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

I. CALL TO ORDER

II. ROLL CALL

III. APPROVAL OF MINUTES

A. Minutes 1/17/18

IV. REPORTS

A. Development Update

V. OLD BUSINESS

A. Business Retention Survey

VI. NEW BUSINESS

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 1/17/18

Department: Planning & Community Development

ATTACHMENTS:

Description	**Type**
Minutes	Minutes

DRAFT

MINUTES OF THE MEETING OF THE ARLINGTON ECONOMIC ALLIANCE
HELD ON JANUARY 17, 2018 AT 7:30 A.M. AT THE VILLAGE HALL

MEMBERS PRESENT:
Scott Whisler – Chairman
Frank Appleby
Tony Guido
Rex Paisley
Dave Parulo
Jon Ridler
Andi Ruhl
Parth Shaha

MEMBERS ABSENT:
Lisa Henderson
Jackie Lewis
Brian Roginski

STAFF PRESENT:
Michael Mertes – Business Development Coordinator

ALSO PRESENT:
Mike Driskell – Arlington Heights Memorial Library
Nick Kyros
Patrick Mogge – Township High School District 214

Call to Order
Chairman Scott Whisler called the meeting to order at 7:36 AM.

Approval of Minutes – November 15, 2017
The meeting minutes of the November 15, 2017 Arlington Economic Alliance meeting were reviewed.

JON RIDLER MOVED AND REX PAISLEY SECONDED A MOTION TO APPROVE THE DRAFT NOVEMBER 15, 2017 ARLINGTON ECONOMIC ALLIANCE MEETING MINUTES. ALL ALLIANCE MEMBERS VOTED IN FAVOR OF THE MOTION.

Development Report
Mr. Mertes asked the Commission for potential topics for articles in the annual Economic Alliance Newsletter on which he is planning to begin work. Typical topics discussed in the newsletter have been a summary of economic development activities from the previous year, promotion of programs such as the Zero Interest Loan program, and developments and incoming businesses to anticipate in the new year. Chairman Whisler recommended incorporating updated communitywide economic data and demographics.

The proposed Sigwalt Apartments development went to the Design Commission on January 9, where it was not recommended for approval by a 3-2 vote. It is also expected to go before the Conceptual Plan Review Committee in February.

Mr. Appleby requested an explanation of the commissions process to which Mr. Mertes summarized the process that the development must go through. Chairman Whisler expressed concern over the number of meetings for such a project and feels that there is a perception among the development community that the process in Arlington Heights can be excessive. An easier, clearer path for such developments should be considered. (Note: several neighbors of the proposed Sigwalt Apartments property have complained that the project is being pushed too fast through the process, limiting their ability to provide input). Mr. Paisley inquired about some of the resident concerns. During the project's first incarnation, the developer requested variations for parking, setbacks, and bulk regulations.

Mr. Parulo inquired as to approval processes in other communities and how Arlington Heights' development approval process compares. If developers are complaining about the approval process in Arlington Heights, it would be valuable to know whether the Village's process is really any different, or if there are indeed additional steps needed to get approval in Arlington Heights. Chairman Whisler asked Mr. Mertes to look into this. Both Chairman Whisler and Mr. Shaha added that they have heard complaints about the permitting process as well, although the latter added that he did not have issues during the renovation of his hotels in recent years. Chairman Whisler also pointed out that, at times, developers and contractors will neglect to provide the information that is requested of them, but still blame the Village anyway. He would like to help change the perception of the Village among those who have a negative opinion.

The spec industrial building proposed at 703-709 W. Algonquin Road will be going to the Plan Commission on January 24. It had previously been recommended for approval by the Design Commission with conditions based primarily upon landscaping. Meanwhile, Bentley's Pet Stuff is planning to relocate back to their original location at 90 S. Evergreen Avenue in a few weeks.

Two Zero Interest Loans have been approved since the last Economic Alliance meeting (November). A $20,000 loan was approved for Allstate – Thomson Insurance Agency to allow for tenant improvements to the office's new location at 205 S. Arlington Heights Road. Also, Elm's Liquors was approved for a $15,000 loan in order to help with relocation and complete interior renovation of their new location at 906 W. Northwest Highway.

The Village Board approved a Special Use for Hey Nonny, the proposed music venue and gastropub planned for 10 S. Vail Avenue, in December. The owners anticipate opening sometime in the spring. Also, Mon Jardin, a proposed daycare facility at the former Chuck E. Cheese location (955 W. Dundee Road), received a favorable response from the Conceptual Plan Review Committee in late November although a few nearby day care centers expressed concern with adding a new competitor to the market. Staff is awaiting a completed Special Use application in order to take this project to the Plan Commission.

Chairman Whisler inquired about the proposed mixed-use building at Hickory and Kensington. Responding, Mr. Mertes said that the project is still active, but that a completed application for the Plan Commission has not yet been received in order to move the development forward. Ms. Ruhl asked about the former Teen Center at Belmont & Miner. The neighbors have been made aware that the Village is looking to sell the property and a meeting between them and Staff is planned in the next couple of weeks.

Performance Metrics

Mr. Mertes summarized the purpose for Staff's tracking of performance metrics to the new Alliance members and attendees, reporting two or three times per year to the Commission on a variety of local economic data. He stated that data on retail sales, and sales taxes generated, are not yet complete for the previous year. This information will not likely be reported by IDOR (Illinois Department of Revenue) until the spring.

There were 77 new businesses approved for business licenses in 2017. Mr. Mertes added that there are certain types of businesses not required obtain municipal business licenses per State Code, so the figure is not all-encompassing of the companies that located into Arlington Heights last year. These 77 businesses are employing 350 workers and re-occupied 366,000 square feet of previously vacant space. Although the numbers are down from the last couple years, this is partly explained by no new major employer coming to Arlington Heights in 2017, unlike in the previous two years (e.g. HSBC, Lexus of Arlington, and Transitional Care Center). Still, Staff is making conscientious efforts to recruit new businesses for existing available space.

Retail vacancy is up about 3% from the previous year. This is mostly attributed to the nationwide closings of hhgregg and Savers, which each having occupied over 30,000 square feet of space in Arlington Heights. Office vacancy went down 0.7% in 2017. There were 33 new office businesses in the community last year, re-occupying 50,000 square feet and employing nearly 120 people. Industrial/flex vacancy is down 2% from 2016. There was 175,000 square feet of space re-occupied. The overall industrial/flex vacancy rate (13.6%) is mostly explained by the large vacancies at Northwest Crossings and along Dundee Road near IL-53. Chairman Whisler concurred, saying that there are not a lot of vacant buildings available, and those two properties are skewing the Village's data when compared to the submarket's industrial vacancy rate (6.9%). Mr. Ridler asked if there are plans to develop any new first-floor commercial space in Arlington Heights. Mr. Mertes referenced the approximately 3,000 proposed square feet at Hickory & Kensington, and Arlington Downs still plans to build around 100,000 square feet as well.

Staff's individual business assistance efforts emphasized recruitment in 2017. It is planned to add more focus to retention in 2018 and have more of a balance, as there was in 2016. Overall though, Staff assisted 30 more businesses last year than in 2016. The newest *Where Workers Work* document from the IDOR seems to erroneously report that Arlington Heights has lost 300 companies and approximately 9,000 workers. This does not seem rooted in reality, especially since the report implies that the employment losses have been almost exclusively in the retail sector. Mr. Mertes will follow up with IDOR on this. Mr. Ridler asked why NFP employment information is not included in the report, especially considering their presence in the Village. Mr. Mertes is not sure why the report only includes for-profit data, but he will also inquire about this s. He added that the report is just one source of employment data in the community, and that U.S. Census data and lists from *Reference USA* show different figures.

The Village website was re-vamped last year, going live in October 2017. There have been issues with obtaining last year's analytics from Google. However, averaging out the data over the course of the year that does exist, the site would have received about 370,000 sessions, comparable to 2015 figures. Google remains the primary way that people access VAH.com, while referrals from Facebook have jumped up to the third-most common way that visitors access the site.

Regarding Shop.Dine.Play, the Village's updated version of DiscoverArlington.com, once again there were issues obtaining the analytics. Again averaging out the data that Staff does have access to, the site was on pace to pass the number of visitors from each of the previous two years. Mr. Shaha inquired as to why Facebook declined as a source of referrals to Shop.Dine.Play in 2017 when it climbed as a referral source for VAH.com during the same time period. Mr. Mertes is planning to look into this as he is unsure why the inconsistency exists.

On her Facebook feed, Ms. Ruhl said that she is not getting much business-related information from the Arlington Heights page. Responding, Mr. Mertes noted that the Village has two Facebook accounts: the general Village page and the Discover Arlington page. The latter is focused more on businesses and events. Mr. Shaha asked about other social media used. Mr. Mertes said that the Village has a Twitter account and encourages visitors to tag photos to Twitter and Instagram. Ms. Ruhl asked why the Village has two Facebook accounts. Mr. Mertes said that a conscious decision was made to have distinct information provided: one to be more resident-oriented information and one to be business-focused information. Mr. Paisley suggested continuing to cross-pollinate the accounts on posts of particular importance or interest. He acknowledged that the accounts have separate audiences and it might be good to have them maintain separate identities.

Potential Projects for 2018

Due to time constraints, discussion of potential projects for 2018 was moved to a future meeting.

DRAFT

Arlington Heights Water-Sharing Policy

At the November Economic Alliance meeting, Chairman Whisler asked Staff and the Commission to look into the Village's water-sharing policy and see if there is an opportunity to work with Prospect Heights in terms of providing water service for development along East Rand Road. The opportunity to work with Prospect Heights along the corridor could also go beyond just the sharing of water, but that is one example of a way the communities could partner together. Arlington Heights gets Lake Michigan water via the Northwest Water Commission, an entity comprised of a few northwest suburban municipalities. Meanwhile, Prospect Heights properties receive well water. While Prospect Heights was offered the opportunity to join the Northwest Water Commission in the past, they have voted to not opt in to the organization.

In order to preserve water for future development, the Village Board has been reluctant to share water with other communities. For example, back in December 2016 the Board rejected a request to provide water to a planned Thornton's gas station in Prospect Heights. Chairman Whisler feels that there are still opportunities on Rand Road where, by sharing water for development, both communities could benefit. He added that there are a few properties in Arlington Heights that are still on well water, based mainly upon their age, and they would tie into the Village's Lake water once the properties were redeveloped. He recommends inviting a representative of the Northwest Water Commission to a future Alliance meeting to discuss the possibility of sharing water.

Mr. Shaha inquired if there is a potential political conflict when a business or property owner seeks to purchase water from a municipality other than the one in which they reside. Mr. Ridler feels that this is not necessarily the case. If a business or development needs water to operate, and their municipality is unable to provide it to them adequately, they should be able to look elsewhere. This would give Arlington Heights the opportunity to charge a rate that they feel is appropriate and beneficial to them.

As the Village's economic development commission, Mr. Parulo inquired as to the benefits of taking on this particular issue. Chairman Whisler sees several properties along Rand Road as being under-utilized and sharing water could greatly induce economic development and therefore enhancing tax revenues. Mr. Ridler suggested inviting the Arlington Heights representative on the Northwest Water Commission to discuss with the Alliance.

Mr. Paisley asked about the importance of water in terms of economic development. As an example, Chairman Whisler said that the installation of a sprinkler system can be much more expensive on a well system. Chairman Whisler and Mr. Ridler see this idea as having the potential to enhance economic development for both communities along Rand Road.

Other Business

The Alliance asked to be sent a copy of the Village's 2018 fiscal year budget. Mr. Mertes will provide the Commission members with a link to it.

Adjournment

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

The meeting adjourned at 8:54 AM.

Scott Whisler, Chairman
Arlington Economic Alliance

Prepared by Department of Planning & Community Development

Item: Business Retention Survey

Department: Planning & Community Development

ATTACHMENTS:

Description	Type
Memo - 2017 Arlington Heights Business Survey	Memorandum

MEMO

DATE: February 14, 2018

TO: Arlington Economic Alliance

CC: Charles Witherington-Perkins, Director of Planning & Community Development

FROM: Michael Mertes, Business Development Coordinator

RE: 2017 Arlington Heights Business Survey

Village Staff has completed review of the results of the 2017 Arlington Heights Business Survey. In all, 143 different businesses took the survey, which was conducted online from late-October through early-December of 2017. The findings of this survey will be presented to the Arlington Economic Alliance at their regularly scheduled meeting on February 21, 2018.