

APPROVED

PLAN

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

COMMISSION

RE: IVY HOTEL - 519 WEST ALGONQUIN ROAD - PC#16-012
LAND USE VARIATION FOR HOTEL

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 11th day of October, 2017 at the hour of 7:30 p.m.

MEMBERS PRESENT:

BRUCE GREEN, Acting Chairman
LYNN JENSEN
JOE LORENZINI
SUSAN DAWSON
JOHN SIGALOS
JAY CHERWIN

ALSO PRESENT:

SAM HUBBARD, Development Planner

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ACTING CHAIRMAN GREEN: We're going to call this regular meeting of the Plan Commission to order. Our first agenda item is if you'd all please rise and join us in the pledge of allegiance?

(Pledge of allegiance.)

ACTING CHAIRMAN GREEN: Sam, would you take the roll call please?

MR. HUBBARD: Commissioner Cherwin.

COMMISSIONER CHERWIN: Here.

MR. HUBBARD: Commissioner Dawson.

COMMISSIONER DAWSON: Here.

MR. HUBBARD: Commissioner Drost.

(No response.)

MR. HUBBARD: Commissioner Jensen.

COMMISSIONER JENSEN: Here.

MR. HUBBARD: Commissioner Lorenzini.

COMMISSIONER LORENZINI: Here.

MR. HUBBARD: Commissioner Sigalos.

COMMISSIONER SIGALOS: Here.

MR. HUBBARD: Commissioner Warskow.

(No response.)

MR. HUBBARD: Commissioner Ennes.

(No response.)

MR. HUBBARD: That will make it Acting Chairman Green.

ACTING CHAIRMAN GREEN: Here. Our first agenda is approval of minutes from the Chestnut Avenue Subdivision.

COMMISSIONER JENSEN: So moved.

ACTING CHAIRMAN GREEN: Is there a second to that?

COMMISSIONER SIGALOS: Second.

ACTING CHAIRMAN GREEN: Any discussion? All those in favor say aye.

(Chorus of ayes.)

ACTING CHAIRMAN GREEN: All those opposed?

(No response.)

ACTING CHAIRMAN GREEN: Motion carries, which gets us to our first and only public hearing up tonight which is PC#16-012, the Ivy Hotel. Is the Petitioner present here tonight?

MR. O'CONNOR: Yes. I'm John O'Conner representing the Petitioner, Ivy Hotel, the Petitioner here.

ACTING CHAIRMAN GREEN: Do you have a, who is going to speak on your behalf tonight? Because I'll swear you all in at the same time.

MR. O'CONNOR: Actually all of us.

ACTING CHAIRMAN GREEN: So, whoever might make comments, please stand and we'll swear you in. Raise your right hand.

(Witnesses sworn.)

ACTING CHAIRMAN GREEN: Thank you. The way we get started here is if you would give us your name and spell your last name for the court reporter, and we can get the procedure moving. But before that, Sam, have all the public notices been posted properly?

MR. HUBBARD: They have been, yes.

ACTING CHAIRMAN GREEN: Thank you. Step up and tell us what you'd like to do.

MR. CAZARES: James Cazares from the Ivy Hotel.

ACTING CHAIRMAN GREEN: Spell your last name.

MR. CAZARES: C-a-z-a-r-e-s. I'd like to introduce everyone that's here as well, too.

ACTING CHAIRMAN GREEN: Well, when they come up to speak, they can give their names and give it to the court reporter. So, if you're going to start the presentation, please do.

MR. CAZARES: In 1998, my mother came to Arlington Heights and she purchased a little rundown house/Polish buffet. It's called the European Crystal. It was doing very poorly. We had I remember almost no customers and we really struggled to make the mortgage payments. We had an idea to convert it to a banquet hall. We weren't doing good as it was and we had to figure out plan B, and we did.

We came over here, I remember Arlene, she really guided us through the process and she helped us to accomplish that. During the construction process, something happened called 9/11. After that, the collapse of the hospitality industry. We opened up this banquet hall with no business, with three weddings on the book and a six-million-dollar mortgage. We stood there, you know, we said, well, we're either going to lose the building or we're going to bust our ass to make something happen.

My mom, she worked day and night. She did laundry. She set up the banquet hall table. I was in high school at that time; I came after to help clean dishes. My father did any kind of repair that needed to be done because we couldn't afford, you know, a maintenance company.

We've been doing business in Arlington Heights, I'm very proud to say, for over 20 years. The banquet hall has produced in that time over \$45 million of revenue. We are the only freestanding banquet hall left in Arlington Heights. We've watched our competitors close down. When people ask us the question, how are you able to do it when others can't, I'm going to tell you how we did it. We did it because of this woman over here. This woman put every inch of her body, of her soul, of her dedication to this business. It is her family. She thinks about it every night. When someone calls at 10:00 o'clock at night, she will pick up. If there's a funeral that needs to happen on Monday, she's there. That is the dedication that you do not see today, it's very rare. You get a voicemail, you get an answering service, you no longer have that person-to-person connection.

In 2012, me and my father went to go buy a building in downtown at the height of economic recession number two I'd say. You know, every time we do something, something bad happens right afterwards. We buy this building downtown, a 16-story vacant office building at 233 East Ontario. We go and we say, you know what, we're going to build a hotel. We've never done it before. We have no idea what we're doing, but we're going to go try and do it. We call up St. Analysis de'ville, do you know that the hotel business is in a severe depression? Forget about the word recession. So, we said, well, no one is building so we'll go try it out anyway.

We built the hotel. We were the only hotel to open up in 2012, the only. If you could imagine the hotel in a city that has over 35,000 rooms. My mother came down,

she worked everyday. We actually welcomed our first guests, the front elevator was not working and my mom went to 7-11 to go buy them some amenities, some water or Snickers. My father was there everyday. We worked with the people.

Being a family business, we understand the person-to-person connection. The first year was a rough year. 2012 was a terrible year actually for most hotels, but we survived. I'm pleased to report that in the last five years our hotel has hit the \$40 million market revenue.

We're not a chain. We're not part of Marriott, a mega, mega hotel over one million. We're not Hilton with over a million rooms either. We're a family business. We work directly with the customer and the customer seems to appreciate that. We're here today to let you know that my mom who has worked in Arlington Heights and put her blood, her sweat and her tears in this business has a \$250,000 property tax bill of which every dollar that she makes, 25 cents goes to it. I'm here to let you know that the banquet hall has an 80 percent vacancy rate. From Sunday to Thursday, we have almost no business. We sit down and we say, mom, how can we make the highest and best use of this property? Let's come, let's put a boutique hotel over here, we have the experience with downtown, we have multiple clients that we can refer over to you.

Just this morning, we had group called the California Academy of Physicians that stay in our hotel who said James, you know, we're outgrowing you. We have 100 physicians that meet across from the country and we'd like to meet some place by the O'Hare region. I said stand by, I'll let you know what happens if we have a hotel or not. So, we have that person-to-person connection.

We're here to give you a Q&A of any questions or concerns in regards to the hotel that we're proposing. We're proposing a 120 some plus room hotel. That would be around 13 stories. It would be a boutique hotel, it would be the same hotel that we have downtown. It would be a 4.5-star hotel. It would be the only 4.5-star hotel in the suburbs. How we're able to do this is by offering the amenities to our guests, having the restaurant, having the spa service, having the room service, having the coffee shop, having the gym, and offering that lifestyle brand. It definitely is something different that the Staff in Arlington Heights are not accustomed to.

The mind set is a 3-star limited service hotel, it's something that we're not going to be doing over here. If we were going to put a 3-star limited service hotel, we'd rather just not even do it, put it away, because we have no way to compete with the Hiltons, with the Marriotts, with the IHGs, with the big guys. We couldn't do that downtown. There would be no way to do it. What we're trying to do is to make our family business which is independent, we have one location downtown and another one in the southern part of Arlington Heights, to bring that residual business to Arlington Heights, to bring the transients from O'Hare to come, to bring the business traveler who would normally stay in Schaumburg to want to stay in our hotel because we're the only 4.5-star hotel. We're the only one that has the amenities, and these amenities are exclusive to our guests. A person off the street cannot come and use our rooftop, they cannot come and use our spa, they cannot come and use any of the 4.5-star amenities that we have.

So, that exclusivity that we've done downtown, we'd like to bring into Arlington Heights. We think it would be a great success. I think it would be a great repositioning for my mother who has been doing business in Arlington Heights for over 20 years. I think it will be a great addition for the community. Thank you so much. We're going to keep it as a Q&A, you

know, and we'll let you get our experts who specialize.

ACTING CHAIRMAN GREEN: We'll get back to that, because after your presentation here, we're going to go to the Staff report, and then the Commissioners will have a chance to ask questions to any and all. So, Staff, would you give us the Staff report please?

MR. HUBBARD: Thank you, Chairman Green, and good evening to the Plan Commission. The subject property is located at 519 West Algonquin Road, that's located just west of the intersection of Algonquin and Arlington Heights Road. It's in an M-2 Limited Heavy Manufacturing Zoning District, and hotels are not permitted either by right or by special use in the M-2 District. So, the Petitioner is before you this evening to request a land use variation to allow their proposed 126-room hotel within the M-2 Zoning District. Additionally, they are seeking a parking variation to reduce the parking requirements of 310 spaces to 172 spaces, and I'll talk more about that later on in the presentation. Finally, they are asking for a small variation to reduce the length of one of the drive aisles from 24 feet to 23 feet in width.

The Applicant has gone through a number of steps in order to get before the Plan Commission this evening. Back in March of 2016, they appeared before the Plat and Subdivision Committee. After that, they moved on for an early review with the Village Board on August of 2016. They also had a second early review with the Village Board on March 20th, 2017, and then they returned back to the Conceptual Plan Review Committee in July of this year as well.

I can kind of summarize those four meetings by saying I think everyone was generally supportive of the use of a hotel in this location. I think everyone understands that a banquet hall and a hotel can be compatible and complementary to each other. So, I think everyone was generally supportive of the use. But we heard time and time again during those preliminary meetings that in order for this site to succeed, the proposed hotel would need to address parking, and we wanted to make sure that there wasn't a parking problem on any of the neighboring properties as a result of this development.

On July 25th, the Design Commission met to consider the proposed development. What they saw is displayed before you here in the rendering. The Design Commission was supportive of this project, they made a positive recommendation of approval. They did add a few conditions to their approval. They wanted to make sure that all mechanical units were screened, and they wanted the Petitioner to enhance the southern elevation. What you see here is the northern elevation, that's what faces Algonquin Road. The southern elevation is what will be visible from the tollway. I think, you know, on the northern side we see this really nice glass curtain wall, and I think the Design Commission just really wanted to make sure that the southern side of the building also had some good architectural details because that's going to be also very visible from the tollway.

They also asked that the Petitioner incorporate site furnishings that matched the hotel and they add some specialty paving at the entrances to the hotel. Finally, because the grand entrance to both the hotel and the ballroom would be through the front of the hotel, they just wanted to see some enhancements to the entrance area and to kind of, you know, make it a pronounced design suitable for this kind of grand entrance to the hotel. Again, the Design Commission resulted in a recommendation of approval.

So, here is the aerial, and you can see the existing site. What I'm going to point out for you here, and I don't know if you can see it on your screens, so right here, this is the area where the hotel will be built on top. Currently, it's occupied by some smaller

banquet rooms, and the hotel would demo those rooms and then the lobby would be here and then some of the development will rise on top. This is the main ballroom for the banquet hall and that would remain unchanged. That's what contains most of the banquet spaces for this facility.

This is kind of a zoomed out aerial just showing the context of the neighborhood. When we analyzed the suitability of a hotel in this location, we considered some key factors. One was the proximity of the site to the tollway. You can see, here you can see you could just drive down Algonquin Road, take a right onto Arlington Heights Road and access the tollway which is located immediately south of the subject property. This means that the hotel would have great access to O'Hare Airport.

We also looked at the neighboring vicinity in relation to what other uses are there. You can see there are multiple hotels in this vicinity. You can count I think six just on this map here. So, given the proximity to the highway interchange and that hotels are very compatible uses to highway interchanges, proximity to O'Hare Airport, and the surrounding hotels that make up the neighborhood, we felt that this proposed hotel was compatible with the surrounding land uses and we were supportive of the land use variation concept for a hotel at this location.

Here is the site plan and this is rotating the view of the property and fitted in the slide here. So, to the north is on the right-hand side, that's Algonquin Road on the right-hand side of the slide. Again, the proposed hotel would be constructed right here. Analyzing it from a site design standpoint, I think, you know, Staff is supportive of the site design. It was well designed and the hotel would provide some nice amenities. You can see here an outdoor patio area which would have a fire pit and a trellis or pergola.

The setbacks were suitable for a development of this size, both to the north, south, east and west. There was a small variation that was needed, and that's really, it's just this kind of pinch point right here where the drive aisle takes a turn. As the drive aisle turns, it's more like 23 feet in width, 24 feet is what's required by code. The Petitioner has provided us with their model turning exhibits for a fire truck, and if we take a look at it, a fire truck can navigate through the space so we're really not too concerned with the one-foot reduction in the drive aisle width.

There were some minor site issues relative to landscaping and some property maintenance and storage. But by and large, there wasn't anything else in the site design that, you know, we felt was a significant issue that couldn't be resolved moving forward. However, there was an issue with the parking and the parking variation.

So, our parking requirements for a site are based on the sum of all the uses that go into the site. Up at the top table here, you'll see the parking requirements for the existing facility, and then down below this is the sum of the parking requirements for the various uses proposed in the hotel. The primary parking drivers are the main banquet space which would remain, also the hotel, and then finally the 12th floor that's like a bar or lounge area proposed on the roof of the 12th floor. There are other small drivers of parking like the proposed coffee shop and a spa on the first floor, but that was really insignificant. The most pertinent things are the hotel, the 12th floor bar lounge and then the banquet hall.

All together, it equates to a parking requirement of 310 spaces, and the subject property would provide only 172 spaces. That's a three-space reduction from what they have now just to accommodate some of that outdoor patio area. This breaks down to 138-space parking deficit which Staff believes is pretty significant.

In our analysis of the suitability of this variation, we found issues at a number of areas. First, we had trouble identifying what the peak weekend parking demand would be. The parking study based their peak parking demand on two evenings of survey in March of 2017 which had an estimated attendance of 375 people and 390 people. But the total number of patrons arriving that were observed in the parking analysis doesn't equate to that many people. I think they observed 103 people arriving and 181, respectively.

So, given this inconsistency, we had trouble relying on these figures to estimate what the true parking demand would be in the combination of this banquet hall and this hotel use. In lieu of that, we had asked that the Petitioner provide a list of comparative examples of other banquet hall and hotel facilities, and survey those to see what the estimated demand for this facility would be. The parking study did provide a survey of the Courtyard by Marriott, but we didn't feel that this was really an applicable hotel to compare to. It does have a banquet facility space but that's only about one-fifth the size of the banquet facility that we have at the Ivy Hotel, the European Crystal Banquet Hall. The survey didn't have any information on what was going on that day, there was no explanation of what events were occurring, there was no understanding of what the occupancy in the hotel was on that evening, so we didn't feel that that was really a comparative example.

Another issue that we had was we didn't believe that we had enough survey data, there was some incomplete data. The study did cite the Doubletree Hotel, but they didn't actually survey the parking there. So, we don't know, is what's provided by the Doubletree Hotel at capacity? Is it under capacity? There is no survey so we just don't know if that's a successful ratio. Furthermore, the Doubletree is a little bit more unique. I think they are surrounded by open parking areas by the office uses, and so, you know, we believe that parking probably overflows onto those parking areas. In fact, when the Doubletree was approved, we did require a parking easement be established with one of the neighboring property owners for I think around 72 parking spaces. The Doubletree also was required to land-bank around I want to say 75 parking spaces. So, again the amount of parking in there is maybe not representative of really what the demand is of that facility.

Another issue that we had was the valet parking that was proposed. We didn't believe that that was viable. So, let me just back up here. I don't know if you can see on the screen that there are several valet parking spaces proposed. One here, there's double rows here, and then there is a double row of valet parking here as well. We didn't think that that was viable. If it was a single row of valet parking spaces, that would allow room for cars to leave in and out. But if for some reason, you know, a car was needed to be accessed on the interior, that's really not a practical arrangement for valet parking. So, I don't know if we can rely on the 45-space number provided by the Petitioner. We think maybe, you know, more reasonably it would be around 30 spaces.

A big issue we had was that we just didn't see a contingency plan outlined in the application. We wanted to know, if parking did become a problem, where will this overflow of parking occur? How would the Petitioner be able to accommodate for this overflow? We just wanted to make sure that there was no adverse impact on any of the neighboring property owners. Without a formal easement or agreement to share parking on those sites, you know, parking could become a problem if it overflows.

We also noted that, you know, weekend traffic and parking may still be significant based on the market study that was provided. They estimated that the peak

occupancy would be at 75 percent on weekdays, but they found that peak occupancy is really not that far off on weekends at about 72, just shy of 73 percent. One of the rationales presented to justify the parking variation was that the banquet hall would be in use primarily on weekends when the hotel is not really at peak occupancy, and the hotel would be at peak occupancy during the work week when the banquet facility was not at peak occupancy. But based on the market study, we're seeing peak occupancy is close to identical for the hotel. So, that was an issue for us as well.

Relative to traffic, the traffic study relied on the same two days of parking surveys in March where we didn't see the amount of attendance at peak in the banquet hall. So, we really couldn't rely on those numbers as well. They were relying on low numbers to establish peak, then we believe that, you know, peak traffic and parking for the banquet hall would be higher than that. You know, we really couldn't estimate how the traffic impact of this could be accommodated.

During the process, I think we went back and forth with the Petitioner on a lot of things. We were trying to brainstorm ways where maybe he could come into compliance with code or at least get a little closer. I think we discussed a structured parking, a parking deck, and that was, I don't think that was financially feasible. We directed the Petitioner to some neighboring properties where maybe he could purchase or lease or come to an easement agreement for shared parking. I don't know if that was successful. We discussed reducing the size of the hotel maybe to lower the parking demand.

So, there were a lot of options we discussed over time. I think the Petitioner feels like they've done what they can at this point and I think they had asked to appear before the Plan Commission and the Village Board to ultimately get an answer as to the viability of this project.

So, in sum, I think we're really supportive of the use. We think that a hotel and banquet hall would be a good use of this location. We really want to facilitate the reinvestment on the subject property. But given our concerns over the parking and traffic, we just can't support this application. So, we are recommending denial of the application, although it was a long and tough deliberation on Staff's end. We really like the project. We think the design of the hotel is great and again the use is in an excellent location. It's just the parking, the traffic that we don't feel has been resolved at this point, so we can't support the application.

If the project receives a recommendation either in favor or against this evening by the Plan Commission, it will be placed on the November 9th Village Board meeting pending availability for their final consideration. So, that's all that I have, I'd be happy to answer questions.

ACTING CHAIRMAN GREEN: Thank you, Sam. Is there a motion to enter the Staff report into the record?

COMMISSIONER LORENZINI: I'll make that motion.

ACTING CHAIRMAN GREEN: Is there a second?

COMMISSIONER DAWSON: Second.

ACTING CHAIRMAN GREEN: All those in favor say aye.

(Chorus of ayes.)

ACTING CHAIRMAN GREEN: All those opposed?

(No response.)

ACTING CHAIRMAN GREEN: So moved. Okay, we'll move on to

questions. Who would like to start? Lynn, would you like to start?

COMMISSIONER JENSEN: Yes, sure. First of all, I think based on your remarks, Mr. Cazares, your family needs to be commended for what you have done at the European Crystal. I've attended many events there. I think it's a wonderful facility, and I think your family has worked hard, especially your mother and I think you've done very well.

What I want to go to, because I was in some of the committee meetings, is that you have appeared before four different groups of officials of the Village. You've been told the same thing by all four groups. They're very enthusiastic about the concept. They don't want to see this property just become vacant and another business, you know, go out of business. But you've been told one thing consistently through all four of those hearings, which is you've got to address physically the parking issue.

As I read all the paperwork that I saw on this, you had never addressed the issue of parking physically. You've had consultant reports, and you've basically come back with the same amount of parking each time. So, I have a question. My question is this. What are you expecting from this hearing that's any different than any of the other hearings since the Board itself in two early reviews has told you they're enthusiastic but the parking is going to be an issue? So, even if this Commission were to give you a positive recommendation, it's not very clear that the Board would give you a positive outcome. So, what are you expecting from this hearing tonight?

MR. O'CONNOR: We did take --

ACTING CHAIRMAN GREEN: Excuse me, you have to identify yourself and spell your last name.

MR. O'CONNOR: I'm sorry. My name is John O'Connor, I'm representing the Petitioner. As you pointed out, we did go through two early reviews with the Village Board, and it's no surprise that parking is the main issue and you're right. The Board and I think the others and Staff are enthusiastic about the project, the idea of a hotel being there, additional tax revenue to the city, you've got additional property tax and hotel tax itself, a number of new employees being brought into the city, hotel attendees attending here being able to spend money in the city, et cetera.

We did listen to what the Village had to say and we did, this is what we did with respect to parking. So, initially, and I don't remember exactly when it was, the hotel was actually larger in scale. So, we did scale back the project trying to become more in conformance with the required parking. We also did approach a number of nearby property owners that were identified by the Village to try to see if there was something that could be acquired to build a parking lot on. There was nothing available.

We did, however, get, there is a property immediately to the south of this, there's a building there that is, Brite-O-Matic owns it, and then immediately south of that, there is an empty lot. That was one of the lots that was identified. The owners of that are the same owners of the Brite-O-Matic building. So, they're not interested in selling; however, you can use our parking whenever you want, for Brite-O-Matic will be behind it. So, that is one thing that we have obtained in terms of a contingency plan for overflow parking.

COMMISSIONER JENSEN: Is that in writing? Or is that --

MR. O'CONNOR: We do have a letter in writing, and we could get a more formal lease. But they've been very receptive to it and they just, I don't know why they're not interested in selling their property, it's a vacant lot, they're just not. We tried and there really isn't

anything else available around it to do it.

COMMISSIONER JENSEN: What's the number of spots, number of parking places that might --

MR. O'CONNOR: About 60 spots. So, in addition to that, if I could, could you pull up the parking slide, if you could please now? I mean one of the reasons we're here today is we want to address not just parking but maybe some of where we think there are misperceptions on parking. We think a number of the parking that's required here are being double counted.

What I've done in looking at this is if we've got 310, then we can have the parking expert come up here and answer more specifically, we have 310 required parking spaces. There's 172 that are provided. There are at least 30 valet spots although there are potentially 45. There's 59 spots that are designated required for the lounge, and an additional eight spots for the first floor spa. Both of those amenities would only be available to hotel guests, but that's already counted for in the hotel requirement of 126. If you subtract all those out, we're down to a deficiency of 41 spaces which is a lot more realistic than asking for a variance of 138 spaces when you look at that. I know the valet space technically can't be counted, but I think it does mitigate with parking requirements.

So, we've done a number of things to try to get to that point. We also believe that the number of spaces that are required, frankly, we think aren't in line with current driving requirements that people have. The Petitioner plans on having contracts with many of the major airlines to house pilots and flight attendants and anticipates that could be up to 20 percent of their business. The vast majority of anyone coming from O'Hare Airport is going to arrive in a limo, in a taxi, they're going to take Uber or Lyft, they're not going to have a car. The hotel will also have a shuttle service. So, we think a lot of the parking that is required, although we understand it is required by code, really isn't necessary.

So, beyond that, if you want to come up to talk about parking more specifically?

ACTING CHAIRMAN GREEN: Do you have a question for the --

COMMISSIONER JENSEN: Well, yes, and that doesn't include the 60 that you could get an agreement?

MR. O'CONNOR: Exactly, right, that's what I'm saying.

COMMISSIONER JENSEN: But it wouldn't be the duration of that agreement, it wouldn't be into perpetuity I assume?

MR. O'CONNOR: Well, we can't get, I mean, they own the property.

COMMISSIONER JENSEN: Sure.

MR. O'CONNOR: If they give us a lease in perpetuity, they wouldn't be able to sell the property at some point in the future. It would be a problem for them.

COMMISSIONER JENSEN: Yes, I don't actually have any more specific questions on parking. I do of Staff, so I'd like to ask our Staff here. You've asked for a lot of additional information to be provided, additional surveys, you've asked for a lot of other things. I guess it's not clear to me that even getting that information is going to help decide this one way or the other. I guess my question is do they really have to deal with some level of this deficiency physically rather than just give you information about it? Because sending them off to get more information when basically we have in mind a target that they need to hit is a little disingenuous from my point of view.

So, I think if we really want them to physically create some more parking in one way or another, then we need to tell them that rather than sending them off to gather more data. Now, I do think they are making a good point that they've got a lot of these that maybe don't count. So, maybe that 138 is a little high. But what is it that Staff really needs to have happen to make a recommendation not only to us but to the Board in terms of physical spaces that need to be added?

MR. HUBBARD: I don't think there's a magic number. I think if we had a magic number, we would certainly share that with the Petitioner and say, look, you just need to find, you know, 45 more spaces and then you'll be at capacity. I think that we were asking for more surveys so that we could find that number. We wanted to see additional properties surveyed so that we could determine what that peak parking demand would be based on what other, you know, hotels provide and what other hotels use and are occupied on their parking fields during nights when they have banquets and, you know, occupancy of their hotel. So, if we want to see that survey data and we want to say, you know, it looks like a similar hotel with similar size that was surveyed over multiple nights that had full capacity banquets only needed X amount of spaces, then we could translate that to this situation. But that's what we don't have, so we don't have a magic number to share, unfortunately.

COMMISSIONER JENSEN: Well, what they've given you in lieu of that is they've had two consulting firms who have given us, you and us, a professional opinion. They've had the marketing firm give a professional opinion and some of it has to do with parking, and they indicate that amount of parking should be adequate. Then you have the parking study done by the folks who do traffic and parking, and they've given us a professional opinion that it's adequate.

So, I guess I'm always leery of sending people off spending money collecting more data when I don't think the data is going to significantly change the outcome. I really don't have anything more at this point. I will pass it on to someone else. Later on, I may want to follow-up with some things, but that's all I have.

ACTING CHAIRMAN GREEN: Thank you, Lynn. Joe?

COMMISSIONER LORENZINI: Sam, normally I don't put much faith in market studies. You know, if Subway wants to open across the street from another Subway, I figure that's free market and let them fight it out. But this is a significant property and we've got a lot of hotels in the area. Is there any concern on Staff's part if there is a market for another hotel?

MR. HUBBARD: You know, it's tough for the Village to regulate competition. I think we asked for the market study as kind of a means to understand if there is a need and for the public convenience which is one of the criteria of approval. But you know, in reading the market study, it didn't show that this would adversely affect any of the neighboring hotels. So, in that sense, you know, we believe that there could be a market for this and we don't see any cause for a significant alarm.

COMMISSIONER LORENZINI: Okay. Now, as far as stormwater goes, we're really not changing the impervious surface very much, so I assume that's not an issue?

MR. HUBBARD: Right. They already have an underground detention vault, and I believe that they've run the calcs and that that vault has adequate capacity to accommodate any additional storm water.

COMMISSIONER LORENZINI: Okay, now let's go back to parking. So, that Brite-O-Matic spot, that's quite a ways back. I'm not so sure if I was going to the hotel, I'd want to park way back there and walk with my suitcase and whatnot, even without a suitcase.

MR. O'CONNOR: I've walked it, it's not that bad. It also would be available, there will be valet staff, too, so the valet obviously could drive their car over there.

COMMISSIONER LORENZINI: I mean for it would make the most sense to have valet parking back there. But then let's go back to the issue about the valet parking and the roughly 40 spaces that will be taken up by that. But it doesn't always have to remain valet parking, does it? It could go to regular parking to valet, depending on what's going on?

MR. O'CONNOR: You can see that diagrammatically they look like they were, probably in here is where you wouldn't have somebody else park.

MR. HUBBARD: Right, at this --

MR. O'CONNOR: I think they're valet because they can move the cars when needed.

COMMISSIONER LORENZINI: But is that included in the total, those parking spots, are they included in the total spots available or is that deducted from the total spots?

MR. O'CONNOR: No, no, no. The spots there, the 172 that are available, that does not include the valet.

COMMISSIONER LORENZINI: So, if you deduct that off, the 40 spots, that will bring us down to 132?

MR. HUBBARD: No, it's the opposite because it doesn't include the valet.

COMMISSIONER LORENZINI: Oh, the opposite, okay, okay. All right. What about, well, from a practical matter, let's just say they build a hotel with this parking and it turns out they don't have enough parking. Where is the parking going to overflow? What's the concern of the Village, that they'd be parking next door in other people's lots?

MR. HUBBARD: Yes, I mean --

COMMISSIONER LORENZINI: Then they'd get towed, right?

MR. HUBBARD: Right. Since they're neighboring property owners, they could have a contract with a towing company if they're wanted.

COMMISSIONER LORENZINI: So, currently today, when you have a banquet going on there and it's full and all the rooms are full, how many of the spots are being used right now?

MR. O'CONNOR: How many spots are being used?

COMMISSIONER LORENZINI: Today, yes. Is it full, is the lot full now when you have a banquet, when a banquet is going on?

MR. CAZARES: So, in the last --

ACTING CHAIRMAN GREEN: Please identify yourself.

MR. CAZARES: Sorry, James Cazares, Ivy Hotel. In the last five years, we've had a degradation of cars in parking lots. We have the same situation happening downtown in our hotel. When we opened our hotel five years ago, we used to go 30 cars and not use the valet. We have a 63-room hotel.

To date, we are doing around 12 or 13. Why? Something happened in the market, it's called Uber and Lyft. It's so convenient, so economical, and it really has affected the banquet business. When someone comes to the banquet hall and they have a couple of drinks, they'll take the \$12 or \$13 ride. We actually now in the hotel have a valet zone and we have the Uber/Lyft share ride. It's taken full control; really it's also killing the rental car market as well. So, we really see in the last three or four years a huge downward drive --

COMMISSIONER LORENZINI: Yes, but I don't know if you can really compare Downtown Chicago to out here.

MR. CAZARES: Well, no, we're taking a look at the events at the banquets and the weddings. You know, we have mostly, most of the business is weddings and that demographic is in the 20 to 35 range, and all of those attendees which is the majority, I would say around 60-70 percent, they're taking the ride share. We see the ride share come over and over and over again. I wish that we could contact the ride share companies and get statistical data for you, and I did send an e-mail out to them, but unfortunately there is no way.

COMMISSIONER LORENZINI: But going back to my question, right now the parking study shows there's four extra spots. But today, practically, when you have all the banquet halls full on your busiest night, how many extra spots do you have?

MR. CAZARES: So, we have two banquet rooms right now. With the hotel, one of the banquet rooms which can fit around 250, so guests will no longer be there, just the grand ballroom will be there which can fit around 300 guests.

COMMISSIONER LORENZINI: Well, no, forget about the future. Today, when both banquet halls are full, how many extra spots do you have? Or are all the spots full?

MR. CAZARES: No. We would say that we have around 30 percent vacancy.

COMMISSIONER LORENZINI: So, the study today, going by the study and the analysis the Village uses, theoretically you have only four extra spots. But you're saying you have a lot more than that today?

MR. CAZARES: I don't understand the question, I'm sorry.

COMMISSIONER LORENZINI: Okay, look at this. See the chart that's on the screen right now?

MR. CAZARES: Yes.

COMMISSIONER LORENZINI: Right now under today's circumstances, it shows you have four extra spots when everything is full. But you're saying you actually have more than that?

MR. CAZARES: Yes, absolutely.

COMMISSIONER LORENZINI: That's my question, okay.

MR. CAZARES: Yes, I would say the entire back portion would be empty from where the loading zone is. So, the entire back parking lot would almost never be full. But we have only the grand ballroom full. We're just looking at basically the front portion being full.

You know, I want to talk about contingency plan because I know that was one of the, Brite-O-Matic which is our sister property and she is Linda Kane, is our neighbor. She has been our contingency plan. We have a letter of over 17 years ago that allows us to use her parking lot for overflow. She wrote us another letter. We're in great relationship with our neighbors, we believe we have to partner with them, and we've really never used that in the last 17 years. It's been very rare, maybe just once or twice. But we can count it on one hand how many times we've used it, and when we have we restrict it to only our valet for liability issues. Our valet would come and drop off the cars and take the cars back. But we rarely have such a thing.

But that hasn't been the case for the last five to seven years. That would probably have been the case back when the banquet hall opened. I'll tell you this, when the banquet hall opened, Uber and the iPhone were just, weren't even here. So, it's a total different situation.

COMMISSIONER LORENZINI: Can you please tell me why you didn't look at, what's wrong with going to a smaller hotel?

MR. CAZARES: So, we're a lifestyle hotel. All the hotels in Arlington Heights are a limited service 3-star hotel. Lifestyle hotels attract a different type of clientele. We are more focused on, for example, today this morning at the hotel at 8:00 o'clock in the morning, we have a yoga class on the rooftop. Have about 30 guests go up there. We're more, it's quite a different type of --

COMMISSIONER LORENZINI: No, but you can still have all the same amenities, but instead of 10 stories, maybe eight stories or seven stories.

MR. CAZARES: Yes, absolutely. I mean it could be, we're trying to keep it on the footprint of the property, so we're not concerned. There was no height restriction with Arlington Heights.

COMMISSIONER LORENZINI: But you would need less parking if you had a shorter hotel.

MR. CAZARES: Well, we don't agree with the calculations.

COMMISSIONER LORENZINI: All right, fine. That's fine, that's all you need to say.

MR. CAZARES: Yes. The place of assembly on the 12th floor is only restricted to hotel guests. There would be no way for an outside person to come in. So, that's 60 parking spots. The beauty shop and the coffee shop on the first floor as well, it's just like with our hotel downtown, we don't accept cash, you have to pay with a room key, we have RFID keys for that. So, as I mentioned --

COMMISSIONER LORENZINI: Hold on, hold on.

ACTING CHAIRMAN GREEN: Hold on.

COMMISSIONER LORENZINI: So, right now this pattern chart shows you're 138 over.

MR. CAZARES: Correct.

COMMISSIONER LORENZINI: So, what numbers above it don't you agree with that would bring that number down?

MR. CAZARES: We don't agree with the 59 on the 12th floor.

COMMISSIONER LORENZINI: Okay, where do you think that, why don't you agree with that?

MR. CAZARES: Well, because only the hotel guests can use it.

COMMISSIONER LORENZINI: So, the whole 59 would go away?

MR. CAZARES: Only the guests. You couldn't even get up to the floor. Just like with our hotel right now, you have to scan your key card right in there --

COMMISSIONER LORENZINI: Okay, what else? What else don't you agree with?

MR. CAZARES: And the coffee shop and the spa.

COMMISSIONER LORENZINI: So, that's another 12?

MR. CAZARES: Yes.

COMMISSIONER LORENZINI: Okay, what else?

MR. CAZARES: I mean --

MR. O'CONNOR: In terms of duplications, I think that's what we don't agree with. The actual required parking and how that's calculated, we understand it's code. We think it's

excessive though in the way that --

COMMISSIONER LORENZINI: Okay, but taking those out would reduce you from 138 to 67 short. You'd still be 67 short.

MR. O'CONNOR: Well, right, and then you've got between 30 and 45 valet spaces that are available, too.

COMMISSIONER LORENZINI: So, that would further reduce that number, Sam?

MR. HUBBARD: Well, not from a technical standpoint. You can't count valet spaces as parking spaces.

COMMISSIONER LORENZINI: Well, but they don't have to leave it valet. If that's going to break the deal, they could make it non-valet, right, and then they'd have the parking? No?

MR. HUBBARD: They can't make them non-valet because they're in driving aisles, the valet space go in the drive aisles.

COMMISSIONER LORENZINI: I understand, okay. Okay, all right.

MR. CAZARES: I want to introduce Ted Mandigo over here. I know we're getting really into one of the details of parking. But I want Ted to give us a one-on-one on hotel business.

COMMISSIONER LORENZINI: Okay, well, my questions are over.

ACTING CHAIRMAN GREEN: Right, we have to go by the questions we're asking you. Your presentation is over, so we're going to different questions.

MR. CAZARES: Sure. Okay.

ACTING CHAIRMAN GREEN: Susan, would you like to?

COMMISSIONER DAWSON: Sure. It seems to me that perhaps the Petitioner had a misunderstanding that you needed to present everything in the beginning. So, if you keep it really, really, really short, I promise to ask for a one-on-one on hotel parking. But just please keep it really short.

MR. TED MANDIGO: I will. My name is Ted Mandigo, M-a-n-d-i-g-o. I've been doing hotel consulting for about 40 years in Chicago hotel market, including a hearing before this held before when the questions were being asked about the Courtyard by Marriott and the Residence Inn property that were developed here in Arlington Heights. At that time, the questions were two in front of the hearing: Would market sustain the development of those hotels? I think history has proven that that is the case. The second question was about water retention, and I don't know anything about water retention so I had nothing to say on that point. If I recall that meeting, the Marriott people started the presentation and it was going until about 11:00 o'clock, and the Board determined that they would postpone resolution of the open questions until some date certain, and the Marriott people were questioned then.

With respect to the market for the hotel, we've done a market analysis here. We studied the market extensively. We have followed the market in all of the suburban markets and Chicago. We do a projection on an annual basis as to what we think the markets are going to do and we look at about five years based upon supply and demand numbers and changes in demographics and activity in the market area. We completed the market study based upon that and really all the activity going on in the manufacturing community, new businesses opening in the market, and the repositioning of hotel properties in certain local market as well as increased use of properties by residents in an area. We have seen the market able to sustain the

addition of rooms in the market.

We believe that the 120 rooms are correct for this market area. When you build a hotel, you build in overhead costs and public space that needs to be serviced and maintained. That cost needs to be borne by the hotel rooms which is the primary generator of business. If you use less hotel rooms, you still have the same public space that you're dealing with and still have the same maintenance costs associated with it with a little bit of a reduction because of fewer rooms. But spreading that cost over 120 rooms makes it a viable property whereas spreading it over 80 rooms or 60 rooms, the property would no longer be as viable.

Addressing some questions that have been brought up here in terms of the market, the projections indicate one space per room. In the first place, many of the zoning regulations in parking were done in the 70's from municipalities in the past, from municipality to municipality. The trends in developments in terms of driving and persons per car have changed substantially over that time, and the zoning regulations and parking requirements have remained consistent based on the 1970's type of market. I think it was very well expressed by James with respect to Uber and other things.

This also is an airport type property, we're very close to the airport. There is a shuttle that will be provided back and forth to the airport. Airline crews that will be a part of the business will be non-driving. There would be no vehicles involved in that, the shuttle would take care of their transportation.

Also, with 126 rooms in the property, the reason it's being built is because there is spin-off business from this property now that goes to other hotels in Arlington Heights and other areas. Those are people that have the use, they come to banquets here at the European Crystal banquet facility, then get in their car and drive to another property. If the hotel property is here, then those would be double counted. Those would be people that were here for a banquet and stayed in the hotel. 40 to 60 percent, depending upon the seasonality of booking, would be banquet business overflow or banquet business generated for the hotel.

So, we have duplicate counting the numbers of parking spaces required as one space per room and the required parking for the banquet facility. If we're looking at 40 to 60 percent of that business being banquet oriented and being able to sell weekday banquet and meeting business for commercial groups, that business is going to be beneficial to both the banquet facility and the hotel operation and the people that are here for those would be people that are here for both functions and cannot be duplicated.

With respect to the meeting space, there are 58 spaces that will not be required because of the demolition of the banquet facility and those are banquet rooms that are not, those are spaces that are not now required, so that would reduce the number of spaces that would be there with that adjustment from the 175 in the top chart, and then the 59 and 84 are obviously duplications of that.

Our experience with airport hotels is that approximately 30 percent of the parking space per guest room are what are required because of the number of people that take shuttles back and forth and multiple people in cars that are with the same corporation staying at the properties. So, we believe very much that the zoning requirements on parking are something that needs to be readdressed rather than copied from one municipality to another without looking at the actual requirements.

You asked about banquet facilities with hotels, there are very few that are banquet facilities and hotel separately. The ones I know of are Giorgio's down at Orland Park,

the Holiday Inn in Tindale Park where the village built the banquet facility and is operated in conjunction with the hotel. We do not have statistics on those properties but I do not know of or cannot recall others that are a banquet facility where a hotel has been added so that we can take a look at those as two separate entities with overlap. I don't have the data because I do not recall and I'm not able to think of those that exist in this market area. I'd be glad to look at some if someone could suggest a banquet facility where a hotel has been built and we can study that. I'd be glad to answer other questions with respect to the parking or hotel markets.

COMMISSIONER DAWSON: No, I think that was very clear, thank you.

MR. TED MANDIGO: Thank you.

COMMISSIONER DAWSON: Sam, in these numbers, are any of it for the coffee shop, spa, lounge and bar, does that assume staff?

MR. HUBBARD: Yes, I mean staff is accounted for in those calculations in theory, yes.

COMMISSIONER DAWSON: Okay, so it really wouldn't be kind of a 100 percent reduction because there would be some staff members in there. But I guess I think that you make a very good argument. I know probably everyone up here disagrees with me, but I think you make a very good argument for the parking problem. I know one of the things that I wanted to see in Arlington Heights is a high-end spa/overnight. We don't have it here currently.

I like to go to those type of facilities, I have lots of friends that do, and we have to drive hours to get to them. To have one here would be I think a good addition. To be able to go spend the night and have these services, I think you would have great conference, you know, usage. I think, I'm not concerned about whether or not there is a market for it. The one thing that concerns me is that we don't have anything solidified on that extra parking.

So, if you were coming in here today with an extensive lease, with a right of first refusal to buy the property to have those spaces, I'd be very inclined to be fully in support of the project. I'd probably be asking for more assurances related to, I understand you have to swipe a card to go in but everyone can invite a guest over. If my friends are coming in from out of town, I could go meet them at the hotel and swipe the card and use the facilities. So, there is some car usage there.

I do agree that most of the use will be doubled between the conference facility and the hotel. There's a lot of that. But I'm very concerned with the fact that we could approve this today, tomorrow your neighbor could sell the property to somebody else and you have no overflow.

MR. CAZARES: If I could respond, Susan? I completely agree with you. In the two years I've been working with the Staff, I did find a subject property on Arlington Heights Road and Golf Road that is about 1.5 acres. I did mention to Staff that we would be interested to purchase that property and leave it as is as a backup for our valet one day, say if we were super uber successful, and have the valet go and park the cars over there. I was told flat out no, that that was not an option. So, that was the dead end track to that. That property is still available for sale. I did send a letter of intent on that, but the Village has told me that they would not allow that as a backup plan.

COMMISSIONER DAWSON: Okay, do you want to speak to that, Sam?

MR. HUBBARD: I think the property he's referring to was part of one of the TIF redevelopment areas. So, to just turn it to an automobile car parking lot was not what we had envisioned for that.

COMMISSIONER DAWSON: Right, and that's going to be in violation to the Comprehensive Plan. I still feel that, as your attorney pointed out, I know you probably don't want a delay or an extension, but still that if you were to have a more, for my purposes, I am confident, I might be one of the only ones that feel this way but if you have that in writing, I would feel a lot more secure here. I know you have a friendly relationship with them, but anything could happen and you can't put an imposition on the neighbors. As always, I get very frustrated when people don't show up here, the neighboring properties aren't here to object to this. So, you know, I'm assuming that it's a burden on them but they're not here to fight that.

So, plus I would say, just one second, sorry, if whatever happens tonight you go before the Village Board, I would have that, what's it called, your sister property?

MR. O'CONNOR: Brite-O-Matic.

COMMISSIONER DAWSON: She should be here to speak to this on your behalf.

MR. O'CONNOR: She said she would, she would have been.

COMMISSIONER DAWSON: Maybe she would, but she really should be here, you know, to speak to your behalf. That would go a long way to that end. I don't know, if you want to say something, that's fine, I don't know that I have a question there. I'm just --

MR. O'CONNOR: No, no, no. I think we can solidify that further. I think that hasn't happened because of the ongoing relationship with the neighbor since 17 years ago, the same thing. Despite all that, we think we have adequate parking. This is just a contingency plan if, you know, what if there is overflow parking. Even without a contingency plan, as we pointed out before, it could be any other business establishment around here, if people can't find a place to park, what do they do? If they're going to park on the adjoining property and risk getting towed, everyone has that problem. It's just a contingency, nothing more than that.

COMMISSIONER DAWSON: Sure, but we can't put the neighbors in the position to be forced to suddenly have to defend themselves from --

MR. O'CONNOR: I'm not expecting that to happen.

COMMISSIONER DAWSON: No, I understand. But that's, I don't disagree that this hotel is most likely not going to need as much parking as many people here believe that might. I fully agree with the Uber concept. I go very few places without, if I'm going to be having a drink I Uber because it's not worth it. But that is a more modern concept that the Village as a whole has not necessarily experienced. So, it's a harder sell I think to some.

But I don't disagree that I think this is an excellent use of the property. I have significant concerns if the business were to fail that you would be able to find anything else to go on this property that wouldn't have the same parking problems. This is a use that could potentially have less parking impact in that location than any other use I can think of off the top of my head. So, you know, I'm very torn.

Again, if you have just something to make me feel a lot more comfortable about that space, I think I would be shocked to find that you would have won the argument with me. I thought that the 101 class was about when I, you know, when I walked in here, I thought there's no way I would ever give a waiver for 138 parking deficit. But I feel that you've really argued your case, but I do need that, I need that security of that use of that lot.

MR. O'CONNOR: By that you mean what exactly?

COMMISSIONER DAWSON: I would feel more comfortable if you have a formal written lease for the use and a right of first refusal to purchase.

MR. O'CONNOR: I think it was held up, for the purpose of getting a lease, which I think we can, the Village is required a perpetual lease which --

COMMISSIONER DAWSON: No, I understand you're not going to get that. I didn't say perpetual.

MR. O'CONNOR: Yes, I know, that's why I'm just trying to clarify that.

COMMISSIONER DAWSON: I'm completely with you on that, but I would like to see a right of first refusal on the sale that would allow for, because here is the one thing that I think a lot of people are going to disagree with me on. There's something called Trip Advisor, there's something called Yelp. Anyone who books a hotel goes to Trip Advisor and goes to Yelp. If you see a whole bunch of 1-stars that say the hotel is great but there is nowhere to park and that sucks, people won't go. So, they're going to have to build a hotel that works within their parking restrictions. I firmly believe that.

So, I think that, I'm less concerned about the parking situation, but I do feel that we need the overflow, I mean, some security at least in the beginning until it can be proven to the Village that this can work. But I agree with you, you're not going to get a perpetual. I don't know how you can, who would give that? No one would give a perpetual space. Maybe not. Do you disagree with me, Sam? Sorry, all right.

MR. HUBBARD: It's been done, but I'm sure it would be difficult to get.

COMMISSIONER DAWSON: I think you have a hard argument, but I think I'm very impressed with the thought, the plan. I think it's a great use for that space and that facility. I do think it could be successful, but I think the Village needs a little bit more security that we're going to have less infringement on the neighbors, until we see how it works. It's a new model for them, they're not used to it.

MR. O'CONNOR: You won't see that until it's built.

COMMISSIONER DAWSON: I'm with you, I'm completely --

MR. O'CONNOR: They're not there making a multimillion dollar investment here and, as you pointed out, if they really felt parking was a problem, I would imagine they're not going to build it.

COMMISSIONER DAWSON: I agree. I just wish there was some way that we can assure the neighboring properties the concept of, well, if they park there, they'll get towed, oh, well, that doesn't work. You know, now that neighboring properties have to hire a towing company and put security cameras in their lots?

MR. O'CONNOR: I'm not saying that's going to happen. I'm just saying --

COMMISSIONER DAWSON: No, no, not you. I know you're saying that's not going to happen, I get that. You're saying it's actually not going to happen. What I'm saying is that we have to weigh that in because what if it fails? What if it does need that parking? That's a burden that gets put on to the neighboring properties. So, I think we're just in a debate scenario at this point, not question and answer. I should move on.

ACTING CHAIRMAN GREEN: John?

COMMISSIONER SIGALOS: I really don't have too much more to add. I was at the Conceptual Plan Review meeting we had months ago. I think the same issues were discussed and the concerns were brought up at that time. I think it all revolved around parking. It's unfortunate that, you know, with the advent of Uber and Lyft, that we don't have more data as far as who's using those services as opposed to actually driving, so we don't. But we do have codes that are in place today and that we have to adhere to. I mean we can't just say, well, these

codes don't apply anymore because we now have Uber. So, I'm not convinced of that.

Also, at the Conceptual Plan Review meeting, and I think tonight you touched on it briefly, that you expect a lot of the airline pilots and staff to be transported from O'Hare out to this Ivy Hotel. I'm not convinced of that. I mean, here you have all these hotels, most of them are around O'Hare field, why would they spend the extra money to go to a 4.5-star hotel when they could provide hotels a lot closer than 3-star hotel; that's really all the pilots and staff need to sleep overnight until next day when they do a return flight.

MR. CAZARES: I think it's a great question, John. Recently, I was at the IMAX conference which is a hotel convention where planners come and there was a very large interest in this property due to one thing that Arlington Heights has, that O'Hare doesn't have and Rosemont. It's called Mitsuwa. The Asian airlines, China Eastern specifically came up to me and said we would love, we have about 29 staff to come on 1777 and the location is within a half a mile of Mitsuwa. Those Asian airlines, Arlington Heights has such a special thing that nobody else has. It's so convenient and it's such a great amenity for that specific market that it drew a lot of interest.

So, that is definitely going to be one of the target airlines, the Asian airlines that we're going to be going after. We're going to definitely try to work with Mitsuwa to partner and say that this is a great amenity for the Asian staff because really it's the old places in the northwest suburbs that has something like that. So, I don't like to say everything because it would be silly for me to give away all of our secrets. I will let you know that there are some nice valuable assets in this location that make it very appealing to a specific demographic.

COMMISSIONER SIGALOS: What type of room rates, when you say it's going to be a 4.5-star, what do you envision your room rate would be for?

MR. CAZARES: So, our room rate would be anywhere from \$180 to \$220 per night. Then the airlines of course have a different price, they have a contract negotiation where they purchase, you know, 1,000-2,000 room nights. I would prefer not to disclose that kind of price.

COMMISSIONER SIGALOS: How does that compare to say, again I don't know what's in the area there, I haven't, never stayed in one of the hotels here in Arlington Heights. I have downtown, I know what those rates are and they're very expensive. When compared to an alternative hotel whether it be Doubletree or Marriott or Courtyard or whatever, how is that at a 3-star rate --

MR. CAZARES: Ted knows the historical rates specific to Arlington Heights, he has it memorized.

MR. TED MANDIGO: We'll take a look at a chart from one of the projections we put together, and we do an annual, sorry, Ted Mandigo again. We do an annual update for the North Chicago area and do projections of average daily rate of occupancy for them, and we do it for the downtown. The last time we did downtown in 2016, we were off by 23 cents in our forecast of rate for a property. The average daily rate in the market area for 2016 for this market was \$115.16. We are projecting for this property in 2016 dollars \$125 average daily rate for the property, and by the year 2017-18, it would be approximately \$132-\$134. So, rates are substantially lower than they are in the downtown market. For a property that's of this caliber, we expect them to be able to reach the spread of about \$25 to \$30 above the market and that's what our projection shows. Airline rates would be closer to the average for the market area, so they would be getting at maybe \$115 to \$120.

COMMISSIONER SIGALOS: I understand you're saying \$25 to \$30 more for a 4-star hotel versus 3-star --

MR. TED MANDIGO: 4-star versus 3-star.

COMMISSIONER SIGALOS: -- or 4.5-star versus 3-star?

MR. TED MANDIGO: That is correct.

COMMISSIONER SIGALOS: The added cost for you to provide the amenities for, I mean, you've done your economics on this, that is economically feasible --

MR. TED MANDIGO: There is some additional cost which --

COMMISSIONER SIGALOS: -- that it cost \$30 a room?

MR. TED MANDIGO: There is some additional cost in terms of labor associated with providing that caliber service and that's what they currently provide at the Ivy downtown. The quality of the guest rooms that are built that were demonstrated by the Ivy construction downtown is what we're looking for in terms of differential.

COMMISSIONER SIGALOS: Downtown is a whole different market. I mean you could charge, you know, hundreds of dollars more downtown than you can out here.

MR. TED MANDIGO: The average rate downtown is \$208. The Ivy Hotel has substantial marble and granite in the rooms, the decor rate is the higher caliber than you would find in 3-star hotels. There's a very distinctive difference between these properties, a 3-star and a 4-star hotel. It creates a completely different average.

COMMISSIONER SIGALOS: I don't have anything further. I mean I like the idea of the hotel concept. I'm just very concerned with the parking as my fellow Commissioners have indicated. As you don't have any contingency plan really firmly in place, I have a problem with that. We're kind of going on a trial and error basis with so much of this as far as the effects of Uber and Lyft and without really any hard data that would allow any of these parking counts or codes to be modified. So, I don't have anything further right now. I'm just really --

ACTING CHAIRMAN GREEN: Thank you, John. Jay?

COMMISSIONER CHERWIN: Thank you. So, I think hearing my fellow Commissioners, Commissioner Dawson probably may think that nobody agrees with what she said, but I think a lot of what Commissioner Dawson conveyed is kind of how I'm feeling about the project as well almost entirely, but I will ask just a few more questions here.

Can you put up the aerial, Sam, if you don't mind? Sam, the Petitioner brought up the idea of overflow space in Algonquin and Golf. Was it objected to by the Staff because of the TIF or the concept of having off-site was objectionable to the Staff?

MR. HUBBARD: The off-site valet parking is something we can look at. I think the location that they were proposing just wasn't viable being right on Arlington Heights Road and --

COMMISSIONER CHERWIN: So, if we, the aerial I'm looking at is a little bit broader than what you have in this. Sam, do you have any aerial that is part of, pull it out a little bit, the one that you have on our website. Can you get to that so that we see a little bit bigger area or not?

MR. HUBBARD: No.

COMMISSIONER CHERWIN: To the left?

MR. HUBBARD: This is all we have.

COMMISSIONER CHERWIN: The west? Okay, because to the west, the area I'm looking at that was part of our package has some other additional properties one of which

is, I'm just trying to think outside the box here, one of which is on Meijer that I can't imagine uses the whole, you know, all the parking spots they have because it's a huge parking lot that is probably completely underused for the most part. I wonder if that's potentially an option to reach out and say, okay, you've got a giant field of parking, just a few, you know, I don't know, maybe a few hundred yards west of this, again it would go to the, you know, what kind of arrangement, is it in perpetuity or is it a lease.

But if the Staff isn't wholly objecting to off-site parking, maybe that's an option that you haven't explored. I don't know, is it, they have parking counts and everything, too, but you know, if there's some kind of, you know, if there is an ability to, I don't know if they're meeting code or if they're exceeding it or whatever.

MR. O'CONNOR: We did look it up. Obviously we looked at the Brite-O-Matic site. There was another one that was for, I think it was self storage but it was for water detention which would require, you know, one buying it but it wasn't really for sale and having to build a lot over it which would be expensive.

COMMISSIONER CHERWIN: Well, that was going to be my next question which is the one right to your west, what the self storage said to you when you asked them. It looks like that space south of the building is their current detention?

MR. O'CONNOR: That's my understanding, yes.

COMMISSIONER CHERWIN: You would have to then put a vault under it and put a parking lot over it?

MR. O'CONNOR: And from what I understand, they're unwilling to sell it.

COMMISSIONER CHERWIN: They're unwilling to sell it.

MR. O'CONNOR: Right. We also had approached Pace across the street and had an arrangement with them. But there was a lot of concern about people trying to cross Algonquin Road. They have a large parking lot over there.

COMMISSIONER CHERWIN: Okay. So, when self storage said they aren't willing to sell it, were they unwilling to sell it at that price or they were just unwilling to sell?

MR. O'CONNOR: It was unwilling to sell it.

COMMISSIONER CHERWIN: So, going back to Meijer, is that not a, I think I might have said Target before, but Meijer, is that something that you guys would be, I mean it might be like totally nonviable but I don't know, maybe it's something that would be for outside valet?

MR. CAZARES: So, even with Brite-O-Matic, we proposed a lease with them where when we would need overflow, we would pay them, you know, a rental rate per spot.

COMMISSIONER CHERWIN: Yes.

MR. CAZARES: Per day. We had that all drafted up but the Village of Arlington Heights wanted to see a perpetual lease which they wouldn't be able, but we can really find, I don't think it should be any issue to find someone who would be willing to lease parking spots out, especially this being a corporate area, you know, if we had overflow say on a weekend. So, there was really no opposition to that, it's just the fine line details of the lease being perpetual. I don't think anyone is going to agree to that. But we can definitely secure --

COMMISSIONER CHERWIN: Well, all I'm asking you is have you talked to Meijer? If the answer is no, we don't know if some kind of perpetual easement would be objectionable.

MR. CAZARES: Right. No, we haven't talked to Meijer. But Brite-O-Matic,

we did have a draft lease together.

COMMISSIONER CHERWIN: Yes, I saw that.

MR. CAZARES: Where we would lease parking spots from them, you know, on a per spot basis if needed. So, we do have something like that.

COMMISSIONER CHERWIN: Okay. What about structured parking on the south side of the lot?

MR. CAZARES: Right there is our water retention on the south portion of the lot. With the 158 spots that are required by the Village ordinance, the quotes were anywhere from \$3 to \$5 million to construct that structure. In that situation, it would be better off just to purchase a different lot somewhere else. We're really trying to make the highest and best use of the property.

As I was telling you, we have no business 75 percent of the time. I mean you can pass by our banquet on Monday, Tuesday, Wednesday, Thursday, Friday, Sunday, and you'll see it empty all the time. So, I know that these graphs, you know, A, B and C, but it's not reality. The reality is you need to really see, you need to sit and take a look at it like my mom does everyday. I see that the parking lot is totally empty and that we're really only using it just 20 to 25 percent of the time. It's just a shame, what's happening over there.

That's the reason why Wellington didn't make it and a lot of other banquet halls have closed down. It's because they can't justify only being 20 percent, covering the costs is just too hard for us.

COMMISSIONER CHERWIN: Going back to Brite-O-Matic real quick, on the vacant lot south of their building, what was the length that they were willing to give you an agreement on?

MR. CAZARES: For the lease? I think they have around 40 something parking spots that's located right by their entrance. They also have the gravel spots which is like a loading area. We had discussed with her a per-day rate and it was just going to be a month-to-month lease. We'd provide her insurance, our liability, and that, you know, when we would need our valet attendants. She had no issue with it, just with the purchasing portion.

COMMISSIONER CHERWIN: You said that vacant lot to the south is owned by Brite-O-Matic?

MR. CAZARES: Yes.

COMMISSIONER CHERWIN: And there is no ability for you to get access to that lot?

MR. CAZARES: Right, I mean she has no plan on developing that to add a parking lot to her property.

COMMISSIONER CHERWIN: No, not to her property. What I'm saying is, is there any opportunity to make that available? Currently, it's unpaved?

MR. O'CONNOR: It's undeveloped.

COMMISSIONER CHERWIN: Undeveloped.

MR. O'CONNOR: I think there are trees throughout.

COMMISSIONER CHERWIN: Yes. So, what are the chances of that lot becoming available to you at least in the, not in perpetuity but in the short term?

MR. CAZARES: I don't know. You know, we hope that she does well. We would sometimes hope she doesn't do well so that we could purchase the property but --

COMMISSIONER CHERWIN: You've asked her to break off --

MR. O'CONNOR: Yes, we initially approached her about actually purchasing that vacant spot.

MR. CAZARES: Yes, she won't do it.

MR. O'CONNOR: Had to talk to her sister and came back and they weren't interested in selling it. That's when they offered to allow the continued parking.

COMMISSIONER CHERWIN: On that, continued parking on that?

MR. O'CONNOR: Not on that. I don't think you can park there --

COMMISSIONER CHERWIN: Well, yes. Well, I think there would probably need to be some work done, but that's what I'm saying which is are they willing to make that open space available? Potentially there's, you know, some, you know, pavement improvement or whatever that has to be done for overflow parking. But are they willing to make it available for that at all or not? I mean that's minimum, they wouldn't, you know, for their purposes, as long as they're keeping potential future development of that property open, it doesn't matter --

MR. CAZARES: I think the issue is that she would be if there would be a revenue generator. We can't guarantee her that we're going to need it. Our professional opinion is that we won't need it. If we felt very strongly that we needed the parking spots, we would then go and say we can guarantee you X amount of revenue for these spots and I'm sure that could be negotiated.

COMMISSIONER CHERWIN: Well, I mean at the end of the day it could be that your project doesn't get approved unless you have it, whether it generates revenue or not, you just have to --

MR. O'CONNOR: One of the hindrances in getting it leased, to be honest with you to this point, was initially we were in discussions with Pace, and we heard that's not good because you're concerned about, even if it's valet, people crossing Algonquin Road. So, we tabled that.

COMMISSIONER CHERWIN: Yes.

MR. O'CONNOR: Then it was you need a perpetual lease. Well, we can't get a perpetual lease from anyone, so we never got a regular lease.

COMMISSIONER CHERWIN: But I'm not asking you about any of that. What I'm asking about is not Pace but this property south of Brite-O-Matic and the ability to get some lease arrangement with it. Yes, I mean it may cost you money to do it, I don't think she's going to give it to you --

MR. O'CONNOR: I haven't, I drove back there, it's been a long time but the last time I drove back there, there was a lot of large, mature trees throughout the lot that were there that would all have to be cleared and taken out. I think what they're saying is I'm not sure they want to incur the expense or she is not willing to part with that property until --

COMMISSIONER CHERWIN: Yes, and I guess what I'm saying is that, I guess that's two different issues. Either she's not willing to part with it or she might be and it may have a cost that you have to incur for the overall project which is unfortunate. But it's either, you know, maybe that's what gets this thing going on, if people don't like being 130 spots short, that may be an option for you. If you can say, well, at least we can get a ten-year lease on the short term, that may give people comfort. That's all what I'm saying, it doesn't sound like it's really been explored.

COMMISSIONER DAWSON: Just to piggyback off that, if you don't mind, it sounds like it would be somewhat like a landlock where we require people bank --

MR. HUBBARD: Land-bank parking?

COMMISSIONER DAWSON: Land-bank, sorry, not landlock, like a land-back, similar where she could agree to a lease in the event the Village determined that it was necessary, and then you would agree what dollar amount to pay her, but only in the event that the Village determined that it was necessary and that you would incur the cost of, you know, the blah-blah-blah-blah-blah and all of that. If you were able to prove that it wasn't needed, you would never have to incur that cost. But if the Village was receiving complaints and needed it and could enforce it and then turn that into parking, you know, that might be something to go down the road. But we can't solve your problem tonight, that would require a continuance, go out and see if you can fix the problem and then come back and talk to us.

COMMISSIONER CHERWIN: Yes, I think that's well said. I guess what I'm trying to say here is I think the position you're taking is that the Staff is wrong, it doesn't need that much and it doesn't seem like you're really thinking outside the box or trying to extend yourself at all and find a middle ground with the Village. You're just kind of holding your position on what you think parking should be. What I'm telling you is I'm just trying to think outside the box.

MR. O'CONNOR: I agree with you, and I'm saying we have. When it came up about getting a written lease, what I'm saying is the reason we don't have a written lease is because what we were told the requirements of the written lease were weren't realistic. That's all I'm saying is, you know, Sue pointed out that we should have a written lease with Brite-O-Matic, it sounds like we could get it. The reason we didn't get one is because she said she's unwilling to sign a perpetual lease which is what we were told is required for the lease. That's why we don't have it.

COMMISSIONER DAWSON: But I think you've heard from at least two Commissioners that were saying we're not worried about perpetual.

MR. O'CONNOR: I understand that, but I'm saying that's why we didn't have it here tonight.

COMMISSIONER DAWSON: No, I understand. I completely understand why you don't have it here tonight. I'm just thinking you might want additional time to see what you could do, rather than go to a vote tonight.

MR. HUBBARD: If I could just jump in? I think, you know, Staff's standpoint has always been if you don't want the variation, you get a perpetual lease. That's what allows us to consider parking spaces on someone else's property to count towards your parking requirement which would reduce or potentially eliminate the technical variance. We've always said we'll look at a lease for parking on somebody's property that's not perpetual. We've said that that introduces the problem of 10 years down the road or whenever that lease expires that, you know, it's not renewed or someone sells the property. But we said that that could potentially be a justification for a variance and we've said, you know, throughout this process that you've been in conversations with Brite-O-Matic and we've said please, if you have an agreement, provide it to us. We have yet to see it.

So, if you have one, that's great. It doesn't solve the technical parking problem, but you know, again we're willing to take a look at it, I think we'll still be --

MR. O'CONNOR: What we do have that we haven't shared, we have a letter from her saying we could use it. That was again, this was the contingency plan. This is what happens if there is overflow parking every five or 10 years, my understanding of it, unless the contingency plan is what happens when this all, I mean, what's the contingency for how often that

this is to occur or to happen?

MR. HUBBARD: I think the Village wants to be assured in the long-term that you have parking to provide contingency overflow if your parking lot is full. That's ideally what the Village would like to see. If you can only provide a temporary lease, then we'll take a look at it and we'd take it into consideration and the Board could take it into consideration. While I don't think that's going to solve our long-term concerns, it may make, you know, as you've heard tonight, it may help some of the Plan Commissioners. I think Staff's concern is always the long term. Ideally, we want something, a long-term contingency plan.

ACTING CHAIRMAN GREEN: Any more questions, Jay?

COMMISSIONER CHERWIN: No, I'm sorry.

ACTING CHAIRMAN GREEN: Okay, my comments are this, that no matter how you look at it, I was Chairman of the Plat and Sub for this meeting, and back at that time we had the same discussion about what you could do to solve your parking problems. All I've heard here tonight is that it's difficult, they don't want to do it, and therefore, we don't think we have to. This is the feeling I get here.

So, you have a parking problem and you haven't addressed it. We're not really in the position here tonight to step back to the Plat and Sub and start to give you suggestions of what you could, should, or might want to try to do to get this to be more palatable from a parking deficit standpoint. So, that's just my comment.

I'm going to open it up to the public now. If anybody in the room would like to speak that's not part of your group, you can stand up and present yourself now.

Seeing no one, we're going to close the public part of this hearing.

MR. CAZARES: Please stand by for one second, please.

MR. O'CONNOR: The question is if it were possible to get a conditional approval, an approval conditioned upon getting a written lease?

ACTING CHAIRMAN GREEN: That's one Commissioner's take and it's not everybody here.

MR. O'CONNOR: I understand. I don't mean to --

ACTING CHAIRMAN GREEN: So, that's just one out of the group. So, we have a proposal before us tonight and we probably will have this presented as either positive or negative, however that goes. But my point of view is that we're not here to start over again. You got these comments from us earlier. You got the comments from the Staff and you got the comments from the Board at two previous meetings. You still have the same problems as you did when you started this project.

MR. O'CONNOR: We did, and that's what I'm saying, we've --

ACTING CHAIRMAN GREEN: That doesn't mean that it has to go forward just because you're having problems conforming to the code.

MR. O'CONNOR: I'm not saying that. I'm saying that what we did is we understand parking was a concern and we started by addressing it. We reduced the scale of the project so the parking deficit wasn't as large. Besides that, we're looking at other avenues that are around there. When talking about the code and the parking requirements, when it has the spa requirement or the rooftop deck, those are taken into consideration that that's open to the public. So, the deficiency looks higher when you look at it without looking at the explanation behind it.

ACTING CHAIRMAN GREEN: Correct, I understand where you're coming from with that argument.

MR. O'CONNOR: That's --

ACTING CHAIRMAN GREEN: Now, wait a minute, wait, this is my turn to speak, is that you still, no matter how you look at that, these are code requirements. So, whether you get a little bit off here or a little bit off there, you still have a very, in my estimation, a very large parking deficit to overcome. That's all I'm saying. So, the way it's proposed here tonight, you still have this very large number that you haven't provided any parking for. That's just my comment.

So, no more questions, I don't have any more questions for you. So, we're going to turn it back to the board for more comments or a recommendation or something.

COMMISSIONER CHERWIN: I guess I would just follow-up my comments like this which is, you know, I get the trends and the Uber and the ride sharing. In fact, Sam and I on an unrelated issue, we were just talking about this issue before the meeting, on parking counts now. I'm certainly sympathetic to the fact that our code probably right now is requiring a number of spaces beyond what you guys need. I get the double counting and probably beyond that. You know, I'm not terribly convinced that we need that much more parking than what you guys have. But we probably need some of it, and I would say that Staff is concerned about it so we have to do a better job of addressing it. The Board is probably going to be concerned about it, too, and we don't want to end up with an issue.

My biggest problem right now is that it seems like there's just no movement, there's no like, I mean it doesn't seem like much effort has been put into that issue as what the last several meetings have asked for. So, that's my biggest issue right now. I don't, I mean I'm more than willing to give some accommodation and variance to the parking, but to me it just doesn't seem like we have enough to go on in terms of what's been done. That's my thought on it.

COMMISSIONER SIGALOS: If I could follow-up with that, I mean we've heard four different times from the Plat and Sub, the two times before the Village Board, and you haven't done anything to make it go away and to alleviate it all. Have you, I know, I think the question was asked before, have you looked to any parking within the building, underground? Or is that, I guess, economically not feasible? But I mean there's a solution there if you can provide parking within the footprint of your building.

MR. O'CONNOR: I think they have looked at it, right? I mean the area is where they have detention, they have to build above it --

COMMISSIONER SIGALOS: I'm talking about where you're building, your hotel, in the basement.

MR. CAZARES: It only amounts to 15 to 17 spots, it makes no significant effect.

COMMISSIONER SIGALOS: Then do a couple of levels. I mean, again I guess it's all driven by dollars and cents. But I mean you've heard the same concern from different boards and commissions and it hasn't gone away.

MR. O'CONNOR: No, it hasn't gone away. What we tried to do is to reduce the deficit. We're not here saying it goes away.

COMMISSIONER SIGALOS: There's still a significant deficit. So, that's all I have to say.

COMMISSIONER JENSEN: Yes, just to follow-up, I do think that a convincing case had been made to me and maybe others, and I would encourage our Commissioners not to try to read the minds of other Commissioners, okay? However, I think you

made a case, at least if my math is correct, that probably the deficit is closer to 67-70 if you take out the things that you indicate and you had convincing arguments as far as I was concerned on the fact that only guests of the hotel could use certain of these facilities. But you still have 67, a deficit of about 67.

I think you had a good proposal, it was one I was going to mention earlier, from Commissioner Sigalos. We have required some condo and apartment developers to actually put in some parking at the ground level or two levels, you know, going down one part of the level and doing an underground level. I don't know if you've actually explored that to the point where you've got some numbers that let you know whether that's economically feasible or not.

MR. CAZARES: Yes, we have looked at that and it's anywhere from \$30,000 to \$50,000 per spot for that. The main problem with us with the last years is nobody can give us a number of what we can do. You go around in the dryer and the washer machine with the Village, and you guys just make you do study after study after study, and realism isn't here. It's very sad thing now. I'm going to tell you something. When I built the hotel in Chicago, and Chicago is a total disaster, this is even worse. You need to say you know what, this can work, I can give you 90 rooms, we can do this.

Nobody will give you any answer in the Village. It's just all hypothetical and lease and this and another study and this study and a marketing study. You know, and we have the foremost expert of hotel and we have my mother here that has worked day and night to make her business successful. She has done so much for this Village. You know what, the last thing she wants to do is to put her name and to shame her entire life's work. By you guys and by the Staff coming over here and calculating the 180, I don't even know where this number, I completely disagree with this number.

I'll tell you something right now, my mom has been doing business for over 20 years, there is not one complaint about her. She has put everything on the line and we're trying to save her business. I can't even get an answer from the Village to tell me, James, put 90 rooms and cancel the rooftop and it will work. I can't even get anything. It's been two years and I can't even get a number.

ACTING CHAIRMAN GREEN: You have 138 spots as a deficit is a number. There is a code requirement of your parking.

MR. CAZARES: I disagree with the number.

ACTING CHAIRMAN GREEN: That's fine, you can do that. But it's still out there and it's still required as part of our code. So, you can make this argument because you don't agree, that's fine. You should save that argument for the Trustees because we're a recommendation board. We recommend to the Trustees and they will have final decision on your project.

MR. CAZARES: It's from day one at no point have we come to the Village and asked for something crazy. We have come to the Village to save our business. We have come to the Village and hired multiple experts to tell you what is required. The code is outdated, I understand that, and that's what it is over here. I totally understand, the rules are the rules. But we've come here to tell you that this is a viable option, this is workable, this is reality, and there won't be any issues. We're not going to go spend \$20 million and, like Susan said, have bad reviews after. It's the last thing that we want.

ACTING CHAIRMAN GREEN: That's fine. What we can't do, James, is have bad reviews on you and have overflow parking on other people's property, that is not

permissible.

MR. CAZARES: And you've never had that in the last 20 years.

ACTING CHAIRMAN GREEN: And we're not sure that we won't have that. So, thank you, James, we're done with this.

COMMISSIONER JENSEN: Let me just say, first of all, I agree with you and I hope you noted that I said we don't need any more studies. I actually said that to begin with, I don't think that additional studies are going to solve anything. So, I think there's a few of us here who are actually trying to help you get to where you want to be. That's why some of us are sitting here trying to calculate that probably the deficit is closer to 70 than 138. I think that the code is probably, and several other people have said that down at the other end of the table that they think the code is really out of touch with reality, and I do put some stock in the two sets of consultants that you have provided for us. I think their professional opinions should be given some weight. So, I think there are some of us who would like to figure out how we get you to the point where you can go ahead and build the hotel. I think we'd like to see you do that.

I've got to ask Staff, let me ask you, if they get closer to 67 or 60, does that help at all, Sam, in terms of what Staff, and I know you can't speak for the Board, but what does it do for the Staff Development Committee?

MR. HUBBARD: I mean certainly it would help. More, you know, reduction of the deficit would certainly help.

COMMISSIONER JENSEN: Well, I think they've made a compelling case, at least to me and possibly other people, that probably the deficit looks more like 60-70 than 138 which really looks very unrealistic.

MR. HUBBARD: I would like to comment on that if I could. So, they are talking about the 59 spaces required for the 12th floor lounge bar, and they're saying that that shouldn't apply because we're not going to open that up to the public. When we look at our floor plans for the space, you'll see this is the 12th floor and this is a huge space which I believe they're calling the lounge and the bar. We're showing six fixtures, plumbing fixtures in a women's restroom, we're showing at least six fixtures in a men's restroom. So, that leads me to believe if you need that many bathrooms upstairs, that your lounge is going to be used as, you know, I guess I'm having trouble picturing demand by hotel guests that would necessitate that many restrooms.

COMMISSIONER DAWSON: Sam, have you ever been to a conference?

MR. HUBBARD: Sure, I've been to conferences.

COMMISSIONER DAWSON: And a conference that had a rooftop bar?

MR. HUBBARD: Is this going to be used as a conference space?

COMMISSIONER DAWSON: I think it will.

MR. HUBBARD: Well, then I think it should be counted as a conference space.

COMMISSIONER DAWSON: But all I'm saying is that I think people are going to stay in the hotel, they're going to go to meetings in the hotel, they're going to go to a banquet in the hall, and afterwards they're anticipating they're going to go upstairs to a nice rooftop deck to continue on and they want to make sure there's sufficient bathrooms up there.

COMMISSIONER JENSEN: And if you really can't get there without using a key or you can't even pay in cash, you can only pay by charging it to your room, I think they've made a convincing case that you're really not going to have a lot of people walk in off the street

and use the spa facility.

MR. HUBBARD: I agree. I think it's going to be less of a lounge, I think it's going to be more of a hybrid space that could create its own parking demand, not necessarily from people walking out from the street. But I think as a banquet space, I think people could come and reserve that space and create additional trips to --

COMMISSIONER DAWSON: I don't think that that's what they're implying at all because you can't even get upstairs without a room key. You'd have to have a room.

MR. RICHARD MANDIGO: If I may? My name is Richard Mandigo, I am also with the consulting team, TR Mandigo & Company. There are a number of hotels that have, first of all, roof space or lounge space or bar space that may or may not be open to the public. We find in this case, with it not being open to the public, its primary function is going to be as not a meeting place that people are renting out on its own, but something that would be used in conjunction with other things. This is a secondary space. This is somebody who's going to have an event there and then people are going to go want to do something either afterwards and it will function like a restaurant space for people who are at the hotel, a wedding-after party. This is not bringing in additional demand. But it's also going to have, you know, alcohol service, and if you've ever been somewhere with alcohol service, it does generally tend to use more restroom facilities than say a standard restaurant will.

So, I think it's a little spurious to draw conclusions about the project based on a count of stalls. I think that that is probably something that should be reconsidered.

ACTING CHAIRMAN GREEN: Thank you.

COMMISSIONER DAWSON: So, on that end -- were you done, Lynn?

COMMISSIONER JENSEN: Well, for now.

COMMISSIONER DAWSON: I think that even, so I understand Staff's reservations because even without it, let's say we take those arguments, we're still at a 60-70 deficiency, right? I mean that is extreme. I think let's forget about the rest, let's just say we're just dealing with a 60 percent deficiency, that's an extreme deficiency and I can't recall ever, wait, I'm not done, we're just talking, okay, giving you that kind of waiver. So, I understand completely Staff's reservations on this.

I also feel that, you know, there are some solutions here. I disagree that we can't have a conversation tonight about solutions. I think we are trying to, some of us are trying to state that we really want to see this succeed and we want to see it happen and there are some options. One of the questions that you asked was could we consider potentially approval contingent on a lease being executed. The only problem I'd have with that, which is why again I suggest a continuance, is that I don't know the terms of that lease. I know that a month-to-month lease isn't going to do it for me. It's going to need to have a substantive period of time. But I would be okay with one again that only went into effect if it was needed, because I agree with you, I think there's an extremely good chance we won't need those spaces.

But the Village has got to respect the neighbors around, it has to respect its code, and it has to protect them in the event that they needed that assistance. So, we don't have other models like this to look at and point to. We're all very much in a, you know, gray space, and municipalities don't tend to jump in the gray spaces so easily.

So, I think that from my perspective, for whatever it's worth, if there was a continuance tonight and you were to come back with a plan to utilize that lot like I've discussed, maybe potential letters of interest from some airlines saying no, we don't have a

contract, we can't have a contract until you have a hotel, but we would be very interested in having a relationship with this space given these amenities, things like that that would allow us to have a little bit more confidence. You might be able to sway more of the Commissioners, you know, to your side.

That being said, even if we were to all vote no tonight, you could do all those things I just said and still go to the Village Board. So, you don't need that, you don't need that from us. But I don't know if there is some sort of rush. I know it's been two years, but I would think that, if you're hearing at least some of us, that might not be a bad course of action to consider, but it's up to you.

COMMISSIONER CHERWIN: Susan, are you asking the Petitioner if they'd be open to a continuance?

COMMISSIONER DAWSON: A continuance.

COMMISSIONER SIGALOS: My only concern with that is that you've heard this four times already.

COMMISSIONER DAWSON: I haven't.

COMMISSIONER SIGALOS: Well, the Village Board has and we have on the Conceptual Plan Review Committee.

COMMISSIONER DAWSON: But he stated that they haven't --

MR. O'CONNOR: But we have made a number of adjustments based on those comments. You make it sound as if we haven't done anything and the Petitioner feels like they've done a lot. The reason why he's looking for an answer is because he felt like he's done, you may differ, but he's felt like he's done what he can and he needed an answer. Part of the reason he felt that way was because, misunderstanding or not, I don't know, but one of the issues was getting a lease and we couldn't get a written lease because of how it was described to us, the type of lease that was needed for it to make a difference or to count towards what the Village was requiring.

COMMISSIONER DAWSON: I get that. What Sam was saying is that a lease in perpetuity would reduce the amount of spaces you're asking for in a waiver.

MR. O'CONNOR: Right, I get the reference towards mitigating the deficiency or at least taken into consideration for the variance.

COMMISSIONER DAWSON: Right, and I can't even say that even if you came back with all of those that you're going to get 100 percent everyone says rah-rah-rah go. In fact, it sounds like you won't from everyone. But I understand what you're saying, and I just feel like you might want to consider some of the things that, you've gotten relatively favorable comments from a good portion of the Commissioners up here that said with maybe just a few more things we'd be able to support it. So, not all of us but some of us, and that will have some weight with the Village Board.

So, it's up to you how you want to go forward, but I think you should consider a continuance if that's something you're interested in. But again, we're only recommendation, it sounds like you're going to get a no tonight, at least that would be my gut. I can't guess.

COMMISSIONER JENSEN: Don't guess. You have no idea.

COMMISSIONER DAWSON: You're right, I don't. I've been surprised before.

COMMISSIONER CHERWIN: Are you --

COMMISSIONER DAWSON: I'm done, I'm done, absolutely done.

COMMISSIONER CHERWIN: So, yes, I would echo that, and I would say, you know, if Staff had said, hey, this would be, you know, have something in perpetuity here and we're in good shape, I think what I will say is, well, if you can't get that, come back to us and say we can't get it but this is what we can't get, instead of saying we just can't get it. But we can get the shared space from this property to the east, they're willing to let us, you know, share whatever, 20 spaces for a rental fee or this lot that we talked about to the south and not be able to do that, but all I'm saying is some kind of compromise position other than, sorry, no. That would be my thought.

COMMISSIONER LORENZINI: May I speak?

ACTING CHAIRMAN GREEN: Sure.

COMMISSIONER LORENZINI: Okay, thank you. So, the first thing I want to say is my earlier questions about the spots and whatnot, I wasn't trying to beat you down, I was trying to help you come to the numbers you need. The second thing I'd like to say is, Mr. Cazares, I know you're passionate about this and you have a deep respect for your mother, but attacking the board members isn't going to help you, but I understand where you're coming from.

So, going back to where I left off last time, so we had 138 deficit and if you take out the 59 spots on the roof, and Sam, I have to disagree with you because I've been to conferences and I don't like going down to my hotel room to use the washroom, so I mean if there is a guarantee that only those people attending or using that bar is staying at the hotel, I could buy that argument. So, that brings us down to a deficit of 67. Now, the valet parking, if you eliminated that, that's going to add 40 because you're double spacing them, right? If you just made them regular parking, would that reduce it by about 20?

MR. HUBBARD: I would say it would get close to 30 cars valet parked without those painted lines.

COMMISSIONER LORENZINI: Okay, then how many if you regular parked, 15?

MR. HUBBARD: I mean, it's not regular parking at all because it's the drive aisles.

COMMISSIONER LORENZINI: Oh, it's just in the drive aisles.

MR. HUBBARD: Yes.

COMMISSIONER LORENZINI: They're not taking up parking spots.

MR. HUBBARD: They're not taking up parking spaces.

COMMISSIONER LORENZINI: Okay, so we're still at 67. Okay, let me ask some of the hotel experts about Uber and Lyft. In your estimate on this chart here, how many of those, in your experience, how many of those would go away using Uber and Lyft? Even a contract with the United Airlines or American Airlines or somebody?

MR. TED MANDIGO: If there were a contract with an airline for say 15 rooms a night, that would take out 15 rooms of 126 space, one space per room. Now, while it's mandated in code, it's excessive because of the specific type of business that's generated. In our experience at airport hotels is that they require somewhere around 30 percent of parking per guest room. These codes were written for hotels that are suburban hotels, hotels that are located in smaller communities in order to provide the parking for people --

COMMISSIONER LORENZINI: Okay, wait, wait, wait, excuse me, but you're losing me. How many of these spots would go away if you had an agreement with airlines?

MR. TED MANDIGO: How many spots? How many parking spots would you require?

COMMISSIONER LORENZINI: Yes.

MR. TED MANDIGO: You would require for this property of 126 rooms somewhere around 50 spots.

COMMISSIONER LORENZINI: Wait a minute. So, right now for the hotel, they need 126 spots.

MR. TED MANDIGO: That's what your code says. But that's a code that's based upon suburban and rural and small community hotels. The practice on airport hotels, it should be about 30 percent.

COMMISSIONER LORENZINI: Okay, but of those 126 rooms, how many rooms are they expecting to lease to an airline or somebody like that? Roughly.

MR. TED MANDIGO: Of those, it would reduce it. It depends on the airline contract but it would probably be a minimum of 10 to 15 a night and it could be as many as 25 or 30. If you've got two aircraft on the ground, you're going to have that many crew.

COMMISSIONER LORENZINI: So, let's say conservatively that would reduce it to another 10, that brings us from 67 to 57. Then Uber and Lyft attending the banquet, what percentage of those would you say would come by Uber or Lyft or a taxi?

MR. TED MANDIGO: It's very difficult to say, and so it's nothing but --

COMMISSIONER LORENZINI: Give me a ballpark.

MR. TED MANDIGO: -- experience that says that we're probably seeing about 15 percent of people that have taken into consideration the driving under the influence risk and are going out and taking Uber rather than driving a vehicle to a wedding party and then hopping in a car and driving home.

COMMISSIONER LORENZINI: So, with 113 at the banquet, how many would you say, 30 percent of those?

MR. TED MANDIGO: I wouldn't go that high, I'd say perhaps 20 percent.

COMMISSIONER LORENZINI: Okay, let's be conservative, let's say 10 percent. That reduces it another 10, so that brings us down to 46. So, right now best case it seems like you're somewhere around 46 spot deficit, giving you the benefit of the doubt of all that.

MR. TED MANDIGO: That's fine.

COMMISSIONER LORENZINI: So, having a 46 car deficit, how are you going to deal with that?

MR. TED MANDIGO: Well, the fact of the matter is that we are dealing with a business right now that there is an overlap between the banquet and the hotel stays.

COMMISSIONER LORENZINI: Okay, so you're saying there's double counting in there, too.

MR. TED MANDIGO: That's double counting that. So, if I have 60 percent of my business is coming off of the banquet space, those are people that are in the banquet and those are people at the hotel, it's the same person, it's the same car.

COMMISSIONER LORENZINI: How many would that be of this --

MR. TED MANDIGO: Well, on the low side, it would be about 40 percent of the business. On the high side, it would be about 70.

COMMISSIONER LORENZINI: All right, so now we're about break even. So, now it's about break even on the spots.

MR. TED MANDIGO: That's correct. That's exactly what we've been saying.

COMMISSIONER LORENZINI: Okay, that's where you're coming from. All right. One more question. So, what makes this a 4.5-star hotel? The finishes in the room?

MR. TED MANDIGO: The finishes in the rooms and personal attention to service levels and --

COMMISSIONER LORENZINI: But the services, you've got to pay extra for anyways, right?

MR. TED MANDIGO: Not necessarily. It depends on training of the staff and it depends on how they respond.

COMMISSIONER LORENZINI: No, I mean like the beauty salon or whatever, okay. So, basically you're paying for the finishes. That's all I want to know.

MR. TED MANDIGO: And you're getting a premium for it.

COMMISSIONER LORENZINI: All right, thank you.

COMMISSIONER JENSEN: I think you might want to consider what Sue and others have suggested in terms of a contingency because I think you should, you did a nice market study. I'm an economist by training and I've done a lot of research of that type. I think your market study was very nice, it was a very good study. But I think you've marshaled some arguments tonight that really ought to be put on paper in a more forceful way than was shown in the market study, at least the Petitioner should. I think you can get those numbers down quite a bit.

I know that the code doesn't allow you to count the valet parking, but that doesn't mean that this Commission or even the Board of Trustees can't mentally make the calculation, you know, it takes 30 or so spots away. So, I think if you were to marshal the various arguments that have come out of this discussion and take a continuance and come back before us, you might have a change of the view of the Commissioners. We're missing three Commissioners now, we usually are nine. I don't know whether those other three are going to be favorable or not, but I think you could do better to marshal the arguments, that's one option.

The other is one is what Sue suggested, you could do the same thing, you could marshal those arguments and go right to the Board and not bother talking to us again. You have that option to do it because we're only a body that is advisory. So, I think you've made some good arguments and I'm tending to lean in your direction at this point because I think the code is dated, I think it's overstating what is needed. I think you've made some good arguments about double counting. I think you might want to try to get some kind of, more than a letter, a lease of some sort, a contingency lease. I don't think a right of first refusal in terms of buying helps because you're not forced to buy it. So, that you can get the offer but you don't have to buy it so that doesn't help the Village out.

I do want to ask Sam one question. What does the Village do typically if somehow there's been a miscalculation on Staff or the Commission's part and so all of a sudden you have a problem area? Let's suppose this hotel goes through as they have proposed, and all of a sudden you start getting a lot of complaints about parking issues and so forth. What is the recourse of the Village?

MR. HUBBARD: Well, if it's parking on private property, then the Village can't really do much other than, you know, try and work with the property owner and encourage them to park responsibly and not in other people's property. Those other property owners can contract with a towing company and have those cars towed. They can install cameras and so

forth. If it's parking on a public street that's a nuisance to the residents in the area, then the Village can look to change the parking restrictions on that street where it can enforce the parking regulations. When cars are parked illegally, they can ticket and so forth.

COMMISSIONER JENSEN: That's helpful. Anyway, I think you've got a couple of paths you can go down at this point. I think, I don't know if you need to confer with each other or not, but I certainly would consider the offer that Sue initially made, to come back with a better, a tighter argument, because right now you've got bits and pieces of it spread over three or four hours.

COMMISSIONER LORENZINI: I pretty much agree with everything Lynn just said, and I would do your own chart to show how or why you would refute these numbers kind of like we just walked through.

MR. O'CONNOR: Like we just walked through, okay. I appreciate all the comments and the Petitioner does and the suggestions, but we would like to go to the vote this evening after the hearing.

COMMISSIONER DAWSON: Okay.

ACTING CHAIRMAN GREEN: Would somebody like to make a motion?

COMMISSIONER DAWSON: I'll make a motion.

A motion to recommend to the Village Board of Trustees denial of PC#16-012, a Land Use Variation to allow a 126 room hotel within the M-2 District; a Variation from Chapter 28, Section 11.4, to reduce the parking requirements from 310 spaces to 172 spaces; and a Variation from Chapter 28, Section 11.2-8, to reduce the required two-way drive aisle width to allow a 23-foot wide drive aisle where code requires a 24-foot wide drive aisle.

MR. HUBBARD: Can I make a suggestion? I know you're intending to potentially deny the application. But if that vote fails, it's better to actually make a motion for approval. If the motion for approval fails, then it results in a denial rather than --

COMMISSIONER DAWSON: I can't make that motion though.

MR. HUBBARD: You can't make a motion for approval?

COMMISSIONER DAWSON: No, because I don't support approval.

MR. HUBBARD: Well, essentially you can support --

COMMISSIONER DAWSON: Do you want me to strike it and someone who supports approval make that motion?

MR. HUBBARD: I think you can make the motion and ultimately vote against it if you're not in favor of approval.

ACTING CHAIRMAN GREEN: Joe will make the motion.

COMMISSIONER LORENZINI: Okay, I'll make a motion to recommend.

COMMISSIONER DAWSON: I'll strike my motion.

A motion to recommend to the Village Board of Trustees approval of PC#16-012, a Land Use Variation to allow a 126 room hotel within the M-2 District; a Variation from Chapter 28, Section 11.4, to reduce the parking requirements from 310 spaces to 172 spaces; and a Variation from Chapter 28, Section 11.2-8, to reduce the required two-way drive aisle width to allow a 23-foot wide drive aisle where code requires a 24-foot wide drive aisle.

ACTING CHAIRMAN GREEN: Joe's approval, is there a second?

COMMISSIONER JENSEN: I'll second.

ACTING CHAIRMAN GREEN: Roll call vote.

MR. HUBBARD: This is a motion for approval.

ACTING CHAIRMAN GREEN: Yes.

MR. HUBBARD: Commissioner Cherwin.

COMMISSIONER CHERWIN: No, with comment.

MR. HUBBARD: Commissioner Dawson.

COMMISSIONER DAWSON: No, with comment.

MR. HUBBARD: Acting Chair Green.

ACTING CHAIRMAN GREEN: No.

MR. HUBBARD: Commissioner Jensen.

COMMISSIONER JENSEN: No, with comment.

MR. HUBBARD: Commissioner Lorenzini.

COMMISSIONER LORENZINI: Yes, with comment.

MR. HUBBARD: Commissioner Sigalos.

COMMISSIONER SIGALOS: No.

COMMISSIONER DAWSON: Comments?

MR. HUBBARD: Comments.

COMMISSIONER CHERWIN: Yes, I mean I think it's a good project. I want to be able to support it. I think a continuation would have been wise and I think that that's what a lot of people wanted to see here, was this project go forward. I think there can be similar measures taken to address the legitimate concerns of the Staff and most likely the property owners around it. That's all.

COMMISSIONER DAWSON: My comment is again I support this project. I don't know that you need the parking. If I just had something a little bit more that I could hang my hat on about reserved parking, my vote would have been yes.

COMMISSIONER LORENZINI: My comment is I agree with the project, but I think the Petitioner needs to make a better case as to why his parking, he feels his parking is adequate the way it's currently presented. I would also suggest getting some type of a lease with one of the nearby landowners, whether it's perpetual or not.

ACTING CHAIRMAN GREEN: Lynn?

COMMISSIONER JENSEN: I do support the project and I'm sorry that I had to vote no for many of the reasons that were, you know, have been voiced by other people. I think it would be a travesty if this isn't allowed to go ahead and be developed as a hotel. So, I think you would have done better with a continuance, but that's just my view. I think you still can go to the Board, although you've now got a preponderance of noes from the Commissioners here and that's not the best position to begin with when you're talking to the Board.

MR. O'CONNOR: I understand.

COMMISSIONER JENSEN: But I would still recommend you marshal your arguments effectively in a document of a few pages and make a case as best you can. I think there's a lot of us who are sorry that we couldn't vote yes.

ACTING CHAIRMAN GREEN: You've been denied and we will present this to the Trustees, and the date is November 9th, is that correct?

MR. HUBBARD: Tentatively November 6th.

ACTING CHAIRMAN GREEN: November 6th, I'm sorry. November 6th. So, just to say, I agree with what everything that's been said here. As an architect, I think it's a great project. You've got solve the problems with the parking still. Good luck with the Board.

MR. O'CONNOR: Thank you.

ACTING CHAIRMAN GREEN: Thank you for all coming in.

COMMISSIONER DAWSON: Do we have anything else? Do you want a motion to adjourn? Motion to adjourn.

ACTING CHAIRMAN GREEN: Is there a second to that?

COMMISSIONER JENSEN: Second.

ACTING CHAIRMAN GREEN: All those in favor say aye.

(Chorus of ayes.)

ACTING CHAIRMAN GREEN: We're adjourned.

(Whereupon, the above-mentioned petition was concluded at 9:34 p.m.)