

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

Call to Order

The November 5, 2014, meeting of the Industrial Development Commission was called to order at 12:04 PM by Chairman Darell Bellm.

Roll Call

Members present: Chairman Bellm, Diane Korte-Lindsey, Eric Rehkemper, Ryan Goodwin and Ex-Officio Member Jami Jansen.

Members absent: Vice-Chairman Jon Greve.

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 October 1, 2014 Regular Session meeting of the Industrial Development Commission; seconded by Ryan. 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 October 31, 2014. The balance at the end of October was \$15,265.97. There was a deposit of \$689.43 and \$0.47 interest was paid; making the ending balance \$15,955.87.

Update on Enterprise Zone – Mark Latham

Mark reported that the public hearing was held Oct. 30. A few people spoke in favor of it. None spoke against it. Lisa represented the city at the hearing. The next action on the Enterprise Zone will likely happen at the first city council meeting in December. Darell asked if we are meeting more than six criteria. Lisa stated that we now meet seven and Keith Moran is confident that we will meet two more. He also believes that nobody will meet the third criteria because you have to show a more significant decline in your property tax rate than the state. Lisa passed out sample letters to the members and asked that they look at the highlighted area...which would ask a letter writer to state the dollar amount of growth they anticipate committing to. Lisa indicated that the state would like to receive solid commitments. Lisa has provided an alternative letter for the members to use. Lisa will send the sample letters via e-mail and asked that the members return them by the first week of December.

Update on other job inquiries – Mark Latham

Mark reported that there was an offer made on the House of Plenty, but is still in negotiations. Ryan asked if they were buying the business. Lisa thinks they are.

Mark reported that there is a new owner of the strip center by Quizno's.

Mark indicated that sales tax for this year has been up more than in the last six years, increasing by about three percent. The non-home rule sales tax, is pretty steady, having grown by less than one percent.

Mark reported that there has been some interest in Highland by a company called DataServe, which is looking for a data storage provider. This company is requiring 67 racks. The cost per rack per month is \$3,100. That is roughly over \$200,000 per month. We see a very strong need for an entrepreneur to build a data center here. Tracey Robinson has been speaking to the local banks. He is also talking to a local contractor to see if there is some interest in building even a small data center.

Mark and Lisa spoke with Charlie Meier this week regarding the announcement that Amazon is going to be building a big warehouse in Illinois and we feel like Highland should be in the running for that. We feel like we have the infrastructure to support Amazon's needs. Charlie Meier is going to help get our name in the hat with the Department of Economic Development.

Mark indicated that he and Lisa will continue working on the datacenter idea. They feel that this is where it is at for Highland.

Darell commented favorably on the Art Holliday interview that aired recently. Lisa indicated that some tech industry blogs in Chicago and elsewhere picked up on that story. From there it was tweeted and sent out further.

Update on Highland Communication Services – Mark Latham

Mark reported that there are now 1520 customers. He is hoping to get things lit up on the south side of town by the end of the year. HCS has been advertising heavily in that area recently. Generally, things are going well. We are still struggling with trying to get the revenue per customer up. It is currently at ~\$92. Mark indicated that video business is changing and that the sports channels are what will help keep the video sales up.

Eric asked how the Video on Demand effort is going. Mark indicated that 60% of the video customers will have to go with it to make it profitable.

Update on Highland Entrepreneurship Program – Lisa Peck

Lisa reported that we have had a second meeting with the graphic design firm and have given them some direction to move toward making a business out of a hobby. We will be meeting with them again before the next IDC meeting. They should have their business plan started. They will be meeting with the Small Business Development Center at SIU-E.

Met with the boat rental venture and have given them an assignment to work out some initial costs to determine feasibility. The next meeting with them is December 3.

We still need an additional mentor for the graphic design firm. Those meetings will be on Thursdays at 10:00 a.m.

Everything else is status quo...still on hold.

Update on HEP Business Plan Competition Sponsorships – Lisa Peck

Lisa reported that 17 completed applications, including one from Indiana and one from South Africa. There are 12 semi-finalists. The announcement of the finalists will be on or about November 24. Final pitch and awards will be at the Korte Company in their conference room on Dec. 12.

Lisa reported that this is year one of the tech competition. We are well over \$50,000 in cash and in-kind awards.

Ryan asked about the status of Tim Reaka with regard to the entrepreneurship program. Lisa indicated that he is slowly working on the interior of the building now. He is doing the work himself as time permits. He still has plans to come back.

All of the entrepreneurs are on hold for legitimate reasons. Dr. Vickery is contacting some local employers with an initiative that he is working on. Once he gets done with that, he will report back. With the other restaurant venture, the owner is extremely busy at work and then with the holidays coming up, we will be meeting after the first of the year.

New Business:

Discussion Regarding HCS' Utilization of Franchise License

Lisa indicated that this conversation is very preliminary to determine if this is something to pursue or not. HCS is one of two state-wide franchise holders. We have the ability to service locations outside of the city limits. There would have to be grant money to build-out the system outside of the city limits. There is some money that the FCC has right now and DCEO should be getting some money. Rural broadband was one of Governor Quinn's initiatives. Change in governor may impact where that falls on the current priority list. This is a way to keep HCS and Highland relevant in the future. Soon our competitive edge will be impacted by others building fiber systems. There will be research necessary if this is something we want to explore. If this body doesn't agree that we should move forward with this, it will likely not be worth asking John Long to do this type of research. Preliminary conversations with Madison and St. Clair counties have indicated that they believe it is worth exploring. This would likely be to serve those well outside our electric service area as well as Pierron, Pocahontas, and rural areas just outside the city limits. People from Iten and T-Rex talk a lot to tech companies. Highland won't benefit from this unless we can get some synergies going with some other tech regions. There is a lot more momentum and energy, and therefore money, behind the regional St. Louis efforts.

Diane thinks it sounds great! Eric thinks there are a lot of angles to address and pull together. Lisa pointed out that it is not viable for Charter or AT&T to service Lebanon, Mascoutah, Pierron, Pocahontas, etc. That's why they're not doing it. If we can, then we raise the profile for HCS.

Eric pointed out the education advantages for the school district. Diane believes it will help sell property in the outlying areas. Darell asked what the negatives might be for the citizens of Highland. Lisa indicated that the build-out in city limits will be completed well before any of this initiative would get off the ground anyway. This would reinforce Highland as being extremely forward thinking, very high-tech, very innovative. It puts us in a position of power by being one of the first out there to start the negotiations.

Consensus of the board is to proceed with the necessary research.

Darell asked about the insurance pool idea that Mark was working on last year. Mark indicated there was a meeting a little over a month ago at which the hospital sisters outlined a program where employers would pay to have a nurse on site at the hospital to handle minor issues so that employees didn't have to pay for doctor visits. There were five entities at that meeting, including the city. We were supposed to go to Wisconsin to see how well this is working for a school system and a manufacturing employer. That trip was cancelled. Mark doesn't believe the insurance pool idea dead but it is not currently progressing.

Darell asked how the institutions of higher learning discussions are going. Lisa reported that there have been no more formal negotiations since Lindenwood's announcement of their new facility opening in Collinsville. Lisa has not dismissed the effort, but it is on the back burner for the moment. Lisa has run into the representative for SWIC recently and he has indicated that we still need to discuss options for improving their presence in Highland. Lisa stated that she has no intention of letting this go, however, there are other things requiring her focus right now.

Darell noted that the majority of the nurses and aids at SJH are going to school at Kaskaskia College, which is a long way to drive for school.

Next Meeting:

The date of the next meeting of the Industrial Development Commission is Wednesday, December 3, 2014.

Adjournment

Ryan made a motion to adjourn; seconded by Diane. All members voted aye; none voted no. The motion carried and the meeting adjourned at 12:50 PM.