



Village of Arlington Heights
Arlington Economic Alliance
Community Room, 3rd Floor
Arlington Heights Village Hall
33 S. Arlington Heights Road
Arlington Heights, IL 60005

May 15, 2019
7:30 AM

I. CALL TO ORDER

II. ROLL CALL

III. APPROVAL OF MINUTES

- A. Minutes 4/17/19

IV. REPORTS

- A. Development Update

V. OLD BUSINESS

- A. Plans and Goals for 2019

VI. NEW BUSINESS

- A. Downtown Construction Update
- B. Annual Arlington Economic Alliance Newsletter
- C. Overview of Village Websites

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
5/15/2019

Item: Minutes 4/17/19

Department: Planning & Community Development

ATTACHMENTS:

Description

Minutes

Type

Minutes

DRAFT

MINUTES OF THE MEETING OF THE ARLINGTON ECONOMIC ALLIANCE HELD ON APRIL 17, 2019 AT 7:30 A.M. AT THE VILLAGE HALL

MEMBERS PRESENT:

Scott Whisler – Chairman
Rich Casey
Matt Fink
Jackie Lewis
Dave Parulo
Jon Ridler
Brian Roginski
Andi Ruhl
Andrew Stengren

MEMBERS ABSENT:

Tony Guido
Rex Paisley

STAFF PRESENT:

Michael Mertes – Business Development Coordinator

ALSO PRESENT:

Patrick Mogge, Township High School District 214
Scott Rowader, Special Events Commission
Melissa Cayer, Resident
Keith Moens, Resident

Call to Order

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

Approval of Minutes – March 20, 2019

The meeting minutes of the March 20, 2019 Arlington Economic Alliance meeting were reviewed.

DAVE PARULO MOVED AND ANDREW STENGREN SECONDED A MOTION TO APPROVE THE DRAFT MARCH 20, 2019 ARLINGTON ECONOMIC ALLIANCE MEETING MINUTES. ALL ALLIANCE MEMBERS VOTED IN FAVOR OF THE MOTION.

Development Update

Village Staff is providing regular updates to Downtown contacts, via e-mail, regarding this year's Downtown construction. The Arlington Heights Chamber of Commerce has been assisting, getting construction updates out to their contacts as well. Village Staff also held two meetings for business owners and representatives in early April. Beginning this week, Nicor plans to conduct gas replacement work at Sigwalt & Evergreen. This work would continue westward down Sigwalt, then move north along the west side of Vail up to Wing Street. This involves directional boring beneath the sidewalk and parkway. The intention is to keep open the sidewalks on the opposite side of the work being done in order to allow pedestrian mobility. Entrances to businesses will remain open.

The annual Alliance newsletter is finalized and is expected to be disseminated to all commercial properties in late April or early May. It includes information on Village-wide developments, summer events, the Downtown customer parking map, and information on the small business sales tax rebate incentive program. The former teen center building at 112 N. Belmont Avenue received Village Board approval to be transferred to the Arlington Heights Memorial Library, for planned development and use of a makerspace.

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RFPs for the Vail Avenue garage parking guidance system have gone out, and responses are expected at the end of the week. Additionally, Planning & Community Development Staff is putting together a bid package regarding Downtown signage. Decisions on the parking guidance system and signage are anticipated for some time in May. The Arlington 425 development went to the Plan Commission for public hearings on March 27 and April 10, where it received unanimous recommendation for approval. The project still needs to go to the Housing Commission for discussion on affordable housing. Then it can go to the Village Board for final approval.

Lastly, Parth Shaha has resigned from his position on the Arlington Economic Alliance. Mr. Ridler asked if the responses to the parking guidance system RFPs would be coming before the Alliance. Mr. Mertes responded that Staff direction is to provide the responses directly to the Village Board unless the Mayor and Trustees specifically request that it go to the Alliance first. Chairman Whisler and Mr. Stengren asked Mr. Mertes to request to the Village Board if the Alliance could review the proposals before going to the Board itself.

Mr. Roginski asked if “no parking” postings on streets during the construction could also direct customers to the parking garages. Mr. Mertes agreed to pass this recommendation along. Also, Ms. Ruhl requested that parking patrol officers are provided with maps or information in order to guide customers, who can’t park on the street due to the construction, where garages and other parking options are available.

Economic Development Statistics

In 2018, Arlington Heights businesses conducted nearly \$1.27 billion in sales, the highest amount since the Recession, and up 4.9% compared to 2017. Of the ten general sales categories provided by IDOR (Illinois Department of Revenue), all experienced increases from 2017 except three: general merchandise, apparel, and lumber/hardware. The resulting sales tax revenue for last year was almost \$20 million total, and is an increase of approximately \$1 million compared to the revenue generated in 2017.

In 2018, 81 new businesses opened in Arlington Heights, employing 700 workers in the community and reoccupying nearly 400,000 square feet of previously vacant space. The largest contributor to this was Northrop Grumman, which is employing 250 workers in the Village. Chairman Whisler inquired about any formulas used to help determine the sales tax impact generated by new businesses in Arlington Heights. Mr. Mertes responded that calculations, based upon previous studies, are used to determine economic impact of new businesses in the community.

Mr. Parulo asked about why the “Food” category has decreased, in terms of sales, since 2014. Mr. Mertes explained that this category is primarily grocery and convenience. Dominick’s/Joe Caputo & Sons is the primary explanation, as no grocer has yet their former space. Mr. Lewis also pointed out the growth in online meal prep services, which could also be a contributing factor. Ms. Ruhl asked if this data incorporates businesses that have closed. Mr. Mertes responded that it does not. While Staff does track business closings of which they are aware, tracking all business closures in the Village is difficult, because such companies are not required to notify the Village of an impending closure, with the exception of companies that lay off a significant number of workers. However, vacancy rate data does provide an idea of the impact of business closures.

Mr. Stengren asked, seeing how there were about 100 new businesses in Arlington Heights in 2015 and 2016, he wondered if Staff is concerned. Mr. Mertes explained that the Village definitely wants to see more businesses. However, as more businesses have moved in, there has been less tenant space available; therefore limiting how many new businesses could potentially locate here as choices for tenant space are fewer since the Recession. Mr. Stengren acknowledged that vacancy rates could also help provide an answer to that. Also, Mr. Ridler asked for clarification that these new businesses are exclusively those licensed by the Village. Mr. Mertes confirmed this, saying it does not include certain business types licensed by the State. These entities (e.g. architects, attorneys, etc.) do not require a municipal business license, and are much harder to track.

Arlington Heights experienced a drop in retail vacancy from 2017-2018 from 10.1% to 8.2%, which is lower than the submarket's retail vacancy rate of 8.9%. Office vacancy also experienced a notable decrease, falling 1.8% from 15.6% in 2017 to 13.8% in 2018. This also compares favorably to the submarket's figure of 19.6% office vacancy. In

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terms of industrial/flex vacancy, the Arlington Heights rate fell 2% from 2017 to 2018. However, the current vacancy rate of 11.2% is primarily explained by a couple large vacancies in Arlington Heights, notably the Rohrman property on Dundee Road, and the former Nokia campus. If both of these were reoccupied, it would bring the Arlington Heights vacancy rate down to the submarket's number, and possibly even lower.

Chairman Whisler added that industrial vacancy in DuPage County is much lower than Cook County communities, due to more favorable tax rates. Also, there has been a flight of suburban office tenants to Downtown Chicago. The Northwest submarket, in which Arlington Heights is located, has the highest office vacancy rates in the Chicago area. However, this should be significantly reduced as vacant office parks such as the former Motorola campus is redeveloped into non-office uses. Downsizing office space, working from home, and companies putting more employees in less space has also contributed to the current office vacancy rates.

In 2018, Planning & Community Development Staff conducted 323 business recruitment efforts, and 255 retention efforts. It is worth noting that these figures are to give a flavor of businesses assistance, but does not quantify time spent with each. Retention efforts in 2018 were in line with 2017. Although 2018 attraction efforts were lower than 2017, this is primarily explained by a focus on large projects and more time spent on certain recruitment efforts. Both of these numbers are trending upward this year.

According to IDES (Illinois Department of Employment Security), there are 2,865 private companies operating in Arlington Heights (up from 2,858 in 2017), with 43,304 workers (up from 41,165 in 2017). The significant jump in employment compared to the number of new companies, might be explained by HSBC's recent relocation to the Village, which brought 1,500 employees to the community. Also worth noting is that there was not likely a significant drop in companies and workers between 2016 to 2017, as shown in the IDES data. Planning & Community Development Staff communicated with IDES multiple times over this, and was told that IDES had been calculating the numbers differently in previous years, and that the data beginning in 2017 is apparently more accurate.

For the Village's websites, VAH.com and DiscoverArlington.com, 2017 represents a transition from the older sites to the new ones. Therefore, there is no full year of data for 2017. However, when compared to 2016, the number of sessions increased by 55,000 on VAH.com in 2018. Pages/session and average session duration have decreased while bounce rate has increased. This could be reflective of people leaving the site faster because they are not finding what they're looking for, or it could be because they are finding what they're looking for more quickly. The site's fastest-growing page is "Our Community", which displays information on parking, community agencies, the Senior Center, and new resident information. Google searches remain the top traffic driver to the site.

From 2016 to 2018, sessions on DiscoverArlington.com fell from over 65,000 to 59,000. Village Staff is making a conscious effort to incorporate more content onto the site this year. This involves more information on events, and additional site updates. Besides the home page, "Fests & Events" and the business directory are the most viewed pages on the site. Google searches are also the top traffic driver. Referrals from Facebook have also gone up noticeably, likely in part from more frequent links to the site on the Discover Arlington Heights Facebook page.

The Discover Arlington Heights Facebook page has garnered 12,262 cumulative "likes" which represent people who are following the site. This is up from 11,973 at the end of 2017, an overall increase of 291 Facebook accounts. The page likely has a finite audience of residents and other interested parties. Therefore, it is unlikely to see substantial increases in followers on a year-to-year basis as was seen when the page was implemented. In terms of the most-viewed posts on the Discover Arlington Heights Facebook page, there is a balance between events such as the Village's annual "Spring Cleaning" electronics recycling event, and business news such as grand openings.

In summary, Chairman Whisler feels that lowering bounce rate on both websites is important. Mr. Mertes acknowledged this and said that Staff efforts this year are seeking to do just that.

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Plans and Goals for 2019

Based upon the ideas provided by Alliance members during the March Commission meeting and in the interim, in regards to economic development items for the Village Board's consideration for their upcoming strategic planning retreat, Mr. Mertes and Chairman Whisler consolidated this feedback into nine general bullet points for discussion at this meeting. This list was provided to attendees at this meeting, and each item was discussed individually:

➤ *Business-Initiated Code and Ordinance Changes*

Chairman Whisler explained that this does not involve policy-making, but rather is a request for the Alliance and local business representatives to be informed of Code and ordinance changes that would impact the business community and allow them an opportunity to weigh in before a final decision is made. Mr. Ridler said that this involves bringing recommendations to the Mayor and Trustees prior to final approval or rejection. Wherever possible, the Alliance would like to look at such proposed changes. Additionally, Ms. Ruhl said that the Alliance does not want to slow down the approvals process. However, the Alliance exists for a reason, and some sort of middle-ground that involves the Commission at some juncture, as a resource, would be helpful in representing the business community.

➤ *Corridor Improvement*

Chairman Whisler acknowledged that some focus has been given on improvements to the north and south sides of the community. Keeping this item on the list to the Village Board would help emphasize keeping planned or proposed upgrades to these corridors as a community priority. Chairman Whisler clarified that the Alliance would not be doing the implementation. Rather, this is to stress the importance of maintaining and improving these areas to Staff and the Village Board. Mr. Parulo further explained that this is an example of an item to pass along to the Mayor and Trustees as a topic that the Commission feels is of importance, and it would be valuable to place this feedback under related or relevant line items from the Board's previous strategic plan.

➤ *Demand-Oriented "Buy Local" Programs*

Mr. Fink expressed the importance of motivating people to visit the stores. Online purchasing has had a major impact on physical store locations and there needs to be a way to drive customers into brick-and-mortar more regularly. Mr. Rowader noted that corridor improvement feeds into this idea. Improvements to the corridors can encourage people to not only stay, but shop and dine as well. Mr. Ridler added that educating residents plays a big role. Residents need to know that it is important to know their local businesses and support them, which keeps tax dollars within the community. Past gift card and coupon programs did not work. They are difficult to manage and overly labor intensive. The Chamber is focusing on educating businesses how to use and embrace technology.

Speaking from personal experience in owning and operating a salon, Ms. Lewis sees benefit from conducting sales on her retail goods such as hair care products. Due to competition from online, sales have been going down every year. Running long-term discounts has helped sales improve notably, and is helping bring back customer habits of shopping in-store. Business owners need opportunities to show customers that they want to save them money. Furthermore, Ms. Ruhl stated the importance of a good sales team and upselling efforts. Also, from personal experience, increased local competition of do-it-yourself art merchants has impacted her sales. Storeowners need to re-train their customers to keep coming back.

Chairman Whisler added the importance of educational marketing. Providing an example, Ms. Ruhl contemplated outreach to neighborhoods, via social media, to make them aware of their local businesses. Having an open house for a particular subdivision is an example of something that could be considered. She also added that the use of the Commission's budget on a newsletter may have run its course and that the funds could possibly be better spent elsewhere. Chairman Whisler acknowledged this and requested that the Commission discuss the annual Economic Alliance newsletter, and the Village's websites, at a future Alliance meeting.

➤ *Licensing & Permitting Process*

Chairman Whisler pointed out that the Village Manager and Village Board are reviewing this now (as well as the Building Code Review Board). There have been positive steps forward in this regard since he joined the Economic Alliance, but to emphasize this as an area of priority he recommended keeping it on the list to forward on to the Mayor and Trustees.

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➤ *Promoting the Village's Business-Related Assets*

As something the Alliance always needs to do, Chairman Whisler acknowledged this point. Mr. Mertes added that economic development feedback from the most recent business retention survey and citizens' response survey should be taken into account. The community should play to its strengths while working on areas for improvement, to which Chairman Whisler agreed.

➤ *Property Tax Concerns*

The new Cook County Assessor is looking to make changes to the County's tax structure, according to Chairman Whisler. There have been a couple townships that have been reassessed, which has resulted in significant assessment increases. This affects commercial and residential properties alike, and increases in property taxes typically result in rent increases to tenants and price increases to customers. Mr. Ridler sees this as an educational session opportunity for the business community. Getting property tax experts on a panel would be useful.

➤ *Signage (Gateway and Wayfinding)*

Chairman Whisler noted such implementations have been planned by Staff and the Village Board, but this is another opportunity for the Alliance to emphasize a key issue. Mr. Parulo added the importance of tying the signs' appearance into the Village's branding. Ms. Ruhl expressed her support. Arlington Heights should be a welcoming community that invites people to spend their dollars here. Signage should be part of a larger cohesive approach.

➤ *Small Business Promotional Partnerships*

Chairman Whisler feels that this topic ties into the discussion and points made regarding *Demand-Oriented "Buy Local" Programs*. He asked Mr. Mertes to merge this into that category when provided to the Village Board.

➤ *Social Media Presence*

Chairman Whisler feels that this can be discussed as part of a future discussion regarding the Village's websites. Mr. Stengren believes that greater social media presence can enhance many of the aforementioned categories. Additionally, Instagram is one of the fastest-growing social media platforms and the Village should consider having a presence on it. Social media use is a win-win that can help promote businesses. Having regular content is important as well. Ms. Ruhl agrees and sees resident participation and interaction as a key part of growing the Village's online presence.

In summary, Mr. Mertes recommended providing additional narratives to each bullet point, to provide context to the Village Board. Mr. Parulo suggested organizing these topics as a letter from the Alliance to the Mayor and Trustees. It should be organized under categories provided by the Village Board as part of their 2018-2019 strategic priorities and should emphasize why the Commission feels each bullet point is important. Then the Alliance can formally review, and potentially approve, the document at the May monthly meeting. Ms. Ruhl agreed and that it needs to show that the Commission wants to work with the Board on their goals.

Other Business

The next Alliance meeting is scheduled for Wednesday, May 15. As Mr. Shaha has resigned from the Commission, a hospitality representative position is available. Potential candidate recommendations can be sent to Mr. Mertes, to be forwarded to Mayor Hayes for his consideration.

Adjournment

JON RIDLER MOVED AND RICH CASEY SECONDED A MOTION TO ADJOURN. ALL ALLIANCE MEMBERS VOTED IN FAVOR OF THE MOTION.

The meeting adjourned at 8:51 AM.

Scott Whisler, Chairman
Arlington Economic Alliance

Prepared by Department of Planning & Community Development



Arlington Economic Alliance
5/15/2019

Item: Plans and Goals for 2019

Department: Planning & Community Development

ATTACHMENTS:

Description	Type
Excerpt - COW Meeting Minutes (2-11-19)	Minutes
Village Board Strategic Priorities (2018-2019)	Exhibits
Letter from Alliance to Village Board	Exhibits

flooding, and it appears it was not planned well on what to do with all the water. Mr. Papierniak said there have been many design changes in the downtown over the years. Originally the deep tunnel was supposed to handle all the water, that didn't work. The impervious area has stayed the same, what was asphalt is still asphalt. The weather patterns have changed, 20 year storms seem to occur more frequently. Mr. Elgas said this will be very disruptive to businesses. Mr. Papierniak said each business won't be impacted the entire time.

B. Economic Alliance Intent and Purpose Discussion

Mr. Recklaus explained that the Economic Alliance was created in 1992 as an appointive, advisory body whose purpose was to promote existing businesses, attract new businesses, develop and support programs in order to foster and support Village-wide initiatives toward promoting quality economic development. Since then, additional representatives have been added as voting members, such as the Chamber and CVB. Representatives from the Park District and Library (taxing bodies) were included as non-voting members. The scope of work changed to 'advising' the Village on the implementation of programs versus the previous 'developing and implementing'.

Mr. Recklaus said some commissions like the Plan Commission and Design Commission are regulatory, but others are more program based like the Special Events Commission or the Arts Commission. The Code in 1992 reflected that the Alliance was originally more of a programming commission. Recently, the Alliance has made policy recommendations on the minimum wage/sick leave ordinance, the Village's water policy and the Hancock Square Parking agreement. These changes mark a notable shift in role, which brings forward the following questions:

- On what basis would the Alliance decide to take on an issue?
- On what basis would the Alliance base its recommendations?
- What if the Alliance takes on an issue which the Village Board has no interest in?
- What would prevent multiple commissions from reviewing the same topic and making conflicting recommendations?
- Does the Board want the Alliance's input on a matter before discussing it themselves?

Staff believes that adding another layer to the policy making process adds time to important discussions and creates the possibility that the Alliance will take on issues/make recommendations that run counter to the Village Board's views. It is important to note that the Village Board is charged with leading policy discussions, not Commissions. Conflicts between the Board and its own advisory commissions could occur. Staff recommends the Board give the Alliance additional guidance on what types of policy discussions it should or shouldn't initiate prior to Board direction and that the Board retain the right to refer policy items to the Alliance if/when it chooses to do so. This direction will help prevent situations where the Alliance takes on an issue the Village Board is not interested in pursuing or that another Commissions may be discussing.

The Economic Alliance is a creature of the Village Board and should operate within a framework that reflects the Board's vision and values. The Alliance membership is looking for Board direction on what the role should be moving forward. They have put forth a motion for Board consideration.

President Hayes said all the Boards and Commissions serve as advisory bodies to the Village Board based on the time and expertise they can devote. The Village Board does not have the time or expertise to

devote to all of the issues that come forward. The Alliance is a very valuable tool, perhaps recently, the Board has not used the Alliance as much as it could have. He said the Board can continue to think of ways to get the Alliance involved.

Scott Whisler of the Alliance said this is coming from a good place, the group is good and wants to make a difference. The agreement with the Chamber and the staff's work on marketing has evolved over time, and has taken away some of the things the Alliance did in the past. Mr. Whisler read the Alliance motion:

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 may 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. The Alliance may research any existing ordinances, programs or regulations relating to the business community.

Mr. Whisler said there have been issues that went to the Board that he believes the Alliance could have made a difference; like outdoor seating. He said he did not want to slow things down in the process. He said some of the issues they have taken up, like the water supply on Rand Road, come up because people ask them and they wanted to know why. It's somewhat organic.

President Hayes said he thinks the Board needs to be careful about creating another approval process.

Trustee Rosenberg asked if staff could give more information for their agenda, like an overview of the Planning Department's issues or what is coming up. Mr. Whisler said that occurs, but more information could be better. He said for example, the Alliance would be interested in some of the building code revisions that would affect businesses. Mr. Recklaus said a lot of the projects that staff is working on are Board directed, and are already in the business plan. At what point should the Alliance get involved? There is not an easy/automatic check-in point.

Alliance member Andi Ruhl said the intention is to discover the best way they can work for the Board. She mentioned the parking issue, and that is one where the Alliance could weigh in. They don't intend to step on toes, but want to add value.

Trustee Scaletta said the Board weighs making rules and regulations from many perspectives. The Alliance could make a recommendation, but it might not work because of another factor. He said he was trying to figure out what would go to the Alliance, and the exchange of information. They only meet once a month, whereas the Board meets twice a month, how would this not slow down the process? The idea is to reduce the number of days to get things through. He said he doesn't like polls, he likes to hear his fellow Trustee ideas. He said he is searching for an answer.

Trustee Tinaglia said he wants to hear what the Alliance is talking about. He would love to hear their laundry list. The Board has an annual strategy session. They boil it down to a dozen items that staff gets assigned for the next year. Maybe this information could be shared? He wouldn't want the Alliance

weighing in on every different topic. If the Alliance could be on the same page as staff and offer more, it would be helpful. He can't vote in favor of the motion as the breadth is too wide.

Trustee LaBedz said the motion seemed to cede some of the policy making decisions from the Board. The Village Board is the policy making body of the Village and they are accountable to the citizens. As a Board member, they have to consider issues from many perspectives. Tonight, it sounds like the Alliance was trying to make recommendations versus policy. Mr. Whisler said they are not trying to set policy.

Trustee Blackwood said this is a strategic group. The idea is to bring the business community together in a strategic fashion and have an impact in certain areas. The Board didn't want to tackle the minimum wage issue as it saw it as a State initiative. This should be a collective effort the Alliance drives home, like Rand Road development or Southtown. It should be the voice for strategic business development.

Trustee Sidor said the planning session is a public meeting, perhaps the Alliance could come? It saddened him that this problem hasn't been solved as it was raised a few years ago. He said he agreed with Trustee LaBedz regarding the motion. He is also trying to discern the sweet spot. There are three entities, the Chamber, the Alliance and the Small Business Agreement which are business related that need some coordination. Mr. Whisler said they used to overlap, but do so less now.

Trustee Baldino said he was open to sharing Board objectives with the Alliance. What prohibits the Alliance from sharing their views with the Board at a Board meeting? Mr. Whisler said they do, with a motion, that is communicated. Trustee Baldino said if the Board allowed the Alliance to give recommendations, it might look like the Board is skewed as pro-business. Do they create a citizen's advisory commission to go along with it?

Trustee Tinaglia said he is interested in hearing what some of the topics might consider, but they don't have to be the same as the Board's. After hearing the Alliance list, the Board could direct the Alliance on what to pursue. He also does not want barriers to communication.

Trustee Padovani said based on his background, it might be of value that in June, having something from the Alliance on what the Board should consider would be helpful. Mr. Whisler agreed.

President Hayes said the June session is an internal working board session, the Alliance could attend, but would not be a participating member. What needs to be determined is what and when. There needs to be a process.

Mr. Recklaus said one challenge is of overlap. For example, the Building Code is being reviewed by the Building Code Review Board, which will take several meetings over many months. To what extent do we want to duplicate this process with another commission? One idea would be to add Commissions to the existing strategic priorities process. The Code calls for the Alliance to annually submit to the village Board a statement of its goals and objectives. We could have each Commission come up with what is important. These lists could be submitted to the Board along with staff's list. The Board can decide which items to make priorities for a given two year cycle. Then after Board review at its planning session, staff can develop the business plan with these items included, determining how commissions will be woven in to each project. It's a two year process. For other one-off issues that come up unexpectedly, the Commission can always come to a board meeting to weigh in. There is precedent for that. They can also ask the Board if they would like the Alliance to look into a particular issue that bubbles up. The Board can then give direction.

Peg Lane of Reclaim NW Chicago Progressive Political Meetup said she agreed with not creating another level. She would not want any more distance between officials and the public. She said she wanted public comments on the Committee of the Whole Agenda and said she had been shuttled off to talk to staff versus elected officials. She asked the difference between the Chamber of Commerce and the Economic Alliance. She said the Village doesn't need another business alliance, but one for citizens or working families. She said it seems that mostly white males are appointed to commissions, it is clear what kind of recommendations you want. The democratic process is affected by the Board refusal to use the mandated Roberts Rules.

President Hayes explained the Alliance is an appointed Board that advises the Village Board. They are members of the public and citizens, it is anything but shutting the public out. They provide input from the public, it is a Village entity and follows the Village rules and regulations. It reports to the Village Board. The Chamber is not part of the Village but a separate organization. It is a very valuable part of the team to enhance the business climate in the Village.

Keith Moens agreed with Mr. Recklaus. He would not want the Alliance to set policy. If the Board wants their opinion, that is why they are there, and their opinion could be solicited. He would be worried for the Alliance to have input without a balance on the other side, and would like an objective view point coming forward. He suggested the creation of a working family commission that could put forward ideas upon Board request.

President Hayes thanked everyone for the discussion and asked for Mr. Recklaus' suggestions to be moved forward. Trustee LaBedz said every Board and Commission should have the same opportunity as the Alliance. Mr. Recklaus said this desired by a lot of commissions and this is a first step.

VI. Adjourn

Trustee Tinaglia moved to Adjourn at 10:03. Trustee Scaletta seconded the motion. The motion carried.

Summary of Strategic Priorities, 2018 -19

These priorities and sub-priorities reflect the views of the Village Board identified at the June 28th, 2017 Village Board goal setting session.

Explore new revenue sources to fund Village Service

Identify potential new revenues not currently being utilized by the Village to offset State of Illinois actions and flattening sales tax revenues.

Find ways to grow current revenues by facilitating additional activity in growth sectors of the economy.

Improve Building and Life Safety Processes and Customer Service

Identify specific opportunities for process and communications improvement in the Building and Life Safety Department.

Identify and Implement Best Practices in those areas.

Enhance Village Code Enforcement Efforts.

Increase opportunities for feedback from the business community.

Review and Update Village Business Development and Recruitment Strategy

Identify and analyze new uses and business types that have the

most potential for long term growth.

Align Village recruitment and retention efforts and zoning to target growth uses.

Increase organizational flexibility to take advantage of unforeseen opportunities.

Update strategy for implementation of TIF 4 Redevelopment Project Area based on evolving economic conditions.

Review and Update Village Housing Regulations and Strategy

Analyze demographic trends to determine if current housing mix and regulations will continue to support Arlington Heights' population in the future.

Adjust housing strategy to meet emerging needs.

Ensure that current construction regulations support sustainable neighborhood growth and effective storm water management.

Continue Infrastructure Improvement Efforts

Increase Efficiencies in Service Provision

Explore ways to reduce Village expenditures in light of flattening revenues

Strengthen use of technology to increase organizational effectiveness and reduce operational costs

Evaluate the Village of Arlington Heights Identity and Brand in the Community and Region

May 15, 2019

The Honorable Mayor Thomas W. Hayes and the Village Board of Arlington Heights
33 S. Arlington Heights Road
Arlington Heights, IL 60005

Dear Mayor Hayes and Village Trustees of Arlington Heights:

On February 11, 2019, the Arlington Economic Alliance was given the opportunity to present to you, via a Committee-of-the-Whole meeting, amended Code language regarding our Commission. Although the proposed modifications to our purpose and intent was not ultimately approved, our Commission felt that the discussions that evening were fruitful and your direction appreciated.

A key result of this meeting was a request by you, the Village Board, for the Economic Alliance to provide a list of key economic development items for consideration at your annual strategic planning meeting. In response to this request, the Alliance has engaged in discussions over multiple monthly Commission meetings. The result is this letter with eight areas of focus that we feel are of significant importance to the business community over the next 12-18 months.

The following is list of these items. Please note that we feel that these are of comparable importance, and therefore are simply listed in alphabetical order:

- Business-Related Code and Ordinance Changes
- Corridor Improvement
- Licensing & Permitting Process
- Promotion of the Village's Business-Related Assets
- Property Tax Concerns
- Signage
- Small Business Promotional Partnerships
- Social Media Presence

The following is a short summary of each item with context as to why the Alliance feels they are relevant. They are sorted by which of your 2018-2019 strategic priorities we feel is most applicable:

#2: Improve Building and Life Safety Processes and Customer Services

➤ *Business-Related Code and Ordinance Changes*

We would like to clarify that this does not involve policy-making. Rather, this is a request for the Alliance to be informed of Code changes and ordinances that would impact the business community and, when possible, allow us an opportunity to provide feedback or a recommendation before a final decision is made. This Commission acknowledges the importance of not slowing down projects. As business community representatives, we ask that the Village Board actively consider our roles and expertise, and proactively allow us opportunities for feedback.

➤ *Licensing & Permitting Process*

The Economic Alliance acknowledges and appreciates that the Village is currently going through a process to review and potentially amend the Building Code. The Commission asks that Staff and the Village Board keep business needs in mind during the process, especially in order to help support independent small businesses that often do not have the financial resources to conduct significant changes to older tenant spaces. Furthermore, any opportunities to simplify the licensing or permitting requirements can encourage business investment in Arlington Heights. The Economic Alliance would like to review any suggested changes that may come from this review prior to them being amended.

#3: Review and Update Village Business Development and Recruitment Strategy

➤ *Promotion of the Village's Business-Related Assets*

In the past two years, Village Staff has conducted surveys requesting resident and business input. Staff and business representatives alike (such as the Alliance itself) should promote the assets identified in these surveys. The community should play to its strengths while continuing to work on areas for improvement.

➤ *Property Tax Concerns*

The new Cook County Assessor is currently implementing changes to the County's tax structure. Multiple townships have recently seen significant assessment increases. This affects both commercial and residential properties, and increases in property taxes typically result in rent increases to tenants, and price increases to customers. Educating owners on this impact is one opportunity to assist businesses in Arlington Heights. The Alliance understands that the Village's share of the property tax burden, and the Board's ability to further reduce it, is limited. However, any opportunity to advocate for the alleviation of increased taxes would greatly benefit the long-time commercial and industrial tenants who have invested in this community.

#5: Continue Infrastructure Improvement Efforts

➤ *Corridor Improvement*

As a critical symbol and economic driver for Arlington Heights, we acknowledge the importance of Downtown. However, we wish for the Village Board to continue to focus on ways to maintain and enhance the Uptown and Southtown sections of the community. Investments in visual appeal and infrastructure at key intersections, and along major commercial corridors, can result in greater business activity and sales generated by residents and visitors.

#7: Evaluate the Village of Arlington Heights Identity and Brand in the Community and Region

➤ *Signage*

The Economic Alliance acknowledges recent efforts to emphasize the importance of signage, especially in the Downtown and Southtown. The Commission wishes to reinforce not only the need for signage, but also its importance in terms of wayfinding as well as welcoming visitors at the Village's gateways and encouraging them to spend their dollars in Arlington Heights. Signage should also be tied into the community's branding to help further create a sense-of-place.

➤ *Small Business Promotional Partnerships*

It is important to motivate people to visit storefronts, especially considering the effects of the rise in online purchasing. Looking for ways to promote local merchants, and educating residents on the importance of "buying local", can help mitigate some negative impacts of increased internet shopping. Further, educating the businesses on how to utilize technology is key to helping them enhance their presence in the marketplace, and can help drive more traffic to their businesses.

➤ *Social Media Presence*

Utilizing social media should continue, and be expanded where possible. Regular outreach via multiple channels is a cost-effective way to market the community. Social media use does require Staff time. So looking for opportunities to collaborate with residents, business owners, and visitors to also provide content is an opportunity to further advertise the community's assets.

The Arlington Economic Alliance is grateful for the opportunity to bring these items to your attention, or to emphasize their importance. Any questions or direction from the Village Board is welcome.

Sincerely,

Scott A. Whisler
Chairman – Arlington Economic Alliance

C: Randy Recklaus, Village Manager



Arlington Economic Alliance
5/15/2019

Item: Annual Arlington Economic Alliance Newsletter

Department: Planning & Community Development

ATTACHMENTS:

Description	Type
Arlington Economic Alliance Newsletter (2019)	Exhibits

ALLIANCE

Major Commercial Developments Proposed for 2019

Development projects abound for Arlington Heights in 2019. Several development projects either are under construction or are in planning stages to move forward. These opportunities highlight tremendous investment interest in Arlington Heights. Here are some of the projects making progress in 2019:

Project: Arlington 425**Status: Proposed**

Description: Arlington 425 is a Downtown mixed-use project proposed for the vacant 2.9-acre southwest corner of Campbell & Highland. The plan calls for 361 residential units and over 30,000 square feet of retail/restaurant/office space. Parking would be provided. This development is still under review.

**Project: Arlington Downs (Updated)****Status: Approved**

Description: The Arlington Downs mixed use project on Euclid Avenue, just west of Arlington Park, has been approved to construct Phase II of the development. Revised plans include a 116-room hotel; 30,000 square feet of retail/restaurant space; and a 263 unit residential building (in addition to the 214 existing residential units).

Groundbreaking is anticipated to begin this year. Future plans for the site include an additional 360-unit residential building, more commercial space, and an Olympic-quality rock climbing facility.

Project: Chez Hotel**Status: Approved**

Description: Chez Hotel in Arlington Heights is a planned 62-room boutique hotel at 519 W. Algonquin Road. The hotel will also incorporate part of the existing European Crystal Banquets on the ground floor. Also included will be a rooftop bar area for guests, exercise room, and business center. Construction of the Chez Hotel is anticipated to begin within the next year.



continued on page 3

Letter from Mayor Hayes



Dear Business Neighbor,

Spring has already sprung here in Arlington Heights and the calendar year is well underway. However, I feel it's important to think back once more on what an incredible year 2018 was for our community, because the momentum generated from such a successful period of time has

carried over well into 2019. It makes me proud to see that our businesses conducted almost \$1.27 billion in retail sales last year, a 5% increase from 2017. That sales figure is the highest we have seen since coming out of the recession nearly a decade ago. The revenue generated from the increased sales affords us greater opportunity to reinvest in our community's infrastructure, benefiting residents, visitors, and employers alike and further enhancing the quality of life here in the "City of Good Neighbors".

Last year, we saw 80 new businesses open in Arlington Heights, providing 700 jobs to our local economy. These businesses helped reoccupy nearly 400,000 square feet of previously vacant tenant space. The result was a decline of nearly 2% in both retail and office vacancy, bringing in new tax-generating companies and workers to provide direct and indirect support to our thriving business community. Industrial re-occupancy was also strong, seeing a 2.5% vacancy reduction over the past year.

Of all the new businesses to call Arlington Heights home in 2018, one of the most notable was Northrop Grumman. The national defense contractor has brought 250 new jobs to the Village and is taking up over 40,000 square feet of previously vacant office space. Their tenancy has helped completely fill 1421 W. Shure Drive, a facility it shares with HSBC and their approximately 1,500 workers.

As noted before, new users such as warehouses and manufacturers helped greatly reduce industrial vacancy. Fifteen such new businesses brought 74 workers and filled up more than 135,000 square feet of previously empty tenant space. It wasn't just industrial users though that contributed to our economy. New retailers and eateries such as Hey Nonny and Golden Corral leased over 90,000 square feet of first floor commercial space as well. And besides Northrop Grumman, more than 25 new office tenants re-occupied over 40,000 square feet of space.

We are grateful for all our commercial and industrial enterprises that continue to support and invest in Arlington Heights. One of the reasons our community remains a destination is the diverse and unique environment you have helped create. We look forward to working with you throughout 2019 and beyond.

Sincerely,

A handwritten signature in black ink that reads "Thomas W. Hayes".

Thomas W. Hayes
Mayor, Arlington Heights

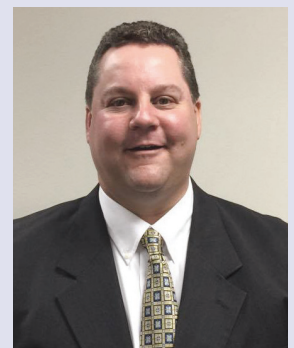
Letter from Chairman Whisler

The Arlington Economic Alliance, the Village's formal economic development commission, continued to work hard to promote the business community in 2018. For those who are unfamiliar, the Economic Alliance is a volunteer 13-member Commission of the Village of Arlington Heights, made up of local business owners and representatives, tasked with improving the community's economic climate by advising the Village Board and Staff through a business perspective.

This past year was a productive one for the Alliance. In reviewing the results of the Downtown Parking Study, presented to the Village Board last October, we provided additional feedback and considerations to Staff as they implement the first phase of the study's recommendations. In addition to that, we worked with the Chamber to help promote the Mayor's annual "State of the Village" address. The event was well-attended and the Mayor provided excellent insight on the Village's finances and upcoming projects.

The Alliance also played a major role in the creation and implementation of the Arlington Heights Business Survey, working with Staff to ensure the collection of valuable and useful data to serve as key benchmarks for future surveys. The results of this survey were presented to the Village Board. Overall satisfaction among responding business representatives was high, with 79% of survey takers stating that they were "satisfied" or "very satisfied" with Arlington Heights as a place to do business. We will continue working with Staff and local economic development organizations to improve upon this satisfaction rating in upcoming years.

The Commissioners on the Economic Alliance are your fellow business owners and representatives. Please reach out if we can be of any service to you and your enterprise. Our contact information is on page 5.



Major Commercial Developments Proposed for 2019

...continued from page 1

Project: West O'Hare Commerce Center

Status: Approved

Description: The West O'Hare Commerce Center is a planned 330,000 square foot spec industrial/warehouse facility on 15.4 acres at 703-709 and 715-723 W. Algonquin Road. The project will be completed in two phases with the first phase, a 140,000 square foot portion at the northern half of the property, expected to break ground this year. The remaining 190,000 square feet is anticipated to be built shortly thereafter. The site offers excellent access and visibility to I-90, and is the first spec industrial development in Arlington Heights since the recession.



Project: Hickory- Kensington Apartments

Status: Approved

Description: Groundbreaking is planned this year for the Hickory-Kensington Apartments at the northwest corner of Hickory & Kensington. When complete, the development will be a five-story rental building with 76 residential units and 3,400 square feet of ground floor commercial space. This project is a key part of the implementation of the Hickory/Kensington Area Plan, which aims to redevelop the area into a mixed-use neighborhood in order to provide greater density to help support nearby businesses.

Downtown Shopper Parking Map

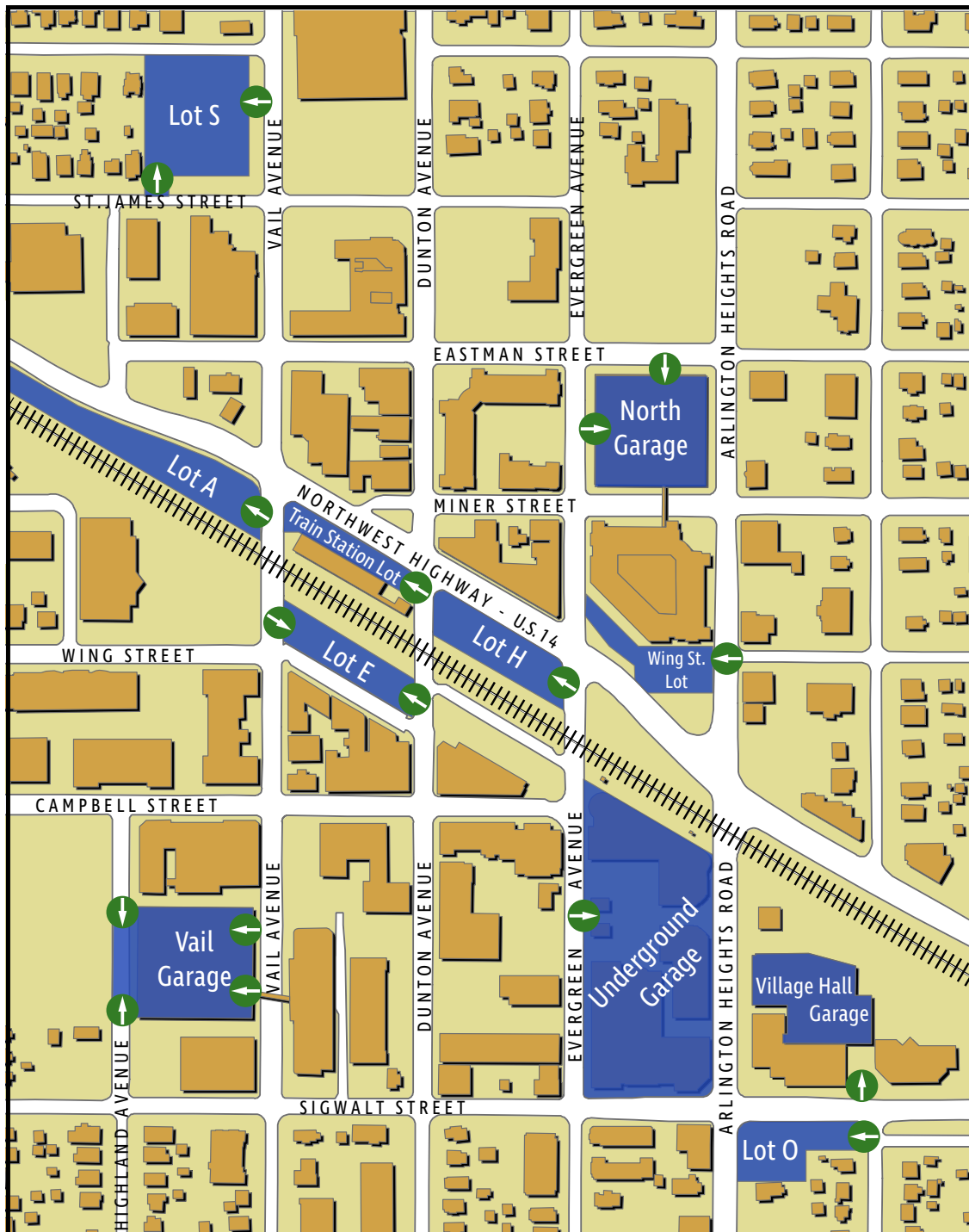
Recently, Staff has completed design and publication of an updated Downtown Shopper Parking map. These maps are on display in kiosks throughout the Downtown and have been disseminated via email to Downtown merchants in the past couple months. We encourage you to pass it along to your customers, and to incorporate it into your website if it does not already feature a Downtown parking guide.

A copy of the map is shown on the next page. If you would like a PDF version, please contact Michael Mertes, Business Development Coordinator for the Village of Arlington Heights, at mmertes@vah.com.



Downtown Arlington Heights

Free Shopper & Visitor Parking



In designated areas,
free parking is available
at the Lots and Times
below:

**PARKING TIME LIMITS
MUST BE OBSERVED**

Lots E, A, S, & O
Free from 12pm to 2am

**The Wing Street Lot,
Underground Garage,
Train Station Lot,
& Lot H**
Free from 5am to 2am

North Garage
Level 1 Free from 5am to 2am
Level 4 Free from 12pm to 2am

**Village Hall
Garage**
Free from 6pm to 2am

Vail Garage
Level 1 Free from 5am to 2am
Levels 4 & 5 Free from
12pm to 2am

**NO FREE PARKING IS
PERMITTED AT ANY TIME
IN SPACES DESIGNATED
PERMIT ONLY**

 = Entrance

For more Information:

Visit vah.com/our_community/parking

Visit discoverarlington.com

Prepared by the Department of Planning & Community Development

Summer/Spring Calendar of Events...

Date	Event	Time	Location
Thursdays and Fridays June 13 through August 1	Sounds of Summer Concert Series	7:30 p.m.	Harmony Park Vail Avenue and Campbell Street www.DiscoverArlington.com
June 8-9	Arlington Heights Promenade of Art	10:00 a.m. to 5:00 p.m.	Downtown Arlington Heights Vail Avenue and Wing Street www.amdurproductions.com
Saturdays June 1 through October 12	Arlington Heights Farmer's Market	7:30 a.m. to 12:30 p.m.	Lot S - Vail Avenue and Fremont Street www.ahfarmersmarket.org
July 3 through July 7	Frontier Days Festival	(various hours)	Recreation Park 500 E. Miner Street www.frontierdays.org
August 2	Mane Event / Million Dollar Block Party	5:00 p.m. to 10:30 p.m.	In the Downtown, Vail Avenue and Campbell Street www.DiscoverArlington.com
August 3	Taste of Arlington Heights	Noon to 10:30 p.m.	In the Downtown, Vail Avenue and Campbell Street www.DiscoverArlington.com
August 10	37th Running of the Arlington Million	10:30 a.m. to 7:30 p.m.	Arlington International Racetrack 2200 W. Euclid Ave. www.arlingtonpark.com

For additional information and more great events all year long, visit DiscoverArlington.com



Mayor – **Thomas W. Hayes**

Board of Trustees:

Richard Baldino	Mary Beth Canty
Robin LaBedz	Greg Padovani
Bert Rosenberg	John Scaletta
Tom Schwingbeck	Jim Tinaglia

Village Manager's Office 847-368-5100

Police and Fire Emergency – 9-1-1

Published by the Village of Arlington Heights
Department of Planning & Community Development
www.VAH.com

Important Contact Information

Department of Planning & Community Development	847-368-5200
Department of Building Services	847-368-5560
Department of Engineering	847-368-5250
Wheeling Township Assessor's Office	847-259-1515
Elk Grove Township Assessor's Office	847-437-0300
Arlington Heights Chamber of Commerce	847-253-1703
www.VAH.com	
www.DiscoverArlington.com	

Alliance Members	Company	Phone Number	Email Address
Scott Whisler, Chair	Brian Properties	(847) 640-1500	swhisler@brianproperties.com
Rich Casey	Northwest Community Healthcare	(847) 618-5060	rcasey@nch.org
Matt Fink	First Midwest Bank	(224) 318-4038	matthew.fink@firstmidwest.com
Anthony Guido	Arlington Heights Ford	(847) 870-1300	tguido@ahford.com
Jackie Lewis	Forbici Salon & Spa	(847) 398-2887	jlewis.forbici@sbcglobal.net
Rex Paisley	Lutheran Life Communities	(847) 368-7551	rpaisley@lulife.org
Dave Parulo	Meet Chicago Northwest	(847) 490-1010	dparulo@chicagonorthwest.com
Jon Ridler	Arlington Heights Chamber	(847) 253-1703	jridler@arlingtonhcc.com
Brian Roginski	Cortland's Garage	(847) 577-2525	brian@garagetaverngroup.com
Andi Ruhl	Thrown Elements Pottery	(847) 818-1313	thrownelements@gmail.com
Parth Shaha	Three United Inc.	(847) 228-6650 x402	parth@shahahotels.com
Andrew Stengren	Berkshire Hathaway HomeServices, Starck Real Estate	(847) 894-5190	astengren@starckre.com

The Arlington Economic Alliance meets the third Wednesday of every month at 7:30 am at the Arlington Heights Village Hall, 33 S. Arlington Heights Rd., Arlington Heights.

HAVE COMMENTS OR QUESTIONS?

CALL AN ECONOMIC ALLIANCE MEMBER

The Arlington Economic Alliance encourages any member of the Arlington Heights business community to call or email its members with any thoughts, observations, comments or questions relative to doing business in Arlington Heights. Please refer to the information at the head of this newsletter for Alliance member names, telephone and email contact information.

The Village of Arlington Heights is here to serve your business. Are we missing an important topic in our newsletter coverage? Please call the Department of Planning and Community Development at 847-368-5200 or send your email to planningmail@vah.com to share your ideas! Also, to receive updates on Village News sign up for the Village E-News.



SMALL BUSINESS SALES TAX REBATE PROGRAM

The Village of Arlington Heights will provide a financial rebate of the Local Municipal Retail Sales Tax of up to 50%...

NEW BUSINESSES:

The Village will provide up to a 50% Sales Tax Rebate of the Local Municipal Sales Tax.

EXISTING BUSINESSES:

The Village will provide up to a 50% Sales Tax Rebate on the increased increment of sales above the base.

GENERAL REQUIREMENTS:

The rebate will be remitted annually for a maximum of 5 years. Program is on a first come first serve basis. Incentive period cannot exceed length of lease.

TYPES OF RETAILERS/STORES: Apparel, accessories, shoes, furniture, household accessories, electronics & appliances, books & other retailers at Village discretion.

LEASE TERM/STORE SIZE: The tenant must sign a minimum 3 year lease. The maximum store size is 5,000 square feet. An existing business must expand by 25% of existing square footage.

MINIMUM HOURS OF OPERATION: Open at least 40 hours per week. Open until 8:00 p.m. at least one evening per week, between April 1 and October 31.

CONTACT: The Planning & Community Development Department
for complete program requirements at 847-368-5200 or planningmail@vah.com

WWW.VAH.COM



Village of Arlington Heights
Department of Planning and Community Development
33 South Arlington Heights Road
Arlington Heights, IL 60005

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