

**MCGREGOR CITY COUNCIL
SPECIAL MEETING
JANUARY 25, 2016 6:00 P.M.**

The MCGREGOR CITY COUNCIL met in Special Session at 6:00 p.m. on **Monday, January 25, 2016** at City Hall with Mayor Pro-Tem Muehlbauer presiding. The meeting was called to order at 6:00 p.m. and the Pledge of Allegiance was recited. Council members present: Halvorson, Hallberg, Carroll, Echard, and Muehlbauer.

Mayor Pro-Tem Muehlbauer opened a scheduled and published public hearing at 6:01 p.m. to take comments on recommendations made by the McGregor Planning and Zoning Commission for a rezoning request. Application was made by Trilogy Partners LLC to rezone their property located at 110 Front St. (former Holiday Shores Motel) from its current zoning of W-1 Waterfront Commercial-Recreational to W-2 Waterfront Mixed Use. The zoning change is necessary to allow construction of a proposed condominium development.

Mike Blaser, attorney from Brown Winick representing Trilogy Partners, LLC, introduced himself, his associate Karen Karr, Lois and Bruce Buchheit, and Mike Jansen IIW. Mr. Jansen provided an overview of his firm's involvement with the project which included site survey, regulatory coordination, and flood plain development.

Salle Scarff Muehlbauer read a letter at the request of Lyle Troester who was unable to attend the meeting. The letter addressed the need for a hotel/motel and conference room. There is not a large enough facility in the area to accommodate his meetings with lodging and meeting space in one location so he had to hold his meetings in other communities such as the Dells, Dubuque, or Peoria. He encouraged the Council to maintain the current zoning for the good of McGregor and the support of its businesses. The new owners were fully aware of the zoning when they purchased it. No discussion should ever take place concerning a zoning change without knowing who all of the partners are.

Dave Kneer, Chairman of McGregor Historic Preservation Commission, read a recommendation based on discussions of the commission during completion of their annual CLG report. Loss of the motel will have a detrimental effect on the community's efforts to preserve the historic downtown district. Loss of tourist traffic leads to loss of tourist dollars, leads to loss of business income, leads to weaker business community, leads to weakened commitment to maintain historic buildings. The commission made a strong recommendation to the council that the application for rezoning be denied in order to affirm the city's commitment to historic preservation.

Roland Clinton provided his support of the rezoning stating he would like to purchase one of the condos. He went on to state that there are enough hotels in the area, visitors can stay in Prairie du Chien. A hotel at the sight would have to charge \$150 a night and they can get a room for under \$100 in one of the PDC hotels. Condos will draw guests who will spend money. Bob Clark informed the council that he works at the visitor center in PDC and is constantly being asked if there is a hotel on the river – which there currently isn't. McGregor would have one of a kind in the area. Josie Davies added that the property is the diamond of our town. Dan Bickel expressed

his opposition to rezoning. McGregor depends on tourism and the Mississippi River is the draw and if the zoning change is allowed only a few wealthy people would get to enjoy the McGregor riverfront instead of the many that could while staying in a motel. Craig Watson pointed out that there are many residential lots available at a good price on which to construct single family homes. He inquired into the square footage of the condos and the quality of construction that would be used. He expressed his concern that Trilogy shows a lack of commitment to the project if it would only finish out the condos that have been sold – leaving empty shells for prospective buyers to complete themselves. Harry Walk inquired as to whether a feasibility/demand study had been completed to see if condominiums are needed and in demand. He pointed out that the Harper's Ferry condos are not selling so it would indicate that there is not a demand and that McGregor has additional residential property available. Salle Scarff Muehlbauer stated that the planning and zoning was doing what was right for the community as a whole.

Mr. Blaser informed the Council that they had seven letters of commitment for condos already, but hadn't been promoting for additional buyers due to the status of the zoning problem. He said voting no was not an option, that the city could not turn away investors ready to spend their money here. This investment would attract others wanting to invest in the community as well. If the condos don't sell the W-2 zoning would allow for other uses. Larry Brummel reminded the council that the city will not get the entire amount of property tax that would be generated. The city only gets a small portion. Hotel motel tax would generate additional continuing tax above and beyond what the residential tax on the condos would generate. He went on to state that this is the only shot McGregor has for seeing the appropriate development take place on this important property. A hotel motel would be the best thing for supporting our businesses. McGregor does not want to be stagnant as was insinuated by Mr. Blaser, but we do want to preserve its history. Hotels are still being built around the country, so seems like that should mean it is worth the effort. He also reminded the council that the community had been burned on the golf course project by not knowing enough about the investor and would hope that would never be allowed to happen again. Dan Bickel added that the hotel motel tax was important in addition to the commercial property tax that would be generated by a hotel. Those tax funds help to promote the community and to fund the chamber of commerce.

Maureen Wild expressed her concern that McGregor has very limited real estate available for growth and about Trilogy taking away prime commercial real estate to build condos. The community needs to be able to keep tourists in town. She stated that there are numerous second floor opportunities to convert to condos. A few special people should not have the exclusive use of a riverfront that would be enjoyed by thousands if a hotel was built. Karen Karr explained that condo owners would have the option of renting their condos when they were not using them. This would generate hotel/motel tax. Bart Knight questioned how many in the audience would rent their homes out to people they did not know. Only two hands went up. Salle Scarff Muehlbauer questioned how this practice would be monitored to ensure taxes were being collected. Larry Brummel expressed his surprise that the group would spend so much on a piece of property that they knew was not zoned for their intended use. Anne Kruse agreed that it was quite odd that the group would not have had a plan for the property and done more investigation into the allowed uses prior to purchasing such an expensive piece of property. It would appear to be a part of the preconceived plan to hold the community hostage by claiming that it was

uninsurable, tearing down the old motel, and saying if they don't get to build condos then they will let the property set vacant for years.

There being no additional comments to offer, Mayor Pro-Tem Muehlbauer closed the public hearing at 6:47 p.m. and asked if the council was prepared to make a motion on the Trilogy application. Halvorson moved, seconded by Muehlbauer to deny the Trilogy Partners LLC application for rezoning of their property from W-1 Waterfront Commercial Recreational to W-2 Waterfront Mixed Use. Roll call vote: Ayes – Hallberg, Halvorson, Carroll, Echard, and Muehlbauer. Motion carried unanimously.

With no further business to conduct Hallberg moved, second by Carroll to adjourn the meeting.

Joe Muehlbauer, Mayor Pro-Tem

Attest:

Lynette L. Sander
City Administrator