



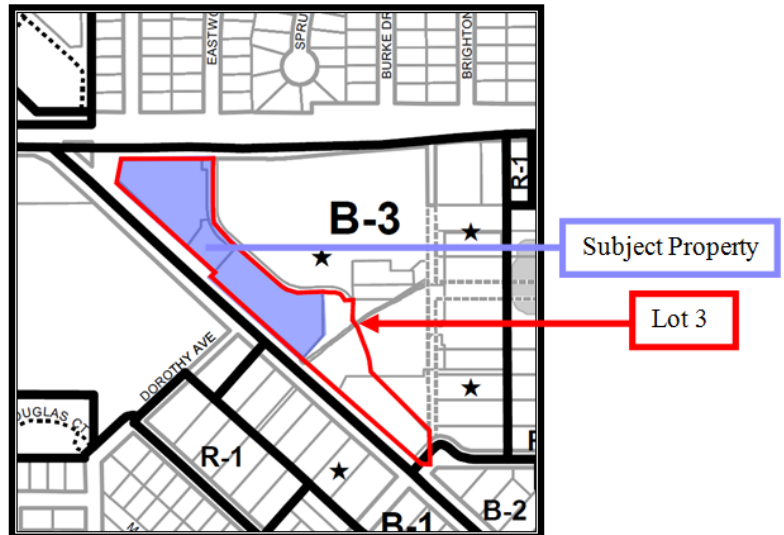
VILLAGE OF ARLINGTON HEIGHTS **STAFF DEVELOPMENT** **COMMITTEE REPORT**

File Number: PC #16-025
Project Title: Southpoint Shopping Center Subdivision
Address: 630-720 E. Rand Rd.
PIN: Multiple PIN's

To: Plan Commission
Prepared By: Sam Hubbard, Development Planner
Meeting Date: 1-25-2017 & 2-8-2107
Date prepared: 1-20-2017 – Revised 2-3-207

Petitioner: Inland Commercial Real Estate
 Phil Menolascina
Address: 2901 Butterfield Rd.
 Oak Brook, IL 60523

Existing Zoning: B-3, General Service, Wholesale, and Motor Vehicles District



SURROUNDING LAND USES:

Direction	Existing Zoning	Existing Use	Comprehensive Plan
North	R-1, One-Family Dwelling District	Single-Family Homes	Single-Family Detached
South	B-1, Business District Limited District	Multi-tenant commercial/retail/office developments	Commercial
East	B-3, General Service, Wholesale, and Motor Vehicles District	Multi-tenant commercial/retail/office developments	Commercial
West	B-2, General Business District	Fast food restaurant with drive-thru, multi-tenant shopping center, retail outlet.	Commercial

Requested Action:
 Preliminary and Final Plat of Subdivision

Variations Required:
 Variation to Section 29-201a(5) of Chapter 29 of the Municipal Code to waive the requirement for a traffic and parking analysis on the subject property.

Background

The subject property is approximately 4.23 acres in size and contains the Olive Garden Restaurant, Chili's Restaurant, and neighboring multi-tenant retail building of approximately 17,167 square feet, as well as portions of a private access road within the Southpoint Shopping Center. Each of the three buildings are located on separate tax parcels, but the entire subject property is contained within one existing lot of record (Lot 3 of the Cub Addition Subdivision). Lot 3 not only includes the subject property, but also includes a portion of the parking lot in front of the Bif Furniture store, which portion is not owned by the petitioner. The entire Southpoint Shopping Center is owned by three separate entities with the petitioner being one of these entities.

The applicant is proposing the subdivision of their portion of Lot 3 into three lots; Lot 1 would contain the Olive Garden, Lot 2 would contain the Chili's, and Lot 3 would contain the multi-tenant retail building and a portion of the drive aisle that connects E. Palatine Road to E. Rand Road. The applicant would like the ability to sell off these newly created lots, which they believe would enhance capital investment into the shopping center through the introduction of new ownership, and would also facilitate redevelopment opportunities for the remaining portions of the shopping center owned by the petitioner. There would be no proposed changes to the site at this time; the only change to the property would be the establishment of new lot lines.

The subject property is part of the Southpoint Shopping Center PUD, which was approved in 1988. This PUD includes the subject property as well as the larger shopping center to the east of the subject property, which contains the Bif Furniture site and the multi-tenant retail spaces attached to the Bif furniture building, and the Floor and Décor site and the multi-tenant retail spaces attached to the Floor and Décor building. The entire Southpoint Shopping Center is subject to a lengthy Reciprocal Easement Agreement (REA) that provides for shared access and shared parking between all users within the PUD.

Prior Case History

The following is a brief summary of the relevant zoning history on the Southpoint Shopping Center:

- 1983: Ordinance 83-029 annexed the property, rezoned portions of the property into the B-3 District, and granted subdivision approval to allow construction of a 70,000 square foot Cub Food store.
- 1988: Ordinance 88-109 granted PUD approval, rezoned additional portions of the property into the B-3 District, and granted certain Variations to allow construction of what is known today as the Southpoint Shopping Center.
- 1990: Ordinance 90-014 granted the same approvals as contained within Ordinance 88-109, which was necessary due to a scrivener error in the legal description within Ordinance 88-109.
- 1990: Application PC 89-089 was filed with the Village to allow the shopping center to be resubdivided into 11 separate properties. The Village had concerns with this resubdivision as the proposed lots showed property lines going through the middle of the existing shopping center buildings and the REA had not yet been established, which document would have guaranteed shared access and parking even if portions of the property were subdivided and under separate ownership. This application was withdrawn and never appeared before the Plan Commission.
- 1991: Ordinance 91-023 repealed Ordinance 88-109, which repeal was necessary due to the fact that Ordinance 90-014 had reestablished the same approvals as contained within Ordinance 88-109.

Zoning and Comprehensive Plan

As indicated above, the subject property is within the B-3, General Service, Wholesale, and Motor Vehicle District. Restaurants and retail sales uses are permitted within the B-3 District and the existing land uses are therefore consistent with the current zoning classification. There is no minimum lot size requirement within the B-3 District and so the proposed lot sizes are compliant with B-3 regulations.

The B-3 District allows for a wide variety of commercial uses and includes allowances for several auto repair uses, which may not be appropriate in this location. While rezoning is not requested by the applicant, the Village may wish to rezone the entire Southpoint PUD to the B-2 classification at a future date. Therefore, as part of this petition the Village has asked that the future property owners of the subject property not object to any future rezoning to the B-2 classification. After subsequent discussion with the property owners' representative, the petitioner has agreed to notify the contract purchasers of the subject property that the Village may seek to rezone Southpoint into the B-2 classification in the future (see attached letter).

The Village's Comprehensive Plan designates the future use of the subject property as "Commercial". The proposed resubdivision is consistent with this designation.

Site Plan, Building and Landscaping

As the proposed resubdivision will only establish new property lines within the previously approved PUD and will not involve any changes to the existing site, building layout, or parking areas, there are no site, building, or landscape concerns. The proposed subdivision does not trigger any update to current MWRD standards and so there will be no change to the existing onsite detention/retention area. The proposed lots will conform to all setback and bulk regulations.

It should be noted that the applicant had originally proposed a four lot resubdivision, which resubdivision would have contained one lot for each of the three existing buildings and a fourth lot for the portion of the access road that connects E. Rand Road to E. Palatine Road. Staff encouraged the petitioner to redesign the resubdivision so that this fourth lot, which would not be buildable and would only contain an access drive, be incorporated into the other three lots. Accordingly, the applicant redesigned the proposed resubdivision so that the access drive was consolidated into Lot 3. Staff believes that this layout is preferable as it ties the ownership and associated maintenance of the access drive to the tangible asset (the multi-tenant retail building) that is located on the proposed Lot 3.

According to the Engineering Department, the subject property is subject to Contribution Ordinance #79-159, which was established due to the property receiving the benefit from a previously completed sanitary relief sewer improvement. This Ordinance required a fee of \$1,600 per acre to be provided to the Village, which translates to \$6,736 for the subject property. This fee was never paid when the subject property was developed and should be paid as part of the proposed resubdivision. A condition of approval has been added to require this payment.

Future Redevelopment

The subject property is located within TIF V, which was established in 2005 and includes both the Southpoint Shopping Center and the Town & Country Shopping Center. One of the goals of TIF V is to facilitate the redevelopment and revitalization of the Southpoint Shopping Center, be it through the introduction of a new outlot and/or through the redevelopment of the vacant building at the southeast portion of the site along Rand Road. One of the purposes of the proposed resubdivision is to introduce new ownership to the shopping center, and staff notes that these additional owners may complicate any future redevelopment plans. As such, the Village is asking that future property owners work with the Village to facilitate future development of the adjacent shopping center properties.

Traffic & Parking

The existing parking areas were approved during the Southpoint PUD in 1988 and no changes to the parking areas have been proposed. Section 6.12-1(4) of Chapter 28 (Zoning Code) gives the Village the ability to require a traffic study and parking analysis for projects requiring subdivision. Since the proposed resubdivision will not involve any new construction or alteration to the existing site or buildings, the Village is not requiring a traffic or parking study in conjunction with this application. The existing parking within the Southpoint PUD conforms to code requirements and provides a surplus of parking to accommodate for the sum of users within the PUD area. Exhibit I (below) outlines the required parking per Code relative to the parking provided:

Exhibit I: Parking Requirements for Entire Southpoint Shopping Center

Southpoint Shopping Center Parking	
Total Parking Required	842
Parking Provided In Front Parking Areas	1306
Parking Provided in Rear Parking Areas	130
Total Surplus/(Deficit)	594

Note: Required parking is based upon the tenants as of July, 2016. Certain users have higher or lower parking requirements which may change the parking requirements for the shopping center over time.

Although Chapter 28 does not require a traffic study, Section 29-201a(5) of Chapter 29 (Subdivision Code) requires that any commercial development of 20,000 square feet or more provide "an opinion from a qualified professional traffic engineer approving the design of any off-street parking that is proposed, the traffic circulation, and manner of ingress and egress to such development." As over 20,000 square feet of commercial floor area exists within the proposed subdivision, this opinion is required. The applicant has requested a Variation to waive this requirement and staff is supportive of this request.

The proposed lots within this subdivision will result in certain parking areas being located on a lot that is not owned by the user that requires these parking areas. Section 11.1-5 of the Zoning Code states that "where required parking facilities are provided on land other than the zoning lot on which the building or use served by such facilities is located, they shall be and remain in the same possession or ownership as to the zoning lot occupied by the building or use to which the parking facilities are accessory." As new lot lines will be created, and these new lot lines will mean certain parking areas are no longer located on the same lot where the use is located, it is crucial for the REA to provide for shared parking and reciprocal access for all users within the Southpoint PUD in order to satisfy the "possession or ownership" provision of Section 11.1-5. Staff has verified that the REA contains the required provisions that allow for shared parking and reciprocal access, as well as shared maintenance of and access to common utilities.

In February of 2013 a parking study was provided to the Village by the owner of the Floor and Décor site. This study showed peak overflow of parking for both Chili's and Olive Garden occurring in the parking area east of these properties and across the access drive between Floor and Décor and the aforementioned restaurants, which parking area is part of the Floor and Décor site. The total peak amount of overflow parking in this area was 89 vehicles, which translates to an actual demand for the Chili's and Olive Garden to be approximately 234 spaces. The existing REA provides for and allows shared parking across these sites. Although the parking required for these restaurants is not currently contained on their site (there is an existing 55 space on-site parking shortage) the surplus within the neighboring parking lots of the shopping center provide ample parking to satisfy code requirements. The further subdivision of these properties will alter this on-site parking shortage relative to Chili's and Olive Garden, which is illustrated in Exhibit II below. Staff notes that as long as adequate overflow parking is maintained to the east of these properties, parking for the Chili's and Olive Garden should not be impacted by the proposed resubdivision.

Exhibit II: Parking Requirements for proposed Lot 1 and Lot 2

	Parking Required	On-Site Parking Provided	Surplus/(Deficit)
Lot 1 (Olive Garden)	127	140	13
Lot 2 (Chili's)	73	5	68*

* The parking deficit on this property relates only to the amount of parking provided within the newly created Lot 2. It should be understood that through the REA, the surplus of parking within the overall Southpoint Shopping Center provides sufficient parking for Lot 2 to conform to code requirements. In reality, Lot 1 and Lot 2 share parking resulting in a combined parking deficit of 55 spaces.

RECOMMENDATION

The Staff Development Committee reviewed the proposed Preliminary and Final Plat of Subdivision and Variation to Section 29-201a(5) of Chapter 29 and supports the proposed request, subject to the following:

1. The existing Reciprocal Easement Agreement, inclusive of all amendments thereto (REA), which is recorded against the Southpoint Shopping Center and provides for shared parking, cross access, and shared maintenance and access to common utilities and signage shall remain in effect. If changes to the REA are executed, any such changes shall continue to make adequate provisions for those elements so as to continue to satisfy all applicable Village of Arlington Heights code requirements
2. Unless the petitioner is able to demonstrate prior payment to the Village in the amount of \$6,736 in accordance with Ordinance No. 79-159, the petitioner shall pay that fee to the Village prior to Village Board adoption of the resolution approving the Final Plat of Southpoint Resubdivision.
3. By virtue of the Southpoint Shopping Center's location within TIF Redevelopment Project Area No. 5, the Village is desirous of facilitating appropriate redevelopment opportunities of all or portions of the shopping center. To that end, the owner(s) of lots 1, 2 and 3 of the Southpoint Resubdivision shall, upon request of the Village, reasonably cooperate with the Village in the Village's review of any appropriate future redevelopment plans for all or any portion of the shopping center; provided, however, this condition shall not be construed as a waiver of such property owner(s) rights and obligations pursuant to law, including, without limitation, the Village's zoning regulations and the existing Reciprocal Easement Agreement, inclusive of all amendments thereto, recorded against the Southpoint Shopping Center.
4. The petitioner shall comply with all applicable Federal, State, and Village codes, regulations, and policies.

February 3, 2017

Charles Witherington-Perkins, Director of Planning and Community Development

Cc: Randy Recklaus, Village Manager
All Department Heads