

WORK SESSION – DECEMBER 8, 2016

The work session of the Common Council of the City of Marshall was held on December 8, 2016 in the Professional Development Room at the Marshall Middle School, 401 South Saratoga Street. The meeting was called to order at 5:30 P.M. by Mayor Byrnes. In addition to Byrnes the following members were present: Schafer, Doom, Bayerkohler, DeCramer, Sturrock and Conyers. Absent: None. Staff present included: Nick Johnson, City Administrator; Dennis Simpson, City Attorney; Glenn Olson, Director of Public Works/City Engineer; Karla Drown, Finance Director; Scott VanDerMillen, Director of Community Services and Jane DeVries, City Clerk. Others in attendance at the meeting included: Cal Brink, CEO Marshall Area Chamber of Commerce; Darin Rahm, CVB Director and Deb Gau, Marshall Independent.

DISCUSS MARKET FEASIBILITY STUDY:

Staff received approval from the City Council on September 13, 2016 authorizing the City of Marshall to engage the services of a consulting firm to perform a market study for future hotel capacity in the Marshall area. The market study cost was \$20,000. The funds to pay for the study came from EDA.

Davie-Elias Rachie and Colin McDonald, representatives from Gatehouse, were in attendance at the meeting to review the final Market Feasibility Study. They provided a brief outline of the study's result as well as Gatehouse Capital's proposal for building and financing a conference center and a 104-room Marriott hotel. The complete market study report, by international hotel consulting firm HVS was over 100 pages long. It covered topics including analysis of hotel supply and demand in the Marshall area, projected occupancy, income and expense and a description of the proposed hotel and conference center.

Mr. Rachie indicated that that Gatehouse Capital was proposing to build a 16,000 square foot conference center and a 104-room hotel. The total cost of the project would be a little over \$20 million. Financing for the hotel project would include a mezzanine loan from the City.

Terri Heaton, representative from Springsted's indicated that Gatehouse's proposal could be done, if the numbers in its analysis held. She indicated that there could be some risk to consider in parts of the proposal, however, at this state the proposal was not detailed enough to quantify them yet.

Council Member Bayerkohler questioned the proposal to have the city participate in financing the hotel. He is concerned about fairness to all local businesses and asked if other hotels have received government subsidies.

There were several representatives from the local hotels in attendance at the meeting. They were concerned that the figures used in the report's analysis did not reflect the hotel market in Marshall.

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Cal Brink, CEO Marshall Area Chamber of Commerce, stated that he understood the concerns of the local hotels. He indicated that Marshall loses business when larger conventions or events go to areas outside of Marshall. He indicated that these type of events could benefit all of the motels in Marshall.

Mayor Byrnes indicated that this presentation was informational only. This will need to come back to council before any action is taken.

REVIEW MUNICIPAL STATE AID, PROPERTY, LIABILITY/MEDICAL INSURANCE CONTINGENCY, SPECIAL REVENUE FUNDS, EDA, LIBRARY, RED BARON ARENA, MERIT CENTER, WASTEWATER FUND, SURFACE WATER FUND, AND LIQUOR STORE:

Nick Johnson, City Administrator, briefly reviewed the budget for these funds.

REVIEW 5-YEAR CIP & EQUIPMENT:

Nick Johnson, City Administrator, reviewed the 2017 Capital Improvement Project requests.

CONSIDERATION TO GO INTO CLOSED SESSION TO CONSIDER OFFERS OR COUNTEROFFERS FOR THE PURCHASE OF REAL PROPERTY PURSUANT TO MINN. STAT. §13D.05 SUBD. 3(C)(3) AND DEVELOP OR CONSIDER OFFERS OR COUNTEROFFERS FOR THE PURCHASE OF REAL PROPERTY PURSUANT TO MINN. STAT. §13D.05 SUBD. 3(C)(3):

Member (**Larry Doom**) moved, Member (**Craig Schafer**) seconded to approve the **ORIGINAL** motion 'to consider going into closed session'. Upon a roll call vote being taken, the vote was: Aye: 7 Nay: 0. The motion **Carried 7 - 0**

The Council went into closed session at 6:40 P.M. Those present at the closed session included: Byrnes, Schafer, Doom, Bayerkohler, DeCramer, Sturrock and Conyers. Staff present include: Nick Johnson, City Administrator; Dennis Simpson, City Attorney; Glenn Olson, Director of Public Works/City Engineer; Karla Drown, Finance Director and Jane DeVries, City Clerk.

The Council came out of closed session at 7:07 P.M.

The Council went into closed session at 7:08 P.M. Those present at the closed session included: Byrnes, Schafer, Doom, Bayerkohler, DeCramer, Sturrock and Conyers. Staff present include: Nick Johnson, City Administrator; Dennis Simpson, City Attorney; Glenn Olson, Director of Public Works/City Engineer; Karla Drown, Finance Director and Jane DeVries, City Clerk.


The Council came out of closed session at 7:19 P.M.

**TO CONSIDER APPROVAL OF OFFERS OR COUNTEROFFERS FOR THE
PURCHASE OF REAL PROPERTY PURSUANT TO MINN. STAT. §13D.05 SUBD.
3(C)(3):**

Dennis Simpson, City Attorney, reviewed the proposal to purchase a portion of the property located at 801 East College Drive, known as the green door house.

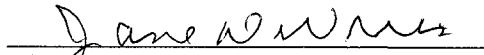
Member (**Larry Doom**) moved, Member (**Craig Schafer**) seconded to approve the **ORIGINAL** motion 'To offer \$20,247 for the purchase of real property located at 801 East College Drive, known as the green door house pursuant to Minn. Stat. §13D.05 subd. 3(c)(3)'. Upon a roll call vote being taken, the vote was: Aye: 7 Nay: 0. The motion **Carried 7 - 0**

The meeting was declared adjourned at 7:22 P.M.



Mayor

ATTEST:


City Clerk