

Questions regarding Andersonville Guest House

1) Do you have any data or market studies to support the need for additional short term rentals? In the non-summer months, what is your occupancy rate?

We don't have any official market studies to support the need for additional short term rentals. However, we have been renting our units at 4860 N Clark from June 2009 to the present and have seen our occupancy rates grow as the vacation marketplace grows. Our occupancy in the off-peak season (October-March) was 45.23%. Our overall occupancy rate in 2009 was 49% and in 2011 was 57%.

2) What is your anticipation for turning these units into condos? The lender wanted this as an option, what other restrictions or agreements are in place? Is this a standard construction loan?

We don't have plans to turn these units into condos. We are making a substantial investment to furnish the units, the hotel lobby, etc. We believe the highest and best use of this building is the short term vacation hotel business for at least the next 8-10 years. This would be standard construction loan with an agreement to convert to a conventional amortized commercial loan at the completion of construction. We don't have any other restrictions, agreements, or commitments in place.

3) Have you ever done a project like this before? Will you continue to run/manage this business?

Yes we have done another building almost exactly like this for Loyola University. The building was a 10-unit condo building which is being operated as student-run boutique hotel (www.loyolafats.com). We also plan to convert another of our new construction condo buildings to short-term vacation rentals located at 5771 N Ridge to. Yes we will continue to run and manage the business. We will design, build, furnish, and manage the units. We will be in complete control of the project.

4) There might be some concern that after the zoning change is approved you would build a larger building. By my reading the only thing that prevents you asking for B2-2 zoning is that MLA/ unit, correct? The approval you are asking for would allow for a significant expansion over the plans as presented.

There should be no concern that we will attempt to build higher or more than what we are asking for and I am willing to sign a restrictive covenant if you think it will help put the committee at ease? The foundation for the originally designed building is in place and we will be using it for the new building. Also, our existing zoning allows us to build much more (24,149 vs 18,785) than we did in our original plans. We designed the building to be efficient/cost-effective to build and if we were to build higher or bigger, we would move from a type III-B (brick with wood joists) to either a steel shell or concrete frame building (much more expensive). We plan to build the same size building as is permitted now, but we want to break it up from 10 residential units to 15 units to gain a better unit mix (mix of 1 and 2 bedroom units vs. 2 and 3 bedroom units). Our zoning attorney (Jim Banks) and architect (Sullivan & Goulette) are doing some research to see if we actually need to go from C2-2 to B2-3 but we think we do for the MLA and the special use (not sure if "C" zoning allows a special use for hotel/motel use).

5) Your plan says you will occupy 2000 sf of the retail space, will this be for a check-in office? What will the hours of this be?

Yes the entire retail space will be dedicated to the hotel lobby and operations. We haven't decided exactly what amenities we will provide (probably a small exercise room, luggage storage, etc). We will probably have the lobby fully staffed during normal business hours (9-5) and some sort of staff available or on-call during non-business hours.

6) Will this occupy all of the retail space?

Yes the hotel will occupy all the retail space. We currently have about 5200 square feet of vacant retail space which we could also use to support the hotel operation in 4860 and 4866 N Clark. Retail has been very tough for us in this location. We are close to an agreement with a massage/spa service which might take up to 2600 square feet and would be a great complimentary business for our use.

7) Do you have a larger or higher resolution version of the composite site plan? It's hard to read, and the ingress / egress is unclear. Is all the parking access off the alley? All parking is garage?

I have attached a larger version of the site plan sketch. All of the parking is off the alley (consistent with 4860 and 4866 N Clark buildings). The alley is wide and we are very good neighbors so I don't see this being a problem. 15 spots will be garage parking and 2 spots will not be covered (exterior spots 4 & 5 on plan).

8) Where is the trash?

We have trash enclosures on the west side of the garages at the alley (again consistent with 4860 and 4866 N Clark).

9) Will you be asking for a loading zone on Clark Street?

We hadn't thought about a loading zone. I know they recently put the meters on Clark so it's easy to park in front of our building.