

VILLAGE OF LOMBARD
REQUEST FOR BOARD OF TRUSTEES ACTION
For Inclusion on Board Agenda


_____ Resolution or Ordinance (Blue) _____ *Waiver of First Requested*
 X Recommendations of Boards, Commissions & Committees (Green)
_____ Other Business (Pink)

TO: PRESIDENT AND BOARD OF TRUSTEES

FROM: David A. Hulseberg, Village Manager

DATE: January 31, 2013 (BOT) Date: February 7, 2013

TITLE: PC 12-18: Comprehensive Plan Amendment
(Ken-Loch Golf Course – 1S535 Finley Road)

SUBMITTED BY: Department of Community Development 

BACKGROUND/POLICY IMPLICATIONS:

The Plan Commission transmits for your consideration its recommendation regarding the above petition after reviewing possible amendments to the Comprehensive Plan pertaining to the land use recommendation for the Ken Loch Golf Course.

After conducting numerous public hearings on this petition in the months of September through December, 2012 and January, 2013, the Plan Commission recommends the following:

That the Open Space Plan component of the Comprehensive Plan be amended to clarify the phrase "open space/golf course amenity" for the Ken-Loch Golf Links property and that the property be designated primarily Open Space with a preference for golf course and an option of accessory land uses that complement and facilitate the preservation of the property, not to exceed 25% of the principal open space use.

Please place this item on the February 7, 2013 Board of Trustees agenda for consideration.

Fiscal Impact/Funding Source:

Review (as necessary):


Village Attorney X _____ Date _____
Finance Director X _____ Date _____
Village Manager X _____ Date _____

NOTE: All materials must be submitted to and approved by the Village Manager's Office by 12:00 noon, Wednesday, prior to the Agenda Distribution.



MEMORANDUM

TO: David A. Hulseberg, Village Manager

FROM: William Heniff, AICP,
Director of Community Development 

DATE: February 7, 2013

SUBJECT: PC 12-18: Comprehensive Plan Amendment (Ken-Loch Golf Course)

Please find the following items for Village Board consideration as part of the February 7, 2013 Village Board meeting:

1. Plan Commission referral letter dated February 7, 2013;
2. Staff memorandum to the Plan Commission dated January 28, 2013;
3. IDRC reports for previous Plan Commission meetings and supplemental documents as itemized below:
 - a. Ken-Loch Property Analysis
 - b. Staff Report and Minutes from the 9/17/12 Plan Commission meeting
 - c. Staff Report and Minutes from the 10/15/12 Plan Commission meeting
 - d. Staff Report and Minutes from the 11/19/12 Plan Commission meeting
 - e. Staff Report and Minutes from the 12/17/12 Plan Commission meeting
 - f. Objectors Letters and Correspondence
 - g. 2010 Open Space Plan component of the Comprehensive Plan

The Plan Commission recommended that the Open Space Plan component of the Comprehensive Plan be amended to clarify the phrase "open space/golf course amenity" for the Ken-Loch Golf Links property and that the property be designated primarily Open Space with a preference for golf course and an option of accessory land uses that complement and facilitate the preservation of the property, not to exceed 25% of the principal open space use.

Please place this matter on the February 7, 2013 Board of Trustees agenda for consideration.



VILLAGE OF LOMBARD

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February 7, 2013

Acting Village President
William "Bill" Ware

Mr. William Ware, Acting Village President, and
Board of Trustees
Village of Lombard

Village Clerk
Brigitte O'Brien

Subject: PC 12-18: Comprehensive Plan Amendment

Trustees

Greg Alan Gron, Dist. 1
Keith T. Giagnorio, Dist. 2
Zachary C. Wilson, Dist. 3
Peter Breen, Dist. 4
Laura A. Fitzpatrick, Dist. 5
William "Bill" Ware, Dist. 6

Dear President and Trustees:

Your Plan Commission transmits for your consideration its recommendation regarding the above-referenced petition. The Village has undertaken a review of possible amendments to the Village's Comprehensive Plan pertaining to the land use recommendation for the Ken Loch Golf Course (1S535 Finley Road).

Village Manager
David A. Hulseberg

After due notice and as required by law, the Plan Commission conducted a public hearing for this petition on September 17, 2012; October 15, 2012; November 19, 2012; December 17, 2012; and January 28, 2013.

"Our shared Vision for Lombard is a community of excellence exemplified by its government working together with residents and businesses to create a distinctive sense of spirit and an outstanding quality of life."

William Heniff, Director of Community Development and Christopher Stilling, former Assistant Director of Community Development, presented the petition at the aforementioned meetings. Public comments were received at each of the public hearings as well. This referral includes the testimony provided at the January 28, 2013 meeting. The other public testimony is included within the approved minutes of the four previous Plan Commission meetings, which is attached to the transmitted materials to the Village Board as part of this petition.

"The Mission of the Village of Lombard is to provide superior and responsive governmental services to the people of Lombard."

The existing site, known as the Ken Loch parcel, is 30.91 acres in area and consists of a "Par 3" golf course. On April 12, 2012, the Village Board directed staff to review the Comprehensive Plan as it pertains to the unincorporated Ken Loch parcel, which is currently identified for open space, and to create various development scenarios to determine future land use. On September 17, 2012, staff presented a land use and fiscal impact analysis for the overall site to the Plan Commission for possible amendments to the adopted Plan through the public hearing process.

The adopted Open Space Plan component of the Comprehensive Plan, adopted in 2010, states the Village's intentions to retain this parcel as open space and the 2009 Annexation Strategies Report recommends that the property should only be annexed as part of a request and companion plan to enhance the open space/golf course amenity.

September Hearing

At the September hearing, Mr. Stilling introduced the staff review of the project. He noted that the subject property is unincorporated. Annexation is a discretionary item under the Village Board's purview, the Village is not legally obligated to annex and rezone the property for a given use. DuPage County's Zoning Ordinance has designated the site for R4 single family residential zoning, which would require development on 40,000 sq. ft. lots if utilities were not provided or up to 10,000 sq. ft. lots if utilities were provided.

As part of the IDRC report, staff prepared a development analysis identifying nine possible development scenarios for the site, including Open Space (current designation), Estate Residential, Low Density Residential, Low-Medium Density Residential, Medium Density Residential, Open Space with a High Density Residential Accessory Component, Office/Business Park and Retail. Each scenario includes a fiscal analysis identifying impacts to the Village as well as School Districts 44 and 87. Staff also retained the services of Houseal Lavigne Associates (HLA) to provide an analysis focused on market feasibility as well as preliminary indications of land value for some of the development options.

As noted in the HLA report, staff finds that maintaining open space, with possible enhancements, would afford an opportunity for a large recreational/park area on the south side of the Village similar to the Commons or Madison Meadow on the north side, when combined with the immediately adjacent Four Seasons Park. It should be noted that a hybrid use, as identified as Option G could be considered as a tool to help facilitate the preservation of the open space component, provided that the non-open space component only be ancillary to the preferred open space use. Should the Plan Commission consider this option, they should make a finding to restrict what type of ancillary land use (residential vs. non-residential) would be acceptable and provide some framework for how much density could be allowed.

At the meeting, the current property owner, their legal counsel and Donven Homes spoke about their desires to develop the Woodmor Development. They noted that their development closest resembles Option F of Village's staff land use and fiscal analysis which is a combination of apartment buildings and townhomes. The Plan Commission also provided their comments. A majority of the Commissioners stated their desire to preserve open space and each Commissioner that provided testimony, expressed the need to preserve some level of open space. The Commissioners discussed the need for a long-term vision of the property and to examine the demand of the market and economy for the next 10-15 years and discuss with the Park District their future plans and needs.

October Hearing

At the October 15, 2012 Plan Commission meeting, Commissioners opened the public hearing and took additional testimony from residents. After the staff presentation, 18 objectors testified in favor of maintaining some level of open space. Notices were sent to approximately 500 nearby residents and a press release announcing the meeting process. Following the notification, staff received seven letters from residents in favor of open space.

Mr. Stilling noted that staff met with the Park District and received a letter from the Executive Director of the Lombard Park District summarizing their current long range planning efforts. The Park District is looking to complete a master plan for all their facilities and they recently entered into an agreement with Hitchcock Design to begin their master planning study. This study will include a series of public outreach efforts, workshops and community forums to gather input regarding open space and facility needs. They indicated that initial findings are expected in April 2013. Staff received another letter from the Park District expressing their support for maintaining the parcel as some type of open space. One of the letters received was on behalf of the Cove Landing Building One and Two Condominium Association and Cove Landing Homeowners Association Board of Directors representing 292 condominium units in favor of open space.

November Hearing

At the November 19, 2012 Plan Commission meeting, 30 residents gave their testimony in favor of maintaining open space. Additional testimony was provided by staff and comments were offered by the commissioners.

December Hearing

At the December 17, 2012 Plan Commission meeting, 25 residents gave their testimony in favor of maintaining open space. Additional testimony was provided by staff and comments were offered by the commissioners.

January Hearing

At to January 28, 2013 Plan Commission meeting, Chairperson Ryan asked if anyone was present to speak in favor or against the petition. The following gave their sworn testimony:

Bernard Dudek, 270 W. 17th St., Lombard, thanked the Plan Commission for listening and inviting residents to comment over the past four months on the recommendation to revise the Comprehensive Plan of our unincorporated neighbor, Ken Loch Golf Course. He mentioned his frustration with the lack of public notification back in September and how a neighbor happened to see the item listed on the Plan Commission agenda a few days before. They have been told off the record that a planned development is a done deal and the neighbors' participation is irrelevant. He said that they offer a united position of opposition to the planned development. Mr. Dudek realizes that the Plan Commission has reiterated that it is a simple land use recommendation and there is no planned development under discussion. Commissioners have also sought to clarify any misunderstands in regard to the process. But this conversation began last April when a developer and their attorney Bob Schillerstrom, who is powerful and connected, approached the Village Board with specific plans. Mr. Dudek suggested that it cannot be ignored that the desire to develop a project is not connected to this attempt to change the land use. It is known that a decision to change the Comprehensive Plan opens a door that cannot be closed. The property is unincorporated currently but completely surrounded by the Village's boundaries. This proposed development cannot occur without the Village's support of services and utilities. This is a fight of an unwanted development. Residents cannot sit back while key

decisions are being made and the battle will have already been lost to the detriment of the Village as a whole. No one except the developer, lawyer and Kensinger Family have voiced anything other than open space. If recommendations are made based on finances, the studies and analysis of the site challenge the fiduciary responsibility of supporting a high density residential development on this land.

Nancy Schukat, 1801 S. Elizabeth St., Lombard, asked Chairperson Ryan if the Commission had made a decision of open space. He responded that no decision has been made. She expressed her desire that the property remain open space.

Marymae Meyer, 414 W. Windsor Av., Lombard, stated that her view from the start has been a broader picture not of just from the neighborhood concerning vanishing open space in urban areas. She is a farm girl who doesn't have a farm anymore which was taken over by industry. She has done extensive study of the changing land within Lilia Park. Her observation is that the public record that exists boils down to static, black and white print with a few photos. It is flat and lacks the passion exhibited by the people who came out to speak at each meeting. She understands that the Plan Commission is limited to recommending actions to the Village Board. Ms. Meyer requests with today's technology to consider including the videos of the meetings held over the past several months to be filed with the records of these forums. It would represent a record to historians who will view the true passion, diversity and age groups that have come forward to save this open space. It would be better if our voices are heard the best they can be. She questioned whether decision makers view the proceedings in order to get the true essence of the topic.

Mr. Heniff stated that the Plan Commission meetings are televised on local Lombard Channel (TV 6 or 99) and are available on the Village's website anytime. Official minutes and a referral letter are sent to the Village Board outlining the concerns of the participants. It is part of the record that is transmitted to the Village Board for their consideration. Ms. Meyer requests assurance that there will be a link or DVD for the Village Board to view this and past proceedings in order to reflect the passion of the people on this issue. Mr. Heniff stated that all videos of the meetings pertaining to this topic are available.

Muzammil Saeed, 230 W. 17th St., Lombard, stated that he lives near the property discussed and is a candidate for Trustee District 3 and would like the property to remain open space.

Moon Khan, 562 S. Stewart St., Lombard, stated that he came to the meeting to implore and urge the Plan Commissioners to respect the passion and unanimous support of the Village residents for open space. He hopes there is respect for this support. He believes that it is not simply a District 3 concern but pertains to the Village as a whole.

Rafi Hamid, 31 W. 17th St., Lombard, has lived at this address since 1996 and has lived in the Village of Lombard since 1988. Mr. Hamid loves the village and the area and wants to keep the property as open space with no construction.

Chairperson Ryan called for any additional testimony. Hearing none, he requested the staff report.

Mr. Heniff stated that all previous documents will be part of the public records in their entirety. If something is not mentioned and has been submitted in writing, it is part of the permanent record. This includes all letters, analysis, staff comments, etc. The Comprehensive Plan has been under review by the Plan Commission pertaining to the preferred land use for the Ken Loch Golf Course property. He gave a synopsis of the description and procedures undertaken over the past several months.

He stated that the Comprehensive Plan is a visionary document with the intent to represent the desires of the community's property allowances and is not specific. It represents property development for the next generations and provides a framework for property development. The Plan Commission and the Village Board will be examining the goals and responsibilities of the Village as it relates to the use of the land. Fiscal responsibility along with other factors will be balanced with the prevailing opinions of the community. The Plan Commission should be specific in its recommendation.

Chairperson Ryan opened the public hearing to the Commissioner's for their questions and comments.

Commissioner Sweetser questioned the reference to the property as previously identified as large lot single residential. Mr. Heniff responded that prior to 2010 the subject property was designated as large lot residential. In 2010, the Comprehensive Plan was revised to identify the property as open space. A concept submitted by a developer last year started the process of re-examining the land use of the property. This concept happened to be a high density residential plan and is not the component to be discussed but to be kept at a more generic tone. If it was decided that high density residential land use were appropriate for this property, any specific plans would still need to go through the formal public hearing process of the Plan Commission.

Commissioner Cooper asked about preservation of open space in the report and requested clarification. Mr. Heniff responded that to maintain the property as open space only may limit the preservation as privately funded without specific clarification of ancillary type support or it may have to be publicly supported. Commissioner Cooper questioned the need for a precise percentage at this point. Mr. Heniff responded that it is a policy guide post.

Commissioner Olbrysh stated that he would like to hear from the Park District. He also supports the open space designation and noted that the attendees should voice their concerns when this matter is brought before the Board.

Commissioner Sweetser asked for clarification of the arrival of seventy-five percent open space still qualifies as open space. Mr. Heniff responded that the qualification is outlined in the Village of Lombard's ordinance and has been commonly used in the past.

Chairperson Ryan stated that the overall opinion of the Commission is in favor of open space and the reality of financing it as such is a challenge. The property owners could still make developments without the Village if the land use is too restrictive.

Commissioner Flint expressed the unique opportunity the property presents as a possible public venture.

Commissioner Sweetser considered the compromise of allowing an accessory use on a portion of the land and how it may be the only way to maintain the majority of the property as open space. Commissioner Cooper asked if amending the property to allow twenty-five percent as accessory uses would increase the property's value. Mr. Heniff responded that the Comprehensive Plan designation does not indicate property value.

Commissioner Mrofcza stated that allowing a percentage of accessory development would improve the likelihood of the site achieving an attractive outcome as opposed to becoming an eyesore. It would keep options open in the long term.

Commissioner Sweetser suggested reducing the twenty-five percent based on specific proposals.

The Commissioners debated the allowable open space percentage available for development. The higher number allows for flexibility and projects can be approved on individual merit. This figure alerts developers that the particular portion is required to be an accessory and supportive use only.

On a motion by Commissioner Olbrysh and seconded by Commissioner Mrofcza, the Plan Commissioners accepted the recommendations and findings within the Inter-Departmental Review Report as the findings of the Plan Commission, and further:

1. Find that Ken-Loch Golf Links should be designated primarily Open Space with a preference for golf course and an option of accessory land uses that complements and facilitates the preservation of the property, not to exceed 25% of the principal open space use, which designation is consistent with the Goals, Objectives and Policies and the overall Comprehensive Plan, does not affect the adequacy of existing or planned facilities and services of the Village or planning area generally, and results in reasonably compatible land-use relationships; and
2. Recommend to the Corporate Authorities that the Recommendations section of the Open Space Plan Component of the Comprehensive Plan, as it relates to Ken-Loch Golf Links, be amended to clarify the phrase "open space/golf course amenity", to be and read in its entirety as follows:

Regarding Ken-Loch Golf Links, the Village should amend its annexation recommendations to ensure that the property remains in use as open space. The previously offered alternative of large-lot single family development would result in an irreplaceable loss of open space. Accordingly, the property should only be annexed as part of a request and companion plan to enhance the open space/golf course amenity for the Village. The golf course amenity shall be preferred, but any other open space amenity is acceptable as the primary use. In addition,

February 7, 2013

PC 12-18

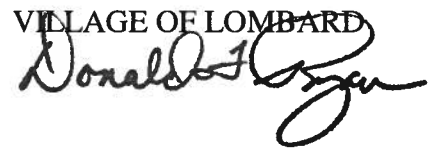
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accessory land uses that complements and facilitates the preservation of the primary use, not to exceed 25% of the principal open space use, may be appropriate.

The vote by the Plan Commissioners was (4-2) to approve the motion. The two dissenting votes (Flint, Cooper) supported the open space designation as well but did not favor the concept of allowing up to 25% of the site to be able to be utilized for accessory uses to the open space component. They felt that the site should have an even higher open space component/requirement.

Respectfully,

VILLAGE OF LOMBARD


A handwritten signature in black ink, appearing to read "Donald Ryan", written over the printed name.

Donald Ryan, Chairperson
Lombard Plan Commission



MEMORANDUM

TO: LOMBARD PLAN COMMISSION
Donald Ryan, Plan Commission Chairperson

FROM: William J. Heniff, AICP 
Director of Community Development

DATE: January 28, 2013

SUBJECT: PC 12-18: Comprehensive Plan Amendment (Ken-Loch Property)

Over the past several months, the Plan Commission has been reviewing and taking public testimony pertaining to the preferred land use designation for the Ken-Loch Golf Course Property. The review follows Village Board direction and analysis undertaken in 2012 which identified various possible land use alternatives and their corresponding fiscal analyses. Staff offered a timeline for review of these alternatives, with possible consideration and recommendation by the Plan Commission in January, 2013. Below is a synopsis of the past activities undertaken to date.

Background

The Ken-Loch site is 30.91 acres in area and is improved as a golf course. The property does not currently impact Village services as it is unincorporated and it is not on Village utilities. Currently, the Village's Comprehensive Plan recommends that the property be used for open space purposes, and that it should only be annexed as part of a request and companion plan to enhance the open space/golf course amenity for the Village. However, as an unincorporated parcel, DuPage County has designated the site with R-4 single family residential zoning.

In the spring of 2012, the Village Board directed staff to review the Comprehensive Plan as it pertains to the unincorporated Ken-Loch parcel at 1S535 Finley Road and to create various development scenarios for possible future land uses. Staff prepared a land use, market feasibility, and fiscal impact analysis for the overall site to help guide the Plan Commission and ultimately the Village Board in making their decision. This analysis and staff's report was discussed at the September 17, October 15, November 19 and December 17, 2012 Plan Commission meetings and has been continued to the January 28, 2013 meeting for further discussion and a recommendation. The following documents are being provided for reference and consideration:

1. Ken-Loch Property Analysis
2. Staff Report and Minutes from the September 17, 2012 Plan Commission Meeting
3. Staff Report and Minutes from the October 15, 2012 Plan Commission Meeting
4. Staff Report and Minutes from the November 19, 2012 Plan Commission Meeting
5. Staff Report and Draft Minutes from the December 17, 2012 Plan Commission Meeting
6. Objectors Letters and Correspondence

Summary

While the attached Property Analysis Report prepared by Houseal Lavigne & Associates and staff covers many types of development scenarios, the Plan Commission is being asked to make a recommendation related to the future land use only. The attached report is to be used as a guide to assist with making a recommendation and offers basic site plans to show how the site could possibly be developed. Land Use options for consideration may include, but are not limited to:

1. Open Space (current designation)
2. Estate Residential
3. Low Density Residential
4. Low-Medium Density Residential
5. Open Space with a High Density Residential Component
6. Office/Business Park
7. Community Commercial

When making a decision to amend the Comprehensive Plan, it is important to note that the Plan is the Village's official policy guide for future growth and development. It provides community focus and direction regarding future physical and economic change in the community over the next 10 -15 years. The decision to amend it does not necessarily have to include current short-term and mid-term market conditions. Furthermore, pursuant to the current Comprehensive Plan, should the Plan Commission decide to change the land use designation from Open Space to another use, the following standards are to be met:

1. The proposed change is consistent with the Goals, Objectives and Policies and the overall Comprehensive Plan.
2. The proposed amendment does not affect the adequacy of existing or planned facilities and services of the Village or planning area generally.
3. The proposed change results in reasonably compatible land-use relationships.

As previously noted, since this property is unincorporated, the Village Board would have to make the decision as to whether or not the property should be annexed into Lombard. Although annexation is at the discretion of the Village Board, since the property is within 1 ½ miles of our corporate limits and the site is within our ultimate municipal boundaries, discussion on future land use is relevant for the Plan Commission. The Plan Commission is therefore being asked to make a recommendation to the Village Board regarding land use. The Plan Commission may uphold the current designation or make a new recommendation.

In closing, it is important to recognize the Comprehensive Plan is the Village's vision document that provides a legal basis and rationale for any future rezoning activity. Should any party seek to develop the site in the future within the Village, they will be legally obligated to go through the

annexation and zoning entitlement processes, which will provide an additional opportunity for interested parties and the Village to formally comment on the specific development proposal. The Comprehensive Plan review process is critical, as it provides direction to the existing property ownership, interested parties and staff as to what land use category or activity could be conceptually supported should a formal petition be submitted to the Village.

FINDINGS AND RECOMMENDATIONS

As noted in the staff report, staff finds that maintaining open space, with possible enhancements, would afford an opportunity for a large recreational/park area on the south side of the Village similar to the Commons or Madison Meadow on the north side, when combined with the immediately adjacent Four Seasons Park. It should be noted that a hybrid use, as identified as Option G could be considered as a tool to help facilitate the preservation of the open space component, provided that the non-open space component only be accessory to the preferred open space use. Option G could also provide the additional possibility of the private sector to preserve the golf course or open space while securing an economic return on their investment. Option G also suggests that a multiple family residential building, or even an enhanced clubhouse, may be able to help achieve this result. Ultimately, should the Plan Commission consider this option, they should make a finding to restrict what type of accessory land use(s) (residential vs. non-residential) would be acceptable and provide some framework for how much density could be allowed. Under this scenario, staff would suggest and recommend that the accessory use(s) to the principal open space use does not comprise more than 25 percent of the property area (approximately 7.73 acres).

If the Plan Commission finds that another land use type should be recommended, they should make a recommendation citing the preferred land uses and any rationale as to why such land use(s) would be appropriate.

Based on the above findings, the Inter-Departmental Review Committee recommends that the Plan Commission make the following motion:

Based on the submitted petition and the testimony presented, I move that the Plan Commission accept the recommendations included within the staff report and accept the findings of the Inter-Departmental Review Report as the findings of the Plan Commission and recommends to the Corporate Authorities that the Ken-Loch Parcel be maintained primarily for Open Space land uses, with the option of possible accessory land uses that are related to and/or facilitate the preservation of the subject property for open space purposes.

KEN-LOCH
PROPERTY
ANALYSIS

Ken-Loch Property Analysis

Dated September 10, 2012

Prepared by the Department of Community Development

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Executive Summary

Executive Summary

Background

At their April 12, 2012 meeting, the Village Board directed staff to review the Comprehensive Plan as it pertains to the unincorporated Ken-Loch parcel, which is currently identified for open space, and to create various development scenarios to determine future land use. As a result, staff prepared the attached report to help guide the Plan Commission and ultimately the Village Board in making their decision. The report includes the following:

- Market Feasibility prepared by Houseal Lavigne Associates (HLA)
 - The report provides a summary analysis of key land uses and their market feasibility.
 - Summary of findings for the various land uses.
- Development Options prepared by Village staff. This report includes the following:
 - Nine (9) potential development options for Ken-Loch, including analysis of:
 - Traffic generation.
 - Market feasibility findings.
 - Overview of fiscal impacts to the Village and School Districts 44 & 87.
- Fiscal Analysis prepared by Village Staff
 - Overview of assumptions.
 - Impact on the Village of Lombard.
 - Impact on School District 44 and School District 87.

Executive Summary

Village of Lombard Comprehensive Plan

The subject property was discussed on multiple occasions by the Village in the recent past. As part of the Village Board's 2008 Strategic Plan, the strategic goals for 2008-2009 were to establish a process to annex the golf course. Specifically the report recommended that the Village should "Develop recommendations for a process to annex and develop the Ken-Loch golf course property...", with the intent to maintain a balance of open/recreation space on the Ken-Loch property as part of any future annexation. Based on this Board direction, staff began to implement this directive. Staff incorporated the Ken-Loch property discussion into the review of the open space planning effort in 2010. Ultimately, the adopted Open Space Plan Component of the Comprehensive Plan states:

"Regarding Ken-Loch Golf Links, the Village should amend its previous annexation recommendations to ensure that the property remains in use as open space. The previously offered alternatives of large-lot single-family development would result in an irreplaceable loss of open space. Accordingly, the property should only be annexed as part of a request and companion plan to enhance the open space/golf course amenity for the Village."

In 2009, the Village also adopted its latest version of its Annexation Strategies Report. The report discusses the Ken-Loch property and recommends, "annexation of this property should only occur if it is associated with a development plan consistent with the Comprehensive Plan and any future amendments, and as part of a request and companion plan to enhance the open space/golf course amenity for the Village."

Executive Summary

DuPage County Zoning Rights

The property currently operating as a golf course does not impact Village services as it is unincorporated and it is not on Village utilities. It must be recognized that the property owner does not have any development entitlement provisions under Village Code. As the subject property is unincorporated and annexation is a completely discretionary item under the Village Board's purview, the Village is not legally obligated to annex and rezone the property for a given use. The developer could even make an application through DuPage County for similar zoning approvals.

For reference purposes, DuPage County's Zoning Ordinance has designated the site for R-4 single family residential zoning, which would require development on 40,000 sq. ft. lots, if utilities were not provided; or up to 10,000 square foot lots if utilities were provided. As the site currently does not have utilities available from other sources (it has operated on well and septic) and that the Village has the only public utilities in the immediate area (along Finley Road), it is probable that they would have to seek approval for such connections.

Executive Summary

Comprehensive Plan Amendment Process

Should the Village Board decide to amend the Comprehensive Plan's current land use designation for the Ken-Loch parcel, the amendment is subject to the following procedures:

1. Plan amendments shall be submitted in writing in a form provided by the Department of Community Development and shall include all proposed text and map amendments. The petition shall document and demonstrate the need for the proposed amendments.
2. A public hearing on the proposed amendments shall be held before the Plan Commission, in accordance with state law.
3. The Plan Commission shall consider the proposed amendments and recommend approval or denial on the proposed amendment, or recommend approval on an alternative amendment to the Village Board of Trustees. At its discretion, the Plan Commission may seek information, advice or technical support from the Department of Community Development or other advisors it deems appropriate, to draw reasonable conclusions regarding the proposed amendments. The approval of Land Use Plan Map Amendments shall be subject to the criteria outlined below.
4. In accordance with state law and within 90 days of the close of the public hearing, the Village Board shall receive the report of the Plan Commission and shall approve or deny any or all recommendations of the Plan Commission. Should no formal action be taken within the 90 day period, the proposed amendment may not be acted upon. Any further consideration of the proposed amendment(s) shall comply with the notice and hearing requirements of this section and state law.

Executive Summary

Development Options

To assist with the discussion, staff reviewed the site to determine the type of development that could generate the best economic opportunity by examining the impacts to the Village of various uses, including:

- Existing site “as-is” (*Option A*)
- Single family detached on 40,000 square foot lots (*Option B*)
- Single family detached on 10,000 square foot lots (*Option C*)
- Single family detached on 7,500 square foot lots (*Option D*)
- Attached townhomes (*Option E*)
- Mixed townhomes and apartments (*Option F*)
- Apartments with a preservation of the golf course use (*Option G*)
- Office (*Option H*)
- Retail (*Option I*)

Further discussion and examination of each development option is discussed in detail within this report on page 14.

Market Feasibility

Originally prepared by Houseal Lavigne Associates

Market Feasibility

Introduction

The Village of Lombard retained the services of Houseal Lavigne Associates (HLA) to conduct an analysis related to the possible development proposals for the Ken Loch Golf Course located on Finley Road in unincorporated Du Page County. The property is approximately 30 acres and is zoned R-4 Residential under current County zoning. The Village of Lombard Comprehensive Plan calls for the site to remain as a golf course and/or open space if annexed into the Village. Additional details of the site and associated development potential is contained in earlier staff reports.

HLA analysis focused on market viability as well as preliminary indications of land value. The analysis, however, does not constitute an appraisal. A professional appraisal would be required to fully substantiate market value. One of the challenges of attributing market value to a property of this size is the relative lack of recent comparable sales. Since 2008, property values have declined significantly throughout the marketplace. Comparable sales prior to 2008 do not reflect the same conditions that exist today and therefore are in need of fairly large adjustments. This is particularly the case for residential development. While sales are limited, large sites that have sold recently typically involve distressed properties including unfinished or partially developed subdivisions.

In conducting this analysis HLA looked at several different development scenarios. They also spoke with developers, brokers and investors and analyzed land sales comparisons within the market area. In addition, HLA conducted a review of the initial fiscal analysis prepared by Village staff. All backup data and information utilized in this analysis is contained in their files and is available if desired.

Market Feasibility

Summary of Findings

The following is a summary of HLA's findings regarding the potential land uses:

Residential: Given short to mid-term market and economic conditions, rental apartments would be the most feasible residential development. A potential land value of \$4.1 to \$6 million is estimated based on a projected density of 275 to 300 units.

Open Space/Golf Course: While the fiscal/financial benefit is not high, value is really as a community asset. Attempting to assemble a site of this size for park or recreational use would be difficult especially when considering its adjacency to an existing public park. If desired, the Village could still allow for a limited amount of multi-family residential on a portion of the site.

Retail: Indications are that retail development would provide the greatest return to the property owner (estimated at \$5.4 to \$8.1 million). In addition, if Village officials would like to see development of the entire parcel, then a viable retail use would provide the greatest net fiscal benefit to the Village in terms of tax revenue and demand on municipal services.

Office/Industrial/Business Park: There could be longer term potential based on the property's location and proximate uses. If this is deemed a desirable longer term use of the site, there is no reason to take action at this time.

Market Feasibility

Summary of Findings

Ultimately, whatever occurs on the Ken-Loch site, will be a policy decision on the part of Village of Lombard officials. This is primarily driven by the fact that the Village is not obligated to take any action at all at this time, including annexation or extension of utilities. The owner may also petition the County for rezoning. However, if the desired rezoning requires the extension of utilities; the Village, again, is not obligated to take action. Therefore, Village of Lombard officials have four primary considerations which include, but are not limited to:

- Whether to annex the property into the Village.
- If annexed, whether to amend the Comprehensive Plan to allow for one of the development scenarios.
- Allow for the project to proceed through DuPage County regulations, with the Village only providing water and/or sanitary sewer service to the development.
- Take no action at this time.

Development Options

Development Options

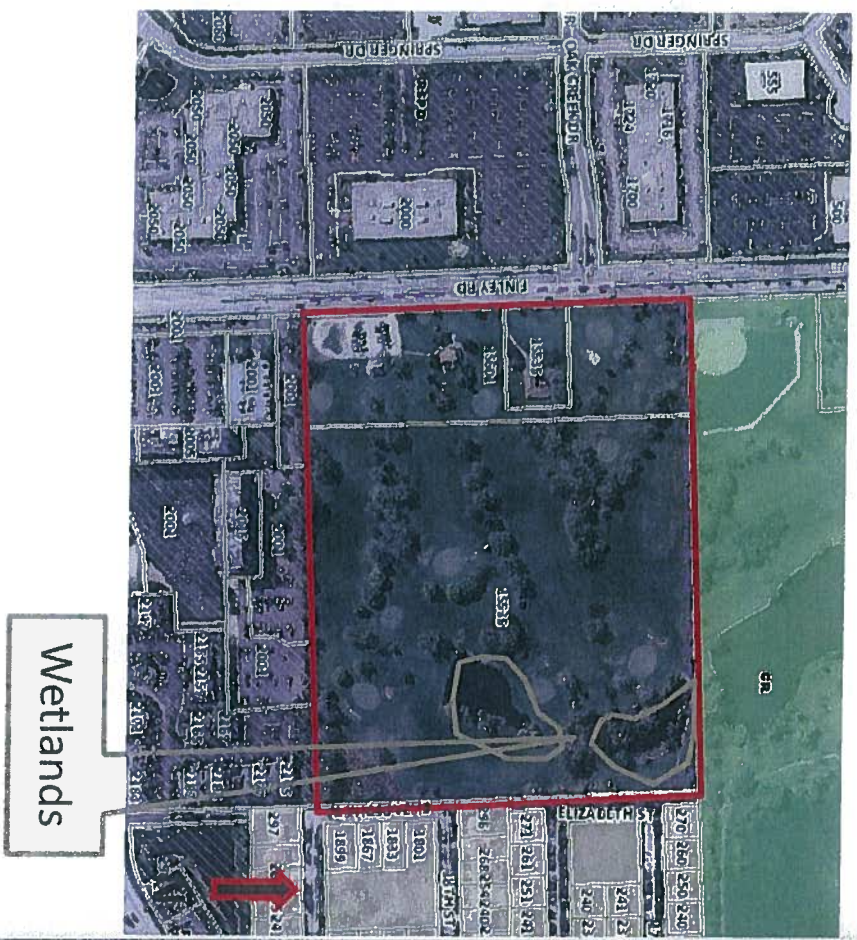
As part of this report, staff prepared a development analysis identifying nine (9) possible development scenarios for the Ken-Loch site. Each development scenario also includes a traffic impact analysis, along with a detailed fiscal analysis identifying impacts to the Village of Lombard and School Districts 44 and 87. Staff also included the findings from the HLA market feasibility analysis as well as preliminary indications of land value for some of the development options. The following scenarios are discussed:

- Existing site “as-is” (*Option A*)
- Single family detached on 40,000 square foot lots (*Option B*)
- Single family detached on 10,000 square foot lots (*Option C*)
- Single family detached on 7,500 square foot lots (*Option D*)
- Attached townhomes (*Option E*)
- Mixed townhomes and apartments (*Option F*)
- Apartments with a preservation of the golf course use (*Option G*)
- Office (*Option H*)
- Retail (*Option I*)

Existing Conditions

- 2 wetland areas totaling 1 acre in area
- 100' buffer required to minimize wetland impact of development

30.9 acres
– 1 acre wetlands
– <u>2.5 acres wetland buffer</u>
28.4 acres
developable



Development Options

Existing Golf Course Property (Option A)



Development Options

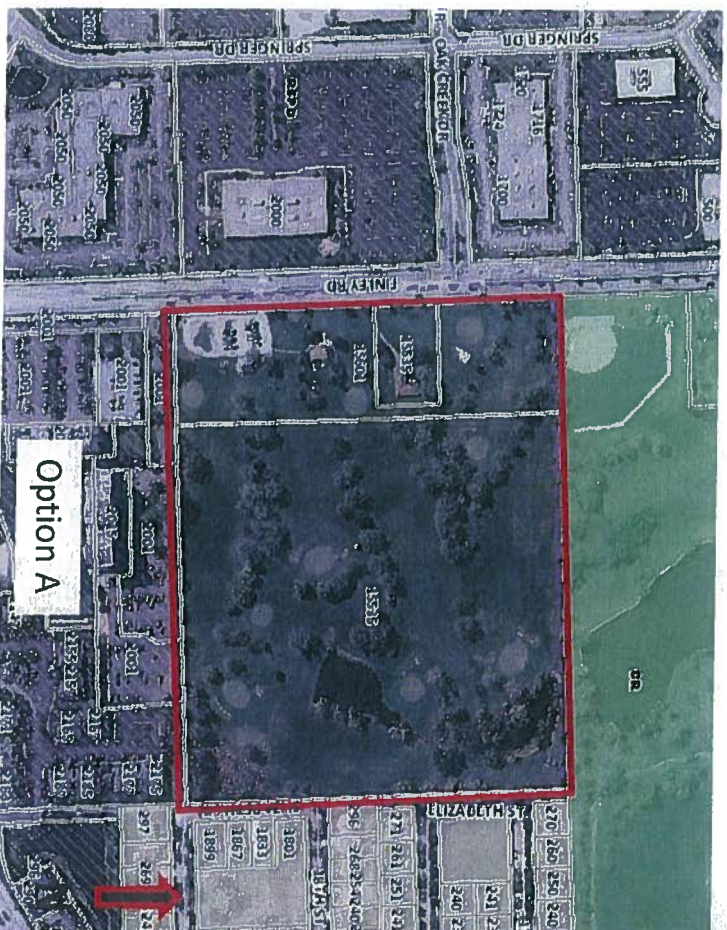
Existing Golf Course Property

Site Data

- 30.9 acres with wetlands
- 9 hole golf course

Traffic

Weekday Morning Peak Hour		Weekday Evening Peak Hour		Weekday Daily Traffic
In	Out	In	Out	
16	4	11	14	322



Development Options

Single Family Detached on 40,000 square foot lots (Option B)



Development Options

Single Family Detached on 40,000 square foot lots

Site Data

- 19 Single Family Lots, each a minimum 40,000 square feet in area on well and septic.
- Right-of-Way is 66' feet wide.
- Detention to be provided around the wetland area.

Market Feasibility**

- Limited market potential since “for sale” has been especially slow and hit hard by the downturn in the housing market. This is projected to continue until existing inventory is absorbed and/or financing is more readily available.
- Based on the current entitlement rights afforded to this site, land value for the Ken-Loch parcel should be based on this scenario.

Traffic

Weekday Morning Peak Hour		Weekday Evening Peak Hour		Weekday Daily Traffic
In	Out	In	Out	
7	20	19	11	290



**Findings prepared by Houseal Lavigne & Associates

Development Options

Single Family Detached on 10,000 square foot lots (Option C)



Development Options

Single Family Detached on 10,000 square foot lots

Site Data

- 61 Single Family Lots, each a minimum 10,000 square feet in area on Village utilities.
- This scenario would require that the Village enter into an agreement to provide utilities and fire services to the unincorporated property.
- Right-of-Way is 66' feet wide.
- Detention to be provided around the wetland area.
- Limited market potential since "for sale" has been especially slow and hit hard by the downturn in the housing market. This is projected to continue until existing inventory is absorbed and/or financing is more readily available.
- Should the Village enter into a utilities agreement to serve this property, this could potentially increase its overall land value.

Market Feasibility**

- Limited market potential since "for sale" has been especially slow and hit hard by the downturn in the housing market. This is projected to continue until existing inventory is absorbed and/or financing is more readily available.
- Should the Village enter into a utilities agreement to serve this property, this could potentially increase its overall land value.

Traffic

Weekday Morning Peak Hour		Weekday Evening Peak Hour		Weekday Daily Traffic
In	Out	In	Out	
14	41	46	27	710



**Findings prepared by Houseal Lavigne & Associates

Development Options

Single Family Detached on 7,500 square foot lots (Option D)



Development Options

Single Family Detached on 7,500 square foot lots

Site Data

- This scenario assumes annexation into the Village of Lombard and lots would conform to the R2 standards, consistent with the single family subdivision to the east.
- 83 Single Family Lots, each a minimum 7,500 square feet in area.
- Right-of-Way is 66' feet wide.
- Detention to be provided around the wetland area.

Market Feasibility**

- Limited market potential since "for sale" has been especially slow and hit hard by the downturn in the housing market. This is projected to continue until existing inventory is absorbed and/or financing is more readily available.

Traffic

Weekday Morning		Weekday Evening		Weekday Daily	
In	Out	In	Out	In	Out
19	56	62	36	972	972



**Findings prepared by Houseal Lavigne & Associates

Development Options

Attached Townhomes (Option E)



Development Options

Attached Townhomes

Site Data

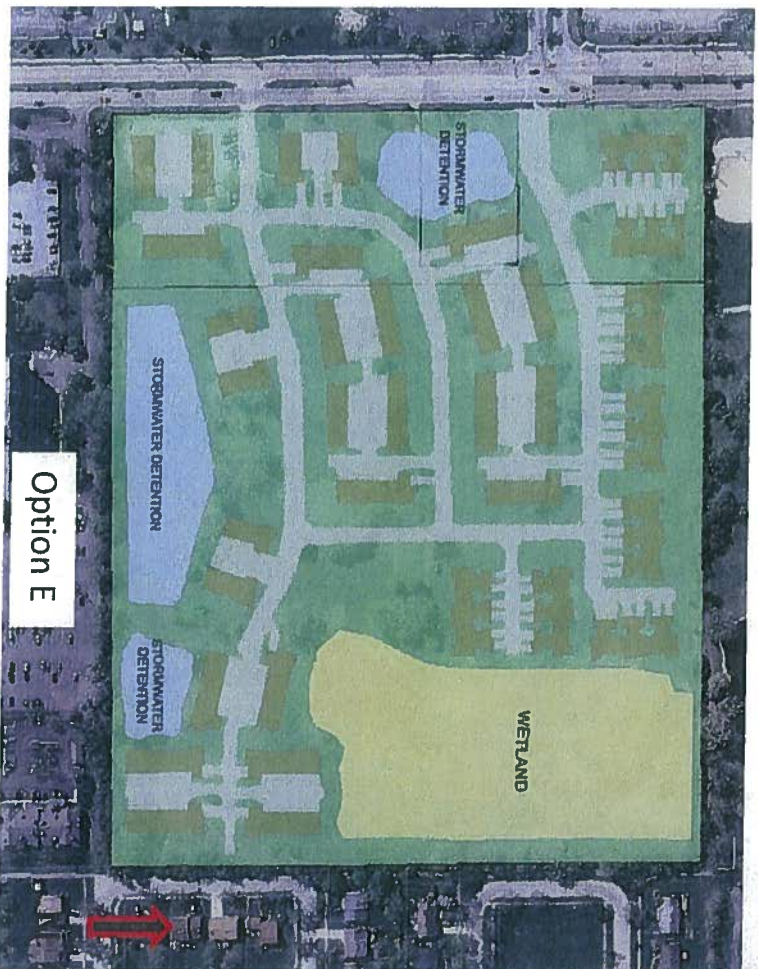
- 200 townhomes
- Detention to be provided around the wetland area.

Market Feasibility**

- Most development of for-sale residential property is taking place on smaller sites and in infill locations.
- The new townhome and condominium market has been especially slow and hit hard by the downturn in the housing market. This is projected to continue until existing inventory is absorbed and/or financing is more readily available.

Traffic

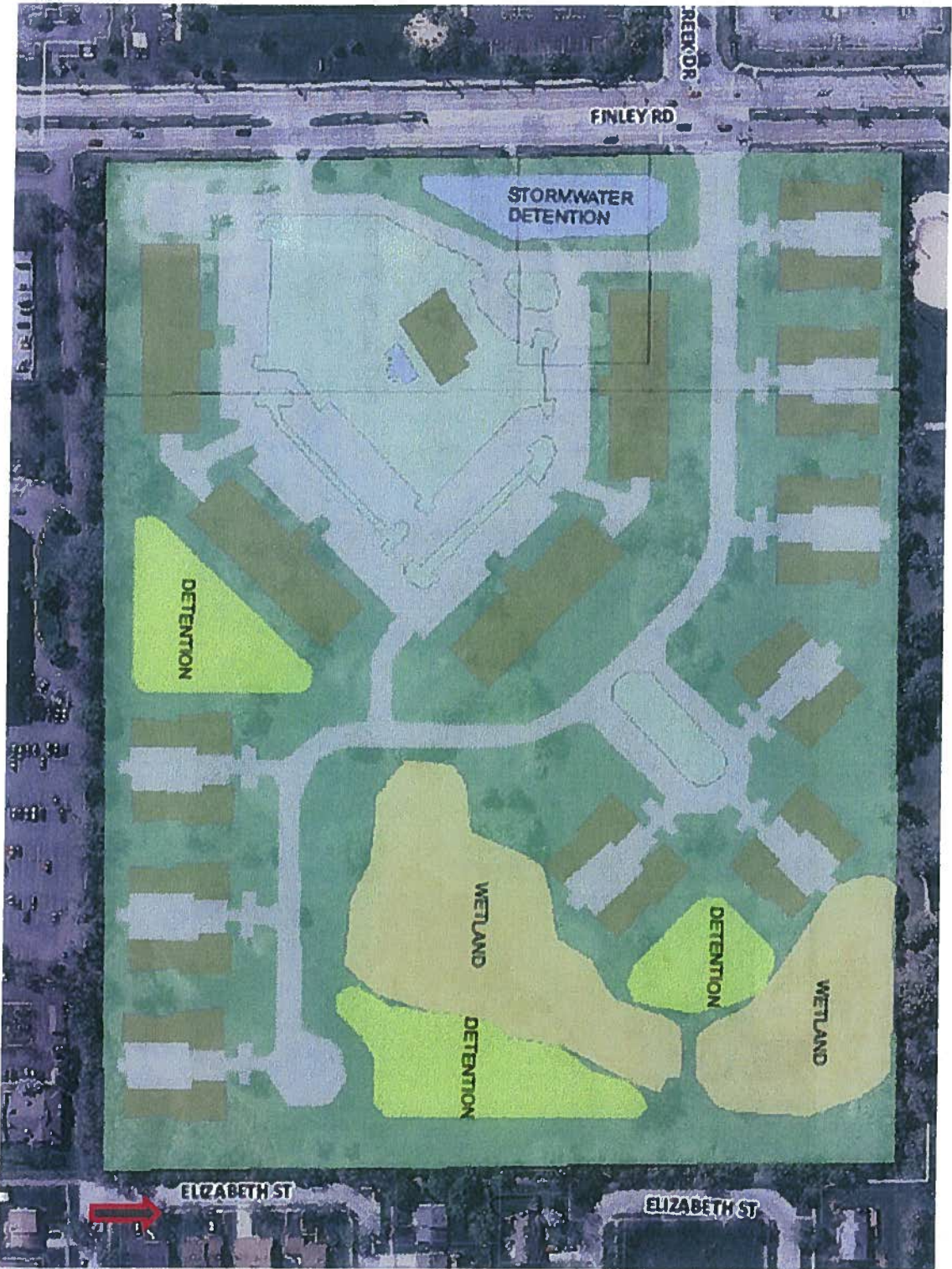
Weekday Morning Peak Hour		Weekday Evening Peak Hour		Weekday Daily Traffic
In	Out	In	Out	
15	75	71	35	1176



**Findings prepared by Houseal Lavigne & Associates

Development Options

Attached Townhomes and Apartments (Option F)



Development Options

Attached Townhomes and Apartments

Site Data

- 102 Court Style Townhomes
- 256 Apartments
- Detention to be provided around the wetland area.

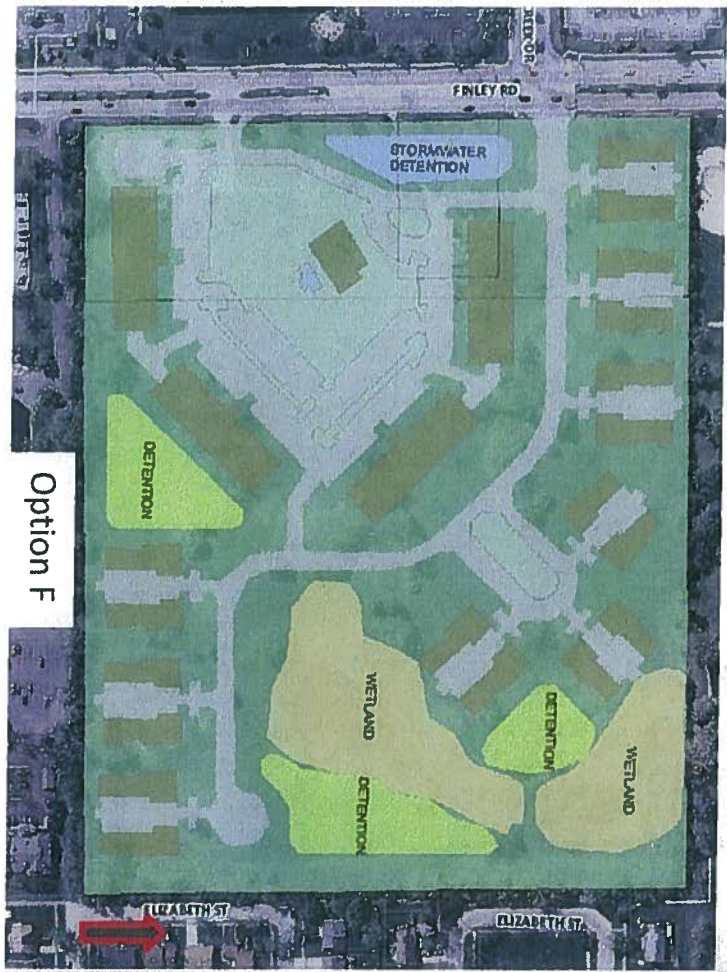
Market Feasibility**

Given short to mid-term market and economic conditions, rental apartments would be the most feasible residential development. A potential land value of \$4.1 to \$6 million is estimated based on a projected density of 275 to 300 units.

While a plan that reserves a portion of the land for the future development of "for sale" product (townhomes and condominiums in particular) may work from a planning perspective, there is no guarantee as to when the development economics may prove feasible. This could result in a subsequent request to amend the plan to allow for additional rental units in lieu of the planned "for sale" product.

Traffic

Weekday Morning Peak Hour		Weekday Evening Peak Hour		Weekday Daily Traffic
In	Out	In	Out	
35	147	144	76	2340

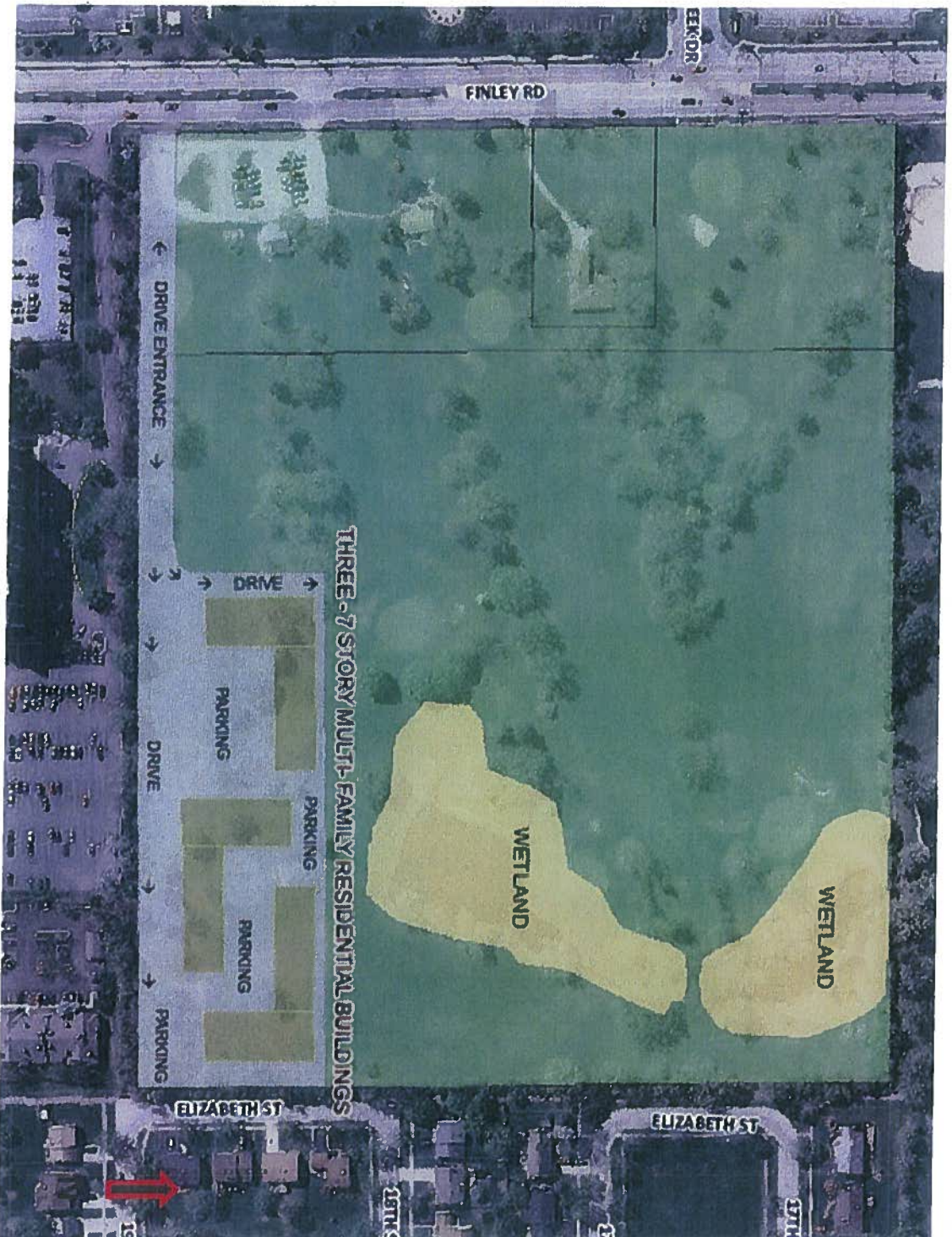


Option F

**Findings prepared by Houseal Lavigne & Associates

Development Options

Apartments and Golf Course Preservation (Option G)



Development Options

Apartments and Golf Course Preservation

Site Data

- 300 Apartments on approximately 5 acres.
- Golf Course to be preserved and enhanced.
- Detention to be provided around the wetland area.

Market Feasibility**

- Given short to mid-term market and economic conditions, rental apartments would be the most feasible residential development. A potential land value of \$4.1 to \$6 million is estimated based on a projected density of 275 to 300 units.

With reference to the remaining open space, while the fiscal/financial benefit is not high, value is really as a community asset. Attempting to assemble a site of this size for park or recreational use would be difficult especially when considering its adjacency to an existing public park. If desired, the Village could still allow for a limited amount of multi-family residential on a portion of the site.

Traffic

Weekday Morning		Weekday Evening		Weekday Daily	
In	Out	In	Out	In	Out
46	125	130	78	2264	



**Findings prepared by Houseal Lavigne & Associates

Development Options

Office Development/Business Park (Option H)



Development Options

Office Development/Business Park

Site Data

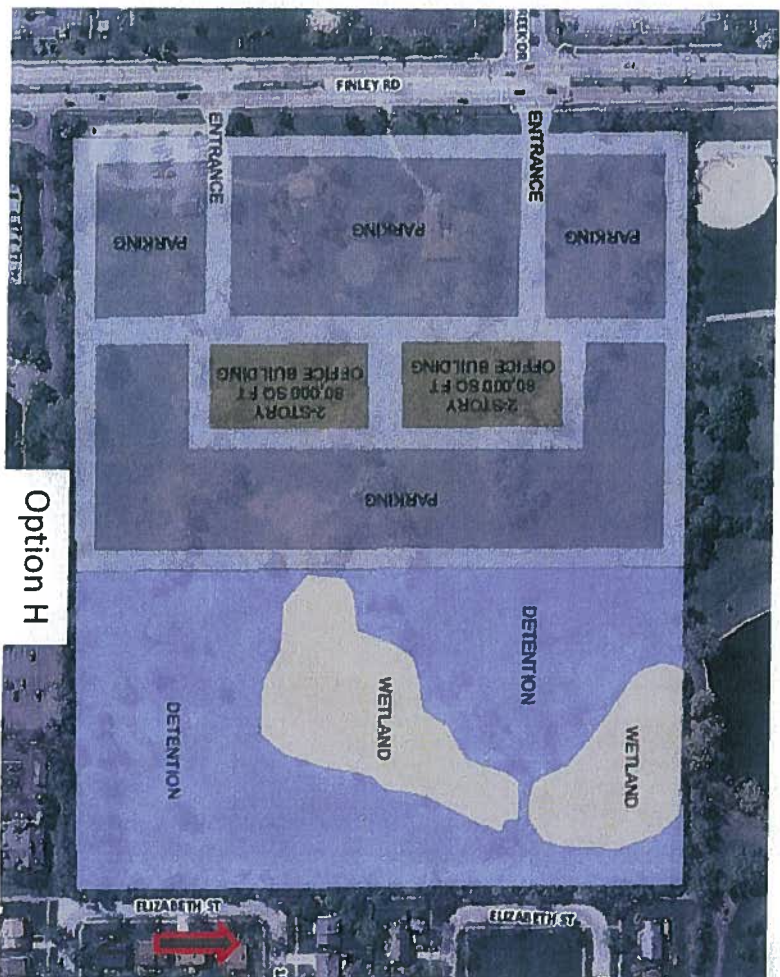
- The site could accommodate +/- 160,000 square feet of office space.
- The plan shown has multiple 2-story buildings, similar to those located across the street in the Oak Creek Office Park.
- Detention to be provided around the wetland area.

Market Feasibility**

- Given the lack of development potential for office and industrial uses at this time, no land value is assigned. However, if looking at a longer-term plan these uses would be consistent with nearby development.
- There could be longer term potential based on the property's location and proximate uses. If this is deemed a desirable longer term use of the site, there is not any reason to take action at this time.

Traffic

Weekday Morning Peak Hour		Weekday Evening Peak Hour		Weekday Daily Traffic
In	Out	In	Out	
240	33	44	214	1916



**Findings prepared by Houseal Lavigne & Associates

Development Options

Retail Development (Option I)



Development Options

Retail Development

Site Data

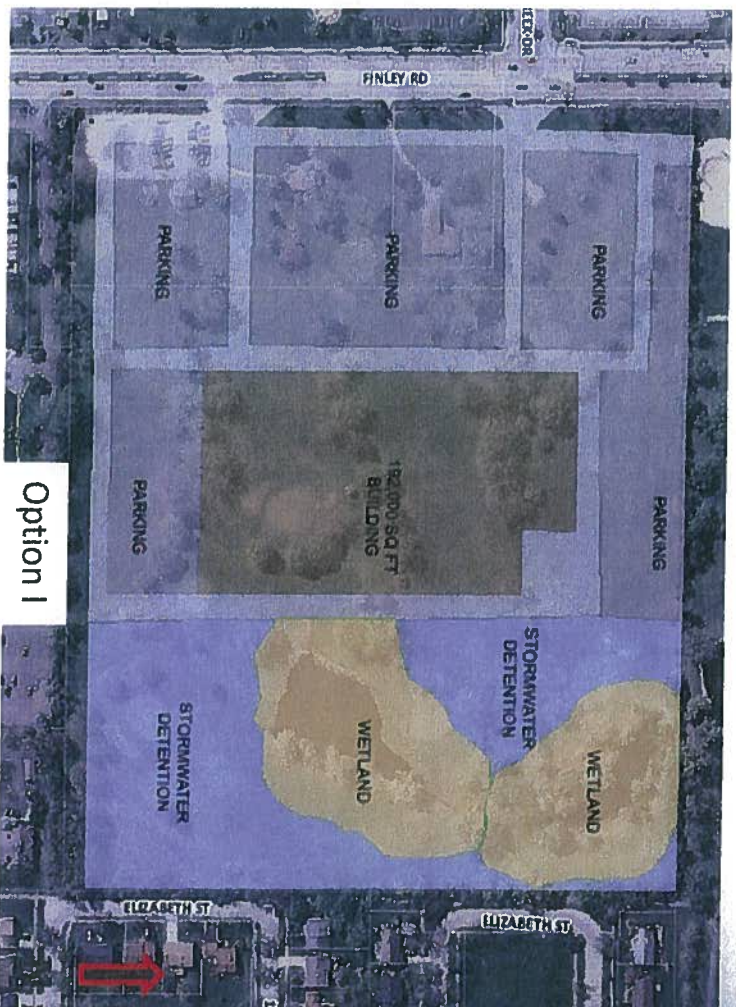
- The site could accommodate a big box retailer.
- The plan shows a +/- 192,000 square foot building.
- Additional outlots could be provided.
- Detention to be provided around the wetland area.

Market Feasibility**

- Indications of land value for a standalone large scale user are between \$4 and \$6 per square foot (\$174,000 to \$261,000 per acre) or \$5.4 to \$8.1 million for the entire site.
- In looking at the market area within a ten and fifteen minute drive from the site, there are indications of market potential in the General Merchandise category. These uses would require 20 to 25 acres which may also include an outlot(s) with a gas station or convenience store. Based on interviews with brokers and retail representatives, there are retailers in the market actively looking for sites at this time. If Village officials would like to see development of the entire parcel, then a viable retail use would provide the greatest net fiscal benefit to the Village in terms of tax revenue and demand on municipal services.

Traffic

Weekday Morning		Weekday Evening		Weekday Daily	
In	Out	In	Out	In	Out
124	79	427	445	9218	



Option 1

**Findings prepared by Houseal Lavigne & Associates

Fiscal Impacts to the Village

Prepared by the Village of Lombard

Option	Property Type	Housing Units	Sq. Ft. Non-residential	Estimated Population	Estimated Jobs	State Municipal Tax Revenue	Village			Total Anticipated Annual Revenue	Total Anticipated Annual Expenses	Total Annual Net Income (Revenue - Expenses)
							Property Tax Revenue	Village Fees	Sales Taxes			
A	Ken Loch - as-is	1	0	2	0	\$ 315	\$ 2,230	\$ 40	\$ 630	\$ 3,215	\$ 1,668.79	\$ 1,546
B	40,000-sq. ft. SF lots	19	0	66	0	\$ 8,897	\$ 21,261	\$ 754	\$ 17,780	\$ 48,693	\$ 47,068.35	\$ 1,624
C	10,000-sq. ft. SF lots	61	0	213	0	\$ 28,712	\$ 68,259	\$ 2,422	\$ 57,382	\$ 156,776	\$ 151,902.39	\$ 4,874
D	7,500-sq. ft. SF lots	83	0	287	0	\$ 38,688	\$ 92,877	\$ 3,296	\$ 77,318	\$ 212,178	\$ 204,675.99	\$ 7,502
E	Attached TH	200	0	393	0	\$ 52,976	\$ 100,710	\$ 7,942	\$ 105,874	\$ 267,503	\$ 280,270.61	\$ (12,769)
F	Attached TH & Apts	360	0	665	0	\$ 89,642	\$ 102,500	\$ 14,296	\$ 179,151	\$ 385,589	\$ 474,249.25	\$ (88,660)
G	Golf course w/ apts	300	0	540	5	\$ 72,792	\$ 60,977	\$ 11,913	\$ 146,148	\$ 291,830	\$ 386,111.27	\$ (94,282)
H	Office	0	160,000	0	480	\$ -	\$ 32,227	\$ -	\$ 64,487	\$ 96,714	\$ 96,635.32	\$ 79
I	Retail	0	192,000	0	384	\$ -	\$ 35,450	\$ -	\$ 953,337	\$ 988,786	\$ 77,308.25	\$ 911,478

Fiscal Impacts to School District 44

Prepared by the Village of Lombard

Option	Property Type	Housing Units	Sq. Ft. Non-residential	Estimated Population	Estimated Students for District 44	Estimated		Estimated Total Expenditures Per Student	Total Annual Net Income (Revenue - Expenses)
						Property Tax Revenue to School District 44	Estimated Total Expenditures Per Student		
A	Ken Loch - as-is	1	0	2	1	\$ 14,360	\$ 12,169	\$ 2,191	
B	40,000-sq. ft. SF lots	19	0	66	15	\$ 133,448	\$ 182,535	\$ (49,087)	
C	10,000-sq. ft. SF lots	61	0	213	49	\$ 428,440	\$ 596,281	\$ (167,841)	
D	7,500-sq. ft. SF lots	83	0	287	66	\$ 582,959	\$ 803,154	\$ (220,195)	
E	Attached TH	200	0	393	36	\$ 632,124	\$ 438,084	\$ 194,040	
F	Attached TH & Apts	360	0	665	37	\$ 643,362	\$ 450,253	\$ 193,109	
G	Golf course w/ apts	300	0	540	22	\$ 368,739	\$ 267,718	\$ 101,021	
H	Office	0	160,000	0	0	\$ 202,280	\$ -	\$ 202,280	
I	Retail	0	192,000	0	0	\$ 222,508	\$ -	\$ 222,508	

Fiscal Impacts to School District 87

Prepared by the Village of Lombard

Option	Property Type	Housing Units	Sq. Ft. Non-residential	Estimated Population	Estimated Students for District 87	Estimated		Estimated Total Expenditures Per Student	Total Annual Net Income (Revenue - Expenses)
						Property Tax Revenue to School District 87	Estimated Total Expenditures Per Student		
A	Ken Loch - as-is	1	0	2	0	\$ 8,259	\$ -	\$ 8,259	
B	40,000-sq. ft. SF lots	19	0	66	4	\$ 76,756	\$ 52,444	\$ 24,312	
C	10,000-sq. ft. SF lots	61	0	213	13	\$ 246,428	\$ 170,443	\$ 75,985	
D	7,500-sq. ft. SF lots	83	0	287	18	\$ 335,303	\$ 235,998	\$ 99,305	
E	Attached TH	200	0	393	14	\$ 363,582	\$ 183,554	\$ 180,028	
F	Attached TH & Apts	360	0	665	13	\$ 180,983	\$ 170,443	\$ 10,540	
G	Golf course w/ apts	300	0	540	7	\$ 212,090	\$ 91,777	\$ 120,313	
H	Office	0	160,000	0	0	\$ 116,346	\$ -	\$ 116,346	
I	Retail	0	192,000	0	0	\$ 127,981	\$ -	\$ 127,981	

Next Steps...

Next Steps...

Annexation is a completely discretionary item that is under the Village Board's purview. Furthermore, based on the current entitlement rights afforded to this site, land value for the Ken-Loch parcel should be based on what can be done in DuPage County. Should the Village decide not to annex the Ken-Loch property, the developer/property owner has the following options:

1. The developer/property owner would have the right to develop the site under the DuPage County R4 requirements with 40,000 square foot lots on well and septic (Option B).
2. The Village Board could enter into an agreement to provide utilities and fire services to the unincorporated property and the developer/property owner may develop the site under the DuPage County R4 requirements with 10,000 square foot lots (Option C).

Should the Village Board wish to pursue annexation and development of the Ken-Loch property, they have the discretion to decide which use is in the best interest of the Village. Therefore, Village of Lombard officials have four primary considerations which include, but are not limited to:

- Whether to annex the property into the Village.
- If annexed, whether to amend the Comprehensive Plan to allow for one of the development scenarios.
- Allow for the project to proceed through DuPage County regulations, with the Village only providing water and/or sanitary sewer service to the development.
- Take no action at this time.

Next Steps...

When making a decision to amend the Comprehensive Plan, it is important to note that the Plan is the Village's official policy guide for future growth and development. It provides community focus and direction regarding future physical and economic change in the community over the next 10 -15 years. Therefore, the decision to amend it does not necessarily have to include current short-term and mid-term market conditions. However, should current market conditions be an item of primary importance, the following is a summary from HLA of the market feasibility for each possible land use:

1. **Residential:** Given short to mid-term market and economic conditions, rental apartments would be the most feasible residential development. A potential land value of \$4.1 to \$6 million is estimated based on a projected density of 275 to 300 units.
2. **Open Space/Golf Course:** While the fiscal/financial benefit is not high, value is really as a community asset. Attempting to assemble a site of this size for park or recreational use would be difficult especially when considering its adjacency to an existing public park. If desired, the Village could still allow for a limited amount of multi-family residential on a portion of the site.
3. **Retail:** Indications are that retail development would provide the greatest return to the property owner (estimated at \$5.4 to \$8.1 million). In addition, if Village officials would like to see development of the entire parcel, then a viable retail use would provide the greatest net fiscal benefit to the Village in terms of tax revenue and demand on municipal services.
4. **Office/Industrial/Business Park:** There could be longer term potential based on the property's location and proximate uses. If this is deemed a desirable longer term use of the site, there is not any reason to take action at this time.

Appendices

- A. Market Feasibility- Prepared by Houseal Lavigne Associates
- B. Fiscal Analysis- Prepared by Village of Lombard Staff

Appendix A

Market Feasibility- Prepared by Houseal Lavigne Associates



PLANNING

DESIGN

DEVELOPMENT

DATE: August 21, 2012

TO: Village of Lombard

FROM: Houseal Lavigne Associates

RE: Ken Loch Property

Introduction

The Village of Lombard retained Houseal Lavigne Associates to conduct an analysis related to a development proposal for the Ken Loch Golf Course located on Finley Road in unincorporated Du Page County. The property is approximately 30 acres and is zoned R-4 Residential under current County zoning. The Village of Lombard Comprehensive Plan, calls for the site to remain as a golf course and/or open space if annexed into the Village. Additional details of the site and associated development potential is contained in earlier staff reports.

Our analysis focused on market viability as well as preliminary indications of land value. This analysis, however, does not constitute an appraisal. A professional appraisal would be required to fully substantiate market value. One of the challenges of attributing market value to a property of this size is the relative lack of recent comparable sales. Since 2008, property values have declined significantly throughout the marketplace. Comparable sales prior to 2008 do not reflect the same conditions that exist today and therefore are in need of fairly large adjustments. This is particularly the case for residential development. While sales are limited, large sites that have sold recently typically involve distressed properties including unfinished or partially developed subdivisions.

In conducting this analysis we looked at several different development scenarios. We also spoke with developers, brokers and investors and analyzed land sales comparables within the market area. In addition, we conducted a review of the Initial Fiscal analysis prepared by Village staff. All backup data and information utilized in this analysis is contained in our files and is available if desired. The following summarizes our findings.

HOUSEAL LAVIGNE
ASSOCIATES, LLC.

CHICAGO, IL
124 North LaSalle Street, Suite 1100
Chicago, IL 60602
(312) 575-1008

Development Type

Open Space/Golf Course (Options A & G)

Although the Ken Loch property is privately owned at this time, maintaining public open space of the site would afford an opportunity for a large recreational/park area on the south side of the Village similar to the Commons or Madison Meadow on the north side, when combined with the immediately adjacent Four Seasons Park. While this is not a recommendation that the Village acquire the property, it may be something that Village officials wish to facilitate in the future; particularly if maintaining and expanding open space is desired. Once an area such as this is developed it is very difficult to assemble land to recapture open space elsewhere. In this case, the potential value may range from a nine hole golf course to the residential development allowed under County zoning. The Village could then decide whether to continue to operate a golf course on the site or to link the property to the Four Seasons Park to create an even larger Village amenity.

In terms of operation as a golf course, the site is about the minimum acreage for a par three, nine hole course. Coordination with the Park District could allow for reconfiguration of the course to maintain use as a golf course while allowing for a development in the range of three to five acres on the south end of the parcel.

Residential (Options B-F)

In terms of residential development, multi-family rental residential has the greatest potential under current market conditions. Most development of for-sale residential property is taking place on smaller sites and in Infill locations. The new townhome and condominium market has been especially slow and hit hard by the downturn in the housing market. Furthermore, single family detached product has been hit hardest as well, with little activity in large scale single family detached developments. This is projected to continue until existing inventory is absorbed and/or financing is more readily available. The market for rental units, however, appears to be strong and stable for the foreseeable future.

In looking at the marketplace, demographic data indicates that the fastest growing segment of the market is in the upper income brackets of the 55 and over age cohort. There is also a growing trend within this group toward renting as opposed to home ownership.

The contributory land value for this type of development is typically based on the number of units which may be entitled. In order to cover development costs, a certain amount of density is needed. While density is required to realize an adequate rate of return, this must also be balanced against market and community capacity. Market capacity being defined as how many units can be supported and community capacity being defined as what would be deemed acceptable by Village officials and residents. For purposes of analysis, an estimate of 275 to 300 rental units is utilized. Based on other developments in the marketplace, a benchmark of \$15,000 to \$20,000 per unit is assigned. This would yield a range of land value of between \$4.1 and \$6 million.

While a plan that reserves a portion of the land for the future development of “for sale” product (such as Option G which shows townhomes and condominiums in particular) may work from a planning perspective, there is no guarantee as to when the development economics may prove feasible. Furthermore, single family detached plans (Options B-D) may also prove to be unfeasible at this time. This could, eventually, result in a subsequent request to amend a plan to allow for additional rental units in lieu of the planned “for sale” product.

Office/Industrial/Business Park (Option H)

Like the larger Chicago area office market, the west suburban and I-88 corridor continue to experience high vacancies in the range of 22% (1st quarter 2012). The amount of available space and the current price point of leases being negotiated make it highly unlikely that new speculative space will be developed in the near to mid-term. Any new development would be in the form of build to suit construction for a specific end user, which is also unlikely at this location.

While the industrial market shows some indications of picking up slightly, speculative development at this site is unlikely in the near to mid-term. In addition, site size, access and relationship with surrounding uses limit the prospects of industrial related uses including: warehouse, distribution, light-industrial and manufacturing.

Given the lack of development potential for office and industrial uses at this time, no land value is assigned. However, if looking at a longer-term plan these uses would be consistent with nearby development.

Retail (Option I)

While the subject property is appropriately sized for a variety of retail uses, Finley Road, at this location, is not a prime commercial corridor. As such it would be a difficult site for non-destination uses such as those found in a typical neighborhood scale shopping center. It could, however, accommodate large destination users such as Meijer, Target and Costco that do not require the same exposure and juxtaposition to other retailers. In looking at the market area within a ten and fifteen minute drive from the site, there are indications of market potential in the General Merchandise category. These uses would require 20 to 25 acres which may also include an outlot(s) with a gas station or convenience store. Based on our interviews with brokers and retail representatives, there are retailers in the market actively looking for sites at this time.

Indications of land value for a standalone large scale user are between \$4 and \$6 per square foot (\$174,000 to \$261,000 per acre) or \$5.4 to \$8.1 million for the entire site.

Fiscal Analysis

Village staff prepared projections of potential tax revenue generated by various development densities and uses. While the concepts are not all feasible from a market perspective, our review of this analysis found the methodology to be sound and the estimates consistent with what may be expected from each scenario.

In terms of net fiscal impact on schools, parks and library districts, multi-family housing has traditionally had less of an impact than detached single-family housing. However, the apartment and overall rental market has evolved over the past few years in response to the economy. Families that would have previously qualified for home ownership are renting as an alternative or out of necessity.

While follow up analysis would be warranted, formulas and methodologies typically prepared to estimate school age children generated by a particular development, may not adequately reflect the actual number. Higher end units are less impacted. According to District 44 officials, the development of 265 townhomes and 275 to 300 apartment units would yield an estimated 35 to 45 additional students, the majority coming from the rental units. Recently the District received permission to change school boundaries in order to adjust class room sizes reportedly impacted by a growing number of students coming from a rental development.

One key to mitigating potential impact is to ensure that higher end units maintain their price point in the market over time and as newer competitive developments come on line. This is by no means a rejection or judgment of affordable or family oriented development. Rather, it is a point that if a project is approved specifically based on its lack of impact on schools, the Village will have a vested interest in ensuring that the integrity of the development sustains.

Summary of Findings

Residential: Given short to mid-term market and economic conditions, rental apartments would be the most feasible residential development. A potential land value of \$4.1 to \$6 million is estimated based on a projected density of 275 to 300 units.

Open Space/Golf Course: While the fiscal/financial benefit is not high, value is really as a community asset. Attempting to assemble a site of this size for park or recreational use would be difficult especially when considering its adjacency to an existing public park. If desired, the Village could still allow for a limited amount of multi-family residential on a portion of the site.

Retail: Indications are that retail development would provide the greatest return to the property owner (estimated at \$5.4 to \$8.1 million). In addition, if Village officials would like to see development of the entire parcel, then a viable retail use would provide the greatest net fiscal benefit to the Village in terms of tax revenue and demand on municipal services.

Office/ Industrial/ Business Park: There could be longer term potential based on the property's location and proximate uses. If this is deemed a desirable longer term use of the site, there is not any reason to take action at this time.

Ultimately, whatever occurs on the Ken Loch site, will be a policy decision on the part of Village of Lombard officials. This is primarily driven by the fact that the Village is not obligated to take any action at all at this time, including annexation or extension of utilities. The owner may also petition the County for rezoning. However, if the desired rezoning requires the extension of utilities; the Village, again, is not obligated to take action.

Therefore, Village of Lombard officials have four primary considerations which include, but are not limited to:

- Whether to annex the property into the Village
- If annexed, whether to amend the Comprehensive Plan to allow for development
- Whether to provide utilities to the site to allow for greater density under County zoning
- Take no action at this time

Appendix B

Fiscal Analysis - Prepared by Village of Lombard staff

Assumptions and Methodology

Single-family homes are assumed to have four bedrooms
Attached single-family homes are assumed to have three bedrooms
Apartments/condos are assumed to be split evenly between one- and two-bedroom units
Population projections were determined by using the "Naperville Formula"

State Municipal Tax Revenue includes per capita revenue from income (\$94.98), motor fuel (\$25.80), and state use taxes (\$14.30).

Village of Lombard Property Tax Calculations

Village Property Tax Rate (2011) **0.5005**
Office property is assumed to be assessed at \$36/sq ft of building area (percentage of new and existing office development in Lombard)
Retail property is assumed to be assessed at \$33/sq ft of building area (percentage of new and existing retail development in Lombard)
Apartments are assumed to be assessed at \$35K/unit (City View used as comp)
Single family detached are assumed to be assessed at \$200,000/unit (recent new homes used as comp)
Townhomes to be assessed at \$90,000/unit (Patriot Glen used as a comp)

Village Fees are estimated at \$30/household for vehicle stickers and \$9.71/household for utility taxes.

State Tax Calculations

Village Sales Tax Rate **2%**
Spending estimated at \$6,717.40/employee (CSC 2012 Office Worker Retail Spending) + \$13.070/resident (CSC 2011 U.S. Retail Sales per Capita)
Sales per square foot for a retail development were assumed at \$24.83/square foot of gross leasable area (2006 Dollars & Cents of Shopping Centers)

Annual Village Expenses

Annual Village expenses were calculated using the "Per Capita" method based on General Fund expenditures only. This was \$713.16/resident and \$20.37/employee.

School District 44 Property Tax Calculations

District 44 Property Tax Rate (2011) **3.5713**
Office property is assumed to be assessed at \$36/sq ft of building area (percentage of new and existing office development in Lombard)
Retail property is assumed to be assessed at \$33/sq ft of building area (percentage of new and existing retail development in Lombard)
Apartments are assumed to be assessed at \$35K/unit (City View used as comp)
Single family detached are assumed to be assessed at \$200,000/unit (recent new homes used as comp)
Townhomes to be assessed at \$90,000/unit (Patriot Glen used as a comp)

School District 44 Expenses

District 44 estimates their expenses to be \$12.169/resident.

School District 67 Property Tax Calculations

District 67 Property Tax Rate (2011) **2.0199**
Office property is assumed to be assessed at \$36/sq ft of building area (percentage of new and existing office development in Lombard)
Retail property is assumed to be assessed at \$33/sq ft of building area (percentage of new and existing retail development in Lombard)
Apartments are assumed to be assessed at \$35K/unit (City View used as comp)
Single family detached are assumed to be assessed at \$200,000/unit (recent new homes used as comp)
Townhomes to be assessed at \$90,000/unit (Patriot Glen used as a comp)

School District 67 Expenses

District 67 estimates their expenses to be \$13.111/resident.

Lombard Fiscal Impact

Option	Property Type	Housing Units	Sq. Ft. Non-residential	Estimated Population	Estimated Jobs	State/Municipal Tax Revenue	Village Property Tax Revenue	Village Fees	Sales Taxes	Total Anticipated Annual Revenue	Total Anticipated Annual Expenses	Total Annual Net Income (Revenue - Expenses)
A	Ken Loch - as-is	1	0	2	0	\$ 315	\$ 2,230	\$ 40	\$ 630	\$ 3,215	\$ 1,668.79	\$ 1,546
B	40,000-sq. ft. SF lots	19	0	66	0	\$ 8,897	\$ 21,261	\$ 754	\$ 17,780	\$ 40,698	\$ 47,068.65	\$ 1,634
C	10,000-sq. ft. SF lots	61	0	213	0	\$ 28,712	\$ 68,259	\$ 2,422	\$ 57,382	\$ 198,776	\$ 151,902.59	\$ 4,874
D	7,500-sq. ft. SF lots	83	0	287	0	\$ 39,698	\$ 92,877	\$ 3,296	\$ 77,318	\$ 212,178	\$ 204,675.59	\$ 7,502
E	Attached TH	200	0	393	0	\$ 52,976	\$ 100,710	\$ 7,942	\$ 106,874	\$ 267,508	\$ 280,270.61	\$ (12,762)
F	Attached TH & Apts	360	0	665	0	\$ 89,642	\$ 102,500	\$ 14,296	\$ 179,151	\$ 385,989	\$ 474,249.25	\$ (88,260)
G	Golf course w/ apts	300	0	540	5	\$ 72,792	\$ 60,977	\$ 11,913	\$ 146,148	\$ 280,180	\$ 386,111.27	\$ (105,931)
H	Office	0	160,000	0	480	\$ -	\$ 32,227	\$ -	\$ 64,487	\$ 96,714	\$ 96,636.32	\$ 79
I	Retail	0	192,000	0	394	\$ -	\$ 35,450	\$ -	\$ 963,337	\$ 998,785	\$ 77,308.25	\$ 901,476

Per Capita Method for Fiscal Impact on Lombard

Expenditures			
Total Lombard General Fund Expenditures for FY2012		\$ 38,473,750.00	<i>Information from FY2012 Budget</i>
Parcels			
Total Residential Parcels		14,618	
Percentage of all residential parcels		91%	
Total Commercial Parcels		935	
Percentage of all commercial parcels		6%	
Assessed value			
Total Assessed value for Lombard		\$ 1,621,133,634.00	
Total Residential Parcel Value		\$ 1,127,102,871.00	
Residential Parcel Percentage		70%	
Total Commercial Parcel Value		\$ 494,030,301.00	
Commercial Parcel Percentage		30%	
Expenditure Parameters			
Estimated share of residential expenditures**		\$ 30,947,437.90	80%
Estimated residential-associated expenditures		\$ 7,016,529.43	18%
Estimated share of commercial expenditures***			
Estimated commercial -associated expenditures			
Residential Cost Per Capita			
Total Lombard Population			43,395 <i>Information from 2010 census</i>
Total municipal expenditure per capita residential	\$ 713.16		
Commercial Cost Per Capita			
Total Lombard Daytime Employees			34,852 <i>Information from 2012 EMSI report</i>
Total municipal expenditure per capita non-residential	\$ 201.32		

** Average of the residential parcel percentage and residential value percentage

*** Average of the commercial parcel percentage and commercial value percentage

District 44 Impact

School District Impact

Option	Property Type	Housing Units	Sq. Ft. Non-residential	Estimated Population	Estimated Students for District	Estimated Property Tax Revenue to School District	Estimated Total expenditures Per Student	Total Annual Net Income (Revenue - Expenses)
A	Ken Loch - as-is	1	0	2	1	\$ 14,360	\$ 12,169	\$ 2,191
B	40,000-sq. ft. SF lots	19	0	66	15	\$ 133,448	\$ 182,535	\$ (49,087)
C	10,000-sq. ft. SF lots	61	0	213	49	\$ 428,440	\$ 596,281	\$ (167,841)
D	7,500-sq. ft. SF lots	83	0	287	66	\$ 582,959	\$ 803,154	\$ (220,195)
E	Attached TH	200	0	393	36	\$ 632,124	\$ 438,084	\$ 194,040
F	Attached TH & Apts	360	0	665	37	\$ 643,362	\$ 450,253	\$ 193,109
G	Golf course w/ apts	300	0	540	22	\$ 368,739	\$ 267,718	\$ 101,021
H	Office	0	160,000	0	0	\$ 202,280	\$ -	\$ 202,280
I	Retail	0	192,000	0	0	\$ 222,508	\$ -	\$ 222,508

District 87 Impact

Option	Property Type	Housing Units	Sq. Ft. Non-residential	Estimated Population	Estimated Students for District	Estimated Property Tax Revenue to School District	Estimated Total expenditures Per Student	Total Annual Net Income (Revenue - Expenses)
A	Ken Loch - as-is	1	0	2	0	\$ 8,259	\$ -	\$ 8,259
B	40,000-sq. ft. SF lots	19	0	66	4	\$ 76,756	\$ 52,444	\$ 24,312
C	10,000-sq. ft. SF lots	61	0	213	13	\$ 246,428	\$ 170,443	\$ 75,985
D	7,500-sq. ft. SF lots	83	0	287	18	\$ 335,303	\$ 235,998	\$ 99,305
E	Attached TH	200	0	393	14	\$ 363,582	\$ 183,554	\$ 180,028
F	Attached TH & Apts	360	0	665	13	\$ 180,983	\$ 170,443	\$ 10,540
G	Golf course w/ apts	300	0	540	7	\$ 212,090	\$ 91,777	\$ 120,313
H	Office	0	160,000	0	0	\$ 116,346	\$ -	\$ 116,346
I	Retail	0	192,000	0	0	\$ 127,981	\$ -	\$ 127,981

