

City of Red Bud

Economic Development Commission
Meeting Minutes
March 26, 2025

Members in Attendance: Chairman Mike Rheinecker, Jennifer Gregson, Stuart Langrehr, Clem Esker, Orvel Cox, Larry Ingalls, Warren Frank, Cole Stenzel, Butch Stellhorn, Mike Reed, Jon Tallman
Members Absent: Tom Heizer, Greg Birchler
Others in Attendance: Jeff Mueller, Rodney Nevois, Susan Harbaugh, Mark Wilson

1. Call to Order

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

2. Pledge of Allegiance

3. Minutes from October 23, 2024

Motion made by Jon Tallman, seconded by Mike Reed, to approve the meeting minutes of October 23, 2024. Motion carried.

4. Financial Reports

A Summary of Loan Funds report as of 02/28/2025 was provided in the packet.

- The Economic Development Fund Balance (available to loan) is \$665,758.11. (note, Rahn loan is still pending)
- There is a RBBP Capital Plan balance of \$625,000 plus a \$100,000 CD.
- The Micro Loan Program balance is \$95,399.16.
- 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

Jeff Mueller provided the following updates on the status of the Red Bud Business Park (RBBP):

- Equipment is onsite and ready to start with the dirt work
- The property includes a waterway, running diagonal. The Corps of Engineers has deemed this a permittable waterway. That means Voelkert will submit the permitting to the Corps, which will require a six month review. Thus, to reach the south side of the channel will take us into 2026.
- The first phase was planned to be seven lots
- Then we received a Regional Site Readiness grant which we believe will get us to 11 lots.
- Another grant is pending that may get us to 17 lots.
- Mueller has a pre-construction meeting on March 28 and will know much more after that meeting.

Susan Harbaugh provided a handout recapping the various grant dollars for the RBBP.

- ARPA dollars of \$482,126
- Energy Transition Community Grants (2023 & 2024) of \$86,776 + \$68,466
- Regional Site Readiness grant of \$929,046
- RISE Implementation grant is pending. It is worth \$932,041.
- Adding all those together reaches \$2,498,455. Plus the city has saved \$725,000 in the capital plan for the RBBP.

Rodney Nevois added information regarding affordable housing.

As an example, a 1,600 square foot new home in Red Bud costs approximately \$335,000. Sparta and Steeleville have started programs to promote new home construction. In considering affordable housing, we must be cognizant of existing development and the effect it could have on valuation. Set backs will need to be visited as well as lot density. The streets become city property, with the city installing electric and gas. Need to consider incentives for street installation. Also need to consider larger, executive lots. A builder, developer combo is needed. Anecdotally, the Field Stone subdivision only has six lots remaining. When looking at affordable housing, need to consider the income level of the average factory work and their affordability. Square foot building costs in Red Bud are about \$200 per square foot as compared to \$210 to \$220 in other locations.

Susan Harbaugh added plans are to set \$100,000 aside from any FY2025 surplus to earmark for some type of special project, with details yet to be determined.

Mike Rheinecker reminded we have \$725,000 in our capital plan that could play a role in this as well.

6. Loan Applications

A loan application for \$140,000 from First Stage Fabrication, Inc. was entertained. Scott and Terri Dilley could not attend the meeting. Instead, they provided a written statement read by Stuart Langrehr. The Finance Committee is comfortable with this application. Cole Stenzel commented “financials look strong” as well as a “solid deal”.

Commission recommends the First Stage Fabrication loan application be forwarded to City Council for approval. Motion made by Orvel Cox, seconded by Jon Tallman. Motion carried.

7. Façade Grant Applications

No application at this time.

8. Business Development and Movement List

Members reviewed the 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.

9. Randolph County Progress Committee Update

Mark Wilson, Director, Randolph County Economic Development was on hand to introduce himself and get familiar with the Commission. He is in the process of visiting the various municipalities, by attending city council meetings as well a Chamber meetings. The new position has provided him a “challenging environment”.

10. Monroe County IL Economic Development Corporation Update

Pam Poetker was not at the meeting. Cole Stenzel offered updates. There is a monthly newsletter. Pam spoke at a recent Chamber lunch meeting. Cole stressed the importance of the Enterprise Zone and commented on what a great tool it is. Updates may be coming in the future.

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

Lori Murphy of the SWIC Campus Red Bud was on hand to share details about the upcoming construction project. The groundbreaking is scheduled for June with completion by fall 2026 for the trade programs building. Plumbing, electrical, and welding will be offered. The classes will be available to the community for trade training needs as training through SWIC can be arranged. They want to be flexible to industry and offer needed skills level training. They will also be expanding the allied health program.

Clem Esker asked about the status of the hospital in regard to doctor recruitment. Jennifer Gregson shared many factors play a role from housing stock to amenities in a metropolitan versus rural areas. Focus is on primary care recruitment. Many are seeking bigger facilities based on medical loans and reimbursement. Clem also asked about the nursing home. Jennifer explained there are a number of maintenance issues and the home office is deciding which are best to complete within budget constraints.

Warren Frank asked about the status of the Rahn loan. Very recently, collateral for the restaurant and to other properties was obtained, a first position on all three properties. We can now go forward with the loan document and the attorney has them in process. Reminder that this loan is based on draws, with invoice proof.

12. Adjournment

Motion made by Mike Reed, seconded by Larry Ingalls, to adjourn the meeting at 6:50 pm. Motion carried.

Respectfully submitted,
Susan L. Harbaugh, Mayor and acting scribe