

January 2, 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 Carlson, to approve the agenda as presented. Roll call vote. All voting aye. Motion carried.

The Council recognized the following employees for 2017 milestone anniversary dates and awarded pins reflecting their respective years of service:

Chris Ness, St. Dept	30 years
Michael O'Hara, WWTP	20 years
Ann Neuzil, Library	20 years
Bill Nixon, Police Dept	20 years
Scott Herrmann, Police Dept	20 years
Sarah Hendrickson, Police Dept	15 years
Scott VandeKrol, Park/Rec	5 years

Mayor Borowski announced the following appointments:

Mayor Pro-Tempore -Randy Schissel

Budget and Finance – *Schissel, Bergan, Carlson, Johnson

Community Betterment – *Bergan, Hadley, Luse, Schissel

Economic Development & Property -*Bellrichard, Hadley, Johnson, Luse

Personnel, Negotiating and Insurance - *Johnson, all members of the council

Public Safety - *Luse, Bergan, Carlson, Hadley

Streets, Alleys, and Sidewalks - *Hadley, Bellrichard, Johnson, Schissel

Water, Sewer, Public Lights and Utilities - *Carlson, Bellrichard, Bergan, Schissel

Motion by Carlson, second by Luse to remove Item G Resolution 2858 setting a date for a public hearing on an easement agreement with Viking State Bank & Trust for use of public ROW: 321 W. Water St. from the consent agenda. Roll call vote. All voting aye. Motion carried.

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

- a. Minutes of the December 18, 2017 meeting
- b. Claims
- c. PPE #3 Highway 9E Water/Sewer Main Ext Project - \$23,942.31
- d. PPE #1 Court Street Retaining Wall Imp Project - \$75,446.59
- e. Renewal Class E Liquor License for Casey's General Store, 1807 Old Stage Rd., including Class B Native Wine, Class C Beer and Sunday Sales privileges
- f. Resolution 2857 setting a date for a public hearing on an easement agreement with 3chicsrental, LLC / KAR Auto Group for use of public ROW; 2072 State Hwy 9, January 16, 2018 at 5:45pm
- g. Resolution 2859 a Preliminary Resolution for the Construction of the Decorah 2018 Short Street Improvement Project within the City Limits of the City of Decorah

Roll call vote. All voting aye. Motion carried.

Item G was opened for discussion. Councilperson Carlson questioned the need to bring the site plan back to Planning and Zoning and the Council for consideration based on proposed changes to the roof line.

City Manager Bird explained, given the lack of a building code, the proposed change does not require the site plan be re-considered.

Motion by Schissel, second by Bellrichard to approve Resolution 2858 setting a date for a public hearing on an easement agreement with Viking State Bank & Trust for use of public ROW: 321 W. Water St. (January 16, 2018, 5:45 pm). Roll call vote. All voting aye. Motion carried.

This being the date and time for a public hearing on an amendment to the Urban Revitalization Plan for the 2014 Decorah Housing Urban Revitalization Area the hearing was opened.

City Manager Bird reviewed a statement from Dell Fossum, 307 5th Ave. He is concerned with continuing this program. Believes too much tax money is being abated.

There being no other public comment the hearing was closed.

The renewed residential tax abatement program is 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.

Councilperson Hadley stated his belief that we need more multi-residential housing. Removing the cap may incentivize developers to build multi-family residential housing – ideally low-income rental housing.

Councilperson Carlson believes abatement is designed to take an undesirable property and make it desirable. Abatement can also hinder affordable housing.

He prefers to follow the Planning & Zoning Recommendation to put a \$250,000 cap in place.

Motion by Bellrichard, second by Johnson to approve Resolution 2854 adopting the amendment as proposed to the Plan for the 2014 Decorah Urban Revitalization Area. Roll call vote. Voting aye: Bellrichard, Carlson, Luse, Hadley, Bergan. Voting nay: Carlson, Schissel. Motion carried.

Ordinance 1214 amending Ordinance 1170, designating an area of Decorah, Iowa as the 2014 Decorah Housing Urban Revitalization Area, was introduced and read for the first time. Motion by Bellrichard, second by Johnson, to approve the first reading. Roll call vote. All voting aye. Motion carried.

This being the date and time for a public hearing on a proposal to enter into a General Obligation Corporate Purpose Loan Agreement the hearing was opened.

No public comment. The hearing was closed.

Proposed loan is for water and sewer main improvements to 2072 State Hwy 9. Proposed loan with Decorah Bank & Trust reflects a 2.5% interest rate.

Motion by Bellrichard, second by Luse, to approve Resolution 2855 taking additional action on a proposal to enter into a General Obligations Corporate Purpose Loan Agreement. Roll call vote. All voting aye. Motion carried.

This being the date and time for a public hearing on a proposed development agreement with Decorah Auto Center, Inc including annual appropriation tax increment payments the hearing was opened.

No public comment. The hearing was closed.

Motion by Schissel, second by Carlson to adopt Resolution 2856 approving the proposed Decorah Auto Center Development Agreement including the annual appropriation tax increment payments. Roll call vote. All voting aye. Motion carried.

Motion by Luse, second by Johnson, to approve a LMI Commission recommendation to fund an application from the Low Rent Housing Agency for \$10,000 - \$5,000 each year for the next two fiscal years. Roll call vote. All voting aye. Motion carried.

Motion by Luse, second by Bellrichard, to approve a LMI Commission recommendation to fund an application for \$5,000 from the Northeast Iowa Housing Trust Fund. Roll call vote. All voting aye. Motion carried.

Motion by Carlson, second by Bellrichard to reconsider action on AMI/smart utility metering and to approve sending a letter regarding the same to Alliant Energy requesting an installation moratorium.

Craig Clefisch and Matt Cole, Alliant Energy Representatives, explained that communications equipment has been installed, meters are already staged in the area for installation and installers have been mobilized. Additionally, the system doesn't run by City boundaries, but rather regions, which requires Alliant to continue installation as planned. Delays at this point could cause substantial re-mobilization costs which can't be justified for customers.

Larry Grimstad, Winneshiek Energy District, said the letter is simply requesting Alliant delay installation of the meters to give residents the opportunity to vote on pursuing municipalization. Councilpersons Bergan, Johnson and Bellrichard expressed their agreement.

Councilperson Schissel stated Alliant is working under an existing franchise agreement and progressing with improvements that are beneficial to residents. We have nothing from Decorah Power even showing we are in a position to move forward with municipalization.

The Mayor called for the vote. Roll call vote. Voting aye: Carlson, Bellrichard, Luse, Bergan, Hadley, Johnson. Voting nay: Schissel. Motion carried.

Motion by Luse, second by Johnson, to reconsider reimbursement to Winneshiek County for shared IT expense and to pay \$13,133.64 July 1, 2018 and July, 1 2019 for a total of \$26,267.28. Roll call vote. All voting aye. Motion carried.

No action taken on appointment to the Winneshiek County Foundation Distribution Committee.

Meeting adjourned on motion.



Wanda Hemesath, MMC
City Clerk, Tr.