Village of Arlington Heights
Arlington Economic Alliance
Virtual Meeting

April 21, 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/3sdACbj

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 April 20, 2021.

II. ROLL CALL

III. APPROVAL OF MINUTES

A. Minutes 3/17/21

IV. REPORTS

A. Development Update

V. OLD BUSINESS

A. Arlington Alfresco Discussion
B. Economic Alliance Work Plan - 2021

VI. NEW BUSINESS

A. Business Assistance Opportunities

VII. OTHER BUSINESS

A. Commissioner Reports

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
4/21/2021

Item: Minutes 3/17/21

Department: Planning & Community Development

ATTACHMENTS:

Description	Type
Minutes	Minutes

DRAFT

MINUTES OF THE MEETING OF THE ARLINGTON ECONOMIC ALLIANCE
HELD VIRTUALLY (ONLINE) ON MARCH 17, 2021 AT 7:30 A.M.

MEMBERS PRESENT:
Andrew Stengren – Chairman
Joyce Barabicho
Rich Casey
Matt Fink
Dave Parulo
Michele Petrie
Jon Ridler
Brian Roginski
Andi Ruhl
Scott Whisler

MEMBERS ABSENT:
Tony Guido

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

<u>Call to Order</u>
Chairman Stengren called the meeting to order at 7:34 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.*

<u>Approval of Minutes – February 17, 2021</u>
The meeting minutes of February 17, 2021 Arlington Economic Alliance meeting were reviewed.

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

<u>Introduction of New Member</u>
Chairman Stengren welcomed Michele Petrie, the newest Alliance member, to the Commission. Ms. Petrie introduced herself and shared her background.

<u>Development Update</u>
Arlington International Racecourse is listed for sale. The owner, Churchill Downs, has stated a commitment to running a full racing schedule this year. Sale of the site is not anticipated prior to the conclusion of the season on September 25. Frito-Lay is developing a 54,000 square foot warehouse building at 703-709 W. Algonquin Road. This would be in addition to about 50,000 square feet they currently occupy in an existing adjacent building. The company anticipates employing around 160 workers. Construction is anticipated to be complete before year's end.

The Metropolis Performing Arts Centre will be holding outdoor shows beginning in May. Eastman Street, from Evergreen Avenue to Arlington Heights Road, will be blocked off from April to September in order to accommodate.

Shows will be held under a tent, in the evening from approximately 7:30pm until 9:45pm. Sunday matinees are slated from 3:00pm to 5:15pm. Arlington 425 is expected to go to the Design Commission, and the Plan Commission for a PUD amendment, in late March.

In other news, Rex Paisley has resigned from the Economic Alliance. Mr. Whisler inquired about the status of the Hickory-Kensington Apartments. Mr. Mertes explained that the development is still approved, and the Village is awaiting the developer to move forward on the project.

Arlington Alfresco Discussion

Arlington Alfresco officially opened the previous Friday, receiving significant local news coverage. There was some snowfall the previous Monday, but not enough accumulation to require the restaurants to take their tables off the street. They were notified of this via an e-blast earlier that day. There is still potential for more snowfall and Staff has a coordination plan with the businesses to remove snow from the roadway, if needed. New signage is also featured in the Alfresco zone, including State and local requirements, as well as a business directory of the entire Downtown.

Moving forward, the ropes and stanchions currently in place will be replaced by fencing in late April or early May. Covers for the barricades are coming in the next few weeks to provide better visual appeal when entering the Alfresco zone. Chairman Stengren expressed his support of the Village's efforts and for Alfresco opening early this year. Mr. Roginski, Downtown restaurant owner, said that the first weekend of Arlington Alfresco was a great success and complimented Public Works staff. Meet Chicago Northwest is unveiling the "Eat Local Challenge" promotion on March 25, explained Mr. Parulo. This is a public service campaign featuring geo-fenced digital advertising, and will feature an activation event to promote the program and the restaurants throughout the Village.

Economic Alliance Work Plan – 2021

Mr. Mertes summarized the letter sent by the Economic Alliance to the Village Board in May 2019. Per direction from the Mayor and Trustees, the Alliance put together a list of economic development items for the Board to consider as part of their annual strategic planning meeting. Chairman Stengren asked which elements from the 2019 letter were included in the Board's strategic plans. Mr. Mertes highlighted the incorporated items, such as property tax concerns, corridor improvement, and the licensing and permitting process. Chairman Stengren, Mr. Whisler, and Ms. Barabicho all feel that this is a good exercise, and that the Alliance should do it again this year.

Feeling that the 2019 list was still relevant, Mr. Ridler suggested highlighting two or three elements from that letter for inclusion in this year's version. Mr. Whisler recommended re-emphasizing the negative impact on businesses from recent County property tax assessments. On triple-net commercial leases, the increased tax burden has trickled down to the businesses. Also, without the County's Class 6b tax abatement program, many more industrial properties would likely be sitting vacant. Commercial vacancy has risen in places with limited access to rail and highway. Office space is seeing an even greater challenge. Mr. Fink asked if tenants are appealing their property taxes. Mr. Whisler verified this, but many are being denied and taking the appeal to court is cost-prohibitive.

Non-restaurant businesses are also struggling with the impact of the pandemic, noted Ms. Ruhl. Any assistance for other businesses is important. Mr. Ridler added that dealing with codes and regulations is still a top priority. The opportunity for businesses to learn common code requirements prior to signing a lease would be useful. A lack of familiarity with, and understanding of, the Village Code often frustrates business owners. So, presenting common code requirements upfront can help the businesses get open sooner.

Mr. Parulo suggested that the Village Board consider establishing a long-range plan for the vitalization of Downtown. In light of Arlington Alfresco, there are opportunities such as best use of the pedestrian area and how to incorporate the Downtown as a whole. "Long-Range Destination Development" can help determine a larger area of viability and how to enhance retail and lifestyle uses. Mr. Whisler agreed, referencing a consumer research study that had been done several years prior. Ms. Ruhl referenced other U.S. cities that have public pedways and entertainment districts, and a plan could help Downtown become even more of a destination.

Ms. Cayer asked about the ongoing development of housing west of Arlington Heights. Mr. Stengren replied that housing demand, especially in Arlington Heights, is high. New development might help meet that demand.

Business Assistance Opportunities

Mr. Ridler explained that the money being spent on Arlington Alfresco is significant. So, the Chamber provided a letter to the Village in support of Alfresco while requesting the same amount be spent to support restaurants outside the Alfresco zone through grants. The Village has provided liquor license assistance and allowed the expansion of outdoor dining onto private parking lots, but the restaurants also incurred additional expenses in order to do so. Mr. Mertes stated that the Village Board, the prior Monday evening, approved $130,000 in Community Development Block Grant funds to provide 26 forgivable loans to small businesses in the amount of $5,000 each. The Board also wanted feedback from the Alliance on the program's general framework. Mr. Mertes summarized the federally-mandated elements, as well as other potential criteria the Village could establish in order to determine eligibility.

Mr. Whisler asked Mr. Ridler about the typical cost of tents right now. Mr. Ridler responded that smaller ones are renting for up to $800 per week, while larger ones are going for as much as $1,800 per week. Due to high demand, companies are not giving discounts. Regarding the potential criteria of the program, Mr. Ridler advocated for fewer restrictions, as more restrictions may confuse potential applicants. His recommendation is to limit the applicant pool to restaurants and retailers, while excluding those who are benefitting from being within the Arlington Alfresco zone, as well as those who have received BIG grants from the State of Illinois. Ms. Ruhl agreed with these criteria.

Acknowledging that the forgivable loan program can't be available to every business in Arlington Heights, Chairman Stengren felt that a decline in revenue, due to the pandemic, should be a requirement. He otherwise agreed with Mr. Ridler's proposal, who further added that primary consideration should be given to businesses that had to spend money to put up an outdoor space. Limits on square footage and number of employees could leave out restaurants that could really use the financial assistance. Mr. Whisler agreed, emphasizing simplicity where possible. Mr. Parulo suggested that the small business criteria under federal assistance programs could provide a template. Focusing too much on employee counts and size of tenant space will open a prolonged discussion on potential exceptions.

Commissioner Reports

Mr. Casey discussed the state of healthcare and Northwest Community Healthcare's (NCH) experience with the pandemic. He explained that the organization has merged with NorthShore. In late February 2020, the hospital received its first COVID-positive patient. At its peak, the hospital had about 120 in-house Coronavirus patients at one time. NCH has been running as many as 400 lab tests per day. Over 2,200 patients were eventually discharged, but unfortunately nearly 300 others passed away due to COVID. The scope of handling such a situation has resulted in numerous changes in NCH policy. Even with CARES Act funding, the organization still reported a substantial loss. Via allocations from the State, NCH has vaccinated about 20,000 people. At a rate of approximately 2,000 people each week, the demand for vaccinations still exceeds the supply.

Chairman Stengren complimented Mr. Casey on his presentation and inquired about flu cases. Mr. Casey said that they have gone down significantly, and this might be attributed to COVID preventative practices. Ms. Cayer asked if the public is allowed to attend NCH board meetings, but Mr. Casey explained that these are private meetings and not open to the public. Documents are often made public though. Mr. Moens asked about the impact on employment as part of the merger. Mr. Casey said that there were no layoffs, and none planned as of now.

Other Business

There was no other business discussed.

Adjournment

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

The meeting adjourned at 9:00 AM.

Andrew Stengren, Chairman
Arlington Economic Alliance

Prepared by Department of Planning & Community Development

Arlington Economic Alliance
4/21/2021

Item: Economic Alliance Work Plan - 2021

Department: Planning & Community Development

ATTACHMENTS:

Description	**Type**
Economic Alliance Letter to Village Board	Correspondence

April 21, 2021

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

Dear Mayor Hayes and Village Trustees:

On February 11, 2019, the Village Board requested that the Arlington Economic Alliance provide a list of key economic development items for consideration at your annual strategic planning meeting. As part of the Commission's ongoing efforts to advise you in economic development matters, the Alliance has approved the following letter, and would like to offer these areas of interest and concern to your attention.

While we understand that not every element outlined in this letter will necessarily be included in your 2021-2022 strategic priorities, we are grateful for your consideration of what is outlined.

Property Tax Concerns
The Arlington Economic Alliance acknowledges that only a small portion of an Arlington Heights property owner's property tax bill goes to the Village, and that the majority is designated for school districts. However, Cook County assessments in recent years have had a significant negative financial impact on small businesses. Many businesses, who do not own their property, are on triple-net leases. This makes them liable for annual property tax payments proportional to the space they occupy. And with a further shift to home-based work, due to the pandemic, office vacancy has soared to nearly 25% in the northwest suburban market (source: CoStar).

While the Village Board's ability to provide relief is understandably limited, the Alliance asks for your understanding of the weight of property taxes being felt currently on the local business community especially in discussions with County officials.

Business Assistance Regarding Codes and Permits
Small business owners opening, relocating or, expanding in Arlington Heights can benefit from greater communication regarding local codes and permits. Often, the general contractor or landlord is the only contact involved on the project with Village staff, and the business owner is not informed of codes and permit requirements. This can result in additional costs to the business owner, delayed openings, and sometimes resentment towards the Village.

The Economic Alliance encourages the Village to develop and implement the following:
1. List the business owner(s) on all project permits with contact information included;
2. Include business owner(s) on all correspondence from the Village concerning their project;
3. Communicate any inspection issues to the general contractor and the business owner in writing, along with the exact wording of the code that is being referenced or enforced;
4. Produce a document, such as a flow chart, showing the steps needed in most projects from permit submittal, staff and Commission review, and Village Board approval if needed;
5. Produce a document that communicates what approvals are required, and what approvals are advisory, when moving a project from concept to Village Board approval.

Business Assistance Beyond Arlington Alfresco
The Economic Alliance thanks the Village board for their foresight and adaptability in approving Arlington Alfresco. The Commission supports this program, which has helped bring customers to the Downtown and enabled its participating restaurants to thrive during an extraordinarily difficult time. However, many businesses continue to struggle with State-mandated capacity limits and hesitant customers. The Village has done a commendable job over the past year, offering expanded outdoor seating, deferrals of fees, and a 0%-interest loan program. Still, small businesses have taken on additional costs to stay open, such as tent rental, outdoor seating and heaters, and PPE equipment. These have further added to already-lost profits. And while the SBA's loan programs have bought time for some, many businesses still risk further financial damage, loss of employees, and permanent closure as pandemic-related restrictions continue.

The Alliance asks that the Village Board consider other relief measures, especially financial, such as sale tax rebates, forgivable loans, and additional seating and/or display options, to assist businesses that are not benefiting directly from the Arlington Alfresco pedestrian zone.

Long-Range Plan for Downtown
The success and attention garnered from Arlington Alfresco is an indicator of the opportunity to transform Downtown into a regional destination for walkable shopping, dining, and entertainment. A long-range destination development plan, done by an outside consultant, may help determine how all of Downtown can benefit from the customers brought in by Alfresco, and how it can increase the marketability of the entire Village as a great place to live, work, and play. Potential outcomes include destination branding and infrastructure improvements, supporting a successful Downtown business mix both on the north and south sides of the Metra line.

The Economic Alliance asks the Village Board to contemplate reserving funds in order to conduct a long-range destination development plan for the Downtown.

Other Recommendations
The Arlington Economic Alliance feels that much of what was submitted to the Village Board in 2019 is still relevant. The Commission believes that these recommendations are crucial to the success of the local business community, and the Village as a whole. In summary:

- Allowing the Alliance to provide input on business-related code and ordinance changes
- Improving the aesthetics and infrastructure of the Uptown and Southtown corridors
- Promoting the Village's business-related assets by community stakeholders
- Enhancing the Village's gateway and wayfinding signage
- Seeking to promote and educate small businesses through public-private partnerships
- Continuing to establish and grow the Village's social media presence

The Arlington Economic Alliance is always appreciative of the opportunity to bring economic development matters before the Village Board, and is grateful for your consideration of its input. We welcome any questions, feedback, or direction from the Board stemming from this letter.

Sincerely,

Andrew Stengren
Chair – Arlington Economic Alliance

C: Randall R. Recklaus, Village Manager