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September 26, 2018

Mr. Randall R. Recklaus
Village Manager
Village of Arlington Heights
33 S. Arlington Heights Rd.
Arlington Heights, IL 60005

**Re: Request for Village Board of Trustees Early Review
CCH LLC Property - Block 425**

Dear Mr. Recklaus:

As you are aware, our firm represents CCH LLC, the owner of the property located in the Downtown Business District of the Village of Arlington Heights (the "Village"). The property is bordered by Campbell Street to the north, Highland Avenue to the east, Chestnut Avenue to the west and Sigwalt Street, approximately 150 feet to the south. The property consists of approximately 2.87 acres or 125,000 square feet (the "Property").

The Property consists of 17 lots, 13 of which are currently zoned B-5, and 4 of which are currently zoned R-3. In accordance with the current Village Downtown Master Plan, we are requesting that the Property be rezoned as a one lot Planned Unit Development ("PUD"). We will further request that B-5 be the underlying zoning for the entire PUD (collectively, the "Project").

The owner of the Property is very sensitive to the current development climate in the DBD and of particular importance, and the need to comply with current Village Subdivision and Zoning requirements. To that end, the Owner will not be requesting any variances for height, density, or parking for this Project. Our proposed plans include very few variances, the most significant of which is to not require retail uses on the first floor of the Chestnut building directly across the street from the strictly residential neighborhood. The remaining variances deal primarily with relief from certain building setback requirements. We understand that the current Downtown Master Plan has height limitation recommendations which vary from the overall B-5 zoning ordinance. However, we have attempted to balance the height of the various buildings on the Property in order to have the least amount of impact to the residential areas west of the Property.

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Due to the significance, importance and high visibility of the Property, we prepared and submitted our initial concept plans to the Village Staff for their initial review and comments last spring. On May 1, 2018, we received comments from Staff to our initial concept plans, and have attached our responses on an item-by-item basis to this initial Staff Report. In addition, we understand that members of the Village Staff discussed the initial concept plans with each individual Trustee and the Mayor in order to provide them with a preliminary view of the overall development concepts for the Project. Also, attached to this request, are our responses to the informal Board Feedback as relayed to us by Staff.

Finally, we felt it important to reach out to the public and present them with our initial concept plans, and solicit and listen to their reactions and comments. We mailed invitations to over 830 residents in the surrounding area to a public "Open House" which was held at the Property on September 9, 2018. In addition, all members of the Village Chamber of Commerce received invitations. At the Open House, we made two separate informational presentations, one at 12:15 P.M and one at 2:15 P.M. Jim Tinaglia, of Tinaglia Architects, and I each made a brief presentation of the scope and preliminary design of the Project. After our presentation, we divided our consultants into various areas so that members of the public could ask questions regarding the areas of the Project in which they were most interested and concerned. These included architecture, engineering, traffic and parking, and landscape architecture. In addition, members of the ownership development team were available and answered many additional questions regarding the Project. It was a pleasure to see over 200 people attended these sessions, and the overall reaction to the proposed Project was very positive. In addition, we have solicited and received further responses and comments through our newly created website (www.Arlington425.com) where we intend to provide personal responses to questions and comments, and to keep those members of the public who are interested apprised as to the progress of the Project.

Some of the more significant issues raised by the staff, the elected officials, and the public which we have addressed included the following:

1. According to our analysis, the number of parking spaces required by Village Code for the Project based on our initial concept plans is approximately 390 spaces. We intend to provide approximately 535-540 total parking spaces which is approximately 40% greater than the current Village Code requirement. The plans currently show 548 spaces overall, which number will be reduced when handicap spaces are located and included. Therefore, there will be more than sufficient parking for our residents, their guests, and our retail customers and employees.

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2. All stormwater detention will be contained in underground structures on-site, and there will be no negative impact whatsoever on the current stormwater infrastructure of the Village in this area or elsewhere.

3. We will include Affordable Housing apartments (rather than cash-in-lieu) in the Project in accordance with the applicable Affordable Housing Code requirements.

4. Significant upscale landscape and hardscape amenities consistent with or greater than the current Downtown Master Plan requirements.

5. We have already engaged not only our design architect (Tinaglia Architects, Inc.), and landscape architect (Hitchcock Design Group), but we are finalizing our traffic and parking study (KLOA), preliminary engineering (SPACECO), fiscal impact study (S.B. Friedman), marketing study (Gail Lissner of Integra Realty Sources), pre-construction general contractor (Power Construction), property management (Deb Smart of Briarwood Property Management), and public relations (Lisa Eckert Design). We believe we have hired the best-in-class in every area who not only know their own business, but all have experience working (and some living) in the Village.

6. Significant tenant amenities including exercise areas, indoor and outdoor public viewing, meeting and gathering areas, which will take place in the courtyard greenspace areas as well as on the top floor of the Highland building which will provide spectacular views in all directions.

7. We are planning for a significant restaurant on the northeast corner of the site on the first floor of the Campbell building with outdoor seating.

8. We are finalizing a full market study which will be submitted to the Village indicating that there is more than sufficient demand for the type of project and number and type of units we are proposing.

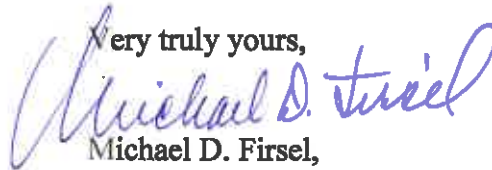
9. We are also in the process of completing a financial impact analysis of the Project that will indicate the significant economic impact this Project and its residents will have on not only the downtown and other surrounding businesses, but on all of the taxing bodies who currently receive an insignificant amount of real estate tax revenue from the Property. Our initial estimates are that this Property will go from generating about \$30,000 per year in total real estate taxes to as much as \$1,500,000 per year. Approximately 65% of that amount will go directly to the school districts with very little student impact on those schools.

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As can be seen by all of the previously distributed information and at the Open House, and all of the planning to date, the team we have assembled has spent many months preparing, designing and investigating the requirements and processes in order to make this very significant Project successful, and become the “crown jewel” of the Downtown Business District, and the Village in general. It is our goal to set the standard against which all future projects within the Village are measured.

It should be quite evident that we are listening as we are planning. We have heard staff. We have heard the public. We have heard the elected officials. We will continue to do so. We want this Project to be a true collaboration in order to produce the very best Project possible while still providing ownership the appropriate benefits for the tremendous risk and expense of making this Project a reality.

In summary, we request that the Village Board provide a positive recommendation for CCH LLC to proceed through the entitlement process. The owner, and its development team, are looking forward to bringing a very high quality, successful, attractive and financially significant project to the Village of Arlington Heights.

Very truly yours,

Michael D. Firsel,
on behalf of CCH LLC

MDF/djm
Attachments