

**MINUTES**  
**FORT MADISON CITY COUNCIL**  
**Tuesday, December 15, 2009 7:00 P.M.**  
**811 Avenue E, Fort Madison, Iowa**

The Fort Madison City Council met in adjourned session on Tuesday, December 15, 2009, at 7:00 P.M. at the Municipal Building, 811 Avenue E, Fort Madison, Iowa. Presiding was Mayor Steven J. Ireland with Councilors Chris Greenwald, Kevin Rink, Brad Randolph, Bob Chesnut, Neal Boeding and Mark Lair present.

**VISITORS AND APPEARANCE REQUESTS**

None.

**AGENDA**

With the addition of an item concerning an application through the Iowa Finance Authority to assist in multi-family dwellings, Rink MOVED and Lair SECONDED to approve the agenda, as written.

MOTION PASSED 6 AYES

**CONSENT AGENDA**

Boeding MOVD and Chesnut SECONDED to approve:

- Minutes of December 1, 2009;
- Renewal of a Class ðCö Liquor License to Alphaø on the Riverfront, 709 Avenue H, effective February 1, 2010;
- Renewal of a Class ðCö Liquor License to La Casa Salsa, 4821 Avenue O, effective January 1, 2010;
- New Cigarette Permit to WID Services, Inc., dba The Smoke Shop, 1127 Avenue H, effective December 16, 2009;
- Mayorø appointment of Marty Dean to the Fort Madison SIRRC Corporation, term expiring December 31, 2012; and
- Payment of Claims.

MOTION PASSED 6 AYES

**ORDINANCES AND RESOLUTIONS**

**RESOLUTION NO. 2009-91, GO BONDS:** Randolph MOVED and Rink SECONDED to approve a resolution fixing date for a meeting on the authorization of a loan agreement and the issuance of not to exceed \$1,350,000 General Obligation Capital Loan Notes, Series 2010A, of the City of Fort Madison, State of Iowa, and providing for publication of notice thereof.

MOTION PASSED 6 AYES

**RESOLUTION NO. 2009-92, FILLING VACANCY:** Rink MOVED and Greenwald SECONDED to approve a resolution directing the City Clerk to publish notice that the City Council intends to fill the vacancy created by the resignation of Carrie A. Fraise by appointment.

MOTION PASSED 6 AYES

**RESOLUTION NO. 2009-93, APPLICATION FOR MULTI-FAMILY HOUSING:** Rink MOVED and Chesnut SECONDED to approve a resolution making application through the Iowa Finance Authority to assist in the development of new multi-family housing at 11<sup>th</sup> Street and Avenue H.

City Manager Byron Smith explained this project was through a grant program established by I-JOBS. The deadline for submission of an application is the end of this week. The applicant, Rich Mohrfeld, has been working with Regional Planning on construction of a new building at 11<sup>th</sup> and Avenue H. There will be commercial space on the first floor and apartments on the second. The grant is targeted for the upper story units. This is a similar grant like SSMID had for the 700 block of Avenue G but is targeted for new construction. The State wants to see a local match as part of the application. Regional Planning will also be requesting an administration fee of \$10,000. The \$10,000 is split in two parts: the first \$5,000 would be for the application and administration until the project is completed, and the second \$5,000 would be for the five-year compliance charges to make sure the project meets State affordable housing requirements. The fee could be considered the local match as could the commercial URTE that would be available to the project after completion which amounts to about \$24,000 over a three year period. His recommendation is to split the \$10,000 fee to Regional Planning (the City pays \$5,000 and Mohrfeld pays \$5,000 for the compliance charges). Lair questioned if the property was sold if Mohrfeld's \$5,000 would go with the property. Mrs. Smith advised the City would need something in writing to bind the purchase of the property until the time frame expired.

Randolph questioned how this project affects the City: profit vs. non-profit? Smith answered it was a small incentive for development of the half million dollars in property. Randolph asked who valued the property at half a million. It was Mohrfeld. How then does this compare to the SSMID property? It will be identical.

Lair asked if someone else came forward with one of these small projects and requested money, how much do we have? Smith advised Council needs to look at this and form a policy to deal with these situations.

Randolph stated there were two sides to this. He realized it was new construction and would fill a vacant lot, but we are giving someone \$5,000 who in return will receive a \$200,000 grant, rent from the upstairs apartments, and use the lower space for their own benefit. He is not understanding as it is too good to be true and is setting a precedent. Chesnut concurred it is a private individual, but the payback will come after the third year. He felt it would be a reasonable return on a \$5,000 investment in the form of property taxes.

Lair brought up the parking issue. This is still being worked out as so many spaces will be required.

Boeding questioned if the City had any kind of guidelines in place. No, these requests are handled case by case.

Greenwald stated he initially was against this. But after hearing all that has come out, it is in the numbers which seem to play out well. Additionally, it is set up so that if the grant is not given, we are not out the money. If this were to catch on, we have the potential of more properties being added to the real estate tax base.

MOTION PASSED 6 AYES

### **OTHER**

**HIGHWAY 61/48<sup>TH</sup> STREET PROPERTY ACQUISITION:** Chesnut MOVED and Lair SECONDED to approve, by acquisition, or condemnation, if necessary, real estate for the Highway 61 and 48<sup>th</sup> Street intersection widening project.

This item came about because we are talking about 1000 square feet and one property owner who is holding out. We need to get steps in place to begin condemnation of all negotiation attempts fail.

MOTION PASSED 6 AYES

**MASTER PARKS PLAN:** Lair MOVED and Greenwald SECONDED to adopt the Parks and Recreation Department's Master Parks Plan.

MOTION PASSED 6 AYES

### **ADJOURNMENT**

At 7:38 P.M., Randolph MOVED and Chesnut SECONDED to adjourn until Tuesday, January 5, 2010, at 7:00 P.M.

VOICE VOTE APPROVAL

Following the Council meeting, Oaths of Office were administered to Mayor Steve Ireland, Chris Greenwald, and Brad Randolph.

**MANUAL CLAIMS AND WARRANTS:** See Manual Claims dated November 10, 2009, in the amount of \$242,213.09; and Claims dated December 10, 2009, in the amount of \$928,354.90.

### **PAYROLL ó December 4, 2009**

General	146,367.32
RSVP	1,294.07
Old Fort	1,582.94
Road Use	21,623.85

Water	36,432.89
Sewer	29,973.77
Solid Waste	14,874.43
Storm Water	<u>3,593.78</u>
	255,743.05

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Steven J. Ireland, Mayor  
City of Fort Madison, Iowa

ATTEST:

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Suellen M. Mead, City Clerk