

PERU, IL

# THE CROSSROADS AT PERU

THE PERU MALL REDEVELOPMENT  
AUGUST 2020

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# About Us

GK Real Estate is a commercial real estate investment firm based in Chicago, Illinois.



## WHO WE ARE

GK Real Estate is a commercial real estate investment and development firm based in Chicago, Illinois. We have 25 years of proven success in projects across the real estate spectrum including retail, office, hospitality, medical and multi-family.

GK Real Estate is a hands-on, integrated company focused on creating the highest and best use of property in our diversified real estate portfolio. Our team unites investment strategy, leasing, property management, construction, design and financing under one roof. We are an adaptable real estate firm that utilizes our people and experience to carry out dependable results.

We know that the real estate world is rapidly changing in this time of global evolution and we are looking to the future with creativity, speed and care as we work to redevelop our properties to meet the needs of our communities.

At our core we are an organization oriented around people; from our team to our communities we believe in the power of relationships and trust as a catalyst for all forward progress.



# The Crossroads

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## at peru

### PROPERTY HISTORY & CURRENT CONDITIONS

GK and the City have been working to redevelop and revitalize the Peru Mall for the last several years. Located on Route 251 in the City's commercial corridor is an approximately 500,000 square foot enclosed mall. In June, 2019, the City approved the Peru Mall Redevelopment Plan and project, setting out a mixed use development that would be developed in phases. The Redevelopment Plan became necessary due to the closings of Sears, Bergner's and JC Penney's, and the mall became 66% vacant.

In March, 2020, GK was well underway to implementing the City's Redevelopment Plan; GK had negotiated leases with new and existing users in the Mall, including entertainment, retail and restaurant users. The Redevelopment Plan also included a market-rate multi-fam-

ily component. Then, in March, 2020, the Covid-19 pandemic hit the US and forced the complete closure of the State of Illinois, including all of the tenants at the Mall and GK's plan was put on hold. Originally, the residential component of the project was going to be developed in a later phase of the redevelopment. But in light of the commercial pause caused by the pandemic, GK has moved the residential component to Phase I to spark the redevelopment, prompting the need for a zoning change.

Even before the coronavirus pandemic hit the US, Malls throughout the Country have been competing with online sales and struggling to meet changing demographics, evolving cultural interests and the overbuilt retail market. To further this effort and get the project moving again, GK is requesting the City to: rezone the Property to a B-4, Highway Business District; approve a special use for multi-family residential; approve a preliminary plat of subdivision; and grant certain variances from the City's Zoning Code. Support for these requests

is presented below.

The Redevelopment Plan approved by the City calls for mixed use development, including retail, commercial, entertainment and residential uses. GK was planning on including a hotel as a part of the project, but the pandemic has brought travel to a standstill; it is possible a hotel can be included in a later phase.

As a part of the redevelopment, GK will rename the Property as the "Crossroads at Peru." Certain buildings will be demolished with some new construction. It is GK's intention to "de-mall" the Property; to convert the old Peru Mall into an open-air commercial area providing quality shopping, dining and entertainment venues. A conceptual site plan for the entire redevelopment project is included in this booklet depicting the merging of retail, entertainment, dining and multi-family uses. In addition, we have provided additional levels of detail showing typical designs for the retail and the "Residences at the Crossroads."

## REQUEST FOR B-4 ZONING

The Property is located on the west side of Route IL-251, between 36th and 38th Streets, with Route 251 connecting the City's commercial area with Interstate route 80. The Mall is on the east side of Route 251 and is zoned B-2, while the properties across Route 251 are all zoned B-4. Rezoning the Property to a B-4 district is consistent with surrounding uses and the intent expressed in the City's Code. GK is requesting the Property be rezoned to a B-4, Highway Business District, pursuant to Section 11.05 of the Code. The property is surrounded by a significant concentration of regional retail uses around the Mall, including a retail center anchored by Walmart, Kohl's and Pet Smart, and another commercial center, anchored by Target, Home Depot and Hobby Lobby supported by a mix of smaller commercial uses including banks, restaurants, offices and small strip centers. Rezoning the Property to a B-4 district will certainly be consistent with these uses.

The rezoning will not be a threat to the public health, safety or welfare of the City. The property has operated as a commercial hub for almost 60 years and the traffic improvements, i.e., ingress and egress points, traffic signalization and internal circulation roads were designed and constructed to handle significant traffic that a 500,000 square foot regional mall generates. The same is true of utilities and the stormwater management system, which are more than adequate to service the redeveloped property including the residences. For aesthetic reasons, some of the existing utilities will be relocated. Moreover, rezoning the Property from B-2 to

B-4 will not have a deleterious impact on surrounding property values. If anything, this rezoning will prevent the property from becoming further blighted, which would have a negative impact on the surrounding area.

The design package presented to the City depicts the standard of retail and commercial development that GK envisions for the Crossroads at Peru. Included are building finishes, typical signage and building materials. A sample of likely planting and customer amenities are also included. The examples included in the package are typical of other GK developments and are included to give the City an idea as to the caliber of the intended redevelopment.

## REQUEST FOR SPECIAL USE

GK is requesting that the City grant a special use for multi-family housing within the B-4 District. To do this, GK has had a preliminary plat of subdivision to create a new lot for the Residences. A copy of the preliminary plat is included at the end of this booklet. The special use permit is being requested for the newly created lot A.

The Residences at Peru Crossroads will include approximately 156 residential units, a club house for residents, detached garages and surface parking. GK's plan calls for 93 one-bedroom units and 63 two-bedroom units. A site plan and rendering of the Residences are included in this booklet. Included are images that show the type of streetscape amenities, e.g., lighting, landscaping, waste receptacles, etc., as well as prototype

interiors of the actual residences.

The Residences will be heavily landscaped, providing recreation areas for residences. Sidewalks will be provided for the residents' convenience and safety. Typical plantings species to be used at the Residences are also depicted in this booklet. A landscaped berm will serve as a divider between the Residences and the retail/commercial areas to help to define and separate the residential area. The Residences will enhance the overall project and be complimentary to the other uses; residents will be able to walk to shopping, entertainment and dining venues. Moreover, the Residences will be the first multi-family housing built in the City in over forty years and will be leased for market rate rents. The need for the Residences has been documented by a study from Tracy Cross, Inc., a nationally recognized housing feasibility consultant. The Residences will be an attractive addition to the City of Peru and meet an identified need as well. As stated above, the dramatic changes to retail and entertainment venues in the last few years have made proceeding with the redevelopment of the Property difficult, to say the least. GK had originally intended to develop the Residences as a later phase of the Redevelopment Project, but now, given the retail and entertainment market in light of the pandemic, the Residences are the most realistic phase of the project at the present time. The development of the Residences will require an additional investment of private funds from GK of not less than Fifteen Million Dollars (\$15,000,000) and will not put an added burden on the City's taxing districts.

## VARIANCES

To develop the Residences and proceed with the redevelopment project, GK is requesting that the City grant the following variances:

1. **Primary structures.** Code provision: 4.03(a) allows for only a single primary structure on each zoning lot. A variance is requested to allow five primary structures on the residential lot (the actual residences and a club house; and up to two primary structures on the retail/commercial lots, reflecting the current buildings and the new structures to be developed.

2. **Garages.**

a. Code provision: Code provision: 6.01.1(e) limits accessory buildings on a lot to 1200 square feet; a variance is requested to allow for up to 16,800 square feet, which includes four 3,200 square foot garages and a clubhouse consisting of 4,000 square feet.

b. Garage Size. Code provision 6.01.3 allows for a detached private garage to consist of a maximum of 990 square feet gross; a variance is requested to allow for four garages consisting of up to 3,200 square feet.

c. Number of Spaces. Code provision 7.03 (b) requires 2.5 parking stalls per Dwelling Unit; a variance is requested to provide 1.65 per unit, consisting of both the garages and the surface parking, which will prevent a sea of asphalt outside of

the Residences. The Residences will have the right to use any parking on the Commercial/retail lots, so parking will not be an issue with this variance.

3. **Maximum Building Height.** Code provision 11.05 (j) allows three (3) stories with a maximum height of 45 feet. A variance is requested for the Residences to have three (3) stories and a height of 52 feet measuring from the ground to the roof ridge.

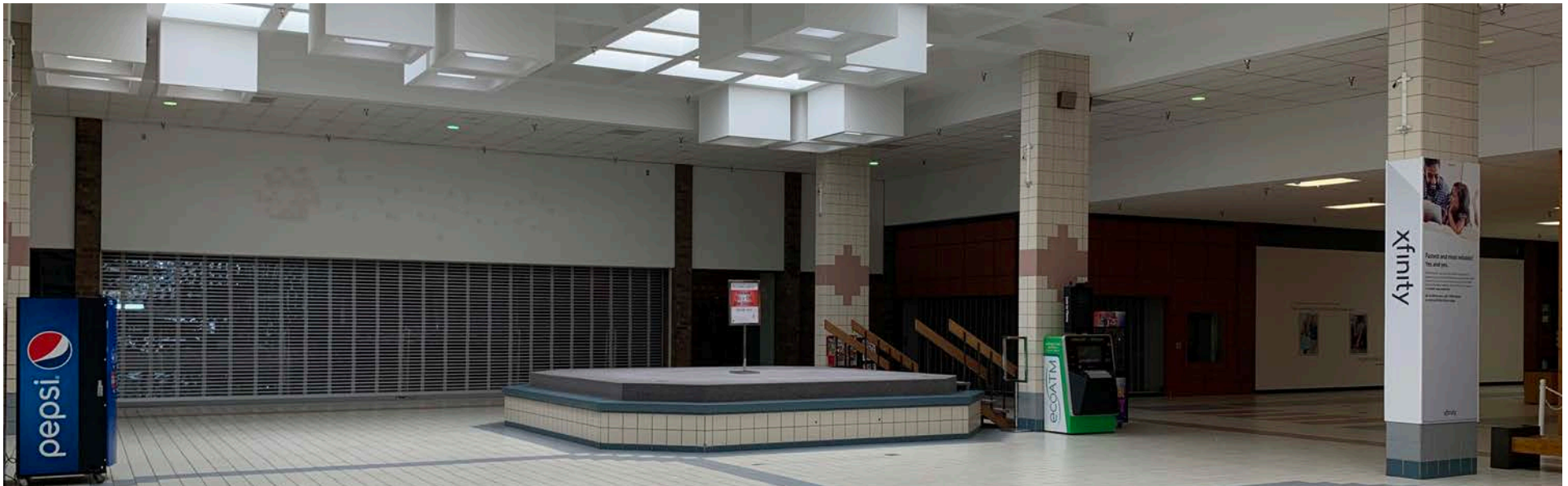
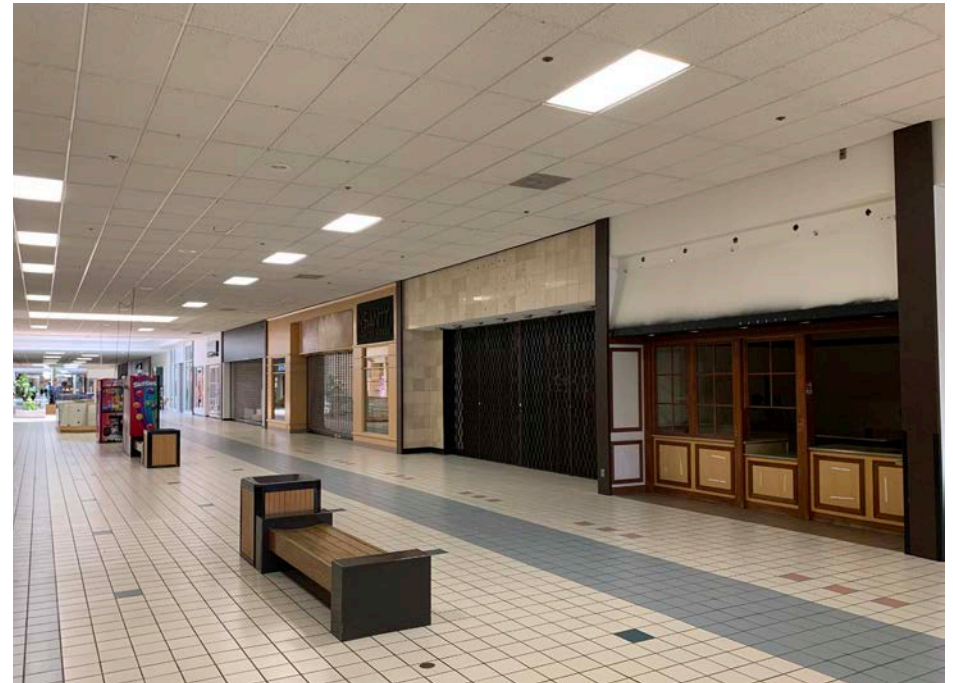
4. **Front yard setback.** Code provision 11.05 (h)(1) requires a 40 foot front yard setback. A variance is requested for 30'-0" front yard setback along Peoria Street.

## SUMMARY

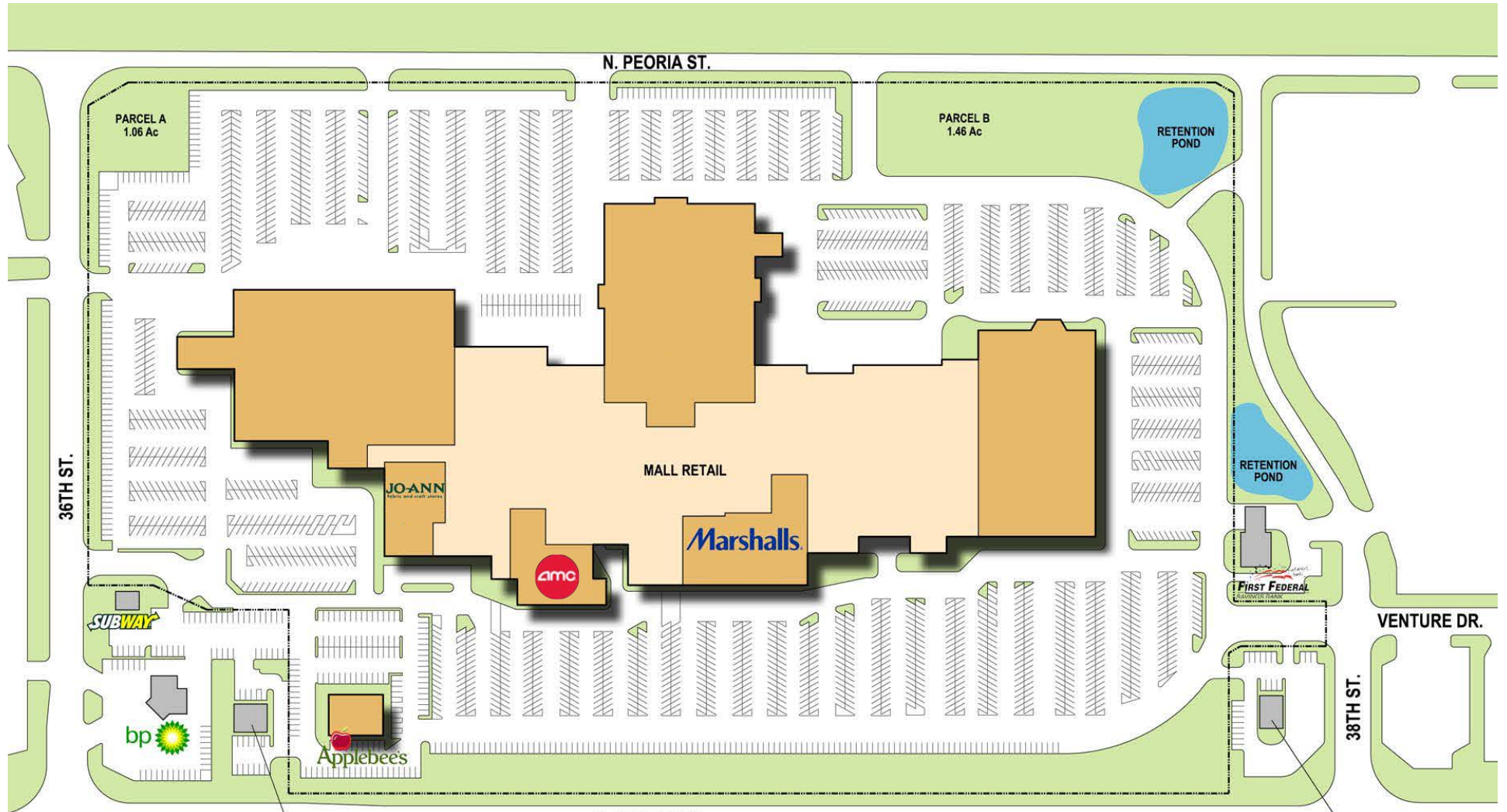
GK has been working with the City for the past several years to develop and initiate the redevelopment of what was formerly known as the Peru Mall. This effort has been stalled by changing retail trends and now the coronavirus pandemic. The relief and approvals requested in this petition will allow GK to begin this long awaited redevelopment to the betterment of the City of Peru and the surrounding Illinois Valley Region.

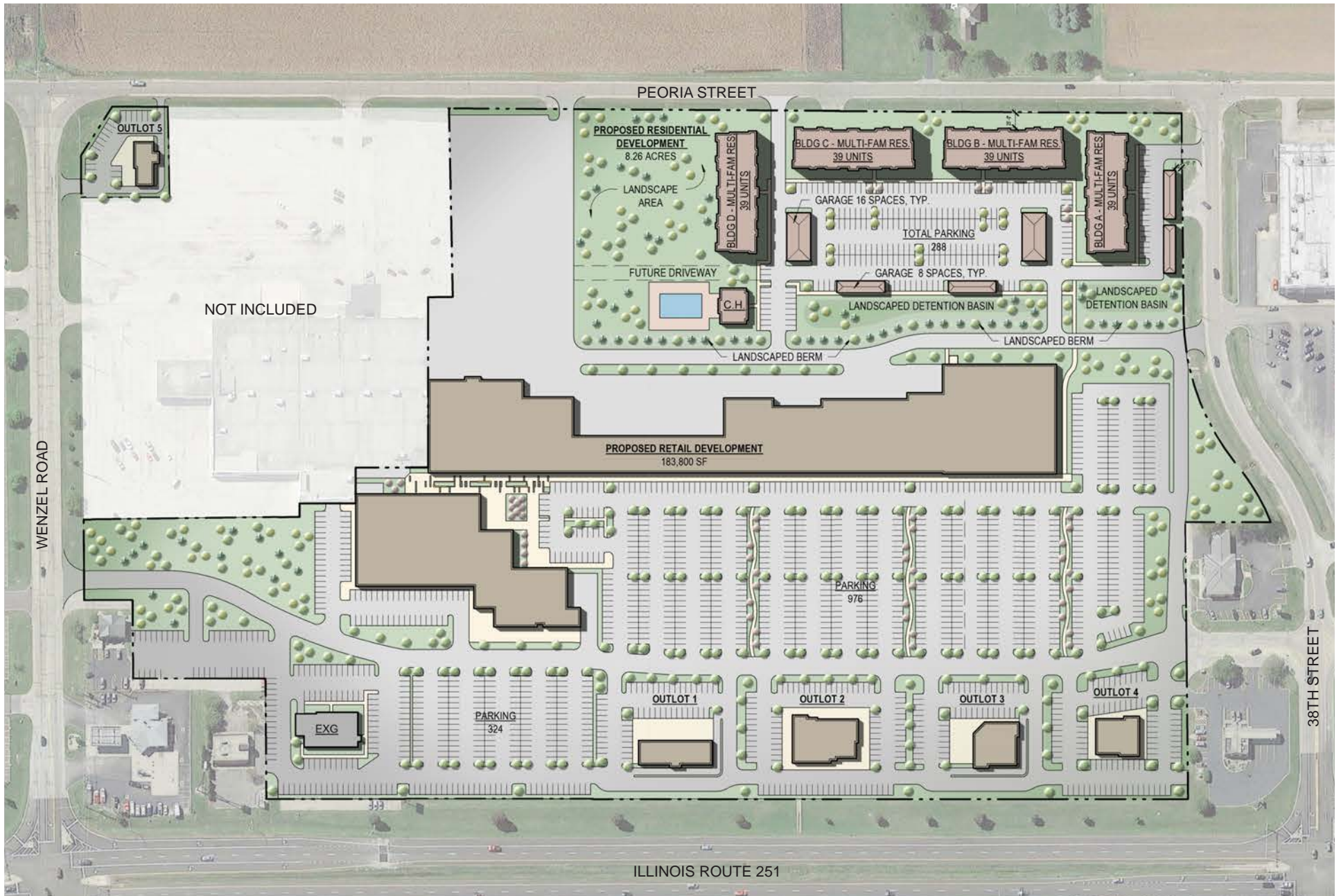














## RETAIL ARCHITECTURE VISION IMAGERY





RETAIL ARCHITECTURE  
COURTYARD VIEW

## RETAIL LANDSCAPING VISION IMAGERY



**RETAIL STREET FURNITURE**  
VISION IMAGERY

BENCH



TRASH RECEPTACLE



ILLUMINATED BOLLARD



**RETAIL SIGNAGE**  
VISION IMAGERY





## SITE PLAN SCALE: 1"=100'-0"



**DEVELOPMENT SUMMARY:**

**RESIDENTIAL APARTMENTS - PHASE 1**  
 TOTAL UNITS 156 UNITS  
 TOTAL RESIDENTIAL SF 156,000 SF

**TYPICAL BUILDING**  
 (13 UNITS/FLOOR X 3 FLRS) 39 UNITS

**BUILDING SF**  
 (3 FLRS X 13,000 SF/FLR) 39,000 SF/BLDG

**RESIDENTIAL PARKING**  
 UNCOVERED SPACES 224 SPACES  
 GARAGED SPACES 64 SPACES  
 TOTAL 288 SPACES (1.85/UNIT)

**RESIDENTIAL CLUBHOUSE (C.H.)**  
 1 FLR 4,000 SF

RESIDENTIAL CHARACTER



## RESIDENTIAL INTERIORS VISION IMAGERY



### UNIT FEATURES WILL INCLUDE:

- QUARTZ COUNTERTOPS
- STAINLESS STEEL APPLIANCES
- BATHROOMS WITH DOUBLE VANITIES
- HARD SURFACE FLOORING THROUGHOUT LIVING/DINING/KITCHENS
- BALCONIES

## RESIDENTIAL INTERIORS VISION IMAGERY



### AMENITIES WILL INCLUDE:

- CLUB ROOM
- FITNESS
- OUTDOOR GRILL STATIONS

## RESIDENTIAL LANDSCAPING VISION IMAGERY

BUILDING FRONT YARD



LANDSCAPED DETENTION



**RESIDENTIAL STREET FURNITURE**  
VISION IMAGERY



