

City of Decorah Economic Development and Property Committee Meeting Monday, June 4, 2018 – 6:30pm

The City of Decorah Economic Development and Property Committee met on Monday, June 4, 2018 at 6:30pm. Chair Dan Bellrichard called the meeting to order and the following answered roll: Kirk Johnson, Ross Hadley, and Steve Luse. Others in attendance include Mayor Lorraine Borowski, Randy Schissel, Andy Carlson, and Johanna Bergan.

Others in attendance: City Manager Chad Bird, City Clerk / Treasurer Wanda Hemesath.

Agenda

1. Discussion regarding application for residential abatement and development agreement; Echo Development Group

Bird introduced Cory Henke with Echo Development who is proposing a market rate apartment complex to be located in the business park area.

Henke noted the planned development is approximately 46 units of mixed sizes and price points. He noted he and his partner really like the business park for its freshness and proximity to the Toppling Goliath Brewery. Henke noted planned development for up to four total buildings all about the same size and number of units.

Hadley inquired about the possible rental rates. Henke noted studios may be in the \$650 - \$850 per month range, one bedrooms may be in the \$750 - \$900 per month range and two bedrooms may be in the \$900 - \$1,000 per month range. He noted these rates may change depending on construction costs.

Hadley asked about affordable or LMI apartments and also added that it seemed that these types of units could be planned for elsewhere in the community. Henke noted he and his partner are not prepared to build or operate LMI housing and they had reviewed the community and determined this to be the best site.

Stephanie Fromm, with Decorah Jobs, Inc. provided an overview of the project from the Board's perspective and noted full board support for this project in this location. She also noted that Decorah Jobs, Inc. and a local land owner would be selling land to create this project together.

Hadley and Luse asked about sample development agreements and Henke noted he would send some over. Bird stated he had a few he would send also.

Henke noted he and his partner are seeking a ten-year tax abatement on the project and noted it will be the one aspect that makes the project successful. He is proposing a ten-year sliding scale abatement at 90%, 90%, 90%, 90%, 80%, 80%, 80%, 70%, 70%, 70%. Bird projected the total abatement amount over the full ten years to be approximately \$533,354.

There was general agreement and the committee asked Bird to prepare a development agreement for the project.

2. Discussion regarding proposal from Decorah Community Schools for development of a bus barn property

Lyle Halvorson was present and asked the committee if the city would be interested in selling the land known as the Fox and Coon Club. Halvorson presented the idea the district may be interested in the land as a possible location for a bus barn.

At first there was little interest in the proposal with Luse noting that he was disappointed in the actual proposal and materials presented.

There was discussion in sharing indoor and outdoor space between the city and the District. The committee warmed a little to the idea and Street Superintendent Kevin Nelson offered some suggestions.

The committee directed Bird and Nelson to work with the District on a proposed sharing arrangement and come back for further discussions.

3. Discussion regarding administration of hotel / motel tax funds

Bellrichard opened this conversation by reviewing the current state of the hotel / motel 28e and noted the council had approved terminating the agreement with the WCCVB effective June 30, 2018.

Luse stated he didn't believe the city needed a 28e and that city staff could handle the fiscal responsibilities and the committee could internally handle the administrative duties.

Johnson likes the 28e and believes it is necessary to keep a level of transparency.

Both Johnson and Schissel liked the WCDI / Chamber proposal to jointly operate the 28e and utilize the hotel motel funds through the existing marketing committee.

Hadley proposed keeping the administration and operations in house for a year to see how things completely come together.

Kristina Wiltgen and Stephanie Fromm both noted details about their proposal and stated they, as directors of WCDI and the Chamber, have begun forging a strong partnership on this and other issues and would welcome the opportunity to partner with the city for the use of the hotel motel marketing funds.

Bellrichard said he was unsure of the proposed administrative fee. No one spoke real strongly about the fee and noted that it was probably in the proposal as a carryover from other conversations. Wiltgen did not that she would like to see some of the hotel motel monies used in the physical visitor's center.

Johnson, Schissel, Carlson, and Bellrichard directed Bird to draft a new 28e agreement with Wiltgen and Fromm to include an administrative fee and to seek input from the current marketing committee and then bring back a final draft for consideration.

There was no other business and the meeting adjourned at 8:10pm.

Respectfully submitted,