

October 5, 2015

The regular meeting of the Decorah City Council was called to order by Mayor Don Arendt at 5:45 p.m.

The meeting was opened with the Pledge of Allegiance.

Members present: Randy Schissel, Jody Niess, Tade Kerndt, Andy Carlson, Bill Wagner, Gary Rustad, Charles Lore

Motion by Niess, second by Wagner to approve the agenda as presented. Roll call vote. All voting aye. Motion carried.

Motion by Schissel, second by Lore, to approve items on the consent agenda as follows:

- a. Minutes of the September 17, 2015 meeting
- b. Claims
- c. Renewal Class B Beer Permit for Pulpit Rock Brewing including Sunday Sales
- d. PPE #11 Highway 9 Water and Sewer Improvement in the amount of \$192,758.70
- e. PPE #1 2015 Street Alley Improvement in the amount of \$27,512.50

Roll call vote. All voting aye. Motion carried.

This being the time and place for a public hearing on a proposal to enter into a General Obligation Vehicle Acquisition Loan Agreement the hearing was opened. No public comment. The hearing was closed.

Motion by Rustad, second by Niess, to approve Resolution 2678 authorizing and approving a loan agreement and providing for the issuance of a General Obligation Vehicle Acquisition Note. Roll call vote. All voting aye. Motion carried.

Motion by Lore, second by Rustad, to approve Resolution 2679 amending a 28E agreement with Winneshiek County for administration of a sewage use agreement. Roll call vote. All voting aye. Motion carried.

Motion by Niess, second by Wagner, to approve Resolution 2680 acknowledging receipt of an application for voluntary annexation and authorizing the City to proceed with the voluntary annexation proceedings as specified in Chapter 368 of the Code of Iowa. Roll call vote. All voting aye. Motion carried.

Consideration of a Memorandum of Understanding regarding a hotel redevelopment project with Rebound Enterprises was opened for discussion.

City Manager Bird explained the City is being requested to give \$500,000 to this project. Decorah Jobs has agreed to give the initial \$250,000 with the remainder to come out of Hotel/Motel Funds.

Brett Reese, Rebound Hospitality, reviewed the project and explained the significant investment being made in our community. It is hoped this will be a Fairfield/Marriott facility with construction beginning approximately April 2016 with completion in April 2017.

Stephanie Fromm, Winneshiek Co. Economic Development/Decorah Jobs, expressed a show of support for the memorandum. A recently completed feasibility study showed the need for an additional 120 rooms with this being the #1 site for potential hotel development. They believe the benefits far outweigh the cost of participation.

Chris Redenius, Decorah Jobs Board, stated the project will not have a negative impact on other hotel facilities and Decorah Jobs is ready to support the project financially.

Aaron Busch, Luther College representative to the Council, stated Luther families often have to plan a year or two in advance in order to get rooms for special events.

James McIntosh, 607 S. Mill St., asked how much city tax dollars will be paid toward the project. Bird explained no more than \$1,500,000 refunded through TIF rebate using the annual appropriation method of rebate.

Lengthy discussion was held on the schedule for payment of the \$500,000. Reese explained there will be over \$2,000,000 in the project before building ever begins. They would prefer to have the money paid in full upon completion of the demolition work.

It was repeatedly stated throughout the discussion that the memorandum of understanding is not a binding document. The Development Agreement will outline the specifics of the city's participation in the project.

Motion by Schissel, second by Lore, to approve the memorandum of understanding with the following provisions:

- 1st payment payable upon acquisition of property
- 2nd payment payable upon 50% completion of demolition and site preparation work
- 3rd payment payable within 60 days of approval of site plan and full completion of demolition and site work.

TIF Rebate not to exceed \$1,500,000 per the following schedule:

Yr 1	100%
Yr 2	100%
Yr 3	100%
Yr 4	100%
Yr 5	90%
Yr 6	90%

Yr 7	90%
Yr 8	80%
Yr 9	80%
Yr 10	80%

Total project cost not less than \$11,000,000.

Roll call vote. Voting aye: Schissel, Lore, Niess, Rustad, Wagner. Voting nay: Carlson, Kerndt. Motion carried.

Motion by Niess, second by Carlson to appoint Gary Rustad to the Community Foundation Board. Roll call vote. All voting aye. Motion carried.

Motion by Schissel, second by Wagner to appoint Andy Carlson as the City representative to the Upper Iowa River Watershed Management Association. Roll call vote. All voting aye. Motion carried.

Motion by Rustad, second by Lore, to approve an agreement with Wallace, Holland, Kastler and Schimitz for 2016 bridge inspections in an amount not to exceed \$4,500. Roll call vote. All voting aye. Motion carried.

Meeting adjourned on motion.


Wanda Hemesath, MMC, ICMC
City Clerk, TR.