



**DES PLAINES PLANNING AND ZONING BOARD MEETING
August 27, 2024
MINUTES**

The Des Plaines Planning and Zoning Board held its regularly scheduled meeting on Tuesday, August 27, 2024, at 7:00 p.m. in Room 102 of the Des Plaines Civic Center.

Chairman Szabo called the meeting to order at 7:02 p.m. and roll call was established.

PRESENT: Weaver, Fowler, Bronakowski, Saletnik, Veremis, Szabo

ABSENT: Catalano

ALSO PRESENT: Samantha Redman, Senior Planner
Ryan Johnson, Assistant Director of Community & Economic Development

A quorum was present.

APPROVAL OF MINUTES

A motion was made by Board Member Weaver, seconded by Board Member Veremis to approve the meeting minutes of August 13, 2024, with corrections provided to staff.

AYES: Weaver, Saletnik, Veremis, Bronakowski, Szabo

NAYS: None

ABSTAIN: Fowler

MOTION CARRIED

PUBLIC COMMENT ON NON-AGENDA ITEM

There was no public comment.

General Communications:

Chairman Szabo stated the list of administrative decisions is now located on the agenda for each meeting for approvals or denials of minor variations.

Chairman Szabo asked about the cases where siding is allowed instead of brick. Senior Planner Redman clarified it was frequently for alterations to buildings with existing siding or for additions to a rear of a property.

Member Veremis and Chairman Szabo asked about the appeal process. Ms. Redman stated they would apply for an appeal within 30 days and present the case at a public hearing with the Planning and Zoning Board, appealing the determination or interpretation of the zoning administrator. Ms. Redman stated that they have received appeal requests before, but often an alternative design or other measure is coordinated by staff not requiring this zoning relief.

Pending Applications:

Chairman Szabo introduced the case on the agenda.

1. Address: Citywide

Case Number: 24-043-TA

Consider Zoning Ordinance amendment to amend Footnote 17 in Section 12-7-3.K. to exempt medical clinics and laboratories from size and proximity restrictions for office uses.

PIN: Citywide

Petitioner: Greater Family Health, Inc. 3150 W. Higgins Rd. Ste 130, Hoffman Estates, IL 60169

Case Number: #24-043-TA

Senior Planner Samantha introduced the item and went through the presentation of the staff report.

Issue: Consider Zoning Ordinance amendment to amend Footnote 17 in Section 12-7-3.K. to exempt medical clinics and laboratories from size and proximity restrictions for office uses.

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Background

Greater Family Health, Inc is seeking to open a community health center in a combined tenant space in The Oaks Shopping Center at 1515 Lee Street. This property is zoned C-4, Regional Shopping District. The proposed type of use has historically been classified as an “office”. In the C-4 Zoning District, this use is permitted if the floor area is below 5,000 square feet and is not contiguous to another office use. The definition for office is below:

“A use or structure where business or professional activities are conducted and/or business or professional services are made available to the public, including, but not limited to, tax preparation, accounting, architecture, legal services, medical clinics and laboratories, dental laboratories, psychological counseling, real estate and securities brokering, and professional consulting services, but not including drive- through service windows, the cutting and styling of hair, or recreational facilities or amusements.” (Section 12-13-3).

In 2018, an amendment was added to the C-4, Regional Shopping District permitting by right a limited amount of office space (2,500 square feet) and specified it could not be contiguous to another office use.¹ The stated reason by staff for limiting office uses to this amount is to encourage uses more in line with the retail/shopping uses of this zoning district, versus allowing shopping centers to be consumed by office uses with little retail activity. In 2021, the footnote was modified to allow up to 5,000 square feet of office in this zoning district.²

As the petitioner discusses in their narrative and response to standards, the intent with the text amendments is to provide a path to allow for this business in this specific location. However, any text amendment is broadly applicable to the entire city and must be assessed for its potential impacts.

Examples from Other Municipalities

The zoning ordinances of six surrounding municipalities were referenced to understand how medical offices are generally regulated by other communities. The definition of this type of use slightly varies, although most include a separate use for medical offices versus other office uses. Generally, the use is permitted within business, commercial and office districts, including shopping districts, without the limitations the Des Plaines zoning ordinance presents for the C-4 Zoning District. Refer to Surrounding Community Regulations (Attachment 4). Des Plaines was the only municipality with a limitation on size of office spaces and inability to locate office spaces contiguously.

Shopping Center Medical Uses³

Increasing rates of vacancy in shopping centers have led to property owners seeking creative solutions for filling empty retail spaces. Many spaces are being filled with businesses focused on the sale of experiences versus physical goods. Shopping centers, including locations within Des Plaines (such as the shopping center at Golf Rd and Elmhurst Ave), are increasingly the location of recreational facilities such as trampoline parks, pickleball courts, and fitness clubs.

Simultaneous to the decline in shopping malls, medical care has had an increasing focus on out-patient care and improving convenience for patients. Locating medical uses within existing malls, including strip malls, has been guided by the increasing availability of vacant spaces, an interest in improving proximity of access to patients, and ample parking and often public transportation available to shopping centers. Frequently these facilities provide shorter wait times, walk-in appointments, and convenient hours. In addition, the location allows for “one-stop” shopping for patients. For example, the proposed location of Greater Family Health at 1515 Lee St (within The Oaks shopping center), a patient could leave an appointment and shop at any of the retail shops, including the grocery store, eat at the various restaurants and visit the bank. Unlike a hospital or

¹ Ordinance Z-28-18

² Ordinance Z-28-21

³ Uscher-Pines, L., Mehrotra, A. & Chari, R. On call at the mall: a mixed methods study of U.S. medical malls. *BMC Health Serv Res* 13, 471 (2013). <https://doi.org/10.1186/1472-6963-13-471>

office park, there are additional activities available for patients after an appointment and employees during breaks or before/after the workday, promoting commercial activity.

For property owners of shopping centers, medical offices are an appealing tenant, as most are interested in longer term leases and frequently invest in improvements for the space. Currently the demand for medical office space exceeds vacancies in the United States, and investment into standalone medical office buildings has decreased in recent years.⁴ Shopping centers fill a void in available space for medical centers to meet the demand of the industry.

Impact on C-4 Zoning District

To exemplify the effect of allowing larger medical offices in this zoning district, Attachment 4 provides a map noting the locations of existing medical offices within Des Plaines and the locations of the C-4 Zoning District. Overall, there are 62 registered medical uses within the City. Within Des Plaines, there is one hospital, seven primary or family practice physicians, five medical laboratories, and a variety of specialty medical disciplines such as dentistry, rheumatology, optometry, occupational or physical therapy, podiatry, or mental health practitioners.

The four areas of the city within the C-4 zoning district are generally devoid of medical facilities offering comprehensive medical care. Note the existing regulations in this zoning district allow this use by right, but limit the overall size of the office space; this amendment would make medical uses exempt, and allow for filling of larger tenant spaces with medical offices. Most existing medical offices in this zoning district are specialists, such as dentists or optometrist that do not require the same amount of space as a larger facility offering more comprehensive medical care. For example, The Oaks shopping center includes a dentist but no immediate care or other primary care physicians within a ¼ mile.

In considering this text amendment more comprehensively, it is important to note that each property currently zoned C-4 is situated near transit options, with some located adjacent to multiple transit services and complemented by substantial parking facilities, facilitating convenient access for clients arriving by bus or personal vehicles. This amendment may create opportunities for filling vacant storefronts in shopping centers and to expand potential locations for medical care in accessible areas that are enhanced by the commercial amenities and increased activity that medical uses can bring.

Proposed Amendments by Petitioner

The petitioner proposes the follow amendment to the Commercial Use Matrix in Section 12-7-3.K:

Uses	C-1	C-2	C-3	C-4	C-5	C-6	C-7
Offices	C	P	P	P ¹⁷	P		P

⁴ Janus, Selbiger, and Seward, *Colliers Healthcare Marketplace Report*, Feb 26, 2024.
<https://www.colliers.com/en/research/nrep-healthcare-marketplace-2024>

¹⁷ Office uses in the C-4 Regional Shopping District, except for medical clinics and laboratories, shall be limited to 5,000 square feet of area and shall not be contiguous to another office use.

Refer to the Petitioner's Standards for Amendment for justification of this request.

Standards for Text Amendment:

The following is a discussion of standards for zoning amendments from Section 12-3-7.E. of the Zoning Ordinance. Rationale for how the proposed amendments would satisfy the standards is provided. The PZB may use the statements below as its rationale or adopt its own.

1. Whether the proposed amendments are consistent with the goals, objectives, and policies of the comprehensive plan, as adopted and amended from time to time by the City Council;

The proposed text amendments would foster additional commercial options for existing, vacant properties within shopping centers of the city, promoting the economic development initiatives of the Comprehensive Plan.

2. Whether the proposed amendments are compatible with current conditions and the overall character of existing development;

The proposed amendments provide an avenue to promote the purpose of the C-4 Zoning District. It is important to note that this type of use is permitted by right in this district, but the size is restricted. This amendment makes medical uses exempt from the requirement, allowing for larger tenant spaces to be developed and utilized with generally long-term leases.

3. Whether the proposed amendments are appropriate considering the adequacy of public facilities and services available;

Staff does not see any indications that the amendments will affect public facilities and services.

4. Whether the proposed amendments will have an adverse effect on the value of properties throughout the jurisdiction; and

The proposed amendments are intended to benefit the value of surrounding properties and overall economic stability of the shopping centers within the city by expanding the range of commercial uses that could fill vacant storefronts.

5. Whether the proposed amendments reflect responsible standards for development and growth.

The proposed amendments encourage a range of uses within commercial districts. The amendment also would expand the location of medical care uses within certain areas of the city, keeping up with trends for these types of facilities.

PZB Procedure and Recommended Conditions: Under Section 12-3-7.C.3 of the Zoning Ordinance, the PZB has the authority to recommend that the City Council approve, approve with modifications, or deny the above-mentioned amendments. City Council has final authority on the proposal.

Chairman Szabo swore in Bernard Citron, of Thompson Coburn LLP and Jason Cary, CFO of Greater Family Health

Mr. Citron said that he's representing Jason at Greater Family Health, as well as the property owner of The Oaks shopping center, however the representative from The Oaks was not able to make it to the meeting this evening. As staff mentioned, medical uses are filling spaces in shopping centers that are not being filled. These uses fill storefronts, but also bring in traffic. For example, people go to the doctor and then they go to the grocery store. This is the way that we used to live. People visiting the medical clinic also see the other uses in the shopping center and this bring further traffic to the center.

Mr. Citron stated he believed staff was willing to bring this case forward because there is a recognition that this can be a positive use. Mr. Citron and the petitioner understand that City wants the sales tax, but right now, that sales tax is not being generated with these vacant spaces. Shopping centers are being torn down in local communities like Old Orchard, Golf Mill and Vernon Hills. In their place, these communities are putting in housing. In addition, there are studies that medical uses are actually needed in these shopping center locations, as Jason will present.

Jason Cary – CFO of Greater Family Health described the history of the organization, founded in 2009. They have 11 health centers and he's opened 10 of those. These are federally supported/qualified health centers, and they receive this support in areas where there is a need. They ran a market analysis and this Des Plaines has the greatest need in any location surveyed in the study.

Out of the 11 health centers that they operate, 4 of them are in retail settings.

There is a center operating in Palatine that is 5,300 sq ft which is expanding into the space next door in April with an additional 2,300 sq ft.

Another center operates in Franklin Park with over 10,000 sq ft of floor area. In Wheeling, 8200 sq ft combined of space is used. The Streamwood facility has recently been expanded to 8800 sq ft.

The other seven centers are located in traditional, stand-alone buildings, in Dekalb, Sycamore, Elgin, McHenry, and Hanover Park.

He described the size and space of this proposed build out. There is currently a signed lease contingent on City entitlements. The proposal for the building includes 12 exam rooms, with over 7,000 sq ft to be built out. The lease is for 11 years so they will be a long-term tenant.

He described the layout, with exam rooms and reception areas. It will include 12 exam rooms, 2 offices, shared charting area, an outside lab run by LabCorp for patients only being seen that day, a reception area, a Breakroom and storage areas

They shared the staffing plan including 1 FT Family Practice Physician, 2 FT Advanced Practice Professional (PA, Nurse Practitioner), 1 PT Licensed Clinical Social Worker, Online Psychiatry Provider (Tele-Psychiatry), 6 receptionists, 2 managers, and 5 medical assistants. Many of these workers would be hired from the local area in Des Plaines.

Greater Family Health is the largest provider of primary health care in the US. They are the largest community health care center in IL. Of all care, they are the 5th largest.

A report completed shows that two zip codes in Des Plaines have over 8000 people in poverty, and many of these people travel to their other Greater Family Health centers, such as the one in Palatine.

If approved, they will put \$1.6 million into the property to make it function like a health center. The last use of this space was a gym, so there will be a large expense to add plumbing and update HVAC equipment as well. They are applying to the federal government for operating support/expenses. They believe there is a need in the community.

Bernard Citron stated there is a need for this facility today. He asked what other tenant would put over \$1M into any of these vacant properties. The center will bring traffic in, but also improve properties. This will bring people into the shopping center, people that will shop.

Member Fowler asked about the need for the 6 receptionists. Jason Cary stated some are needed for check in/patient registration and some to check out people, it's all part of their process.

Member Fowler asked about expansion in this space, are there other better locations? Jason Cary stated that over 50% speak a language other than English as their primary language. This location is ideal because it's visible from the road and easy to see from the street. They can also expand – with the 12 exam rooms, they will be set for quite some time.

Chairman Szabo requested clarification. This was Cardinal Fitness, not Planet Fitness. Any spaces between this center and the stores to the north? Jason Cary stated the space goes all the way to the Goodwill. However the space is not demisable into 2 locations that are less than 5,000 sq ft, due to the way it was originally constructed.

Member Veremis asked if they are non-profit and tax exempt. Jason Cary states that yes they are a 5013c non-profit. If they owned the space, they'd be tax exempt, but they don't own it, so they must pay taxes.

Member Veremis asked if they believe that people in the area are going to ERs or going without services without this center. Jason Cary: Advocate Lutheran General have done some needs assessments. Study is that there is approximately a 16-17% unmet healthcare need. The ER is the only place that they get service sometimes.

Member Veremis stated there's a lot of open space and the parking lot is huge, so to see something fill that would be nice.

Jason Cary stated they've engaged an architect to draw plans. Then they intend to get permit at end of year, then build out and begin to operate in August 2025.

Chairman Szabo complimented staff on the report.

Member Weaver stated he believes the project is commendable, but we're not asked to approve this business as a Conditional Use but to consider a Text Amendment that will allow that with three options: allow any office facility over 5,000 sq ft in the C-4 District, allow the medical exemption that is being requested or "do nothing" alternative. It seems that the intent was that we were concerned with foot traffic – retail would fill with more foot traffic and there'd be synergy. Retail is dying and people are now working from home. His recommendation is that we move forward and recommend this medical to City Council, but then also consider the others that are in the Office definition. He believes Des Plaines is out of sync with other communities because of the 5,000 sq ft limit. Weaver states he is in favor of this proposal.

Chairman Szabo states that he hopes there are more cases like this. There are no more dressmakers or other small shops to go into a shopping center like this. The times have changed.

Member Veremis says places like Hallmark were once there but are no longer.

Member Bronakowski asks staff if they are aware of other recent inquiries for uses in this shopping center that are currently classified within the office definition.

Senior Planner Redman : states she knows the dentist came forward looking for a location but they were able to choose a space less than 5,000 sq ft that was not contiguous with any other Office uses, and thereby were permitted.

Member Bronakowski asked if staff have seen any certain types of businesses going into similar shopping centers in other towns. Senior Planner Redman stated that staff would have to do more research to know what businesses are commonly moving into these centers, but we know that medical office uses are.

Chairman Szabo states these modernizations to the code are needed.

A motion was made by Member Weaver and seconded by Member Fowler to recommend approval to the City Council.

AYES: Weaver, Fowler, Bronakowski, Saletnik, Veremis, Szabo

NAYES: None

ABSTAIN: None

MOTION CARRIED

Szabo initially adjourned with voice vote at 7:35 PM, but resumed meeting at 7:38 PM. Member Fowler asked a question about the Masonic Temple at Prairie and Graceland and the zoning sign in this location. Senior Planner Redman responded that it is a request for a conditional use and parking variation for a proposed church.

Chairman Szabo asked where parishioners would park. Senior Planner Redman states it's not her case, but believes it would be all street parking for the proposed church.

Member Fowler asked about if anything is going across the street, where the open parking lot currently is. Senior Planner Redman stated that yes, staff recently received application materials for the Prairie and Lee development, which includes that parking lot. This follows the workshop that took place earlier this year.

Chairman Szabo asked staff if it will it be the same developer as at the Workshop? Senior Planner Redman stated yes.

Member Fowler asked about Journal and Topics demolition.

Assistant Director Johnson stated they are working on a few final items, such as temporary lighting, but they are making progress towards the demolition.

Member Weaver asked about any activity at the former Olivetti's.

Senior Planner Redman stated they are reviewing plans, but no specific user of the space is known.

Member Fowler stated the former Leonas' had the cannabis proposal in the past, and she wishes that could have gone forward. Chairman Szabo responded that cannabis retail seems to go into the large shopping spaces, like the space at the former Little Villa restaurant. Member Fowler speculated that larger properties may possibly needed for security.

ADJOURNMENT

Chairman Szabo adjourned the meeting by affirmative voice vote at 7:43 p.m.

Sincerely,

Ryan Johnson/Recording Secretary

cc: City Officials, Aldermen, Planning & Zoning Board, Petitioners