



Village of Arlington Heights
Arlington Economic Alliance
Commissions Room, 2nd Floor
33 S. Arlington Heights Rd.
November 17, 2021
7:30 AM

I. CALL TO ORDER

II. ROLL CALL

III. APPROVAL OF MINUTES

- A. Minutes 10/20/21

IV. REPORTS

- A. Introduction of New Members
- B. Development Update

V. OLD BUSINESS

- A. Arlington Alfresco Discussion

VI. NEW BUSINESS

- A. Economic Alliance Work Plan - 2022

VII. OTHER BUSINESS

- A. Commissioner Reports

VIII. ADJOURNMENT

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Arlington Economic Alliance
11/17/2021

Item: Minutes 10/20/21

Department: Planning & Community Development

ATTACHMENTS:

Description

Minutes

Type

Minutes

DRAFT

MINUTES OF THE MEETING OF THE ARLINGTON ECONOMIC ALLIANCE HELD ON OCTOBER 20, 2021 AT 7:30 A.M. AT THE VILLAGE HALL

MEMBERS PRESENT:

Andrew Stengren – Chairman
Joyce Barabicho
Rich Casey
Tony Guido
Michele Petrie
Jon Ridler
Brian Roginski

MEMBERS ABSENT:

Andi Ruhl
Scott Whisler

STAFF PRESENT:

Michael Mertes – Business Development Coordinator

ALSO PRESENT:

Heather Larson, Meet Chicago Northwest
Keith Moens, Resident

Call to Order

Chairman Stengren called the meeting to order at 7:33 AM.

Approval of Minutes – October 20, 2021

The meeting minutes of October 20, 2021 Arlington Economic Alliance meeting were reviewed.

MICHELE PETRIE MOVED AND TONY GUIDO SECONDED A MOTION TO APPROVE THE DRAFT AUGUST 18, 2021 ARLINGTON ECONOMIC ALLIANCE MEETING MINUTES. ALL ALLIANCE MEMBERS VOTED IN FAVOR OF THE MOTION.

Development Update

The Chicago Bears have signed a purchase agreement for the Arlington International Racecourse property. For whatever potential development may occur, the new buyers will still need design and zoning approvals. Planning Department Staff has not yet received any concepts or plans. Chairman Stengren inquired about a timeline, but Mr. Mertes said that no formal timeline has been brought forward yet. Ms. Larson asked if there has been a spike of interest in nearby properties, but Mr. Mertes could not verify that from personal experience with one exception. At 1400-1500 W. Dundee Road, a developer was approved for a PUD to allow the demolition of two existing vacant buildings, and the construction of two new spec industrial buildings. One building will be approximately 300,000 square feet, and the other around 200,000 square feet. Mr. Guido asked if warehousing would be a potential use for the redevelopment. Mr. Mertes replied that it is possible, but he has not seen any plans or heard of any tenant commitments for the site at this point.

At the Southpoint shopping center, there are proposed outlot buildings along Palatine Road and Rand Road. Chipotle has received Design Commission approval for a drive-thru restaurant along Palatine. An adjacent 4,000 square foot retail building is also proposed. Additionally, a 3,500 square foot bank building along Rand went to the Conceptual Plan Review Committee on October 13. Crescent Place at 310 W. Rand Road was approved by the Village Board following two meetings in September. Approval involved re-zoning of the site from B-2 to R-6 in order to permit development of four-story 40-unit affordable housing building.

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Arlington Alfresco Discussion

Arlington Alfresco concluded the last week of September, with fencing removed on Wednesday, September 29 to allow for set-up of Harmony Fest. Staff will be reviewing and analyzing all feedback, costs, and other relevant items over the next several weeks. In the next few months, Staff will bring a recommendation to the Village Board whether to continue Alfresco in 2022 and beyond. Mr. Ridler said that Harmony Fest went well despite limited resources, and the vendors also did well. Despite a brief pocket of rain, attendance was strong.

Regarding Arlington Alfresco, Mr. Roginski described it as a savior to Downtown businesses and received compliments from lots of people. He supports it as a yearly event and suggested considering keeping the streets closed year-round to allow pedestrians greater walkability in the Downtown, even during winter. Additional amenities, such as an ice-skating rink, could also help attract more people. Mr. Guido asked about outdoor seating after October. Mr. Mertes said that agreements have been made with many of the Downtown restaurants to have seating on the sidewalks, where possible, until late November. Mr. Roginski added he is working with the Village on a more permanent tent structure, and seasonal tents are expensive again this year due to high demand.

Business Assistance Opportunities

Most of the Village's small business forgivable loans have been awarded and provided to applicants that met all local and federal criteria. Staff is still waiting on a few more for additional information or a signed agreement. Twenty applications were received, a few have either withdrawn or not provided final information yet. Staff is looking at how the balance of the remaining funds will be used. The Village also promoted the State's "Back to Business" (B2B) grant program via three e-blasts to all business contacts. The application period is now closed and the State will be releasing the names of all recipients, including those in Arlington Heights.

Economic Development Statistics Update

Updated economic data for the Village is periodically provided to the Economic Alliance by Village Staff. In summary, retail sales were down in 2020 by more than \$69 million due mainly to the pandemic. Among the categories that were down in 2020 were general merchandise, apparel, restaurants, and gas stations. Some of the losses were offset by growth in food (specifically grocery), lumber and hardware, and drugs/miscellaneous retail. Through the first six months of 2021 though, business sales are up more than \$175 million from 2020 (33.6% increase), and up more than \$80 million from pre-pandemic 2019 (13.4% increase). Total sales tax revenues were down \$1.68 million in 2020, compared to 2019. However, in the first half of 2021, sales tax revenues up more than \$3 million from last year (38.2% increase) and up \$1.5 million from 2019 (15.0% increase).

The "New Business" information provided to the Alliance applies to Village-licensed entities only. The State mandates that certain types of businesses cannot be required to get municipal licenses (some medical uses, attorneys, architects, etc.) The 2020 calendar year had the most re-occupied square footage and new jobs in the Village since 2016. This was bolstered by new large employers such as Amazon and International Services. Over the first three quarters of 2019, Arlington Heights has welcomed 63 new licensed business with 329 workers, and 200,000 square feet of re-occupied space.

Mr. Ridler asked if it's possible to determine the number of these workers who are Arlington Heights residents. Mr. Mertes said that the Chicago Metropolitan Agency for Planning (CMAP) shows that approximately 11% of Arlington Heights residents work in the community, but it doesn't account for whether the jobs are unemployment insurance covered. Chairman Stengren asked if it's possible to get the Village's resident labor participation rate. Ms. Petrie inquired if any data is available showing demand for working closer to home. This data could be helpful for local businesses to recruit new workers and emphasizing "Buy Local". She noted that the business she works for (Village Bank & Trust) has nine vacant positions, and that many potential employees can't afford to live in Arlington Heights.

Any strategic effort to attract Arlington Heights residents, or those in nearby communities, would be helpful Mr. Casey explained. Northwest Community Hospital has over 300 job openings, but only a few applicants per position. Mr. Moens, resident, asked what the category "Agriculture & All Others" encompasses. Mr. Mertes explained that it's the catchall category. Businesses that don't fit within the other categories are usually placed into that one.

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First floor commercial vacancy is down significantly in Arlington Heights at 5.8% overall (the rate is 8.0% for the submarket). Office vacancy is high nationally, including Arlington Heights, although the Village is still ahead of the submarket (19.7% to 24.2%). A further increase in vacancy was offset by International Services relocating to the community and re-occupying 95,000 square feet of Class A office space. Industrial vacancy is also down in the community, with over 300,000 square feet reoccupied in 2020, and another 200,000 square feet already reoccupied in 2021. The Village's industrial vacancy rate, 13.0%, is primarily due to significant vacancies at 1400-1500 W. Dundee and 425-465 E. Algonquin. As noted earlier in the meeting, the Dundee site is approved for redevelopment.

The employment figures provided to the Alliance are estimates from the Illinois Department of Employment Security (IDES) regarding unemployment insurance-covered jobs and businesses. The number of establishments has been stable over the past few years, although there has been a decrease in number of workers (by about 2,300) since 2019. That could be partly explained by layoffs during the pandemic, or the impending closure of the race track. Either way, Mr. Mertes has reached out to IDES for an explanation and is awaiting a response. Mr. Ridler expressed surprise that the reduction in number of workers was not higher, based upon the impact of the pandemic.

Other Business

Mr. Roginski asked about the potential timeline for Arlington Alfresco in 2022 and would like to see it begin earlier than May. Mr. Mertes explained that Staff is reviewing and will present findings and recommendations to the Village Board in the next few months. Additionally, if the Economic Alliance wishes to pursue an event or program to connect employers with workers, IDES cannot supply a list of contacts who are looking for jobs. However, IDES can provide information about the program to those persons. Chairman Stengren asked about attendance for Economic Alliance-sponsored events in past years. Mr. Mertes explained that it has been dependent upon the topic, and attendance has varied between 60-120 people in past years.

Ms. Larson added that she has spoken with Pace Suburban Bus in efforts to bring visitors who take public transit into the community. Regarding difficulty finding workers, Mr. Guido asked about feedback from the business community. Mr. Ridler is communicating with Chamber members and suggested a Zoom meeting with businesses to provide advice for getting qualified employees. Adding to that, Mr. Guido said that workers are directing their employers on desired benefits, and each company needs to look at their budget on how they can accommodate these requests.

Mr. Ridler suggested partnering with IDES, as many businesses are now offering more money than what can be received on unemployment, but workers are also requesting flexibility that employers cannot always offer. Hiring employees who live in Arlington Heights is often a challenge, according to Ms. Petrie, possibly due to lack of affordable housing and the need for some to take multiple forms of public transit. The Village should consider efforts to promote both living and working in Arlington Heights as well. Ms. Larson re-emphasized the ongoing competition for workers among businesses, especially in the service industry.

Chairman Stengren asked how people can be persuaded to both live and work in Arlington Heights. An event to educate businesses on attracting employees is possible. It is important for businesses get in front of workers who are ready and willing to work, Mr. Ridler reiterated.

Adjournment

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

The meeting adjourned at 8:04 AM.

Andrew Stengren, Chairman
Arlington Economic Alliance

Prepared by Department of Planning & Community Development



Arlington Economic Alliance
11/17/2021

Item: Introduction of New Members

Department: Planning & Community Development

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No Attachments Available