

2019 Year End Report

Community Development Department
Michael C. Petrick - Director of Community
Development & Information Systems

CALENDAR YEAR ENDED DECEMBER 31, 2019



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Preface & 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 “Grundty 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 other than Channahon Grade School District 17 and Minooka Grade School District 201, none have had residential construction within the past 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 Community 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.

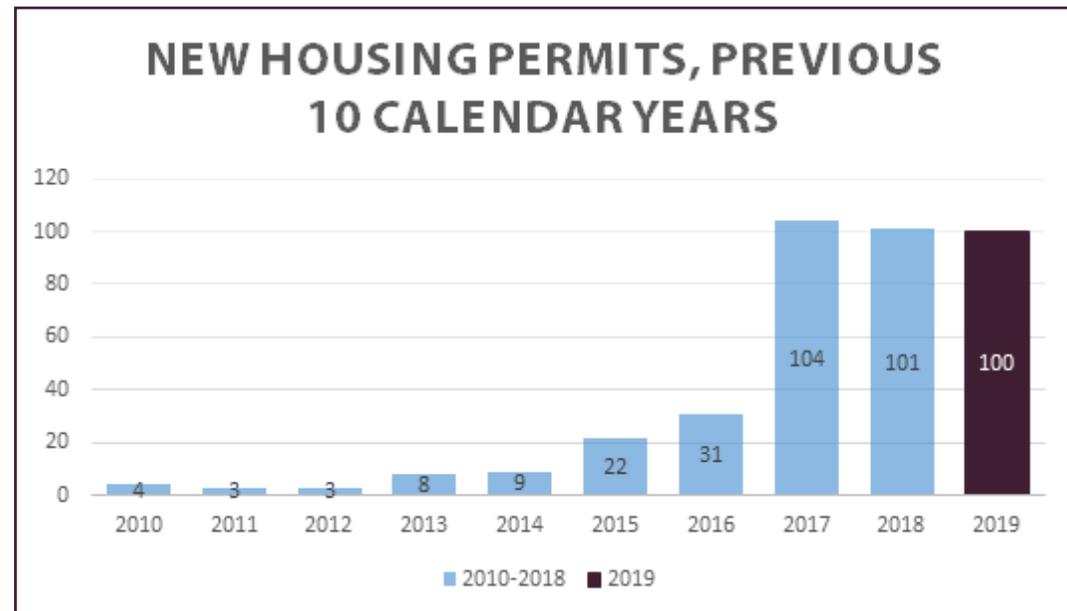
2019 Development Statistics

Permits & New Construction

2019 continued the steady pace of growth and new construction that was seen in 2017 and 2018. The amount of new construction was nearly even for the third consecutive year. However, the value of permitted construction in 2019 was more than double the 2018 value, bolstered by the start of construction of a new Amazon facility by Venture One in the *Crossroads 55 Business Park*. Three other non-residential new construction projects also began construction in 2019: new facilities by Speedway and DNJ Intermodal, plus an expansion by Utility Concrete. Other types of permits experienced an increase of roughly 12%, as homeowners and businesses throughout the Village made improvements to their properties.

	<u>2018</u>	<u>2019</u>	<u>Change</u>
Total Permits	689	755	12.48%
New Construction Permits (all types)	106	104	(-1.8%)
Construction Value (Millions)	\$56.27	\$135.03	138.97%

When discussing the construction of new housing units in particular, 2019 roughly kept the pace of the previous two years. 100 new home construction permits were issued, being the third consecutive year of adding home units of 100 or more.



*Data excludes St. Elizabeth Residences senior apartment units.

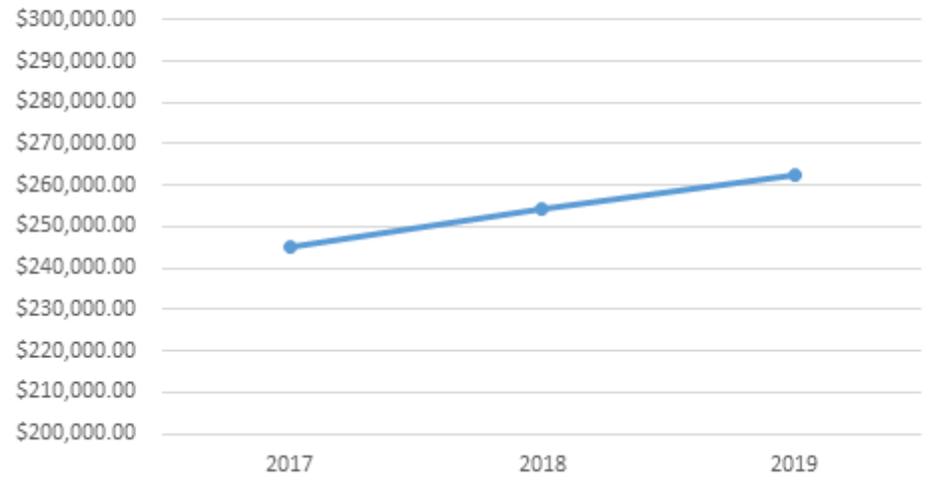
New Residents & Move-In Analysis

Based on information gathered from the receipt of tax-transfer stamp payments, in 2019 there were a total of 284 non-exempt home transfers in the Village of Channahon. This would indicate that the sales of existing homes are outpacing the number of new-construction homes purchased by a margin of nearly 2:1. The median sale price for all homes in Channahon was \$264,592, an increase of 3.26% from the 2018 median sale price of \$254,304.

Buyers of homes in Channahon are primarily coming from nearby surrounding areas, followed by the south and southwest suburbs of Chicago. Of the 284 transactions, 256 chose to report their previous home address. Based on this data, the highest concentration of homebuyers come from neighboring Joliet, comprising 18% of total buyers. Last year's leader, Minooka, fell slightly from 17% to 14% of the homebuyer concentration. Plainfield and Shorewood each comprised about 6% of buyers.

Interestingly, current residents of Channahon who purchased a different home in Channahon accounted for 17% of sales, which is up significantly from only 3% the previous year. This makes Channahon residents nearly tied with Joliet as the number one target market for home sellers to find their buyers. New residents coming to Channahon from out of state totaled 4% of sales.

EXISTING HOME MEDIAN SALES PRICE

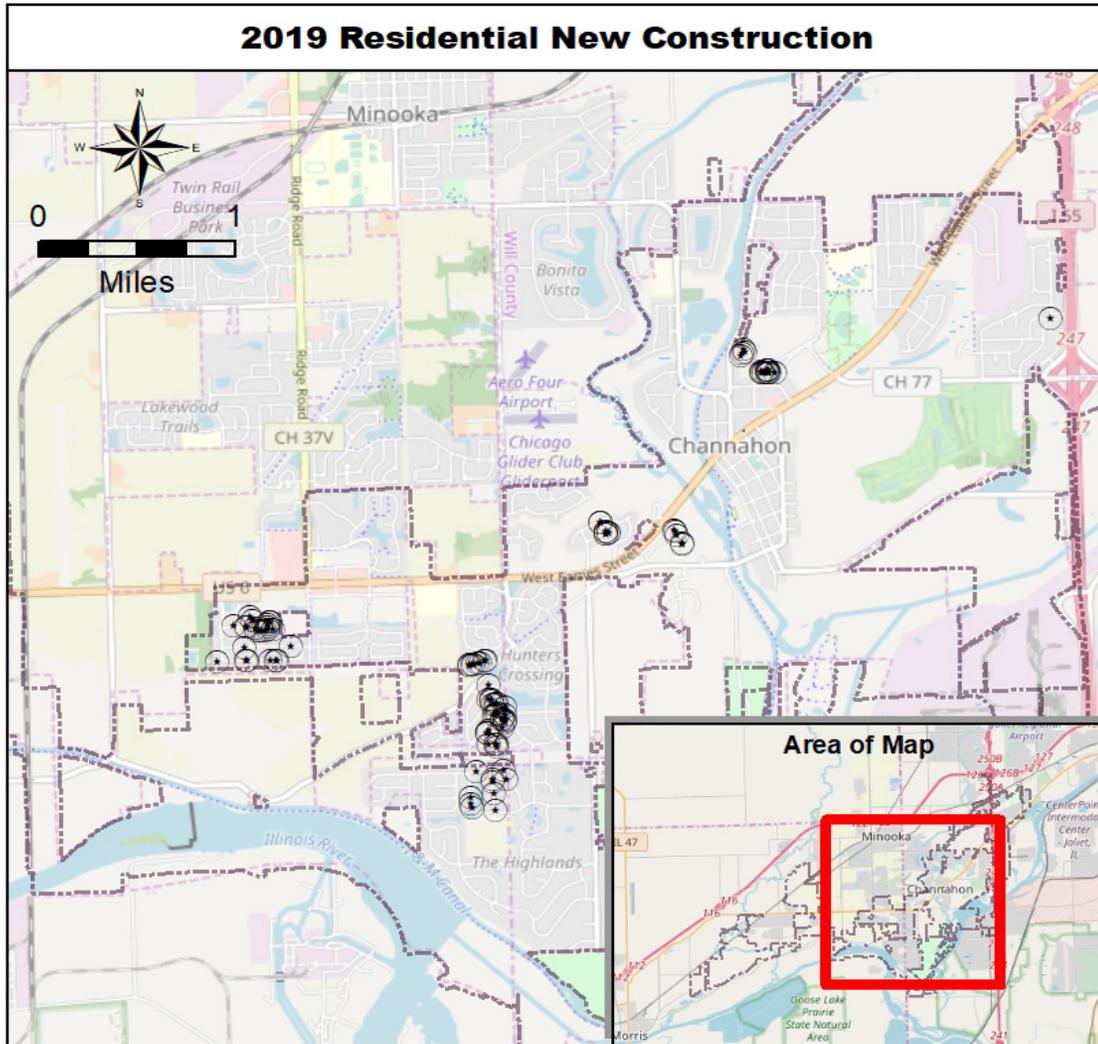


The median sale price for all homes in Channahon saw a 3.26% increase from 2018 to 2019



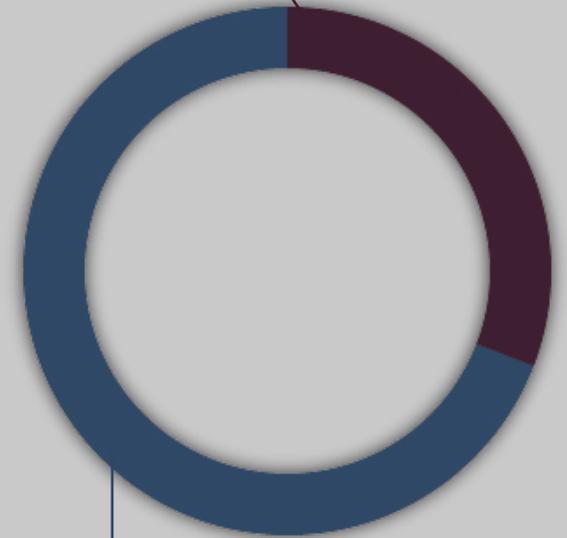
Population & Distribution of New Housing Units

As predicted, home building continues to be focused in Grundy County. In 2019, Will County produced a greater ratio of homes than it did in 2018, resulting in a 30:70 (Will : Grundy) ratio, but the focus is still heavily in Grundy County. Will County home building increased by nearly 40% from the previous year. Much of this is due to the Channahon Town Center now building homes at a moderate pace, with construction of 16 homes started during the year. In Grundy County, home building decreased by 11%, from 79 new homes to 70.



Will County / District 17 (30)

- *Town Center:* 16
- *Villas of Ravine Woods:* 8
- *Copper Leaf:* 5
- *Other:* 1



Grundy County / District 201 (70)

- *Hunters Crossing:* 27
- *Villas of Keating Pointe:* 16
- *Whispering Oaks:* 11
- *North Hansel Estates:* 8
- *Woods of Aux Sable:* 8

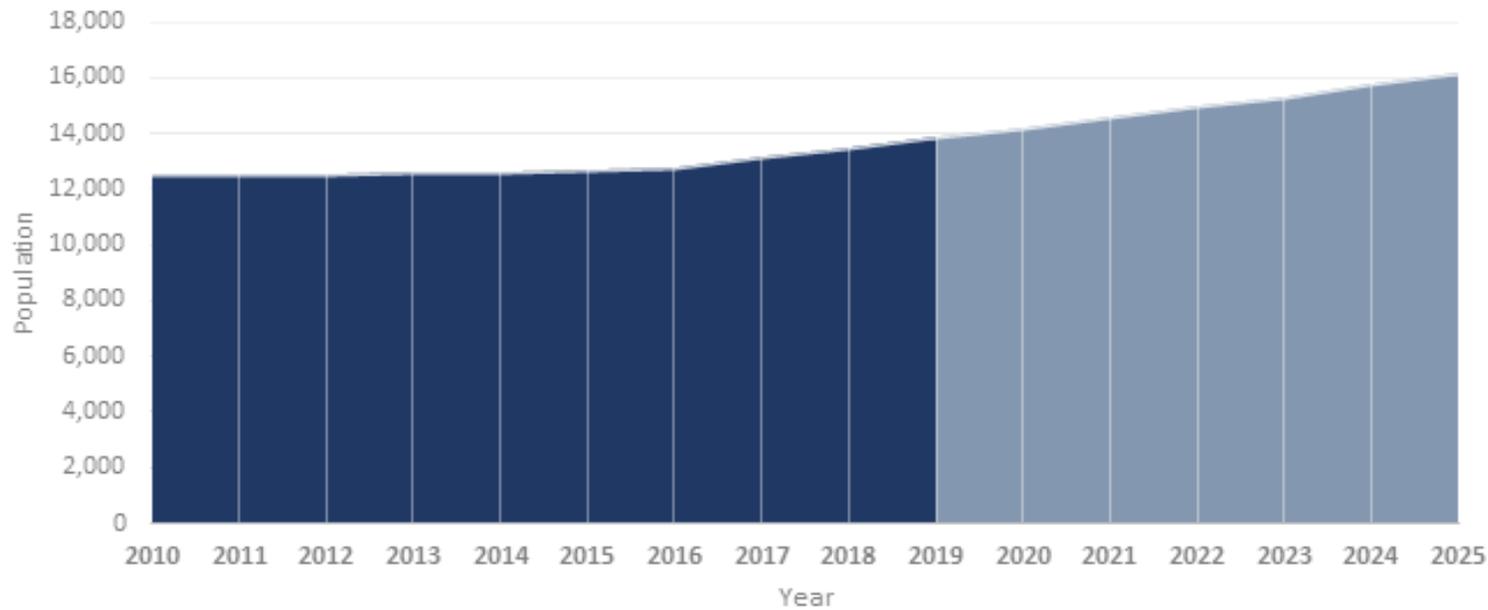
Channahon's
estimated population
rose 2.6% in 2019

The highest concentration of construction activity was seen in the areas being constructed by M/I Homes. The subdivisions of *Hunters Crossing* and *North Hansel Estates* are both M/I Homes subdivisions. They are in close proximity to each other on either side of Hansel Road. One out of every three homes constructed in Channahon during 2019 was built by M/I Homes. *The Villas of Keating Pointe*, detached single family "Villa" homes that were converted lots from a townhome development, also began constructing in earnest during 2019. Builders in the Copper Leaf subdivision, which is designed for larger homes on wooded lots, saw five new starts in 2019. Builders within that subdivision expect to surpass that amount in 2020.

Three of the most active developments in Channahon (*Town Center*, *Villas of Keating Pointe* and *Villas of Ravine Woods*) feature home products that are less than 2,000 square feet of living area (not including basement areas). This follows a national trend of buyers preferring smaller homes. Rationalization for this is both in terms of those older generations downsizing and younger generations preferring less home maintenance, among other factors. The average home size built in 2019 was 2,111 S.F., down from 2,336 in 2018 and 2,252 two years prior. However, reduced living space is not true for all homes constructed, with numerous new homes constructed at sizes over 3,000 S.F. The largest home built in 2019 was just under 5,000 S.F. Values of homes are also not necessarily determined by square footage, as numerous new homes with <2,000 S.F. have approached similar values of some homes constructed over 3,000 S.F. This is true due to buyers valuing quality amenities and features in their homes over larger footprints. Generally speaking, not one particular size or type of housing in the Village is significantly more in-demand than another type: all home types are desirable among different buyers.

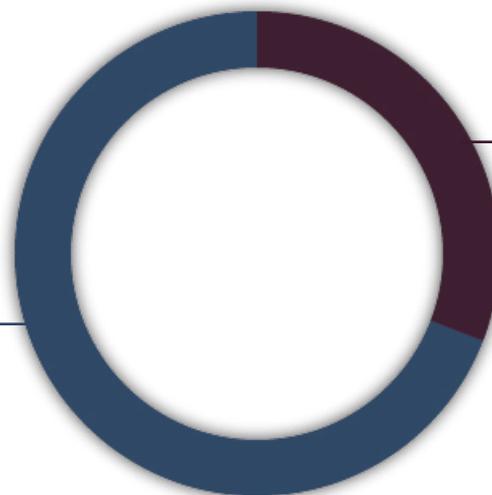
The population of the Village of Channahon continues to grow on-pace with expectations. Based on the average occupancy of a home at 3.4 persons, the estimated population of the Village is now 13,855 an increase of 2.6% from 2018. If increases continue as they have over the previous three years, the population is expected to exceed 14,000 in 2020 and 16,000 by 2025. 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. With the decennial census to be conducted in 2020, a more accurate real-world population figure will be available in the coming year. That number will be used for the new mathematical baseline moving forward, until the next census count in 2030.

VILLAGE OF CHANNAHON POPULATION & PROJECTIONS 2010-2025



Total 2019 estimated
population increase: 340
Population
Growth Rate: 2.6%

Grundy County / District 201
70 new housing units
238 new total population
48 new K-8 students
19 new Sr. High students



Will County / District 17
30 new housing units
102 new total population
21 new K-8 students
8 new Sr. High students

2019 Non-Residential Construction

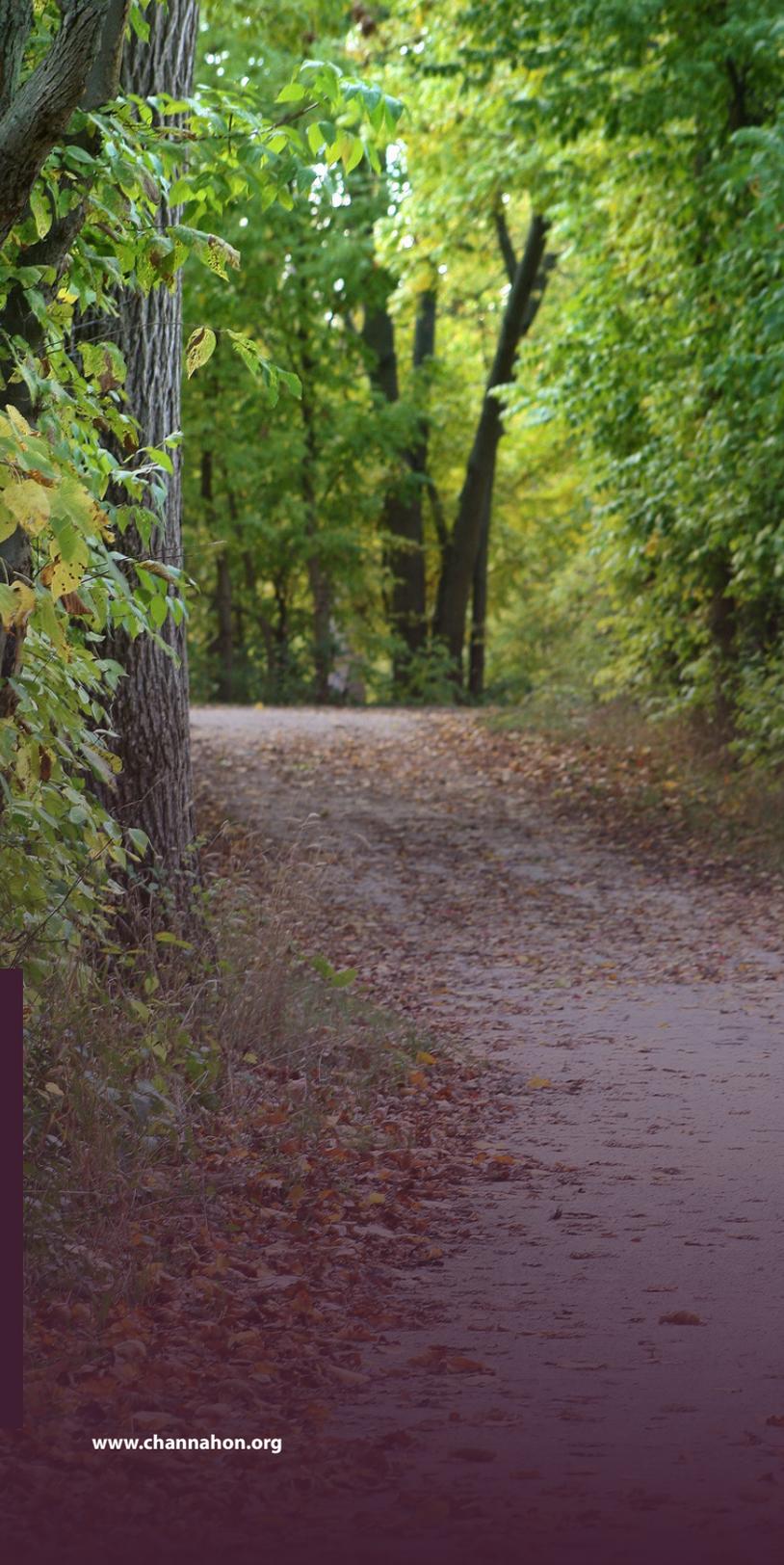
In 2019, four new non-residential buildings started construction. The largest of these projects is the 1,071,123 S.F. facility for Amazon. The structure includes two mezzanine levels as well as approximately 50,000 S.F. of office space. It is anticipated the building will be occupied and in-use by the fall of 2020. Two other projects were re-locations by Channahon businesses to new facilities. DNJ Intermodal, which has operated a facility on Northern Illinois Drive, has constructed its new Customer Headquarters on Exchange Boulevard in the Channahon Corporate Center. Speedway also constructed a replacement fueling facility at the corner of U.S. Route 6 and Thomas Dillon Drive. On the western edge of Channahon, Utility Concrete Products LLC added 55,100 S.F. of new building space to their operation. There were also 11 permits issued for commercial/industrial alterations of previously constructed space. This includes updates and modifications to existing businesses, as well as build-outs of shopping center units and office additions.

Green Energy

While 2019 was not the first year that solar installations occurred in the Village of Channahon, it was the first year that a significant number of solar installations occurred. In total, 39 homes added solar arrays to their properties.



39 homes added
solar arrays to their
properties in 2019



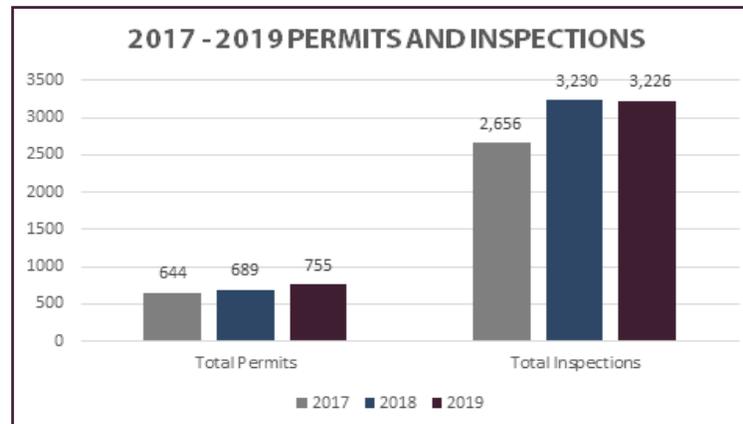
Inspections

The number of inspections appears to have reached a plateau, relative to the number of permits issued. There is no material change in overall inspection quantity from 2018 to 2019. This follows an increase of inspection quantities by 22% from 2017 to 2018. With the growth of issued permits, this discrepancy may be resolved by the possibility that more activities are being completed successfully the first time, without the need for correction and re-inspection. It should be anticipated that inspection amounts will remain stable and manageable with a similar level of permits being issued. 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 first contracted to supplement Village staff and conduct inspections as needed. This continued into 2019, but on a smaller basis.

However, with significant large new products coming to market, such as the buildout of industrial buildings, there will be increased workloads on inspectors. For instance, the Amazon business operations model will bring significant internal building infrastructure, such as freight elevators and conveyor systems. Previously constructed industrial buildings were empty speculative buildings. As these speculative spaces convert to varying levels of finished operations, more inspections will likely be required.

Contracted outside inspection costs in 2019 trended 8% lower than 2018, but still about 3% higher than what was paid in 2017. The majority of costs are absorbed by the permit applications, but the value still needs to be considered for budgetary purposes. Should there be a significant increase in inspection demands above the previous year levels, there may be the need for additional inspection resources.

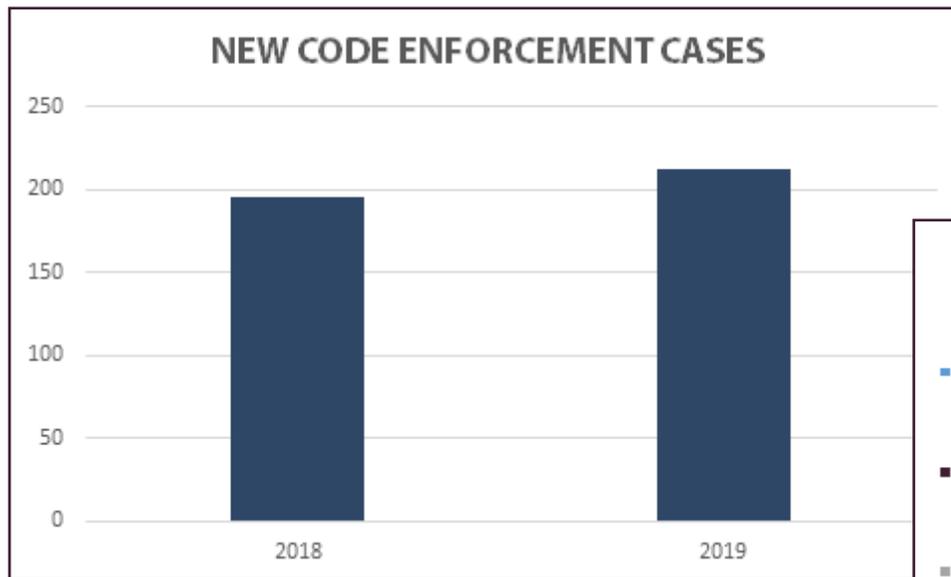
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>Change</u>
Total Inspections	2,656	3,230	3,226	(-0.12)%



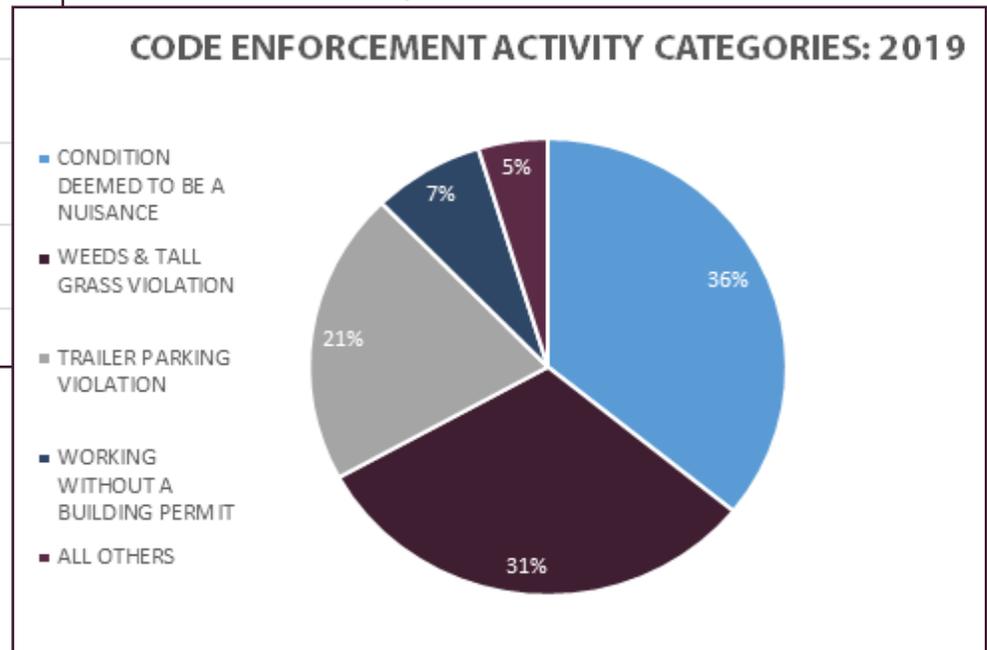
Code Enforcement

2018 was the first full year of staffing for the Code Enforcement Officer position and that year’s data serves as the annual baseline for enforcement cases. In May of 2019, the position became vacant due to staff promotion of the Code Enforcement Officer to another department within the Village. The position was not filled until August of 2019, leaving an absence for what is typically the busiest time of the year for new enforcement cases. Despite this vacancy, new enforcement cases were up nearly 9% from 2018. The Code Enforcement Officer also assists in conducting inspections. Code enforcement activities will continue to bring an increased focus to deferred property maintenance of homes and other structures throughout the Village, as well as respond to complaints and monitor the necessary maintenance of unimproved property.

	<u>2018</u>	<u>2019</u>	<u>Change</u>
New Cases	195	212	8.72%



The three largest categories of code enforcement activities make up nearly 90% of all violations. Those are: Conditions Deemed to be a Nuisance, Weeds & Tall Grass Violations and Trailer Parking Violations.



Remaining Lot Inventory

At the end of 2019, the Village had 301 lots platted and ready for construction with residential housing units. 240 of these lots are intended for detached single-family home products - with nearly 90% of them located in Grundy County / Grade School District 201. At current built-rates, single family home inventory will be exhausted by the summer of 2022.

While there have been numerous duplex homes constructed, other types of single family homes, such as townhomes, have not been built since prior to the great recession. To meet market demands, in 2019 the Town Center Brownstone product was converted to a duplex product, from the originally planned three and four unit buildings. None have begun construction as of yet, but should begin in early 2020.

2019 Year End Lot Inventory - Currently Platted Lots in Developing Subdivisions

<u>Development/Subdivision</u>	<u>Total Lots Remaining at</u>		
	<u>End of 2019</u>	<u>Will County</u>	<u>Grundy County</u>
Copper Leaf	26	26	
Four Oaks	4	4	
Hunters Crossing	58		58
Keating Pointe	63		63
North Hansel Estates	1		1
Town Center - Single Family	5	5	
Wedgewood Highlands	30		30
Whispering Oaks	42		42
Woods of Aux Sable	11		11
Detached S.F. Total	240	35	205
Town Center - Brownstones	12	12	
Keating Pointe - Townhomes	17		17
Whispering Oaks - Townhomes	26		26
Villas of Ravine Woods - Duplexes	6	6	
Attached S.F. Total	61	18	43
TOTAL	301	53	248

301 platted lots
remained in developing
subdivisions at the end of
2019

2020 Development Projections

Projected Population & Distribution of New House Units in 2020

Similar to 2019, in 2020 it is expected that multiple builders will continue to contribute to the new construction of homes across Channahon. Likely, M/I Homes (*Hunters Crossing*) and Core Homes (*Whispering Oaks* and *The Villas of Keating Pointe*) will continue to lead the single family home market in number of new units. The existing phases of *Town Center* single family, *The Woods of Aux Sable* and the *Villas of Ravine Woods* duplexes should all reach complete build-out in 2020. However, as more subdivisions reach completion and buyer choices become more limited, there may be a temporary slow-down in the homebuilding market until newly proposed subdivision units are ready.

The Villas of Keating Pointe has had considerable interest and more than doubled its home production from 2018 to 2019. This demand should remain stable for 2020 and beyond, as ample lots remain to carry the 2019 progress through to 2023. The housing product is targeted to those buyers who are choosing to downsize the size of their homes later in life, as well as to young working professionals that may not necessarily be focused on the typical family housing dynamic. As such, these housing units should have lesser impact on the school districts than more traditional housing products.

Town Center experienced rapid demand growth and has nearly sold-out the single family home inventory within one year of the opening of its model homes. The modified brownstone product, now as duplex units, plans to begin construction of a model/speculative building in 2020. Demand for this product has yet to be proved in the Town Center, but duplexes have sold well in the nearby *Villas of Ravine Woods*. With no other duplexes on the market in Channahon, Town Center should be able to complete the planned 12 duplex units within 2 years.

Residential growth continues to be concentrated in Grundy County and Grade School District 201. While Grade School District 17 has room for growth, Grade School District 201 is constrained for space and has been under pressure to keep pace with the growth of the communities that it serves (portions of: Channahon, Joliet, Minooka and Shorewood). Channahon development in Grundy County will continue to contribute to the enrollment of Grade School District 201, with a predicted increase of 48 more students. In 2020, there is no projected new residential construction to occur within the boundaries of Troy Grade School District 30c or Joliet Township High School District 204. 28 new Sr. High students are projected to be added in 2020 - all in Minooka Community High School District 211.

Home building projections for 2020:
High Estimate: 110 new housing units
Conservative Estimate: 70 new housing units
Steady Growth Estimate: 95 new housing units

Grundy County / Grade School District 201
72 new housing units
245 new total population
48 new K-8 students
21 new Sr. High students

Will County / Grade School District 17
23 new housing units
78 new total population
15 new K-8 students
7 new Sr. High students

Additional Future Residential Development

The Village has approved a preliminary plat for *Ravine Woods Unit 3* and engineering reviews are currently 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. With engineering plans still needing to be finalized, and all infrastructure installed, it is unlikely that these lots will be ready for significant home construction in 2020, but the potential does exist that some could begin later in the year.

Channahon Town Center Unit 4 has been submitted for engineering review. When approved, an additional 50 single family home sites will be available, in conformance with the already-approved preliminary plat and development plans for *Channahon Town Center*. These single family homes, located on extensions of St. Peters Drive, St. Paul Avenue and St. Ann Way, will continue with the same floor plans and models that were built in 2019. All are located in Will County / District 17. It is expected that construction of the development may begin by mid-summer. Like *Ravine Woods Unit 3*, there may not be significant home construction in this calendar year, due to the amount of time required to install roads and utilities.

With the steady demand for housing in the Village of Channahon, a few inquiries have been made into new greenfield developments. *The Peninsula at Ravine Woods* has submitted multiple concept plans ranging from 50-60 housing units to be arranged in varying product types: single family detached villas, attached single family duplex units and 2-story condominium buildings. Like the *Villas of Keating Pointe*, these products are targeted to the similar market desires of customers that are downsizing and young buyers that prefer a smaller home footprint. For traditional single family housing, it is likely that new subdivision developments will need to command higher price points than those that are selling today - to address the rising cost of infrastructure extensions. Thus, new developments may not be entirely competitive until the existing lot inventory is exhausted.

The Steady Growth Estimate for home building predicts 95 new housing units in 2020



Future Non-Residential Development

The demand for businesses of and relating to logistics and warehousing continues to be strong throughout the region. *The Reimagine Channahon 2019 Comprehensive Plan* reaffirmed the Village's position that industrial uses should not propagate west of I-55 or north of U.S. Route 6. The exceptions to this would be those areas that are already occupied by older industrial uses, such as along the frontage road as well as in *Channahon Industrial Park* and *Riverside Industrial Park*. Another exception would be the development of those lands located west of McClinden Road, in the region already occupied by heavy industrial uses. Along the existing I-55 industrial corridor, vacant land remains for approximately 1.5-million square feet of additional building space. Should the existing speculative building located in the Crossroads 55 Business Park become leased, Venture One will likely begin another speculative building in short order. The possibility for another new build-to-suit structure, like Amazon, also exists. However, this is more difficult to predict as most users choose to occupy existing speculative buildings.

Love's Travel center, located at the southwest corner of Exchange Boulevard and Bluff Road, east of I-55, should begin construction in the first part of 2020. Already, the buildings occupying the former Werner Trucking facility have been demolished to make way for the fuel center along with its trio of restaurants: Arby's, Chester's Chicken and Godfather's Pizza. This facility is a necessary part of the commercial infrastructure for the neighboring business parks to the north, providing trucks with parking and rest-stop facilities that will prevent parking along roads and interstate ramps. Love's may also contribute to congestion mitigation at Pilot, as drivers will have more options for fueling.

Casey's should finally be on target to break ground on its replacement facility, located just east of the existing Casey's fuel station. This development was predicted to have already been underway, but it was stalled due to engineering setbacks and delays caused by IDOT reviews. These hurdles now appear to have been cleared and Casey's should be able to proceed with construction in the spring of 2020. The site will not have facilities to serve semi-trucks, but will be adding a 2-lane automatic car wash to its fuel and convenience store uses. The old Casey's will be decommissioned, the fuel tanks/pumps/canopy removed, and the building is intended to be repurposed for another use.

To the west, the Brisbin Road/I-80 interchange area is of focus for future potential non-residential development, but is hampered by the current lack of utilities. Several options have been, and continue to be, explored to bring services to this area. Some progress was made on this topic in 2019, but recent land transactions in the area could suddenly bring inclination for the development of this area. Still, it is unlikely that new projects will begin in calendar year 2020 due to the amount of design work and engineering that would be required prior to construction.

The potential for hotel development and highway commercial uses exists around the I-55 & U.S. Route 6 interchange. Discussions with these hotel users has resulted in more of a "wait-and-see" approach, with many watching what may occur with the Rock Run Crossings development at I-55 & I-80. With the recent addition of hotels in the area over the past few years (two in Minooka, another at Houbolt and I-80, and another about to open at I-55 and Route 52), there is concern that too many rooms have come online in the market area in such a short time. It is thought that any need for a hotel in Channahon would have to be driven from within Channahon's business users, rather than driven by interstate traffic. As the business parks east of I-55 begin operations, the answer to the questionable need for hotel uses in Channahon will become clearer.

Demand for businesses of
and relating to logistics
and warehousing
continues to be strong



Reimagine Channahon, 2019 Comprehensive Plan

The “*Reimagine Channahon, 2019 Comprehensive Plan*” was approved and adopted in December of 2019. The Village will begin implementing some portions of the plan immediately, while other portions may take years - or decades - for implementation. Aside from basic land use decisions, stated improvements to transportation networks and the retention of open space for recreation will be focal points in the coming years. The detailed sub-area plans will be utilized as a marketing tool to show real estate developers the potential for the development of certain key areas of Channahon: I-55 & U.S. Route 6, Town Center and Ridge Road & U.S. Route 6. Like the comprehensive plans before it, *Reimagine Channahon* will be used to guide policy on development and land use decisions today and into the future.

RE-IMAGINE CHANNAHON COMPREHENSIVE PLAN 2019

Summary & Conclusions

2019 kept pace with the two previous years before it, in terms of development and predicted expectations. As the supply of residential lots continues to dwindle from the post-recession high of over 1,000 available lots, market velocity for homebuilding may also slow. New lots are currently under review and will eventually bring more to the market, but those lots likely will not arrive on-time to have a significant impact on construction numbers for 2020.

Non-residential development continues to be impacted by the changing model of consumer product delivery. Much of the proposed new development revolves around consumption-based goods, such as food and fuel. While the Village continues to receive numerous inquiries for large logistics and e-commerce facilities, there is no desire to expand their presence in the I-55 corridor beyond already approved business park areas. The I-80/Brisbin Road area seems poised for future development, but not imminently.

With the adoption of the *Reimagine Channahon 2019 Comprehensive Plan*, focus will be moving away from the planning phase to the implementation phases. The recommendations of the plan will be continuously referenced for guiding the development of residential and non-residential lands, as well as community improvement in numerous categories. Barring any macro-economic interference, the Village of Channahon should continue on a predictable course for building and development for the foreseeable future.

