

January 13, 2023

Mr. Sam Hubbard
Development Planner
Village of Arlington Heights
33 S. Arlington Heights Rd.
Arlington Heights, IL 60005

Re: Plan Commission Submission Update

Dear Mr. Hubbard,

We are pleased to submit for your consideration our updated conceptual plan for a self-storage facility on the parcel located at 397/401 W. Gold Rd. Following our original submission on November 11th, we received 2 rounds of thorough feedback and guidance from several departments of the Village that has been instrumental to our updated plan submittal. With the adjusted plan that is currently presented, and our recent approval by the Design Commission on 12/20/22, we believe this project will enhance the Golf Rd. corridor and will serve to benefit the businesses and residents of the Arlington Heights community.

Adjustments to Design

This concept was presented to the Design Commission on 12/20/22, and below are the requirements from the meeting minutes which have informed our submittal:

- 1. A REQUIREMENT TO BRING THE BRICK UP TO THE UNDERSIDE OF THE CANOPY NEXT TO THE FRONT ENTRY ON THE MAIN FAÇADE, IN LIEU OF THE METAL PANEL.**
- 2. A REQUIREMENT TO KEEP THE DESIGN AS SUBMITTED WITH THE BRICK BASE IN LIEU OF FULL-HEIGHT BRICK.**
- 3. A REQUIREMENT TO BRING THE METAL CORRUGATED PANEL DOWN AT THE TWO EXTERIOR NORTHWEST-FACING CORNERS ON THE WEST SIDE OF THE BUILDING.**
- 4. A REQUIREMENT TO CONTINUE THE BRICK BASE ON THE WEST SIDE OF THE BUILDING TO THE SOUTHERNMOST NORTHWEST OUTSIDE CORNER, AND WRAP THE BRICK AROUND THE CORNER SIMILAR TO THE NORTHEAST CORNER OF THE BUILDING APPROXIMATELY TO GRID LINE Z.**

Feedback from Village Departments:

Our team received two rounds of feedback from several departments of the Village on 12/05/22 and 12/22/22. This section is intended to address some of the significant comments received, and the impact the adjustments have on our proposed concept.

Site Access:

The previous owners of the site were granted a license agreement by the adjacent owners of the property to the West. This license agreement allowed for a second means of access, and a left-hand turn from Golf Road if driving from the East. The license agreement does not transfer with a sale, and we have made three offers to the owners of the West property as follows:

- Our original offer was for \$25,000 upfront, and this was rejected.
- Following First Round Dept. Comments, we proposed two options as a counteroffer:
 1. One lump sum payment of \$75,000 payable upon effectuation, or
 2. \$50,000 lump sum payment + \$3,000 / yr (+2% annual increases) to cover annual maintenance. The \$3,000 / yr would last in perpetuity.

We received a response to our offer on 1/10/23. The adjacent owner rejected our counter and proposed an unfeasible payment; \$125,000 lump sum + \$12,000 / yr in perpetuity increasing 2% annually.

Following a discussion with Sam Hubbard, we made a final offer on 1/11/23 of \$65,000 lump sum + \$4,000 / yr increasing 2% annually. We anticipate a response from our neighbor by 1/17/23

We received direction to submit our plan, assuming we are not able to obtain an easement. If the offer is accepted by the neighbor, we will implement the access into our Permit plan set. We very much appreciate the Planning Staff for allowing us to proceed with our submission.

Our team has worked diligently with the building department to establish a solution to this issue. Our previous concept submitted on 12/15/22 reflected a total building height of 32 ft (excluding parapet wall). Members of the Building Department informed us that if we are to shrink the building height by two feet, the requirement for two separate fire apparatus access points would not be required.

It is understood that the planning department has expressed that full access to the site is preferred, allowing both right-hand and left-hand turn access from Golf Road. KLOA, our traffic study consultant, has identified other similar Self Storage facilities in our market area which are served by right in right out access.

We also received a response from IDOT on 1/11/23 indicating their willingness to permit a median cut on Golf Road to allow a left-hand turn into the site should we be unable to obtain an easement from the neighbor. If IDOT ultimately allows us to cut the median, our plan set will be updated accordingly.

General Plan Modifications

In the first round of feedback received on 12/5/22, members of the Planning & Community Development department commented that reducing the building footprint would allow for enhancements to the green space and the perimeter buffer at the property. We have since reduced the building 10 feet NS and 10 feet EW. This adjustment allowed us to significantly modify our landscape and tree preservation plans, increasing the number of existing trees to be preserved.

Sustainable Elements of the Proposed Concept

A common theme of the feedback received was that self-storage facilities tend to be strong contenders for solar panel use. Our MEP engineer is further evaluating the implications of incorporating solar panels into our concept. Generally, our team is supportive of this, and we appreciate the direction provided by the planning staff. With the assumption that we are able to proceed with solar power, our plans will be updated for the permit set.

Our insulated panel product is provided by Metl-Span. Metl-Span prides itself on sustainability and energy efficiency. They are committed to providing sustainable insulated metal panels by offering a more cost-effective all-in-one barrier solution. Their goal is to meet customers' needs in achieving a green building certification by doing so in an environmentally friendly manner. Metl-Span IMPs deliver high-quality, durable, and energy-efficient solutions designed for unparalleled performance to stand the test of time. Nucor, Metl-Span's parent company, prides itself on using one of the cleanest, most energy-efficient steel-making processes available today by using recycled scrap, high-quality steel with low emissions.

Project Background

Since 2021, we have been searching for a suitable site to develop a self-storage facility in Arlington Heights. Our interest is driven by data that indicates an insufficiency of quality storage facilities in the market area. Following consideration of other sites, in conjunction with feedback from Village staff, we are focused on the parcels located at 401 W. Golf Road. This site is currently underutilized due to its irregular shape and is difficult to develop for traditional commercial uses.

1. A Land Use Variation to allow a Storage Facility located along a major arterial street within the M-2 District.

Further, developer has prepared responses to the four hardship criteria specified below:

The proposed use will not alter the essential character of the locality and will be compatible with existing uses and zoning of nearby properties.

The proposed use of the property for self-storage is within the M-2 Zoning District, and the variation requested is due to the site being located on Golf Rd.

All properties adjacent to the site to the West and South are part of the M-2 Zoning District. These properties have uses identified as office/flex space. The proposed use is consistent with the adjacent M-2 Zoning and will therefore not alter the essential character of the area, while remaining compatible with and supportive of existing uses.

The property to the East is a PUD, however, the underlying zoning is B-2. A self-storage use on this parcel will likely benefit these commercial uses to the East. The designs of high-quality storage facilities are similar to high-quality flex-industrial buildings; however, they also are utilized by individual consumers and small businesses. Finally, the proposed facility will incorporate merchandise sales, and the management office within the proposed plan is considered a retail use.

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 site has been partially vacant and underutilized since at least September 2021. The retail and warehouse spaces are the only occupied facilities, as tenants have transitioned into alternative spaces. The use of the site as a veterinary practice is considered nonconforming as indicated by Village staff. The Animal Feeds & Needs space is currently vacant with minimal leasing prospects.

Due to the irregular configuration of the site, and the current zoning, redevelopment of the site is challenging for typical commercial uses. Ingress / Egress, semi-truck circulation, parking, and loading make this site difficult to redevelop for industrial use. Self-storage is a use that does not require substantial parking and is typically accessed by smaller vehicles rather than semi-trucks and is suitable despite the irregular site configuration.

The proposed variation is in harmony with the spirit and intent of this Chapter.

The buildings on the property are considered obsolete. The variance requested for the proposed development will foster new economic growth and development for the community. This use will bring new energy to the underutilized property and will benefit both residents and businesses of Arlington Heights, and the immediate trade area. Self-storage is intended to convenience a moving population and retail core of a village

The variance requested is the minimum variance necessary to allow reasonable use of the property.

Without the variance approval, this site will be challenging to redevelop for alternative use. There is minimal frontage (114 ft) along Golf Rd. relative to the size of the lot, with the bulk of the developable square footage being at the back of the property, with limited visibility and access off Golf Rd. Further the perimeter of the lot is irregular in shape. These configuration attributes negatively impact the viability of commercial use of the property. However, the storage use is positively impacted by the irregular configuration and small frontage dimension. The variance requested is the only zoning departure required to enable redevelopment of the site.

Comprehensive Plan

In 2015, the village of Arlington Heights formalized a comprehensive plan for new development. This area (Corridor C) is considered the “gateway into the Village of Arlington Heights” within the comprehensive plan. Additionally, the site has been identified for “commercial” use within the comprehensive plan. We are confident that self-storage, although considered quasi-commercial, is a viable use for this site. With less than 120 ft of frontage on Golf Rd. on a 2.47 AC lot, much of the site would be unusable for typical retail/commercial use. Self-storage is a use that will maximize the usability of the irregular parcel.

Developer Background

Founded in 1952 by noted architect Wallace F. Holladay, Holladay Properties has grown and diversified from the construction of single-family tract housing to become a full-scale land development, design/build, and fully integrated commercial real estate company, as well as one of the largest medical office management firms in the country. Holladay has more than 300 full-time associates in a range of specialties working from five main development offices and more than 30 management offices in major metropolitan areas throughout the United States with the knowledge and experience to complete any type of project for any kind of client.

Holladay Properties is a privately held company owned by eleven active partners. Our company has completed an array of projects ranging in size from \$750,000 to \$75 million with a total valuation of over \$2 billion. Holladay has managed construction for over five million square feet of new space in the past 10 years and currently has over 3,000 acres of land under development throughout the eastern half of the U.S.

Holladay also distinguishes itself by being on the cutting edge of innovation. From development to construction management and customer service, we aim to be on the cutting edge of technology and design, ensuring that our properties remain highly marketable and guest friendly.

Proposed Development Summary

- Our proposed plan is to develop a 3-story, Class A, temperature-controlled self-storage facility on this site.
- Assumed construction timeline; Groundbreaking April 15, 2023, Complete March 15, 2024 (11 Months)
- Our design team anticipates a total unit count of 725. The gross rentable area of the building will total approximately 73,725 SF, which will serve to address a shortage of storage supply in the community. 1,000 SF of merchandise sales space on the main level.
- 100% of rentable units will be enclosed, temperature-controlled units.
- The facility will offer on-site management from 9:00 AM-6:00 PM Monday – Saturday, and 10:00 AM – 5:00 PM on Sunday. **No 24-hour access.**
- Projected maximum number of employees on-site at the same time will be 3.
- Building clear height is estimated to be 29' 6" (37 ft measured from parapet top).

- Proposed total square footage of the building will be 102,925 SF.
- The site will not offer commercial vehicles for employees or rent to customers (i.e. U-Haul).
- The proposed development includes a single required fire apparatus lane wrapping around the perimeter of the building as depicted on the attached site plan.
- The proposed development will include a robust CCTV camera system, access control system at all loading docks and entrances, and a breach alert system.

Market Study Summary

Self-storage is an essential land use for the prosperity of a community. Without ample storage available, prospective homebuyers and renters are at an inconvenience. Most renters of storage (54%) are transitioning homes, and the typical renter is seeking a facility within 2 miles of their new/old residence. Based on information received in our feasibility study completed by STARR commercial, there is a high demand for new storage space in Arlington Heights (250,000+ SF). Occupancies at competing facilities in the area stand at roughly 94%, with standard unit sizes being completely sold out.

A healthy community typically has a self-storage capacity of approximately 8-12 SF/Capita. Our market study consultant assumed 7 SF/Capita was sufficient for this market. Within a 3-mile radius of the site, the current self-storage capacity is approximately 6.0 SF/Capita. This reflects a demand for 287,627 SF within a 3-mile radius of the property.

The enclosed information is intended to provide a preliminary introduction to Holladay Properties and our conceptual plan for the development of this important site in Arlington Heights. We look forward to working with the Village of Arlington Heights on this exciting project and are eager to collect the Plan Commission's feedback.

Yours very truly,



Don Tomei
Development Manager
Holladay Properties