



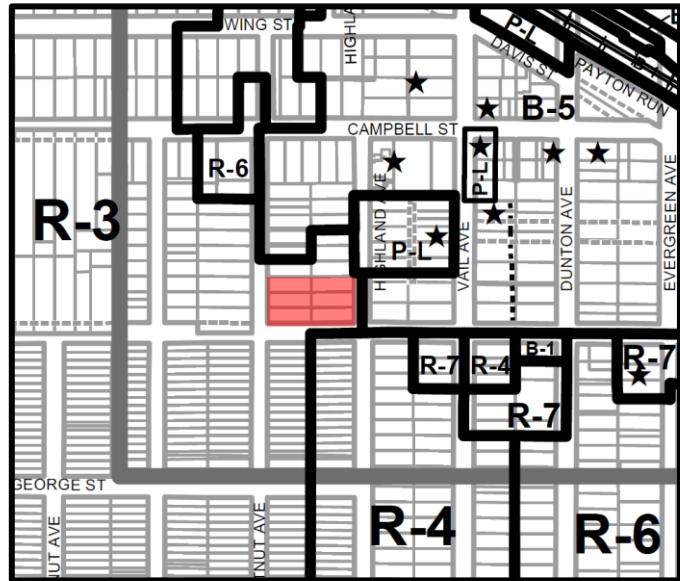
VILLAGE OF ARLINGTON HEIGHTS
STAFF DEVELOPMENT
COMMITTEE REPORT

File Number: PC #17-008
Project Title: Sigwalt Apartments/CA Ventures
Address: 37-45 S. Chestnut St., 36-40 S. Highland St.
PIN: 03-30-425-021 thru 023, 03-30-425-012 thru 014

To: Plan Commission
Prepared By: Sam Hubbard,
 Development Planner
Meeting Date: September 27, 2017
Date Prepared: September 22, 2017

Petitioner: Michael Porto
 CA Ventures
Address: 130 E. Randolph St. – Ste. 2100
 Chicago, IL 60601

Existing Zoning: R-3: One-Family Dwelling District



SURROUNDING LAND USES

Direction	Existing Zoning	Existing Use	Comprehensive Plan
North	R-3: One-Family Dwelling District	Vacant	Mixed Use
South	R-3: One-Family Dwelling District, R-4: Two-Family Dwelling District	Single Family	Single Family Attached; High Density Multi Family
East	B-5: Downtown District	AT&T Offices, Parking	Mixed Use
West	R-3: One-Family Dwelling District	Single Family	Single Family Attached

Requested Action:

1. A rezoning from R-3, One-Family Dwelling District into the R-7, Multiple-Family Dwelling District
2. A Planned Unit Development (PUD) to allow the construction of a five story, 88 unit residential development.
3. Preliminary and Final Plat of Resubdivision to consolidate six lots into one lot.

Variations Required:

1. Multiple Variations, see **Appendix I**.

Project Background:

The subject property consists of six lots of record comprising a total of 41,987 square feet (0.96 acres) and is approximately one-third of the larger “Block 425”, which is the area of land bounded by Sigwalt Street to the south, Campbell Street to the north, Highland Avenue to the east, and Chestnut Avenue to the west. Block 425 has sat vacant and undeveloped for several years. As is an important piece of downtown, one of the Board’s 2017 Strategic Priorities is to facilitate development of Block 425. Currently, the subject property is zoned R-3, One-Family Dwelling District.

CA Ventures, an international developer based out of Chicago, is proposing the consolidation of the six lots to create one property that can accommodate the construction of a five-story 88-unit residential rental development with parking located on the first floor (44 spaces) and within the basement (66 spaces). The units would consist of 38 one-bedroom units (43%) and 50 two-bedroom units (57%). One-bedroom units would range between 655 square feet and 848 square feet in size, and two-bedroom units would range between 975 square feet and 1,332 square feet in size. The second level of the building would contain an outdoor amenity deck, including patio furniture, landscaping, a pergola/trellis and two barbeque grills. Residential units would be located on all floors except the basement. CA Ventures has stated that they plan to develop and manage this project for the long-term, and they do not anticipate developing and selling the building. The total cost of construction is estimated at 17.5 million dollars.

Access to the site would come from Highland Avenue, which would provide access to the interior garage. Two on-street parking spaces along Highland Avenue would be removed to accommodate the garage entrance. An on-street loading space for deliveries/move-ins/move-outs is proposed along the west side of Highland Avenue adjacent to the development, which would require the removal of an additional two on-street parking spaces.

The following chart provides a breakdown of the proposed development versus a previous version of the development that appeared before the Village Board for Early Review in April of 2017:

Table I: Development Characteristics

	CURRENT PROPOSAL	PREVIOUS PLAN (FROM VILLAGE BOARD EARLY REVIEW)
Floors	5	5
Dwelling Units	88	86
Parking Spaces	110 (1.25 spaces per unit)	98 (1.14 spaces per unit)
Parking Spaces needed in Vail Garage to conform to Parking Requirements (1.5 spaces per unit)	22	31

Actions to Date

The petitioner has appeared before multiple boards/commissions prior to appearing before the Plan Commission. Below is a summary of all previous actions.

Early Review

On April 18, 2017, the petitioner appeared before the Village Board for an Early Review. Minutes from this meeting are attached. The discussion focused on parking and whether or not the Vail Avenue garage can accommodate up to 31 additional spaces for this development in order to meet code (the current version of the project only needs 22 spaces in the Vail Avenue garage to conform to code). A recent study commissioned by the developer indicates a need for 1.22 spaces per unit given trends in the rental apartment market and given that this site is within walking distance of the train station and in a transit oriented downtown. Data on parking demand for other similar developments including downtown Arlington Heights has since been obtained.

Conceptual Plan Review Committee

On April 26, 2017, the Conceptual Plan Review Committee (known as the Plat and Subdivision Commission at that time) met to discuss the proposed development. The Committee was generally supportive of the project and felt that

the development would be a good transition between the surrounding residential neighborhood and the downtown mixed-use district, especially given that there would be no retail included in the project. The committee asked about parking and whether there was space in the Vail Avenue garage to accommodate overflow from the proposed development, and recommended that the developer hold a neighborhood meeting prior to appearing before the Plan Commission.

Housing Commission

On August 15, 2017, the Housing Commission met to discuss the proposed development. Per the Village's Affordable Housing Policy, 15% (13 units) of the units within the development are required to be affordable, and in lieu of providing these units, the developer has the option to make a contribution to the Village for each affordable unit not provided. The petitioner is not proposing any affordable units within the development and has agreed to provide \$25,000 for each of the 13 required affordable units not provided, for a total of \$325,000. The Housing Commission made a positive recommendation to the Village Board and the meeting minutes are attached.

Neighborhood Meeting

The petitioner held an informational meeting with surrounding neighbors on August 21st, 2017. The petitioner estimates that around 45 people attended this meeting and has provided a summary of the meeting discussion (attached).

Design Commission

The subject property appeared before the Design Commission on August 8, 2017 (which resulted in a continuance), and again on September 12, 2017. Based on feedback from the first Design Commission meeting, the petitioner has made significant improvements to the design of the building. The Design Commission ultimately voted to recommend approval of the application, subject to several conditions relative to landscaping, balconies, and an additional false window. A copy of the minutes have been included within the packet for the Plan Commission. Compliance with all Design Commission approval conditions will be a requirement of this PUD.

Zoning, Comprehensive Plan, Downtown Master Plan

The subject property is currently zoned R-3, One-Dwelling Residential District. In order to proceed with the development, the site must be rezoned into the R-7, Multiple-Family Dwelling District. Staff notes the following with regards to the proposed rezoning:

Comprehensive Plan:

- The Comprehensive Plan designates this property as "High Density Multi-Family", which is appropriate for the R-7 Multiple-Family Dwelling District classification. The proposed rezoning is therefore consistent with the Comprehensive Plan land use designation.
- The R-7 District allows for high density and intensive use of land. Land Use Policy #2 states that "Intensive developments should be limited to the downtown area, in areas where there is adequate access to public transportation and those areas which are adjacent to controlled access intersections and/or major intersections, or in conjunction with an approved redevelopment plan". The location of the subject property is within the downtown area, in close proximity to the Arlington Heights Metra station, and the R-7 zoning classification will facilitate a high density use of land compatible to Land Use Policy #2.

Downtown Master Plan:

- One of the objectives of the Downtown Master Plan is to "Strengthen downtown's residential base by encouraging additional residential development". The proposed rezoning is consistent with this objective as it will facilitate a high density residential development that will strengthen the downtown residential base to a greater extent than single-family homes, which are allowed under the current R-3 zoning.
- The Downtown Master Plan calls for redevelopment of Block 425, and Recommendation #1 within the plan calls for Block 425 to be redeveloped as "mixed use on northern three-quarters of block transitioning to 4 to 6 stories on the southern quarter of block." The proposed 5-story building is consistent with this recommendation.

Up until an amendment to the Comprehensive Plan in 1997, the subject property was actually shown as appropriate for mixed-use development, which correlates to B-5 Downtown district zoning and would have allowed a more intense use of land. However, this classification was revised during the 1997 amendment to the current High Density Residential designation to act as a transitional zone to the residential areas to the south and east. The proposed development is compliant with this designation and will function as a transitional zone from the more intense uses of land to the north and east, to the less intense uses of land to the south and west.

Furthermore, when the Downtown Master Plan was adopted in 2007, which involved a 19-person task force and 31 public meetings, this site was specifically considered relative to its proximity to downtown and the neighboring single-family homes. The result of this process was the recommendation for the subject property to be developed with a 4-6 story building, and as stated above, the proposed building is consistent with this recommendation.

Based on the compatibility of the rezoning with the Comprehensive Plan and Downtown Master Plan, the Staff Development Committee is supportive of the proposed rezoning.

Staff has analyzed the development in relation to the requirements within the R-7 District and determined that multiple variations are needed (outlined in **Appendix I**). These variations will be discussed throughout this report. The petitioner has provided written justification for the variations requested as based on the hardship criteria outlined in the Village’s Zoning Ordinance, more specifically:

- **The property in question cannot yield a reasonable return if permitted to be used only under the conditions allowed by the regulations in that zone.**
- **The plight of the owner is due to unique circumstances.**
- **The variation, if granted, will not alter the essential character of the locality.**

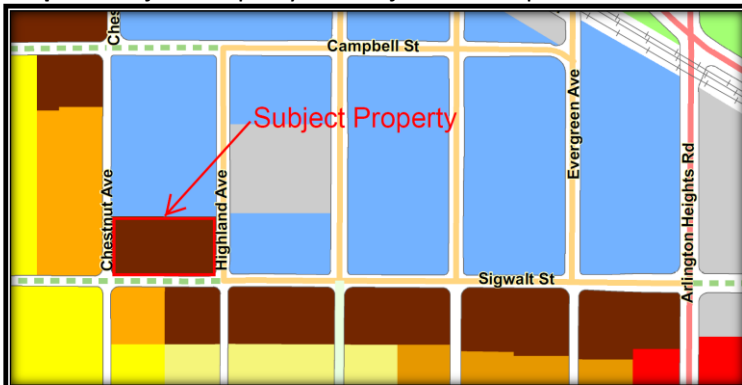
The petitioners written justification is contained within the packet provided to the Plan Commission.

One of the variations relates to the size of the R-7 Zoning District, which in this instance will be 1.39 acres where code requires a minimum of 2 acres in area for land within the R-7 District. Therefore, the following Variation is needed:

- **Chapter 28, Section 5.1-7.3, Minimum Area for Zoning District, to allow the R-7 District to be approximately 1.39 acres where code requires a minimum of 2 acres for the R-7 District.**

The minimum R-7 district size is primarily intended to limit instances of spot zoning on smaller properties that may be contiguous with the B-5 District. Staff notes that the Comprehensive Plan shows the site as one part of a larger strip of R-7 zoned land that is contiguous to the subject property, and when considered in sum, this strip of potential R-7 zoning is over two acres in size. **Map I** (below) illustrates this area, with the subject property outlined in red, the brown areas indicating properties appropriate for the R-7 District, and the blue properties:

Map I – Subject Property and Adjacent Comprehensive Plan Land Designations



When the vision of the Comprehensive Plan is realized, the subject property will no longer be an isolated pocket of R-7 zoning and the variation will no longer be applicable. Therefore, the Staff Development Committee is supportive of the requested variation.

Plat of Subdivision

The petitioner has submitted the Final Plat of Subdivision showing the consolidation of the six lots into one lot to accommodate the proposed development. Staff has reviewed the Plat and found it in compliance with all applicable codes. As part of the subdivision, the petitioner is required to dedicate land on both the east and west side of the subject property for roadway Right-of-Way purposes and this dedication has been shown on the plans. All required engineering fees, bonds, and deposits have been submitted.

Building Design Issues

The building is well designed and the building materials are compatible to those found on similar structures of this size in and around Downtown Arlington Heights. The majority of the parking area is located below ground, and where the parking area extends onto the first floor, the parking is wrapped by residential units to the south, which conceals the majority of the parking area from public view. The building architecture was favorably reviewed by the Design Commission as outlined above. However, the Design Commission voiced concerns over the compatibility & compliance of the development to the Comprehensive Plan. As noted, staff has found the proposed development compliant with the Comprehensive Plan.

Several variations have been requested relative to this project. In analyzing requests, staff has considered the context of the subject property location, which is separated from adjacent single-family residential uses by streets to the west (Chestnut Avenue) and to the south (Sigwalt Street). To the east, the subject property is separated from the neighboring office uses by Highland Avenue. It is important to note that no portion of the subject property directly abuts any single-family zoning district that contains a single-family home.

Moreover, the Comprehensive Plans allows for "Single-Family Attached" uses (i.e. townhomes) on the land located immediately west of the subject property on the west side of Chestnut Avenue, as well as on the southeast corner Sigwalt Street and Chestnut Avenue. To the south of the subject property at the southwest corner of Highland Avenue and Sigwalt Street, the Comprehensive Plan allows for High Density Multi-Family uses. Staff notes that the southwest corner of Highland Avenue and Sigwalt Street would not likely be appropriate for a development at a similar scale to the current proposal, as that site is directly abutting existing single-family homes and is not separated from these homes by a street. Furthermore, there are several areas of existing R-7 zoning located south of Sigwalt Street that contain 5-story buildings which directly abut single-family homes. As noted, the subject site does not have the same relationships to neighboring single-family residential properties as it is separated by a street on three sides.

Density

For each of the one-bedroom and two-bedroom unit types, the building offers several different layouts which adds to the uniqueness of the development. According to the Village's Zoning Ordinance the maximum number of units allowed is based on the bedroom mix and the size of the property. Based on the petitioner's bedroom mix, which consists of 38 one-bedroom units, 50 two-bedroom units, a lot area of 67,800 square feet is required per the R-7, regulations. The lot size of the proposed development is 39,587 square feet. Therefore, the following variation has been requested:

- **Chapter 28, Section 5.1-7.4, Minimum Lot Size, to allow a 39,587 sq. ft. lot where code requires a minimum of 67,800 sq. ft. in lot size.**

The petitioner is required to dedicate land on both the Highland Avenue side of the site and the Chestnut Avenue side of the site for public Right-of-Way (ROW) in order to bring those ROW's into compliance with minimum standards for ROW width. This dedication reduces the size of the lot and consequently contributes to the density

variation. The land area of the required dedication translates to the loss of four one-bedroom units per density allowances.

In addition, staff notes that the average household size within the United States has been declining for many decades. The US Census reports that in 1970, the national average household size was 3.1 persons (the R-7 density regulations were established in 1972). By 2012, the national average household size had dropped to 2.6 persons per household. This trend holds true in Arlington Heights, where the Census Bureau data shows average household size in Arlington Heights was 2.58 persons in 1990 (includes both renter and homeowner household sizes) and had dropped to 2.41 persons by 2010 (see **Appendix II**).

Data on renter household size in Arlington Heights is only available for the years 2000 and 2010, and this data shows the size of renter households as smaller than that of homeowner households (1.91 in 2000 and 1.93 in 2010). Furthermore, these renter household statistics are based on all forms of rental housing, including single-family homes, and it is assumed that single-family homes are generally preferable for larger families in comparison to rental apartment forms of housing. If the data could be isolated to show only rental multi-family households, staff expects that the average persons per household would be smaller than 1.93.

Considering this data, staff believes that the density regulations of the R-7 district are somewhat obsolete in that they are based on average household sizes that are no longer applicable today. The proposed development would not yield as many residents as it may have in the 1970's when the density regulations were established.

Finally, staff notes that the proposed development, even at the proposed density, is significantly less than what could be constructed in the B-5 Zoning District, which is the zoning classification for the majority of the remainder of Block 425 (B-5 zoning applied to the subject property would allow 112 units based on the unit mix). Therefore, the proposed density of the subject property will still allow the site to function as a transition between the remainder of Block 425 and the single-family neighborhoods to the south and west.

Given these facts, the Staff Development Committee is supportive of the requested density variation.

Height

The maximum allowable height of structures within the R-7 district is limited to 60' as measured from the finished grade at the front of the building. Because the building has two "fronts" (one along Highland Avenue and one along Chestnut Avenue), the height of the building is determined by the taller of these two measurements. On the east side of the building the distance from grade at the property line to the top of the structure is measured at 62.5' feet, and therefore the following variation is needed:

- **A variation to the maximum allowable building height to increase the maximum allowable building height from 60' to 62.5'**

As identified above, the Village Board adopted the "Downtown Master Plan" in January of 2007, and the plan made explicit recommendations for the redevelopment of Block 425. Specifically, the plan calls for development on the southern quarter of Block 425 to be in the 4-6 story range. The proposed development, at 5-stories, is consistent with the Downtown Master Plan. Furthermore, staff notes that it is a current development trends to provide larger floor-to-ceiling heights than have been provided in residential developments in the past, and in order to reduce the impact of the height of the building, the developer has sunk one floor of parking into the basement to keep the structure at 5-stories. Given the context of the site as separated from existing residential, coupled with the conformity to the Downtown Master Plan, the Staff Development Committee is supportive of the proposed variation to increase the maximum allowable building height by 2.5'.

Setbacks

Due to the unique layout of the subject site as fronting on three streets, the subject property has two front yards, one along Highland Avenue and one along Chestnut Avenue. The required setbacks for all yards are based, in part, on the size of the structure, and the following variations are required:

- **Chapter 28, Section 5.1-7.6, Required Front Yard, to allow a front yard setback (east side) of 10.5' where code requires a 48' setback.**
- **Chapter 28, Section 5.1-7.6, Required Front Yard, to allow a front yard setback (west side) of 16.3' where code requires a 48' setback.**
- **Chapter 28, Section 5.1-7.6, Required Side Yard, to allow a side yard setback of 5' where code requires a 34' setback.**
- **Chapter 28, Section 5.1-7.6, Required Exterior Side Yard, to allow a exterior side yard setback of 18.3' where code requires a 20' setback.**

Staff has evaluated the proposed setbacks and the Staff Development Committee is supportive of these variations for the following reasons:

1. The petitioner is required to dedicate 8' of land for public ROW on both the east and west sides of the property. Without this dedication, the setbacks along these frontages would be 18.5' (east side) and 24.3' (west side). Staff has studied similar developments within the R-7 district to determine the compatibility of the proposed development to existing R-7 developments within the community. The data relative to these developments is contained within **Exhibit I** attached to this report. In consideration of this land dedication, staff has found the proposed setbacks compatible with front yards of similar developments within the R-7 District. There are no immediate plans to widen the street along either Chestnut Avenue or Highland Avenue and therefore the dedicated ROW will remain as greenspace for the immediate, and potentially long-term, future.
2. To the south, east, and west, the subject property is bounded by streets, which provide a further measure of separation and buffer from the surrounding single-family properties. Therefore, the reduced setbacks will not adversely impair the flow of air or the provision of natural light to neighboring properties. As noted in **Exhibit I**, there are multiple examples of developments within the R-7 District that directly abut single-family homes and do not provide the same amount of separation as the subject property.
3. To the north, the setback of the subject property is 5' as measured from the 1-story garage ramp. However, the garage ramp is only one story tall and is not the full length of the building; the 5-story mass of the building is actually setback 18.3' from the north property line. The proposed garage ramp was added in order to eliminate a second garage entrance onto Chestnut Street, which helps to reduce the impact of the development on the single-family homes to the rear. The setback encroachment is a compromise to facilitate access and to maximize on-site parking. Finally, a 30' rear yard setback for residential uses (as measured from the north property line of the subject property) will be required for future development to the north as per the B-5 zoning regulations. In consideration of this future 30' setback, the proposed side yard setback on the subject property is suitable.

FAR/Lot Coverage

In regards to both FAR and Building Lot Coverage, the following variations are needed:

- **Chapter 28, Section 5.1-7.7, Maximum Building Lot Coverage, to allow 72% building lot coverage where code allows a maximum 45% building lot coverage.**
- **Chapter 28, Section 5.1-7.13, Maximum Floor Area Ratio, to allow 253% F.A.R. where code limits maximum F.A.R. to 200%.**

Both FAR and Building Lot Coverage regulations are meant to restrict the bulk and mass of a building in order to minimize the visual impact of a structure as viewed from neighboring properties and public ROW's. Staff has studied other developments within Arlington Heights and found that the R-7 District contains several similar 5-story

structures, many of which directly abut single-family homes, as shown in **Exhibit I**. Given the street separation between the subject property and the neighboring single-family homes, the effect of the bulk and mass of this structure will be minimized. Staff has also taken into account the required street dedication, which magnifies the extent of these variations but which land will likely be maintained as greenspace/parkway. In addition, the Downtown Master Plan calls for 4 to 6 stories on the subject site, whereas the proposed development is 5-stories. In consideration of these items, the Staff Development Committee believes the proposed FAR and Building Lot Coverage to be acceptable.

Site Related Issues

The proposed development will provide on-site detention in an underground detention vault located on the northwest side of the site. The key site related issues relate to a proposed transformer in the front yard, the burial of overhead utilities, loading requirements, parking stall/drive aisle dimensions, and the proposed balconies.

Transformer

Per code requirements, all ground mounted mechanical infrastructure (AC Units, generators, transformers, etc.) must be located within the allowable building setback lines. The petitioner has proposed a transformer in the front yard along Highland Street, which requires the following variation:

- **Chapter 28, Section 6.6-5.1, Permitted Obstructions, to allow a transformer within the required front yard setback where code requires all transformers to be located outside of all setback areas.**

The Staff Development Committee is supportive of this variation due to the space constraints of the site. Given the parking ramp and underground detention vault at the rear of the building, there is no possibility to locate the proposed transformer behind the building. The proposed location will be away from the residential areas and will be in an area with existing Village utilities that are within the ROW. In addition, the Design Commission has required additional evergreen landscape screening of this unit to provide for a year round buffer, which will minimize the effect of its appearance.

Utilities

There is currently four overhead utility poles that must be addressed as part of the proposed development. Block 425 contains multiple overhead wires that run along the north end of the site and down the center of the site and across the subject property. These overhead utilities must be removed to accommodate development of the block and will be relocated to the west side of Chestnut Avenue where there are existing utility poles.

There are also two utilities poles within the Sigwalt Street ROW along the north side of street and abutting the subject site. They contain overhead lines that run along the north side of Sigwalt Street to connect to a pole at the northeast corner of Sigwalt Street and Chestnut Avenue. Additionally, overhead lines run diagonally across Sigwalt Street to connect with a pole located on the southwest corner of Sigwalt Street, and there are also overhead lines that run directly across Sigwalt Street to connect with a pole directly south of the center of the property. The Fire Department will need the Sigwalt Street ROW to access the upper floors of the building during emergency situations, and in order to provide adequate overhead space for a ladder truck to maneuver, the Fire Department has requested that no overhead lines cross Sigwalt Street or be located on the northern side of Sigwalt Street.

For both fire safety and aesthetic purposes, the Planning Department and the Fire Department is requiring that **all** overhead utilities lines along Sigwalt Street west of Highland Avenue and east of Chestnut Avenue be buried as part of this development, unless the Village and ComEd determine that burial is not feasible, in which case the overhead utilities will need to be relocated to the south side of Sigwalt Street.

Loading Requirements

The proposed development is required to provide one on-site, 10-foot by 35-foot loading berth. The loading berth for this development is located on the street and not “on-site”, and so the following variation is required:

- **A variation from Chapter 28, Section 11.7, Schedule of Loading Requirements, to waive the required loading berth for the development.**

The Staff Development Committee supports the aforementioned variation as an on-street loading space will be accommodated in the public ROW along Highland Avenue adjacent to the proposed development. There are several developments within the downtown area that have on-street loading, such as Dunton Towers, 110 S. Evergreen, and the Parkview Apartments (currently under construction). As has been done with other developments in Downtown, such as Metro Lofts, Parkview Apartments, and Metropolis, the Staff Development Committee would recommend that delivery/move-in/move-out operations shall be restricted as follows: 7:00 AM to 6:00 PM, Monday through Friday and 9:00 AM to 4:00 PM on Saturday and Sunday.

Parking Stall Size and Drive Aisle Widths

In order to maximize the amount of parking that can be provided within the development, the petitioner has requested the following variations:

- **Chapter 28, Section 11.2-7, Size, to reduce the required depth of certain parking stalls from 18' to 16'.**
- **Chapter 28, Section 11.2-8, to allow certain drive aisles to be no less than 20' wide where code requires a minimum drive aisle width of 24'.**

The Village's traffic engineer has reviewed the proposed layout, and after requiring certain revisions to the plans to which the developer has made, the Engineering Department is comfortable that the parking stall sizes and drive aisle widths will be adequate. Staff notes that a similar drive aisle width variation was granted to the Parkview Apartment development that is currently under construction on the north side of downtown. Being that these are residential parking stall (i.e. not for a retail development) spots will not see a high turnover, and the Staff Development Committee is supportive of the requested variations.

Balconies

Per Section 6.6-5.1 of the Zoning Code, balconies are only permitted to encroach into a rear yard. However, some of the proposed balconies on the subject property will encroach into the front, side, and exterior side yards up to a distance of 5.3 feet. Therefore, the following Variation is needed:

- **Chapter 28, Section 6.6-5.1, Permitted Obstructions, to allow certain balcony's to project 5.3' into the required front, exterior side, and side yards.**

The design of the balconies is compatible with the architecture of the building and the provision of private outdoor amenity space will enhance the quality of life for residents of the subject property. To recess all balconies inside of the building would reduce the overall floor area of each unit. At the request of the Design Commission, the petitioner has recessed certain balconies where feasible (on east and west elevations), which has decreased the extent of the variation and improved the design of the building. As a condition of approval, the Design Commission has required that additional balconies be recessed along the north elevation. However, the balconies on all elevations will encroach into the setback areas, and therefore the variation is still required. The Staff Development Committee is supportive of the proposed variation.

Landscape & Tree Preservation Issues

The petitioner has submitted a code compliant landscape plan. There are no trees on the subject property and no tree preservation plan is required. At the request of the Design Commission, the petitioner will add additional evergreen plantings to screen the transformer along Highland Avenue and enhance some of the plantings at the entrance to the building. A condition of approval to conform to the landscape revisions as outlined by the Design Commission has been included in the staff recommendation.

Parking & Traffic

Parking for properties within the R-7 district is required at a rate of 1.5 spaces per unit. For an 88-unit residential development, this translates to 132 parking spaces being required. The petitioner has proposed 110 on-site parking spaces (1.25 per unit) and has submitted a traffic and parking study in conjunction with their application. Additionally, the market study contained an analysis of parking for similar developments in comparable suburban locations that are within close proximity to a Metra station. Based on the developments analyzed within the parking study, which average 1.22 parking spaces per unit, the petitioner believes that the proposed 1.25 parking spaces will be sufficient to accommodate the parking demand generated by the development.

Staff has evaluated the data within the parking study and notes that there are several properties that were counted twice, and some of the data shows errors relative to the number of parking spaces. Furthermore, some of the properties surveyed are located within Evanston, and staff doesn't believe that Evanston is a comparable example due to the multiple transit options within that community (Metra, CTA "L", and multiple Pace and CTA bus lines). Finally, staff notes that the parking study only provided data on the quantity of parking provided; there were no surveys of the properties included to illustrate if these parking lots were at or below capacity. Therefore, it is unknown if the parking ratios provided within these developments are adequate or problematic.

In order to ascertain local demand, staff has studied the supply of parking within developments located in Downtown Arlington Heights. The downtown area contains two rental apartment developments: Hancock Square and Dunton Tower. Staff has found that together, these two developments provided 1.51 parking spaces per unit during 2016. Furthermore, these developments do not provide any onsite parking, meaning that management must purchase parking permits from the Village for their tenants to use the North garage and Vail Avenue garage. It is, however, unknown if the permits sold to these developments are used by residents of each development. Therefore, the average of 1.52 parking spaces per unit is believed to equate to actual parking demand as it is assumed that parking permits are not purchased unless a tenant needs the space. Condominium developments within Downtown provide parking in the range of 1.65 spaces per unit to 1.0 spaces per unit, with an average of 1.43 spaces per unit.

When analyzed on a parking space per bedroom basis, Dunton Tower and Hancock Square provide 1.12 parking spaces per bedroom. The subject property is proposing only 0.79 spaces per bedroom, which further indicates a parking deficiency. Staff believes that the petitioner will need to provide the code required 1.5 parking spaces per unit in order to meet the expected parking demand for tenants within their development. This data is summarized **Table II** below, and the entire dataset is included as an attachment to this report as **Exhibit II**.

Table II: Parking Analysis Relative to Existing Developments

	Parking Spaces per Unit	Parking Spaces per Bedroom
Dunton Tower	1.44	1.05
Hancock Square	1.59	1.17
Downtown Apartment Average	1.52	1.11
Downtown Condo Average	1.43	0.88
Sigwalt Apartments (as proposed)	1.25	0.79
Sigwalt Apartments (if 22 parking spaces are provided within the Vail Avenue garage)	1.50	0.95

Per Section 11.3-2 of the Zoning code states "that spaces accessory to a multiple-family dwelling or apartment-hotel shall be within 300 feet of the use served." The Vail Avenue garage meets this requirement and the Staff Development Committee believes that the Village should make available 22 parking spaces within the Vail Avenue garage to allow the petitioner to conform to code required amount of parking.

The Police Department has surveyed parking usage within the Vail Avenue garage several times over the last four years, most recently in March of 2017 and in July of 2016. Staff has analyzed these surveys has found that, on average, there are between 98 and 114 available spaces on Level 3 during the evening and overnight, and 137 and 198 spaces available on Level 4 during the evening and overnight. The contents of these surveys is included as

Appendix IV. Staff believes that ample capacity exists to provide 22 spaces for the petitioner within levels 3 or 4 of the Vail Avenue garage. As has been done with the last development that used spaces within the Vail Avenue garage, staff is asking the developer to make a contribution to the Village for the provision of these spaces at an amount of \$4,400 per space. In addition, the petitioner will be required to obtain resident permits from the Village for any of the 22 spaces that are needed for the tenants within their development. **Table III** below summarizes the parking requirements for this project:

Table III - Parking Assessment

Use	Square Footage / # of Units	Parking Ratio	Required Parking
R-7 Multi-Family Residential	88 units	1.5 spaces / unit	132 spaces
Total Required			132 Spaces
Total Provided On-site			110 Spaces
Total Provided in Vail Garage			22 Spaces
Surplus / (Deficit)			0

The petitioner believes that the proposed 110 spaces will be adequate to capture the peak parking demand of their development. Staff believes that 1.5 parking spaces per unit is needed, however, staff is agreeable to a 3-year monitoring period which will begin once final occupancy of the building has been granted. Upon conclusion of the third year, the Village will determine the average number of permits obtained during years 2 through 3, and upon request from the petitioner, will refund to the petitioner the difference between this average and the 22 spaces, at a rate of \$4,400 per space. In this regard, if actual usage of the Vail Avenue garage spaces does not reach the projected peak of 22, then the developer will not have to pay for spaces that they do not need.

Finally, staff notes that condo developments have historically generated additional parking demands when compared to apartment developments. Therefore, a condition of approval has been included that requires an amendment to the PUD should petitioner propose conversion of the subject property into condominiums.

Relative to traffic generation, the traffic analysis has found that minimal traffic will be generated by the proposed development during peak times. Furthermore, given the proximity of the site to the Metra station and the downtown retail amenities, it is estimated that 15% of the traffic generated by the development will be foot-traffic. Staff notes that Sigwalt Street is designated as a “collector” street per the Village “Thoroughfare and Transportation Policy Plan”, and it is meant to distribute traffic from local streets to arterial streets. Additionally, most of the minimal traffic increases will occur along Sigwalt Street and Campbell Street, and along Highland Avenue adjacent to the development. Very little increase in traffic is projected south of the site within the single-family residential neighborhoods. The study has concluded that the existing roadway network adjacent to the development is capable of handling the minimal traffic anticipated from the development, and no improvements to the existing roadway network are warranted.

Construction/Phasing:

The petitioner has provided a preliminary construction/phasing plan outlining that the proposed development will proceed in two phases. Phase I will consist of construction of the underground parking level and first floor of the structure, as well as the utilities. Phase II will entail construction of the remainder of the building. Exterior work on the building should be complete by fall of 2018, and interior work by early 2019. The plan outlines that lane closures will occur intermittently while utility work is performed. A final construction plan, including details on all lane closures, will be required at time of building permit application.

Market Study and Economic Analysis

The petitioner has submitted a comprehensive market study in conjunction with their application, which has analyzed the local market conditions and evaluated the proposed development in relation to potential competitors.

The study has found similar developments in the Northwest Suburban Cook County submarket to be at 95.7% occupancy, noting that 95% occupancy is considered “full” and illustrating that there is demand for additional units. Furthermore, the study has noted that the Northwest Suburban Cook County submarket has had incredibly little apartment development over the last 21 years (only 574 units), which further points to a pent-up demand for new rental units. When considering the lack of newly constructed units within Arlington Heights and in similar locations of neighboring communities, the study has estimated that the project will reach stabilization within 7-9 months after completion.

Staff has completed an estimated economic development impact to the Village relative to proposed development, which will provide economic benefits in the form of property taxes, impact fees, and the spending activities of the developments’ residents within the community. This estimated economic impact can be found within **Appendix IV** at the end of this report, and summary is included below in **Table IV**.

Table IV – Fiscal Impact

Real Estate Taxes (annual)	\$49,231
Impact Fee's	\$280,513
Annual Resident Spending (within 3 miles)	\$1,347,060
Affordable Housing Fee	\$325,000

Although there are costs associated with residential developments, staff notes that the proposed development will not likely house many families with children, which will reduce the impact of the development on local schools. Additionally, the proposed development does not include any dedicated senior housing and staff does not anticipate a substantial amount of ambulance service calls.

Overall, the development will provide a positive economic boost to Downtown Arlington Heights. The proposed units will include high-quality finishes and the development will have luxury amenities. With rents around \$1,900-\$2,100 for a one-bedroom unit and \$2,700-\$3,000 for a two-bedroom unit, tenants are expected to have significant spending power to contribute to local restaurants, retail stores, and services.

RECOMMENDATION

The Staff Development Committee has reviewed the petitioner’s request and recommends approval of the following items:

- A rezoning from R-3, One-Family Dwelling District into the R-7, Multiple-Family Dwelling District
- A Planned Unit Development (PUD) to allow the construction of a five story, 88 unit residential development.
- Preliminary and Final Plat of Resubdivision to consolidate six lots into one lot.

And the following Variations:

1. Chapter 28, Section 5.1-7.3, Minimum Area for Zoning District, to allow the R-7 District to be approx. 1.39 acres where code requires a minimum of 2 acres for the R-7 District.
2. Chapter 28, Section 5.1-7.4, Minimum Lot Size, to allow a 39,587 sq. ft. lot where code requires a minimum of 67,800 sq. ft. in lot size.
3. Chapter 28, Section 5.1-7.6, Required Front Yard, to allow a front yard setback (east side) of 10.5’ where code requires a 48’ setback.
4. Chapter 28, Section 5.1-7.6, Required Front Yard, to allow a front yard setback (west side) of 16.3’ where code requires a 48’ setback.
5. Chapter 28, Section 5.1-7.6, Required Side Yard, to allow a side yard setback of 5’ where code requires a 34’ setback.
6. Chapter 28, Section 5.1-7.6, Required Exterior Side Yard, to allow a exterior side yard setback of 18.3’ where code requires a 20’ setback.
7. Chapter 28, Section 5.1-7.7, Maximum Building Lot Coverage, to allow 72% building lot coverage where code

allows a maximum 45% building lot coverage.

8. A variation to the maximum allowable building height to increase the maximum allowable building height from 60' to 62.5'.
9. Chapter 28, Section 5.1-7.13, Maximum Floor Area Ratio, to allow 253% F.A.R. where code limits maximum F.A.R. to 200%.
10. Chapter 28, Section 11.7(a), Loading Requirements, to waive the requirement for one off-street loading space.
11. Chapter 28, Section 6.6-5.1, Permitted Obstructions, to allow certain balcony's to project 5.3' into the required front, exterior side, and side yards.
12. Chapter 28, Section 6.6-5.1, Permitted Obstructions, to allow a transformer within the required front yard setback where code requires all transformers to be located outside of all setback areas.
13. Chapter 28, Section 11.2-7, Size, to reduce the required depth of certain parking stalls from 18' to 16'.
14. Chapter 28, Section 11.2-8, to allow certain drive aisles to be no less than 20' wide where code requires a minimum drive aisle width of 24'.

This approval shall be subject to the following conditions:

1. The Village will sell up to 22 permits within the Vail Avenue garage for parking of tenant automobiles. In exchange for making these 22 permits available, the petitioner shall pay \$96,800 (22 x \$4,400) to the Village as a contribution towards the garage expenses. This amount shall be paid at time of building permit issuance and shall be held in escrow by the Village. Beginning after final occupancy has been for the subject property, the Village will monitor the level of parking permits obtained by the petitioner for a period of 3 years. Upon conclusion of the third year, the Village will determine the average number of permits obtained during years 2 and 3 and will refund back to the petitioner the difference between this average and the maximum of 22 spaces at a rate of \$4,400 per space.
2. The petitioner shall purchase monthly residential parking permits for each of the 22 parking spaces that they use within the Vail Avenue garage for tenant parking.
3. Overhead utilities along the Sigwalt Street east of Highland Avenue and west of Chestnut Avenue shall be buried unless Commonwealth Edison and the Village deems that it is not feasible, in which case the overhead utilities will need to be relocated to the south side of Sigwalt Street.
4. Move-in/move-out operations shall be restricted to between 7:00 AM - 6:00 PM on Monday through Friday and 9:00 AM - 4:00 PM on Saturday and Sunday.
5. Residential units are approved as rental apartments. Converting residential units to condominiums shall require an amendment to the Planned Unit Development.
6. The petitioner shall provide a final construction schedule/phasing plan, including detailed information on street closures, at time of building permit for review and approval by staff.
7. The Petitioner shall comply with the August 15, 2017, motion of the Housing Commission to provide a \$325,000 fee in lieu of the providing the 13 affordable housing units (\$25,000 for each unit affordable unit omitted from the development) to be paid at the time of building permit.
8. The Petitioner shall comply with all Design Commission recommendations from the September 12, 2017 Design Commission meeting.
9. School, Park, and Library contributions shall be required per Village Code prior to the issuance of a building permit.
10. The petitioner shall comply with all Federal, State, and Village Codes, Regulations, and Policies.

September 22, 2017

Bill Enright, Deputy Director of Planning and Community Development

Cc: Randy Recklaus, Village Manager
All Department Heads
PC File #17-008

Appendix I – Required Variations

- Chapter 28, Section 5.1-7.3, Minimum Area for Zoning District, to allow the R-7 District to be approx. 1.39 acres where code requires a minimum of 2 acres for the R-7 District.
- Chapter 28, Section 5.1-7.4, Minimum Lot Size, to allow a 39,587 sq. ft. lot where code requires a minimum of 67,800 sq. ft. in lot size.
- Chapter 28, Section 5.1-7.6, Required Front Yard, to allow a front yard setback (east side) of 10.5' where code requires a 48' setback.
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- Chapter 28, Section 5.1-7.6, Required Exterior Side Yard, to allow a exterior side yard setback of 18.3' where code requires a 20' setback.
- Chapter 28, Section 5.1-7.7, Maximum Building Lot Coverage, to allow 72% building lot coverage where code allows a maximum 45% building lot coverage.
- A variation to the maximum allowable building height to increase the maximum allowable building height from 60' to 62.5'.
- Chapter 28, Section 5.1-7.13, Maximum Floor Area Ratio, to allow 253% F.A.R. where code limits maximum F.A.R. to 200%.
- Chapter 28, Section 11.7(a), Loading Requirements, to waive the requirement for one off-street loading space.
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- Chapter 28, Section 6.6-5.1, Permitted Obstructions, to allow a transformer within the required front yard setback where code requires all transformers to be located outside of all setback areas.
- Chapter 28, Section 11.2-7, Size, to reduce the required depth of certain parking stalls from 18' to 16'.
- Chapter 28, Section 11.2-8, to allow certain drive aisles to be no less than 20' wide where code requires a minimum drive aisle width of 24'.

Appendix II – US Census Household Size Data for Arlington Heights

<i>Year</i>	<i>Population</i>	<i>Number of Households</i>	<i>Average Household Size</i>	<i>Average Renter Household Size</i>	<i>Average Owner Household Size</i>	<i>Total Number of Occupied Housing Units</i>	<i>Renter Occupied Housing Units*</i>	<i>Proportion of Renter Occupied Housing Units</i>	<i>Owner Occupied Housing Units</i>	<i>Proportion of Owner Occupied Housing Units</i>
2010	75,101	30,919	2.41	1.93	2.55	30,919	7,319	23.7%	23,600	76.3%
2000	76,031	30,763	2.44	1.91	2.60	30,763	7,155	23.3%	23,608	76.7%
1990	75,460	28,810	2.58	Not Available		28,810	7,896	25.9%	20,914	68.7%

Appendix III – Average Available Spaces within Vail Avenue Garage

Average Amount of Available Spaces within the Vail Avenue Garage*

		Level 1		Level 2				Level 3		Level 4		Level 5	
		Garage	Highland			Dunton Tower	Dunton Tower						
Time		4-hour	4-hour	Handicap	Permit	Handicap	Permit	Handicap	Permit	Handicap	Permit	Handicap	Daily Fee
	Ave Noon	126.0			12.3				77.9		183.2		149.3
	Ave 6PM	52.8			24.6				104.1		193.6		204.1
	Ave 7:30/8pm	6.3			17.0				114.3		137.2		183.2
	Ave 2:00am	163.6			1.5				98.9		191.9		249.6
	Average	113.6			12.7				84.0		181.2		176.7
	Low	0.0			0.0				38.0		86.0		60.0
	High	178.0			42.0				183.0		219.0		252.0

*Based on multiple surveys between 2014 and 2017

Appendix IV – Estimate Fiscal Impact

Real Estate Taxes						
Units	Per Unit MV	Market Value	AV	EAV	Tax Rate	RE Taxes
88	120,000	10,560,000	1,056,000	2,956,800	9.6	\$ 283,853
					1.665 (VAH Portion)	\$ 49,231

Land Dedication (Impact) Fees						
	Units	SD 25	SD 214	AH Parks	Library	Total
1br	38	\$ 351	\$ 147	\$ 98,922	\$ 7,946	\$ 107,366
2br	50	\$ 18,942	\$ 8,135	\$ 135,210	\$ 10,861	\$ 173,147
	Total	\$ 19,293	\$ 8,282	\$ 234,131	\$ 18,806	\$ 280,513

Spending			
	Population	Per Person Annual	Total
	114.4	\$11,775*	\$ 1,347,060

*Per CoStar, figure is per person spending within a 3-mile radius