

City of Warrenville

MEMORANDUM

To: Mayor, City Council, and City Administrator Coakley
 From: Ronald Mentzer, Director of Community and Economic Development ^{RM}
 Subject: ECONOMIC DEVELOPMENT ACTIVITY REPORT
 Date: July 9, 2020

This report summarizes the various pieces of economic development-related information staff has forwarded to the City Council since the March 9, 2020, Community Development Committee of the Whole update report, and provides Council members the opportunity to pose detailed questions regarding such individual actions, interactions or information.

Kimley-Horn and Associates Office Relocation to Warrenville (northeast corner I-88/Winfield Road)

Kimley-Horn and Associates (KH), a national planning and engineering firm, leased 30,000 square feet of space in the Cantera office building where Edwards-Elmhurst Healthcare moved its corporate headquarters at the end of 2019. KH planned to relocate its 150-employee Lisle office to this space in April 2020. Approximately 30,000 square feet remains available for lease in this 260,000-square-foot office building.

New Owner of Warrenville Woods Project (north side of Butterfield Road, east of Williams Road)

During the week of February 17, 2020, Community Development Department staff had a positive meeting with the Lisle-based real estate investment group that recently purchased the Warrenville Woods multi-tenant, multi-building project. The new owner is committed to investing in the property, working with the City to enhance the value to the community, and making it a better performing investment. The property includes more than 50 individual tenant spaces and approximately 53,000-square feet of office and commercial space, more than half of which has been vacant since the City began tracking occupancy in this project in January 2016.

Restaurant Closure (28258 Diehl Road)

On February 23, 2020, California Pizza Kitchen (CPK), which opened in February 2005, conducted its last day of operations in Cantera. The City was not provided an official reason for the closure.

Former BP Training Facility (28301 Ferry Road)

On February 25, 2020, Community Development Department staff met with a principal of Co-Optim regarding its intent to acquire the 136,000-square foot training facility and office building, now vacant for over two years. Co-Optim is interested in repurposing the building into a shared co-working space that would cater to the needs of freelancers, telecommuters, and small businesses who desire high-end, flexible, and affordable work space. The perspective purchaser

of the property is also interested in redeveloping a portion of the existing asphalt parking lot located along Ferry Road with other uses, including potential residential uses.

Sonova International Relocation (4520 Weaver Parkway)

During the first week of March 2020, the City learned that Sonova International, a worldwide hearing aid company based in Switzerland, will be moving out of the 60,000-square-foot building they have occupied in Cantera since it was constructed in 1999. The over 200 employees will be moving to a new, larger building currently under construction in the Meridian Business Park in Aurora this summer. Community and Economic Development Director Mentzer is in communication with the real estate brokerage firm hired to market the facility and has met with ownership representatives at the building to discuss marketing plans and new occupant opportunities.

Commercial Space Vacancy Report

The May 2020 Commercial/Retail Inventory Summary Report documents the location and amount of vacant commercial and retail space available throughout the City of Warrenville. As of mid-May, there was 115,291 square feet of vacant commercial space available in the City, which represents an approximate overall commercial and retail space vacancy rate of 15%. The overall vacancy rate in the City has increased by approximately 2% since January of 2020, in large part as a result of the recent closure of California Pizza Kitchen in Cantera.

Warrenville Horizon Senior Living Community (north quadrant of Butterfield/Batavia Roads)

During the week of May 11, 2020, the Alden Foundation successfully completed the purchase of the four parcels (3.85 acres), upon which they plan to develop a 71-unit affordable, independent senior living development. The City granted approvals in March 2020. The Developer began demolition, site clearance, and construction in May 2020. On May 18, 2020, the Building Division issued building and site permits with a construction value of approximately \$11,700,000, which resulted in the City collecting approximately \$211,000 in permit fees. On May 19, 2020, Community Development Department staff conducted a virtual pre-construction meeting with the project's developer and contractors. Tree and brush removal activities on the project site began in May, and the City's horticulture contractor obtained a first and second round of cuttings from the prominent magnolia tree after new spring growth in June 2020.

Temporary Expanded Outdoor Restaurant Seating

In accordance with Governor Pritzker's announcement to allow restaurants to open with outdoor seating under Phase 3 of the Restore Illinois Plan by May 30, 2020, municipalities were encouraged to assist their local restaurants to create and expand outdoor seating. Community Development and Finance staff worked with the City Attorney to develop a plan by which Warrenville restaurants may take advantage of the temporary outdoor seating opportunity. Mayor Brummel issued a Supplemental Emergency Order on May 28, 2020, establishing a no-charge, Temporary Permit Process, which allows Warrenville food and beverage establishments to install and operate new or expanded outdoor seating areas as of May 29, 2020. City staff informed businesses about the program rules and temporary use permit application.

During the first week of June, many restaurants with existing outdoor patios reopened their doors for patrons opting to eat on the premises. At least seven other restaurants have set up new, temporary outdoor seating areas under the City's new program for Temporary Auxiliary Outdoor Seating. During the remainder of June, three additional restaurants applied for the City's Auxiliary Outdoor Seating program.

Speedway Development Update (northwest corner Route 59/Batavia Road)

Speedway is revising its engineering plans to comply with the DuPage Countywide Stormwater Management and Floodplain Ordinance's updated requirements. Speedway is targeting an early 2021 construction start for this facility's redevelopment.

Wine Shop Building Permit (28W575 Stafford Place)

On March 12, 2020, staff received notice from a Warrenville resident who has signed a lease for the space most recently occupied by Edward Jones at the southwest corner of Route 56 and Batavia Road, and intends to open Evolet Eve Wine Shop. The business proprietor describes her business model as a "family-friendly boutique wine bar where friends and family can connect." Artesian wines, craft beer, coffee, tea, sport drinks for Prairie Path users, cheeses, cured meats, chips, and crackers will be sold at the shop. On May 27, 2020, the Building Department issued a permit for interior remodel to the business owner, who plans to open for business in July 2020.

New Restaurant (2S539 Route 59)

On June 11, 2020, El Toro Negro Restaurant opened in the Warrenville Commons shopping center, and features traditional Mexican cuisine.

Hospitality Meetings

On January 17, 2020, Senior Planner Domolessova facilitated a quarterly meeting of the Warrenville Hospitality Group, with representatives from Warrenville hotels, the Historical Society, the Park District, the Western DuPage Chamber of Commerce, and the DuPage Convention and Visitors Bureau (DCVB) in attendance. Hotel representatives reported a good fourth quarter of 2019, but are struggling in the first quarter of 2020. Discussion included generating business through promotion of a Frida Kahlo 2020 Passport Program for this summer's College of DuPage exhibit, outreach to Chinese and Indian tour operators to bring international students to DuPage County through STEM-program-related educational tourism, and capitalizing on sporting events such as the Cyclocross National Championship at Cantigny Park (December 2020) and the United States Bowling Congress Convention in Lombard (April 2021).

On June 10, 2020, Senior Planner Domolessova facilitated a virtual meeting of the Warrenville Hospitality Group with 13 participants representing hotels, restaurant and indoor entertainment, the Historical Society, the DuPage Convention and Visitors Bureau (DCVB), and the City. Hoteliers and restaurateurs have struggled with business closures during the first quarter of 2020 due to the COVID-19 lockdown. Currently, hotel stays generally consist of local and leisure travel, with no sports travel and minimal business stays. Discussions included challenges of bringing employees back and re-opening businesses.

Two Brothers Brewing Meetings (northwest corner Route 59/Route 56)

On March 10, 2020, Community and Economic Development Director Mentzer met with a co-owner of Two Brothers Brewing (TBB), a commercial real estate developer, and a senior commercial real estate broker from CBRE to discuss the scope and status of the TBB campus project. CBRE has been actively marketing the site for new commercial and restaurant uses, but has received limited interest.

The general sentiment of potential end users is that the area is evolving in a positive direction, but it is not clear exactly when the new TBB component will be constructed or how much new residential development will be built and occupied over the next two years. While gas and convenience mart users are willing to make a commitment to the site, more desirable uses generally view the area as unproven and risky, and are not willing to commitment to the area in its current state. TBB ownership represented they remain motivated to begin the process associated with securing the necessary City approvals that would allow them to move forward with their part of the overall project in the next year.

On June 9, 2020, Community and Economic Development Director Mentzer met with Jason Ebel, of Two Brothers Brewing, and their commercial developer regarding development of vacant property at the northwest corner of Route 59 and Route 56. The main focus was to discuss the feedback the Two Brothers team has received from potential end users after extensive marketing efforts, the status of their existing Warrenville business operations, the status of commercial real estate financing, and the updated conceptual development plan and timetable for the property. Two Brothers is scheduled to appear before the Plan Commission on July 9, 2020, for a courtesy review of their current concept development plan for the property.

Culver's Restaurant Construction Update (southeast corner Route 59/Cambridge Street)

On March 11, 2020, the Building Division issued a building permit for a Culver's restaurant and drive-through in the commercial component of the Everton project, with an estimated construction value of approximately \$1.1 million. The City collected approximately \$17,200 in permit fees in conjunction with the issuance of the permit.

As of the second week in June, exterior building finishes were nearly complete. Culvers is on schedule to be completed and opened before August 2020.

Thorntons Construction Update (southwest corner Route 59/Duke Parkway)

On March 17, 2020, the Building Division issued the building permit for a new Thornton's gas station, with an estimated construction value of approximately \$3.75 million. The City collected approximately \$37,200 in permit fees in conjunction with the issuance of the permit. Once completed, the project will consist of a 5,500-square foot convenience store, ten multi-product fueling dispensers that provide 20 auto-fueling positions, five commercial vehicle fueling lanes, and a 2,400-square foot quick service restaurant with a drive-thru.

Site work on the project began the week of March 30, 2020. As of the second week in June, the structural steel for the pump island canopies were been installed. Concrete foundation and

underground utility work is actively being performed. Construction is on schedule for an October grand opening.

Zip Code Realignment Request Status (southwest quadrant of City)

In early January, the City appealed the U.S. Postal Service (USPS) Central Illinois District's denial of the City's request to change the zip code from the Naperville zip code (60563) to the Warrenville zip code (60555). On June 8, 2020, the City received a letter from the USPS's Manager of Rural Delivery at the Washington DC headquarters, which indicates that the USPS has determined the zip code for this area will remain 60563, but it will implement a "Preferred Last Line (PLL) accommodation," which will allow the community name of Warrenville to be attached to the 60563 zip code for postal customers in that area.

Cantera Hyatt Place Hotel (27576 Maecliff Drive)

On March 25, 2020, staff confirmed the Hyatt Place hotel was closed until at least June 1, 2020, due to the significant reduction in travel activity as a result of the COVID-19 pandemic. The Hotel reopened for business in early June.

Elite Ambulance (northeast corner Talbot Avenue/Calumet Avenue)

On March 26, 2020, Community Development staff conducted a conference call with the ownership and consultant representatives of Elite Ambulance regarding its potential purchase and development of an approximately 2.5-acre property. The potential project includes an office and warehouse building, and associated parking lot, for Elite Ambulance, along with an additional contractor office. Staff recommended the Plan Commission conduct a courtesy review of the project.

Recreational Cannabis Special Use Permit Public Hearing (northwest corner Route 59/Ferry Road)

NuMed Partners LLC (NuMed) has submitted its application for approval of a Special Use Permit to allow the former bank building to be remodeled and occupied by a recreational and medical cannabis dispensary business. Public notices have been published and posted for a July 23, 2020, Plan Commission public hearing on this request.

Citgo Property Acquisition Update (28W244 Warrenville Road)

During the week of June 22, 2020, City staff and redevelopment attorney coordinated with the former Citgo property owner's attorney to finalize title work and confirm the exact amount of delinquent property taxes, penalties, and interest that need to be paid in conjunction with the transfer of ownership. The closing occurred on July 1, 2020.

Cantera Regal Theatre Opening (28250 Diehl Road)

Regal Cinemas announced it plans to reopen its Warrenville/Cantera location to the public on July 31, 2020, in accordance with Governor Pritzker's Phase 4 Restore Illinois guidelines.

Economic Development Representatives Meetings (northwest corner Route 59/Route 56)

On February 19, 2020, the EDR met to discuss the following items:

- Current status of the proposed Two Brothers Brewery Campus Project and the future of the seven-acre City-owned development opportunity site at the Northeast corner of Butterfield Road and Route 59. Further discussion of these items is planned for the upcoming March 9, 2020, Community Development Committee of the Whole meeting.
- City willingness to (i) vacate the unimproved section of City-owned Calumet Avenue ROW located between Route 56 and Rockwell Street, and (ii) allow the 4.5 acre, commercially zoned, development opportunity site located along the north side of Butterfield Road, between Batavia Road and Rockwell Street, to be rezoned and developed with an upscale, residential row-house development. As a follow up to the EDR’s discussion, staff informed the real estate broker and developer they would need to provide additional details about the proposed concept site development plan, housing product, and purchase price for the City ROW before the EDR could provide more definitive feedback on the proposal.

On June 30, 2020, the City Council’s Economic Development Representatives met to discuss the Two Brothers Brewing Company’s revised concept development plans for the 20 acres of vacant property it owns, and further discuss the scope of a potential new City assistance program that would be designed to encourage food and beverage establishments to locate, upgrade, grow, and improve the exterior facades of commercial properties in the City’s Old Town/Civic Center Subarea.

July 9, 2020 Building Activity Update

Subdivision	Total Buildings	Permits Issued		Certificates of Occupancy Issued	
		Buildings Under Construction	Units	Temporary	Full
Stafford Place	27	24	N/A	N/A	20
Everton Townhomes	17	5	30	1 (Sales Office)	8
Lexington Trace Townhomes	21	7	34	4 (Sales Office & 3 Models)	10