



Village of Arlington Heights
Arlington Economic Alliance
Commissions Room, 2nd Floor
33 S. Arlington Heights Rd.
May 19, 2021
7:30 AM

I. CALL TO ORDER

- A. In response to the COVID-19 pandemic, this 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/33BQSci>

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 May 18, 2021.

II. ROLL CALL

III. APPROVAL OF MINUTES

- A. Minutes 4/21/21

IV. REPORTS

- A. Development Update

V. OLD BUSINESS

- A. Arlington Alfresco Discussion
- B. Economic Alliance Work Plan - 2021
- C. Business Assistance Opportunities

VI. NEW BUSINESS

VII. OTHER BUSINESS

- A. Commissioner Reports
- B. Economic Development Statistics Update

VIIIADJOURNMENT

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
5/19/2021

Item: Minutes 4/21/21

Department: Planning & Community Development

ATTACHMENTS:

Description

Minutes

Type

Minutes

DRAFT

MINUTES OF THE MEETING OF THE ARLINGTON ECONOMIC ALLIANCE HELD VIRTUALLY (ONLINE) ON APRIL 21, 2021 AT 7:30 A.M.

MEMBERS PRESENT:

Andrew Stengren – Chairman
Joyce Barabicho
Rich Casey
Matt Fink
Tony Guido
Dave Parulo
Jon Ridler
Brian Roginski
Scott Whisler

MEMBERS ABSENT:

Michele Petrie
Andi Ruhl

STAFF PRESENT:

Michael Mertes – Business Development Coordinator

ALSO PRESENT:

Melissa Cayer, Resident
Keith Moens, Resident
Mike Driskell, Arlington Heights Memorial Library
Scott Rowader, Special Events Commission

Call to Order

Chairman Stengren called the meeting to order at 7:33 AM. He 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 – March 17, 2021

The meeting minutes of March 17, 2021 Arlington Economic Alliance meeting were reviewed.

SCOTT WHISLER MOVED AND JOYCE BARABICHO SECONDED A MOTION TO APPROVE THE DRAFT MARCH 17, 2021 ARLINGTON ECONOMIC ALLIANCE MEETING MINUTES. ALL ALLIANCE MEMBERS VOTED IN FAVOR OF THE MOTION.

Development Update

Arlington 425 was approved on April 19 by the Village Board. The mixed-use development had received recommendations for approval by the Design and Plan Commissions. Also, Village Staff has received permits for the Hickory-Kensington Apartments. The development is a five-story mixed-use building at the northwest corner of Hickory Avenue and Kensington Road. The plan calls for 76 apartments and 3,500 square feet of first-floor commercial space.

Arlington Alfresco Discussion

Next week, the more permanent features of Arlington Alfresco will be installed. This includes white fencing, barricade covers with Alfresco branding, and landscape planters at the entryways. Staff has contacted the Alfresco businesses regarding this, and will reach back out when official date of commencement is finalized.

DRAFT

Economic Alliance Work Plan – 2021

A draft letter to the Village Board, from the Alliance, has been completed and was attached to this meeting's agenda packet. The primary focuses of the letter regard property tax concerns, small business assistance on codes and permits, business aid beyond Arlington Alfresco, and a potential long-range destination plan for Downtown. As was done in 2019, this correspondence is for the Village Board to consider as part of their annual strategic planning retreat. Multiple recommendations from the 2019 letter were carried over into this version as well. Mr. Guido expressed his support of the letter, feeling that its focal points covered a range of economic development matters.

JON RIDLER AND SCOTT WHISLER SECONDED A MOTION TO APPROVE THE LETTER FROM THE ARLINGTON ECONOMIC ALLIANCE TO THE VILLAGE BOARD DATED APRIL 21, 2021. ALL ALLIANCE MEMBERS VOTED IN FAVOR OF THE MOTION.

Following its approval, Chairman Stengren reiterated his support for the letter, stating that he feels this exercise would be something valuable to conduct on an annual basis.

Business Assistance Opportunities

Village Staff has submitted criteria to representatives of HUD (U.S. Department of Housing and Urban Development) regarding the small business forgivable loan program presented to the Alliance in March. The Village's criteria incorporate feedback from the Economic Alliance, but HUD review is necessary to ensure that the Village's application conforms to federal requirements for use of the designated funds. Once approved by HUD, Staff will notify the Village Board that the loan program will be soon be activated, and the application can be distributed shortly thereafter.

Mr. Ridler suggested that Staff review the requirements for the SBA's Restaurant Revitalization Fund (RRF) program, in case there are potential issues with cross-funding between that program and the Village's loan program. Mr. Whisler asked how much was reserved for the forgivable loan program. Mr. Mertes responded that the Village Board approved \$130,000 in funding and the loans would be worth \$5,000 each.

Commissioner Reports

Ms. Barabicho discussed the state of the hotel industry. Travel remains down from 2019 although there has been some growth in the past couple months. Average occupancy in the region is around 35.8%, compared to a pre-pandemic rate of 60%-75%. The first quarter tends to be slow though, with activity typically picking up in the second quarter. Average daily rate (ADR) currently is about \$78.44, down by 23.2% from the previous year.

Business travel is still down significantly, partly due to virtual meetings often serving in place of conferences. However, travel spending is expected to increase in the coming months. Hotel stays for meetings that are occurring are, on average, longer than before the pandemic. Also, fewer co-workers are sharing rooms, for COVID safety reasons, resulting in more room rentals. American corporations are scaling down on preferred hotels, looking at a smaller pool of choices and emphasizing economy or mid-scale options. Some hotel closures have allowed those that remained open to garner more business. Leisure travelers are currently the highest segment of travelers, including those staying locally for "staycations" with amenities. Ms. Barabicho's hotel (Holiday Inn Express) has been promoting Arlington Alfresco to their guests.

Many hotels are struggling with limited staffing. Those who are working need to wear many different hats. It has been difficult to find new employees as well. Discrepancies among various states' COVID safety measures have created an additional burden among hotel workers trying to enforce Illinois' requirements. With demand for hotel rooms and meetings still down, there is strong competition among hotels for limited business. On the positive side, travel seems to have started picking up and there seems to be a renewed and enhanced focus on customer service.

DRAFT

Mr. Ridler noted that the Chamber is speaking with State lawmakers on ways to encourage employees to get back into the workforce, and inquired if housekeepers and other employees seem to be finding it more financially valuable to stay on unemployment with the additional federal COVID financial aid. Ms. Barabicho said that variations among communities in terms of hourly wages makes it hard to capture workers, but that her hotel has been able to get some new housekeepers. Still, the hospitality industry is competing for a limited pool of available workers.

Mr. Casey noted that Northwest Community Hospital has also had some challenges in keeping hospitality workers, whether because of unemployment benefits or competition over a limited workforce. Mr. Parulo is seeing this issue across all sectors and communities, with some hotel brands pivoting towards automation (e.g. self-service kiosks) in lieu of jobs. Some good news includes a substantial increase in celebratory events, such as weddings, and anticipation of a strong holiday season in the fourth quarter of this year.

Chairman Stengren is encouraged by Arlington Alfresco being promoted by the hotels. He re-emphasized support for Village Board consideration of a destination development plan for the Downtown, as highlighted in the letter approved earlier in the meeting. Recruiting high school students for part-time employment was suggested as a potential solution for expanding the workforce pool by Ms. Cayer. She also asked if the Arlington 425 project will impact Arlington Alfresco. Mr. Mertes responded that the Village will work with the developer to minimize any potential negative impact on the Alfresco program. Mr. Moens expressed interest in the impact of competitive wage among communities, and its possible impact on hospitality businesses' ability to hire workers.

Other Business

Mr. Fink and Mr. Parulo both announced their resignation from the Arlington Economic Alliance at the end of the month, and their appreciation for their time on the Commission. Mr. Parulo, who is relocating from the Chicago region, added that a search committee has begun for his successor at Meet Chicago Northwest. The convention and visitor's bureau has also begun rolling out the "Eat Local Challenge" restaurant promotional campaign, and their annual Restaurant Week will be held the second week of June so as to avoid overlap with any other "restaurant weeks" in the region. The CVB will be emphasizing "eat local" during Restaurant Week, and Chairman Stengren sees this as a good opportunity to utilize social media.

Adjournment

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

The meeting adjourned at 8:28 AM.

Andrew Stengren, Chairman
Arlington Economic Alliance

Prepared by Department of Planning & Community Development



Arlington Economic Alliance
5/19/2021

Item: Economic Development Statistics Update

Department: Planning & Community Development

ATTACHMENTS:

Description	Type
Statistics Report (May 2021)	Report

Village of Arlington Heights



Summary of Economic Development Statistics



Department of Planning & Community Development
May 2021

BUSINESS GROWTH

Retail Sales

CATEGORY	2020	2019	2018	2017	2016
<i>TOTAL</i>	<i>\$1,214,707,014</i>	<i>\$1,284,083,195</i>	<i>\$1,268,401,171</i>	<i>\$1,211,136,994</i>	<i>\$1,242,171,899</i>
General Merchandise	\$53,247,902	\$62,819,864	\$65,001,132	\$65,638,604	\$67,156,885
Food	\$193,525,074	\$177,474,428	\$174,551,271	\$170,172,046	\$180,313,474
Eating & Drinking Places	\$138,278,901	\$166,013,591	\$160,745,758	\$151,368,277	\$148,466,376
Apparel	\$21,149,891	\$32,959,165	\$33,681,367	\$35,406,339	\$36,641,201
Furniture & H.H. & Radio	\$79,542,426	\$84,175,116	\$88,657,422	\$88,403,553	\$84,899,804
Lumber, Bldg., Hardware	\$68,460,342	\$63,097,040	\$47,572,605	\$48,514,678	\$48,729,612
Auto & Filling Stations	\$309,646,528	\$385,670,944	\$378,540,581	\$360,481,318	\$363,764,225
Drugs & Misc. Retail	\$226,377,176	\$162,735,417	\$161,394,601	\$151,439,321	\$170,868,494
Agriculture & All Others	\$107,964,560	\$120,388,189	\$135,037,633	\$121,508,363	\$117,992,950
Manufacturers	\$16,514,214	\$28,749,441	\$23,218,801	\$18,188,431	\$23,328,850
<i>Municipal Sales Tax Revenue</i>	<i>\$12,147,070</i>	<i>\$12,840,832</i>	<i>\$12,684,012</i>	<i>\$12,111,370</i>	<i>\$12,421,719</i>

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

Sales Tax Generated (Municipal & Home Rule)

CATEGORY	2020	2019	2018	2017	2016
<i>TOTAL</i>	<i>\$18,455,067</i>	<i>\$20,134,276</i>	<i>\$19,965,880</i>	<i>\$18,947,815</i>	<i>\$19,417,270</i>
General Merchandise	\$985,431	\$1,172,541	\$1,222,724	\$1,235,231	\$1,262,364
Food	\$2,396,154	\$2,202,676	\$2,183,691	\$2,125,854	\$2,259,380
Eating & Drinking Places	\$2,593,417	\$3,166,627	\$3,066,640	\$2,887,864	\$2,832,050
Apparel	\$420,837	\$656,139	\$670,992	\$705,572	\$730,560
Furniture & H.H. & Radio	\$1,590,769	\$1,682,944	\$1,772,844	\$1,768,046	\$1,697,997
Lumber, Bldg., Hardware	\$1,368,248	\$1,261,479	\$950,933	\$969,065	\$973,763
Auto & Filling Stations	\$3,591,317	\$4,591,470	\$4,508,643	\$4,244,304	\$4,228,756
Drugs & Misc. Retail	\$3,185,068	\$2,551,872	\$2,538,362	\$2,315,180	\$2,702,765
Agriculture & All Others	\$1,998,610	\$2,280,301	\$2,595,245	\$2,339,571	\$2,270,067
Manufacturers	\$325,216	\$568,767	\$455,805	\$356,966	\$459,367

Source: Illinois Department of Revenue

New Licensed Businesses

Year	Businesses	Employees	Square Feet	Major Employers
2020	58	935	625,440	Amazon Services; International Services Inc.; Habitat for Humanity ReStore
2019	59	328	361,010	Taiki USA; Advocate Healthcare (warehouse); Tropical Smoothie Café; Arby's
2018	81	700	392,810	Northrop Grumman; Golden Corral; Elite Remodeling; Hey Nonny; JEDirect Corp.
2017	77	351	366,902	Shakou; Vensar Technology; Keefer's Pharmacy; Arrows Up LLC

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

VACANCY RATES

Retail Vacancy Rates

End of Year	Arlington Heights	Northwest Submarket
Existing SF	5.3 million	29.5 million
May 2021	7.9%	8.7%
2020	9.5%	9.2%
2019	7.2%	7.5%
2018	8.2%	8.9%
2017	10.1%	8.2%
2016	7.3%	9.0%

Source: CoStar (May 2021)

Office Vacancy Rates

End of Year	Arlington Heights	Northwest Submarket
Existing SF	5.0 million	37.0 million
May 2021	19.9%	23.5%
2020	20.0%	23.2%
2019	18.3%	21.4%
2018	13.8%	19.6%
2017	15.6%	20.7%
2016	16.3%	21.0%

Source: CoStar (May 2021)

Industrial/Flex Vacancy Rates

End of Year	Arlington Heights	Northwest Submarket
Existing SF	5.4 million	77.7 million
May 2021	7.1%	6.6%
2020	13.7%	7.4%
2019	16.3%	6.5%
2018	11.2%	5.0%
2017	13.6%	6.9%
2016	15.7%	9.7%

Source: CoStar (May 2021)

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

EMPLOYMENT FIGURES

Unemployment Insurance-Covered Businesses and Employees*

Year	Establishments	Workers
2020	2,893	41,449
2019	2,878	42,282
2018	2,847	43,304
2017	2,839	41,165
2016	3,157	50,079
2015	3,156	49,644
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

Source: IL Department of Employment Security

Per IDES, the figures were re-calculated in 2017. The decline does not represent a loss of any specific number of companies nor decline in employees, but rather a correction of previous data.

**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
2020	551,605	2.13	1:45	60.89%
2019	513,000	2.28	2:03	57.88%
2018	470,450	2.32	2:25	56.86%
2017*	61,765	2.37	2:33	55.61%
2016	415,704	2.83	2:57	48.66%
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%

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	2020	2019	2018	2017*
(Home Page)	21.9%	25.6%	27.1%	30.0%
COVID Testing	6.4%	N/A	N/A	N/A
(Search Page)	6.1%	6.4%	6.7%	6.0%
Online Payments	4.7%	4.8%	3.5%	3.8%
Employment	3.3%	4.6%	5.8%	6.9%
Coronavirus	2.3%	N/A	N/A	N/A
Permits & Licenses	1.9%	3.0%	2.8%	2.5%

Source: Google Analytics

Traffic Sources

Source	2020	2019	2018	2017*
Google – organic	59.1%	47.3%	47.8%	39.0%
(Direct)	19.8%	20.7%	24.1%	30.9%
VAH.com – referral	7.4%	18.6%	12.6%	9.7%
Facebook – referral	3.5%	4.2%	3.4%	4.7%
Bing – organic	2.7%	2.8%	3.0%	3.7%

Source: Google Analytics

**Note: due to update of website, only figures from Nov. 1 – Dec. 31, 2017 are available*

SHOP.DINE.PLAY WEBSITE (DISCOVER ARLINGTON.com)

Site Data

Year	Pageviews	Pages/ Session	Avg. Session Duration	Bounce Rate
2020	51,556	1.80	0:55	67.45%
2019	50,299	2.39	1:10	54.19%
2018	59,070	2.16	1:03	56.77%
2017*	37,297	2.46	1:21	55.94%
2016	65,650	2.59	1:28	52.84%
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%

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	2020	2019	2018	2017*
(Home Page)	29.3%	36.8%	34.3%	54.1%
Supporting Our Restaurants	27.5%	N/A	N/A	N/A
Food Scene	10.9%	9.9%	6.4%	5.7%
Business Directory	6.7%	6.6%	6.7%	6.1%
Things To Do	3.4%	6.7%	6.9%	6.4%
Fests & Events	3.2%	9.4%	10.9%	6.5%

Source: Google Analytics

Traffic Sources

Source	2020	2019	2018	2017*
(Direct)	34.4%	45.0%	22.2%	#4
Google – organic	27.3%	37.1%	28.2%	#2
Facebook – referral	11.5%	5.8%	4.9%	#17
DailyHerald.com – referral	7.6%	1.6%	1.1%	N/A
VAH.com – referral	3.8%	1.8%	14.4%	#6

Source: Google Analytics

**Note: due to update of website, only figures from Nov. 7 – Dec. 31, 2017 are available*

DISCOVER ARLINGTON - FACEBOOK

Cumulative “Likes”

Year	Total Likes
2020	12,561
2019	12,519
2018	12,262
2017	11,973
2016	11,503
2015	10,980
2014	9,365
2013	6,282

Source: Facebook Insights

Most Viewed Posts (2020)

Topic	Views	Month
Arlington Alfresco – Coming Soon	7,200	May
CoCo & Blu Café – Now Open	5,900	Jan.
Scratchboard Kitchen – Coming Soon	4,800	Feb.
Restaurant Week – Coming Soon	3,200	Mar.
Sunflower Consignment Boutique – Now Open	2,500	Aug.
Frontier Days – Cancelled	2,300	Apr.
Metropolis Marquee – Coming Soon	2,300	Jun.
Habitat for Humanity ReStore – Now Open	2,100	Dec.

Source: Facebook Insights