

*Overview and Synopsis of the
Downtown Skokie Homewood Suites by Hilton Hotel and Conference Center*

Community Support for Downtown Skokie Development

For decades, Skokie residents have shown strong support and a desire for redevelopment in Downtown Skokie, as is evidenced by responses to the Village’s National Citizen Surveys that have been conducted every three years since 2003, all of which has included questions about resident interest in Downtown Skokie. Further, at the Village’s community forums in fall 2014 and 2019, to which all Skokie residents were invited, the topic of revitalizing Downtown Skokie and continued development in Skokie emerged as a major themes in discussions about residents’ hopes and aspirations for the community.

Recent History of Downtown Skokie Development Progress

For a number of years, Village leadership focused on securing a flagship project for the northwest corner of Oakton Street and Lincoln Avenue in the heart of Downtown Skokie. As part of the request for qualifications (RFQ) process that ultimately led to the development of the 8000 North project that is currently under construction, another firm was identified to possibly develop a hotel in another area of Downtown Skokie near the Illinois Science + Technology Park (ISTP), Downtown Skokie’s largest employment base. The ISTP is home to over 20 companies from the United States and across the globe that employ some 1,600 people on site.

The ISTP was formerly owned by GD Searle, then Pharmacia and then Pfizer, all single companies that focused on pharmaceutical research and development. Pfizer closed the facility in 2003 and sold it to Forest City in 2004. The Village partnered with Forest City to transform the complex into the ISTP, a modern, state-of-the-art, multi-tenant science and technology park. In 2005, a master plan for the ISTP was approved that contemplated the development of commercial activities, including a future hotel, along Oakton Street adjacent to the ISTP.

In January 2017, Forest City sold the ISTP to Skokie-based American Landmark Properties (ALP). Since purchasing the ISTP, ALP has fully leased the park and is planning expansions to accommodate new employers. The graphic below highlights potential development opportunities at ITSP in orange.



Village Processes and Public Outreach for Hotel Development

The public process to develop a hotel in Downtown Skokie has been extensive. The developer, E&M Strategic Development (E&M), expressed interest in developing a hotel in Downtown Skokie in 2016. To validate the project, Village staff initiated and released an RFQ for a hotel market feasibility study for a Downtown Skokie hotel. The feasibility study was completed in March 2017 and updated in 2018, both times indicating that there was in fact demand for a Downtown Skokie hotel.

- In November 2017, the Economic Development Commission presented an Economic Development Strategy to the Village Board, and the Strategy included a possible hotel in Downtown Skokie.
- As the hotel development concepts progressed, a second feasibility study RFQ was posted and made public in May 2018. Globally-recognized HVS was selected on June 19, 2018 to conduct the study, and in August 2018, the second study reaffirmed there was in fact a need for a hotel in Downtown Skokie.
- The results of the second Hotel Market Feasibility study was noted in the October 2018 *NewSkokie* resident newsletter.
- In June 2018, E&M demonstrated the project had a significant financial gap which made the project difficult, if not impossible to finance. As one of the only economic development tools available in Illinois for this purpose, Village staff recommended the creation of a Tax Increment Finance (TIF) district to help bridge the financial “but for” gap for the proposed project, launching a multi-month public process involving numerous public meetings for consideration of a TIF to support the hotel.
- On June 17, 2019, the Skokie Village Board of Trustees passed a resolution setting Tax Increment Financing (TIF) Public Hearing and Joint Review Board (JRB) meeting dates and establishing a TIF interested parties’ registry regarding the proposed new Oakton Niles TIF

The [Hotel Market] feasibility study was completed in March 2017 and updated in 2018, both times indicating that there was in fact demand for a Downtown Skokie hotel.

District, primarily driven by the project and developer.

- On June 20, 2019, Village staff sent notice of TIF Public Hearing/JRB meetings dates by mail to all residential addresses located within and within 750 feet of the exterior boundaries of the proposed TIF District and to all current parties on an interested parties’ registry.

- On June 27, 2019, the Village published a notice in the *Skokie Review* that interested parties could register to receive information on the proposed designation of the Oakton-Niles TIF District.

- Throughout summer 2019, the hotel and proposed TIF District information was posted and updated regularly on the Village website.



village Notes

Economic Development Update

Village elected officials, staff, businesses, development firms, brokers and other community and regional stakeholders have been busy bringing new opportunities to fruition throughout Skokie. Recent activity which has taken place throughout Skokie over the past few months:

HVS Hospitality Consulting and Appraisal (hvs.com) has been retained by the Village to perform an objective, third-party hotel demand and feasibility study for Downtown Skokie. Conversations are wrapping up between HVS and residents, visitors and employees in Skokie who could be potential demand drivers for a potential new downtown hotel and event space. The purpose of the engagement is to understand what additional opportunities may be available to grow visitor, events and room nights for the Village while recognizing we help to ensure our existing market share is not diluted. Results from the study are anticipated to be completed soon.

Westfield Old Orchard continues to attract new-to-market and existing retailers, restaurants and vendors to the highly successful center. Recently, jewelry designer, CEO and philanthropist, **Kendra Scott** opened her fourth retail location in Illinois at Old Orchard. This small start-up (once only online) is now a global multi-million dollar business. **Chill Bubble Tea** opened their fifth location on August 31 at Old Orchard which makes this Chill's second location in Skokie. The menu at Chill features dozens of flavor combinations for bubble tea as well as loose teas.

Coming soon to Old Orchard is the highly anticipated and successful **The Hampton Social** restaurant which is currently under construction adjacent to **Uncle Julio's**. This extremely popular group started in River North and Skokie will be the restaurant's fourth location. The Old Orchard Hampton Social will have a private dining room and semi-private spaces that can accommodate banquets or corporate gatherings. **Ariztia** will be opening near Macy's in the coming weeks. This retailer creates fashion for women who care about considered design and exceptional quality. Other new tenants coming soon to Old Orchard include **invisalign** dental services, as well as a remodeled store for beauty retailer **L'Occitane**. Additional exciting developments will continue to be announced for Old Orchard in the coming months!

The global leader in audio electronics, Niles based **Shure Inc.**, recently purchased the former Alter building located at 5500 W. Howard Street in Skokie. The property will be retrofitted and expanded in the future to accommodate continued growth at the company. The Skokie property is close to Shure's headquarters which will remain in Niles at 5800 W. Touhy Avenue where the company employs over 600 people. Shure is one of the largest privately held companies in Illinois.

Two new self-storage facilities opened up in Skokie. **Cube Smart** recently opened up in a beautifully renovated building located at 3526 Oakton Street. This recently completed facility has 815 storage units in over 140,000 square feet. In addition to Cube Smart, additional industrial and flexible spaces located in the building are being marketed to other interested businesses, which will create many more new jobs in Skokie. **Extra Space Storage** was recently completed at 5830 Howard Avenue. This 119,000 square foot self-storage facility has 878 storage units. ■

Ariztia will be opening near Macy's in the coming weeks!

North Shore Center for the Performing Arts in Skokie ...Continued from front page

For Skokie Residents Only: NSCPAS Skokie Rush Discount Ticket Offer

When tickets remain for a feature performance in the main stage theatre at the North Shore Center for the Performing Arts in Skokie, unused tickets are available for half-price on the day of a performance through the Skokie Rush program. People who live in the 60076, 60077, and 60203 zip codes and can prove residency are eligible to buy half-price tickets on the day of show, only between 12 and 2 p.m. Matinees are typically offered the day before. Cash and credit cards are accepted. Skokie Rush tickets may be purchased over the phone, but standard handling fees apply.

For additional information, call the North Shore Center for the Performing Arts in Skokie Box Office at 847-673-6300. Skokie Rush tickets are only for select feature performances in the main stage theater. Other restrictions may apply. ■

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PROPOSED OAKTON - NILES TIF DISTRICT



Proposed Oakton – Niles TIF District Parking Garage and Public Improvements

Parking Garage and Public Improvements to Include and Serve:

- New Construction at Illinois Science & Technology Park.
- Proposed Homewood Suites Hotel by Hilton.
- Public Downtown Parking (+/- 150 spaces).
- Future Residential / Employers.
- Build-Out of Approximately 1,050 New Parking Spaces in Total.
- Utility Relocation
- Street Improvements To Develop and Connect Oakton Terrace, Lamon Avenue, and Oakton Street.



- As part of the approval process, the proposed Downtown Skokie Homewood Suites by Hilton Hotel and Conference Center went to the Appearance Commission on May 8, 2019 and August 14, 2019. The Appearance Commission packets were made public, including renderings of the proposed hotel.
- **On July 3, 2019 SkokieNews and the Village website announced the proposed hotel and other projects in advance of an upcoming Downtown Skokie Development Open House.**
- As part of the TIF approval process, on July 11, 2019, a JRB meeting was held at Village Hall representing all overlapping taxing districts having property within the proposed TIF District. The plans for the hotel and TIF were presented and as a result, the JRB recommended approval of the new Oakton-Niles TIF District. Given the recommendation from the JRB, on August 1 and 8, 2019 the Village published TIF Public Hearing notice in the *Skokie Review*.
- **The Economic Development Commission discussed the proposed hotel as part of its published agenda for the Commission’s July 23, 2019 meeting.**
- **Postcards were mailed to approximately 3,500 Skokie residences and businesses proximate to Downtown Skokie inviting them to a Downtown Skokie Development Open House held on August 13, 2019.**
- **At the August 13, 2019 Open House, held at Ignite Gaming on Skokie Boulevard, numerous Downtown projects and developers were represented, including E&M. Village officials presented and discussed the proposed TIF District to over 300 residents and business representatives that attended the event that took place during both daytime and evening hours.**

"As a part of Downtown Skokie's vibrant business family for over two decades, Annie's Pancake House is thrilled to welcome Homewood Suites by Hilton to our community. We consider this incredible opportunity for both Annie's and other small businesses in the area and look forward to the opening of the hotel!" ~ Pete and Argie Varvoutetos, Owners of Annie's Pancake House, 4900 Oakton Street.

- On August 19, 2019 the Village held a TIF Public Hearing where reports on proposed Redevelopment Project and Plan, TIF eligibility and JRB recommendation were presented to the Village Board.
- On August 20, 2019, the *Chicago Tribune* published an article on Downtown Skokie developments, including the hotel.
- **The September/October 2019 edition of *NewSkokie* that was mailed to 27,000 Skokie residences and businesses in late August 2019, also featured information on the proposed hotel.**
- At the September 16, 2019 Village Board meeting, Skokie officials adopted required ordinances amending the existing Downtown TIF District and establishing the Oakton-Niles TIF District.
- **As the development project progressed through the review process, the Skokie Plan Commission heard Cases 2019-33P thru 37P which included the following items: re-zoning, alley vacation, subdivision, site plan approval and special use permit. The Plan Commission approved these cases at their October 13, 2019 meeting. All Plan Commission meeting agendas are published in advance of the meetings.**
- The Plan Commission Report with the recommendations for approval were presented and unanimously approved by the Village Board at the October 22, 2019 meeting. All agendas, recommendations, and details pertaining to the project were posted and archived on the Village website.
- Furthering outreach to Downtown merchants, Village officials met with downtown Skokie retailers on November 14, 2019 and then again on December 18, 2019 where the hotel project was discussed and met with enthusiasm.
- Village staff and E&M continued to work towards final project approval as the COVID-19 pandemic took hold in March 2020. To that end, financial markets became cautious and many commercial projects were put on hold.
- In fall 2020, E&M was able to garner financial commitments and interest for the hotel.
- On October 21, 2020, Mayor Van Dusen provided a State of the Village address to the Skokie Chamber of Commerce that included a hotel update.
- At the December 7, 2020 Village Board meeting, the proposed development agreement between E&M and the Village was unanimously approved.
- The second reading and final approval of ordinances pertaining to zoning, site plan, special use permit and subdivision plat for the Downtown Skokie Homewood Suites by Hilton Hotel and Conference Center is scheduled for the Village Board meeting on Tuesday, January 19, 2021.

“I’m delighted to see that the highly anticipated Hilton hotel is moving forward in downtown Skokie. I believe the hotel will be great for nearby businesses. It will be especially good for Ignite Gaming Events because nearby hotels is always an important factor when guests are choosing a venue for a large event.

We’re looking forward to rebounding from this pandemic and going strong! Continued economic development in Downtown Skokie will only help Skokie business recover.” ~ Flavius Maximus, Co-Owner of Ignite Gaming, 8125 Skokie Boulevard

Economic Benefits for Skokie

The hotel development is replacing a functionally obsolete office building that has been vacant since 2014 and as such will eliminate blight and the continued decrease of commercial property tax values as evidenced in the TIF report and justification. Without the hotel development, it is probable that the area will continue to decline in value.

With an estimated 47,000 annual guests staying at the hotel, the development promises to bring significant economic benefit to the community. These are welcomed and potential customers for businesses and entertainment venues in Downtown Skokie. By applying conservative tourism industry formulas, it is estimated that the spending generated by hotel guests will reach \$12.5 million annually. This figure factors in both leisure and business travelers staying at the hotel, as well as expenditures for hotel room costs, dining in local restaurants, and shopping for non-tourism-related incidentals including toiletries, clothing, gasoline and other items and services. The economic benefit to local restaurants alone is expected to reach nearly \$2.1 million annually.

Downtown Skokie restaurants and businesses are anxious for hotel to be developed to increase their customer base. The hotel will make the ISTP more desirable and marketable for tenants and guests, with its proximity to the Oakton Street Yellow Line Station also providing easy access into/from the City of Chicago, Cubs games, etc.

The Village will purchase and retain the eastern portion of the property which includes [Annie's Pancake House](#) which will continue to operate at its current locale at 4900 Oakton Street.

“Sketchbook is just a few blocks from the proposed Homewood Suites. Undoubtedly, the addition of an amenity such as this to Skokie will bring more vibrancy and more people to the area, more business to our taproom as well as its own bar and restaurant, where we would have our product available for guests. Hotel visitors go out to eat and drink during their stay.” ~ Cesar Maron, Co-Owner of Sketchbook Brewing Company, 4901 Main Street

Key Components of the New Hotel

- 142 - Room Suite Hotel
- \$43+ Million Investment
- Demand Quantified by Two Feasibility Studies
- Rooftop Bar Restaurant Open to the Public
- Meeting Space - 10,000 Square Feet
- Ground-Floor Retail and Restaurant Space - 13,000 Square Feet
- Pool, Fitness Center, Business Center, and Terrace Area
- Significant Addition for Downtown Skokie and the Illinois Science + Technology Park
- Potential Opening in Early 2022

Environmentally Sustainability Factors in the Hotel Development

. One of the major factors in E&M’s decision to join the Hilton family is their efforts to improving the environment. The new hotel will be held accountable to the Hilton brand’s established environmental standards and practices. As a Hilton franchisee, E&M has agreed to these brand standards and strive to exceed where possible. These standards will be applied to the entire project, which includes the 143-room hotel, rooftop bar, and event space. [See information on Hilton’s environmental](#)

The hotel will create jobs. After the construction jobs, the estimated employment at the hotel, including food and beverage operations and conference operations, include 125 new full-time equivalent positions.

[standards and practices.](#)

Following are some specifics regarding E&M's sustainability strategy:

Construction: Being that the hotel "ground-up" construction, E&M is in control of the structure and able to plan for the best sustainable practices, as follows:

- Design - The building is adopting multiple guidelines as set forth by the Department of Energy Sustainability Division, Village of Skokie and Hilton brand standards. This includes construction materials made from recycled content with a high R-value insulation where possible, technology-based energy climate controls and improved storm water retention that meets the Clean Water Act and all current environmental standards and Village of Skokie code requirements.
- Process - The project will be constructed as a design build process. That means that the entire construction team, including the architect, contractor, sub-contractors, ownership and operations team will collaborate to find and implement environmental best practice in every step of the construction process. Each party will state their sustainability goals and be held accountable as the project progresses. This will include how to best recycle or repurpose excess building materials and waste, limit excessive noise and light pollution and make efforts to reduce their carbon footprint.
- Execution - The construction team will be charged with meeting the design intent and assuring that full expectations for environmental sustainability standards are achieved.

Operations: Through the adherence of Hilton's operational standards, the hotel operations team will consistently be trained and tracked for following Sustainability Best Practices. This is accomplished by following Hilton brand requirements, which include:

- Energy and Carbon Usage - By adhering to Scope 3 carbon intensity guidelines as set forth by the Science Based Targets initiatives (SBTi), Hilton has become an industry leader in addressing climate change. Examples of signs of improvements include: motion-detected LED lighting, focus on plant-based menu items and energy-saving technology for climate controls.
- Water Stewardship - Efforts in all aspects of operations to conserve water usage where ever possible. This includes utilization of smart irrigation controls that utilize drip where possible, maintenance of water conservation technology and low-flow plumbing fixtures.
- Reducing waste (including food waste)- Hilton has launched programs to address waste by focusing on soap recycling, minimizing food waste and eliminating single-use plastics. In the new hotel, this will be evidenced by full-sized toiletry dispensers in every guest room, no plastic water bottles or straws and an active food donation program as part of the HOTEL KITCHEN toolkit. This stands to benefit the Niles Township Food Pantry and other local food banks.
- Responsible Sourcing - E&M will utilize food ingredients that local sourced whenever possible and that are responsibly produced that also adhere to Hilton's Animal Welfare Statement. All

"As a small business owner in Downtown Skokie I am excited with the recent new addition of 8000 North and the future new location of The Homewood Suites on Oakton. They will both be a huge asset to Downtown and we at The Crazy Greek are all looking forward to the future of Downtown Skokie. Thanks for all the support!" ~ Niko Vorrias, Owner of The Crazy Greek, 5051 Oakton Street

products utilized by the hotel will meet Hilton brand standards and meet the Supplier Due Diligence requirements for Hilton vendors.

As new environmental sustainability initiatives are developed, E&M has committed to refine and improve its sustainability program with involvement from all the different team members.

In addition to E&M embracing environmentally sustainable practices, the new parking garage has been part of the plan for the ISTP since its inception in 2005. The current garage is full as it accommodates the existing ISTP, which is 100 percent leased. The new parking garage will support future growth at the ISTP, while also providing parking for hotel guests and those attending functions at the hotel. In addition, a measure of public parking in the new garage will serve visitors to other stores and restaurants in this area of Downtown Skokie. Due to the garage’s central location in Downtown Skokie, it is well located to serve existing and future businesses.

The development is replacing a functionally obsolete office building that has been vacant since 2014. In addition, good planning encourages density in core area, as dense, multi-story developments are the highest and best use of available space in Downtown Skokie. By contrast, a development that is spread out and uses a lot of land is less efficient and is not sustainable. Less dense developments are less walkable and more auto-oriented. The walkability and the movement of traffic are much less impacted by new development in Downtown Skokie. As such, this allows cars to move freely without causing congestion which impacts local air quality.

Affordable Housing

The Village of Skokie has a decades-long tradition of inclusive housing policies that support affordable housing, with Skokie now achieving 19.9 percent of affordable housing stock which is double the amount mandated by the State of Illinois. This is the percentage of affordable housing units in relation to the overall housing supply. The Village of Skokie’s current 19.9 percent of affordable housing units represents a 5.2 percent increase since 2011 and is one of the top rates of affordability in the suburban North Shore area.

The table below represents Skokie’s comparative position relative to affordable housing in the area:

| Municipality | 2011 Rate | 2016 Rate |
|--------------|-----------|-----------|
| Niles | 20.2% | 30.4% |
| Skokie | 14.7% | 19.9% |
| Evanston | 15.4% | 17.5% |
| Morton Grove | 7.9% | 13.1% |
| Glenview | 7.4% | 7.8% |
| Northbrook | 4.4% | 5.7% |
| Lincolnwood | 4.6% | 5.5% |
| Wilmette | 4.1% | 4.5% |
| Golf | 0.8% | 2.8% |
| Winnetka | 2.5% | 2.7% |
| Glencoe | 1.4% | 2.5% |
| Kenilworth | 0.5% | 2.2% |

Note: By state statute, municipalities are required to have a minimum of 10 percent affordable housing units or have an affordable housing plan to increase the amount of affordable housing.

As it pertains to affordable housing, the new hotel project will not displace any housing units. The Village supports social service agencies and regional programs that enhance affordable housing opportunities as

well as direct programs to assist income-eligible homeowners in needed repairs. One of Skokie's primary objectives, and a strong community value, is to have a diverse and healthy economy which involves different housing options.

Skokie has distributed over \$1.3 million in Home Improvement Program funds since 2005. Since 2010, the Village budget has included between \$45,000 and \$125,000 per year for the Home Improvement Program that supports repairs to income-eligible, owner-occupied households. The lower range is due to having carryover funds from the previous year, and the carryovers are usually from lack of income-eligible households, not due to lack of interest in homeowners accessing the program. Overall, Skokie has received over \$23.4 million in total Community Development Block Grant (CDBG) allocations since 1975.

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The Village continuously monitors housing trends in order to ensure maintaining affordable housing stock. This includes tracking demolition and building permits to understand how historically low-income areas are being impacted by investment. While the Village wants to attract investment and ensure families have quality places to live, economic development improvements can lead to higher rents. This is most often evidenced by large amounts of housing tear-downs in the community, which is currently not occurring in Skokie.