

TO: The Sycamore Plan Commission

FROM: Bill Nicklas  
City Manager

DATE: November 5, 2003

RE: November 10, 2003 Plan Commission Meeting

The Plan Commission has four action items and three challenging workshop items on its regular agenda.

**I. Action Items**

**A. Consideration of a Petition From Ideal Industries for a Resubdivision in the Sycamore Prairie Business Park to Create a New Unit No. 4.**

Ideal Industries, the developer of the Sycamore Prairie Business Park, has petitioned the Plan Commission for a resubdivision of Lots 20, 21, 22, 26, 27 and 28 to create four new lots, with two lots—Lots 101 and 102—that could accommodate the present and future needs of an industrial prospect. The prospect's name is Continental Custom Ingredients. The firm is interested in purchasing approximately 15 acres to construct manufacturing, warehousing, laboratory and office operations in two phases. In the first phase, an industrial building of about 110,000 to 125,000 square feet would be built and occupied by February 2005 on Lot 101. In a later phase, further office and manufacturing space would be added on Lot 102.

CCI is an employee-owned firm based in West Chicago. It was founded in 1975 as a manufacturer of stabilizer and emulsifier blends for producers of dairy goods and has grown to have a significant market presence in the U.S., Canada, and Mexico. The board and management of CCI intend to move their headquarters and flavor division to the Sycamore Prairie Business Park. The division would be housed in the building on Lot 101 and would support about 54 employees earning salaries and wages at the higher end of their industrial classifications.

The attached subdivision plat depicts both the existing lot lines and the proposed re-subdivision. To accommodate the interest of CCI, a number of utility and

drainage easements have also been relocated in a manner that is useful to both the present petitioner and future lot owners in the business park.

A favorable Plan Commission recommendation is requested.

**B. Consideration of a Petition from AMP Builders for a Final Plat for Phase 2 of the Townhomes of Townsend Woods.**

On August 21, 2000 the City Council approved an amendment to the Townsend Woods annexation agreement to permit the development of 101 attached single-family townhouses on an 11.6-acre site that is parallel with, and immediately east of, the commercially-zoned frontage that extends from Maplewood Drive south to Mt. Hunger Road. The Council action also approved a special use permit for the attached townhomes and a preliminary plan. A reduced copy of the approved preliminary plan is attached.

On October 21, 2002 the Council approved the final plat for the first phase which contained about 23 units in five buildings. The petitioner has submitted a final plat for a second phase that consists of about 39 units (see attached). A favorable Plan Commission recommendation is recommended.

**C. Consideration of a Petition From Brian Weydert for a Resubdivision of 1519 and 1521 Pebblewood Drive With a Special Use Permit for a Common Wall and Lot Line.**

Mr. Weydert owns the duplex at 1519/1521 Pebblewood Drive in the Woodgate subdivision in Sycamore and would like to resubdivide the parcel to create two lots that can be sold in fee simple. He and his attorney, David Witheft, have submitted the proper special use request, common wall agreement, and cross easements to meet the City's requirements.

A favorable Plan Commission recommendation is requested.

**D. Consideration of an Amendment to the Section 13.10 Paragraph 5 of the Sycamore Zoning Code to Revise the Schedule for the Allowable Number of Annual Permits For Each New Planned Unit Development.**

At its regular meeting of October 13, the Plan Commission considered a proposed change to the Sycamore Zoning Code that would impose a new regulatory framework on the pace of new residential construction. According to this framework, there would be a limitation on the number of building permits that could be issued per year from each new project and also a time lag following annexation before any new building permits could be issued. This approach assumes that, with the present pace of building permits, the City's inventory of potential housing units will be reduced before the larger projects would obtain building permits. The condition that would confound this assumption is a slump in the housing market that could prolong the build-out of existing subdivisions and extend their completion into the time period when future subdivisions might be authorized to apply for permits.

The regulation would apply to all units, whether attached or detached. Under the new regulation (see attached), a new subdivision of the size of Parkside Estates, Reston Ponds, Sycamore Creek, or the North Grove Crossing might encounter at least a three-to-four year wait before any final plats could be approved and recorded. These developments offered 265, 391, 352 and 269 single family units, respectively. However, it should be noted that none of these developments would be retroactively tied to the proposed regulation.

The Plan Commission was also advised on October 13 that additional language had been added to the new regulatory framework to prevent any gamesmanship from undermining the desired effect. It is theoretically possible, for example, that the owner of a 500-acre farm could enter a contractual relationship that would yield a 250-acre development in one year, and another 250-acre development in another year to the same developer, thereby lessening the wait before permits could be issued in either subdivision. To address this possibility, the following language was added to the text of the ordinance:

*“In order to plan for orderly growth and to discourage the submittal of a series of annexation plats and preliminary plats from tracts of 100 or more acres held by the owner of record as of the effective date of this ordinance, the City Council shall only consider, unless otherwise approved by a 2/3 vote of the corporate authorities, a single petition for annexation and preliminary plat approval for said tract and will only consider another petition for annexation and preliminary plat approval for said tract after a period of at least five years has elapsed.”*

Finally, the proposed framework was illustrated in a chart, which is reproduced below:

**Revised Residential Growth Control Regulation**

<b>Number of Dwelling Units on the Preliminary Plan</b>	<b>Dwelling Units Permitted Per Year as a Percentage of the Total Lots on the Preliminary Plan</b>	<b>Time Limit Before New Building Permits Are Issued Following Annexation</b>
0 to 50 dwelling units	No Limit	No Time Limit
51 to 100 dwelling units	No More Than 35 per Year	One Year
101-200 dwelling units	25% or 40, whichever is <b>lower</b>	Two Years
201-300 dwelling units	20% or 50, whichever is <b>lower</b>	Three Years
301 to 400 dwelling units	18% or 60, whichever is <b>lower</b>	Four Years
401-500 dwelling units	15% or 70, whichever is <b>lower</b>	Five Years
Over 500 dwelling units	10% or 75, whichever is <b>lower</b>	Six Years

The ability to “bank” permits according to the terms of the June, 2003 Zoning Code revision continues in place. That language is as follows:

*“The annual allowance for issuance of dwelling unit permits shall commence on January 1 of each year. The owner or developer of the planned unit development may carry over dwelling units not permitted from*

*year to year and add those lots to following years, so long as the “bank” does not exceed one year’s allowance. For example, if a developer is allotted 40 dwelling units per year, but receives permits for only 20 dwelling units in the first year, then 40 permits plus 20 unused permits would be allowed in the second year. In the year of annexation, the owner or developer of the planned unit development shall receive only a pro-rata allowance of permitted dwelling units, e.g. if a planned unit development is annexed on November 30, then the allowance for the first year would be 1/12<sup>th</sup> of the allowance for the year. This ordinance shall apply only to planned unit developments annexed after its adoption and approval by the City Authorities.”*

A favorable Plan Commission recommendation regarding this zoning change is requested.

## **II. Workshop Items**

### **A. Consideration of Two Annexation Concepts Submitted by B&B Development, Inc.**

At the July 21 and August 4 City Council meetings, the Council considered a proposal from B&B Development, Ltd. to develop approximately 650 acres north of the Sycamore Creek project for residential purposes. While introducing their proposal, Ken Blood and Jerry Boose, the principals in the development firm, explained that they hoped to invite a “creative look at the City’s northeast planning area” by offering a number of voluntary development contributions to complement their usual attention to amenities such as abundant open space, curvilinear streets, large and small parks, bikepaths and nature trails, etc. Their proposal certainly energized the local discussion of Sycamore’s future growth, in no small part because some early press accounts of their proposal left the impression that they would quickly bring 1100 new homes into an overcooked residential housing market. On August 4 the Council referred their proposal to the Plan Commission for further review but without specific direction. At this point, the developers withdrew their plan, sensing that the local debate had moved from a consideration of the merits of their proposal to a more general questioning of the recently-adopted Comp Plan’s goals and the regulations necessary to implement them.

The community discussion of Sycamore’s future growth since mid-July has brought more clarity and precision to the City’s framework for future growth. Through several joint Plan Commission and Council meetings on September 2 and September 8 and after additional consideration by the Commission and Council at their regular meetings in October, a consensus has emerged around several key planning issues. First, both the Council and the Commission have affirmed their confidence in the June 2003 Comp Plan and future land use map. Second, both the Commission and the Council have affirmed their intention to work with other local taxing bodies to regulate the pace of future residential

development in order to assure that the range of public services we enjoy can be provided in the future at a cost local residents and businesses can afford to pay.

In this clearer planning context, B&B Development has requested a workshop before the Commission for the first time. Their timing is prompted by some market realities. The owner of much of the acreage north of the Sycamore Creek site is actively marketing his property, and B&B Development must soon make a decision about how much, if any, of this contiguous property might be in their interest to develop. It is B&B's sincere hope that their interest can merge with that of the Sycamore community. In a regulatory context that has changed since their proposal was first introduced in July—exemplified by the proposed change to the City's zoning code that is on this agenda—Mr. Blood and Mr. Boose would like to engage the Plan Commission in a discussion of two very different approaches toward the eventual development of a large portion of the northeast planning area. One approach—their preference--revisits the grander plan that was first unveiled in July; the other anticipates Mr. Wolfenberger's division of his holdings to interest different development firms with disparate product styles and quality.

Option 1. A concept plan and a preliminary fiscal impact analysis are attached. This option involves a 650-acre development that is closely tied to the City's concern for a well-paced, well-timed, and well-planned development. Specifically, B&B Development proposes the following:

- 1) No permits would be issued until 2010, after most of the inventory of platted but unbuilt single family homes on annexed property within the present City limits would be built (see the attached table).
- 2) Conformance with the recently-adopted regulation regarding the pace of permits. In this case, no more than 75 homes could be permitted per year;
- 3) Dedication of a 22-acre school site to the School District with no expectation of a credit for the value of the land dedicated, as provided in the School land-cash ordinance.
- 4) Dedication of a 33-acre park and lake to the Park District with no expectation of a credit for the value of the land dedicated, as provided in the Park land-cash ordinance.
- 5) Payment of all impact fees, as they may be revised from time to time;
- 6) An additional payment, per lot, to both the City and the School District to help with operational costs that cannot be paid from impact fees. This fee would be negotiable. The attached spreadsheets show various possibilities and their influence on the overall fiscal impact of the proposed project area.
- 7) Construction of a new City entrance feature at the northeast edge of the development area at the developer's expense.
- 8) Maintenance of a low density in the range of about 1.7 units per acre.

From a planning standpoint, the most intriguing aspect of this option is the ability to assure that a significant portion of the planning area on the northeast side would be developed with all of the amenities and at the pace envisioned in the

2003 Comprehensive Plan and recent public discussions. From a fiscal standpoint, the most interesting prospect is a plan that would, in effect, pay for itself.

Option 2. A concept plan is attached. This option involves a more conventional 360-acre subdivision that conforms to the City's Land Use Plan and regulations concerning the timing of new construction, but offers no land "credits" to the School District or Park District, or voluntary financial contributions. This scaled-down offering might be pursued by B&B if the City, School District and Park District are not interested in the larger scale of Option 1. The development firm cannot indefinitely extend its option for the larger acreage, and will soon be in competition with other firms for pieces of the larger area. In terms of fiscal impact, the economics of residential land development will profoundly impact the result. With fewer acres and fewer lots to sell, the developer would not be in the same financial position to make the voluntary contributions of land and cash, particularly in light of the new annual permit constraints.

According to the proposed revision to the Zoning Code on this agenda, permits associated with a 360-acre, 576-unit development could be issued sometime in 2010. A preliminary fiscal impact study is attached. This approach is typical of the concept plans shared with the City staff by other development firms interested in the northeast planning area over the past year.

Option 3. As always, the corporate authorities can simply say "no" to an annexation request. As the Council and Commission considered this option in recent months, there appeared to be considerable anxiety about the impact that "no" might have in the attraction of commercial and industrial development interest. Most elected and appointed officials are trying to say "yes" while reserving an unparalleled discretion over the look, pace, quality, and public benefit of any new development. Can the City say "yes" to one firm and "no" to another? The City's legal position is "yes."

### **Recommendation**

The City Manager recommends support for Option #1. The City staff agree with the recent findings of the School District administration, presented to the School Board at its October meeting. The School administration's "Development Notebook" offers the opinion that "developments of 800+ acres with appropriate timing, and a developer willing to acknowledge the infrastructure needs created by their development, and willing to work with the School District to help meet those needs," would be "preferred" to smaller developments without such amenities and voluntary contributions. In this case, the development is well short of 800 acres, but still sufficiently large in scope to create the economic opportunity to discuss a range of mandatory exactions and voluntary contributions that fit the general intent of the Board.

As with many residents, our staff ask some basic questions about any new development proposal. One question is: why now? Or, differently put: Is this the

right time? With respect to Option #1, the honest answer is that neither the City staff, the Council or Commission, the School Board or other local taxing body, or any ad hoc group of city residents can confidently predict if or when another developer will come along who is willing to satisfy the general planning objectives our Comp Plan demands for the northeast quadrant, abide by every regulatory constraint, and still offer voluntary and unsolicited financial or in-kind contributions to the extent offered by B&B. Moreover, we have a track record with the firm since 1999 that affirms their ability and commitment to exceed the expectations incorporated in an annexation agreement.

Practically speaking, another explanation for embracing Option #1 relates to market forces beyond our public control. Land in our northeast quadrant is highly marketable and will continue to be optioned and investigated for development. Our recent experience has not revealed similar developer interest in our community's appearance, fiscal needs, and infrastructure.

A final and more difficult question is: do we need any more development, and do we need the proposed 650-acre development represented in Option #1? Notions of need are seldom absolute, and vary with time. In this case, the question relates to a time seven years from now, in 2010, when it is reasonable to project that our housing inventory will be nearly depleted, assuming no further significant developments are annexed (please see the attached table). It is at that point that the need for new, quality housing starts would be more evident in relation to the attraction of new commercial growth in particular. For the present, the estimation of need relates to good planning more than any urgency concerning housing choices. Given our new regulatory preference for meting out permits in new subdivisions, it is not too soon to plan for the time when we have no more lots to offer.

Plan Commission direction is requested.

#### **B. Consideration of a Conceptual Annexation and Redevelopment Proposal Submitted by Kevin Wynn.**

Kevin Wynn, owner of Wynn's Freight Service in Sycamore, is interested in purchasing the five-acre site that has been the home of Total Lawn Care on Coltonville Road, annexing it, razing the structures on site, and developing it for attached townhouses in the \$150,000 to \$170,000 price range. An aerial view of the property is attached. The parcel is presently with the jurisdiction of the County of DeKalb. Immediately to the east there are several parcels within Sycamore's jurisdiction that are zoned "M-1" Light Manufacturing. To the south, the zoning is a mix of residential and commercial. Milan Krpan's townhouse development on Croatian Court is about 150 yards in a diagonal direction from the parcel's northeast corner.

Mr. Wynn is principally interested in the Commission's view of the proposed land use at this point, so he can consider whether to proceed with the purchase or not. He has prepared a very preliminary plot plan showing a possible layout for townhouse units (see attached). The proposed land use is not significantly out of character with the many multifamily structures in the area, and could serve as a transitional zoning district vis-à-vis the future and presumably residential development to the west. Density, open space, parking, architectural style and other related issues would have to be addressed if the general land use was considered acceptable, and details regarding these issues were not available at this writing.

Plan Commission direction on the land use concept is recommended.

**C. Consideration of an Annexation Concept Submitted by Don Linneman.**

Mr. Linneman owns a 78.43-acre farm on the south side of Bethany Road and several thousand feet east of the future entrance to Krpan's Parkside Estates. In the 2000 Land Use Plan, the farm parcel was included in the City's mile-and-a-half planning area with a projected "medium density" land use. In the 2003 Land Use Plan, the farm parcel remains within the City's mile-and-a-half planning area but is projected to remain in "agricultural" use.

Mr. Linneman approached the City staff recently and asked for an opportunity to approach the Plan Commission about his aspirations for the site. He reports that he purchased the property some years ago with the expectation that he might eventually market it for residential use. Mr. Linneman is wondering if the Commission would consider an amendment to the Land Use Map to include his parcel and the parcel directly west of his—the Diehl farm--within the proposed low density land use designation that typifies the former farm property across the street.

Plan Commission direction is requested.