

HIGHLAND, ILLINOIS
MINUTES OF REGULAR SESSION
INDUSTRIAL DEVELOPMENT COMMISSION
CITY HALL, 1115 BROADWAY
WEDNESDAY, MARCH 2, 2011
12:00 PM

Call to Order

The meeting of the rescheduled Industrial Development Commission was called to order at **12:04** pm by Chairman Bellm.

Roll Call

Members present: Darell Bellm, Marilyn Frey, and Jon Greve.

Also present: Chief Building & Zoning Official Kevin Limestall, Andrea Enright, Dennis Rinderer, and Deputy Clerk Lana Hediger.

Ex-Officio Member Jami Jansen and City Manager Mark Latham were absent.

Approval of Minutes

Jon Greve made a motion to approve the minutes of the February 10, 2011 Industrial Development Commission meeting; seconded by Marilyn Frey. All members voted in favor; the motion carried.

Reports

Website Development update

After passing out printouts of the front page, Kevin Limestall reported that he had a webinar with Voltedge. They declined to do a webinar for the IDC today. Kevin did get approval from the City council to use both the contact management system and the interactive mapping system. Which means that companies out there looking for Highland will be able to get information quicker and easier. He encouraged commission members to go to www.leapinc.biz which is a Lansing MI website also done by Voltedge. The City of Highland will be hosting the website in-house. We already have a server. The website will be maintained and updated by Kevin, Andrea Enright, and Tracey Robinson. Upon final delivery of the end-product by Voltedge, all will be copyrighted over to the City. Some of the info they are asking for is nearly impossible to produce, i.e. labor statistics. Kevin reported having trouble getting enough generic info about Scott Air Force Base. He looked at O'Fallon's website but the link to Scott Air Force Base is not on there anymore. Marilyn asked how we are getting the labor information. She offered to send Kevin the report she receives each month which might be just what they are looking for.

Business Inquiries update

Kevin Limestall reported on the following:

Williams Painting

Kevin reported that even though their permit has been issued it is strictly for the paint booth they are installing. They are open for business.

Randy's House of BBQ

They are open for business.

Huddle House

Robert Ellsworth has signed his contract and sent back to Wal-Mart. That project is moving forward.

health/weight/fitness and health food facility

The person opening this business is a Bellm. He has a couple of these businesses in the area. Kevin hasn't heard anything new from him. He will try to contact him next week to see what his status is. Kevin will call Rob Bowman on this one as well as Mr. Bellm was initially working with Terra Properties and looking at Commerce Place.

Auto Dealership

Kevin spoke with them. They were waiting for GM to get some info to them before they could get their finalized contract estimates. Those came in late last week so they are hoping to have their estimates by the end of this week or early next week.

XYZ

Kevin couldn't remember who this contact was as he is using "XYZ" as a code until something concrete materializes with this contact.

potential new gas station/ convenience store

They are still interested. Kevin will schedule a follow-up with them this week. They were given initial information on two locations. One was Poplar and Broadway between Lemon and Poplar Street. They are looking to maybe buy all the houses on that south side of Broadway there. The other location was at Iberg and St. Rose Road on the northeast corner. Kevin indicated that there may be two gas station/convenient stores looking for locations in Highland.

Tobacco/Liquor store

No new information.

Meeting/Banquet Facility

Kevin has had a new contact looking to open a meeting/banquet facility for no more than 100 people. That detail may change as they are only in the beginning stages of planning.

Annexations

Nothing new to report on these.

Miscellaneous

Cabinet Gallery: We are finalizing the legal description for the closing and Mr. Capelle should have his financing approval within the next two weeks. We had to have an appraisal done on the property in order to sell it.

Family Dollar: They have signed the commitment papers with Family Care Properties and the City has set up the economic incentive payment to Family Care Properties. This is a done deal and is moving forward.

Update on Retail Market Plan

Andrea Enright reported that she and Kevin met last week and talked about the best way to approach this. What they decided to do was when the updated information to the Business District, the TIF District, and the Economic Incentives were finished, then that information would be given to Andrea and she would create a pamphlet which would be sent out with a letter letting them know that we still have them in mind and then we will follow-up with them a couple of weeks later. Hopefully, by the time that is finished, the growthhighland website will be finished and they can refer to the new website for more information. Chairman Bellm asked if this was an outgrowth of the Retail Market Analysis Committee. Kevin indicated that it is.

Update on Steiner Property

Dennis Rinderer reported that he received a call from Ruth Steiner and she said that Collier Appraisals has looked at the property but they haven't received the report yet. Denny thinks that the sale price of the Grotefendt property will have a big effect on the price of her property. Denny thinks that once Mrs. Steiner gets her appraisal report from Collier, we need to talk to Donna Howard and have her update her appraisal because he thinks it is not accurate at \$10,000/acre when farmland 7 - 10 miles away is bringing that much. Chairman Bellm asked Denny how the gift of part of the hospital property affects the reported price. Denny reported that taking the gift into consideration, the property is worth \$25,000/acre. Denny stated that Ruth Steiner received ~\$26,000/acre for her property when she sold it to Wal-Mart years ago. Take that into consideration and the fact that the Cemetery Board just bought property from the Raebers for \$30,000/acre. These comparatives are one quarter mile away from Mrs. Steiner's property. Denny does not agree with Donna Howard's appraisal of Mrs. Steiner's property.

Darell asked how the council would view a proposal to purchase 80+ acres for \$30,000/acre? Kevin thought they may have trouble figuring out how to fund it. Kevin asked if soil types are taken into consideration when land appraisals are performed. Denny thought they do to a certain extent, and that if additional elevation is needed, soil is usually purchased from elsewhere to build a site up. Darell thought a purchase this big would likely have an effect on the City's good bond rating as it would really be adding some debt. If that is the case, do we start looking someplace else? Darell thought that even on the west side of town the same comparatives would be used for appraisals. Kevin stated that there are a lot of things to take into consideration when discussing funding of something like this. Maybe an option to buy, or only developing portions of it at a time, or even exploring the possibility that there could be other funding sources for an industrial park or business park such as federal or state monies. It was agreed that the cost of the land in development of this type would be the least of all the costs associated with it. Jon Greve asked if the council could be polled at some point to see if they are in fact going to support something like this, otherwise, the commission is spinning its wheels. Denny said that Mrs. Steiner asked if selling her property would affect Rinderer Farms' ability to farm it. Denny spoke to Mark Latham

about this and Mark indicated that the city would continue to farm it too. Kevin indicated that there is EDA grant money for infrastructure. A part-timer in Kevin's office is working on the application. The application will likely ask for the location of the property. KOL suggested that Mark may have to poll the council to see if there is any interest. Denny reported that the Steiner's shed was destroyed in the recent wind storm.

New Business

Update and Discussion on Business Attraction and Marketing Strategic Plan

Andrea handed out a copy of the full-page article that will appear in the Business Expansion magazine.

Andrea heard back from the company whose model plan she used as an example at the last IDC meeting. What they told her was that the plan was successful with dealing with existing businesses but not necessarily with bringing in new businesses. They are a small town with a population of about 30,000 and that they are two hours away from a major center. Andrea thinks that their location was what their biggest issue was with attracting anyone new. She thinks their plan would be more successful in Highland. They are currently working on a new plan which has proven to be very positive with retaining current businesses. They are visiting over 100 businesses to see if they are meeting the business' current needs and what they can do to help them. They also shifted gears from trying to attract businesses to trying to attract people. They are targeting people to move there with their families hoping they will bring small businesses with them. They are having trouble measuring their success. They are working this week on setting goals and an action plan and then figuring out how they are going to measure it. Andrea is going to contact them again in a couple of weeks to see how they are actually measuring their success. He said that the businesses are really receptive to their visiting them. Kevin indicated that he recently participated in a program that drove home the idea that you should have clear goals, objectives and measurable outcomes.

Update on(Incubator Program)

Andrea reported that she had a hard time getting a hold of the community that she used as an example at the last IDC meeting. The person that was doing it is no longer there. She did finally get through to someone. Their program that Andrea handed out copies of, was extremely successful. They have several incubator programs and she is going to send Andrea information on some of the others rather than trying to give her the info over the phone. She said the most important part of the incubator program is forming partnerships. Without partnerships with schools, non-profits, or private organizations, in most cases, the incubator programs are not worth your time. When asked how they funded it she stated that each incubator is different. The incubator program that the commission members visited in Indiana has changed its name to Mid America Science Park. www.MASPark.org is their website address. Bob Hogel is the facility manager. They will be sending information on their program. The gentleman that had the plasma light is now in the production phase and has some contracts with the military. Darell thought he had contracts with two truck stop chains to provide their lighting. KOL that we should get info from them this next week.

Presentation on St. Patrick Center in St. Louis (Incubator Program)

Andrea used to work for St. Patrick Center. Four years ago they started an incubator program called Begin New Venture Center. Andrea still keeps in contact with its director. This has been very successful. Andrea handed out some nuts and bolts information that she feels will be especially helpful to the commission members, such as pricing, rent that they charge, and amenities that they offer. They give tours a lot. Andrea asked the commission members if they would be interested in taking a tour. In the last four years they have had 25 companies in their program. Some of them have graduated from the incubator program and moved on. Andrea thought maybe they would like if the City of Highland created a partnership with them. Entities that they have already partnered with include the St. Louis Development Corporation, the U.S. Department of Commerce, Catholic Charities of St. Louis, the U. S. Department of Housing & Urban Development, Justine Peterson, the Small Business Administration, SCORE, Missouri Small Business & Technology Development Centers, the Veterans Business Resource Center, St. Louis Agency on Training & Education, and OSHA. Kevin added that Madison County may be interested in partnering with us. Andrea indicated that when they met with the county and the RCGA, they learned that with incubators a lot of people are interested in kitchen and restaurant supply because a lot of people want to start their own restaurant or catering company. Kevin thought we could be well-suited to that because of the ABC Restaurant Supply located in the old Devtron building. Darell thinks we should visit the St. Patrick Center. Andrea thinks we should meet with the director and the CEO, whoever it is now. Dan Buck just announced his resignation from that position recently. Darell asked Andrea to contact them about a tour/meeting. Kevin suggested that maybe staff should meet with them first and then see if they would be interested in coming to Highland to give a presentation to the IDC.

Presentation on Meeting with Madison County and RCGA

John Herzog reported that they may not be able to give any funding but they may be able to help us get TIF money to either purchase property or renovate a building. Data centers often utilize old hospital buildings.

Feasibility study

Lane county study was 160 pages. Andrea gave a synopsis: they hired an outside firm and they came in and performed a SWAT Analysis and broke down the different types of incubator systems that you could have. They they talked about which incubator the community needed the most and which would be more beneficial. Andrea contacted PGAV and is waiting to hear back from them about performing a feasibility study. She also contacted St. Louis economic center. They have four locations that Andrea is aware of. They had an impact study done in 2008 for their clients. The clients they had in 2008 generated \$61 million in revenue. With all their graduates included with the current they had \$176 million. All together they created 795 full-time jobs and their success rate was 80%. Andrea is waiting to hear back from Keith Moran. She also contacted Patrick McKean from the Leadership Council and he referred her back to SIUE. She also called Paul Nicholosi with Nicholosi & Associates because he gave a presentation for the IML in which he mentioned doing feasibility studies for business incubators.

Next Meeting

The next meeting of the Industrial Development Commission is scheduled for Wednesday, April 6, 2011 at 12:00 pm at City Hall.

There was another brief discussion on obtaining direction from the City Council on the issue of purchasing property for an industrial park. The Steiner property at \$30,000/acre would be in the neighborhood of \$3,000,000.

Adjournment

Marilyn Frey made a motion to adjourn, seconded by Jon Greve. All members voted in favor, meeting adjourned at 1:05 p.m.