Village of Arlington Heights
Arlington Economic Alliance
Virtual Meeting

November 18, 2020
7:30 AM

I. CALL TO ORDER

A. In response to the COVID-19 pandemic, this meeting is closed to in-person, public attendance. The meeting is being held virtually, which permits the public to fully participate via their computers or using their phones.

To participate in the virtual meeting, please follow these instructions: **https://bit.ly/2UcABWh**

Individuals who wish to comment or ask a question on an item on the Agenda may either participate virtually or send an email to the Village at **mmertes@vah.com**. Please limit emails to 200 words or less. To be shared at the meeting, the email must be received by 3:00 p.m. on November 17, 2020.

II. ROLL CALL

III. APPROVAL OF MINUTES

A. Minutes 9/16/20

IV. REPORTS

A. Development Update

V. OLD BUSINESS

VI. NEW BUSINESS

A. Restaurant Industry Report
B. Financial Industry Report
C. Residential Real Estate Industry Report

VII. OTHER BUSINESS

VIIIADJOURNMENT

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.

Arlington Economic Alliance
11/18/2020

Item: Minutes 9/16/20

Department: Planning & Community Development

ATTACHMENTS:

Description	**Type**
Minutes	Minutes

DRAFT

MINUTES OF THE MEETING OF THE ARLINGTON ECONOMIC ALLIANCE
HELD VIRTUALLY (ONLINE) ON SEPTEMBER 16, 2020 AT 7:30 A.M.

MEMBERS PRESENT:
Scott Whisler – Chairman
Joyce Barabicho
Rich Casey
Matt Fink
Tony Guido
Dave Parulo
Brian Roginski
Andrew Stengren

MEMBERS ABSENT:
Lyndsay Holton-Crowe
Rex Paisley
Jon Ridler
Andi Ruhl

STAFF PRESENT:
Michael Mertes – Business Development Coordinator

ALSO PRESENT:
Melissa Cayer, Resident
Keith Moens, Resident

<u>Call to Order</u>
Chairman Whisler called the meeting to order at 7:33 AM and read the following statement as requested by the Village: *I find that the public health concerns related to the coronavirus pandemic render in-person attendance at the regular meeting location not practical or prudent.*

<u>Approval of Minutes – August 19, 2020</u>
The meeting minutes of August 19, 2020 Arlington Economic Alliance meeting were reviewed.

DAVE PARULO MOVED AND MATT FINK SECONDED A MOTION TO APPROVE THE DRAFT AUGUST 19, 2020 ARLINGTON ECONOMIC ALLIANCE MEETING MINUTES. ALL ALLIANCE MEMBERS VOTED IN FAVOR OF THE MOTION.

<u>Development Update</u>
Pet Suites is a doggy daycare and commercial kennel facility that has been approved for a land use variation to re-occupy 1050 E. Rand Road, formerly Teddy's Liquors. Planning & Community Development Staff continues to work on other potential development and business attraction projects.

<u>Small Business Relief – Village Efforts</u>
In addition to the COVID-19 Relief 0% Loan Program, which was discussed at the previous month's Economic Alliance meeting, the Village has made other concerted efforts to try and alleviate the negative impacts of the Coronavirus on small businesses. The Village created a COVID-19 specific webpage that features information on residential and business resources. These pages include applications for assistance, and updated information on loans and grants available to the business community. Also, a new webpage on DiscoverArlington.com was created to promote restaurants during the time they were restricted by the State to only offer carryout and delivery.

Staff also created multiple signage options, including Delivery/Curbside/Carryout window posters that were delivered to businesses upon request. Public Works placed curbside pick-up signs throughout the Downtown for businesses, also per request. The Planning & Community Development Department sent out 40 e-blasts, from March through August, to the business community. This included updated information on available business assistance programs, such as loans and grants.

Additional assistance included three-month payment deferrals in regards to hotel tax and food & beverage tax payments, while late fees on water bills were waived through July. Liquor License assistance was provided too. Renewal payment deadlines were deferred from April to September. Mayor Hayes, serving as Liquor Commissioner. changed the liquor code on two occasions, first to permit restaurants to sell packaged beer and wine for carryout or delivery, and later permitted cocktails to-go as well. Lastly, the Village established the Arlington Alfresco program, and allowed restaurants on private property to apply for outdoor dining approval as well.

Chairman Whisler asked about the number of applicants for the COVID-relief loan and amount disseminated, as well as update on Arlington 425 and the Hickory-Kensington Apartments. Mr. Mertes stated that all 18 applicants were approved. The majority have received their loans, but a few are still finalizing lease terms. Once that's done, $180,000 will have been loaned out. Also, the Village Board has approved extensions into next year for the aforementioned developments to begin construction. Mr. Stengren asked if the names of the businesses that received COVID-relief loans will be made available. Mr. Mertes said he can once they have all been distributed.

Mr. Parulo asked if recent sales tax figures have confirmed the impact of Arlington Alfresco, as well as the overall impact of State indoor dining restrictions. He additionally inquired if there are plans to extend outdoor dining into the winter. Mr. Mertes responded that feedback has been positive, but Staff is awaiting the numbers from the State following the June 3rd opening of the Alfresco program. Village Staff has spoken with several Alfresco businesses regarding their opinions on outdoor winter dining, but a final determination has not yet been made. Mr. Roginski added that revenues for his restaurant are up from last year, but has noticed a drop-off in customers in cooler weather. Whether or not customers are willing to eating indoors this winter will have a huge impact on the industry.

Arlington Heights Commercial Vacancy Rates

Municipal vacancy for retail space, which also includes tenant space for restaurants, service providers, and entertainment uses, is trending slightly upward. A 7.2% vacancy rate last year is up to 8.6% currently. At the local level, CMX Cinemas and Bif Furniture are the largest closures in the past year, which help explain this trend. In regards to office space, Arlington Heights vacancy is also trending upward, from 18.3% at the end of 2019 to 20.9% currently. The submarket's vacancy rate is also up for the same period of time.

In terms of industrial and flex space, the Arlington Heights vacancy rate has gone down from 16.3% to 12.7% since the end of last year. The Village's occupancy rate improved greatly due to Amazon's reoccupation of 255,000 square feet of previously-vacant space, and the relocation of Taiki USA to the community, taking up an additional 60,000 square feet. The bulk of industrial vacancy in Arlington Heights is explained by the long-vacant property at 1400 W. Dundee Road. Per Chairman Whisler's inquiry, the site has recently been re-listed for sale on the open market.

Mr. Parulo inquired about the status of the site at the southeast corner of Algonquin and Arlington Heights Roads. The area is slated for potential mixed-use redevelopment, per Mr. Mertes. It is within a recently-approved Tax Increment Financing (TIF) district, but no redevelopment formal plans have been submitted.

COVID-19 Small Business Resources

In partnership with the Arlington Heights Memorial Library, Mr. Mertes gave a webinar presentation on September 2 regarding resources available for small businesses. A section of that presentation, dealing specifically with COVID-19 related assistance, was provided to the Arlington Economic Alliance.

The Small Business Administration (SBA) has primarily promoted two small business loan programs. The Paycheck Protection Program (PPP) has been closed to new applications since August 8, but may be re-opened with future funding. The Economic Injury Disaster Loans (EIDL) program is still available. The federal government is also promoting the *Employee Retention Credit* which allows business owners to take a refundable payroll tax credit on their quarterly federal tax returns, and is designed to encourage employers to keep employees on the payroll.

The State of Illinois Department of Commerce and Economic Development (DCEO) provides, and regularly updates, industry guidelines in regards to the Governor's mandates. DCEO has also opened a second round of Business Improvement Grants (BIG) funding, and will begin taking applications on September 17. This program is for businesses that have experienced losses or interruption due to the Coronavirus.

The Cook County Bureau of Economic Development is also offering a variety of free webinars, connection with technical assistance partners, and can provide guidance regarding other governmental grant/loan programs. Mr. Mertes noted that the bulk of Arlington Heights COVID-related business assistance has been covered over the past two Alliance meetings, and added that the Village's business e-newsletter is the primary channel through which Staff is communicating with the business community on assistance and resources available.

Mr. Roginski said that he applied for an SBA loan and received it approximately two weeks later, more expeditiously than anticipated. In regards to typical SBA programs, Mr. Fink explained that express loans are currently being offered with a 50% guarantee, and as much as an 85% guarantee under $150,000. For the SBA's smaller programs, little or no collateral is necessary. Banks have received overwhelming interest in the PPP. The 504 program, which is typically used by businesses to acquire assets, is still available and rates are at an all-time low.

Other Business

In regards to the hospitality industry, Mr. Parulo stated that hotel occupancy is down significantly since March/April, but current Northwest suburban rates have recently increased slightly to around 35%. The area around Arlington Heights is typically a weekday market, due to business travelers, but right now is skewing towards weekend travelers. The State's requirement of 50% max capacity, or 50 people per room (whichever is less), is halting corporate events. It would not be surprising to see value-buying of hospitality real estate in the coming months.

Mr. Moens asked Village Staff to check and make sure that meeting minutes are posted on the website (note: Village Staff has confirmed that all Alliance minutes online dating back to January 2019 are now posted online).

The next meeting of the Arlington Economic Alliance is scheduled for Wednesday, October 21.

Adjournment

RICH CASEY MOVED AND BRIAN ROGINSKI SECONDED A MOTION TO ADJOURN. ALL ALLIANCE MEMBERS VOTED IN FAVOR OF THE MOTION.

The meeting adjourned at 8:15 AM.

Scott Whisler, Chairman
Arlington Economic Alliance

Prepared by Department of Planning & Community Development