



AGENDA

President and Board of Trustees

Village of Arlington Heights

Committee-of-the-Whole

Community Room

33 S. Arlington Heights Road, Arlington Heights, IL 60005

December 13, 2021

7:00 PM

I. CALL TO ORDER

II. PLEDGE OF ALLEGIANCE

III. ROLL CALL OF MEMBERS

IV. NEW BUSINESS

- A. Arlington Alfresco Re-Discussion

V. OTHER BUSINESS

VI. ADJOURNMENT

Any member of the public wishing to speak will be given the opportunity to do so. If the item is on the Agenda, that opportunity will be while that Agenda item is being discussed. Any member of the public wishing to speak on an item not on the Agenda will be given the opportunity during the Other Business portion of the meeting. Please limit comments to three minutes.

Persons with disabilities requiring auxiliary aids or services, such as an American Sign Language interpreter or written materials in accessible formats, should contact David Robb, Disability Services Coordinator, at 33 S. Arlington Heights Road, Arlington Heights, Illinois 60005, (847)368-5793 (Voice), (847)368-5980 (Fax) or drobb@vah.com.



Committee-of-the-Whole
12/13/2021

Item: Arlington Alfresco Re-Discussion

Department: Planning & Community Development

Background

COVID 19 has had a significant impact on national, state and local economies with the closure of many businesses, in particular restaurants and limits on capacities for many others. In response to the pandemic, Staff developed a series of business assistance accommodations, as well as opportunities for increased outdoor dining for restaurants both Downtown and throughout the community.

On May 8, 2020, at a Committee of the Whole, the Village Board discussed a series of recommendations from Staff, including full street closure for the creation of Arlington Alfresco in Downtown Arlington Heights and authorized Staff to proceed with its implementation. The Village Board also authorized Staff to implement and waive certain code requirements to allow outdoor dining on private property where restaurants and businesses had the ability to implement outdoor dining within parking lots on private properties.

Arlington Alfresco has proven very successful during the summer in 2020 and 2021.

Recommendations

The following is a recap of all recommendations outlined throughout the attached report:

1. Start and Completion:

Authorize Staff to implement Arlington Alfresco in 2022 and future years beginning early to mid-May, weather permitting and conclude at the end of September, early October.

2. Funding Alfresco:

Authorize Staff to implement a Food & Beverage Tax and annual licensing fee to fund Arlington Alfresco for the Alfresco zone restaurants and non-Alfresco restaurants, which wish to use the curbside bump out spaces or other public property for outdoor seating. Implement an additional targeted Alfresco FBT of .75%, applicable to

FBT businesses within the Alfresco zone, and an annual street use licensing fee of \$1,000, for applicable non-Alfresco restaurants. These charges would be sufficient to cover the Village's cost to produce Alfresco, potential private parking rent, and could help offset a portion of the Downtown Sounds of Summer events.

3. Live Music:

A. Allow outdoor live music within the Arlington Alfresco zone subject to the Village Manager's approval and modifications. Staff will continue to monitor live music during Arlington Alfresco, and if problems persist, pursue option B, shall be required of restaurants. The Village Manager retains the authority granted by the Village Board to halt music in a venue if it is deemed too loud and if the operator is not in compliance with the sound directives.

B. Prepare an analysis and alternatives for a street performer or busking policy and guidelines, as permissible within the law, for Village Board consideration.

4. Parking and Traffic:

Authorize Staff to pursue the following actions:

A. Retain a traffic consultant to develop a detailed special events parking plan and pursue its implementation.

B. Continue discussions with private property owners about parking sharing.

C. Continue to explore the long-term potential of an EV shuttle program and its costs and benefits.

5. Curb Side Bump Outs:

Curb side bump out dining shall be evaluated on a case by case basis based upon the above criteria. Due to the costs associated with purchasing so many new barriers, the Village would paint existing barriers and/or add new slip covers for any approved curb side bump outs, meeting the above criteria as determined by Staff, as well as payment of the annual \$1,000 License fee.

6. Outdoor Dining on Private Property: To reauthorize the administration to waive minimum parking requirements for outdoor dining on private property as well as waive other code requirements for the remainder of 2022 or until post COVID pandemic and to assist businesses outside of the Arlington Alfresco pedestrian area.

7. Special Events: Authorize Staff to continue to work with the Special Events Commission, Chamber of Commerce and other stakeholders on the development, costs, and operations of a two-day event commencing at the end of Arlington Alfresco.

ATTACHMENTS:**Description**

Arlington Alfresco Re-Discussion
Committee of the Whole January 25,
2021 Approved Board Motion
Village Board June 7, 2021 Approved
Board Motion
Exhibit A & B
Curb side Images
Arlington Alfresco/Summer Event
Evaluation Discussion - 1/20/21
Special Event Planning 6/2/21

Type

Memorandum
Exhibits
Exhibits
Exhibits
Exhibits
Memorandum
Memorandum

MEMORANDUM

TO: Randy Recklaus, Village Manager

FROM: Charles Witherington-Perkins, Director of Planning and Community Development

DATE: December 3, 2021

SUBJECT: Arlington Alfresco Re-Discussion

Background

COVID 19 has had a significant impact on national, state and local economies with the closure of many businesses, in particular restaurants and limits on capacities for many others. In response to the pandemic, Staff developed a series of business assistance accommodations, as well as opportunities for increased outdoor dining for restaurants both Downtown and throughout the community.

On May 8, 2020, at a Committee of the Whole, the Village Board discussed a series of recommendations from Staff, including full street closure for the creation of Arlington Alfresco in Downtown Arlington Heights and authorized Staff to proceed with its implementation. The Village Board also authorized Staff to implement and waive certain code requirements to allow outdoor dining on private property where restaurants and businesses had the ability to implement outdoor dining within parking lots on private properties. The Village Board and the Committee of the Whole discussed Arlington Alfresco again in August of 2020, with a comprehensive review occurring on January 25, 2021 and further discussion regarding special events in June of 2021.

Summary of Arlington Alfresco Start and Conclusion Dates

2020: June 2 through November 16

2021: March 12 through September 27

Proposed 2022: Early mid-May through end of September, early October

During each discussion, the Village Board Committee of the Whole made a series of recommendations regarding the start and conclusion of Arlington Alfresco during pandemic as well as potential non-pandemic years. The allocation of resources and expenses as well as direction regarding live outdoor music and the commencement and timing of certain special events. A summary of the Board's past motions is included as an attachment.

Recommendation:

Authorize Staff to implement Arlington Alfresco in 2022 and future years beginning early to mid-May, weather permitting and conclude at the end of September, early October.

Financing and Economics

Restaurant Benefit

In order to fully understand the economic benefits of Arlington Alfresco and the benefit of allowing outdoor dining for non-Alfresco restaurants, confidential sales and food and beverage data was obtained and analyzed. Individual business data is required by law to remain confidential, however, certain groups of data and analysis can be presented to demonstrate the financial gains or losses and trends of certain data set groups. As data is obtained from the State and local resources there are certain limits in its availability and analysis. For the purpose of this analysis, data was obtained and analyzed for a three-year time period, for five months between June and September for 2019, the pre-pandemic year, although the Downtown construction was occurring, and 2020 during the height of the pandemic when indoor dining was limited or not allowed and this past summer of 2021.

Arlington Alfresco Restaurants Only

Many restaurants throughout the downtown and the community had to adopt and some had outdoor dining on private property or had greater capacity, as well as parking for curbside pickup. Those restaurants in the Arlington Alfresco zone were limited in their outdoor dining options without Arlington Alfresco due to the narrow sidewalks with no private parking and had limited curbside pickup ability. Certain entertainment venues were excluded from the analysis such as Arlington Ale House and Big Shot Piano Lounge, which had no, or limited on street dining and Metropolis Performing Arts Centre. A total of 12 dining establishments within the Arlington Alfresco pedestrian area were analyzed. Of this group set during the above referenced time period, sales in 2021 increased 43.9% over pre-pandemic 2019 and sales in 2021 increased 27.9% over 2020. Two new restaurants opened at the beginning of the pandemic within the Arlington Alfresco area, Beer on the Wall and Scratchboard Kitchen. If these two restaurants were included in the analysis, total sales would be greater than illustrated. While summer sales increased, total full year sales in 2020 for this group were \$3.3 million less than in 2019, due to the pandemic.

Alfresco Restaurants	June-September			June-September
Restaurant	2019	2020	2021	
TOTALS	\$6,682,189	\$7,517,392	\$9,613,679	

Non-Arlington Alfresco Downtown Restaurants

The second group set of restaurant establishments that were analyzed, were the other restaurants Downtown that were not within the Arlington Alfresco pedestrian area. There are 24 restaurants or establishments in Downtown but outside of the Arlington Alfresco pedestrian area. Although this group set does include the Arlington Ale House and Big Shot Piano Lounge, which were included in this group set analysis, due to limited or no real presence with Alfresco dining. Big Shots hours and days were limited to Friday and weekends especially in 2020. Of this group set, one restaurant CoCo & Blu had not opened in 2019 and two restaurants, Pho An and Prairie Moo closed during 2021. As a group, these restaurants saw an increase in 2021 over a pre-pandemic 2019 of 22.9% and an increase in 2021 over 2020 of 34.4%. As to be expected, this is a larger group set and saw varied successes or impacts of the pandemic with some restaurants experiencing negative sales versus others that experienced significant increase. In general, breakfast and lunch only restaurants did not fair as well as those that also had a dinner, evening component. Non Alfresco restaurant group full year total sales in 2020 were \$2.5 million less than in 2019.

Downtown Non Alfresco	June-September			June-September	
Restaurant	2019	2020	2021	21v20	21v19
TOTALS	\$5,479,573	\$5,009,585	\$6,732,657	34.4%	22.9%

Uptown and Southtown

A sample set of 14 comparable restaurants from Uptown and Southtown were analyzed as a group set, these restaurants saw negative sales of -6.6% in 2021 compared to pre-pandemic 2019 and saw a 57.5% increase in 2021 sales over 2020, representing a greater impact of the pandemic in 2020. Only 5 of the 13 restaurants had outdoor patio dining on private property. When looking at the five restaurants that had outdoor dining on private property, these restaurants experienced a 7.5% increase in sales in 2021 over pre-pandemic 2019, and 66.3% increase in sales in 2021 compared to 2020.

Uptown Southtown	June-September			June-September	
Restaurant	2019	2020	2021	21v20	21v19
TOTALS	\$10,546,569	\$6,256,512	\$9,855,468	57.5%	-6.6%

Up/Southtown with Outdoor	June-September			June-September	
Restaurant	2019	2020	2021	21v20	21v19
TOTALS	\$3,818,567	\$2,468,517	\$4,105,950	66.3%	7.5%

In summary, the Arlington Alfresco restaurants received a significant boost in their summertime sales over the uptown/southtown restaurants, as well as the Downtown non-Alfresco restaurants. The Downtown non-Alfresco restaurants experienced as a group, larger increased sales in 2021 over pre-pandemic 2019 than the Uptown/Southtown group. From this, an assumption can be made that the Downtown non-Alfresco restaurants receive a boost being in proximity to the Arlington Alfresco restaurants. This also demonstrates support for the creation of an additional food and beverage tax for the Arlington Alfresco restaurants to cover the costs of setting up, marketing, running, and managing Arlington Alfresco in future years.

Village Costs: As with all other Arts, Entertainment & Events Fund costs, straight-time and fringe benefit costs are not included in the cost of an event, as these costs are expended on regular Village services. **Exhibit A** provides an outline of Alfresco costs from 2020 through 2022. The identified costs include Public Works overtime costs, as well as other equipment, material & supplies, and signage costs. Total 2020 Alfresco costs were higher due to initial material & supply costs. The estimated ongoing cost of producing the annual Alfresco event is estimated to be about \$90,000/year. If additional private parking rent costs were approved to help promote this event, the annual cost would be higher. Also, this does not include other possible costs such as special event parking plan and implementation or other necessary costs which may occur.

Funding for Arlington Alfresco: The Village does not have unlimited revenues to support either special events or Arlington Alfresco. An issue that has arisen during discussions is if the Village should continue to pay for Arlington Alfresco out of normal general funds revenues. This issue was discussed at the June Board meeting and has been discussed with those restaurants benefiting from utilization of Village property for expansion of their business operations. The Finance Department has explored the creation of a new Food and Beverage Tax "FBT" that would be applied only to restaurants within the Arlington Alfresco zone due to the direct benefit of the program to their business. This new tax would be used by the Village to offset the new costs for implementing Arlington Alfresco.

Exhibit B shows estimated revenue streams generated by various levels of a targeted FBT applied to Alfresco zone restaurants. A targeted Alfresco FBT of .5% would generate about \$94,000/year, and a targeted FBT of .75% would generate about \$142,000/year. As noted above, annual Alfresco costs incurred by the Village are significant, but the event provides a significant benefit to the Alfresco restaurants. By implementing a small targeted Alfresco FBT, those enjoying the event, including out-of-town patrons, would cover the cost of maintaining the event. The small size of the targeted FBT would likely not affect the patrons decision-making process on whether to dine at Alfresco. For example, a \$100 family meal in the Alfresco zone would cost an extra .50 cents to .75 cents, compared to dining at a restaurant outside the zone.

In addition to a targeted FBT, Staff is also proposing a small \$1,000 annual licensing fee for those restaurants that request and are approved to use a blocked-off portion of the public street. Signage costs and Public Works overtime are incurred to install and remove barriers for these approved requests. The proposed annual street use fee could generate about \$7,000/year. A smaller license fee for other restaurants utilizing the public right of way may be developed and implemented by Staff.

The revenues shown earlier in this memo reflect gross sales numbers for Village restaurants for the period of June-September for 2019 through 2021. The FBT receipt numbers shown in Exhibit B are for the entire years of 2017 through 2020. The 2017 – 2019 “normal”, pre-Covid years formed the basis for the average FBT receipt year which was used to project the targeted Alfresco FBT options. An entire year was used, as requiring the selected restaurants to change their point-of-sale registers before and after each Alfresco would be unwieldly. In addition, if the proposed targeted Alfresco FBT tax was only applied to May- October transactions, the targeted FBT tax would need to be over twice as large to generate the needed revenue to cover the annual cost of Alfresco. Finally, if an annual fee were implemented rather than a targeted FBT to cover Alfresco costs, that fee would hit the restaurants’ bottom line instead of being covered by Alfresco patrons.

Recommendation:

Authorize Staff to implement a Food & Beverage Tax and annual licensing fee to fund Arlington Alfresco for the Alfresco zone restaurants and non-Alfresco restaurants, which wish to use the curbside bump out spaces or other public property for outdoor seating. Implement an additional targeted Alfresco FBT of .75%, applicable to FBT businesses within the Alfresco zone, and an annual street use licensing fee of \$1,000, for applicable non-Alfresco restaurants. These charges would be sufficient to cover the Village’s cost to produce Alfresco, potential private parking rent, and could help offset a portion of the Downtown Sounds of Summer events.

Live Music

During Arlington Alfresco 2020 much discussion occurred relative to live outdoor music by the restaurants utilizing Arlington Alfresco. In August 2020, the Village Board discussed this topic again, and authorized the Village Manager powers to control or restrict live music at restaurants. In January 2021, the Board directed Staff to continue to allow but monitor outdoor music in the Arlington Alfresco zone, with the authority granted to halt music in the venue, if too loud. Previously the following options relative to live music have been discussed by the Board when considering Arlington Alfresco.

- a. Allow live music to continue with restaurants asked to continue to self-monitor the noise levels; with the Village Manager having the authority to prohibit/regulate music if noise levels were overly disruptive to residents.

- b. Restrict live music to Thursday-Saturday only with the following time restrictions.
Thursday: 5:00 pm – 9:00 pm
Friday/Saturday: 5:00 pm – 10:00 pm
- c. Restrict live music hours with the following time restrictions:
Sunday – Thursday: 5:00 pm – 9:00 pm
Friday/Saturday: 5:00 pm – 10:00 pm
- d. Prohibit live music completely

For the most part in 2021, live music was handled successfully and was not detrimental to the Downtown residents or other businesses. However, late in the year, Staff did begin to receive complaints which arose relative to street performers or busking. Generally, the complaints stemmed from callers who did not feel some of the music being performed was of good quality, was too loud, or occurred too late at night. The Integrated Service Department has been working with the Village Attorney to research options for regulating busking. While it can be argued that street performers do not have a right to perform under our existing code provisions. Staff has allowed performances to occur as part of the overall Alfresco experiment. Street music can add to the ambience and festival type atmosphere for visitors. However, based on last summer's experience, Staff would like to provide some regulation options to the Board at a later date on this topic. Some of the considerations are: hours, volume/amplification, location, whether or not street performers should be licensed, and first amendment issues. This issue will be the topic of another memo in 2022.

Recommendation:

- A. Allow outdoor live music within the Arlington Alfresco zone subject to the Village Manager's approval and modifications. Staff will continue to monitor live music during Arlington Alfresco, and if problems persist, pursue option B, shall be required of restaurants. The Village Manager retains the authority granted by the Village Board to halt music in a venue if it is deemed to loud and if the operator is not in compliance with the sound directives.***
- B. Prepare an analysis and alternatives for a street performer or busking policy and guidelines, as permissible within the law, for Village Board consideration.***

Parking & Traffic

As with any vibrant, successful Downtown, parking and traffic will always occupy discussion. For the most part, Arlington Alfresco was handled well, with minimal traffic or parking issues. Complaints were received relative to Alfresco diners poaching on private parking lots such as Village Green condominium building, Jewel parking lot, and the private parking lots on south Dunton Avenue. Strategies for improving signage, striping and other enhancements were presented to Village Green Condominium Associations, as well as discussions with Jewel, and more recently a meeting with the private parking lot property owners on Dunton Avenue. During busy evenings, parking also occurred along Campbell Avenue and Wing Street, west of Downtown, as well as the north/south streets, south of Sigwalt. During the experiment with the Sounds of Summer, Thursdays and Fridays saw a surge in parking, especially in the areas referenced and the Vail Avenue garage was observed at capacity on some Sounds of Summer evenings, especially on Fridays, beginning after 6:00 pm., with available parking easing up again at around 8:30 pm. The Village of Arlington Heights Downtown includes over 5,000 public and private parking spaces. During special events, the on-street parking and the Vail garage was 100% occupancy. Even with additional short-term customer parking being provided in parking E and some other locations,

there was a surge in demand, as referenced. However, available parking remained in other parking lots.

This is a good problem to have and try to solve, as it illustrates that Arlington Alfresco and Downtown Arlington Heights is more of a regional destination. While some improvement may be seen, as people begin using ride share again, post COVID, it is important to evaluate and develop an event parking plan. The Village issued a scope of work to Rich & Associates, the parking consultant retained to do the study a couple of years ago for the Village of Arlington Heights to prepare a detailed event parking plan. A response to the scope of work was received December 1, 2021 with a cost estimate of \$13, 095.

There are a number of strategies that the Village could consider over the next few years relative to Downtown event parking, these include the following:

1. Hire a consultant, Rich and Associates to develop a detailed Arlington Alfresco event parking plan to direct customers to available parking, especially those areas that are available in the evening to reduce the reliance of the Vail Avenue parking garage and other locations
2. Continue to explore potential agreements with private property owners to allow Alfresco and event customer parking on private lots in the evenings, in return for modest compensation or permit exchange.
3. Explore the long potential and costs associated with a free EV shuttle to transport customers from parking areas to the Arlington Alfresco area.
4. Develop a plan and cost estimates to hire and train summer time parking ambassadors.

Recommendation:

Authorize Staff to pursue the following actions:

- a. Retain a traffic consultant to develop a detailed special events parking plan and pursue its implementation.***
- b. Continue discussions with private property owners about parking sharing.***
- c. Continue to explore the long-term potential of an EV shuttle program and its costs and benefits.***

Curbside Bump Outs

Over the past two years, the Village has also allowed curb side bump outs within on-street parking for restaurants in the Downtown that do not have private property in order to have outdoor dining. The curb side bump outs were located adjacent to restaurants. A decision needs to be made as to whether to continue to allow curbside bump outs for any or all restaurants and under what circumstances.

If the Village determines to continue to permit outdoor dining via curbside bump outs, each location shall be reviewed on a case by case basis. Past utilization of the public right of way is no guarantee for future ongoing usage. Each restaurant utilizing or requesting to utilize curbside dining, will be evaluated based upon the following criteria:

- Frequency of use – not all curbside bump out dining areas were used on a frequent consistent regular basis. When not utilized, the space takes valuable parking, and can have a detrimental impact from a visual point of view.
- Impact on parking and complaints – a curbside bump out dining request may be denied due to ongoing complaints or need for on street parking along a particular corridor.

- Alternative outdoor dining opportunity - a request for curbside bump out may also be rejected if there are other viable opportunities for outdoor dining either on the public sidewalk through a license agreement or on adjacent private property.
- Adherence to rules and regulations – any approved curbside bump outs must comply with certain rules and regulations created by the Village dealing with operations, esthetics, etc.

Those restaurants that are considered viable for curbside bump out dining, will need to improve the aesthetics of the area, which could be accomplished by the following:

- The Village could make certain improvements, including;
 - a) Purchasing new decorative barriers, \$1,120 each or \$140 per lineal (8ft. barrier).
 - b) Purchasing concrete pre-stained barriers, \$1,200 each or \$120 per lineal foot (10 ft. barrier).
 - c) Purchasing new slip covers, \$175 each or \$30 per lineal foot (6 ft.).
 - d) Having Public Works paint the existing barriers a neutral color.
- Any restaurant that is approved for curbside bump out, must submit a plan for enhancing the esthetics, along the lines of the attached examples, which will be further developed to curbside bump out dining guidelines.
- A smaller license fee of \$1,000 could be established for those utilizing the Village right of way for additional outdoor dining.

Recommendation:

Curb side bump out dining shall be evaluated on a case by case basis based upon the above criteria. Due to the costs associated with purchasing so many new barriers, the Village would paint existing barriers and/or add new slip covers for any approved curb side bump outs, meeting the above criteria as determined by Staff, as well as payment of the annual \$1,000 License fee.

Outdoor Dining on Private Property Outside of the Downtown

Over the past two years, approximately 25 restaurants have been approved for outdoor dining on private property, and certain minimum code requirements have been waived at the approval of the Board. These private property locations such as Francesca's, Jameson's and Palm Court have been permitted covered temporary structures such as tents and igloos. It is recommended that outreach occur to these restaurants and to create an evaluation process to determine if the restaurants are looking or planning to do anything permanent, which may require zoning approvals and/or building permits, and for 2022 to allow for the continued waiver for temporary use.

Recommendation:

To reauthorize the administration to waive minimum parking requirements for outdoor dining on private property as well as waive other code requirements for the remainder of 2022 or until post COVID pandemic and to assist businesses outside of the Arlington Alfresco pedestrian area.

Special Events

Early this summer, Staff met and corresponded with Downtown business owners and residents, the Chamber of Commerce, and the Special Events Commission on multiple occasions related to special event planning. A detailed report was issued to the Board on June 2, 2021. At the Board meeting on June 7, 2021 the Board approved a motion with several conditions and authorized Staff to work with the Special Events Commission and the Chamber of Commerce for a two-day event for the first weekend of October 2021, using the 2019 Funding & Operation plan with agreed modifications, and that a final event for 2022 and beyond be developed in incorporation with these stakeholders. In addition, late in the summer, a shortened Sounds of Summer on Thursday and

Friday evenings was held, in order to test the setup and attendance in conjunction with Arlington Alfresco. Despite the shortened time period to plan a finale event, and lingering concerns regarding COVID 19, a successful two-day event was held the first weekend of October 2021. In addition, the Public Works Department has stated that the event setup was significantly improved logistically with the streets already closed.

Summary of Discussions with SEC and Chamber

The Special Events Commission supports the continuation of Harmony Fest as an annual event, in conjunction with the end of Arlington Alfresco. The Commission concurs with the Public Works sentiment stated above, that planning logistics are improved by the closed street environment that is in place after Arlington Alfresco has ended for the season. This recommendation was based on the highly attended 2021 Harmony Fest event which received positive feedback from attendees and participants.

The Manager's office reached out to the Arlington Heights Chamber of Commerce regarding their level of support or interest for the continuation of Harmony Fest (or something similar) at the end of Arlington Alfresco. As with all stakeholder discussions will continue on implementing the various aspects of Arlington Alfresco and special events.

Based upon the successes of last year and the previous community input and desire for Arlington Alfresco to be an annual occurrence, Staff is recommending the same approval granted by the Board for an end of season event, moving forward.

Recommendation:

Authorize Staff to continue to work with the Special Events Commission, Chamber of Commerce and other stakeholders on the development, costs, and operations of a two-day event commencing at the end of Arlington Alfresco.

Community Outreach

Throughout Arlington Alfresco in 2020 and 2021, there was continued communication with stakeholders both individually and through group zoom meetings and small group meetings. The following is a brief summary of community outreach during Arlington Alfresco:

- Communication individually and with small groups
- Survey of Downtown businesses – 53 responses
- Survey of Downtown residents 485 responses
- Survey of Arlington Alfresco customers 5,963 responses

The survey responses were summarized in the January report to the Board, that overwhelmingly positive and supportive of Arlington Alfresco.

- Multiple zoom meetings were held with Downtown businesses
- Multiple zoom meetings were held with Downtown residents
- Individual and small group meetings were held as needed.

After the conclusion of Arlington Alfresco, during the month of November/early December 2021, the following community outreach has occurred.

- Meeting with Village Green condominium representatives
- Meeting with private property owners regarding shared use of private parking lots
- Zoom meetings with Downtown businesses
- Zoom meetings with Downtown residents

Downtown Resident Zoom Meeting Summary

More recently on November 19, 2021 a zoom meeting was held with Downtown residents representing their homeowner's associations of the larger residential buildings. During the meeting, information was explained to the residents in attendance regarding the potential dates for Arlington Alfresco in 2022 and beyond. The ideas for funding of the Village costs by restaurants, evaluation of the curbside bump outs, recent issues raised regarding street performers, parking, loading, and some other items. The general consensus of the resident's homeowner's association representatives, who for the most part had polled the residents within their buildings, was very, very strong support for Arlington Alfresco. Most indicated that they and their residents loved Arlington Alfresco, the ambiance, and the outdoor dining. Many felt starting in mid-march was too early and suggested May. Some suggestions were made for continuing later in the year, while others suggested, all year-round Arlington Alfresco with permanent improvements made. Several issues were discussed, such as late-night noise, (not necessarily Arlington Alfresco related) loading, idling of vehicles, deliveries, ride share disruption and others. These were all discussed and Staff will continue to collaborate with the residents and businesses on these issues throughout the course of the year. Most residents responded that they like the street performers, but not the amplified music and there were some concerns over control of hours and spacing. Staff explained that a policy was being developed, but that there were certain legal restrictions for the use of public property by street performers. Others suggested a beginning and ending festival event, one to kick off Arlington Alfresco and one to conclude Arlington Alfresco. Several others discussed letting Arlington Alfresco run longer, with the event later in the year, to allow restaurants to take advantage of the nice fall weather. There were several questions raised by residents about who to call when and how regarding trespassing, late night noise, and other police related enforcement activities. A separate meeting was offered with the residents and representatives from the police department to discuss these specific items in more detail.

Downtown Businesses Zoom Meeting Summary

On December 2, 2021 a zoom meeting was held with all Downtown business contacts invited. Approximately 20 businesses attended the zoom meeting to provide their thoughts and comments on Arlington Alfresco and special events. The meeting began with an overview and a recap on Arlington Alfresco 2021, including some general feedback from residents and others that the March start date was too early, and discussions regarding the end of season Harmony Fest event. General discussion from the businesses was that March was perhaps too early, but there was still benefits to starting Arlington Alfresco early in April for some businesses. There was also a general consensus that the Harmony Fest event in early October was successful. One business stating it was his second-best festival that they had attended, even with some cool weather on the second day. It was discussed that the name change from the Mane Event – Taste of Arlington added some confusion, but that one event and one name was positive. When discussing 2022 start and completion dates, there were some preferences to start in April and run later in October and other suggestions to commence Mother's Day through mid-October or Indigenous Peoples Day. The various issues discussed in this memorandum and in past meetings with the businesses and the residents were discussed, including loading, delivery, pickup, ride share, late night noise, street music, and parking. A significant part of the conversation took place regarding the Food & Beverage Tax to cover the cost of Arlington Alfresco. Some businesses indicated that they had received some negative feedback when the idea of an additional Food & Beverage Tax was reported in the local media. Some indicated that their customers had indicated they had concerns over the additional tax, but once it was explained to their customers of the costs involved, and what it was for, there seemed to be a better acceptance of it. Others indicated that there would

always be some complaints regarding the Food & Beverage Tax, but that it was necessary to continue Arlington Alfresco and the ongoing ambiance to continue. One business even referenced that their customers indicated that they would not have an objection to paying an additional .08 cents for a beverage for the privilege of being able to frequent Arlington Alfresco.

Other discussion took place regarding parking, and that Metropolis Theater would be in session this year, where as in the past two years they have not. The proposed special event parking study was also discussed. There were comments and concerns from some businesses suggesting, that the two-hour parking on street was not sufficient time, and that perhaps additional 3-hour parking could be added in parking Lot E north of Davis Street along with additional ADA parking and access. There was some discussion and suggestion to have 3-hour parking and 15 min. parking, although this becomes impossible to enforce. The 2018 Rich and Associates parking study was discussed, which includes one potential long-term recommendation for on-street pay to park. It was also explained that the reasoning for the 2-hour on-street parking is to allow for turnover and the ability for businesses that need short term as well as long term parking to have some of their customers to park on-street, while those that have needs for long term parking beyond two hours have the ability to park for free in the public parking garages.

In conclusion, there was strong support for continuing Arlington Alfresco and appreciation of the continued opportunities for businesses to provide their input through these types of meetings.

Recommendations

The following is a recap of all recommendations outlined throughout the report:

1. Start and Completion:

Authorize Staff to implement Arlington Alfresco in 2022 and future years beginning early to mid-May, weather permitting and conclude at the end of September, early October.

2. Funding Alfresco:

Authorize Staff to implement a Food & Beverage Tax and annual licensing fee to fund Arlington Alfresco for the Alfresco zone restaurants and non-Alfresco restaurants, which wish to use the curbside bump out spaces or other public property for outdoor seating. Implement an additional targeted Alfresco FBT of .75%, applicable to FBT businesses within the Alfresco zone, and an annual street use licensing fee of \$1,000, for applicable non-Alfresco restaurants. These charges would be sufficient to cover the Village's cost to produce Alfresco, potential private parking rent, and could help offset a portion of the Downtown Sounds of Summer events.

3. Live Music:

- A. Allow outdoor live music within the Arlington Alfresco zone subject to the Village Manager's approval and modifications. Staff will continue to monitor live music during Arlington Alfresco, and if problems persist, pursue option B, shall be required of restaurants. The Village Manager retains the authority granted by the Village Board to halt music in a venue if it is deemed too loud and if the operator is not in compliance with the sound directives.***
- B. Prepare an analysis and alternatives for a street performer or busking policy and guidelines, as permissible within the law, for Village Board consideration.***

4. *Parking and Traffic:*

Authorize Staff to pursue the following actions:

- A. Retain a traffic consultant to develop a detailed special events parking plan and pursue its implementation.*
- B. Continue discussions with private property owners about parking sharing.*
- C. Continue to explore the long-term potential of an EV shuttle program and its costs and benefits.*

5. *Curb Side Bump Outs:*

Curb side bump out dining shall be evaluated on a case by case basis based upon the above criteria. Due to the costs associated with purchasing so many new barriers, the Village would paint existing barriers and/or add new slip covers for any approved curb side bump outs, meeting the above criteria as determined by Staff, as well as payment of the annual \$1,000 License fee.

6. *Outdoor Dining on Private Property:*

To reauthorize the administration to waive minimum parking requirements for outdoor dining on private property as well as waive other code requirements for the remainder of 2022 or until post COVID pandemic and to assist businesses outside of the Arlington Alfresco pedestrian area.

7. *Special Events:*

Authorize Staff to continue to work with the Special Events Commission, Chamber of Commerce and other stakeholders on the development, costs, and operations of a two-day event commencing at the end of Arlington Alfresco.

C: Diana Mikula: Assistant Village Manager
Thomas F. Kuehne: Director of Finance
Cris Papierniak: Director of Public Works
Michael Mertes: Business Development Manager

Attachments:

Committee of the Whole January 25, 2021 approved Board motions
Village Board June 7, 2021 approved Board motions
Exhibit A
Exhibit B
Curb side Images

Committee of the Whole January 25, 2021 Approved Board Minutes

1. Trustee Padovani moved, seconded by Trustee Tinaglia to direct Staff to draft operational preparations and an amendment to the 2021 Budget to restart Arlington Alfresco for 2021 beginning midMarch, weather permitting and conclude November 2 (or an earlier date if a downtown festival is to be planned post Alfresco) as described in the Staff Memo, including the development of a security plan.

The motion passed unanimously.

2. Trustee Canty moved, seconded by Trustee LaBedz to waive of minimum parking requirements for outdoor dining for private property, and other code requirements, as needed, for the remainder of 2021 during the Coronavirus pandemic to assist businesses outside of the Arlington Alfresco pedestrian area and encourage them to develop outdoor dining concepts and pursue cooperative ways to promote all businesses.

The motion passed unanimously

3. Trustee Scaletta moved, seconded by Trustee LaBedz to allow outdoor live music within the Alfresco zone subject to the Village Manager's approval and modifications. Staff will continue to monitor live music during the pandemic and if problems persist, pursue option B shall be required of restaurants. The Village Manager retains the authority granted by the Village Board last summer to halt music in a venue if it is deemed too loud and the operator is not in compliance with the sound directives.
4. Trustee LaBedz moved, seconded by Trustee Canty to develop an operational plan and budget for a post pandemic annual Alfresco concept beginning 2022 commencing in May including criteria for live music, hours, security and other standards.

The motion passed unanimously

5. Trustee Scaletta moves, seconded by Trustee Baldino to direct staff to work with the Special Events Commission, Chamber of Commerce and other stakeholders on the development and cost and operational analysis of alternative downtown special event concepts to take place at the conclusion of Arlington Alfresco on an annual basis and, if possible, in 2021 for Board approval.

The motion passed unanimously

Village Board June 7, 2021 Approved Board Motion

The Board asked all parties to work together with mutual respect and good faith and recommended that the 2019 agreement between the Chamber and SEC be used for 2021.

Trustee Bertucci moved to direct staff:

1. To develop a Food & Beverage Tax/ Annual Licensing Fee concept to fund Arlington Alfresco for: Alfresco zone restaurants, non -Alfresco restaurants which wish to use parking spaces for outdoor seating, non -Alfresco zoned businesses which wish to use street space.
2. For Arlington Alfresco to close in 2021 on September 26th.
3. For Staff to develop a two- day event with the SEC and Chamber of Commerce the first weekend in October, 2021 using the 2019 Funding and Operation Plan with agreed to modifications.
4. That a finale event for Fall of 2022 and beyond be developed in cooperation with the SEC, Staff and Chamber of Commerce. Trustee Scaletta seconded the motion.

EXHIBIT A

ESTIMATED Alfresco Costs
Public Works/Planning

	2020*	2021**	2021**	2022***
	June - Oct	March - July	Estimate	Estimate
	<u>(23 weeks total)</u>	<u>(20 weeks YTD)</u>	<u>March - Sept</u>	<u>Mid-May - Sept</u>
			<u>(28 weeks total)</u>	<u>(20 weeks total)</u>
Public Works				
Overtime	83,609	41,350	63,600	45,400
Equipment	11,673	11,635	12,000	12,000
Materials & Supplies	78,588	24,181	25,000	25,000
Sub-Total	173,870	77,166	100,600	82,400
Planning				
Signage	20,000	20,000	20,000	5,000
Total	193,870	97,166	120,600	87,400
Overtime/Wk	3,635	2,068	2,271	2,270

Arlington Heights Downtown Al Fresco Restaurants Annual Revenue

(Existing FBT = 1.25%)

Proposed Additional Targeted FBT

	2017	2018	2019	2020	Oct	2017 - 2019	2017 - 2019	2017 - 2019	2017 - 2019
	Actual	Actual	Actual	Actual	YTD	AVG	AVG	AVG	AVG
Potential Additional FBT									
Arlington Ale House									
Armand's Pizzeria									
Bangkok Café									
Beer on the Wall									
Berry Yo Yogurt									
Big Shot Piano Lounge									
Carlos & Carlos									
Cortland's Garage									
Hey Nonny									
Kilwins									
La Tasca Tapas									
Mago Grill & Cantina									
Peggy Kinnane's									
Salsa 17									
Scratchboard Kitchen									
Shakou									
Total	199,159	221,515	243,365	203,162	265,338	235,946	188,757	141,568	46,738

Potential
Annual
Fee

**Potential Flat Fee Charge
(for Use of Public Street ROW)**

Bistro Chen									
CoCo & Blu									
Duntun House									
Porky's BBQ									
Titowa									
Tuscan Market									
Uptown Café									
Total	34,411	35,273	34,094	32,443	33,089	34,593	27,674	20,756	6,919

7,000



MEMORANDUM

TO: Randy Recklaus, Village Manager

FROM: Charles Witherington-Perkins, Director of Planning and Community Development

DATE: January 20, 2021

SUBJECT: Arlington Alfresco/Summer Event Evaluation Discussion

Background

The coronavirus pandemic has had a significant impact on the national, state and local economies, beginning locally in mid to late March 2020 with the closure of indoor dining for restaurants and limits on capacity for many others.

As part of the Planning & Community Development's annual presentation and report to the Board in 2019, several new amenities and initiatives were presented for further evaluation, including continuing to add Downtown amenities to keep Arlington Heights Downtown on the "cutting edge". Amenities presented with conceptual plans included exploring the possibility of Vail Avenue as a curbless street to make it easier to close for events, the expansion of the Downtown light ceiling, and other entertainment/aesthetic options for the outdoor environment. The fiscal year 2020 budget included funds for preliminary consultant study to further explore the ideas and the possibility of an enhanced street concept at Vail Avenue and Campbell Street intersections. In January 2020, a contract (\$8,500) was executed with a consulting firm for this work. In March 2020, the project was initially placed on hold due to the COVID -19 pandemic and the need to devote all resources to the Arlington Alfresco initiative. Evaluating Arlington Alfresco throughout this summer of 2020 also provided advantages in analysis of this scope of work.

In April 2020, Staff evaluated a series of business assistance accommodations as well as opportunities for increased outdoor dining for restaurants. Options identified by Staff for increasing outdoor dining while maintaining social distancing, included full street closures, half street closures, urban island dining in select locations, and the use of private parking areas for additional outdoor dining. These opportunities and ideas were explored as downtown sidewalks are too narrow to accommodate social distancing and outdoor dining.

On May 18, 2020 the Village Board discussed the implementation of a series of recommendations including full street closure for Arlington Alfresco in downtown Arlington Heights, and authorized Staff to proceed with its implementation. Arlington Alfresco began on June 2, 2020 and has been instrumental in providing support for downtown businesses during this difficult and challenging time. Throughout the implementation, numerous Zoom meetings and communication with the public, downtown businesses, restaurants, and residents, addressing various concerns and issues had been on-going. The Village has received many requests from restaurants and customers asking Arlington Alfresco to be extended and considered for an annual experience. Specific detailed plans were drawn up by staff for each restaurant within the Arlington Alfresco area, and the Board originally approved Arlington Alfresco to run through September 8, 2020.

In August 2020, the Village Board discussed Arlington Alfresco again and authorized extension to November 2. Staff administratively extended Arlington Alfresco until November 16, 2020 when the weather deteriorated to the point that outdoor customer dining was no longer feasible.

Also, in early October 2020, the Village Board adopted a resolution authorizing the Planning and Community Development Department to submit a \$2M ITEP grant application for enhanced streetscape improvements within the Arlington Alfresco and downtown area.

This memo analyzes the issues, data, and recently received feedback related to the reopening of Arlington Alfresco in 2021, and in future years so that the Board may provide direction to Village Staff on these issues at the January 25th Committee of the Whole meeting.

Evaluation Approach

This evaluation approach includes analyzing economic data from the restaurants and businesses within the Arlington Alfresco area and outside of the area. Also, Village costs incurred have been analyzed, data has been reviewed on police and traffic calls, and information regarding logistics such as parking, loading, deliveries, garbage, curbside pick up, and other issues experienced by the community such as sound levels from live music, bicycles and skateboarding through the area, and things of that nature. Lastly, feedback has been obtained from the business community, downtown residents and customers, as well as early feedback from the Village Board.

Financial Economics

It is important to not only evaluate Arlington Alfresco on its successes based upon customer, business and resident feedback but also from an economic and financial perspective.

Village Costs

To create Arlington Alfresco 2020 there were costs that the Village incurred. It is important to note that many of the costs outlined below are regular hours and not additional costs but a re-allocation and re-prioritization of resources. Also, as noted staffing costs for other departments that allocated a significant amount of time and resources are not tracked. These costs can be categorized into the following types of expenses:

- Total Costs excluding items such as design, development and management oversight by Village Manager's Office, Planning & Community Development and other departments are not included. With those exceptions, the total Costs for Arlington Alfresco were \$205,266.28.

Labor & Material Cost Summary								
	Total Hours	Regular Time Cost	Overtime Cost	Double Time Cost	PW Material	Internal Equipment	Temp. Sign	Total
<i>Hours</i>	2,074.80	\$34,193.90	\$65,945.01	\$16,558.96	\$76,023.80	\$10,323.80	\$2,220.81	\$205,266.28

- One-time costs - items such as decorative fencing, street barriers, curb side pick up signs, ADA ramps and other miscellaneous items. Approximately \$71,440.35.

One Time Costs		
Item	Cost	Total
Fence	\$30,848.43	\$30,848.43
Barricades	\$17,135.47	\$17,135.47
Ramps	\$11,116.85	\$11,116.85
Signage	\$2,846.40	\$2,846.40
Miscellaneous	\$9,493.20	\$9,493.20
TOTAL		\$71,440.35

- Re-occurring costs - items such as signage and posters to reflect changing social distance requirements, street decals, marketing and promotion. Approximately \$6,804.26.

Re-occurring Costs		
Item	Cost	Total
Temp. Signage	\$2,220.81	\$2,220.81
Misc. PW Items	\$4,583.45	\$4,583.45
TOTAL		\$6,804.26

- Ongoing/maintenance/managements costs - Set up/take down, daily Public Works maintenance costs were tracked on an hourly basis. With running Arlington Alfresco for a year and assuming continued cooperation and maintenance of the dining spaces by the restaurants, Public Works estimates that future weekly maintenance would be between \$2,000 to \$3,000 weekly although earlier in 2020 it was higher. Set up costs are estimated at \$20,000 in labor and take down to be \$10,000 in the future.

Setup/Takedown					
Task/Item	Time Frame	Regular Time Cost	Overtime Cost	Equipment Cost	Total
Setup	5/31/20 - 6/6/20	\$12,319.65	\$9,095.29	\$6,074.91	\$27,489.85
Takedown	11/15/20 - 11/21/20	\$6,598.60	\$2,700.91	\$1,452.50	\$10,752.01
TOTAL					\$38,241.86

Weekly Maintenance					
Task/Item	Time Frame	Regular Time Cost	Overtime Cost	Material	Total
Labor/Material	6/21/20 - 6/27/20	\$433.38	\$4,470.98	\$80.00	\$4,984.36
Labor/Material	8/9/20 - 8/15/20	\$186.24	\$2,410.87	\$20.00	\$2,617.11
Labor	9/20/20 - 9/26/20	\$0.00	\$2,117.52	\$0.00	\$2,117.52
TOTAL					\$9,718.99

- Future costs - additional future costs to provide additional level Police enforcement, enhanced entry signs and more improved signage continue to be evaluated. It is estimated that interim improvements to the entrances and signage would be in the range of \$20,000 to \$25,000. Less costly minimal improvements would be in the \$10,000 to \$15,000 range. Long term permanent improvements are proposed as part of the ITEP grant application if the Village is successful in receiving a grant award. Below is a summary of estimated future costs.

Future Costs	
Item	Cost
Public Works Set Up	\$20,000
Public Works Take Down	\$10,000
Public Works Weekly	\$2,000 to \$3,000
Interim Entry Enhancements	\$20,000 to \$30,000
Re-occurring Misc	\$10,000 to \$20,000
Additional Police Costs	TBD

Restaurant and Retail Sales Impact

In order to fully understand the economic benefit of Arlington Alfresco and the benefit of allowing outdoor dining for non-alfresco restaurants confidential data was obtained and analyzed. This data is required by law to remain confidential however, certain group set data and analysis can be presented to demonstrate the financial gains or losses. As data is obtained from State and local sources there are certain limits. For example, as of the time of writing general sales tax data was only available through June, and Food & Beverage tax data through October. Comparable time period data for the 2020 COVID -19 year has been compared to the same groups set for 2019.

General Village Wide Sales Tax: Sales taxes across all categories (general merchandise, automotive etc.) were down in 2020 from 2019 for Quarter 1 (Q1) and Q2 by (15.1) %. Q2 sales were down (20.6) %. However, in Q2 with the full impact of COVID -19 saw sales decline significantly, restaurants by (35.6) %, apparel by (64.9) % and Automotive by (23.3) %. In Q2 only categories of food and lumber & hardware saw increases over 2019. Individually, some food store and liquor stores saw increased sales.

Downtown Retail: Specific data was able to be obtained for 11 downtown retailers from April through September for 2020 and 2019. Four retailers saw increased sales during this time period over 2019 sales while all others experienced declines. April through May saw (23.4) % decline in sales year over year while June through September saw a 1.7% increase for the group of businesses.

All Downtown Restaurants: At various time during the pandemic restaurants have been prohibited from indoor dining while other businesses have been allowed limited capacity for customer sales. A total of 38 restaurants and entertainment venues were analyzed. Between April and May 2020 their sales declined (53.4) % or just over \$3 million.

Between June and October all downtown restaurant sales increased in 2020 over 2019 by 4.7%, although Non-Alfresco restaurants as a group declined (11.1) %. The Non-Alfresco downtown restaurant group (restaurants in the downtown, but not in the Alfresco zone) decline-while significant, was substantially less than the comparable decline seen by restaurants outside of downtown, indicating that they too experienced indirect benefit from being close to the street closure area. As each restaurant has different products, some were able to adapt to the continued changes caused by the pandemic while others had greater challenges. Between April through October 2020 sales declined by (14.2) % or \$2.9 m. Individually restaurants sales during the summer Alfresco June through October ranged from a loss as high as (67.6) % to a gain of 39.4%.

Arlington Alfresco Only: While many restaurants throughout the downtown and community had to adapt and had outdoor dining on private property or had greater capacity and parking for curbside pick up those in the Arlington Alfresco zone would not have been permitted outdoor dining and been able to maintain social distancing due to the narrow downtown sidewalks. Entertainment venues such as Arlington Ale House, Big Shot Piano Lounge and Metropolis were excluded from this analysis. A total of 12 dining establishments within the Arlington Alfresco pedestrian areas were analyzed. Between April and May 2020 sales declined (68.1) % or over \$2m. Between June and October sales increased 10.5% for the group as a whole. Some restaurants experienced declines even with Arlington Alfresco due to certain situations however most experienced increased sales volume in 2020 compared to 2019 despite having no or limited indoor dining. Many saw increases ranging from 15% to 34.9%.

Uptown & Southtown: A sample set of 14 restaurants from Uptown and Southtown were analyzed for comparison. Between April and May sales declined (76.9) % for this group and June through October declined (43.5) %. While outdoor dining on private property helped some, it was not enough to offset a tremendous loss of business.

Drive Thru Restaurants: Restaurants with drive thru's tended to fare better. Five drive through restaurants were analyzed and between April and May saw declined sales of (12.6) % and June through October experienced a marginal 0.9% increase.

In summary, the financial benefit of Arlington Alfresco for those Downtown restaurants was significant. Between June and October sales for Alfresco restaurants were up as a group 10.5% compared to a decline for the Uptown/Southtown group set of (43.5) %. Therefore, assuming there was no Arlington Alfresco and those restaurants experienced the same decline (difference between a positive 10.5% increase and a (43.5) % decrease) is over \$4.7m resulting in salvaging \$152,000 in sales taxes and helping those restaurants survive. While the Village had costs associated with the implementation and management of Arlington Alfresco it significantly helped individual restaurants and resulted in helping shore up sales taxes.

Issues and Logistics

Overall feedback throughout Arlington Alfresco 2020 was extremely positive. There were no significant police or traffic related issues. Initially, the Police Department staffed up and had additional detail but after the first few weeks the normal downtown patrol monitored Arlington Alfresco. The Public Works Department also reduced hours necessary for daily maintenance of the area due to the cooperation of the businesses.

Logistics:

Downtown Traffic/accident data and calls for service: As a result of the road closure traffic was re-routed although there were no reported accidents or significant calls for service increases directly attributable to Arlington Alfresco.

The Fire Department developed new protocol to respond to any emergencies quickly. Adjustments were continually made as needed to add warning signage at Vail and Wing as well as other directional signage. Additional stop signs were added as needed at new locations.

Loading and Deliveries: Loading and delivery zones were established prior to commencing Arlington Alfresco and the Public Works crews coordinated and allowed garbage and service access into the pedestrian zone as needed in early mornings. There have been complaints and concerns about businesses using the Village Green private loading areas for delivery to non-Village Green businesses. This issue will need to be relayed to the businesses and monitored moving forward. Also, one other private loading zone was limited due to placement of a storage pod due to building renovations. For the most, part quick service deliveries such as UPS parked in the correct designated loading areas outside of the Alfresco area and delivered packages on foot no different than in other communities where there are permanent pedestrian streets. ***Improved signage and enforcement of the loading zones are areas for improvement.***

Parking: Arlington Alfresco created the temporary removal of 64 on street parking spaces. This was off set by removing daily fee commuter parking from parking lot E and converting the entire parking lot (56 spaces) to free 2-hour customer parking and short-term curb side pickup spaces. Also, 4-hour parking in the Vail garage was changed under Highland Avenue adding 24, 2-hour spaces and changing spaces closest to Vail Avenue to 2 hour parking for 25 spaces. As a result, while 64 2 hour on street spaces were removed they were replaced with a total of 105 2-hour spaces. In addition, the new parking garage signage, guidance system and new surface parking lot signs when installed will further help identify customer parking options. ***Areas to improve upon are removing the old signage and improving the new signage to allow better compliance and enforcement.***

Curb Side Pick-up Zones: Curb Side pick up zones were created at the entrances to each leg of the street closure area for the benefit of customers and businesses. It was observed that often customers or downtown employees would park long term in these spaces. ***Areas to improve upon are removing the old signage and improving the new signage to allow better compliance and enforcement.***

Ride Share Zones: Ride Share zones were also created near the entrances as well as in the kiss and ride lane in Parking Lot E. ***As with the curb side pick up zones improved signage and ability to enforce should be explored.***

Garbage Pick-up: Additional decorative garbage cans were placed with Arlington Alfresco and picked up by the Village garbage hauler on a regular basis. Some other businesses in older buildings with only direct access to the street required hauler access in early mornings which was coordinated by Public Works crews with minimal issues.

Issues:

Prior to and throughout the five and a half months of Arlington Alfresco staff communicated with businesses and residents both individually and via zoom meetings on multiple occasions. In addition, ArlingtonAlfresco@vah.com was created and promoted as a way for customers to provide feedback. Issues that were raised include, pets being walked within the area, bicycles and skate boards being ridden within the pedestrian area, a perceived or real lack of face mask wearing and sound levels of live music particularly impacting the residents at Metro Lofts. Various steps were taken with ongoing efforts to address these concerns. The vast majority of feedback was overwhelmingly positive with many requests for Arlington Alfresco to continue every year.

Noise: While many residents living within the Alfresco zone commented that overall the area was much quieter without traffic and customers waiting late at night for ride shares the issue of noise was the most frequent complaint. This can be broken into two areas, first, noise from live music and second noise from groups loitering after leaving an establishment or after outdoor Alfresco closed at 11 pm. The second is not necessarily related to Arlington Alfresco and is a result of a vibrant downtown with many entertainment venues and necessitate late evening enforcement protocol.

With the respect to the music levels and issues raised particularly by Metro Loft's residents directly across from Vail Avenue, numerous zoom meetings, emails, and phone calls took place. The approach taken was to notify

those restaurants, upon which complaints were received, and the restaurants were continually asked to self-monitor the sound levels and reduce the volume. The restaurants with music did want to be a good neighbor and be respectful of downtown residents and other businesses while also trying to reinvent their struggling businesses. For two restaurants on Vail Avenue live music is critical to their business model and vitally important for them to secure as much business as possible to help hold them over during the winter months.

While residents in other buildings downtown have commented that they like the fact that the ambience and sound levels are lower than typical, complaints have been received from some residents about sound levels impacting Metro Lofts. What was allowed for outdoor music during the COVID -19 pandemic during 2020 and 2021 with the need for businesses to be given the opportunity to survive would be totally different than requirements going forward in a post pandemic environment. In a post pandemic environment outdoor live music by private restaurants could be limited or prohibited as they would be able to offer indoor music events.

Mask Wearing: Complaints regarding a perceived or real lack of face mask wearing were received throughout the summer. Additional signage was placed along the corridor encouraging the wearing of face masks and social distancing. Additionally, signage reflecting the constantly changing State requirements and ground placed social distance decals were placed through the Alfresco area. With the lack of national face mask policy, it was almost impossible to enforce and was on the owners of the businesses to enforce within their designated spaces and customers to self-enforce and wear face masks in general.

Bicycles, Skateboarding and Pet Walking: The issues of bicycles and skate boarding through the area as well as walking of pets received comments and complaints. Realistically trying to prohibit these activities especially pet walking is problematic. With respect to pets in the Alfresco area signs saying it is prohibited should be removed as many downtown residents have pets and need to walk through the area similar to a normal public sidewalk. The restaurants should be reminded that pets are not allowed in the outdoor dining areas. Additional bike racks were placed at the entrances but still there were cyclists, mostly teenagers who continued riding unsafely through the area as did skateboarders. ***Enforcement to reduce these encroachments will require allocation of Police resources to actively monitor Arlington Alfresco.***

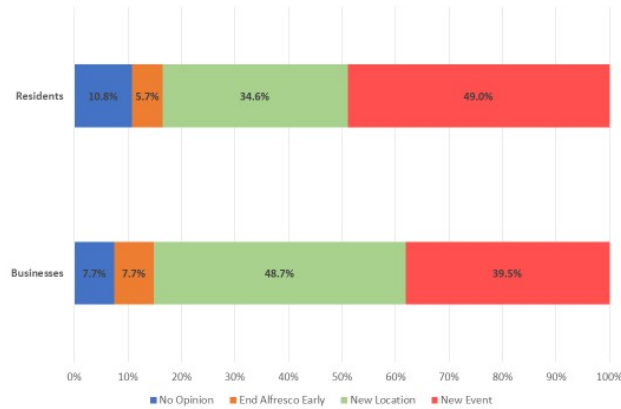
Impact on Events

If Arlington Alfresco becomes a permanent Downtown experience with enhanced streetscape improvements and gateways, it would create a potential conflict with some annual events held such as the Mane and Taste of Arlington (mid-August), the Promenade of Art (June) and Sounds of Summer (Thursday and Friday evenings). While the Sounds of Summer could continue to be held in Harmony Park with Arlington Alfresco the Mane Event, Taste of Arlington and Promenade of Art could not be held at their current locations simultaneously with Arlington Alfresco. Also, logistically it is not realistic and too time consuming to dismantle Alfresco and remove the fencing and for the restaurants to remove and store all tables for these weekend events. For this to occur it would not only be extremely expensive but Arlington Alfresco would need to be shut down approximately a week before and after each event. The downtown businesses and downtown residents were asked a series of questions regarding options for events which are outlined below.

Mane & Taste of Arlington Heights: Village cost estimated \$46,478 for Mane event and \$27,268 for Taste of Arlington. Taste of Arlington costs benefited by Mane Event set up the prior day.

- Option 1: End Arlington Alfresco early and hold Mane & Taste as normal (typically second weekend in August)
- Option 2: Continue to hold Mane & Taste concurrently with Arlington Alfresco, but at another location such as parking lot E and Davis Street, if possible.
- Option 3: Make the Mane Event & Taste of Arlington into a different event when Arlington Alfresco ends, such as ("Fall Finale" or "Oktoberfest" style event)

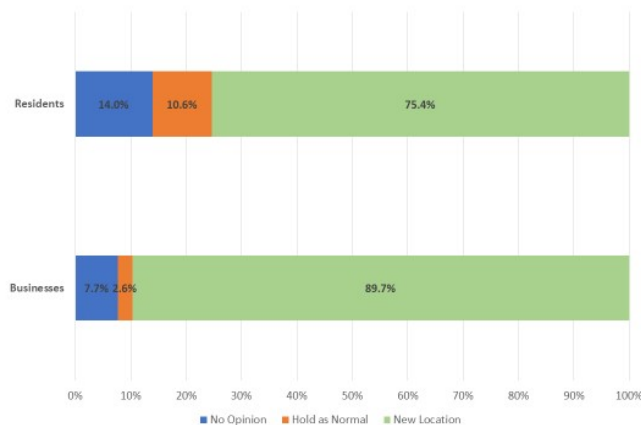
Mane Event & Taste of Arlington Heights - it is not feasible to hold both Arlington Alfresco and the Mane Event/Taste simultaneously at the same location. Which of the following options would you most like to see:



Promenade of Art: Village budgeted cost \$22,900.

- Option 1: Hold as normal in mid-June and delay the start of Arlington Alfresco until afterward.
- Option 2: Hold at a different location while Arlington Alfresco is going on, such as Parking Lot E and Davis Street or North School Park, if possible.

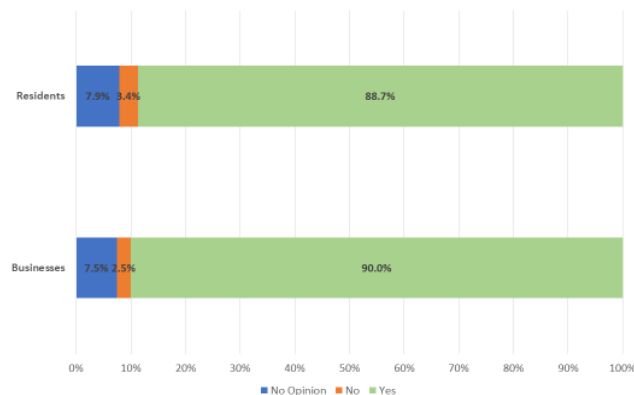
Promenade of Art - it is not feasible to hold both Arlington Alfresco and the Promenade of Art simultaneously at the same location. Which of the following options would you most like to see:



Sounds of Summer: Village cost \$61,406, donations are raised for the entertainment costs.

In a non-pandemic environment, Sounds of Summer could continue at Harmony Park during the summer on Thursday and Friday evenings concluding at 8:30pm as part of Alfresco. The community surveys asked businesses and residents their opinion on this as well.

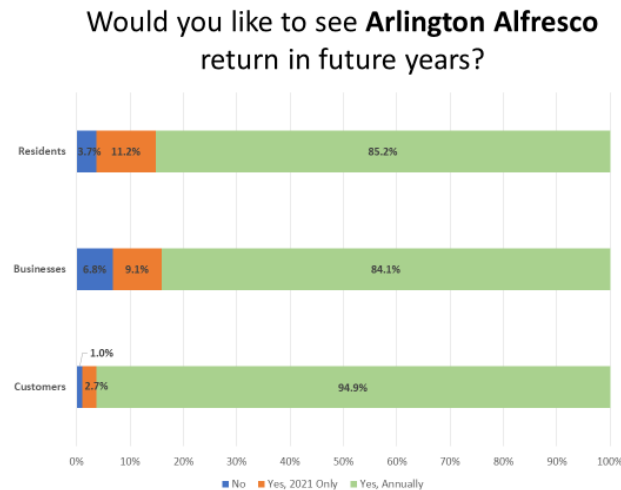
In a non-pandemic environment, **Sounds of Summer** could continue at Harmony Park during the summer on Thursday and Friday evenings concluding at 8:30 pm as part of Arlington Alfresco. Are you in favor of Sounds of Summer at Harmony Park running concurrently with Arlington Alfresco?



Options and Alternatives

With respect to Arlington Alfresco we asked those surveyed if they would like to see Arlington Alfresco as an annual experience.

- Option 1; Arlington Alfresco as an annual experience/event?
- Option 2: Arlington Alfresco only for 2021 to help businesses during the pandemic
- Option 3: No more Arlington Alfresco



Community Feedback

Throughout 2020 community feedback was obtained through zoom meetings with downtown residents and businesses, individual meetings as well as via social media and ArlingtonAlfresco@vah.com. In order to obtain community feedback for future consideration and evaluation the following has occurred in addition to one on one communication with certain businesses and residents.

Downtown Business Survey: A tailored survey was distributed via e-mail to approximately 250 Downtown business contacts, **53 responses** were received. Key takeaways are as follows:

- 64.4 % responded that the impact of Arlington Alfresco on their business was Very Positive or Positive.
- 84.1% responded yes to Arlington Alfresco as an annual experience.
- 43% preferred starting in March, 25% April and 20% May.
- 48.7% responded yes to live music every day of the week.
- 40.5% had concerns regarding skate boarding and bike riding.
- 37.8% had concerns about lack of mask wearing.
- Greater Police presence/enforcement, enhanced entries, streetscape and pedestrian signage ranked as very important or somewhat important.

Downtown Resident Survey: A tailored survey was distributed via e-mail to the HOA and property managers of 16 Downtown residential buildings asking them to distribute to their residents, **485 responses** were received. Key takeaways are as follows:

- 91.4% responded that Arlington Alfresco was Very Positive or Positive, only 3.3% were negative.
- 85.1% responded Arlington Alfresco should be an annual experience.
- 85.6% cited Greater Downtown energy as benefits.
- 83.7% cited Unique Ambience as benefits.
- 62.9% cited less vehicular traffic as benefits.
- 78.5% had no concerns about live music from restaurants, 6.8% had significant concerns. Residents in Metro Lofts had the most concerns about music.
- 80.7% had no concerns about traffic, 5.3% had significant concerns.
- 33.1% had some concerns about skateboarding and bike riding.
- 281 residents responded that, their out of town guests "loved" Arlington Alfresco.

Customer Survey: A shorter general customer survey was distributed via social media and sent to customers who previously e-mailed the Village via ArlingtonAlfrsco@vah.com. A terrific response was received with **5,963 responses**. Key takeaways are as follows:

- 90.5% attended Arlington Alfresco.
- 98.3% responded that their Arlington Alfresco experiences were Very Positive or Positive.
- 0.7% responded negatively.
- 94.9% responded Arlington Alfresco should be an annual experience.
- 36.3% cited some concern over lack of mask wearing.
- 21.5% cited some concern about skateboarding and bike riding.
- 77.9% had no concern about parking.
- 3.2% had significant concerns about parking.
- 95.7% had no concern regarding live music.
- 0.7% had significant concern over live music.
- Very positive responses were received regarding ambiance, downtown energy and improved pedestrian walkability.
- 77.4% were Arlington Heights residents of which 10.9% were downtown residents indicating some possible overlap between this survey and the downtown resident survey.

Mane Event and Taste of Arlington Heights Participant Survey: A tailored survey was distributed to non-downtown Arlington Heights business participants who purchased a booth in the 2019 event asking them for their input on the event. Note the survey was not sent to downtown businesses who participated as they received the downtown survey. It was also not sent to non-profits and government agencies and out of town businesses. A total of 35 non-downtown Arlington Heights participating businesses were sent the survey and **19 responses** were received. Key takeaways are as follows:

- 63.1% responded that the events were worthwhile for their business to participate in.
- 26.3% indicated the events were somewhat worthwhile for business participation.
- 47.3% derived direct sales or significant business from participating.
- 31.5% responded cancelling events would significantly impact their business.
-

Community Zoom Meetings: On January 15th two community Zoom meetings were held.

Downtown Business Zoom Meeting: Key takeaways: The businesses continue to suffer with the pandemic and restrictions on business operations. Most requested early commencement of Arlington Alfresco in mid-March before St. Patrick's Day. The results of the survey were reflected in the conversation as it relates to Police presence or some type of volunteer program to assist with monitoring and enforcement.

Downtown Residents HOA/Property Managers Zoom Meeting: Key takeaways. Those attending and representing their residential building associations were extremely complimentary about Arlington Alfresco and support for its continuance. Some concerns were expressed regarding music from Metro Lofts. Concerns about loading from the private property at Village Green were discussed and staff will add signage, monitor enforcement and provide notices to the businesses reminding them again of their designated loading areas and asking them to continue to inform their delivery vendors.

Arlington Heights Chamber of Commerce: Several meetings and conversations have taken place with the Mayor, Village Manager and representatives of the Chamber of Commerce. The Mane Event and Taste of Arlington Heights is seen as a significant revenue opportunity for the Chamber of Commerce which they would like to see continue in some form. The Village allows the Chamber to run the Taste of Arlington and receive revenue from business participation fees and sponsorships.

Special Events Commission: The Village Manager and staff discussed Arlington Alfresco and the challenges with some events at their meeting on January 13th. The Commission understood the reasoning for discussion event conflicts and were open to considering and recommending alternative types of events upon direction from the Board.

Arlington Economic Alliance: A general discussion occurred at their meeting on January 20th. The Alliance was supportive of Arlington Alfresco while requesting further input into the decision for 2021.

Downtown Restaurant Written Communication to the Board: In early January while the surveys and analysis were being undertaken the Board received written communication from 16 Downtown businesses asking for Arlington Alfresco to continue as a permanent experience every year and for full permeant year-round downtown pedestrian streets.

Key Decisions Needed

Certain key policy decisions need to be made relative to Arlington Alfresco.

1. **Should Arlington Alfresco be an annual experience/event?**

Staff recommends Arlington Alfresco as an annual experience which is supported by the community surveys.

2. **In 2021 when should Arlington Alfresco begin?**

Businesses continue to suffer from the pandemic and indoor dining has been prohibited for several months. As a result, many businesses have requested that Arlington Alfresco begin in mid-March in 2021. In March and April weather can be very cruel with many days of severe weather, cold temperatures, and accumulating snow. During the January 15th zoom call with the businesses the challenges of snow removal was explained. An accumulating snow event with the streets closed out outdoor dining presents challenges for timing of snow removal, access to buildings, liability and requirements of participating businesses. Attached is a detailed approach by Public Works. There are two options that could be considered:

a) Begin Arlington Alfresco in mid-March. This would only be considered as a one-year emergency starting date. The set up would be scaled back and the fencing would not be installed and the separation for businesses spaces would temporarily be made via delineators and ropes. If snow accumulation is in the two-week forecast the start date would be delayed. Businesses would be required to remove their tables and clear the snow on the sidewalk for pedestrian access. Public Works would maintain a plowed path just down the center of the streets for emergency access and deliveries. A heavy snow may take several days to remove. The complete set up with fencing would not occur until mid-April weather permitting. Under this scenario staff recommends a further zoom meeting with those businesses in the area and also with the downtown residents.

b) Begin in mid-April weather permitting. At this time the complete setup with white fencing would be installed from the very beginning.

3. **Should live music at restaurants be permitted outdoors?**

With the respect to music, the music levels and issues raised last year particularly by Metro Loft's residents directly across from Vail Avenue, resulted in significant discussion and monitoring. The approach taken in 2020, was to notify those restaurants, upon which complaints are received about, and the restaurants were continually asked to self-monitor the sound levels and reduce the volume. The restaurants with music want to be a good neighbor and be respectful of downtown residents and other businesses while also trying to reinvent their struggling businesses. For two restaurants on Vail Avenue live music is critical to their business model. While residents in other buildings downtown have commented that they like the ambience and sound levels are lower than typical, complaints have been received from some residents about sound levels impacting Metro Lofts. Options relative to live music outlined in August 2020 when the Board reviewed extending last years Arlington Alfresco include the following:

- a) Allow live music to continue with restaurants asked to continue to self-monitor the noise levels, with the Village Manager having the authority to prohibit/regulate music if noise levels were overly disruptive to residents.
- b) Restrict live music to Thursday-Saturday only, with the following time restrictions, Thursday 5pm to 9pm, Friday and Saturday 5pm to 10pm.
- c) Restrict live music hours with the following time restrictions, Sunday through Thursday 5pm to 9pm, Friday and Saturday 5pm to 10pm.
- d) Prohibit live music completely.

The Board authorized the Village Manager to continue to monitor music levels and prohibit music if necessary. Such action was not taken in 2020.

During the Zoom meetings referenced the issue of music every day, time of day and sound levels were discussed. If Arlington Alfresco occurs every year it is important to note that post pandemic, there would likely have to be additional restrictions as businesses and customers under normal circumstances would be inside for live music, and public concerts in Harmony Park, directly under control of the Village, may take the place of individual restaurants having their own outdoor music

4. What should the future of some of the traditional Downtown events be?

The cost, logistics, number of hours and impact on businesses needing to remove and store all outdoor dining to allow set up and take down of these events would be lengthy and problematic. Various options were outlined by staff in the surveys and it is recommended that it be accepted that certain events will no longer occur as normal. Discussions should occur with the Special Events Commission, the Chamber of Commerce, and other stakeholders regarding alternative events, locations and timing.

Conclusion

As noted earlier, Staff has been exploring the concept of pedestrian friendly streets and improvements in front of Harmony Park for several years and late last year submitted for an ITEP grant for implementation of enhanced streetscape improvements. The success of Arlington Alfresco in 2020 and the overwhelming positive responses from the community further support staff's recommendation that Arlington Alfresco become an annual experience with long term street closures for pedestrians and customer experience only. It is not anticipated that the Board would get to specific on the many details dealing with operations ranging from loading and deliveries to signage and enforcement. Rather the larger policy direction is sought regarding continuing Arlington Alfresco, start and end dates, impacts on other events and granting authorization to the Village Manager and staff to implement Arlington Alfresco again.

Recommendation

It is recommended that the Village Board provide input into the Arlington Alfresco evaluation, and authorize the Village Manager to implement and execute the appropriate documents necessary to implement Arlington Alfresco as follows:

1. Approve Arlington Alfresco as an annual experience/event and to be continually monitored and reviewed.
 - A. For 2021 during the pandemic allow Arlington Alfresco to begin mid-March, weather permitting and conclude November 2. If the Board concurs with a mid-March opening staff recommends further zoom meetings with the businesses and downtown residents before finalizing said start date. Allow live music subject to the Village Managers approval and modifications. Staff will continue to monitor live music during the pandemic and if problems persist then option b (on page 10) shall be required of restaurants. Staff will also develop a security plan and budget.
 - B. In non-pandemic years commencement should be mid-May. Staff will develop criteria for live music days, hours and other standards to be implemented post pandemic for Board discussion with feedback with downtown stakeholders. Staff will also examine and develop alternatives for security in a non-pandemic environment.
 - C. Concur with continued allocation of resources and expenses to maintain and manage Arlington Alfresco as outlined above. Including staff's resolution on issues pertaining to operations.
 - D. Acceptance that a future budget amendment will be needed for the purchase and implementation of short-term improvements to the entries, signage and other reoccurring operational costs.

2. Acceptance that Mane and Taste of Arlington Heights will no longer occur as normal. Discussions should continue to determine appropriate alternatives. Direct staff to work with the Special Events Commission, Chamber of Commerce and other stakeholders on the development and analysis of alternative summer event concepts for Board consideration.
3. Sounds of Summer would continue in non-pandemic years and subject to further discussions with the Special Events Commission and other stakeholders.
4. Acknowledgement that the pandemic makes it unlikely that large events can occur during a significant portion of 2021 and the Village will need to make decisions fairly soon on whether or not any events (other than Alfresco) should be cancelled in 2021. Staff will continue to monitor State rules and will need to be in a position to make recommendations on cancelling individual events as the situation dictates.
5. Re-authorize the administration to waive minimum parking requirements for outdoor dining for private property, as well as waive other code requirements, for the remainder of 2021 during the Coronavirus pandemic to assist businesses outside of the Arlington Alfresco pedestrian area.
6. Continue to encourage restaurants outside of the Alfresco pedestrian area to develop outdoor dining concepts and pursue cooperative ways to promote all businesses.

Attachments

Downtown Business Survey Summary
Downtown Resident Survey Summary
Customer Survey Summary
Mane & Taste Business Participant Survey
Special Events Commission Meeting Summary
Public Works Snow Removal Approach
Arlington Alliance Summary
May 18, 2020 Memorandum
ITEP Grant Application



DATE: June 2, 2021

TO: Mayor Hayes and Village Board

FROM: Randy Recklaus, Village Manager

SUBJECT: Special Event Planning

Background:

At the January 25th COW meeting the Village Board directed Staff to take the following actions regarding special events after hearing a presentation on analysis of the issues at that time:

- Restart Arlington Alfresco in March with a termination in November or an earlier date if a downtown end of season festival is planned
- Waive parking requirements for non-Alfresco restaurants to help them continue business during pandemic conditions
- Direct Staff to continue to allow but monitor outdoor music in the Alfresco zone with the authority granted to halt music in the venue if too loud
- Direct Staff to develop an operational plan and budget for a post-pandemic Alfresco concept commencing annually in May including criteria for live music, hours, security, and other standards
- Direct Staff to work with Special Events Commission, Chamber of Commerce, and other stakeholders on the development, cost and operational analysis of alternative downtown special events concepts to take place at the annual conclusion of Alfresco and in 2021 if possible

Staff has been working on those items since January and is seeking Village Board feedback and direction on some of them at this time, particularly in relation to potential special events in 2021 and the timing of the conclusion of Alfresco this year.

Feedback from Stakeholders Regarding Downtown Special Events:

Staff has met and corresponded with downtown business owners and residents, the Chamber, and the Special Events Commission on multiple occasions related to these and other issues since the January meeting. This is in addition to the survey that was conducted last fall (see attached survey). The status of those discussions are captured below:

Chamber of Commerce: On Thursday of last week the Chamber provided a new updated proposal for a three-day event to take place in September in the middle of Alfresco called “A Celebration of Taste and Culture”. The event would be very similar to the Mane and Taste with live music, a business expo and food booths but would be one day longer than Mane/Taste. It would run on Friday, Saturday, and Sunday, September 10th through 12th. They are asking that the Village cover the expense of all Village services for the three-day event, certain rental equipment and a marketing campaign. The Chamber would cover stage/lighting and entertainment costs, marketing and signage.

Staff has not had the opportunity to meet with the Chamber on this concept. However, in discussions on the previous iteration proposed earlier this year, the Chamber indicated that it does not wish to partner with the Special Events Commission on this new event. The Chamber also indicated that they are not interested in participating in a shorter one-day event this year. Nor are they interested in holding the Taste of Arlington at a new location.

In previous years, the Village covered 100% of the cost of the Mane Event (Day 1) and 70% of the cost of Taste of Arlington (Day 2). The Village charges all other outside entities 100% of the Village’s out of pocket or overtime costs for their events. As noted in previous correspondence, not only does the Chamber benefit from the 70% subsidy of the Taste, it also benefited from the set-up of the environment for the Mane Event, which precedes it. In 2019 the Village’s total costs for the event were \$83,563. This amount does not include straight time hours for Village Staff but does include overtime expenses. The Chamber reimbursed the Village for \$4,800 of these Village costs in addition to the out of pocket costs that they incurred on their own. The Chamber does generate net revenue for its organization through sponsorship proceeds from the event.

The Chamber’s new proposal suggests a DEI component could be added on the third day of the event and that the tents could somehow be installed within the fencing established for Alfresco. Staff has not seen any formal proposal for how tents could be set up within the Alfresco space and has concerns on whether this could

be feasible given that each restaurant's area is fenced out as is the main pedestrian corridor. The set up and take down of Alfresco fencing is labor intensive, disruptive to business and very time-consuming. Staff believes there would not be enough space to add tents within the pedestrian corridor and allow for required emergency access. The Chamber also suggests it would move all of the restaurants' private outdoor furniture and store it during the event. Staff has not heard the Chamber's ideas on how DEI could be incorporated into a street fair type environment as proposed.

Special Events Commission: The Special Events Commission (SEC) and Village Staff have run the Mane Event, other than the business expo portion, for 20 years. In response to the Chamber's indication that they no longer wish to run an event with the Commission, the SEC has proposed a line up of events given the presence of Alfresco. They have proposed a one day "Octoberfeast" event in October after Alfresco is dismantled. The event would be similar to Mane/Taste with rental booths for businesses and musical entertainment, just like the Chamber's proposal. To avoid conflicts timing wise with Autumn Harvest which would normally occur in October, they are proposing that a new "Summer Harvest" event take place in August in place of Autumn Harvest. The Commission has proposed that these events be paid for with existing funds budgeted for the Mane/Taste in the 2021 Budget. Under their plan, they would work with a rental company to rent and set up tents for participating businesses in the event the Chamber didn't want to participate.

The SEC does not propose to partner with the Chamber on this event, given the Chamber's lack of interest. But the SEC indicated they would partner with the Chamber if the Village Board wishes for them to do so.

Downtown Business Owners: Village Staff conducted a comprehensive survey of downtown business owners that was reported to the Board in late January. Fifty-three downtown business responded. I have attached a copy those survey results for your review. At that time the following results were found:

- 7.69% indicated that they would like to end Alfresco early and hold Mane and Taste as usual
- 48.72% indicated that Mane and Taste be held at a different location than the Alfresco zone, but at the same time as usual
- 35.9% indicated that Mane/Taste should be made into a different event when Alfresco ends for the year
- 7.69% had no opinion.

Staff has met, corresponded with, and heard from various downtown business owners since that survey was written to confirm whether or not their perspectives have changed at all and to gather deeper insights.

Overall, the feedback that we have received indicated that there has not been a notable change in perspective from the various businesses since the survey was presented to the Village Board in January. Based on feedback received since the survey, it appears a number of downtown restaurants within the Alfresco zone favor the Alfresco environment to a Mane/Taste type environment in terms of profitability, particularly those restaurants that have benefitted the most from Alfresco (See attached letter from Chip Brooks). Those restaurants have indicated they would prefer to see Mane/Taste go away altogether in favor of an extra week of Alfresco given the extra costs and logistical challenges that they face during a Mane/Taste type event.

However, some downtown restaurants indicated they would benefit from BOTH Alfresco AND a Mane/Taste type celebration at the very end of the event. These businesses have suggested that the Mane/Taste format brings additional visitors to the downtown and provides additional exposure for their businesses.

In meetings and one on one discussions, downtown retailers and other non-restaurant businesses within the Mane/Taste zone have generally indicated mixed feelings on the benefits of Mane/Taste, again not a significant variation from the survey. Some businesses indicate that they benefitted from exposure from the event, other businesses indicated that the presence of tents blocking their storefronts reduces exposure to their businesses to customers during the event.

Based on informal feedback received in meetings and one-on-one discussions, downtown restaurants generally preferred to keep Alfresco open annually as long as weather permits. Non-restaurant businesses generally preferred Alfresco end earlier if possible.

Businesses and Organizations that Rent Tents During Mane/Taste: Of the 94 organizations that had tents during Mane/Taste in 2019, 89 are still in business today. Of the 89, 17 of them (19% of the total) are not Arlington Heights businesses. Eleven (12.3%) of the tents were occupied by Not for Profit/Government entities. Twenty-six (29%) of the tents were occupied by downtown businesses. The remaining 35 (39%) tents were occupied by Arlington Heights businesses that are outside of the downtown area.

The 35 non-downtown, for-profit businesses were sent surveys (presented in January). Nineteen of them responded. Of that group:

- 63.1% responded that the events were worthwhile for their business to participate in.
- 26.3% indicated the events were somewhat worthwhile for business participation.
- 47.3% derived direct sales or significant business from participating.
- 31.5% responded cancelling events would significantly impact their business.

Downtown Residents: The survey of downtown residents received 484 responses. Meetings conducted since the survey have not indicated a change in perspective. The results were similar to downtown businesses, however, there was greater support among residents for a Mane/Taste event to be held at the end of Alfresco:

- 5.72% indicated that they would like to end Alfresco early and hold Mane and Taste as usual
- 34.55% indicated that Mane and Taste be held at a different location than the Alfresco zone, but at the same time as usual
- 48.7% indicated that Mane/Taste should be made into a different event when Alfresco ends for the year
- 10.76% had no opinion.

A recent downtown resident meeting reiterated the general support for a year end Mane/Taste type event in the downtown as shown in the survey.

Funding for Alfresco:

The Village does not have unlimited revenues to support special events. Both Alfresco and the Mane/Taste require a significant investment in money and staff time. One issue that has arisen in our discussions is the fairness of the Village continuing to pay for Alfresco out of normal Food and Beverage Tax revenues (provided by customers of restaurants throughout the community), when it benefits only a small number of restaurants directly.

Staff has been exploring the creation of a new Food and Beverage Tax (FBT) that would be applied only to restaurants within the Alfresco zone out of acknowledgement of the direct benefit of the program to their business. This new tax would be used to offset the Village's new costs for Alfresco and allow the remainder of the Arts and Entertainment funds to be applied to events that create an overall community benefit.

Based on average FBT sales from 2017-20, an additional 0.75% to 1% FBT tax on Alfresco restaurants only would be sufficient to support the Village's costs for Alfresco, if applied year-round. Non-Alfresco restaurants downtown who utilize on-street parking for additional outdoor seating and non-restaurant businesses within the Alfresco area who wish to utilize street space in front of their business could be charged an annual license fee for that privilege. If the Village Board so wishes, Staff will refine the numbers prior to final approval, once sales from some of our summer months are known so that an updated tax rate can be incorporated into the budget.

Operational/Logistical Considerations:

Staff believes that creating, planning, and managing an altogether new Mane/Taste type event will be challenging this year due the shorter than normal time frame, and lower than usual staffing in some key Village areas due to holding positions open during last year's economic uncertainty and some key retirements. Normally these events are planned several months in advance. Due to the uncertainty of the pandemic, and the unanswered questions relating to the new Alfresco environment, decision making and planning has been delayed. While our region and the State is on track to open up fully in June, any event planned for this year does not have to be the same as a "normal" year due these operational considerations. For these reasons, Staff believes that the easiest option would be to hold an event immediately post Alfresco that utilizes the same playbook as previous Mane/Taste events- with Staff, the Special Events Commission, and the Chamber all playing their familiar roles. By the same token, Staff does not believe there is sufficient time to effectively evaluate a new concept for implementation this fall. The addition of a third day, on a Sunday, also adds disproportionately to the cost of the event as employee time is more costly on Sundays. While Diversity, Equity, and Inclusion are important goals of the Village, Staff believes any events with a DEI theme should be well thought out and include input from many community stakeholders. Therefore, Staff has concerns with including such an element in a street festival this summer.

As noted earlier, Staff does not believe a Mane/Taste type of event is compatible within the Alfresco environment given the lack of space in the footprint. Staff also does not believe holding a Mane/Taste type event at any other time than the beginning or end of Alfresco is feasible. The cost and time to break down the fencing and then put it back up again would be high. In addition, there is no temporary storage available currently for the fencing. During the off season the fencing will be put in long-term storage at the Public Works Annex.

If an event is to be planned this year, Staff believes a more familiar concept for which there is already a playbook would be easier to accomplish the weekend after

Alfresco ends, allowing time to transition from one mode to the other. Staff also believes Sounds of Summer type concerts are very doable within the Alfresco environment and would add a festival type energy to the existing concept. Staff is discussing planning one or two concerts towards the end of the Alfresco season to experiment this year.

While Alfresco remained open until November last year and opened in March this year, attendance was low during the colder months. In addition, the roped off version of Alfresco (necessary to facilitate potential snow operations) was not as attractive as the full fenced in version possible during the warm weather months. Therefore, Staff believes that Alfresco is best suited during Late April to early October when weather is more likely to be conducive to outdoor eating.

Analysis:

If the Village Board does pursue a new FBT to allow Alfresco patrons to support the cost of the concept on an ongoing annual basis, decisions still need to be made regarding the value, impacts, operational model, timing, and funding for a Mane/Taste type event given the presence of Alfresco. Separate decisions need to be made for what if any event should be held in 2021 as well as what will be done in the future.

Part of the benefit of Mane/Taste traditionally has been a way to showcase our downtown as a place to visit and help downtown entertainment venues raise their profile. However, a number of our downtown restaurants have indicated that Alfresco is a more cost effective and more profitable avenue to achieve that goal for them and that Mane/Taste is “played out” as a concept. This begs the question of why would the Village spend money, Staff time, and energy on an event in a location where a number of the businesses in that area don’t want it anymore? Much of the festival type energy could be duplicated with concerts in Harmony Park within the Alfresco environment without much of the cost and logistical concerns that come with Mane/Taste (such as policing open alcohol consumption) on the street. It is also unknown if the presence of the Alfresco environment throughout the summer, will lessen interest in a downtown festival by potential attendees.

The other side of the equation is that our feedback indicates Mane/Taste does provide a number of other non-downtown businesses (35 in 2019) the opportunity to get meaningful exposure for their businesses. In addition, the Mane/Taste weekend is a touchpoint in the year for the community where neighbors can see neighbors and enjoy outdoor music and enjoy street food in a festival type atmosphere. Face

painting, inflatables, and other community benefits have brought families downtown for the creation of good memories as well.

The Mane Event has been the signature event of the Special Events Commission for many years and it has flourished under its leadership and service. In addition to musical acts, the SEC has provided a family friendly atmosphere that residents enjoy. The Taste of Arlington and business expo have been excellent additions that have helped provide exposure to local businesses and added to the “street fest” atmosphere that residents enjoy, providing an opportunity for the Chamber to put its best foot forward, while taking advantage of the environment facilitated by the efforts of the SEC.

Given the well established “playbook” for Mane and Taste and the short time frame this year, Staff believes the easiest path forward for 2021 would be to hold a two-day event, possibly rebranded as a “Finale” event for Alfresco (name to be developed), to take place at the end of Alfresco. If possible, the Chamber could manage the Business Expo and second day of the event and the SEC would manage the first night. However, at this time, the Chamber has not indicated a willingness to work with the SEC again. Accordingly, the SEC’s option of a one day event could be considered as an alternative for 2021, if the Chamber does not wish to participate.

The end time for Alfresco must also be determined. While some businesses would like to see a longer Alfresco season, Staff is concerned about inclement weather and the negative impacts on business who do not benefit as much from the environment. Staff believes that an Alfresco season that runs roughly from the first weekend in May to the first weekend in October is a fair compromise between the stakeholders, and allows for more operational certainty than a later finish. The Mane/Taste type event could be held the second weekend in October. This would allow the breakdown of the Alfresco and Festival environments to occur before Public Work’s leaf removal season gets busy, and far before snow operations begin.

Recommendations:

Based on these factors Staff makes the following recommendations regarding these matters:

1. That a new Food and Beverage Tax concept be developed for restaurants in the Alfresco zone along with an annual licensing fee concept for non-Alfresco restaurants who utilize public parking spaces for eating areas and for non-restaurant businesses who wish to use Alfresco space. The purpose

of these new revenues would be help offset the Village's costs of Alfresco. The concept would be reviewed further for approval at a later Village Board meeting.

2. That Alfresco run from approximately the first weekend in May to the first weekend in October going forward

3. That the Village Staff be directed to approach the Chamber and SEC to develop a two-day Mane/Taste type Finale Event the second weekend in October this year following the 2019 funding and operational program.

4. In the event that the Chamber does not wish to participate in the recommended format- this year, it is recommended that the Village experiment with a one-day Finale Event to be overseen by Village Staff and the SEC.

5. That the Village Staff, Chamber, and SEC continue to work towards a new permanent post Alfresco "finale" event for the second October weekend in 2022 and beyond.

Staff would like to get Board feedback and direction on these issues at the June 7th Village Board meeting.

CC: Diana Mikula, Chief Pecora, Chief Larson, Cris Papierniak, Charles Perkins, Michael Mertes

Attachments