



downtown master plan



VILLAGE OF ARLINGTON HEIGHTS
JANUARY 2007







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St. James Street

Balman Street

Miner Street

Wing Street

Wing Street

Campbell Street

Sigwalt Street

Northwest Highway

Highland Avenue

Vail Avenue

Dunton Avenue

Evergreen Avenue

Pine Avenue

Belmont Avenue

Hattow Avenue

Arington Heights Road

— = STUDY AREA BORDER

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INTRODUCTION

DOWNTOWN MASTER PLAN FOR THE VILLAGE OF ARLINGTON HEIGHTS

The Downtown Master Plan sets guidelines for future development to sustain and build upon the revitalization effort which began in the mid 1980s. The first downtown master plan was approved in 1987 and has served as the guide and vision in a nationally recognized, award winning revitalization effort. The new master plan for downtown builds on the significant growth and success of downtown and serves as a guide to continue the vision of a downtown that is recognized as the business, cultural and entertainment heart of Arlington Heights.



AERIAL OF ARLINGTON TOWN SQUARE BLOCK PRIOR TO REDEVELOPMENT LOOKING NORTH ON ARLINGTON HEIGHTS ROAD, 1992.



AERIAL OF ARLINGTON TOWN SQUARE LOOKING NORTH ON ARLINGTON HEIGHTS ROAD, 2006.

DOWNTOWN MASTER PLAN TASK FORCE

The village board of trustees established the Downtown Master Plan Task Force (“Task Force”) in August 2004. Its 19 members were appointed by Mayor Arlene Mulder and consisted of representatives of the village board, plan commission, design commission, economic alliance, chamber of commerce, downtown business association, downtown business owners, and residents of the downtown as well as the village at large. Serving to advise the village board on various aspects of downtown development, the Task Force would review and update the 1987 Master Plan for downtown. It would address issues such as future development, long term funding, retail strategy, marketing, zoning, public infrastructure, parking and traffic, pedestrian access and signage.

PROCESS

Over the course of two years, the Task Force met with experts in real estate development, investigated what other suburban communities have achieved, produced design charettes to formulate ideas for downtown development, and engaged a consulting firm to help in gathering public input. Also, the Task Force comprehensively considered economic and land use data for downtown, as well as various funding options for downtown growth. In its two-year existence, the Task Force met 31 times, identifying issues and formulating recommendations regarding the vision and objectives for future downtown development. The Task Force completed its assignment in September 2006 when it submitted the new Downtown Master Plan to the village board.



IMAGE OF VILLAGE GREEN AND TRAIN STATION FROM NORTHWEST HIGHWAY LOOKING SOUTH.

1 EXECUTIVE SUMMARY

MASTER PLAN VISION AND OBJECTIVES

The recommendations developed by the Task Force are based on the guiding principals of the Master Plan Vision Statement and Mission Statement, as well as the Objectives. There are seven Objectives from the 1987 Master Plan which have been reconfirmed by the Task Force (#1 through #7). Four new Objectives (#8 through #11) have been developed to supplement the original Objectives of the Plan.

VISION STATEMENT:

A DOWNTOWN THAT IS RECOGNIZED AS THE BUSINESS, CULTURAL AND ENTERTAINMENT HEART OF ARLINGTON HEIGHTS — OFFERING A THRIVING BUSINESS CLIMATE, A SENSE OF COMMUNITY AND RESIDENTIAL PRIDE AND IS VIEWED AS A DESIRED DESTINATION FOR ALL RESIDENTS OF THE NORTHWEST SUBURBS.

MISSION STATEMENT

To provide future direction and build upon the successful implementation of the Master Plan, ensuring continued viability through development and planned growth, while preserving and enhancing those elements that provide for a diverse, attractive downtown.

OBJECTIVES

1. *Promote diversity and concentration of use in the downtown core.*
2. *Create a quality pedestrian environment.*
3. *Strengthen downtown's residential base by encouraging additional residential development.*
4. *Create a unique identity and positive image.*
5. *Promote quality development through design review.*
6. *Emphasize public/private partnership in implementation.*
7. *Emphasize early action and tangible results.*
8. *Facilitate growth and development of selected areas including guidelines for redevelopment.*
9. *Develop retail strategy to attract and retain quality commercial businesses.*
10. *Evaluate and recommend funding options for long term infrastructure needs, redevelopment, special events and marketing.*
11. *Develop a marketing plan and strategy, including a communication plan, for the downtown.*

SUMMARY OF ISSUES & RECOMMENDATIONS

The Task Force studied various issues impacting downtown in formulating a series of recommendations for each of the study areas. Below is a summary of those issues and recommendations. More detailed analysis of each subject area appears later in the Master Plan, specifically sections 5 through 13.

RETAIL STRATEGY

The public input solicited by the Village's consultant, Calder LaTour, indicate that the downtown has become known as a successful place to live, dine and be entertained. One of the primary issues identified in the study is the lack of well-known national and regional stores to attract shoppers. In addition, the drawing power of the major retailers can benefit the smaller, locally owned existing retail businesses. Analysis of retail sales data downtown supports this. To create a stronger downtown retail component, the Task Force recommends:

- 1 using incentives to attract specific national retailers;
- 2 building on the retail success of Arlington Towne Square by encouraging additional redevelopment to the west of this property;
- 3 requiring retail or restaurant uses on first floor commercial space in certain areas of downtown to create a synergy of uses;
- 4 having the Village continue to take an active role in marketing the downtown;
- 5 requiring adequate surface parking in future redevelopment plans.



PROPOSED REDEVELOPMENT BLOCKS - MAP 1.1

REDEVELOPMENT

To build upon the successful revitalization of downtown, the Task Force has identified several key redevelopment blocks in the downtown and has recommended development guidelines to facilitate continued, planned growth of the downtown. In addition, the Task Force identified Arlington Heights Road from Sigwalt Street to Grove Street and from Northwest Highway to Eastman Street, as gateways to the downtown area, as important redevelopment opportunities. The designated redevelopment areas are highlighted on map 1.1. The specific development guidelines can be found in section 6 of the Master Plan.

1 EXECUTIVE SUMMARY

FUNDING OPTIONS

Downtown revitalization could not have occurred without significant public and private funding. The public sector provided funding for parking garages, streets, sewers and other infrastructure improvements. Other public sector funding provided maintenance and marketing of the downtown, including events such as Sounds of Summer and the Mane Event. Tax Increment Financing (TIF), provided much of this public sector funding. TIF District #1, south side of downtown, expired in September 2006 and TIF District #2, north side of downtown, expires in 2009. Without this effective tool, the Village faces the difficult but imperative task of finding funding sources to continue the revitalization effort in downtown. The Task Force evaluated funding options and came to certain conclusions:

- 1 Tax Increment Financing is the most effective funding tool available to municipalities to foster revitalization of downtown.
- 2 Special Service Areas are another funding option most effective for funding infrastructure, maintenance, and events, and possibly redevelopment.
- 3 Sales tax revenue sharing to attract additional development and national retailers can supplement other funding sources.

Section 8 of the Master Plan describes in more detail these funding options and analyzes the effectiveness of each funding tool as they relate to redevelopment, infrastructure, maintenance, events and marketing.

ZONING / BUILDING HEIGHT

The location, shape, and height of buildings, as well as open space and street layout, defines the urban form. In downtown Arlington Heights, the center core of downtown (see map 1.2) is one to three stories (less than 40 feet), while the outer portion has developed with taller buildings from approximately 80 feet to 140 feet. The Task Force has reviewed the Village's zoning code regarding height and has recommended several significant changes to the allowed height in downtown in order to regulate and guide the urban form into the future. Factors influencing these recommendations include existing building heights, development guidelines for each of the redevelopment blocks, main street character and pedestrian scale of the core area, and incentives (height bonuses) to include good design principles to achieve taller heights. The Task Force is recommending the following to maintain the urban form:

- 1 Reduce the allowable building height to 70 feet with a maximum of 100 feet with height bonuses.
- 2 Reduce building height in the downtown core to 50 feet (map 1.2).
- 3 Modify the height bonus provision of the zoning code to provide additional height above 70 feet if certain amenities are incorporated in the design such as plazas, upper floor setbacks, office space, larger retail spaces, balconies, bay windows, and underground parking.

Additional information on building height can be found in section 7 of the Master Plan.



CORE AREA OF DOWNTOWN - MAP 1.2

1

EXECUTIVE SUMMARY

STREETSCAPE ENHANCEMENTS AND PEDESTRIAN ACCESS

An important element of the downtown experience is the visual quality and the ease of getting around as a pedestrian. Since 1987 the Village has greatly enhanced the atmosphere downtown as a desirable, aesthetically pleasing place. Widened brick paver sidewalks, planters, trees, parks and open spaces, decorative benches, trash receptacles, and street lighting all have contributed to the enhancement of downtown. While the importance of these improvements is difficult to measure, the Calder LaTour surveys demonstrate that the patrons of downtown do appreciate these aesthetics. To build on these improvements, the Task Force recommends enhancements to the downtown streetscape which address both aesthetics and pedestrian access. These include additional planters, new benches and trash receptacles, brick paver crosswalks, extended sidewalks at selected corners, a mid block pedestrian promenade extending from Vail Avenue to Evergreen Avenue south of Campbell Street, decorative street lights, new street signs, and special treatment of the north to south corridors across the railroad / Northwest Highway right of way. The specifics of the enhanced streetscape and pedestrian access are contained in section 9.

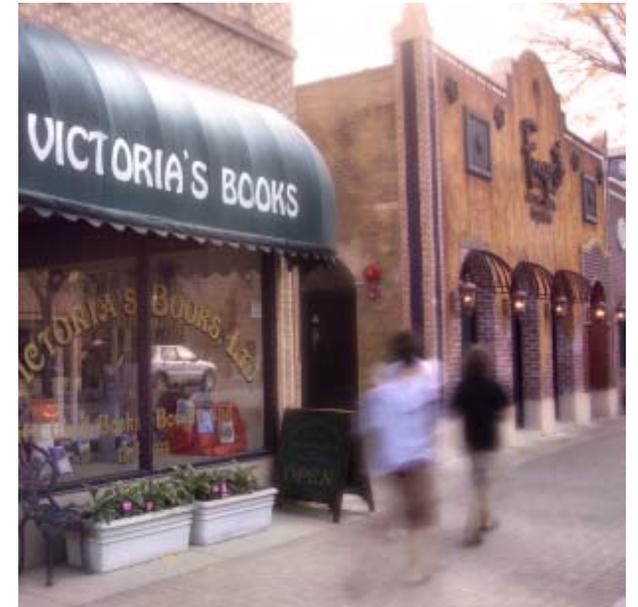
SIGNAGE

The Task Force considered signage both private business and public. The Task Force recommends the Village allow the downtown use of decorative blade signs that project out from the storefronts of businesses. Such use helps to identify the business enterprise as well as improves the aesthetic element of the streetscape program. The Village should also review and clarify parking garage signage so that motorists can more easily understand where to park. In addition, the Village should expand the directory signage which lists all the businesses in downtown.

PARKING AND TRAFFIC

Throughout the country, parking in downtown is one of the more discussed and analyzed topics facing communities. How to balance parking expectations in suburban downtowns with the urban form of a downtown can lead to certain perceptions about parking. In a typical suburban shopping center or mall, there is often a large expanse of parking in front of or around the perimeter of the buildings. Customers can clearly see how much parking is available as most of the parking lot is visible upon entering the site. In a downtown environment, the available parking is not always immediately in view. Given the urban form of downtown with the grid pattern of the street layout, buildings built to the sidewalks, and the need to utilize land more efficiently, downtowns need to rely on parking garages to provide a significant amount of parking for it's users, which include residents, commuters, employees and customers shopping or dining. Therefore it is imperative that the location of parking is communicated through effective signage to users, and that the parking provided, especially in garages, needs to be clean, well maintained, well lit, and user friendly. In addition, blocks which are redeveloped need to provide surface parking on site in order to attract national retailers and provide even more convenient parking downtown.

THE TASK FORCE
RECOMMENDS
ENHANCEMENTS TO
THE DOWNTOWN
STREETScape
WHICH ADDRESS
BOTH
AESTHETICS &
PEDESTRIAN
ACCESS



2 HISTORICAL OVERVIEW

There have been several attempts at revitalizing the downtown beginning in the 1960s. However, it was not until the early to mid 1980s that the Village began to realize its potential with the development of Dunton Tower and the Vail Avenue municipal public parking garage. The creation of the Village's first Tax Increment Financing District in 1983 was the impetus for the public/private partnership which allowed the construction of the 800 space parking facility and Dunton Tower. This public/private partnership set the tone for future partnerships in an impressive, award winning downtown redevelopment effort which has spanned over twenty-three years.

In April 1987, the Village took steps to adopt the Master Plan for the downtown area, a guide for future improvements and development. The Master Plan was comprised of four parts:

- 1) Objectives
- 2) Recommendations
- 3) Design Guidelines
- 4) Implementation

Nearly twenty years later, the Village has taken a look back at all that has been accomplished as part of a process to evaluate the downtown and provide new ideas to continue the vision for downtown.

In 2001, the Village of Arlington Heights received national recognition when the American Planning Association awarded the Village the prestigious Outstanding Planning Award for Implementation. Previous to this award the Village received the national Howland Award for downtown development, the Illinois Chapter of the American Planning Association award for Implementation and the Metropolitan (Chicago) Planning Council's Burnham Award. All these awards were in recognition of the Village's successful downtown redevelopment efforts.



1983

Public / Private partnership spurred development of Dunton Tower & 200 Arlington Place

1986 - 2006

Developed linear parks along Northwest Highway

1986 - 2006

Downtown Events Promoted: Arts Fair, Mane Event, Sounds of Summer

1987 - 2006

Streetscape program implemented with site furnishings



1986 - 2006
Façade and/or
interior
renovations of
over 30 older
storefronts

1991
Developed North
School Park in
conjunction with the
Arlington Heights Park
District

1999 - 2000
Village Green,
Arlington Town
Square, and
Metropolis
constructed

2000
New commuter train station
built with Metra, Union
Pacific, IDOT, PACE and
Northwest Municipal
Conference partnership

2004
Harmony Park
designed as a
gathering place for
concerts and events

2005
Purchased
Metropolis
Performing Arts
Center

3

MASTERPLAN OBJECTIVES

The Objectives of the Master Plan set forth the basis for the recommendations contained throughout the Master Plan and help to define the vision for the downtown area. The first seven objectives were developed in the 1987 Master Plan and have been reconfirmed by the Task Force as they continue to be applicable today. In addition, four new objectives have been incorporated to supplement and further define the vision for downtown growth and development.

OBJECTIVES

1

PROMOTE DIVERSITY AND CONCENTRATION OF USE IN THE DOWNTOWN CORE

In order to create a lively, active and economically successful downtown area, a concentrated, compact development pattern with a variety of uses and activities is critical. The Village has been very successful in attracting new development and has dramatically increased the number of residential units, the amount of retail, restaurant and office space, and has also attracted entertainment venues such as a movie theater and live performing arts theater. In addition, special events are held throughout the year to further attract people to the downtown, thus creating a positive social environment and business setting. Creating a critical mass of activity in a defined area serves to enhance the downtown experience and economic viability of downtown. The Village must continue the mixed use development approach in order to further build the downtown economy, while carefully managing traffic circulation and parking to ensure that these elements support downtown functions without dominating the urban setting or detracting from its pedestrian orientation.

2

CREATE A QUALITY PEDESTRIAN ENVIRONMENT

Creating a quality place for people is a fundamental part of a successful downtown revitalization plan. Improvements in the visual character, comfort, and convenience of downtown's pedestrian environment has a significant influence in drawing customers to the area and making it more attractive to potential investors and businesses. Streetscape improvements, continuous ground level storefronts, parks, plazas, landscaping and focal points are all critical components to creating an image of an attractive, interesting and safe place.

3

STRENGTHEN DOWNTOWN'S RESIDENTIAL BASE BY ENCOURAGING ADDITIONAL RESIDENTIAL DEVELOPMENT

A residential population can extend the cycle of downtown activity beyond working hours and provide a market for retail, restaurant and entertainment uses. The Village's existing residential base in and around the downtown is critical to the success of the downtown economy and additional well planned residential development should be incorporated in future redevelopment. Special attention should be given to high quality design and appropriate density and scale so as to integrate into the existing urban form of the downtown and its adjacent residential areas.

4

CREATE A UNIQUE IDENTITY AND POSITIVE IMAGE

A downtown with a positive, recognizable image, will have special significance and a strong, marketable identity. This image can be built upon many characteristics – a distinct development pattern, special streetscape treatments, landmarks, a concentration of uses, and an architectural setting. In downtown, the Northwest Highway corridor as well as the Arlington Heights road corridor are significant elements in defining the image of downtown. These corridors have been greatly improved over the past 20 years and provide a positive image and identity for downtown. Improvements, including pedestrian improvements, should be implemented to further enhance these corridors. In addition, preserving older, quality buildings in downtown is important to the identity of the downtown, as these buildings serve as a link to the history of the downtown.

5

PROMOTE QUALITY DEVELOPMENT THROUGH DESIGN REVIEW

The character and quality of the developed environment are shaped by a multitude of individual development decisions implemented over an extended period of time. When these decisions are made without reference to one another, the end result lacks cohesiveness. Therefore, it is important for the public sector to take the lead in promoting development coordination, and in encouraging a consistent, high level of architecture. The Village's Design Guidelines and review process are important elements to ensure quality development, and emphasize the importance of relating each new development in a positive manner to the existing downtown context.

6

EMPHASIZE PUBLIC/PRIVATE PARTNERSHIP IN IMPLEMENTATION

Public and private interests in downtown are so inextricably linked that it is essential for all interested parties to work cooperatively to identify and achieve shared objectives. Both public and private investments shape the character of the downtown environment, in terms of how it looks and how it functions. These investments must be coordinated if maximum benefits are to be attained.

7

EMPHASIZE ACTION AND TANGIBLE RESULTS

To continue the vision of a revitalized downtown, the Village must emphasize its commitment to this Master Plan by formulating an implementation plan setting forth both short term and longer term action items.

3

MASTERPLAN OBJECTIVES

8

FACILITATE GROWTH AND DEVELOPMENT OF SELECTED AREAS INCLUDING ESTABLISHING GUIDELINES FOR REDEVELOPMENT

Facilitating continued growth in key locations is critical to maintaining and growing the economic base of downtown. It is important to look at each redevelopment opportunity individually and within the context of the downtown as a whole. Therefore, development guidelines should be established setting forth the vision for each redevelopment area consistent with the overall vision and objectives of the downtown.

9

DEVELOP RETAIL STRATEGY TO ATTRACT AND RETAIN QUALITY COMMERCIAL BUSINESSES

One of the primary focuses of the Master Plan is to strengthen the retail base in downtown by attracting additional national and regional retailers. Therefore, a comprehensive strategy must be developed involving land use decisions, funding options and incentives, and facilitating an appropriate mix of tenants. The Village must view the downtown as a coordinated, interdependent shopping center with a long range vision and strategy to enhance the area as a place to shop and dine.

10

EVALUATE AND RECOMMEND FUNDING OPTIONS FOR LONG TERM INFRASTRUCTURE NEEDS, REDEVELOPMENT, EVENTS AND MARKETING

Funding of downtown improvements has been critical to the success of the revitalization effort. With the Tax Increment Financing districts set to expire in 2006 and 2009, the Village must explore alternative funding sources to continue growth in downtown and to maintain the infrastructure and services / events currently provided.

11

DEVELOP A MARKETING STRATEGY AND A COMMUNICATION PLAN FOR THE DOWNTOWN

Marketing of the downtown in a cohesive plan and strategy is an important aspect of continued business growth and economic success. A coordinated effort facilitated by the Village to market the downtown area as an inviting place to live, shop, dine, and be entertained, is vital to future success.



AERIAL VIEW OF DOWNTOWN ARLINGTON HEIGHTS LOOKING NORTHWEST ON NORTHWEST HIGHWAY, 2006.

4 PROCESS

Over the course of two years, the Task Force met regularly, engaged a consulting firm (Calder LaTour) to conduct a thorough analysis of the public's input regarding downtown Arlington Heights, visited the downtowns in both LaGrange and Elmhurst and spoke with their planning professionals, met with experts in real estate development and conducted design charettes to formulate ideas for downtown redevelopment. The Task Force also thoroughly reviewed economic and land use data for downtown, as well as various funding options to facilitate growth downtown. In total the Task Force held 31 public meetings over the two year time period in order to gather input, identify issues, formulate recommendations, and define the vision and objectives for future development downtown.

CALDER LATOUR RESEARCH

One of the key decisions by the Task Force was the method by which public input would be solicited in the planning process. It was determined that the best way to reach out to the patrons and potential patrons of downtown was to hire a consulting firm. After conducting interviews with several consultants, the Task Force determined that Calder LaTour, Inc. provided the most effective approach to obtaining public input. Calder LaTour's approach was to evaluate the downtown as a product, no different than any other consumer product. Their expertise in providing customized marketing research and strategy development for clients such as Abbott Laboratories, Baxter Healthcare, Caterpillar, Estee Lauder, Motorola, McDonalds, and General Motors, among others, was seen as an innovative approach. Much of Calder LaTour's work focuses on development and refinement of products and services and improving the positioning of products in the mind of the consumer and potential customer. Also, their extensive knowledge about what influences consumers to make decisions in favor of one product versus another and how to influence those decisions was a key factor in deciding to engage Calder LaTour.

Calder LaTour approached the project in two phases. Phase one was a qualitative approach accomplished by conducting focus groups with community stakeholders, residents and downtown businesses. Ten focus groups were held and included groups representing the Task Force, downtown business owners, real estate brokers, downtown residents, and residents one-half mile to three miles from downtown. The goal of the first phase of research was to obtain initial insight into factors influencing people's use of downtown for shopping, dining and entertainment, and to gather preliminary ideas about what specific improvements would likely change people's behavior.

Phase two took a quantitative approach. Telephone surveys were conducted of more than 300 residents, mostly from Arlington Heights but also from Palatine, Mount Prospect and Rolling Meadows, and 25 downtown business owners/managers. One goal of this phase was to obtain quantified perceptions of downtown relative to competitor shopping areas and to relate those perceptions to decisions about where one shops most often. Another goal was to solidify findings from phase one research concerning the likely effects of various enhancements to the downtown, particularly with respect to the mix of retail stores and restaurants.

IN TOTAL THE TASKFORCE
HELD 31 PUBLIC MEETINGS
OVER THE TWO YEAR TIME
PERIOD TO GATHER INPUT,
IDENTIFY ISSUES,
FORMULATE
RECOMMENDATIONS AND
DEFINE THE VISION AND
OBJECTIVES FOR FUTURE
DEVELOPMENT
DOWNTOWN.

SITE VISITS

In September 2005, Task Force members toured both downtown LaGrange and downtown Elmhurst. Also, the Task Force met with government officials from both communities to learn how each community has successfully implemented their downtown plan. In Elmhurst, much of the discussion regarded the use of Special Service Areas (SSA, which is an additional property tax in a specified area for a specific purpose) to provide various public services such as business seminars, marketing of downtown, events, and maintenance such as snow removal and landscaping. Elmhurst also established a Tax Increment Financing district and recently received a 12 year extension. In LaGrange, the focus was on a new retail development which includes Border's Bookstore, Trader Joe's, and Walgreen's among other smaller stores. LaGrange utilized TIF to facilitate this development by acquiring land and issuing requests for proposals to redevelop the properties. In the RFP, LaGrange specified the types of stores sought, such as a bookstore and food store. In addition, TIF funds were used for relocation of existing businesses and environmental remediation.

REAL ESTATE FORUM

In July and November 2005, the Task Force invited experts in real estate development and finance to discuss downtown development in general, and downtown Arlington Heights specifically. All experts agreed that Tax Increment Financing is the most effective redevelopment tool available to municipalities to foster downtown revitalization. In addition, public / private partnerships were cited as critical to the economic feasibility of redevelopment projects in a downtown environment. With respect to the retail environment in downtown Arlington Heights, all experts agreed that the Village could benefit from additional national retailers and restaurants to build on the success of Arlington Towne Square development, which includes several national retailers. A critical component of a successful retail area is a synergy or mix of stores which complement each other and are located close in proximity. Ample surface parking was also recommended in order to attract national retailers. All agreed that downtown Arlington Heights is an inviting location for national retailers and restaurants, but the downtown currently lacks appropriately sized retail spaces to attract these businesses.

DESIGN CHARETTES

A design charette is a French term referring to a creative process akin to visual brainstorming that is used by design professionals to develop solutions to a design problem. In March and April 2005, the Task Force broke into four groups and each developed a vision for the identified redevelopment blocks. These ideas were then presented by each group to the Task Force as a whole, and ideas openly discussed and critiqued. Results of the charettes are illustrated in section 6, Redevelopment Guidelines, and include guidelines such as appropriate building heights, open spaces and plazas, view corridors and focal points, land use, parking and pedestrian access.

5

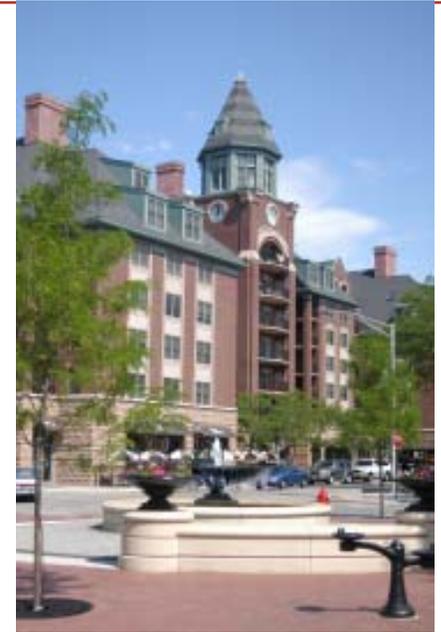
RETAIL STRATEGY

In developing a retail strategy for downtown, the Task Force considered a number of factors including the following:

- 1) data on retail and restaurant sales;
- 2) data on square footage of first floor uses downtown and their location/distribution;
- 3) input from the real estate forum in July, 2005, which included several real estate experts;
- 4) results of the Calder LaTour research, which included 10 focus groups, over 300 telephone surveys, and surveys of 25 downtown business owners and managers.

The fundamental conclusion of the Task Force's analysis is that downtown's retail environment could be significantly enhanced by the addition of certain types of national and regional retailers and restaurants. However, the downtown currently lacks adequately sized retail spaces to attract additional national stores. Although not a traditional shopping center or mall, the downtown should be thought of as one cohesive shopping area with a good mix of retail stores, restaurants, entertainment, and service uses (such as banks, professional offices, and professional services) in strategic locations. For instance, shopping center owners will carefully locate retail shops, restaurants, and service businesses in order to create a synergy of uses to maximize sales. Since the downtown commercial spaces are owned by a variety of owners, creating a synergy of use becomes more challenging. Therefore, one of the objectives of the Master Plan is to develop a retail strategy to attract and retain additional quality commercial businesses for the downtown area. The Village should facilitate attracting certain national stores to build upon the success of Arlington Towne Square, which includes a mix of retail and restaurants. Additional national and regional retailers can serve as anchor tenants which will bring more customers to downtown thereby helping improve the retail environment for existing national and locally owned stores and restaurants.

The public input solicited by the Village's consultant, Calder LaTour, indicates that the downtown has become known as a successful place to live, dine and be entertained. However, one of the primary issues identified is that the retail component downtown lacks strong national stores which serve to attract shoppers downtown to patronize not only the national retailers, but also the locally owned, smaller retailers. Analysis of retail sales data supports this. In 2004, retail sales downtown averaged \$181 per square foot, which is well below other successful shopping centers which average \$300 to \$400 per square foot. Of the 43 retail stores analyzed, 17 had sales of less than \$100 per square foot, which coupled with rising rents in downtown, make it very difficult for smaller retailers with lower sales to survive. Restaurant sales are much better, averaging \$256 per square foot. Also, the total number of restaurants in the downtown has increased from 13 in 1999 to 35 in 2006. Total restaurant sales have increased from \$7 million to over \$21 million from 1998 to 2006.



CALDER LATOUR RESEARCH

Calder LaTour's approach was to evaluate the downtown as a product, no different than any other consumer product. The research methods and subsequent analysis identify what influences consumers to make decisions in favor of one product versus another and how to influence those decisions. Calder LaTour's findings provide insight into what people think about downtown Arlington Heights and what improvements can impact consumer behavior to attract more customers to downtown. Some of the more significant findings include:



- The decision as to where to shop is largely determined by its retail characteristics relative to its competitors. The perception of retail characteristics accounts for 51% of the decision; location and convenience accounts for 26% of the decision; ease of parking and navigation in the downtown accounts for 12% of the decision; and the restaurant mix accounts for 12% of the decision on where to shop.
- Of the 302 telephone surveys of residents within 3 miles of downtown, 15% indicated that downtown was their most frequent choice for retail shopping as compared to 41% for Woodfield. This number was somewhat higher for residents who live in downtown, but still only 23%. This indicates that improvements to the retail mix are needed in order to make shopping downtown more attractive. With an attractive retail mix, downtown has the potential to receive a much higher share of residents' retail shopping visits, with the potential to double the share of shopping visits from 15% to 30%.
- The primary reason people choose downtown as their most frequent place to shop is the convenience of downtown's location, not because of the retail mix. Of concern is that there is a small statistical margin for those who choose downtown to shop versus their second choice, reflecting a weakness in competitive strength.
- Improvements to the retail mix include store types such as a large national bookstore, at least two national women's clothing stores, family shoe store, women's shoe store, home supply or decorating store, kitchen supply store, and a national men's casual clothing store.
- Store hours are also an important factor and stores should stay open in the evening and on weekends.
- The downtown mix of restaurants is viewed more favorably than alternative destinations by both those who visit downtown most frequently and those who visit other destinations most frequently. The current restaurant options provide an excellent base on which to build. Adding specific restaurants such as a steakhouse, seafood restaurant, casual pizzeria, pancake house and family style restaurant could increase the number of shopping visits.
- Adding a specialty grocer such as Whole Foods or Trader Joe's could increase the number of grocery shopping visits by 50%.

5 RETAIL STRATEGY

REAL ESTATE FORUM

In July 2005 the Task Force hosted a real estate forum which included a panel of experts in the real estate industry. Several issues and ideas emerged from the forum:

- More retail mass is needed downtown in order to attract additional national stores;
- Adequate spaces in the 15,000 to 18,000 square foot range are needed and not currently available in downtown;
- National retailers will require adequate surface parking near their store;
- The right mix of retailers is important, and the downtown lacks the right mix;
- Redeveloping the block just west of Arlington Towne Square would help to create that critical mass of retail spaces in proximity to each other;
- Village involvement is critical to additional redevelopment which can attract national retailers;
- The Village should concentrate on the south side of downtown to create critical mass of retailers;
- Additional national retailers would be interested in downtown if adequately sized space was available as Arlington Heights has very strong demographics;
- Some national and regional retailers may require more than a first floor retail space, or may prohibit residential use above their retail space.

In addition, the Village should facilitate attracting certain national stores including using incentives to locate downtown. One program for the Village to consider is expanding the existing Retail Incentive Program, which offers refunds of a percentage of sales taxes generated by larger retailers or auto dealerships to offset costs to locate in Arlington Heights. This same program could be used as a template to attract national retailers to downtown.

RETAIL SYNERGY

As mentioned, shopping center owners will carefully locate retail shops, restaurants, and service uses in order to create a synergy of uses which will maximize sales. Therefore, the Task Force reviewed the existing pattern and mix of businesses located on the first floors of all buildings downtown. The total amount of first floor commercial space in downtown as of August 2006 was approximately 522,000 square feet, as follows:

	SQUARE FEET	PERCENTAGE
Restaurant:	93,000	18%
Retail:	109,000	21%
Service:	130,000	25%
Office:	82,000	16%
Entertainment:	35,000	7%
Vacant:	73,000	14%
Total:	522,000	100%

The map of first floor commercial land uses (map 5.1) illustrates the existing conditions where retail, restaurant, office, service and entertainment uses are located. Conclusions drawn from the data include a fairly high percentage (41%) of service and office uses on the first floor commercial spaces that are dispersed throughout the downtown. In order to build off the retail synergy at Arlington Towne Square, and the logic of grouping certain types of businesses together, the Task Force discerned properties fronting on Campbell Street as an important corridor to develop a synergy of stores and restaurants. This can be accomplished by designating Retail Only for first floor commercial space (this would also include restaurants) on map 5.2. In order to locate on the first floor, service uses would require a Land Use Variation, which is a public hearing process requiring Village Board approval. A secondary area delineated in Red on the map would encourage retail on the first floor as well, with service uses 2,000 square feet or greater requiring Special Use zoning approval and service uses less than 2,000 square feet requiring Administrative Approval to locate on the first floor. Specific guidelines for Administrative Approval are also recommended.

Another important aspect of strengthening retail sales downtown and creating a synergy of retail spaces, is to carefully plan for redevelopment of certain blocks. The Task Force has identified several blocks for redevelopment and established guidelines for development of those blocks, including the provision of larger floor spaces in key locations. This will help to attract national retailers, in particular along Campbell Street. More detail is provided in Section 6 – Redevelopment.

- *MORE RETAIL MASS IS NEEDED DOWNTOWN IN ORDER TO ATTRACT ADDITIONAL NATIONAL AND REGIONAL RETAILERS.*
- *THE VILLAGE SHOULD CONCENTRATE ON THE SOUTH SIDE OF DOWNTOWN TO CREATE THE CRITICAL MASS OF RETAILERS.*

5 RETAIL STRATEGY

SUMMARY

The fundamental conclusion of the Task Force's analysis is that downtown's retail environment could be significantly enhanced by the addition of certain types of national retailers and restaurants, and that the right mix and location of additional national stores and restaurants could significantly improve the retail environment downtown. Towards that end, the following recommendations are made in order to address the issues identified:

- Recommendation 1:** Seek additional national and regional retailers and restaurants to create retail synergy in the downtown and to enhance existing local and national retailers and restaurants.
- Recommendation 2:** Pursue redevelopment of high priority blocks for additional national, regional and local retailers and restaurants, in particular blocks 348 and 342. (see map 1.1)
- Recommendation 3:** Consider expanding to the downtown the retail incentive program to include retailers generating at least \$250 sales per square foot annually and a minimum of 5,000 square feet.
- Recommendation 4:** Continue the façade and interior buildout grant and loan program to promote renovation of buildings in downtown.
- Recommendation 5:** Direct primary marketing efforts, in conjunction with the eventual developers of blocks 348 and 342, at securing larger national and regional retailers (15,000 to 30,000 square feet) to act as anchors for the abundance of existing, and planned, small shop space.
- Recommendation 6:** Install tenant directory signage in multiple locations indicating all downtown retailers.



Recommendation 7: Encourage retail uses on the first floor commercial space as retail synergy is an important aspect to strengthening the retail environment downtown.

Recommendation 8: Designate areas in Blue on map 5.2 (page 24) for Retail Only on First Floor Commercial Space.

Recommendation 9: Designate areas in Red on map 5.2 (page 24) as follows: Office, Banks, and Service Uses less than 2,000 square feet require administrative approval to occupy a first floor space. Said uses 2,000 square feet and greater require a Special Use approval to occupy a first floor commercial space.

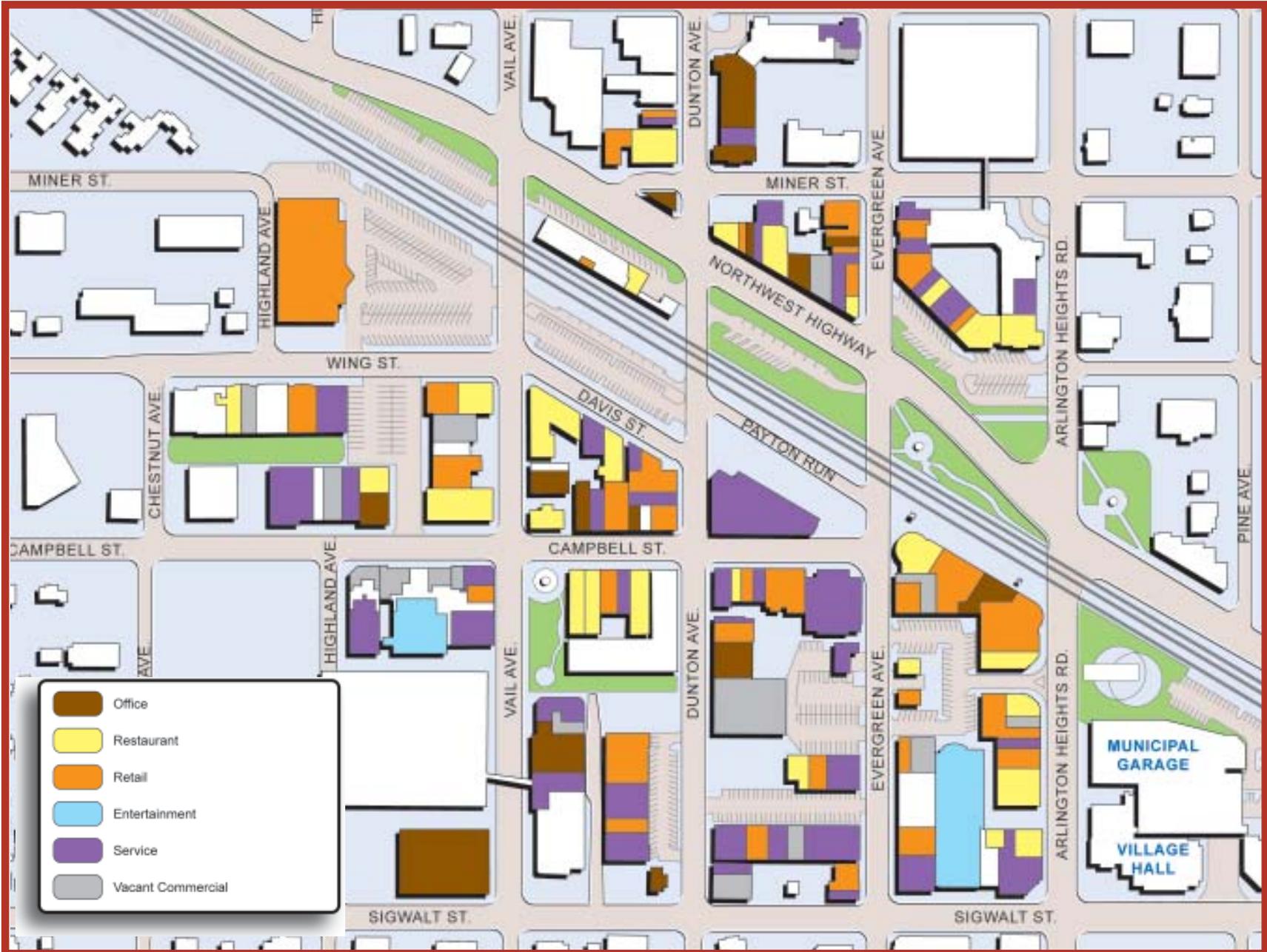
Recommendation 10: Require first floor commercial space height to be 14 to 18 feet in order to attract national tenants.

Recommendation 11: Implement the following criteria for administrative approval:

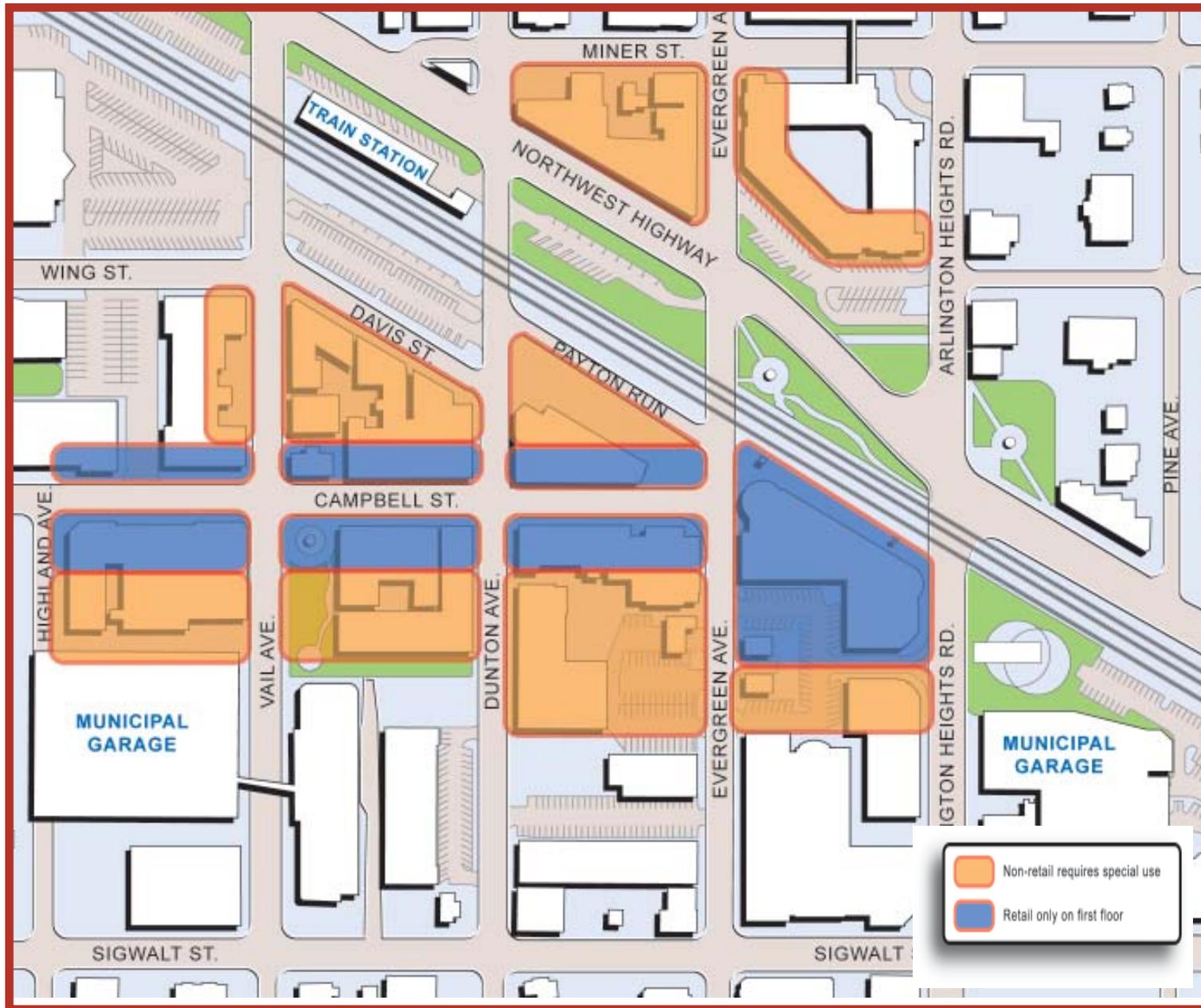
- a. Building owner must document past attempts to lease space to sales tax generating business.
- b. Leaseable space must have been vacant for a period of at least 3 months.
- c. Owner must demonstrate why space is not suitable for retailer such as inadequate frontage and depth of store.

Administrative review and final determination must be conducted within 21 days of full submittal of required application materials, otherwise use is granted automatic approval.





EXISTING COMMERCIAL LAND USES 5.1



PROPOSED FIRST FLOOR REGULATIONS 5.2

6

REDEVELOPMENT GUIDELINES

In order to build upon the successful revitalization of downtown, the Task Force has identified several key redevelopment blocks and has recommended development guidelines to facilitate continued, planned growth of the downtown. In addition, Arlington Heights Road south (Sigwalt Street to Grove Street) and north (Northwest Highway to Eastman Street) of downtown were identified as an important redevelopment opportunity as a gateway into the downtown area. The specific guidelines were developed to incorporate the objectives of the Master Plan and resulted from design charettes conducted by Task Force members in March and April 2005.

The purpose of the charettes was to brainstorm ideas for redevelopment in smaller group levels. This was accomplished by breaking into four groups with each developing a vision for the identified redevelopment blocks. These ideas were then presented by each group and openly discussed and critiqued. Results of the charettes are illustrated by block number and include guidelines such as appropriate building heights, open spaces and plazas, view corridors and focal points, land use, parking and pedestrian access.

The following recommendations have been developed with respect to future development downtown:

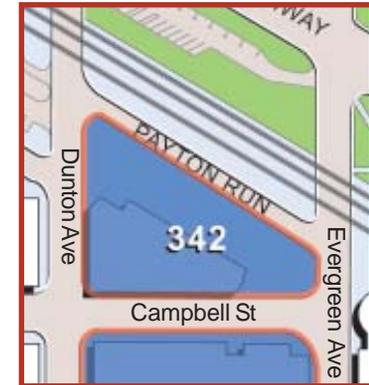
- Recommendation 1:** Focus on blocks 342, 348, 333, 334, 425 and portions of blocks 325, 326 and 347 as potential redevelopment opportunities to further the goals and objectives of the Master Plan.
- Recommendation 2:** Explore redevelopment of the Arlington Heights Road corridor, as an important entry into the downtown, from Sigwalt Street south to the Grove Street intersection on both the east and west sides of Arlington Heights Road, and on the east side of Arlington Heights Road from Northwest Highway to Eastman Street.
- Recommendation 3:** Have the Village take an active role in acquiring property to facilitate redevelopment of downtown.
- Recommendation 4:** Consider retention of existing viable businesses in conjunction with redevelopment.



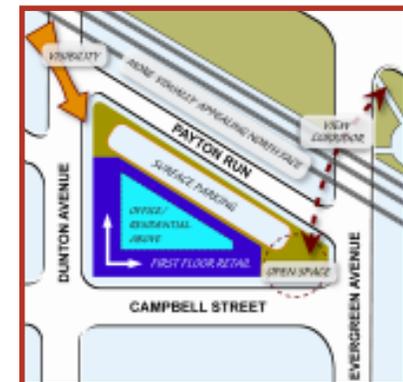
RECOMMENDED REDEVELOPMENT BLOCKS - MAP 6.1

BLOCK 342

- Recommendation 1:** Evaluate redevelopment in context with the block to the south (block 348).
- Recommendation 2:** Target national and regional retailers for site as a critical block for commercial development.
- Recommendation 3:** Limit redevelopment height to one to four stories.
- Recommendation 4:** Include terracing / setbacks of upper floors.
- Recommendation 5:** Require parking to be accessed off of Dunton Avenue with no driveways off Campbell Street.
- Recommendation 6:** Require a feature element to define northwest corner of building.
- Recommendation 7:** To preserve a view corridor into the downtown from Northwest Highway create a focal point by providing a small plaza space at the corner of Campbell Street and Evergreen Avenue, with the buildings appropriately set back.
- Recommendation 8:** Provide surface parking in similar location as currently developed along Payton Run. Upper stories could build out over parking.
- Recommendation 9:** Provide office uses and/or residential units on upper floors.



BLOCK 342 - MAP 6.2



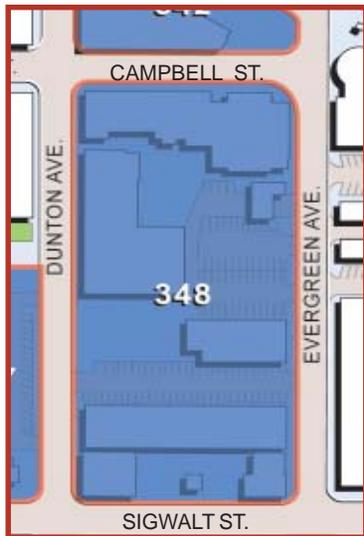
PLAN OF CONCEPTUAL DEVELOPMENT SKETCH



BLOCK 342: CONCEPTUAL REDEVELOPMENT SKETCH,
NORTHWEST HIGHWAY LOOKING SOUTH

BLOCK 348

- Recommendation 1:** Redevelopment of block is of high priority and critical to extending the retail synergy west from, and as a compliment to, Arlington Town Square.
- Recommendation 2:** Evaluate redevelopment in context with redevelopment of the block to the north (block 342), and possibly redevelop in conjunction with block 342.
- Recommendation 3:** Target national and regional anchor retailers requiring a minimum of 20,000 square feet.
- Recommendation 4:** Focus development on northern portion of site primarily on commercial uses, in particular retail and restaurant.
- Recommendation 5:** Require floor plans for the commercial spaces to be designed in a flexible manner in order to attract national and regional retailers of various sizes ranging from 10,000 square feet and greater.
- Recommendation 6:** Do not seek to preserve existing buildings on the block as they are not architecturally significant.
- Recommendation 7:** Require building heights for the northern portion of the block to be in the 2 to 4 story range, especially on Campbell. Encourage taller buildings in the 6 to 8 story range for the southern portion of the block.



BLOCK 348 - MAP 6.3



CONCEPTUAL REDEVELOPMENT SKETCH LOOKING FROM CORNER OF DUNTON AVENUE & CAMPBELL STREET LOOKING SOUTHEAST.

Recommendation 8: Provide a mid block pedestrian walkway / promenade through the block from Dunton Avenue to Evergreen Avenue. The promenade does not have to align exactly with the promenade extending west from Dunton Avenue to Vail Avenue, however the two should be visually connected with lighting, brick paver cross walks, or other architectural features.

Recommendation 9: Include significant surface parking designed to minimize impact on street frontage. Access from both Dunton and Evergreen with accessible interior parking behind retail buildings.

Recommendation 10: Consider a break in the building frontages on Dunton and Evergreen Avenues to allow for access to parking areas and additional plaza space.

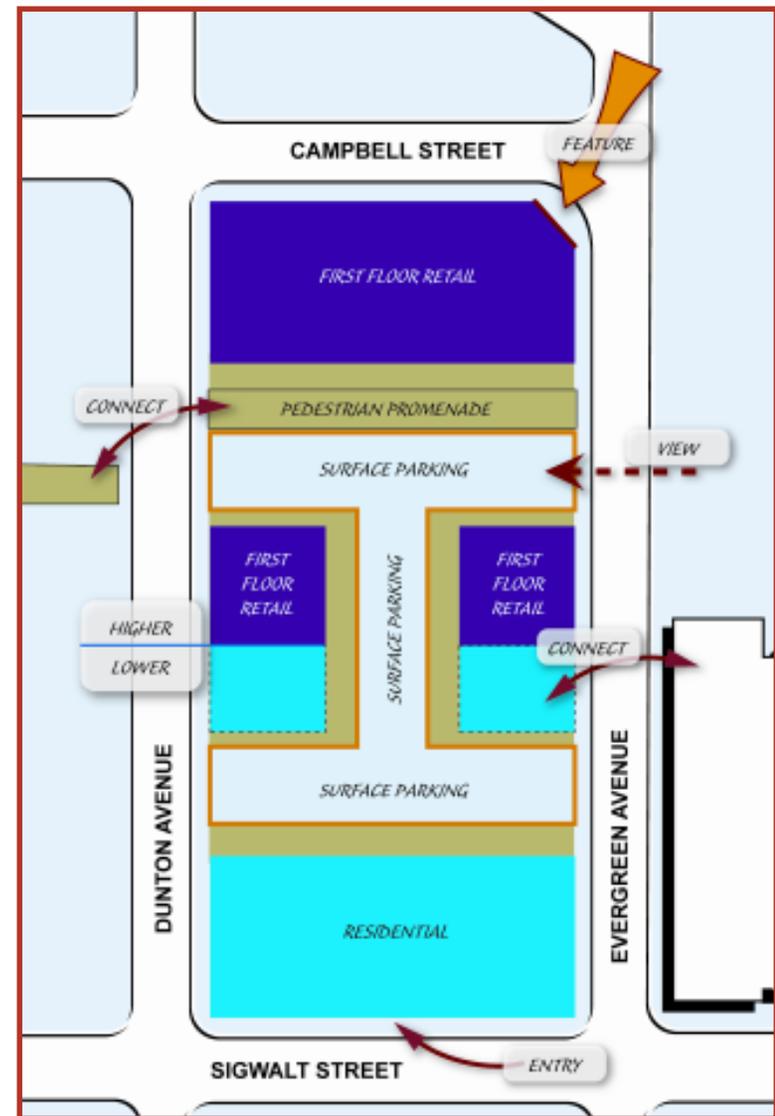
Recommendation 11: Provide adequate parking by including underground parking.

Recommendation 12: Introduce retail and restaurant uses facing the pedestrian promenade.

Recommendation 13: Require upper level setbacks for taller buildings.

Recommendation 14: Include a commercial component at far southern portion of block along Dunton Avenue and along Evergreen Avenue, however southern portion of the block should be primarily 6 to 8 stories residential with vehicular and pedestrian access on Sigwalt Street.

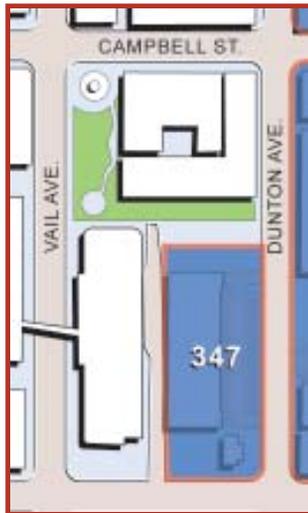
Recommendation 15: Require access to residential parking from Sigwalt Street.



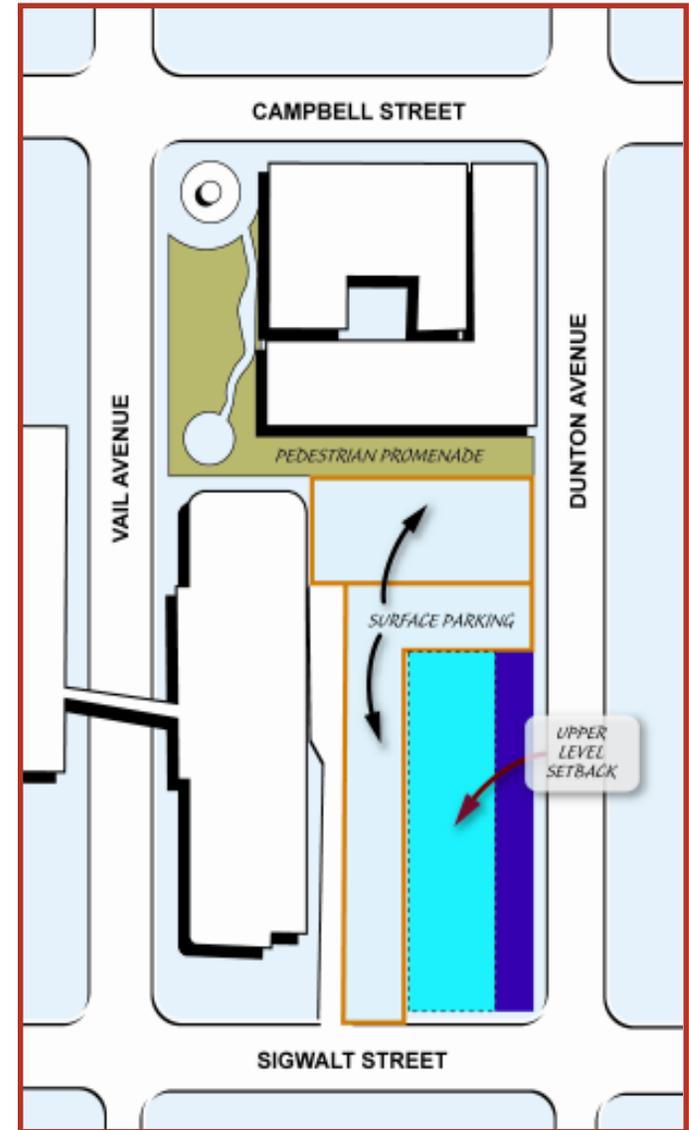
CONCEPTUAL REDEVELOPMENT SKETCH

BLOCK 347

- Recommendation 1:** Evaluate redevelopment in context with redevelopment of the block to the east, block 348. This block portion is of secondary priority given its dimensions and location.
- Recommendation 2:** If redeveloped, parking for retail should be at rear of building, with the building itself at the front property line along Avenue. First floor should include retail.
- Recommendation 3:** Building height may be up to 6 or 7 stories, 3 to 4 stories on frontage with upper levels set back.
- Recommendation 4:** Encourage additional open plaza at north end to mirror pedestrian promenade for outdoor cafes.
- Recommendation 5:** Include underground parking for residential uses.
- Recommendation 6:** If redeveloped with block 348, consider additional parking on block 347 for development.
- Recommendation 7:** Include a small plaza area / focal point at the corner of Sigwalt Street and Dunton Avenue.



BLOCK 347 - MAP 6.4



CONCEPTUAL DEVELOPMENT SKETCH

BLOCK 425

Recommendation 1: Relate piecemeal development of block in a cohesive manner with 6 to 8 stories, mixed use on northern three-quarters of block transitioning to 4 to 6 stories on the southern quarter of block.

Recommendation 2: Provide access to eastern portion of block through Vail Avenue municipal garage.

Recommendation 3: Provide commercial retail space at the corner of Campbell Street and Highland Avenue.



BLOCK 425 - MAP 6.7



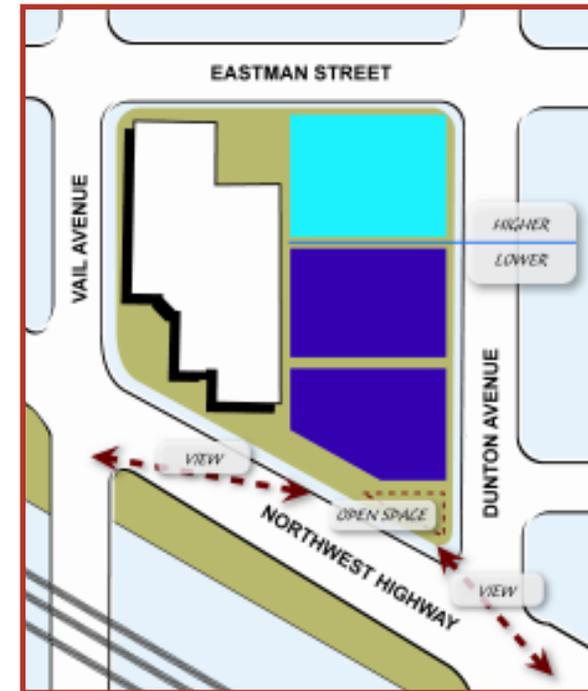
BLOCK 425 : CONCEPTUAL DEVELOPMENT SKETCH ON CAMPBELL STREET LOOKING WEST FROM HIGHLAND AVENUE.

BLOCK 325 (EAST PORTION) & BLOCK 333

- Recommendation 1:** Vacate Miner Street between Dunton Avenue and Northwest Highway.
- Recommendation 2:** Acquire the building on block 333.
- Recommendation 3:** Develop an open plaza, on block 333 and the vacated portion of Miner Street, with outdoor cafes designed as a focal point to help connect the North and South sides of downtown.
- Recommendation 4:** Limit building heights on the northern portion of the block to no more than 7 to 8 stories and on the southern portion to no more than 5 stories.
- Recommendation 5:** Consider redevelopment of southern portion of block 325 with a portion of vacated Miner Street in order to bring forward the retail spaces towards Northwest Highway.
- Recommendation 6:** If feasible, cohesively develop the entire block rather than in separate or phased pieces.



PERSPECTIVE OF CONCEPTUAL DEVELOPMENT SKETCH NORTHWEST CORNER OF NORTHWEST HIGHWAY AT DUNTON AVENUE.



CONCEPTUAL DEVELOPMENT SKETCH



BLOCK 325 & 333 - MAP 6.5

BLOCK 334

- Recommendation 1:** Continue redevelopment efforts north of the railroad tracks and Northwest Highway as the buildings are currently in poor condition, and as a gateway into downtown with high visibility, is an important block..
- Recommendation 2:** Limit building height to the 4 to 5 story range with commercial space on the first level.
- Recommendation 3:** Provide surface parking for commercial customers. Provide residential parking on-site or in north municipal garage.
- Recommendation 4:** Eliminate parking on Northwest Highway if redeveloped.
- Recommendation 5:** Consider including block 326 in conjunction with redevelopment of block 334.
- Recommendation 6:** Consider vacation of Miner Street between Evergreen Avenue and Dunton Avenue in order to jointly redevelop blocks 334 and 326 but only after thorough traffic studies have been conducted and public participation solicited.
- Recommendation 7:** Ensure that sidewalks around the perimeter of the site meet downtown design standards.
- Recommendation 8:** Consider mid block pedestrian walkways to facilitate access for pedestrians and create unique outdoor spaces / plazas.



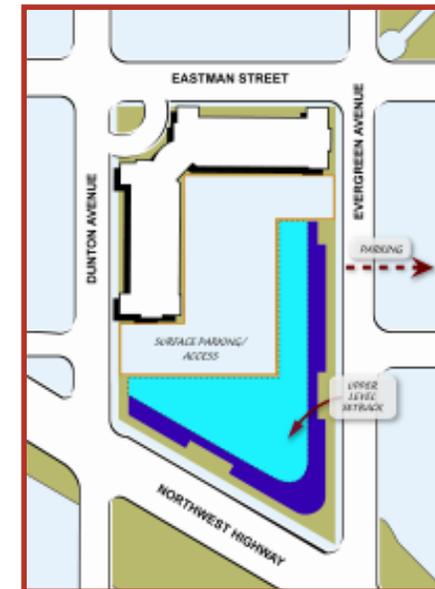
CONCEPTUAL REDEVELOPMENT SKETCH - BLOCK 334
NORTHWEST CORNER OF EVERGREEN AVENUE AT
NORTHWEST HIGHWAY



BLOCK 334 - MAP 6.6



OPTION 1:BLOCKS 334 & 326
CONCEPTUAL DEVELOPMENT SKETCH



OPTION 2 :BLOCKS 334 & 326
CONCEPTUAL DEVELOPMENT SKETCH

7 BUILDING HEIGHT

The location, shape, and height of buildings, as well as open spaces and street layout, defines the urban form. In downtown Arlington Heights, the center core of downtown (see map 1.2) has remained one to three stories (less than 40 feet), while the outer portion has developed with taller buildings from approximately 80 feet to 140 feet. The Task Force has reviewed the Village's zoning code regarding height and has recommended several significant changes to the allowed height in downtown in order to regulate and guide the urban form into the future. Factors influencing these recommendations include existing building heights, the development guidelines for each of the redevelopment blocks, main street character and pedestrian scale of the core area, and height bonus incentives to include good design principles in order to achieve taller heights. In order to preserve the urban form, the following recommendations are made:

Recommendation 1: Reduce building height in downtown to 70 feet with a maximum of 100 feet with height bonuses, as shown in orange on Map 7.1.

Recommendation 2: Reduce building height in the downtown core to 50 feet with no allowance for height bonuses as shown in blue on Map 7.1.



PROPOSED BUILDING HEIGHTS - MAP 7.1



EXISTING BUILDING HEIGHTS - MAP 7.2

In addition, several changes are recommended regarding height bonuses, including elimination of bonuses for arcade plazas, building setbacks, multi use concept, and general amenities. The following height bonuses were evaluated in detail and are intended to provide incentives to include amenities beneficial to both the developer and the downtown community. One floor level is equivalent to eleven feet six inches height.

- Recommendation 3: Landscaped Plaza Bonus.** Allow five feet nine inches (one-half floor) in height for each whole unit of 1,000 contiguous square feet of fully landscaped plaza which shall have a minimum depth of 20 feet and a maximum depth of 30 feet. Appropriate landscaping shall include shade trees, shrubs, planter boxes, grass sculpture, decorative paving, fountains, all of which must be for public enjoyment.
- Recommendation 4: Enclosed Underground Parking Bonus.** Allow seventeen feet three inches (one and one-half floors) additional height for each level of underground car parking.
- Recommendation 5: Upper Floor Setback Bonus.** Allow eleven feet six inches (one floor) additional height for each whole unit of ten feet setback of the largest floor above the third floor. Setback shall be measured from the face of the lower floor to the face of the largest upper floor.
- Recommendation 6: Office Space Bonus.** Allow five feet nine inches (one-half floor) additional height for each whole floor of office space provided above the first floor.
- Recommendation 7: Consider height bonuses for the provision of larger retail spaces based on developers ability to demonstrate long term use of space for larger retailer and sales tax benefit to the Village.**
- Recommendation 8: Balconies and Bay Windows:** if neither is provided then the allowable height is reduced 5 feet 9 inches.
- Recommendation 9: Eliminate the following height bonuses:** ground level setback, arcade, multi-use concept, and general amenities.
- Recommendation 10: Apply bonuses of 5 feet 9 inches (one-half floor) to a whole floor provided the bonus floor is no more than 50% of the previous floors footprint**



8 FUNDING OPTIONS

Downtown revitalization could not have occurred without significant public and private funding. The public sector has provided funding to facilitate redevelopment, infrastructure (such as parking garages, streets and sewers, sidewalk improvements), maintenance, marketing, and events such as Sounds of Summer and the Mane Event. Most of these items have been funded by Tax Increment Financing (TIF), however TIF District #1 (south side of downtown) expires in September 2006 and TIF District #2 (north side of downtown) expires in 2009. Without this effective tool to foster downtown development, the Village is faced with the difficult task of finding funding sources to continue the revitalization effort in downtown. Therefore it is imperative that the Village explore all funding options available in order to continue growth and development of the downtown. The Task Force has reviewed and evaluated several funding options such as Tax Increment Financing, Special Service Areas, Business Districts, and Sales Tax incentives / revenue sharing. A summary of these programs and an evaluation of their effectiveness is provided below.

TAX INCREMENT FINANCING (TIF)

- A TIF District is an area designated as “blighted” pursuant to State Statute. The area must be at least two acres and the municipality must adopt a Redevelopment Plan indicating how the area meets the statutory requirements as blighted.
- TIF allows for the capture of future property tax increment to fund items such as land acquisition, infrastructure, financing costs and marketing, among others. TIF funds cannot be used for maintenance.
- Public hearings must be held, including a Joint Review Board consisting of several taxing districts. If the Joint Review Board does not recommend approval, then approval by the municipality requires a super majority.
- Depending on the size of the TIF and the projected impact of redevelopment and property tax increment, TIFs can generate significant funds for redevelopment.
- Can last 23 years maximum.
- Allows for the use of eminent domain (although its use can be challenged in court if the property owner desires to fight the acquisition).
- TIF is the most effective tool for facilitating redevelopment.

SPECIAL SERVICE AREA (SSA)

- Based on preliminary legal review, may be used for redevelopment such as land acquisition.
- Must delineate a specific geographic area with the SSA tax rate, estimate of funds generated, and use of funds for specific items such as infrastructure, maintenance, etc.
- An SSA, depending on the tax rate assessed, has the potential to raise significant funds. A 0.50% additional property tax rate on downtown commercial properties could raise about \$350,000 annually. Currently, the Village allocates \$75,000 annually for marketing and events. An SSA could be levied on residential owners as well if needed.
- If a petition objecting to the SSA is signed by at least 51% of electors residing in the proposed SSA and at least 51% of property owners within the proposed SSA (within 60 days of the public hearing), then the SSA shall not be created.
- An SSA is an additional tax on property within the defined SSA. Bonds can be issued which can be paid off by the SSA tax.
- Typically used for funding of infrastructure / public improvements. State Statute defines Special Services as “all forms of services pertaining to the government and affairs of the municipality”. All properties assessed must benefit from SSA.
- Used also for marketing, special events, maintenance such as snow removal, general upkeep of area. Legal notice must be served to the property taxpayers within the proposed SSA and a public hearing held. The tax rate, use of funds, and duration of SSA must be presented by the municipality at the public hearing.
- Additional tax likely to cause concern among property owners and tenants.

BUSINESS DISTRICT (BD)

- A Business District or BD, is a designated “blighted” area in need of redevelopment. Revenue source limited to sales taxes (a BD does not include property taxes). Allows for an additional sales tax rate of up to 1% within the defined BD area. Bonds can be issued by municipality.
- Must adopt a BD Plan which finds the area blighted and that the BD as a whole has not been subject to growth and development through investment by private enterprise. There are several criteria which define blighted such as inadequate street layout, unsafe or unsanitary conditions, deterioration of buildings among others.
- Typically used for costs associated with the planning, execution and implementation of a Business District Plan (although not specifically defined, likely includes land acquisition, infrastructure, marketing, relocation, façade improvements, etc.). Need to itemize costs in BD Plan, but Statute allows a lot of flexibility.
- A Business District in the downtown at the full 1% sales tax rate could generate about \$300,000 annually.

BUSINESS DISTRICT CONT.

- Can use eminent domain (condemnation) in order to carry out objectives of BD Plan. (This may change as the Illinois General Assembly considers the use of eminent domain).
- Requires public hearing to establish BD. Entirely up to the municipality to establish a BD irrespective of support or opposition. Can last up to 23 years.

SALES TAX REVENUE SHARING

- Typically used as incentive to attract large big box tenants or to supplement larger redevelopment.
- Use of incentive at the discretion of the Village Board.
- Based on a negotiated percentage of the Village’s local sales taxes generated by a particular development or business over a period of time (usually between five and twenty years).

GENERAL FUND

- The General Fund could be used to fund marketing, special events, etc. The Village could consider an additional Village wide sales tax increase and divert some funds to the downtown, or use existing funds from sales taxes. Flexible and at the discretion of Board.

EVALUATION OF FUNDING OPTIONS

There are four categories requiring long term funding in the downtown:

- 1) funding for marketing and events;
- 2) infrastructure;
- 3) maintenance; and
- 4) funding for redevelopment.

The matrix evaluates the funding options as they correlate to the categories on a scale of 1 (low) to high (5) (zero means not allowed by Statute), based on the usefulness for each category and potential funds generated by that option.

EVALUATION OF FUNDING OPTIONS / TOOLS					
Funding Option	Marketing Events	Infrastructure	Maintenance	Redevelopment	Feasibility Downtown
SSA	high (5)	high (5)	high (5)	low to mod (2)	mod to high (4)
BD	high (5)	mod (3)	high (5)	low (1)	low (1)
GF	high (5)	low (1)	mod (3)	low (1)	mod to high (4)
TIF	high (5)	high (5)	no (0)	mod to high (4)	low (1)

A review of state statutes indicate that it is unlikely the downtown can qualify as a Business District, resulting in a low feasibility rating. The TIF option also receives a low feasibility rating, and would require hiring a consultant to evaluate the eligibility of the area as a TIF. Use of the General Fund or an SSA are the best options for funding marketing and events. An SSA would be able to provide funding for infrastructure, and either an SSA or the General Fund could provide funding for maintenance.

FINDINGS

- Tax Increment Financing is the most effective funding tool available to municipalities to foster revitalization of downtown.
- Special Service Areas are another funding option most effective for funding infrastructure, maintenance, and events, and possibly redevelopment.
- Sales tax revenue sharing to attract additional development and national retailers can supplement other funding sources.
- Establishment of a Business District is unlikely for the downtown, given the requirements, and is not a viable funding source.

Recommendation 1: Consider all funding options including Tax Increment Financing, Special Service Area, and Sales Tax incentives in order to provide long term funding for: A) downtown marketing, events, maintenance, streetscape enhancements, and B) infrastructure and redevelopment.

Recommendation 2: Analyze the eligibility of a TIF District along the east and west sides of Arlington Heights Road from Sigwalt Street south to Grove Street in order to determine if TIF is an option to facilitate redevelopment.

Recommendation 3: Analyze the eligibility of a TIF District for blocks 342 and 348 in order to determine if TIF is an option to facilitate redevelopment.

Recommendation 4: Analyze the eligibility of a TIF District for blocks 333 and 334 and portions of blocks 325 and 326 in order to determine if TIF is an option to facilitate redevelopment.

9

STREETSCAPE ENHANCEMENTS

An important element of the experience downtown is the visual quality of downtown and the ease of getting around as a pedestrian. Since 1987 the Village has greatly enhanced the atmosphere downtown as a desirable, aesthetically pleasing place. Sidewalks have been widened to 12 feet and include brick pavers and planters. Trees have been planted throughout downtown, and new parks and open space have been provided. Decorative benches, trash receptacles and street lighting have been placed downtown to enhance the aesthetics. The importance of these improvements is difficult to measure, however the Calder LaTour surveys demonstrate that the patrons of downtown do appreciate these aesthetics. In order to build upon these improvements, the Task Force is recommending additional improvements to the downtown streetscape which address both aesthetics and pedestrian access. The improvements include additional planters, new benches and trash receptacles, brick paver crosswalks, extended sidewalks at selected corners, a mid block pedestrian promenade extending from Highland Avenue to Evergreen Avenue south of Campbell Street, decorative street lights (30 foot lights), new street signs, and special treatment of the north to south corridors across the railroad / Northwest Highway right of way. The specifics of the enhanced streetscape and pedestrian access are recommended as follows:

STREETSCAPE ENHANCEMENTS

- Recommendation 1: Replace or retrofit large light poles and masts with decorative design.
- Recommendation 2: Replace street signs and poles with decorative traditional signage.
- Recommendation 3: Add planters in key areas at corners and mid blocks
- Recommendation 4: Replace wooden benches with decorative metal benches.
- Recommendation 5: Replace trash receptacles with decorative, metal receptacles.
- Recommendation 6: Continue to use art / sculptures as visual focal points



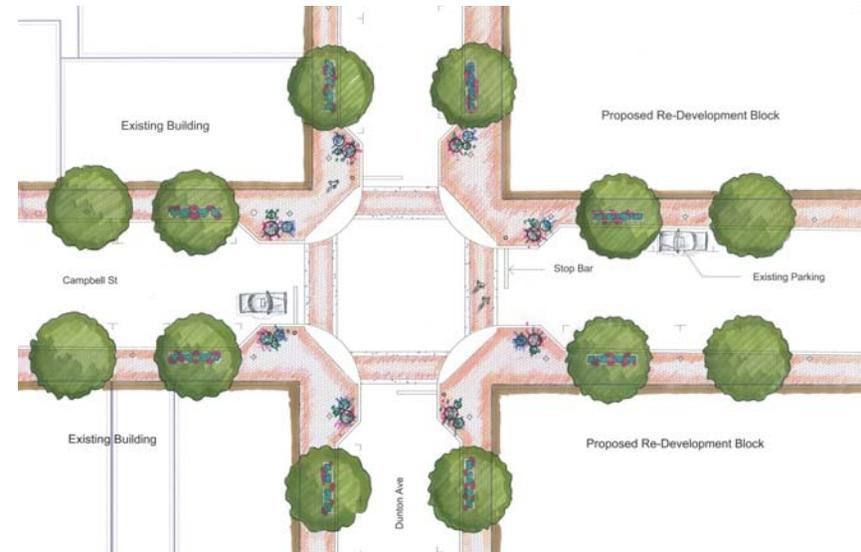
& PEDESTRIAN ACCESS

PEDESTRIAN ACCESS

- Recommendation 1:** Continue a mid block pedestrian way to connect the downtown west to east between Sigwalt and Campbell Streets, including brick paver crosswalks at Vail Avenue, Dunton Avenue and Evergreen Avenue. Brick paver crosswalk should also be explored at the Vail Avenue crossing at Davis Street/Wing Street.
- Recommendation 2:** Extend sidewalks (bump-outs) at intersections along Campbell Street including brick paver crosswalks.
- Recommendation 3:** Enhance pedestrian access North – South across railroad right of way and Northwest Highway by providing visual connectors and other methods of improving access through the area.
- Recommendation 4:** Explore with IDOT the possibility of adding pedestrian countdown displays at the Vail Avenue, Dunton Avenue and Evergreen Avenue crossings at Northwest Highway and at the Arlington Heights Road/Sigwalt Street crossing.



PEDESTRIAN MIDBLOCK CONNECTOR



INTERSECTION / CROSSWALK ENHANCEMENTS

10 PARKING & TRAFFIC

Downtown parking is an issue often discussed and analyzed across the nation. Unlike shopping centers and malls, where parking is clearly visible when a patron enters the site, downtown parking is less apparent. Grid pattern of street layout, buildings built to the sidewalks, and relatively limited street parking can mask available parking. The Calder LaTour studies confirm the perception of not enough parking as prime spaces on the streets are occupied. Yet the perception is not a deterrent to attracting patrons to the downtown. Communication of the location of the parking garages and other parking sites is important as is the appearance and user friendliness of such facilities.

Given the need to utilize land more efficiently, downtowns rely on parking garages to provide a significant amount of parking for its users, which include residents, commuters, employees and patrons of shops, restaurants and entertainment venues. Currently, Arlington Heights provides over 3,500 public parking spaces, of which 2,162 are available, and free of charge, to the public after 6:00pm weekdays and all day weekends when peak demand for shoppers occurs. It is recognized that some of these spaces are more convenient than others, but 85% of the total public parking spaces are available within three blocks (750 feet) of the geographic center of downtown (Davis Street and Dunton Avenue). Interestingly, the furthest parking spaces at Town and Country Shopping Center are 750 feet from the centermost tenant, yet the perception to some is that downtown parking seems further and less convenient.

PARKING

The Village has taken several steps to improve parking including:

- 1 Hired Rich and Associates, who conducted a thorough parking study of downtown in 2002, the results of which were accepted by the Village Board. This comprehensive study made a series of recommendations, most of which have been implemented by the Village.
- 2 Constructed a 350 space addition to the Vail Avenue parking garage, thus increasing parking from 800 to 1,150 spaces. In addition, the garage will be more user friendly as three new elevators are included, new or renovated stairwells, and additional lighting as well as a new brick façade to enhance the appearance.
- 3 Installed a series of wayfinding and parking directional signs which direct customers to the parking facilities from the major streets downtown.
- 4 Developed the Downtown Parking Guide, which is distributed to businesses and is included on the Village's web site.
- 5 Made adjustments to the parking system including: a) increasing shopper parking on the first floor of the Vail garage from 60 to 138 spaces (an additional 21 first level spaces are provided in the expansion); b) designating 150 spaces in the Evergreen underground garage as shopper or permit parking, which increases the flexibility for users.
- 6 Installed a new signage program for the public parking garages and lots.
- 7 Hired a private agency to clean all public garages to improve the cleanliness.

In addition to public parking, there are over 500 private parking spaces in surface lots available for customers. As analyzed in the Rich and Associates parking study, the results indicate that the current parking supply for downtown is 67% full at peak occupancy, which occurs mid-day. During the evening peak hours, occupancy of public parking available for customers averages 50%. The issue with parking is during the busiest peaks, the Vail garage first and roof levels can approach 90% occupancy, coupled with the on-street parking approaching 80%, parking can seem tight. However, there is typically plenty of parking available in the public lots along the Northwest Highway for overflow parking. Nevertheless, the Village determined that more convenient parking is needed therefore 350 spaces were added to the Vail garage.

One primary issue as it relates to parking is in order to attract national retailers, adequate surface parking adjacent to the store front is required. Therefore, it is recommended that redevelopment of larger blocks include surface parking with direct access to retail spaces designed in a manner so as not to dominate the street frontages. Discussions with retail experts indicate that the national stores will require more parking for customers.



VILLAGE PUBLIC PARKING - MAP 10.1

The Calder LaTour studies indicate that although parking is not the primary deterrent to attracting customers downtown, there were perception issues identified as the prime spaces on street are nearing capacity during the evening peak hours, and signage in the garages can be confusing. In addition maintenance and lighting were cited as issues.

Based on the Rich and Associates parking study, the Calder LaTour findings, and the Real Estate Forum, the following recommendations are made with respect to parking:

- Recommendation 1: Enhance the level of maintenance in all four public parking garages and consider contracting out said maintenance services.
- Recommendation 2: Designate the first level of the Vail Avenue parking garage for shopper parking.
- Recommendation 3: Simplify signage in the parking garages and lots and include color bands painted in the shopper level parking areas.
- Recommendation 4: Include ample surface parking with direct access to retail spaces with any redevelopment of larger block areas which parking should be designed in a manner so as not to dominate the street frontages.
- Recommendation 5: Increase utilization of existing parking facilities to maximize parking availability for customers.

TRAFFIC

The Village continually monitors traffic flow into the downtown and within the downtown. No specific improvements are being recommended at this time, but the Task Force does recommend that the Village:

- Recommendation 1: Continue to monitor traffic flows through the downtown area and make adjustments as determined by the Village to facilitate traffic flow within the downtown and to and from downtown.

11 SIGNAGE

Over the past few years the Village has developed public signage in downtown to guide guests to parking facilities and other significant points of interest. Decorative wayfinding signs were recently installed in strategic locations to identify and direct people to major points of interest, and a color coded sign system was installed to direct motorists to public parking facilities. Recently the Village constructed a civic events sign at Arlington Heights Road and Northwest Highway to inform the public about upcoming events around town and other important information. Also, new gateway entry signs have been installed at the four primary entries into downtown.

The Task Force also explored signage for both private business and public signage including directional signage for motorists and business directories for patrons of downtown. The primary recommendation for business signage is to encourage decorative blade signs which project out from the storefront. This type of signage should be allowed in downtown as not only an enhancement to identify businesses, but also as an aesthetic element of the streetscape program. The Village should also review and clarify parking garage signage so that the motorist can more easily understand where to park. In addition, the Village should expand its directory signage which lists all the businesses in downtown. As a result of their analysis, the following recommendations are made regarding signage in downtown:

Recommendation 1: Allow blade signs in the downtown area to promote additional visibility for businesses. Parameters should be established so that the signs are decorative, with high quality materials. The Village should explore public/private cost sharing to facilitate blade signage.



DOWNTOWN GATEWAY SIGN



DOWNTOWN PARKING SIGNS



TYPICAL BLADE SIGNS

- Recommendation 2:** Explore allowing small, decorative plaque signs for identifying downtown businesses.
- Recommendation 3:** Re-evaluate ground signage on private property given the context of the downtown environment.
- Recommendation 4:** Evaluate parking garage signage and clarify where necessary.
- Recommendation 5:** Install tenant directory signage in multiple locations indicating all downtown retailers.



TENANT DIRECTORY LOCATIONS
MAP 11.1



DOWNTOWN CIVIC EVENTS SIGNS



WAYFINDING SIGNS

12 MARKETING



Among the factors vital to the success of downtown is effective promotion through special events, advertisements, brochures, and cable TV. The Village, in coordination with business groups such as the Downtown Business Association, Economic Alliance, Chamber of Commerce and the Greater Woodfield Convention Bureau, has taken the lead in promoting the downtown as an attractive place to live, dine, shop, and be entertained. In recent years, the Village has provided \$115,000 annually for marketing (ads, brochures) and events such as the Sounds of Summer, Farmers Market and the Mane Event, which have attracted thousands of guests to downtown, funded by Tax Increment Financing. However, with the TIF district #1 having expired in 2006 and TIF district #2 set to expire in 2009, future funding must be addressed.

EXCLAIM INC. STUDY

In 2002 the Village hired Exclaim, Inc. to develop a marketing plan for the Village. Several recommendations regarding the downtown were made, many of which have been implemented. Highlights of the marketing plan included the need to create a unique brand identity that defines the downtown, resulting in the "Arlington Heights - Always More to Discover" branding strategy. In addition, the study identified the best groups to target when marketing the downtown and the method by which to reach those groups.

Another important aspect of the marketing effort is to keep in close touch with the business community and maintain an open dialogue on continuing efforts to market the downtown. Towards that end the following is recommended:

Recommendation 1: It is imperative that the Village continue its leading role in marketing the downtown area and promoting events, advertisements, and coordination with the Downtown Business Association, Economic Alliance, Chamber of Commerce, and Greater Woodfield Convention Bureau to promote the downtown.

IMPLEMENTATION / ACTION ITEMS

13

The Downtown Master Plan sets forth a course of action for future development in downtown Arlington Heights, as recommended by the Task Force. However, the Master Plan is just the first step in a long range process, and the following actions are necessary to implement the ideas put forth in the Master Plan. Additional action items will be necessary depending on the course of action taken by the Village, in particular with respect to redevelopment. However, the following actions are known at this time and will be necessary in order to implement the ideas and recommendations of this Master Plan:

IMPLEMENTATION ITEM #1

Retail Strategy – Seek additional national and regional retailers

- Action 1: Identify retailers pursuant to the Master Plan and gauge their interest in locating downtown.
- Action 2: Develop a retail incentive program to attract national retailers to downtown.
- Action 3: Pursue redevelopment of blocks, in particular blocks 348 and 342.
- Action 4: Amend Chapter 28 of the Municipal Code to require a minimum floor to ceiling height of 14 feet for first floor commercial spaces .
- Action 5: Install additional tenant directory signage / kiosks in strategic locations downtown.

IMPLEMENTATION ITEM #2

Retail Synergy – require retail uses on first floor commercial spaces

- Action 1: Amend Chapter 28 of the Municipal Code establishing requirements for non-retail uses in specified areas downtown.
- Action 2: Amend Chapter 28 establishing overlay zones for retail on first floor (red and blue areas).

IMPLEMENTATION ITEM #3

Building Height – revise allowable building heights and height bonuses downtown

- Action 1: Amend Chapter 28 of the Municipal Code regarding building heights and height bonuses.
- Action 2: Amend downtown area establishing new building heights.

IMPLEMENTATION ITEM #4

Redevelopment – Facilitate redevelopment of designated blocks

- Action 1: Hire a consultant to study the feasibility of a Tax Increment Financing District for blocks 342 and 348.
- Action 2: Hire a consultant to study the feasibility of a Tax Increment Financing District for blocks 333 and 334 and portions of 325 and 326.
- Action 3: Hire a consultant to study the feasibility of a Tax Increment Financing District along the east and west sides of Arlington Heights Road from Sigwalt Street to the Grove Street intersection.
- Action 4: Work with current property owners to facilitate redevelopment efforts.
- Action 5: If determined that any area in Action Items 1,2,3 above are eligible as a TIF District, then if TIF approved, Village to solicit Requests for Qualifications to redevelop subject site.
- Action 6: Vacate Miner Street between Dunton Avenue and Northwest Highway.
- Action 7: Consider purchasing and land banking property for future redevelopment in order to facilitate redevelopment, including working with private developers.

13 IMPLEMENTATION / ACTION ITEMS

IMPLEMENTATION ITEM #5

Funding - Long Term

- Action 1:** Conduct a detailed analysis of estimated future costs for maintenance, events, marketing and streetscape enhancements in order to determine which method of funding can support these long term funding items.

IMPLEMENTATION ITEM #6

Streetscape – Enhanced streetscape program

- Action 1:** Finalize cost estimates for various streetscaping items.
- Action 2:** Implement streetscaping program for south portion of downtown utilizing portion of \$1.2 million in TIF funds budgeted in FY06
- Action 3:** Implement north portion of downtown streetscaping utilizing TIF funds as budgeted.
- Action 4:** Implement remaining streetscaping program which is not completed with TIF funds depending on availability of funds.

IMPLEMENTATION ITEM #7

Pedestrian Access

- Action 1:** Hire consultant to design curb bump-outs and brick paver crosswalks.
- Action 2:** Implement bump outs and crosswalks utilizing portion of TIF 1 funds budgeted in FY 06.
- Action 3:** Petition IDOT to install pedestrian countdown signals along Northwest Highway and at Arlington Heights Road / Sigwalt St.
- Action 4:** Further define enhanced pedestrian access through the railroad / Northwest Highway corridor including cost estimates.

IMPLEMENTATION ITEM #8

Signage

- Action 1:** Amendment to Chapter 30 – Sign Code, to allow blade signs and building plaque signs downtown.
- Action 2:** Review sign code for ground signs in downtown and other code issues as identified.
- Action 3:** Simplify and clarify garage signage in all garages.

IMPLEMENTATION ITEM #9

Marketing

- Action 1:** Continue to work with the Downtown Business Association, Chamber of Commerce, and Greater Woodfield Convention Bureau on promoting downtown.
- Action 2:** Evaluate funding sources in order to continue marketing downtown.

IMPLEMENTATION ITEM #10

Parking & Traffic

- Action 1:** Hire agency to perform routine cleaning and maintenance of all four public parking garages.
- Action 2:** Relocate the remaining 38 permit parking spaces on the first level of the Vail garage to 3 Hour Shopper.
- Action 3:** Continue to monitor traffic flows in downtown and make adjustments as determined by the Village.

IMPLEMENTATION ITEM #11

Annual Status Report

- Action 1:** Direct staff to provide annual status report to the Village Board regarding implementation of this Master Plan.

CONCLUSION

This Master Plan includes 97 specific recommendations to improve upon and guide development, and sets forth a course of action to implement these recommendations. One of the primary recommendations of the Plan is to strengthen and expand downtown's retail base by attracting national tenants. Long term funding is another issue identified in the Plan, and several options evaluated in the Plan must be considered given the reality that the TIF District's are set to expire. Also, the Village must continue to lead the redevelopment and marketing efforts in order for the downtown to continue to grow and prosper, including working with the development and business community.

For 23 years the Village has partnered with the private sector in creating a new, vibrant and successful downtown. This Plan shall serve as a guide into the future and to continue what has been accomplished – to continue the vision of a downtown that is the business, cultural and entertainment heart of Arlington Heights.

SUBMITTED BY THE DOWNTOWN MASTER PLAN TASK FORCE:

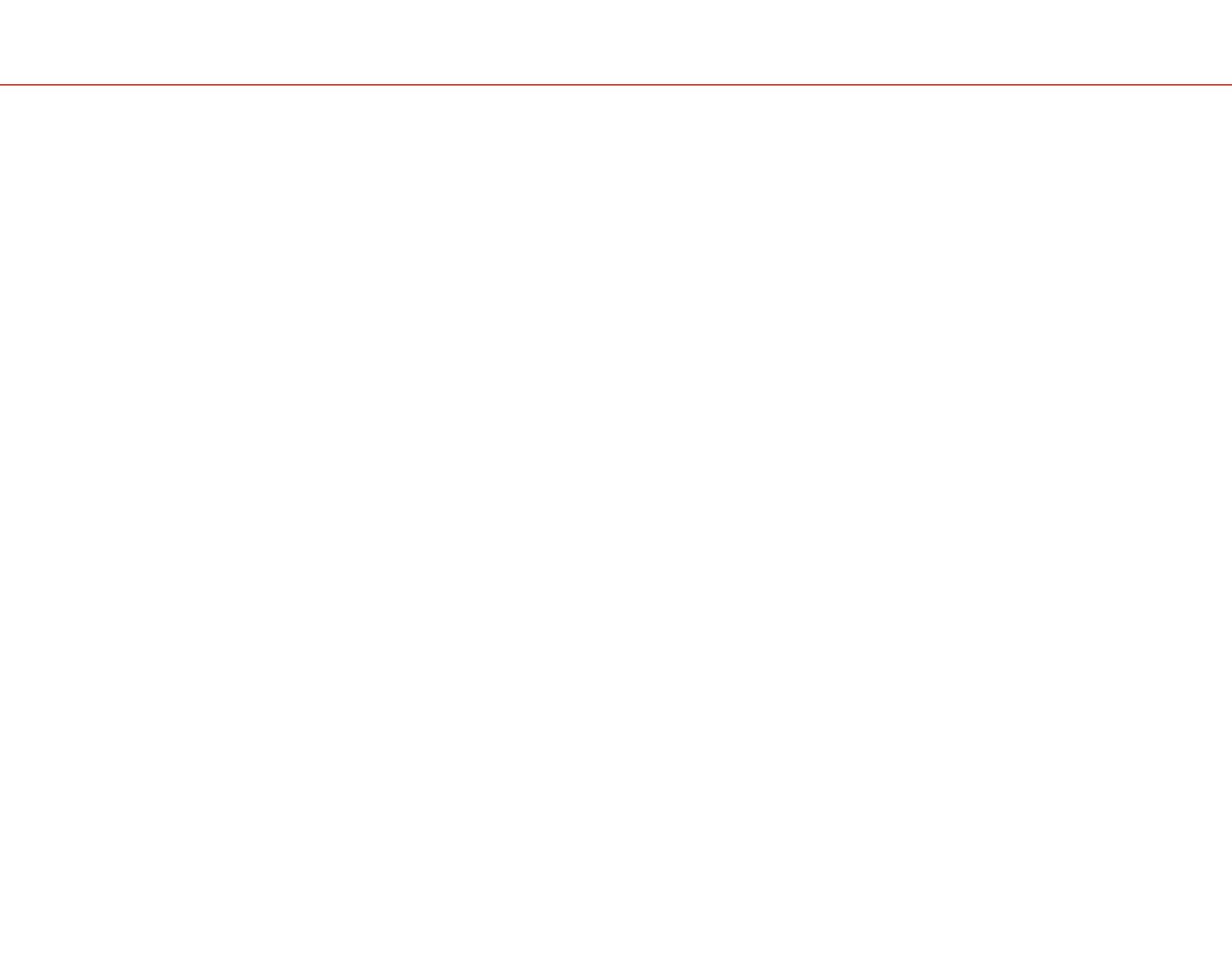
Jack Whisler, Economic Alliance, Chairman
Mark Toljanic, Trustee, Vice Chairman
Joe Farwell, Trustee
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George Drost, Plan Commission
Ted Eckhardt, Design Commission
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