

505 Telser Road Lake Zurich, Illinois 60047

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At the Heart of Community

MEMORANDUM

January 3, 2017 Date:

Ray Keller, Village Manager To:

Sarosh Saher, Community Development Director From:

CC: Roy Witherow, Assistant Village Manager

Mary Meyer, Building Services Supervisor

Katie Williams, Associate Planner

Courtesy Review - Hackney's Property Redevelopment - 880 North Rand Road Re:

Issue

Bluestone Single Tenant Properties, represented by Rick Claes, Managing Partner and Michael MacKinnon, Vice-President of Development, is the contract purchaser of the 10.68-acre parcel on the northeast corner of Route 12 (Rand Road) and Old Rand Road.

The applicant is proposing to redevelop the property with a gas station/truck fueling facility with a convenience store and car wash on the westerly 4.9 acres (46%) of the approximately 10.68acre site. The gas station and truck fueling facility is proposed to be operated by Thornton's. The remaining easterly 5.8 acres (54%) are proposed to be developed with 58 townhouse units within 12 buildings. The developer is proposing the redevelopment of the properties in two phases – Phase 1 to include the development of only the commercial component of the project and Phase 2 comprising of the residential component to be reserved for a future residential developer and completed at a later date.

The developers are requesting a courtesy review with the Village Board to obtain feedback on the proposal. Please be aware that the developers have also submitted a formal application and supporting documentation for consideration of various zoning map amendments and special use permits for the development.

Prior Proposal and Courtesy Review:

On September 8, 2015, the Village Board was approached by UrbanStreet Group to redevelop the property with a master-planned mixed-use development consisting of approximately 10,000 square feet of commercial retail space and 231 rental apartment units in buildings ranging from two to four stories. Property owners from the surrounding residential neighborhoods also attended the meeting and expressed their comments and concerns related to the development. Their concerns primarily focused on the development of the existing open green space on the property, traffic and onsite parking, the separation of the high density residential from the existing townhomes to the east, the development of the rental units with primarily 1-bedroom units, and the height of the buildings at four stories. Village Board members also asked questions of the developer and expressed concerns related to the development, some of which reflected those that were expressed by the surrounding residents. The developer was urged to consider a high level of aesthetics for the buildings, a top-notch green open space and well landscaped areas around the development. After receiving comments from the Village Board and residents, the developer elected not to proceed with the development.

The video recording from the meeting can be viewed via the following link: http://view.earthchannel.com/PlayerController.aspx?&PGD=lakezurichil&eID=285

Background

As it relates to the current proposal, staff had initially been approached by the developer in October of this year with their intentions to develop the site, but were requested to keep the development confidential. Recall that in June of this year, staff reported that the village had become aware that the Hackney family had obtained the services of CBRE Realty to market and sell the property. At that time, the marketing plan called for the site to be primarily developed with commercial uses including a large regional restaurant on the site with a smaller portion of the easterly portion of the site to remain residential. Staff has been of the opinion that this highly visible property along a very busy regional arterial could benefit from being developed with retail establishments and/or quick service restaurants along its frontage of Rand Road that greatly depend upon impulse buyers; tier-2 or destination commercial establishments such as office space or a day care facility; and some residential at the rear to serve as a buffer or transition to the existing residential development to the east. Moreover, at the October 19 ICSC Chicago Dealmaking Conference, staff continued to promote the redevelopment of the property to the various retail brokers that visited the Village's booth.

Analysis

Staff offers the following information for the Village Board to consider as it relates to the site and proposed development:

- 1. Land Uses: Approximately half the property (46%) and all of the frontage of the property with Rand Road is proposed to be developed with auto related uses in the form of the vehicle and truck refueling station; convenience store and car wash. The remaining half (54%) of the property is proposed to be developed with residential townhomes. It should be noted that the developer had initially proposed to develop the residential component with condominium units but revised the proposal to townhomes after discussion with staff.
- 2. Access to the property: The property is currently served by Rand Road and Old Rand Road. Rand Road is a regional arterial road that is controlled by IDOT, while Old Rand Road is a

collector road that is controlled by the village. The developer is currently proposing one right-in right-out access along Rand Road to serve as the vehicular entrance for cars and other domestic vehicles to access the gas station and car wash. The developer is proposing three access points along Old Rand Road, two of which are proposed to serve as ingress and egress for truck traffic to access the truck fueling pumps. The third will provide access to the gas station and is designed as a full access. The residential component on the property is conceptually designed with two access points from Old Rand Road.

- 3. Traffic and Street Improvements: At this time, the developer has not proposed any street improvements particularly on Old Rand Road to accommodate the truck traffic that will need to use the approximately 480 feet of the street to access the ingress drive to the truck fueling pumps. The developer has conducted a traffic study that recommends the following improvements:
 - a. A right turn lane on Rand Road leading to the proposed right-in right-out access to the property
 - b. Widening Old Rand Road to provide eastbound left-turn lanes providing access to the truck fueling drive lanes
 - c. Old Rand Road currently has a 5-ton weight limit. This weight-limit will need to be eliminated to accommodate truck traffic for the approximately 480 feet of Old Rand Road.
- **4. Gas Station Area:** The gas station is designed on a lot that is greater than 3 acres in land area. A land area of 3-acres or more enables the site to be developed as a licensed truck-stop facility with the proposed gas station. A "licensed truck stop establishment" by state statute is one that is:
 - a. At least a 3-acre facility with a convenience store
 - b. Designed with separate diesel islands for fueling commercial motor vehicles
 - c. Sells or is projected to sell at retail more than 10,000 gallons of diesel or biodiesel fuel per month, and
 - d. Designed with parking spaces for commercial motor vehicles. A large portion of the truck fueling area is proposed to be dedicated to truck access drive lanes approximately 40 feet wide on the ingress lanes and 57 feet wide a the fueling pumps. The ingress drive lane at approximately 350 feet in length could potentially serve this function.

Further, by state statute, designation as a licensed truck stop also provides the operator of the facility the opportunity to establish 24-hour video-gaming machines on the premises.

- 5. Wetland and Stormwater Management: The property currently contains wetland areas along the northerly, central and easterly portion. The developer is proposing the preservation of the northerly wetland area along with a wetland buffer. However, the remaining wetlands are exempt wetlands and may be removed to allow for the development of the property.
- 6. Tree Removal: the development contemplates the removal of most trees on the property with exception of those that are located within the northerly wetland and its buffer. However, the development contemplates a landscape plan that will include new trees and shrubs

installed throughout the property with additional screening between the commercial and residential components.

- 7. Zoning Relief Requested: The developer will need to request the following zoning relief and approval to be able to develop the property in the manner that is currently proposed:
 - a. Zoning Map Amendment from B-1 to B-3 of the westerly commercial component and R-4 to R-6 of the easterly residential component. It should be noted that the properties to the east and south of the subject property are zoned R-6. This issue was also highlighted at the September 2015 courtesy review.
 - b. Special Use Permits to allow for the establishment of the Motor Vehicle Service Station and Car Wash
 - c. Site Plan Approval
 - d. Exterior Appearance Review
 - e. Planned Development (PUD) based on the currently identified exceptions from the land development code

Recommendation:

Even though an application has been submitted for consideration by the Planning and Zoning Commission, the developer and staff seek to understand the Village Board's preferences towards the proposed land uses and site configuration in order to address potential issues moving forward.

Staff therefore recommends that the Village Board provide feedback and highlight any further areas of concern to the developer on the above listed issues.

Next Steps

Based on feedback received from the Village Board, the developer has currently indicated that they wish to move forward with the Development Plan to the Planning and Zoning Commission at the January 18, 2017 public hearing.

Following a recommendation from the Commission, the proposal will be brought before the Village Board for final consideration and approval of an ordinance.

Respectfully Submitted,

Sarosh Saher, AICP

Community Development Director

w/ Attachments:

1. Letter dated December 12, 2016, from Rick Claes requesting Courtesy Review

- 2. Statement of Purpose contained within letter dated December 15, 2016 from Mike MacKinnon
- 3. Development Plan exhibits prepared by Kimley Horn.



December 12, 2016

Ray Keller Village Manager Village of Lake Zurich 70 E. Main Street Lake Zurich, Illinois 60047

Re:

Village Board Courtesy Review

Redevelopment of Hackney's Restaurant

880 N. Old Rand Road

Mr. Keller:

Following up on recent conversations with your staff, Bluestone Single Tenant Properties, LLC ("BSTP") is requesting a Village Board courtesy review at the December 19th meeting to discuss BSTP's proposed redevelopment of the Hackney's property. As shown on the enclosed site plan, the development would include a state-of-the-art car wash, a convenience store and fuel center along Route 12, and townhomes.

The convenience store and fuel center would be comprised of ten fueling pumps (20 positions) for automobiles, an approximately 5,500 square foot convenience store, and two fast flow diesel lanes to fuel the 2,200 trucks on Route 12. No truck parking stalls will be constructed, and no truck stop amenities will be offered in the convenience store, such as showers and laundry.

On the eastern portion of the site, we are proposing a townhome development with 58 units. The townhomes would complement the existing townhomes to the east and provide as a transitional use between the commercial and single family residential parcels. We have placed the detention ponds to serve as an amenity to the residents in addition to the wetland.

Thank you for your consideration of our request, and we look forward to the opportunity to further discuss our development plans with you and the Village Board.

Respectfully,

Rick Claes

Managing Partner

Enclosure



December 15, 2016

Orlando Stratman Chairperson Village of Lake Zurich 505 Tesler Road Lake Zurich, IL 60047

Re:

Zoning Petition

880 N. Old Rand Road

Mr. Stratman:

Bluestone Single Tenant Properties is proposing to redevelop the Hackney's restaurant parcel, including the construction of a convenience store with fuel operated by Thorntons, a new state-of-the art car wash, and a new townhome development.

The redevelopment is comprised of a single parcel totaling 10.68 acres; the western 4.9 acres of the parcel adjacent to US Route 12 is zoned B-1, and the eastern 5.8 acres is zoned R-4. The property is currently improved by a single-story restaurant.

For the redevelopment of this property, Bluestone is seeking to rezone the commercial portion of the property to B-3 Regional Shopping District, comparable to other lots in the Village along the Route 12 corridor. Additionally, Bluestone is requesting a map amendment of the R-4 zoning to R-6.

The redevelopment of the property will generate substantial real estate and sales taxes for the Village. The Village of Lake Zurich's portion of the local sales tax generated by the fuel center will be over \$188,000 annually. In addition, the diesel fuel exemption in the State of Illinois is set to expire in 2018. The taxing of diesel fuel will generate significant additional sales tax revenue for the Village.

The proposed convenience store with fuel center features a 5,500 square foot convenience store with entrances on the west and east elevations. Unlike traditional gas stations that focus on cigarette sales, the proposed convenience store will offer a variety of freshly prepared food options, hot and cold beverages, and other convenience goods totaling over 2,000 unique SKU's. The convenience store with fuel center will provide 28 parking stalls, and have ten multiproduct dispensers (20 fueling positions). As shown in the elevations, the canopy design complements the design of the building.

Due to the moderate volume of commercial trucks on the adjacent roadways (over 2,000 trucks per day), the site will provide two dedicated fast flow commercial fueling lanes. There are no facilities designed to refuel commercial vehicles along the Route 12 corridor; instead, these commercial vehicles are fueling under the gasoline canopy or in other communities. The proposed facility is designed to accommodate the local "day tripper" box truck and larger commercial vehicle drivers that pickup their truck in the morning, deliver their freight, and return home each evening. The sale of diesel fuel does not make this facility a "truck stop." There will be no truck stop amenities such as public laundry or showers provided within the convenience store. Furthermore, there are no truck parking stalls provided at this facility;

Hackney's Redevelopment December 16, 2016 Page 2 of 3

this fuel center simply fuel the commercial vehicles, allow them to grab a drink, and return on their path. This is Thorntons standard convenience store configuration with the addition of rear doors.

The car wash will well complement the convenience store and fuel center, and will serve as an amenity to the nearby residents. It will include the latest car wash equipment and building design. There are three stacking lanes and pay stations before forming a single line to enter the building. The cars will exit on the west building elevation towards Route 12. Nine vacuum cleaning stations are provided south of the building.

The townhome development will include 58 three bedroom units ranging from 1,500 to 2,000 square feet. They will be developed to comparable architectural standards as the townhome development to the east. The proposed park, detention pond in the center of this development, and the existing wetland area will serve as an outdoor amenity for these residents.

We believe the requested map amendment of the commercial property is consistent with the zoning of adjacent properties along the Route 12 corridor. Except for a few properties near South Old Rand Road at Route 12 and a few properties adjacent to the subject property, the properties are zoned B-3. The retail and office uses immediately adjacent to the subject property that are currently zoned B-1 would also be permitted uses within the B-3 zoning district. The proposed uses are harmonious with the existing commercial developments in the vicinity of the project.

The existing R-4 zoning for the eastern portion of the subject property is not consistent with the surrounding zoning districts with commercial to the west, R-6 to the south and east, and single family R-1 to the north. Given its location as a transitional property between commercial and other residential properties, we believe the R-6 zoning classification is more appropriate. Per the Village's zoning ordinance, the R-6 zoning district "is intended to function principally as a transition between single-family detached houses and other zoning districts."

The property has three wetlands on the property, two of which are under the jurisdiction of Lake County. The northern wetland is considered a high quality, and will not be impacted by the redevelopment of the property. This wetland has a 100' buffer. Lake County's code provides that up to 20% of this buffer may be encroached upon by impervious surfaces and structures; stormwater facilities are allowed within the buffer area. The second wetland under Lake County jurisdiction is a small, 0.08 acre low quality wetland in the southeast corner of the property. This wetland will be mitigated as part of the development. There is also a manmade pond in the middle of the site that is exempt from the Lake County stormwater ordinance.

The redevelopment of the site will improve the existing access points. There is a full access driveway on Old Rand Road, just east of the Route 12 intersection, and there are two existing right-in/right-out driveways on Route 12. The Route 12 driveways will be replaced by a single right-in/right-out driveway 130' further north of the existing driveways. On Old Rand Road, the automobile full access driveway for the retail properties will move 120' east further from the Route 12 intersection. There will also be a dedicated commercial vehicle ingress and egress driveways along Old Rand Road. The townhome development will be serviced by two full access driveways as shown on the site plan. The access is sufficient to service the respective commercial and residential portions of the property. The alignment of the commercial driveways should be well positioned to for the future development of the southeast corner of Route 12 and Old Rand Road. The residential driveway are spaced and sufficient to address the needs of this development.

Fuel centers and car washes are primarily re-circulators of traffic. Rather than generate significant incremental traffic, these stores pull vehicles already passing by on the adjacent roads, which then continue on their path after refueling. Generally, consumers prefer to refuel and obtain a car wash before or after their trip to work, school, or other shopping.

The redeveloped site will utilize high efficiency, environmentally friendly LED lighting. In addition to their low energy usage, the LED lights are able to better direct light and do not spray light into the adjacent properties compared to

Hackney's Redevelopment December 16, 2016 Page 3 of 3

traditional commercial lighting fixtures. Neighboring commercial and residential properties will not be negatively impacted by the lighting.

The site was specifically designed to mitigate the impact of the development with the adjacent residential properties. The proposed retail development is contiguous to commercial properties, and not to any residential properties. The proposed townhome development will serve as a buffer for the existing multi-family developments to the south and east of the subject property and the single-family subdivision to the north. In addition, the existing wetland and buffer area will serve as an additional physical separation for the residential subdivision to the north. The existing trees on the north side of the property will remain to continue to provide a natural screening between the subject property and the single-family homes. As a result of this land planning, the proposed development will not negatively impact the adjacent residential or commercial property values.

The development includes a monument sign for each lot of the property/use as shown on the site plan. The signs will be in conformance with the village's sign code, except for the canopy variation requested below.

We are requesting two variations as part of this development. The lighting code provides that the maximum of 10 foot-candles anywhere within the property. The fuel pump and the car wash pay kiosk are point of sale locations and require additional lighting above normal parking lot conditions. Typically, we prefer lighting at 50 foot-candles under these canopies to provide adequate light while paying/fueling and create a safe environment for the patrons. We are requesting a variation allowing up to 40 foot-candles under the canopies as shown on the photometric plan. The increased lighting is not near the residential subdivision, and will not have a detrimental impact on those residents.

We are also seeking a canopy sign for Thorntons on the north auto canopy elevation. The code only provides for awnings along the street frontage. The canopy signage will provide sufficient notice for southbound drivers on US Route 12 to turn left at Old Rand Road. This request is consistent with the other fueling centers within Lake Zurich, and would not have any adverse impact on adjacent property owners.

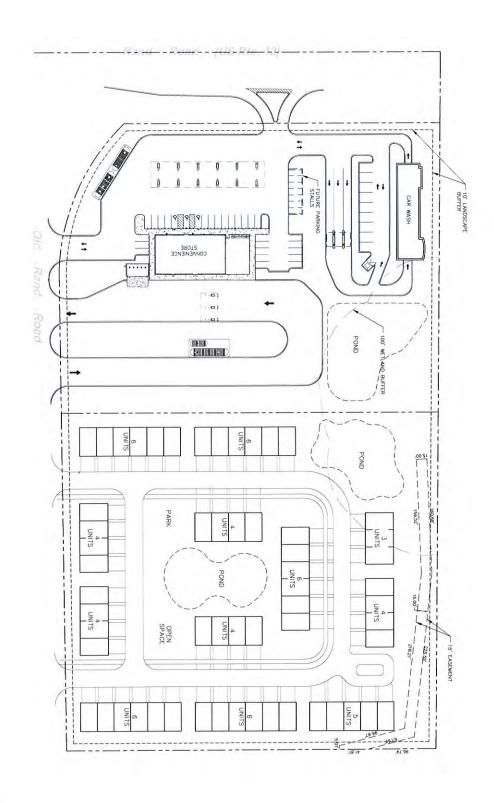
With this submittal, we are seeking the following:

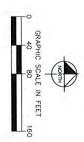
- 1. Map amendment of the western 4.9 acres from B-1 to B-3;
- 2. Map amendment of the eastern 5.7 acres from R-4 to R-6;
- 3. Special use permit for a gasoline service station;
- 4. Special use permit for a car wash;
- 5. Site plan approval;
- Exterior appearance review; and
- 7. Variations for the lighting under the canopies, to allow a canopy sign on the north auto canopy, and any other variations necessary for the development as shown.

We look forward to further discussing our redevelopment at your upcoming plan commission meeting.

Kind regards,

Michael J. MacKinnon, P.E. Vice President, Development



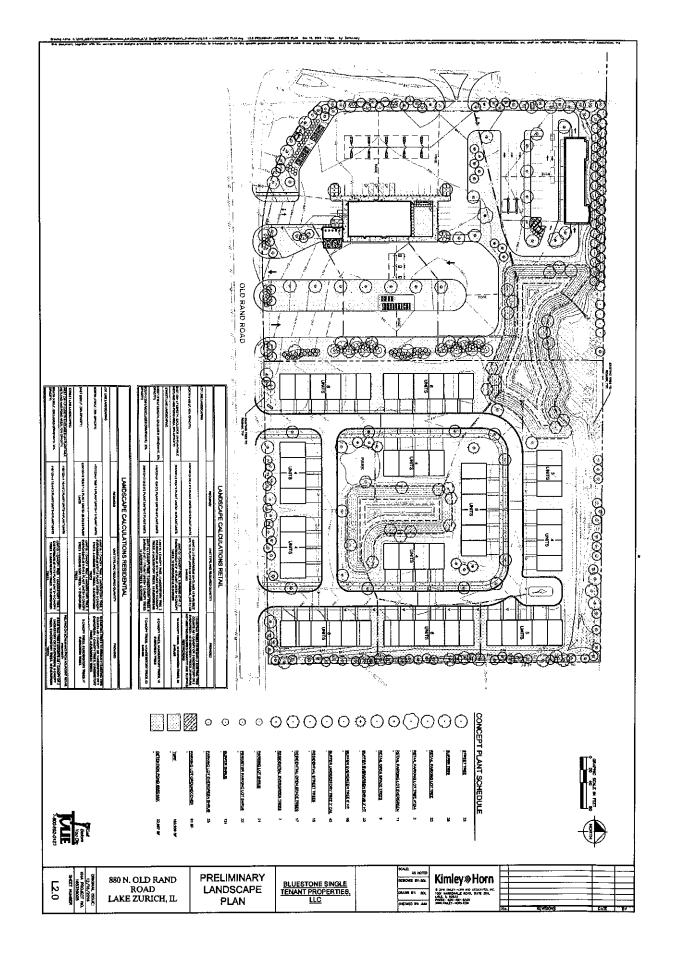


OLD RAND ROAD & RAND ROAD LAKE ZURICH, IL

Posted By --- December 13, 2016 & 32 30 AM K (CH3_LDEV)18300000_Bluestone_Line3_CH0_L3 Despi\Ch2_(Schibita\)PrisimStra\(\frac{1}{2}\)Dischibita\(\

DATE 12/12/16 Kimley » Horn

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1001 WARRENVILLE ROAD, SUITE 350, LISLE, IL 60532



EXTERIOR ELEVATION KEYNOTES

801	NICHIHA PANEL SYSTEM - STYLE: ILLUMINATION SERIES COLOR; PANTONE RED PMS 186 RED; CONTRACTOR FURNISHED, CONTRACTOR INSTALLED
802	NICHIHA PANEL SYSTEM - STYLE: PLYMOTH BRICK COLOR: CRIMSON; CONTRACTOR FURNISHED, CONTRACTOR INSTALLED
803	NICHIHA PANEL SYSTEM - STYLE: ILLUMINATION SERIES COLOR: BENJAMIN MOORE DEEP SPACE 2125-20; CONTRACTOR FURNISHED, CONTRACTOR INSTALLED
804	NICHIHA SYNTHETIC STONE SYSTEM - STYLE: KURASTONE DESERT; CONTRACTOR FURNISHED, CONTRACTOR INSTALLED
805	ARCHITECTURAL CANOPY AND LOUVER SYSTEM - COLOR: BLACK; VENDOR FURNISHED, CONTRACTOR INSTALLED
806	ARCHITECTURAL CANOPY AND LOUVER SYSTEM - COLOR: PANTONE 8600C PEWTER; VENDOR FURNISHED, CONTRACTOR INSTALLED
807	PREFINISHED METAL COPING - COLOR: BLACK; CONTRACTOR FURNISHED, CONTRACTOR INSTALLED
808	PREFINISHED METAL GUTTER SYSTEM - COLOR: BLACK; CONTRACTOR FURNISHED, CONTRACTOR INSTALLED
809	PREFINISHED METAL DOWNSPOUT SYSTEM, SUPPLY MATCHING RECEIVING BOOT FOR TRANSITION TO UNDERGROUND STORM DRAINAGE - COLOR: BLACK ; CONTRACTOR FURNISHED, CONTRACTOR INSTALLED

810

EXTERIOR ELEVATION KEYNOTES

NICHHASILL CHISELED SYSTEM - COLOR: MATCH KURASTONE ; CONTRACTOR FURNISHED, CONTRACTOR INSTALLED	PREFINISHED METAL DOWNSPOUT SYSTEM, SUPPLY MATCHING RECEIVING BOOT FOR TRANSITION TO UNDERGROUND STORM DRAINAGE - COLOR: BLACK; CONTRACTOR FURNISHED, CONTRACTOR NINTAL IFO	PREFINISHED METAL COPING - COLOR: BLACK : CONTRACTOR FURNISHED, CONTRACTOR INSTALLED PREFINISHED METAL GUTTER SYSTEM - COLOR: BLACK ; CONTRACTOR FURNISHED, CONTRACTOR INSTALLED	INSTALLED ARCHTECTURAL CANOPY AND LOUVER SYSTEM - COLOR: PANTONE 8600C PEWTER; VENDOR FIRMISHED CONTRACTOR INSTALLED	NICHHA, SYNTHETIC STONE SYSTEM - STYLE: KURASTONE DESERT ; CONTRACTOR FURNISHED, CONTRACTOR INSTALLED ARCHITECTURAL CANOPY AND LOUVER SYSTEM - COLOR: BLACK; VENDOR FURNISHED, CONTRACTOR	CONTRACTOR RUSTALLED. NICHHA PANEL SYFEM. STYLE: ILLIMINATION SERIES COLOR: BENJAMIN MOORE DEEP SPACE 2125-20; CONTRACTOR FURNISHED, CONTRACTOR INSTALLED	CONTRACTOR FURNISHED, CONTRACTOR INSTALLED NICHHA PANIEL SYSTEM - STYLE: PLYMOTH BRICK COLOR: CRIMSON; CONTRACTOR FURNISHED,	NICHIHA PANEL SYSTEM - STYLE: ILLUMINATION SERIES COLOR: PANTONE RED PMS 186 RED ;
826	824 825	823	819 821	817	815 816	812 814	811
PANEL SYSTEM VERTICAL EXPANSION JOINT LOCATION - INSTALL PER MANUFACTURER.	SEE PLUMBING PRAYINGS FOR GAS SERVICE INFORMATION AND REQUIREMENTS. BUILDING ADDRESS AND STORE NUMBER LOCATION.	VERIFY FINAL LOCATION OF EMERGENCY GAS SHUT OFF WITH FUEL SYSTEM VENIOR: MOUNTING HEIGHT TO BE 40" ABOVE FINISH GRADE. ELECTRIC SERVICE EQUIPMENT, PAINTED:STEALTH GREY - SEE ELECTRICAL DRAWINGS FOR MORE LECTRIC SERVICE EQUIPMENT, PAINTED:STEALTH GREY - SEE ELECTRICAL DRAWINGS FOR MORE	FREEZELESS WALL HYDRANT ASSEMBLY - SEE PLUMBING DRAWINGS FOR MORE INFORMATION MEMBRANE ROOFING SYSTEM.	EXTERIOR LIGHT FXTURE: VERIEY COLOR WITH OWNER PRIOR TO CONSTRUCTION - SEE ELECTRICAL DRAWINGS FOR MORE INFORMATION ELECTRIC POWER QUILET - SEE ELECTRICAL DRAWINGS FOR MORE INFORMATION	ALCOHOL LICENSE NUMBER ; OMNER FURNISHED, OWNER NISTALLED LINE OF ROOF TOP NECHANICAL EQUIPMENT BEYOND - SEE MECHANICAL DRAWINGS FOR MORE INFORMATION	SCHEDULED DOOR AND FRAME - SEE A14.1 SHEET FOR MORE INFORMATION LINE OF FOUNDATION BELOW - SEE STRUCTURAL DRAWINGS FOR MORE INFORMATION	ROOF ACCESS LADDER SYSTEM - COLOR: BLACK; CONTRACTOR FURNISHED, CONTRACTOR INSTALLED

