

APPROVED

MINUTES OF THE MEETING OF THE ARLINGTON ECONOMIC ALLIANCE HELD ON JULY 16 AT 7:30 A.M. AT THE VILLAGE HALL

MEMBERS PRESENT:

Andrew Stengren – Chairman
Tony Guido
Tonia Etoh
Heather Larson
Michael Mulder
Kerri Oots
Brian Roginski
Andi Ruhl

MEMBERS ABSENT:

Terry Iverson
Marc Poulos
John Toliopoulos

STAFF PRESENT:

Michael Mertes – Business Development Manager

ALSO PRESENT:

Keith Moens, Resident
Mary Ellen Graf, High School District 214
Darko Bojin, Assistant Planner

Call to Order

Chairman Andrew Stengren called the meeting to order at 7:32 AM.

Approval of Minutes – April 16, 2025

The meeting minutes of April 16, 2025 Arlington Economic Alliance meeting were reviewed.

HEATHER LARSON MOVED AND MICHAEL MULDER SECONDED A MOTION TO APPROVE THE DRAFT APRIL 16, 2025 ARLINGTON ECONOMIC ALLIANCE MEETING MINUTES. ALL ALLIANCE MEMBERS VOTED IN FAVOR OF THE MOTION.

Development Update

The International Plaza site received approval by the Design Commission for the proposed residential portion only. The project will need to come back for review of a planned commercial portion before going to the Plan Commission for a public hearing. Urban Air and Slick City are children’s entertainment centers planned for the Arlington Plaza and Ridge Plaza shopping centers. The industrial property at 543 W. Algonquin Road was approved by the Village Board for a Cook County Class 6b property tax designation. The site has been vacant over three years and was purchased by kitchen and bath materials wholesaler.

A Zero Interest Mega Loan, for \$100,000, was approved by the Village Board for Arlington Grand Plaza. The funding is being used for significant façade renovations and future parking lot improvement. An additional Mega Loan request is anticipated to go to the Village Board in August. Also, a \$25,000 standard loan was approved for 205 S. Arlington Heights Road for HVAC system replacement. Staff is currently reviewing other loan requests.

Arlington Alfresco Update

Arlington Alfresco commenced on May 2. The Village has entered into license agreements with over 20 different businesses to permit use of public streets and/or sidewalks. New barricade covers have been added to each entryway and new monument signage in the Downtown has been installed: “Arlington Heights” around the clock tower on Northwest Highway and “DtA” in Harmony Park. Arlington Alfresco runs thru Monday, September 29. The pedestrian zone will remain closed to vehicular traffic to allow for Harmony Fest featuring Taste of Arlington Heights later that week. The streets will re-open to vehicular

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traffic on Sunday, October 5. Ms. Larson asked if an expansion of Alfresco has been considered and inquired about parking demand in the Downtown. Mr. Mertes responded that there is no formal proposal to expand the footprint of Arlington Alfresco at this time, and that parking is being analyzed for optimal use of the free garages.

Mr. Roginski complimented Public Works on the set-up of Alfresco and their responsiveness to his business. He sees the weekends as continuing to be busy, and weekday crowds have been better for his business this year as well. Chair Stengren asked about demand for tenant space in the Downtown, and Mr. Mertes said that the biggest issue that he is encountering is limited availability of second-generation restaurant spaces.

Village Board Strategic Priorities

Attached to the meeting packet was the finalized list of priorities following discussion at the March and April Alliance meetings. This was forwarded to the Village Manager for the Board's consideration at their Strategic Planning meeting held earlier in the week.

Economic Alliance Work Plan – 2025

Attached in the meeting packet were copies of updated Alliance reference cards, and language used last year for notes of appreciation to businesses celebrating five-year and ten-year anniversaries of their opening in Arlington Heights. Mr. Mertes asked if the language was still appropriate and the Commission agreed. The Alliance members also agreed to handwrite the messages to the businesses following the conclusion of the meeting.

The "State of the Village" program was held in March. Mr. Mertes asked if the Commission would like to pursue another event for the second half of the year. One suggestion was a speaking engagement from Cook County Assessor Fritz Kaegi. Mr. Guido sees this as a program that could generate a lot of interest from the business community, and an opportunity for commercial property owners to learn how to appeal their property taxes. Ms. Ruhl asked what the ratio is of businesses that own their property in Arlington Heights as opposed to renting, and Mr. Mertes responded that he did not have that information at this time. Chair Stengren suggested hosting another "State of the Village" event in the future, and Ms. Larson concurred and recommended making it an annual event.

Mr. Mulder suggested that if a program is done with the Cook County Assessor, that the moderator be able to control the room. Ms. Etoh sees such a program as being able to attract people to Arlington Heights, and being a channel for the Village to promote the Zero Interest Loan program as well. Ms. Larson emphasized that if an event with the County Assessor is to be done, that there is assurance that Assessor Kaegi is there to be the keynote speaker and not a representative from his office. She and Ms. Oots offered to help organize the event. Mr. Mulder asked if there was a potential alternative, if the County Assessor is not available. Ms. Larson noted that the State Treasurer also makes speaking engagements. Ms. Ruhl felt that having an annual "State of the Village" is a good idea, and Chair Stengren sees it as an event that the Alliance can build on.

Economic Development Statistics Report

Mr. Mertes said that this report is provided to the Alliance annually, for informative purposes. It is essentially an economic snapshot that provides comparative data from past years as to highlight growth, stagnancy, or areas of concern in relation to the local economy. The data comes from a variety of sources, and is only as accurate as best able to ascertain from each source.

For calendar year 2024, Arlington Heights conducted a record \$1.61 billion in retail sales, and generated a record \$26.2 million in local sales tax revenues. Key areas of growth were

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in the categories of *Drugs & Miscellaneous Retail*, *General Merchandise*, and *Eating & Drinking Places*. The only substantial decline was in *Auto & Filling Stations*, which aligned with a comparable drop in such sales for Cook County and Lake County overall. Per Illinois Department of Revenue (IDOR) data, so far in 2024, sales and tax revenues are up approximately 17% from first quarter of 2024. Ms. Ruhl asked if the growth in electric vehicles is impacting *Auto & Filling Station* sales, and Mr. Guido believes that it is definitely doing so.

There were 105 new licensed businesses in Arlington Heights in 2024, the most in one year since 2014. Re-tenanted square footage was lower than in past years due to limited available big box spaces, as well as no new large industrial tenants. The Village's retail vacancy was at a 20-year low at end of 2024, and is still below submarket at 5.0% vs. 5.6% (CoStar). The increase is primarily due to the closure of JOANN Fabrics and Harlem Furniture, both having taken up approximately 30,000 square feet. Office vacancy is slowly improving, as the Arlington Heights vacancy rate remains lower than rest of submarket (19.2% vs. 24.8%). Industrial vacancy continues to decline as well, with the primary source of vacancy at the recently-completed Northwest Gateway Center (450,000 square feet available). Were this development to be 100% occupied, it would drop the Village's industrial vacancy rate to around 4.0%.

According to the Illinois Department of Employment Security, there are nearly 3,000 unemployment insurance-covered businesses in Arlington Heights. Schaumburg and Naperville are the only Chicago suburbs with more businesses. Some decline in workers since 2020 may be partly attributable to COVID, and is consistent across many larger communities, although according to the data there has been an uptick from last year in terms of number of businesses and number of workers (about 37,500) in Arlington Heights.

Other Business

Ms. Larson acknowledged that Gerry's Café was the second Arlington Heights business inducted into the "Illinois Made" program, and is one of only 277 such businesses across the State. Mr. Mertes complimented Ms. Larson and her team for their efforts in helping Gerry's Café get such recognition.

Public Comment

Mr. Moens inquired about the application of the inclusionary housing ordinance to the proposed Golf Crossing development. Mr. Mertes responded that it would be discussed at the project's Housing Commission meeting.

Adjournment

**HEATHER LARSON MOVED AND ANDI RUHL SECONDED A MOTION TO ADJOURN.
ALL ALLIANCE MEMBERS VOTED IN FAVOR OF THE MOTION.**

The meeting adjourned at 8:25 AM.

Andrew Stengren, Chair
Arlington Economic Alliance

Prepared by Department of Planning & Community Development