



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Planning Division

MEMORANDUM

TO: The Urbana Plan Commission

FROM: Michaela Bell Oktay, Senior Planner

DATE: March 30, 2004

SUBJECT: Plan Case No. 1885-M-04: Request to rezone 395 N. Race Street from the IN, Industrial to B-4, Central Business Zoning District.

Introduction

The Urbana Zoning Administrator has submitted a request to rezone 395 N. Race Street from IN, Industrial to B-4, Central Business. The owner of the property has a redevelopment agreement with the City to demolish and redevelop the site to build a new banquet center facility that will include a retail bakery and a coffee shop. The requested rezoning is a component of the agreement and is submitted by the Zoning Administrator with the full consent of the property owner.

The Urbana Zoning Ordinance does not permit most business uses in the IN, Industrial Zoning District. The Zoning Ordinance states that the IN, Industrial zone is intended to provide areas for manufacturing and industrial uses. The IN, Industrial zone does not allow uses other than industrial in order to minimize potential conflict between incompatible uses.

Background

The property is located at the northwest corner of Race Street and the Conrail railroad tracks, formerly known as Helmick's Lumber. In September 2003, the property was put up for auction and was acquired by Allen Strong, who is the owner of the Silver Creek Restaurant located directly east of this site. The subject property is in deteriorated condition and the business has not been fully operating for a number of years and is now primarily used as an overflow parking area for Silvercreek Restaurant. Mr. Strong approached the City with a proposal to construct a banquet facility, including a retail bakery and coffee shop to complement the existing Silvercreek Restaurant, located across the street.

Adjacent Land Uses and Zoning Designations

Surrounding the site are residential and recreational uses to the north (single-family homes, Leal Park), business uses to the east (Silvercreek Restaurant), and business uses to the south (Downtown Urbana) and west of the property. A majority of the adjacent and surrounding parcels in the immediate area have a Business Zoning District designation.

COMPREHENSIVE PLAN DESIGNATION, ZONING, AND LAND USE TABLE

Direction	Comprehensive Plan	Zoning	Land Uses
Site	Commercial	IN, Industrial, City of Urbana	Salvage / Silver Creek Restaurant Parking
North	Public Recreation Commercial	CRE, Conservation-Recreation B-3, General Business	Leal Park Residential
East	Commercial	B-4, Central Business	Silver Creek Restaurant
South	Commercial	B-4, Central Business	Rail Road / Parking
West	Commercial	IN, Industrial, City of Urbana	Office

Issues and Discussion

General Trends and Future Plans

The property was identified as a key redevelopment area in the Tax Increment Finance District 2, Downtown Strategic, and Comprehensive Plans. The plans identify the need to encourage more retail business uses in the downtown area. The plans encourage redevelopment of underutilized land in the downtown area, such as the subject property, and to encourage business development as there is an identified community need for a variety of retail uses. The Downtown Strategic Plan specifically identifies needed business uses such as specialty goods and services to serve the community and those residents working and living in the downtown area. The Plan also mentions business uses that will accommodate community and special event gatherings, uses that will be mutually compatible with other uses downtown and will reinforce downtown Urbana’s sense of place. The Plan identifies key markets that would strongly appeal to such business uses, those groups comprising of community residents, university parents and visitors, and downtown

residents and workers. Overall, each plan encourages a variety of additional retail uses in the downtown area.

The site is ripe for redevelopment and rezoning to a land use classification that is consistent with the needs, wants and goals identified by the community. The downzoning and future planning for redevelopment for more retail land uses in the area creates the potential for more business opportunities in downtown Urbana. Currently the downtown area is strengthening its function as a central business area through efforts such as these. The existing industrial zoning of the subject parcel is not compatible with the current business trends and community goals in the area. City staff has recognized that one of the obstacles to fostering commercial growth is inconsistent zoning on certain parcels. The industrial zoning of this parcel when it no longer contains the amenities desirable for industrial development while it does contain the necessary attributes for commercial redevelopment is a prime example.

Strong Redevelopment Plan

Mr. Strong approached the City with a proposal to construct a banquet facility, including a retail bakery and coffee shop to complement the existing Silvercreek Restaurant, located across the street, and to be accomplished in two phases. Phase 1 would call for demolition of the lumber shed structures to create area for temporary recycled asphalt surface parking, while Phase 2 would call for the demolition of the existing main building and addition of the banquet/retail facility.

Mr. Strong is unable to undertake this redevelopment without certain tax increment finance incentives received from the City and rezoning of his property. Because the City has a vested interest in the properties located in the Leal Park Area due to their highly visible location at a key entrance to downtown, and for the reasons as outlined in the Tax Increment Finance District 2, Downtown, and Comprehensive Plans, the it was in the best interest of the City to provide TIF incentives to allow the redevelopment projects to occur. Support of this rezoning petition for the subject property to be zoned B-4, Central Business is due to the finding that it has a greater potential to be utilized at its highest and best use with the downzoning. (Please see attached site plan for more information about future redevelopment plans)

Comprehensive Plan Goals, Objectives and Policies

The proposed Zoning Map amendment should be considered in light of other goals, objectives and policies contained in the 1982 Comprehensive Plan. The following goals and policies of the 1982 Urbana Comprehensive Plan relate to this case:

Objective 1.23

Encourage infill development of vacant and underutilized land within the City limits, with emphasis on downtown where appropriate.

Objective 1.410

Promote the redevelopment and conservation of urbanized areas.

Goal 3.100

To organize and develop land uses and adjacent properties in a balanced and mutually compatible manner relative to the functional needs of the City.

Goal 3.110

Promote development in the City and surrounding unincorporated areas in a manner which minimizes conflicting land uses and/or adjacent development.

Goal 3.300

To arrange land uses in a manner that minimizes the distance between uses that are mutually dependent.

Objective 3.310

Encourage development to occur in area where there is a demonstrated need for a particular use.

Objective 3.311

Review all land use changes that are controlled by the Zoning Ordinance, Subdivision Ordinance or annexation procedures to minimize the distance between uses that are mutually dependent.

Goal 4.100

To increase sources of municipal revenues required to continue providing existing and future increased levels of municipal services.

Objective 4.100

Increase the proportion of land uses which produce municipal revenues equal to, or in excess of, the cost of required services.

Policy 4.111

Promote mixtures of compatible uses, improvements in services and facilities, aesthetics and public convenience, in existing commercial and industrial developments.

Policy 4.112

Enhance the downtown area as the City's major commercial and business center.

Policy 4.113

Facilitate expansion plans of local businesses, commercial and industrial concerns.

Objective 4.210

Promote commercial and industrial developments which are compatible with the character, environment and resources of the community.

Goal 4.300

To provide fiscal and human resources adequate to implement the goals, objectives and policies of this plan.

Policy 4.311

Identify potential sources of revenue and develop strategies to realize their potential.

Goal 6.100

To increase and diversify the tax base of the City of Urbana.

Objective 6.110

Encourage the promotion of commercial and industrial development which is compatible with the character, environment, and resources of the community.

Policy 6.112

Support rezoning petitions for land that has been identified as having the greatest potential within the parameters of the Plan for commercial and industrial development.

Goal 6.500

To support the redevelopment of downtown Urbana with particular emphasis on the Tax Increment District (TID), and Business Development and Redevelopment District.

Objective 6.520

Encourage private investment in the conservation of existing buildings, as well as new residential and commercial development.

Goal 6.700

To support the retention and expansion of existing businesses and industries located in Urbana.

Goal 6.800

To develop a comprehensive, cohesive approach to economic development for the City.

Objective 6.810

Encourage cooperative efforts to promote economic development.

Policy 6.712

Make available financial incentives to encourage local commercial and industrial expansion.

Policy 6.811

Achieve a policy commitment from the City Council that encourages economic development.

The La Salle National Bank Criteria

In the case of *La Salle National Bank v. County of Cook* (the “La Salle” case), the Illinois Supreme Court developed a list of factors that are paramount in evaluating the legal validity of a zoning classification for a particular property. Each of these factors will be discussed as they pertain to a comparison of the existing zoning with that proposed by the Petitioner.

1. The existing land uses and zoning of the nearby property.

This factor relates to the degree to which the existing and proposed zoning districts are compatible with existing land uses and land use regulations in the immediate area.

The proposed downzoning from IN, Industrial to B-4, Central Business would be generally consistent with existing industrial and commercial zoning designations in the downtown area. The site is located in the downtown area and is almost wholly surrounded by commercial uses and zoning designations. The proposed zoning classification is appropriate considering it will minimize conflicting land uses between adjacent developments. Commercial uses would serve nearby residential areas, office workers, and community residents while providing a balanced compatible land use pattern that would strengthen the economic vitality of downtown as the City’s major commercial and business center.

2. The extent to which property values are diminished by the restrictions of the ordinance.

This is the difference in the value of the property as zoned for industrial and the value it would have if it were rezoned to commercial to permit the proposed use.

The previous industrial use (Helmick’s Lumber) did not continue to be a viable use due to many economic forces within the community and the general trends in the lumber industry. During the

past years the property has been primarily used as a salvage yard, unsuccessfully utilized for industrial purposes. Lack of investment has led to a major deterioration of the site. The Industrial zoning is no longer appropriate at this site and economic feasibility of industrial uses is not likely, therefore diminishing the value of the property with industrial zoning. The highest and best use for the property would be to rezone the parcel and utilize the Tax Increment Financing options to redevelop the site for retail business development.

It should be noted that City Planning Division staff are not qualified as professional appraisers and that a professional appraiser has not been consulted regarding the impact on the value of the property. Therefore, any discussion pertaining to property values must be considered speculative and inconclusive.

Questions 3 and 4 apply to the current zoning restrictions: do the restrictions promote the public welfare in some significant way so as to offset any hardship imposed on the property owner by the restrictions?

3. *The extent to which the ordinance promotes the health, safety, morals or general welfare of the public.*

The downzoning of the property from industrial zoning to commercial zoning will eliminate a large number of permitted uses that would be objectionable and incompatible to nearby residential, commercial areas including the downtown; thus protecting the health, safety, morals and general welfare of the public.

4. *The relative gain to the public as compared to the hardship imposed on the individual property owner.*

Development of the property with an incompatible, industrial use could result in a significant quality of life cost to the public in the area. The site is currently dilapidated and underutilized and does not contribute to the communities' tax base as well as a commercial development would. The proposed downzoning could contribute to the welfare of the community by offering the redevelopment of a parcel that is identified as a key improvement site in the downtown area. Commercial uses would offer convenient access to goods and services that would benefit the community. Overall, the proposal to rezone promotes the conservation of downtown Urbana as the economic core of the City.

5. *The suitability of the subject property for the zoned purposes.*

The issue here is whether there are certain features of the property which favor the type and intensity of uses permitted in either the current or the proposed zoning district.

As stated above, this property is located in an area that is ripe for redevelopment and has been identified in the Downtown Strategic Plan as a key improvement and redevelopment site. The

parcel is ideal for commercial zoning. The specific feature for this property is its location near the downtown and its location adjacent to Leal Park. The property can be developed for in a manner that may improve access from Leal Park to downtown. The current redevelopment plan is consistent with the Strategic Plan and Comprehensive Plan as it would help reinforce pedestrian oriented setting and add more gathering and retail venues in the downtown area.

6. *The length of time the property has been vacant as zoned, considered in the context of land development, in the area, in the vicinity of the subject property.*

Another test of the validity of the current zoning district is whether it can be shown that the property has remained vacant for a significant period of time because of restrictions in that zoning district.

Commercial investment of surrounding properties and redevelopment of the area has slowly been occurring. The subject property has been in deteriorated condition and the business has not been fully operating for a number of years. During the past two decades the needs and behavior of many of the remaining industrial uses in the United States has changed. Those industries that remain operationally viable in this country generally chose to locate on parcels that are much larger than the subject property. In addition, due to the modern age of surface transportation, industrial uses are not dependent on rail connectivity and access as their industrial predecessors. The location and size of the property is such that it is likely to never attract or retain viable industrial uses. The property's industrial zoning designation greatly diminishes the value of the property.

Summary of Staff Findings

1. The existing industrial zoning is no longer appropriate due to the trends in the downtown area and the commercial development surrounding the property.
2. The location of the site is no longer an important factor for industrial viable. Economic factors such as the shift from rail access dependence to surface transportation has greatly impacted the appropriateness of the industrial zoning designation.
3. The proposed B-4, Central Business zoning represents a downzoning from the existing IN, Industrial zoning classification and will result in elimination of a number of potentially incompatible land uses that are permitted in the IN, Industrial zoning district.
4. The proposed downzoning to the B-4, Central Business zoning district would allow for the commercial development of the property which would be a benefit to the community and contribute to the tax revenues of the city.

5. The proposed B-4, Central Business zoning district for the subject site would be consistent with the current commercial development in the vicinity of the downtown area.
6. The proposed commercial zoning classification would be consistent with current drafts of the Comprehensive Plan Update being considered by the Comprehensive Plan Steering Committee and the public.
7. The site is located in a “Key Redevelopment Area” as identified in the Downtown Strategic Plan.
8. The proposed rezoning would not be detrimental to the public health, safety or general welfare and would be a benefit to the public because it will create the opportunity for commercial uses in close proximity to downtown Urbana.
9. The proposed rezoning appears to generally meet the LaSalle Case criteria.

Options

The Plan Commission has the following options for recommendations to the City Council. In Plan Case 1885-M-04, the Plan Commission may:

- a. Forward this case to City Council with a recommendation for approval of the downzoning from IN, Industrial to B-4, Central Business; or
- b. Forward this case to City Council with a recommendation for denial of the downzoning from IN, Industrial to B-4, Central Business.

Staff Recommendation

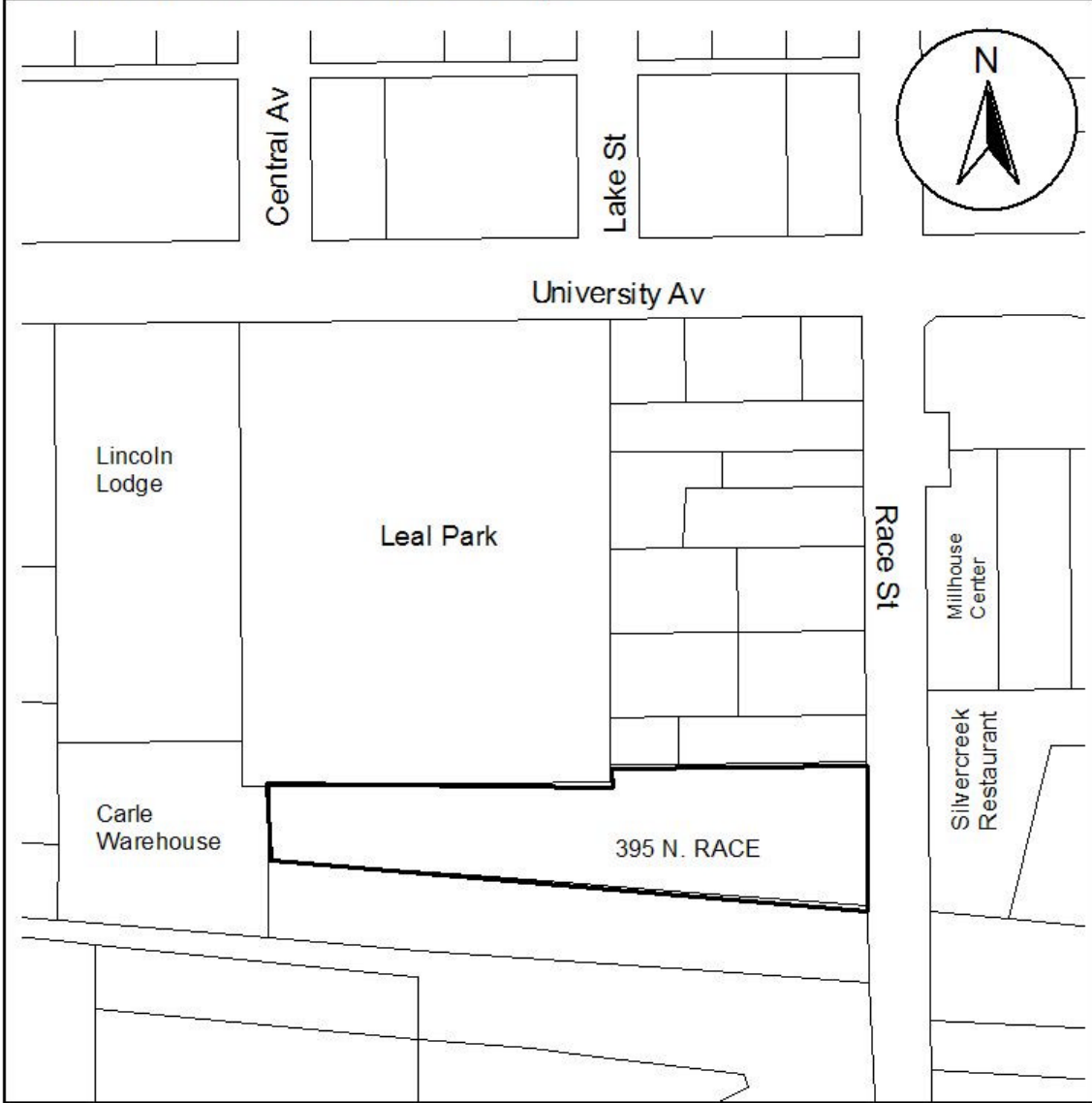
Based on the evidence presented in the discussion above, and without the benefit of considering additional evidence that may be presented at the public hearing, **staff recommends that the Plan Commission forward Plan Case No. 1885-M-04 to the Urbana City Council with a recommendation for APPROVAL.**

c: Allen Strong, Kenneth N. Beth

Attachments: Exhibit A, Location Map
Exhibit B, Zoning Map
Exhibit C, Existing Land Use Map
Exhibit D, Future Land Use Map

Exhibit E, Aerial Photo
Exhibit F, IN, Industrial Zoning District Summary Sheet
Exhibit G, B-4, Central Business Zoning District Summary Sheet
Exhibit H, Petition for Zoning Map Amendment
Exhibit I, Site Development Plan (Phase I & II)
Exhibit J, Photos of Site Letter to Surrounding Property Owners

Exhibit "A" Location Map

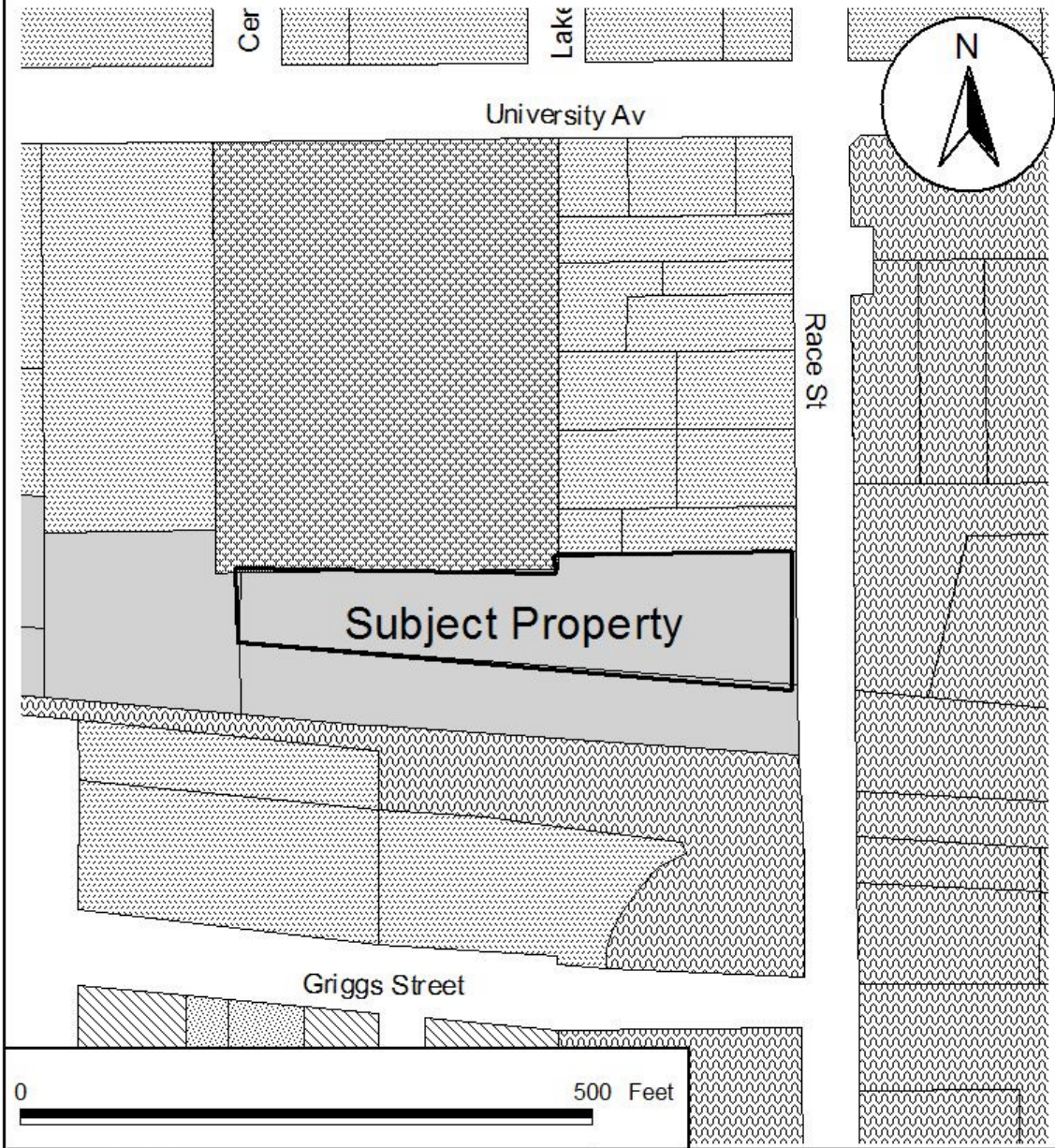


Plan Case: 1885-M-04
Petitioner: Zoning Administrator
395 N. Race Street
Rezone from IN to B-4

Prepared by Community Development Services - mrb

 Subject Property

Exhibit "B": Zoning Map








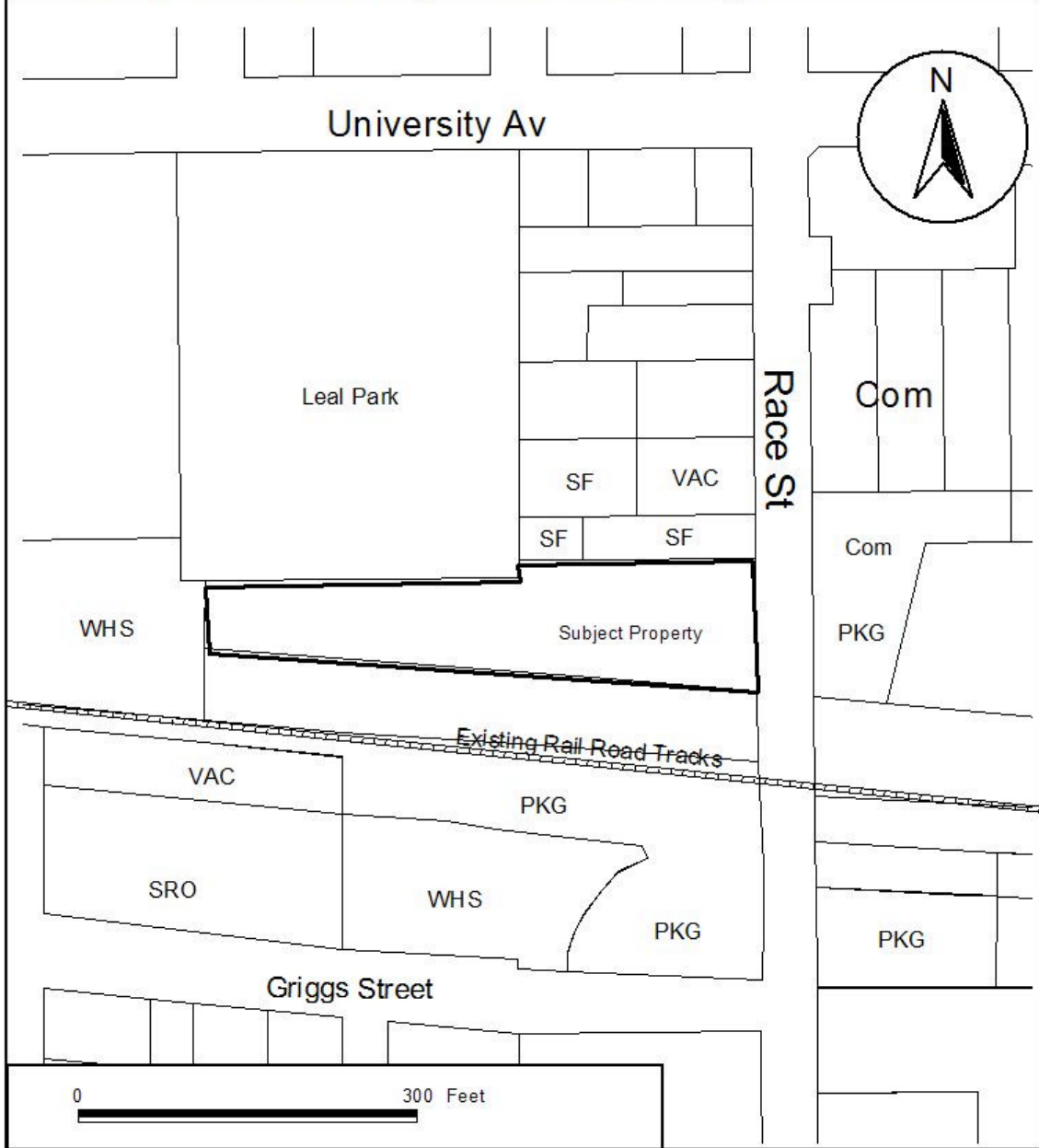
	Plan Case: 1885-M-04 Petitioner: Zoning Administrator 395 N. Race Street Rezone from IN to B-4	 B3 - General Business
	Prepared March 16, 2004 by Community Development Services - mbo	 B4 - Central Business
		 IN - Industrial
		 CRE - Conservation-Recreation-Education

Exhibit "C": Existing Land Use Map

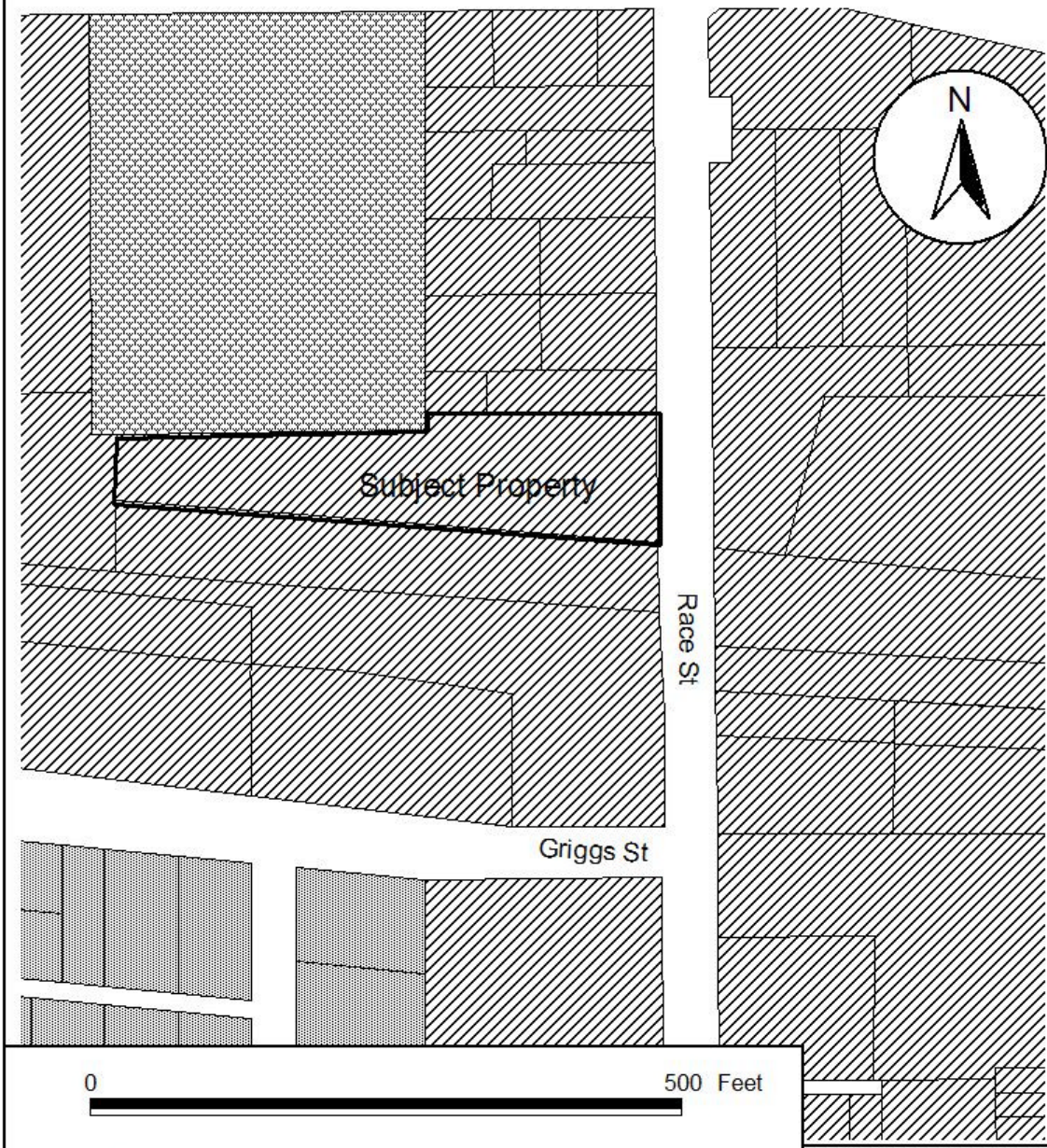


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SF - Single Family Residential
 SRO - Public Residence - Singles
 VAC - Vacant
 COM- Commercial
 WHS - Warehouse
 PKG - Parking

Exhibit "D": Future Land Use Map

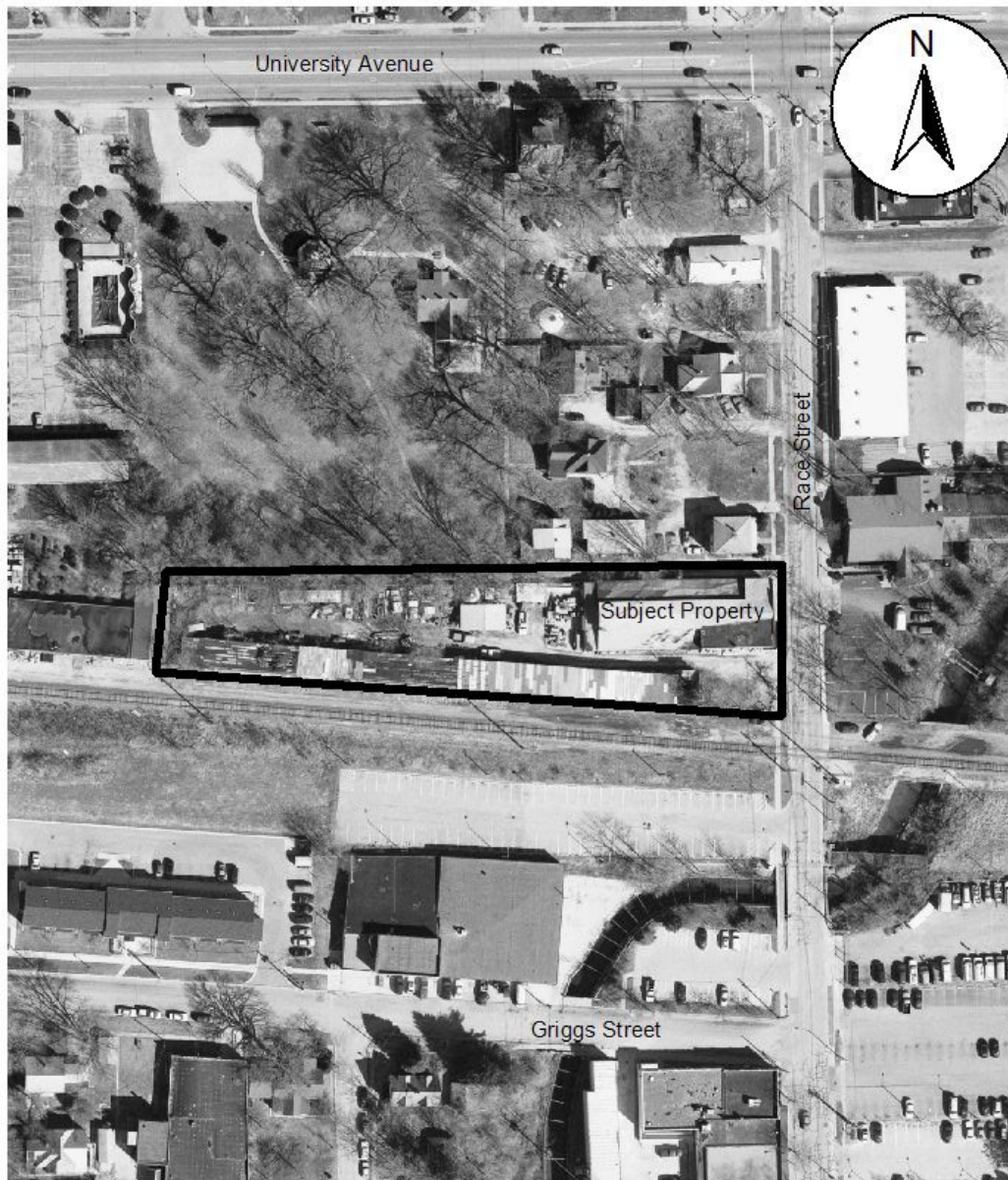


Plan Case: 1885-M-04
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Rezone from IN to B-4

Prepared by Community Development Services - mo

-  Recreation-Public
-  Commercial
-  High Density Residential

Exhibit "E": Aerial



Plan Case: 1885-M-04
Petitioner: Zoning Administrator
395 N. Race Street
Rezone from IN to B-4

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Photo Exhibit



Facing west towards property



Facing west on north side of property



Facing west on south side of Property



Facing east on north side of property



Facing south on towards property



Facing the north of property

Photo Exhibit



Facing east



Facing north towards property and Leal Park



Facing east on the property



Facing north towards the property



Facing north towards the Property



Facing the northwest portion of the property



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES
Planning Division
400 S. Vine
P.O. Box 946
Urbana, IL 61801
(217) 384-2439

March

NOTICE OF PUBLIC HEARING IN REGARD TO A PROPOSED REZONING

Dear Property Owner:

A public hearing will be held by the Urbana Plan Commission on **Thursday, March 18, 2004 at 7:30 P.M.** in the Urbana City Council Chambers, at which time and place the Commission will consider a request by the Urbana Zoning Administrator for a rezoning of 395 N. Race Street. The request is to rezone the property at 395 N. Race Street from the IN, Industrial zoning district to the B-4, Central Business zoning district. The Urbana Zoning Ordinance defines the two zoning districts as follows:

*The **IN, Industrial District** is intended to provide areas for manufacturing and industrial uses, where they will have the necessary services and facilities, and minimize obtrusion on or by adjoining uses and districts. Light industrial uses, which are unlikely to cause undesirable effects, are permitted by right; more intensive industrial uses which may have wider-reaching environmental effects are permitted as special uses, which provide the Urbana Plan Commission and City Council the opportunity to review the uses and impose needed conditions. In order to minimize conflict among incompatible uses, most non-industrial uses are not allowed in the IN Industrial District.*

*The **B-4, Central Business District** is intended to provide an area for the focus of the city, in which the full range of commercial and business uses may locate in a limited area of high intensity uses, with the appropriate forms of physical development at a high density.*

You have been sent this notice because you are a nearby property owner. The Urbana Plan Commission welcomes your comments at the public hearing, or in writing if received prior to the hearing. If you have any specific questions about the request, please do not hesitate to contact me.

Sincerely,

Michaela Bell Oktay
Senior Planner

Persons with disabilities needing services or accommodations for this hearing should contact the Community Development Services Department at 384-2440, or the City of Urbana's Americans with Disabilities Act Coordinator at 384-2466, or TTY 384-2360. If you have any questions concerning this

request, please contact my office at (217) 384-2440.