

**MINUTES OF REGULAR SESSION  
HIGHLAND CITY COUNCIL  
MONDAY, SEPTEMBER 21, 2015**

Mayor Michaelis called the Regular Session to order at 7:00pm. Council members Schwarz, Frey, Bellm and Nicolaides were present. Others in attendance were City Manager Mark Latham, City Attorney John Long; Directors Cook, Gillespie, Korte, Peck, Rosen, and Schoeck; Fire Chief Bloemker, EMS Chief Wilson, Sergeant Steinbeck, Library Director Kim, Treasurer Foehner, Deputy City Clerk Hediger, City Clerk Bellm; 4 citizens and one member of the news media.

**MINUTES**

Councilman Schwarz made a motion to approve the minutes of the September 8, 2015 Regular Session as attached; seconded by Councilwoman Bellm. Roll Call Vote: Schwarz, Frey, Bellm and Nicolaides voted aye, none nay. Motion carried.

**PUBLIC FORUM**

Citizens' Requests and Comments:

*Art in the Park Signage Request* –Lynette Schuepbach, on behalf of the Highland Arts Council and Art in the Park Committee, requested dispensation to put the signs up for directing people to the Art in the Park per the attached map for this year's event, which will be held October 9, 10, 11, 2015. Signs would be put up on Thursday before the event and taken down on Monday after the event. She asked for leniency with the placement of the signs to what the map shows, as she does not do the placement herself. Councilman Schwarz made a motion to approve the request of the Highland Arts Council to post signs as per the map provided, with some leniency; seconded by Councilwoman Bellm. Roll Call Vote: Schwarz, Frey and Nicolaides voted aye, none nay. Councilwoman Bellm abstained. Motion carried.

Requests of Council:

No comments or requests.

Staff Reports:

Nothing to report at this time.

**NEW BUSINESS**

Bill #15-85/ORDINANCE Annexing Territory Owned by A5 Properties, LLC – Councilwoman Bellm made a motion to approve Bill #15-85/Ordinance #2696 annexing territory owned by A5 Properties, LLC as attached; seconded by Councilman Schwarz. Roll Call Vote: Schwarz, Frey, Bellm, and Nicolaides voted aye, none nay. Motion carried.

Bill #15-86/ORDINANCE Amending Zoning Classification of Property – Two Parcels of Land Owned by A5 Properties, LLC (148 Poplar Street) – Councilman Schwarz made a motion to approve Bill #15-86/Ordinance #2697 amending zoning classification of property – two parcels of land owned by A5 Properties, LLC (148 Poplar Street) as attached; seconded by Councilwoman Bellm. Roll Call Vote: Schwarz, Frey, Bellm, and Nicolaides voted aye, none nay. Motion carried.

Bill #15-87/ORDINANCE Vacating Platted and Dedicated, But No Longer Maintained Portion of Adams Street – Councilwoman Bellm made a motion to approve Bill #15-87/Ordinance #2698 vacating platted and dedicated, but no longer maintained portion of Adams Street as attached; Councilman Schwarz. Councilman Schwarz made a motion to postpone it indefinitely; seconded by Councilwoman Bellm. City Attorney John Long explained that we have an electrical line over the north end of this street, which is a secondary feed for Wall Street Journal. By ordinance, they cannot build over such an easement, so we will have to look at the location in accordance to where they want to build their addition. Roll Call Vote: Schwarz, Frey, Bellm and Nicolaides voted aye, none nay. Item postponed.

Bill #15-88/ORDINANCE Approving the Adoption and Addition of Article 680 of the 2014 NEC into the Electric Code for the City of Highland – Councilman Schwarz made a motion to approve Bill #15-88/Ordinance #2698 approving the adoption and addition of Article 680 of the 2014 NEC into the Electric Code for the City of Highland as attached; seconded by Councilwoman Bellm. Roll Call Vote: Schwarz, Frey, Bellm and Nicolaides voted aye, none nay. Motion carried.

Bill #15-89/ORDINANCE Approving the Form and Authorizing the Execution of an Economic Development Agreement between the City of Highland and Scheffel & Company, P.C. – Councilwoman Bellm made a motion to approve Bill #15-89/Ordinance #2699 approving the form and authorizing the execution of an economic development agreement between the City of Highland and Scheffel & Company, P.C. as attached; seconded by Councilman Schwarz. Councilman Schwarz asked City Manager Latham to speak to the terms of the agreement. City Manager Latham deferred to Director Lisa Peck. Director Peck explained the first agreement is an economic agreement, \$44,780, for relocation of sewer and water lines to allow for the expansion Scheffel would be doing. Councilman Schwarz asked we are going to pay a contractor on behalf of Scheffel to move the water and sewer lines. Director Peck clarified that Scheffel is going to pay the contractor to move the lines and then they are going to expand over that area where the lines presently are. Money will be paid after the work is done. Councilman Schwarz asked what if the company goes out of business a couple weeks after moving the line or decides not to expand. City Attorney Long pointed out, first off, Scheffel & Co. has been around for many years as members of this community; however, there is a provision in the agreement that the money is not paid unless the proposed project is completed. Councilman Schwarz acknowledged this may not be relevant here with this agreement, but there have been enough of these economic development agreements that we have made and paid on up front; then it ended up with the other party not living up to terms of the agreement and us being unable to recover monies. Director Peck pointed out that Section 6 of agreement states addresses that. Councilman Schwarz expressed that it is easier to pay at the end versus paying up front and not recovering later.

Director Peck explained the first agreement is specific to job creation; second agreement is with the redevelopment and property valuations. The types of jobs and level of the positions determines the value of the agreements. Councilman Schwarz acknowledged the value of five full time jobs. The idea of the economic incentives is to incentivize new businesses. I look at these agreements as paying for projects that would be done otherwise. Councilwoman Bellm expressed the way I look it is whether new or current business expanding, hopefully, it is a win-win for both the business and the community. I would hope, in doing this, they chose to stay in Highland versus moving to another community that would give them incentives to move. To help a business that has been in the community and is looking to expand, particularly with a business that has been long-standing in Highland is a positive. Councilman

Schwarz noted this is \$108,000. Payback on this in another agreement would be over a twenty-year period, but this is being paid up front. What is the value of \$108,000 if the payment is paid over twenty years versus paying up front? Director Peck pointed out the term of agreement is for ten years. Councilman Schwarz questioned, from a revenue standpoint, the payback to city from valuation of property taxes and the number of jobs added into the community.

City Manager Latham asked Mark Korte, Principal of Scheffel's Highland Office, to speak regarding this. Mr. Korte stated we are not here to threaten leaving the community. We are out of office space; we cannot add to our staff because of the building. Our preference has been to add on to the office. In looking at options, we found that we are in a TIF district. Our income is not going to increase because of this. Item E of the agreement is important to us, because it would allow us to expand and allow for other building potential in that area. Councilman Schwarz expressed I appreciate the honesty. If I were in your shoes, I would do the same. Councilman Schwarz asked Mr. Korte if without this would you leave Highland. Mr. Korte responded I do not believe so. Councilman Schwarz asked would you expand. Mr. Korte stated, not immediately. We would put it on hold and wait until next summer, at the earliest, before reevaluating whether to expand or not. Councilman Schwarz stated I appreciate your input. I appreciate you being in Highland, but I feel that in a lot of cases we are putting ourselves, at best case scenario, in a breakeven situation. Mr. Korte pointed out the movement of the water and sewer lines is something that would not only assist with our the expansion, but provide benefit if others built in the area. Councilman Frey stated I have no problem with paying to assist moving the water lines. I have concerns with the economic incentives; however, if we have a TIF district and if someone meets all the requirements we should live up to the terms of the agreement.

Mayor Michaelis asked City Attorney Long to address the TIF agreement. Attorney Long explained that with a TIF Development, if they increase the assessed valuation of the property with the improvements, that is the money we are talking about. It is not as if it is money out of the city's pocket. We are not even sure that there will be an increase. These are tax proceeds. We would not get the 25% increment, if the expansion did not occur. Councilman Schwarz stated I am not going to pretend to be an expert on TIF, but if the funds do not make it to the schools then we end up paying other ways. Attorney Long acknowledged that if there are objections to TIF districts, it usually comes from school districts. Councilwoman Bellm pointed out once we have a TIF District and we have set guidelines in doing so for funding within, are we obligated to. Roll Call Vote: Schwarz, Frey, Bellm and Nicolaides voted aye, none nay. Motion carried.

Bill #15-90/ORDINANCE Approving and Authorizing the Mayor to Execute a Redevelopment Agreement of the TIF area, Scheffel & Company, P. C. and The Woodcrest Professional – Councilman Schwarz made a motion to approve Bill #15-90/Ordinance #2700 approving and authorizing the mayor to execute a Redevelopment Agreement of the TIF area, Scheffel & Company, P. C. and The Woodcrest Professional as attached; seconded by Councilwoman Bellm. Roll Call Vote: Schwarz, Frey, Bellm and Nicolaides voted aye, none nay. Motion carried.

## **REPORTS**

Approve Warrant #998 – Councilwoman Bellm made a motion to approve Warrant #998 as attached; seconded by Councilman Schwarz. Roll Call Vote: Schwarz, Frey, Bellm and Nicolaides voted aye, none nay. Motion carried.

Councilwoman Bellm made a motion to temporarily adjourn this regular session to enter into executive session under the Illinois Open Meetings Act under 2(c)(11) to discuss of probable litigation

matter; seconded by Councilman Schwarz. Roll Call Vote: Schwarz, Frey, Bellm and Nicolaidides voted aye, none nay. Motion carried. Meeting adjourned at 7:39pm.

Mayor Michaelis reconvened the Regular Session at 8:10pm. Council members Schwarz, Bellm, Nicolaidides and Frey were present. Also present were City Manager Latham, City Attorney Long, Directors Korte and Peck, Deputy City Clerk Hediger, City Clerk Bellm, and one member of the news media.

### **UNFINISHED BUSINESS**

Bill #15-79/RESOLUTION Approving Second Agreement for Economic Development Incentives with Family Care Properties, LLC – Councilwoman Bellm made a motion to approve Bill #15-79/Resolution #15-09-2340 approving second agreement for economic development incentives with Family Care Properties, LLC as attached; seconded by Councilman Schwarz. Roll Call Vote: Schwarz, Frey, Bellm and Nicolaidides voted nay, none aye. Motion failed.

Councilwoman Bellm made a motion to adjourn; seconded by Councilman Schwarz. All council members voted aye, none nay. Motion carried and meeting adjourned at 8:11pm.

Joseph Michaelis, Mayor

Barbara Bellm, City Clerk