

**Barnesville City Council
Special Meeting
June 30, 2015**

Mayor Gene Prim called this special meeting to order at 6:30 p.m. Members present were Council members Jason Rick, Betty Strom, Larry Davis, Jr., Richard Sylvester, and Cathy Enstad. Absent was Council member Don Goedtke. Others in attendance were City Administrator Mike Rietz, John Shockley with Ohnstad Twichell, City Clerk Jeri Reep, EDA Director Karen Lauer, TEC Manager Guy Swenson, Jon Pauna with KLJ Engineering, EDA Chair Eric Spilde, EDA Vice-Chair Bruce Albright, and Pam Aakre with the Record Review.

Mayor Prim stated the only item on the agenda was the discussion on the proposed hotel project.

Council member Davis stated that he is a co-owner of the proposed land for the proposed hotel project. Mr. Davis stated that he will be abstaining from the final vote due to a conflict of interest.

Mayor Prim stated that the proposed hotel discussion is for information only this evening, and this item will be considered at the July regular meeting.

EDA Chair Eric Spilde stated that in March 2014, the City Council, School Board, and the EDA met, and all were concerned about the growth of the City. Mr. Spilde stated that the EDA would like to update the council members on the proposed hotel project.

Council member Don Goedtke arrived at 6:35 p.m.

EDA Director Karen Lauer next discussed the timeline for the proposed hotel project. Mrs. Lauer stated that in October 2014 a request from Mr. Brad Barth, whose family owns property on the I-94 and Highway 9 intersection, if the city would be interested in working with him on the possibility of constructing a Cobblestone Inn & Suites on their property.

Mrs. Lauer stated that a meeting was held with Brad Barth and herself, along with Mr. Alex Chaput with Cobblestone Inn & Suites. The proposed hotel would be 36 units, with a pool, built on 1.5 acres. Per Minnesota Building Code, the hotel would need to be sprinkled, which would require the building to have access to City water, requiring annexation. KLJ Engineering provided preliminary cost estimates to bring water and sewer north of Interstate 94, as well as east of Interstate 94 along Highway 34. In reviewing the costs it was clear that it was cost prohibitive to go to the north. The estimated cost to bring water and sewer to the north was \$1.6 million, while the cost to bring water and sewer to the east was \$1.1 million, over \$300,000 of being the cost just to bore under the I-94.

Mrs. Lauer stated that the Davis family is willing to sell 1.5 acres of land for this project.

Mrs. Lauer stated that this project would not qualify for tax increment financing, but Tax Abatement would be a possibility.

EDA Vice-Chair Bruce Albright next discussed with council members the possibility of extending water and sewer to the proposed site. Mr. Albright stated that it would be cost effective to extend both the water and sewer at the same time for this project.

City Administrator Mike Rietz next discussed the recovery of the City's expenditures for this proposed project. The estimated cost is \$1,092,175, with a 20 year bond payment of \$76,010.

Council member Strom questioned if potential investors are already found. Mrs. Strom stated that swim lessons would not be able to be provided at the hotel.

Mayor Prim stated that the proposed hotel has been discussed at the EDA board for several months.

Council member Rick stated that the interstate is close by, it's a nice location, but we have other highways very popular also.

Council member Strom stated that we need some new infra-structure for out residents.

City Engineer Jon Pauna stated that this project would need a lift station.

Council member Sylvester stated that he would like to see the City grow, but questioned how much business would come into the city.

Council member Strom questioned how this would help the residents.

Mayor Prim stated that he would like to see this project move forward, but we need to be practical also. Mayor Prim asked council members if they had any other questions. There were no other questions for the EDA Board at this time.

Mayor Prim adjourned the meeting at 8:05 p.m.

Submitted by:

Attest:

Jeri Reep
City Clerk

Eugene Prim
Mayor