

APPROVED

MINUTES OF THE MEETING OF THE ARLINGTON ECONOMIC ALLIANCE HELD ON MARCH 20, 2024 AT 7:30 A.M. AT THE VILLAGE HALL

MEMBERS PRESENT:

Andrew Stengren – Chairman
Rich Casey
Tonia Etoh
Tony Guido
Terry Iverson
Kerri Oots
Marc Poulos
Brian Roginski

MEMBERS ABSENT:

Heather Larson
Ellen Para
Michele Petrie
Andi Ruhl
John Toliopoulos

STAFF PRESENT:

Michael Mertes – Business Development Manager

ALSO PRESENT:

Mary Ellen Graf, Township High School District 214
Keith Moens, Resident

Call to Order

Chair Andrew Stengren called the meeting to order at 7:30 AM.

Approval of Minutes – January 10, 2024

The meeting minutes of January 10, 2024 Arlington Economic Alliance meeting were reviewed.

RICH CASEY MOVED AND BRIAN ROGINSKI SECONDED A MOTION TO APPROVE THE DRAFT JANUARY 10, 2024 ARLINGTON ECONOMIC ALLIANCE MEETING MINUTES. ALL ALLIANCE MEMBERS VOTED IN FAVOR OF THE MOTION.

Development Update

Mr. Mertes introduced Marc Poulos, the newest Alliance member, to the Commission. Regarding the Arlington Park site, following a statement sent out by the Chicago Bears, the Village issued a statement regarding the property.

The Plan Commission recommend to the Village Board an extension of zoning entitlements for six more months for the Arlington 425 project. The development was previously approved for a one-year extension last year. Since that time, the developer has been approved by the Design Commission for architectural changes to the planned building on Campbell and parking garage. Also, the developer has applied for a building permit to allow construction of the Campbell Building, Highland Avenue garage, and sitework necessary to prepare the site for construction. In regards to the Zero Interest Loan program, loans have been approved to assist two existing Arlington Heights businesses.

Chairman Stengren asked about the previous extensions to Arlington 425. Mr. Mertes explained that PUD (Planned Unit Development) approvals for the project were not in perpetuity, and could expire if development does not occur on the site within the allowed timeframe. Were the approvals to expire, any future development would potentially need to restart the Plan Commission process.

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Arlington Alfresco

This year's Arlington Alfresco program commences on Friday, May 3. Streets will be closed down earlier in the week to allow for set-up. License agreements have been sent out to participating businesses utilizing the public streets/sidewalks. Restaurants with approved sidewalk dining areas can begin serving customers on April 1. Alfresco runs until September 23, and streets will remain closed that week for Harmony Fest featuring the Taste of Arlington Heights. Restaurants with approved sidewalk dining areas can continue to do so through October.

Mr. Roginski inquired about an ongoing roofing project on Vail Avenue. Mr. Mertes explained that the project is anticipated to conclude prior to Alfresco set-up.

Economic Alliance Work Plan – 2024

Regarding "Thank You" messaging to businesses, Mr. Mertes provided a potential draft note that was also reviewed by Ms. Para. He requested feedback or edits from the Commission. Additionally, an Economic Alliance reference card, explaining the purpose of the Commission, could be included with the note. There are approximately 80 businesses celebrating five-year or ten-year anniversaries, which would mean that each Alliance member would write six or seven personalized notes. The Commission discussed how to personalize the notes and structure the message.

Mr. Poulos expressed support of the idea, noting that the Chamber of Commerce also writes personal notes to new members. If the Alliance is ok with the messaging, Mr. Mertes could bring the message cards and Alliance reference cards to the next Alliance meeting. Chairman Stengren asked if Zero Interest Loan applicants are mostly prospective businesses, or existing Arlington Heights businesses, and if the program could be promoted via the "thank you" notes. Mr. Mertes said that the majority of applicants are existing businesses. Mr. Iverson suggested that the Commissioners write to businesses that primarily align with the industry that they represent.

Chairman Stengren stated that he likes the draft message to businesses, but wondered if the message could be shortened. Mr. Iverson feels that hand writing the message on the card, and on the envelope, will more likely result in the letter being opened. Ms. Oots agreed, saying that a handwritten message is much more personal. Background on the Commission can be provided via the printed reference card, as suggested by Mr. Poulos. The Alliance agreed on having a shortened version of the proposed language, as well as personally handwriting the notes.

A potential "State of the Economy" program was proposed by Ms. Larson and Mr. Mertes. They also wanted to discuss key points of discussion, and a potential speaker, with Ms. Petrie, the Alliance's financial representative. Mr. Guido inquired about the target audience, and Mr. Mertes responded that it would likely be marketed to all businesses in Arlington Heights, considering the broad coverage of the topic. The Alliance expressed support of this initiative, as well as considering holding another small business program later in the year. Mr. Iverson suggested another manufacturing program, possibly around Manufacturing Day in October, where businesses would open their doors to the public to learn more about that respective company and what they produce. If successful, it could potentially become an annual event.

Economic Development Statistics Report

Mr. Mertes presented a report of local economic data that is given to the Alliance once or twice per year. The Village has not yet received full-year sales receipts from the Illinois Department of Revenue (IDOR), but through first nine months of 2023, business sales were

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down 4%. Some media outlets did report strong fourth quarter sales though, especially in regards to e-commerce.

Retail sales hit a municipal record \$1.57 billion in 2022. Key areas of growth have been in *Eating & Drinking Places* and *Lumber/Hardware*, the latter likely due to increase in home projects during COVID. The area with the highest growth was *Drugs & Miscellaneous* retail, doubling since 2019. From 2020-2021, Illinois began collecting sales taxes for online purchases, helping bolster local tax returns. Mr. Guido asked which industries in Arlington Heights have seen notable gains or losses over the past few years. Mr. Mertes said that office vacancy has increased, as has been the national trend. However, there has been local growth in medical office demand to help offset this, as well as increases in industrial and restaurant space demand.

In 2023, new Arlington Heights businesses reoccupied approximately 400,000 square feet of previously vacant tenant space while employing around 500 workers. At Home reoccupied 100,000 square feet of vacant retail space. Other new large employers include Gerry's Café, EcoShield, and Action Behavior Centers, all of which are employing 30-50 workers within Arlington Heights. Chairmen Stengren asked if the small business interest-free loan program could help assist restaurants convert a vacant space to fit their needs. Mr. Mertes replied that he does often offer the program to prospective restaurants, although the amount needed by the business could vary depending upon the required build-out of the tenant space.

Village-wide retail vacancy is at 4.9%, a ten-year low. The Village's current office vacancy rate at 22.8%, lower than the submarket's 29.8% rate, but still higher than pre-COVID levels. To combat this, potential re-use or redevelopment of appropriate sites can be considered. However, Arlington Heights has had some success filling office vacancy in recent years, such as United Airlines' relocation from Mount Prospect. Meanwhile, industrial vacancy continues to decline. The main source of existing vacancy in the Village is the recently-completed Northwest Gateway Center, which encompasses 500,000 square feet. If this development were to become completely occupied, it would greatly reduce the overall industrial vacancy in Arlington Heights.

Per the Illinois Department of Employment Security (IDES), Arlington Heights is home to 2,966 unemployment insurance-covered businesses, making it the third-largest business community (by that metric) in the Chicago suburban area. IDES also notes some decline in workers over the past few years, but this seems to be a commonality among most communities with over 30,000 daytime workers as well.

Other Business and Public Comment

There was no other business or public comment.

Adjournment

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

The meeting adjourned at 8:28 AM.

Andrew Stengren, Chair
Arlington Economic Alliance

Prepared by Department of Planning & Community Development