

**HIGHLAND, ILLINOIS
MINUTES OF REGULAR SESSION
INDUSTRIAL DEVELOPMENT COMMISSION
CITY HALL, 1115 BROADWAY
WEDNESDAY, JANUARY 8, 2020
12:00 PM**

Call to Order:

The January 8, 2020, meeting of the Industrial Development Commission was called to order at 12:02 PM by Chairman Meridith.

Roll Call:

Members present: Chairman Jim Meridith, Marshall Rinderer, Bill Napper, and Treasurer Jon Greve.

Members absent: Vice-Chairman Diane Korte-Lindsey.

Also present: City Manager Mark Latham; Economic Development Coordinator Mallord Hubbard; Innovation & Technology Director Angela Imming; and Recording Secretary Lana Hediger.

Approval of Minutes:

Marshall Rinderer made a motion to approve the minutes of the December 4, 2019, Regular Session meeting of the Industrial Development Commission; seconded by Bill Napper. All members voted aye; none voted no; the motion carried.

Reports:

Treasurer's Report – Jon Greve

Jon Greve handed out a printed financial report showing the balance in the IDC account at First Mid Bank as \$77,885.21. A dormancy fee has been charged to the account. That \$3 will be refunded in January. Bradford Bank has the best CD rates at 1.5% at this time and Treasurer Greve will be transferring \$50,000 to that account. This should have been done several months ago, but wasn't due to his workload with the Bank of Edwardsville's sale to Busey Bank and the transition involved. He has computed that the IDC has lost out on approximately \$130 in interest as a result. Busey Bank has agreed to donate ~\$200 to the IDC to make up for it.

Update on job inquiries – Mark Latham

Mark reported that Highland Villas and Flax Drive projects are going very well. They will be completed this summer.

Trouw Nutrition will be updating their plant and have recently purchased the Highland Recycling property for warehousing. They have been warehousing their product in St. Louis. They hope to have their new warehouse in Highland done by the end of February. Mark Frey is renovating the warehouse for them.

Justin McLaughlin has purchased some ice cream machines and is hoping to build a significant outdoor entertainment facility. Mark and Mallord will be meeting with him on January 13.

Aaron Gelly has been wanting to develop property at Iberg and Plocher Way. The challenge is to get it annexed in. Dr. Drake has agreed to annex his property to make it contiguous. The city will also be acquiring an easement from Dr. Drake for a proposed sewer main.

The Powers Investment Group purchased the old Travel One building. Plocher Construction is renovating it for them. It should look really nice when completed.

The Mettler Subdivision is going very well. He has 5 houses and has sold more lots. He is wanting to start on Phase 2 very soon. That will be on the February CPZB agenda.

Central Rubber Extrusion has purchased the Fastenal building and will be placing another production line in there. The city's electric department will be installing 3-phase electric service there.

The Hunsche Business Park is complete. It looks very nice. They will be dedicating it to the city soon.

Finley Flooring is wanting to purchase the old Bruegge Furniture building. We will be trying to help them out with that. The dance studio will likely be renting space from them. They will also be renting out additional space. They will need some electric upgrades and will need to install an elevator.

Data Center development...Mark stated that in mid-December they met with Intersect Illinois via web conference. Anyone looking for developable property in the state of Illinois go to their website. The city has identified some of the available property in Highland. We will have to continue to enhance the information there with regard to electric service, fiber to the premises, etc. Mark received a phone call from Charlie Meier with a contact person at DECO.

Mark reported that the city is in negotiation with Ameren. Highland is in need of a second transmission line to bring power to the city. Angela Imming indicated that the data centers will be located where they can have a guarantee of the best power supply.

Mayor Michaelis reached out to the chamber and asked for a meeting with the Executive Director and Penny. He would like to work with them for the betterment of the city. That meeting will be scheduled for some time in February.

We recessed at 12:22 p.m. so that everyone could get some lunch, and reconvened at 12:25 p.m.

2343?? customers

Update on Highland Communication Services – Mark Latham

Angela reported that HCS currently has 2,343 customers. That's about a 54% saturation rate. The construction off of Vulliet and Sportsman Road is complete as of January 1st. We are signing people up. We are going to proceed with construction in Prestige Estates and Tara Trails.

December results show that HCS is up about \$1,000 in revenue/month. Over the course of the last eight months, we have seen an increase of \$1,200 to \$2,500/month. An average number of products/customer is two. HCS has 1,082 video customers but twice that number have the internet service and most of those have 60 meg service.

The investment into the fiber utility has provided real value to the city. Director Imming reviewed her handout of facts that prove that and provides talking points so that board members can talk about it in the community. Three different perspectives on this include city government; the community at large, and real estate. The city government realizes cost savings through automation of processes to the tune of \$280,000/year in addition to soft savings that are difficult to quantify, such as quality of life, etc. Community value includes industry retention and resident retention. Information equity is also a big part of that. Your property is worth 3% more if it has fiber access, than if it doesn't. Access to internet is more impactful now than the location of the home. Higher per capita GDP in communities where gigabit Internet is available. Access to internet impacted real estate values more than access roads.

Angela reported that we have less than 120 properties that don't have access. Jon asked why over half of the potential customers don't have our services. Angela stated that some people may not like the government providing these type of services; we are battling three large corporate competitors; and there may be some customers may just be comfortable not having to switch their service.

Mark wanted the members to be able to tout the benefits of having HCS.

Bill indicated that he had HCS, a programmable thermostat and two video cameras.

He also had contact with a gamer from Wisconsin that was shocked when he learned how fast downloads are achieved in Highland.

Angela reported that we are the 5th best valued internet in the country according to a Harvard Business School study.

Chairman Meridith asked if there was a plan to serve customers outside city limits. Angela indicated that expansion outside the city would have to be accomplished in a cost analysis manner.

Trouw Development agreement.

Mallord outlined the proposed incentives being offered to Trouw Nutrition. This phase of their expansion is to secure warehouse space in Highland, rather than in St. Louis. They have purchased the old Highland Recycling facility and are planning to make improvements to it to fit their needs. The incentives include a 10-year rebate of property taxes for the increment generated, which is the additional value that they create as a result of the improvements they make. If the improvements they make don't generate any value in increased property taxes, no incentives are paid out. The permit fees will also be waived and paid from TIF funds. It was asked if they would be adding employees. Mallord indicated that with this phase of their upgrades, no new employees will be added, but they may add two new employees as part of the next phase.

Jon Greve made a motion to recommend to council that they proceed with the incentives as proposed, with an estimated maximum of \$91,412; seconded by Bill Napper. All members voted aye, none nay; motion carried.

Bill Napper mentioned that when people are building new homes, it would be nice if they would prewire them for HCS services.

Angela asked this group to consider an innovation district that would be a closed area where we could load it up with new technology.

Mallord and Angela would like IDC to have a preview of the city's new website before it goes live. Mallord is recommending a special meeting on January 29.

New Business:

Discussion on Highland's Economic Development Goals, Mission & Vision

On how to better attract businesses to Highland...This was not addressed today due to lack of time.

Next Meeting:

The next regular meeting of the Industrial Development Commission is scheduled for Wednesday, February 5, 2020.

Adjournment

Marshall Rinderer made a motion to adjourn; seconded by Jon Greve. All members voted aye; none voted no. The motion carried and the meeting adjourned at 1:07 PM.