

**HIGHLAND, ILLINOIS
MINUTES OF REGULAR SESSION
INDUSTRIAL DEVELOPMENT COMMISSION
CITY HALL, 1115 BROADWAY
WEDNESDAY, JULY 6, 2022
12:00 PM**

Call to Order:

The July 6, 2022, meeting of the Industrial Development Commission was called to order at 12:04 PM by Chairman Meridith.

Roll Call:

Members present: Chairman Jim Meridith, Diane Korte-Lindsey, Josh Kloss, and Treasurer Jon Greve.

Members absent: Marshall Rinderer.

Also present: Mayor Kevin Hemann; City Manager Chris Conrad; Director of Community Development Breann Vazquez; Economic Development Coordinator Mallord Hubbard; and Recording Secretary Lana Hediger.

Members of the public in attendance included: Hillarie Holzinger of the Chamber of Commerce and Kurt Vonder Haar.

Chairman Meridith led the Pledge of Allegiance to the Flag.

Approval of Minutes:

Jon Greve made a motion to approve the minutes of the June 1, 2022, Regular Session meeting of the Industrial Development Commission; seconded by Josh Kloss. All members voted aye; none voted no; the motion carried.

Diane Korte-Lindsey arrived just after approval of the minutes.

Reports:

Treasurer's Report – Jon Greve

Balance in the account as of June 1, 2022, was \$56,544.93. There were no checks written in June. The balance as of June 30 remained \$56,544.93. A check has since been cut to DigitalArtz for \$3,024.82 toward the renovation of the LIVE HIGHLAND billboard. This will appear on next month's statement/report.

Mallord noted that the E-commerce Grants are still available and the new axe throwing establishment, the Game Yard, is expected to apply for reimbursement for that. They had a ribbon cutting last week.

Updates on Developments and other City Projects – Staff

Joe Horstmann has purchased 1016 Pine Street and the City Council approved a Façade Improvement Grant at their meeting last night. He is intending to do tuck-pointing and some work to the doors and windows which should give that building a new look very shortly.

The new owner of the Dairy Queen communicated to Mallord that he has worked through all the corporate franchise issues and is looking to take advantage of the city's façade program, too. He will be making improvements to both the outside and inside of the restaurant.

Mallord is optimistic about the façade program and the many improvements it is helping to fund.

Molly's Mocha is on tonight's Combined Planning and Zoning Board. They are requesting to combine their three lots and to get a special use permit to allow them to operate a drive-through.

We have been working through a hotel feasibility study. We had a visit in May and have recently received the first draft of the report. In the preliminary draft the financial numbers look good, which should be enticing to potential investors. We expect the final report before the next IDC meeting.

Update on Highland Communication Services – City Manager Conrad

City Manager Conrad reported that HCS currently has just under **2700** customers. We have finished boring under the road for subdivisions along Daiber Road; Lakeview Estates and Evergreen Court. We hope to have that finished in a week to ten days. We will start offering services as soon as it is complete. We are three to four weeks ahead of schedule on the construction portion of this project. One property owner who would have been impacted was so happy to receive HCS services, he allowed construction on his property in exchange for being moved to the top of the list when they begin hookups. This will constitute the completion of Phase I, which is providing access to HCS for everyone inside city limits. We are expecting a high take rate in this new area.

Updates on Workforce Development Initiatives – Mallord Hubbard

The Police Department will be hiring a client from Holly's House of Hope as part of the Madison County On the Job Training program. They will be doing a walk through today. This client will be helping in different areas, doing similar tasks to the client at the Korte Recreation Center, and also working in the Fire Department area. The client is excited, as his dream has been to work in some capacity with police & fire. He will have six months of training and hopefully become a long-term city employee.

New Business:

Recommendation on Development Agreement with Korte Meat Processing

They are proposing to purchase the former Wall Street Journal facility. They are looking to purchase it and make improvements to expand their retail area and increase their processing capacity. We are proposing two agreements. One will be a TIF agreement that will allow for rebates on their property taxes (up to 75% of taxes from the incremental increase value of EAV) for up to ten years. One caveat on that, written into the agreement, is that currently that TIF is set to expire in 2031 and we are only allowed to enter into agreements up to that expiration date. It is the city's intention to renew the TIF, which would allow them to take advantage of the full ten year rebate period of this agreement. The other agreement will cover reimbursement of permitting fees up to a maximum of \$15,000. Some of the project costs that they have estimated may look high,

but we are not sure that those figures will be realized once they are in the building and making improvements, but they won't substantially affect the actual agreements.

Typically, EAV is based on 1/3 of the market value of the property. Currently, the EAV is \$948,000. They are potentially purchasing for \$1,600,000; and, if so, the EAV would drop below its current value. In that case this agreement would not produce any reimbursements. However, it is possible that the investments they are intending to make inside the building, could increase the EAV above the current value. At that point, reimbursements could be made on that incremental EAV value.

Director Vazquez added that the reason for having separate agreements is so that we can be sure that their investments will be recognized in some fashion.

They should have a lot of space to increase their capacity or to lease to future partners.

City Manager Conrad added that the nice thing about the structure of this agreement, is that, while they are getting the building at a good price, the agreement encourages them to invest in the development of the building sooner than later.

Jon Greve made a motion to recommend to the city council, approval of the incentive agreements for Korte Meat Processing as presented; seconded by Josh Kloss. All members voted aye; none voted no. The motion carried.

Josh Kloss gave an update on the progress of the Kloss Furniture warehouse improvements.

Hubbard noted that there had been a great write-up on Kloss Furniture in last month's edition of the St. Louis Business Journal. They also had an article on the "largest metro-east companies, ranked by revenue," and a couple of Highland companies were mentioned; Korte Construction and Korte & Luitjohan Contractors.

Next Meeting:

The next regular meeting of the Industrial Development Commission is scheduled for Wednesday, August 3, 2022.

Adjournment

Josh Kloss made a motion to adjourn; seconded by Diane Korte-Lindsey. All members voted aye and the meeting adjourned at 12:25 PM.