

**HIGHLAND, ILLINOIS  
MINUTES OF REGULAR SESSION  
INDUSTRIAL DEVELOPMENT COMMISSION  
HIGHLAND PUBLIC SAFETY BUILDING, 12990 TROXLER AVENUE  
WEDNESDAY, AUGUST 2, 2023  
12:00 PM**

**Call to Order:**

The August 2, 2023, meeting of the Industrial Development Commission was called to order at 12:04 PM by Chairman Jim Meridith and the Pledge of Allegiance was recited.

**Roll Call:**

Members present: Jim Meridith, Diane Korte-Lindsey, and Marshall Rinderer.

Members absent: Jon Greve and Josh Kloss.

Also present: Economic Development Coordinator Mallord Hubbard; City Manager Chris Conrad; Chamber of Commerce Executive Director Hillary Holzinger; and, Recording Secretary Lana Hediger. In addition, there were two members of the public present, Lee Dressel and Kurt Von Der Haar.

**Approval of Minutes:**

Marshall Rinderer made a motion to approve the minutes of the June 7, 2023, Regular Session meeting; seconded by Diane Korte-Lindsey. All members voted aye; none voted no; the motion carried.

**Reports:**

**Treasurer's Report – Jon Greve**

No Treasurer's Report was given.

**Update on job inquiries – Mallord Hubbard**

Mallord reported that the one item on this evening's Combined Planning and Zoning Board meeting agenda is for a Special Use Permit to allow for a short-term rental at 923 Main Street, which was formerly The Giving Tree. The new owners are proposing to renovate that building and have the short-term rental of the upstairs.

On the Combined Planning & Zoning Board's (CPZB) September agenda, the H.C.U.S.D. #5 will be seeking permission to install ground-mounted solar panels as part of the infrastructure for their facilities.

Also on the September CPZB's meeting agenda will be a potential rezoning and a Planned Unit Development (PUD) on the former Faith Countryside, which has recently been purchased by a doctor looking to reopen it. City Manager Conrad added that the new owner intends to reopen it for the same use it was previously (long-term nursing care), with the addition of dialysis services. However, when he purchased it out of bankruptcy, they learned that it hadn't been properly handled in the first iteration, so they are currently working to correct that, which is the reason for the rezoning. Mallord added that offering the dialysis services will make it one of the only such facilities in the Metro East to offer them in-house.

Mallord reported that the Eagle Inn has been razed and that the plan going forward is for four residential units on that lot.

Mallord reported that 1101 Broadway (the castle building) was purchased by Jan Korte-Couch and renovations have begun. She is hoping to open it as a Charcuterie Board shop.

He continued with 1108 Broadway (formerly Family Care Pharmacy), reporting that it has been purchased from Dr. Rankin and will potentially be a dentist's office. No timeline is available on that project, but is expected to take some time as there will be several improvements needed.

Mallord reported that there have been communications with the operator of the restaurant that will be going in the old Journal Printing building. Issuance of their liquor license will be on the August 21 city council meeting agenda.

The Wal-Mart ribbon cutting on their renovations is scheduled for this coming Friday morning

Mallord reported that Pizza Hut will be returning to Highland as a carry-out only facility in the former Little Caesar's location in front of RP Lumber.

Mallord reported that the additional ½ cent Business District Tax that was passed late last year went into effect on July 1.

Mallord reported progress on the extension of our TIF District. Conversations have begun with the different taxing bodies involved and the city has been working with Moran Economic Development. He is hopeful that we will be able to finalize that project later this year. The extension and expansion of the TIF District will help with the potential hotel project owned by MRE Portfolio (Jeff Rehberger, Jr.).

City Manager Conrad reported on revenues for the first quarter of the fiscal year.

Restricted Funds

- Business District Tax: Up about \$9,000 over the first quarter of last year.
- Non-Home Rule Sales Tax: Up about \$30,000 over the first quarter of last year.

Unrestricted Funds (can be used for operations)

- Sales Tax: Up \$44,000 over the first quarter of last year.
- Use Tax: Up about \$4,500 over the first quarter of last year.
- Telecom Tax (*now called Excise Tax*): Up just under \$1,500 over the first quarter of last year.
- Gaming: Up \$2,500 over the first quarter of last year.
- Marijuana Tax: Down \$200 compared to the first quarter of last year.
- Income Tax: Down \$64,000 compared to the first quarter of last year.

It was noted that legalization of marijuana in Missouri and the fact that it is less expensive there, is impacting sales in Illinois cities that border Missouri.

Summarizing the tax situation, City Manager Conrad noted that the Unrestricted Funds are down about \$12,000 compared to the first quarter of last fiscal year, while the restricted funds are up about \$40,000 over the same period. Unrestricted funds can be used to pay for people, while restricted funds can only be used for infrastructure projects. This means we are entering a time where we will be doing a lot of projects but don't have funds to pay for employees. We do expect that the income tax, which was down significantly this year, will rebound slightly, due to the recently passed increase to the Local Government Disbursement Fund (LGDF), which impacts the use tax, the income tax, and the telecom tax. The LGDF is paid out per capita, so we expect the slight increase to help us out there.

### **Update on Highland Communication Services – City Manager Conrad**

City Manager Conrad reported that HCS has about 2700 accounts and explained the recent emergency situation with HCS's television station aggregator, which declared insolvency and notified the city via email on the evening of July 24, that they would discontinue providing TV services as of July 31. This gave the city four business days to find another solution, or our TV customers (approximately 700) would have very few channels to choose from. Another provider stepped up and a solution was found and through the process, it was discovered that the city is not obligated to provide TV services as part of our bond covenants as was previously thought. The only thing we have to do, is maintain the electric service in such a state that it has the capacity to pay off the bonds. Therefore, it is likely that the city will at some point phase out the TV service as it actually loses revenue each month.

Diane Korte-Lindsey asked to have instructions provided on downloading apps on the HCS Victory TV service.

### **New Business:**

#### **Review of approved Development Agreement with Maiden Gall, LLC, for project located at 923 Main Street**

Mallord distributed copies of that portion of the development agreement (*attached*) that describes the improvements to be made, which include two phases.

The first phase will include the interior renovations as well as some needed infrastructure improvements.

The second phase will include the majority of the exterior improvements to be made to the building. That is not covered in the agreement as they are planning to submit an application for funding from the façade program, which many of those items will qualify for.

Mallord also handed out the incentives sheet (*attached*) which laid out the estimates and terms of the development agreement. Two items of note are that the business is located within the Business District. It is also within the city's downtown area which qualifies it, based on the age of the building, for up to 50% reimbursement of total project costs, as opposed to the standard 20% for most other agreements.

The actual reimbursement estimates based on the developer's investment, amount to approximately \$450/year in property tax rebate because they are getting 75% of the city's portion of their property tax increment generated as part of the project. Over the life of the agreement, along with fee reimbursements, which have been capped at \$5,000, we're looking at about \$9,500 over the ten-year life of the agreement.

By utilizing the façade program, they will be eligible for up to \$10,000 reimbursement upon completion of the exterior improvements to the building. Their total investment is estimated at \$362,000 with a potential reimbursement up to \$19,500.

On tonight's Combined Planning & Zoning Board meeting agenda, is Maiden Gall's request for a special use permit to allow short-term rental of their second floor. Those improvements are also laid out in the document I passed out. This agreement was passed by the city council in July. Mallord reported that it was taken to council without the recommendation of the IDC, due to the timing of the closing on the sale of the property. Not having this agreement in place, could have jeopardized the entire project. Otherwise the council does value the opinion of the IDC in these instances.

Marshall Rinderer left the meeting at 12:35 PM.

#### **Update on Workforce Initiatives – Mallord Hubbard**

Mallord reported no updates on this subject.

#### **Local Housing Market Update for June 2023 – Diane Korte-Lindsey**

Diane Korte-Lindsey provided a printed housing market report (*attached*) and reviewed the key metrics from the report, which included:

Time on market has increased slightly,

Inventory is still good,

Selling prices 100% or better on most sales, and

More cash buyers than she has seen during her entire career.

#### **Next Meeting:**

The next regular meeting of the Industrial Development Commission is scheduled for Wednesday, September 6, 2023.

#### **Adjournment**

Marshall Rinderer made a motion to adjourn; seconded by Diane Korte-Lindsey. Chairman Meridith announced the meeting adjourned at 12:37 PM.