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April 15, 2020

Mr. Charles Witherington-Perkins
Director of Planning and Community Development
Village of Arlington Heights
33 S. Arlington Heights Road
Arlington Heights, Illinois 60005

**Re: Arlington 425 Planned Unit Development Ordinance 19-019
Request for Extension**

Dear Charles,

Reference is made to Village Ordinance 19-019 enacted on June 3, 2019 (the "Ordinance")

Section Eight of the Ordinance states that approval of the preliminary plat of subdivision granted in Section Three of the Ordinance authorizes submission of a final plat and detailed plans and specifications, and that such preliminary approval will expire on June 3, 2020, unless approval has been extended by the Village President and Board. The Developer hereby requests a 12-month extension of the preliminary approval to June 3, 2021, in accordance with Section Eight,

Section Seven of the above referenced Ordinance states that the approval of the Planned Unit Development granted in Section 2 of the Ordinance expires on June 3, 2021, unless construction has begun or approval has been extended by the Village Board. The Developer hereby requests a 12-month extension of the approval of the Planned Unit Development to June 3, 2022, in accordance with Section Seven.

One basis for the request is due to the fact that we are still attempting to secure financing necessary to construct this project. The construction costs are high, and the current rental rates we are predicted to achieve cannot justify a value acceptable to any lender with whom we have spoken. One primary reason financing is so difficult is attributable to the front loaded costs of this project, primarily the construction of a \$17,000,000+ parking structure with only a fraction of revenue being generated to justify its cost.

Needless to say, the current economic climate will make financing this project even more difficult. Lenders are currently conservative and hesitant to finance commercial real estate in the



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current volatile environment. The COVID-19 pandemic will prove to make debt and equity financing for this project even more challenging during the coming months. No one really knows how long it will take for these markets to return to some sort of normalcy.

When we have a clearer picture of what the future might bring, we will continue to seek conventional and alternative sources of funding and assistance to be able to finance this project both from a debt and equity perspective.

To date, we have spent a very significant amount of money in pre-development costs, and it remains our strong desire to develop this project as currently approved.

Please let us know what other information or documentation you might need to support this request, and recommend approval of our request to the Village Board.

Should you have any questions regarding this matter, please do not hesitate to contact the undersigned.

Very Truly Yours,

Michael D. Firsell