



DATE: February 6, 2019

TO: Mayor and Village Board

FROM: Randy Recklaus, Village Manager

SUBJECT: Economic Alliance Scope and Role Discussion

Introduction:

Staff is conducting a review of every Village Board and Commission as part of an effort to evaluate if its original intent and purpose still applies today and if the Commission is well equipped to advise the Village Board on its subject in an efficient and effective manner. While some of the Village's 21 boards and commissions are required by State law, others, such as the Economic Alliance are not. The Economic Alliance has recently made proposals to expand its role beyond what was originally intended for the group. While we will be discussing the topic of boards and commissions more broadly in the near future, Staff recommends that we take on the topic of the Economic Alliance on its own given the recent discussion about its role.

This memo outlines the history of the Commission, the current proposal by the Commission, alternative options, and a recommendation by Staff to clarify the role going forward. This topic will be discussed at the Committee of the Whole meeting on February 11th.

Background:

The Economic Alliance was created in 1992 to provide for "an appointive, advisory body whose purpose shall be to promote existing businesses, attract new businesses to the Village, and to develop and support programs in order to foster and support a Village-wide initiatives towards the promotion of quality economic development." The goal was to appoint a group of individuals who work to promote Arlington Heights businesses and work on marketing and retention programs that would help the business community overall.

Some commissions like the Plan Commission and Design Commission are regulatory- ie judging projects based on a previously agreed upon standard like the Zoning Code or the Design Standards. However other commissions are more program based such as the Special Events Commission or Arts Commission, where their focus is on developing marketing, and administering programs. According to the code in 1992 Economic Alliance was originally conceived as more of a programming commission. Their initial responsibilities as outlined in the Village Code were:

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- a. Developing and implementing a business retention/expansion program
 - b. Developing and implementing a marketing program to attract new business and industry
 - c. Monitoring business activity and trends on the local, state, and national levels
 - d. Establishing a focus point for businesses to approach and discuss issues that affect them
 - e. Assisting business through mechanisms such as seminars and university programs
 - f. Researching and advising the Board of Trustees, Village Manager, and boards and commissions on matters pertaining to economic development.
 - g. Annually not later than the beginning of the fiscal year, submit to the Village Board for approval a statement of its goals and objectives and procedures for accomplishing them. “

The ordinance has been updated a couple of times since 1992, with a name change from the “Arlington Alliance” to the Economic Alliance in 1995. In 2014 and 2015 more discussions occurred on the role of the role and make-up of the commission. At that time, additional representatives were added as voting members, such as representatives from the Chamber and CVB. Meanwhile, representatives from taxing bodies such as the Park District and Library were formally designated as non-voting invitees. In addition the scope of work changed to go from “Developing and implementing” programs to “Advising the Village on the Implementation...” of programs. I have attached a copy of the current code provisions describing the

Alliance's intent and purpose as well as recent minutes regarding proposed changes.

Under this new concept the way to categorize the Alliance is a bit more vague. With the emphasis on "advising" vs. "implementing" the Alliance seems to have drifted from a working programming commission and moving more towards an advisory commission that discusses policy issues and that advises the Village Board on matters pertaining to business growth and retention in the Village.

Over the years, some of the examples of the activities conducted by the Alliance are:

- The Annual Alliance Breakfast, which has since been discontinued, provided an opportunity for networking and to learn about the Village's economic development programs.
- Review and recommendations on improvements to the zero interest loan program and raising the maximum loan amount from \$10,000 to \$20,000
- Review and enhancement of the Discover Arlington Website
- Review and recommendations on the Small Business Sales Tax Rebate Program
- Review of economic development information such as sales tax data and vacancy rates
- Discussion and recommendation on Cook County minimum wage and sick leave ordinance opt outs.
- The Alliance played a significant role in the design on the 2017 Business Retention Survey.
- In 2018 the Alliance discussed the Village's Water Sharing policy which prohibits the Village from sharing water with adjacent municipalities for economic development purposes.
- Discussion of the October 2018 Parking Study
- Discussion of the Village's 1986 agreement with Hancock Square regarding parking to make it more business friendly and recommendation that the agreement be reviewed.

The Alliance has had multiple conversations recently about once again changing the intent and purpose of the group. The Alliance's current proposal from October 2018 is to change the intent and purpose to the following:

TO PROVIDE FOR AN APPOINTIVE, ADVISORY BODY WHICH SHALL, AFTER DUE DELIBERATION, MAKE RECOMMENDATIONS TO THE BOARD OF TRUSTEES ON MATTERS

RELATING TO NEW ORDINANCES OR CHANGES TO EXISTING ORDINANCES THAT WILL HAVE AN IMPACT ON THE BUSINESS COMMUNITY OF ARLINGTON HEIGHTS.

THE ARLINGTON ECONOMIC ALLIANCE MAY REVIEW BUSINESS-RELATED ORDINANCES, PROGRAMS AND REGULATIONS THAT ARE BEING PRESENTED NEW OR UPDATED PRIOR TO SUBMITTAL TO THE VILLAGE BOARD. VILLAGE STAFF WILL PRESENT INFORMATION TO THE ARLINGTON ECONOMIC ALLIANCE NEEDED FOR DISCUSSION AND RECOMMENDATIONS FOR CHANGES OR APPROVAL OF SUPPORT. THE ALLIANCE MAY RESEARCH ANY EXISTING ORDINANCES, PROGRAMS, OR REGULATIONS RELATING TO THE BUSINESS COMMUNITY.

Discussion of the current proposal to change the Intent and Purpose:

As shown above, the Commission has taken a more active role recently in terms of making policy recommendations beyond the marketing and adjustment of existing economic development programs. Recent unsolicited discussions and/or recommendations on issues such as minimum wage, sick leave, the Village's water policy, and Hancock Square Parking are good examples. It is clear that the Alliance is looking to play a bigger role in the policy making process by asking for the ability review "business-related ordinances, programs, and regulations" prior to submittal to the Village Board.

These changes mark a notable shift in role from promoting and implementing programs that support the Village Board's goals to one where they take part in the policy formulation process prior to when the Village Board does. This shift begs certain questions:

- On what basis would the Alliance decide to take on an issue for consideration?
 - Its members' own interests?
 - Pre-set criteria determined by the Board?
- On what basis would the Alliance base its recommendations?
 - The views of its members?
 - Based on the interpretation of a policy adopted by the Village Board (eg the zoning code or the design standards in the case of the Design and Plan Commissions)
- What prevents the Alliance from taking on an issue for which the Village Board has strong views or has no intention of changing its position?
- If other commissions take on a policy recommendation role (as the Board of Health has done recently), what would prevent multiple commissions from reviewing the same topic and/or making conflicting recommendations.
- Does the Board always want the Alliance's input on a matter before discussing it themselves?

- What types ordinances programs and regulations would be considered “business related”?
 - Any item that relates to the regulation of private activity?
 - What about changes in zoning regulations, or enforcement programs?
- To what extent can the Alliance delay a discussion ie request additional research, or continue a discussion to another meeting prior to it going to the Village Board for discussion?
- With this change in role, should the make-up of the Alliance be reconsidered?

Staff Recommendations:

Staff believes that the proposed amendment would constitute a fairly substantial change in Village Policy. Adding another layer to the policy making process will add time to important discussions and create the possibility that the Alliance will take on issues and make recommendations that run counter to the Village Board’s views, which could, at times create controversy in the community. It is very difficult to define what “business related ordinance and programs” means and without further refinement, the adoption of this change could lead to misunderstandings. It is important to note that the Village Board is charged with leading policy discussions, not Commissions. Going down the road of reversing this relationship may lead to conflict between the Board and its own advisory Commissions.

Staff believes that given the issues outlined above, that the Board should retain the right to refer new policy, ordinance, and program items to the Economic Alliance when and only when- it chooses to do so, and not have items go to the Alliance automatically prior to Village Board discussion. Moreover, Staff recommends that the Board give the Economic Alliance additional guidance on what types of policy discussions it should or shouldn’t initiate on its own prior to Village Board direction (such as the recent unsolicited discussions and recommendations on the Cook County Minimum wage issue, and the recent Hancock Square Parking Discussion). This will help prevent situations where the Alliance takes on an issue the Village Board itself is not interested in pursuing or that another Commission may be discussing.

The Economic Alliance, along with all other Commissions, is a creature of the Village Board and should operate within a framework that reflects the Board’s vision and values.

Staff recommends that this issue be discussed at the Committee of the Whole meeting on February 11th so that direction can be given to Staff and the Economic Alliance on how to proceed with the proposed change to the ordinance.

CC: Charles Perkins, Michael Mertes, Robin Ward, Diana Mikula, Economic Alliance

Attachments