

January 16, 2018

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

The meeting was opened with the Pledge of Allegiance.

Members present: Randy Schissel, Dan Bellrichard, Andy Carlson, Steve Luse, Johanna Bergan, Ross Hadley, Kirk Johnson.

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

Mayor's Proclamation

Mayor Borowski read a proclamation regarding the 50<sup>th</sup> Anniversary of Iowa's Home Rule. A copy was submitted for the record.

Motion by Schissel, second by Luse, to approve the proclamation as read. Roll call vote. All voting aye. Motion carried.

Motion by Luse, second by Bergan, to approve the consent agenda items as presented.

1. Minutes of the January 2, 2018 meeting
2. Claims
3. **Resolution 2860** authorizing and approving a loan agreement, providing for the issuance of a \$375,000 General Obligation Corporate Purpose Note and providing for the levy of taxes to pay the same
4. **Resolution 2863**, a resolution accepting applications for voluntary annexation and approving annexation of property into the City of Decorah (*3chicsrental, LLC and TNT Properties, LLC*)

Conduct **public hearing** on an easement agreement with 3chicsrental, LLC / KAR Auto Group for use of public ROW; 2072 State Hwy 9

This being the date and time for a public hearing on an easement agreement with 3chicsrental, LLC / KAR Auto Group for use of public ROW; 2072 State Hwy 9 the hearing was opened.

City Manager Bird reviewed the proposed easement and noted it is for a second access to the west of the new Decorah Ford store and is for a private access road across public property.

Luse asked if the improvements had already been constructed. Bird noted they had and that this proposed easement was also discussed and approved in the development agreement already approved by the city council.

There being no other public comment the hearing was closed.

Consider **Resolution 2861** a resolution entering into an easement agreement with 3chicsrental, LLC / KAR Auto Group and authorizing the Mayor to sign

Motion by Johnson, second by Carlson, to approve the easement agreement as presented. Roll call vote. All voting aye. Motion carried.

Conduct **public hearing** on an easement agreement with Viking State Bank & Trust for use of public ROW; 321 West Water Street

This being the date and time for a public hearing on an easement agreement with Viking State Bank & Trust for use of public ROW; 321 West Water Street the hearing was opened.

City Manager Bird reviewed the proposed easement and stated it is for a proposed building at this location. He explained the building is proposed to extend into the right-of-way by up to 6" above grade and up to 16" below grade.

Carlson inquired as to whether issues between the adjoining building owners was resolved. Bird stated he believed the issues were agreed but that a document has not been signed. Carlson continued by stating that he believed the issue should come back to the council for review as it has changed. He asked the council to consider tabling the item until issues have been resolved.

There being no other public comment the hearing was closed.

Consider **Resolution 2862**, a resolution entering into an easement agreement with Viking State Bank & Trust and authorizing the Mayor to sign.

Motion by Carlson, second by Luse, to table Resolution 2862 until the issues between the adjoining land owners is agreed upon and completed. Roll call vote. Ayes: Carlson, Luse, Hadley. Nays: Schissel, Bellrichard, Bergan, Johnson. Motion failed 3 – 4.

Motion by Schissel, second by Johnson, to approve Resolution 2862 entering into an easement agreement with Viking State Bank & Trust and authorizing the Mayor to sign. Roll call vote. All voting aye. Motion carried.

Consider **Ordinance 1214** amending Ordinance 1170, designating an area of Decorah, Iowa as the 2014 Decorah Housing Urban Revitalization Area (2<sup>nd</sup> rdg)

Bird reviewed the renewed residential tax abatement program as proposed to have no cap on eligible improvements and no end date. Council is free to rescind any time it may determine the program has met its desired results.

Property included and eligible: All real property situated within the incorporated municipal limits of the City of Decorah, Iowa as of November 1, 2017.

Eligible improvements and exemptions:

1. Residential Improvements

A. New Construction: The construction of new residential and / or multi-residential facilities ("New Residential Improvements") in the Revitalization Area.

B. Improvements to Existing Property: The rehabilitation of and additions to existing multi-residential and / or residential facilities ("Existing Residential Improvements") in the Revitalization Area.

2. Exemption

All qualified real estate assessed as residential property, is eligible to receive an exemption from taxation on 100% of the actual value added by the improvements for a period of five years.

All qualified real estate assessed as multi-residential and / or commercial property, if the property consists of three or more separate living quarters with at least 75% of the space used for residential purposes, is eligible to receive an exemption from taxation on 100% of the first \$40,000 per unit on new construction for improvements of three or more separate living quarters for a period of five years.

3. Actual Value Added

Actual value added by improvements, as used in this plan, means the actual value added as of the first year for which the exemption was received. In order to be eligible for tax abatement, the increase in actual value of the property must be at least 10%.

Time Frame

Eligibility for tax abatement under this plan will exist after the date of the adoption of the ordinance designating the Revitalization Area, until, in the opinion of the City Council, the desired level of revitalization has been attained or economic conditions are such that the continuation of the exemption granted would cease to be of benefit to the City, in which case the City Council may repeal the ordinance, pursuant to Section 404.7 of the Code of Iowa. In the event the ordinance is repealed, all exemptions granted prior to such repeal shall continue until their expiration.

Motion by Luse, second by Hadley, to approve the second reading of Ordinance 1214 amending Ordinance 1170, designating an area of Decorah, Iowa as the 2014 Decorah Housing Urban Revitalization Area. Roll call vote. Ayes: Luse, Hadley, Bellrichard, Bergan, Johnson, and Carlson. Nays: Schissel. Motion carries 6 – 1.

Motion by Luse, second by Johnson, to approve waiving the third reading of Ordinance 1214 amending Ordinance 1170, designating an area of Decorah, Iowa as the 2014 Decorah Housing Urban Revitalization Area and adopting.

Bellrichard asked if there is a rush to get this ordinance passed. Bird noted there is no time constraints on adoption.

Roll call vote. Ayes: Luse, Johnson, Bergan, Johnson, and Carlson. Nays: Schissel and Bellrichard. Motion fails to achieve ¾ vote 5 – 2.

City Manager and Department Head Update

Bird announced the Dept of the Army has secured a new reserve unit to occupy the reserve center.

Other Matters – 6:08pm

Mayor Borowski called a short recess to set up for the feasibility study presentation.

6:13pm

Presentation of the electric system municipalization feasibility study – Decorah Power / NewGen Strategies.

Andy Nelson opened the presentation with a background of the project and introductions. He introduced Sheila Tipton and Dave Berg.

Dave Berg presented the feasibility study. During his presentation, he covered many aspects and distributed copies of the study, a PowerPoint, and a response and overview from the Decorah Power board. Copies of the study and presentation are on file in the City Clerk's office.

Luse asked who would lead the application process to the Iowa Utility Board, Berg noted the city would need to be the formal applicant.

Carlson asked about the overall timeline to apply. Tipton noted it usually takes about 12 – 16 months to apply to the Iowa Utility Board then there is an expected appeal process that could take longer.

Hadley asked questions about the outsourcing and operations and maintenance costs.

Bellrichard asked about the risks and costs associated with the upfront capital required.

Mayor Borowski opened the floor for two questions or comments.

Herb Hageman, 300 Pleasant Hill Drive asked whether the consultant had considered catastrophic losses such as storms or floods. He also expressed concerns about the proposed sales calculations projected as flat.

Mike Hayes, 325 Mill Street North noted he is an engineer and had concerns about the sales trajectories given the proclivity for solar and renewable energy in the community.

Meeting adjourned on motion at 7:53pm.

A handwritten signature in blue ink, appearing to read "Chad A. Bird".

Chad A. Bird  
City Manager