

**HIGHLAND, ILLINOIS
MINUTES OF REGULAR SESSION
INDUSTRIAL DEVELOPMENT COMMISSION
CITY HALL, 1115 BROADWAY
WEDNESDAY, FEBRUARY 5, 2014
12:00 PM**

Call to Order

The meeting of the Industrial Development Commission was called to order at 12:05 PM by Vice-Chairman Jon Greve.

Roll Call

Members present: Vice-Chairman Jon Greve, Eric Rehkemper, Diane Korte-Lindsey, and Ryan Goodwin.

Members absent: Chairman Darell Bellm and Ex-Officio Member Jami Jansen.

Also present: City Manager Mark Latham, Economic Development and Marketing Coordinator Lisa Peck, and Recording Secretary Lana Hediger.

Approval of Minutes

Eric Rehkemper made a motion to approve the minutes of the January 7, 2014 Regular Session meeting of the Industrial Development Commission; seconded by Diane Korte-Lindsey. All members voted aye; none voted no; the motion carried.

Reports:

Treasurer's Report – Ryan Goodwin

No changes in the account since the report in January. The current balance in the account is \$9,748.71.

Update on other job inquiries – Mark Latham

Mark reported that he continues to meet with the brother and sister from Effingham on the new memory care facility. We are waiting for the application on a proposed incentive agreement. They are scheduled to be at the CPZB meeting in April and are still planning to break ground in the end of April.

The City Council approved the incentive agreement with Ruler Foods. Glik's is still planning to move their operations to the old CVS facility. They have a building permit for upgrades to that location. They are planning to put a new front on it with larger windows. Mark indicated that Ruler Foods last expressed interest in being open during the second quarter of 2014. The tanning business will need to be relocated.

Mark indicated that there has been some good headway made with regard to the healthcare alliance. There is a survey ready to be sent out to the businesses to determine who may be interested. There will be a formal meeting for those interested in it. 250 lives insured is the minimum number required to make it feasible. Peggy Sebastian and Mark will be addressing the Chamber soon to begin promoting it.

Eric Rehkemper pointed out that he has employees from multiple surrounding communities. He asked if the plan would be set up like a large insurer so that those people could use doctors and hospitals in their own communities. Mark indicated that it would. He did say that there would be a focus on trying to keep healthcare as local as possible. Mark believes this is something that will likely start small and continue to grow. BAS, the city's insurer, will be conducting the informational meetings.

Update on Highland Entrepreneurship Program – Mark Latham

Mark signed a short-term contract with Venture Advisors to keep the program going until further details can be worked out. Lee is providing weekly updates to Mark.

Update on Highland Communication Services – Mark Latham

Mark reported that HCS is still growing. Averaging about 25 new customers per month. Should hit the 1200 customer mark by the end of this month. That was one of our benchmarks that we thought would help make the system financially feasible. The challenge right now is that according to the business plan model, the average revenue per month should have been \$124/customer but only at \$77 per customer right now. Mark will be hiring an intern this summer to work in the marketing/sales areas for HCS to hopefully increase the number of business customers. There are currently 179 business customers, which is pretty good, but there is a potential of around 700. There will be a big push to get more business customers this summer.

Update on Enterprise Zone – Lisa Peck

Lisa handed out a summary of the program and a map of the proposed zone area. There will be a meeting with all the partners later this month. We will be beginning the application process March 1.

Eric asked if all the other communities are receptive participants, excited about moving forward with the application. Lisa indicated a qualified yes. There will be some issues to work through with some of the other communities and figuring out how to get all their taxing bodies on board with the tax abatement that can be a part of this. We're having some problems with St. Jacob. Jon asked what St. Jacob's specific concerns are. Lisa indicated that Keith Moran is not receiving any response from them, so we don't know. It may just be a lack of anyone that understands the benefits of the program. Keith just needs to meet with them and explain it better. Lisa doesn't believe that there is any need to be concerned at this point.

Lisa indicated that there will certainly be hiccups in the application process due to this being an all new program. The application needs to be in by the end of the year, then, the state has a few months to review the apps and make a decision.

The area still maxes out at around 12 square miles. Multiple partners makes the application stronger. Demographics are a huge part of this and with Highland's demographics, we will definitely need to pull in some of these other communities.

Old Business:

Update on Koch Cleaners Property – Mark Latham

Mark reported that Tim Reaka was interested and the city offered him a contract. Mark has heard rumors that he will be backing out of the deal due to his concerns over the environmental issues. It was appraised at \$20,000 and Mr. Reaka offered \$16,000.

If anyone knows someone that is interested in a building like that, send them to Mark. Mark is concerned that if the city takes bids on it, it might end up in the hands of someone that just wants to use it for storage. He would like to see it go to someone that will improve the property value and also generate some sales tax.

Jon asked what the status of Jefferson Smurfit is. Eric heard that the factory was reinstated and so they are still operating.

Update on Highland Tour with Dave Kunkel – Lisa Peck

Lisa reported that she toured Kunkel Commercial Properties listings with Dave Kunkel. She toured the Wick's building and thinks it could be a good incubator facility. Heating/cooling could be an issue.

Lisa is looking into getting an education entity, like Lindenwood College, into the Tri-Onics site. It is too preliminary to report anything. She hasn't met with them yet.

Lisa reached out to a developer she worked with in University City. There may be a possible medical use for one of the hospital's two old medical buildings, either on Poplar or on Woodcrest.

Rob Bowman showed Lisa the Terra Properties listings. And, they discussed a possible community garden on the vacant lot on the square where the old Ben Franklin store was. This would be a much bigger and more comprehensive garden than the small one that is there now. They think that they could possibly leverage the public relations opportunities in the future.

Venture Advisor's Contract – Discussion and Recommendation

Mark indicated that he and Lisa met with the mentors of the Highland Entrepreneurship Program. They asked the mentors for feedback on the program, i.e. "what could be improved?"; "what works best about the program?"; "did the program provide value through the creation of jobs and creating growth of entrepreneurship in Highland?" and, "did they have any suggestions or concerns about the program?" The information they provided was then used to draw up an agreement for Venture Advisors. Mark presented the IDC members with a draft of this agreement. There is some strong feeling that maybe a six-month contract would be in order, rather than a one-year contract. There seem to be a desire for an initial meeting somewhat consistent with what's being done. It should be with three of the mentors to determine if the entrepreneur is really ready for the program. There seems to be some frustration in that some are starting the

program before there has really been an initial evaluation to determine their readiness. The mentors would like to be able to meet as a mentoring group once per quarter just to evaluate how things are going and to discuss ideas.

Mark is also concerned with how many people are out there that are actually interested in the program right now. He has heard from only one new entrepreneur that is interested in the program since December. Diane asked what type of businesses are suitable for participation in the program. Mark indicated that it is anyone who has an interest, whether it's retail, restaurants, manufacturing, etc. Most often, an entrepreneur has an idea in their mind, but they don't know how to take the steps to create a business plan, including some marketing strategies, so that if they need some financing to get going, they have something to show their banker. What we're figuring out is that most of the entrepreneurs are big on ideas and excitement, but have no idea about the financial side of starting a business at all. We don't want to see anyone going into a venture using their life savings only to have it flop. Ryan added that he would like to see the Chamber embrace this program more and endorse it. He would like to see them dedicate a portion of their monthly newspaper insert to an "Entrepreneur Spotlight." Eric, speaking as a Chamber Board member, indicated that the Chamber Board has accepted and supported the program. He also stated that their support of it could be more actively reinforced. Jon added that Ryan's point is a good one, that there needs to be more visible marketing of the program to the public. Mark indicated that he and Lisa will be working with the SIUE Small Business Development Center, trying to get an article through them highlighting the Highland Entrepreneurship Program along with the Gigabit City concept. Mark added, to answer Diane's question, no one can enter the program unless they are going to locate their business in Highland. Eric added that it could be someone who already has a business in Highland that may want to take it to the next level.

Jon questioned the number of new ventures allowed for in the proposed six-month agreement. Mark indicated that the number could be changed but he believes there needs to be more accountability. After more discussion, the contract was adjusted for six entrepreneurs rather than three.

Ryan suggested following the businesses that have been through the program for three to five years and highlighting their successes.

Mark indicated that they think this program could possibly be taken over by the mentors themselves. Jon believes for continuity purposes, a six month contract with Venture Advisors at this time would be a good idea.

Ryan made a motion to recommend to the city council, the six-month contract with Venture Advisors with the number of ventures changed to six rather than three. Diane seconded the motion. All members voted in favor, the motion carried.

Next Meeting:

The next meeting of the Industrial Development Commission is scheduled for Wednesday, March 5, 2014.

Adjournment

Ryan Goodwin made a motion to adjourn; seconded by Eric Rehkemper. All members voted aye; none voted no. The motion carried and the meeting adjourned at 12:56 PM.