

HIGHLAND, ILLINOIS
MINUTES OF REGULAR SESSION
INDUSTRIAL DEVELOPMENT COMMISSION
CITY HALL, 1115 BROADWAY
WEDNESDAY, OCTOBER 5, 2011
12:00 PM

Call to Order

The meeting of the Industrial Development Commission was called to order at 12:05 pm by Chairman Bellm.

Roll Call

Members present: Darell Bellm, Jon Greve, Rick Frey, Ryan Goodwin, and Ex-Officio Member Jami Jansen.

Members absent: Eric Rehkemper

Also present: City Manager Mark Latham, Chief Building & Zoning Official Kevin Limestall, and Deputy Clerk Lana Hediger.

Approval of Minutes

Rick Frey made a motion to approve the minutes of the September 7, 2011 Industrial Development Commission meeting; seconded by Ryan Goodwin. All members voted in favor; the motion carried.

Reports

Business Inquiries Update:

Kevin Limestall reported not a lot of new inquiries.

X-Factor Fitness a subsidiary of Phoenix Physical Therapy will be moving into the RP Lumber strip next to where U.S. Cellular was. X-Factor Fitness will be offering a little different kind of fitness, more one on one.

U.S. Cellular closed their Highland office. Clarkson Eye Care is in there now and will be opening for business November 5.

Giggles and Grins is looking to do an expansion by converting their garage area and adding a breezeway connecting the two.

Hoyleton Home has inherited a one-third interest in about 80 acres behind Denny Knebel's property, south of the new hospital property. It is part of the Seifert Trust. They were inquiring as to whether or not the City would be interested in any of that for future development. They think the other two parties will force the property to be sold.

Chairman Bellm asked if Family Dollar had their open house last week. Kevin indicated that they did.

City Manager Latham reported that three years ago people were saying we had a lot of vacant commercial property. Now we're seeing the RP Lumber strip fill up, Glik's has got a little bit. We've had some inquiries about a business in the downtown area but everything is filled.

Kevin reported that the hospital is moving forward. Their annexation will be on the City Council's agenda this month.

Jami asked if there was anything going on with Bruegge Furniture. Kevin said that it is for lease/rent/or sale. He indicated that Andrea was going to try to reach them because he had already tried several times and not received a response.

Venture Advisors Update:

Mark reported that the city council approved the contract at Monday night's (10/03/2011) meeting. Mark thinks the next step is to start an elevator program and bring in some entrepreneurs. We would seek out business owners who have a business but don't know how to take it to the next level and have them sit down with some mentors who can maybe help them plan for and achieve improvements to their businesses. We will be working on getting this off the ground this month and I will keep you updated on how that is going.

In addition, McLaughlin's have submitted a proposal to AMC through David Kunkel for \$10/sq. ft. on the building to purchase of the Lory Theatre. Their offer was turned down. They seem to be going back and forth with offer/counter offer right now. We will continue to work with them on that. Mark believes that the McLaughlin's plans for the Lory will be very beneficial to this community. Keeping a local theatre, where you can still get in for \$4 will be good for families.

Also, Mark met with the school about the TIF. The TIF has been looked at since the city put out the stormwater plan, and so when the hospital project came up in that area, we looked at it as a win/win situation, not only by providing the hospital with \$2.2 million of TIF funding, but also in providing the infrastructure to help support the hospital. So, we are doing a bond issue. There is approximately \$17,000,000 of private investment that's going into the hospital facility. The hospital is tax-exempt but \$17,000,000 of the project will be privately owned (doctors' offices, diagnostics, x-ray, etc.) upon which the income will be taxable. We are estimating that it will produce about \$460,000/year of taxable income. We are pledging that tax money to cover the bonds. The plan will be presented to the CPZB at their meeting tonight. Mark indicated that the City is committed to supporting the project and we are doing everything we can.

Mark reported that HCS is doing very well. The video is being broadcast and can be seen in Mark's office for anyone who is interested. The video is on and is being offered to the residential areas and is doing very well. They had 10 hook-ups on Monday. He indicated that there is still a number (hook-ups) that they are trying to shoot for by the end of April, which will be a challenge but he thinks they can meet it. That would put HCS in the black, so that is the goal...so many hook-ups...so much revenue. Chairman Bellm noted his disappointment with the article in the Highland News Leader about the recent outages. He doesn't recall their ever making any mention of Charter's ability to

bring anything into this community. He just thinks it is unfair of them to write an article like that. Mark indicated that our redundancy solution will be in place within the next couple of weeks.

New Business

SWOT Analysis:

Strengths:

- City-owned fiber and utilities
- Wage Rates
- Work force availability
- Safe Community (low crime rate)
- Cultural Assets
- School Systems
- Hospital
- 4-Unit Community (Agriculture, Retail, Manufacturing, and Bedroom)
- Local Government
- Location
- Financial Stability
- Faith-based community
- Service Clubs / Great level of volunteerism

Weaknesses:

- Located in Illinois
- Located in Madison County
- Insurance Rates
- Tax Rates
- National Economy
- Availability of Property
- St. Louis Air Shed

Opportunities:

- We encourage business development
- Transportation (proximity to Interstates)
- I-70 / SR 160 Interchange
- Open space area
- Community Support of Local events/organizations (Showcases Highland)
- Fiber (HCS)
- Available space for manufacturers/retailers (Go to tape here)
- Reasonable cost of living
- Popularity of "Made in the USA"
- Service Organizations

Threats:

- Everybody is in the same boat / competition for business
- Government regulations
- National Economy
- Financial Incentives (costs to attract new businesses)
- Aging Infrastructure
- Business Retention Failures

The list will be sent out to the members to review. Mark would like them to pull together some statements or action points that we could tie into to determine what direction we want to head in. This will be discussed at the next meeting.

Review of drafted letter for Madison County Business Retention Program: There was a brief discussion about the letter and to whom it should be sent. Mark indicated that he believes the letter should come from the Industrial Development Commission, maybe signed by the Chairman. The list was good but the following companies should be added:

- St. Joseph's Hospital
- HCUSD #5
- Wall Street Journal
- The Korte Company
- Korte Luitjohan
- Highland Supply
- Tri-Onics

Change Smurfit-Stone on the list to Rock Tenn.

Next Meeting

The next meeting of the Industrial Development Commission is scheduled for Wednesday, November 2, 2011 at 12:00 pm at City Hall.

Adjournment

Jon Greve made a motion to adjourn the meeting; seconded by Ryan Goodwin. All members voted aye, none nay; the meeting adjourned at 12:59 p.m.