

STAFF DEVELOPMENT COMMITTEE REPORT

To: Plan Commission
 Prepared By: Matthew S. Dabrowski, Development Planner
 Meeting Date: February 13, 2013
 Date Prepared: February 8, 2013
 Project Title: Subway Sandwiches
 Address: 333 S. Arlington Heights Road

BACKGROUND INFORMATION

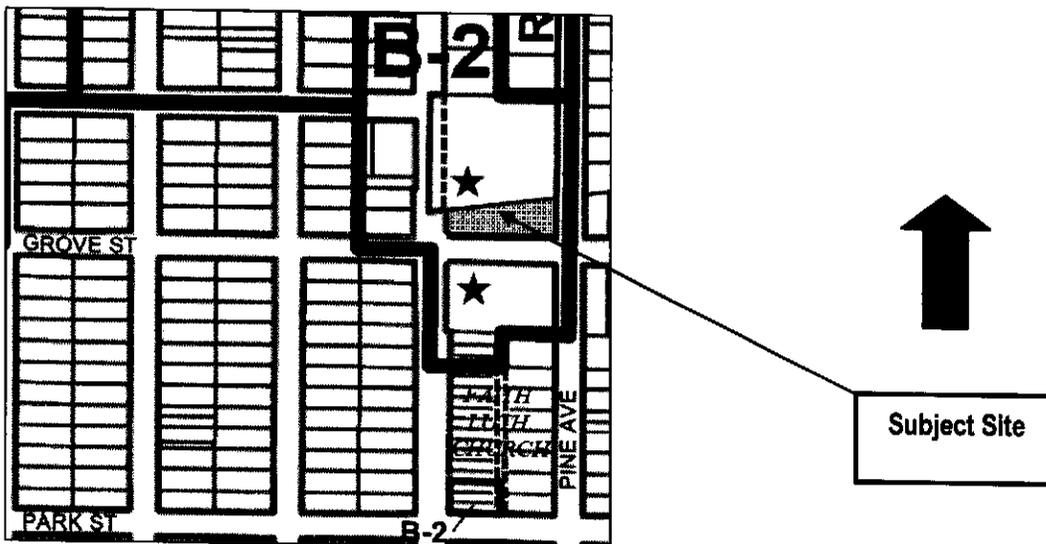
Petitioner: Tim Ryan
 Address: 254 N. Babcock Lane
 Palatine, Illinois 60074
 Existing Zoning: B-2, General Business District

Requested Action:

- A special use to allow a 2,318 square foot, sit-down/carry out restaurant that has a total seating area of 1,000 square feet and total capacity of 33 seats at 333 S. Arlington Heights Road

Variations Required:

- A variation from Chapter 28, Section 11.4, Schedule of Required Parking to allow a reduction to the minimum number of parking stalls from 37 to 27 spaces.



Surrounding Land Uses:

Direction	Existing Zoning	Existing Use	Comprehensive Plan
North	B-2, General Business District	Village Bank	Commercial
South	B-2, General Business District	Northwest Metal Craft	Commercial
East	R-3, One Family Dwelling	Single Family Homes	Single Family Detached
West	B-2, General Business District	Music Academy, Retail Boutique	Commercial

Summary:

The subject site has an existing one-story, multi-tenant commercial building that is 6,864 square feet and is situated on 0.45 acres (19,611 square feet). The property also has two separate parking lots with a combined total of 27 parking stalls (East Lot = 18 stalls + West Lot = 9 stalls). Access to the west parking lot is via one driveway along Grove Street and Arlington Heights Road, while access to the east parking lot is via Grove Street.

The proposed action, if approved, would allow Subway to convert the westernmost tenant space (2,318 square feet), which was previously occupied by 7-11, into a sit-down/carry out restaurant that specializes in a variety of deli style sandwiches. The Petitioner has done a good job upgrading the site with landscaping and new Metro décor building improvements that will be the first of its kind in the northwest suburbs. The interior dining room would encompass 1,000 square feet and would have a total capacity of 33 seats. The remaining floor area would be allocated to the kitchen, dry storage, display counters, and the handicapped accessible bathroom. A total of 4 employees are anticipated during the largest work shift, and the hours of operation are expected to be daily between 7:00 AM and 12:00 AM. Garbage pickup is expected to occur on Tuesdays and Thursday morning, while deliveries are scheduled to occur Wednesday morning during non-peak times.

Zoning and Comprehensive Plan

The site and its environs are zoned B-2, General Business District. The intended use is consistent with the aforementioned designation but requires Special Use approval. As part of the formal review process the Petitioner must demonstrate in writing that said use meets the following Special Use criteria:

- That said special use is deemed necessary for the public convenience at this location.
- That such case will not, under the circumstances of the particular case, be detrimental to the health, safety, morals or general welfare of persons residing or working in the vicinity.
- That the proposed use will comply with the regulations and conditions specified in this ordinance for such use, and with the stipulations and conditions made a part of the authorization granted by the Village Board of Trustees.

Previous Subway Petitioner's have stated that there is a minimum spacing requirement between Subway stores of 1-mile or a population of 10,000 people. At this time, there are 9-Subway stores within the Village (see Table 1, below), with the two nearest stores at 0.5 miles (114 E. Wing Street) and 0.8 miles (812 E. Kensington Road) from the subject site. Pursuant to the Petitioner's market assessment, which includes correspondence from Subway's attorney (see attached), there are no spacing or territorial requirements, minimum or maximum population standards, or any mandatory right of first refusal for franchisees based upon location. The market assessment also states that the two closest franchisees did not contest the proposed store and that the owner of the Wing Street store has provided a letter to that effect. Staff had requested a copy of said letter, but Subway Corporation did not provide citing proprietary reasons.

Table 1: Existing Subway Locations

Number	Address	City	Estimated Distance from Subject Site
1	114 E. Wing Street	Arlington Heights	0.5 miles
2	812 E. Kensington Street	Arlington Heights	0.8 miles
3	1615 W. Campbell Street	Arlington Heights	1.5 miles
4	45 W. Golf Road	Arlington Heights	2.0 miles
5	710 E. Rand Road	Arlington Heights	2.2 miles
6	2960 W. Euclid Avenue	Arlington Heights	2.3 miles
7	1026 W. Rand Road	Arlington Heights	3.4 miles
8	864 W. Dundee Road	Arlington Heights	4.6 miles
9	4204 N. Arlington Heights Road	Arlington Heights	5.5 miles
10	3112 Kirchoff Road	Rolling Meadows	3.0 miles
11	3600 Berdnick Street	Rolling Meadows	3.1 miles

Staff also asked the Petitioner how the new store would impact the sales of the two nearby stores. According to the market assessment, an independent survey of customers was conducted at both Subway locations and the results forwarded to the Subway Corporation. Based on Subway's analysis of said survey, it was determined that none of the customers were coming from the area in and around the proposed store location. According to the Petitioner, most of the customers going to the Wing Street store were coming from the train station, the nearby condominiums and customers patronizing the Village's downtown. During the preliminary review process Staff had requested a copy of the market segmentation survey, but the Subway Corporation did not provide citing proprietary reasons.

The Petitioner's market assessment also indicates that the proposed store is not expected to compete with the restaurants within the downtown. Rather the new Subway store hopes to draw from the surrounding residential neighborhood as well traffic along Arlington Heights Road. The aforementioned assessment indicates only 2 other fast food sandwich shops/restaurants along Arlington Heights Road, (McDonald's and Jimmy's Beef) between Rand Road to the north and Algonquin Road to the south. However, there are other restaurants nearby within the downtown and within Subway's market area including; Jimmy John's, Panera Bread, and the downtown Subway. Having stated that, there is still a lack of fast food/convenience restaurants along Arlington Heights Road. Moreover, given the difference in the menu selection, the population in the general vicinity and the high volume of traffic that passes by the site, the Staff Development Committee is of the opinion that the proposed restaurant is appropriate for this location.

It is important to note that on December 17, 2007 and April 20, 2009 the Village Board denied a special use request for a different Subway store to occupy a vacant tenant space within the Town and Country Shopping Center. The aforementioned request was denied based on a lack of need for a second Subway restaurant within 1-mile of an existing store that was directly across the street in the Southpoint Shopping Center and serving the public convenience. Based on the information provided at that time, the two Subway's would have been in direct competition with each other, with the new Subway at Town and Country potentially intercepting up to 50% of the market demand/population that the existing Subway was capturing and/or serving.

Unlike the 2007 and 2009 request, the proposed Subway is different for the following reasons.

- i. There is greater spacing between the two stores. The 2009 proposal was approximately 1,700 feet apart, whereas as the current request is 2,640 feet apart.
- ii. The Petitioner has stated that the nearby franchisees have not objected to the new store location.
- iii. According to Subway's analysis of the market segmentation survey, the new store will not intercept the existing stores customer base as it will cater to a different market area (Staff has not been able to confirm this as the market segmentation data was not provided by Subway Corporation for proprietary reasons).
- iv. The proposed Subway will offer a different type of dining experience as it will incorporate a new Metro décor that will be the first of its kind in the northwest suburbs and would include couch seating, upholstered chairs, store work and new wall graphics.
- v. The railroad tracks do create a physical market barrier between the two Subway customer bases.

Building Related Issues

The existing building is 14 feet tall as measured to the roof deck and 20 feet tall as measured to the top of the metal roof that is above the main entrance of the proposed tenant space. As part of the proposed request, the Petitioner will maintain the existing brick but will replace the existing storefront windows along the front (west) building elevation with newer windows of similar size. The pitched canopy that is above the storefront windows will be modified into a flat, vertical design with an EFIS and oyster shell finish. The tower element will also be modified and the height increased to 21 feet, which will give the entrance more prominence. The new tower will also have a modern look that consists of aluminum panels with a silver metallic finish, a glass awning, and a recessed panel above the entry doors. Four new wall mounted light fixtures will be installed to further enhance and break up the front façade as well as to provide downward lighting for the storefront sidewalk. The south building elevation that faces Grove Street consists of a solid brick wall with no window or door openings leading into the tenant space. This elevation will be modified to include a new storefront window. On January 8, 2013, the Design Commission reviewed and recommended approval of the proposed exterior modifications to the building façade.

With respect to signage, the development is allowed one freestanding sign that is a maximum of 16.5 feet tall and 66 square feet in area. At this time, there is an existing sign at the southwest corner of the site that has an estimated height of 14 feet and an estimated sign face area of 64 square feet. During the formal review process, Staff evaluated the possibility of requiring the Petitioner to replace the aforementioned sign with a new low lying monument style sign. This approach however is not possible as the tight site constraints would result in the monument sign encroaching into the vision triangle at the driveway entrance. Moreover, the Petitioner has provided a conceptual sign package that will require a separate review and approval process. The Petitioner will need to make sure that the freestanding sign does not obstruct the vision triangle at the driveway entrance and meets the required 3 foot setback from the front (south and west) property lines. Moreover, the blade sign along the south building elevation and the off-premise directional signs that direct patrons to the overflow parking on the adjacent parcel to the south are not allowed and will require a variation.

Site and Landscape Related Issues reduce stalls

The subject site and surrounding properties that are along Arlington Heights Road are considered gateway sites to the Village's Downtown. Pursuant to Objective #4 of the Village's Downtown Master Plan, "In downtown, the Northwest Highway corridor as well as the Arlington Heights Road corridor, are significant elements in defining the image of downtown. These corridors have been greatly improved over the last 20 years and provide a positive image and identity for the downtown. Improvements, including pedestrian improvements, should be implemented to further enhance these corridors". Examples of this standard being implemented include the various façade and landscape improvements to Women's Care, Dunkin Donuts, Crisp and Clean Cleaners, and the multi-tenant building at the corner of Arlington Heights Road and Sigwalt Street.

The subject site is not visually appealing as it is completely paved and lacks open green space and landscaping. During the formal review process, the Village worked closely with the Petitioner to improve the building façade as well as to enhance the streetscape appearance of the site in a manner that is consistent with the goals and objectives of the Downtown Master Plan. The proposed request will also address non-conforming code issues relative to landscaping. According to Chapter 28, Section 6.15-1.2.b., New Landscape Requirements, open parking areas larger than four but smaller than twenty spaces are to provide a proportionate amount of live greenery. The following is a list of improvements that will address the aforementioned standards.

- Install a 5-foot tall wood fence enclosure around the refuse area along the north building elevation.
- Install a 5 foot wide planting bed with a continuous row of three foot tall shrubs to screen the parking lot from Arlington Heights Road.
- Install a 4-foot wide planting bed with a mixture of different types and size plant material to screen the parking lot from Grove Street. It is recommended as a condition of approval that the Petitioner install a 2.5 inch caliper shade tree within the 4-foot wide island that is at south end of the row of parking that is adjacent to the front building façade.
- Increase the width of the storefront sidewalk from 5 to 9 feet and have it extended from the main entrance to the public sidewalk within the Grove Street right of way.
- Install a 9 foot wide planting area with a mixture of different plant material at the northwest corner of the building.
- Replace the pavement within the Grove Street parkway with sod and a parkway tree. This enhancement is consistent with other development proposals, such as Mariano's Fresh Market, and 2020 E. Northwest Highway redevelopment.

Due to the tight site constraints it is not feasible to bring the site into full compliance with code but these improvements represent a substantial upgrade to the property and corridor.

Traffic & Parking Issues

Any special use request adjacent to a major arterial street such as Arlington Heights Road must provide a traffic and parking study from a Certified Traffic Engineer. The study prepared by Norman Toberman and Associates analyzed site access, on-site circulation, trip generation and distribution, parking, and impacts to surrounding public streets.

Pursuant to the traffic study, the proposed Subway is expected to generate a total of 24 trips (inbound = 12 + outbound = 12), during the weekday morning (7:30 AM to 8:30 AM) peak hour, 54 trips (inbound = 27 + outbound = 27) during the weekday evening (4:45 PM to 5:45 PM) peak hour, and 132 trips (inbound = 66 + outbound = 66) during the weekday and Saturday mid-day peak hour (11:45 PM to 12:45 PM). When compared to the trip generation rates of the former convenient store, the peak traffic volumes are comparable (Subway = 132 trips, Convenient Store = 130 trips), but occur at different times of the day. Moreover, the proposed Subway is expected to generate less daily traffic (210 trips) than a convenient store of comparable size (245 trips). Furthermore, unlike the former convenient store whose peak hour traffic volumes corresponded with the higher traffic volumes along Arlington Heights Road and Grove Street (1,906 vehicles) during the weekday morning peak hour, the proposed Subway has its highest traffic volumes occurring during the mid-day peak hour when the traffic volumes (1,659 vehicles) on the same two streets is less.

Table 2: Trip Generation Analysis

	Weekday Morning			Weekday and Saturday Mid-day			Weekday Evening		
	In	Out	Total	In	Out	Total	In	Out	Total
Proposed Subway	12	12	24	66	66	132	27	27	54
Former Convenient Store	65	65	130	33	33	66	25	25	50

Staff has reviewed the trip generation analysis and support the proposed request as Arlington Heights Road is classified on the Village's Thoroughfare Plan as a Major Arterial Street, which is designed to handle a high volume of vehicles on an hourly basis. According to the vehicle counts provided by the Petitioner's traffic consultant, a total of 1,870 vehicles passed by the site during the morning peak hour, 1,633 vehicles passed by the site during the mid-day peak hour, and 2,367 vehicles passed by the site during the evening peak hour. Based on this information, Staff concurs with the Petitioner's traffic consultant that Arlington Heights Road has sufficient capacity to accommodate the projected number of trips generated by the proposed development.

The subject site has two, unrestricted driveways; one along Arlington Heights Road that is approximately 30 feet wide, and one along Grove Street that is 26 feet wide. The driveway along Arlington Heights Road is shared with the adjacent property to the north (Village Bank and Orthopedic Office). The inbound lane is mainly located on the subject site, while the outbound lane is mainly located on the adjacent property. According to the owner of the subject site, the two property owners have used said driveway for several decades with no formal agreements. Moreover, during the formal review process, the Village's Engineering Department conveyed concern with the irregular driveway geometry that is also impacted by an existing retaining wall between the two sites. Since the driveway will continue to function in a similar manner, and the maximum traffic volumes anticipated for the Subway are no greater than the former convenient store, it is recommended that the driveway continue to operate in an unrestricted manner. However, it is recommended as a condition of approval the Village monitor the driveway operations along Arlington Heights Road, and if access issues should arise, as determined by the Village, then the Arlington Heights Road driveway shall be restricted, subject to IDOT (Illinois Department of Transportation) approval.

With respect to parking, Village Code requires one parking stall for every 45 square feet of seating area. As shown in Table 3, the proposed Subway requires 22 parking stalls, while the rest of the center requires 15 spaces for a combined total of 37 parking stalls. The subject site has a total of 27 parking stalls (9 spaces in front, 18 spaces in rear), thereby resulting in the following variation:

- A variation from Chapter 28, Section 11.4, Schedule of Required Parking to allow a reduction to the minimum number of parking stalls from 37 to 27 spaces.

Table 3: Parking Code Analysis

Use	Square Footage		Parking Ratio	Parking Required
	Total Floor Area	Total Seating Area		
Subway	2,493 SF	1,000 SF	1 space / 45 SF of Seating	22 spaces
Piatti Pronti	1,971 SF	NA-Carry Out Only	1 space / 300 SF	7 spaces
Arlington Security	1,200 SF		1 space / 300 SF	4 spaces
Ceragom	600 SF		1 space / 300 SF	2 spaces
Vacant	600 SF		1 space / 300 SF	2 spaces
Total Required				37 spaces
Total Provided				27 spaces
Surplus /(Deficit)				(10 spaces)

The owner of the subject site also owns the property immediately to the south (Northwest Metal Craft). This site, which is zoned B-2, is developed with a multi-tenant commercial building that is 21,598 square feet and has a total of 51 parking stalls (front lot = 8 spaces + rear lot 43 spaces) that are accessible via Grove Street. According to Chapter 28, Section 11.2-6, Subway may count the shared parking towards their code requirement, so long as said spaces exceed the minimum number of stalls required for the adjacent site; are under common possession (Chapter 28, Section 11.1-5), and are within 1,000 feet of the use served (Chapter 28, Section 11.3-3). The proposed shared parking meets the above mentioned spacing requirement, and the Petitioner has provided a signed "Parking Lot Use Agreement" (see attached), which allows Subway to use Northwest Metal Craft's parking lot for employees, customer overflow, and other business parking needs.

As shown in Table 4 (see next page), the adjacent site does not meet the minimum code required parking and therefore can not be counted towards Subway's parking code requirement. However, Subway may use the shared parking to justify their parking variation if they can demonstrate that there is sufficient supply to accommodate current and future uses on both sites.

Table 4: Parking Code Analysis for Northwest Metal Site

Use	Square Footage		Parking Ratio	Parking Required
	Total Floor Area	Total Seating Area		
B&H Liquors	1,500		1 space / 300 SF	5 spaces
Vacant	1,500		1 space / 300 SF	5 spaces
South China Chop Suey	1,020	Cary Out Only	1 space / 300 SF	3 spaces
Northwest Metal*	16,078		1 space / 300 SF & 1 space / 600 SF	35 spaces
Vacant	1,500		1 space / 300 SF	5 spaces
Total Required				53 spaces
Total Provided				51 spaces
Surplus /(Deficit)				(2 spaces)

* Note, the parking requirement for Northwest Metal Craft takes into account that a portion of the floor area falls under furniture sales, which is based on 1 space / 600 square feet.

A parking survey was conducted to ascertain the peak parking demand of the two commercial centers. This survey was conducted on Thursday December 27, 2012, Friday December 28, 2012, and Saturday December 29, 2012 between 11:00 AM and 6:00 PM. Pursuant to said study, the peak parking demand occurred on Friday December 28th at 12:30 PM in which 50 of the 78 spaces were occupied, thereby leaving a surplus of 28 parking stalls (see Table 4). Since the parking survey was conducted during the December holidays, Staff conducted supplemental counts to further qualify the aforementioned findings. These additional counts were taken on Thursday January 17, 2013 and Wednesday January 23, 2013 between 12:00 PM and 12:30 PM, whereby similar findings were observed.

Table 5: Parking Supply and Demand Analysis

Peak Time weekday mid-day)	Subject Site (observed)	NW Metal (observed)	Subway (observed)	Vacant (code)	Total		
					Demand	Provided	Surplus / (Deficit)
12:30 PM	10	16	12	12	50	78	28
Peak Time (weekday evening)							
5:00 PM	7	13	9	12	41	78	37
Peak Time (Saturday)							
12:15 PM & 12:45 PM	8	9	10	12	39	78	49

The traffic and parking study also include parking counts from another freestanding Subway store in Des Plaines, Illinois, which is comparable in size to the proposed store in Arlington Heights. Pursuant to said study, the peak parking demand of 12 parking stalls were observed during the mid-day peak hour. When combined with the observed counts taken at the subject site and the number of parking spaces required for the vacancies within the two commercial centers, a peak parking demand of 50 parking stalls is anticipated. As previously mentioned the two sites have a combined total of 78 parking stalls, thereby resulting is a surplus of 28 parking spaces.

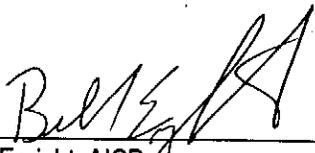
Staff also evaluated how the parking lot behind Northwest Metal Craft could be reconfigured in a more efficient manner. In particular, if the single family home behind the commercial center were demolished the parking lot could be reconfigured to include at least 8 parking spaces as well as the required parking lot landscaping. While the property owner is committed to working with the Village to address any parking concerns that may arise, they are currently not able to remove the home at this time. Therefore, it is

recommended that if parking should become a problem, as determined by the Village, then the Petitioner shall work with the Village and the property owner to provide more parking on site as feasible. Given this information, the Staff Development Committee concurs with the Petitioner's parking assessment that there is sufficient parking so long as the shared parking agreement is maintained.

RECOMMENDATION

The Staff Development Committee reviewed the Petitioner's request and recommends **approval** of a special use to allow a 2,318 square foot, sit-down/carry out restaurant that has a total seating area of 1,000 square feet and total capacity of 33 seats, and a variation from Chapter 28, Section 11.4, Schedule of Required Parking to allow a reduction to the minimum number of parking stalls from 37 to 27 spaces. This approval shall be subject to the following conditions:

1. The total seating area shall not exceed 1,000 square feet and the total capacity shall not exceed 33 seats.
2. Maintenance of a shared parking agreement with the adjacent property to the south.
3. The Village will continue to monitor the driveway operations along Arlington Heights Road, and if access issues should arise, as determined by the Village, then the Arlington Heights Road driveway shall be restricted, subject to IDOT approval.
4. In addition to the proposed landscaping, the Petitioner shall install a 2.5 inch caliper shade tree within the 4-foot wide island that is at south end of the row of parking that is adjacent to the front building façade.
5. If parking should become a problem, as determined by the Village, then the Petitioner shall work with the Village and the property owner to provide more parking on the Northwest Metal Craft site as feasible.
6. The Petitioner shall comply with all Federal, State, and Village codes, regulations, and policies.



February 8, 2013

Bill Enright, AICP
Deputy Director of Planning and Community Development

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