

# 2018 Year End Report

Community Development  
Department – Village of  
Channahon, IL

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## Preface and Methodology

This year-end report is issued for the benefit of the Village of Channahon Board of Trustees and staff, as well as decision-makers and elected officials of other local elected bodies, such as school and fire districts. Much of this report is broken-down into “Grundy County” and “Will County” as that dividing line serves as the border for several taxing districts including the grade school districts and fire protection districts. While there are additional grade school districts within the Village of Channahon beyond Channahon Grade School District 17 and Minooka Grade School District 201, none have had residential construction within the previous year. Minooka Community High School District 111 encompasses all of the areas of Channahon that are currently undergoing development, and thus does not need to be mentioned explicitly.

The statistics compiled herein are a result of reports generated by The Village of Channahon utilizing Village software developed by BS&A Software of Bath, MI. BS&A Software is utilized for all development department activities, including permitting, inspections, and code enforcement. Geographic representations are compiled from data exported from BS&A Software into ArcGIS software by ESRI of Redlands, CA.

Future predictions are based on information available, developers/builders’ stated expectations, and market analysis to issue a professional opinion. Predictions are not guaranteed, and external events have the possibility of causing unknown deviation from predictions to results.



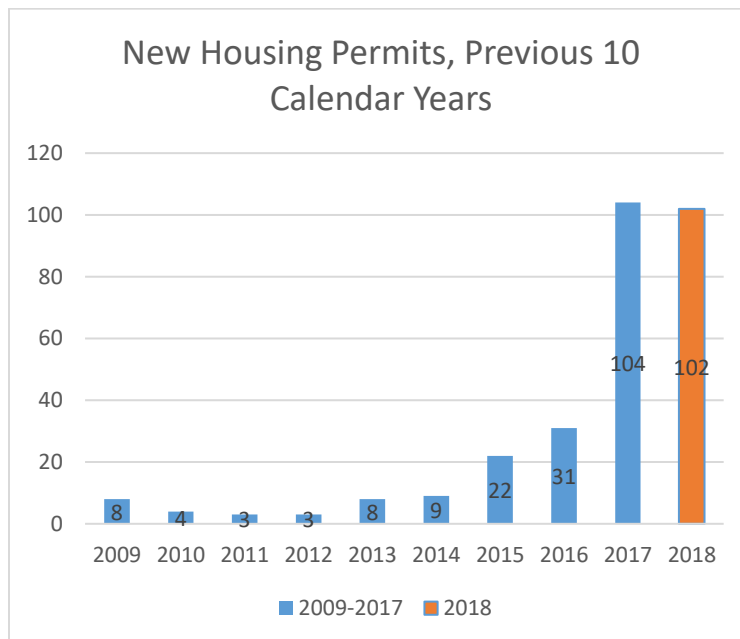
## 2018 Development Statistics

### *Permits & New Construction*

2018 continued the healthy growth pattern that was seen in 2017. The amount of new construction was nearly even with the previous year. The value of new construction was down 13.59% from 2017, as the previous year was bolstered by the large-value Venture One project at Crossroads 55. Two smaller industrial buildings began construction in 2018, but their combined size and value was less than the single Crossroads 55 building A. Other types of permits experienced a light increase of roughly 7%, as homeowners and businesses throughout the Village made improvements to their properties.

	<u>2017</u>	<u>2018</u>	<u>Change</u>
Total Permits	644	<b>689</b>	6.99%
New Construction Permits (all types)	105	<b>106</b>	0.95%
Construction Value (Millions)	\$65.12	<b>\$56.27</b>	-13.59%

When discussing the construction of new housing units in particular, 2018 kept nearly on pace with 2017. 102 new home permits were issued, two less than the previous year. It should be noted that four new home permits were being processed at the end of 2018, but were not issued before the New Year. If they had, 2018 would have exceeded 2017 by two permits.



### *New Residents and Move-In Analysis*

Based on information gathered from the sale of tax-transfer stamps, in 2018 there were a total of 226 non-exempt home transfers in the Village of Channahon. This would indicate that the sales of existing homes are slightly outpacing the number of new-construction homes purchased. The median sale price for all homes in Channahon was \$254,304, an increase of 3.82% from the 2017 median sale price of \$244,950.

Buyers of homes in Channahon are primarily coming from the south and southwest suburbs of Chicago. Of the 226 transactions, 193 chose to report their previous home address. Based on this data, the highest concentration of homebuyers come from neighboring Minooka, being 17% of the total. With 12% of the homebuyer concentration, Joliet is the number-two location from which people are relocating. Plainfield and Shorewood each comprised slightly over 5% of buyers. Current residents of Channahon who purchased a different home in Channahon accounted for 3% of sales.

### *Population and Distribution of New Housing Units*

As predicted, home building shifted heavily into Grundy County. The approximate 60:40 split between Grundy County:Will County that was seen in 2017 jumped to nearly an 80:20 ratio. In Grundy County, home building increased 25%, from 63 new homes to 79. Meanwhile home building in Will County dropped by 47%, from 43 new homes to 23. This is due to the build-out of subdivisions that are located within Will County, especially *Ravine Woods*. Though there are still developments with room to build, such as *Copperleaf*, these higher-market homes do not have the velocity of the developments that have price points nearer to median value.



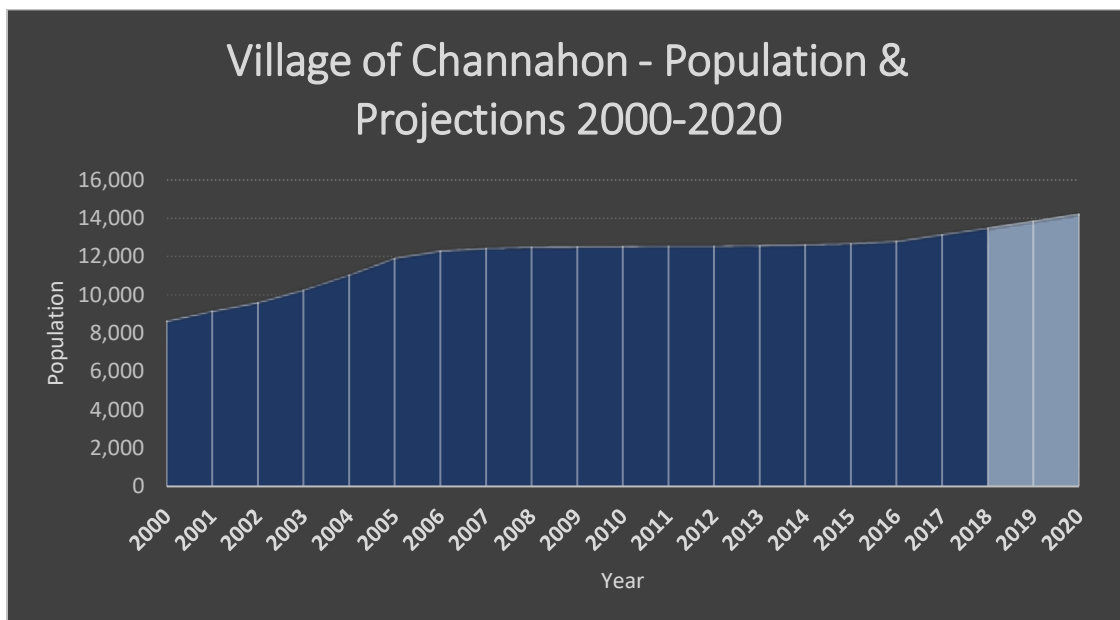
Locations of New Residential Construction: January 1 – December 31, 2018

- 23 in Will County / District 17 (23%)
  - *Ravine Woods*: 8
  - *Villas of Ravine Woods*: 6
  - *Town Center*: 4
  - *Copperleaf*: 3
  - *McKinley Oaks*: 1
  - *Serrano Subdivision*: 1
  
- 79 in Grundy County / District 201 (77%)
  - *Woods of Aux Sable*: 24
  - *Hunters Crossing*: 23
  - *North Hansel Estates*: 11
  - *Whispering Oaks*: 10
  - *Villas of Keating Pointe*: 7
  - *Highlands*: 2
  - *Wedgewood Highlands*: 1
  - *Deer Ridge*: 1



The highest construction activity was seen in the *The Woods of Aux Sable* subdivision, closely followed by *Hunters Crossing*. *North Hansel Estates* and *Whispering Oaks* also had home building of double-digit values. Overall, new construction of homes occurred in 14 different subdivisions.

Based on the average occupancy of a home at 3.4 persons, the estimated population of the Village is now 13,526, an increase of 2.6% from 2017. If increases continue as they have over the previous two years, the population is on pace to exceed 14,000 by 2020 and 15,000 by 2022. These population figures are calculated mathematically based on projected density information as determined by The Illinois School Consulting Service, and found in Village of Channahon Code of Ordinances §154.86.



Total 2018 estimated population increase: 347  
Population Growth Rate: 2.6%

*Grundy County / District 201:*

- 79 new housing units
- 269 new total population
- 54 new K-8 students
- 21 new Sr. High Students

*Will County / District 17:*

- 23 new housing units
- 78 new total population
- 16 new K-8 students
- 6 new Sr. High students

### *2018 Non-Residential Construction*

In 2018, four new non-residential buildings started. The Channahon Township Highway Department began construction of their new facility near Center/Bridge St. Interstate Chemical constructed a new 3,600 S.F. building at



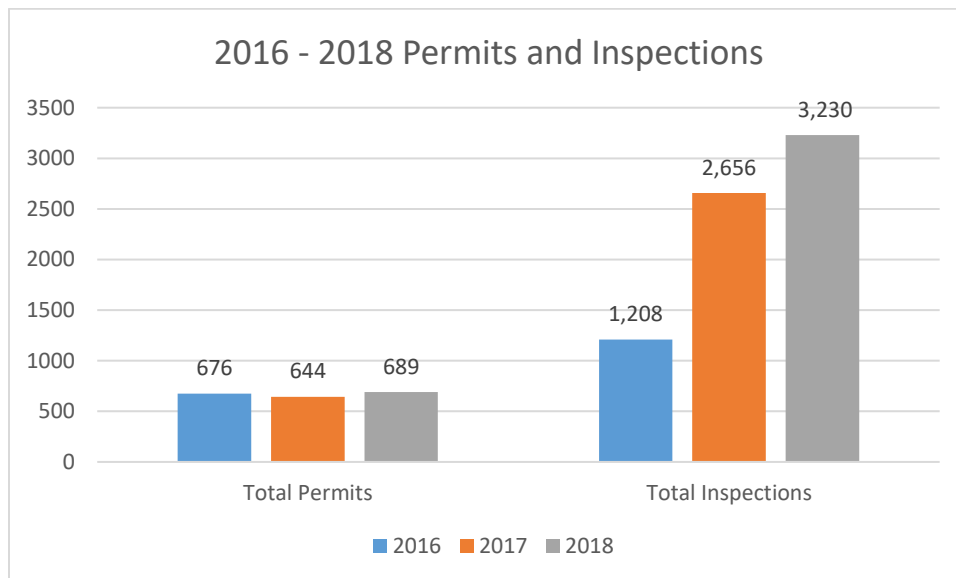
their location on Durkee Rd. Two new industrial buildings were constructed by Ridgeline Property Group and Crow Holdings Industrial, measuring 441,872 S.F. and 252,208 S.F., respectively. There were 7 permits issued for commercial/industrial alterations of previously constructed space. This includes build-outs of shopping center units and office additions.

### *Inspections*

Though the overall number of total permits that the Village issues per year has been relatively steady since 2016, the amount of inspections occurring throughout the Village continues to increase. Inspection quantities are up 22% from 2017, and 167% from 2016. This is due to the type of activity for which the permit is issued. For example, a new home has more inspections than a fence, while commercial & industrial buildings require more inspections than a home. The majority of inspections are conducted by Village of Channahon staff, comprised of the Village Building Inspector and Code Enforcement Officer. Plumbing inspections are conducted by a contracted plumber. In 2018 an outside inspection company was also contracted to supplement Village staff and conduct inspections as needed.

Increased new construction will continue to put pressure on staffing levels and cause expense increases for those inspections performed by outside parties. Outside inspection costs in 2018 trended 11% higher than the previous year. Costs are absorbed by the permit applicants, but costs do need to be considered for budgetary purposes. At the current rate of construction, additional inspection staff are not anticipated to be required. Should there be a significant increase in new construction starts above 2017 and 2018 levels, there may be the need for additional staff or additional outside inspection resources.

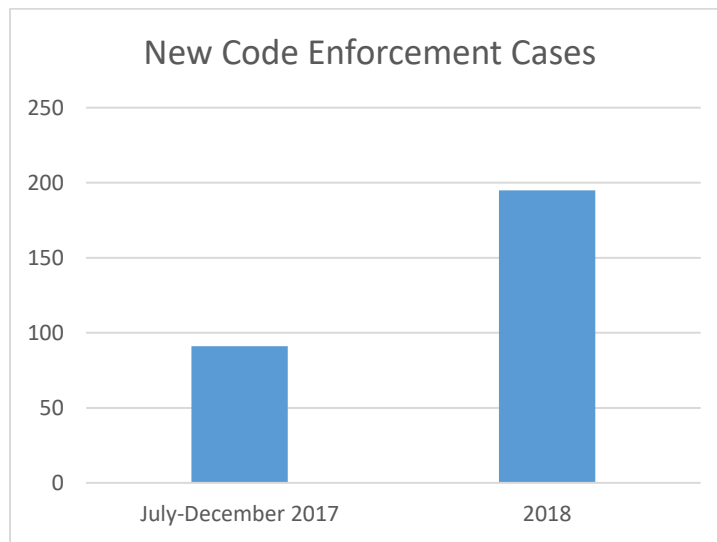
	<u>2017</u>	<u>2018</u>	<u>Change</u>
Total Inspections	2,656	<b>3,230</b>	21.61%



## Code Enforcement

2018 was the first full year of staffing for the Code Enforcement Officer position. In July 2017 the position was re-staffed for the first time in nearly a decade. The Code Enforcement Officer also assists in conducting inspections. Code enforcement activities are bringing an increased focus to deferred property maintenance of homes and other structures throughout the Village, as well as responding to complaints and monitoring necessary maintenance of unbuilt property.

	<u>July-December 2017</u>	<b>2018</b>	<u>Change</u>
New Cases	91	<b>195</b>	114.29%



## 2019 Development Projections

### *Remaining lot inventory*

At the end of 2018, the Village had 401 lots platted and ready for construction for residential housing units. 323 of these lots are intended for detached single-family home products – with 85% of them located in Grundy County / Grade School District 201. At current built-rates, this represents approximately three years of inventory.

Attached single family housing (townhome, duplex) is not building as quickly as detached single family homes. In fact, no attached single family homes of greater than two units have been constructed since the end of the recession. Some builders/developers have started to explore the idea of producing new attached single family products, but as of yet no permits applications have been filed.

There is a limited amount of other available lots scattered throughout Channahon, but not in a significant concentration. The table below displays remaining lot data for each developing subdivision. Without possible future developments, approximately 80% of all new home building in the coming years will be in Grundy County and Grade School District 201.

#### **Lot Inventory - Currently Platted Lots Within Developing Subdivisions**

<u>Development/Subdivision</u>	<u>Total Lots</u>		
	<u>Remaining at End of 2018</u>	<u>Will County</u>	<u>Grundy County</u>
Copperleaf	32	32	
Hunters Crossing	85		85
Keating Pointe	79		79
North Hansel Estates	9		9
Ravine Woods	1	1	
Town Center - Single Family	15	15	
Wedgewood Highlands	30		30
Whispering Oaks	53		53
Woods of Aux Sable	19		19
<b>Detached S.F. Total</b>	<b>323</b>	<b>48</b>	<b>275</b>
Town Center - Brownstones	21	21	
Townhomes - Keating Pointe	17		17
Townhomes - Whispering Oaks	26		26
Villas of Ravine Woods	14	14	
<b>Attached S.F. Total</b>	<b>78</b>	<b>35</b>	<b>43</b>
<b>TOTALS</b>	<b>401</b>	<b>83</b>	<b>318</b>



## Projected Population and Distribution of New Housing Units in 2019

### Home building projections for 2019:

High Estimate: 120 new housing units

Conservative Estimate: 80 new housing units

Steady Growth Rate Estimate: 105 new housing units

Population Distributions are based on the Steady Growth Rate Estimate.

#### *Grundy County / Grade School District 201:*

84 new housing units  
286 new total population  
56 new K-8 students  
23 new Sr. High Students

#### *Will County / Grade School District 17:*

21 new housing units  
71 new total population  
14 new K-8 students  
6 new Sr. High students

Like 2018, in 2019 it is expected that multiple builders will continue to contribute to the new construction of homes across Channahon. Likely, M/I Homes (*Hunters Crossing, North Hansel Estates*) and Core Homes (*Whispering Oaks, Woods of Aux Sable, and The Villas of Keating Pointe*) will continue to lead the single family home market in number of new units. All subdivisions, except for *Ravine Woods*, have inventory in sufficient quantities to sustain the 2018 building level throughout 2019. *The Woods of Aux Sable* should approach total built-out in 2019 or 2020. Two new developments restarted in 2018: *The Villas of Keating Pointe*, and *Town Center*. Both of these had unexpected delays due to lack of gas infrastructure which had to be installed by Nicor. These delays caused actual number of units produced to fall under their projected performance. Now underway, it has yet to be seen how rapidly these two developments will sell. *The Villas of Keating Pointe* has had considerable interest since the construction of their model home and a total of 7 homes have started construction. *Town Center* currently has three models under construction, along with one built-to-suit home.

As predicted, the building focus is shifting more heavily into Grundy County and Grade School District 201. The predicted 70:30 distribution between the counties was exceeded and a ratio of close to 80:20 was realized. While Grade School District 17 has room for growth, Grade School District 201 is currently constrained for space and has had a failed referendum attempt to construct additional schools. Channahon development in Grundy County will continue to contribute to the enrollment of Grade School District 201. There is no projected new residential construction to occur within the boundaries of Troy Grade School District 30c. With older students, 29 new Sr. High students are projected to be added in 2019 – all in Minooka Community High School District 111.

It should be further noted that the limited supply of lots in Will County leaves uncertainty if the predicted 21 homes will be constructed. Will County lot inventory for single family homes is limited to the developments of *Copperleaf* and *Town Center*. *Copperleaf* is a higher-end, slower-building subdivision. *Town Center* has yet to demonstrate how quickly homes may sell and build. For these reasons, the possibility exists that single family home construction in Will County will be lower than the ratio predicts.

### *Additional Future Residential Development*

The Village has approved a preliminary plat for *Ravine Woods Unit 3*. The final plat and engineering designs are still underway. When completed, the development will add 72 new single family home sites to the lot inventory in the Will County / Grade School District 17 area of Channahon. It is unlikely these lots will be ready for home construction prior to 2020, but the potential does exist that some could begin in late 2019. The Village has granted final approval to a



new subdivision named *Four Oaks*. This is a small subdivision of four lots located in Will County / Grade School District 17 which should begin construction in 2019. 6 additional home sites could also be platted within *The Woods of Aux Sable*, on the west side of Keating Blvd., with a potential to start construction by late 2019.

As was predicted a year ago, homebuilders are exploring greenfield sites for new residential subdivisions within several areas of Channahon. As lot supply continues to decrease, the demand for new residential lots is increasing. Likely new development would abut existing subdivisions in the greater Ridge Rd. / Hansel Rd. area or the northwest corner of Route 6 and Bell Rd. Both of these locations can contain several hundred homes, all in Grundy County / Grade School District 201. In the Town Center area, there have been preliminary discussions for an additional phase of single family housing, located to the north of existing homes, in conformity with the plans for *Channahon Town Center*. It is unlikely this will be under development prior to 2020, and is dependent on the build-rate of the unit now under construction.

### *Future Non-Residential Development*

Logistics and warehousing uses within the Village east of I-55 have been restricted to the areas lying between Bluff Rd. and U.S. Route 6. There continues to be repeated interest from developers to expand the industrial/logistics areas to other vacant land surrounding I-55, but current planning and political guidance is not favorable for this expansion. 2018 saw the beginnings of two new industrial buildings along I-55. It is unlikely that any additional buildings will start until the vacant inventory is absorbed by users. Throughout region along the I-55 and I-80 Corridors, several new speculative buildings have been constructed. Once demand catches up with the current supply, speculative buildings will likely resume construction. However, build-to-suit users may locate and construct at any time. At the time-being, several users for the current buildings are exploring lease options.

To the west, the Brisbin Rd./I-80 interchange area is of focus for future potential development, but is hampered by the current lack of municipal utilities. Several options have been and continue to be explored to bring services to this area. Progress may be made on this topic in 2019, but it is unlikely to result in new development within the year.

Construction of fuel centers will be visible in 2019. After considerable time spent engineering the sites, Speedway and Casey's will be constructing replacement facilities to supplant their outdated stations. The existing facilities will be decommissioned/demolished. Love's will be constructing a travel center at the former location of Werner Trucking on Bluff Rd. With the fueling will be three quick-serve restaurants: Arby's, Chester's Chicken, and Godfather's Pizza. This will bring proper service facilities for semi-trucks, and is intended to keep truck traffic away from the areas in which it does not belong.

Smaller commercial users have been exploring Channahon for potential locations. Many small users are constrained by the lack of buildings for commercial use and the often prohibitively high cost of constructing a new building. Overall available retail space is low, with most shopping centers in Channahon at or near 100% occupancy. Due to the struggling national retail sector and changing patterns of shopping, it is unlikely that more shopping centers will be proposed. However it is increasingly possible that built-to-suit situations may occur for specific commercial uses. The growth of e-commerce continues to accelerate, placing the focus of brick-and-mortar retailers on experiences and services rather than products. A focus of the 2019 Comprehensive Plan Update will help guide the Village with new planning for what is currently an over-abundance of land zoned for commercial development.



The Route 6 interchange area has completed the State of Illinois’ phase of road construction. The Village will be installing a traffic signal at Route 6 and the eastern frontage roads (Thomas Dillon Dr./Bradley St.) beginning in the spring of 2019. Improvements to this intersection including additional turn-lanes will also be underway. The Channahon Fire Protection District has taken ownership of land along Thomas Dillon Dr., north of the new Speedway location, for the future location of a fire station. The large tract of land on the northeast corner of this intersection is currently available for potential retail development. It is still expected that once the occupancy of buildings within the I-55 industrial corridor occurs, daytime population will increase and so will the desire for businesses to locate around the interchange to serve the worker population. Regionally, the Houbolt Rd. extension (bridge) and Rock Run Crossings commercial development do not have any certainty for construction or any timelines if they do construct. Those developments outside of Channahon’s borders may have an impact on the types of businesses choosing to locate here.

### *Re-Imagine Channahon, 2019 Comprehensive Plan*

The “Reimagine Channahon, 2019 Comprehensive Plan” is due to be delivered in the first half of 2019. Several areas of guidance are anticipated, both in broad terms and specific designs. Recommendations on ideal land uses, types of housing, and the modern marketability of sites in Channahon for non-residential uses are all expected. Additionally, specific detailed sub-area plans are being made for three key areas of Channahon: I-55 & U.S. Route 6, Town Center, and Ridge Rd. & U.S. Route 6. These plans will be a useful tool for attracting businesses and developers and guiding decision-making.



## Summary and Conclusions

2018 continued the level of residential new construction starts that were experienced in the previous year. The strong construction levels of new homes in 2017 and 2018 should continue into 2019. Without an external challenge (economic downturn, unemployment, lending rate increases, etc.) the number of new residential construction starts should continue to be in the lower 100s for the foreseeable future. However, current lot inventory for single-family homebuilding will be exhausted within 3 years unless new residential developments are approved and constructed.

Non-residential construction will remain slow compared to residential starts. Retail development is difficult, both with the changes to the retail landscape and the presence of already established retail corridors in neighboring areas. With a surplus of speculative warehouses available throughout the region, new starts on industrial buildings will likely wait until the existing buildings are filled. With guidance from the new comprehensive plan, new uses that fit today's market will be approached to develop with effective plans going into the future.

The results of the "Re-Imagine Channahon 2019 Comprehensive Plan" will play a guiding role for the approval of new land uses and developments. Plans formulated out of the desires of the community, balanced with market reality, will best serve the residents and businesses of Channahon. This new, modern plan will allow the Village to be proactive in driving development, versus a wait-and-see approach utilized by some other communities.

