



Village of Arlington Heights
Arlington Economic Alliance
Commissions Room
Arlington Heights Village Hall
33 S. Arlington Heights Road
Arlington Heights, IL 60005
June 15, 2016
7:30 AM

I. CALL TO ORDER

II. ROLL CALL

III. APPROVAL OF MINUTES

- A. Minutes 4/20/16

IV. REPORTS

- A. Development Update

V. OLD BUSINESS

- A. Performance Metrics
- B. DiscoverArlington.com Improvements Update
- C. Annual Alliance Breakfast Recap

VI. NEW BUSINESS

VII. OTHER BUSINESS

VIII. ADJOURNMENT

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Item: Minutes 4/20/16

Department: Planning & Community Development

ATTACHMENTS:

Description

Minutes

Type

Minutes

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MINUTES OF THE MEETING OF THE ARLINGTON ECONOMIC ALLIANCE HELD ON APRIL 20, 2016 AT 7:30 A.M. AT THE VILLAGE HALL

MEMBERS PRESENT:

Tony Guido – Chairman
Frank Appleby
Tom Gaynor
Jamie Janeczko
Mike Kalway
Jackie Lewis
Jon Ridler
Andi Ruhl
Scott Whisler

MEMBERS ABSENT:

Lisa Henderson
Dave Parulo

STAFF PRESENT:

Michael Mertes – Business Development Coordinator

ALSO PRESENT:

Anita Pacheco – Arlington Heights Park District

Call to Order

Chairman Tony Guido called the meeting to order at 7:37 AM.

Approval of Minutes – March 9, 2016

The meeting minutes of the March 9, 2016 Arlington Economic Alliance meeting were reviewed.

ANDI RUHL MOVED AND SCOTT WHISLER SECONDED A MOTION TO APPROVE THE DRAFT MARCH 9, 2016 ARLINGTON ECONOMIC ALLIANCE MEETING MINUTES. ALL ALLIANCE MEMBERS VOTED IN FAVOR OF THE MOTION.

Reports

Michael Mertes provided business development news to the Alliance. Barnes & Noble in the Annex of Arlington is closing at the end of May. Planning & Community Development made concerted efforts to retain them. Ulta will be taking half of the space once Barnes & Noble closes, while the other half will be available for lease.

In Downtown, Porky's BBQ is now open. Business has been busier in their first couple weeks than anticipated according to the owners. Golden Brunch is now open in the former IHOP space at 31 E. Golf Road. Big Ange's is completing their inspections and plans to open in a few weeks. Also, Pho An Restaurant expects to open at 6 S. Dunton in the Downtown in mid-to-late May.

Staff has been working with the ownership of the former Yanni's property on redevelopment of the site. However, there have been no formal submittals for permits or a definitive plan submitted to the Village thus far.

Performance Metrics

Mr. Mertes provided updated data for the *2016 Economic Development Statistics* report that was provided to all attendees as an attachment to the agenda. The updated information came from end-of-year figures from the Illinois Department of Revenue (IDOR). There was an increase in total retail sales in Arlington Heights in 2015 (compared to

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2014) of \$7.5 million. The “Food” category was down approximately \$6 million from 2014. This is primarily explained by the closure of Joe Caputo & Sons Fruit Market, which vacated in September 2015. The category “Auto & Filling Stations” increased by \$13 million in 2015. The main explanation for this was the opening of Lexus of Arlington in July. Also, “Manufacturers” were down approximately \$3 million in sales compared to 2014. There is no single clear explanation for this drop, and Staff will look into reasons for this decline.

Overall Village sales tax dollars generated in 2015 was down approximately \$12,500 from 2014. A possible explanation for the increase in sales but slight decrease in sales tax revenue is that Lexus of Arlington, like all auto dealerships, generates a 1% municipal sales tax but does not bring in the 1% home rule sales tax that’s placed on most other retail purchases.

Regarding vacancy rates, Scott Whisler noted that subleases may be inflating the numbers. This means that there is an active lease, but the tenant is no longer occupying the space, probably because of closure or relocation. Throughout Arlington Heights and the surrounding areas, office rental rates are dropping which should help fill vacant space. Also, office vacancies aren’t solely an Arlington Heights issue as Schaumburg has large chunks of available space too.

Mr. Ridler inquired as to the definition of “submarket” in the vacancy rates data. Mr. Mertes and Mr. Whisler explained that is an area that encompasses several municipalities, including Arlington Heights and Schaumburg. Mr. Mertes offered to provide a definition of the submarket in the report, moving forward.

Mr. Ridler also inquired about the slight increase in retail vacancy in Arlington Heights while the retail vacancy rate in the rest of the submarket slightly declined. Is it possible that other communities are taking in closed Arlington Heights businesses? Some mid-box stores did close in Arlington Heights in the past year which might explain the increase in vacancy, but they have not relocated in other communities (Shoe Carnival, Joe Caputo & Sons, and Ashley Furniture, for example). Andi Ruhl, owner of thrown elements pottery, noted that she has been approached by other communities in the past eight years about opening an additional location in their municipality. Mr. Mertes pointed out that Arlington Heights does occasionally recruit businesses in other communities to open a second location in the Village, but clarified that these efforts are never to poach them from their current location.

Mr. Gaynor asked when HSBC’s occupancy of their new Shure Drive location would be reflected in the vacancy numbers provided by CoStar. Mr. Mertes said that he would look into this and update the statistics report once this is reflected in CoStar’s data. Mr. Guido asked if Staff also collects sales data from other municipalities for comparison purposes. Mr. Mertes replied that he does.

DiscoverArlington.com Improvements

Work has not yet begun with the consultant to merge and update the Village’s websites. Once meetings start to be held, the Discover Arlington Alliance subcommittee (Jamie Janeczko, Dave Parulo, and Michael Mertes) will then be included for input. Mr. Mertes reviewed previous Economic Alliance discussions on DiscoverArlington.com improvements. One area of focus is to emphasize the webpages that are being viewed the most by visitors. Consistency, determining a common language, is another area of focus recommended by the Commission. Also, a plan to determine an audience, and promoting the site to that audience, is another aspect to emphasize.

Mr. Mertes provided a quick overview of how the site is currently laid out. Businesses can use the site for free if they have a business license. It is the responsibility of the business owner to create and update their presence on the site, but Staff often provides assistance. This involves the creation of a profile/business listing, posting a coupon, and adding events.

Anita Pacheco asked if there was a way to integrate Park District events on DiscoverArlington.com. Mr. Ridler suggested it might be easier to have a link to other organizations’ event webpages (Park District, Chamber of Commerce, Library, etc.) than posting all of their events individually on DiscoverArlington.com. Encouraging

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collaboration by having a community page with links would be useful for visitors. Regarding the creation of an app, Mr. Mertes noted that there is a finite audience for the site that would be difficult to justify such a cost. However, Staff has produced marketing materials showing how to create a button on the user's smart phone to link to DiscoverArlington.com. This essentially serves as a comparable function to an app.

Mr. Ridler recommended having the different organizations (Library, Park District, Village, Chamber, etc.) link to each other's events webpages, as opposed to posting each other's events. Ms. Pacheco agreed, adding that the Park District has hundreds of events every year. This would be simpler and more effective than re-posting all the information.

Ms. Ruhl pointed out an issue with the mobile site. When searching in one category (e.g. "restaurants") then when searching for another business, the category doesn't reset. For example, typing in a bank name next won't bring up the business because the category is still set at "restaurants". She added that highlighting immediate events, such as what's occurring in the Village over the upcoming weekend, would be useful to visitors. Ms. Janeczko stressed the need for content. If there are not enough activities to promote, such as the number of events going on that weekend, then it might not be feasible.

Ms. Pacheco suggested using fillable forms when trying to get event information from businesses. Then Staff can quickly upload the information without requiring numerous phone calls or emails. This helps businesses that might be overwhelmed by, or uninterested in, content management. If people can't figure out how to use the site in short order, then they will be reluctant to add content.

The Park District currently has 22 different people contributing content to their website. Ms. Pacheco added that to keep up with user submissions, forms were created so that the information is displayed uniformly. Ms. Ruhl stressed the need for this consistency. By allowing users free reign on what to enter, often times relevant information is not submitted, such as a description or location of specific events. Forms eliminate confusion on the end of the visitor, and inconsistency with how coupons or events are posted. Adding a tag to each event (music, play, grand opening, etc.) may be helpful as well.

In regards to the mobile site, Mr. Guido recommended emphasizing the site's most-visited pages up front. Mr. Ridler stressed the need for the Alliance to determine the goal of the site moving forward. Mr. Mertes weighed in that VAH.com is more of an informative site to residents regarding meetings, information about the community, and contact information for various departments. He sees the DiscoverArlington.com site as a way to promote businesses and events to residents and visitors alike. What's important with the update is making the site as effective as possible.

Ms. Pacheco suggested a call to action on DiscoverArlington.com. Further utilizing video and the cable channel should be considered. For example, the Park District has a weekly video on their site. A video on the front page would draw greater engagement from visitors. Examples of footage can include the annual Dragon Boat race, live racing at Arlington Park, and the weekly Farmers' Market. She acknowledges that resources need to be dedicated to this. Mr. Mertes added that the Village utilizes Facebook and Twitter to link to DiscoverArlington.com. Regarding video, it's something the Village would like to do more of, but limited Staff time and resources hinder the ability to make this a priority. Mr. Whisler said that content can come from a variety of sources. Interns can shoot footage, residents can submit videos, and businesses can also provide digital content. Ms. Ruhl added that the Library has a video center that can be used too.

Mr. Ridler pointed out that Village Staff has finite time and resources. At least one additional Staff person would need to be hired to handle additional content production and management, ideally someone familiar with the community. The Park District has two-and-a-half staff people who specifically handle web content. Mr. Guido added that a budget would need to be considered for this. This could vary from whether it's the site's content management company, a Staff person, or a contract worker. Mr. Ridler feels that the role of the Alliance should be advisory, and if the Commission feels that it's important to have video content, it should also recommend that someone be hired to produce and manage it.

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There has been a vast improvement in DiscoverArlington.com from when it started, according to Mr. Whisler. If the site is going to continue improving though, and if it is going to provide a better return on investment, then further resources need to be committed to it. Mr. Gaynor recommended making the site more easily navigable to the pages that generate the most interest. However, it's necessary for the Commission to determine its role regarding DiscoverArlington.com changes. Multiple Commissioners stressed having links on the homepage to events and other organizations.

Mr. Mertes will work with Ms. Janeczko and Mr. Parulo to represent the Alliance on updates to the Discover website. Other Village Staff representatives will be working directly with the consultant. Events, shopping, and dining are the links that generate the most clicks from visitors, based upon data gathered by Google analytics. Ms. Janeczko suggested that the subcommittee learn what the consultant is able to do and report back to the rest of the Alliance.

Annual Alliance Breakfast

The annual Arlington Economic Alliance Breakfast program will be held on Wednesday, May 4th, at Ditka's. The event will begin at 7:30am. Numerous efforts to promote the breakfast have been conducted by Staff including:

- Mailed invitations
- Bulletin on cable access channel
- Flyers throughout Village Hall
- Posting on Downtown message board (Northwest Highway & Arlington Heights Road)
- Multiple e-blasts
- Contacting the local newspapers
- Promotion on VAH.com

Additional outreach was done by the Chamber and the Alliance members to their personal contacts. Three speakers from Arlington International Racecourse will present. The last 10-15 minutes will be reserved for Q&A. A hot breakfast will be served. Mr. Appleby pointed out that he has heard positive feedback about the topic of the program, "Racing Forward: The Present & Future Impact of Arlington Park".

Other Business

There was no other business.

Adjournment

SCOTT WHISLER MOVED AND FRANK APPLEBY SECONDED A MOTION TO ADJOURN. ALL ALLIANCE MEMBERS VOTED IN FAVOR OF THE MOTION.

The meeting adjourned at 8:53 AM.

Tony Guido, Chairman
Arlington Economic Alliance

Prepared by Department of Planning & Community Development



Item: Performance Metrics

Department: Planning & Community Development

ATTACHMENTS:

Description	Type
ED Statistics Report 2016 - June	Report

Village of Arlington Heights



Summary of Economic Development Statistics



Department of Planning & Community Development
June 2016

BUSINESS GROWTH

Retail Sales

CATEGORY	2015	2014	2013	2012
TOTAL	\$1,201,008,818	\$1,193,437,412	\$1,117,087,211	\$1,035,793,029
General Merchandise	\$69,716,729	\$68,516,473	\$69,643,789	\$68,415,193
Food	\$193,818,605	\$200,129,694	\$194,300,650	\$194,029,920
Eating & Drinking Places	\$149,996,391	\$146,726,150	\$141,513,966	\$145,027,687
Apparel	\$36,098,855	\$36,733,442	\$35,976,049	\$33,831,436
Furniture & H.H. & Radio	\$90,155,078	\$87,521,924	\$86,304,607	\$79,137,222
Lumber, Bldg., Hardware	\$49,788,269	\$49,236,050	\$46,360,831	\$41,650,161
Auto & Filling Stations	\$293,619,290	\$280,295,034	\$236,672,946	\$189,748,507
Drugs & Misc. Retail	\$158,083,288	\$162,247,633	\$157,640,595	\$139,795,827
Agriculture & All Others	\$137,985,335	\$136,930,601	\$119,505,829	\$119,322,256
Manufacturers	\$21,828,900	\$25,100,411	\$29,167,949	\$24,834,820
Municipal Sales Tax Revenue	\$12,010,088	\$11,934,374	\$11,170,872	\$10,357,930

Source: Illinois Department of Revenue / Village of Arlington Heights Department of Finance

Sales Tax Generated (Municipal & Home Rule)

CATEGORY	2015	2014	2013	2012
TOTAL	\$19,153,857	\$19,166,387	\$18,071,926	\$17,028,496
General Merchandise	\$1,285,322	\$1,263,104	\$1,284,756	\$1,261,831
Food	\$2,413,551	\$2,463,207	\$2,393,915	\$2,397,637
Eating & Drinking Places	\$2,852,450	\$2,790,187	\$2,686,287	\$2,741,126
Apparel	\$719,440	\$731,192	\$714,296	\$675,728
Furniture & H.H. & Radio	\$1,802,679	\$1,761,426	\$1,725,285	\$1,578,909
Lumber, Bldg., Hardware	\$995,280	\$984,073	\$926,279	\$832,090
Auto & Filling Stations	\$3,555,678	\$3,528,284	\$3,079,034	\$2,568,175
Drugs & Misc. Retail	\$2,455,384	\$2,526,139	\$2,411,769	\$2,216,948
Agriculture & All Others	\$2,644,303	\$2,625,745	\$2,271,949	\$2,264,793
Manufacturers	\$429,762	\$493,029	\$578,356	\$491,259

Source: Illinois Department of Revenue

New Businesses

Year	Businesses	Employees	Square Feet	Major Employers
2015	99	982	563,514	Lexus of Arlington; Transitional Care Center of Arlington Heights; SVM
2014	114	896	461,615	European Imports; Joe Caputo & Sons Fruit Market; Ditka's
2013	132	1,199	Unknown	Star Cinema Grill; Napleton Chrysler Dodge Jeep; Abcor Home Health

Source: Village of Arlington Heights Department of Planning & Community Development

VACANCY RATES

Retail Vacancy Rates

Year	Arlington Heights	Schaumburg Submarket
June 2016	7.3%	8.9%
2015	7.6%	8.9%
2014	6.9%	9.9%
2013	9.3%	10.3%

Source: CoStar (June 2016)

Office Vacancy Rates

Year	Arlington Heights	Schaumburg Submarket
June 2016	19.2%	15.7%
2015	20.5%	16.8%
2014	15.8%	15.9%
2013	19.5%	18.0%

Source: CoStar (June 2016)

Industrial Vacancy Rates

Year	Arlington Heights	Schaumburg Submarket
June 2016	17.9%	6.4%
2015	22.4%	8.5%
2014	15.5%	8.4%
2013	16.3%	10.4%

Source: CoStar (June 2016)

Note: "Schaumburg 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

VILLAGE STAFF EFFORTS

Attraction and Retention Efforts

Year	Attraction / Recruitment	Retention / Expansion
2015	659	532
2014	428	453

Source: Village of Arlington Heights Department of Planning & Community Development

EMPLOYMENT FIGURES

Private Sector Businesses and Employees*

Year	Companies	Workers
2015	3,304	49,635
2014	3,257	48,028
2013	3,234	45,651
2012	3,213	45,386
2011	3,227	44,007
2010	3,196	44,641
2009	3,214	45,252
2008	3,225	47,776
2007	3,212	49,077
2006	3,201	47,952
2005	3,163	46,471

Source: IL Department of Employment Security

**Note: 2012 U.S. Census estimates list Arlington Heights as having 8,255 total “firms” while the Reference U.S.A. database lists 5,369 total businesses in the Village.*

VILLAGE WEBSITE (VAH.com)

Site Data

Year	Sessions	Pages/ Session	Avg. Session Duration	Bounce Rate
2015	377,971	2.98	3:00	47.41%
2014	350,717	3.25	2:58	42.58%
2013	320,507	3.39	2:39	40.89%
2012	346,065	3.36	2:21	42.81%
2011	290,808	3.63	2:15	40.55%
2010	250,640	4.10	2:31	35.02%

Source: Google Analytics

Sessions: Number of total visits to the site by a user.

Pages/Session: Number of pages viewed per session, on average.

Average Session Duration: Length of time (minutes: seconds) per session, on average.

Bounce Rate: Percentage of sessions where the user left after visiting only the home page.

Most Viewed Pages

Page	2015	2014	2013	2012
/departments	30.9%	34.1%	36.2%	31.2%
/village_info	17.8%	16.5%	14.9%	12.8%
(Home Page)	17.3%	15.6%	13.1%	20.2%
/residents	6.3%	6.6%	7.0%	6.2%
/news	5.6%	4.2%	3.4%	4.1%
/documents	4.7%	5.0%	6.0%	6.1%
TOTAL	82.6%	82.0%	80.6%	80.6%

Source: Google Analytics

Traffic Sources

Source	2015	2014	2013	2012
Google – organic	49.0%	48.9%	47.2%	55.2%
(Direct)	31.7%	30.9%	30.4%	22.2%
Yahoo – organic	5.5%	6.5%	5.6%	5.9%
Bing – organic	5.0%	5.0%	5.4%	5.3%
TOTAL	91.2%	91.3%	88.6%	88.6%

Source: Google Analytics

DISCOVER ARLINGTON - WEBSITE

Site Data

Year	Sessions	Pages/ Session	Avg. Session Duration	Bounce Rate
2015	67,397	2.93	1:43	47.08%
2014	81,917	3.16	1:56	44.24%
2013	74,099	3.17	1:55	44.90%
2012	62,446	3.65	2:10	40.11%
2011	36,924	3.92	2:18	37.71%
2010	22,360	4.10	2:30	36.40%

Source: Google Analytics

Sessions: Number of total visits to the site by a user.

Pages/Session: Number of pages viewed per session, on average.

Average Session Duration: Length of time (minutes: seconds) per session, on average.

Bounce Rate: Percentage of sessions where the user left after visiting only the home page.

Most Viewed Pages

Page	2015	2014	2013	2012
(Home Page)	9.3%	11.4%	15.8%	15.9%
(Mobile Site)	7.0%	4.6%	N/A	N/A
/events	6.4%	5.1%	6.1%	2.8%
/shopping/downtown	4.9%	4.7%	4.9%	5.0%
/dining	4.5%	4.5%	7.8%	6.9%
TOTAL	32.1%	30.3%	34.6%	30.6%

Source: Google Analytics

Traffic Sources

Source	2015	2014	2013	2012
Google - organic	65.9%	68.0%	52.3%	48.8%
(Direct)	12.7%	12.7%	21.5%	14.0%
Yahoo - organic	5.8%	4.2%	3.6%	3.2%
VAH.com - referral	4.9%	5.1%	8.1%	20.4%
Bing - organic	3.6%	3.2%	2.6%	2.9%
Facebook - referral	0.6%	1.7%	3.6%	1.1%
TOTAL	93.5%	94.9%	91.7%	90.4%

Source: Google Analytics

DISCOVER ARLINGTON - FACEBOOK

Cumulative “Likes”

Year	Total Likes
2015	10,980
2014	9,365
2013	6,282

Source: Facebook Insights

Most Viewed Posts (2015)

Topic	Views	Month/Year
Aurelio’s Pizza – Now Open	13,600	May
Jimmy Garoppolo – Link to Article	12,800	November
Vail Davis Building - Renovation	11,100	October
Cortland’s Garage – Opening Soon	9,700	August
Outdoor Dining – Coming Soon	8,900	April

Source: Facebook Insights

Most Viewed Posts (2014)

Topic	Views	Month/Year
Ditka’s – Opening Soon	21,300	June
Spring Sweep Electronics Recycling – Coming Soon	16,600	March
Mane Event – Now Happening	15,400	August
Comprehensive Plan – Survey	14,600	October
Metropolis PAC – Survey	13,800	December

Source: Facebook Insights