

VILLAGE OF DOWNERS GROVE
Report for the Village Council Meeting
8/9/2016

SUBJECT:	SUBMITTED BY:
5100 Forest Avenue - Reduction in the Required Park District Donations	Stan Popovich, AICP Director of Community Development

SYNOPSIS

A motion directing staff to amend land use ordinances for Burlington Station Apartments, 5100 Forest Avenue, to reflect a reduction in required cash-in-lieu Park District donation from \$483,491.20 to \$373,325.20.

The petitioner is requesting a reduction in the amount of the required cash-in-lieu donation to the Park District from \$483,491.20 to \$373,325.20, thus reducing the total school and park district donation as required in the Subdivision Ordinance from \$543,814.20 to \$433,648.20.

STRATEGIC PLAN ALIGNMENT

The goals for 2015-2017 include *Strong and Diverse Local Economy*.

FISCAL IMPACT

N/A

UPDATE & RECOMMENDATION

This item was discussed at the July 19, 2016 Village Council meeting. This motion directs staff to amend land use ordinances for Burlington Station Apartments, 5100 Forest Avenue, to reflect a reduction in required cash-in-lieu Park District donation from \$483,491.20 to \$373,325.20. Two ordinances, the PUD #53 (Ord. No. 5475) and the special use (Ord. No. 5476) would need to be amended to reflect the change in park donation. The calculations to determine school and park donations were amended as part of Ordinance No. 5443, Subdivision and Development Ordinance adopted on December 16, 2014. A review of documents shows that the petitioner was working on the project in December 2014 prior to the change in fees.

Staff recommends approval on the August 9, 2016, Active Agenda.

BACKGROUND

In August 2015, the Village Council approved a proposal to construct a five-story, 89-unit apartment building at 5100 Forest Avenue. As part of this approval, the petitioner is required to dedicate land or provide a cash-in-lieu donation for both park and school sites per Section 20.300.a of the Subdivision Ordinance. The required cash-in-lieu donation for the proposed development is \$543,814.40 (\$483,491.20

to the Park District, \$43,444.54 to Elementary School District 58 and \$16,878.66 to High School District 99). These cash-in-lieu donations are based on the number of apartment units, the number of bedrooms in each unit and the fair market value of an acre of land. The fair market value of land (\$545,000) is outlined in Section 20.300.d.2 of the Subdivision Ordinance.

Per Section 20.300.b.3 of the Subdivision Ordinance, the petitioner may request a reduction of the park district donation based on the petitioner providing their own open space for recreation areas and facilities, thereby reducing the demand for local public recreational services. The petitioner will be providing a private outdoor recreational deck which includes multiple outdoor seating and gathering areas, a water feature, landscaping, an outdoor eating area, a dog run, and a bocce court. The size of this area would reduce the amount of park land dedication that would be required, thus reducing the donation amount as requested above.

Staff forwarded the request to the Park District for their review and the Park District opposes the request as outlined in their attached letter. The Village Council has the discretion to approve the reduction request.

ATTACHMENTS

Petitioner request

Downers Grove Park District letter

VILLAGE OF DOWNERS GROVE
COUNCIL ACTION SUMMARY

INITIATED: Village Attorney **DATE:** August 9, 2016
(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 amend the appropriate land use ordinances for Burlington Station Apartments, located at 5100 Forest Avenue, to reflect a reduction in the required cash-in-lieu donations to the Park District and School Districts by \$110,000.00, as presented.

SUMMARY OF ITEM:

Adoption of this motion shall direct staff to amend the appropriate land use ordinances for Burlington Station Apartments, located at 5100 Forest Avenue, to reflect a reduction in the required cash-in-lieu donations to the Park District and School Districts by \$110,000.00.

RECORD OF ACTION TAKEN:



6370 AmeriPlex Dr. Ste. 110 | Portage Indiana 46368

PHONE (219) 841-6416 | FAX (219) 764-0446

July 12, 2016

Mr. Stanley Popovich
Director of Community Development
Village of Downers Grove
801 Burlington Avenue
Downers Grove, IL 60515

RE: Request for Park Donation Credit for Private Open Space

Dear Stan,

Three years ago, in June of 2013, Holladay Properties acquired the former TCF Bank site in Downtown Downers located at 5100 Forest Avenue. Since that time, our team has designed what we believe will be a spectacular improvement to Downers Grove's vibrant and magnetic downtown, framing the western edge of its urban heartbeat.

The road here has been exciting, but challenging. The site has proven difficult to develop, and the proposed PUD required collaboration and compromise by both Holladay and the Village, utilizing the Downers Grove Comprehensive Plan as a guideline – a true testament to our mutual desire to see an exciting project move forward at this location. And here we stand, weeks if not days away from breaking ground!

When we prepared initial budgets for our proposed development, Park Fees were included in our budget at **\$140,898** based on the then-existing Park & School Donation Table (**See exhibit A**). In May of 2015 we learned the School & Park Fee calculation was updated for the first time in many years, which affected our budget estimate for this line item, increasing the required donation by 385% to **\$543,814**, of which **\$483,491** is allocated to the Park District (**See exhibit B**).

Upon learning of the significant change in donation calculation, we communicated with your office to confirm our interpretation of the modified ordinance, and to explore opportunities for relief (**See Exhibit C**) as our budget was set and we had already entered project design. As a result of this communication and general understanding, our August 2015 PUD application made specific reference to a desire to return to the Village Council for relief on park donation fees:

"We are requesting the Village consider at a future time, prior to issuance of permits, an adjustment to the park district donation amount in order to account

for the public and private open space provided within the development as allowed within Section 20.300SECb(3) of the Municipal Code.”

Additionally, since this time, construction prices have increased and we have struggled to maintain our original budget. At this point, we genuinely are “looking for every nickel”. Furthermore, residential supply projections have changed as a result of other proposed developments, and our rent projections have been reduced. Basically, we have pressure on both Top Line (revenue) and Project Costs.

We have studied the ordinance very closely. There are essentially three methods of requesting relief, with the Village Council being the decision making authority.

The potential areas of relief are as follows:

- 1) Section 20.300.f – Object to density estimates
- 2) Section 20.300.d.2 – Object to fair market value calculation per acre
- 3) Section 20.300.b.3 – Credit for Private Open Spaces and Recreation

Regarding #1: Section 20.300.f – Object to density estimates

We do not object to density estimates, and find them reasonable.

Regarding #2: Section 20.300.d.2 – Object to fair market value calculation per acre:

While we believe there is a valid case for relief, referencing most recent relevant Park District land purchase comparable (Alter Group transaction at \$300K / acre), we are not formally requesting relief on this item. Why? We recognize the broad implications on every project in Downers Grove should we proceed with this method of requesting relief, and see this as a net-negative to the Park District and an uphill climb.

Further, we view the likelihood of Council approval based on objection to market value per acre as extremely low. Nevertheless, we find it relevant to inform the Council that by deliberately forgoing this specific request for relief, we are essentially not requesting relief on the bulk of the fee, which would have resulted in a fee more representative of our December 2014 budget estimate. In other words, we are potentially leaving up \$400,000 in relief “on the table.” While we are not asking for this credit, we are asking that the Council recognize we have deliberately skipped this request and have significantly scaled back our relief request, which we base entirely on the following:

Regarding #3: Section 20.300.b.3 – Credit for Private Open Spaces and Recreation

We are requesting the Village Council consider our request for credit of Private Open and Recreational Space in our development. This particular ordinance appears expressly designed for this exact situation, as it encourages developers to incorporate thoughtful open, recreational space in a development.

For convenience, a portion of this particular section of the ordinance is included herein:

Section 20.300.b.3 : Credit for Private Open Spaces and Recreation Areas:

*“When an Owner provides their own open space for recreation areas and facilities, it has the **effect of reducing the demand for local public recreational services**. Depending on the size of the development a portion of the park and recreational area in subdivisions or planned unit developments may, at the option of the Village Council, be provided in the form of "private" open space in-lieu-of dedicated "public" open space. The extent of same shall be determined by the Village Council, based upon the needs of the projected residents and in conformance to the total park and recreation land for the general area.”*

The total acreage of our Private Open space is just over .20 acres (**see Exhibits D**).

We have programmed a fantastic private, open space in our development in the form of our amenity deck, which functions as an outdoor park for residents. (**See Exhibit E**).

Should the Village Council grant this request for open space credit, the impact to the school fee is Zero, and the impact to the Park District Fee has been lessened to approximately \$110K (**see Exhibit F**).

Our request to the Village Council is simple: In light of the fact that we had budgeted our project on an ordinance that changed mid-stream, resulting in significant increased costs, we respectfully request the council to consider providing credit for our Private Open Space. This will help us tremendously as we approach groundbreaking for what amounts to a \$24MM investment in Downtown Downers Grove.

As discussed, we would be pleased to present our case to the Village Council on July 19th. We hope our request is considered to be reasonable, and we look forward to finalizing our permit application, which was submitted for Second Round comments on July 11th, 2016 with the goal of groundbreaking in August, 2016.

Sincerely,



T. Drew Mitchell
VP Development
Holladay Properties

EXHIBIT A: DONATION TABLE AS OF DECEMBER 2014

VILLAGE OF DOWNERS GROVE
School & Park District Donation Tables

Per Acre Value

115,000

SINGLE FAMILY DETACHED

# of bedrooms	Grades K-6	Grades 7-8	Total to District 58	Total to District 99	Total to Park District	Total Donations per Dwelling
2 bedrooms	\$267.76	\$87.40	\$355.16	\$48.00	\$1,251.72	\$1,654.88
3 bedrooms	\$510.22	\$417.58	\$927.79	\$333.60	\$1,703.32	\$2,964.72
4 bedrooms	\$1,229.16	\$439.43	\$1,668.59	\$784.80	\$2,283.33	\$4,736.71
5 bedrooms	\$868.63	\$291.33	\$1,159.97	\$698.40	\$2,271.94	\$4,130.31

Per Acre Value

150,000

SINGLE FAMILY ATTACHED (condos & townhomes)

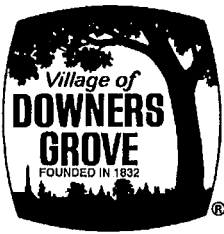
# of bedrooms	Grades K-6	Grades 7-8	Total to District 58	Total to District 99	Total to Park District	Total Donations per Dwelling
1 bedrooms	\$0.00	\$0.00	\$0.00	\$0.00	\$1,254.00	\$1,254.00
2 bedrooms	\$261.25	\$139.33	\$400.58	\$147.13	\$1,498.20	\$2,045.91
3 bedrooms	\$508.75	\$129.83	\$638.58	\$269.22	\$1,866.98	\$2,774.78
4 bedrooms	\$827.75	\$329.33	\$1,157.08	\$535.30	\$2,470.05	\$4,162.44

MULTI-FAMILY ATTACHED (apartments)

# of bedrooms	Grades K-6	Grades 7-8	Total to District 58	Total to District 99	Total to Park District	Total Donations per Dwelling
Efficiency	\$0.00	\$0.00	\$0.00	\$0.00	\$1,122.00	\$1,122.00
1 bedrooms	\$0.00	\$0.00	\$0.00	\$3.13	\$1,443.75	\$1,446.88
2 bedrooms	\$264.00	\$85.50	\$349.50	\$131.48	\$1,502.33	\$1,983.30
3 bedrooms	\$756.25	\$247.00	\$1,003.25	\$363.13	\$2,489.85	\$3,856.23

See 20-300 of the Downers Grove Municipal Code. Ordinance 3786 October 16, 1995

EXHIBIT B: DONATION TABLE AS OF JANUARY 2015



SCHOOL AND PARK DISTRICT DONATIONS

Per Acre Value = \$545,000

Unit Type (as defined in Ch. 28)	Total to District 58 (Grades K - 8)	Total to District 99 (Grades 9-12)	Total to Park District	Total Donation
Detached Houses				
2 Bedroom	\$1,911.13	\$227.48	\$6,045.96	\$8,184.57
3 Bedroom	\$5,677.39	\$2,092.80	\$8,689.75	\$16,459.94
4 Bedroom	\$8,724.24	\$4,094.61	\$11,282.59	\$24,101.44
5 Bedroom	\$6,300.50	\$3,412.17	\$11,300.58	\$21,013.25
Attached Houses and Two-Unit Houses				
1 Bedroom	\$0.00	\$0.00	\$3,576.02	\$3,576.02
2 Bedroom	\$1,431.53	\$432.21	\$5,965.03	\$7,828.77
3 Bedroom	\$3,005.37	\$671.06	\$7,170.02	\$10,846.45
4 Bedroom	\$4,989.17	\$1,967.69	\$9,427.14	\$16,384.00
Apartment/Condo				
Efficiency	\$0.00	\$0.00	\$3,878.77	\$3,878.77
1 Bedroom	\$31.49	\$11.37	\$5,269.61	\$5,312.47
2 Bedroom	\$1,342.52	\$523.20	\$5,737.22	\$7,602.93
3 Bedroom	\$3,753.23	\$1,342.12	\$9,151.37	\$14,246.72

Refer to Section 20.300 of the Downers Grove Municipal Code

Mitchell, Drew

Subject: FW: New Downers Grove School & Park Donation structure**From:** Stanley Popovich [<mailto:spopovich@downers.us>]**Sent:** Friday, May 08, 2015 1:03 PM**To:** Mitchell, Drew**Subject:** Re: New Downers Grove School & Park Donation structure

Drew,

Yes, our donation tables have changed with the adoption of the new subdivision ordinance on January 1. Our old numbers were severely depressed and not updated in a good number of years. There are a couple of items to look at with regard to those number.

1. Look at Section 20.300.d.2. If you object to the fair market value, you can submit an appraisal showing the market value of an acre. Additional information can be submitted as well. That information might want to include a recent park district proposal to purchase land from the alter group at roughly \$300,000 / acre on the northwest side of Downers Grove.

2. Look at Section 20.300.f. If you object to our population density there is a potential to change the density formula through a demographic study of your apartments. This might be something that the Tracy Cross report looked at.

If I can be of further assistance, please let me know.

Stan.

--

Stan Popovich, AICP
 Planning Manager
 Village of Downers Grove
 p. 630-434-6893
 f. 630-434-6873

On Thu, May 7, 2015 at 4:01 PM, Mitchell, Drew <DMitchell@holladayproperties.com> wrote:

Stan,

We're having a bit of an "uh-oh" moment: It looks like the donation per unit found in the Plan Commission application package has increased 350-400% from last year and our most recent project cost estimation. Can you confirm that I'm interpreting this correctly?

The plan application we had from November 2014 reflected the following donation per unit:

DESCRIPTION	QTY:	UNIT:	COST:	TOTAL:
Impact Fees (School / Park District) - 1 Bdr	59	Units	\$1,447 / Unit	\$ 85,366
Impact Fees (School / Park District) - 2 Bdr	28	Units	\$1,983 / Unit	\$ 55,532

\$ 140,898

The new application we received yesterday shows the following fees per unit:

DESCRIPTION	QTY:	UNIT:	COST:	TOTAL:
Impact Fees (School / Park District) - 1 Bdr	59	Units	\$5,312 / Unit	\$ 313,408
Impact Fees (School / Park District) - 2 Bdr	28	Units	\$7,603 / Unit	\$ 212,882
				\$ 526,290

Our hope is that we're reading this wrong, but I suspect that we're not. We just haven't provided for this level of expenditure. I referred to the Municipal Code to try and gain a better understanding, but it doesn't contain this table so looking to confirm.

Any info you can provide would be helpful.

Thanks,

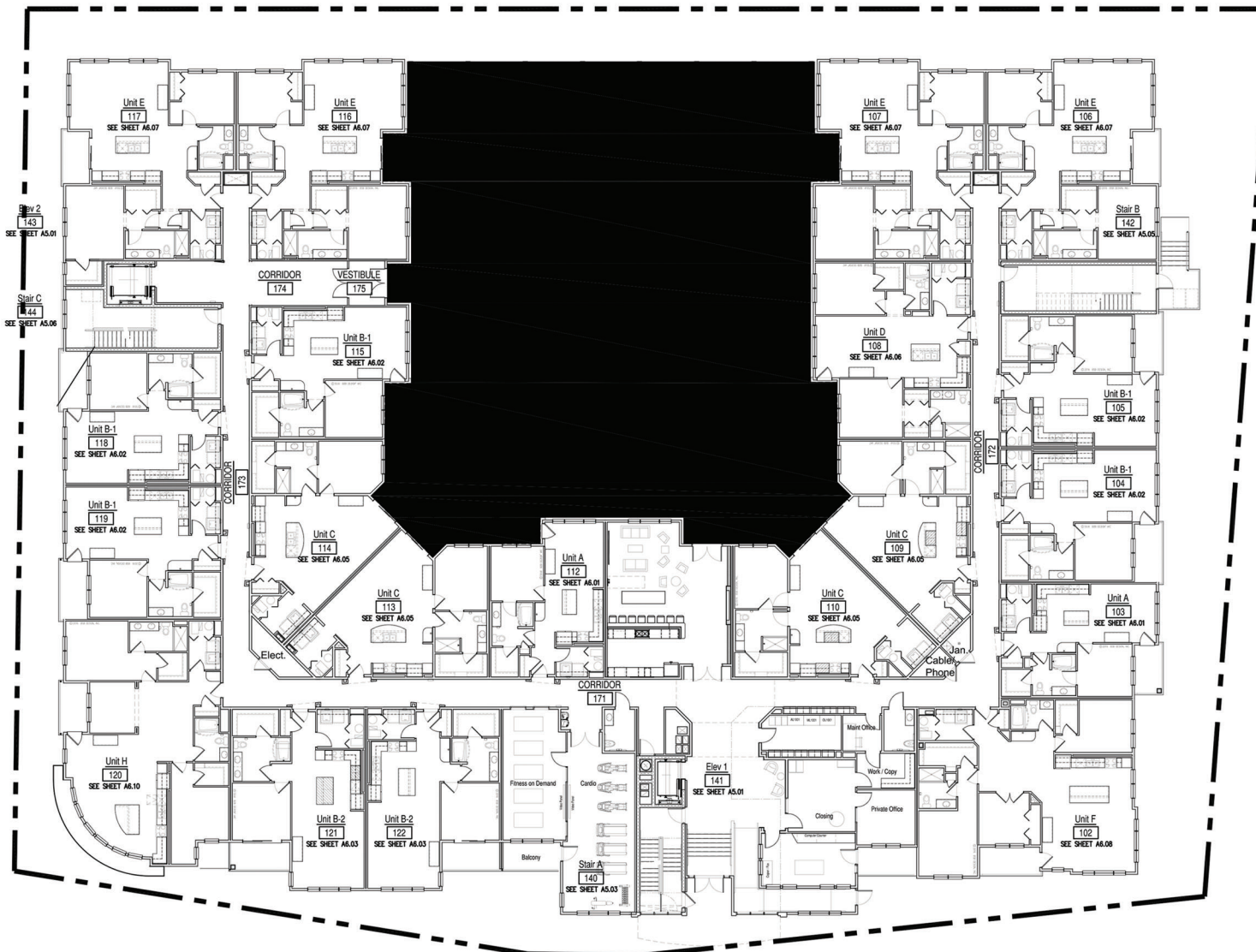
Drew

T. Drew Mitchell, VP Development

6370 Ameriplex Drive, Suite 110 | Portage, IN 46368

D: [\(219\) 841-6392](tel:2198416392) | C: [\(312\) 545-5123](tel:3125455123)





Legend

■ Recreational Area

Data
8,726 sf = .2023 acres

① **First Floor Building Plan**
N.T.S.





Exhibit E: Artistic Rendering Burlington Station Amenity Deck



EXHIBIT F: Comparison of Current and Proposed Park Donation Fee:

Village Proposed Park Donation Fee Calculation:

	Unit Count	Occupants per Unit ¹	Total Occupants	Acres Required ²	Value per Acre	Cash in-Lieu Donation ³
1 Bedrooms	58	1.758	101.964	0.560802	\$545,000	\$305,637
2 Bedrooms	31	1.914	59.334	0.326337	\$545,000	\$177,854
	89		161.298	0.887139	\$545,000	\$483,491

Holladay Proposed Park Donation Fee Calculation:

Section 20.300SECb(3) of the municipal code allows an adjustment of the park donation calculation to give credit for private open space included within a development (see attached ordinance language). Therefore, we are seeking approval of an adjustment to the calculation as follows:

We are providing 0.202 Acre Private Outdoor Open space within the development . This private outdoor open space will provide convenient outdoor recreational opportunities for our residents including outdoor seating and gathering spaces, water feature, plantings, equipment for games such as a bocce court (see outdoor amenity deck courtyard indicated in approved development plans). This area should offset the required Acres amount of 0.887 acres resulting in an adjusted amount of 0.685 acres.

Acres Required	Value per Acre	Cash in-Lieu Donation
0.685	\$545,000	\$373,325

Total Adjustment Requested: \$110,166 = \$483,491 as calculated less \$373,325 as proposed



Administration Office
2455 Warrenville Road
Downers Grove, IL 60515
Phone: 630.960.7500
Fax: 630.963.1543

Recreation and Fitness Center
4500 Belmont Road
Downers Grove, IL 60515
Phone: 630.960.7250
Fax: 630.960.7251

Lincoln Center
935 Maple Avenue
Downers Grove, IL 60515
Phone: 630.963.1300
Fax: 630.963.5884

Golf Course
2420 Haddow Avenue
Downers Grove, IL 60515
Phone: 630.963.1306
Fax: 630.963.9435

Museum
831 Maple Avenue
Downers Grove, IL 60515
Phone: 630.963.1309
Fax: 630.963.0496

**William F. Sherman, Jr.
Interpretive Center**
901 31st Street
Downers Grove, IL 60515
Phone: 630.963.9388
Fax: 630.963.9389



June 21, 2016

Stan Popovich, AICP
Director of Community Development
Village of Downers Grove
801 Burlington Avenue
Downers Grove, IL 60515

Re: Burlington Station – Park Donation Fee

Dear Stan,

Thank you for allowing us to comment on the Park Donation reduction proposed by the developers of the Burlington Station apartment building at 5100 Forest Avenue. The Park District opposes the proposed reduction, and would like to offer the following comments for your consideration:

1. The Park District is opposed to the section of Municipal Code that establishes the Credit for Private Open Spaces and Recreation Areas being applied to this particular development. In our opinion, the credit as it is described in the Code is intended to be applied to larger subdivisions that provide swimming clubs, ballfields or similar park amenities, and implies that open space will be set aside for park uses. To allow a condominium or apartment building to apply the credit for a large patio or courtyard seems like a dangerous precedent to set, and could open the door for other interpretations of the credit language.
2. The Code section that establishes the credit describes private open space as having “a substantially higher degree of improvement and the installation of recreational facilities.” In our opinion, the courtyard improvements proposed by the developer do not represent a *substantially higher degree* of improvement, and do not provide adequate recreational facilities to off-set the park and recreation needs of these future Downers Grove residents. We do not believe that the proposed improvements will have “the effect of reducing the demand for local park and recreational services.”

Please feel free to contact me with any questions.

Sincerely,

Paul Fyle, ASLA
Superintendent of Planning

cc: Geoff Penman, Director of Operations & Development