Village of Arlington Heights
Arlington Economic Alliance
Commissions Room, 2nd Floor
Arlington Heights Village Hall
33 S. Arlington Heights Road
Arlington Heights, IL 60005
March 21, 2018
7:30 AM

I. CALL TO ORDER

II. ROLL CALL

III. APPROVAL OF MINUTES

A. Minutes 2-21-18

IV. REPORTS

A. Development Update

V. OLD BUSINESS

VI. NEW BUSINESS

A. Downtown Parking Study
B. Potential Projects for 2018

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.

Item: Minutes 2-21-18

Department: Planning & Community Development

ATTACHMENTS:

Description	Type
Minutes	Minutes

DRAFT

MINUTES OF THE MEETING OF THE ARLINGTON ECONOMIC ALLIANCE
HELD ON FEBRUARY 21, 2018 AT 7:30 A.M. AT THE VILLAGE HALL

MEMBERS PRESENT:
Scott Whisler – Chairman
Frank Appleby
Jackie Lewis
Rex Paisley
Jon Ridler
Brian Roginski
Parth Shaha

MEMBERS ABSENT:
Tony Guido
Lisa Henderson
Dave Parulo
Andi Ruhl

STAFF PRESENT:
Michael Mertes – Business Development Coordinator

ALSO PRESENT:
Mike Driskell – Arlington Heights Memorial Library

Call to Order

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

Approval of Minutes – January 17, 2018

The meeting minutes of the January 17, 2018 Arlington Economic Alliance meeting were reviewed.

JON RIDLER MOVED AND PARTH SHAHA SECONDED A MOTION TO APPROVE THE DRAFT JANUARY 17, 2018 ARLINGTON ECONOMIC ALLIANCE MEETING MINUTES. ALL ALLIANCE MEMBERS VOTED IN FAVOR OF THE MOTION.

Development Report

The Village Board has approved a Downtown light ceiling for the intersection of Campbell Street and Vail Avenue. Elsewhere Downtown, representatives of the proposed Sigwalt Apartments in Downtown will be attending a public hearing before the Plan Commission for the project, on February 28. If a recommendation is made by the Plan Commission that evening, the project will go to the Village Board for final approval, potentially on March 5.

Arlington Downs is requesting an amendment to their PUD (planned unit development) which would likely entail the relocation of some planned buildings within the site, the addition of more residential units, and some potential elimination of commercial space. The developer will be going to the Conceptual Plan Review Committee on February 28.

In industrial news, the proposed 330,000 square foot spec building at 703-709 W. Algonquin Road will also be on the Plan Commission agenda the evening of February 28. Following a recommendation, the project is anticipated to go before the Village Board in March. Meanwhile, a planned self-storage facility at 1430 E. Davis Street is going before the Design Commission on February 27. The proposal meets zoning, so neither the Plan Commission nor the Village Board will review. If approved by the Design Commission, the developer may then submit for building permits.

A Staff-composed plan for improvements to the South Arlington Heights Road corridor is tentatively scheduled to go before the Plan Commission on March 14.

Mr. Paisley asked about the changes to the Sigwalt Apartments proposal, since its previous submittal and rejection. The overall number of units has decreased from 88 to 80. The number of private parking spaces to be provided to tenants has been increased from 110 to 120. Also, the building has been moved slightly north and east to create more separation from residential neighbors to the south and west. Although still five stories tall, the latest architecture has the top floor tapering off from the façade. There will not be any first floor commercial space. Street parking will also be added.

Business Retention Survey

Mr. Mertes presented the results of the *2017 Arlington Heights Business Survey,* for which the Alliance provided substantial input in terms of formulating the questionnaire. The survey was distributed via two mailers to all commercial addresses within the Village, featuring a link to take the questionnaire online. Four e-blasts were also disseminated to the Planning & Community Development Department's business contact list. The Arlington Heights Chamber of Commerce and Meet Chicago Northwest also sent out the survey to their Arlington Heights-based contacts. In total, 143 unique businesses responded to the survey. This resulted in a response rate of 4.4%. Previous Alliance member Tom Gaynor had said in an earlier meeting that a 4%-5% response rate was standard for such a survey.

In terms of satisfaction, 79% of respondents signaled that they are "satisfied" or "very satisfied" with Arlington Heights as a location to do business. Only 8.5% said that they were "unsatisfied" or "very unsatisfied". In regards to the specific responses from unsatisfied businesses, primarily property taxes and parking, Mr. Mertes noted that the Village is hiring a consultant to undertake a comprehensive Downtown parking study in 2018. In terms of taxes, the Village's share is only about 11%, so it has limited impact on a property tax bill as most of the taxes go towards the school districts. Furthermore, the property tax burden on commercial and industrial sites was greatly reduced in 2008 by Cook County.

Businesses "likely" or "very likely" to remain in Arlington Heights made up 85% of respondents. Only 5% were "unlikely" or "very unlikely" to remain in the community. Mr. Appleby inquired if there were certain businesses, based upon size, type, or other category, that were less likely to remain in the Village. Mr. Mertes responded that such data has not yet been analyzed, but he is planning to look into that. In terms of space needs, 63% of respondents plan to stay the same, nearly 30% plan to increase, and only 8.5% plan to decrease. Retention efforts will be made to assist businesses looking to either grow or shrink.

Regarding which locations existing Arlington Heights businesses would potentially move to, 14 of 41 responses said within neighboring communities. Another nine said within Arlington Heights or a nearby community. The remaining responses were fairly spread out. Responses for type of business were also greatly varied. The most common were office (13%), retail (11%), and "other" (40%). Staff then chose to reclassify the answers listed under "other" into existing categories, while creating a new category: medical office. Following this, the most common responses were general service, office, retail, and medical office. Chairman Whisler expressed his satisfaction with the broad spectrum of business types that responded to the survey.

Nearly half of survey respondents have been in business, overall, for over 20 years. Approximately 60% of survey takers have been located within Arlington Heights for at least a decade. Mr. Paisley feels that it makes sense that companies most ingrained in the community may be more likely to participate in such a survey. Mr. Ridler added that survey recipients with a negative opinion might be more inclined to offer their viewpoint; however, this is not the case here as the responses have been largely positive.

Small businesses represented the largest group of respondents. Two-thirds of survey takers said they have eight employees or fewer. Further, about 80% of respondents employ fewer than 20 workers, while 90% have fewer than 50 workers. Still, there were 11 responses received by larger companies as well. In terms of overall health, about

60% of survey takers said their company's health has improved over the last three years. There were 20 respondents that have seen a decrease, and they will be targeted by Staff retention efforts.

Another point emphasizing small businesses input to this questionnaire is that 47% of survey takers occupy less than 2,000 square feet of space. Furthermore, 71% occupy 5,000 square feet or less. Nearly 40% of respondents own their space as well. A potential positive outcome is businesses that own their property may be more likely to stay in the community and reinvest in both their company and property.

The community's greatest assets to respondents have been location (37%), support from residents (19%), and access to interstate highways (10%). In terms of the greatest detriments, two answers stood out: taxes (31%) and parking (27%). As mentioned before, the Village has limited capacity to provide property tax relief. However, the Village does utilize the Cook County Class 6b program in order to help reduce the property tax burden for certain industrial users.

The survey recipients were then asked what factor would be most important if they were to start their business over today, in terms of choosing a location. At 30%, location was the most-selected choice. This was followed by taxes (15%), support from residents (10%), and demographics/work force (8.7%). With the exception of taxes, all these other choices were considered assets of Arlington Heights from one of the previous questions. Regarding taxes, Chairman Whisler stated that it is a "chicken or the egg" scenario. In the Chicago area, locations with lower property taxes typically do not offer the access or density as higher-taxed locations. Mr. Ridler reiterated that the largest portion of property tax bills goes towards the school districts. These taxing bodies should emphasize the benefits that business owners are getting for their tax dollars. The Alliance could provide a channel to get them in front of the business community, whether via a public forum or by an article in the annual newsletter.

Ms. Lewis stated that it would be important to business owners to see how the school districts are utilizing the tax dollars. She added though that parking has surpassed taxes as the largest burden on her business. Customers have a difficult time finding space in the Vail Avenue garage during late afternoons and evenings during the week, and many do not want to drive all the way to the top floor of the deck. Mr. Roginski mentioned that he and other restaurants owners in the Downtown have sketched out a parking plan for the Downtown that they wish to submit to the Chamber when it is finished. Mr. Shaha provided the hospitality perspective saying that he pays nearly double in taxes than his counterparts in California and Florida.

When asked what businesses, customers, or clients the Village could recruit that would help add value to the respondents' businesses, the most common answers were retail, restaurants (including fast casual), and other industrial users. Overall, responses were across the board. Regarding potential changes to regulations, the most common answer was reduced property taxes. Other frequent responses include a coordinated approval/permitting process, a less restrictive sign code, and lower rent/more affordable real estate. Mr. Mertes mentioned that Staff provides prospective businesses with a *Business Resource Guide* that helps explain the approvals and permitting processes. Chairman Whisler also noted that property owners without tenants can claim a vacancy reduction which lowers their property taxes significantly. Therefore, it is a disincentive to place a tenant in such a space on a temporary basis as was suggested in the survey responses, as the owner would then lose the vacancy reduction.

The most frequent suggestions for programs that could benefit Arlington Heights businesses included community events, retail events (e.g. sidewalk sales or wine walks), and collective business marketing. Finally, the last two survey questions involved leaving contact information for Village Staff to conduct direct outreach or to receive future Staff e-blasts.

Mr. Mertes summarized the report by saying that the primary goal of the survey was to determine if businesses in Arlington Heights are happy, and if they have any plans to relocate. Pointing to the last chart, three-fourths of respondents are both happy and staying in Arlington Heights. Those who are unsatisfied and planning to leave made up only 3.5% of respondents. Overall, questionnaire responses were very positive, but Village Staff will be undertaking retention efforts to try to help alleviate any concerns and assist in areas of need.

Chairman Whisler asked that the response rate in the summary reference that the 4.4% response rate for this survey compares to the 4%-5% range that Mr. Gaynor's provided as a standard figure in a past Alliance meeting remark. Mr. Roginski suggested condensing the survey and including it as part of the business license renewal form as a way to get a greater response rate in the future.

Mr. Appleby asked if there is a plan to send out the survey again, in the future, in order to get comparative figures moving forward. Mr. Mertes said that this has been considered but no definitive cycle has been determined.

Mr. Shaha asked about businesses being passed down to the next generation of ownership. Mr. Ridler said the Chamber has been working with some businesses on an exit strategy. Ms. Lewis suggested this be a potential question for future surveys.

Other Business

No other business was discussed.

Adjournment

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

The meeting adjourned at 8:27 AM.

Scott Whisler, Chairman
Arlington Economic Alliance

Prepared by Department of Planning & Community Development