



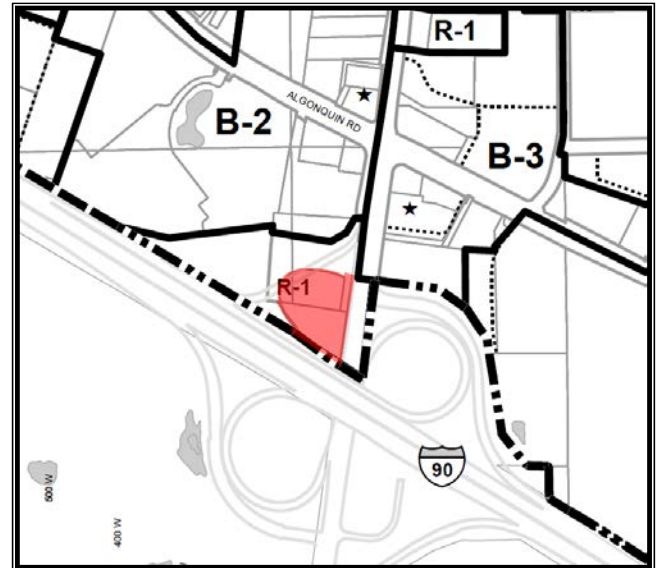
VILLAGE OF ARLINGTON HEIGHTS **STAFF DEVELOPMENT** **COMMITTEE REPORT**

Project Number: PC #20-004
Project Title: Paragon Mechanical LUV
Address: 2400 S. Arlington Heights Rd.
PIN: 08-16-400-033, 08-16-400-035

To: Plan Commission
Prepared By: Sam Hubbard, Development Planner
Meeting Date: May 13, 2020
Date Prepared: May 8, 2020

Petitioner: Kevin Polka
 Paragon Mechanical, Inc.
Address: 2400 S. Arlington Heights Road
 Arlington Heights, IL 60005

Existing Zoning: R-1: One-Family Dwelling District
 and B-3: General Service, Wholesale and Motor
 Vehicle District
Comprehensive Plan: Open Space



SURROUNDING LAND USES

Direction	Existing Zoning	Existing Use	Comprehensive Plan
North	R-1, One Family Dwelling District	Detention Area, Highway On-ramp	Open Space
South	- Elk Grove Village -		
East	- Unincorporated Cook County -		
West	R-1, One Family Dwelling District	Detention Area, Highway On-ramp	Open Space

Requested Action:

1. Rezoning from R-1, One-family Dwelling District and B-3, General Service, Wholesale, and Motor Vehicle District, to the B-2, General Business District.
2. Land Use Variation to allow a Contractor Shop in the B-2 District.

Variations Required:

1. Chapter 28, Section 5.1-11, to allow an area of B-2 Zoning that is approximately 2.36 acres where a minimum of 4 acres is required.
2. Chapter 28, Section 6.12-1(2), to waive the requirement for a traffic and parking study by a certified traffic engineer.

Project Background:

The subject property is 102,991 square feet in size (2.36 acres) and is the former home of the Elk Grove Township facility. The petitioner has purchased the entire site, which is occupied by a single-story building of approximately 13,417 square feet, as well as two auxiliary storage garages, a salt dome, and a children's bicycle safety/training area. Primary access to the site comes from a full access signalized intersection with Arlington Heights Road. There are 57 exterior parking spaces on the site and 13 interior spaces, for a site total of 70 parking spaces.

The petitioner would like to occupy the site with Paragon Mechanical, which is a mechanical contractor that services both residential and commercial clients. Paragon specializes in design services, installations, and repair services for systems such as tankless water heaters, geothermal systems, hybrid heating systems, solar systems, and smart products. Paragon received a Land Use Variation in 2010 to allow their business at 11 N. Arlington Heights Road, which is zoned B-2. Paragon Mechanical is a licensed and registered contractor with the Village of Arlington Heights Building Department.

Paragon's business plan consists of two phases. The first phase involves the establishment of their business on the subject property, where they propose to occupy the current site as is. Use of the site during this phase would consist of approximately 2,886 square feet of office space where they would manage their day-to-day functions (accounting, scheduling, sales), 2,006 square feet of training space which would be used to train Paragon installers and technicians on new equipment and installation/repair techniques, and 5,150 square feet of storage space for vehicles and miscellaneous materials (thermostats, smoke detectors, igniters, flame sensors, etc.). Hours of operation would be between 7:00am and 5:00pm and there would be six office employees working out of the site, as well as nine technicians and installers that work out in the field and only come to the site as needed (grand total of 15 employees). The remaining portion (25%) of the building would be left vacant while the petitioner finalizes details for Phase 2 of their business plan.

Paragon currently owns one "runner" van and eight work trucks; the van and one of the trucks would be stored permanently onsite at the rear of the property and behind the building so as not to be visible from Arlington Heights Road. The remaining vehicles go home with the technicians at the end of the day and are not stored on the subject property overnight. Technician trucks would occasionally access and park at the site during the day for miscellaneous purposes (material pick-up, meetings, etc.), but day-to-day operations are designed to where products are delivered directly to a job site and technicians drive from their home to each job site without being required to stop at the subject property. The petitioner has stated that the van may also be stored within one of the garages, and that if technicians need to access the site, they will be required to park at the rear of the building so as not to be visible from Arlington Heights Road. Paragon does not own any heavy machinery or equipment.

Phase 2 entails a multi-use redevelopment of the site. Approximately one-third of the site would be occupied by commercial uses (e.g. general office space, coffee shop, etc.), and the remaining two-thirds of the site would be redeveloped as Paragon's "in-home Smart Hub" which would provide hands-on assistance to customers in choosing the right products for their home or business. The "Hub" would have an array of products and systems installed and fully-operational for both residential and commercial customers to view and experience to help them make a well-informed decision before purchasing or scheduling an installation. Ultimately, Paragon would like to expand to satellite locations throughout the Chicagoland suburbs, all of which would report back to the "Hub" location on the subject property. The training center may expand to offer training for individuals outside of the Paragon organization. Buildout of the Arlington Heights "Hub" and accompanying commercial uses would take place approximately two years after occupancy of the site.

Final details on the future Phase 2 redevelopment have yet to be determined, although it would involve a substantial remodel or demolition of the existing building, as well as exterior site alterations. The petitioner has submitted concept renderings showing how Phase 2 may look when completed.

Conceptual Plan Review Committee

On June 27, 2018, the petitioner appeared before the Conceptual Plan Review Committee (CPRC). Overall, the CPRC expressed some concerns with use of the site as a contractor shop, but were supportive of the future Phase 2 development concept, which at that time did not contemplate any commercial uses and would have been only for the Paragon “Smart Hub”. The CPRC encouraged the petitioner to work with staff to address the impact of contractor vehicle storage, and some CPRC members questioned whether this was an appropriate land use at this location. The minutes of this meeting are included within the Plan Commission packet.

Ongoing Code Enforcement

In February of 2018, Village staff observed Paragon trucks being stored on the property and parked at the front of the site along Arlington Heights Road. Contractor vehicles were observed again in April and July of 2018, and around July of 2018, staff made contact with Paragon to inform them that Paragon vehicle storage on the subject property was not allowed. Historical Google Streetview images show this parking continuing to occur in September, October, and November of 2018.

In July of 2019, Village staff documented Paragon trucks still being parked on the subject property, and it was observed that the previously approved location of Paragon Mechanical (11 N. Arlington Heights Rd.) had been vacated, and Paragon’s website now advertised that they were located at the subject property (2400 S. Arlington Heights Road). Occupancy of the subject property without proper zoning approval is a violation of the Zoning Code. In August of 2019, the Village reached out to Paragon on two separate occasions to inform the petitioner that occupancy of the site was not allowed. Through the remainder of 2019, Paragon continued to illegally occupy the subject property without pursuing the necessary zoning approvals. In February of 2020, the required Plan Commission application was received. Staff has not observed the parking of contractor vehicles at the front of the site along Arlington Heights Road since this application has been received.

Zoning and Comprehensive Plan

The subject property is currently zoned R-1, One-Family Dwelling District, with a portion on the northern side of the property zoned B-3, General Service, Wholesale, and Motor Vehicle District. The Comprehensive Plan designates this property as “Open Space”. The petitioner has requested that the property be re-zoned into the B-2, General Business District, and staff is supportive of this rezoning; the B-2 District allows for a wide range of commercial land uses, and given the surrounding land uses and the subject property’s location along a major arterial thoroughfare, the B-2 District is appropriate for this location.

The minimum allowable size for any portion of B-2 zoning is four acres, and upon rezoning of the subject property into the B-2 District, it would create a B-2 zoned area of approximately 2.36 acres. Therefore, the following variation is required:

- **Chapter 28, Section 5.1-11, to allow an area of B-2 Zoning that is approximately 2.36 acres where a minimum of four acres is required.**

Staff supports this variation as the proposed B-2 zoning will allow a range of uses that are generally compatible with existing uses within the area, and the B-2 zoning will not alter the essential character of the locality given that there is a large area of existing B-2 zoned land approximately 200 feet to the north of the subject property.

The proposed use of the property falls under the definition of a “Contractor Shop”, which is *“An establishment used for conducting administrative, clerical and general office (business) affairs, indoor repair, maintenance and/or storage of a contractor’s vehicles, equipment and materials, and may include the contractor’s business office and may include a design showroom”*. Contractor Shops are not a permitted use within the B-2 Zoning District, and therefore a Land Use Variation is required.

In order to demonstrate conformance with the standards of approval for a Land Use Variation, the petitioner has provided a written justification addressing the hardship criteria, which response has been included in the packet provided to the Plan Commission. The approval criteria is included below, for reference:

- **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.**

Based on an analysis of these standards, the Staff Development Committee (SDC) does not believe that a contractor shop, which is a quasi-industrial/service related use, is compatible with the existing land uses of nearby property. Furthermore, the SDC finds that introducing the proposed use at this location would alter the essential character of the locality. To the north of the subject property there are multiple office buildings, a retail business (Guitar Center), a restaurant (Denny’s), a gas station, a bank (currently vacant), and a general retail building (currently vacant). To the south is the tollway and forest preserve. The east and west is occupied by tollway onramps, office buildings, and a hotel (Doubletree). A contractor shop does not fit with the pattern of development in the area, and the exterior storage of contractor trucks will be unsightly and a detriment to surrounding properties. Although trucks parked at the rear of the site would not be visible from Arlington Heights Road, they would be visible from both the Tollway and onramp.

Furthermore, relative to the spirit and intent of the zoning code, Section 2.14 states that one of the intents of the code is to “provide for the gradual elimination of non-conforming uses of land, buildings and structures which are adversely affecting the character and value of desirable development in each district.” The proposed use would replace the Elk Grove Township maintenance/office use and would establish a similar use that would have comparable adverse effects on the character of this area.

Finally, the SDC does not believe that the variance requested is the minimum variance necessary to allow for reasonable use of the property. There are a wide range of uses allowed within the B-2 District that would allow reasonable use of the property, and the property has not been vacant for any significant period of time. The approval of a Land Use Variation to allow a contractor shop on the subject property is a substantial departure from the permitted uses within the B-2 District, beyond what is necessary to allow for reasonable use of the property.

For these reasons, staff finds that the necessary criteria for Land Use Variation approval have not been met.

South Arlington Heights Road Corridor Plan:

In May of 2018, the Village adopted the South Arlington Heights Corridor Plan, which outlined the Village's vision and strategies for improvement to this important gateway into the Village. The subject property was specifically mentioned in the plan, which outlined that the site was suitable for commercial uses. The proposed contractor shop is not compatible with the commercial land use designation within the plan. Additionally, due to the location of the property at the southern edge of the corridor and as the first property within Arlington Heights that visitors will see as they exit the tollway or travel northbound on Arlington Heights Road, the plan identified the site as an important opportunity to enhance the appearance of the southernmost portion of the corridor. Staff does not believe that a contractor shop will help to realize the goals of the South Arlington Heights Corridor Plan. In addition, in their 2020-2021 Strategic Priorities, the Village Board has identified a need to improve the gateways into the Village, and the Staff Development Committee does not believe the proposed contractor shop represents an improvement to this major gateway.

Building, Site, Landscaping:

The petitioner is not proposing any site alterations during Phase 1 of their plans. Since Phase 2 is only a concept, detailed plans have not yet been prepared and submitted for review. Should the requested Land Use Variation be approved, any future site modifications would require an amendment to the Land Use Variation (i.e. Plan Commission and Village Board approval would be required for phase 2).

While the property contains a large area of greenspace on the northern side, which includes several mature trees within the children's bicycle safety area, the parking lot doesn't not conform to current landscape code requirements. Specifically, there are no landscape islands with shade trees and no 3-foot tall perimeter parking lot landscape screen. There is also no dumpster enclosure on the site. Should the Plan Commission find that the Land Use Variation meets the necessary criteria for approval, updating the parking lot to conform to current landscape code requirements can help to mitigate the impacts of this use and beautify the South Arlington Heights Road corridor. Given the petitioners desire for future redevelopment, staff is amendable to a phased approach towards landscape installation, with the first phase including parking lot islands with shade trees and perimeter parking lot landscaping along Arlington Heights Road, and the second phase including parking lot islands with shade trees at the rear of the site. The first phase would be installed no later than September 30, 2020, and the second phase to be installed no later than September 30, 2022. The petitioner has proposed an alternative phased landscape plan, which does not fully comply with code and has longer the deadlines for implementation.

Traffic and Parking:

The petitioner is required to provide a traffic and parking study by a certified traffic engineer that assesses access (location, design, and Level of Service), on-site circulation, trip generation and distribution, parking, and impacts to public streets. However, the petitioner has requested the following variation:

- **Chapter 28, Section 6.12-1(2), to waive the requirement for a traffic and parking study by a certified traffic engineer.**

The petitioner has provided written justification in support of this variation, and staff concurs that the necessary criteria for approval of this variation have been met. Given the characteristics of Paragon's business operations, where technicians keep their contractor trucks at their personal residence and are mostly dispatched directly from their home to a jobsite, and given the low amount office staff working out of the facility, in combination with the low expected volume of walk in customers (one per month), the traffic

impact of this use will be minimal. Furthermore, the site contains a surplus of parking spaces relative to expected parking demand and code requirements. Staff is supportive of this variation.

Relative to parking requirements, the petitioner has a surplus of parking on site. With the removal of parking spaces to accommodate for landscape islands, the site would still comply with code requirements. Detailed parking calculations are shown below.

Table I: Parking Calculations

	Square Area / # of Vehicles	Occupancy/Employees	Parking Ratio	Parking Required
Office Area	2,886	N/A	1 space / 300 sq. ft.	9.6
Office Area - Vacant (Phase II)	3,386	N/A	1 space / 300 sq. ft.	11.3
Storage/Vehicle Garage Area	5,150	9	1 space / 2 employees	4.5
Training Center	2,006	100	Place of Assembly (30% of Occupancy)**	30.1
Vehicles	2 vehicles		1 space / vehicle	2
Total Required				57
Total Provided				70*
Surplus / (Deficit)				13 spaces

* Includes 13 interior spaces (6 in rear accessory structures, 6 in principal structure, 1 within Salt Dome)

** Classified as "Classroom" per Building Code - 1 occupant per 20 sq. ft.

RECOMMENDATION

The Staff Development Committee has reviewed the petition to rezone the subject property from the R-1, One-family Dwelling District and the B-3, General Service, Wholesale, and Motor Vehicle District, into the B-2, General Business District, the requested Land Use Variation to allow a Contractor Shop in the B-2 District, and the following variations:

- **Chapter 28, Section 5.1-11, to allow an area of B-2 Zoning that is approximately 2.36 acres where a minimum of 4 acres is required.**
- **Chapter 28, Section 6.12-1(2), to waive the requirement for a traffic and parking study by a certified traffic engineer.**

The Staff Development Committee recommends **APPROVAL** of the rezoning, and approval of the variation to the zoning district size and variation to waive a traffic and parking study. However, the SDC recommends **DENIAL** of the Land Use Variation to allow a contractor shop within the B-2 District for the following reasons:

1. The proposed Land Use Variation is not consistent with the criteria for land use variation approval. Specifically, a contractor shop is not compatible with the existing uses and zoning of nearby properties and would alter the essential character of the locality.
2. The proposed Land Use Variation is not in harmony with the spirit and intent of the Zoning Code. Specifically, a contractor shop would not provide for the gradual elimination of non-conforming uses of land which adversely affect the character of the area.

3. The proposed Land Use Variation is not the minimum necessary variation to allow for reasonable use of the site. The variation is a substantial departure from the permitted uses as would be allowed within the B-2 District, and the property has not sat vacant for any substantial period of time.
4. The proposed land use variation is not compatible with the South Arlington Heights Corridor Plan in that that plan calls for commercial uses on the subject property, and the proposed contractor shop does not comply with this recommended land use. Additionally, outdoor storage of work vehicles will not enhance the appearance of the corridor.

However, should the Plan Commission believe that the necessary criteria for Land Use Variation approval have been met, the following conditions of approval would minimize the impacts of the proposed use on the subject property:

1. Any contractor vehicle, which shall be defined as any contractor truck owned by the petitioner or employees of the petitioner (regardless of the presence of signage) or any passenger vehicle with contractor signage, be prohibited from parking at the front of the site. Such vehicles, whether during the day or overnight, shall only park behind the building so as to not be visible from Arlington Heights Road or shall be parked within one of the interior parking spaces.
2. The petitioner shall be required to implement the phased landscape plan prepared by the Village of Arlington Heights and dated 5-8-2020. Phase one landscape improvements shall be completed no later than September 30, 2020, and phase two landscape improvements shall be completed no later than September 30, 2022.
3. The petitioner shall install a code compliant dumpster enclosure, or alternatively, the salt dome can be used as the dumpster enclosure, provided that the dumpster is not visible from Arlington Heights Road.
4. Outdoor storage of materials shall be prohibited.
5. The following signage restrictions shall apply:
 - a. No ground signage shall be allowed along the onramp frontage or tollway frontage. The ground sign along the Arlington Heights Road frontage shall be a monument style ground sign, to be no taller than six feet in height.
 - b. No wall signage shall be allowed on the accessory structures located on the subject property.
6. The petitioner shall comply with all Federal, State, and Village Codes, Regulations, and Policies.

May 8, 2020

Bill Enright, Deputy Director of Planning and Community Development

Cc: Randy Recklaus, Village Manager
All Department Heads