



COLES Together

The economic development organization for Coles County

Coles Together Board of Directors Meeting October 30, 2023

Members Present

Doug Abolt, Mike Stanfield, Rick Hall, John Inyart, Jack Turner, Bob Shamdin, Amy Borntrager, Josh Bullock, Jason Tucker, Erica Boone, and Jay Gatrell

Members Absent

Matt Webb, Carlos Ortega, Ashley Cobb, Todd Vilardo, Tim Condron, Darrin Hite, Brooke Kieffer, and Brandon Combs

Others Present

Angela Griffin Kasey Considine

Call to Order

Called to order by Doug Abolt at 7:30 a.m.

Approval of Minutes

A motion to approve the September 2023 minutes was made by Jay Gatrell and seconded by Mike Stanfield. The motion passed.

Treasurer's Report

Griffin provided the September financial report. She stated the financial statements provided by Kemper for review are preliminary and the accountants are working to reconcile the accrued numbers with the cash basis at year end. The monthly numbers will provide insight as to September, but the profit and loss budget vs actual report included with board materials provides a more accurate picture of year end. For the month of September, revenue was higher than budget driven by higher annual contributions for the month and higher enterprise zone fees than budgeted. Expenses for September were slightly over budget due to marketing and travel related expenses to visit the GDB International operation in New Jersey. Also, staff salary was higher than budget because Paula logged more hours than normal working on the B2B grants. Again, for year to date, which is for the full 12 months, the accurate picture is the profit and loss budget vs actual included in the board materials which correlates to a lengthy description in the minutes from the prior meeting. Griffin ran an updated report just prior to today's meeting to capture additional contributions received and additional expenses paid, and the net effect was approximately a \$7,000 increase to net income.

Approval of Treasurer's Report:

A motion to approve the September 2023 financial statements was made by Jason Tucker and seconded by Amy Borntrager. The motion passed.

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President's Report

Griffin reported interest in the county has definitely increased and some of it on the retail side appears to be related to the sports complex. Two new searches are being conducted in Mattoon; one for a 40,000 SF warehouse and distribution project and the other is a retail operation. Both are represented by consultants, neither of which would identify the client company. Both are on a 2024 new construction timeline, and both are looking at sites in the enterprise zone; one in the downtown area.

MARS Petcare project engineers have developed preliminary design and cost estimates for an expansion that will take place after the upgrades currently underway are completed. In the meantime, we have been working with Ameren to ensure sufficient electric capacity at the nearby substation to serve the load Mars will need for the next expansion. Ameren has also put together design plans and the company has agreed to pay most of the costs associated with the substation upgrades, which is likely to be a new 12kV line. The upgrades will also support any increase in load at NAL and any future demand in the Enterprise Park in general. Fortunately, there is some capacity now with the existing 69kV and 12kV lines which can support Mars' growth for the time being and any development that might occur in the park, which is helpful because lead time for transformers is two+ years.

Griffin attended the Midwest Regional Carbon Initiative in West Virginia and is now in conversation with and providing information to three private companies. She has also generated a short-list of additional contacts and is developing a follow-up piece to send them. Most attendees remembered the FutureGen project and that Coles County won the national competition but there was a lot of confusion about what happened after that and what happened with FutureGen 2.0. Most do not know the community and Coles Together opted out of the project and that Coles Together purchased the surface and subsurface land proposed for the project. That fact is very attractive to developers.

Fortunately, with the passage of the Inflation Reduction Act (IRA) and the increase in the credit for carbon from \$50/ton to \$85/ton, private sector interest is growing. The IRA also made the transferability of the credits much easier meaning the ability to sell or trade credits to companies not traditionally associated with carbon emissions is much more easily facilitated and allows that growing list of companies to help meet their corporate commitment to environmental stewardship. Direct air capture (DAC) has also advanced substantially since we were involved in the FutureGen project. DAC allows a facility to be built on site and carbon is pulled directly out of the atmosphere at that location and either stored or used as feedstock for commodities and every day products. Credits for DAC were raised to \$180/ton. This means both price points -- \$85/ton for sourced carbon and \$180/ton for DAC, are well within what the industry says actual costs are for carbon capture. The industry says it costs \$65-\$100/ton to capture carbon from a source, and \$100-\$200/ton for DAC meaning that these federal incentives for carbon management are now actually within the industry's cost range. Additionally, the credit for carbon

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capture for enhanced oil recovery (EOR) was also increased to \$130/ton. This is beneficial to our site as we developed an EOR component with the Sargas project and found that economic contribution to the project helped offset the cost of capture of the tertiary oil in the vicinity of the project site. Also, at the time we were developing the Sargas project, we had worked out agreements with the major operators in the Mattoon Oil field to buy their interest since those wells were past their peak production and at the perfect stage for EOR.

Needless to say, it was a successful conference with solid leads and the timing to develop these types of projects is now with construction start deadlines of January 2026 to receive the enhanced tax credits.

We have started receiving training on the new Back to Business grants that will be announced in the next 60 days. These grants will be available for businesses that started after January 1, 2020. They will be between \$5000 and \$30,000 depending on business structure, when the business was started, and the industry.

Locally we celebrated National Manufacturing Day on October 18. We had just over 100 high school juniors and seniors participate. They toured nine locations using three itineraries we developed for the busses. We then brought them all together in a hangar at the airport for lunch and a presentation by Eastern, Lake Land, and the airport manager. Griffin stated they may try to arrange one more day of tours this year for some of the Mattoon students and LIFT students who could not attend on the 18th.

The webinar in November is early this month and will be held on the 16th to showcase the events, activities and business promotions that are happening in the region throughout the holiday season in an effort to provide people who live here with plenty of reasons to stay in the communities and plan their holiday outings locally. Tourism directors from the region will present events in their hometowns and we will have giveaways throughout the webinar to businesses and event venues in the region. The donation for Coles County is four tickets to the holiday concert at Doudna at EIU.

Employment statistics for September are out. The unemployment rate in Coles County rate for the month went down to 5.0% down from 5.9% in August but up compared to 3.8% one year ago. Gains of 525 were posted in educational and health services, 200 jobs were added in government, 100 in manufacturing, 75 in construction, 125 in leisure and hospitality, 25 in information, and 25 in services. Payrolls in professional and business services decreased by 225, transportation and utilities decreased by 125, and financial activities lost 50 positions. The statewide unemployment rate in September was 4.9%. The national rate was 3.8%. The areas in Illinois with the largest unemployment increases were Rockford which is at 6.9%, Danville at 6.3%, and Decatur at 6.7%. Griffin then discussed findings in a recent labor study that show, as a percentage of the labor force, manufacturing positions in Coles County outnumber manufacturing positions as a percentage of the labor force statewide, particularly in durable goods manufacturing.

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Statewide the industry's share is 5.3% and in this region it is 12.3%. Additionally, the county's unemployment rate has followed seasonal fluctuations since 2008. This means even though Coles County has had events that triggered higher or lower than usual unemployment, none of them were so far outside the statistical norm to create a deviation from seasonal fluctuations.

Griffin then requested the board consider an action to approve an application to Coles County for ARPA grant funding which would be used to make grants up to \$25,000 to Coles County businesses. As most know, Coles Together successfully operated a program using \$250,000 in ARPA funds the county awarded Coles Together. All the funds were awarded to businesses throughout the county. With the prior grant, we funded 18 companies that employ 532 people, and the average grant amount was \$13,889. Griffin would like to apply for an additional \$250,000 to continue to operate the program. There were projects that were only partially funded and businesses that applied after funds were fully spent. Those businesses and others would be targeted for funding if the county awarded additional funds to Coles Together.

Approval to apply for ARPA funds:

A motion to submit the request to Coles County for additional funding was made by Mike Stanfield and seconded by John Inyart. The motion passed.

Marketing Report

Considine reported that she represented Coles Together at the Business Expo hosted by the Mattoon Chamber of Commerce at the Cross County Mall. She said the booth was busy throughout the day with people stopping by to thank Coles Together for the work we do and some inquiring about our role in the county. She said all comments were positive. Considine also helped Coles Together host and execute Manufacturing Day and attended four of the nine tours with the students. She said she observed a lot of student engagement in particular at MPMI and Curry Construction. The feedback from the students showed real interest in what they were learning. Plant managers were pleased with the turnout and the level of engagement by the students. Considine said Coles Together's Facebook engagement was up 93% over the month. We increased our followers by 25%, and follower interactions went up 18%. She said the top post was the manufacturing day post that was widely shared and some of the businesses even tagged Coles Together in their posts. Considine added she continues to serve on the board and assist with the Mattoon Emerging Leaders organization and is involved in an upcoming recruitment event.

2022-2023 Year End Review

Griffin stated the best explanation of the 2022-2023 year end is in the September minutes which were just approved, with the additional comments made about the September financial statements. Griffin asked if members wanted her to review the year-end report again or if they

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had any comments, questions or concerns. Members said there was no need to go over the information again.

2023-2024 Budget Presentation

Griffin presented the 2023-2024 budget. She said she estimated conservatively on revenue in most categories, including investor contributions, enterprise zone fees, and business park lot sales. She said there is a lot of opportunity to capture more revenue from new investors. She also stated with all the development activity, enterprise zone fees will also likely be higher than budget. If another lot sale occurs in the Coles Business Park, that will also be unbudgeted revenue. Income from the RISE grant may not reach \$150,000 but it will be a dollar for dollar match on the expense side as expenses will likely not reach \$150,000. However, income from the Community Navigator Grant will have a net positive effect on the budget as time and effort is reimbursed at current wage rates and, as the 2022-2023 year-end shows, that net effect on net income was approximately \$19,000.

On the expense side of the budget, Griffin increased the budget for conferences, meetings, and marketing assuming the new President will need to allocate time and resources getting acquainted. She increased the budget for maintenance to the office to have the carpet replaced with a hard flooring surface, and added line items for presidential search and presidential moving expenses. Members with recent experience in executive recruitment suggested increasing the budget for the search to at least \$20,000 and possibly up to \$25,000, and increasing the budget for moving expenses to at least \$10,000. Griffin also increased the budget for expenses related to the Coles Energy Center site by \$2,000 as the tenant farmer contacted the office recently to say tile repair work would be needed after harvest.

Approval of 2023-2024 Budget:

A motion to approve the budget presented with the addition of \$15,000 to the presidential search line item and the addition of \$5,000 to the presidential recruitment line item was made by Mike Stanfield and seconded by Jason Tucker. The motion passed.

The meeting was adjourned at 8:58 AM.

A presentation and tour of the Coles Moultrie Electric Cooperative (CMEC) operation and facility was made by Amy Borntrager, President and CEO of CMEC.

Respectfully submitted by:

Carlos Ortega, Secretary