



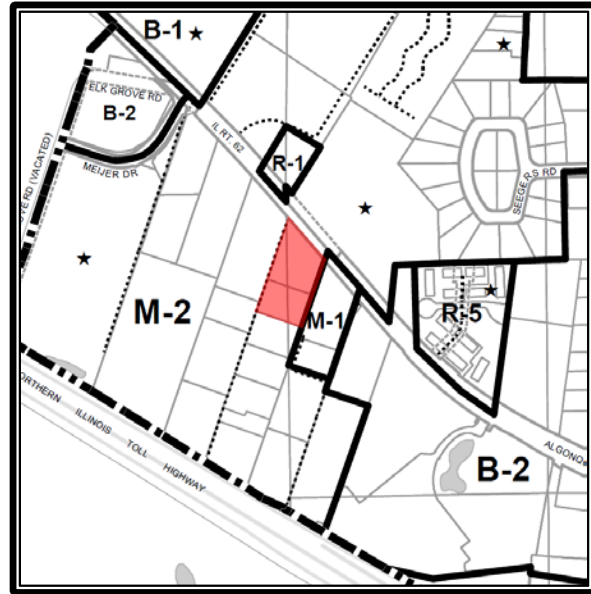
**VILLAGE OF ARLINGTON HEIGHTS**  
**STAFF DEVELOPMENT**  
**COMMITTEE REPORT**

**Project Number:** PC 18-013  
**Project Title:** European Crystal Hotel  
**Address:** 519 W. Algonquin Rd.  
**PIN:** 08-16-103-008, 08-16-103-009

**To:** Plan Commission  
**Prepared By:** Sam Hubbard, Development Planner  
**Meeting Date:** July 11, 2018  
**Date Prepared:** June 28, 2018

**Petitioner:** James Cazares  
**Address:** 519 W. Algonquin Rd.  
 Arlington Heights, IL 60005

**Existing Zoning:** M-2: Limited Heavy Manufacturing District  
**Comprehensive Plan:** R&D, Manufacturing, and Warehouse



**SURROUNDING LAND USES**

Direction	Existing Zoning	Existing Use	Comprehensive Plan
North	M-2, Limited Heavy Manufacturing District	2-story Pace Bus administrative facility	Research, Development, Manufacturing and Warehousing
South	M-2, Limited Heavy Manufacturing District	1-story manufacturing business (Brite-O-Matic)	Research, Development, Manufacturing and Warehousing
East	M-1, Research, Development and Light Manufacturing District	1-story flex office/light industrial building	Research, Development, Manufacturing and Warehousing
West	M-2, Limited Heavy Manufacturing District	3-story self-storage facility	Research, Development, Manufacturing and Warehousing

**Requested Action:**

1. Land Use Variation to allow a 62-room hotel in the M-2 Zoning District.

**Variations Required:**

1. Chapter 28, Section 10.2-8, to reduce the required width of a two-way drive aisle from 24 feet to 22.6 feet in width.

### **Project Background:**

The subject site is approximately 112,000 square feet (2.6 acres) and includes the existing European Crystal banquet hall. In 2000, the banquet hall was approved for a Land Use Variation via Ordinance 00-012, which allowed the banquet hall within the M-2, Limited Manufacturing Zoning District. The current facility requires 171 parking spaces and the site contains 175 spaces. The petitioner is proposing the addition of a 62 room 9-story hotel on the north end of the building (hotel name has not yet been formalized and the "European Crystal Hotel" name is just a placeholder), which would involve the demolition of the four smaller banquet rooms that are currently located in this area (the main banquet hall will not be altered). The hotel would include laundry and storage facilities in the basement, a small business center and exercise room on the ground floor, offices and suites on the 2<sup>nd</sup> floor, and standard hotel rooms on floors three through eight. The ninth floor would include additional storage space which could potentially be converted to gathering space at some point in the future (this would require an amendment to the requested land use variation and a parking variation - if justified in the future). The number of on-site parking spaces would remain at 175.

The petitioner has estimated that during an event at the European Crystal facility around 15-20 employees would be needed, and the hotel would have an employee peak of about 8-10 employees. Primary access to the site comes from a shared private access drive off Algonquin Rd., which serves the subject property and five businesses to the south of the subject property. The access road has a non-signalized full access intersection with Algonquin Rd., which has a shared left/right turn lane at this location.

Over the last two years, the petitioner has been working with staff on various concepts for the proposed hotel on the subject property. Multiple iterations of the plans have been presented to the Village, and the Plan Commission held a public hearing on a previous version of this project in October of 2017, which was ultimately denied by the Village Board on November 6, 2017. That version of the project involved a 12-story hotel with 126 rooms and 175 parking spaces. A summary of the previous iterations of the plans has been included within **Exhibit I** at the end of this report.

On March 23, 2016, the Conceptual Plan Review Committee (CPRC) met to discuss the proposed 62-room hotel concept. The Conceptual Plan Review Committee felt that the hotel plus banquet hall combination was an appropriate use for the site, and they communicated that the reduction in size of the hotel was a positive improvement to the plan and encouraged the petitioner to provide a detailed parking study. They also recommended that the petitioner conform to parking requirements rather than having to ask for a parking variation.

### **Zoning and Comprehensive Plan**

The current M-2 zoning does not permit a hotel, which is only allowed through the issuance of a Special Use Permit in the B zoning districts. Therefore a Land Use Variation is required. Village Code outlines four standards of approval that must be met relative to any Land Use Variation request:

- **The proposed use will not alter the essential character of the locality and will be compatible with existing uses and zoning of nearby property.**
- **The plight of the owner is due to unique circumstances, which may include the length of time the subject property has been vacant as zoned.**
- **The proposed variation is in harmony with the spirit and intent of this Chapter.**
- **The variance requested is the minimum variance necessary to allow reasonable use of the property.**

The petitioners written justification for land use variation approval is included within the Plan Commission packet. In addition, the petitioner has stated the following relative to the criteria for land use variation approval:

- The existing European Crystal Banquet facility is not attractive to weekday patrons and has suffered economically as a result. The addition of the hotel will make the facility more marketable for customers looking for conference space during the week.
- The unique location of the subject property, within a small pocket of industrial properties along both sides of Algonquin Road and within close proximity to I-90 and O'Hare International Airport, is an optimal location for a hotel.
- It is not uncommon to find midrise structures clustered around a suburban highway interchange, such as the area around I-90 and Arlington Heights Road. The subject property is in the vicinity of this intersection, which includes several 6-story structures already. The existence of seven hotels within 2,000 feet of the subject property is further evidence that the proposed use will not alter the essential character of the locality.

In consideration of the above, staff believes the necessary criteria for Land Use Variation approval has been met.

The Comprehensive Plan designates the site as "Research Development Manufacturing and Warehousing". Hotels would typically locate in Commercial areas as designated on the Comprehensive Plan, however given the location of the property along Algonquin Road near the I-90 interchange, and the multiple hotels in the vicinity of the site, the location is suitable for a hotel.

The petitioner has provided a market study which indicates sufficient market demand for this hotel. While there are several hotels that exist in close proximity to the proposed facility, the study states that the European Crystal hotel will cater to a separate niche in the market that is not well served by the existing hotels. To illustrate this point, the study outlined the average daily room rate (ADR) of surveyed competitors in the vicinity, which is expected to be around \$100 per night during 2018. The proposed hotel is expected to have an ADR of \$130 per night when it opens in 2020. Furthermore, given the relatively low proposed room count (62 rooms), combined with the unique market niche that the project will cater to, the study estimates that nearby hotels, upon stabilization, would experience only a 1% decrease in their occupancy rates as a result of construction of the European Crystal hotel. The study concludes that the market can absorb the increase in supply, and that average daily room rates in the vicinity are expected to continue growing with only a nominal impact on the local hotel market. Per staff research, the proposed hotel represents a 4.7% increase in the overall hotel room supply within Arlington Heights. However, any time additional rooms are added to the market, it increases market competition. It is possible that existing hotels may have concerns with the proposed European Crystal hotel.

### **Site Design**

The proposed hotel would be located on the north side of the existing building and would be built in the area currently occupied by four smaller banquet rooms. The current entrance to the banquet hall is located on the western side of the building and served by a circular drop-off aisle with a canopy overhead. The circular drive aisle would remain and continue to be used as the primary entrance to the building. Adjacent to this primary entrance, the petitioner is proposing an outdoor patio with a fire pit, seating walls, and landscape planters. Per the petitioner, this area would be used as an accessory outdoor area for banquet functions. The southern parking and loading area, as well as the eastern parking rows and drive aisle, would all remain unchanged.

Overall, the proposed hotel addition is well designed and appropriately situated on the site; to the west it maintains a similar setback as the existing banquet building, and to the north and east it is sufficiently setback from the property lines for a building of its size. The building complies with all setback, building coverage, impervious surface, height, and F.A.R. restrictions.

The Building Department has informed the petitioner that the proposed 9-story addition on the north side of the building is a substantial increase in height over the existing one-story building in that location. Consequently, they've asked the petitioner to analyze the site layout to see if a code compliant fire lane can be added to the north side of the 9-story structure for enhanced fire protection. The current fire lane in this location is setback approximately three feet from the one-story auxiliary banquet hall spaces. The demolition of these auxiliary banquet hall spaces, and the proposed reconstruction of the 9-story hotel in their place, does not include any substantial alteration to location of this existing fire lane and it would therefore remain at about three feet from the newly constructed hotel building. However, the Building Department is asking the petitioner to analyze if the fire lane can be relocated further away from the building.

The petitioner is currently working to reconfigure this area to provide for the desired fire lane. Staff is recommending a condition of approval that would require the petitioner to revise the site and landscape plans in order to address the Building Department's concerns prior to appearing before the Village Board for their consideration.

Based on the current drive aisle/fire lane layout, a slight variation is needed to decrease the two-way drive aisle width to 22.6 feet where code requires a 24-foot two-way drive aisle. Staff is supportive of this variation as there are no parking spaces which would be directly affected by the reduced drive aisle width, and the reduced width would still provide the necessary space needed for fire truck movement through the site. Depending on the pending revisions to accommodate for the 15-foot fire lane setback, this variation may not be necessary.

The zoning code requires ten bicycle parking spaces be added to the site to comply with the newly adopted bicycle parking ordinance. The petitioner has included these ten spaces on the plan, but has located them on an area of grass landscaping and they must be located on a hard surface. The petitioner shall revise their plans to locate these spaces on either concrete, asphalt, or pavers.

Finally, the petitioner has provided preliminary impervious surface calculations that show that there will be a nominal increase in impervious surfaces on the site relative to the new hotel. However, they have not provided detention calculations to confirm whether the existing underground stormwater vault includes surplus capacity to accommodate for the increase in stormwater resulting from small increase in impervious surface. The petitioner must provide detention calculations prior to appearing before the Village Board, for review and approval by the Village. If additional stormwater capacity is required, the petitioner shall either provide a fee-in-lieu of additional stormwater capacity (if acceptable to the Engineering Department), or increase the onsite detention capacity.

### **Landscaping and Dumpster Enclosure**

Staff has reviewed the landscape plan submitted in conjunction with the Plan Commission application and found several areas where additional landscaping is required. Furthermore, the submitted plan does not reflect current landscaping that exists on the site, which has prevented staff from providing comprehensive

review comments relative to conformance with code requirements. While the landscape plan does incorporate certain additional plantings, staff is recommending that the petitioner submit a complete landscape plan for review and approval by staff prior to final Village Board consideration. This revised landscape plan should incorporate the most recent review comments from the Planning and Community Development Department, and staff notes that it is not sufficient to defer these aspects until building permit submittal for this project.

The subject property contains a rear loading/unloading area for deliveries and trash collection. Staff has observed five dumpsters that have been permanently stored in this area adjacent to the east side of the building. The petitioner must store all dumpsters within an enclosed dumpster corral to provide for the code required screening. The property has a roofed garbage enclosure with an overhead door in this area that is not currently used to store the dumpsters. All dumpsters must be kept within this garage until trash collection pickup times and promptly replaced back in the enclosure after trash has been collected. The petitioner has verified that no new dumpsters will be required as a result of the hotel addition (service pickup on existing dumpsters will increase from three times a week to daily), and has indicated that the dumpsters can be accommodated within the roofed garbage enclosure.

Finally, there are three exterior storage containers that have been permanently stored in the three parking spaces that are adjacent to the dumpster enclosure. With the expanded space given the building addition, the need for these temporary storage containers will be eliminated and all three containers should be removed so that these spaces, and all on-site parking spaces, are available for automobile parking. A condition of approval requiring such has been added.

**Traffic and Parking**

The provision of ample onsite parking is key to the success of this project. The existing site contains 175 parking spaces and will continue to provide 175 spaces upon completion of the hotel addition. Per Code requirements as applied to the proposed uses on the subject property, a total of 175 parking spaces are required (see **Exhibit II**), and the site is therefore code-compliant relative to parking. The petitioner has noted that there is additional space within the northern and southern drive aisles to provide for 23 valet parking spots, which would increase the number of on-site parking spaces to 198 spaces. Although these temporary valet parking spaces cannot be counted as code required on-site parking spaces, they are important for increasing on-site capacity during periods of peak parking demand. A summary of the on-site parking is shown below:

**Parking Summary**

Parking Required	175
Parking Provided	175
Valet Parking Spaces	23
Total On-site Parking	198

The petitioner has surveyed the existing parking lot usage over three weekend events during April of 2018, with attendance of 346 guests, 103 guests, and 359 guests (maximum capacity of main banquet hall is 377 guests). During these surveys, the parking lot experienced peak usage of 129 spaces (74% of 175-space capacity). During larger events, the parking survey noted that the number of occupants per car increased with the size of the event, meaning that larger events had a smaller demand for parking spaces per occupant compared to a smaller events since it was more likely that each car arriving had multiple occupants during large events.

The petitioner has made the following additional points relative to parking usage on the site:

- The facility will offer shuttle service to and from the airport, which will make the site attractive to business/leisure travelers who may rely only on taxi or ride sharing transportation options.
- The banquet hall facility will be a significant source of patrons for the hotel. Therefore, the overlapping of patrons using both the hotel and banquet hall will not lead to a separate parking demand for each use as is outlined in the zoning code parking requirement calculations. This will help to keep parking generation rates lower for the site.
- A survey of events at the banquet hall during 2017 has shown that peak attendance (377 patrons) is an unlikely event. Therefore, the worst-case scenario of coinciding peaks at both the hotel and banquet hall would be a rare event.
- The petitioner has provided a record of agreements with neighboring property owners to use parking at their facilities during evenings and weekends in instances of overflow. Specifically, the petitioner has provided documentation from Brite-O-Matic to use their northern gravel parking lot, and from Hand To Shoulder Associates (HTSA) located to the east, to use their parking area during evenings and weekends. **Exhibit III** at the end of this report outlines where these parking alternatives are located relative to the subject property. The Brite-O-Matic property abuts the subject property to the south and parking there is roughly 100' south of the European Crystal banquet hall. There is space to park at least 23 automobiles in the northern gravel lot on this site. The HTSA property abuts the subject property to the east and contains 29 parking spaces located approximately 110 feet east of the European Crystal building. Additionally, there are over 150 parking spaces located in the southeastern portion of the HTSA site, which are about 400 feet from the European Crystal building. It should be noted that neither of these agreements are perpetual and may be terminated at any time.

Staff has evaluated the parking information submitted by the petitioner and determined that the typical peak demand of the hotel, in combination with a banquet event at peak capacity, would result in a parking demand of 210 parking spaces. This figure was derived by averaging the number of parked vehicles observed during the April surveys in relation to the number of guests at those events. Based on this average, it was determined that there are 0.42 vehicles per attendee at banquet hall events. Although the study found that larger events may generate a lesser number of vehicles per attendee (since there are more occupants arriving per vehicle), it cannot be assumed that this will always be the case.

When the 0.42 vehicle-per-banquet-attendee ratio is applied to a peak event with 377 attendees, the total parking demand for the banquet facility equates to 162 spaces. When Urban Land Institute forecasting models are used to estimate peak parking demand for the hotel, it results in a weekend peak parking demand of 48 spaces (occurring at 9:00pm at which time a banquet event may still also be experiencing its peak). These two peaks together amount to a parking demand of 210 parking spaces. Although there is capacity for 198 parking spaces on-site (including the 23 valet parking spots), if parking demand equates to 210 parking spaces during a peak event at the banquet facility, combined with typical usage of the hotel, there will be a need for around 12 spaces of overflow capacity on neighboring. Additionally, it has been observed in the past that events in the main banquet hall alone have caused overflow parking outside of the subject property.

As the petitioner has provided contingency plans for overflow parking via agreements with neighboring property owners, staff believes that this overflow can be managed provided that these agreements remain in place. Additionally, the petitioner will need to carefully coordinate bookings for both the hotel and banquet hall facility to ensure that peak usage for each portion of the business do not overlap. Staff recommends a condition of approval that requires the existing agreements to remain in place, and should they terminate at any time, the petitioner shall notify the Village and secure comparable alternative overflow parking options to the satisfaction of the Village. If comparable alternatives cannot be secured, the petitioner must not schedule events to the 377 occupant peak capacity and shall work with staff to come with a suitable banquet hall attendee cap for events at the facility. Additionally, the petitioner shall minimize overlapping bookings at both the hotel and banquet hall.

Relative to traffic, the subject property is located on a shared private access drive that serves the European Crystal site, as well as five neighboring properties to the west and south. The intersection of this private drive with Algonquin Road is a non-signalized intersection with a shared left turn access lane on Algonquin Road. The study has found that the existing access drive will be suitable to handle the expected traffic generated by the proposed development and no improvements to the intersection are needed. The Engineering Department review of the traffic study has not identified the need for further information or improvements. Staff notes that Algonquin Road is under the jurisdiction of IDOT and any change to this access drive would need review and approval by IDOT.

Based on the traffic study, the proposed hotel would generate 25 additional trips through this intersection during the weekday morning peak (7:30am-8:30am), 19 new trips through this intersection during the weekday evening peak (4:30pm-5:30pm), and 29 trips during the Saturday peak hour (5:30pm-6:30pm). This is a minimal increase in vehicle trips and the study notes that adequate gaps exist in the traffic movements along Algonquin Road to allow for suitable ingress and egress to/from the facility.

Staff notes that during the evening rush hour, staff from the Police Department direct traffic leaving from the Pace Bus office building located across the street. It is not likely that banquet hall events would have departures or arrivals that coincide with the weekday evening peak hour, and additional special traffic control services during these events will not likely be needed. However, if warranted, the petitioner could contract with the Police Department for these services.

### **RECOMMENDATION**

The Staff Development Committee recommends approval of PC 18-013, a Land Use Variation to allow a 62 room hotel within the M-1 District, and a Variation to Chapter 28, Section 10.2-8, to reduce the required width of a two-way drive aisle from 24 feet to 22.6 feet in width. This approval shall be subject to the following conditions:

1. Prior to Village Board consideration, the petitioner shall provide the following items:
  - A. Detention calculations for review and approval by the Engineering Department. If additional stormwater capacity is required, the petitioner shall either provide a fee-in-lieu of including this stormwater capacity on-site (if acceptable to the Engineering Department), or increase the onsite detention capacity on the subject property.
  - B. Revised plans that address the fire lane concerns identified by the Building Department, which may include revisions to the drive aisles, parking spaces, and landscaping.

- C. Revised landscape plans that address the concerns raised by the Planning and Community Development Department in their review letter dated June 21<sup>st</sup>, 2018.
2. The property owner shall maintain the existing agreements for overflow parking on the Brite-O-Matic site (527 W. Algonquin Rd) and the Hand and Shoulder Associates site (515 W. Algonquin Rd). Should these agreements be adjusted or terminated, the property owner shall inform the Village within 30 days and must secure comparable alternative overflow parking agreements to the satisfaction of the Village. If comparable alternatives cannot be secured within 30 days, the petitioner shall not schedule events to the 377-occupant capacity and shall work with staff to come with a suitable banquet hall occupant limit for events at the facility. Additionally, the petitioner shall minimize overlapping bookings at both the hotel and banquet hall.
  3. The property owner shall continue to provide on-site valet parking and shall provide airport shuttle services for guests at the hotel.
  4. The petitioner shall remove all three exterior storage containers located in the three parking spaces adjacent to the loading area on the eastern side of the building. All spaces on the subject property shall be kept free of storage and made available for parking.
  5. All dumpsters shall be kept within a code-complaint dumpster enclosure and shall only be placed outside during trash collection times. Once trash has been collected, the dumpsters shall be promptly relocated back inside an enclosure.
  6. The ten proposed bicycle parking spaces shall be relocated to a paved surface.
  7. The petitioner shall comply with all applicable Federal, State, and Village codes, regulations, and policies

\_\_\_\_\_  
June 29, 2018

Charles Witherington-Perkins, Director of Planning and Community Development

Cc: Randy Recklaus, Village Manager  
All Department Heads



**Exhibit I – Development Comparison**

	<b><u>1st Proposal</u></b> (Presented to Plat and Subdivision Committee in July 2016)	<b><u>2nd Proposal</u></b> (presented to Village Board for Early Review in March 2017)	<b><u>3rd Proposal</u></b> (presented to staff in August 2017)	<b><u>4th Proposal</u></b> (denied by Village Board in November 2017)	<b><u>5th Proposal</u></b> (current)
<b>Building Height</b>	115'	147'	124.5'	134.5'	94'
<b>Number of Stories</b>	10	13	12'	12'	9
<b>Number of Hotel Rooms</b>	160	102	126	126	62
<b>Length of Hotel Building</b>	192	130	157'	157'	123.1'
<b>Number of Parking Spaces Required</b>	461	255	275	310*	175
<b>Number of Parking Spaces Proposed</b>	151	175	172	172	175
<b>Parking Deficit</b>	309	80	103	138	0
<b>Hotel Footprint</b>	10,786 sq. ft.	6,045 sq. ft.	8,875 sq. ft.	8,875 sq. ft.	6,004 sq. ft.
<b>Banquet Spaces</b>	9,354 sq. ft.	5,654 sq. ft.	5,654 sq. ft.	5,654 sq. ft.	5,654 sq. ft.

**Exhibit II – Parking Calculations**

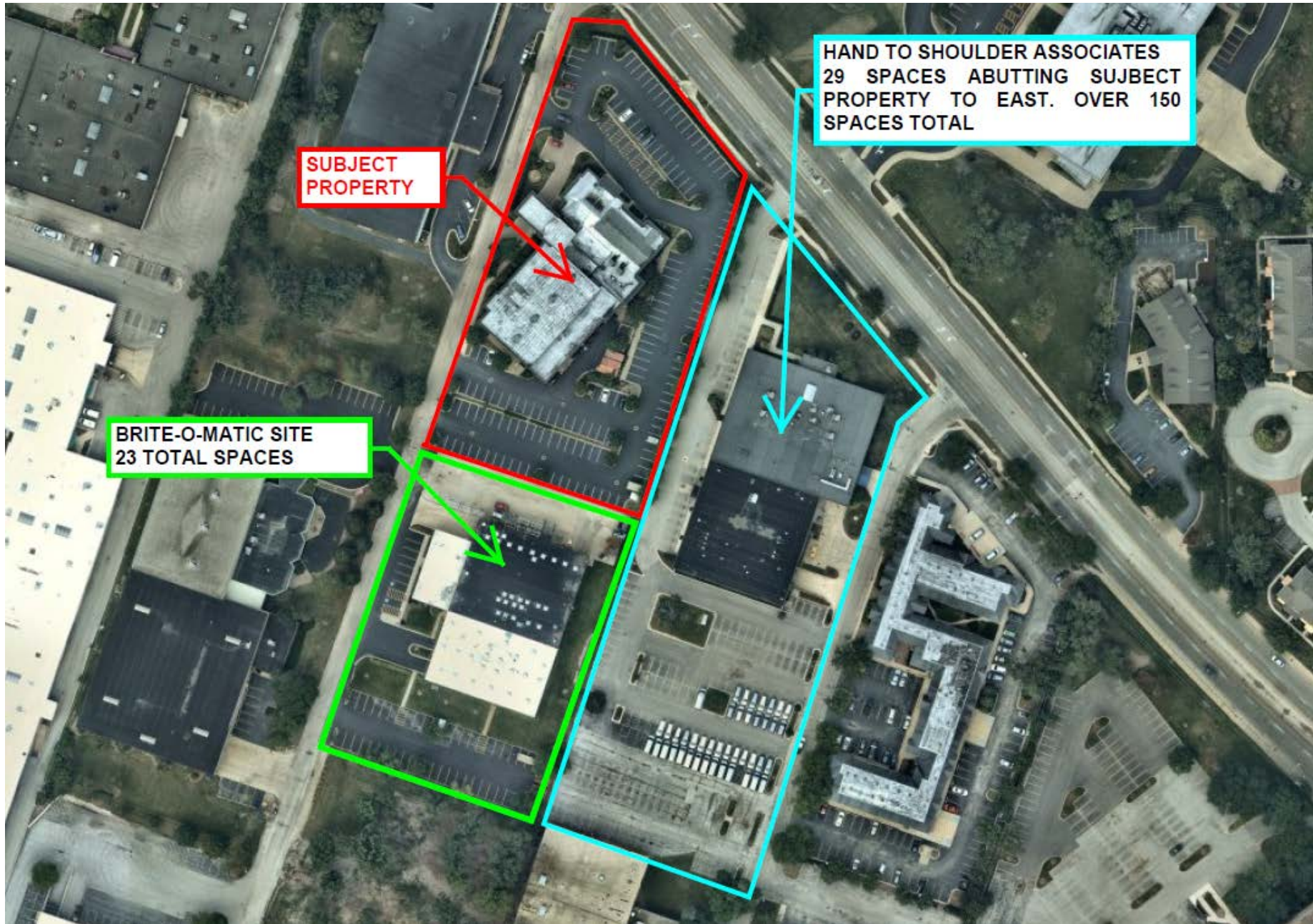
SPACE	PARKING CODE USE	GROSS SQUARE FOOTAGE	MAX OCCUP.	NUMBER OF ROOMS	PARKING RATIO	PARKING REQUIRED
Main Banquet Hall	Place of Assembly	5,654	377*	-	30% of Occupancy	113
Total Banquet		5,654	377			113
1st Floor Coffee Shop/Concession area	N/A	189	-	-	None**	0
Business Area	N/A	504	N/A	-	N/A***	0
1st Floor Exercise Room	N/A	856	N/A	-	N/A***	0
Hotel	Hotel	-	-	60	1 Space per Room	62
Total Parking Required						175
Total Parking Provided						175
Parking Surplus/(Deficit)						0

\* Building Code calculates occupants at 1 per 15 sq. ft. of space

\*\* Based on description provided by petitioner, this space will be considered as an auxiliary space of the hotel that will not generate its own parking demand.

\*\*\* Considered auxiliary to hotel use and does not generate additional parking

**Exhibit II – Adjacent Parking Areas**



**SUBJECT  
PROPERTY**

**BRITE-O-MATIC SITE  
23 TOTAL SPACES**

**HAND TO SHOULDER ASSOCIATES  
29 SPACES ABUTTING SUBJECT  
PROPERTY TO EAST. OVER 150  
SPACES TOTAL**