



# 2017 Year End Report

Community Development Department – Village of Channahon, IL

## Table of Contents

Preface and Methodology .....	3
2017 Development Statistics.....	4
<i>Permits &amp; New Construction</i> .....	4
<i>Population and Distribution of New Housing Units</i> .....	4
<i>2017 Non-Residential Construction</i> .....	6
<i>Inspections</i> .....	6
<i>Code Enforcement</i> .....	7
2018 Development Projections .....	8
<i>Remaining lot inventory</i> .....	8
<i>Projected Population and Distribution of New Housing Units in 2018</i> .....	9
<i>Additional Future Residential Development</i> .....	9
<i>Future Non-Residential Development</i> .....	10
<i>Summary and Conclusions</i> .....	12



## 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 under current 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.

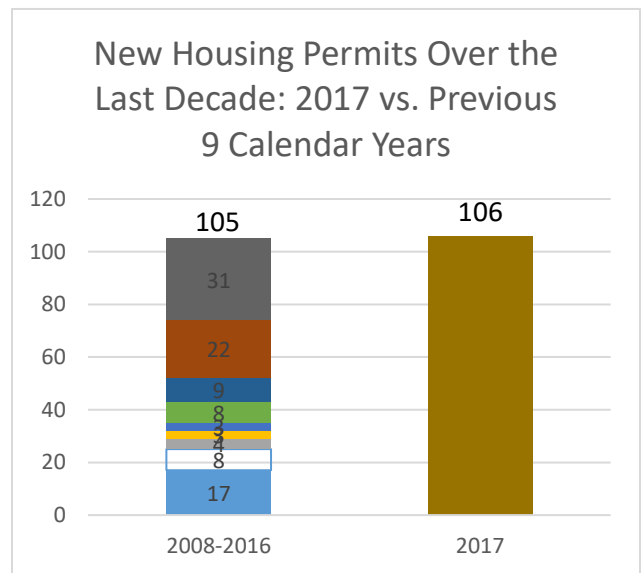
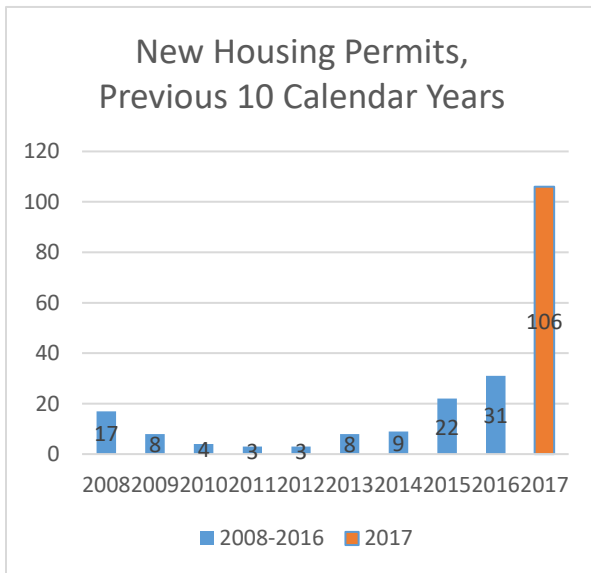


## 2017 Development Statistics

### Permits & New Construction

2017 was, by a considerable margin, the most new building activity seen in Channahon since the pre-recession era. It was also the largest year-over-year increase ever recorded, with new building activity up 242% from 2016. When looking back at the previous 10 years of new construction, 2017 exceeded the other nine years combined. Not surprisingly, the value of all construction permitted throughout the Village also increased by nearly 40% over 2016. This will have a projected impact of increasing EAV by roughly \$21.7-million (*not adjusted for homestead discounts or other exemptions*).

	<u>2016</u>	<u>2017</u>	<u>Change</u>
Total Permits	676	<b>644</b>	-4.73%
New Construction Permits (all types)	39	<b>107</b>	174.36%
Construction Value (Millions)	\$46.67	<b>\$65.12</b>	39.53%



### Population and Distribution of New Housing Units

The similar construction levels between Will County / District 17 and Grundy County / District 201 continued into 2017, with slightly more activity in Grundy County. Much of the building activity in 2017 was focused in the subdivisions of Ravine Woods, Hunters Crossing, and The Woods of Aux Sable. 2017 also saw the first activity in many years in the Copperleaf subdivision and the Villas of Ravine Woods. New construction was also seen in areas that are mostly built-out and not considered hotbeds of new building, such as Channahon Proper, Heritage Lakes, and The Meadowlands



subdivisions. These types of infill situations are difficult to predict, and did not add up to a considerable percentage of homebuilding. Based on the average occupancy of a home at 3.4 persons, the estimated population of the Village is now 13,179 and is on pace to exceed 14,000 by 2020 if increases continue at the same 2.8% population growth rate. 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.

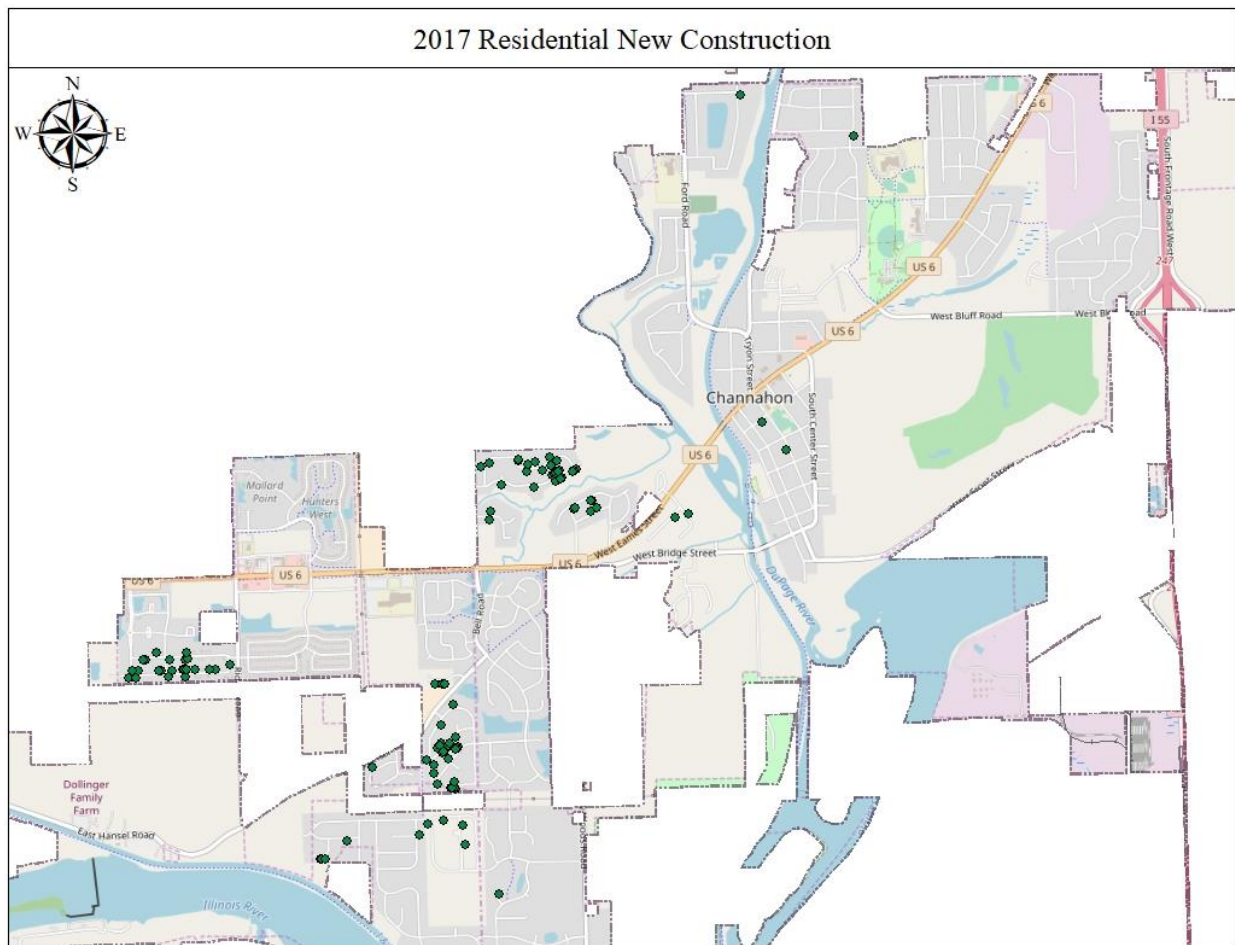
Total 2017 estimated population increase: 360  
Population Growth Rate: 2.8%

*Grundy County / District 201:*

- 63 new housing units
- 214 new total population
- 43 new K-8 students
- 17 new Sr. High Students

*Will County / District 17:*

- 43 new housing units
- 146 new total population
- 29 new K-8 students
- 12 new Sr. High students



Locations of New Residential Construction: January 1 – December 31, 2017



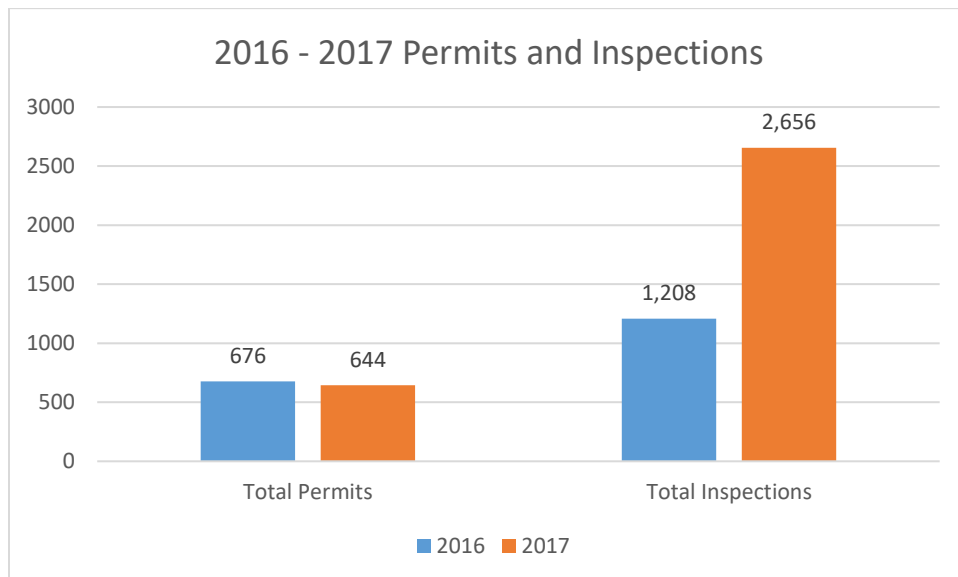
## 2017 Non-Residential Construction

2017 saw one new non-residential building started, being the 1,000,110 S.F. industrial building located in the Crossroads 55 Development. Additionally, the 750,000 S.F. industrial building in the Channahon Corporate Center was completed in 2017. There were 8 permits issued for commercial/industrial alterations of previously constructed space. This includes build-outs of shopping center units and office additions.

## Inspections

The rate of increase of inspections is not reflected in the number of new permits alone. New construction projects have numerous inspections, whereas other miscellaneous permits may only have one to two. In fact, while the number of total permits decreased slightly, the percentage of the permits that were new construction projects nearly tripled: increasing from 5.7% of 2016's permits to 16.6% of all permits issued in 2017. Increased new construction will continue to put pressure on staffing levels and cause expense increases for those inspections performed by outside parties. The ability of the new Code Enforcement Officer to conduct minor inspections has allowed the Building Inspector to focus on those expertise-required inspections related to new construction. At the current rate of construction, additional inspection staff are not anticipated to be required. However, additional assets will need to be allocated for outside inspections, as those costs have risen 56% from 2016 to 2017. Plumbing inspections, for example, are performed by contracted part-time personnel that are paid per inspection. The increase in building has caused for an increased need in contracted plumbing inspections. Should there be a significant increase in new construction starts above 2017 levels, there may be the need for additional staffing, or additional outside inspection resources.

	<u>2016</u>	<u>2017</u>	<u>Change</u>
Total Inspections	1,208	<b>2,656</b>	119.87%



## Code Enforcement

2017 saw a return of active Code Enforcement to the Village of Channahon, with the re-staffing of a Code Enforcement Officer. This action also freed the Building Inspector to be able to focus on inspection duties. The Code Enforcement Officer also assists by conducting minor inspections, such as those for fences. Moving forward in 2018, code enforcement activities will be bringing an increased focus to deferred property maintenance of homes and other structures throughout the Village.

	<u>July-December</u>		
	<u>2016</u>	<u>2017</u>	<u>Change</u>
New Cases	n/a	91	n/a



## 2018 Development Projections

### *Remaining lot inventory*

At the end of 2017, the Village had approximately 500 lots currently platted and ready for construction for single family residential housing units. Without the consideration of Keating Pointe, there are 265 detached single family lots available in Grundy County and 63 in Will County. 328 in total, plus Keating Pointe which is explained in the next paragraph. Attached single family homes (townhome/duplex) have 43 approved units in Grundy County and 41 in Will County, for a total of 84.

The elimination of a significant portion of future townhomes in the Keating Pointe Subdivision, in favor of detached housing units, has reduced the available inventory and likely created a product that will have a lesser impact on Minooka Grade School District 201. The previous 134 townhome units are now approved to be constructed as 86 detached single family units, with the target market being those that are downsizing and unlikely to have young children.

There are a number 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 Minooka Grade School District 201.

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

<u>Development/Subdivision</u>	<u>Total Lots remaining at end of 2017</u>	<u>Will County</u>	<u>Grundy County</u>
Copperleaf	35	35	
Hunters Crossing	108		108
Keating Pointe	86		86
North Hansel Estates	20		20
Ravine Woods	9	9	
Town Center - Single Family	19	19	
Wedgewood Highlands	31		31
Whispering Oaks	63		63
Woods of Aux Sable	43		43
<b>Detached S.F. Total</b>	<b>414</b>	<b>63</b>	<b>351</b>
Town Center - Brownstones	21	21	
Townhomes - Keating Pointe	17		17
Townhomes - Whispering Oaks	26		26
Villas of Ravine Woods	20	20	
<b>Attached S.F. Total</b>	<b>84</b>	<b>41</b>	<b>43</b>
<b>TOTALS</b>	<b>498</b>	<b>104</b>	<b>394</b>



## *Projected Population and Distribution of New Housing Units in 2018*

High Estimate: 148 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 / District 201:*

73 new housing units  
248 new total population  
49 new K-8 students  
20 new Sr. High Students

### *Will County / District 17:*

32 new housing units  
109 new total population  
22 new K-8 students  
9 new Sr. High students

In 2018 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, Keating Pointe) will lead the single family home market in number of new units. Blackjack Homes (Villas of Ravine Woods, Copperleaf) is expected to be a steady contributor as is Gardner Luxury Homes (Woods of Aux Sable). Multiple other homebuilders and homeowners will have several sites to add as well.

As the high-build-rate subdivision of Ravine Woods will reach total build-out of currently platted lots, building focus will once again shift more heavily towards Grundy County and District 201. The approximate 60:40 split (Grundy : Will) will shift to 70:30 in 2018. Based on the Steady Growth Rate Estimate, this has a 2018 additional student impact of a projected 49 new K-8 students in Minooka District 201 and 22 new K-8 students in Channahon District 17. While District 17 has ample room for growth, District 201 is currently constrained for space and is planning a referendum to construct additional schools. Without expansion of facilities within that school district, future building within District 201 may be detrimental. With older students, 29 new Sr. High students are projected to be added, all in Minooka Community High School District 111.

## *Additional Future Residential Development*

The Village has received an early preliminary plat for Ravine Woods Unit 3. If approved as presented, another 67 home sites would be available in the Will County area of Channahon. This could potentially happen as soon as mid/late 2018. As the housing market is more or less a zero-sum-game in the short-term, the addition of these lots to market may not significantly increase the building rate in 2018. In future years as each development gains momentum, increased starts are likely. Immediately, it would present more balance between the Will County and Grundy County portions of Channahon.

Also in Will County / District 17, several model homes are proposed to be constructed in the first half of 2018 in preparation for an earnest restart of homebuilding in Town Center. If successful, this may carry over into the creation of additional platted lots that are currently farm fields within the Town Center area. A significant detail of the upcoming new Comprehensive Plan will be an analysis of housing mix for success of the Town Center and what changes need to be made to the aging plan for it to be relevant into the future.

As building also increases across the economic spectrum, so does the rate at which the Ozinga Materials site removes sand and gravel. This site is preliminarily approved to contain 75 – 100 upscale lakeside homes upon the completion



of mining activities. While total completion is still years away, it is possible that some home construction begins sooner in time on the portions that are not to be mined near the western edge of the Heritage Bluffs Golf Course.

Other homebuilders have preliminarily explored greenfield sites within several areas of Channahon, but at the present time nothing is proposed for development. Likely new development would abut existing subdivisions in the greater Ridge Rd. / Hansel Rd. area in Grundy County.

In the multifamily sector, there has been preliminary exploration to resume/complete construction of the Mallard Point apartment buildings, which could bring +/-80 additional units of apartments to market. In Town Center, The St. Elizabeth Residences are now completed and occupied. The 48 senior (62+) rental apartments are fully leased and have a waiting-list of over 140 people. There is room on the site for future additional buildings to be constructed, though nothing additional has been proposed or approved at this time.

### *Future Non-Residential Development*

Somewhat harder to predict in the market is the direction of non-residential development. In the industrial sector, The Channahon Corporate Center and Crossroads 55 developments both have ample room for additional buildings. However, new buildings are not likely to be constructed until the current buildings are leased/occupied. While there is a strong chance that one or both of those buildings are occupied in the near future, there are no guarantees. Ridgeline Property Group is also in the process of seeking approval for a +/- 440,000 S.F. industrial building, which would be constructed in 2018, if approved. 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.

The Route 6 interchange area has had tepid interest from a number of various retail sector users, from hoteliers, restaurant operators and some retail sales tenants. Many are of a “wait and see” mentality, while the construction of the interchange area is completed. Once the occupancy of buildings within the I-55 industrial corridor occurs, daytime population will increase and so will the desire for acquiring locations surrounding the interchange to serve the worker population. There is also unknown certainty from the Rock Run Crossings proposed retail development, just north of Channahon and I-80. If that project moves forward it will likely be the focus area of Class A retail development. That could leave Route 6 to potentially catch the interest of Class B tenants. However, the lack of transportation infrastructure currently available and the cost for improvements could ultimately doom the Rock Run Crossings project. This would cause retailers to look for other potential sites; which could possibly bring retailers to Channahon or do the opposite and send them further north. With such uncertainty, The Village of Channahon will continue the pursuit of retail tenants.

Replacement sites for both Casey’s and Speedway fuel stations are anticipated to break ground in 2018. There is a possibility that Speedway may wait until after next winter, into 2019, depending on other construction in the area. The previously-approved NASCAR Car Wash has returned with information that after an unexpected delay, they still intend to construct the site purchased near Ridge Rd. and U.S. Route 6. The Special Use Permit for a car wash will need to be re-approved before construction may begin, as it has expired. No time-frame has been given by NASCAR Car Wash.



There will be smaller business openings in existing spaces, with at least new 2 restaurants working to open in 2018. Additionally, the former locations for Fryer’s Restaurant and Mugz’s Diner are available to be purchased/leased and occupied by new businesses. Overall available retail space is low, with most shopping centers 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.

The continued national demise of brick-and-mortar retail is expected to accelerate in 2018 and beyond, with more retailers closing stores and/or refocusing their offerings to the e-commerce market. With very few exceptions, significant retail expansion is unlikely in the imaginable future. The focus of the 2018 Comprehensive Plan Update should be to help guide the Village with new planning for what is currently an over-abundance of land zoned for commercial development in an era that is absent of demand for such.



## *Summary and Conclusions*

2017 brought a high-level of residential new construction starts, which surpassed expectations. The strong new construction levels of new homes in 2017 should continue into 2018 and beyond. 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. Without new land development, lot inventory will be exhausted within 5 years.

Non-residential construction will remain slow compared to residential starts. As road construction finalizes in the Route 6 and I-55 interchange area, retail sector development for interstate commerce activity is expected to increase. This will likely be focused on hotel and restaurant users. Significant sales tax generators, outside of fuel sales, are not expected to arrive in the short-term. Additional industrial/warehouse facilities will likely begin as those currently under construction are leased and occupied.

A key factor in development moving forward will be the results of the new Comprehensive Plan. As modern trends in housing and economic patterns are brought to focus with available development sites in the Village of Channahon, it is likely that several changes to planned land uses will occur. This includes a potentially larger variety of housing types and a reduction of the amount of land zoned for commercial uses. The focus of planned development continues to be not to fill up vacant land as quickly as possible, but to bring forward a wide variety of development types that are of lasting benefit for the residents of The Village of Channahon.

