

ORDINANCE NO. 2006-11

AN ORDINANCE TO AMEND ARTICLE 4, SECTION 8-6 OF THE
LA PORTE COUNTY MASTER PLAN AND THE ZONE MAP WHICH IS A
PART THEREOF IN ORDER TO RECLASSIFY A PARCEL OF REAL ESTATE
IN THE COUNTY OF LA PORTE AS A PLANNED UNIT DEVELOPMENT PLAN
AND TO ACCEPT A PLANNED UNIT DEVELOPMENT PLAN

WHEREAS, the parcel of real estate described below is now zoned and classified as a R-2 Residential District under the Zone Map in Article 4, Section 8-6 of the La Porte County Master Plan of La Porte, Indiana:

A tract of land in the Southwest Quarter of Section 29, Township 38 North, Range 2 West, Galena Township, La Porte County, Indiana, more particularly described as follows: Beginning at the Southwest corner of Section 29, said point being the point of beginning; thence North 01 degrees 53 minutes 28 seconds East (N 01° 53' 28" E) along the West line of Section 29, a distance of two thousand six hundred forty-six and 38/100 feet (2,646.38'); thence South 88 degrees 10 minutes 39 seconds East (S 88° 10' 39" E) along the East-West centerline of Section 29, a distance of one thousand three hundred twenty-eight and 17/100 feet (1,328.17); thence South 01 degrees 54 minutes 53 seconds West (S 01° 54' 53" W) along the North-South centerline of the Southwest Quarter of Section 29, a distance of two thousand six hundred forty-seven and 51/100 feet (2,647.51'); thence North 88 degrees 07 minutes 44 seconds West (N 88° 07' 44" W) along the South line of Section 29, a distance of five hundred forty-five and 86/100 feet (545.86'); thence North 04 degrees 11 minutes 45 seconds East (N 04° 11' 45" E) along the East line of Deed Record 88-06772, a distance of two hundred eighty-three and 95/100 feet (283.95'); thence North 11 degrees 32 minutes 05 seconds West (N 11° 32' 05" W) along the East line of Deed Record 88-06772, a distance of three hundred thirty-six and 25/100 feet (336.25'); thence North 88 degrees 07 minutes 45 seconds West (N 88° 07' 45" W) along the North line of Deed Record 88-06772, a distance of six hundred fourteen and 78/100 feet (614.78'); thence South 01 degrees 52 minutes 16 seconds West (S 01° 52' 16" W) along the West line of Deed Record 88-06772, a distance of six hundred ten and 80/100 feet (610.80'); thence North 88 degrees 07 minutes 44 seconds West (N 88° 07' 44" W) along the South line of Section 29, a distance of one hundred feet (100.00') to the Point of Beginning; containing 71.29 acres,

and,

WHEREAS, the Sheffield Lifestyle Group, LLC, filed a petition with the Plan Commission of La Porte County, Indiana, to approve a Planned Unit Development for the above parcel of land; and,

WHEREAS, the Plan Commission of the County of La Porte has held a properly advertised public hearing on June 27, 2006, to determine whether or not it will recommend to the La Porte County Commissioners that the Planned Unit Development Plan be approved for this parcel as presented by the Sheffield Lifestyle Group, LLC; and,

WHEREAS, the La Porte County Plan Commission at those public hearings considered those matters required to be considered by Indiana Code 36-7-4-603 and 36-7-4-1500, et. seq.; and,

WHEREAS, it was the recommendation of the La Porte County Plan Commission that the Zone Maps of the County of La Porte should be changed so that this parcel of real estate be reclassified as a Planned Unit Development as set forth below; and,

WHEREAS, this ordinance would be an amendment to Article 4, Section 8-6 of the La Porte County Master Plan, and specifically to the Zone Maps of the County of La Porte, Indiana.

NOW THEREFORE,

A tract of land in the Southwest Quarter of Section 29, Township 38 North, Range 2 West, Galena Township, La Porte County, Indiana, more particularly described as follows: Beginning at the Southwest corner of Section 29, said point being the point of beginning; thence North 01 degrees 53 minutes 28 seconds East (N 01° 53' 28" E) along the West line of Section 29, a distance of two thousand six hundred forty-six and 38/100 feet (2,646.38'); thence South 88 degrees 10 minutes 39 seconds East (S 88° 10' 39" E) along the East-West-centerline of Section 29, a distance of one thousand three hundred twenty-eight and 17/100 feet (1,328.17); thence South 01 degrees 54 minutes 53 seconds West (S 01° 54'

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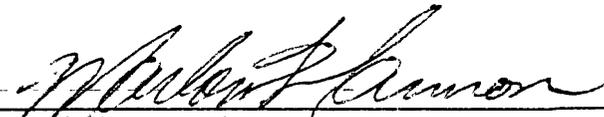
which is now zoned R-2 Residential be, and the same is hereby, reclassified as a Planned Unit Development.

Section 2. The Planned Unit Development Plan attached as Exhibit "A" submitted by the Sheffield Lifestyle Group, LLC, is hereby approved, and the plat attached hereto as Exhibit "B" is hereby approved for said Planned Unit Development.

Section 3. This Ordinance shall be in full force and effect from and after its passage, approval by the La Porte County Commissioners and publication as required by law.

ADOPTED by the La Porte County Commissioners this 5th day of

July, 2006.



Presiding Officer

Barbara Weston
Commissioner

William J. ...
Commissioner

ATTEST:

Dorcas M. ...

THE SHEFFIELD LIFESTYLE GROUP LLC
HIDDEN ORCHARD HEALTH SPA DEVELOPMENT PROJECT

1. Objectives and Purposes. The objective of the Developer, The Sheffield Lifestyle Group, LLC, an Indiana limited liability company, is to maximize the use of the land to fulfill its highest and best value, through the development of a "destination health and wellness spa" on the property, coupled with a "residential lifestyle" community.

A "destination health and wellness spa," is a vacation resort that provides guests with a healthy experience (or vacation) by exposing the guest to surroundings completely devoted to encouraging and educating the guest to living a healthier life as an adult in the United States. A guest of the facility (to be called "Hidden Orchard Health Spa" or "Hidden Orchard Health and Wellness Spa") will join with other guests at the facility, where the following services and amenities will be made available to all guests: 1) daily meals and snacks prepared by a chef trained in healthy cooking, with an emphasis on fresh vegetables and whole grains, and a reduced emphasis on high-fat animal-based proteins, highly refined carbohydrate products, sugars, and starches; 2) a daily offering of various healthful movement exercises, including low-impact aerobics, pool aerobics, walking, dancing, weight training, stretching and Pilates;; 3) daily classes on stress reduction and management, including academic lectures as well as classes in basic mediation and yoga; 4) daily lectures by medical and nutritional specialists that will inform and educate guests on how to improve health and wellness through the proper choice of lifestyle activities, including movement, stress management, and food preparation and intake; 5) a more informal set of lectures and classes on various artistic, intellectual, and "craft" pursuits, to offer amusement and general education to guests.

A guest will typically stay at Hidden Orchard for a minimum of four days, during which time she will experience a complete change in lifestyle and many opportunities to learn how to improve her lifestyles, so as to live better and age healthfully.

In addition to the foregoing, Hidden Orchard will also offer guests a 4-star spa facility that will be staffed to provide guests with various types of massage, movement and reflexology therapies.

Because a stay at Hidden Orchard will come to mark a significant change in the lifestyle of its guests, it is expected that there will be a strong attraction and demand among former guests to have the experience on a longer-term (and less expensive basis), and therefore a demand will develop for the ownership of a residential unit ("lifestyle cottage") on the grounds of the facility, from which an owner can take advantage of the healthy cuisine and the many educational and activity offerings that will be available in the main resort facility. Persons who purchase a Lifestyle Cottage will have the opportunity to eat the same healthy cuisine and to participate in all the other programs offered to regular guests, as part of the

ownership privileges. Because the cottages will be interconnected and interdependent with the main facility, the appearance of the cottages and maintenance of the indigenous grounds will be strictly controlled, managed and regulated by Hidden Orchard Management.

2. Economic Feasibilities and Market Aspects. The economic feasibility of this type of development (a "destination health spa" with integral lifestyle community) is based on market demand, the location, the target market, and the success achieved by other, similar developments in other parts of the United States.

a. Market Demand. Nationally, "destination spas" occupy a niche in the broader markets for health, wellness, and traditional spa services. In North America, the destination spa business is expanding at the rate of 19% annually, and the overall market is estimated at \$420 to \$480 million in annual revenue.. The market leader in the "destination wellness spa" category is Canyon Ranch, with locations in Tucson, AZ (180 rooms) and Lenox, MA (160 rooms). Combined revenues for these operations in 2005 are estimated at \$160 to \$180 million. Although slightly more than half of the existing destination spas are located in warm-weather climates in the South and Southwest, a significant number are located in the Midwest and Northeast (Canyon Ranch Lenox is among them). Demographically, a significant percentage of the guest populations at the top 5 destination spa resorts is from the Midwest, with departure cities of Chicago, Milwaukee and Detroit.

b. Target Market. Hidden Orchard's "target markets individuals from 35 to 65 years old with household income of \$200,000 or more. The leading edge Baby Boomers were born in 1946; they turn 60 in 2006. The Baby Boom generation and the Gen X and Y groups have all demonstrated a high degree of interest in health and wellness. Experts predict the demand for health-related products and activities will continue to rise into the mid twenty-first century. Our research shows that there are about 350,000 households in our target markets in Illinois, Wisconsin, Indiana, and Michigan earning over \$200,000 per year. The center of this market is Chicago, which is approximately 75 minutes from the location by automobile, summer and winter.

c. Competition. Presently, there is only a single destination spa located within a 200 mile radius of Chicago: The Heartland Spa, located in Gilman, IL. The Heartland Spa has a capacity of only 16 rooms. Hidden Orchard will differ from The Heartland in that Hidden Orchard will be a four-star luxury facility, whereas The Heartland is of lower quality. Hidden Orchard will also offer higher quality programs. Finally, the location of Hidden Orchard is in a more desirable vacation destination than Gilman, Illinois provides.

3. Impact on Public Services.

a. Schools. The lodging portion of the development (initially 40 rooms, expanding to 60 in year 8) will have no impact on schools. The 40 "lifestyle community" homes to be constructed in years 4 and 5 will not likely have any significant impact on schools. The market for these homes will be retired, 60+ aged couples and singles, and these

units are likely to be 2nd and 3rd home purchases for most everyone. Children under age 18 will generally not be permitted at Hidden Orchard, unless by exception.

b. Utilities. This development is being constructed with its own private water supply (on-site wells) as well as its own on-site wastewater recycling system for gray and blackwater discharges. Therefore, the only demand for utilities will be electricity, which should be modest by industrial standards. Also, should the neighborhood ever be provided with gas mains, this project would likely be a customer, as the facility will use LNG for its kitchen and heating.

c. Fire and Police Services. The main facility will be provided with a dry fire protection sprinkler system, but there will be a potential need for fire protection services. As to police services, it is only expected that some minimal police coverage would be required for security purposes only. Hidden Orchard will have a small on-site security staff.

d. Natural Resources. Well water will be the only natural resource consumed by the facility. Air pollution emissions will be minimal. Wastewater discharges will be zero. Solid waste generation will be 99% non hazardous, domestic solid waste, and a licensed contractor will be employed for removal.

e. Traffic - Road Impact. The initial build-out will call for 40 rooms, serving up to 75 guests utilizing about 35 employees on site per shift during peak periods. At an average occupancy of 50%, there would be approximately 30 guests on the site at any time, or about 20 automobiles. The average stay is 5 nights, with guest populations turning over randomly, or about 5-7 autos per day, arriving and departing. Additionally, the development would have approximately 35 employees on day shift, 33 employees on afternoons, and 2 on nights. The greatest traffic period would be during the hours of 6 a.m. until 10 am, during which the day contingent of 35 employees would arrive in four hourly waves of about 9 cars each, and then depart between 2-5 in the afternoon. Most guests will remain primarily on-site throughout their stay, with some group hiking excursions to local state parks and to art galleries, vineyards, and other local attractions.

Traffic from the lifestyle cottages would be more difficult to predict, because these would be 2nd or 3rd weekend homes, and arrivals and departures would be random because most owners would be retired. If average on-site occupancy for Lifestyle Communities was 25%, at the completion of phase 1 there would be an additional 5 automobiles, and after phase 2 that would increase to 10 automobiles. However, because the owners would be on no daily schedule, the arrivals and departures throughout the day would be random.

Traffic Controls. It is not estimated that traffic controls would be needed at any time, however, it will be suggested at the appropriate time that signage be placed along Fail Road warning drivers of the intersection of Fail Road and 700 North. (Presently, drivers along

Fail Road do not observe the posted speed limits, and the intersection at Fail and 700 North is one of limited visibility, due to the topography of the roads.)

e. Estimated Impact - Surrounding Properties. This property is primarily surrounded by undeveloped vacant land and, to a lesser extent by single-family residences, typically located on parcels of 5 acres or less. The development of this facility will very likely enhance the fair market value of properties that are adjacent (or nearly so) to the development, because to all appearances, Hidden Orchard will be similar to a country club. The very nature of the development is "low profile" such that the buildings that are part of the facility will be barely visible from Fail Road or from 700 North. At least one adjacent owner has acknowledged that the value of his property is likely to increase as a result of this development.

f. The estimated cost of the facility, including the purchase of the real estate, as well as the cost of borrowed funds to construct and maintain a cash flow for 24 months during the start-up period, is estimated at \$27,000,000.

g. Construction/Development Timetable - Main Facility (The following table applies only to the main facility, guest units, meeting rooms, spa center, activity center, dining room, and wastewater treatment facilities, as well as associated roads, and associated landscaping and walking paths.

Hidden Orchard Health Spa - Development Schedule	
ITEM	COMPLETION FROM STARTUP
Project Funding	Week 0
Site Clearance-Grading-Preparation	Week 4
Site Improvements - Utilities	Week 6
Excavation-Concrete	Week 10
Wastewater Piping	Week 11
Well Construction/Piping	Week 12
Exterior/Shell Framing	Week 30
Activity Center Shell	Week 32
Spa Center Shell	Week 36
Swimming Pool	Week 62
Interior Framing	Week 60
Interior Mechanical	Week 64
Interior Electrical	Week 70
Main Lodge Finishing	Week 75
Exterior Landscaping - Finishing	Week 78
Open For training	Week 80 (1.5 year)

h. Schedule of Construction - Lifestyle Cottages. In all, Hidden Orchard plans to develop a total of 40 lifestyle cottages on the property, as shown on the drawings. These will be approximately 1700

SF each, duplex, single story units. These will be constructed in 2 phases, one phase (or 20) each year. The first phase will be constructed in Year 4 of operations. Assuming an "open for business" date of 90 days after completion of construction, it is estimated that the first phase will be started and completed in 2012, and phase II will be started and completed in 2013.

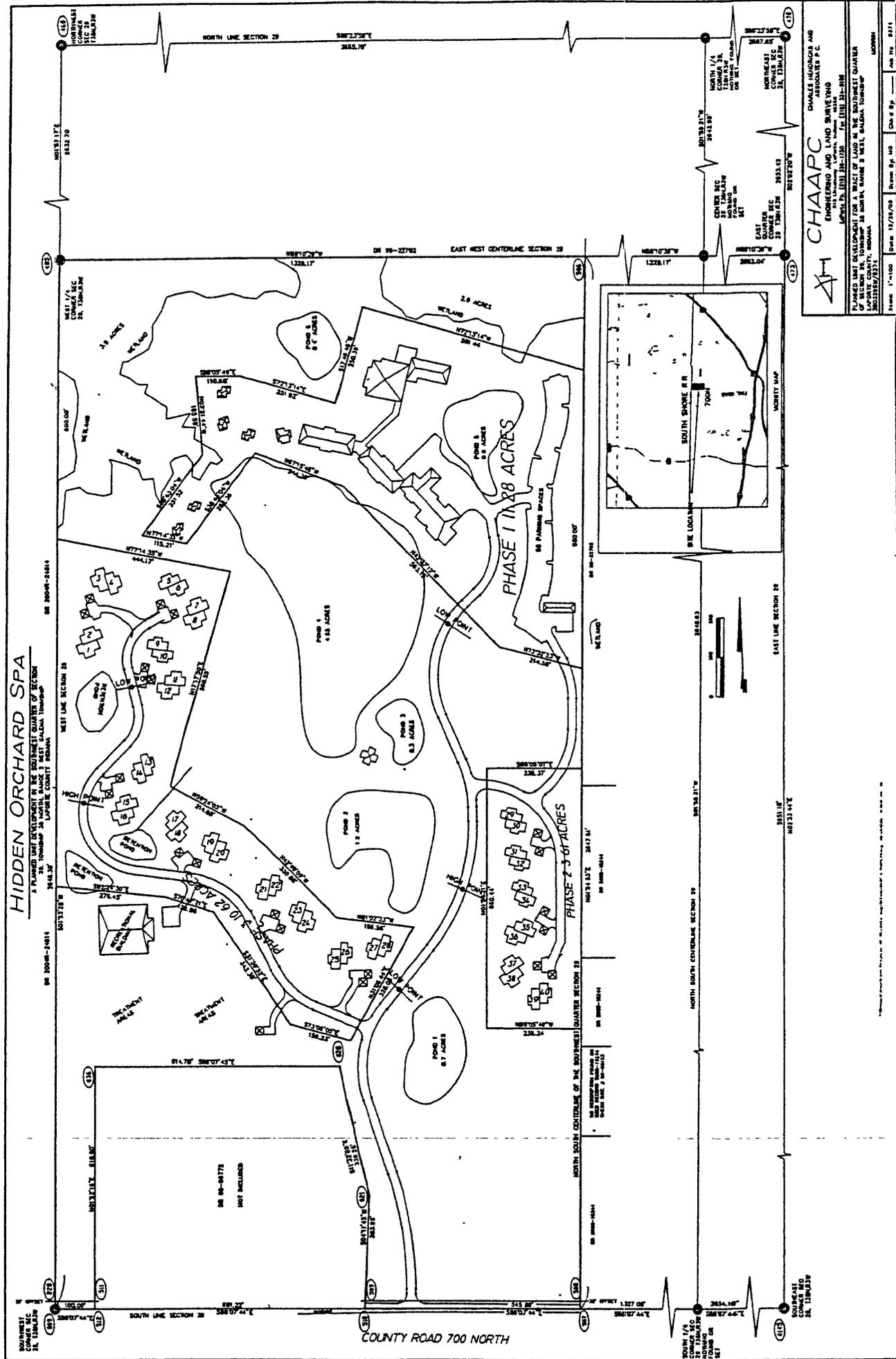


Exhibit "B"