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Appendix

1. Summary of Water Park Research
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Introduction

The Village of Sugar Grove, Illinois is located west of Chicago in the rapidly expanding I-88 Corridor. This region continues to exhibit significant growth and demand for new housing construction and, subsequently, for the retail, commercial and recreational development that follows such housing growth. The 2005 Sugar Grove Comprehensive Plan Update identifies three distinct areas for Town Center commercial development. These areas include:

1. The Village's traditional downtown area along Main Street.
2. The Promenade, a southern extension of the downtown along the west side of Illinois Route 47 immediately south of the existing downtown and Prairie Street.
3. The **Special Development District (SDD)**, a 243 acre area bound by IL. Route 56, IL. Route 47 and Galena Boulevard planned for mixed use development with an entertainment focus. This area is the focus of this Feasibility Study.

As this location map indicates, the SDD has excellent regional access. With this access comes the potential for a mixed use development including retail, entertainment, recreational, and multi-family residential uses. Some preliminary interest has been expressed by the development community.

To properly assess the potential of this area, its relationship to other areas of Sugar Grove, and the municipal planning and development tools which would be necessary to pursue identified potential, the Village of Sugar Grove has commissioned this feasibility study. The study's objective is *to determine economic feasibility, impact on the surrounding area, potential financial impact on municipal revenues, and the strategic actions required to pursue identified potential uses.*



Market Review

An important part of the Special Development Area Strategy is building a solid connection to the marketplace. To provide an understanding of how to make that connection, Business Districts, Inc. (BDI) reviewed market and economic data to determine:

- € Project area conditions
- € Current and future market characteristics
- € Development possibilities

The market review that follows relies on generally accepted commercial development principles; site visits, an examination of market data, and interviews with stakeholders including elected officials and property/business owners.

Project Area Conditions

Before considering possible land uses for the special development district, it is important to understand the area's context and the special conditions that challenge and enhance the development potential of this property. The section that follows offers an overview of the local conditions impacting the Special Development District.

Scale

At over 237 acres, the special development district has a scale that can define the market. With the typical grocery store anchored community centers occupying approximately 25 acres, a development of that type would occupy only a tenth of the over 237 acres of this special development area; a typical three to four story 30,000 square foot multi-tenant office building and associated parking occupies approximately 1.5 acres, less than 0.7% of this area; Great Wolf Lodge in the Wisconsin Dells, one of the nation's largest indoor/outdoor water parks, occupies 19 acres, less than 10% of this study area; and modern, national chain hotels occupy approximately two acres, about 1% of the property; the Tweeter Center, a destination entertainment center in Tinley Park occupies approximately 134 acres. This perspective on the study area's scale indicates a clear need for a mix of uses in the special development district. The scale also dictates a phased implementation strategy. The questions for this market review are what uses are supportable now, what uses could be supported in the future, and how that phasing can increase the property's value to both its owners and the Village?



Site Conditions

The entire study area is currently used for agricultural production. However, development pressures are occurring in all directions. To the north, a proposed Jewel anchored retail center is planned for the northeast corner of Route 47 and Galena Boulevard. The Windsor Point Subdivision developed by Wiseman-Hughes abuts the study area on the north side of Galena Boulevard. Pulte Homes has proposed a mixed use development tentatively called Timber Crest at the northwest corner of Galena Boulevard and Route 56. To the south, Kimball Hill Homes is developing plans for the Settlers Ridge project. This major development includes over 2,000 homes, significant open space and parks, and space for additional commercial development. To the southwest of the study area is the historic center of Sugar Grove. To the west lies vacant farm land, with the Aurora Municipal Airport approximately $\frac{3}{4}$ of a mile to the west.

The study area generally slopes from north to south towards Route 56. The property is divided into three parcels ranging from 60 acres to 100 acres. Review of the National Wetlands Inventory and Federal Emergency Management Agency (FEMA) maps did not reveal any known wetland or flood plain areas. An overhead power line runs along Galena Boulevard. Water and sewer lines are located adjacent to the study area and are generally available to accommodate future development.

The site is blessed with excellent regional vehicular access. Route 56, a limited access freeway, provides direct access to I-88 and Chicago to the east. This Route terminates into U.S. Highway 30 as it crosses IL. Route 47. A full interchange at Route 56 and Route 47, and a $\frac{3}{4}$ interchange at Route 56 and Galena Boulevard provide good access to this freeway. Route 47 is a major north-south artery, providing connections to the north into Wisconsin and to the south to Morris and I-80 and continuing south to connect with I-55. Galena Boulevard provides an important regional connection to the City of Aurora immediately to the east.



Planning Issues Map



SWOT

Key to formulating a Development Plan is understanding the project area's relative strengths, weaknesses, opportunities, and threats: collectively called "SWOT." These factors contributed to the district's current situation and will be around for the foreseeable future.

- € Strengths: Assets that will most likely continue and remain key building blocks
- € Weaknesses: Liabilities that will most likely remain and must be "worked around"
- € Opportunities: Positive trends or elements that can become a catalyst to achieving improvement
- € Threats: Negative trends or elements that could impede implementation.

Since this report focuses on opportunities, this section only considers the strengths, weaknesses, and threats. The balance of the report examines the opportunities presented by the special development district.

Strengths

- € Regional growth corridor. The rapid population increases in the area provide natural growth for new businesses locating in Sugar Grove.
- € Limited number of motivated property owners. Land acquisition is often the most difficult part of implementation. The fewer the owners the easier the acquisition process.
- € Development sites. Previous planning has wisely reserved the best parcels in Sugar Grove for future commercial development.
- € Perimeter high average daily traffic (ADT) counts. Anywhere that ADT counts exceed 20,000, there is an opportunity for an auto oriented commercial development. Both IL 47 and IL 56 have counts in this range.
- € "Shopping-up" potential. Consumers naturally seek higher income areas when they are shopping for special items or occasions. Sugar Grove is the natural "shopping up location" for its nearby suburbs.
- € High development standards. By maintaining high standards, Sugar Grove gives developers willing to invest in premium projects confidence that they will have compatible neighbors.
- € Nearby attractions. The draw of an area expands as there are more activities so the presence of regional attractors provides an opportunity to add more attractions
 - o Golf course
 - o Casinos
 - o Premium Outlets
- € Strong Demographics. Residents of Sugar Grove have significant spending power and fit the profile of top stores' most desired customers.
- € The Airport. The presence of a unique use like the Aurora Regional Airport will differentiate this property from other locations.



Weaknesses

- ∄ Distance from I-88. Locations on major expressways have better access to national markets and stronger regional identities. Those locations are usually developed first in a high growth environment like Sugar Grove's.
- ∄ Lacks historic downtown/sense of place. Natural patterns of city growth are concentric, emanating from a historic core that often has a village green that serves as a community gathering spot. Because Sugar Grove lacks that historic central place, it is more difficult to create a "sense of place" that offers community affiliation to residents and investors.

Threats

- ∄ Extended debate over "correct" location of Town Center. Because there is a general understanding that the lack of a "Town Center" will be detrimental to Sugar Grove's future, there has been a focus on finding the "best" remedy. When that search places a cloud on too many very desirable properties, it sends good developers to less complicated places.
- ∄ Limited access off adjacent high average daily traffic roads. A site is only usable for retail development if it has access off high traffic roads. That access conflicts with the desire to maintain traffic flow. The resulting compromise on the placement of traffic signals and access will determine what land can be developed for retail/restaurant uses.
- ∄ Process that causes unreasonable delay. One of the most difficult challenges facing quickly growing communities is balancing a deliberative process with one that recognizes that "speed to market" is critical to capitalizing on current commercial trends.
- ∄ Varying owner goals. Natural use patterns often do not follow land ownership. Maximizing the quality of development can be impaired if multiple owners have different plans for timing and the value of their property.
- ∄ Potential for Yorkville and/or Elburn to capture the "Main Street" Market. Every household is served by a variety of retail clusters ranging from super regional shopping centers where families do major apparel shopping to a favorite gas station. The one cluster that families often value most is that concentration of unique businesses not shared with other communities. If Sugar Grove delays development of such a cluster it risks losing its residents' business to nearby communities that historically have offered such clusters.
- ∄ Orchard Road/Randall precluding major development on IL 47. Major retailers generally try to keep their stores approximately 20 minutes apart. Announced development at Orchard Road is only about five-minutes from the study area. That may be too close for additional major retail development along IL 47 north of the intersection with IL 30.



SWOT Summary

The SDD's context points to a future with options, but clearly classifies this site into a regional "B" category. Although access is good, it is not adjacent to an interstate, the key element that defines regional "A" locations. As a sub-regional site, decisions on the uses authorized on this property will affect the quality of life for local residents by determining how quickly traffic moves and how far those residents travel for shopping, dining, entertainment, and employment.

Market Conditions

To understand the potential land uses in Sugar Grove, it is important to examine local, regional, and national trends impacting who lives and works in the Village and nearby.

Community Serving Commercial Development

Using a national database modified to reflect Village estimates based on households receiving water bills, this picture emerges of the 2004 populations within a five-minute drive and within Sugar Grove's existing corporate limits.

Table 1
2004 Population

	5 Minutes:	Sugar Grove
Population 2004		
Population	10,070	7,500
Households	3,443	2,400
Total Population Median Age	37.3	36.4
Household Income 2004		
Median Household Income	\$82,051	\$77,777
Household Average Income	\$109,004	\$100,066
Business Summary 2004		
Total Employees	1,749	1,330
Total Establishments	198	137
Consumer Expenditure 2004		
Total Retail Expenditure	\$97,327,108	\$63,345,469
Full Service Restaurants	\$5,613,186	\$3,348,215
Limited Service Restaurants	\$5,701,513	\$3,400,652
Grocery Stores	\$22,429,030	\$13,399,826
Housing Units 2004		
% Owner Occupied Units	89%	85%

Demographic data © 2004 by Experian/Applied Geographic Solutions; BDI.

The 5-minute drive was selected because it is the suburban trade area for time typically examined by convenience uses like grocery and drug stores when those businesses make location decisions. The Village population is important because it identifies the population that Village officials seek to serve with commercial



development and in turn the population whose sales tax spending the Village hopes to capture as revenue. As this data reports, these populations have substantial household income. The spending associated with purchasing new homes makes Sugar Grove residents very attractive to stores, restaurants, and consumer services; however, the markets still lack the size necessary to support the high volume stores that attract the majority of young families' spending.

The table below uses national averages for sales by store to calculate the number of stores of various types supported by the spending of the five minute drive time and Village residents

**Table 2
Stores Supported by 2004 Population**

	5 Minutes:	Stores Supported Today	Sugar Grove	Stores Supported Today
Aggregate Dollars 2004				
Appliances and Electronics Stores	\$1,809,229	0.4	\$1,078,828	0.2
Book Stores	\$817,514	0.4	\$488,136	0.2
Full Service Restaurants	\$5,613,186	2.3	\$3,348,215	1.4
Limited Service Restaurants	\$5,701,513	3.8	\$3,400,652	2.3
Furniture Stores	\$2,033,719	1.0	\$1,209,652	0.6
Gasoline Stations with Convenience Stores	\$9,126,031	1.5	\$5,443,017	0.9
Gasoline Stations without Convenience Stores	\$4,047,765	1.0	\$2,412,764	0.6
Grocery Stores	\$22,429,030	1.1	\$13,399,826	0.6
Hardware Stores	\$854,732	0.2	\$509,585	0.1
Home Centers	\$2,206,169	0.3	\$1,313,848	0.2
New Car Dealers	\$23,814,165	1.1	\$14,214,785	0.7
Nursery and Garden Stores	\$529,648	0.3	\$316,237	0.2
Pharmacy and Drug Stores	\$2,963,393	0.6	\$1,767,932	0.4

Demographic data © 2004 by Experian/Applied Geographic Solutions, ULI Dollars and Cents of Shopping Center; BDI.

The key questions affecting Sugar Grove's future are: What portion of the resident's spending will be captured by businesses within Sugar Grove versus spending at regional clusters like Fox Valley Center and Premium Outlets?, and When will the capture rate catch-up with the population growth? Over \$164,000 in municipal sales tax revenue was received by Sugar Grove in 2004, but over \$75,000 of that total was sales taxes paid on manufacturing and agricultural products rather than consumer goods. The demographic data above estimates that Sugar Grove residents paid approximately \$633,000 in sales taxes. Calculating the relationship between sales taxes paid by Sugar Grove residents and the consumer sales taxes that Sugar Grove receives reveals a current capture rate of only 14%. With nearly a quarter of the resident's retail spending going to grocery store purchasing, the key to improving Sugar Grove's capture rate is adding that use. Other important additions would include mass merchandisers, auto dealers and home improvement center. Each of these uses has the potential to add at least \$100,000 in municipal sales tax revenue.



Positioning land as sites for those high sales taxes generating uses will be critical to maximizing Sugar Grove's future capture rate. Using a straight line projection of today's population and NIPC's 2030 projections, Table 3 provides an estimate of Sugar Grove's 2015 population, employment and spending power.

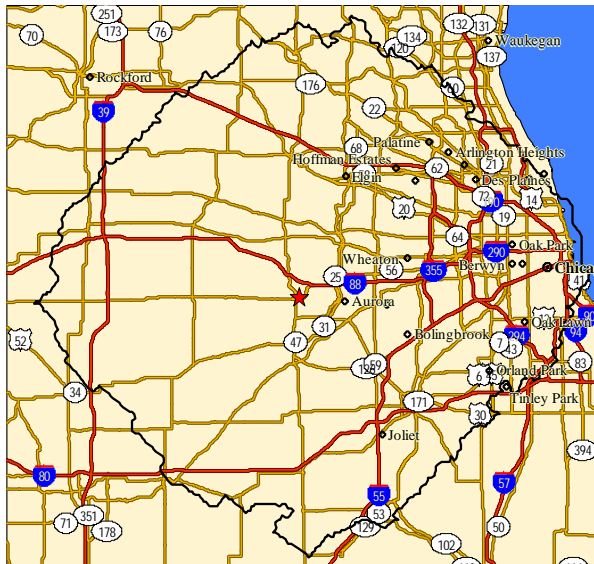
Table 3
Estimated 2015 Sugar Grove Demographics

Population	33,000
Households	11,000
Jobs	12,000
Spending Power	\$285,000,000
Municipal Sales Taxes	\$2,850,000
SOFT Retail Store Space	1,100,000

Decisions about uses in the special development area and other undeveloped parcels reserved for commercial uses will determine how much of the 2015 retail spending power is captured by Sugar Grove and when the capture begins. If the 50 acres at the far west of the special development district were all developed as community oriented shopping, it could offer approximately a 450,000 square feet of store, service, and restaurant space. With services like banks, personal care and medical uses filling about 40% of that space, this land could satisfy approximately a quarter of the space needed to serve the 2015 population.

Destination Entertainment Development

In addition to the nearby auto-oriented convenience market, the study area could attract a destination population. As the maps and table below reveal, Sugar Grove is within a one-hour drive time of Chicago's loop and 20-minutes of a closer but still very substantial destination population.



60-Minute Drive Time



20-Minute Drive Time



**Table 4
2004 Drive time Population**

	20 Minutes:	60 Minutes:
Population 2004		
Population	363,220	7,085,141
Households	124,973	2,566,044
Total Population Median Age	32.8	34.8
Household Income 2004		
Median Household Income	\$65,044	\$56,953
Household Average Income	\$87,031	\$78,064
Business Summary 2004		
Total Employees	139,828	3,391,455
Total Establishments	12,401	269,842
Consumer Expenditure 2004		
Total Retail Expenditure	\$2,993,709,026	\$59,225,659,075
Full Service Restaurants	\$164,726,366	\$3,159,222,426
Limited Service Restaurants	\$167,366,407	\$3,207,934,351
Grocery Stores	\$661,180,823	\$12,729,075,388
Housing Units 2004		
% Owner Occupied Units	73.7%	62.4%

Demographic data © 2004 by Experian/Applied Geographic Solutions.

The one-hour driving distance from the loop creates the opportunity for a destination entertainment use, like the proposed water park, a minor league sports venue, or an entertainment cluster. Unlike the convenience shopping center development, these uses do not have generalized standards for when they fit the population. Their market is super regional and depends on national trends as well as competitive positioning. Appendix 1 provides specific information on trends in Water Parks. The map on page 12 indicates the location of potential destination entertainment uses in the competitive region.

From this map, it is apparent that performing arts are well covered with the Paramount and Rialto as well as Pheasant Run; there are four minor league baseball teams; successful indoor convention centers/concert venues in Tinley Park, De Kalb and Rosemont as well as the City of Chicago, and regional destination shopping in Joliet and Aurora. As Appendix 1 reports, water parks are under development in Gurnee and near Starved Rock State Park in Utica. This map reveals a very competitive environment that does not preclude an entertainment venue in the special development district but does raise concerns about the risk associated with that development.

When risk is high, there must be the potential for high returns. Under those conditions, developers often seek a public private partnership where communities share that risk because they hope to reap high returns from entertainment taxes and visitor's retail sales taxes. The regional entertainment venue currently under consideration for Hoffman Estates is an example of the resources that must be applied to support these significant regional attractions. Press reports have indicated that development will only proceed if the Village provides \$50 million in construction bonds to be retired by arena



revenue. Although Hoffman Estates undoubtedly will only join this partnership if its elected officials are convinced that revenues indeed will retire the bonds, the market will only offer an interest rate that provides that return if those bonds be general obligations of Hoffman Estates. Consequently, the decision to proceed with that partnership will lessen the general bonding capability of that Village for other improvements. Hoffman Estates is a community of nearly 50,000 residents so the impact of that bonding restriction is much less than it would be on a smaller village like Sugar Grove. Additionally, Sugar Grove has tremendous, higher priority demand for bonding capacity to build infrastructure to support its growth. Under these conditions, it is unlikely that Sugar Grove could participate significantly in the initial financing of a regional entertainment destination use. Without that participation, the destination entertainment use is unlikely to be developed in the ten year time frame of this study.

The report from Daniel A. Heuertz, President, DAMH Corporation in the Appendix documents information from a variety of sources relative to water park development from the developer's point of view and the municipal point of view. The following priority considerations are applicable as the Village of Sugar Grove considers the potential role of a water park within the Special Development District Strategy:

- Ø Water parks appear to be a significant growth recreational market and therefore Sugar Grove's potential interest in this type of development must be considered in the context of emerging competition from other communities. However, there is no existing data that clearly indicates that currently developed water parks would be directly competitive with a proposed park in Sugar Grove.
- Ø There is nothing in the research which would suggest that the surrounding market (i.e. 50 miles) or the potential location of the park would not be reasonably attractive to a potential developer.
- Ø Being the "pioneer water park site" in an emerging market is very important as is assuring that the park is developed in a manner in which it is not only first but is of such high quality that it will represent a barrier to entry to the competition.
- Ø An "outdoor only" park does not represent the area of greatest growth nor does it generally meet the criteria of being the high quality development that would discourage potential competition.
- Ø The most successful venues will have an indoor facility which is combined with one or more hotels and multiple restaurant opportunities. Often, indoor parks will add an outdoor venue but it is considered as an additional asset to the core development.
- Ø The water park component itself (separate from hotels and restaurants) is not usually considered the highest and best use of the property either from the property owners point of view (achieving a high value for the



land) or from the municipal point of view (the revenue generated from multiple tax sources). Accordingly, water parks are often integrated with other uses (hotels, restaurants, etc) and, on larger tracts of land such as the Special Development District, the integration is with unrelated uses (office, residential, local retail, etc) in order to maximize impact, land value and municipal revenue.

- Ø To the extent that the water park, hotel, restaurant venue can be packaged with other entertainment (i.e. golf) and shopping venues in the area, it creates a potential 2-3 day visit which offers opportunities to multiple members within a family as the water park itself is primarily oriented to the children within the family.
- Ø It is important that the Village fully consider a developers proposal for a water park to assure that the park is properly integrated with other municipal land planning and to assure that the developer is focused and appropriately capitalized to invest in the park on an ongoing basis. Annual investment in maintenance and, more importantly, "new rides" on an annual basis in the park is viewed as critical to ongoing success and the potential interface with competition.



Insert regional attraction map



Business Park Development

The 20-minute drive time illustrated on the map and table above also identifies a potential commuting area for tenants of a business park that might choose to locate in the SDD. The table that follows compares the number of jobs per household in the area closest to the study area, the commuting distance and the larger Chicago area.

**Table 5
2004 Population and Employment
For Various Drive Times**

	5 Minutes:	20 Minutes:	1-Hour
Population 2004			
Population	10,070	363,220	7,085,141
Households	3,443	124,973	2,566,044
Business Summary 2004			
Total Employees	1,749	139,828	3,391,455
Total Establishments	198	12,401	269,842
Jobs per Household 2004	0.5	1.1	1.3

Demographic data © 2004 by Experian/Applied Geographic Solutions; BDI.

The 20-minute area has slightly fewer jobs per household, 1.1 compared to 1.3 and the nearby market has dramatically less, .5 as compared to 1.3. If this lower local ratio of jobs to households continues, it will impact quality of life as Sugar Grove residents must travel longer distances for their jobs than are typical of the Chicago region.

Similar to destination entertainment uses, the potential for business park development in the special development area depends on regional trends and competitive opportunities. Regionally the office market is very weak with CBRE reporting in its 2004 Market View: "Construction activity has virtually ceased due to the obvious amount of oversupply. Pending any new development in the near future, positive absorption (of office space) should continue at a slow pace." With vacancy rates over 18% in the East-West Office Corridor, competitive leasing opportunities are expected to prevent the development of this property for a large concentration of office uses in the near term.

Residential Development

With a very attractive residential development built to the north of the study area and the exceptional access to commuter routes from this site, residential development, if allowed, would be the market's quickest development option for this site. Because residential development is such an easy option for nearly all of the property in Sugar Grove, the question that must be asked is whether the future potential for another use creates more value for the land owner and the Village. In the case of the parcel on the western edge of the study area identified as an ideal retail commercial site, the answer is clearly yes, the retail use will



create more value for the land owner and the Village. In analyzing the balance of the study area, it is important to recognize that creating value on the site is closely related to density. The table below uses NIPC's "Paint Chip Palette" to calculate how the combination of land for buildings, parking, and landscaping associated with different uses must be tied to sales prices or rents to create a value per square foot of land dedicated to different uses.

Table 6
Estimated Value per Sq. Ft. of Land

<i>Paint Chip Palette Category</i>	<i>Value/ House</i>	<i>Net Rent</i>	<i>Value per SQFT of Land</i>
Detached Single Family Moderate Density	\$350,000		\$16.07
Attached Single Family-Townhomes	\$250,000		\$34.44
Apartment/Condos	\$150,000		\$55.10
Hotel			\$45.15
Large Strip Retail		\$16.00	\$46.22
Office with Warehousing		\$10.00	\$51.11
Low Density Office Building		\$14.00	\$66.89

Note that with the exception of Apartment and Condominium Density residential, the values are much lower for residential uses compared to commercial uses. If this were a relatively small parcel this finding would argue for dedicating the whole parcel to non-residential uses. However, the scale of this parcel points toward staying open to any use that promises a high potential return. The possibility of apartments as a component of a larger mixed use development is a particularly good fit with the presence of office and shopping nearby. That worker housing would enhance the area's desirability to office uses.

It is recommended that residential use only occur in conjunction with office or other commercial development. If allowed to develop first, residential development could reduce the potential for non-residential uses in the area by increasing potential for the not-in-my-backyard (NIMBY) objections typical of new commercial development. If the residential development is successful, it may also create additional pressure for more residential use. Such increased residential use would be inappropriate in this location given the sites excellent long-term opportunities for regional and community-level shopping and entertainment uses.

Town Center

Over the past few years, the need to create a town center for the Village of Sugar Grove has been an important community goal. This SDD has been identified as a potential town center location. In determining whether that is the right use for all or a portion of this study area, it important to consider the functions that should be accommodated in the town center. The key differences distinguishing the town center from other commercial areas are walkability, the



presence of icon public property, and an associated community history. Walkability is created by short blocks with sidewalks connecting into neighborhoods. The icon public properties are often village greens, commuter rail stations, libraries, and or village halls. These are the “third places” after home and work where neighbors meet and interact. The most cherished town centers also offer unique shopping and dining opportunities. Community history can be as simple as a variety of building ages but often is the presence of war memorial plaques or markers depicting important events in the Village’s past.

What remains of the historic, modest rural center that once served as Sugar Grove’s Downtown is to the southwest of the project area, separated from the special development district by the interchange connecting IL 56 and IL 47. The Downtown is centered on the Main Street (former IL 47) grade crossing with the BNSF (former C, B&Q and BN) rail line. With the possibility of future commuter rail service on that BNSF rail line and the availability of vacant land south of this existing cluster, this area offers greater potential to match community expectations for a town center. It could have direct access to IL 47 that is not constrained by distance from interchanges, as is the case in the special development district. Properly designed, this land to the southwest of the special development district could offer pedestrian access to the older community core and to new development on additional surrounding vacant land. This area’s residential development focus offers the Village more leverage in requesting icon public property because that property enhances the residential product’s value and consequently is mutually beneficial to the Village and the developer. For these reasons, this southwest development opportunity offers a better option for town center development than does the special development district currently being studied.

Market Summary

Of the areas illustrated for Town Center Commercial use on the Sugar Grove Comprehensive Plan, this SDD offers the best opportunity to serve as a regional destination point. However, given the size of the area a mixed use development scheme is proposed. By segmenting the special development district into zones that capitalize on the various local, regional, and national market trends associated with possible uses, the land’s value can be enhanced for both the Village and property owners. The special development district could accommodate a mix of convenience oriented retail, destination oriented businesses, offices, and limited residential projects. When growth is occurring as rapidly as in this area, the Village adds value to property by adopting a special area plan like this document. This plan will improve market confidence that the special development district uses will be compatible. With that development structure in place, developers will often decide to build in advance of locations without a plan. The sooner development occurs the sooner the Village begins to receive its tax revenue.



Land Use and Transportation

Based on the preceding market analysis, a Land Use and Transportation Concept Plan has been developed to illustrate anticipated uses and patterns of development. This plan is designed to provide overall guidance to the Village and property owners. It outlines a system of roadways and land uses that will meet project goals in a safe, efficient, and attractive manner. The plan can accommodate a wide variety of uses, and can easily be phased to respond to the market and to the particular development interests of individual land owners.

The Concept Plan is designed for maximum flexibility, and will likely need to be adjusted in the future to adapt to changing market conditions and/or the needs of a specific use or users. However, it should provide a solid framework for decision making. The plan highlights key circulation and land use relationships, utilizing an open space and trail system to link all major areas of the SDD. Key features of the plan include:

Land Use

Commercial – Commercial use is planned along Route 47 and at key locations along Galena Boulevard. The focus in these areas should be in attract retail uses to provide residents with opportunities to shop locally. Appropriate service uses are also likely to be attracted to these areas and can be accommodated within the overall commercial development. The location and parcel size along route 47 will accommodate a variety of retail and service uses, including sufficient space for a large format or big box use such as a discount retailer or home improvement center. A total of approximately 73 acres has been identified for commercial uses.

Recreation/Entertainment – Recreation and/or entertainment uses are planned for the southwest corner of Route 56 and Galena Boulevard. The excellent regional access and visibility of this intersection suggests the potential for uses that would provide recreational opportunities for both residents of Sugar Grove, Kane County, the Fox Valley, and to a lesser extent the entire Chicago metropolitan area. A water park is one appropriate use for this area, and has already been proposed by a private developer.

Mixed Use – a large mixed-use area is illustrated on the Concept Plan within the interior of the property. This area should be focused on low-rise office development, with limited land reserved for



Mixed Use Building Example 1

multi-family residential use (no more than 40% of the total mixed-use area). Approximately 78 acres are illustrated for mixed use development. Mixed use buildings are encouraged, with shops or offices on the ground floor and residential or office uses on upper stories. Mixed use development can also be in single-use buildings, as long as the site plan allows for appropriate integration of these activities. Mixed use development should integrate quality architecture and site planning amenities, including attractive pedestrian areas, streetscape design, and focal points.



Mixed Use Building Example 2

Open Space/Stormwater Management – Two areas for stormwater management are proposed. The smaller area lies at the southwest corner of Regency Boulevard and Galena Boulevard. This area is a natural low point for a portion of the site, and will provide a nice transition from more intense uses proposed within the SDD and the lower density residential subdivision to the north. The larger area planned for open space is along Route 56. This area will provide for the properties stormwater management needs, while providing an appropriate buffer to the noise of Route 56. This area will also provide a nice balance to the open space planned to the south in the Settlers Ridge development, creating a greenway of over 1 mile along both sides of Route 56 between Route 47 and Galena Boulevard.



Example Project Identity Feature

Transportation

The Concept Plan addresses both vehicular and pedestrian circulation and access issues. These issues include:

Route 47 - Full access to Route 47 at approximately the mid-point between the Route 56 ramps and Galena Boulevard is proposed. This access point will be essential in making the property along Route 47 viable as a commercial use. The Village and the property owner will need to work closely with IDOT to obtain permission for this access. This access point should align with a future access to the property immediately on the west side of route 47. Individual parcels will not be granted direct access to Route 47. Widening of Route 47 to accommodate additional through and turn lanes will also be needed to accommodate increased traffic based on detailed engineering studies.

Galena Boulevard - Full access at limited locations along Galena Boulevard will enhance overall traffic flow through the area. Full access points are proposed at Capitol Drive, St. James Parkway, Regency Boulevard, and a future location approximately midway between Regency Boulevard and the Route 56 exit ramp. These locations, which are approximately ¼-mile apart, could all potentially be signalized intersections if future traffic warrants. Intermittent right-in-right-out access may also be appropriate to enhance access to commercial developments along Galena Boulevard. Similar to Route 47, no direct access for individual properties is planned along this roadway.

Galena Boulevard will also need to be improved with turn lanes and additional through lanes as deemed appropriate through detailed traffic engineering studies. The overhead power lines along the south side of this roadway should be buried as a part of the development process to enhance the overall appearance and safety of this key development corridor.

Route 56 Access – Given the design of Route 56, only a right-in-right-out access is proposed from west bound Route 56 into the study area. Such an access will need to be reviewed and approved by IDOT. It will also be important to pursue completion of the Galena Boulevard/Route 56 interchange through the installation of a west bound ramp from Galena Boulevard to Route 56.

Internal Roadways – A major collector roadway is planned in an east-west alignment near the center of the SDD. This roadway will tie into Galena Boulevard on the east and Route 47 on the west. To maximize the utilization of the commercial property fronting Route 47, this roadway is proposed to connect with a frontage road that will parallel both Route 47 and Galena Boulevard.

Pedestrian Circulation – To provide pedestrian and bicycle connections to surrounding areas of Sugar Grove, a trail is proposed to generally parallel the proposed east-west collector roadway. As an alternative, the trail alignment could deviate from the collector roadway and cut through the open space area between Route 47 and the central identity feature. A trail connection is also



illustrated to the south, providing access across Route 56 to the Settlers Ridge development.

Vehicular Bridge Link to South – The Village Transportation Plan also calls for a roadway connection across Route 56 to provide a north-south community link. A right-of-way is currently being included within the Settlers Ridge development to accommodate this possibility.



Insert Concept Plan here



Revenue and Development Process

Revenue Projections

The revenue produced by the special development area will vary greatly based on the intensity of use and timing of development. To begin analyzing how land use entitlement decisions will impact revenue to flow, the table below uses NIPC's "Paint Chip Palette" to estimate revenue per square foot of land for the uses depicted on the Recommended Land Use Map. For ease of comparison this chart uses current 2004 dollars although the revenues are all in the future and will vary due to inflation and development phasing.

Paint Chip Category	Units/ Acre	FAR	Value per SQFT of Land	Property Tax/ SQFT	Municipal Sales Tax/ SQFT	Other Taxes/ SQFT	Total Annual Taxes/ SQFT	One Time Payment
Low Density Office Building		0.43	\$66.89	\$1.34			\$1.34	
Apartment/ Condos	16		\$55.10	\$1.10			\$1.10	\$9.18
Large Strip Retail		0.26	\$46.22	\$0.92	\$1.62		\$2.54	
Multi-Screen Movie Theater		0.10	\$5.33	\$0.11	\$0.81	\$0.05	\$0.96	

Sources: Northeastern Illinois Planning Commission, *Paint the Town*; ULI, *Dollars and Cents of Shopping Centers*; TAI; BDI.

Appendix one details the assumptions and calculations underlying this analysis. Although the currently proposed recreation/entertainment use is a water park, data for that use was not available from NIPC or ULI so movie theaters were substituted as a use with less valuable buildings but the ability to generate sales and entertainment taxes. As specific uses undergo the Village's development review process it will be important to consider specific revenue estimates that reflect the actual proposal and all regular and special taxes rather than these very general, preliminary estimates.

Applying the above values per square foot to the mix proposed on the Recommended Land Use Map provides these revenue estimates:

Land Use	Acres	Estimated Total Tax Revenue	Estimated Village Revenue		
			Sales Taxes	Property Taxes	Total
Commercial/ Large Strip Retail	71.3	\$7,902,607	\$5,031,441	\$200,982	\$5,232,423
Recreation/Movie Theater	45.9	\$1,920,845	\$1,707,575	\$14,929	\$1,722,504
Mixed Use					
Office	46.9	\$2,730,701		\$191,149	\$191,149
Apartment/Condos	31.2	\$1,499,520		\$104,966	\$104,966
Open Space/Stormwater Management	25.0				
Road Right-of-Way	22.4				
Total	164.6	\$14,053,672	\$6,739,016	\$512,026	\$7,251,042



Although ultimately, if Sugar Grove executes this special development area plan, the Village's annual tax revenue could be over \$7 million, it is important to note that the development slated for the east and west segments, the commercial and recreation/ entertainment uses, supplies over 95% of that revenue. By focusing on making those segments the earliest projects in the special development area, the Village can most quickly increase its tax revenue. It is also important to note that residential development typically creates greater municipal expenditures than does non-residential development. When the expense side of the ledger is taken into account, the non-residential components appear even more favorable.

Commercial Development Process

From a zoning perspective, all commercial projects greater than 3 acres are treated as Planned Developments in Sugar Grove. This process provides flexibility for both the developer and the Village. The common concern with this approach from the developer's perspective is time. Obtaining development approval for a planned development can be lengthy process by the time that detailed plans and studies are completed, the project is reviewed by staff and consultants, Plan Commission and Village Board. However, the Village code does provide for a concept plan review that can give a developer some initial feedback on project feasibility. Given the unique uses anticipated for the SDD, concept plan review will be essential.

The Village also recently developed a new zoning category, Planned Development District (PDD) which is a free standing district, not a special use. Currently, this zoning category is intended for very large projects such as Settlers Ridge or the Promenade. However, this flexible zoning may also be appropriate for smaller mixed use sites, such as within the SDD.

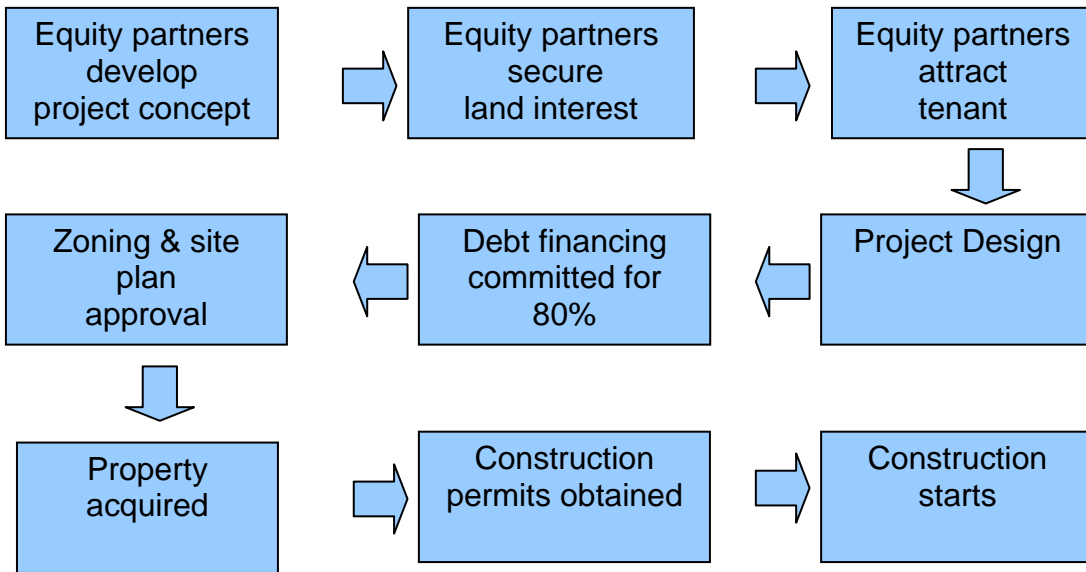
The diagrams on the following page summarize the development process from the perspective of the development community. They outline key relationships and procedures that every successful project must go through. By following this process, Sugar Grove can realize projects that both fit the community's vision and have the highest chance of success since they are designed and developed in response to natural market forces.



Commercial Market Development Process Model



Commercial Development Process Steps



Action Plan

The following Action Plan is intended to provide a clear illustration of the sequence of the action steps required to implement the SDD Feasibility Study. Actual timelines and due dates are to be determined (TBD) based upon the time required to address each part of the plan and the other regular ongoing business of the Village.

1. REVIEW OF THE SDD ANALYSIS AND STRATEGY

- a. The Village of Sugar Grove will review the SDD Analysis, Strategy and Action Plan through the staff, appropriate Village committees and commissions, the Sugar Grove Economic Development Corporation, the Village Board and the community at large.
 - i. Timeline: TBD
 - ii. Cost: None.
 - iii. Other resources required: TAI-BDI available to assist in presentations through the terms and conditions of the Scope of Services/Contract. Additional support services can be arranged.
- b. Following consensus from Sugar Grove on the draft, TAI-BDI will prepare a final document of the SDD Analysis, Strategy and Action Plan which can be published as described in the Scope of Services.
 - i. Timeline: Approximately two weeks following approval by the Village of the draft.
 - ii. Cost: None (within scope).
- c. As part of the approval and consensus on the draft, The Village will establish that the proposed macro land use recommendations for the SDD are the land uses which will guide future planning.
 - i. Timeline: TBD
 - ii. Cost: None.

2. FINANCIAL ANALYSIS

- a. The Village will complete an analytical exercise to match macro revenue projections to the estimates of Village 5, 10, 15 and 20 year municipal revenue vs. expense projections utilizing:
 - i. The preliminary macro revenue projections projected in the analysis for the SDD.
 - ii. The very preliminary revenue projections which can be made based upon the retail commercial square footage projected in the analysis necessary to service the emerging buying needs of Sugar Grove and the related market over time.
 - iii. Sugar Grove residential revenue projections.
 - iv. Future municipal revenue vs. expense projections (base



- service requirements and costs compared to population growth expectations) with a special emphasis on the new capital requirements to support the aforementioned growth.
 - v. Timeline: TBD following consensus on the Analysis, Strategy and Action Plan.
 - vi. Costs: None (internal staff work).
 - b. The Village will develop a matrix which will begin to relate the options relative to the development of these three areas and the relationship of these options to future Village income requirements.
 - i. Timeline: TBD
 - ii. Costs: TBD. TAI-BDI could assist in this regard.
 - c. The Village will share the results of the revenue analysis and the subsequent matrix with all interested stakeholders: appropriate committees and commissions, The Sugar Grove Economic Development Corporation, The Village Board, the community and the School District(s).
 - i. Timeline: TBD
 - ii. Cost: None.
 - d. The Village will utilize the consensus gained through the stakeholder meetings to further refine the macro land uses for the four areas (SDD, downtown, Promenade, other---i.e. residential) with more specific micro (i.e. in the SDD) development options which can achieve the desired revenue requirements.
 - i. Timeline: TBD
 - ii. Cost: None.
 - e. The Village will begin planning the necessary CIP budget to support the proposed revenue enhancement.
 - i. Timeline: Annual.
 - ii. Cost: None.
 - f. The Village will update the revenue and expense projections on an annual basis reflecting changing conditions and emerging priorities.
 - i. Timeline: Annual.
 - ii. Cost: None.

3. PROCESS, ZONING AND DESIGN GUIDELINES

- a. The Village of Sugar Grove will review the recommendations relative to the municipal development review process including any modifications suggested by TAI-BDI through the staff, appropriate committees and commissions, The Sugar Grove Economic Development Corporation, The Village Board and the community at large.
 - i. Timeline: TBD
 - ii. Cost and resources required: TBD
- b. The Village will make the necessary zoning recommendations which support the aforementioned financial projections.
 - i. Timeline: TBD
 - ii. Cost and resources required: TBD
- c. The Village will prepare design guidelines which support the vision



of the community and the economic development objectives.

- i. Timeline: TBD
- ii. Cost: TBD. TAI can provide a bid for supportive consulting resources, as required.

4. WATER PARK REVIEW (EXISTING DEVELOPER)

The Village will communicate with the existing water park developer (Lundmark Group LLC) relative to its timelines for consensus development on the Analysis and Strategic Action Plan the manner and timeline for the developer to enter the review process.

- i. Timeline: Ongoing communication with the developer at this time.
- ii. Cost: None.
- iii. Timeline for developer entry into the approved process: Project in development review
- iv. Resources required: TAI-BDI can be helpful in “underwriting” the developer’s proposal in concert with The Village staff and Board.

5. SHORT TERM AND LONG TERM DEVELOPMENT REVIEW

a. The Village will develop a short term (i.e. six months) development process review plan which is oriented to addressing development proposals which may be received for the SDD (primarily) and also the downtown and Promenade which is oriented to not discouraging developer interest but at the same time reflects that proposed six-seven month process which will be required to reach consensus on the future of these three potential development areas.

- i. Timeline: TBD
- ii. Cost: None.

b. Following the completion of the six month consensus building process, the Village will:

- i. Finalize the vision for the SDD, the downtown and the Promenade from a land use point of view and the macro goals and objectives for each area from a municipal revenue point of view.
- ii. Finalize the SDD in terms of more specific micro land use and revenue objectives and the related zoning, transportation, infrastructure, process and design guidelines and requirements. The downtown and the Promenade will have macro land use and revenue objectives within the six months but the micro planning will not be available until the strategic action plan study of these areas has been completed.
- iii. Develop a SDD plan document that can be utilized for the area which tells the development community everything it needs to know in order to work with the Village. The Village will also seek “partnering agreements” with the property



owners such that the Village, the property owners and the development community are all consistent with the planned future.

- iv. Determine if the Village and property owners are content to wait for the market to come to Sugar Grove or if a more aggressive RFQ/RFP process (in partnership with the property owners) is appropriate. If a more aggressive approach is determined, a process and documents will be prepared.
- v. Timeline: TBD
- vi. Cost: TBD
- vii. Resources required: TAI-BDI can provide assistance on the market document for the development community, the potential RFQ/RFP process and the review/analysis of developer proposals.

