



April 6, 2016

Via Electronic Mail

Mr. Ron Gunter
Mayor
Village of Westmont
31 West Quincy
Westmont, Illinois 60559

Re: Proposed Zoning Text Amendment for Oak Brook Hills Resort to allow for multi-family dwelling units.

Dear Mayor Gunter,

My name is Brian Butler. I reside at 19 Willowcrest Drive in the Residences of Oak Brook Hills subdivision adjoining the Oak Brook Hills Resort and Conference Center. I am currently, and have been an active commercial real estate broker in the Westmont area for 34 years.

I am writing to express and (and outline) my objection to the proposed text amendment that would allow The Harp Group (the resorts current owner), to apply for multi-family zoning on the resorts parking lot. Specifically, to construct a seven (7) story apartment building.

I have a multitude of reasons as to why this development should not take place. The following is a list of facts for you to review and consider on this text amendment request.

THE HOTEL PROPERTY:

Oak Brook Hills Resort is the “crown jewel” of The Village of Westmont. Because of its conference facilities, banquet halls and golf course, it draws people from all over the Chicago area. Every year the golf course alone hosts seventy-five (75) to eighty (80) golf outings that bring people from all over the Chicago area. The average yearly rounds played on the golf course is twenty-five thousand (25,000). Each round represents one person.

Oak Brook Hills is by far the best resort in DuPage County. The resorts visitors spend money at both the resort and in the village buying gas, eating at the restaurants and shopping. That creates sales tax revenue.

The value of the hotel property has dropped in half. The previous owners paid sixty-two million (\$62,000,000.00) for the property in July of 2005 and put thirteen million (13,000,000.00) into it. The current owner paid thirty million (30,000,000) for it in April of 2014. This drop in value has lowered the tax assessment for the property substantially, which lowers the Village’s share of real estate tax revenue.

In 2010 the assessed valuation of the property was \$4,908,520.00. the 2014 assessed valuation was \$3,324,120.00. The real estate taxes in 2010 were \$270,218.94. In 2015 they were \$237,357.00. Under normal circumstances, shouldn’t they have increased over that five (5) year period. The amount of real



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estate tax revenue that the village received for the 2015 taxes was \$47,215.95. This includes the village taxing bodies of park district, library and fire department.

The hotel has been recently re-branded as a Hilton Hotel from a Marriot Hotel. The current Hilton franchise agreement will expire in approximately four (4) years. If you allow a seven (7) story apartment building in the parking lot of the hotel, I believe you risk losing the Hilton franchise which will create a search for another national hotel chain. The only way this resort survives, is by having a national chain with a worldwide reservation system. That was proven in the time frame when Marriot vacated the hotel, and the resort did not have a national chain. Business at the resort dropped substantially.

The resorts golf course is currently on a ground lease and is not owned by the Hotel owners. The ground lease for the golf course is set to increase to a "market rate" in eight (8) years from its current nominal rate. This increase in rent could have a major impact on the overall economic viability of the resort.

THE ZONING:

As I mentioned previously, I have been selling commercial real estate in Westmont and the surrounding communities for thirty-four (34) years. I have watched many quality developments built in Westmont over that time. One thing that really hasn't changed from one Village Board to the next is that no new apartment developments have been built in Westmont for a very long time. There have been many great multi-family (both condominium and townhome) developments approved, but no new apartment buildings. In reviewing your current comprehensive plan, I cannot identify anywhere on the plan where it calls for future apartment development. My observation is the village has enough apartments, and they are a drain on village services (police and fire) so there is really not a need for more of them.

In order to approve the proposed text amendment, your zoning ordinance requires the petitioner to show that he will meet certain standards. Your zoning ordinance (as written) states the following three (3) standards are to be met to consider a text amendment. After each standard I will summarize why the criteria is not being met.

1. "The special use will not be injurious to the use and enjoyment of other property in the immediate vicinity for purposes already permitted nor substantially diminish or impair property values in a neighborhood".

An apartment building of any type (especially a seven story building) will have a destructive impact on the hotel property for both a loss of value due the loss of valuable parking that is used for golf outings, banquets and meetings. Not to mention the hotel room views on the north side of the building looking into a seven (7) story apartment building



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The value of the townhomes at the residences will also drop substantially, due to both the look of the apartment building, and the traffic it will generate on the shared entrance that is used by the hotel and the residences. I would have never considered The Residences for my home if the apartment building were there.

2. "That the establishment of the special use will not impede the normal orderly development and improvement of surrounding property for uses permitted in the district"

This criteria is definitely not met with the proposed development. The amount of traffic it would generate and the loss of parking to the hotel will create a parking and traffic nuisance for the hotel and the owners at the Residences.

3. "Adequate measures have been or will be taken to provide ingress and egress so designed to minimize traffic congestion in the public areas."

The access from the resort and the hotel is via a single lane of traffic (in each direction) until you get to the Midwest Road intersection. The road was not designed to accommodate the additional traffic the apartment building will generate and if widened, it will have an impact on the golf course. In addition, due to the loss of parking from the building being located in the hotel parking lot, on days when the hotel has large events, it is inevitable that people will park on the access road. This has taken place on numerous occasions at the hotel with the current parking lot.

Finally regarding the proposed zoning text amendment. The reason the amendment is being requested, is because most zoning ordinances would not consider "down zoning" a property from a business zoning to a residential zoning. If approved, you will have to revise your zoning ordinance to allow other people to have the right to down zone a property in a business district. In other words, this text amendment is not just for this property, it could affect other properties within the village in the future.

THE ECONOMICS

Like all municipalities, The Village of Westmont has always been driven by economic development within its borders. Every proposed development is viewed for what positive economic impact it will have to benefit the village, and the revenue that is collected by either sales tax revenue or real estate tax revenue.

Some recent village board actions that have had a positive economic impact for the village include the following:

Approval of the Mariano's anchored shopping center on 63rd street



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Approval of the Walgreens at Ogden and Cass

Approval of Standard Market on Ogden Avenue

Approval of the McGrath Lexus expansion

Approval of Napleton Porshe parking lot expansion.

Approval of the Audi dealership new parking structure and showroom on Ogden Ave

Proposed approval of The re construction of Laurel BMW

These are just a few of the developments that the village has approved, that have a positive economic impact on the village.

If the proposed apartment development is approved. What would be the positive economic impact for the village? The only revenue the village would receive would be from real estate taxes. Needless to say the amount of taxes received, would not be enough to offset the risks you would be taking with the possible decline in overall operation of the hotel (losing a national brand), and the loss of revenue from lower property values and lower real estate taxes at both the hotel and The Residences.

SUMMARY:

I encourage you to decline this text amendment and stop this proposed development before it starts. There is not any reason to allow any development on the "crown jewel" of the village. The new owners are in the process of remodeling the hotel and bringing it up to Hilton standards. They are also marketing it to the local community, showcasing their brunches and new dining facilities. They have plans for other hotel improvements that include remodeling all the rooms and improving the golf course. These improvements will enhance the value of the hotel and continue to keep it as a part of the positive economic engine for the Village of Westmont and maintaining its status as the best resort in DuPage County.

When the Residences of Oak Brook Hills was being re-zoned, the owners of the hotel insisted to the Village board the development contain "high end" townhomes. The Residences developer agreed, and now there is a quality development at the residences with the most expensive townhomes in the village. By declining the proposed development, the village will continue to maintain the standards set by the village board when the residences were approved, and help to maintain the property values that were requested at the time the development was approved.



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Please make the legacy of this Mayor and Village board, the one that said no to a development that the village doesn't need or benefit from.

Sincerely

THE BUTLER GROUP

Brian Butler

cc.

James Addington
Bruce Barker
Harold Barry III
Marie Johanik-Guzzo
Linda Liddle
Steve Nero