

SPECIAL CITY COUNCIL MEETING MINUTES  
MARCH 23, 2009, 5:30 P.M.  
CITY COUNCIL CHAMBERS

The City Council of Newton, Iowa met in regular session at 5:30 P.M. on the above date in the Council Chambers at 101 West 4<sup>th</sup> Street South. Mayor Allen presided. Present: Council members Plumb, Hansen, Julius, Foreman, Mullan. Absent: Absent.

Mayor Allen stated at this time we will have presentations from CVB, Golf Division, Grant Writer for the Maytag Bowl Project and NDC.

Linda Bacon from the Newton Convention and Visitor's Bureau presented the Council with their mission to enhance the economy of Newton through promotion of the area for tourism, and as a central location in Iowa for meetings, conventions and special events. The CVB is the single community and county revenue generating organization for hotel/motel tax funding for all of the organizations benefiting from the tax. CVBs are responsible for bringing in 10% of visitors for events and more for the events they actually sponsor. For a community the size of Newton the average daily spending for those visitors is \$167.19 per person. Newton's total economic impact from CVB sponsored events such as the Bridal Fair, the Maytag Reunion, Miscellaneous Motor coach Tours, and other events total \$272,854. The economic impact from CVB promoted events like the Iowa Sculpture Festival and Iowa Speedway Race Events is \$2,502, 565. There are many more events that impact Newton's economy but do not have attendance numbers and thus can't be assigned dollar figures. For instance, the Weekend Pit Stop, Drag Races, Sugar Grove events, Newton Farmers Market, and Festival of Trees to name a few. The CVB markets our community through leads, RFP's to our hotels and conference centers, co-op marketing, the CVB newsletter, sculpture tours, Travel Iowa Marketplace, the Chicago Travel Expo, and via the Internet. The CVB is always looking for ways to keep up with the tourism market by partnering with local, neighboring, and regional groups.

Denny Slings, Parks and Recreational Director, addressed the council regarding Westwood Municipal Golf Course. The Newton Park Commission is a Department of the City of Newton, comprised of five divisions, which provide Park Facilities, Recreational Programs, and Support for these facilities and programs. The divisions include Parks Administration, Parks General, Mechanic, Fred Maytag Pool, and Golf. The Golf Division is currently using their current portion of the Hotel/Motel Tax receipts for paying the annual debt service on the General Obligation Bond totaling \$456,000, which funded a Front 9 Redesign and Reconstruction Project in 1997. Any tax revenue exceeding the annual debt service amount is placed into Golf revenue and is utilized for operational expenses. The Newton Park Board has identified a number of future Capital Improvements needed within the Golf Division in order to keep the course competitive and viable. These improvements estimated at \$450,000 include resurfacing of parking lots and road systems, bridge replacement, clubhouse upgrades, and etc. The Board proposed that these improvements be funded by a future bond (FY 2011-12) with the debt service being again paid with Hotel/Motel Tax Revenues. The Golf Division operates as an Enterprise Fund with the Hotel/Motel Tax Revenue being an important source of income, allowing the Golf course to fund major improvements that would be otherwise impossible. These improvements are key to attracting the golfing public and providing a quality recreational product for citizens.

Kathryn Ollendieck, Grant Writer for the Maytag Bowl Project stated I work closely with the client to cultivate goals and objectives and submit a professional well-written document. I have an excellent working knowledge of the Vision Iowa process and have worked together with the Vision Iowa staff and board of directors to see that every proposal I have had the opportunity to submit awarded a grant. The project needs financial support from City, County and private funding, she went on to note the competitive clock is ticking; we do not need the lump sum up front. I feel you have a very viable project.

Frank Libiel, Interim Director, presented the Newton Development Corporation's Plan. The objective of NDC shall be to encourage, assist, establish, maintain, and develop in and for the City of Newton; industrial and business projects that will increase employment opportunities and aid the growth and development of the City of Newton and the surrounding area. In 2005 and in 2006 the City asked NDC to lead the effort to try and pass the Hotel/Motel tax that would raise the tax from 5% to 7%. The tax increase passed both years. In 2007 NDC asked investors to increase their investment in NDC due to the loss in funds from Maytag. In 2008 NDC raised nearly \$90,000 and increased their investor list from 25 to 70. NDC has leveraged \$350,000 from the Region and State that allows them to advertise in Site Selection Publications and to attend Trade Shows, which was vital in Economic Development and helped Newton land TPI and Trinity. Newton has received national exposure including an article in the New York Times, a feature on CBS Sunday Morning, and the CBS Evening News with Katie Couric. NDC stays continually involved in business retention calls. The information they gather enables them to work with existing companies regarding future expansion or concerns about staying in the community. NDC has been heavily involved in recruiting new businesses by working on RFPs

(Request for Proposals) such as The Trinity EDA Grant. NDC coordinated a "Commercial Loan Program" for existing businesses that enabled them to make improvements and buy new equipment at a rate of 4.9% APR. NDC also provided intermediary revolving loan programs (IRP). NDC has partnered with DMAACC, JEDCO, My Entre.Net, SCORE, the SBA, and the UNI Small Business Development Center to offer classes, business counseling and workshops for entrepreneurs and existing businesses.

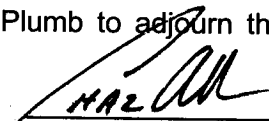
Moved by Foreman, seconded by Hansen to Introduce a Resolution Approving Allocation Of Hotel / Motel Taxes. Discussion ensued by Council Members. Moved by Hansen, seconded by Plumb to amend the resolution as follows: For golf an amount to pay for the debt schedule portion of the refinanced 1997A bond attributable to golf, as reflected by the 2006C debt schedule. Newton Convention and visitor's Bureau 56% of 5/7<sup>th</sup> of the hotel/motel tax revenues. Newton Development Corporation, 2/7<sup>th</sup> of the hotel/motel tax revenue, not to exceed \$75,000. Payments to end 12/31/09 per Ordinance No. 2073. City of Newton, remainder of all hotel/motel tax revenues after distribution. AYES: Five. NAYS: None. ABSENT: Morris. Amendment passed. Roll call vote on the Resolution as amended. AYES: Five. Five. NAYS: None. ABSENT: Morris. Resolution No. 2009 – 028 adopted as amended.

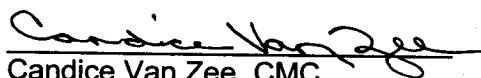
Moved by Julius, seconded by Hansen to Introduce the Resolution Authorizing Mortgage Financing Per The Terms Of The Development Agreement With HNF Development, LLC, For A Hotel On Property Located Within The Prairie Fire Economic Development Area. AYES: Five. NAYS: None. ABSENT: Morris. Resolution No. 2009 – 029 adopted.

Moved by Julius, seconded by Mullan to Introduce a Resolution Approving An Amendment To The Development Agreement With Douglas And Jones Development, LLC, For A Gas Station / Convenience Store On Property Located Within The Prairie Fire Economic Development Area. Darrin Hamilton, City Attorney / Acting City Administrator explained this amendment does not impact the minimum assessment or any other terms of the development agreement, it only amends the legal description of the property. AYES: Five. NAYS: None. ABSENT: Morris. Resolution No. 2009 – 030 adopted.

Moved by Foreman, seconded by Plumb to Introduce a Resolution Approving An Amendment To The Development Agreement With HNF Development, LLC, For A Hotel On Property Located Within The Prairie Fire Economic Development Area. It was explained this resolution has two amendment, the first involves the completion date is requested to be amended from April 15<sup>th</sup> to Sept. 30, 2009 and the second amendment involves the legal description of the property. These amendments do not impact the minimum assessment or any other of the terms in the Development Agreement. AYES: Five. NAYS: None. ABSENT: Morris. Resolution No. 2009 – 031 adopted.

Moved by Hansen, seconded by Plumb to adjourn the meeting at 6:45 p.m. Motion unanimously carried by voice vote.

  
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Charles Allen, Mayor

  
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Candice Van Zee, CMC  
City Clerk