



September 30, 2022

Zoning Memo on Application of Lexington Homes L.L.C., concerning 3750 Deerfield Road for a new 69-townhome unit development (“Riverwoods Reserve”)

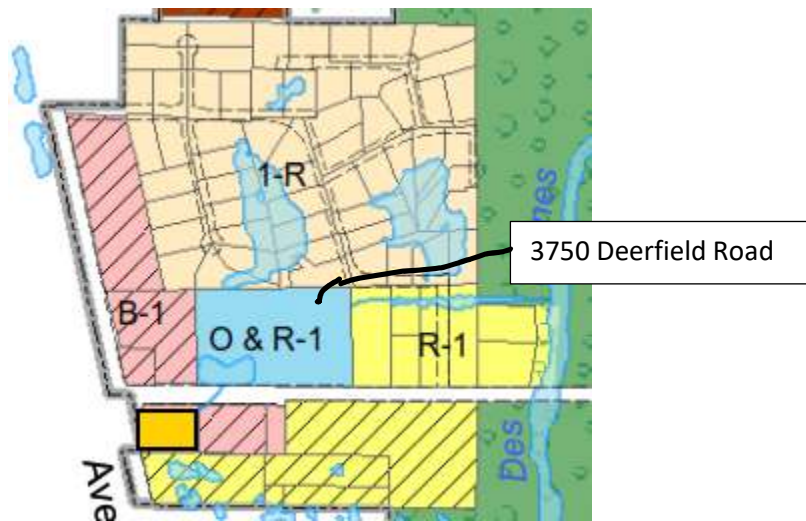
This memorandum presents a multi-step Commission review process to recommend zoning standards and subsequently apply those zoning standards to a proposed redevelopment of the Federal Life Insurance Company property.

Text is color coded with **brown text** representing existing zoning provisions and **green text** representing proposed changes. For convenience, headings are in **purple**.

Zoning/Subdivision Relief Request

Lexington Homes L.L.C. (“Lexington”) is under contract to purchase the Federal Life Insurance Company property at 3750 Deerfield Road and is requesting zoning relief to construct 69 townhomes on the site. The requested zoning relief includes (1) re-mapping, (2) text amendments and (3) granting a special use. In addition, Lexington’s requests approval of a subdivision plat under the subdivision control ordinance.

The property is approximately 9.38 acres (before any future road dedication to Lake County) and is improved with an office building of approximately 67,000 square feet (including lower level). The property is zoned O and R1 office district one (“O&R1”) as shown in the portion of the Official Zoning Map below.



The Federal Life building was constructed in 1980 as a main corporate office. At one time, 200 employees worked on site, but the employee count is much reduced due to technology, remote working and other factors as business has evolved.

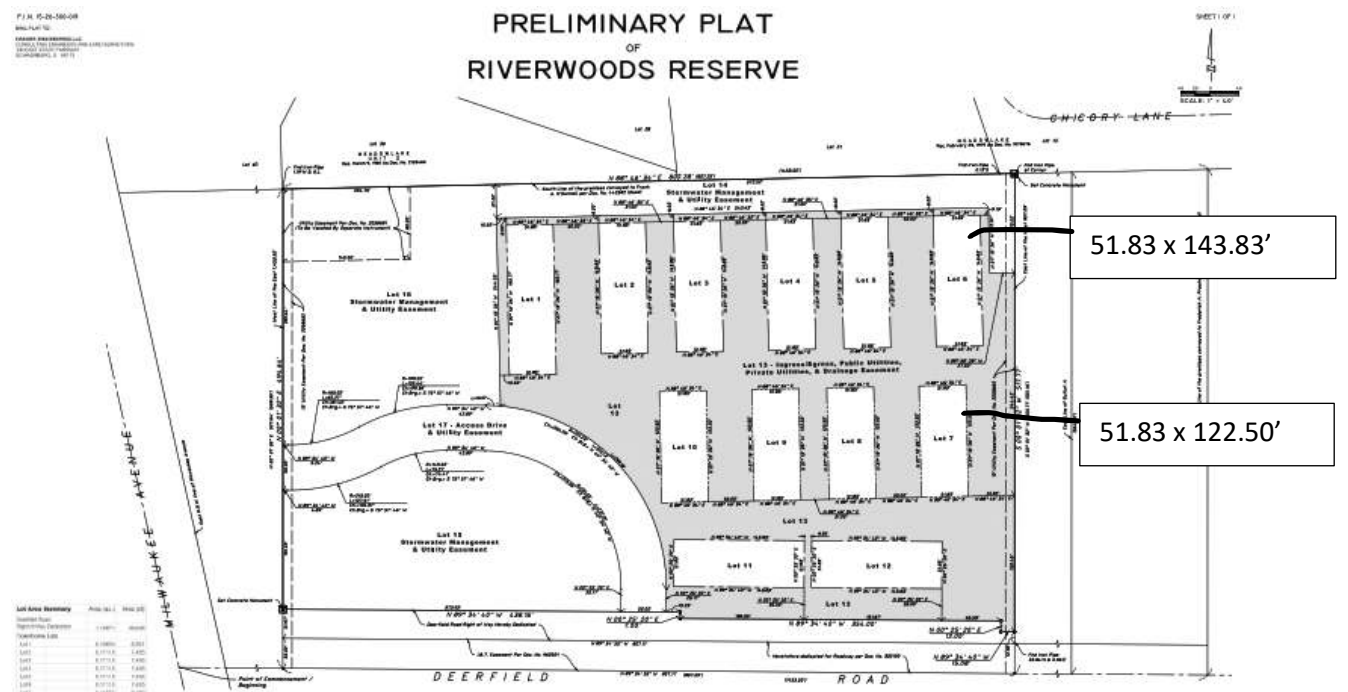
In considering the site, we should note that the widening of Deerfield Road now projected for 2024-2025 will require a dedication of a strip of land running along the entire south boundary of the site, totalling approx. 0.53 acres.

(1) Re-mapping. Lexington requests that the property be rezoned to the 1-R 42,000 square feet (inclusive of roads) district (the “1-R District”), which is the zoning classification of the adjacent Meadowlake Subdivision to the north. The 1-R District has not previously been applied to any property outside of the Meadowlake Subdivision.

(2) Text Amendments. The 1-R District includes the authority to grant a special use for multiple family housing. Section 9-4A-3 in the 1-R District provides (existing language):

Multiple-family housing, provided that the minimum lot area per dwelling unit shall be seven thousand (7,000) square feet and no multiple-family building shall have a total lot area of less than forty thousand (40,000) square feet nor have a lot width of less than two hundred feet (200'). The floor area, building height and yard requirements for any multiple-family housing development shall be determined by the president and board of trustees upon recommendation of the plan commission.

Modern townhome developments often employ a number of lots corresponding to the building envelope. A building envelope for a 5-unit building will vary from the envelope for a 6-unit building, etc. In the proposed plat by Lexington, the lots for the townhome buildings are the areas in white within the shaded common area below:



The proposed lot dimension for a 6-unit building is 51.83' by 143.83'. The lot dimension for a 5-unit building is 51.83' by 122.50'. The special use in the 1-R District, when the multiple family use was added to the language of the 1-R District, it anticipated larger individual lots abutting rights-of-way, permitting a rectangular lot that was approximately 260' by 150'. As a residential planned unit development, a single zoning parcel includes more than one building, and site improvements (roads, driveways, storm water facilities, common-area improvements) with individual dwelling unit ownership or rental and common-area maintenance. The multiple family special use in the 1-R District has not previously been used in the Village.

In 1993, the Village approved the inclusion of a *residential planned unit development* ("RPUD") as a special use in the R-1 42,000 square feet single-family residential district ("R-1 District"). The RPUD provides authority to the Village to modify underlying standards of the R-1 District to achieve excellence in design. The current multiple family special use in the 1-R District also provides for flexibility in planning but without the evaluative standards and detailed procedures set forth in the RPUD Ordinance. For text amendments, Lexington proposes the two amendments below:

First amendment. Lexington proposes a text amendment to Section 9-4A-3 of the zoning ordinance to include the RPUD as a special use in the 1-R District, *in lieu of the current language allowing multiple family housing*. Working with staff, Lexington proposes that the special use under Section 9-4A-3 be amended to read (proposed text):

Multiple dwellings, if approved as a residential planned unit development pursuant to the provisions of section 9-11-12 of this title and provided that the minimum lot area per dwelling unit shall be seven thousand (7,000) square feet, except as such density may be modified by the granting of density bonuses pursuant to the provisions of section 9-11-12 of this title.

The proposed text amendment retains the density of 7,000 square feet per dwelling unit as per the existing multiple family special use, except as modified by density bonuses that may be granted under in Section 9-11-12 of the zoning ordinance (the "RPUD Ordinance").

Second amendment. Lexington proposes a text amendment to the RPUD Ordinance (i) to grant authority to modify driveway buffers and allow relief from certain provisions of the Tree and Woodland Protection Ordinance and (ii) to modify the minimum size of a RPUD from 125 acres to eight (8) acres where an RPUD adjoins a business district.

Changes for driveway setback requirements and removal of protected woodland as set forth in proposed amendment to Section 9-11-12-E of the RPUD Ordinance (in bold):

E. Modifications:

1. Except as noted below, the yard, lot area, lot width, lot shape, lot coverage, height and dwelling size requirements, **driveway setback requirements, the allowable percentage of protected woodland that can be removed**, and the limits on combinations of principal structures and uses may be modified under a Residential Planned Unit Development, subject to the standards set forth in subsection G.

2. The required yards along the periphery of the Residential Planned Unit Development shall be at least equal in width or depth to those of the directly adjacent zoning district(s), not counting districts removed by the presence of an intervening publicly dedicated street right of way.

3. Requirements regarding any improvements covered under the Riverwoods Subdivision Ordinance, including sidewalks, streets, curbs, gutters, sanitary sewers, storm sewers, water lighting, landscaping, parking and retention/detention facilities shall be modified only as specifically provided for in the special use ordinance authorizing the Residential Planned Unit Development.

Minimum tract size and new density bonus for affordable housing as set forth in proposed new Subsection K of the RPUD Ordinance:

K. Adjacent to Business District: Notwithstanding the limitation on minimum area in this section 9-11-12, if any land proposed for redevelopment forms a zoning parcel that is adjacent to land classified to a business district under chapter 5 of this title, the minimum site required for a Residential Planned Unit Development shall be eight (8) acres. The procedures and standards for requesting and granting approval of a Residential Planned Unit Development for such zoning parcel shall be the same procedures and standards as otherwise pertain in this section 9-11-12, except that when an affordable housing plan is adopted for the planned unit development pursuant to the village's affordable housing goals, an increase of up to fifteen (15) percent of the base residential density may be granted. This density bonus may be added to other density bonuses if more than one is present, subject to the maximum permitted residential bonus described in Section D.

(3) Special Use. Lexington requests, upon zoning the property to the 1-R District and approval of the proposed text amendments, that a special use for a RPUD be granted, under Sections 9-4A-3 and 9-11-12 as so amended, with density bonuses and modifications as required to approve its proposed development. As part of the ordinance granting the RPUD, Lexington requests the following:

Density Bonus. Lexington requests that the RPUD Ordinance be utilized to award a density bonus that has the effect of reducing the minimum lot area per dwelling unit from 7,000 square feet to such number as will permit 69 units. Lexington requests consideration for a density bonus for affordable housing.

Modifications. Lexington requests that the RPUD Ordinance be utilized to grant modifications from underlying setbacks and lot standards in the 1-R District and be further modified to allow for possible modifications from restrictions that impact side yard buffers for driveways and from restrictions on permissible woodland removal from a lot.

RPUD Zoning Standards

If the text of Section 9-4A-3 is amended to include the RPUD as a form of special use, then the next point of analysis is to examine the standards embedded in the RPUD Ordinance to govern processing of applications – most notably found in Subsection G (for which no changes are currently proposed – below is the existing text):

G. Standards: Modifications in conventional zoning and subdivision regulations are privileges and will be considered by the Village Board only in direct response to the accrual of tangible benefits from the Residential Planned Unit Development to the Village or the neighborhood in which it would be located. These benefits shall be in the form of exceptional amenities; outstanding environmental, landscape, architectural or site design; or the conservation of special man-made or natural features of the site. In reviewing an application for a Residential Planned Unit Development, the Village Board will be required to make certain findings based on the standards below:

1. Required Findings: No applicant for a Residential Planned Unit Development shall be approved unless all of the following findings are made about the proposal:

a. Comprehensive Plan: It shall conform with the Comprehensive Plan and the general planning policies and precedents of the Village, particularly with reference to the following:

- (1) Land use policies.
- (2) Land use intensity.
- (3) Housing goals.
- (4) Traffic impact and parking.
- (5) Impact on schools, public utilities and facilities.
- (6) The character of the Village and the specific neighborhood.
- (7) The conservation and enhancement of the tax base and economic well-being of the Village.

b. Permitted Uses: Each of the proposed uses is a permitted or special use in the district or districts in which the Residential Planned Unit Development would be located.

c. Public Welfare: It shall be so designed, located and proposed to be operated and maintained that the public health, safety and welfare will not be endangered or detrimentally affected.

d. Impact on Other Property: It shall not substantially lessen or impede the suitability for permitted use and development of, or be injurious to the use and enjoyment of, or substantially diminish or impair the value of, or be incompatible with, other property in the immediate vicinity.

e. Impact on Public Facilities and Resources: It shall not create an adverse impact on municipal facilities, parks and recreation, schools, fire and police protection, or the resources to support them.

f. Infrastructure: It shall have or make provision for adequate utilities, drainage and other necessary facilities.

g. Parking and Traffic: It shall have or make adequate provision for parking, and ingress and egress, and be so designed as to minimize traffic congestion and hazards in the public streets.

h. Adequate Buffering: It shall have adequate site area, which area may be greater than the minimum in the district in which the proposed site is located, and other buffering features to protect uses within the development and on surrounding properties.

i. Performance: There shall be reasonable assurance that if authorized, it will be completed according to schedule and adequately maintained.

2. Modification Standards: In addition to the findings required above, the following standards shall be utilized by the Village in considering applications.

a. Integrated Design: A Residential Planned Unit Development shall be laid out and developed as a unit in accordance with an integrated overall design. This design shall provide for safe, efficient, convenient and harmonious grouping of structures, uses and facilities, and for appropriate relation of space inside and outside buildings to intended uses and structural features.

b. Beneficial Common Open Space: Any common open space in the development shall be integrated into the overall design. Such spaces shall have a direct functional or visual relationship to the main buildings and not be of isolated or leftover character.

c. Functional and Mechanical Features: Exposed storage areas, trash and garbage retainers, exposed machinery installation, service areas, truck loading areas, utility buildings and structures, and similar accessory areas and structures shall be accounted for in the design of the project and made as unobtrusive as possible. They shall be subject to such setbacks, special planting or other screening methods as shall reasonably be required to prevent their being incongruous with the existing or contemplated environment and the surrounding properties.

d. Visual and Acoustical Privacy: The development shall provide reasonable visual and acoustical privacy for each dwelling unit. Fences, insulations, walks, barriers and landscaping shall be used as appropriate for the protection and aesthetic enhancement of property and the privacy of its occupants, screening of objectional views or uses and reduction of noises.

e. Ownership Plan: The development may consist of conventionally subdivided lots to be sold, unsubdivided single ownership, separate condominium ownership of structures, or other ownership methods, provided that the ownership plan ensures the continued maintenance of the properties and of the various amenities and conservation and design features of the Residential Planned Unit Development as a whole.

f. Energy Efficient Design: A Residential Planned Unit Development shall be designed with consideration given to various methods of site design and building location, architectural design of individual structures and landscaping design capable of reducing energy consumption within the development. Design features or facilities which utilize solar or wind energy, or which effectively reduce consumption or use of water, motor vehicles' nonrenewable energy sources or sewage treatment facilities will be encouraged to the extent to which they conform with the other objectives of this Title.

g. Landscape Conservation and Visual Enhancement: The landscape in a Residential Planned Unit Development shall be conserved and enhanced, insofar as practical, by minimizing tree and soil removal, and the conservation of special landscape features such as streams, ponds, groves and land forms. The addition or use of trees, shrubs, flowers, fountains, ponds, special paving materials, benches and seating areas, special lighting fixtures and other amenities will be encouraged to the extent of their appropriateness and usefulness to the development and the likelihood of their continued maintenance.

h. Drives, Parking and Circulation: Principal vehicular access shall be from major streets, and access points shall be designed to encourage smooth traffic flow with controlled turning movements and minimum hazards to vehicular or pedestrian traffic. With respect to vehicular and pedestrian circulation, including walkways, interior drives and parking, special attention shall be given to location and number of access points, general interior circulation, separation of pedestrian and vehicular traffic, adequate provision for service by emergency vehicles and arrangement of parking areas that are safe and convenient, and insofar as practicable, do not detract from the design of proposed buildings and structures and the neighboring properties.

i. Relationship to Public Facilities and Utilities: The development shall be so designed as to have access to such facilities and utilities in the same degree as would development under existing zoning, and shall be so located, designed and scaled that access of public services is equivalent to, and net costs for such services is not greater than, access and net costs for public services for development as permitted under existing zoning.

j. Surface Water Drainage: Special attention shall be given to proper site surface drainage so that removal of surface waters will not adversely affect neighboring properties or the public storm drainage system. Surface water in all paved areas shall be collected at intervals so that it will not obstruct the flow of vehicular or pedestrian traffic.

TABLE OF ZONING MODIFICATIONS

	1-R w/o modifications	1-R with modifications & density bonus
(before future dedication – site is approx. 9.38 acres or 408,553 sf)		
Min lot area per DU	7,000 sf	5,900 sf proposed
# units based on site	58 (6.18 units/acre)	69 proposed (7.36 units/acre)
(after future ROW dedication 0.53 acres – site is approx. 8.85 acres or 385,542 sf. This will be revised for future dedication of village access road)		
Min lot area per DU	7,000 sf	5,580 sf proposed
# units based on site	55 (6.22 units/acre)	69 proposed (7.80 units/acre)
Density Bonus	--	25.5%
Driveway setback (east boundary)	20'	10' proposed

Floor Areas	determined by Board	{ see architectural plans
Building setbacks (Yards)		
Front	50'	{
Side	30'	{ see architectural plans
Rear	40'	{
Lot Coverage	15% of lot by buildings	{ per site plan
Building height	35'	35'3"
(measured from grade to mean height level between the eaves and ridge of a gable roof)		
Detached accessory bldgs	prohibited	prohibited by Declaration of Covenants
Parking	1 space/DU	2 spaces/DU; 11 guest parking
Woodland removal	25% max	58% proposed

Please refer to Woodland Delineation Map below for existing cover of woodland areas before new project. The current Woodland Protection Ordinance allows up to a maximum of 25% of protected woodlands to be removed. The Project Narrative includes a report that the net remaining protected woodlands would shrink from 1.29 acres to 0.75 acres.



Petitioner's Initial Package

Petitioner has submitted the documents listed below:

1. General Village Zoning Application, including Project Narrative, Affordable Housing Action Plan and requested Modifications from Zoning and Subdivision Requirements)
2. Drawings as follows:
 - i. Boundary and Topographic Survey (Haeger Engineering)
 - ii. Preliminary Site Plan (Haeger Engineering)
 - iii. Architectural Elevations and Floor Plans (Haeger Engineering)
 - iv. Phase 1 Preliminary Engineering Plans (Haeger Engineering)
 - v. Phase 2 Preliminary Engineering Plans (Haeger Engineering)
 - vi. Tree Preservation and Removal Plan/Preliminary Landscape Plan (dickson design studio)
 - vii. Preliminary Site Lighting Exhibit (Haeger Engineering)
 - viii. Preliminary Subdivision Plat for Riverwoods Reserve (Haeger Engineering)
3. Student Generation Estimates (Johnson Research Group)
4. Negative Findings – Wetland Delineation Report (Midwest Ecological)
5. Traffic Impact Study for Riverwoods Reserve (Kenig, Lindgren, O'Hara, Aboona, Inc.)

Village Attachments

1. Notice of hearing sent to adjacent owners and published in the *Northwest Daily Herald*.
2. Project Traffic Review Letter #1 dated Sept 21, 2022 (Gewalt Hamilton Associates)
3. Preliminary Site Development Review Letter dated Sept 30, 2022 (Gewalt Hamilton Associates)

Possible Motions

The Plan Commission can recommend approval of the applicant's requests, or approvals subject to such conditions as the Plan Commission deems necessary. The Plan Commission can recommend against approval of the application in whole or in part.

Staff Observations

The Village has one possibility for multifamily units under the zoning ordinance, currently in the 1-R District. Consideration was given to amending the Comprehensive Plan last year for the Federal Life Insurance Property, in recognizing that office redevelopment on the site is facing challenges.

Staff concurs that townhome development of some scale is appropriate on the subject property and could be a worthwhile improvement to the Village's housing stock. However, it is the developer's responsibility to make the case for the project as presented.

Staff also supports the method of approving a townhome development by incorporating the RPUD special use as part of the 1-R District in lieu of the older language from the 1980's. The RPUD Ordinance was

formulated for a single-family project – as a means for increasing density from one unit per acre to two units per acre. Nevertheless, the basic mechanics of using the PUD process to achieve excellence in design and overcome limitations of lot by lot zoning can be usefully adapted to the Federal Life and other sites

The developer has adopted a style of architectural development for the Federal Life site. In trying to stick with a tried and true layout, superimposed on this unique site, the developer finds that it needs bonus densities to arrive at its requested density. It needs relief from setbacks and from the Woodland and Tree Protection Ordinance (parts of which came into existence after the RPUD Ordinance).

The proposed project should be weighed in terms of the standards set forth in Subsection G of the RPUD Ordinance. Lexington lists its Project Benefits in the Project Narrative.

Storm Water and Access Road

To provide for the Deerfield Road widening, Lake County must provide storm water detention and compensatory storage and has located areas where it intends to acquire storm water management easements (that essentially restrict all use of an area needed for these purposes).

Lake County has identified the Federal Life site as one area in which it intends to acquire this easement. The result is that the depressional areas on the Federal Life site must be enlarged to hold more water than if Lexington was developing the site without this burden. While the County must pay for the easement, there is approximately a two year delay in these financial arrangements – and perhaps longer before the work is done. The delay in the County portion of the storm water management improvements could mean that the site is subject to two projects in as many years: one project to excavate and create a storm water management system for Lexington and then a second project for the County.

Additionally, the Village asked Lexington to design its improvements by incorporating a Village Access Road to serve the Colonial Court and Shoppes of Riverwoods parcels. The Access Road also requires storm water detention and compensatory storage, which is unrelated to the townhome improvements that Lexington proposes. This could mean a third project in the same area.

Instead, the Village asked Lexington to construct all the necessary storm water detention and compensatory storage for the County, Lexington and the Village as part of one project. To be sure, Lexington has proposed that the Village contribute its share of costs and obtain similar advances from the County for the County's share (i.e., the cost of the work that the County would otherwise have to perform). Lexington has stated it is prepared to coordinate all of the work in a single project with the necessary financial arrangements.

Affordable Housing

This is a subject for Plan Commission discussion.

The Village adopted its Affordable Housing Plan in 2005. The Illinois Housing Development Agency compiles a list of communities that do not meet the statewide goal of 10% of the housing stock being affordable. On that list, Riverwoods was recently shown to have 5.7% of its units meeting the goal.

In 2005 and since, the Village has had to determine which of a few pre-determined goals it would adopt in pursuing more affordable housing: (i) bring its overall level to 10%; (ii) increase its overall level by 3% (from 5.7% to 8.7%); or (iii) cause 15% of newly created units to be affordable.

The Village adopted the third goal. In 17 years since the plan was adopted, the Village has had a low level of new construction on lots not previously developed. It has to date not achieved any affordable housing from the new development (on single family lots) that has occurred.

The Petitioner has stated the intent to provide a portion of the units on the subject site as affordable dwelling units and provide additional funding in support of affordable dwelling units elsewhere. The petitioner also requests that the provision of affordable dwelling units be considered in the Village's determination of relief from the underlying density standards in a density bonus.

Excellence in Site Design

This is a subject for Plan Commission discussion.

The Commission's review of Lexington's proposed development is presented as a multi-step process. The topic of Excellence in Site Design that must be reviewed in order to give relief from the zoning standards cannot be addressed completely until the Site Plan and supporting engineering design is finalized. At this time, the storm water calculations have not been fully vetted or approved by the Village Engineer and it is possible the number and layout of the townhome buildings may need to be further modified in order to provide a wider storm water conveyance channel from the west of the site to the northeast corner of the property. Even if not dramatically affecting the basic layout and configuration, this change would have a secondary benefit of providing a greater buffer to Meadowlake.

The Commission's review of the proposed structure of zoning standards that can accommodate this general form of residential development on this site can occur while the engineering and site improvement design is finalized. Follow-up Commission meeting(s) to review the degree to which the proposed development meets the proposed standards for excellence in design will consider the overall benefit of the development to future residents as well as the off-site benefit provided by vehicular and pedestrian access to Colonial Court property to the west and to stormwater management on and beyond the subject property.