

**HIGHLAND, ILLINOIS
MINUTES OF REGULAR SESSION
INDUSTRIAL DEVELOPMENT COMMISSION
PUBLIC SAFETY BUILDING, 12990 TROXLER AVENUE
WEDNESDAY, NOVEMBER 1, 2023
12:00 PM**

Call to Order:

The November 1, 2023, meeting of the Industrial Development Commission was called to order at 12:00 PM by Chairman Jim Meridith.

Roll Call:

Members present: Chairman Jim Meridith; Vice-Chairman Diane Korte-Lindsey; Marshall Rinderer, Josh Kloss, and Ex-Officio Member, Chamber of Commerce Executive Director Hillarie Holzinger.

Members absent: Treasurer Jon Greve.

Also present: City Manager Chris Conrad and Recording Secretary Lana Hediger.

Approval of Minutes:

Josh Kloss made a motion to approve the minutes of the October 4, 2023, 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 – Jon Greve

Treasurer Jon Greve was absent and no Treasurer's report was given.

Updates on Developments and other City Projects – Staff

City Manager Conrad reported that the subject of tonight's Combined Planning & Zoning Board meeting was a request for approval of a Preliminary and a Final Plat of certain parcels located on Flax Drive. He explained that the developer (Flax Meadows Townhomes) is intending to construct a cul-de-sac since the through street to Augusta Estates will not be constructed. This will allow emergency services vehicles room to turn around on Flax Drive if needed. This is the best solution to a situation that was created due to two developers having gone bankrupt.

Diane Korte-Lindsey asked how many buildings they are proposing to build and how many units per building. Conrad responded six buildings with four units per building.

Permits have been issued for the renovation of the Shoe Sensation location in Northtown Shopping Center. They are still hoping to have the store open by Thanksgiving.

Olde Time Pub is reverting back to the Melosi family. We are trying to get this on the City Council agenda for next Monday to transfer the liquor license back into the Melosi family's name.

December's Combined Planning & Zoning Board agenda will have them looking at rezoning land west of Highland, situated on Highland Road, belonging to the Steiner family via an LLC. They are looking at constructing a solar farm on the south side of the road, directly across the road from Grandview Farms' solar field. They are requesting to annex the property into the city. They are planning to take advantage of low interest loans being offered through Rural Development, and they are working with the IMEA, which the city is a member of. The city will benefit from this solar project.

Sonny Tut's engineers are once again focused on the gas station project they are proposing on Veterans Honor Parkway. They had been working on projects he is building in Trenton and Pocahontas. The Highland project is next. City Manager Conrad reported that he will be meeting with Mr. Tut next week to determine what this project will look like. We have received their numbers with regard to their water and sewer needs, which came in lower than expected.

Update on Highland Communication Services – Staff

City Manager Conrad reported that HCS currently has 2,671 customers. This is good. In spite of the recent VTV issues, we have added six customers. We dropped the Tennis Channel this month due to the fact that it had no viewers for three months in a row and was quite expensive.

We have applied to Madison County for a grant of some of the county's ARPA (American Rescue Plan Act) funds which would allow us to serve customers outside our electric service area to the Southeast. There is some competition from Alhambra Hamel Telco and MadCo Telephone. They are only dealing with non-profits at this point so we have not heard back from the county on what they have decided. There are several committees that need to review the applications.

Update on Workforce Development Initiatives – Mallord Hubbard

No report was provided other than to say that Madison County is holding a small business seminar in Collinsville today.

New Business:

Update on Extension/Creation of TIF Districts

Creation of a TIF requires the support of the affected taxing bodies. Conrad reported that this was addressed as a discussion item at the HCUSD #5 school board meeting this month (October). It will be on their agenda for a vote at their November meeting. We are proposing to structure this to offer them a flat 10% with reduced restrictions in hopes of making this enticing to them. The school board members have not contacted him with any questions.

St. Joseph's Hospital has purchased the medical office building on the site from the original private investors and have applied to Madison County for non-profit status for purposes of eliminating their need to pay property taxes. This would essentially free them from their agreement with the city to pay taxes enough to cover the bond payments that

were issued to assist them in building the new hospital. The bond payments are \$230,000 per year.

To clarify, Conrad explained that when the hospital was built, by having the medical office building owned by private, tax-paying investors, it allowed them access to the municipal bond market, which is how we were able to get TIF funds to fund their infrastructure. Unfortunately for the city, we did not include any sort of claw-back provision in the TIF agreement. We fronted the money to build it with the agreement that their property taxes would be set at a level which would cover the bond payments each year for 20 years. If they are granted non-profit status the city alone will be on the hook for the ten remaining years' bond payments (\$230,000/year), which will have serious consequences throughout the city.

When the medical office building is granted non-profit status, the city will lose 60% of the revenue generated in TIF 2. We will need to replace this revenue source as soon as possible.

City Manager Conrad reported on tax revenues received in October.

- Sales Tax: \$295,327, down about \$31,000 from last month
- Non-Home Rule Sales tax: \$160,267, down about \$30,000 from last month.
- Business District Tax: this is first month of a full 1% collected, \$136,689; but, compared to last month at .5% this is down about \$5,000.
- Income Tax: \$173,135, this is double last month, but is still down about \$30,000 for the year.
- Use Tax: \$31,984, which is flat over last year.
- Telecom Tax (Excise Tax): \$8,523, that is the lowest ever.
- Marijuana Tax: This was flat at \$1,224.
- Gaming: This was flat at \$16,174.

We are finally starting to see the slow-down in spending, due to the interest rates being up.

Chairman Meridith asked if annexing more property would help. Conrad responded that annexations and anything else to increase the overall Equalized Assessed Valuation would certainly help, which is why we are working with any developer that comes to us. Raising taxes is really not an option. The only way to increase revenue is to grow, build, and redevelop to increase the EAV.

Next Meeting:

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

Adjournment

Marshall Rinderer made a motion to adjourn; seconded by Josh Kloss. All members voted aye; none voted no. The motion carried and the meeting adjourned at 12:32 PM.