

**REPORT OF THE PROCEEDINGS OF  
THE PLAT & SUBDIVISION COMMITTEE  
OF THE VILLAGE OF ARLINGTON HEIGHTS PLAN COMMISSION**

HELD AT VILLAGE HALL ON:

**March 23, 2015**

**Project Title:** Ivy Hotel  
**Address:** 519 W. Algonquin Road  
**Petitioner:** James Cazares  
**Address:** 233 E. Ontario  
 Chicago, IL 60611

**Requested Action:**

- A Land Use Variation to allow a 165 room hotel in the M-2 zoning district.

**Variations Identified:**

- Chapter 28, Section 11.4 Parking to allow 177 parking spaces whereas 341 are required, a variation of 164 spaces (Note that these figures do not include the proposed second floor conference rooms which will need to be calculated once the dimensions of the conference rooms are provided, thus increasing the required parking)

**Attendees:**

James Cazares, Petitioner  
 Bruce Green, Plan Commissioner  
 Jay Cherwin, Plan Commissioner  
 John Sigalos, Plan Commissioner  
 Bill Enright, Deputy Director of Planning & Community Service  
 Sam Hubbard, Development Planner

**Project Summary**

The subject site is approximately 112,000 square feet or 2.6 acres and includes the existing European Crystal Banquet Hall. The banquet hall required a Land Use Variation which was approved in Ordinance 00-012. The current facility requires 176 parking spaces and there are 178 on site. The proposal is to add a 165 room 8 floor hotel at the north end of the building, which will include conference rooms on the second floor. The petitioner has provided a market study and parking study both of which are included in this packet. While staff is supportive of the hotel use, issues related to parking, market need, architectural design, and site improvements such as detention and landscaping, will need to be further analyzed in order to determine if the site can support this scale of development.

**Meeting Discussion:**

**Mr. Cazares** passed out an informational flyer on the existing Ivy Hotel located in downtown Chicago.

The Petitioners and Plat and Subdivision Committee members introduced themselves.

**Mr. Cazares** explained that the petitioners own a boutique hotel in downtown Chicago, as well as the European Crystal Banquet Hall located on the subject property, and they have been in the hospitality business for over 30 years. The European Crystal Banquet Hall has been open for about 15-16 years and is now in need of renovations to update the facility. Mr. Cazares gave background information on the existing hotel in downtown Chicago, and discussed the hotel market in the downtown Chicago area and the hotel market in the northwest suburban area, particularly around O'Hare airport. Due to the need to renovate the banquet hall, the petitioners have begun analyzing the banquet hall's strengths and weaknesses. One of these weaknesses is that the banquet hall has around 70% to 73% vacancy on weekdays. Given that the suburban hotel market has low vacancies during the week and higher vacancies during the weekend, the petitioners believe that a hotel would be a good pairing with the existing banquet hall facility.

**Mr. Enright** said that the Staff Development Committee has looked at this proposal on a preliminary basis and believe that

a hotel makes sense in this location. Although the current zoning does not allow the hotel use, there are several hotels in the area and the location has good proximity to the expressway and to O'Hare airport.

**Mr. Enright** outlined some of the areas of concern; staff would like to perform a more detailed analysis of the market study to determine if there is a market for this type of hotel at this location and the impact that this hotel may have on other hotels in the area. Parking is something that staff needs to closely analyze, particularly in relation to the addition of a hotel to the existing banquet hall, and staff would like to gather data on similar hotels in suburban environments to understand the potential parking needs for this type of facility. Mr. Enright explained that the existing parking data did not include the conference rooms proposed for the 2<sup>nd</sup> floor of the hotel, and that this would need to be factored into the parking calculations. Design of the hotel would be important during review of this proposal as the proposed height, at somewhere between 90 and 115 feet, would mean that this building would be highly visible. However, the proposed height of the building was not viewed as a major issue at this location. Additionally, staff was recommending a preliminary review with the Design Commission to provide early feedback and initiate a dialogue on design. The site layout will need some work and adjustments given the changes to the parking and circulation with the new building added to the site. Staff would also like to get a better understanding of existing parking agreements with neighboring property owners. However, by and large the Dept. Heads very much liked the idea pending the resolution of these issues.

**Commissioner Cherwin** stated that he tends to agree with staff and is supportive of the use at this location. He believes that parking will need to be addressed as the petitioner moves forward in the process, and stormwater will also need to be addressed. With regards to parking, the neighboring should be analyzed to determine if there is potential for shared parking at times when neighboring properties are not heavily used and the subject property has a high parking demand. Commissioner Cherwin asked if the weekday or the weekend would be the peak in hotel usage.

**Mr. Cazares** responded that the suburban hotel market sees peak usage between Sunday and Thursday, and Friday and Saturday has low usage. The market analyst used 8 years worth of hotel data to understand hotel usage in the Arlington Heights market area.

**Commissioner Cherwin** stated that this usage corresponded with typical peak uses on neighboring industrial properties, and so maybe shared parking with them would not be viable, but possibly those properties had excess parking capacity. Commissioner Cherwin questioned if platform parking had been discussed.

**Mr. Cazares** answered that they were not proposing any platform parking and that peak usage for the banquet hall corresponded with low usage for the hotel. However, if the hotel would be full during the weekday, the banquet hall would likely not be in use. Furthermore, they are looking into reducing the total room count by 8 rooms to accommodate for suites, as often times wedding parties prefer the suites.

**Commissioner Cherwin** reiterated that generally he likes the look of the proposal and didn't have any major concerns.

**Commissioner Sigalos** said he thought it was a great concept to fill in the vacancies that existed at the banquet hall. However, he shares the same concerns as expressed earlier and that it was tough to tell from the conceptual site plan how everything could be fit on the site with the required stormwater detention, but he was confident that it could be worked out. Commissioner Sigalos asked about the projected 20% of rooms to be used by pilots and flight attendants, considering that there are many hotels much closer to O'Hare airport.

**Mr. Cazares** responded that yes the airlines would send their staff to an Arlington Heights hotel and cited the DoubleTree, which had agreements with three airlines to house personnel at the DoubleTree. Additionally, hotels closer to O'Hare are more aggressive with respect to room rates, and therefore a hotel in Arlington Heights offering a lower rate may be more attractive to an airline company.

**Commissioner Sigalos** asked if the proposed hotel would be more upscale than the DoubleTree or Holiday Inn.

**Mr. Cazares** answered that yes, the proposed hotel would be 4.5 stars and would be a luxury hotel, and outlined the

required amenities in order to achieve a 4.5 star rating. Furthermore, the petitioner was exploring the option of having their Arlington Heights hotel join a preferred hotel group in order to achieve better visibility in the market. The hotel would still be called the Ivy Hotel, but there may be some branding involved in the name.

**Commissioner Sigalos** asked if the hotel would be 4.5 stars and more of an upscale hotel.

**Mr. Cazares** confirmed that it would be a 4.5 star hotel, comparable to the Renaissance Hotel in Schaumburg.

**Commissioner Green** commented that his only concern was the parking. He recommended that the parking be resolved, and that he believed it was a fantastic concept. Commissioner Green asked if any parking was proposed for under the building.

**Mr. Cazares** responded that their architect had proposed that, but that they were against because they wanted to provide usable space in the basement as opposed to parking. Additionally, the budget for this project started at around 5 million dollars, and now with the decision for an 8 or 9 story hotel, the budget appears more like 12 million dollars. A reasonable return on investment is required.

**Commissioner Green** said that he believed that the petitioner was getting a positive response from the Committee and recommended that the petitioner resolve the parking issues and move forward.

**Mr. Cazares** stated that he was aware that parking would be an issue, and that he had touched base with his architect. He thinks that they may end up redesigning the entire front parking lot area.

#### **RECOMMENDATION**

Plat & Sub Committee agreed that the feedback was positive and encouraged the petitioner to move forward with the project.

**Bruce Green, Chair**  
**PLAT & SUBDIVISION COMMITTEE**  
**Sam Hubbard, Recorder**