Village of Arlington Heights
Arlington Economic Alliance
Virtual Meeting

September 16, 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/3bPsPKc**

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 September 15, 2020.

II. ROLL CALL

III. APPROVAL OF MINUTES

A. Minutes 8-19-20

IV. REPORTS

A. Development Update

V. OLD BUSINESS

A. Small Business Relief - Village Efforts

VI. NEW BUSINESS

A. Arlington Heights Commercial Vacancy Rates
B. Covid-19 Small Business Resources

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.

Arlington Economic Alliance
9/16/2020

Item: Minutes 8-19-20

Department: Planning & Community Development

ATTACHMENTS:

Description	Type
Minutes	Minutes

DRAFT

MINUTES OF THE MEETING OF THE ARLINGTON ECONOMIC ALLIANCE
HELD VIRTUALLY (ONLINE) ON AUGUST 19, 2020 AT 7:30 A.M.

MEMBERS PRESENT:
Scott Whisler – Chairman
Joyce Barabicho
Rich Casey
Matt Fink
Lyndsay Holton-Crowe
Rex Paisley
Dave Parulo
Jon Ridler
Andrew Stengren

MEMBERS ABSENT:
Tony Guido
Brian Roginski
Andi Ruhl

STAFF PRESENT:
Michael Mertes – Business Development Coordinator

ALSO PRESENT:
Mike Driskell, Arlington Heights Memorial Library
Melissa Cayer, Resident
Keith Moens, Resident

Call to Order

Chairman Whisler called the meeting to order at 7:36 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.*

Approval of Minutes – February 19, 2020

The meeting minutes of February 19, 2020 Arlington Economic Alliance meeting were reviewed.

JON RIDLER MOVED AND RICH CASEY SECONDED A MOTION TO APPROVE THE DRAFT FEBRUARY 19, 2020 ARLINGTON ECONOMIC ALLIANCE MEETING MINUTES. ALL ALLIANCE MEMBERS VOTED IN FAVOR OF THE MOTION.

Development Update

Amazon will be occupying the former Nokia property at 1455 W. Shure for use as a distribution hub. The 255,000 square foot building had been vacant since 2017, and it is anticipated that over 300 full-time and part-time workers will be employed at the site. Extensions to begin construction have been granted by the Village Board in regards to Arlington 425 and Hickory-Kensington Apartments. Phase II of Arlington Downs, a 263-unit apartment building, is nearing completion. Village Staff is currently working with a fitness user for the former Bif Furniture space.

A Tax Increment Financing (TIF) district was approved by the Village Board for the South Arlington Heights Road corridor, to encourage commercial and residential development primarily along the east side of Arlington Heights Road, from just north of Golf Road, south to I-90. The Mayor and Trustees also recently approved an inclusionary housing ordinance that provides regulations for new development in Arlington Heights to provide a percentage of affordable units for residents. Chairman Whisler inquired about a recent Village Board discussion regarding marijuana sales. Mr. Mertes explained that the Board approved allowing Verilife, which is currently conducting strictly medicinal sales, to sell retail cannabis too. This is the only business approved for retail cannabis sales at this time.

Regarding Arlington Alfresco, Mr. Parulo requested an update on the recent extension, noise complaints, and a possible return of the program in the spring. Mr. Mertes stated that Arlington Alfresco has been extended to November 2, or first snowfall, whichever comes first. Restaurants with Village-approved outdoor dining on private property may also continue to do so until November 2. In response to noise complaints from Metrolofts residents, the Board has given the Village Manager the ability to apply sound restrictions, should complaints continue. There are no formal approvals to continue Alfresco in the spring at this time, but consideration will be given.

Mr. Stengren asked if the extensions granted to Arlington 425 and Hickory-Kensington Apartments were related to financing, and Mr. Mertes confirmed this was a primary reason. Mr. Stengren inquired if there are concerns due to the financing issues. Mr. Mertes explained that the decision was made by the Board in light of limited financing opportunities tied to the current pandemic. The Mayor and Trustees also unanimously approved the project last year and would ideally like to see it come to fruition as proposed.

For Arlington Downs, Mr. Ridler asked when the new units will be available for lease, and if they have an affordable housing component. He also requested a quick summary of the project, for the Commissioners who may not be as familiar with the development, which Mr. Mertes then provided. It is anticipated that the units will be available sometime next year. Mr. Mertes did not recall how affordable housing was handled regarding the new construction, but said that he would get information regarding this. (*Note: the developer paid a $100,000 fee-in-lieu in addition to providing nine affordable units, in perpetuity, within the multi-family building that is currently under construction*).

Mr. Parulo asked about reports of people moving homes and offices, from the city to the suburbs. Mr. Stengren, who represents the residential real estate industry on the Alliance, is seeing some migration from the city. However, there seems to be a lack of housing stock to meet demand. From the commercial real estate perspective, Chairman Whisler is not seeing a dramatic shift from office users moving to the suburbs, or those going towards a permanent work-from-home format either. In regards to Downtown signage, Mr. Mertes highlighted the Metropolis Performing Arts Centre's new marquee. Also, the Vail Garage parking guidance system is now installed and operational. The approved pole signage is not yet installed, but Village Staff is currently working with the vendor to get them produced.

Mr. Fink asked the Alliance about their thoughts on the potential future of Arlington International Racecourse. Mr. Mertes stated that the Village is constantly monitoring the situation and working with the race track in efforts to retain the iconic business. Mr. Ridler added that Churchill Downs, which owns the track, may view the property as more valuable in terms of potential redevelopment. The Village does not necessarily get a significant amount of tax revenue from the venue, but it is a major entertainment anchor for the community. Per recent news articles, Churchill Downs does not seem interested in placing a casino at the site, to which Mr. Parulo concurred.

<u>Arlington Economic Alliance Budget – 2021</u>
The Arlington Economic Alliance has been allocated $16,000 for 2021. Mr. Mertes recommended dedicating $11,700 to outreach and retention efforts, $4,000 for marketing (including the annual newsletter), and $300 for photocopying/production of printed materials. Little of the 2020 funds have been spent to date, as a planned business seminar was cancelled due to COVID-19. Mr. Ridler asked if budget cuts are being considered for 2021. Mr. Mertes responded that reductions are being considered from a department-to-department basis, but that this is the amount that was provided to Staff to fund the Commission for next year.

Chairman Whisler noted that the Commission rarely spends the full annual allocation. He suggested the Alliance consider dedicating $10,000 of the 2021 allocation to the Zero Interest Loan fund. Mr. Ridler agreed. The Zero Interest Loan program was explained by Mr. Mertes, per Mr. Stengren's request. Responding to Mr. Fink's inquiry, Mr. Mertes said there was approximately $425,000 in the fund at the beginning of the year. Following loan dispersals this year, about half of that amount remains. However, the primary funding mechanism (rebates from Cook County property tax abatements in Arlington Heights), will kick in later this year and help somewhat replenish the fund.

Mr. Ridler expressed that the Commission may not have the authority to enable a budget transfer for this approval. It might make more sense to include it as a recommendation, rather than a requirement, with the motion for approval. Mr. Parulo wanted to make sure that the Alliance does not put itself in a situation where it appears that it does not need the funds, and may unable to obtain the same budget amount in future years. Mr. Ridler clarified that the budget could be approved as-is, and the transfer to the Zero Interest Loan Fund is a one-time recommendation.

JON RIDLER MOVED AND ANDREW STENGREN SECONDED A MOTION TO APPROVE THE 2021 ARLINGTON ECONOMIC ALLIANCE BUDGET AS PROPOSED. IT IS RECOMMENDED THAT THE COMMISSION PLAN TO DEDICATE $10,000 OF 2021 FUNDING TO SUPPORT THE VILLAGE'S ZERO INTEREST LOAN PROGRAM. ALL ALLIANCE MEMBERS INDIVIDUALLY VOTED IN FAVOR OF THE MOTION.

COVID-19 Relief Zero Interest Loan Program and Small Business Relief – Village Efforts

In light of the negative impact of COVID-19 on the business community, the Village Board approved an emergency business relief interest-free loan: $10,000 max for existing businesses. Mr. Mertes explained that the Village typically offers a $20,000 max loan for new or expanding businesses in Arlington Heights. The loan must be used for tangible expenses, such as interior or exterior build-out or purchase of equipment. The Village requires collateral, typically a lien on real estate, and the loan can be repaid up to five years depending on the length of the lease.

The COVID-19 relief version of the program did not require collateral (in place of a lien was a personal guarantee), and the repayment period would be up to three years beginning in January 2021. The source of monies for the program is the existing Zero Interest Loan fund, and the program had other eligibility requirements. The online application went live on June 22 and the submittal deadline was July 10. The assistance program was promoted via multiple social media posts and three separate Village-wide e-blasts to the business community. There were 18 different entities that completed full submittal, and all have been approved for $10,000. The majority of these businesses have received payment, but Staff is waiting on some finalized documentation from a few others.

Other Business

Chairman Whisler would like to see ongoing Economic Alliance meetings over Zoom in consideration of the current circumstances. Mr. Holton-Crowe expressed her support. Mr. Moens asked if the previously approved "Buy Local" program was still viable, and Mr. Mertes replied that Staff is still considering implementation of this program. Mr. Paisley asked about the Village's rebranding initiative and Mr. Mertes responded that a vendor has been approved to carry out the project. Due to the impact of COVID-19 on Staff time and resources, the project is on hold. However, funds are currently dedicated to the rebranding project. Mr. Stengren expressed his support for the Arlington Heights Police Department and the safety they provide to the community. Chairman Whisler agreed.

Ms. Cayer asked how someone can find out how much vacant space is available in the Village. Mr. Mertes replied that he brings this information to the Alliance a few times a year, but that this information may not readily available to the general public. This is because much of the information Village Staff receives is from subscription real estate databases. Chairman Whisler added that the reporting of vacancy rates often has a lag time of a month or two. The next meeting of the Arlington Economic Alliance is scheduled for Wednesday, September 16.

Adjournment

LYNDSAY HOLTON-CROWE MOVED AND JOYCE BARABICHO SECONDED A MOTION TO ADJOURN. ALL ALLIANCE MEMBERS VOTED IN FAVOR OF THE MOTION.

The meeting adjourned at 8:25 AM.

Scott Whisler, Chairman
Arlington Economic Alliance

Prepared by Department of Planning & Community Development

Arlington Economic Alliance
9/16/2020

Item: Arlington Heights Commercial Vacancy Rates

Department: Planning & Community Development

ATTACHMENTS:

Description	**Type**
Vacancy Rates (Sept. 2020)	Exhibits

VACANCY RATES

Retail Vacancy Rates

Year	Arlington Heights	Northwest Submarket
Existing SF	5.2 million	29.4 million
Sept. 2020	8.6%	8.0%
2019	7.2%	7.5%
2018	8.2%	8.9%
2017	10.1%	8.2%
2016	7.3%	9.0%

Source: CoStar (Sept. 2020)

Office Vacancy Rates

Year	Arlington Heights	Northwest Submarket
Existing SF	5.1 million	37.0 million
Sept. 2020	20.9%	22.8%
2019	18.3%	21.4%
2018	13.8%	19.6%
2017	15.6%	20.7%
2016	16.3%	21.0%

Source: CoStar (Sept. 2020)

Industrial/Flex Vacancy Rates

Year	Arlington Heights	Northwest Submarket
Existing SF	5.3 million	77.1 million
Sept. 2020	12.7%	7.4%
2019	16.3%	6.5%
2018	11.2%	5.0%
2017	13.6%	6.9%
2016	15.7%	9.7%

Source: CoStar (Sept. 2020)

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

Arlington Economic Alliance
9/16/2020

Item: Covid-19 Small Business Resources

Department: Planning & Community Development

ATTACHMENTS:

Description	Type
COVID-19 Small Business Resources (Sept. 2020)	Exhibits

COVID-19
SMALL BUSINESS RESOURCES

Arlington Economic Alliance

September 16, 2020

Village of ARLINGTON HEIGHTS Illinois

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Small Business Administration (SBA)

- Paycheck Protection Program (PPP)
  - Currently not available (closed August 8th)
  - May be re-opened with future federal funding
- Economic Injury Disaster Loans (EIDL)
  - Still available; max loan of $150,000
  - Typically requires collateral for loans over $25,000
  - Rate of 3.75% for businesses; 2.75% for NFPs
  - Term: up to 30 years
- SBA.gov

Contact: SBA Illinois District Office (312-353-4528)

Village of ARLINGTON HEIGHTS Illinois

COVID-19 Small Business Resources

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U.S. Dept. of Treasury + Internal Revenue Service (IRS)

- Employee Retention Credit
  - Refundable payroll tax credit
  - 50% of up to $10,000 in qualified wages for retaining idled workers on their payrolls during the COVID pandemic
  - Gross receipts must be below 50% of the comparable quarter in 2019
  - Credit based on wages paid to all employees, regardless if they worked or not
  - IRS.gov/coronavirus

Contact: IRS Schiller Park Office (847-737-6688)

Dept. of Commerce & Economic Opportunity (DCEO)

- COVID-19 Guidelines
  - Updates provided on website
  - Industry toolkits and guidelines
  - Hotline for questions about Phase X requirements on business: CEO.support@Illinois.gov
- Business Interruption Grants (BIG)
  - Businesses experiencing losses or interruption as a result of COVID-19 related closures
  - May be used to help businesses with working capital expenses (payroll costs; rent; utilities; and other operational costs)
  - First round of funding has concluded; additional funding anticipated soon
- illinois.gov/dceo

Contact: State of Illinois DCEO (800-252-2923)

Cook County Bureau of Economic Development

- Free webinars and educational services
- Connect with technical assistance partners (Illinois Restaurant Association, Chicago Community Loan Fund, etc.)
- Guidance regarding grant and loan programs from other entities
- cookcountyil.gov/recovery

Contact: Cook County Bureau of Economic Development (Info.Edev@cookcountyil.gov)

Village of ARLINGTON HEIGHTS Illinois

COVID-19 Small Business Resources

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Village of Arlington Heights

- Arlington Heights Business E-News
- COVID-19 webpage for residents and businesses
- Expanded outdoor dining
- Tax, fee, and license payment deferrals
- VAH.com

Contact: Michael Mertes, Business Development Coordinator (847-368-5220)

Village of ARLINGTON HEIGHTS Illinois

COVID-19 Small Business Resources

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