



Urban Land Institute Chicago

Creating a Village Center Using Transit-Oriented Development Hanover Park, Illinois



By Douglas R. Porter

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ULI Chicago

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The Chicago District Council consists of more than 800 ULI members living and working in the Chicago region. One of the first ULI District Councils formed, today it is one of the largest in the nation. The Chicago District Council presents annual lifetime achievement awards, holds monthly leadership breakfast meetings and leads periodic advisory workshop panels for local governments. The Public Policy Committee, formed in early 2002, oversees technical assistance for the Chicago District Council.

Campaign for Sensible Growth

The Campaign for Sensible Growth is a coalition of government, civic and business groups. The Campaign promotes strategies to enhance the economic vitality of the six-county Chicago region while preserving open space, minimizing the need for costly new infrastructure and improving the livability of our communities. Among the goals of the Campaign is the revitalization of existing communities. The ULI Chicago District Council was an original Steering Committee member of the Campaign for Sensible Growth and has partnered with the Campaign for the past four years on symposiums and forums exploring matters of joint interest.

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Creating a Village Center Using Transit-Oriented Development is the fourth in a series of Technical Assistance Panels convened by the Urban Land Institute Chicago and Campaign for Sensible Growth. The 2002 series of panels also focused on Chicago and Highwood, Ill.

For more information on the series visit www.growingsensibly.org, www.chicago.uli.org or call 312/922-5616.

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Introduction to the Project and Panel

The Urban Land Institute (ULI), with funding from the U.S. Department of Housing and Urban Development, has been collaborating with ULI Chicago and the Campaign for Sensible Growth to develop and implement strategies for producing workforce housing in infill locations in the Chicago area. To assist in this effort, ULI Chicago formed a Public Policy Committee that has organized workshops and advisory panels focused on specific strategies under consideration by the City of Chicago (especially for the Humboldt Park neighborhood), the City of Highland Park and the Village of Hanover Park. In 2001, ULI, ULI Chicago and the Campaign for Sensible Growth convened a two-day advisory panel to assist these communities with their workforce housing concerns and issued the report *Forging Partnerships: Overcoming Community Resistance to Developing Workforce Housing* which provided the findings for Hanover Park, Highland Park and Humboldt Park.

A year and a half later, Hanover Park requested a second advisory panel to review a village center plan proposed for a 43-acre, mostly vacant site adjoining a Metra commuter rail station. The Village envisions a transit-oriented, mixed-use development to serve as the economic and civic focal point for Hanover Park. Much of the project would consist of medium-density residential development targeted to young professionals and "empty-nest" households, many of whom would find the access to commuter rail service attractive. The plan includes townhouse and condominium dwellings priced at mid-level market rates.

Village officials have formulated a vision for future development, established a tax increment financing (TIF) district, commissioned market studies and employed a consultant to prepare an illustrative master plan. Mayor Irwin Bock, who has been actively engaged in the ULI Chicago infill housing program since 2001, requested that ULI Chicago and the Campaign organize an advisory panel to critique the planning work to date, suggest plan revisions as appropriate, and recommend steps for implementing the plan. Accordingly, a five-member panel met on Feb. 26, 2003 at the Village Hall for presentations, a brief tour of the site, and discussions of findings and recommendations. This report provides the questions to be addressed by the panel and a summary of its findings and recommendations.

Questions for the 2003 Hanover Park Panel

1. **Projected Market:** Are market demands projected by the market study and depicted in the illustrative master plan reasonable for this community and this location?
2. **Types of Uses:** Do projected uses and densities represent the best use of the site?
3. **Relationships Among Uses:** Are the locations and designs of the various uses shown in the illustrative master plan reasonable and desirable? For example:
 - Are uses appropriate for transit-oriented development?
 - Is the mixed-use development in the best location?
 - Is the Village Green properly located in relation to the commercial center and new residential buildings?
 - How much land adjacent to the transit station should be used for parking?
 - Does the development relate well to the surrounding area?
 - Will the plan strengthen the community in general?
4. **Overall Feasibility:** Considering the market, site location and conditions in the area, is this a feasible plan?
5. **Development Process:** Given the various property ownerships, how could Hanover Park best implement the plan? For example, should the Village:
 - contract with a master developer to manage the process?
 - attract developers for individual parcels through an aggressive marketing campaign?
 - deal individually with property owners and their proposals?
 - acquire strategic parcels to control development?
 - provide incentives for adhering to the plan, and, if so, what incentives?
 - form a public corporate entity to oversee the development process?
6. **Financing:** What financial resources could help Hanover Park implement the plan?

The Village of Hanover Park

Hanover Park was developed mostly during the 1950s as a residential suburb. It has no traditional downtown, although a variety of commercial uses line Lake Street (U.S. 20), a highway that carries about 40,000 cars per day through numerous suburbs in the western part of the Chicago region. According to 2000, Census data, the village had a population of 38,278 in 2000, with a median household income of \$63,990. Houses are generally modest single-family homes. A business park in the southern section of the village provides employment, but strong retail and office centers in nearby municipalities limit the market for such development in Hanover Park. The Metra station serves an average of 3,000 commuters per day and is adjoined by 1,433 parking spaces.

Summary of the Village Center Plan

The illustrative master plan prepared by the Lakota Group for the Village in 2002 was intended to provide a framework rather than a fixed design for development of the new village center. The 43-acre site includes four undeveloped parcels along Lake Street (U.S. 20) and some developed properties along Barrington Road. The largest parcel is almost 24 acres and sits directly opposite the Metra station across Lake Street. The north and west groups of properties each total almost 10 acres. The Metra station and associated surface parking border the south side of Lake Street. North and west of the undeveloped parcels are blocks of single-family homes, a row of apartments in need of main-



Hanover Park's 24-acre redevelopment site, with Lake St. (U.S. 20) in the background.

tenance and perhaps more extensive rehabilitation in the long-term, and a partially occupied strip shopping center. A potential major asset is a large community park and recreation center immediately northwest of the proposed development site.

Components of the plan include 449 new residential units in two-to-four story condominium and townhouse buildings, 60,000 square feet of neighborhood retail space, 85,000 square feet of office space, and parking for 1,357 cars on surface lots and decks. Important proposed design features include:

- clusters of residential units next to existing homes on the borders of the site;
- a Village Green as the symbolic heart and activity center of the project;
- special landscape treatment for gateway entrances;
- streets designed to be pedestrian friendly, and a pedestrian greenway linking the Village Green with the community park;
- a pedestrian bridge across Lake Street (which is soon to be widened to six lanes) to facilitate direct access to the train station;
- water features to provide for stormwater management, pleasant views, parking buffers, and open space amenities; and
- the possibility of locating public offices and/or facilities within the village center and around the Village Green.

The Lakota Group sketched four design concepts for consideration by the Village Board before preparing the current illustrative plan, which adopts features from each of the concepts. Meanwhile, a developer has informally offered a preliminary proposal for development of the central parcel that incorporates some aspects of the plan.

All four design concepts, the Lakota Group plans and the developer's informal proposal were presented to the panel. The Lakota planners identified several specific site design issues for the panel to consider:

- Future use of the failing strip commercial center in the north parcel, and whether to renovate, adapt or remove all or part of the building, or explore new uses.
- How to create a safe and attractive pedestrian connection between the Metra station, station parking and the new village center.
- Whether or not to "export" stormwater retention basins off the site — e.g., to the community park area.

- How to provide structured parking given the relatively modest density of proposed development.
- Whether (and how, considering cost) to relocate the park maintenance building at the southeast corner of the community park adjoining the site (to allow the greenway connection), and whether to relocate the fire station in the northern parcel.
- How to upgrade the apartments west of the northern portion of the site.



Courtesy of the Lakota Group

Panel Findings and Recommendations

Martin Stern, chair of the panel, congratulated Village officials for their "sensible planning approach to a complex development project." He noted the panel's impression that Village officials had been (1) providing strong public leadership to establish a viable town center, and (2) engaging in a step-by-step planning process to identify and attempt to resolve critical market and site design issues before initiating development. Summarized from a wide-ranging, day-long discussion, the following points respond to the list of questions given the panel.

Market Findings

Panelists confirmed the market conditions on which the plan is based:

- The residential market in this area is strong and Hanover Park is well situated to take advantage of it, especially at a mid-level scale of prices and rents (compared, for example, with higher housing prices in nearby communities).
- Townhouses and condos seem saleable and rentable in this market, and are especially well-suited to the kinds of households that would value access to commuter rail. Also, as Village officials hoped, such households would not appreciably affect local school capacities.
- Larry Lund, a specialist in retail development, confirmed that the retail market in this area was weak, given the amount of retail space available in Woodfield Mall and the myriad other shopping strips in nearby Schaumburg. Some neighborhood convenience retail would work, but would not require much space. Even 500 housing units built within the project would not generate enough disposable income to warrant a large retail component.
- Restaurants, however, might benefit from the visibility offered on Lake Street and the rail station, and from a location near water amenities formed by the detention ponds. Attractively sited restaurants here could draw from a wide market area, and in turn stimulate retail development.
- The office market is also weak, since there are several strong office nodes in nearby communities — such as Schaumburg and Rolling Meadows — with existing vacancy problems. Some service-type office space (real estate, doctors) might prove competitive.

Uses, Densities and Design Relationships

Panelists made the following recommendations regarding density:

Make more intensive use of a critical site. In general, the project's density should be "tightened up" to make better use of this important village center and its highly visible, transit-served site. While adding density might stretch out the development period somewhat, it would add greatly to the walkability, appearance and economic benefits of the project. In general, the critical mass of activities should be brought closer to the rail station to enhance its use. The amount of space devoted to surface parking should be reduced, particularly at the most visible locations along Lake Street and nearest the rail station. One possibility to explore is locating the Metra parking garage north of Lake Street to allow its use for shared parking — commuters during the day, shoppers and restaurant patrons in the evenings. Another option given by the Lakota Group shows a pedestrian bridge leading directly from the station parking to a centrally located parking deck under two large condo buildings, which would make room for more residential units in space otherwise used for surface parking. The panel



Hanover Park's Metra Station is directly across the street from the proposed village center.

recommended the Village revisit its requirement of four parking spaces for each townhouse, a standard well above prevailing practice and one that would limit space that could be used for more residential units. (As a rule of thumb, the general recommendation for transit-oriented developments is 1.5 parking spaces per unit.)

Panelist Charles Perkins suggested that reducing the size of the Village Green would make the public space more attractive. The green simply opens up too much space in what should be a central activity area (especially with a spacious community park only a short distance away). The panel suggested that the

Village Green could be halved in size to improve its performance as a busy center of village life.

Finally, the panel encouraged rethinking the design of development's western tract to relate it more functionally to development in the central parcel and to adjoining existing development. This highly visible area with a water feature could form a dramatic gateway to the development.

Plan the water features as valuable amenities. The water features shown on the plan are an inventive use of stormwater detention ponds. Attractively placed on the street edge of the site, they could provide an eye-catching setting for the village center. However, by placing the water features along the surface parking lots, the design ignores the value of the ponds as amenities. Instead, ponds and pools stretched along the southern edge of the site could provide an exciting feature for the buildings — for instance, for two or three restaurants (assuming restaurants proved economically feasible for this project). In addition, a bridge leading from the station over Lake Street could pass over the chain of pools, enhancing the project gateway experience. While it might still be necessary and even beneficial to export some stormwater detention capacity to the nearby community park, much of the required detention could be handled on site and add to the amenity value of the entire development. Similarly, the proposed pond on the western parcel should be integrated more artfully with building sites to increase their attractiveness.

Cluster retail development at the Church Street gateway. Since Church Street will be the primary entryway to the village center, this intersection should be viewed as the prime retail location for the project. It could provide a location for a single large store such as a drugstore and/or provide the entry point for a group of restaurants in a highly visible location. A gateway architectural feature would add to its prominence. Retailing at this intersection might still allow for a few thousand square feet of space for small shops and service businesses on the ground floors of residential buildings at the Village Green.

Pay attention to housing affordability. Although most of the existing housing in Hanover Park is considered "affordable" for moderate- to mid-range household incomes in this area, the panel suggested two aspects of future development that could affect affordability. One is the effect a successful town center development could have on the residential desirability of Hanover Park. The amount

of new, attractive residential development clustered around an exciting Village Green, bordered by a moderate mix of new uses, could change the market dynamics in the area, resulting in increased value for existing housing.

The second affordability concern is the condition of the row of garden apartments along Pine Tree Street. Unless improved, they will continue to de-value development of the northern tract, and possibly affect new development of the central parcel fronting on Maple Street. The panel recognized the potential involved in promoting redevelopment of this area for more attractive uses, and recommended using incentives to encourage the owner to properly maintain and manage the housing units.

Pay attention to housing affordability. Panelists suggested four possible approaches to retaining a measure of affordability while providing value to the village. One relates specifically to the garden apartments on Pine Tree Street, involving a paint and rehab campaign targeted at both property owners and residents, possibly with public funding assistance from the TIF district. A second approach was suggested by Calvin Holmes, a housing finance expert, who proposed a Village-led effort to upgrade poorly maintained housing throughout Hanover Park. As one possibility to encourage participation, he suggested establishing a housing trust fund that could use state tax credits and other funding sources to provide small grants or low-cost home improvement loans, or mortgage savings for first-time homeowners. Many jurisdictions and nonprofit agencies in the Chicago area have a great deal of experience with these types of programs. The third approach is to consider a set-aside of a certain percentage of affordable units in the new residential development, whereby developers cross-subsidize smaller and more affordable units with profits from market-rate units, a process often aided by density bonuses. The final approach is to partner with an experienced affordable housing developer to locate units within this redevelopment.

Stabilize the strip shopping center until a future use can be determined. The strip shopping center in the northern parcel presents a dilemma. Much of the floor space is vacant or under-used, but is buoyed by an apparently successful grocery store oriented to the large Latino population in the area. The panel did not foresee the feasibility of reviving the entire center as a retail operation, given the amount of competing space in the market area. At the urging of panelist Penny Wallingford, the panel recommended the Village encourage the owner to upgrade its appearance, the condition of the parking lot and other features to

avoid near-term failure. Then, at some future date, the Village should reassess the viability of the center and the potential benefits of redevelopment.

Find ways to incorporate public facilities in the new village center. The new village center, and especially the core around the Village Green, would benefit from public investments in new buildings, either stand-alone buildings (such as a village hall or library) or incorporated into private developments. A community college branch or new library would add significant activity and stability to the village center. In the longer term, the Village might consider that most town centers include the central public administration building as part of a civic presence.

As for the question regarding relocation of the current fire station, the panel believed that it had too little information on which to base a conclusion.

Development Process and Financing

Panelists made the following recommendations regarding development and financing:

Build on current market strengths. The panel strongly supported the idea of initiating development of the village center with clusters of townhouses, which are highly marketable in the mid-range prices being considered. Combining attractively designed townhouses with the greenway and Village Green would send a strong message that Hanover Park is establishing a new and positive image in the marketplace. A second phase of development of multi-story condominium buildings, possibly with some first-floor service retail and designed to link the Village Green with the rail station area, would strengthen that image and provide the core of the new village center.

Hanover Park should expect to adapt to the market for the various components planned for the village center. Early phases could be planned and completed in just a year or two, but as the center begins to flourish and mature, opportunities may arise to add density and broaden the mix of uses. The Village might gain value over a five- to ten-year period, as its position in the marketplace becomes established and attracts more interest from developers and investors. For example, the current Metra parking area might be considered for future development

for mid- to high-rise residential uses, with parking either shared within a base or below-ground structure or with Metra parking moved north of Lake Street and reached via a bridge. Such a joint Metra/Village project would take fullest advantage of resident access to the rail station.

Make critical decisions early, with public input. Martin Stern outlined two early decisions that would affect the quality of the entire project and its relationships to the community at large. One is rebuilding the park district maintenance building in a location less central to the village center. This would allow the center to link directly to the open space and recreational facilities available in the community park — an important plus for future residents in the village center. It would also provide the opportunity to manage stormwater detention related to the center on park grounds.

The second decision, one perhaps even more important to establishing the essential quality of the village center, is securing commitments and funding for a bridge over Lake Street from the rail station to development around the Village Green. That connection is vital for a development intended to be transit-oriented. In addition, it would provide a dramatic gateway to the village center and offer opportunities for mid-rise residential and retail development over a parking deck in the center of the project. An early decision on constructing such a bridge would provide direction to the design of the mixed-use part of the village center around the Village Green. The Village should immediately begin discussions with the Illinois Department of Transportation (IDOT) and Metra concerning the bridge concept and its potential benefits for transportation agencies as well as the village center.

If such a bridge proves infeasible after serious study, a fall-back option is to develop a pedestrian-friendly, at-grade crossing of Lake Street to the Church Street entryway. This might benefit from moving the proposed commuter parking structure to the western end of the Metra site.

Cast a wide net for project funding. Initial residential development should be feasible with little or no funding assistance from the Village (although the Village can greatly assist development through its planning and management functions). As initial residential development occurs, it will begin generating revenue through the TIF established for this project. TIF funds can be useful in stimulat-

ing other development in later phases — such as moving the fire station, adding public spaces and facilities, and initiating a housing improvement program.

TIF may also be helpful in funding a Village share in costs of the proposed bridge from the Metra station to the village center. However, those costs should also be shared by IDOT (as a component of the highway widening program), Metra (which will benefit from improved access to the rail station), and the developer of the "receiving" end of the bridge in the village center. Benefits of additional parking that could be shared by rail commuters from parking provided in the village center should not be overlooked.



Relocating a park maintenance building would open up views to a larger community park.

Funding for housing improvements, both in and adjoining the project, are already available from a wide variety of federal, state and local resources. To tap into these, Village officials should familiarize themselves with the funding as well as organizational resources available from existing housing agencies, foundations and housing organizations active in the Chicago area, including the Metropolitan Planning Council.

Establish a timeline for accomplishing key tasks. Clearly, the planned highway construction program will affect the ability of the Village to move ahead with specific development projects on a timely basis. The key public decisions identified above — the proposed pedestrian bridge and relocation of the park mainte-

nance building — also need to be factored into the initial stages of a phasing plan. The process for attracting and selecting developers for the various sections of project needs will require time. Village officials, perhaps with consultant assistance, should map out a time-phased program for these and other factors affecting the village center’s development process before final decisions on what, where and how development will proceed.

Consider employing a development consultant. Village officials have accomplished a great deal already in planning for development of the village center. In a sense, they have functioned as the “general contractor” for the project to date. But, the development process itself will present issues of specific market capacities, timing of improvements, final project designs, selection and monitoring of developers, and relationships of the center’s development to other village activities that will require expert and constant oversight. The panel strongly recommended the Village employ a development consultant — either a master developer or a consultant with expertise in working with local governments — to review and advise on proposals and designs, monitor development activities to assure adequate performance, and assist Village officials in making the countless decisions necessary to complete a successful mixed-use project, especially one involving critical highway and transit components. Such an advisor could mean the difference between a successful project that will enliven village life and its economy, and a complex of unrelated and dysfunctional components.

Hanover Park’s progress on this site has been steady. From initial conjecture about housing options and retail opportunities, Village officials have followed the recommendations of the first panel and moved forward with conceptual plans based on researched facts and numbers. The second panel again aided the community in moving forward, this time fine-tuning plans that look to the future and take into account the issues and concerns raised by the first panel. Developing a new range of housing options and sense of place through a residential transit-oriented development continues to be the goal of the community. They now have additional advice for steps to make it come to fruition.

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Summary of 2003 Hanover Park Panel Findings and Recommendations

Market Findings

1. The market conditions and projected trends on which the plan is based appear realistic considering a multi-year development process.
2. The market can absorb medium density housing and a range of housing types.
3. Two or three restaurants appear to be potentially marketable with the right placement and associated amenities.

Uses, Densities and Design Relationships

4. The Village should make more intensive use of this critical site.
5. Water features should be treated as valuable amenities.
6. Retail development should be clustered at the Church Street Gateway.
7. Developers and the Village should pay attention to housing affordability.
8. The strip shopping center should be stabilized until a future use can be determined.
9. The Village should explore ways to incorporate public facilities in the new village center.

Development Process and Financing

10. The project should build on current market strengths for residential development.
11. Key decisions should be made early, with public input.
12. The Village should establish a timeline for accomplishing key tasks.
13. The Village should consider employing a development consultant.



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