

**STAFF DEVELOPMENT COMMITTEE REPORT**

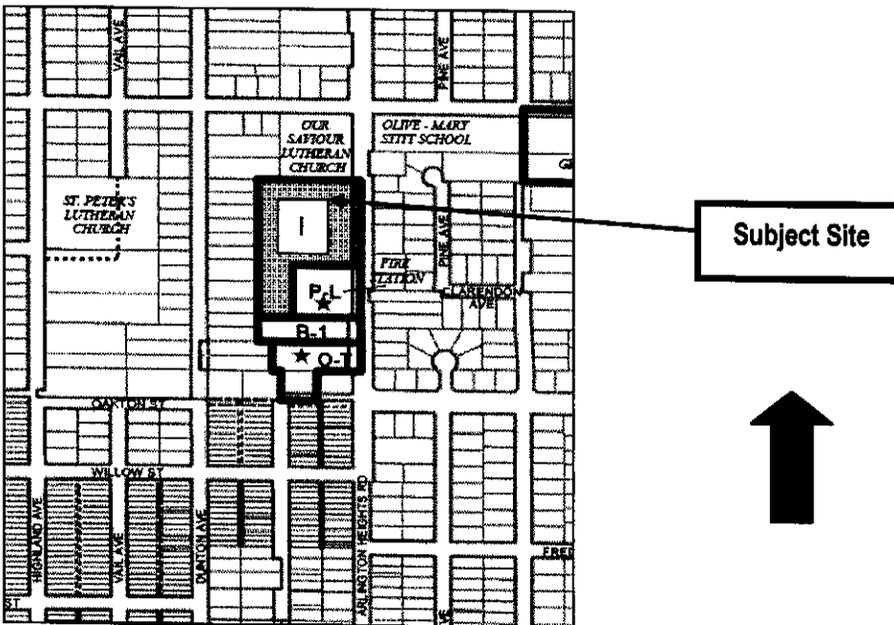
To: Plan Commission  
 Prepared By: Matthew S. Dabrowski, Development Planner  
 Meeting Date: November 28, 2012  
 Date Prepared: November 21, 2012  
 Project Title: Transitional Care Management  
 Address: 1200 N. Arlington Heights Road

**BACKGROUND INFORMATION**

Petitioner: Kyle Darnell  
 ARCO Construction  
 900 N. Rock Hill Road  
 St. Louis, Missouri 63119  
 Existing Zoning: I, Institutional

**Requested Action:**

- Amendment to Preliminary PUD Ordinance 11-046 to allow certain modifications to the approved Transitional Care Management PUD and development plan.



**ANALYSIS**

**Surrounding Properties**

Direction	Existing Zoning	Existing Use	Comprehensive Plan
North	R-3, One Family Dwelling	Out Savior Lutheran Church	Institutional
South	P-L, Public Lands and B-1, Business District Limited Retail	Village of Arlington Heights Fire Station & Multi-Tenant Office	Government and Offices Only
East	R-3, One Family Dwelling	Single Family Homes	Single Family Detached
West	R-3, One Family Dwelling	Single Family Homes	Single Family Detached

**Background:**

The subject site is 4.2 acres (182,952 square feet) and located at 1200 N. Arlington Heights Road. There is an existing one and one half story building that has a total floor area of 32,542 square feet and a total of 208 parking stalls that are accessible via one driveway along Arlington Heights Road.

On November 7, 2011, the Village Board adopted Ordinances 11-045 and 11-046, which amended the Village's Comprehensive Plan to change the underlying land use designation from Offices Only to Institutional, rezoned the subject site from O-R, Office Research to I, Institutional, approved a preliminary Planned Unit Development (PUD), and granted a variation to Chapter 28 (Zoning) of the Village of Arlington Heights Municipal Code to allow an increase to the maximum driveway width from 36 to 56 feet. These approvals would allow the Petitioner to redevelop the site with a two story, 75,042 square foot short term skilled nursing facility. This facility is planned to have a total of 120 beds with individual private (104 beds) and semi-private (16 beds) suites on the first and second floors of the building. This facility would also have an administrative component (770 square feet), and a physical/occupational therapy room (2,523 square feet) on the first floor as well as two patient dining rooms on each level. The partial basement, which is located underneath the south half of the building, would include a laundry room, office area, various storage and mechanical rooms, and a kitchen facility where patient meals are prepared.

Although considered a minor modification (increase: 2%) that is in substantial compliance with the underlying PUD approval, the size of the proposed structure has been increased by 1,119 square feet. An additional 486 square feet has been added to the first floor, while 633 square feet has been added to the second floor. The aforementioned change is mainly due to a need to increase the size of the rear ambulance entrance and dining facilities located at the northwest and southeast corner of the building. Said modification will not impact the previously approved building setbacks as the additional floor area is located within the previously approved building envelope. Moreover, the additional floor area will not impact building lot coverage or Floor Area Ratio, as both will continue to be below the maximum standard allowed by Village code (see Table 1). Given this information, Staff supports the minor increase to the building floor area.

**Table 1: Zoning Analysis**

	<b>Allowed by Code</b>	<b>Preliminary Approval</b>	<b>Proposed</b>
Floor Area Ratio	1.0	0.41	0.42
Building lot Coverage	40%	19%	19%

**Current Request**

The Petitioner is proposing an amendment to the underlying PUD Ordinance 11-046 to accommodate the following changes.

1. Modify the previously approved building elevations to include a pitched roof in lieu of a flat roof design, which increases the height.
2. Eliminate Condition #7 of the underlying enabling ordinance, which states; "Should the Village determine that the primary purpose of this facility is changing to a long term care facility, an amendment to this Planned Unit Development shall be required".

**Modification #1: Building Height/Roof Design**

According to Village Code, the maximum building height allowed in the I, Institutional district is 45 feet. The preliminary PUD plan approved a building with a flat roof and a maximum building height of 26 feet as measured to the roof line. Since the preliminary approval, the building elevations have been modified to include a pitched roof to make the structure look more residential and less institutional. The new roof however has increased the building height to 32 feet as measured to the mid-point of the roof slope or 40 feet as measured to the roof line.

On November 13, 2012, the Design Commission recommended approval of the proposed building elevations subject to the Petitioner lowering the roof to a 5:12 pitch, which would decrease the building height to approximately 30 feet as measured to the mid-point of the roof slope or approximately 38 feet as measured to the roof line. The Staff Development Committee supports the proposed modification as said structure will continue to be less than the maximum building height allowed by code. Moreover, a revised cross section was provided and shows the relationship of the proposed structure to the adjacent residential homes to the west. Since the finished grade elevation on the adjacent property to the west is 4-feet higher than the subject site, the proposed structure would appear to be 26 feet in height as measured to the roof slope and 34 feet as measured to the top of the roof. Moreover, unlike the flat roof design, which incorporated decorative louvers, to screen the roof mounted mechanical equipment; the new roof design would incorporate mechanical wells, which will provide better screening.

**Modification #2: Delete Condition #7 of Ordinance 11-046**

The Petitioner is also requesting that Condition #7 of the underlying PUD be deleted (please see correspondence under the heading "Condition #7 Justification Correspondence" which includes the petitioner's request). Said condition states; "Should the Village determine that the primary purpose of this facility is changing to a long term care facility, an amendment to this Planned Unit

Development shall be required". This condition was imposed by the Village Board after a lengthy public hearing to address concerns relative to market need. TCM was presented to the Village as short term care. Although TCM had committed to the aforementioned condition, they are unable to secure conventional financing, and are therefore pursuing a construction loan using the FHA 232 program (HUD). This program provides financing for all types of transitional care facilities with specific underwriting criteria that require 75% of patient stays as long term care. A copy of the underwriting criteria has been provided by the Petitioner's financial lender, and Staff has contacted HUD several times, but has not yet received a response.

The Petitioner is requesting that Condition #7 be eliminated as it violates the loan program underwriting. Although there are no clear HUD definitions to differentiate long term care from short term care, Medicare is often used to define long term care as patient stays that are 100 days or longer. By way of comparison, TCM had presented a business model with average patient stays ranging from 14 to 20 days. Moreover the Petitioner has indicated that the proposed facility is not designed for long term care and that TCM's business model relies on the higher reimbursements associated with short term care to generate the revenue needed to cover operational costs and debt service.

The inconsistency between the underwriting requirements and TCM's business model needs to be further clarified by TCM. Staff continues to discuss this matter with the Petitioner and has requested that additional information be provided to further clarify the issue. Once received, Staff will forward the information to the Plan Commission prior to the meeting.

**RECOMMENDATION**

The Staff Development Committee reviewed the Petitioner's request and recommends approval of the modifications to the PUD for the building elevation change. With respect to the request to remove condition #7, the petitioner shall provide clarification on the need to remove this condition to the satisfaction of the Plan Commission and Village Board.

  
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November 21, 2012  
Bill Enright, AICP  
Deputy Director of Planning and Community Development

Cc: William C. Dixon, Village Manager  
All Department Heads