

HIGHLAND BOARD OF ZONING APPEALS
Minutes of the Meeting of
January 25, 2023

The Highland Board of Zoning Appeals met in the meeting room of the Highland Municipal Building, 3333 Ridge Road, Highland, IN 46322 on January 25, 2023. Mrs. Murovic called the meeting to order at 6:30 p.m. The meeting opened with the Pledge of Allegiance led by Ms. Briseno.

ROLL CALL: Present were Board Members Mr. Thomas, Ms. Briseno, Mr. Turich and Mrs. Murovic. Also present were Building Commissioner/Zoning Administrator, Mr. Ken Mika, Town Council liaison Ms. Toya Smith and Attorney, Mr. Scott Bilse, in place of BZA Town Attorney John Reed.

APPOINTMENTS: Mrs. Murovic announced the annual appointment of BZA Officers for 2023. Mr. Thomas motioned to retain Mrs. Murovic as Chairperson. Ms. Briseno seconded, and the motion passed with a 3 – 0 roll call vote. Ms. Briseno motioned to retain Mr. Thomas as Vice-Chairman. Mr. Turich seconded, and the motion passed with a 3 – 0 roll call vote. Mr. Thomas motioned to retain Dave Helms as Secretary. Mr. Turich seconded, and the motion passed with a 4 – 0 roll call vote. Ms. Breseno motioned to retain Mr. John Reed as Attorney. Mr. Turich seconded, and the motion passed with a 4 – 0 roll call vote. Mr. Thomas motioned to retain Susan Rae as Recording Secretary. Ms. Briseno seconded, and the motion passed with a 4 – 0 roll call vote.

MINUTES: The minutes of the December 14th, 2022 meeting were approved as posted.

ANNOUNCEMENTS: The date of the next Board of Zoning Appeals meeting will be February 22nd, 2023. The Plan Commission at their January 18, 2023 Public Meeting, appointed Doug Turich from the Plan Commission to the BZA, replacing the recently vacated position of Joe Grzymiski (Town Employee/FD).

COMMUNICATIONS: Mr. Thomas read aloud a letter received from the Redevelopment Commission regarding support for tonight’s Use Variance petition.

Old Business: Approval of Findings of Fact for Bruce Boyer/Boyer Properties, 9901 Express Drive, Highland, IN 46322, requesting a Use Variance to allow gymnastics and cheerleading instructional business at the location of 9934 Express Drive, Highland, IN 46322. Permitted Uses. {HMC 18.50.040} A Gymnastics and Cheerleading Instructional Facility is not a Permitted Use in an I-1 Zoned District.

Mr. Thomas motioned to approve the Findings of Fact regarding the Use Variance request for Bruce Boyer at 9934 Express Drive. Ms. Briseno seconded, and the motion passed with a 3 – 0 roll call vote. Mr. Turich abstained from this vote due to the fact that he did not have background for the petition, being a new member of the Board.

New Business: Public Hearing for Mitch Feldman, 3323 NE 163rd Street, Ste 506, North Miami Beach, FL, represented by DVG Team, Inc., 1155 Troutwine Road, Crown Point, IN 46307, requesting a Use Variance for a retail and self-storage facility at the location of 8141 Indianapolis Boulevard, Highland, IN 46322. {HMC 18.55.050} Overlay District (C) Permitted Uses. (1) All uses that are permitted in the underlying zoning district are permitted in this overlay district, except for the following: (ii) Storage centers and yards, including disabled vehicles.

Mrs. Murovic asked Mr. Scott Bilse if the Proof of Publication had been received. Mr. Bilse confirmed that the Proof of Publication was received, published correctly and in a timely manner. Mr. Mika confirmed the sign was posted correctly by the required date.

Mr. Scott Yahne of Yahne.Law, 9301 Calumet Avenue, Munster, IN 46321, introduced himself and said he would be speaking briefly this evening on behalf of the petitioner, Mr. Mitch Feldman and his company Highland 41 Investment, LLC. He continued to say that they were here this evening concerning 8141 Indianapolis Boulevard, which was the location of the former Coach USA bus depot and had been vacant for some time now. He then introduced Mr. Mitch Feldman, president of the Feldman Companies and his son, Jordan, who was the Director of Development. He added that they were extremely organized, responsive and capable as a team. He then said they were looking to invest for the long term and were not looking to develop, sell and move on. He wanted to be a part of the Highland community. He also introduced Russ Pozen from DVG Team, Inc., the architectural firm working on this project, who would explain some of the constraints of the project, especially the traffic issues and why this use would be a safe one for traffic at the bottom of the bridge. He then introduced Amish Patel, who was a principal owner of the current property, and added that he and his brother would remain involved in this project as it moved forward. He continued that they were all present this evening to request a Use Variance to permit the development of a very unique mixed-use property that would incorporate climate-controlled self-storage in the rear and enhanced retail shops in the front. Mr. Yahne then mentioned that he had included a letter with the presentation materials from the mayor of the city of Miramar, Florida outlining their praise for Mitch Feldman and his company for the facility in their city and their positive experience with them. He added that during the hearing this evening Mitch Feldman's understanding of the importance of working with the community and his 25 years of development at a very high level would be evident.

Mitch Feldman of the Feldman Companies, 3323 NE 163rd Street, North Miami Beach, FL, introduced himself and said he appreciated everyone being present at this hearing. He started by explaining how they managed to find their way to Highland by stating that

the owners of the current property are friends of friends and that they were planning to stay involved in the project, as well. He then explained that he started building self-storage 25 years ago and begun with the traditional storage at the time that was orange door, drive up storage and had built 2-1/2 million square feet over time. He continued that he built all over the country, and in Puerto Rico. He added that the storage industry has changed and evolved from this traditional outside garage type space to climate-controlled facilities that anyone can utilize so items stored there won't be ruined by the atmosphere or temperature extremes, almost like another storage closet in your home. Mr. Feldman continued to say they are proud of what they built and all the materials they use are best in class, great looking and they build them to own, as they are a small family run business, but are growing in size now. At this point, there was a short video shown to give the Board members an idea of what they envision the facility to entail at this point. Mitch showed the retail being in the front of the building, but not so much that it would create a problem with traffic congestion or parking issues. Storage and loading would be tucked away in the back, out of view of the main street entrance. All the units are climate-controlled. He pointed out that when traffic was coming down off the bridge, the side of the facility would only show some windows and entrance doors, so the side and the front of the building was aesthetically appealing to passersby. They would incorporate all the required materials in the buildings and indentations in the front that the zoning ordinance required. He stressed that they were trying to make it nice and very unique, to be the best possible facility for the community, and had been going back and forth with various professionals and felt they had delivered a very nice project.

Architect Russ Pozen from DVG Team, Inc., 1155 Troutwine Road, Crown Point, IN introduced himself and said that the traffic is really a key player for this development. He had his traffic engineer take a traffic count of facilities like this. They discovered the turning movements of a facility like this that incorporated both retail and storage would be a third of what it would typically be if the facility was all retail or if it were a hotel. He stressed that this was a very important safety factor and a big plus for this use. This use would not add a lot of traffic or congestion to the area and there would be less turning movements. He added that this site was very peculiar in size and shape and that many other uses such as grocery stores or hotels would not be able to utilize this property.

Mitch Feldman added that the facilities they build have all white hallways, all LED lights and music playing in the hallways. The bathrooms are tiled, along with the offices that are bright and clean. Their customers feel comfortable and safe while there. He added that they are experimenting with kiosks and Bluetooth, so customers don't even have to enter the building to access their units and don't have to touch the same keypad to access units. He continued that they aren't interested in building to sell. They own them and want to keep them and get involved in the communities they are located in. He added that storage isn't negative, offensive or industrial and they build in a way that can be acceptable and aesthetically pleasing.

Mr. Scott Yahne stated that the property has been a difficult one for the owners because of the size and shape. They have looked into several options over the years and almost

all have presented challenges that the property is not well suited to handle, so most of the other options have failed. This is a use that could work out well there, especially with the reduced traffic turning movements and parking. Mitch Feldman added that this facility would not work in an Industrial or Light Industrial area. Those areas would be best suited for the drive-up, orange door, outdoor facilities that are not climate-controlled. They are still being built and there is a place for them. This proposed use would be a first class, 5th generation, climate-controlled facility more for residential or commercial users. He added that they wouldn't be here tonight if there was not a market demand for them.

Mrs. Murovic opened the meeting to the public.

Tammi Kowalik of 9134 Idlewild Drive in Highland introduced herself and said she was a long time resident of Highland. She has seen the property sit through the years it has been vacant and said it looks horrible. She added that it was an eyesore to see it when driving into Highland right after the "Welcome to Highland" sign. She went on to say that looking at the drawings presented by the architects for this project, she felt it would be the prettiest building in Highland. She concluded by saying she felt it was a no-brainer to support this project rather than looking at the empty property.

Mrs. Murovic closed the meeting to the public and brought the discussion back to the Board. Mr. Doug Turich asked if Mr. Feldman had other facilities in the Chicagoland area. Mr. Feldman replied that they are working with one company, but that project is not finalized or built yet. Mr. Turich then asked what the average size of the units would be and what the average cost per month was. Mr. Feldman said the average size would be approximately 95 – 100 square feet, or 10' x 10' in the Highland area. In large cities, such as Manhattan, the average size would be much smaller, possibly 4' x 4', so the average size depended on the location of the units. His son, Jason Feldman, stated the average cost to be \$1.50 - \$2.00 per square foot, or approximately \$175 - \$200 per month for the 10' x 10' units, which was market rent. Mr. Turich then asked what the occupancy rate typically was for their units. Mr. Feldman replied that it was crazy in the storage business because they build a facility with no tenants, but it was unavoidable because that was the nature of the business. He continued, people suddenly decide they want something out of their garage, or their kid is coming home from college and they have to make space for them, or there was a death in the family and they have to store furniture. It is not predictable, but many different scenarios arise in which storage is needed right away. Mr. Feldman said their occupancy rate is typically 90% – 92% and in a good market, it will be 95%. He added that the rate is usually never 100% because people are always moving out.

Mr. Thomas asked why Mr. Feldman thinks Highland would want these storage services. Mr. Feldman replied that there are supply and demand metrics based on population and square feet of storage in the market. He continued that even though there are many single family homes in Highland, there are renters, both high income and low income. He also added that some of the highest users of climate-controlled storage facilities are people with garages who don't want to put their stuff in the garage in case it gets ruined. Mr. Thomas mentioned there were a few other storage facilities in the area that were not at

full capacity now. Mr. Yahne pointed out that these facilities he was referring to were not the same product as what Mr. Feldman would be providing. Mr. Yahne mentioned that he had gotten the same resistance from other nearby towns that have since gone with the climate-controlled units and realize how much better they are and are happy with the change. Mr. Feldman stated that this was a great market for storage and that there was a population here that would use it. Mr. Thomas then commented on the ratio of retail to storage, which was 8,585 square feet of retail to 161,884 square feet of storage, which he felt was a large gap. Ms. Briseno asked if the windows in front of the building were false fronts, or actual windows. Mr. Feldman replied they were false fronts. Ms. Briseno then asked if he would consider having more retail and possibly two or three floors of retail instead of just one. Mr. Feldman replied that 2nd and 3rd floor retail typically doesn't work. He added that if they were to add retail, it would change the entire traffic and parking metrics, and that the parking space would need to be doubled. Ms. Briseno asked why they couldn't have a parking garage to facilitate that need. Mr. Feldman explained that structured or wrap-around parking is so expensive that it was not a feasible option and couldn't be economically justified any longer. Ms. Briseno then asked if they had considered condos on the 2nd or 3rd floor. Mr. Feldman and Mr. Pozen replied there would be parking issues with that option. Mr. Yahne mentioned that noise in the area may make this property unappealing for condos. Ms. Briseno asked how sure they were that the retail would be rented. Mr. Feldman replied that he thought there was a good possibility that certain types of businesses such as a golf shop or a boutique would be desirable in this location. Ms. Briseno stated she was concerned that if the retail didn't rent, Mr. Feldman might come back in the future and ask for all storage. Mr. Feldman replied that they would be building the facility as mixed use and the retail space would be used only for retail. Mr. Feldman then stated that he was hearing a lot about the entrance to the town and how important that was, and that they didn't want to see storage. His project proposal would be very aesthetically pleasing to look at, would meet the requirements of the Zoning Overlay District and would have the storage all located in the rear and out of sight to passersby. He then asked if it was aesthetics or the actual use that the Board objected to. They replied it was both. Mr. Feldman stated that this was a great-looking facility and if it was windows that needed to be changed, they would accommodate that. Mr. Mika pointed out that the aesthetic issues would be addressed at the Plan Commission level and they would have to submit a development plan, which they essentially had together already. Mrs. Murovic stated she felt the town was looking for more retail. Mr. Feldman said that they had been asked at a previous meeting if they would consider adding more retail on another piece of property that the town owned and they had stated they would be open to that possibility. Mr. Mika pointed out regarding the particular piece of property the town owned to the south, that would not be advisable to develop retail because the town had purchased that for a reason, which was pertaining to flood control.

Mr. Turich asked Mr. Feldman what his return on investment was and what would happen if he did not meet those targets? He added that he was worried if Mr. Feldman's predicted occupancy didn't materialize, he may walk away from the project, leaving us with a building that would have a lot of internal spaces that would be difficult to put to use. Mr. Feldman replied that this would be a nightmare and that it had never happened

to him, but in that case, they wouldn't be able to pay their debt, the bank would foreclose and it would be sold to an institutional buyer, he would lose all his equity, the bank would reprice it at a much lesser value and it would be leased out. A national chain would buy it at a discount if he couldn't make it. Mr. Yahne pointed out that there was much research involved in demand of the use before Mr. Feldman would get involved in a property for development. Mr. Feldman agreed that was the case with every one of his projects. He added that he had never lost a property, never lost equity, or ever lost money for his partners. He added that if you Google storage units during recession or during pandemic, it shows this asset happens to be one that is very resistant to good and bad economies because there is always a need for the self-storage units.

Mr. Mika suggested that although there is an understanding that this storage would all be in an enclosed building, there could be a legal document prepared in the future as a covenant that all the storage would be in an enclosed facility so that there would be no vehicles, trucks, or materials out in the open in the future if there would be changes in ownership. Mr. Yahne assured Mr. Mika that those commitments can be adopted by the Town Council and can be made a matter of public record.

Mr. Thomas motioned to give an unfavorable recommendation to the Town Council for the Use Variance requested by Mr. Feldman for the mixed-use retail/storage facility at 8141 Indianapolis Boulevard. Mr. Turich seconded, and the motion passed unanimously with a 4 – 0 roll call vote.

BUSINESS FROM THE FLOOR: None

ADJOURNMENT: Motion: Mr. Thomas Second: Ms. Briseno Time: 7:40 p.m.