Village of Arlington Heights
Arlington Economic Alliance
Commissions Room
Arlington Heights Village Hall
33 S. Arlington Heights Road
Arlington Heights, IL 60005
September 20, 2017
7:30 AM

I. CALL TO ORDER

II. ROLL CALL

III. APPROVAL OF MINUTES

A. Minutes 7/12/17

IV. REPORTS

V. OLD BUSINESS

A. Performance Metrics

VI. NEW BUSINESS

A. Arlington Economic Alliance Budget - 2018

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 7/12/17

Department: Planning & Community Development

ATTACHMENTS:

Description	Type
Minutes	Minutes

DRAFT

MINUTES OF THE MEETING OF THE ARLINGTON ECONOMIC ALLIANCE
HELD ON JULY 12, 2017 AT 7:30 A.M. AT THE VILLAGE HALL

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

MEMBERS ABSENT:
Frank Appleby
Lisa Henderson
Mike Kalway

STAFF PRESENT:
Michael Mertes – Business Development Coordinator

ALSO PRESENT:
None

Call to Order
Chairman Scott Whisler called the meeting to order at 7:38 AM.

Approval of Minutes – April 19, 2017
The meeting minutes of the April 19, 2017 Arlington Economic Alliance meeting were reviewed.

TONY GUIDO MOVED AND JON RIDLER SECONDED A MOTION TO APPROVE THE DRAFT APRIL 19, 2017 ARLINGTON ECONOMIC ALLIANCE MEETING MINUTES. ALL ALLIANCE MEMBERS VOTED IN FAVOR OF THE MOTION.

Development Report
Michael Mertes discussed businesses coming to Arlington Heights in the next few months. A new Starbucks store will be opening soon in the former Caribou Coffee space at the Annex of Arlington shopping center. Passero, a sit-down restaurant coming to Downtown, is conducting build-out and is aiming to be open in the fall. Additionally, since the last Alliance meeting, a Zero Interest Loan has been approved for Raceway Car Wash. The owners are using the $20,000 loan to improve their computer system, helping to expedite customer service and create a membership program. Once the system has been installed, Planning & Community Development Staff will use to pictures to promote both the business, and the incentive program, on social media.

Construction of Parkview Apartments in Downtown is underway. When completed, the seven-story building will offer 45 apartment units, 60 indoor parking spaces, and 1,300 square feet of first-floor retail space. Additionally, a proposal for a mixed-use apartment building has gone through initial review by the Conceptual Plan Review Committee of the Plan Commission. If approved by the Village Board, and when complete, this five-story development is planned to feature 79 residential units, 112 parking spaces, and 3,800 square feet of first-floor commercial space.

Following a request for proposals sent out by the Department of Planning & Community Development, the Village Board has approved allowing a proposed development of a new Wendy's and a new Taco Bell on the currently Village-owned property at the northeast corner of Golf Road and Arlington Heights Road.

Potential Business Seminars/Forums

Mr. Mertes requested that any Commissioner interested in joining Alliance member Lisa Henderson on a working group to put together a potential seminar or forum for the fall please contact him or Chairman Whisler. He also provided, for discussion, the list of possible forum/seminar topics that was put together earlier in the year. Mr. Parulo weighed in, saying he feels that the most important topic on the list is how the local taxing bodies, such as the Village and school districts, are dealing with the State's financial issues. Andi Ruhl added that it would be valuable to know how the school districts are planning for the future and trying to manage their fiscal situations.

Another idea Mr. Mertes offered to the Alliance was an industrial forum. Potential topics of discussion at such an event could be sources of financing for growth and expansion, available local resources, Harper College's entrepreneurship program, and energy incentives. Networking among these businesses would also be of value. Chairman Whisler said that he liked the concept and that maybe it could be a side project for the Alliance, after the primary forum/seminar is conducted. Chairman Whisler and Tony Guido discussed assistance they have received from ComEd in the past, while Jackie Lewis noted that a ComEd representative told her that she was not eligible for assistance despite doing LED upgrades at her business. Jon Ridler suggested discussing AT&T's new planned infrastructure, which involves moving away from copper wire and focusing more on wireless. This would be useful for the health care industry to know. The Chamber is currently researching this further.

In summary, Mr. Mertes requested interest in the seminar/forum working group and will work with any volunteers, as well as Ms. Henderson, on a potential format to be brought back to the rest of the Alliance for their consideration. A primary focus of the forum would be on the fiscal state of the community and its taxing bodies.

Business Retention Survey

Village Staff is planning to send out a retention questionnaire to the business community as a whole, and has composed a draft survey. Staff is requesting the Alliance's feedback on the questions as drafted and other information that should be requested from the business community. Mr. Parulo responded that he feels the survey is good. It would be valuable to add a channel for the survey taker to be able to contact the Village regarding any immediate needs. In addition, a greater response rate is likely if the survey taker knows the duration of the survey. Adding an estimated time to the beginning of the questionnaire would help ensure respondents are likely to see it through the end.

Lastly, a three-part question involving the top asset and detriment to doing business in Arlington Heights is a little confusing in terms of how it is phrased and organized. Breaking it down into three separate questions may be better. Ms. Ruhl and Jackie Lews concurred, feeling that it also may be beneficial to emphasize importance or weight. Mr. Ridler inquired as to who will be receiving the survey. He also recommended shortening the survey to ensure a better response rate. Mr. Mertes responded that it will likely be sent out to all commercial addresses in the community.

Tom Gaynor asked about the intent of the survey. Based upon the questions asked in the draft survey, it seems that the primary information being sought is twofold:

- Is the survey taker is staying in Arlington Heights or leaving?
- Is the survey taker satisfied being located in Arlington Heights or not?

He recommends leading the survey with the questions that deal with these points, then building the rest of the survey around those two key responses. Adding to this, Mr. Ridler said that asking questions about employee counts and square footage up front might trigger skepticism of Village Staff's motives among the recipients. He pointed out that some of this information is already on business license applications, but that there are certain types of businesses that are not required to get a municipal business licenses. Mr. Mertes replied that this data could lead to obtaining segmentation info (e.g. – how do large businesses respond compared to small businesses, or how do industrial businesses respond compared to commercial businesses?) Mr. Gaynor added that respondents might be more receptive to these types of questions if the survey specifies that the intent is to characterize their business.

Rex Paisley asked how the survey will be distributed. Mr. Mertes explained that the survey will be taken online. This will make data collection exponentially more accurate and efficient. The plan is to send postcards to all commercial addresses via the USPS and include a link to the survey on the mailer. A follow-up e-blast to businesses for which Staff has e-mail addresses may be disseminated as well. Placing the survey on the website is possible, but Staff wants to avoid non-businesses or companies not within the municipal boundaries from responding.

Chairman Whisler and Mr. Ridler inquired about sending out the postcard to all businesses via business license information. Mr. Mertes expressed that since certain business types are exempt from submitting for a municipal business license, Staff does not necessarily have their contact information. Also, those business types would then be under-represented, or not represented at all, per the collective responses to the survey. Both Chairman Whisler and Mr. Paisley agreed that making the mailer look official is important so that it is noticed by the recipient and not promptly discarded as junk mail.

Mr. Gaynor reiterated his thoughts on a potential structure for the survey. All survey takers will fall into one of four quadrants based upon their satisfaction with doing business in Arlington Heights and whether or not they plan to relocate:

- Satisfied and staying
- Satisfied but leaving
- Unsatisfied but staying
- Unsatisfied and leaving

If the goal is to conduct retention, Mr. Ridler asked how a follow-up can be made if a business responds anonymously to the survey. Acknowledging this, Mr. Mertes replied that the survey hopes to achieve balance. The hope is to get actual retention efforts, but also to ensure that the survey takers are responding honestly. The businesses that do provide their contact information, and respond that they are unhappy and/or looking to relocate, will automatically trigger a retention effort from Village Staff. Requiring that the survey takers leave their contact information may inhibit a higher response rate and/or completely honest answers.

Mr. Parulo feels the survey is valuable. The “end-of-life” businesses (those that are unhappy and are looking to close or relocate) can potentially take up a significant portion of retention effort, perhaps for an already-lost cause. Chairman Whisler pointed out that this can also trigger awareness of an upcoming vacancy in which Staff can make efforts to find new tenants.

Based upon the feedback, Mr. Mertes will modify the survey to emphasize satisfaction and potential relocation up-front on the survey, and then follow with business characteristic questions. Multiple Alliance members vocalized their support of this updated format. Ms. Ruhl suggested some incentive to fill out the survey to ensure a greater response rate and better gauge the overall health of the business community. This could vary from sending a summary of the report to all respondents to a gift card for a random respondent. Chairman Whisler also suggested allowing a random respondent to place an ad on the cable access channel.

Chairman Whisler inquired as to what would be a good response rate. Mr. Gaynor replied that a typical online survey generates a 5%-10% response rate, but with Arlington Heights’ brand recognition and credibility, it should be much higher.

Next month, Mr. Mertes will bring back an updated survey to the Alliance. He plans to distribute the survey to businesses in the fall.

Other Business

Chairman Whisler discussed Cook County's Sweetened Beverage Tax. Due to a temporary restraining order, implementation of this tax has been placed on hold. Mr. Ridler asked if there is anything the Chamber can do to help voice opposition to the ordinance. Mr. Parulo noted that the Illinois Restaurant Association is vocally opposed to the ordinance. Several businesses Chairman Whisler represents have struggled to understand how to properly track their inventory as it applies to the tax. The businesses' accountants have also struggled to figure out the best way to track it.

Mr. Parulo asked if home rule communities can opt out of this as well. Mr. Ridler said that he does not believe it is possible, unlike for the County's minimum wage and sick leave ordinances. It is important to educate the businesses on how to implement the tax if it comes to fruition. Brian Roginski added that the portion of sweetened beverages used in mixed drinks needs to be accounted for as well, which also makes tracking difficult.

Chairman Whisler and Mr. Mertes will be sending out a schedule of Alliance meeting dates for the rest of the year. Chairman Whisler requested that Alliance members respond to Mr. Mertes if there are certain dates they know that they won't be available, in order to ensure quorum.

Adjournment

REX PAISLEY MOVED AND TONY GUIDO SECONDED A MOTION TO ADJOURN. ALL ALLIANCE MEMBERS VOTED IN FAVOR OF THE MOTION.

The meeting adjourned at 8:44 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 - September 2017	Exhibits

VACANCY RATES – September 2017

Retail Vacancy Rates

Year	Arlington Heights	Northwest Submarket
Existing SF	5.1 million	29.2 million
Sept. 2017	9.5%	8.8%
April 2017	9.3%	9.2%
2016	7.3%	9.0%
2015	7.6%	8.9%
2014	6.9%	9.9%
2013	9.3%	10.3%

Source: CoStar (Sept. 2017)

Office Vacancy Rates

Year	Arlington Heights	Northwest Submarket
Existing SF	4.8 million	36.4 million
Sept. 2017	16.5%	21.5%
April 2017	16.7%	20.7%
2016	16.3%	21.0%
2015	20.5%	16.8%
2014	15.8%	15.9%
2013	19.5%	18.0%

Source: CoStar (Sept. 2017)

Industrial/Flex Vacancy Rates

Year	Arlington Heights	Northwest Submarket
Existing SF	5.6 million	74.7 million
Sept. 2017	16.1%	6.6%
April 2017	15.1%	10.4%
2016	15.7%	9.7%
2015	22.4%	8.5%
2014	15.5%	8.4%
2013	16.3%	10.4%

Source: CoStar (Sept. 2017)

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: Arlington Economic Alliance Budget - 2018

Department: Planning & Community Development

ATTACHMENTS:

Description	**Type**
Economic Alliance - Budget Request	Exhibits

VILLAGE OF ARLINGTON HEIGHTS

BOARDS & COMMISSIONS 2018 BUDGET REQUESTS

Name of Board or Commission: ARLINGTON ECONOMIC ALLIANCE

Chair: SCOTT WHISLER

	2014-15 Actual	2016 Actual	2017 Adopted Budget	2017 Estimated Actual	2018 Proposed Budget	Accounts
CONTRACTUAL SERVICES:						
Photocopying	$0	$0	$300			101-1021-502.22-15
OTHER CHARGES:						
Promote Economic and Business Development:	6,655	9794	0			101-1021-502.40-40
Discover Arlington web site upgrades & improvements			0			
2 Newsletters			6,000			
Business Retention Outreach - used for one-on-one and group meetings with businesses (Economic Outreach Breakfasts)			9,300			
TOTAL EXPENDITURES	**$6,655**	**$9,794**	**$15,600**	**$0**	**$0**	