

**HIGHLAND, ILLINOIS
MINUTES OF REGULAR SESSION
INDUSTRIAL DEVELOPMENT COMMISSION
CITY HALL, 1115 BROADWAY
WEDNESDAY, DECEMBER 3, 2025
12:00 PM**

Call to Order:

The December 3, 2025, meeting of the Industrial Development Commission was called to order at 12:04 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 Ben Eberwein

Members absent: Kurt Vonder Haar

Also present: City Manager Chris Conrad, Director of Economic Development Mallord Hubbard, and Recording Secretary Chris Flake

Approval of Minutes:

A motion was made by Marshall Rinderer to approve the minutes of the November 5, 2025, Regular Session meeting of the Industrial Development Commission; It was seconded by Diane Korte-Lindsey. 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 reported that the checking account with First Mid was at \$26,361.71 on the 5th of November. We have had one transaction since and it was for \$1,000 to the CEO program. The total cash on hand is \$25,361.71. Mallord stated that we still have the CD with FCB, which is valued at \$25,683.75. Our total assets are \$51,045.46

Updates on Developments and other City Projects – Mallord Hubbard

Mallord Hubbard stated that we have heard word from Dobbs and they want to be open by December 5th. If you have passed by there this week, the doors are not on yet. The Fire Chief stated that they are wanting to implement a temporary door system, until they get the permanent doors in.

Mallord stated that with Aldi, we have finally kicked the lawyers out of the room. We are proceeding with the development agreement, that the IDC approved back in June. Aldi has had an additional meeting with IDOT and that went well. They should be getting the IDOT permit in January or February. Aldi is still wanting to break ground in March.

Mallord stated that Gayle Frey bought the U.S. Bank building. He has completed the purchase. Gayle negotiated with them for over a year. U.S. Bank will be staying as a tenant for 7 years. He is wanting to redevelop the building. The upper 3 floors would be boutique and hotel, with somewhere between 20 and 30 rooms. The City has committed resources to make this project feasible. We have been in touch with our state representatives with the Department of Commerce and Economic Opportunity. We will need some state assistance. We will be working with both our elected representatives and also our lobbying firm. Eberwein asked if he knows the total expenses. Mallord stated that Gayle doesn't know that yet. Rinderer asked with the Boutique if there is a point provider that could help. Gayle is looking into a points based hotel. Mallord stated that we are happy that we have one of our local developers, who bought the building. It was hard for Gayle to get ahold of someone with U.S. Bank to purchase it. Gayle has been looking at some of the other buildings to accommodate for parking.

Mallord stated that Trouw Nutrition is doing a minor addition to their plant. They are working with Building and Zoning.

Mallord stated that there is a Combined Planning and Zoning meeting tonight, for a special use permit for the Willowbrooke 2.0 project.

Mallord stated that the council approved a special use permit for Sweet Stays on the Square.

Mallord stated that we were made aware of a new business at 620 Broadway. It is called Giggles and Ground, which has a kids play area and serves coffee. Parents can get coffee, while their kids can play.

Mallord stated that the venue behind Just Teasing Salon is in the process of construction. They wanted to be done by Halloween but that did not happen.

Mallord stated that we are continuing to work with Shaun Voegele, to partner with him and Roy Wells for public parking.

Mallord stated that Basler electric has been sold by a company called Little Fuse. This is publicly available information. This is an important company in town because it employs 700 locally. Conrad said they are in the due diligence phase and finalizing the closing. In the 80's the City gave them a loan and they needed a release. We aren't anticipating a change in operations. Little Fuse is an Illinois Company and we think that the main reason for the sale, is that they have offshored a lot of their operations in the past and this makes them look at reshoring under the recent Federal legislation. Conrad stated that Basler has a unique market. We don't see their business going anywhere and there is overlap with Little Fuse.

Update on Highland Communication Services – Mallord Hubbard

Mallord stated that we saw an increase in TV customers by roughly 24. Mallord believes it could have been due to Youtube TV and Disney being down for the month. During the next budget year process, HCS is considering to price out the redundancy for

Victory TV. Depending on the price, they may just do it for the popular channels. Eberwein asked what causes the victory TV outages. Conrad stated that the TV comes from Kansas City. If there is a break in the line anywhere to Kansas City, it causes the TV to go out. We have a redundancy line for internet but not TV.

Update on Workforce Development Initiatives – Mallord Hubbard

Mallord stated that tracking the implications with the Basler Sale is top of mind. As Conrad and the Mayor make the connections, we can see if IDC can help them integrate into the community.

The CEO program is up and going. The class project is this weekend at Triad High School. We have 5 mentors from Highland. We are well represented. They have done one site visit to Korte Meats.

New Business:

Recommendation on Development Agreement with Wilken Development For Project Located at 12328 Sportsman Road

Mallord stated that Wilken Development is proposing to purchase & develop the property at 12328 Sportsman Road.

The project named, Willowbrooke 2.0 will closely mirror the already constructed Willowbrooke development, and will total 56 residential units comprising of 2 12-unit townhome buildings and 2 16-unit apartment buildings. It will also include 50 single car garages and a community center.

Construction is planned for Spring 2026 and expected to take 18 months for completion.

Thanks in part to Diane's reports, everyone on the board is aware of the need to increase our housing supply in order to achieve consistent growth, which impacts the City's ability to attract & retain a talented workforce, thereby impacting the City's ability to retain/recruit businesses and industries in Highland. And the above factors also have an effect on opportunities for future commercial development.

The board is also aware of the dramatic increase in the price to build nowadays. We are seeing more and more often, the expenses tied to infrastructure and site preparation can make or break whether a project is financially feasible, and TIF's have proven to be an effective tool to close the gap and help these projects proceed.

For these reasons, we have made the decision to break from previous precedent of deploying the TIF solely for commercial development, to now be willing to discuss how the City can help spur additional residential development. We have discussed both the need for more housing and this specific project with the school district, being that they receive the largest share of property taxes and also are most impacted by residential projects. They expressed alignment with our shifting priorities and were open to us proceeding with the agreement we are discussing today.

Initial total project costs for this development came in at more than \$10 million.

As you see in the application, the Developer initially requested the City absorb the expense to input storm sewer and fill in the ditches on the southern part of the property, fill in the ditch on the northern part of the property, and bury electrical lines running along Sportsman Rd. Initial estimates for the Southern ditch came back at \$436k to install a box culvert. After some back & forth, the Developer remained adamant about the City footing the bill for this site improvement. We expressed that the City would not have the ability to fulfill that request.

In order to come to an agreement, the Developer has agreed to engineer and fund the drainage improvements for the Southern ditch. The City agreed to extend the term of the agreement to 14 years in order for the Developer to recoup some of the extraordinary site prep costs the City was unable to front. The City will examine the feasibility of filling in the ditch to the north.

Final terms for the TIF assistance include rebating 80% of the incremental property taxes generated as a result of the project for 14 years.

Without the TIF assistance this project will not proceed. Actually, even with the approval of this agreement, the Developer expressed the need to continue working with their bank to ensure the project can financially work for them.

If the project does move forward, Highland will not only be the beneficiary of a new luxury housing development with great amenities, but also realize substantial property tax revenues, increasing the current annual revenue from \$2,500, up to \$139,000.

Conrad stated that the current development has 1 or 2 students. There isn't a huge impact on the school. We have an agreement with school that they get 20%. This would be a significant increase. We are not too concerned with our portion of property tax. With high density, we would see a benefit on the sales tax and non-home rule tax.

Eberwein asked what the vacancy rates are in town. Conrad stated that most of the complexes have wait lists. Eberwein asked if Wilken Development received TIF incentives in phase 1 and Mallord stated no.

Mallord stated that the TIF is there for an incentive tool to spur construction. If we were to walk away from this deal, the property would stay vacant. The property tax revenue will jump up to approximately \$139,000 and that is an estimate based upon the phase 1. The entrance/exit would be off Sportsman.

Conrad stated that we are in the phase of the Safe Streets grant for a round-about. Wilken made a concession and are working at moving a building due to the roundabout. We have never done a TIF agreement for a residential purpose. We spoke to Mike Sutton and they are not against this type of development. Conrad stated that in most communities, it's not common to have revenue sharing between the City and school districts. We have revenue sharing with our school district.

The demographic is young professionals and elderly. Eberwein thinks the lower units are for the elderly. Korte-Lindsey stated that when the other ones were built, there was a number of elderly that didn't want to keep on their homes and moved there.

Marshall Rinderer made a motion to recommend the development agreement. Seconded by Diane Korte-Lindsey. All members present voted aye; none voted no; the motion carried.

Report On Monthly Tax Revenues – Chris Conrad

Chris Conrad provided the following monthly tax revenues:

Conrad stated that with the November numbers, things have been trending a little bit better than we anticipated, with the change in the collection of the use tax, sales tax and non-home rule tax. We initially expected a net gain of approximately \$375K a year in sales tax and non-home rule tax. We are actually trending towards \$420K a year. The use tax drop we were expecting was 73%, right now it is right under 70%. We are not losing quite as much from use tax as we expected. Our overall net gain will be approximately \$150K - \$160K this year versus the \$115K we anticipated. We are going to be a net winner and we are very happy with that. Conrad stated that the board members could review the other tax revenues from the report.

Approval of 2026 Meeting Dates

Mallord stated that we would typically delay the first meeting in January but we don't have to do that this year. The meeting dates were approved.

Next Meeting:

The next meeting of the Industrial Development Commission is scheduled for Wednesday, January 7, 2026.

Adjournment

A motion to adjourn was made and seconded. All members voted aye. The motion carried and the meeting was adjourned at 12:44p.m.