

City of Red Bud

Economic Development Commission

Meeting Minutes

October 23, 2024

Members in Attendance: Chairman Mike Rheinecker, Jennifer Gregson, Stuart Langrehr, Clem Esker, Orvel Cox, Larry Ingalls, Warren Frank, Tom Heizer, Cole Stenzel, Butch Stellhorn, Mike Reed

Members Absent: Jon Tallman, Greg Birchler

Others in Attendance: Jeff Mueller, Jill Landgraf, Eric Huggins, David Friess

1. Call to Order

The meeting was called to order by Mike Rheinecker at 6 p.m.

2. Pledge of Allegiance

3. Minutes from July 26, 2024

Motion made by Orvel Cox, seconded by Mike Reed, to approve the meeting minutes of June 26, 2024. Motion carried.

4. Financial Reports

A Summary of Loan Funds report as of 09/30/2024 was provided in the packet.

- The (revolving) Economic Development Fund balance is \$619,681.77.
- There was a transfer from Parks Capital Plan of \$350,000, Economic Capital Plan balance of \$225,000, and a \$100,000 CD all earmarked for Red Bud Business Park.
- The Micro Loan Program balance is \$91,872.48.
- We are currently recapturing \$6,839.43 in monthly ED loan payments
- We are currently recapturing \$539.06 in monthly Micro Loan payments
- Rent income is \$7,500 annually
- Each business is current on their respective loan

5. Red Bud Business Park

The following updates on the status of the Red Bud Business Park were provided:

- Administrative Officer Jill Landgraf received an approval email regarding Phase 2 Energy Transition Community Grant. Potential funding is \$68,466; City is awaiting notification in the GATA portal regarding a NOFO to specify grant funds.
- The Red Bud Business Park's profile has been created and is live for potential site selectors, including the new marketing materials, business profile sheet and photography of the site completed by Alan Piel of High Flying Photography.
- Additionally, Landgraf received verbal confirmation earlier in the day that the Red Bud Business Park was selected as a "Top 20" site in SI Now's marketing campaign for site readiness properties in Southern Illinois. This program is a part of the 2023 DAR grant (\$130,000) awarded to SI Now to increase awareness and marketing opportunities for site readiness in Southern Illinois. Email confirmation is pending for official recognition, but it will provide great exposure and marketing opportunities for the business park.
- Code Administrator Jeff Mueller shared the lot pricing sheet for the business park that was approved by the council. Cost estimates were determined considering development cost of \$1.5

million for development of Phase 1. Red Bud has received \$575,00 in grant funding. Cost to the City is currently \$897,00. Lots were divided in acreage by:

- Highway frontage of 3 lots, asking \$105,000 per lot
- Cul-de-sac with 2 lots, asking \$95,000 per lot
- Remaining 2 lots, asking \$80,000 per lot
- Landgraf has applied for the potential of another \$1.9 million in grant funding for the Red Bud Business Park, but this money is not guaranteed.
- Landgraf acknowledged those present who have written letters of support for the grant applications, Representative David Friess, Chamber President Cole Stenzel, and Economic Development Commission Chair Mike Rheinecker.
- Esker questioned parking lots; Mueller confirmed all future parking lots within the Red Bud Business Park must adhere to current ordinance requirements of oil & chip.

6. Loan Applications

No applications submitted for review at this time.

7. Façade Grant Applications

The City has received two façade applications for review:

- Eric Huggins' application is requesting funds to repair and replace the double-door entrance to his office building and upstairs apartment entrance. Project includes new doors, repaired transom & sub-floor and paint for metal façade.
- Chairman Rheinecker noted the original request of \$10,000 has been changed to an \$8,000 request per program match requirements.
- Huggins was present to address questions regarding accessibility to the building.
- Per façade grant program guidelines, chain restaurants are not eligible. Code Administrator Mueller clarified the application in question was for the office building owned by Huggins, not the Subway building.

Commission recommends the Huggins façade application be forwarded to City Council for approval. Motion made by Clem Esker, seconded by Cole Stenzel. Motion carried.

- David Friess' application is requesting \$900 to brick the former entrance of his office building that faces South Main Street.

Commission recommends the Friess façade application be forwarded to City Council for approval. Motion made by Orvel Cox, seconded by Warren Frank. Motion carried.

8. Loan Program Review

Chairman Rheinecker, Mayor Harbaugh, Administrative Officer Landgraf, and Economic Development Commission member Stuart Langrehr reviewed the Micro Loan and Revolving Loan programs and suggested the following changes:

- Merge all Micro Loan and Revolving Loan documents into one application packet to unify guidelines and provide clear distinction between each program.
- Section 4.2, Conditions:
 - Maximum loan amount of Micro Loan set to \$50,000
 - Maximum loan amount of Revolving Loan set to \$500,000 with an increased loan amount for each full time job created or retained; originally set at \$10,000, now changed to \$25,000.
 - Interest rate as set by City Council: language changed from "not higher than 5%" to "shall remain 3% lower than prime lending rate with a minimum of 3%"
 - Terms of Revolving Loan set to 10 years; previously no term was listed

- Commission members reviewed current lending rates and received confirmation of funds budgeted specifically for economic development.
- Landgraf noted new language added to the combined loan packet:
 - Language specific to the Micro-Loan is noted as option A throughout the new packet. Language specific to the Revolving Loan is noted as option B throughout the packet.
 - Job creation/retention is only a requirement of the Revolving Loan, not the Micro Loan.
 - The combined packet added language regarding the intent of a Micro Loan (small projects to repair/replace equipment, smaller building needs, etc.) vs. Revolving Loan (larger projects exceeding \$50,000).
 - The new packet requires applicants to select one loan options. Applying for both loan programs simultaneously is not allowed.

The Commission recommends the City Council to approve the proposed changes to the Micro Loan and Revolving Loan program guidelines and application. Motion made by Stuart Langrehr, seconded by Cole Stenzel. Motion carried.

13. Business Development and Movement List

Landgraf provided a list of business development in Red Bud. Commission members were asked to provide input if something should be edited or was missing from the list.

14. Randolph County Progress Committee

Chris Martin was not present but provided a written update for Randolph County:

- Recently helped organize a tour of Vistra’s Baldwin Power Plant Solar & Energy Storage facility.
- 2024 ad campaign in the Expansion Solutions digital site will be live November 1, 2024.
- The Chester bridge construction continues with an estimated completion date of fourth quarter 2026.
- Annual funding campaign is ongoing for the Community Foundation of Randolph County.
- Chris Martin will be leaving the post of coordinator at the end of 2024. The Randolph County Progress Committee is in the process of hiring his replacement.

15. Anything for the Good of the Order / Public Comments

Nothing provided for discussion.

16. Adjournment

Chairman Rheinecker adjourned the meeting at 6:27 p.m.

Respectfully submitted,
Jill Landgraf, Administrative Officer