Village of Arlington Heights
Arlington Economic Alliance
Commissions Room 2nd Floor
Arlington Heights Village Hall
33 S. Arlington Heights Road
Arlington Heights, IL 60005
December 9, 2015
7:30 AM

I. CALL TO ORDER

II. ROLL CALL

III. APPROVAL OF MINUTES

A. Minutes 10/21/15

IV. REPORTS

A. Development Update

V. OLD BUSINESS

A. Potential Projects for 2016

VI. NEW BUSINESS

A. Introduction of New Commissioners

VII. OTHER BUSINESS

A. Discussion of Holiday Marketing Efforts

VIII. ADJOURNMENT

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Item: Minutes 10/21/15

Department: Planning & Community Development

ATTACHMENTS:

Description	Type
Minutes	Minutes

DRAFT

MINUTES OF THE MEETING OF THE ARLINGTON ECONOMIC ALLIANCE
HELD ON OCTOBER 21, 2015 AT 7:30 A.M. AT THE VILLAGE HALL

MEMBERS PRESENT:
Tony Guido - Chairman
Frank Appleby
Tom Gaynor
Jamie Janeczko
Mike Kalway
Dave Parulo
Jon Ridler
Scott Whisler

MEMBERS ABSENT:
Lisa Henderson
Jackie Lewis
Andi Ruhl

STAFF PRESENT:
Michael Mertes – Business Development Coordinator

ALSO PRESENT:
Matt Ottaviano – Arlington Heights Special Events Commission

Call to Order
Chairman Tony Guido called the meeting to order at 7:38 AM.

Approval of Minutes – February 18, 2015
The meeting minutes of the February 18, 2015 Arlington Economic Alliance meeting were reviewed.

SCOTT WHISLER MOVED AND JAMIE JANECZKO SECONDED A MOTION TO APPROVE THE DRAFT FEBRUARY 18, 2015 ARLINGTON ECONOMIC ALLIANCE MEETING MINUTES. ALL ALLIANCE MEMBERS VOTED IN FAVOR OF THE MOTION.

Introduction of New Commissioners
All attendees introduced themselves and new members were welcomed to the Alliance. The new voting members in attendance were (business type shown in parenthesis):

- Frank Appleby of The Peoples' Bank of Arlington Heights (Financial Institution)
- Tom Gaynor of Nokia Networks (Industrialist)
- Mike Kalway of Berkshire Hathaway Home Services (Real Estate – Residential)
- Dave Parulo of Meet Chicago Northwest (Convention and Visitors Bureau)
- Jon Ridler of the Arlington Heights Chamber of Commerce (Chamber of Commerce)

Alliance Mission Update
Background on the update of the Arlington Economic Alliance section in the Village Code was provided by Mr. Mertes. In mid-2014, after receiving feedback from the Mayor and Trustees, the Alliance set about modifying their Village Code section, which had not been updated since the Commission's inception in 1994. Over several meetings the Alliance's modification consisted of three notable changes:

1. Taking more of an advisory role in the community, for both the Village Board and Village Staff.
2. Modifying the business types represented on the Commission and increasing the size of the Alliance from

11 members to 13.

3. Engaging other entities in the community, specifically the Arlington Heights Park District, Arlington Heights Memorial Library, Township High School District 214, and the Special Events Commission.

These changes were approved by the Village Board in July 2015. Mr. Guido noted that the Commission's Code modifications were the result of several Economic Alliance meetings prior to that. The effort of all those involved is appreciated and the changes were needed. Mr. Ridler inquired if the other entities mentioned under bullet point #3 were invited to this meeting. Mr. Mertes confirmed that they were, and they will continue to be invited to all future meetings.

Arlington Economic Alliance Budget – Fiscal Year 2016

Mr. Mertes discussed the 2016 Economic Alliance budget, which was submitted for Village Board consideration. The $20,300 budget is broken down as such:

- $300 for photocopying
- $5,000 for potential improvements to DiscoverArlington.com
- $6,000 for two Economic Alliance newsletters, mailed to the business community
- $9,000 for business retention outreach, such as the annual Alliance Breakfast

Mr. Guido and Mr. Whisler asked about reviewing the website at a future meeting, to consider any potential changes or updates for next year. A Google Analytics report of the website was recommended by Mr. Parulo. By looking at the report over two years, the Alliance can gauge the site's growth, effectiveness, and potential areas for improvement.

Zero Interest Loan Program

Planning and Community Development Staff provided to the Economic Alliance two recommendations regarding modification to the Zero Interest Loan program:

1. Increasing the maximum loan amount from $10,000 to $20,000.
2. Incorporating a forgivable provision. As proposed, if a business repays 75% of their loan in a timely manner, the remaining 25% would not need to be repaid to the Village. This would function as a grant component to the incentive.

Mr. Mertes provided background on how the program was created and its purpose. It has received interest over the past 18 months, but only three applications have been received. The only one approved was for Kingsley + Ginnodo Architects in January 2015. Mr. Mertes also explained the primary funding mechanism, which is a 10% rebate from Arlington Heights Class 6b recipients (since the advent of the Zero Interest Loan program) over the first five years of the Class 6b designation. All monies received are placed in a specific fund designated for the Zero Interest Loan program. The reason for the proposed modifications is due to feedback from interested parties who did not apply for the loan, requesting either funding greater than $10,000, or a grant as opposed to a loan.

Mr. Parulo asked to whom the program is marketing towards. Mr. Mertes responded that it is open to all types of for-profit businesses. It is a flexible program allowing them to put the money towards a variety of physical improvements to their space. Mr. Kalway asked if three applicants over 18 months was a reasonable number; it seems rather low. Mr. Mertes agreed that the Village is looking for more applicants, explaining the proposed modifications.

Mr. Whisler recommends looking at the application for the program. The application might be too arduous, and if there are any aspects that can be removed to make the process simpler then that should be considered. He also emphasized marketing the program and suggested a mailer to Arlington Heights business license holders. In regards to marketing the program, Mr. Mertes said that he provides information on the program to real estate brokers, promoted it at a recent regional trade show, and advertises it in the Alliance Newsletter and Village e-newsletters. Facebook has been used to draw attention to the program as well. Per funding the program, Mr. Appleby asked how many Class 6bs are applied for annually. Mr. Mertes stated that it can vary, but he sees approximately three per year as an average. The incentive amounts, and therefore how much money would go to the Zero Interest Loan fund, also vary.

Mr. Ridler stated that the Chamber didn't aggressively push the program because the funding wasn't in-place yet. Responses from potential businesses added that the application seemed too tedious. Additionally, some businesses were reluctant to provide their financial information to the Village. If there is a way to streamline the application, that would make the program more enticing. Ultimately without funding officially marked, the Chamber is reluctant to heavily promote the program. Mr. Mertes recommended that if the Chamber has an interested business, that they speak with Village Staff to determine if the loan can be obtained. The program does have $20,000 in seed money funded through 2015. There is also $40,000 in the budget for the program for fiscal year 2016.

Regarding Ms. Janeczko's question of repayment schedule, the current recipients, Kingsley + Ginnodo Architects, are making quarterly repayments to the fund. Mr. Gaynor stressed the need to make a case for the program. Per the proposed forgivable loan aspect, $5,000 grants are compelling. The monies disbursed can be seen as a marketing expense for the Village; that Arlington Heights is a good environment to do business. Testimonials are important too. Mr. Whisler noted that the program was created to help businesses making modest renovations. It was also understood that it would take a little time to establish the fund, waiting on funding to come from the Class 6b rebates. The overall concept is good, it just needs to be promoted more.

Mr. Kalway feels that additional funding is needed before actively promoting the program. Also, operations should be reviewed. Could a third party be used to process applications? Additionally, the target audience should be identified. Mr. Mertes noted that the goal of the program is to be flexible and be open to as many businesses as possible. The Village should get good PR from the program, but also it is a unique incentive not offered in other communities. For a small business looking to invest in its growth, it's an opportunity to get assistance. Mr. Whisler feels that the loan committee should be pared down and handled by just Planning and Community Development Staff and the Financial Institution representative on the Alliance (Frank Appleby).

Mr. Ridler and Mr. Ottaviano expressed their concerns that the 25% forgivable provision would raise flags. By not giving out the grant, money would be saved to give out to more loans. Regarding the eligible expenses covered by the loan, Mr. Appleby stated that conventional financing won't cover many of these costs. Therefore, there is benefit to the businesses under this program instead of just going to a bank. Mr. Whisler added that while 0% interest might not seem overly enticing at today's rates, standard interest rates will rise in the future and this incentive will become more valuable over time. Mr. Ridler suggested eliminating the forgivable provision, but is in support of raising the maximum loan amount from $10,000 to $20,000. Both Mr. Whisler and Mr. Appleby reiterated their desire to pare down the application and make the process as streamlined as possible. Mr. Parulo would like to see more focus in terms of who is targeted by the program's marketing efforts.

SCOTT WHISLER MOVED AND JON RIDLER SECONDED A MOTION TO <u>APPROVE</u> AN INCREASE IN THE ZERO INTEREST LOAN PROGRAM MAXIMUM LOAN AMOUNT FROM $10,000 TO $20,000. ALL ALLIANCE MEMBERS VOTED IN FAVOR OF THE MOTION.

SCOTT WHISLER MOVED AND DAVE PARULO SECONDED A MOTION TO <u>REJECT</u> THE 25% LOAN FORGIVENESS PROVISION FOR THE ZERO INTEREST LOAN PROGRAM. ALL ALLIANCE MEMBERS VOTED IN FAVOR OF THE MOTION.

After the vote, Mr. Gaynor added that in promoting the program, the stories of the recipients should be captured. Kingsley + Ginnodo Architects, the first recipient of the Zero Interest Loan, can provide a compelling example of the benefits of the program.

Potential Projects for 2016

Mr. Mertes recommended beginning consideration of potential topics for next year's Economic Alliance Breakfast, including ways to promote the event. He provided background on last year's program, "10 Seeds to Grow Your Business in Arlington Heights". Regarding past Alliance Breakfasts, Mr. Guido referenced a program regarding how to save money on your tax bill. Consideration should be taken for how to better market the Breakfasts. Perhaps the Alliance should take a look at what will be occurring in the Village over the next year for potential topics.

Promotion of the Zero Interest Loan program as a potential project for next year was suggested by Mr. Parulo. Look at what the incentives are to open and stay in Arlington Heights. Mr. Gaynor would like to seek ways in which local government, the business community, and not-for-profits can work together. It's important to help people in need and this can be a positive for the Village. Arlington Heights can be seen as a community that cares, especially with non-profits struggling to get funding. This could also be a good topic for the upcoming Alliance Breakfast.

Mr. Parulo would also like to see the Alliance support the Village-Chamber retention program (SBDA - Small Business Development Agreement). He would like to know what the Chamber is hearing consistently from the business community. The Alliance can relay these messages and trends back to the Village Board. Ms. Janeczko asked about what have been the most well-attended Alliance Breakfasts, and who was the target audience. Mr. Guido responded that the Arlington Downs event, and the one with Bob Marino as they keynote speaker, drew the largest crowds. There were some residents in attendance, but the great majority of attendees were business owners.

Another opportunity, in Mr. Ridler's viewpoint, is educating the business community about the Village's TIF districts. Putting out information on the recently-approved Hickory-Kensington TIF and the Golf Road TIF (International Plaza) would be valuable. The owners want to understand how the TIF districts will impact their businesses. Mr. Gaynor would like to know how the Commission defines its own success. Are there metrics that can be used to verify the benefits provided to the Village? The Alliance could determine key data that would be useful to track. Mr. Appleby expressed his support of this idea. The Chamber can also share with the Commission any information that they've collected.

Fall Alliance Newsletter

Mr. Mertes provided copies of the fall Alliance newsletter with the agenda. The newsletter was produced in color for the first time and was mailed to all commercial addresses in Arlington Heights.

Adjournment

FRANK APPLEBY MOVED AND JON RIDLER SECONDED A MOTION TO ADJOURN. ALL ALLIANCE MEMBERS VOTED IN FAVOR OF THE MOTION.

The meeting adjourned at 8:58 AM.

Tony Guido, Chair
Arlington Economic Alliance

Prepared by Department of Planning and Community Development

Item: Potential Projects for 2016

Department: Planning & Community Development

ATTACHMENTS:

Description	**Type**
Potential Projects for 2016	Exhibits

Economic Alliance – Potential Projects for 2016

Alliance Metrics
- What data should Staff be presenting at Alliance meetings?
- What measures can the Alliance use to ensure they are meeting goals and having an impact in the community?

Annual Alliance Breakfast
- Potential Topics/Speakers
- Date and Location
- Marketing Opportunities

Choosing Arlington Heights
- What makes AH a great place to open/operate a business?
- Incentive Programs
  - Zero Interest Loan Program
  - Small Business Sales Tax Rebate Program
  - Alliance Business Video Marketing Program
  - Industrial Incentives
    - Class 6b Property Tax Abatement
    - Industrial Revenue Bonds

Forging Partnerships
- How can we create partnerships among the Village, businesses, and NFPs?

Small Business Development Agreement (Village and Chamber)
- Learning from Chamber's retention efforts

TIF Districts
- What are they?
- Impact on Village business