

**HIGHLAND, ILLINOIS
MINUTES OF REGULAR SESSION
INDUSTRIAL DEVELOPMENT COMMISSION
CITY HALL, 1115 BROADWAY
WEDNESDAY, OCTOBER 1, 2014
12:00 PM**

Call to Order

The meeting of the Industrial Development Commission was called to order at 12:04 PM by Vice-Chairman Jon Greve.

Roll Call

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

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

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

Approval of Minutes

Eric made a motion to approve the minutes of the September 3, 2014 Regular Session meeting of the Industrial Development Commission; seconded by Diane. All members voted aye; none voted no; the motion carried.

Reports:

Treasurer's Report – Ryan Goodwin

Ryan handed out copies of the bank statement as of September 30, 2014. The balance at the end of August was \$14,576.10. There was a deposit of \$689.43 and \$0.44 interest was paid; making the ending balance \$15,265.97. Diane made a motion to accept the treasurer's report; the motion was seconded by Eric. All members voted aye; none voted no. The motion carried.

Update on Enterprise Zone – Mark Latham

Mark reported that he and Lisa attended a meeting at the county yesterday. The application is 85% complete. Fred Michael will be preparing a legal description of the area. The next meeting will be the public hearing to be held in Maryville some time at the end of October. Once the public hearing has been held, the application will be finalized. So far, out of the 10 criteria, our Enterprise Zone looks good with regard to six of them. Mark thinks we will not meet the criteria related to EVA. To qualify for that one Mark thought there needed to be a decrease in overall EVA of 50%. He thinks we will be able to meet the other three criteria. Mark indicated that the IDC members will be made aware of when the public hearing is to be held.

They did not stress in that meeting that it is good to have people go to the hearing and speak positively about the application. She indicated that it would be helpful to have a representative of the Chamber of Commerce, the Realtors Association, and a member of the IDC would testify. Any comments are transcribed and made a part of the official

record and that is submitted with the application. Lisa asked again for letters of support. She will provide a sample letter.

Update on other job inquiries – Mark Latham

Mark reported that someone is interested in finding a property for an independent motorcycle repair shop. Lisa is trying to find them a location where they may enter into a lease/purchase agreement. They do not need a high traffic location. They didn't discuss their budget with Lisa. She and Kevin Limestall had discussed about 15 different properties with them.

Jon mentioned that he saw notices posted indicating that the Ruler Foods is moving forward. Lisa noted that they are doing some preliminary construction and are ahead of schedule.

Update on Highland Communication Services – Mark Latham

Mark reported that there are now 1461 customers. New customer sign-ups are slowing somewhat since the summer surge. Progress is being made in the Willow Creek area. It should be finished soon. We should be able to offer services there sometime after the first of the year. Jon asked how many actual phone customers HCS has. Mark spoke with someone from AT&T who said that only 18% of people still have land lines. That number is decreasing about 2% per year. Mark had a meeting recently with AT&T as he is looking into partnering with another provider to provide the phone service. Eric asked if the entire city is now covered by fiber service. Mark indicated we are not done yet. We still have to finish going south on Poplar St. and then will move to the north side of the city to catch Autumn Crest and Glory Drive. Prairie Trails and Augusta Estates will be the final area to be installed.

Lisa addressed the penetration rate, saying that typical for three years is 18%. Not one of HCS's cabinets is that low and not all the cabinets have been up and running for three years. That attests to HCS doing greater than the average. Mark stated that HCS is running at about 45% penetration.

Update on Highland Entrepreneurship Program – Lisa Peck

Lisa reported that there are two new mentees. One is wanting to offer boat rentals on Silver Lake and is still awaiting their initial meeting. The other is a graphic design firm and has had their initial meeting. We are still looking for a couple of mentors if anybody is interested or knows someone. All other mentees are status quo.

Jon asked how many entrepreneurs we have currently. Lisa indicated we still have the Lory Theater but they haven't met for a while. We still have Tim Reaka but he is on hold right now. We still have the Suttons but that one is on hold. We have Core Physicians which is suspended for two weeks because he is working on some things. Then we have the two new ones.

Update on HEP Business Plan Competition Sponsorships – Lisa Peck

Lisa reported that we are up to just under \$50,000 in cash and in-kind awards. She went to the tech expo at SIU-E and while she was there, handed out the fliers and information to all the presenters that were there and to some faculty. There was an attorney there who wants to have a presence in this area representing start-ups and entrepreneurs. They have agreed to prepare the documents that most tech companies need for the top four prize winners. The value of that is \$2,200 each, making their in-kind award worth \$8,800.

Lisa reviewed the handouts she provided showing the advertising and press the competition is receiving, including STL Today, IL Business Journal, the Edwardsville Intelligencer, the Alton Telegraph, and then a nation-wide blog, Linked-In, Facebook, and Twitter. The person in charge of tech transfers at SIU-E put it on their website. From there it was placed on Google-Plus. Mallord got us on Accelerate St. Louis. It was in Start Up St. Louis Digest which is done by the director of Iten and some other folks. Mallord got us on a business plan competition website. There was a tweet on Twitter that has a link and they are re-tweeting the Telegraph article. So we are getting some traditional press and some social media and it is still being pushed out.

Jon asked if we have received any correspondence from anyone inquiring about the application itself. Lisa indicated that there were two from the local area. The pitch burner site indicates that currently seven applications have been submitted. It also shows that there is one application which at this point has not yet been submitted.

Jon asked how the funding is going. Lisa indicated that she is still looking for about \$9,000 cash. One big sponsor backed out. Lisa is still looking for additional donors and thinks the amount of press will be helpful for this. She is optimistic that she will get to the \$50,000 mark.

New Business:

Incentive Request for Dr. Kim

Lisa handed out copies of Dr. Kim's application. They are not in the TIF, but they are in the business district. They are not going to have any sales, so sales tax is not applicable in this instance. The city is able to refund the city's portion of the property tax and also building permits and fees. Over 20 years that equals a total of \$21,506.80. Their investment into the property is \$285,000.

Mark cautioned the members on how this incentive package is structured since this is an existing business, not a new one. We want to be able to maintain consistency. They have indicated that they will be retaining four jobs but not creating any new jobs.

Linda asked if we could recommend part of it but not all of it. Mark indicated that could be done.

Lisa noted that the application indicates that the EVA after the improvements are completed will be \$350,000, based on an appraisal they had made. Lisa explained to Mrs. Kim that there is a very good chance that this would not happen and then the

money would not be there to return to them. Lisa assured that this is understood on their part. Ryan suggested that the fee waivers be approved but not any of the economic development incentives, due to the fact that there is no economic development to this. The members discussed the idea of this setting a fair precedent for this type of scenario while maintaining consistency with what has been recommended so far.

Linda made a motion to recommend that the city council approve the fee waivers but not the tax abatement. Ryan seconded the motion. All members voted in favor. The motion passed.

Mark reported that Lisa and Kevin Limestall will be attending the International Council of Shopping Centers expo in Chicago. This is the third year Highland will have a presence there. They will be sharing a booth with Columbia, Troy, Collinsville, and one other municipality. Mark indicated that our traffic counts are still a stumbling block in attracting retail. Lisa is reaching out to Hibbetts Sports again. Lisa stated that there is a new real estate firm that has site control of the strip where Quizzno's is. They believe they will have all that space leased out by January.

Ryan stated there are two new store fronts in the strip where Cato is but the tenants so far are unconfirmed.

Next Meeting:

The date of the next meeting of the Industrial Development Commission is Wednesday, November 5, 2014.

Adjournment

Eric made a motion to adjourn; seconded by Ryan. All members voted aye; none voted no. The motion carried and the meeting adjourned at 12:39 PM.