

PLAN

REPORT OF THE PROCEEDINGS OF A PUBLIC HEARING
BEFORE THE VILLAGE OF ARLINGTON HEIGHTS
PLAN COMMISSIONCOMMISSION

RE: ARLINGTON 425 - SIGWALT/CHESTNUT/HIGHLAND - PC #21-002
ZONING ENTITLEMENT EXTENSION REQUEST

REPORT OF PROCEEDINGS had before the Village of
Arlington Heights Plan Commission Meeting taken at the Arlington Heights Village
Hall, 33 South Arlington Heights Road, 3rd Floor Board Room, Arlington Heights,
Illinois on the 13th day of March, 2024 at the hour of 7:30 p.m.

MEMBERS PRESENT:

SUSAN DAWSON, Chairperson
LYNN JENSEN
JOE LORENZINI
GEORGE DROST
TERRY ENNES

ALSO PRESENT:

SAM HUBBARD, Development Planner

CHAIRPERSON DAWSON: So, I'll call the meeting to order, and stand for the pledge, please.

(Pledge of Allegiance recited.)

CHAIRPERSON DAWSON: All right, roll call, please.

MR. HUBBARD: Commissioner Cherwin.

(No response.)

MR. HUBBARD: Commissioner Drost.

COMMISSIONER DROST: Here.

MR. HUBBARD: Commissioner Ennes.

COMMISSIONER ENNES: Here.

MR. HUBBARD: Commissioner Green.

(No response.)

MR. HUBBARD: Commissioner Jensen.

COMMISSIONER JENSEN: Here.

MR. HUBBARD: Commissioner Lorenzini.

COMMISSIONER LORENZINI: Here.

MR. HUBBARD: Commissioner Sigalos.

(No response.)

MR. HUBBARD: Commissioner Warskow.

(No response.)

MR. HUBBARD: Chair Dawson.

CHAIRPERSON DAWSON: Here.

All right, first item on the agenda is approval of minutes from February 28th. Do I have a motion?

COMMISSIONER LORENZINI: I'll make a motion to approve the minutes.

COMMISSIONER JENSEN: Second.

CHAIRPERSON DAWSON: All in favor?

(Chorus of ayes.)

CHAIRPERSON DAWSON: All right, that passes.

So, then the first petition we have, the first item for discussion on the agenda is the -- sorry, I lost my page.

COMMISSIONER ENNES: 425 building.

CHAIRPERSON DAWSON: I know, give me a second, I lost my page. I was looking at, see, this is the problem with using the online agenda is I clicked on the minutes.

Okay, Arlington 425 Extension Request.

Who will be speaking on behalf of the Petitioner?

MR. MESSUTTA: I'll start unless you --

CHAIRPERSON DAWSON: Well, if you both think you might speak, then if you could both come up, then I can swear you in at once and then I don't have to --

MR. MESSUTTA: Yes, why not?

CHAIRPERSON DAWSON: Okay, so before I swear you in, have all public notices been given?

MR. HUBBARD: There were no public notices.

CHAIRPERSON DAWSON: Because it's an extension, so okay, never mind.

(Witnesses sworn.)

CHAIRPERSON DAWSON: Terrific. All right, so if you would please give your presentation, but state your name, spell your last name for the record.

MR. MESSUTTA: Certainly. My name is Steven Messutta. Last name is spelled M-e-s-s-u-t-t-a.

CHAIRPERSON DAWSON: Great, go ahead.

MR. ADREANI: My name is Bruce Adreani, A-d-r-e-a-n-i.

CHAIRPERSON DAWSON: Thank you. Proceed with your presentation, thank you.

MR. MESSUTTA: Thank you. I was hoping everybody would be here, but we'll take it as it comes. So, thank you for hearing us.

I want you to know that I trust that you had the opportunity to read our request letter as well as the Staff report. We were working very, very hard, and now we're working with the Village Staff, Building Department and the Planning Department for your final plat of approval and building permits.

As you can see, well, I can tell you this, we submitted for building permit as the Staff report said and our letter as well on March 4th. I can tell you this as an example, that we didn't get the electrical plans, I was just telling Commissioner Drost, until noon of that day. It took over eight weeks. Everything that's good takes time and we wish we had been able to accomplish it sooner. We're where we are and we're really, I'm under several hats for Bruce, and sometimes it's a quarterback, and I've been having weekly meetings with an excellent, I don't want to use the T word, group of professionals and contractors, all of whom have been working diligently to put together a program that we can move forward with as quickly as possible.

So, I don't have much more to say except that we trust that you folks will agree that this should move ahead as quickly as we can all make it happen and not let it fall by the wayside. It's just too grand of an opportunity for the entire community.

As I was telling Bruce, because we walked around outside a little bit before the meeting because actually, I thought it was starting earlier than 7:30 but in any event, it was still light outside now that we have daylight savings time of course, and the architecture for our project, it may be the last time you'll see something quite as magnificent go up in the downtown, I don't know, but it's certainly more costly and we're going to go ahead with it. So, thank you.

CHAIRPERSON DAWSON: All right, thank you. All right, any other comments to your presentation? No. We move to Staff report. Have you read the Staff report? I guess is there --

MR. MESSUTTA: Sure.

MR. HUBBARD: It's more of a memo.

CHAIRPERSON DAWSON: Well, informal Staff report, but thank you. So, we'll let the Staff report go and then we'll move to questions. Thank you.

MR. HUBBARD: Sure. So, the underlying zoning approvals, the planned unit development and the preliminary plat of subdivision, are set to expire on May 3rd of this year. In order to finalize and eliminate that deadline, the Petitioner would have to finalize the final plat process prior to that deadline and also be approved for a building permit. However, based on when we have received the final plat submission which was received in late February and when we received the building permit submission in early March, we are not confident that the Petitioner would be able to achieve both of these milestones prior to the expiration of the PUD

and preliminary plat approvals.

So, we have recommended that they request an extension. They have requested an extension of six months until November 3rd of this year. We think that's a generous time period. We're recommending approval of this extension request, erring on the side of asking for probably too much time of an extension so that, you know, under a worst case scenario, they don't have to come back for more time and make a subsequent request, but we fully expect that the final plat process and building permit would be issued well in advance of that deadline.

So, the Petitioner is making progress. As I mentioned, they've submitted their final plat, that's currently under review. We just gave them preliminary comments back this week on that. Their building permit for the Campbell building and the garage, the Phase I of development, has been submitted and is currently under review. So, that being said, we are supportive of this request and recommending approval of the six-month extension.

CHAIRPERSON DAWSON: Okay, great. Thanks, Sam. I know it's not really a Staff report, you call it Staff memo in the agenda, but I'm assuming we still need a motion to approve and move that into the record.

COMMISSIONER DROST: And I'll make that motion.

CHAIRPERSON DAWSON: Is there a second?

COMMISSIONER ENNES: I'll second it.

CHAIRPERSON DAWSON: All in favor?

MR. HUBBARD: Do we want to ask for public comment first?

CHAIRPERSON DAWSON: No, Staff, it's just Staff memo.

MR. HUBBARD: Oh, the report, got it, got it.

CHAIRPERSON DAWSON: We haven't approved anything yet.

COMMISSIONER DROST: We haven't spoken yet.

MR. HUBBARD: That's true, yes.

CHAIRPERSON DAWSON: I know, look at me, like knowing the agenda, Sam, look at that.

MR. HUBBARD: Hold on.

CHAIRPERSON DAWSON: You didn't give me a cheat sheet today.

Anyway, all in favor?

(Chorus of ayes.)

CHAIRPERSON DAWSON: Any opposed or abstentions?

(No response.)

CHAIRPERSON DAWSON: All right, I'm just going to quickly ask for audience commentary before we move to our questions. So, I'll open up for public commentary.

(No response.)

CHAIRPERSON DAWSON: Seeing no public commentary, we'll close public commentary. I'll just pick, I'll just head down this way.

COMMISSIONER JENSEN: I don't really have any.

CHAIRPERSON DAWSON: No questions?

COMMISSIONER LORENZINI: Yes, I've got a few.

So, Sam, what's the next step after the plat's improvements have been approved?

MR. HUBBARD: So, once the final plat is approved, the building permit can be issued. Then once the building permit is issued, then they can begin construction on the

project.

COMMISSIONER LORENZINI: Okay, maybe I should ask the Petitioner this. So, once your permits are approved, your plats are approved, do you have a contractor lined up already or are you getting bids? What's the development in your court at that point?

MR. MESSUTTA: We've been working with, Steve Messutta again. We've been working with Power Construction for quite sometime now as our pre-construction consultant. As of the end of January, we had some preliminary bids for the kind of work that would be necessary to start the work. But we have to wait to see what comes through the entire length of the permit review process, and one of the things that could slow us down honestly could be working with the Village on making sure the Vail Garage is handled properly because that's one of the obligations we have, it's to make sure that our project doesn't interfere or impact the garage.

So, our plan right now is based upon pricing for a start date of July 1, but we're pretty sure that's not going to be the start date for a number of reasons, but the main one is that, frankly, pricing is starting to sound more reasonable today. So, we want to get more pricing because our lender choices will want to see that before we can move forward, and we need to make sure that we can put the entire price structure together before we proceed. It would be terrible not to have those prices in place. Sometimes those prices for the kind of work we're talking about are not typically better in the summer but later in the fall.

So, our thought right now is once we get the permits, and there's things to do even after that, we still have to get ComEd to sign off and all other things for the plat to be recorded. We don't want to start anything until that happens, so there's a matter of timing there as well, but once we put it all together, we're going to move as quickly as our financing will permit.

COMMISSIONER LORENZINI: So, the next step after plats and permits are approved is getting your pricing and your loans --

MR. MESSUTTA: I'm sorry?

COMMISSIONER LORENZINI: Getting price and loans in place, construction loans in place, that's the next step, right?

MR. MESSUTTA: Yes.

COMMISSIONER LORENZINI: Okay, how long roughly would that process take? Two months, three months?

MR. MESSUTTA: It depends. Honestly, it depends because one of the programs we've been looking into is an HUD program. In that program, we had a concept review already which was preliminarily approved and we were invited to apply, but that was for the earlier iteration of the project. We assume that we'll be able to do the same thing in order, but we've been told that process can take many months.

COMMISSIONER LORENZINI: Okay, and then the last step I assume is to start construction?

MR. MESSUTTA: Well, yes.

COMMISSIONER LORENZINI: Once all that's in place.

MR. MESSUTTA: Pardon?

COMMISSIONER LORENZINI: Once all that is in place, then you start construction?

MR. MESSUTTA: Yes.

COMMISSIONER LORENZINI: And how long is that expected to take for

Phase I?

MR. MESSUTTA: Phase I, we're projecting, or Power Construction really is projecting from start to substantial completion, occupancy permit, between 16 to 18 months.

COMMISSIONER LORENZINI: Okay, that's all I have. Thank you.

MR. MESSUTTA: You're welcome.

CHAIRPERSON DAWSON: George?

COMMISSIONER DROST: On the composition of what the project is going to look like, it was sort of open-ended at the time we gave approval as I recall. There was some deliberation as to what that mix was going to be, condominium or apartment, all apartments, some apartment, then there was some retail, maybe a restaurant or two on the site.

Was any thought given to making part of it into a hotel which would be sort of a, because there are some models out there like the Peninsula Hotel where you can, and Renaissance where they have hotel sites where you can rent, or you can basically transition to different types of living arrangements. I was wondering if that concept had ever gotten any lift. Oprah lived in one of them.

MR. MESSUTTA: Well, I'll tell you this.

COMMISSIONER DROST: So, it's got to be good.

MR. MESSUTTA: This is not the first time we've tried to do something on that site. We actually did propose, at least informally tried to run up the flagpole the idea of a limited service hotel I would say 10 years ago. It was not well received, so we kind of put it aside.

Right now, our plan is for 234 rental apartment units in the Campbell building, 225 West Campbell, for Phase I. That's it, plus some retail space. Now, we've already engaged with, they used to be called Lincoln Properties, now they've joined a larger national organization called Willow Bridge, and they will be our property managers as far as we know and they are programming rental apartments only.

COMMISSIONER DROST: Yes, because it's come up time after time the ingredient that's missing in the Central Business District is a hotel, as you say, a limited service hotel, but maybe these concepts, these platforms that now exist, the airbnb and, you know, whatever, that they can have an application for the 230 plus units you're projecting.

MR. MESSUTTA: I think it's a move we can certainly talk about, but right now we're, you know.

COMMISSIONER DROST: Yes, I know, getting the shovel in the ground is basically it.

MR. MESSUTTA: The likelihood is that could help with the revenue side, but again it requires a lot more than just saying these are for a hotel. It requires a lot of separate accounting and things like that, but we can talk and we'll listen.

COMMISSIONER DROST: Yes, and sort of the other part, do you still feel that the apartment market is still as strong as it was two years ago? And now that, you know, you've passed through the zero interest rate zones, that, you know, it's still going to be viable as you present this to your lenders or through the government plans that you're seeking?

MR. MESSUTTA: Right, and everything has a cycle, right?

COMMISSIONER DROST: Yes, you know this better than us.

MR. MESSUTTA: But the funny thing about the particular cycle that really stopped us from moving ahead was the cycle where you couldn't get contractors because nobody could work, inflation was rampant, and prices went up by anywhere from 10 to 20 to 30 percent. So, that's when the price of housing went up as well. Things are moving along, we're seeing

some fluctuations, but in 16 to 18 months things could be totally different from a leasing standpoint. So, we're confident that our numbers will work at that time, and that's what we're working with Willow Bridge to achieve.

COMMISSIONER DROST: Good. Yes, I just wanted to get sort of an update, you know. Our memory has become a little bit --

MR. MESSUTTA: Not a problem.

COMMISSIONER DROST: Yes, so good.

MR. MESSUTTA: We're here to answer.

COMMISSIONER DROST: That's great, thank you.

MR. MESSUTTA: You're welcome.

COMMISSIONER ENNES: For Staff, getting the six-month extension, what does the Petitioner have to get completed within that six months? What's that deadline for?

MR. HUBBARD: They would need to complete the final plat of subdivision process which would mean getting the engineering finalized and the plat finalized, bringing that before the Plan Commission, getting that approved, recommended by the Plan Commission and approved by the Village Board. Then they would need to --

COMMISSIONER ENNES: What about the architectural plans for that?

MR. HUBBARD: Well, it's more engineering site plans.

COMMISSIONER ENNES: Okay.

MR. HUBBARD: Then they would need to get a building permit issued for construction of the project, and that would be, you know, more architectural, but also site and engineering related, basically, you know, very, very detailed plans for construction of the building and improvements to the site.

COMMISSIONER ENNES: That's a lot to get done in six months, right?

MR. HUBBARD: It's a heavy lift, but definitely accomplishable in a six-month timeframe, yes, absolutely.

COMMISSIONER ENNES: So, what realistically, or when realistically do you expect to get a shovel in the ground, to actually start the construction process? Next year?

MR. MESSUTTA: Likelihood, yes. Certainly, we don't want to start during the worst weather. So, if everything kind of comes together, pardon me, in fall or late fall, then we'd probably defer actual shovel in the ground until spring unless there's something else we could do in the meantime. We can start staging logistics and things of that to get ourselves ready, but I would say that's probably not a bad estimate.

COMMISSIONER ENNES: Okay, and that would just be for foundation, you're thinking foundation might not be until the spring?

MR. MESSUTTA: Right, and our plan right now is to start the Campbell building first, and then when we see how long it will take to complete the Campbell building, we'll start the garage so that they are completed approximately the same time so that we have parking for the people who are going to be moving in and renting.

COMMISSIONER ENNES: Okay, that's all I have.

MR. MESSUTTA: Thank you.

CHAIRPERSON DAWSON: All right, I don't have any questions or comments.

Any other deliberation or do we have a motion?

COMMISSIONER ENNES: I would make a motion.

A motion to recommend to the Village Board of Trustees approval of a six-month extension to the Planned Unit Development and Preliminary Plat of Resubdivision expiration deadline, from May 3, 2024 to November 3, 2024, for PC #21-002.

CHAIRPERSON DAWSON: Is there a second?

COMMISSIONER JENSEN: Second.

CHAIRPERSON DAWSON: Roll call.

MR. HUBBARD: Commissioner Ennes.

COMMISSIONER ENNES: Yes.

MR. HUBBARD: Commissioner Jensen.

COMMISSIONER JENSEN: Yes.

MR. HUBBARD: Commissioner Drost.

COMMISSIONER DROST: Aye.

MR. HUBBARD: Commissioner Lorenzini.

COMMISSIONER LORENZINI: Yes.

MR. HUBBARD: Chair Dawson.

CHAIRPERSON DAWSON: Yes.

All right, so there's unanimous approval from us. Does that go up to the Board then as well? Okay, so again, we're just a recommending body. Sam will give you information about the Village Trustees meeting.

MR. MESSUTTA: Thank you so, so very much.

CHAIRPERSON DAWSON: Thank you.

MR. MESSUTTA: We hope to produce a really grand development for your downtown.

CHAIRPERSON DAWSON: Looking forward to it.

MR. MESSUTTA: You bet.

CHAIRPERSON DAWSON: All right, so with that, I'm going to open up to general public commentary. We're all done, thank you much.

Any general public commentary?

(No response.)

CHAIRPERSON DAWSON: No, all right. Seeing no general public commentary, I'm going to shut public commentary. Bear with me, Mister, I'll get to you.

COMMISSIONER ENNES: Okay, I got you.

CHAIRPERSON DAWSON: Is there any other business? I see Commissioner Ennes has something to say.

COMMISSIONER ENNES: Yes, you know, this is probably more for Staff. There's been some news in the press lately --

COMMISSIONER DROST: Really?

COMMISSIONER ENNES: -- about some sports facility development. I'm wondering, the zoning on a property like that, is that something that could change? Does it have to be from the property owner to petition for a change or could anybody petition for a change?

MR. HUBBARD: Well, either the Village would or the property owner would.

COMMISSIONER ENNES: Okay.

MR. HUBBARD: Yes.

COMMISSIONER ENNES: So, somebody could petition for something like public lands?

MR. HUBBARD: Either the Village or the property owner could, yes.

COMMISSIONER ENNES: Okay, thank you. That's it.

COMMISSIONER DROST: Yes, how does the Village, why would the Village do that? Would there be some citizen concerns?

MR. HUBBARD: For any number of reasons, yes. If the Village Board directed Staff to look at, you know, some different zoning, then that's what we would look into.

COMMISSIONER DROST: Yes, and does that come into the area of eminent domain? Taking, you know, maybe down-zoning or lesser use as opposed to better use or special?

MR. HUBBARD: It could.

COMMISSIONER DROST: Yes, okay. Just you started the conversation; I ended it.

COMMISSIONER ENNES: Yes, sure.

CHAIRPERSON DAWSON: Any other business, Sam?

MR. HUBBARD: None.

CHAIRPERSON DAWSON: Would anyone like to adjourn?

COMMISSIONER DROST: I'll make that motion.

CHAIRPERSON DAWSON: Do I have a second?

COMMISSIONER LORENZINI: Second.

CHAIRPERSON DAWSON: All in favor?

(Chorus of ayes.)

CHAIRPERSON DAWSON: Thank you.

(Whereupon, at 7:50 p.m., the public hearing on the above-mentioned petition was adjourned.)