

**Coles Together
Operations Committee Meeting
November 20, 2017**

Committee Members Present: Mike Stanfield, Joyce Madigan, Jerry Groniger, Tim Gover, Glen Pruett

Committee Members Absent: Brandon Combs, Stan Metzger

Others Present: Angela Griffin

Call to Order: Called to order by Mike Stanfield at 7:35 a.m.

Approval of Minutes: A motion to approve the October, 2017 board meeting minutes was made by Tim Gover and seconded by Joyce Madigan. The motion passed.

Treasurer's Report:

Pruett reported the organization's restricted cash is \$75,003.47 and unrestricted cash is \$276,508.73 for a total of 351,512.20. Monthly receipts totaled \$66,943.26 and payment on government pledges was \$41,666.00 for a total of \$25,276.60 in non-government revenue for the month. Monthly disbursements were \$28,834.32 with depreciation at \$854.96 and accrued interest at \$8,383.56 for a total of \$21,305.72. Pruett reported there were no unusual items to note or record for the month and asked if there were any questions. Stanfield asked about the accrued interest. Madigan stated that is an adjustment for interest that has been put on and then adjusted back off.

Action Taken: A motion to approve the October, 2017 financial statements and Treasurer's Report was made by Jerry Groniger and seconded by Joyce Madigan. The motion passed.

President's Report:

Griffin reported the company represented by Newmark, Knight & Frank has been an interesting yet disappointing lead because it has been difficult to locate 50,000 SF of space for this opportunity which would keep an existing company in the region. Griffin said she discovered the company is Samuel Music currently leasing space in Effingham, but the consultant is unaware she knows the company's identity and she will explain further momentarily. Samuel Music is leasing space at the Total Quality Warehouse (TQW) in Effingham, but the property has been sold to Stevens Industries. Stevens plans to use all the space so the current tenants will be displaced. She said it is interesting that Effingham seemingly has, at least at this point, been unable to locate 50,000 SF in vacant warehouse space for Samuel Music to move into. Unfortunately, that seems to be the case in Coles County as well. The company needs clean warehouse space which takes something like Trailmobile out of consideration.

Operations Committee Meeting Minutes

November 20, 2017

Page 2

Griffin stated the company was negotiating terms with Alton Warehouse in Mattoon which is incredibly clean space, but Alton decided not to execute because they have three-four other clients they are working with and 50,000 SF would take nearly all the space they have available. In fact, one of the clients they are hoping to sign is the North American Lighting (NAL) opportunity Griffin talked about last month. Alton and Scholes Trucking provided proposals to NAL who has sent a team to Coles County twice to view space and negotiate terms. But Alton also has two-three opportunities in addition to NAL they want to be able to accommodate. Griffin said she has been in contact with local industrial companies that might have idle space or at least be able to provide temporary space until a more permanent option opens up, but has not had any success. She just recently learned the former Superior facility just north of GE in Mattoon is available. It is owned by Keith Summers and he has indicated it needs a lot of work but he is willing to customize it to meet Samuel Music's needs. The facility is just over 100,000 SF but Summers said he could renovate it quickly and offer the company 50,000 SF with ceiling heights and dock doors that would meet the requirements. Griffin has put the consultant with Newmark in touch with Keith Summers.

Griffin stated Justrite Manufacturing has acquired a new manufacturing operation, First Safety Corporation, which manufactures products that store compressed gas containers, and is planning to move the operation to Coles County. The company needs 10,000 SF of space to accommodate the new operation. Griffin has put the Justrite team in touch with Keith Summers as well.

When trying to find space for the Newmark lead, Griffin said she reached out to Agracel, the owners of the former Ampad distribution facility in the Mattoon Enterprise Park to inquire about space there. It was when talking with Todd Thoman that the two were able to figure out the lead was actually Samuel Music because Thoman was familiar with Samuel Music's situation and the specifications they required were consistent with the space they were vacating in Effingham. However, Agracel was not able to accommodate Samuel Music at the Ampad facility because Thoman shared they are close to terms with another existing company in the region that has made an offer to buy the entire building. The company considering purchasing the facility has been in lease talks with a third party that would benefit from the foreign trade zone subzone status we were asked to investigate a couple of months ago on their behalf. Griffin said both she and Thoman have followed up with the potential new buyer, but neither have had phone calls returned.

Griffin is also working on two other leads, one being led by the Ameren economic development team as electric power is the big driver, and the other represented by a broker with Colliers International who had been viewing available properties on our website and inquired on behalf of a client. He is working for a manufacturer to try to locate an existing facility near the size of the Ampad facility. Griffin provided the Colliers broker with information on both the facility and the Mattoon Enterprise Park as he stated his client would also entertain new construction options.

The team with the Mattoon Power Enterprise project has formed a project group to apply for a \$2.1 million DOE grant to research the efficiency and economics of developing improved bolt-on carbon capture solutions. The equipment and research will be housed and conducted at EIU's Center for

Operations Committee Meeting Minutes

November 20, 2017

Page 3

Clean Energy Research and Education (CENCERE) in collaboration with Lake Land College, Coles-Moultrie Electric Cooperative, and the Mattoon Power Enterprise team. EIU will provide flue gas from its gas fired power generation system for research and testing. Flue gas from other sources will be tested as well. Students from both EIU and Lake Land College will have opportunities for hands on experience with the environmental control technologies being used. Graduate students will be able to participate in the data analysis methodologies which will be developed in collaboration with Dr. Peter Liu with EIU's School of Technology. The project fits well within the parameters of the new Center for American Rural Energy (CARE), group Kim Leftwich with Coles-Moultrie has formed and he has enthusiastically supported the effort.

Griffin stated there is no ambition to turn this project into a government or DOE sponsored event nor is it an effort to solicit funding for which we might not be eligible. This is simply a way to generate resources for the project and keep the group working while we wait for the upcoming legislative session in Illinois. Congressman Shimkus' staff flagged the funding opportunity about the same time Gandola and McRae noticed it and encouraged us to apply. Griffin stated the applicant is "Mattoon Power Enterprises, LLC" managed by Gandola with research input from Dr. McRae who was involved in the development of the original technology along with Dr. Herman de Mayer, the PhD. chemist in Brussels who was also an original patent holder.

The first phase Mattoon MAPPING effort is near completion and two of the top goals to emerge are workforce skills gap/workforce availability, and business and economic development strategies. Other goals include youth development, housing, and tourism. The committees formed around the goals will continue to meet and develop action plans to achieve the goals. Griffin is on the business and economic development committee and the coordinating council of the committees. A community meeting is being planned to solicit input and share the results of the effort with the community at large. Kirk Swensen is on the business development committee and he and Griffin are working to encourage the group to take a county-wide approach to marketing and business attraction ideas and specifically include representation from Charleston.

Griffin continues to work with two Charleston-based companies evaluating space for new construction in the Coles Business Park. A third company, previously considering greenfield space in the park for new construction, appears to have found an existing facility to lease and will likely move its operation to that location--still in the county.

Gover asked how many lots were available at the Coles Business Park. Griffin indicated on the map there are several left and if the prospective buyer requires a size not available, the lots can be replatted to desired sizes.

Griffin advised the group there have been some discussions among business and community leaders to revisit the idea of merging the Chambers of Commerce in Mattoon and Charleston with Coles Together. It is consistent with the conversation and ambition of the MAPPING committee and also somewhat relevant to what Rick Hall presented to the group last year regarding a stronger and more

Operations Committee Meeting Minutes

November 20, 2017

Page 4

collaborative approach to marketing the county. Griffin said she would keep the group informed as the conversations continue.

Discussion of Coles Energy Center

Stanfield provided the update that Gary Melvin has agreed to buy 280 acres at the Coles Energy Center farm property. He has offered \$12,500 an acre for a total of \$3.5 million and has agreed to the conditions in the contract drafted and approved by the Operations Committee with one addition. The buyer wanted a right of first refusal for the portion of the land we are not selling. However, that right can be exercised only if we are selling the land for agricultural purposes. It does not apply and cannot be exercised if we are selling the property for development or any other purpose.

We are proceeding with the paperwork and title work needed for the transaction. The surveys are being completed and we will know exactly how many acres remain after parceling off the 280 acres Melvin is buying because the tax documents reveal a different number of acres at the site than the most recent survey.

Madigan stated we would be keeping roughly 120 acres. Stanfield said that is correct. Madigan asked if anyone had concerns or objections to the additional term requested by the buyer or if we needed to talk further about it. Stanfield reiterated it would not apply if we are selling the land for development. It only applies if we decide at some point we are not going to develop it and we decide to sell it for ag purposes.

Madigan stated roughly \$2,550,000 would take care of all the loans and we may also get some benefits from the lower tax rates in 2018. She mentioned we will have other expenses related to the sale like the title company's expenses, legal fees, survey fees, etc.

Stanfield stated we will also owe First National Bank one-half the proceeds of the sale of the 5.2 acres the bank deeded to Coles Together which was required as a condition for signing it over.

Stanfield then provided the committee with a detailed explanation of the actions that would occur between now and closing with the goal of trying to close before the end of the calendar year.

Madigan stated it is important to note the organization has come out in a much better position than what we had originally anticipated. She said it would be good if we had some corporate instruction on how the proceeds will be used, maybe as incentives for businesses development because we do not want to use it for general operations since it was originally community money. Griffin agreed.

Griffin stated the only substantive change in the previously approved contract was the right of first refusal if we negotiate a sale of the remaining 140 acres for agricultural purposes. She stated the buyer's attorney made a few minor immaterial and inconsequential changes to wording that were

Operations Committee Meeting Minutes

November 20, 2017

Page 5

simply related to style preferences. She asked if the committee would vote on whether to approve the added term to the contract.

Action Taken:

A motion to approve the contract with the change in terms allowing the buyer the right of first refusal if the remaining acres are sold for agricultural production was made by Joyce Madigan and seconded by Tim Gover. The motion passed.

The meeting was adjourned at 9:55 a.m.

Respectfully submitted by:

Jerry Groniger, Secretary