

ITEM MOT 2015-6062

VILLAGE OF DOWNERS GROVE
Report for the Village Council Meeting
3/3/2015

SUBJECT:	SUBMITTED BY:
Zoning Ordinance Text Amendment to the O-R, Office-Research zoning district	Stan Popovich, AICP Planning Manager

SYNOPSIS

A motion has been prepared directing staff to draft a text amendment to the Zoning Ordinance that would amend the existing permitted use regulations to permit e-commerce, e-retail and warehousing activities in the O-R, Office-Research zoning district.

STRATEGIC PLAN ALIGNMENT

The goals for 2011-2018 include *Strong and Diverse Local Economy*.

FISCAL IMPACT

N/A

UPDATE & RECOMMENDATION

Based on Council direction, this item has been placed on the active agenda for Council consideration.

BACKGROUNDIntroduction

Staff received a request to amend the permitted uses that are in place for the O-R, Office-Research zoning district. Permitted and special uses within the O-R zoning district are shown in Table 5-1 (attached) of the Zoning Ordinance. The request is to permit e-retailing, e-commerce and warehousing in the O-R zoning district, which would allow businesses within this zoning classification to sell goods over the internet from the O-R zoning district and to ship goods directly from their location to the consumer. The current Zoning Ordinance allows e-retailing, e-commerce and warehousing as permitted uses in the O-R-M, Office Research and Manufacturing District and the M-1, Light Manufacturing District.

Background

Section 3.010.B.4 of the Zoning Ordinance identifies the Office-Research zoning district as primarily intended to accommodate office, research and development activities in an office-like setting. There are 14

O-R zoned parcels, 13 of which are located around the intersection of Highland Avenue and 31st Street. The only other O-R zoned property is at 3041 Woodcreek Drive.

The O-R zoning district is a distinct area that is known for its Class A office spaces. Class A office space is the highest-quality space on the market and is generally newly constructed, and has been outfitted with top-of-the-line fixtures, amenities and systems. Class A buildings are usually aesthetically pleasing, as they reside in high-visibility locations. These spaces are normally maintained by reputable property management companies that keep them looking impeccable. Rates for Class A office spaces are typically higher than average rent for other office space. Class A space is competitively sought after by banking, real estate and law firms.

Specific Request

The request is to permit e-commerce, e-retailing and warehousing within the O-R zoning district. As proposed by the applicant, the request would be to:

- Permit e-commerce and e-retailing only from the confines of an office building
- Limit the area of occupancy to a maximum of 10,000 square feet for all business operations, including areas for product storage (warehousing)
- Prohibit direct sales from the site of the e-commerce, e-retail and warehousing business site
- Allow pick-up and delivery of all product is via normal delivery vans and delivery trucks only

Analysis

According to Section 5.050.K of the Zoning Ordinance, office uses are uses in an enclosed building, customarily performed in an office, that focus on providing executive, administrative, professional or medical services. An office use is not a traffic intense use, as employees tend to arrive in the morning and leave in the evening. Occasional deliveries may also generate traffic to the building.

The proposed e-commerce, e-retail and warehousing uses would create a more intense use within an office campus. There is a potential for additional traffic via increased shipping into and out of the warehouse. Additionally, the use of some space for warehousing is counter to the desire to have Class A office space in the district. The proliferation of goods storage could lead to a deterioration of the desirability of these office buildings. Additionally, warehousing in a Class A office building has the potential to eliminate the ability of property owners to attract the highest quality tenants affording the highest rents.

The proposed e-commerce, e-retail and warehousing is not consistent with the Comprehensive Plan. The Comprehensive Plan identifies the O-R zoned properties as Office / Corporate Campus. This designation notes that:

These offices include large-scale buildings and office parks that have a significant presence in Downers Grove and should continue to play an important role in the local economy. The Village should continue to support office development along the I-88, I-355 and Butterfield Road corridors to maximize visibility and minimize potentially negative impacts on residential areas. As prominent features along major regional roadways, office development should be of a high quality and reflect the character of the Village in the manner of the Esplanade and the Highland Landmark.

ATTACHMENTS

O-R Zoning District Map

Zoning Ordinance Table 5-1
Future Land Use Map
Request letter

VILLAGE OF DOWNERS GROVE

COUNCIL ACTION SUMMARY

INITIATED: Village Manager **DATE:** March 3, 2015
 (Name)

RECOMMENDATION FROM: _____ **FILE REF:** _____
 (Board or Department)

NATURE OF ACTION:

- ☒ Ordinance
- ☐ Resolution
- ☐ Motion
- ☐ Other

STEPS NEEDED TO IMPLEMENT ACTION:

Motion to direct staff to draft a text amendment to the Zoning Ordinance to amend the existing permitted use regulations to permit e-commerce, e-retail and warehousing activities in the OR, Office-Research zoning district.



SUMMARY OF ITEM:

Adoption of this motion shall direct staff to draft a text amendment to the Zoning Ordinance to amend the existing permitted use regulations to permit e-commerce, e-retail and warehousing activities in the OR, Office-Research zoning district.

RECORD OF ACTION TAKEN:

Table 5-1: Allowed Uses

USE CATEGORY														
	R-1	R-2	R-3	R-4	R-5	R-6	B-1	B-2	B-3	DB	DT	O-R	M-1	M-2
Subcategory	R-1	R-2	R-3	R-4	R-5	R-6	B-1	B-2	B-3	DB	DT	O-R	M-1	M-2
Specific use (See Sec. 5.020)														
P = use permitted as of right S = special use approval required – = not allowed														
RESIDENTIAL														
Household Living														
Detached house	P	P	P	P	P	P	–	–	–	–	P	–	–	–
Attached house	–	–	–	–	P	P	–	–	S	–	P	–	–	–
Two-unit house	–	–	–	–	P	P	–	–	–	–	P	–	–	–
Apartment/condo	–	–	–	–	–	–	P	P	S	S	S	–	–	–
Group Living (except for the following uses)														
Group home, small (8-person max. occupancy)	P	P	P	P	P	P	–	–	–	–	–	–	–	–
Group home, large (9 or more occupants)	S	S	S	S	S	S	–	–	–	–	–	–	–	–
Nursing home	S	S	S	S	S	S	P	P	S	–	–	–	–	–
Sheltered Care	S	S	S	S	S	S	P	P	S	–	–	–	–	–
PUBLIC, CIVIC AND INSTITUTIONAL														
Aircraft Landing Area	–	–	–	–	–	–	–	S	S	–	–	S	S	S
Cemetery	–	–	–	–	–	–	–	–	–	S[6]	–	–	–	–
College or University	S[1]	S[1]	S[1]	S[1]	S[1]	S[1]	–	–	–	S	S	S	–	–
Community Center	S	S	S	S	S	S	–	–	–	S	S	–	–	–
Fraternal Organization	S[2]	S[2]	S[2]	S[2]	S[2]	S[2]	P	P	P	S	–	–	–	–
Governmental Facility	S[2]	S[2]	S[2]	S[2]	S[2]	S[2]	P	P	P	P	P	–	–	–
Hospital	S[3]	S[3]	S[3]	S[3]	S[3]	S[3]	–	P	P	–	–	–	–	–
Library	–	–	–	–	–	–	–	–	S	S	S	S	–	–
Museum or Cultural Facility	–	–	–	–	–	–	–	–	S	S	S	S	–	–
Natural Resource Preservation	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Parks and Recreation	S	S	S	S	S	S	–	–	–	–	–	–	–	–
Religious Assembly	S	S	S	S	S	S	S	P	P	S[6]	S	S	–	–
Safety Service	S	S	S	S	S	S	S	P	P	S	S	P	P	P
School	S	S	S	S	S	S	–	–	–	–	S	–	–	–
Utilities and Public Service Facility														
Minor	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Major	S	S	S	S	S	S	S	S	S	S	S	S	S	S
Wireless Telecommunications														
Freestanding tower	S	S	S	S	S	S	S	S	S	S	S	P	P	P
Building or tower-mounted antenna	P	P	P	P	P	P	P	P	P	P	P	P	P	P
COMMERCIAL														
Adult Entertainment Establishment														
Animal Service	–	–	–	–	–	–	–	–	–	–	–	P	P	P
Boarding or shelter	–	–	–	–	–	–	–	S	P	–	–	–	P	P
Grooming	–	–	–	–	–	–	P	P	P	P	–	–	P	P

Article 5 | Allowed Uses • Sec. 5.010 | Allowed Uses

USE CATEGORY		P = use permitted as of right S = special use approval required – = not allowed																	
Subcategory	Specific use (See Sec. 5.020)	R-1	R-2	R-3	R-4	R-5	R-6	B-1	B-2	B-3	DB	DT	O-R	O-R-M	M-1	M-2	INP-1	INP-2	Supplemental Regulations
Veterinary care		–	–	–	–	–	–	–	–	P	P	S	–	–	P	P	–	–	Sec. 6.160
Assembly and Entertainment (except for the following uses)		–	–	–	–	–	–	–	–	P	S	–	–	–	–	–	–	S	
Auditorium		–	–	–	–	–	–	–	P	P	S	–	–	–	–	–	–	S	
Cinema		–	–	–	–	–	–	–	P	P	S	–	–	–	–	–	–	–	
Theater		–	–	–	–	–	–	–	P	P	S	–	–	–	–	–	–	S	
Commercial Service																			
Building service		–	–	–	–	–	–	–	S	P	S	–	–	–	P	–	–	–	
Business support service		–	–	–	–	–	–	P	P	P	P	–	–	–	P	–	–	–	
Consumer maintenance and repair		–	–	–	–	–	–	P	P	P	P	–	–	–	P	–	–	–	
Personal improvement service		–	–	–	–	–	–	P	P	P	P	P ^[13]	–	–	S	S	–	–	
Fortune-telling or psychic service		–	–	–	–	–	–	–	–	–	–	–	–	–	S	S	–	–	
Massage therapy		–	–	–	–	–	–	–	–	–	–	–	–	S	S	S	–	–	Sec. 6.070
Research service		–	–	–	–	–	–	–	–	P	S	–	P	P	P	P	–	–	
Day Care																			
Day care home		P	P	P	P	P	P	–	–	–	–	P	–	–	–	–	–	–	Sec. 6.030
Day care center		–	–	–	–	S	S	P	P	P	S	S	P	P	P	P	S	–	Sec. 6.030
Eating and Drinking Establishment																			
Restaurant		–	–	–	–	–	–	P	P	P	P	P	–	P ^[7]	P ^[7]	–	–	–	
Wine boutique		–	–	–	–	–	–	P	P	P	P	–	P	P	–	–	–	–	
Financial Service		–	–	–	–	–	–	–	P	P	P	–	P	P	P	–	–	–	
Funeral or Mortuary Service		–	–	–	–	–	–	S	S	S	–	–	–	–	–	–	–	–	
Lodging		–	–	–	–	–	–	–	P	P	S	–	–	P	–	–	–	–	
Office																			
Business and professional office		S	S	S	S	S	S	P	P	P	P	S	P	P	P	P	–	–	Sec. 6.090
Medical, dental and health practitioner		–	–	–	–	–	S ^[4]	–	P	P	P/S ^[8]	S	P	P	P	P	–	–	
Parking, Non-Accessory		–	–	–	–	–	–	–	S	S	S	S	S	S	S	S	–	–	
Retail Sales																			
Convenience goods		–	–	–	–	–	–	P	P	P	P/S ^[12]	–	–	–	–	–	–	–	
Consumer shopping goods		–	–	–	–	–	–	P	P	P	P/S ^[12]	P ^[14]	–	–	–	–	–	–	
Guns and firearm supplies		–	–	–	–	–	–	[11]	[11]	[11]	–	–	–	–	S	–	–	–	
Building supplies and equipment		–	–	–	–	–	–	P	P	P	P/S ^[12]	–	–	–	–	–	–	–	
Self-service Storage Facility		–	–	–	–	–	–	–	–	–	–	–	–	–	S	S	–	–	Sec. 6.130
Studio, Instructional or Service		–	–	–	–	–	–	P	P	P	P	S	–	–	–	–	–	–	
Trade School		–	–	–	–	–	–	P	P	P	S	–	S	S	S	S	–	–	
Vehicle Sales and Service																			
Commercial vehicle repair and maintenance		–	–	–	–	–	–	–	–	S	–	–	–	S	P	–	–	–	
Commercial vehicle sales and rentals		–	–	–	–	–	–	–	–	S	–	–	–	–	S	–	–	–	

USE CATEGORY Subcategory Specific use (See Sec. 5.020)	R-1	R-2	R-3	R-4	R-5	R- 5A	R-6	B-1	B-2	B-3	DB	DT	O-R M	O-R- M	M- 2	INP- 1	INP- 2	Supplemental Regulations
	P = use permitted as of right S = special use approval required – = not allowed																	
Fueling station	–	–	–	–	–	–	–	–	S	S	S	–	–	S	S	–	–	Sec. 6.040
Personal vehicle repair and maintenance	–	–	–	–	–	–	–	–	S[10]	S	–	–	–	S	S	–	–	Sec. 6.100
Personal vehicle sales and rentals	–	–	–	–	–	–	–	–	S[10]	S	S	–	–	–	S	–	–	
Vehicle body and paint finishing shop	–	–	–	–	–	–	–	–	–	–	–	–	–	–	S	–	–	
WHOLESALE, DISTRIBUTION & STORAGE																		
Equipment and Materials Storage, Outdoor	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
Trucking and Transportation Terminals	–	–	–	–	–	–	–	–	–	S	–	–	–	S	P	P	–	
Warehouse	–	–	–	–	–	–	–	–	–	–	–	–	–	P	P	P	–	
Wholesale Sales and Distribution	–	–	–	–	–	–	–	–	P	P	–	–	–	P	P	P	–	
INDUSTRIAL																		
Artisan Industrial	–	–	–	–	–	–	–	–	–	P	–	–	–	P	P	P	–	
Limited Industrial	–	–	–	–	–	–	–	–	–	P[11]	–	–	–	P	P	P	–	
General Industrial	–	–	–	–	–	–	–	–	–	–	–	–	–	P	P	P	–	
Intensive Industrial	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	S	–	
Junk or Salvage Yard	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
RECYCLING																		
Recyclable Material Drop-off Facility	–	–	–	–	–	–	–	S	S	S	–	–	–	S	S	–	–	Sec. 6.110
Recyclable Material Processing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
AGRICULTURE																		
Animal Agriculture (except as allowed under Chapter 5 of the Downers Grove Municipal Code)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
Crop Agriculture	P	P	P	P	P	P	P	–	–	–	–	–	–	–	–	–	–	
Community Garden	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	
OTHER																		
Drive-in or Drive-through Facility	–	–	–	–	–	–	–	–	S	S	–	S	S[15]	S[15]	S[15]	–	–	
Medical Cannabis Cultivation Center	–	–	–	–	–	–	–	–	–	–	–	–	–	–	S	–	–	Sec. 6.060
Medical Cannabis Dispensing Organization	–	–	–	–	–	–	–	–	–	–	–	–	–	–	S	–	–	Sec. 6.060

D. Specific Limitations

- [1] Requires minimum lot area of 40 acres. Maximum 25% building coverage.
- [2] Requires minimum lot area of 10 acres.
- [3] Requires minimum lot area of 25 acres. Maximum 25% building coverage.
- [4] Must be within 150 feet of a B district.
- [5] Requires special use approval if above one dwelling unit per 4,000 square feet of lot area.
- [6] Special Use only if use was in existence on or prior to June 7, 2005.
- [7] Requires minimum seating capacity of 125 persons.
- [8] Permitted as of right up to 3,000 sq. ft. (gross floor area); larger requires special use approval.
- [9] Must be in a completely enclosed building.

- [10] Maximum 10,000 sq. ft. (gross floor area).
- [11] Permitted only if ancillary to the following principal uses: sporting goods stores, uniform supply stores and public safety equipment stores.
- [12] Consignment stores and martial arts studios permitted as of right up to 3,000 square feet (gross floor area); larger requires special use approval. Other uses permitted as of right up to 15,000 sq. ft. (gross floor area); larger requires special use approval.
- [13] Barber shops, beauty shops and salons only; must be on ground floor and may not exceed 2,500 square feet floor area.
- [14] Art galleries and studios only; must be on ground floor and may not exceed 2,500 square feet floor area.
- [15] Drive-through banks only.

Land Use Plan

-
- Land Use Plan**
- Corridor Commercial
 - Regional Commercial
 - Institutional/Public/Train
 - Light Industrial/Business Park
 - Low-Intensity Office
 - Office/Corporate Campus
 - Utilities
- Map labels include: BUTTERFIELD RD, 31ST ST, 35TH ST, 36TH ST, 37TH ST, 38TH ST, 39TH ST, 40TH ST, 41ST ST, 42ND ST, 43RD ST, 44TH ST, 45TH ST, 46TH ST, 47TH ST, 48TH ST, 49TH ST, 50TH ST, 51ST ST, 52ND ST, 53RD ST, 54TH ST, 55TH ST, 56TH ST, 57TH ST, 58TH ST, 59TH ST, 60TH ST, 61ST ST, 62ND ST, 63RD ST, 64TH ST, 65TH ST, 66TH ST, 67TH ST, 68TH ST, 69TH ST, 70TH ST, 71ST ST, 72ND ST, 73RD ST, 74TH ST, 75TH ST, 76TH ST, 77TH ST, 78TH ST, 79TH ST, 80TH ST, 81ST ST, 82ND ST, 83RD ST, 84TH ST, 85TH ST, 86TH ST, 87TH ST, 88TH ST, 89TH ST, 90TH ST, 91ST ST, 92ND ST, 93RD ST, 94TH ST, 95TH ST, 96TH ST, 97TH ST, 98TH ST, 99TH ST, 100TH ST.
- Map labels include: WARREN RD, BELMONT RD, WOODWARD AV, PRAIRIE AV, WARREN AV, MAPLE AV, LEE AV, STONEWALL AV, DUNHAM RD, PALMER ST, CLAREMONT DR, FAIRVIEW AV, CHICAGO AV, GRANT ST, WASHINGTON ST, MAIN ST, VENARD RD, HIGHLAND AV, BUTTERFIELD RD, 31ST ST, 35TH ST, 36TH ST, 37TH ST, 38TH ST, 39TH ST, 40TH ST, 41ST ST, 42ND ST, 43RD ST, 44TH ST, 45TH ST, 46TH ST, 47TH ST, 48TH ST, 49TH ST, 50TH ST, 51ST ST, 52ND ST, 53RD ST, 54TH ST, 55TH ST, 56TH ST, 57TH ST, 58TH ST, 59TH ST, 60TH ST, 61ST ST, 62ND ST, 63RD ST, 64TH ST, 65TH ST, 66TH ST, 67TH ST, 68TH ST, 69TH ST, 70TH ST, 71ST ST, 72ND ST, 73RD ST, 74TH ST, 75TH ST, 76TH ST, 77TH ST, 78TH ST, 79TH ST, 80TH ST, 81ST ST, 82ND ST, 83RD ST, 84TH ST, 85TH ST, 86TH ST, 87TH ST, 88TH ST, 89TH ST, 90TH ST, 91ST ST, 92ND ST, 93RD ST, 94TH ST, 95TH ST, 96TH ST, 97TH ST, 98TH ST, 99TH ST, 100TH ST.
- Map labels include: BNSF RAILROAD, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100.
- Map labels include: To Aurora Via I-55, To Chicago Via I-55, To Westmont Via I-55.

STRAIGHTNORTH

1001 W. 31st STREET, SUITE 100, DOWNERS GROVE, IL 60515
(630) 824-2150 WWW.STRAIGHTNORTH.COM

December 26, 2014

Mayor Martin T. Tully and Village Council
Village of Downers Grove
801 Burlington Avenue
Downers Grove, IL 60515

RE: Request for consideration of a Zoning Ordinance text amendment to authorize Internet retail sales in the O-R Zoning District.

Dear Mayor Tully and Village Council Members:

I am an owner and the CEO in Straight North, LLC, an Internet marketing company based in the Village of Downers Grove at 1001 W. 31st Street. Straight North is a leader in the website development and design business focusing on building websites and performing ongoing Internet marketing for our clients. We relocated our business from Oak Brook to Downers Grove in 2012 and currently employ about 60 people at this office. Please feel free to visit Straight North's website at www.straightnorth.com, to best understand our core business activities.

Straight North, LLC recently created a subsidiary company, Pro Stock Hockey, LLC, which we established in a vacant office space across the hall from Straight North. My partners and I are passionate about hockey and I have been involved in the sport for most of my life. Our close relationships with a number of NHL professional hockey teams revealed a business opportunity regarding the resale of brand new unused surplus professional hockey equipment. We currently purchase surplus equipment from 13 NHL hockey teams and sell it solely via Internet sales. Please feel free to visit our website at www.prostockhockey.com, to better understand our very unique position in the world of NHL hockey equipment sales.

When we began implementation of Pro Stock Hockey, we talked to our building owner, who is also a business partner. He encouraged us to use the office across the hall from Straight North's offices, as it was then a vacant but fully improved office space and would therefore require no build-out costs or activities. We were of the belief that we were compliant with the Village's requirements as we had successfully applied for and were granted an occupancy permit in 2012 for Straight North.

We were recently made aware, while applying to the Village for a sign permit that Pro Stock Hockey did not have an occupancy permit and would need its own occupancy in order to conduct business. We immediately applied to the Village for an occupancy permit and soon thereafter we were informed that the Village determined Pro Stock Hockey's business use was not an authorized land use in the underlying O-R zoning district. As you might imagine, this determination is greatly concerning and threatens



Mayor Martin T. Tully and Village Council
December 26, 2014
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the viability of our young e-commerce, e-retail company, which to date has been quite successful.

As zoning issues fall outside our area of expertise, we promptly engaged our legal counsel, Carlson Partners, Ltd., to open up the communication with the Village in an attempt to find a resolution that satisfied the Village and addressed Pro Stock Hockey's needs. Jason A. Doran has been in direct communication with Dawn Didier with that regard and I understand that the communication between them is continuing. We also engaged, Kenneth J. Rathje of Rathje Planning Services, Inc., as our zoning consultant.

My partners and I have concluded that the best way to address our current zoning issue is to seek approval of a text amendment to the O-R zoning district to include e-commerce and e-retailing as an authorized use. We anticipate, given the nature of the O-R district that e-commerce and specifically e-retailing can be a compatible use both to neighbors within the zoning district as well as to neighbors outside the district, by establishing several conditions. First, e-commerce and specifically e-retailing may be conducted only from the confines of an office buildings, second that the businesses be limited to an occupancy area not to exceed 10,000 square feet for all business operations including product storage, third that no product be directly deliverable to a customer from the site of the e-commerce, e-retail business site and fourth that pick-up and delivery of all products be via normal delivery vans and delivery trucks only.

I would request that each of you give consideration to the possibility of including e-commerce and e-retailing as an authorized use in the O-R zoning district and request that you forward our request for consideration of a possible text amendment to the Plan Commission for a public hearing on the matter.

I am available to speak or meet with any of you or the Village Staff on this matter. I look forward to your determination on this request.

Sincerely,

STRAIGHT NORTH, LLC



David M. Duerr

Chief Executive Officer

CC:

Jason A. Doran

Kenneth J. Rathje

