

CCH LLC

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March 20, 2023

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 (as Amended by Ordinance 21-013) Request for Extension

Dear Charles,

Reference is made to Village Ordinance 19-019 enacted on June 3, 2019 (“Original Ordinance”) as amended by Village Ordinance 21-013 passed and approved on May 3, 2021 (“Amended Ordinance”).

Section 5.K. of the Amended Ordinance set deadlines for both issuance of building permits as well as expiration of the preliminary plat of resubdivision as May 2, 2023.

Section 5.L. of the Amended Ordinance set a similar automatic expiry for submission of a building permit application for the Chestnut building on or before April 30, 2028 (effectively 5 years thereafter).

Section 9.12 (“Enforcement of Development Schedule) of the Village’s Zoning Code (as amended) provides for a 12-month extension through submittal to your department for final approval by the Village Board of Trustees.

The Developer hereby requests a 12-month extension pursuant to Section 9.12 of the deadlines provided for in Section 5.K. of the Amended Ordinance through May 2, 2024 and a similar extension under Section 5.L. of the Amended Ordinance through April 30, 2029.

As you will recall, the Original Ordinance was amended by the Amended Ordinance in great part due to the fact that the original development program of two mixed use buildings and one residential only building, could not be financed, in part due to construction costs. Our team honestly felt at the time that a revised program that eliminated the “Highland” building, reallocated some dwelling units to both the “Campbell” and “Chestnut” buildings, but overall reduced density, would be feasible. Concurrently we experienced the onset of the COVID-19 pandemic. That extraordinary event impacted Arlington 425, as amended, in several ways, not the least of which was a virtual stoppage in terms of construction activity.

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We are now, hopefully, at the 'outside' of the pandemic, but its long-term effects have created additional constraints and havoc: spiking construction costs and rising interest rates among other factors.

The extraordinary cost of the required on-site parking garage remains a key cause for the Developer's inability to proceed with any viable development for the site. While eliminating the residential floors above it as part of the amended development program did help somewhat, the garage budget continues to consume some 15% of the total Phase I (Campbell plus garage) phase budget and must be completed to allow for leasing of dwelling units and retail space to commence. You have been gracious enough to entertain our thoughts as to how this problem could be solved through Village participation so we could proceed with the currently programmed two-building development plus on-site parking garage, We remain open to further discussions along the lines originally discussed, of course. However we will appreciate your insight as to how we can work together and solve the problem at no risk to the Village.


Moreover, construction costs and interest rates continue to rise. While there has been a concurrent tightening of housing inventory that suggests we may be able to pro forma higher rental rates, the uncertainties abound. Lenders in particular shy away from uncertainty. Contractors may be eager for work and might trim costs to be awarded work, but our experience has been that can be a mixed blessing too. And there are those who continue to preach recession yet this year.

As you know too, our investment in both the property and two rounds of planning for the current development program, still leave us hoping to move toward realization of what we continue to view would be a significant addition to the downtown core.

Please let us know what documentation or other information you will need to support this request and to recommend that the Village Board approve it.

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

Respectfully,


Bruce J. Adreani

cc: Sam Hubbard
Mike Firsel
Peter Adreani
Stephen Messutta