

**Community Development Committee Meeting**  
**4:45 pm, Thursday, June 14, 2012**  
**Conference Room No. 1**  
**City Office Building**

**Chair:** Jim Dokken  
**Members:** Bruce DeBlieck  
Ron Christianson  
Steve Ahmann

**AGENDA**

1. Public comments.
2. Development Financing Policies.
3. Terminable Licensing Agreement for the Goodwill project.
4. Garbage can storage.
5. Miscellany.
6. Adjourn.

1. Comments will be received from the public.
2. The Committee will begin review of development financing policies. These are policies that were previously adopted by the Council to guide decision making in providing incentives to developers on various types of projects. The policies in place deal with tax increment financing, industrial development bonds, general obligation bonds, and revenue bonds. Missing from the policy is discussion of tax abatement and land price write-down for the sale of industrial park properties. The existing policies, which are attached, include review criteria and eligibility requirements for the different types of financing.
3. Similar to recent action to allow a sign in the City's right of way on South 1<sup>st</sup> Street, special permission is required for the developer of the Goodwill project to construct and maintain surface parking at the intersection of 19<sup>th</sup> Avenue and 1<sup>st</sup> Street. This area has an exceptionally large right of way easement in favor of the City of Willmar that severely limits private development. The City currently has underground utilities in this area and they will need to be protected in an agreement. The Planning Commission believes that the use of a portion of the easement area for surface parking is a good use for the property. All storm water requirements are being met with underground retention. Staff will be able to answer specific questions about the City's easement rights and the developer's proposed use.
4. The Committee will discuss the matter of garbage cans and abuse of curb side storage.
5. Staff will review the Planning Commission discussion and requirements for the Goodwill project.
6. Any items of miscellany will be presented by staff and the Committee.

**CITY OF WILLMAR**

**DEVELOPMENT**

**FINANCING**

**POLICIES**

## PURPOSE

The purpose of these policies is to guide the City of Willmar in the prudent and wise use of economic development financing tools which serve to eliminate blight, preserve and create jobs, and expand the tax base.

### I. TAX INCREMENT FINANCING

#### A. Project Eligibility/Qualification

The City will use tax increment financing to assist the following types of development/redevelopment projects in accordance with M.S. 469,174-179:

1. Industrial (manufacturing, production, warehouse/distribution, etc.)
2. Bona fide redevelopment which results in a substantial net increase in taxes generated within the district.
3. Other projects which demonstrate significant contribution/benefit to the City, but which would not be economically feasible without such assistance.

Tax increment financing assistance shall be provided only upon demonstration of need and to the degree necessary to accomplish the desired development. The use of private financing in any project must be maximized. Projects shall be structured so as to minimize the City's financial exposure and to reduce the risk of having to levy taxes to retire debt issued for a project.

#### B. Review Criteria

The following criteria shall be reviewed when considering a request for tax increment financing:

1. Job creation.
2. Tax base enhancement.
3. Impact on municipal services.
4. Impact on traffic/transportation systems.
5. Compatibility with neighborhood.
6. Consistency with Comprehensive Plan.
7. Overall community impact.
8. Amenities offered to the community.
9. Competitive position relative to existing similar business(es).
10. Other.

C. Required Data

The following data/information may be required from the developer/applicant for review by the City:

1. Market feasibility study.
2. Statement of need.
3. Prior development references.
4. Source and use of funds statement with cash flow projections.
5. Commitment of lender (with opinion of financial feasibility).
6. Financial statements which document developer/applicant capabilities.
7. Other.

D. Application.

An application fee (non-refundable) will be charged at the time of application based on the amount of tax increment financing requested by the developer/applicant:

<u>Amount Requested</u>	<u>Fee</u>
less than \$500,000	\$750
\$500,000 - \$1,000,000	\$1000
more than \$1,000,000	\$1500

The application fee is intended to pay the City's administrative and legal costs incurred prior to formal Council action on the application. All such expenses are the responsibility of the applicant, whether or not the financing is approved.

E. Financing Methods

Eligible public development costs in tax increment financing projects can be funded in several ways, including:

1. The sale of tax increment bonds.
2. The use of industrial development reserve funds.
3. By the developer on a pay-as-you-go basis.

The developer/applicant shall be required to execute development and assessment agreements, and to provide completion bonds or equivalent guarantee in an amount to be determined by the City.

F. Tax Increment Bonds

Tax increment supported bonds shall be issued only where projects can be shown to be self-liquidating from tax increments generated in sufficient amounts or where secured guarantees are provided for potential shortfalls, with appropriate timing to avoid the use of general property tax revenues, and where maximum allowable guarantees are obtained. The City shall select the bond counsel and underwriters.

G. Right Reserved

The City reserves the right to approve or disapprove applications on a case-by-case basis.

II. SPECIAL OBLIGATION BONDS (INDUSTRIAL DEVELOPMENT BONDS)

A. Project Eligibility/Qualification

Special obligation revenue bonds, those bonds for which the City incurs no financial or moral obligation, shall only be issued if the associated development projects can be shown to be financially feasible and contributing substantially to the welfare and/or economic development of the City and its citizens. State/federal law will dictate the types of projects which qualify for special obligation bonds and the parameters within which the financing is issued.

B. Process/Policies

The process by which the City will serve as the issuing authority and the policies to guide such process shall be as previously adopted by the City (see Attachment A).

C. Right Reserved

The City reserves the right to approve or disapprove applications on a case-by-case basis.

III. GENERAL OBLIGATION BONDS (PROJECT DEVELOPMENT-RELATED)

A. Use

General obligation bonds, property tax-supported bonding, shall be used to finance only those capital improvements and long term assets which have been determined to be essential to the maintenance or development of the municipality.



INDUSTRIAL DEVELOPMENT REVENUE BOND FINANCING

POLICIES AND GUIDELINES

1. At the time an applicant requests the use of Industrial Development Revenue Bonds to finance a development project, an application fee based on the amount of the anticipated bond issue shall be paid to the City of Willmar according to the following scale:

<u>Anticipated Bond Issue*</u>	<u>Application Fee (Nonrefundable)</u>
\$ 300,000 - \$ 499,999	\$ 500
\$ 500,000 - \$ 999,999	\$ 750
\$ 1,000,000 - \$9,999,999	\$1000
\$10,000,000 plus	\$2500

\*All projects shall exceed Three Hundred Thousand Dollars (\$300,000) in total cost.

2. The applicant shall supply all information as requested on the Industrial Development Revenue Bond Application Form. The application shall be completed and submitted to the City at least two weeks before the Council's initial review.
3. The industrial development project shall be consistent with the City's Comprehensive Development Plan and other existing codes.
4. The business shall be of a type which the City would desire to have remain in, expand in, or attract to the City.
5. The following objectives shall be considered when reviewing each financing request:
  - A. Major industrial projects should be located in industrial parks;
  - B. Applicant's project should increase the job opportunities and income potential for persons within the City;
  - C. Applicant's project should increase the tax base to facilitate financing of public services; and
  - D. Applicant should be encouraged to utilize local suppliers to the greatest extent possible.
6. The City's policy will be to approve the applications of (a) well-established companies with good performance records and good future prospects, and (b) newer companies whose performance indicates a sound future in terms of earning prospects and product or service acceptance.
7. The applicant shall make a reasonable showing of equity in the project, as determined by City staff, financial advisors and the City Council.

8. The applicant shall furnish the City seven (7) copies of the company's financial audit for each of the past three (3) fiscal years. If such audits are not available, the applicant shall provide the City with a Certified Public Accountant's opinion on the applicant's ability to meet debt service requirements. The opinion shall be based on the company's financial statements generated over not less than the three (3) most recent fiscal years.
9. The Council shall submit this data to the financial analyst of its choice. The financial analyst shall review the data and make written comments to the Council as to the current and projected financial position of the applicant. This will enable the Council to reasonably evaluate the applicant's ability to service the proposed debt. The applicant shall be required to bear the cost of conducting this financial review.
10. The applicant shall select qualified financial consultants and/or underwriters to prepare all necessary documents and materials required for a Municipal Industrial Development Revenue Bond Sale, and the applicant shall submit a letter of intent establishing the feasibility of the project. The applicant shall be required to assume all costs which may be incurred in examining the legal and/or fiscal aspects of the proposed project.
11. All applicants, individual or corporate, shall demonstrate their ability to service the proposed debt. When a lease agreement or any assignment of obligations is contemplated as part of the transaction, both the applicant and the third party combined must demonstrate their abilities to meet the proposed debt.
12. Bond counsel shall provide the City Council with any possible reason(s) that the bond application may not qualify as a tax-exempt issue, either because of the nature of the project or due to recent changes in the tax-exempt bond laws.
13. An application for Municipal Industrial Development Revenue Bond financing shall expire six months from the date of the resolution by the Council giving preliminary approval to the project, and such approval shall be considered null and void unless:
  - A. The resolution authorizing issuance is adopted prior to the expiration of the six-month period, or
  - B. An extension is granted by the Council prior to the expiration of the six-month period.
14. No application for financing shall be considered for final approval until the City receives written confirmation from bond counsel to the effect that the project is ready to proceed with final approval.
15. The City reserves the right to deny any application for Municipal Industrial Development Revenue Bond financing at any stage of the proceedings prior to adopting the resolution authorizing issuance.

# Goodwill Plan Review

architectural modifications would really break up the look of the building and make it more pleasant.

Mr. Geiger made a motion, seconded by Mr. Oakes, to approve the plan review with the following conditions:

- A. Owner/applicant will be required to enter into a terminable license agreement for any use of City easement (document to be drafted by City at expense of owner/applicant).
- B. Easement area shall be used for parking only; no building structures.
- C. The applicant shall record or verify a recorded cross access easement agreement with the American Legion and provide a copy of said document to the City.
- D. Improvements shall be designed and made for protection of the PIV as per the Fire Marshall's approval.
- E. All of the staff comments from the City Engineer shall be met as requested prior to the issuance of a building permit.
- F. The applicant shall submit a revised building elevation drawing of the south side of the building to visually break up the look of the building and submit it for staff review and approval.
- G. The use shall meet all applicable local, state, and federal laws and regulations.

The following affirmative findings of fact were made for the plan review:

1. That the plan review, with such conditions as the Commission shall determine and attach, conforms to the purpose and intent of this Ordinance, and is in conformity with the Comprehensive Land Use Plan of the City as the property is in the commercial area of a main street thoroughfare and is ideally used for retail.
2. That there was no factual demonstration of a substantial/appreciable negative impact on values to properties in the neighborhood from the proposed use as no factual value information was given.
3. The plan review use will not result in the destruction, loss, or damage of a natural, scenic, or historic feature of major importance to the community as there is no historical significance of the property.
4. That the plan review will not impede the normal and orderly development and improvement of surrounding property for uses permitted in the district as zoned as the area is a fully built out.
5. That adequate utilities, access roads, stormwater management, and other necessary facilities have been, or are being, provided as the site is being redeveloped.
6. That adequate measures have been, or will be, taken to provide ingress and egress in such a manner as to minimize traffic congestion and maximize public safety in the public street as they are using existing access points that have functioned for years.
7. The plan review use will be designed, constructed, operated, and maintained in a manner that is compatible in appearance with the existing or intended character of the surrounding area/neighborhood as it is an architecturally compatible brick retail building.

The motion carried with all members voting yes, save for Mr. Klema who abstained.





**Fender  
Patterson  
CONSTRUCTION**

100 WEST 19TH STREET  
SUITE 100  
WILMINGTON, DE 19806

PRELIMINARY ELEVATIONS

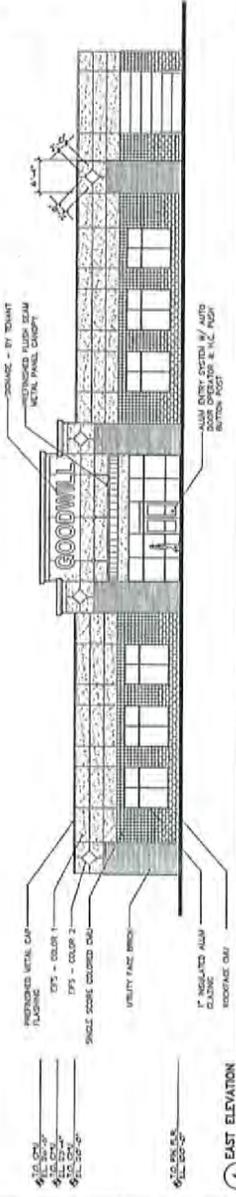
GOODWILL  
100 19TH AVE SW  
WILMINGTON, DE

DATE: 05/11/12  
SCALE: 1/8" = 1'-0"  
JOB NO: 112-0002

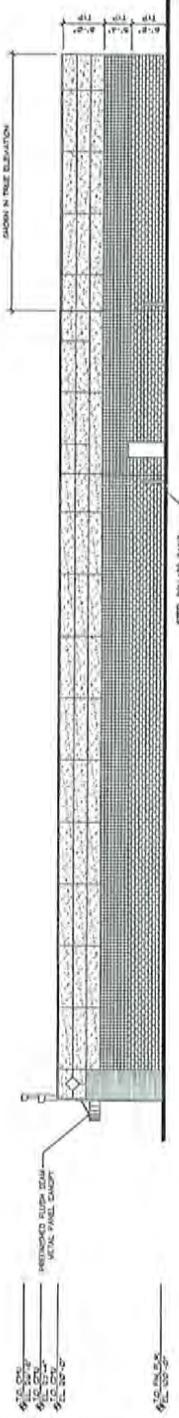
A2

**MATERIAL LEGEND**

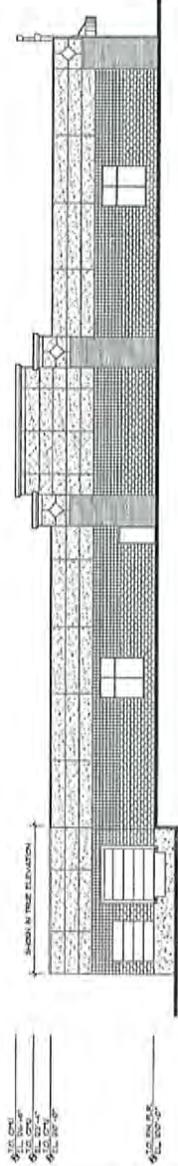
ROCKFACE CMU	ROCKFACE ANCHOR BLOCK "MANA-VET"
UTILITY FACE BRICK	CLOUD CERAMICS "CAROL" "SLURRY"
SINGLE SCORE CMU	BURNISHED ANCHOR BLOCK "WARMSTONE"
EPS - COLOR 1	307 STD SWIRL FINISH - S12071
EPS - COLOR 2	307 STD SWIRL FINISH - S12105



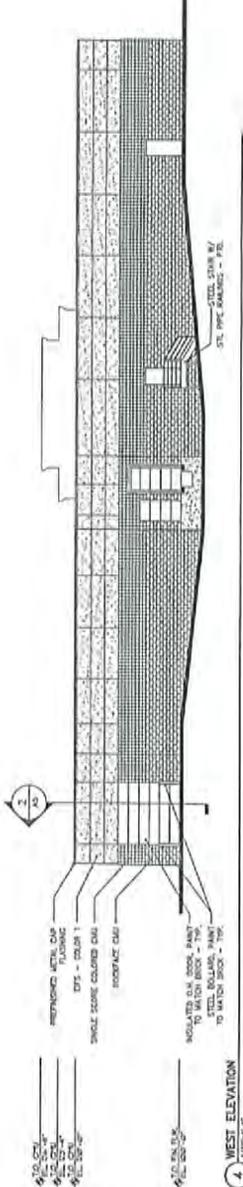
1 EAST ELEVATION  
1/8" = 1'-0"



2 NORTH ELEVATION  
1/8" = 1'-0"



3 SOUTH ELEVATION  
1/8" = 1'-0"



4 WEST ELEVATION  
1/8" = 1'-0"

*New revised  
version  
5-11-12*

Willmar, Minnesota, Code of Ordinances >> PART II - CODE OF ORDINANCES >> Chapter 12 - SOLID WASTE >> ARTICLE II. - DISPOSAL OF GARBAGE AND RUBBISH >>

## ARTICLE II. - DISPOSAL OF GARBAGE AND RUBBISH

Sec. 12-26. - Definitions.

Sec. 12-27. - Storage of garbage.

Sec. 12-28. - Storage of rubbish.

Sec. 12-29. - Frequency of removal.

Sec. 12-30. - Hauling.

Sec. 12-31. - Disposal at county landfill.

Secs. 12-32—12-45. - Reserved.

### Sec. 12-26. - Definitions.

The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

*Garbage* means:

- (1) The refuse animal or vegetable matter, or both, from kitchens, pantries and dining rooms of hotels, restaurants, boardinghouses, tenement houses, flats and dwelling houses;
- (2) The animal refuse from slaughterhouses and butcher shops; and
- (3) The refuse fruit and vegetable matter from stores and fruit houses.

*Rubbish* means paper, boxes, cartons, house sweepings, tin cans, bottles, junk, automobiles, machinery, metals, tires, inner tubes, and any other article or debris that creates an unsightly appearance.

(Code 1978, §§ 1025.01, 1025.02)

Cross reference— Definitions and rules of construction generally, § 1-2.

### Sec. 12-27. - Storage of garbage.

- (a) All garbage shall be deposited, kept and stored, by every householder or occupant of any dwelling house, boardinghouse, flat, apartment, store, restaurant, hotel, or any other place of business, in fly- and water-tight containers of sufficient size to receive all garbage which may accumulate between times of collection and disposal thereof. Each such container shall be provided with a bail or handles and a tight-fitting cover. The container shall be kept at such place on the premises as to be convenient for the garbage collector, and not in close proximity to the buildings or premises of others.
- (b) No person shall deposit or permit to be deposited any garbage or garbage containers at any place nearer [to] the street or thoroughfare adjacent to the front lot line of any property than that portion of the dwelling or structure located nearest the street or thoroughfare, except as follows: Garbage or garbage containers may be placed on the boulevard or area adjacent to a public street after 8:00 p.m. on the day immediately preceding the day for scheduled