

**HIGHLAND, ILLINOIS
MINUTES OF REGULAR SESSION
INDUSTRIAL DEVELOPMENT COMMISSION
CITY HALL, 1115 BROADWAY
WEDNESDAY, JANUARY 8, 2025
12:00 PM**

Call to Order:

The January 8, 2025, meeting of the Industrial Development Commission was called to order at 12:03 PM by Chairman Jim Meridith. The Pledge of Allegiance to the Flag was recited.

Roll Call:

Members present: Chairman Jim Meridith, Vice-Chairman Diane Korte-Lindsey, Marshall Rinderer and Josh Kloss

Members absent: Kurt Vonder Haar

Also present: Hillary Holzinger, Taylor Sheely, Mayor Kevin Hemann, City Manager Chris Conrad, Director of Economic Development Mallord Hubbard, Deputy Clerk Lana Hediger and Recording Secretary Chris Flake.

Approval of Minutes:

Josh Kloss made a motion to approve the minutes of the December 4, 2024, Regular Session meeting of the Industrial Development Commission; seconded by Marshall Rinderer. All members present voted aye; none voted no; the motion carried.

Reports:

Treasurer's Report – Prepared by Director of Finance Reanna Ohren – Mallord Hubbard

Mallord Hubbard stated that the balance prior to the meeting was \$51,861.71. Reanna has been working with FCB on the new CD, which the board approved in the amount of \$25,000. They are working on the final paperwork with the CD. Our cash on hand is \$26,861.71.

Updates on Developments and other City Projects – Mallord Hubbard

Mallord stated that the biggest topic in town was, what were going to be the implications with Tullaghans closing. He has received a ton of questions in regards to the closing of Tullaghans. The building will be available for lease or sale. The Wells are holding onto the other buildings that they own. 818 Main Street will house a gaming store in the near future. 821 Main Street will be purchased by the owners of The Sweat Spot. They plan on holding onto 1011 Washington Street.

Mallord stated that 1009 Washington Street is on the agenda today and will speak about it later. 917 Main Street, the old Becker's Jewelry building, is being purchased by Highland Music School. They are partnering with the Highland Arts council to occupy that space.

Mallord stated that 1101 Broadway, On Board Charcuterie, is close to being done. They just joined the Chamber and we are looking forward to the ribbon cutting.

Mallord stated that 1108 Broadway, the old Hallmark building, will be a Dentist office.

Mallord stated that the hotel project is ongoing and he will have more information on that later in the agenda.

Mallord stated that Dobbs Auto Center is coming to town. They will be working with IDOT to work out some details with their project.

Mallord stated that Aldi is coming to town and they have work to do with IDOT as well. We are making progress with trying to expedite the project, however IDOT has their own timelines with what they have to work with.

Mallord stated that we approached the city council to add additional funding to the Façade program. We are seeing a lot of interest with that program. We took the budgeted amount from \$50,000 to \$75,000. There are enough commercial building owners that are aware of the program, that the \$75,000 will go a long way to see additional improvements to buildings.

Hillary Holzinger asked what the average amount that businesses typically get from the façade program. Mallord stated that the max amount is \$10,000. We recently approved 3 properties from Kim and Roy Wells. We also worked with Edward Jones and they did a great job with their property. Lee's Loan did a smaller job and it came out to \$3,400 that we approved. If businesses upgrade awnings, painting, doors, and windows it tends to add up quickly.

Chris Conrad stated that Schlafly on the square, has been taken over by Oscar who owns Gauchos. Oscar will be managing it. They have reached a management agreement with him. It still plans to be named Schlafly, for at least two years. He is changing it over to more of a sports bar. They have changed up the menu. They have a new bar and will have more TV's. They have established a good working relationship with Donnewald Distributing. Hillary stated that she would like to do a ribbon cutting there.

Update on Highland Communication Services – Chris Conrad

Conrad stated that we are not doing much this time of year. We have surpassed 2,700 customers. We are way above our market saturation and we are pleased with where we are at. We are going to ask the council to do an increase in TV rates. We haven't done a rate increase in 3 years. We are asking the council for a 7% increase in VTV services. It will soften the losses on TV. TV is a money loser. Phone and internet are money makers.

Update on Workforce Development Initiatives – Mallord Hubbard

Mallord stated that there is nothing to report.

New Business:

Report On Monthly Tax Revenues – Chris Conrad

Chris Conrad provided the following monthly tax revenues:

This is taxes that were collected in September which is typically a low month.

Sales Tax: \$289,853.80 which is down -3.7% from the previous month. Sales tax overall is up 2% for the year.

Business District Tax: \$134, 864.75 which is down -7.45%. It is flat for the year.

Non-Home Rule Sales Tax: \$159,207.80 which is down -4.52% from the previous month. It is flat for the year.

Income Tax: \$87,500.28 which is down -4.51% from the previous month. It is up 4% for the year.

Use Tax: \$32,433.82 which is down -3.68% from the previous month. It is down -4% for the year.

Pot: \$1,253.47 which is up 2.5% from the previous month. It is flat for the year.

Excise/Telecom: \$9,022.57 which is down -1.41% from the previous month. It is down -9% for the year.

Gaming: \$23,551.11 which is up 46% from the previous month. It is up 17% for the year.

Conrad stated that we are hearing spending on Christmas was at an all-time high this year. We are hoping to see large jumps in collections for the next couple of months. We are hoping to see it through local revenues.

Recommendation of Development Agreement with Veera 3 LLC for project located at 20 Central Boulevard– Mallord

Mallord stated we were approached by the new owner of the hotel. They submitted an application for TIF assistance. We are hoping to expedite the process, so we can get it to a standard that all of our visitors will stay in Highland. This is the only hotel in town but were hoping for a new hotel in the next couple of years. The hotel provided a narrative statement that tells how the hotel will impact the community. The hotel supports local causes. The Ostrander's have a high interest in making sure the project gets done correctly, so they can start suggesting to their guests to stay at the hotel.

Mallord stated that we have proposed the TIF agreement. The total eligible expenses for the project is \$418,500. The city does not go over 20% of eligible project costs. The total that he could qualify for would be \$83,700. We will reimburse 75% of the increase in property taxes. The estimated property tax rebate is \$27,230.

Mallord stated that there are 50 rooms in the hotel. Mayor Hemann stated that the 3rd floor is almost done with renovations. They still have to complete renovations for the 1st floor, 2nd floor and main lobby. The Optimist Shootout was supposed to have 30 rooms secured for the teams and we had to cancel the rooms. The owner has brought it up to fire code. The people who are working there, are staying in the rooms.

Mallord stated that when the project is near completion, we will assist them in reaching out to local businesses to give them tours to see if we can get some of that business back. The owner is hoping to be done by late spring.

Diane Korte-Lindsey made a motion to approve a Recommendation of Development Agreement. Seconded by Josh Kloss. All members present voted aye; none voted no; the motion carried.

Recommendation of Development Agreement with F&J Core Properties LLC for project located at 1009 Washington Street - Mallord

Mallord stated that 1009 Washington Street is the former home of the Swiss Gift Shop. Frank and Jennifer Ostrander are the owners of this address and they currently own Wicks. They are proposing to buy the property and redevelop it. This falls within our business district. Their narrative statement proposes that they are looking to preserve and enhance the property. They are proposing to make it into a wine and craft bar, with an Airbnb on the second floor.

Mallord stated that the total investment is approximately \$1.1 million. It would benefit the restaurants and retail businesses around the square. Jennifer provided photographs of the vision that they are going for. This would be a business district incentive. This will give the city a little less

control as compared to the TIF. We are only able to rebate the city's portion of the property tax rate. The property tax rebate would be \$3,706. Only 20% of eligible costs would be \$296,000.

Estimated incentive total over a 10 year period would be \$119,060. Fee reimbursements would be capped at \$10,000 to make sure they are taking out the correct permits from Building and Zoning.

Marshall Rinderer asked if the wine bar would be open to the public. The owner stated that the wine bar would be open to the public and a separate section would be for private events.

Conrad stated that we don't have much parking around the square and we have been looking at options of increasing parking on the square. We are looking at reducing the east and west side of the square and make it diagonal parking. It would increase parking by 20 parking spaces. The city is considering all options for parking around the square.

Marshall Rinderer made a motion for a Recommendation of Development Agreement. Seconded by Diane Korte-Llindsey. All members present voted aye; none voted no; the motion carried.

Next Meeting:

The next meeting of the Industrial Development Commission is scheduled for Wednesday, February 5, 2025.

Adjournment

Marshall Rinderer made a motion to adjourn. Seconded by Josh Kloss. All members present voted aye; none voted no; the motion carried and the meeting adjourned at 12:54.