan Commission direction is recommended.