

HIGHLAND, ILLINOIS
MINUTES OF REGULAR SESSION
INDUSTRIAL DEVELOPMENT COMMISSION
CITY HALL, 1115 BROADWAY
WEDNESDAY, NOVEMBER 3, 2010
12:00 PM

Call to Order

The meeting of the Industrial Development Commission was called to order at 12:13 pm by Chairman Bellm.

Roll Call

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

Also present: Mayor Joseph R. Michaelis, City Manager Latham, Building & Zoning Official Kevin Limestall, Deputy Clerk Lana Hediger, Dennis Rinderer, and James Pennekamp, Special Assistant to the Chancellor for Regional Economic Development and Executive Director, University Park, SIUE, Inc.

Marilyn Frey and Jon Greve were absent. There was no quorum present.

Approval of Minutes

Due to the fact that a quorum was not present at the meeting, minutes of the October 2010 meeting were not approved.

Reports

City Council Approval of Voltedge contract:

Mark Latham reported that the City Council approved the contract with Voltedge, Inc. at their regular meeting held on October 18. Staff will be speaking with Janet Ady very soon about the particulars of the website redesign.

New Business

Discussion with James Pennekamp of SIU-E:

James Pennekamp started by saying that Bob Ady is someone that people with large projects will still go to. Every community in the world is competing for those projects. What we have to do is take care of those that are here currently. Every once in a while there is someone like the Red Cross. Four years ago at the beginning of the economic crisis, they were looking at their nation-wide structure. They had a major facility on Lindell Boulevard in St. Louis that was aging. They decided that it was best for them to come to the University Park. You want to be ready at any time to answer an opportunity. Sentine did a search of 20 sites in the St. Louis area. They decided to relocate to O'Fallon, MO. About 4 weeks ago Sentine showed up in my office and said that they hadn't really made that decision yet. Someone on the O'Fallon City Council opposed the incentive package and was going to make them put it to a vote

which upset the president of Sentine. In the end they worked it out. Their decision was based on operating costs. In economic development the focus is on attraction, retention, and growing your own. There are a bunch of incubator programs in St. Louis County. The only one in SW IL is in the River's Edge Facility. That's fine except that real estate is one part of the incubation program. You support these new ventures by giving them low rent options. There is a plan for the entrepreneur director at SIU-E to locate an office at the River's Edge facility. When you are incubating programs you have to be able to accept the notion of failure. There is a great deal of information on the web about this. There is a great facility in Littleton, CO. Two miners developed a new type of mining bolt called a resin bolt. From that came the idea of economic gardening. There are a lot of different avenues you can take but right now I would focus on retention of existing industries. There is a school of thought that this is where most of your new jobs are going to come from anyway. They will become your best spokesmen for what it is like to do business in your community. There are a lot of instruments out there to help with retention. The handout he brought shows resources available through SIU-E.

Mark Latham totally agrees with what Mr. Pennekamp said about retention of existing industries. He and Mayor Michaelis started visiting with the major employers in Highland to see what they could do to help them a few years ago. That communication led to the negotiations with Tri-Onics and ultimately to their decision to move their corporate offices back to Highland and bring their manufacturing back here. Mayor Michaelis added that Smurfit-Stone could have been lost too had we not been proactive in that effort. We started going to our existing business and asking are you OK? We are offering existing businesses incentives for adding new jobs. Had we not done that, we could have lost Smurfit-Stone and who knows how many other businesses.

Mayor Michaelis also informed Mr. Pennekamp that we have an economic summit twice a year which we started a couple of years ago when the financial crunch really started to hit hard.

Mr. Pennekamp asked how the existing businesses are reacting to the new fiber system. Mayor Michaelis indicated very favorably. We believe that in the future it will be a huge benefit in attracting new businesses. City Manager Latham offered that data storage is going to be crucial. After 9-11 companies are storing data in two or three different locations now. We are in a position to offer low cost electric and now because of this new infrastructure that can support data centers, we are in a position to attract data centers and call centers. Therefore, we have been focusing some of our advertising in the data center area.

Mr. Pennekamp indicated that redundancy is hugely attractive. Both in data storage and electric service. That is what data centers are looking for.

Mark said that during the effort to get North American Lighting to come to Highland, the local industries put up some resistance because they thought that it would raise the typical wage that it would have to pay employees.

Mr. Pennekamp indicated that Highland could have had North American Lighting, but there was that local resistance. The first meeting he ever had in Highland was because the mayor at that time wanted to know how communities were dealing with the labor issues associated with bringing in new industries. First, you want to promote growth in your existing businesses, then work on attracting new ones. And, if you have to choose between the two, you go with your existing businesses.

City Manager Latham said that jobs are foremost in the minds of people in our community. Mr. Pennkamp reiterated that its all about workforce development. Mark agreed and pointed out that Madison County is weak on training and education of the workforce.

Mr. Pennekamp noted that years ago 9% of workforce had a college degree. Now 19% of the workforce has a college degree. I think Highland does well with their K-12 education. You have to have the workforce and you have to have the infrastructure if you want to play.

Darell Bellm stated that one of our issues right now is getting our home grown students to come back to Highland after college. He stated we went to Scottsburg, IN and saw the format of what we want to do here. They brought a local boy back to develop his 400 watt light. Mr. Pennekamp added that they got a \$4 million grant for that.

Columbia, MO bought the facility for IBM , 500 jobs, job training, and on the top of everything else, they made the commitment that for every data processing task we have we will use IBM.

Darell Bellm stated that since Joe has been in office, the attitude has changed towards keeping jobs and he is to be commended for that.

Additional New Business

Kevin Limestall reported that the project manager for the Wall Street Journal improvements was in today, the project management firm is not local but they are looking for local labor. We should have the plans in hand for that project within the next week.

Report on Property Purchase: Denny Rinderer reported that Denny Rinderer report that Ruth Steiner wants to know if we are interested in purchasing her property before she hires another appraiser. Chairman Bellm indicated that we are interested in the property if it is at the right price, but not at the price they quoted originally. Darell Bellm of the properties we have looked at, that one makes the most sense, but we are too far apart in price at this point.

Review of Old Bus Barn Property:

Denny Rinderer hasn't spoken again with Faye Zeller. The values he has come up with on the property are as follows: On the office bldg...\$34,500 which is \$18 per sq ft; on the shop...\$31,000 which is \$14 per sq ft; on the shed...\$19,000 which is \$4.per sq foot; and on the land...\$146,000 which is \$2.5 per sq ft for 58,500 sq feet. Denny stated that for the buildings and the land together he came up with \$229,500. Mayor Michaelis pointed out that they are only asking \$200,000. Denny indicated that he believes that the prices he used were fair. It was the consensus of the people at the meeting that Denny should communicate with her that we are interested.

Next Meeting

This next meeting of the Industrial Development Commission is scheduled for Wednesday, December 1, 2010 at 12:00 pm at City Hall.

Adjournment

Chairman Bellm adjourned the meeting at 12:57 p.m. No action was taken