



Village of Arlington Heights
Arlington Economic Alliance
Commissions Room, 2nd Floor
Arlington Heights Village Hall
33 S. Arlington Heights Road
Arlington Heights, IL 60005
September 26, 2018
7:30 AM

I. CALL TO ORDER

II. ROLL CALL

III. APPROVAL OF MINUTES

- A. Minutes 6-20-18

IV. REPORTS

- A. Development Update

V. OLD BUSINESS

- A. Downtown Parking Study
- B. Motion to Update Alliance Code Section

VI. NEW BUSINESS

- A. Arlington Economic Alliance Budget - 2019

VII. OTHER BUSINESS

- A. Rand Road - Northwest Water Commission

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 6-20-18

Department: Planning & Community Development

ATTACHMENTS:

Description

Minutes

Type

Minutes

DRAFT

MINUTES OF THE MEETING OF THE ARLINGTON ECONOMIC ALLIANCE HELD ON JUNE 20, 2018 AT 7:30 A.M. AT THE VILLAGE HALL

MEMBERS PRESENT:

Scott Whisler – Chairman
Matt Fink
Jackie Lewis
Rex Paisley
Dave Parulo
Jon Ridler
Brian Roginski
Andi Ruhl
Parth Shaha

MEMBERS ABSENT:

Tony Guido
Lisa Henderson

STAFF PRESENT:

Michael Mertes – Business Development Coordinator

ALSO PRESENT:

Mike Driskell, Arlington Heights Memorial Library
Joe Skibbie, Special Events Commission

Call to Order

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

Approval of Minutes – April 18, 2018

The meeting minutes of the April 18, 2018 Arlington Economic Alliance meeting were reviewed.

PARTH SHAHA MOVED AND BRIAN ROGINSKI SECONDED A MOTION TO APPROVE THE DRAFT APRIL 18, 2018 ARLINGTON ECONOMIC ALLIANCE MEETING MINUTES. ALL ALLIANCE MEMBERS VOTED IN FAVOR OF THE MOTION.

Development Update

Matt Fink and Joe Skibbie introduced themselves as new Alliance members. Matt Fink works for First Midwest Bank and will be taking over from Frank Appleby as the Commission's financial institution representative. Joe Skibbie was appointed by the Special Events Commission to be their liaison to the Economic Alliance, and will be providing input to the Alliance in a non-voting capacity.

Arlington Downs is scheduled to go before the Plan Commission for an amendment to the development's PUD. A new multi-family residential building, and a separate hotel concept, were both recently approved by the Design Commission. The PUD amendment will also incorporate approximately 35,000 square feet of commercial space. Funtopia, a children's recreation business was approved by the Village Board for a Special Use to occupy approximately one-third of the former water park space, with First Ascent occupying the remainder. Mr. Ridler mentioned that Funtopia has since withdrawn from the project and that First Ascent would take up a greater portion of the building. Mr. Mertes will reach out to Funtopia to see if there are other viable locations in the Village that would suit their use.

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The industrial spec building proposed for 703-709 W. Algonquin Road was approved by the Village Board for preliminary plat of subdivision. The final plat of subdivision is scheduled to go before the Village Board in the next few weeks. Meanwhile, the updated proposal for European Crystal Hotel was approved by the Design Commission. The development is expected to go before the Plan Commission in July for their public hearing regarding a land use variation to allow a hotel in the M-2 zoning district. Chairman Whisler asked if there is a variation request for parking due to a deficiency, as with the previously proposed hotel concepts for this property. (Note: the final parking demand is being determined at this time.)

A proposed mixed-use building for the intersection of Hickory & Kensington is still moving forward. The concept received approval from the Design Commission in June. The building would offer 76 residential units when completed. It was suggested that sending out an RFP to potential developers regarding the rest of the TIF might be beneficial. Mr. Mertes responded that the properties are not under Village ownership, but Staff would take the suggestion under consideration.

At the northeast corner of Golf Road and Arlington Heights Road, Village Staff is working with a developer to construct commercial space. The previously approved plan for the site, a Wendy's and a Taco Bell, withdrew their proposal earlier in the year.

A Class 7c commercial property tax abatement received its municipal approval from the Village Board in May. The site in question is 1421 W. Shure Drive and the incentive would apply to the previously vacant 40,000 square feet of building space. Northrop Grumman, a national defense contractor, will occupy the space. They are bringing approximately 270 employees to Arlington Heights to conduct office work and some research and development. The incentive only applies to this portion of the building and not the approximately 80% already occupied by HSBC.

Performance Metrics

Mr. Mertes presented updated Village-wide economic data to the Commission. The complete 2017 sales tax figures were recently released by the Illinois Department of Revenue (IDOR) and showed that Arlington Heights retail sales and sales tax revenue decreased about 2.5% overall when compared to 2016. The primary categories contributing to this decrease were *Food* (e.g. grocery stores but not restaurants) and *Drugs & Misc. Retail*. Ms. Lewis speculated that newly popular internet-order meal-kit service businesses such as Blue Apron could potentially be cutting into grocery store sales.

This being said, for the first quarter of 2018, sales are up 4.8% when compared to the first three months of 2017, while sales tax revenues are up 6.7% over the same time period. With first quarter Village-wide sales at \$285 million, this puts the Village slightly ahead of its 2016 numbers (1.6%) for the first three months of the year. Mr. Shaha asked to which category hotels belong, per IDOR's categorization. Mr. Mertes was unsure at this time but stated that he would find out (note: IDOR categorizes "hotels and motels" as *Drinking & Eating Places*).

The Arlington Heights retail vacancy rate is down 2.3% since the beginning of the year, and now total 7.8%. This is just slightly above the submarket's rate of 7.2%. The Arlington Heights office vacancy rate is down 0.3% since January, totaling 15.3%. This is noticeably better than the submarket's office vacancy rate of 20.5%, which decreased 0.2% over the same time period. Lastly, industrial/flex vacancy is down 1.2% since the beginning of the year, in Arlington Heights, to 12.4% overall. As noted in previous meetings, this vacancy rate is heavily skewed due to a few large vacancies.

Mr. Mertes also explained the discrepancy in the Illinois Department of Employment Security's (IDES) employment and business count for 2017, when compared to previous years. The reduction of approximately 300 companies and nearly 10,000 workers was not based upon the loss of any employer(s), but rather IDES stating that the new data is a correction from incorrect figures in previous years. Staff will monitor these figures moving forward for any future discrepancies and/or data corrections. Chairman Whisler suggested another performance metric update towards the end of the year.

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Potential Fall Program

As a follow-up to previous Alliance meetings, Mr. Mertes inquired as to how the Commission wished to approach another potential event in the fall, following its support of the Mayor's "State of the Village" address in May. Mr. Ridler asked if the Alliance could host a forum regarding the results of the comprehensive Downtown parking study. Multiple Alliance members noted that they have already been approached about one-on-one interviews for the Downtown parking study.

Ms. Lewis added that the Sounds of Summer concert series in Harmony Park was beginning to have a negative impact on Downtown parking for some businesses. She has had clients cancel due to inability to find parking, and she heard that other owners were considering closing on Thursday evenings due to this. Mr. Mertes offered to speak with any concerned business owner. Chairman Whisler wondered if holding the event on a different evening might help. Ms. Ruhl also suggested considering North School Park as a potential location for at least one night a week, and this might also benefit Downtown businesses on the north side of Northwest Highway.

Mr. Parulo said that the perceived problems from business owners further justifies the need for the parking study. He also asked if remote parking could be provided for events. School lots were suggested as potential remote parking locations.

The Alliance members agreed that they would like to host an event later in the year regarding the parking study, whether hosting a forum with business owners or presenting the results. Ms. Ruhl would like to ensure that conversation is productive and collaborative though, and not just a venue to air complaints.

Proposed Update to Economic Alliance Intent and Purpose

Chairman Whisler introduced this item stating that there have been Code changes in recent years that have impacted the Village's business community, many of which the Alliance has not been given the opportunity on which to present its opinions. The Alliance can offer insight, which it would like to bring to the table.

Mr. Ridler said that he met with the Mayor prior to this meeting. The Village Board is looking at the roles of every Commission. The Economic Alliance has the authority to make recommendations to the Village Board, and can provide input where appropriate. By modifying its Code section, the Commission can better provide this input and also offer endorsements to ordinances and policies that would benefit the business community.

In terms of examples where the Alliance could have weighed in, Chairman Whisler pointed out outdoor dining policy and allowing breweries/brewpubs. Mr. Parulo asked what the triggering mechanism would be; how would relevant issues be brought before the Alliance? Mr. Ridler responded that the Commission's Chairman would be made aware of new ordinances, programs, etc. The Chairman would then have the ability to place such items on a future Alliance agenda for discussion and potential recommendation. Furthermore, the Village Board would take a more proactive role in asking for the Commission's input. No petitioner would come before the Alliance. Rather, the Village Board would direct Staff to obtain a recommendation from the Commission.

Ms. Ruhl said that people would then need to remember to send these items to the Alliance. Mr. Parulo also said that the annual newsletter could list the items discussed by the Commission in the past year, and the recommendation that it made.

JON RIDLER MOVED AND REX PAISLEY SECONDED A MOTION TO CHANGE THE INTENT AND PURPOSE OF THE ARLINGTON ECONOMIC ALLIANCE COMMISSION, STATING:

TO PROVIDE FOR AN APPOINTIVE, ADVISORY BODY WHICH SHALL, AFTER DUE DELIBERATION, MAKE RECOMMENDATIONS TO THE BOARD OF TRUSTEES ON MATTERS RELATING TO NEW ORDINANCES OR CHANGES TO EXISTING ORDINANCES THAT WILL HAVE AN IMPACT ON THE BUSINESS COMMUNITY OF ARLINGTON HEIGHTS.

DRAFT

THE ARLINGTON ECONOMIC ALLIANCE SHALL REVIEW BUSINESS-RELATED ORDINANCES, PROGRAMS AND REGULATIONS THAT ARE BEING PRESENTED NEW OR UPDATED PRIOR TO SUBMITTAL TO THE VILLAGE BOARD. VILLAGE STAFF WILL PRESENT INFORMATION TO THE ARLINGTON ECONOMIC ALLIANCE NEEDED FOR DISCUSSION AND RECOMMENDATIONS FOR CHANGES OR APPROVAL OF SUPPORT. IN ADDITION TO, THE ALLIANCE CAN RESEARCH ANY EXISTING ORDINANCES, PROGRAMS OR REGULATIONS RELATING TO THE BUSINESS COMMUNITY THAT MAY HAVE AREAS NEEDING TO BE UPDATED OR ADDRESSED ACCORDING TO CURRENT BUSINESS TRENDS AND NEEDS.

ALL ALLIANCE MEMBERS VOTED IN FAVOR OF THE MOTION.

Chairman Whisler directed Staff to make the Economic Alliance aware of when this motion will be delivered to the Village Board. Mr. Mertes added that the Village Manager is reviewing the scope of responsibilities of all Commissions per the Village Board's request. The suggestion to change the Alliance's Code will be considered by him, along with any other scope changes to all Village Commissions. He will also be surveying all Commission members within the next month or so on their thoughts and any potential changes.

Other Business

Video gaming is producing significant revenue in other communities, noted Chairman Whisler. This could be money the Village is leaving on the table. Communities surrounding Arlington Heights have implemented it, or are considering it, and the Village should at least discuss it. Mr. Roginski stated that he has spoken with other fellow restaurant owners who would like to move forward with discussion on this topic as well.

A recent *Daily Herald* article lists the suburbs that have implemented video gaming, Mr. Ridler noted. Home rule communities can limit the number of gaming licenses distributed. He suggested having the Alliance make a recommendation and then bringing it to the Village Board. He would also like to discuss with interested restaurant owners and provide their feedback and recommendation to the Alliance as well. A new ordinance would then have to be written by Village Staff. Pushback from residents should be expected. Advocacy for video gaming must prove up the need for allowing the machines. Tying the gaming revenue to something positive would bring more value to the proposition.

Mr. Skibbie inquired about crime statistics related to video gaming. Mr. Ridler replied that the *Daily Herald* article did not provide any data, but that reports have shown there has been little to no crime resulting from the inclusion of the gaming machines. Mr. Parulo feels it would be important to show the negative impacts on businesses incurred by not allowing video gaming, rather than just showing the potential revenue gain.

Chairman Whisler also said that he will work with Mr. Mertes prior to the next meeting to initiate conversation on the lack of water and sewer at some Rand Road properties on the far east side of the community. Mr. Mertes is also reviewing the status of the agreement between Hancock Square and the Village regarding the development's property management company purchasing permits for their commercial tenants, rather than the individual businesses buying the permits themselves.

Adjournment

ANDI RUHL MOVED AND PARTH SHAHA SECONDED A MOTION TO ADJOURN. ALL ALLIANCE MEMBERS VOTED IN FAVOR OF THE MOTION.

The meeting adjourned at 9:04 AM.

Scott Whisler, Chairman
Arlington Economic Alliance

Prepared by Department of Planning & Community Development



Item: Motion to Update Alliance Code Section

Department: Planning & Community Development

ATTACHMENTS:

Description	Type
Arlington Economic Alliance - code	Exhibits
Section 6-505	
Motion	Exhibits

Section 6-505 The Arlington Economic Alliance. There is hereby created the Arlington Economic Alliance.

- a. Intent and Purpose. To provide for an appointive, advisory body whose purpose shall be to promote existing businesses and attract new businesses to the Village and to support programs in order to foster and support a Village-wide initiative towards the promotion of quality economic development.
- b. Members. The Arlington Economic Alliance shall consist of 13 members, either residents of the Village or individuals working for a business located in the Village, appointed by the Village President, by and with the advice and consent of the Board of Trustees. There shall also be one member of the Village staff, appointed by the Village Manager, serving as liaison.
- c. Tenure. All members of the Arlington Economic Alliance shall serve terms of three years or until their successors are appointed and have qualified. The terms of members shall be staggered so that no more than five members shall be appointed or reappointed in any one year, unless a vacancy exists. Vacancies shall be filled only for unexpired terms. Annually, the Village President shall, with the advice and consent of the Board of Trustees, designate one of the members of the Arlington Economic Alliance to be chair. No person shall serve as chair more than three consecutive years, unless the Village President determines that continued service as chair is in the best interests of the Village.

In addition to the staff members serving as liaison, membership of the Arlington Economic Alliance shall consist of individuals representing the following organizations or types of business. Each organization or type of business shall have one representative on the Arlington Economic Alliance. For any of the categories of members, if a classification cannot be filled from the designated category, the appointee may be from any business within the community.

Organization or Type of Business

Automobile Dealer

Business Representative

Chamber of Commerce

Convention & Visitors Bureau

Downtown Business Owner

Financial Institution

Hospitality Industry

Industrialist

Real Estate, Developer or Property Manager – Commercial

Real Estate, Developer or Property Manager – Residential

Restaurateur

Retailer

Top Twenty Employer

- d. Compensation. Members of the Arlington Economic Alliance shall serve without compensation. Authorized travel expenses shall be reimbursed in accordance with Village Travel Regulations.
- e. Powers, Duties and Responsibilities. The Arlington Economic Alliance shall have such powers, duties and responsibilities as are assigned by the Village President and Board of Trustees, to include those enumerated below:
 - 1. The Arlington Economic Alliance shall prepare, adopt and maintain such rules and regulations as are necessary to conduct the business of the Arlington Economic Alliance.
 - 2. The Arlington Economic Alliance shall promote economic development by activities including, but not limited to, the following:
 - a) Advising the Village on the development and implementation of business retention/expansion programs;
 - b) Advising the Village on the implementation of a marketing program to attract new business and industry;
 - c) Monitoring business activity and trends on the local, state, and national levels;
 - d) Establishing a focal point for businesses to approach and discuss issues that affect them;
 - e) Engage representatives from the following communitywide entities at Arlington Economic Alliance meetings as appropriate: Arlington Heights Memorial Library, Arlington Heights Park District, Township High School District 214, the Special Events Commission, and other entities as appropriate.
 - f) Researching and advising the Board of Trustees, Village Manager and boards and commissions on matters relating to economic development.
 - g) Annually, not later than the beginning of the fiscal year, submit to the Village Board for approval, a statement of its goals and objectives and procedures for accomplishing them.
- f. Meetings, Quorum, Voting. Regular meetings of the Arlington Economic Alliance shall be scheduled on a quarterly basis at a date and time to be determined by the Arlington Economic Alliance and announced in the Village calendar and other appropriate media. Special meetings may be called by the Village President, the Board of Trustees, the Chair of the Arlington Economic Alliance or a quorum of the Arlington Economic Alliance.

Seven members shall constitute a quorum. The Chair shall vote with other members of the Arlington Economic Alliance.

- g. Records and Reports. The Arlington Economic Alliance shall keep written records of its proceedings, which records shall be open at all times to public inspection. An annual report shall be made to the Board of Trustees, to include matters before the Arlington Economic Alliance and their status.

TO PROVIDE FOR AN APPOINTIVE, ADVISORY BODY WHICH SHALL, AFTER DUE DELIBERATION, MAKE RECOMMENDATIONS TO THE BOARD OF TRUSTEES ON MATTERS RELATING TO NEW ORDINANCES OR CHANGES TO EXISTING ORDINANCES THAT WILL HAVE AN IMPACT ON THE BUSINESS COMMUNITY OF ARLINGTON HEIGHTS.

THE ARLINGTON ECONOMIC ALLIANCE SHALL REVIEW BUSINESS-RELATED ORDINANCES, PROGRAMS AND REGULATIONS THAT ARE BEING PRESENTED NEW OR UPDATED PRIOR TO SUBMITTAL TO THE VILLAGE BOARD. VILLAGE STAFF WILL PRESENT INFORMATION TO THE ARLINGTON ECONOMIC ALLIANCE NEEDED FOR DISCUSSION AND RECOMMENDATIONS FOR CHANGES OR APPROVAL OF SUPPORT. IN ADDITION TO, THE ALLIANCE CAN RESEARCH ANY EXISTING ORDINANCES, PROGRAMS OR REGULATIONS RELATING TO THE BUSINESS COMMUNITY THAT MAY HAVE AREAS NEEDING TO BE UPDATED OR ADDRESSED ACCORDING TO CURRENT BUSINESS TRENDS AND NEEDS.



Item: Arlington Economic Alliance Budget - 2019

Department: Planning & Community Development

ATTACHMENTS:

Description	Type
Economic Alliance - Proposed Budget (FY 2019)	Exhibits

VILLAGE OF ARLINGTON HEIGHTS

BOARDS & COMMISSIONS 2019 BUDGET REQUESTS

Name of Board or Commission: ARLINGTON ECONOMIC ALLIANCE

Chair: SCOTT WHISLER

	2016 Actual	2017 Actual	2018 Adopted Budget	2018 Estimated Actual	2019 Proposed Budget	Accounts
CONTRACTUAL SERVICES:						
Photocopying	\$0	\$0	\$300			101-1021-502.22-15
OTHER CHARGES:						
Promote Economic and Business Development:	9794	3487				101-1021-502.40-40
Discover Arlington web site upgrades & improvements			0			
2 Newsletters			3,000			
Business Retention Outreach - used for one-on-one and group meetings with businesses (Economic Outreach Breakfasts)			12,500			
TOTAL EXPENDITURES	<u>\$9,794</u>	<u>\$3,487</u>	<u>\$15,800</u>	<u>\$0</u>	<u>\$0</u>	