Village of Arlington Heights
Arlington Economic Alliance
Commissions Room
Arlington Heights Village Hall
33 S. Arlington Heights Road
Arlington Heights, IL 60005
November 16, 2016
7:30 AM

I. CALL TO ORDER

II. ROLL CALL

III. APPROVAL OF MINUTES

A. Minutes 10/26/16

IV. REPORTS

A. Development Update

V. OLD BUSINESS

A. Performance Metrics
B. Next Level Northwest - Update

VI. NEW BUSINESS

A. Potential Projects - 2017

VII. OTHER BUSINESS

VIII. ADJOURNMENT

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.

Item: Minutes 10/26/16

Department: Planning & Community Development

ATTACHMENTS:

Description	**Type**
Minutes	Minutes

DRAFT

MINUTES OF THE MEETING OF THE ARLINGTON ECONOMIC ALLIANCE
HELD ON OCTOBER 26, 2016 AT 7:30 A.M. AT THE VILLAGE HALL

MEMBERS PRESENT:
Scott Whisler – Chairman
Frank Appleby
Tom Gaynor
Tony Guido
Jackie Lewis
Mike Kalway
Rex Paisley
Dave Parulo
Jon Ridler
Brian Roginski
Andi Ruhl

MEMBERS ABSENT:
Lisa Henderson
Jamie Janeczko

STAFF PRESENT:
Michael Mertes – Business Development Coordinator

ALSO PRESENT:
Leo Dietlin – SCORE
Jason Kuhl – Arlington Heights Memorial Library
Patrick Mogge – Township High School District 214
Matt Ottaviano – Special Events Commission
Jim Platt – Arlington Heights Chamber of Commerce

Call to Order
Chairman Scott Whisler called the meeting to order at 7:35 AM.

Approval of Minutes – August 31, 2016
The meeting minutes of the August 31, 2016 Arlington Economic Alliance meeting were reviewed.

TONY GUIDO MOVED AND REX PAISLEY SECONDED A MOTION TO APPROVE THE DRAFT AUGUST 31, 2016 ARLINGTON ECONOMIC ALLIANCE MEETING MINUTES. ALL ALLIANCE MEMBERS VOTED IN FAVOR OF THE MOTION.

Development Update
Arlington Ale House plans to move into the 10,000 square foot 3rd floor space of the Metropolis Building, occupying the former Anheuser-Busch training facility. They are looking to partner with local restaurants to provide food delivery service to their patrons. The concept was recommended for approval by the Plan Commission and has been discussed by the Village Board as recently as the October 23rd meeting. Continued discussion on the proposed concept and approval of their liquor license and special use has been forwarded to a future Village Board meeting.

Kensington School is a proposed daycare facility that was approved for a special use by the Village Board in mid-October. The 15,000 square foot building would sit on two acres of land at the northwest corner of Kensington and Dryden. Meanwhile, Staff is still soliciting interest from developers on the other properties within the Hickory/Kensington redevelopment area.

DRAFT

Performance Metrics
Discussion on updated performance metric data was forwarded to a future Economic Alliance meeting.

Next Level Northwest – Regional Business Accelerator
Per the request of the Mayor and Trustees, Michael Mertes gave the same presentation on the business accelerator program that was provided to the Committee-of-the-Whole on October 10th. The presentation explained the current details of the project, the timeline, and the funding request. Arlington Heights and seven other nearby communities are working with Dr. Ray Benedetto of GuideStar on a regional business accelerator program to help grow existing Stage 2 businesses. Staff is requesting $5,000 in this fiscal year to continue the program, with an additional request of $15,000 per year from 2017-2019 until the program could become self-funded via fundraising beginning in 2020.

Chairman Whisler asked if any communities have formally approved the program. Mr. Mertes responded that Elk Grove Village is committed with another municipality strongly on-board. Also, one or possibly two other communities are considering dropping out of the partnership for the time being. Tom Gaynor expressed concern that there weren't enough details and that figures such as projected business growth may be overly optimistic. If similar instruments already exist for business retention, then this may create overlap. Dave Parulo inquired about the origins of the program. Mr. Mertes responded that the first community involved was Elk Grove, and they recommended that other communities speak with Dr. Benedetto about a regional collaborative. Mr. Parulo noted that each municipality is independent, which could present a potential pitfall. When involving multiple stakeholders, each with different needs, it's important and can be challenging to make sure everyone is satisfied and feels that they've benefitted equally.

Regarding data expressing Illinois' poor job growth since the Recession (when compared to the rest of the Midwest), Mike Kalway suggested that much of the issue may lie in regulation. Illinois may be less competitive to neighboring states because of an uneven playing field, or other states are offering better incentive packages. Frank Appleby added that a company with less than 50 employees is not likely to move across state lines. The program needs more specific details regarding candidates and process as well. Chairman Whisler added that the goals for number of candidates, and businesses being accepted to the program, may be overly optimistic. He also inquired if businesses have contacted the Village or Chamber asking for a program like this. Mr. Mertes did not have specific examples, but the goal of the program is to proactively create something to have in-place for any businesses that could possibly benefit from such an economic development tool.

Jon Ridler recommended looking at what's already being done by other entities to avoid duplication. He introduced Leo Dietlin who spoke about his experiences in helping businesses grow through a SCORE consulting group. In particular he used the example of Aurico, whose ownership approached the Arlington Heights Chamber in 2008 looking to grow their business. The Chamber referred the company to SCORE, and Mr. Dietlin's consulting group met with them regularly to work on a plan to grow revenues. The ownership was willing to listen and change existing models, including a re-branding of the company. They still meet monthly with Mr. Dietlin and have greatly increased their sales in the past eight years and recently sold their enterprise for an amount well above their sales. Asked about how SCORE is funded, Mr. Dietlin explained that the organization receives financing through the federal Small Business Administration (SBA) and donations from the companies they've assisted.

Tony Guido made mention of competition among communities, and that the program would need to ensure some equality in business assistance and not creating further competition. Mr. Gaynor offered the idea that existing resources offered in Arlington Heights could be pooled and offered as a cohesive package. With the Next Level Northwest concept, it's uncertain what issue exists that we're trying to solve. If there was a specific problem that existed among Arlington Heights businesses, then that could raise the question if the funding requested is adequate for the demand.

The Arlington Heights Chamber of Commerce represents 30 different local not-for-profit organizations, according to Mr Ridler. Adding Next Level Northwest creates additional competition for limited funding and resources. With SCORE, a similar resource already exists. Ultimately, the biggest challenge is finding the Stage 2 businesses in need of assistance and offering them the resources that already exist in the community.

Jackie Lewis analogized the program to a band-aid when surgery is required. The real problem the state is facing regards business legislation. Pro-business laws will make the state more welcoming to businesses. Rex Paisley added that a lack of coaching and mentorship isn't the reason businesses are leaving the state. In regards to effective programs, Chairman Whisler pointed to the Cook County Class 6b program which requires approval from the Village. This tax abatement has helped keep numerous businesses in-town whereas many would otherwise leave the Village to go to a more tax-friendly county.

Regarding Next Level Northwest, Mr. Ridler said that the biggest challenge is finding business owners in need of the assistance offered by this program. He doesn't see the overall value compared to what is already offered to support local businesses, and also feels that the fundraising expectations are unrealistic. Mr. Appleby concurred, seeing the program as duplication of already-existing resources. Patrick Mogge stated that re-packaging these existing economic development tools and marketing them may be a more beneficial and cost-effective approach. Chairman Whisler agreed and recommended that the Alliance discuss lining up these resources and promoting the package to businesses.

Mr. Gaynor would like to identify the businesses most in need and determine what issues they typically confront. Speaking from personal experience, Mr. Dietlin expressed that the owner's unwillingness to change is the biggest deterrent to a company growing and improving. Bringing in an opinion from outside the company is needed to see, and help they understand, what they're doing wrong or where they can improve. Mr. Parulo asked if any interviews have been conducted with the Fox Valley Entrepreneurship Center (FVEC) or their clients. There are many issues and generalizations in the program which the PowerPoint presentation doesn't answer. Mr. Mertes responded that there have not been formal interviews but that the organization's website offers a list of case studies from various types of businesses.

TOM GAYNOR MOVED AND FRANK APPLEBY SECONDED A MOTION TO RECOMMEND THAT THE VILLAGE BOARD REJECT THE PROPOSED FUNDING FOR THE NEXT LEVEL NORTHWEST BUSINESS ACCELERATOR PROGRAM. ALL ALLIANCE MEMBERS VOTED IN FAVOR OF THE MOTION.

Chairman Whisler also mentioned that he felt Dr. Benedetto should have been in attendance at the Committee-of-the-Whole meeting to better explain the program. He perhaps could have answered many of the Mayor's and Trustees' questions. Both Mr. Ridler and Mr. Gaynor felt that by having this presentation go to the Mayor and Trustees first, the Economic Alliance was being bypassed when they could have provided valuable initial feedback.

Micro Marketing Partnership

Jim Platt spoke on behalf of the Arlington Heights Chamber of Commerce regarding a pilot program that promotes local businesses to nearby neighborhoods. The Chamber has been working with homeowners associations to place door hanger bags, with coupons and information about neighborhood businesses, at the residents' houses. The bags are placed by other homeowners of the association, so it's residents who are providing the information to their fellow neighbors. The goal is to create awareness of nearby businesses that residents might not know about.

In addition, the Chamber is looking at ways to get these businesses to attend neighborhood block parties. This way, the residents are able to get to know the business owner, and are more likely to support the business in the future. This also creates an opportunity to determine business types that are in-demand, but missing from the area, in order to assist in business recruitment efforts. Support, and potential funding, is being requested from the Economic Alliance to continue the program. The Commission's general input on the program is also valued.

Ms. Lewis expressed her support. She inquired as to how it is determined which businesses are included in the bag. Mr. Parulo asked if there is a cost to participate. Mr. Platt responded that all businesses are welcome, not just Chamber members. However, the focus would be on whether or not they're proximate to the neighborhood. During the trial run it was free to participate but this just created an overwhelming amount of literature. So they have added a fee recently to make sure the business has skin in the game and is buying into the program. Mr. Paisley also suggested tying in to DiscoverArlington.com to promote the program. Chairman Whisler requested more information on the program at a future Alliance meeting.

Holiday Twilight Shop
The Holiday Twilight Shop is a Chamber event in its 2nd year, to be held on Wednesday, November 16th. All Downtown businesses are invited to participate in evening shopping hours and offer special discounts solely for the event. Last year, 53 merchants participated, and shoppers paid $5 for a ticket which included free coffee and a reception at the end with food and drinks. They were also provided with passports to be stamped at each store they visited. At the reception the passports could be submitted for entry in a raffle.

Andi Ruhl mentioned that in the Metropolis lobby, a few of the north side merchants (of the Downtown) had booths in order to participate in the event as well. After the shopping ended, few customers visited these booths and went to the reception at Big Shot Piano Lounge instead. Mr. Platt acknowledged this and the Chamber looks to improve on this in the future. They would like to have multiple starting locations throughout the Downtown so that the attendees cover more of the Downtown and that stores don't get inundated with one big group of customers. This year, plans are to have two starting points. This may increase in number in the future. Mr. Ridler added that this year the reception will be at the Metropolis Ballroom, so more people will see the booths of the stores on the north side of the train tracks. The Chamber would like to partner with the Economic Alliance to help bring more business to the Downtown merchants. Chairman Whisler asked for this to be discussed further at the next Commission meeting.

Other Business
Matt Ottaviano spoke regarding the annual Tree Light ceremony to be held on Friday, November 25th, at North School Park. The event will begin at 4:30pm. Also, nominations are now being accepted for the Hearts of Gold awards. There is a business category as well. Nominations are due by November 30th. The 42nd annual Frontier Days will be held from June 30 – July 4, 2017.

Mr. Ridler inquired as to the status of the Small Business Sales Tax Rebate program modifications approved by the Economic Alliance at the August meeting. Mr. Mertes replied that the Village Board has had numerous significant and time-sensitive issues on recent agendas, but that once these have been reviewed the sales tax rebate program modifications will go to a meeting shortly thereafter. Also, Staff will be providing the Village Board the recommendations of the Alliance.

Mr. Parulo asked if the Village is undertaking any positions regarding recent Cook County ordinances such as minimum wage and sick time pay. Mr. Mertes responded that Staff is looking deeply into these issues. The Village is looking to see how the proposals move forward and how other municipalities will respond to them. Mr. Ridler added that municipalities that opt out of the minimum wage law may also lose access to the Class 6b program. He has discussed these issues with Village Manager Randy Recklaus as well.

Adjournment
FRANK APPLEBY MOVED AND TONY GUIDO SECONDED A MOTION TO ADJOURN. ALL ALLIANCE MEMBERS VOTED IN FAVOR OF THE MOTION.

The meeting adjourned at 9:07 AM.

Scott Whisler, Chairman
Arlington Economic Alliance

Prepared by Department of Planning & Community Development

Item: Performance Metrics

Department: Planning & Community Development

ATTACHMENTS:

Description	Type
Vacancy Rates - ED Statistics Report (Nov. 2016)	Report

VACANCY RATES

Retail Vacancy Rates

Year	Arlington Heights	Northwest Submarket
Nov. 2016	7.1%	9.2%
June 2016	7.3%	8.9%
2015	7.6%	8.9%
2014	6.9%	9.9%
2013	9.3%	10.3%

Source: CoStar (Nov. 2016)

Office Vacancy Rates

Year	Arlington Heights	Northwest Submarket
Nov. 2016	16.3%	22.3%
June 2016	19.2%	15.7%
2015	20.5%	16.8%
2014	15.8%	15.9%
2013	19.5%	18.0%

Source: CoStar (Nov. 2016)

Industrial/Flex Vacancy Rates

Year	Arlington Heights	Northwest Submarket
Nov. 2016	15.4%	6.3%
June 2016	17.9%	6.4%
2015	22.4%	8.5%
2014	15.5%	8.4%
2013	16.3%	10.4%

Source: CoStar (Nov. 2016)

Note: “Northwest Submarket” includes portions or all of the following communities: Arlington Heights; Buffalo Grove; Elk Grove Village; Hoffman Estates; Mount Prospect; Palatine; Prospect Heights; Rolling Meadows; Schaumburg

Item: Potential Projects - 2017

Department: Planning & Community Development

ATTACHMENTS:

Description	**Type**
Alliance Budget	Exhibits

Item	FY '17 Budgeted	FY '17 Spent	FY '17 Projected	Notes
Photocopying	$300			
Newsletters	$6,000			Alliance Newsletter Design & Printing
Business Retention Outreach	$9,300			Alliance Breakfast Invite & Venue
TOTAL	**$15,600**	**$0**	**$0**	

101-1021-502.40-40